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Sustainability Report
2018



ivsgroup®



THE VALUE
OF THE SOCIALLY
RESPONSIBLE
COMPANY

A socially responsible company measures the economic, social and environmental impacts of its activities, adopts business policies targeted at containing negative external factors and when defining its strategy, rolling out its policies and in its daily management conduct, considers the interests of all stakeholders.

A company that addresses environmental issues, by improving its processes both at product level and in terms of energy and logistics management, that adopts company welfare policies able to promote the health and level of satisfaction of its employees and engages in the proper conduct at governance level and in its relations with its investors, will have a more positive company environment, a lower turnover and absenteeism rate, will be able to attract and retain the best staff and enhance its reputation, consequently increasing the confidence and loyalty of customers and, therefore, consumers.

The challenge over the coming years will be to find solutions in line with approaches adopted in other countries, avoiding ideological proposals or those not in keeping with international agreements that make provision for the principle of non-discrimination of companies and the promotion of the free market.

Transparency in the company's management of the aforementioned issues forms the basis of **drafting** of the **Sustainability Report**, a document that actually represents a model of reporting on the **quantities and qualities of the relationship between the company and the reference groups representing the entire local community**, targeted at mapping out a homogeneous, accurate, complete and transparent overview of the complex interdependence between the typical economic, social and environmental characteristics of the context in which the company operates.

The **Sustainability Report's** objective is to describe not only the organisation's **performances**, but also the way in which the organisation manages the most important aspects, in terms of **principles, values, risks, policies and management systems**.



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Dear shareholders and stakeholders,

2018 was a year of further development for IVS Group. This development concerns not only the group's financial results, but also all the operational and qualitative aspects on which our activity is based.

Our mission is to meet, every single day, the needs of our customers: almost 3 million people who choose our services, for a short break during their work, study or travels. This requires constant attention to many details that, for the most part, tend to escape the users but that are fundamental and well known to all our collaborators and partners, without whom we would not be able to carry out our work at the highest standard.

LETTER TO STAKEHOLDERS

The growth of our turnover, from just under 410 million to over 434 million euros, in a service-based activity hinged on presence on the territory and a high density network of logistics, goes together with the growth in the number of our collaborators, who went from about 2,700 to 2,800 in just one year.

The overall number of vends, from coffee to cold drinks and snacks, also increased, growing from around 805 million to over 834 million. This in turn resulted in more exchanges with our suppliers and partners, both in terms of purchases of products and other services. For example, a growth in the purchases of coffee (of approximately 6%) led to a proportional increase in the quantities of coffee collected and recycled for energy and compost production, from 74 tons to 82 tons.

The growth of IVS, therefore, generates value not only for the company but also for many economic partners and social entities that maintain a relationship with us.

IVS is not simply interested in doing a good job: our goal is to do a better job, every day. This is why we are a group that invests a lot. More precisely, every year we invest more than the net profits generated by our income statement. For us, investing means responding always better to the demands of a constantly evolving market and customers. Changes, even those that at first appear unfavourable, can, on the contrary, become opportunities to innovate and improve. The investments, which are also increasing, are in the order of 10% and surpass the turnover, close to 50 million a year (excluding investing activities in acquisition of subsidiaries and business units), a very significant level for IVS, which is a service company and not an industrial-manufacturing enterprise. We are proud that, out of these investments, a significant share, equivalent to some million euros, is designated to innovative technologies, new applications and R&D personnel. Elements that we believe will spur our value growth, even if they do not generate immediate profits.

In doing all this, however, we cannot forget the need to maintain the sustainability, even on the economic side, without which a company no longer has solid medium and long-term prospects, especially in complex and volatile scenarios such as those in which we live.

This is why we want the value of our investments to be clear and well recognised by our partners and our customers. We also want there to be a correct relationship between the quality of the product and service and its price. Only with such recognition, development works and can be advanced in the interest of all stakeholders.

IVS proudly gives back an important share of the revenue it generates to the communities within which it operates. This share significantly exceeds the group's net profits and it also exceeds the dividends that are paid to shareholders and the interest paid to lenders (even though shareholders and lenders provide the capital necessary for the life of the company).

The vending sector, by nature, can grow organically to a relatively limited extent, depending on GDP trends and hours worked. IVS has faced and overcome the economic crisis of the past years by innovating and investing considerable resources, as previously mentioned. In this context, there is no doubt that some categories of stakeholders, such as partners and clients like hospitals, universities and other public administration, have seen their share of benefits received by our group's business increase significantly – comparatively more than other clients like employees, suppliers, lenders and shareholders. The crisis of the past years and the growing financial needs of certain institutions and public administrations have certainly influenced the change in balance between stakeholders; the whole vending sector has been influenced by this and it is clear that in many small companies this is jeopardizing or will jeopardize the sustainability of the business. As industry leader, IVS feels the responsibility not only of investing and innovating to improve, but also of recalling the overall balance of dynamics among the various stakeholders. Without such balance, sustainability would be at risk and so would be the generation of value that everyone could instead benefit from.

The evolution of the vending sector in the next few years will also depend on the balance between stakeholders. On the one hand, in a sector born less than 50 years ago, a phase of entrepreneurial and generational transition and concentration is natural. IVS Group itself is a proof of this, having grown through constant mergers and acquisitions and continuing to do so even after the disappearance of a

key figure for our company, the founder Cesare Cerea. On the other hand, there is a risk that the smaller or weaker companies will suffer strongly from worsened conditions of equilibrium, imposed by other stakeholder, with consequent financial difficulties. These financial difficulties could even affect the entire chain, potentially even damaging (in terms of worse service quality or shortages of expected resources) the same subjects who, with increasing, sometimes excessive, demands, generated such break in balance in the first place.

For all this, IVS Group is committed every day to generating growth and increasing the distributable value among all stakeholder. A value that touches not only the economic sphere, but also innovation, sustainability and society. This is a way of doing business that goes back in time, to our founder Cesare Cerea. It is a commitment in which the whole company believes, and that the management and all the collaborators intend to maintain.

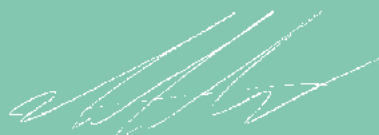
Paolo Covre – Presidente



Massimo Paravisi – Co-Ceo



Antonio Tartaro – Co-Ceo



834.3

Million
of Vends



434.4

Million
of Revenues

METHODOLOGICAL NOTE



This document represents the consolidated non-financial statement (hereinafter also "Sustainability Report") of the companies belonging to the group established by the parent company IVS Group S.A. and its subsidiaries (hereinafter also "IVS Group" or "the Group"), drafted with the objective of fulfilling the obligations set out in Law of 23 July 2016, published in Mémorial A, with which Luxembourg acknowledged European Directive 2014/95/EU. The contents and indicators in the report were selected on the basis of a materiality analysis, which allowed us to identify the significant areas for the Group and its stakeholders, taking into consideration the "Guidelines on non-financial reporting" of the European Commission, as suggested by the *Commission de Surveillance du Secteur Financier* (CSSF).

In that sense, the Sustainability Report was drafted in such a way as to allow an understanding of the Group's activities, its performance, its results and its impact in relation to environmental and social aspects, personnel, respect for human rights, the fight against active and passive corruption, which are relevant themes taking account of the Group's activities and characteristics. The Sustainability Report also includes amounts reported in the Group's 2018 Consolidated financial statements¹. The perimeter of economic data is the same as the Group's 2018 Consolidated financial statements, while the perimeter of corporate and environmental data and information is composed solely of fully consolidated subsidiaries². Any methods of representation of quantitative data that should differ from the above are indicated in the appropriate notes of the document. In addition, for the purposes of a correct representation of the performances and to guarantee the reliability of the

data, the use of estimates that, if present, are based on the best methods available, has been limited as much as possible, and are reported accordingly. With reference to the scope of consolidation, it should be noted that, in December 2018, the subsidiary IVS FRANCE S.A.S. signed an agreement to acquire the majority interest (80%) in the French company MB WEB S.A.S. which, in 2017, was consolidated according to the equity method (given, in turn, a subsidiary of the joint venture Cialdamia S.r.l.) and not included in the reported data. In consideration of the above and taking account of the insignificance of the 2018 volumes of MB WEB S.A.S., the environmental and social data relating to the company were not provided in this reporting year³.

The Sustainability Report have been prepared in accordance with the "GRI Sustainability Reporting Standards" published in 2016 by the Global Reporting Initiative (GRI), according to a "Core" option. A table of the GRI indicators reported is provided at the bottom of the document, which provides a summary of the indicators and page references.

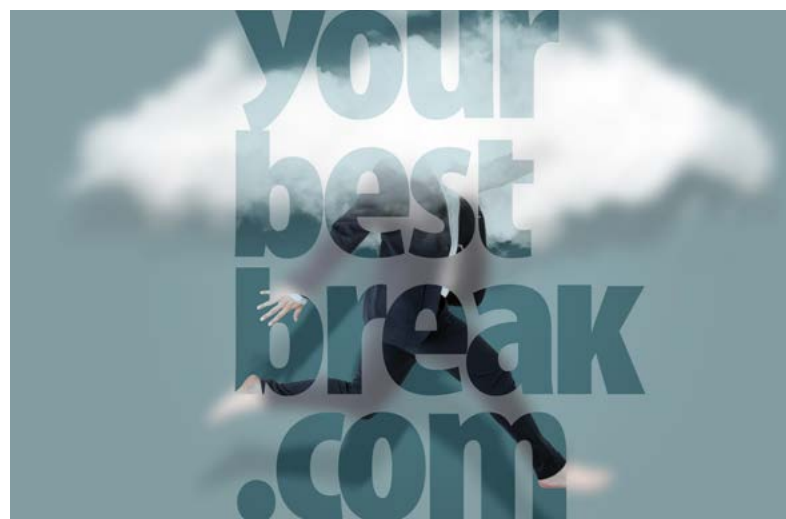
On a voluntary basis, the Sustainability Report was subject of a limited assurance engagement by Deloitte & Touche S.p.A., which, at the end of the work performed, released a specific Independent Auditor's Report, hereby enclosed, according to the criteria set out by the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 Revised").

As established by the law requirements, the Sustainability Report contains descriptions of Group's business model, adopted policies (including

1. As regards economic data, please refer to the Consolidated income Statement of the 2018 Annual Report of IVS Group S.A. for further information. As regards personnel data, please refer to Section 33 – Personnel Costs – of the Explanatory Notes of the 2018 Annual Report of IVS Group S.A. for further information.
 2. For the list of fully consolidated Group companies, please refer to Section 6 – Group Information – of the Explanatory Notes of the 2018 Annual Report of IVS Group S.A..
 3. Any additional exceptions are indicated in the document accordingly.

their outcomes), principal risks (including how they are managed by the Group) and non-financial Key Performance Indicators (KPIs) related to the following thematic aspects: environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters. The Group is strongly committed in these matters and is constantly involved to develop internal management models, structured policies and internal procedures to reduce the risks related to the business activities and to set challenging targets. Therefore, several adopted policies are described in the Sustainability Report, such as the statements of The Code of Ethics or The Declaration of the Integrated Group Policy, which incorporates quality, environmental and health and safety policies. The Declaration also establishes objectives to be pursued by the Group, so that its outcomes have been monitoring during these early years of application, and some risks to be monitored. With regard to the Group's risks management, the main Environmental, Social and Governance (ESG) risks are related to the product quality and safety, food traceability and health and safety of employees. Besides the Declaration of the Integrated Group Policy, the Sustainability Report also contains the description of the Whistleblowing Procedure, of the Group's approach to the health and safety employee risks matter and references to the Company Hygiene Self-Regulation manual, the Food Safety Management System certifications owned by Group companies and the certifications the Group wants to obtain during 2019, as the SA 8000, in line with an increasingly attention to the ESG topics.

Moreover, specific data and information regarding environmental issues, social issues related to employees, respect of human rights, anti-corruption,



diversity of the board members can be find in the Report. The table on the next page provides a correlation map between the topics mentioned by the Law, the main information contained in the Sustainability Report and the chapter or the paragraph where information can be found. The data and information in the Report relate to the year 2018 (from 1 January to 31 December) and for comparative purposes, and where available, to the previous year. The Sustainability Report is published annually.

Lastly, to make it easier to understand the information in the Sustainability Report, the following terms are used:

- "the Group" and "IVS Group" with reference to the Parent Company IVS Group S.A. and fully consolidated subsidiaries;
- "IVS Group S.A." with reference to Parent Company.

For information relating to the Sustainability Report, send an e-mail to investor.relation@ivsitalia.com. This Sustainability Report is also available from the section of the Group's website dedicated to sustainability (www.ivsgroup.it).

The document was approved by IVS Group S.A.'s Board of Directors on 19/03/2019.

Thematic aspects	Main related information reported in the Sustainability Report	Sustainability Report chapters or paragraphs
Environmental matters	<ul style="list-style-type: none"> • Energy consumption • GHG emissions • Water consumption • Waste management • Initiatives to reduce consumption and emissions • Certifications obtained by the Group companies (UNI EN ISO 14001:2015; UNI CEI EN ISO 50001:2011) 	Environmental responsibility
Social matters & Respect for human rights	<ul style="list-style-type: none"> • Sponsorship & donations • Social initiatives and activities • Consumer health and safety • Supply chain management • Signing of the Group Code of Ethics by suppliers • Management of relations with suppliers in accordance with the principles and values outlined in the Group Code of Ethics • Provisions of the Group Code of Ethics on anti-discrimination regarding employees and suppliers (human rights) • Certifications obtained by the Group companies (UNI EN ISO 9001:2015; UNI EN ISO 22000:2005; UNI 10854:1999) 	Focus on customers Focus on local areas
Employee-related matters	<ul style="list-style-type: none"> • Diversity and equal opportunities • Employee well-being • Industrial relations • Training and development • Workplace health and safety • Certifications obtained by Group companies (BS OHSAS 18001:2007) • ENWHP Project 	Responsibility to people
Anti-corruption and bribery matters	<ul style="list-style-type: none"> • Risk assessment in relation to the risks of corruption • Principles, values and Code of Ethics • Related party procedure • Model 231/2001 • Training courses on Model 231/2001 (anti-corruption) • Gap Analysis tool • Compliance with laws and regulations • Whistleblowing Procedure 	Governance and Risk Management

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FARE
PACE
Sergio Mattarella



UBI Banca



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THE IVS GROUP

HIGHLIGHTS 2018



ENERGY CONSUMPTION

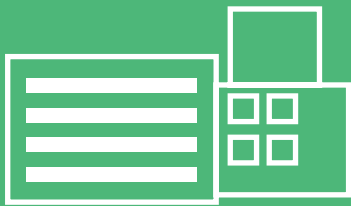
254,317
GJ



EMISSIONS

15,700 TONS CO₂e
SCOPE 1 EMISSIONS

3,685 TONS CO₂
SCOPE 2 EMISSIONS



ACQUISITIONS

9 ACQUISITIONS IN 2018
(>170 FROM 2007)

80 BRANCHES OF WHICH:

60 IN ITALY

15 IN SPAIN

4 IN FRANCE

1 IN SWITZERLAND



RESULTS

434.4 MILLION
IN REVENUES

93.4 MILLION EBITDA
ADJUSTED⁴

>189 THOUSAND VENDING
MACHINES

834.3 MILLION VENDS

EMPLOYEES



2,799
EMPLOYEES



68.4%
EMPLOYEES
BETWEEN AGES
OF 30 AND 50



92.5%
EMPLOYEES WITH
A PERMANENT
CONTRACT

4. Adjusted to remove non-recurring and exceptional income and expense sowing to their nature.

The Group profile

The IVS Group is one the leading Italian operators in the food service sector, particularly in the sale of hot and cold drinks and snacks through automatic and semi-automatic vending machines ("D.A").

OUR MISSION



The IVS Group serves private customers, public organisations and passenger transit and travel locations, based on multi-year contracts, which make provision for the installation, maintenance and management of:

- **Medium and large automatic vending machines**, divided by product category (hot or mixed);
- **Small semi-automatic vending machines** (OCS - Office Coffee Service). Semi-automatic vending machines, generally distributed to SMEs and to other business customers, are composed of small machines for dispensing coffee and hot drinks (cappuccino, hot chocolate, tea etc.) and cold drinks.

With more than 40 years of history, the IVS Group is now an international leader in the Italian vending

market. It is also the only vending operator in Italy to cover the entire country and at European level to be listed on the stock market.

In 2018, the IVS Group served more than 834 million drinks and snacks in Italy, France, Spain and Switzerland: it is the leading Italian Group not just in terms of turnover but also territorial coverage. In fact, Italy represents the Group's operating hub, with more than 2,200 associates, a fleet of around 1,900 vehicles, with more than 153,000 vending machines installed, of which roughly 36% are small machines (semi-automatic and Office Coffee System-OCS).

THE SERVICES OFFERED AND THE BUSINESS MODEL

The IVS Group, with registered office in Luxembourg, operates through two business segments: the Vending division, with 71 branches in Italy, Spain, France and Switzerland, and the Coin Division (the Coin Service Group is Italian

leader in coin management, transport and counting activities, with 9 branches in Italy). The IVS Group S.A.'s operating headquarters are located in Seriate, Italy, in the province of Bergamo.

Vending Division

your best break .com The Vending Division is structured so as to vertically integrate the preparation and testing of new automatic vending machines as well as the upgrade and overhaul of used automatic vending machines.

As at 31 December 2018, the Group manages a network of more than 189,000 automatic and semi-automatic vending machines, through which it provides a wide range of products including hot and cold drinks, snacks and confectionery.

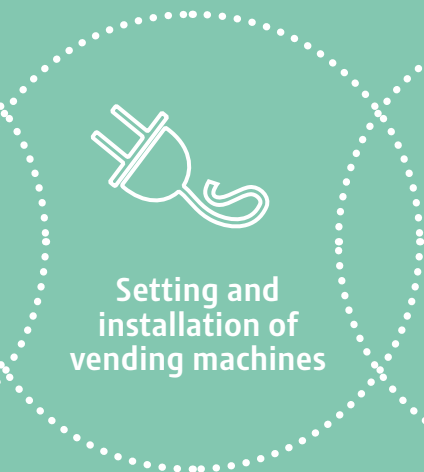
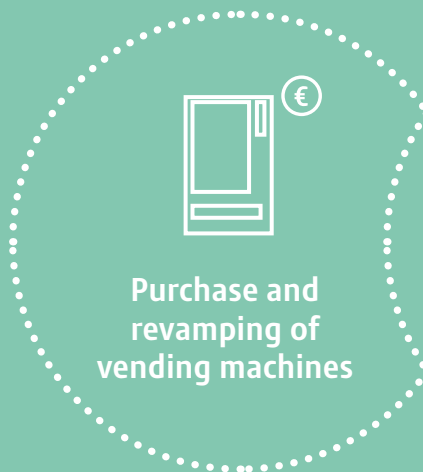
The business model covers the entire spectrum of the value chain in the automatic vending machine operators market.

Based on the needs of customers and consumers, the Group acquires and customises automatic vending machines, also with options and features designed on an ad-hoc basis, and installs them in dedicated areas, in order to provide the customer-consumer with a daily, direct and punctual refreshments service.

To this end, every day the Group manages, maintains and refills the proprietary automatic hot and cold drink vending machines, collecting their takings on a daily basis, primarily in the form of coins.

The central purchasing office is also responsible for choosing and managing the vast range of food and drink products to be stocked in the automatic vending machines, adapting it to the specific needs of customers and the type of consumer.





VENDING BUSINESS MODEL

4
countries

20
geographic
areas

71
branches

834.3 mln
vends

>189,000
vending
machines

>84,000
sales points
served

>3 mln
vends per
working day

Daily and real time
management and control

Automatic Vending
Machines (AVM)



'Auto Hot'



'Auto Mix'

Office Coffee
Systems (OCS)



Coin Division⁵

The IVS Group, as already stated, has a business division dedicated entirely to coin and e-money management services, the Coin Division, which operates throughout all of Italy through the three companies that came under the control of the IVS Group in March 2011:

- **Coin Service S.p.A.** (with registered office in Empoli - FI), which manages coin collection, delivery and counting on its own behalf, by means of the Authorisation pursuant to art. 115 of TULPS (Consolidated Law on Public Security);
- **Coin Service Nord S.p.A.** (with registered office in Castel Maggiore - BO) by means of the Authorisation pursuant to art. 134 of TULPS (Consolidated Law on Public Security) and deals with activities on behalf of third parties and the transportation of cash and valuables in general;
- **Venpay S.p.A.** (with registered office in Seriate - BG) which carries out telematic reporting of the electronic collection data and data transmission relating to transactions performed via credit card and Apps at automatic vending machines owned by its commercial partners.

More specifically, the core business of this Division includes an extensive and comprehensive range of activities, including: collection, delivery, counting, authentication and packaging, disposal and tracing of coins and transportation of cash and valuables on its own behalf and for third parties.

In addition, although this activity is still at the development and dissemination phase, POS terminals are supplied, equipped with GSM data cards to be installed in automatic vending machines, to register commercial transactions and the transmission of data to authorised financial intermediaries.

The Coin Division, as the leader in Italy in coin management, possesses an extensive portfolio of customers in the banking, industrial, retail, transport and institutional sectors. These include all the main Italian vending operators (also include operators based in public and private car parks), local and national large-scale retailers, specialised retail chains and local public transport companies (railways, motorway managers, public authorities/ Local Healthcare Authorities, Postal service). This coverage is ensured by an extensive network of branches located throughout Italy, which make it possible to cover a radius of 100 km.

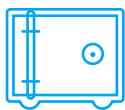
COIN SERVICE SPA

REGISTERED OFFICE: Empoli (FI)
ACTIVITY: Collection, Delivery and Counting of coins **on own behalf**
AUTHORISATION: pursuant to Art. 115 TULPS (Consolidated Law on Public Security)
BRANCHES: Alessandria, Empoli (FI), Rome, Marcianise (CE), Messina, Ortona (CH)

COIN SERVICE NORD SPA

REGISTERED OFFICE: Castel Maggiore (BO)
ACTIVITY: Collection, Delivery and Counting of coins **for third parties**
AUTHORISATION: pursuant to Art. 134 TULPS (Consolidated Law on Public Security of Third Parties)
BRANCHES: Rovello Porro (CO), Castel Maggiore, Padua

5. The quali-quantitative environmental and social data attributed to the Coin Division below relate exclusively to the companies Coin Service S.p.A. and Coin Service Nord S.p.A.. The quali-quantitative data of the company Venpay S.p.A. are, nonetheless, included in the Group figures.



All offices are equipped with **maximum security vaults** for the depositing of coins and **hi-tech counting centres, equipped with innovative and specialised machines that conform with the applicable legislation governing coin handling.**



Counting operations are always performed in the centres, also where coins are collected by other cash-in-transit companies, hence allowing **constant and continuous coin control, in line with the high operating standards** applied by the company. Coin Division also **records all counting activities**, to ensure maximum security and compliance with privacy protection laws.



Thanks to functional packaging lines, the coins processed at the company's centres are packaged in blisters in observance of European Central Bank regulations. The preparation of packages is subject to scrupulous checks, thanks to which the origin of the coin can be traced at any moment.



The company collects coins from customers (bank branches, vending companies, car park management companies, etc.), returning their equivalent value via bank transfer within the agreed times. The company can perform disposal services for significant amounts accumulated in the Bank's vaults throughout the country and supply them with any denominations of coins.

Details: from 2010 to 2018

numbers > **COINSERVICE**



EMPLOYEES
55 > **189**



TURNOVER
7 > **23** mln euro



BRANCHES
4 > **9**

COIN SERVICE: A CONSTANTLY GROWING BUSINESS

Details: 2018



Coins handled on our behalf
More than 1.5 billion



Coins handled on third parties's behalf
More than 1.5 billion



Blisters packed
Over 35 million



Coins managed
Over 40,000 Tons



Services implemented
Over 250,000



Active customers
Over 1,000

THE GROUP STRUCTURE

IVS Group S.A. is a Luxembourg company listed on the Milan Stock Exchange (ISIN: LU0556041001) and is resident in Italy for tax purposes. The share capital is composed of 38,952,491 Category A shares (Market Shares), issued in registered form, with no par value, fully subscribed and paid-in.

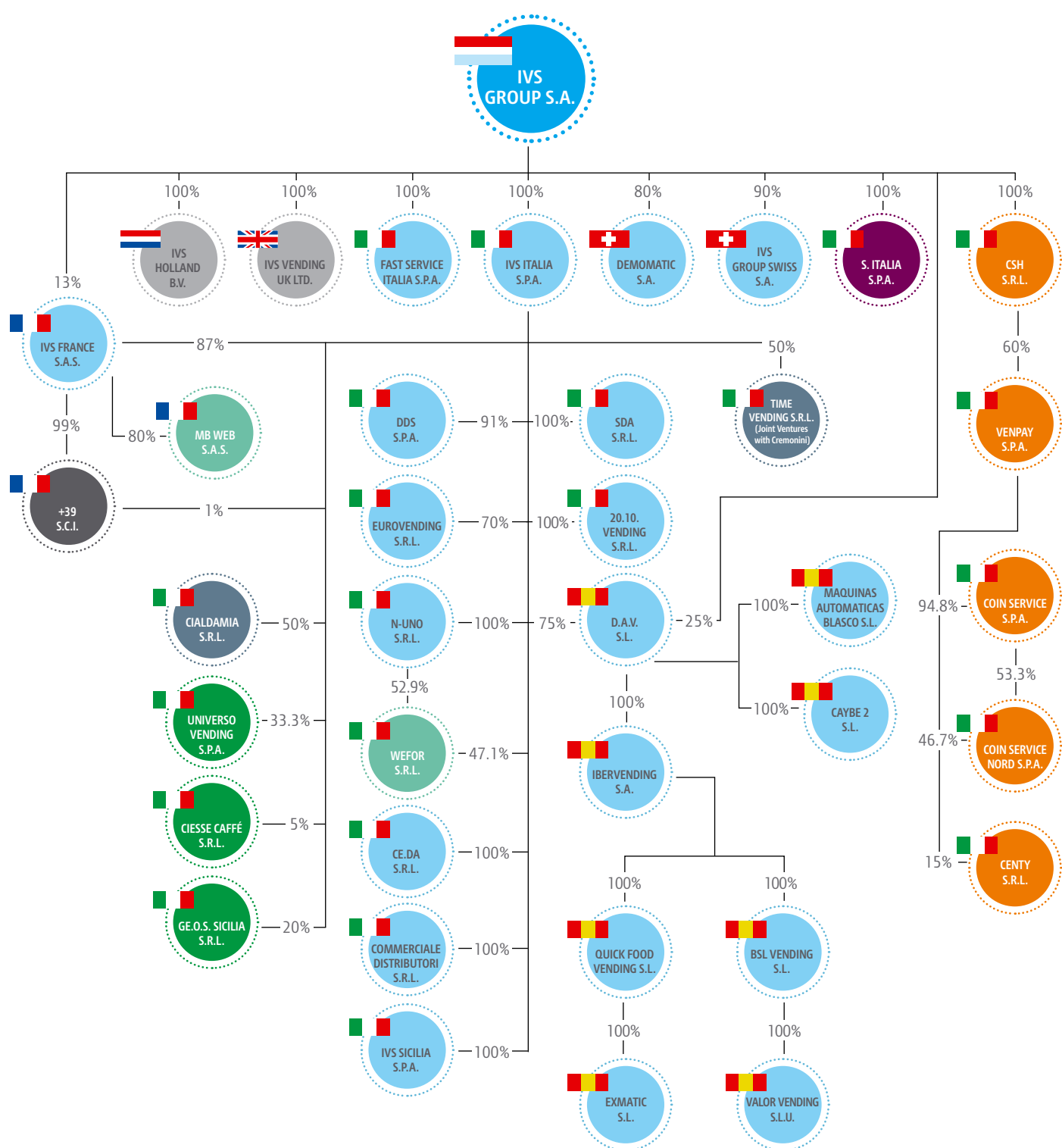
Each share entitles holders to one vote, with the exception of the 2,130,024 treasury shares in the portfolio for which the voting right is suspended while they remain in the company's portfolio.

As at 31/12/2018, the company's main shareholders (with shares of more than 5%) were as follows:

- IVS Partecipazioni S.p.A. is the majority shareholder, with 23,068,739 shares (company in which the majority of the shareholders is composed of the founding partners of the Group and the operations managers);
- Amber Capital Italia SGR S.p.A. with 2,518,853 shares;
- Amber Active Investors Ltd with 1,731,668 shares.



The IVS Group presents the following structure as of December 31st, 2018:



Legend:



Legend flags:



HISTORY AND KEY EVENTS

IVS Group is a pioneer of the vending industry in Italy with over 40 years of experience.

The history of IVS can be traced back to Bergamo Distributori which was founded by Cesare Cerea and Pietro Gualdi in 1972.

IVS Italia S.p.A. was incorporated at the end of 2006 through the merger of the companies previously operating under the IVS brand on a stand alone basis.

Following the 2006 merger, IVS completed a large number of acquisitions of players operating in Italy, France Spain and Switzerland, implementing a buy-build strategy with the aim of making the Company a main consolidator, in a fragmented sector where economies of scale are a key factor to boost performance.

Mr. Cerea drove the innovation of the sector from "old-style coin-only drop" machines to innovative point-of-sales with a multiple selection of clearly visible products.

'18

- **Acquisition of:**
 - Nespresso® Business Line of Enopanorama S.r.l.
 - Chicchecaffè business unit
- **The Group moves the Nespresso® Professional Line OCS operations in a sole new controlled company, Wefor S.r.l.**
- **The shareholders meeting approved a three-year incentive plan for the management**
- **New EUR 150 million credit facility to be used for refinancing of existing bank loans and for acquisition purpose**

START

'72

- IVS was founded by Cesare Cerea and Pietro Gualdi in 1972

'06

- Merger by incorporation of 15 companies into IVS Italia, legal entity of the IVS Group
- Launch of the Monitoring Room

'08

- Buyout of Gruppo Cantel/CafeBon (jointly with Gruppo Argenta)
- Launch of the first centre for VM revamping

'09

- Acquisition and restructuring of Vending System Italia (VSI)

'11

- Set up of the Joint Venture with Gruppo Cremonini (railway stations)
- Acquisition of Coin Services
- Start-up of a new branch in Paris

'12

- Listing by the combination with Italy1 Investment S.A.

'14

- to trading on MTA Segment
- of 250 Million of new Senior Secured Notes
- Incorporation of IVS Group Swiss S.A.
- Acquisition of Liomatic business units located in Central and Southern Italy
- Vending machines Innovation: touch screen monitor, bell of the coffee vacuum, payment system with smart-phone application

'15

- New issue of 240 Million Retail Bond 4.5% due 2022

'16

- Reorganization of management and handling of vending machines within the Group
- Extension and renewal, until December 31st, 2019, of the exclusive distribution agreement with Nespresso Italiana S.p.A.
- Fully redemption of the 7.125% Senior Secured Notes due 2020 of EUR 250 million
- IVS Group Warrants: end of the exercise period

'17

- Mr. Cesare Cerea, Chairman and founder of the Group IVS passed away on August 2017
- Acquisition of:
 - Entire share of Grup Ibervending in Spain
 - Nespresso® Business Line of Gruppo Argenta, Somed and Pronto Coffee
- IVS Group bought back the class B2 and B3 shares and canceled them
- The Italian Tax Authority adopted the technical regulation of automated transmission of revenues data

>170 ACQUISITIONS SINCE 2007

TRENDS IN THE VENDING SECTOR

The Vending sector is heavily and differently regulated based on each individual national legislation, and is impacted significantly by weather conditions and social trends.

The intense national regulation of the Vending business has also led to some restrictions on the installation of automatic vending machines in some public locations or specific areas, and on the authorisation to sell given foods with specific nutritional values.

The typical changeable nature of the regulatory framework has made the Group aware of the constant need to develop new technologies and tools that may also be realised through significant investments at consolidated level. At the same time, provision has been made for major changes to the technical characteristics of the automatic vending machines and payment systems, with the subsequent need for a continuous change

of perspective from the manufacturers of the equipment that populate the supply chain of the IVS Group.

The sector is also subject to external factors and trends such as weather and global economic conditions, with both positive and negative impacts. In particular, the sector must also deal with the perception end consumers have of the current economic situation and their propensity to consume and to spend. The IVS Group constantly monitors these possible impacts on its business and the effect on its stakeholders.

On the other hand, the changeable regulatory framework in the sector and highly fragmented market provide huge opportunities for the Group to increase its territorial presence and to exploit its know-how to guarantee stakeholders with greater business value in terms of profitability and sustainable development.



THE FUTURE OF THE IVS GROUP

The Group is committed to not only conceiving radically new solutions in terms of products/ services/processes that can be effectively implemented, but to constantly seeking out the best opportunities to improve the efficiency of its existing processes and systems.

The IVS Group's research and development efforts are focused on three key areas:

- New technologies for automatic vending machines and payment systems;
- Innovative offers and product selection;
- Smart customers and consumers.

1. New technologies for automatic vending machines and payment systems;

In the automatic vending machines sector, the Group focuses its efforts on new methods for monitoring product availability, the status of automatic vending machines and service upgrade and usage techniques, with the goal of boosting the efficiency of the refilling of automatic vending machines, but also the choices of customers-consumers and their interaction with the services provided by the Group. The IVS Group works with different key partners to enhance the performances of walky-cups machines and to improve the characteristics and performances of the *CoffeecApp* App, which allows products to be purchased and paid for using smartphones. In 2018, with the help of its automatic vending machine suppliers, the Group continued with the process, launched in 2016, to develop a new automatic vending machine equipped with a touch-screen display and an innovative system able to maintain the characteristics, aroma and freshness of coffee over time.

2. Innovative offers and product selection;

This commitment incorporates, for example, the

distribution of fair trade products, such as coffee beans purchased from the company Pascucci e Maestri Artigiani and DOP (Protected Designation of Origin)⁶ branded products by the Group: a choice which highlights the focus on all those products closely related to the

local area, respectful of specific food traditions and which offer a natural and authentic flavour.

3. Smart customers and consumers.

The IVS Group is dedicated to promoting a widespread ethos based on ethical-food compliance. Thanks to the ever-growing development of digital marketing, we are getting increasingly closer to the end consumer. And for this reason, we are talking about the evolution of our service, from B2B (Business to Business) to B2C (Business to Consumer). As of the first few months of 2018, every new automatic vending machine installed by IVS comes with connectivity. This digital "revolution" enables us to personalise the experience of the end consumer. We use analytics constructed on ad hoc basis from which we extract and analyse the information regarding the interests and habits of our user. The goal is therefore to increase their satisfaction. Analytics provide the Group with useful insights and enable it to promptly optimise the service. We have also developed, with external consultants, a touch interface which allows us to support the customer journey, the customer experience and customer satisfaction.



6. For Italy only.

THE IVS GROUP: AN INTERNATIONAL VOCATION

The first Italian operating centre, with the installation and management of the first automatic vending machine, was created in 1971.

Over the course of this half-century, the constant desire for improvement has led the Group to expand its presence beyond national borders. The IVS Group now has offices in a number of European countries (Italy, Spain, France and Switzerland).

"The international vocation, with a marked propensity for development as well as growth and dynamism, led the Group to significantly expanding its presence in the Iberian peninsula in 2018, going from 9 to 15 branches, actually doubling the number of personnel involved in the process of producing services for its consumers and turnover. The corporate philosophy that guides this expansion is inspired by the love of fresh ambitious challenges that IVS Group tackles with passion, reason, know-how, technology, creativity and a highly professional approach."

NUMBER OF BRANCHES

1

in Switzerland

4

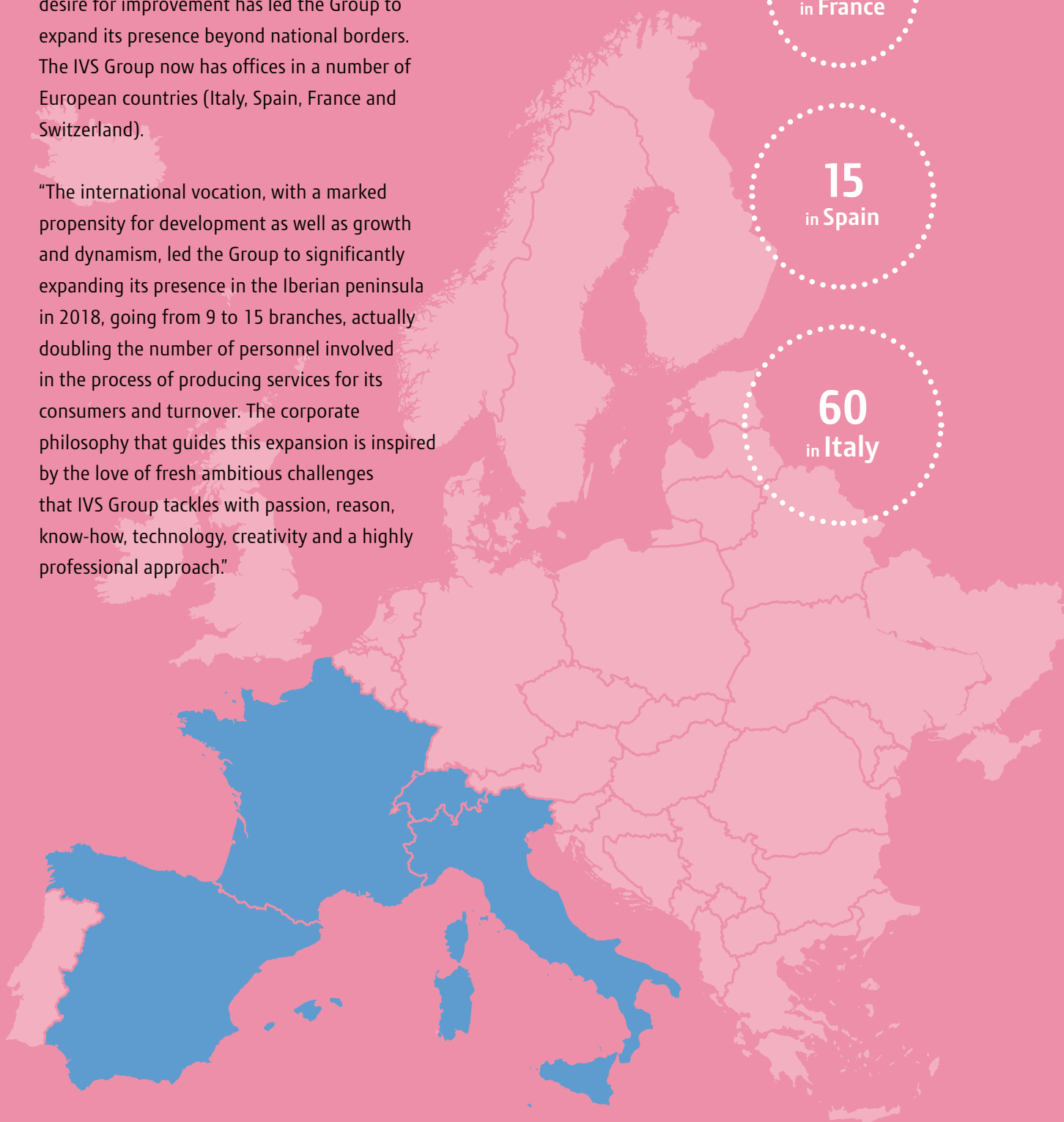
in France

15

in Spain

60

in Italy

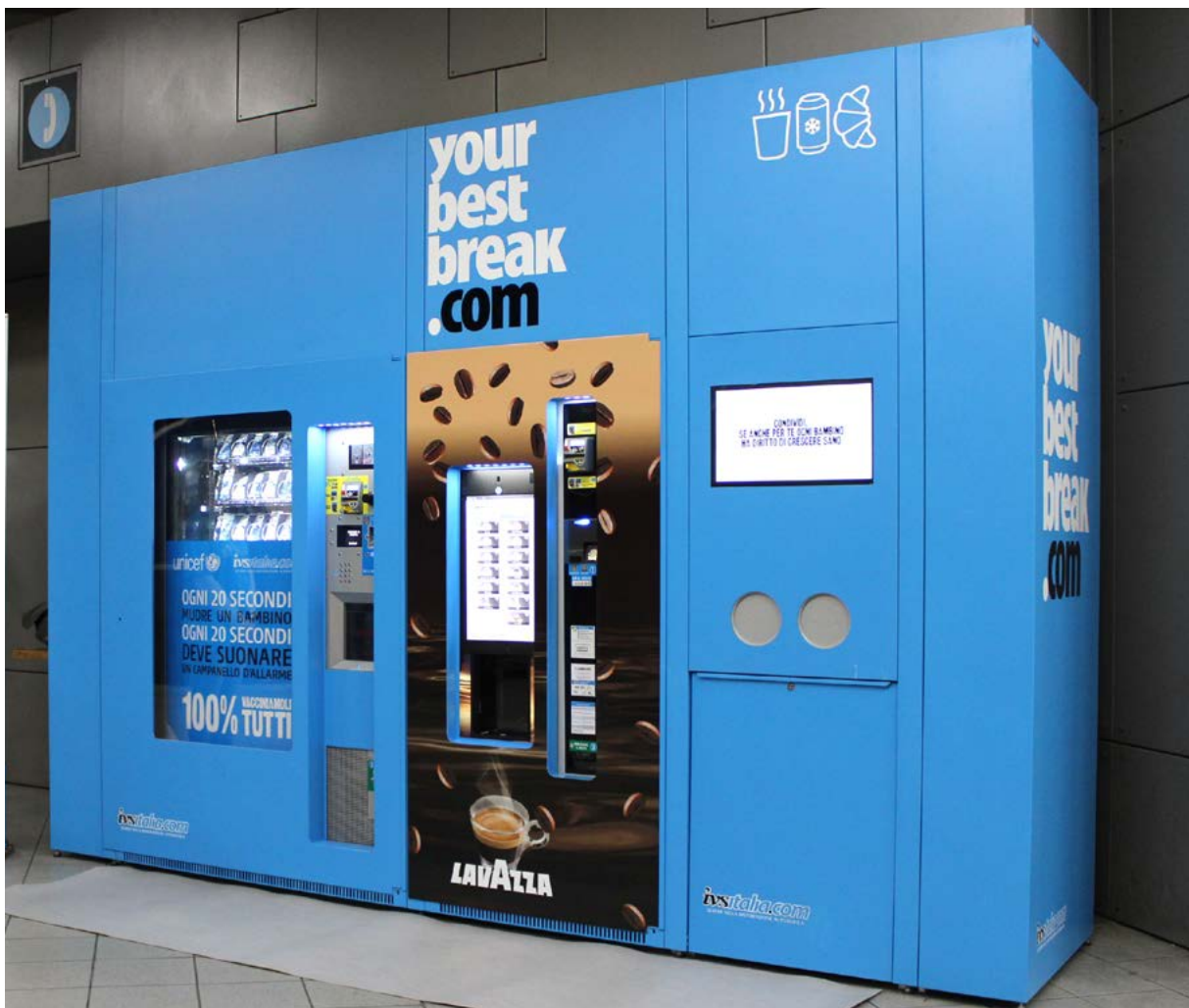


THE MAIN CUSTOMERS

Thanks to the long-established ability to manage complex projects for airports, stations, subways and much more, the IVS Group is the perfect partner for large-scale national projects and initiatives. Our high level of expertise allows us to serve all transit locations and meeting places, offering pleasant, solidly-built and safe refreshment areas, as proven by the numerous national and international customers that have chosen the Group. The IVS Group has also confirmed itself as an ideal partner for managers of large infrastructures with high levels of footfall,

thanks to the supply of ad-hoc products and vending machines also perfectly designed for external environments.

The IVS Group serves **private customers (large and small companies)**, **public authorities (schools, universities, hospitals)** and **passenger transit and travel locations, based on multi-year contracts with an average duration of 4 years (excluding contracts with Cento Stazioni, Grandi Stazioni and Rete Ferroviaria Italiana which have a longer term).**



Governance and Risk Management

CORPORATE GOVERNANCE

The IVS Group S.A. Corporate Governance model takes account of the complex international context in which the Group operates. The endless changes in the economic, social and political context in the last few years have called for solid corporate governance, which takes account of the value for all stakeholders and in which the different corporate bodies are able to dialogue and interact. Consistent with the applicable legislation in Luxembourg, the Corporate Governance model is composed of the Board of Directors and two committees set up by the latter: the Audit and Risk Committee and the Nomination and Remuneration Committee.

The **Audit and Risk Committee's** goal is to ensure the adequacy of the company procedures in terms of the efficiency, effectiveness, reliability and accuracy of the financial information, in compliance with the applicable laws and is also responsible for monitoring significant transactions with Related parties.

The **Nomination and Remuneration Committee** has been established to provide advisory support to the Board of Directors

regarding the attribution of management powers, the transparency of the election procedure and the definition of a remuneration policy for the management category.

These are supported by the **Supervisory Board (SB)**, operating under the legislation of the Grand Duchy of Luxembourg, in accordance with which the company was incorporated, but also operates within the framework of the provisions of Legislative Decree no. 231 of 8 June 2001, disseminated by the Italian Republic. The Board of Directors is equipped with the widest powers to undertake all necessary or useful actions to meet the Group's objectives, with the exception of those reserved by laws, regulations or the articles of association, to the general shareholders' meeting. The Board of Directors of the IVS Group S.A. is composed of 11 members, of which 3 women. In addition, 9 members are over 50 and the remaining 2 between the ages of 30 and 50. The Board of Directors will remain in office until the ordinary shareholders' meeting called to approve the financial statements as at 31 December 2020.

Composition of the Board of Directors of IVS Group S.A. as at 31.12.2018

Members	Position	Executive ⁷	Independent	Audit and Risk Committee	Nomination and Remuneration Committee
Paolo Covre	Chairman	X			
Massimo Paravisi	Co-CEO	X			
Antonio Tartaro	Co-CEO	X			
Vito Alfonso Gamberale	Vice Chairman				
Adriana Cerea	Director	X			
Monica Cerea	Director	X			
Luigi De Puppi	Director		X	X	X
Carlo Salvatori	Director		X	X	X
Maurizio Traglio	Director				
Mariella Trapletti	Director				
Raffaele Agrusti	Director		X	X	X

7. The members in this category may have no powers, but carry out their activities in the company.

INTERNAL CONTROL AND BUSINESS RISK MANAGEMENT SYSTEM

The adequacy and functioning of the internal control system is guaranteed by periodic checks by the Audit and Risk Committee ("Committee"), which also defines their guidelines in accordance with the Board of Directors. The Committee's role is not limited solely to guaranteeing the adequacy of the company procedures: it is responsible for risk management, ensuring that said risks are correctly identified, as well as adequately measured, managed and monitored, helping to ensure company management consistent with the company objectives defined by the Board of Directors. The management of risks, which include, internal, external, environmental, social, industrial, political and financial, represents an integral part of the Group's growth strategy and is essential

for the development of its corporate governance system. The correct management of these risks in fact makes it possible to protect both stakeholders (employees, customers, suppliers and shareholders etc.) and Group activities, by improving the codes of conduct. With a view to mitigating the different types of risk, the Group adopts a prudential approach which incorporates constant monitoring of said risks, to be able to evaluate their potential effects in advance and take the necessary actions to mitigate or offset them. This approach extends to all types of risk that are potentially significant for the Group. As regards the categories that most strongly characterise the Group's business model, business and financial risks assume an important position, which are summarised into six main families:

General and business risks

- Risks related to the economic conditions of the primary markets in Italy, France, Spain and Switzerland;
- Risks connected with sanctions/limitations due to non-compliance with the national regulations of the Food & Beverage sector;
- Risks associated with a fragmented market;
- Risks of theft for cash and valuables deposited at Coin.

Financial risks

- Risks associated with the degree of availability of sources of financing;
- Risks connected with the ability to efficiently manage currency and interest rate volatility.

Credit risk

- Risks connected with non-fulfilment of the counterparty's obligations relating to a financial instrument or commercial contract.

Liquidity risk

- Risks associated with the possibility that the financial resources available may not be sufficient to cover the company's obligations in terms of payments falling due.

Interest rate risk

- Risks linked to changes in interest rates that impact the fair value of the company's floating rate financial assets and financial liabilities.

Legal and tax risks

- Risks connected with non-compliance with new laws and regulations in the sectors in which the company operates.

In relation to **general and business risks**, the IVS Group's activities, like its operating results, may be impacted both positively and negatively by the general economic conditions, which may alter the end consumer's habits and propensity to spend. While the financial and global credit market, in line with the last few years, continues to be characterised by elevated volatility, people's levels of propensity to consume have risen slightly, on the back of the stimulus created by the global financial policy. The Group monitors these trends and acts accordingly, adapting its equity structure and redefining its sales policies.

The management of the Group's **financial risks** is subject to control by local management and supervised by the Group CFO, who evaluates the main financial transactions to be carried out and the associated risk management policies.

The evaluation of financial transactions also takes account of the **liquidity risk** and the **interest rate risk**. As regards liquidity risk, the Group's objective is to have flexible and diversified type debt, which allows it to maintain an adequate cash flow to cover investments and the payables contracted with third parties. Interest rate risk is connected with floating rate financing transactions. These transactions are constantly subject to sensitivity analysis in order to assess the impact of any fluctuations in the indexes used in the contracts stipulated on Group disbursements and the subsequent hedging opportunities that the market presents in order to mitigate the aforementioned impacts.

The Group's fund-raising strategy in support of external growth was supplemented and, at the same time, reconfirmed at the end of 2018, with the Parent Company's signing of an agreement for a

loan of Euro 150 million, granted by a pool of Italian and foreign banks, with bullet repayments until October 2022: the variable indexing that encumbers this loan was replaced (through the signing, at the start of 2019, of the necessary interest rate hedging agreements), with a particularly advantageous fixed rate, therefore eliminating any uncertainty over the volatility of interest rates over the next 4 years and maximising the opportunity offered by the market with the start of the new year.

Credit risk stemming from the Group's sales activities is influenced by the type of customer served. The monitoring and management operations implemented by the management in relation to this type of risk are adequate, within the context of a vast and diversified range of customers with whom the Group interacts. Furthermore, the bad debt provision is provided with funds not only on the basis of a series of evaluations of reported historical collection trends, but other indicators.

The IVS Group is also exposed to **legal and tax risks**, for which it is constantly committed to verifying its compliance with both European and national regulations, within a sector like the food and drink industry which is often subject to significant restrictions. On this front, the Group remains in step with the reference legislation, also thanks to the assistance of external consultants. Furthermore, management periodically monitors the trend in any ongoing and potential disputes, determining the most suitable measures to manage them and ensuring the necessary assessments.

MODEL 231/01

Legislative Decree 231/01, issued by the Italian Republic, a country in which the Group carries out the bulk of its activities, establishes the administrative responsibility of entities for offences committed by persons who hold positions of representation, administration or management of the entity, or one of its autonomous organisational units, as well as by employees or parties subject to their management or supervision, in the interest of or for the advantage of said entity.

In order to meet the requirements set forth by the Decree, in addition to IVS Group S.A. and IVS Italia S.p.A., the companies IVS Sicilia S.p.A., DDS S.p.A. and Eurovending S.p.A. adopted, in January 2018, the **"Organisation, Management and Control Model pursuant to Legislative Decree 231/01"** (Model 231/01) and the associated "Code of Ethics" (the "Code"), also defining a regulatory system suited to sanctioning non-observance of the measures and principles contained in these documents. In outlining the regulatory system, the Group aligned itself with the principles stated in the "Confindustria Guidelines", considered compatible by the respective administrative bodies.

The adoption of Model 231/01 is targeted at creating a system of organisational provisions and tools which aim to guarantee that the organisation's activities are carried out in full compliance with the Decree and to prevent and sanction any conduct that falls under one of the categories of offence set forth in the Decree.

The Decree lists the types of offence whose commission results in entities' administrative responsibility, in relation to which, with reference to

the areas referenced in Directive 2014/95/EU issued by the European Union regarding the communication of non-financial information, crimes against the public administration and private corruption, crimes against the individual and crimes connected with the violation of the regulations governing workplace health and safety and environmental crimes are prominent.



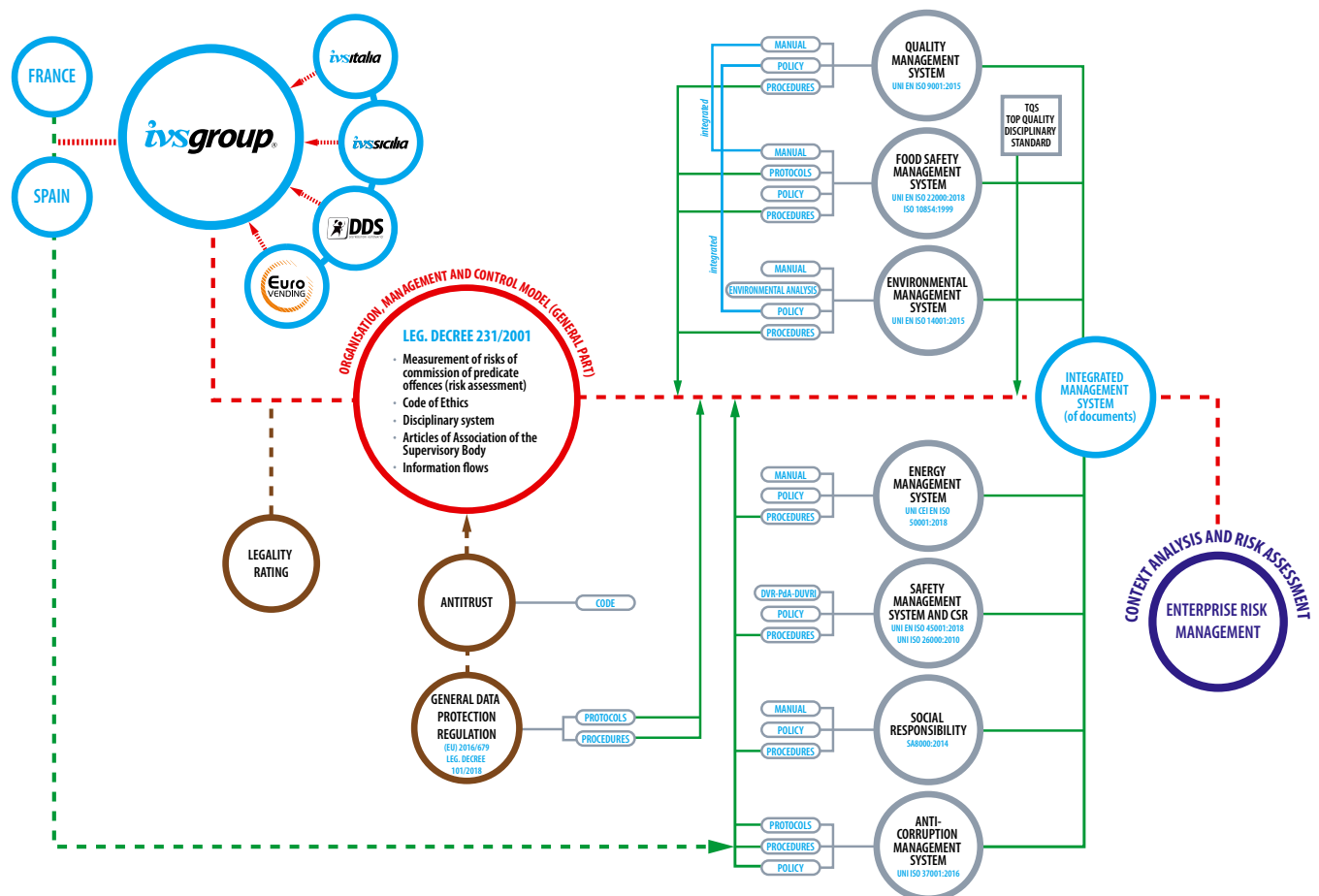
At the same time as the implementation of Model 231/01, all the above-mentioned companies appointed a Supervisory Board, assigned with the task of monitoring the functioning, effectiveness and observance of the model. Each Supervisory Board is composed of the following individuals: a member of the Board of Statutory Auditors; the food quality and safety manager and an external consultant with specific and in-depth legal expertise.

On 27 March 2018, the Board of Directors of IVS Group S.A. made a new update to Model 231/01, after the first one dating back to 2013, targeted at adjusting the model on the basis of the new offences applicable to entities set forth by the laws

which came into force. The update to the Model 231/01 has imposed a disclosure requirement for the organisation; the Group, aware of the need to disseminate the updates relating to these subjects, will take steps to organise training courses for its employees. As proof of this commitment, 2 training sessions were held in 2018 regarding Model 231/01 and the various updates.

During 2018, a summary flow chart was also prepared in order to highlight the level of control implemented by the various bodies, in particular by members of Supervisory Boards, in order to operationally promote initiatives targeted at reducing risks in observance of the applicable binding regulations.

Risk management flow chart⁸



8. As regards the SA8000:2014 and UNI ISO 37001:2016 certifications, the process for obtaining these started in September 2018 with the aim of concluding the certification process in 2019. The adoption of the flow chart is still ongoing.

Ethical management of the business: The Code of Ethics

The IVS Group defined and adopted the Code of Ethics, valid for all Group companies, drafted by the Supervisory Board and approved by the Board of Directors, fully aware that the ethical approach of its business activities is a duty for all economic system operators and the organisation of the different Group companies.

The Code of Ethics defines the ethical and moral principles which provide the basis for the rules of

conduct that Group entities must draw inspiration from: therefore, all its contents must be respected and applied by Directors, internal and external control bodies, employees of Group companies, including executives, as well as all those who operate, directly or indirectly, for the Group companies (associates in any form, consultants, suppliers, commercial partners).

The rules of conduct are based on the principles of correctness, honesty, impartiality, transparency, loyalty and good faith, in order to protect the interests of shareholders and ensure the adoption of an efficient and reliable method of working that is respectful of the relevant legislation. Adequate ethical principles are essential for operating on the market, both in Italy, and in relation to the activities performed in other countries and to maintain relations with companies, institutions and national and international authorities. The document expressly prohibits any conduct which may be connected with the crime of corruption, in the same way it prohibits unlawful favours, collusion, direct solicitations and/or through third parties and for personal advantages.



LEGALITY RATING

The legality rating is a type of ethical rating created in 2012 thanks to collaboration between Autorità Garante della Concorrenza e del Mercato (AGCM - Italian Antitrust Authority) and the Ministers of Justice and the Interior which aims to promote ethical principles in company conduct in Italy. Corporate Social Responsibility (CSR), or companies' commitment to reduce their social and environmental impact, also takes shape through the legality rating, as this encourages the adoption of legal, ethical and transparent conduct by organisations. In fact, actions targeted at implementing forms of CSR within companies are tools which make it possible to increase the score obtained. The regulation envisages requirements that, if respected, ensure companies a maximum score of 3 stars. On 3 May 2018, the Authority resolved to confirm IVS Italia S.p.A.'s legality rating of "★ ★ ++", attributed on 31 March 2016. This rating is valid until 3 May 2020.

The Code of Ethics is divided into the following five sections:

1. General principles: describes the most important principles that provide the basis for the conduct of the IVS Group, such as responsibilities and respect for the laws, loyalty and correctness, transparency, innovation, protection of workplace health and safety and the environment. It also includes the management of relations with local entities, public institutions and political movements or parties. The Group is also committed to the ethical management of grants and sponsorships.

2. Ethical principles in corporate governance: describes the application of the principles in the Code of Ethics to the relations with shareholders, to external communication and the management of privileged information. This section promotes the imperative nature of transparency in company accounting and in the appointments of the members of Corporate Bodies.

3. Principles and rules of conduct for personnel: outlines the methods of hiring and managing personnel and the use of IT systems. The Group also endeavours to ensure the confidentiality and the integrity and protection of the person,

by rejecting all types of discrimination (gender, religion, nationality, personal and political opinions, age, health and economic conditions) of its stakeholders, including therein its suppliers.

4. Principles and rules of conduct for third party recipients: describes the Group's commitment to third parties such as suppliers, commercial partners, customers and competitors. In particular, the Group companies manage relations with suppliers in observance of the principles of correctness and transparency, and ensure respect for the applicable regulations and principles of the Code. In relations with competitors, the Group operates in observance of the regulations, while as regards customers, its activities are targeted at meeting their best and legitimate expectations.

5. Implementation and control of respect for the Code of Ethics: the document outlines the Group's commitment to ensuring timely internal and external dissemination of the Code of Ethics through diversified channels. In addition, the role of the Supervisory Board is outlined, responsible for the control of implementation and respect of the Code of Ethics as well as the recipient of any recorded violation of the principles and provisions outlined in the Code by directors, employees, associates, suppliers or other entities.

ANTI-CORRUPTION AND CONFLICTS OF INTEREST

The Group carries out its activities in full compliance with current national and international regulations, and is committed to implementing all the necessary measures to prevent and avoid cases of corruption and conflicts of interest. At least on an annual basis, the responsible bodies conduct a risk assessment in relation to the risks of corruption. The Group also avails itself of a tool called "Gap Analysis", through which it constantly monitors and summarises the controls in place, the operating procedures which must be respected by all employees and any improvements to be made to the internal control system. As regards the risks connected with anti-corruption, special attention is paid by the IVS Group to relations with the Public Administrations and public institutions. In fact, as outlined previously, public authorities are included in the Group's customers. For this reason, the maximum transparency and correctness are guaranteed in the management of relations with these types of entities, as reported in the Code of Ethics and in the internal operating procedures prepared. The transparency of the relationship must be as such not to lead to partial, false, ambiguous or misleading interpretations on the part of the institutional parties with whom said relationship is maintained. At the same time, Group companies do not provide direct or indirect contributions, for the financing of political parties, movements, political committees and organisations, or their representatives or candidates.

The Group has also prepared the "Related party procedure" document, targeted at defining and identifying the related parties and pinpointing

the procedures to be adopted in the event of the transfers of resources, services or obligations, with or without the agreement of a consideration, from the IVS Group S.A. or its subsidiaries to entities belonging to this category. The document in force establishes the following in detail:

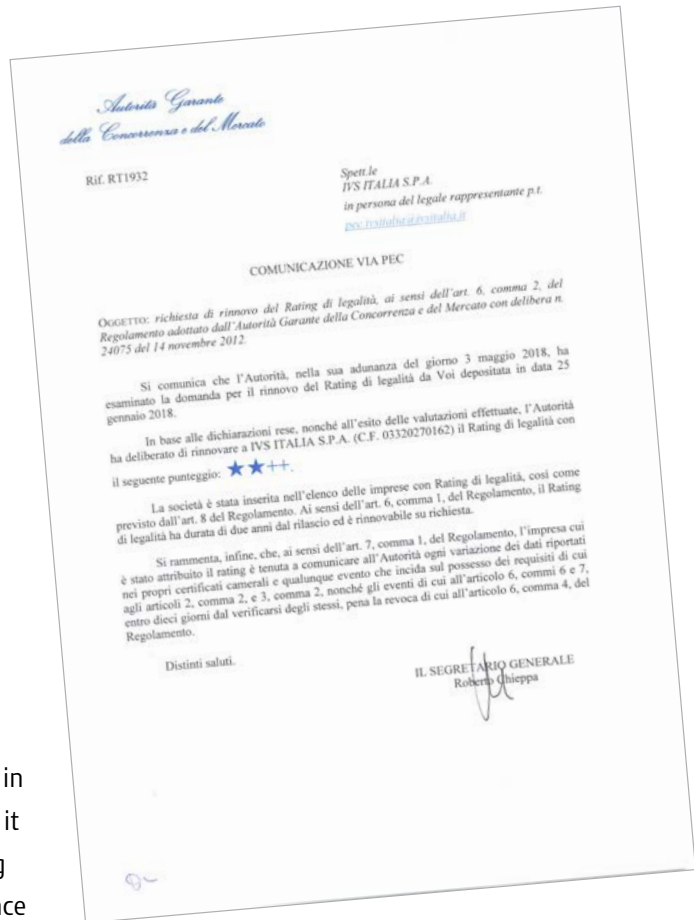
- 1) Procedures for identifying related parties;
- 2) Identification and distinction of transactions with related parties;
- 3) Formulation of judgments required by the procedure in relation to transactions with related parties in the company's interest;
- 4) Methods, times and contents of the judgment formulated by the Audit and Risk Committee responsible for carrying out said task, to be communicated to the Board of Directors.

In addition, the Group's Code of Ethics establishes that the members of the Corporate bodies are independent as regards their judgment, with respect to the decisions taken by them, ensuring the maximum transparency in the management of the transactions in which they have particular interests. The procedure also establishes the obligation of public disclosure through the half-yearly and annual report drafted by the IVS Group S.A. on all transactions that had a significant impact on the company's balance sheet and/or income statement position. The IVS Group S.A.'s internal control committee is promptly informed of each transaction and provides advisory services to support interested parties. The SB is responsible for verifying any irregularities on the part of company management and to check alleged violations of laws and regulations, including regarding conflicts of interests.

WHISTLEBLOWING PROCEDURE

IVS Group S.A., IVS Italia S.p.A., IVS Sicilia S.p.A., DDS S.p.A. and Eurovending S.p.A. have adopted an e-mail address to report violations of the Code of Ethics and Model 231/01; this address protects and guarantees the confidentiality of the identity of the reporting entity given that address holder is a function outside the Group companies. The companies ask their employees, suppliers, customers and associates to report any offence and irregularity by sending an e-mail to whistleblowing.gruppoivs@gmail.com

The "Whistleblowing Procedure" was incorporated in the institutional sites to allow everyone to consult it and obtain all the necessary information regarding the methods for handling reports of non-compliance with laws or regulations, policies, company rules or procedures (e.g. instances of fraud, corruption, or other violations of the Code of Ethics, Model 231/01, Anti-trust Code and Anti-corruption Code) by ensuring the anonymity of the reporting entity so that the company can benefit from them and head off any non-compliant conduct in time, in order to implement remediation and corrective actions.



Reports are received by the Supervisory Board ("Recipient"), which undertakes to provide an initial acknowledgement to the reporting entity within 15 days. The recipient has the right, depending on the requirements, to involve other competent company functions for the purpose of handling the report, after having rendered it anonymous.



MODEL 231/01

Both companies of the Coin Division adopted the Model 231/01 and approved its revision with the insertion of the following "special" parts to acknowledge the new offences: Special Part "I" - Money counterfeiting, falsification involving public credit cards, revenue stamps and distinctive instruments or signs; Special Part "L" - Crimes against the individual; Special Part "M" - Whistleblowing (art. 6, paragraph 2bis of Decree). In addition, a training session was held in 2018, targeted at all company representatives of the Coin Service S.p.A. Supervisory Board, who were appointed previously. The Coin Division also adopted the new Whistleblowing Procedure, which was disseminated to all employees.

GOVERNANCE AND RISK MANAGEMENT

Owing to the specific characteristics of the sector in which it operates, the Coin Division is aware that the safe, accurate and efficient management of its transactions are key factors in mitigating business risk. The transportation of huge sums of cash actually exposes the Group to the risk of loss or theft, with clear consequences for the company's image. Therefore, the Group takes the necessary steps to ensure that its employees, operating systems and its network possess the necessary skills and tools to carry out its tasks correctly, securely and effectively, in accordance with the key factors cited above.

PRIVACY

In addition, Coin Service Nord S.p.A. is equipped with software able to fulfil the new privacy obligations: the software serves as a register for data processing and assists the drafting of disclosures. In addition, by using this software, it is possible to conduct DPIAs (Data Protection Impact Assessments), if certain data processing activities present risk profiles.

An information document has also been prepared, distributed to all employees, which outlines the changes introduced regarding personal data protection and which provides brief operating instructions for the personnel involved in data processing.

At the end of 2018, Coin Service Nord S.p.A. and Coin Service S.p.A. also obtained a special authorisation from the Italian Data Protection Authority to store the images taken from the video-surveillance system for up to 120 days. This marks a significant result, considering that the legal term for storage may be a maximum of 7 days.

ANTI-MONEY LAUNDERING

At the same time, in order to ensure anti-money laundering compliance, a document containing the anomaly indicators that employees must keep monitored was distributed to all of them, in order to report any suspicious money laundering transactions.

In particular, the Coin Division companies are studying a plan for the automatic detection of anomaly indicators which it will most likely implement in 2019.

CASH AUTHENTICATION

So, with reference to training activities, the Coin Division provides all new employees with a training course on the recognition of worn money or suspected counterfeit money, in compliance with the provisions of Ministerial Decree no. 21 of April 2015 (specific industry legislation); in addition to the mandatory provisions, the company also decided to arrange for a refresher course for all counting room operators, in order to promote continuous knowledge of new types of counterfeits.

LEGALITY RATING

In March 2018, the Garante della Concorrenza e del Mercato (Italian Antitrust Authority) attributed Coin Service Nord S.p.A. a legality rating of "★ ★ +". As for IVS Italia S.p.A., this ethical rating, created in Italy in 2012, has the purpose of promoting ethical principles in business conduct, awarding the commitment of the companies that improve their social and environmental impacts.

CERTIFICATIONS AND WASTE

Coin Service Nord S.p.A. continues to commit to maintaining the certifications obtained in recent years: UNI EN ISO 9001:2015; OHSAS 18001:2007; UNI 10891:2000.

As regards environmental matters, Coin Service Nord S.p.A. is equipped with a management and internal control system concerning the treatment and disposal of the waste produced; in fact, it is preparing an internal procedure that will allow functions, not just those responsible for waste, to know the correct waste management processes. The structure also aimed to set up a compliance office, composed of a legal representative who also carries out the functions of internal auditor, in order to ensure the compliance of the company's activities with all the binding legislation and the mandatory and voluntary international standards that the company has adopted. The company is committed to promoting actions to obtain the UNI EN ISO 14001:2015 certification.

SECURITY

All types of companies must employ a professional able to calculate the security risks inherent in the operational management of services (workplace, infrastructural, technological and data and network safety, etc.). In the case for Private Security Firms, such as Coin Service Nord S.p.A., this position is compulsory, since the core business is characterised by the management of these types of risks.

For this reason, Ministerial Decree no. 269/2010 requires at least one company managerial figure to cover this role. In the organisational set-up of Coin Service Nord S.p.A., the legal representative fills the position of Security Manager. However, in 2018, the company installed a second Security professional, the Security Expert: the qualification was obtained in december 2018.

The prerogatives of each function are the following:

- Security Expert – Level I Security Professional (operational): geared towards a "medium" level of security complexity, considering the organisation and the activities carried out.
- Security Expert – Level II Security Professional (managerial): geared towards a "medium-high" level of security complexity, considering the organisation and the activities carried out.





SUSTAINABILITY FOR THE IVS GROUP

The IVS Group's approach to sustainability

IVS Group has always followed the path of ethical and social responsibility, achieving objectives while **fully respecting people's rights and the environment**: these are the values embodied by the **Vending Made Responsible** trademark, through which the Group communicates all projects in favour of:

- Environmental sustainability;
- Healthy and natural diet;
- Constant improvement of the working environment;
- Development of fair trade.

IVS Group doesn't want to focus on just Vending, but guarantee "**Responsible Vending**".



Mapping of the IVS Group stakeholders and Materiality analysis

The Sustainability Report is a tool that allows the Group to provide stakeholders with a comprehensive and transparent disclosure of its economic, social and environmental performances throughout the entire company process, as well as its commitment to sustainability. The materiality analysis constitutes the starting point for the drafting of the following Report, a process targeted at identifying and prioritising the material aspects, i.e. that reflect the significant economic, environmental and social impacts of the

Group and that can have a substantial influence on stakeholders' judgments and decisions. To this end, the Group has created a detailed mapping of the main stakeholders with whom it interacts and who fall within the scope of its activities, subsequently identifying their degree of influence/dependence and analysing the relevance that the specific sustainability themes of the sector and reference context have for them. The map with the 10 clusters of stakeholders identified is shown below.

Map of IVS Group Stakeholders



Owing to the specific nature of the business, the distinction between “customer” and “consumer” is of crucial importance. For the IVS Group, the customer represents the contractual party who grants the space to install the vending machine and with whom a service contract is stipulated for said machine. The consumer is instead the person who buys the product from the vending machine. In some cases, especially in the OCS segment, the contractual customer is the same subject who pays the IVS Group for the product, declaring that said product will not be resold but instead used freely by its employees or by personnel/consultants who are guests of the customer. In order to achieve the company goals, it is of fundamental importance to develop constant forms of dialogue and interaction with internal and external stakeholders, in order to understand their needs, interests and various expectations. In particular, in a dynamic, competitive and ever-changing scenario like that of the Vending industry, being able to anticipate changes and identify emerging trends through dialogue with stakeholders allows the Group to generate shared and constant value added in the long-term. For this purpose, the IVS Group is committed on a daily basis to establishing relationships of trust with its stakeholders, based on the principles of transparency, openness and listening. The “Investor Relations” department manages the flow of information addressed to shareholders, financial analysts and institutional investors, in respect of the rules established for the communication of Group information and documents. The next step saw the identification of the relevant themes of sustainability for the Group and its stakeholders. To this end, representatives from a number of business areas were involved in order to pinpoint the expectations of stakeholders with respect to the business of the IVS Group, with the objective of

encouraging reflections on the Group's approach to sustainability. The participants made a significant contribution to defining the main impacts that the Group's activities have on the various phases of the value chain.

The processes of engagement led to the identification of 22 areas considered material, summarised in the materiality matrix, where the X axis shows the relevance of the subjects for the IVS Group, and the Y axis their relevance for stakeholders. The themes identified fall into 5 macro areas: business governance and ethics, and the economic, product, environmental and social performance.

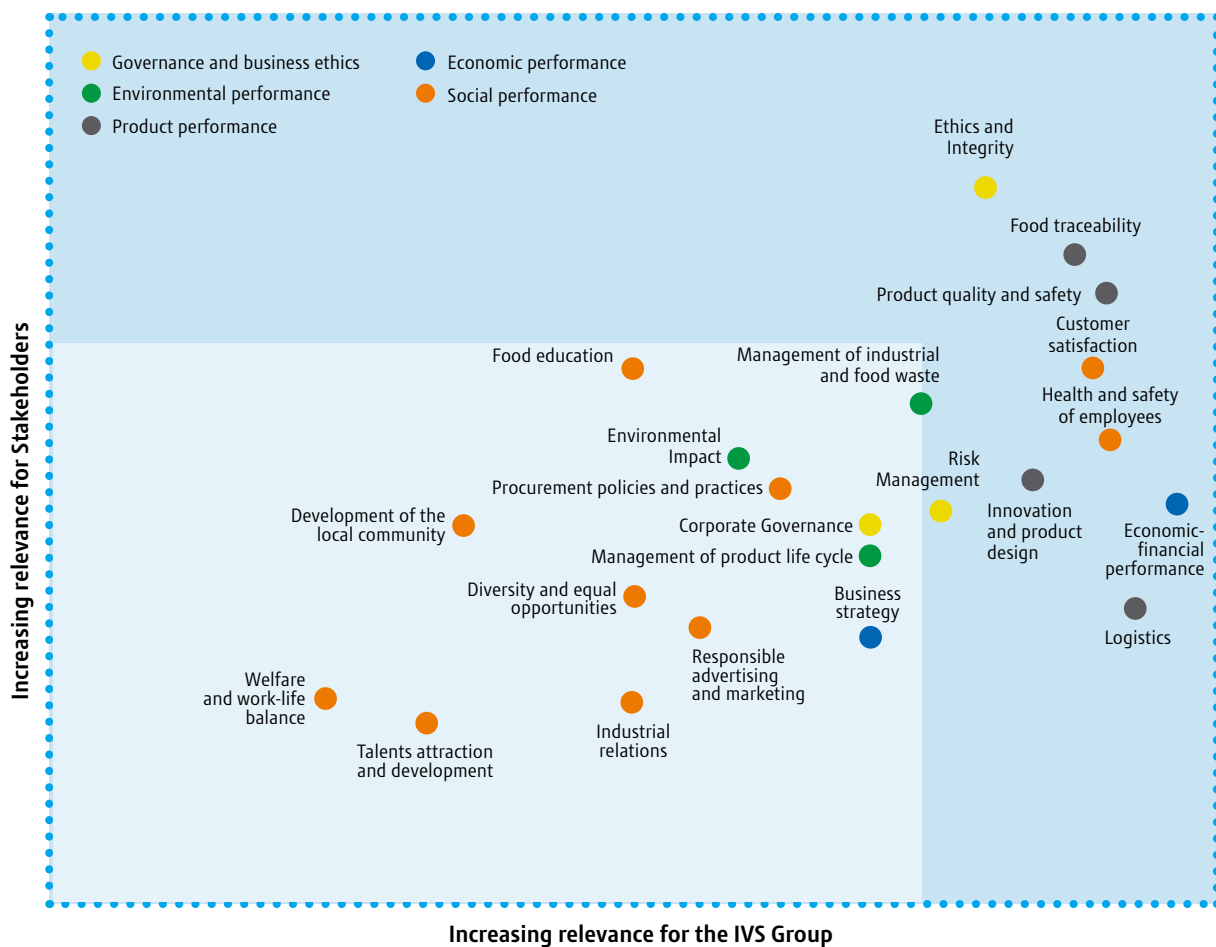
The materiality analysis was conducted in 2017 compliance with the criteria defined by the Global Reporting Initiative. The most important aspects for the IVS Group and its stakeholders are found in the quadrant in the top right and represent a strategic priority for the Group. Consistent with the relevant sector of the Group, this analysis confirms the importance of the aspects of food safety and product safety in general, ethical business management, customer satisfaction, the health and safety of its employees, product innovation, economic-financial performance, risk management activities, minimisation of rubbish and food waste and the logistics function. The human rights topic, declined by the Group in managing relations with the supply chain in accordance with the principles and values cited in the Group Code of Ethics, is considered within the “Procurement policies and practices” topic, which has turned out to be a relevant topic emerged from the materiality analysis. As reported in the Code of Ethics, the Group repudiates any principle of discrimination based on gender, religion, nationality, personal and political opinions, age,

health and economic conditions of its interlocutors, including its own suppliers. For further details on the policies applied to this topic, see the paragraph “Supplier relations”. Besides what stated in the Code of Ethics, in 2018 the Group started a process in order to obtain the SA8000:2014 certification, an international standard related to the Corporate

Social Responsibility, that demonstrates its attention to the human rights topic.

The synthesis between the strategic business approach and stakeholders’ prospects is the key for the Group to be able to continue to generate shared value in the short, medium and long-term.

Materiality matrix of the IVS Group

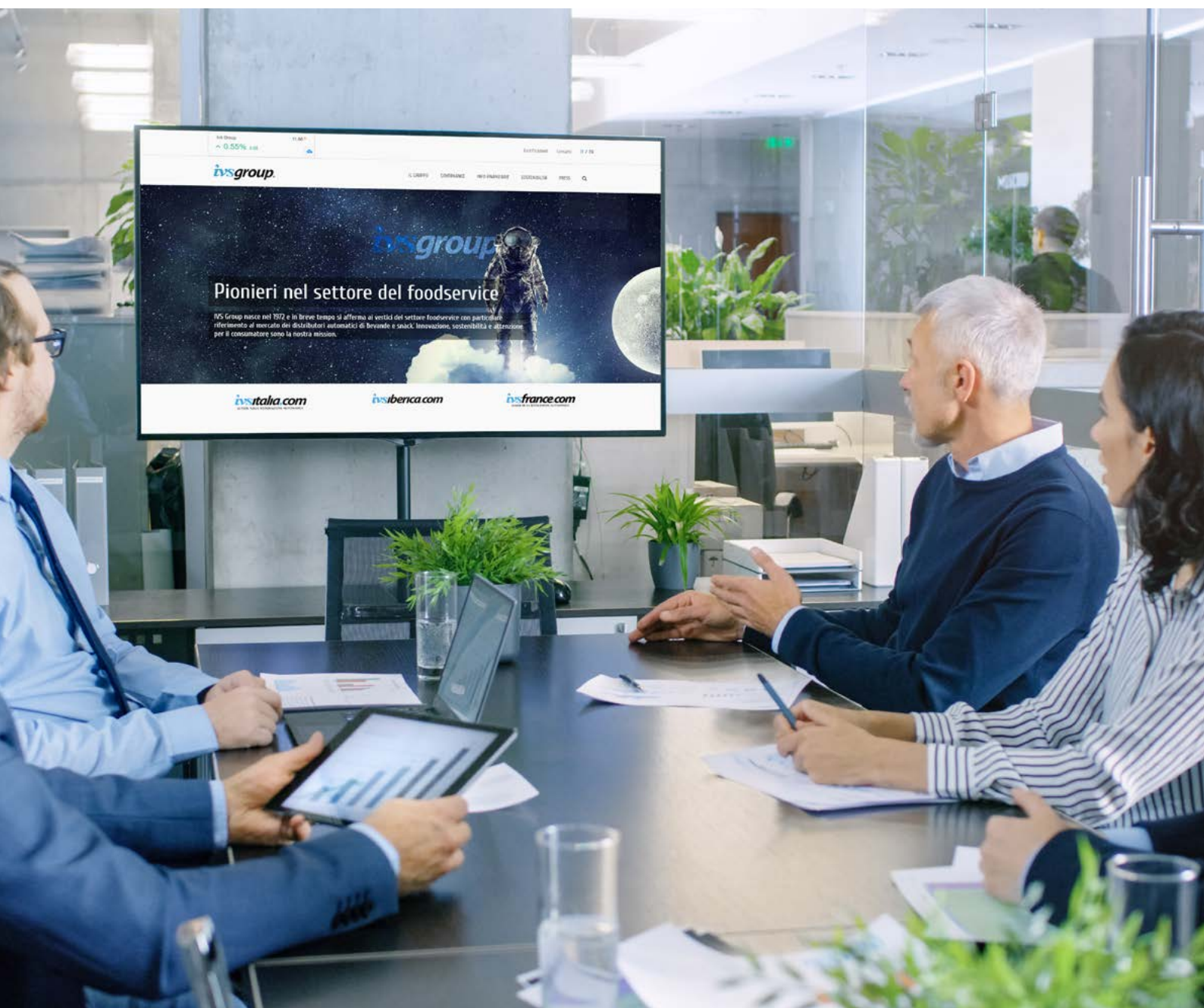


Mapping of Stakeholders and Materiality Analysis for the Coin Division

As regards the Coin Division, an ad-hoc materiality analysis has been developed, which takes into consideration the unique aspects of the coin management business. The stakeholders area for the Coin Division has been reduced to include 5 clusters:



Also in this case, through a process of involvement of the main representatives of the companies Coin Service Nord S.p.A. and Coin Service S.p.A., 19 themes have been identified relating to the same macro areas identified for the IVS Group, with the exception of the one concerning “product performance”, replaced by “service performance”. The results of the analysis reflect the central importance of issues tied to service quality through the entire coin management process, with particular relevance attached to the theme of coin traceability. Special attention is also dedicated to the subject of workers’ health and safety, with particular reference to vehicle drivers for coin transport services.





A person wearing a yellow shirt is working with a green plant in a greenhouse. A large green diagonal overlay covers the right side of the image, and the text 'ECONOMIC RESPONSABILITY' is written in white capital letters on this overlay.

ECONOMIC RESPONSABILITY

Economic performance

Despite the fragile economic context that has affected many industries in the last decade, the IVS Group has managed to increase its business. The Group has retained its focus on profitability through the operating synergies of the extended distribution and services network, particularly by striving to maximise the density of the presence of vending machines. Over the last 10 years, the IVS Group has completed approximately 170 acquisitions, rapidly developing important synergies: an increase in turnover, thanks to the ability to produce innovative machines with an increasingly broader range of products; reduction in the incidence of the costs of the management and technical assistance network, general overheads and costs related to deposits.

In the 2017-2018 two-year period, there was a total of more than 20 acquisitions of business units and/or companies in Italy, France, Spain and Switzerland. The exclusive distribution agreement with Nespresso Italiana S.p.A., relating to the Professional Line of Nespresso[®] coffee capsules, was renewed until 31 December 2019 and, in 2017 and 2018, the Group finalised some important acquisitions geared towards increasing volumes relating to this segment.

In the automatic food service sector, the seasons have a huge impact on the sales composition: the consumption of cold drinks rises in the summer months, while the winter months see greater consumption of coffee and other hot drinks. This difference does not have a significant bearing on the economic results of the Group since the two periodic variations offset one another.

At Group level, the economic performance is assessed on the basis of specific financial statements parameters. The Group prepares an annual budget

every year and a business plan on a three-yearly basis, which is subsequently approved by the Board of Directors of the IVS Group S.A. and which recalculates the Group's targets in terms of the economic-financial performance. The budget drafted represents an internal document which is not disseminated, that is used both for comparative purposes and to monitor any changes considered inconsistent.

Revenues amounted to Euro 434.4 million, up by 6% compared to 2017. This increase is due mainly to the effect of the business combinations completed in the last two years, but also due to the organic growth and the increase in the average sale price. The Coin Division maintains its turnover and profit margin levels essentially stable, consolidating the trend observed in the last few years.

Business developed primarily in the large customer segments, such as banks, vending sector, store chains and local transport services.



The economic value generated and distributed

The IVS Group is committed to creating value for stakeholders, guaranteeing an economic result that can be reproduced in the short, medium and long-term. The effective use of resources is a key aspect of IVS Group's development, in a context in which the Group's activities aim to generate value added for stakeholders.

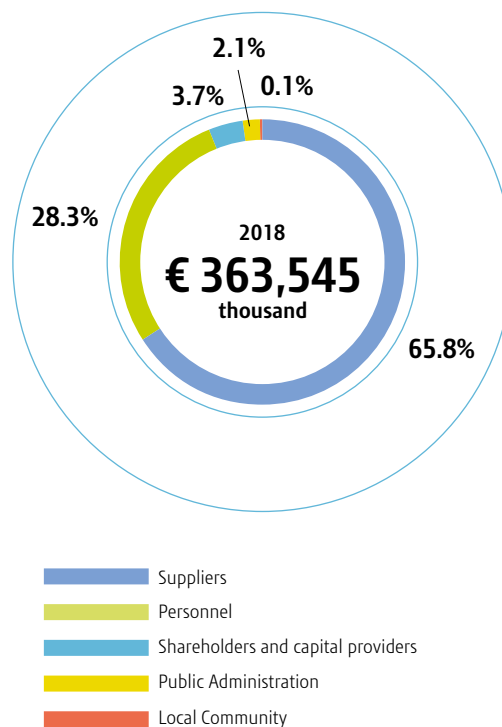
The value added and distributed by the Group to its stakeholders is calculated on the basis of the consolidated income statement, and makes it possible to re-appraise the wealth generated by the Group in terms of consumption and investments which flow into other economic areas, contributing to growth and creating a spillover effect. **In 2018, the economic value added generated by the Group came to Euro 434,306 thousand, while the value distributed stood at Euro 363,545 thousand. The economic value retained came to Euro 70,761 thousand.**

The economic value was distributed in the following way:

- **Personnel remuneration:** this item includes all personnel costs (e.g. salaries, employee severance indemnity, social security charges, etc.);
- **Remuneration of shareholders and capital providers:** this item includes the dividends resolved by the shareholders' meeting⁹ paid to shareholders and the amounts paid to lenders;
- **Remuneration of suppliers:** this item includes all costs for services (including the personnel costs of third party entities) and raw materials;
- **Remuneration of the public administration:** this item mainly includes current income taxes;
- **Remuneration of the local community:** this item includes all donations and sponsorships for the local community.



Economic value distributed to stakeholders



9. For the proposal to the Shareholders' meeting on the distribution to shareholders, please refer to the specific Board of Directors's reports in relation.



ENVIRONMENTAL RESPONSABILITY

The environmental responsibility for the IVS Group

Protection of the environment is a responsibility of fundamental importance that all companies are required to fulfil. The IVS Group does not look on respect for the environment as a mere duty but incorporates it pro-actively in its reference context, undertaking to align its strategic choices with the values of environmental sustainability at every phase of its activities: the Group's efforts in this area are embodied in the **"Declaration of the Integrated Group Policy"**¹⁰, which, since the year it was issued (2016), has been a statement of the Group's responsible approach to quality, the environment, workplace health and safety and the reference model of employees in the performance for all activities.

In particular, the commitment to ensuring the correct management of environmental issues has led to the identification of conduct targeted at:

- Development of an integrated model in line with the requirements of international regulation UNI EN ISO 14001:2015 through the certification from third party accreditation body ACCREDIA;
- Continuous improvement in its organisational and technical skills in order to reduce the environmental impact and the risks connected with its activities;
- Monitoring of its activities with a view to continuous improvement and of the reduction in and prevention of pollution;
- Use of the best plant technologies available in order to minimise the environmental impact and obtain a high-quality product;
- Adoption of the necessary tools to prevent the wastage of energy and natural resources;
- Minimisation and correct disposal of the waste produced during the performance of production activities;
- Minimisation of emissions of CO₂ equivalents into the atmosphere;

- Preparation of systematic measures for ensuring that contractors/suppliers apply the environmental regulations in line with those of the organisation (e.g., the Group searches for and works with suppliers that are committed to the environment or that have obtained the environmental certification ISO 14001:2015), in order to guarantee mutual development in relation to environmental and service quality aspects.

Although it cannot be considered an entity operating in the industrial sector, but rather a services company, the Group, at environmental level, undertakes to identify its main impacts, within the life cycle of the service offered, performing an assessment analysis of the context and, subsequently of the risk, able to associate the Probability Indexes to the Consequence Indexes. The analysis process is established by the Group Integrated Quality Management System, validated in 2017, whose objective is to evaluate which and how many areas there are in which critical aspects are identified, for which the necessary actions must be taken to eliminate or mitigate them. In addition to providing the criteria for evaluating risk, the Integrated Quality Management System identifies the macro-activities which form part of the service provided to the customer.

In fact, starting from the first phase of receipt of products and accessories, the vending machine management system also makes provision for the performance of the following macro-activities in succession:

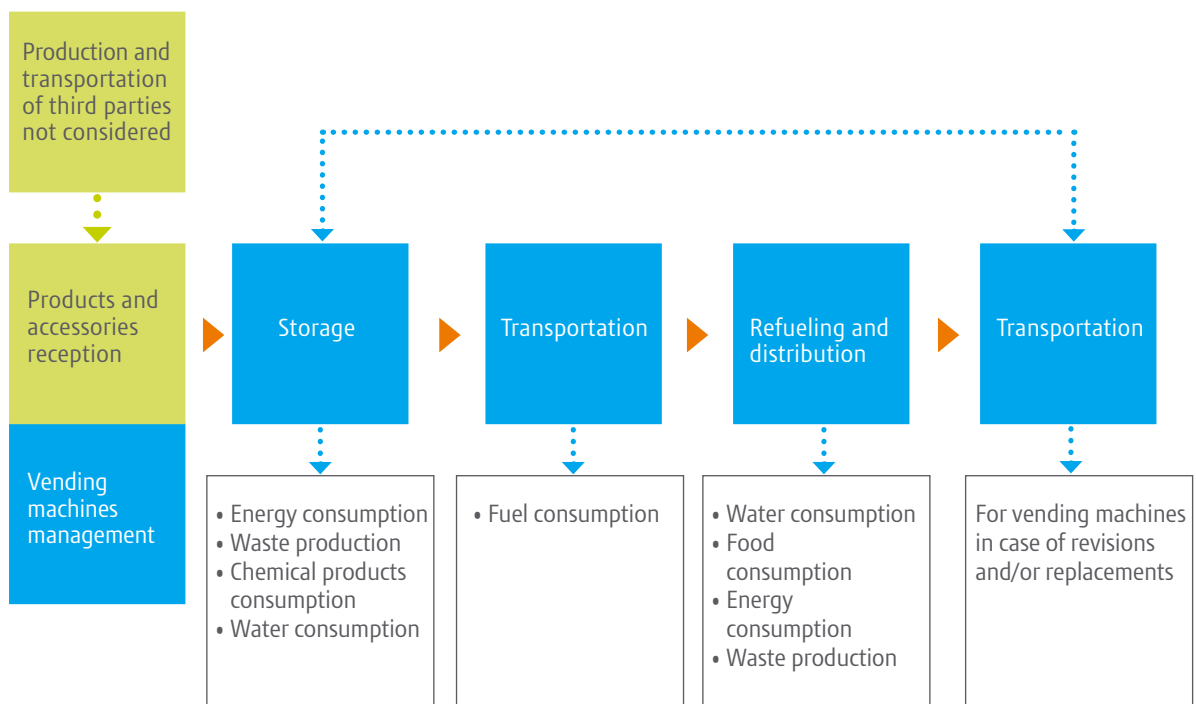
- storage, which involves energy consumption, waste production and, in the case of the servicing and/or replacement of automatic vending machines, the use of chemicals and water;

10. The Declaration of the Integrated Group Policy does not apply to Demomatic S.A. and Wefor S.r.l..

- transportation, which entails the consumption of fuel;
- restocking and distribution, which involve the consumption of water, foods, energy and the production of waste;
- transportation, which leads to a storage phase again, with the start of a new cycle, which involves the use of fuel.

The Group's responsible environmental approach is also shared with the other operators in the supply chain, as shown by the objectives of the "Declaration of the Integrated Group Policy". In this way, the attention on environmental aspects extends to the entire product life cycle, also outside the confines of the company.

Description of the service provided starting from the phase of receipt of products at Local Units



Energy consumption¹¹

The IVS Group's activities mainly include automatic and semi-automatic vending machine installation, maintenance and management services carried out on a large scale. Energy consumption relates primarily to logistics and the operation of Group structures.

As a result, in 2018, energy consumption was attributable to the use of diesel, accounting for 78.1% of the total. Followed by electricity consumption (15.4%), part purchased and part self-produced, used for heating, production of domestic hot water, lighting of offices and warehouses, powering of electric vehicles, which are recharged at the company, and the powering of automatic vending machines with a dedicated group-owned electrical panel.

Italy also uses renewable sources to produce electricity, through the use of photovoltaic panels on the roof of the building of the Rovello Porro (CO) site: production in 2018 stood at about 44 MWh.

The Group's residual energy consumption relates to natural gas (5.1%), Liquefied petroleum gas (LPG) (0.6%) and gasoline (0.8%). The Group's total energy consumption stood at 254,317 GJ, an increase of 4.8% compared to the previous year. Consistently with the distribution of Group activities, 82.4% of consumption is attributable to Italian sites, followed by Spain (10.8%), France (6.3%) and, finally, Switzerland (0.5%).

Group energy consumption by fuel type

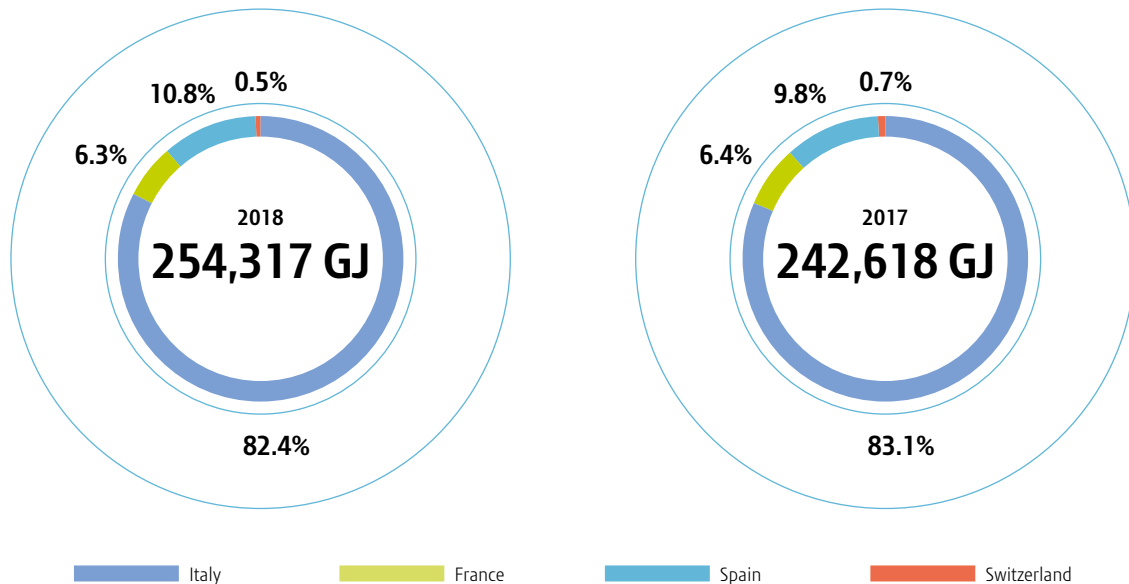
[GJ]	From 1 January to 31 December 2018	From 1 January to 31 December 2017
Diesel	198,674	190,529
Natural gas	12,868	10,751
LPG	1,448	1,432
Gasoline	2,139	2,041

Group electricity and heating consumption

[GJ]	From 1 January to 31 December 2018	From 1 January to 31 December 2017
Electricity		
Purchased	39,049	37,691
Self-produced	158	202
Of which sold/injected into the network	19	28
Heating		
Purchased	-	-

11. Due to improved processes in data collection and calculation, 2017 figures may differ from the ones published in 2017 Sustainability Report. For historical data published in the past, please refer to the 2017 Sustainability Report.

Group energy consumption by country



The huge significance of fuel consumption outlined above attributable to logistics services, requires the Group to dedicate huge efforts and be acutely aware of operating in respect of the reference environment. Especially within the context of such a widespread territorial presence of the company brand, which requires the large-scale use of vehicles, the IVS Group carefully selects its vehicles.

As at 31 December 2018, the IVS Group's fleet was composed of 2,454 new generation vehicles in almost all cases, marking an increase of 2.0%

compared to 2017. The Group chose to make greater use of diesel-powered vehicles, which accounts for 94.0% of vehicle energy consumption, followed by cars powered by natural gas (2.3%) and LPG (1.5%) and gasoline vehicles (1.4%). The figure with respect to the purchase of electric vehicles (0.8%) remains unchanged, due to the objective difficulties encountered as regards our ability to keep them charged on long journeys over large areas, but the Group retains a keen interest in alternatives to traditional vehicles (diesel, gasoline), in the hope that the relevant technologies are developed further in the future.

Group vehicles by fuel type

	2018	2017
Total [No. vehicles]	2,454	2,406
Diesel	94.0%	94.4%
Natural gas	2.3%	2.2%
LPG	1.5%	1.5%
Gasoline	1.4%	1.1%
Electric	0.8%	0.8%



COIN DIVISION ENERGY CONSUMPTION

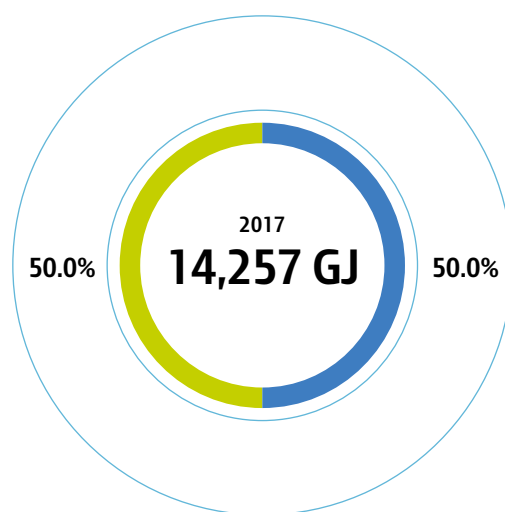
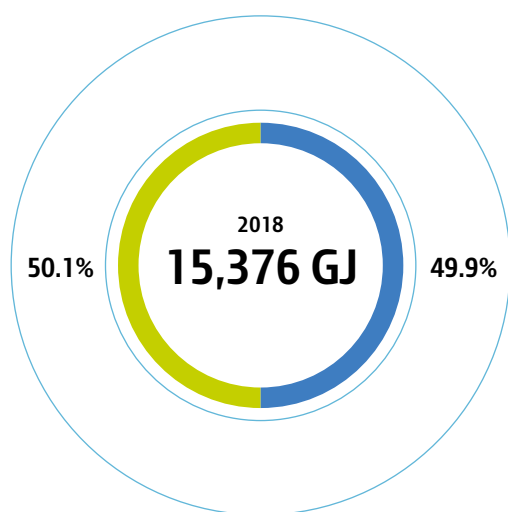
In line with the performance of the IVS Group, the energy consumption of the Coin Division exclusively relates to management of the company fleet, fuelled entirely by diesel (74.2%), followed by electricity consumption (20.7%) for office and vault operation and natural gas for heating and domestic hot water (5.1%).

Coin Division energy consumption by fuel type

[GJ]	From 1 January to 31 December 2018	From 1 January to 31 December 2017
Diesel	11,414	10,272
Natural gas	783	625

Coin Division electricity and heating consumption

[GJ]	From 1 January to 31 December 2018	From 1 January to 31 December 2017
Electricity		
Purchased	3,178	3,361
Heating		
Purchased	-	-



Coin Service S.p.A.

Coin Service Nord S.p.A.

Coin Division vehicles by fuel type

	2018	2017
Total [No. vehicles]	47	41
Diesel	100.0%	100.0%

EFFICIENCY DRIVES OF THE COIN DIVISION

In particular, as regards the company Coin Service Nord S.p.A., led lights were installed at the newly opened Padua branch, the Castel Maggiore (BO) branch and all offices, and within the vaults and counting rooms, in Rovello Porro (CO).

COFFEE INJECTS ENERGY INTO OUR FUTURE

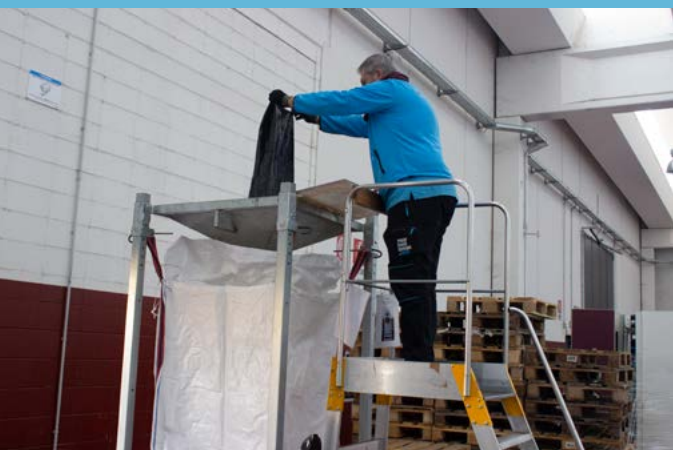
COLLECTION AND RECYCLING OF COFFEE GROUNDS CONTINUES, WHICH ARE FIRST TRANSFORMED TO BIOGAS AND THEN CLEAN ENERGY

The growing interest in the field of renewable energies in the last few years has often translated to specific investments in various production methods. Significant attention has been focused, in particular, on biogas plants powered by zootechnical sewage, agro-industrial waste and energy crops.

Various scenarios have developed, including regulatory, characterised by the provision for a gradual reduction in energy crops for powering biogas plants in favour of the use of different matrixes, which give great consideration to the specific characteristics of the individual areas. It is indeed along these lines that various vegetable substrates have been identified and evaluated, in order to be able to use them for fuelling biogas plants. As regards these by-products, special mention must be made of coffee grounds, a matrix that has highlighted significant applicability, in line with the most recent studies that continue to confirm their excellent feasibility and application in this field.

The collection and recycling of **coffee grounds** continues, started in 2016 thanks to the cooperation of the company Organica S.r.l.. Another branch was added this year thanks to which IVS Italia S.p.A. collected around 82 tonnes of coffee grounds in 2018 (an increase of 11% in terms of quantity compared to the previous year).

The grounds collected are then inserted in the fuel supply cycle to power various biogas plants of different dimensions, from small plants with capacities of around 100 kW to plants with capacities of 1,000 kW and with different construction types. The IVS Group has obtained satisfactory responses from all quarters, and in line with the forecasts of the laboratory references. The IVS Group used these 82 tonnes to produce around 50,480 kWh_e (compared to 45,880 kWh_e in 2017) of electricity from renewable sources, with a saving of roughly 20,438 kg of CO₂ not emitted into the atmosphere and 9,507 of TOE (Tonnes of Oil Equivalent). In addition, the IVS Group has, alongside electricity, produced 65,600 kWh_t of thermal energy thanks to a cogeneration motor, hence saving a further 16,728 kg of CO₂.



The amount of energy produced is the equivalent of the average annual consumption of 19 families (considering a 4-person family)¹².

The coffee bean from the plant, after its agro-industrial use to produce the classic drink, continues to be used in this way as a by-product to generate “clean” energy, with a considerable saving of CO₂ produced and emitted into the atmosphere. Lastly, at the final phase of its productive life, it returns to the ground as a rather efficient amender, to allow the production of new crops.

Objectives reached

	Measurement	2018	2017
Coffee grounds used	Tons	82	74
Electricity produced	kWh _e	50,480	45,880
Thermal energy produced	kWh _t	65,600	59,200
CO ₂ not emitted	kg	37,166	33,540
TOE saved	TOE	9,507	8,580

12. Source: Istat data. The survey records the average expenses of the Italian families in 2013 for the electricity necessary for: home heating, water heating, cooling, equipment, consumption and spending for biomass, lighting and electrical appliances. The electricity cost has been hypothesized amounting to 0.18 €/kW

Emissions of greenhouse gases¹³

The IVS Group undertakes to quantify its carbon footprint connected to its unique internal business activities, with the goal of subsequently defining specific greenhouse gas emission reduction objectives. The emissions considered by the IVS Group are split into two categories:

- **Direct emissions - Scope 1:** Direct greenhouse gas emissions from combustion in boilers, vehicles, etc.; emissions from chemical production in air conditioning equipment;
- **Indirect emissions - Scope 2:** Scope 2 takes account of greenhouse gas emissions from the generation of electricity purchased by the company. Electricity acquired is defined electricity bought or otherwise brought within the organisational confines of the company. Scope 2 emissions physically occur where the electricity is generated.

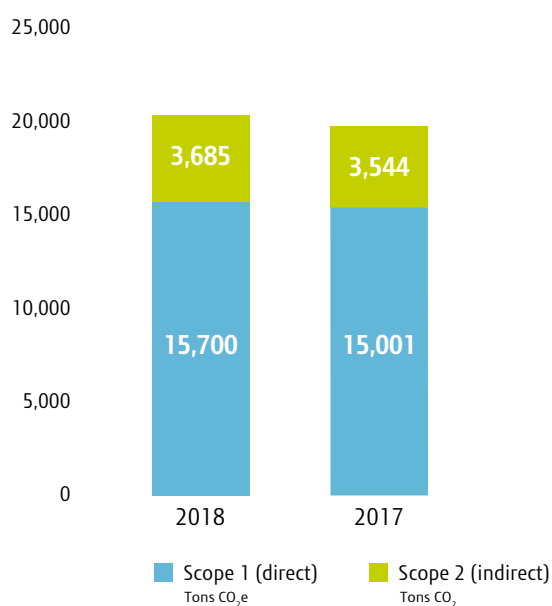
In 2018, the Group's total emissions of CO₂ equivalent came to 15,700 tonnes of Scope 1 emissions, an increase of 4.7% compared to 2017 and 3,685 tonnes of Scope 2 emissions, up by 4.0%, consistently with the trend in energy consumption.



13. Due to improved processes in data collection and calculation, 2017 figures may differ from the ones published in 2017 Sustainability Report. For historical data published in the past, please refer to the 2017 Sustainability Report.

Group greenhouse gas emissions by type (Scope 1 and 2) and country¹⁴

	From 1 January to 31 December 2018		From 1 January to 31 December 2017	
	Scope 1 [Tons CO ₂ e]	Scope 2 [Tons CO ₂ e]	Scope 1 [Tons CO ₂ e]	Scope 2 [Tons CO ₂ e]
ITALY	12,698	3,470	12,217	3,391
FRANCE	1,079	22	1,049	17
SPAIN	1,839	191	1,636	134
SWITZERLAND	84	2	98	2
IVS GROUP	15,700	3,685	15,001	3,544



Considering that a substantial part of the emissions relate to the use of fuels for logistics activities, the IVS Group undertakes to implement initiatives to reduce fuel consumption through, for example, the careful selection of new generation vehicles with extremely low polluting emissions.

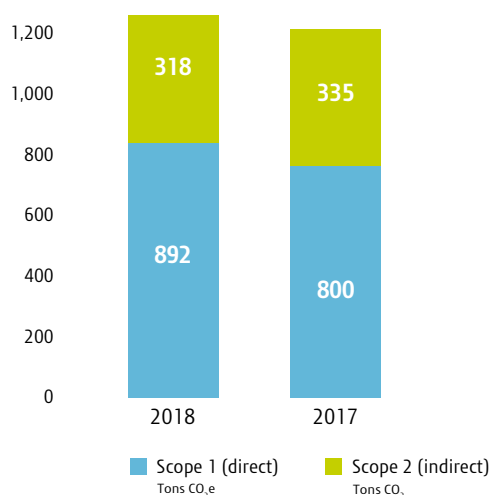


14. Scope 2 emissions are expressed in tons of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalents) as can be deduced from the reference technical literature.



COIN DIVISION EMISSIONS

Coin Division greenhouse gas emissions by type (Scope 1 and Scope 2)¹⁵



In 2018, the Coin Division registered a total of 892 tonnes of Scope 1 CO₂e, an increase of 11.5% compared to 2017 and 318 tonnes of Scope 2 CO₂, a decrease 5.2%. Also for the Coin Division, emissions relate primarily to the use of fuel for logistics activities, with a lower percentage due to the purchase of electricity and heating to operate offices and vaults. This increase is the result of a rise in energy consumption attributable to the opening of the Padua branch during the year and renovation works at the Padua and Castel Maggiore (BO) branches, as well as the increase in the vehicles of the Coin Division.

15. Scope 2 emissions are expressed in tons of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalents) as can be deduced from the reference technical literature.

Group efficiency drives

Respecting the environment also means saving energy by cutting needless consumption, an objective that the IVS Group, thanks to a long-term environmental policy, is pursuing through the planning, implementation and monitoring of numerous projects targeted at savings in pollution-causing energy, the reduction of all emissions and, more generally speaking, the responsible management of the resources it uses. Some of the solutions adopted to protect consumption are:

- **Choice of vending machines with highly refined techniques and equipped with special "energy-saving" functions**. These include devices that, thanks to the insertion of a special timer, are able to activate the vending machine only when actually being used;
- **Monitoring and evaluation for the reduction of consumption of electricity, water, gas, vehicles and machines**. The project, created at the end of 2017, envisages the automatic switching off of a series of devices and the involvement of Group personnel in switching off other devices and reducing some consumption. The Group has profited from collaboration with leading suppliers in the sector in a project targeted at upgrading

equipment, reducing the number of pieces of equipment and choosing these based on their capacity to manage Energy Saving programmes. The aim is to continue to monitor the company employees' performances in this domain, requesting that they cooperate in switching off laptops and desktop computers, monitors and the lights in the various offices and rooms if they are away for prolonged periods, in such a way to spread a culture of respect for the environment, through careful management of its available resources, throughout the entire organisation;

- **Increase in efficiency of the lighting system in the branches where the traditional system needs to be replaced**. Started last year, during 2018 this project is taking concrete shape, with completion of the installation of low-consumption white led lights to replace the traditional neon lights. Through the collaboration of a dedicated supplier, a verifying activity has been conducted in some sites so that the lights can be replaced. The table below summarises the annual consumption estimated by the supplier before and after the project, and the estimated number of TOE saved;

Comparing between figures before and after the lighting system efficiency¹⁶

Branch	Annual consumption before (MW)	Annual consumption after (MW)	Reduction (%)	TOE saved per year
Seriata	66.0	31.0	53.0	6,545
Pedrengo	243.3	98.8	59.4	27,022
Calderara di Reno	100.1	37.6	62.5	11,688
Quarrata	64.3	27.7	56.9	6,844
Modugno	54.3	19.6	63.9	6,489

16. The table shows the values estimated by the supplier after the conclusion of the project. For Seriata and Pedrengo sites, the project started in September 2018. For the remaining sites, the project will take place in 2019.


- **Drafting of plans for the installation of photovoltaic panels on the roofs of the logistics facilities**, with the objective of at least being able to meet the Group's electricity and hot water requirements independently;

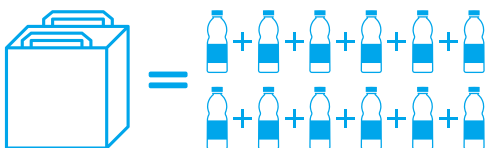


- **Satellite tracking of vehicles.** The monitoring system makes it possible to factor in the travel time, displayed instantly, as a variable in the management of assistance requests. In this way, movements can be minimised;
- **Replacement and purchase of low-environmental impact new-generation vehicles;**
- **Greater use of recycled material;**



- **Drive towards a process of dematerialisation of some internal procedures**, such as the electronic transmission of company communications and documentation, including the working provisions in the different productive sites.






Il PET di questo shopper è ottenuto riciclando 12 bottiglie in PET da 0,5l.
 Materiale riciclato non sbiancato.
 Stampa ottenuta tramite un processo di fotoincisione utilizzando inchiostri ecologici ed azo-free.
 Riusa - Riduci - Ricicla

El PET de esta bolsa se ha obtenido reciclando 12 botellas en PET de 0,5l.
 Material reciclado no blanqueado.
 Impresión obtenida a través de un proceso de foto incisión, utilizando tintas ecológicas y AZO-free.
 Reutiliza - Reduce - Recicla

El PET d'aquesta borsa s'ha obtingut reciclant 12 ampolles en PET de 0,5 l.
 Material reciclat no blanquejat.
 Impressió obtinguda a través d'un procés de foto incisió, utilitzant tintes ecològiques i AZO-free.
 Reutilitza - Redueix - Recicla

Le PET de ce sac est obtenu en recyclant 12 bouteilles PET de 0.5l.
 Matériel recyclé non blanchi.
 Impression obtenue à travers un procédé de photogravure, utilisant des colorants écologiques et azo-free.
 Réutilisable - Réduit - Recyclable

COME DIFFERENZIARE - Como diferenciar - Com diferenciar - Tri selectif SACCHETTO - Bolsa - Borsa - Sac PLASTICA - plástico - plastique <small>Verifica sempre la modalità di raccolta del tuo Comune. Non disperdere nell'ambiente. Verifica siempre la modalidad de recogida de tu Ayuntamiento. Vérifier les modalités de ramassage de votre commune. Éviter le rejet dans l'environnement.</small>	
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Waste management¹⁷

In line with the IVS Group's vision of respect for the environment, its policy is geared towards the reduction and proper management of waste which aims to promote, where possible, the recovery of recyclable materials and to ensure sustainable management of hazardous substances.

The Group undertakes to make its employees aware of these specific issues, promoting the re-use and the recycling of materials and incentivising the separation of waste. In particular, at IVS Italia S.p.A., the awareness-raising of employees continues, by both creating material collection points, with clear instructions on which products to

put in each container, and through the posting of notices and distribution of information material.

At the Coin Division, each branch pays special attention to observing the separated collection of materials, both in the counting room divisions and the offices.

The Group produces waste mainly from office and warehouse management activities, for a total of 3,042 tonnes of waste, marking an increase of 32.3% compared to 2017. 14.3% of the waste produced is classified as hazardous, while the remainder is non-hazardous waste (85.7%).

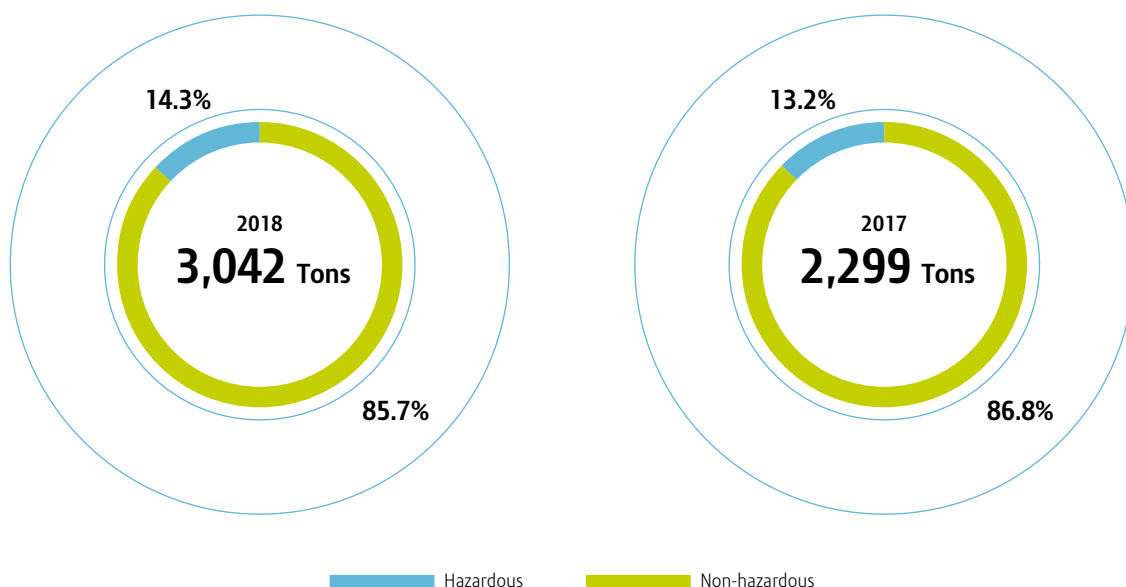


17. With regard to the Italian companies of the Group, the data do not include the waste which are disposed according to the criteria set forth by the management of the relevant Municipal authority. In particular, no branch produces quantities of waste as such to require the presence of compactors or bins for the collection of large volumes of the main categories of waste. This information is, nonetheless, not significant with respect to the organisation's activities. 2017 and 2018 data presented in this paragraph do not include IVS France S.A.S. data. As regards the company IVS France S.A.S., data classification by type and by disposal method will be available starting from 2019, since at the end of 2018 the branch developed a new and structured data gathering process. The total amount of waste produced was equal to 304.6 tonnes in 2017 and to 277.0 tonnes in 2018, and only include the Corneilles branch.

Waste produced by the Group by type and disposal method¹⁸

[Tons]	From 1 January to 31 December 2018	From 1 January to 31 December 2017 ¹⁹
Hazardous	435	304
Recycling	377	227
Other*	58	77
Non-hazardous	2,607	1,995
Recycling	2,219	1,800
Recovery	113	103
Incineration	-	-
Other*	275	91
TOTAL	3,042	2,299

* Temporary deposit and chemical-physical treatment.



18. The waste disposal method has been indicated by the entity responsible for disposal by the majority of companies. In other cases, it has been disposed of directly by the Group companies. Lastly, in the case of Switzerland, the method has been deduced from the conditions defined beforehand by the entity responsible for disposal.

19. Due to improved processes in data collection and calculation, 2017 figures may differ from the ones published in 2017 Sustainability Report. For historical data published in the past, please refer to the 2017 Sustainability Report.

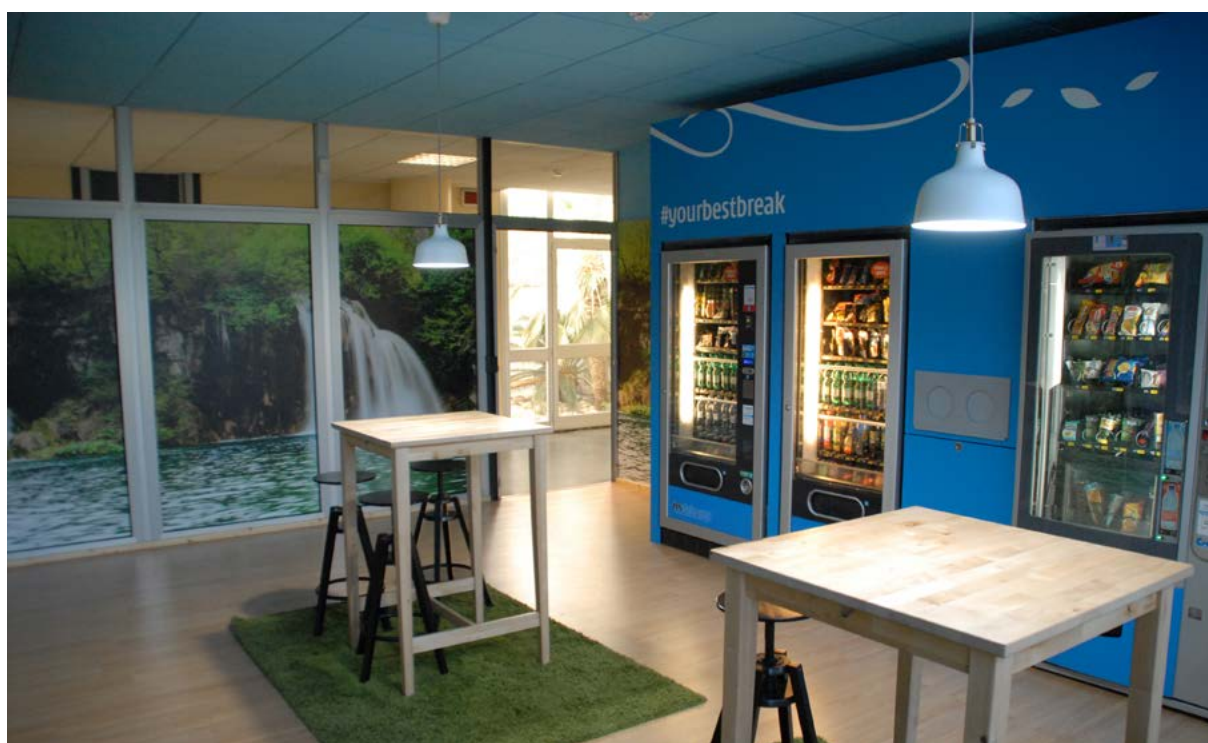


The IVS Group continues to purposefully focus on revamping its vending machines, as part of the continuation of its normal business activities.

In 2018, approximately Euro 31 million was allocated for the purchase of automatic vending machines and new components, and Euro 10 million was invested in their overhaul.

In 2018 **a total of approximately 14 thousands used vending machines were serviced**, a figure in line with the previous year, but more significant owing to the types of work carried out and the technological upgrades completed, **roughly 7 thousand Fridge Units and approximately 11 thousand Payment Systems**.

In fact, the company dedicated significant commitment to fine-tuning the Touch Screens installed on used vending machines, a clear sign of the company's wish to maintain vending machines not built recently "operational" and modern.



Equipment serviced by type and branch in 2018

No.	Seriate	Pomezia	Modugno
Automatic vending machine	7,635	5,656	952
Fridge Unit	5,092	1,195	501
Payment systems	6,226	4,763	-

The year 2018 marked a significant turning point in the production cycle of the reconditioning of the automatic vending machine structure, leaving behind solvent-based paints **for new two-component water-based paints, that have lower impacts on the environment and the employees' health and safety than the traditional paint, containing chemical compounds.** The dedicated department of 6 employees was reorganised, not a trouble-free process, almost fully absorbing a higher product cost and greater frequency of ordinary maintenance of extraction systems.

The year 2019 will see a consolidation of the technological improvements implemented in 2018, introducing the organisational elements that will allow the company to increase production volumes in 2018.

Other ideas for qualitative improvements may come from tests involving the insertion of two-component paints in the overhaul centres of Modugno and Pomezia, which switched to single-component water-based paints before Seriate.

In 2018, where not possible to service the automatic vending machine or its components, the IVS Group S.A. and IVS Italia S.p.A. had 356.1 tonnes of waste classified as EWC 16.02.11* (Vending machine for cold products) and 339.6 tonnes of waste classified as EWC 16.02.14. (Vending machine for hot products) collected by the dedicated supplier. The first initial corresponds to discarded equipment, containing chlorofluorocarbons, HCFC and HFC, while the second corresponds to the discarded equipment not



considered hazardous. The material collected by the supplier is therefore processed and produces a series of materials, as shown in the table below.

Materials obtained from the processing of the discarded equipment (EWC 16.02.11*) of the IVS Group S.A. and IVS Italia S.p.A.

Output	% 2018	% 2017
Ferrous metals	74.6	71.0
Non-ferrous metals	0.2	3.4
Plastics	12.3	7.5
Electrical and electronic components	1.2	8.5
Oil	-	0.1
Fraction of waste	11.7	9.4
Refrigerant gas	<0.1	0.1

Materials obtained from the processing of the discarded equipment (EWC 16.02.14) of the IVS Group S.A.

Output	% 2018	% 2017
Ferrous metals	65.0	72.1
Non-ferrous metals	-	3.4
Plastics	22.8	8.9
Electrical and electronic components	2.6	9.7
Fraction of waste	9.6	5.9

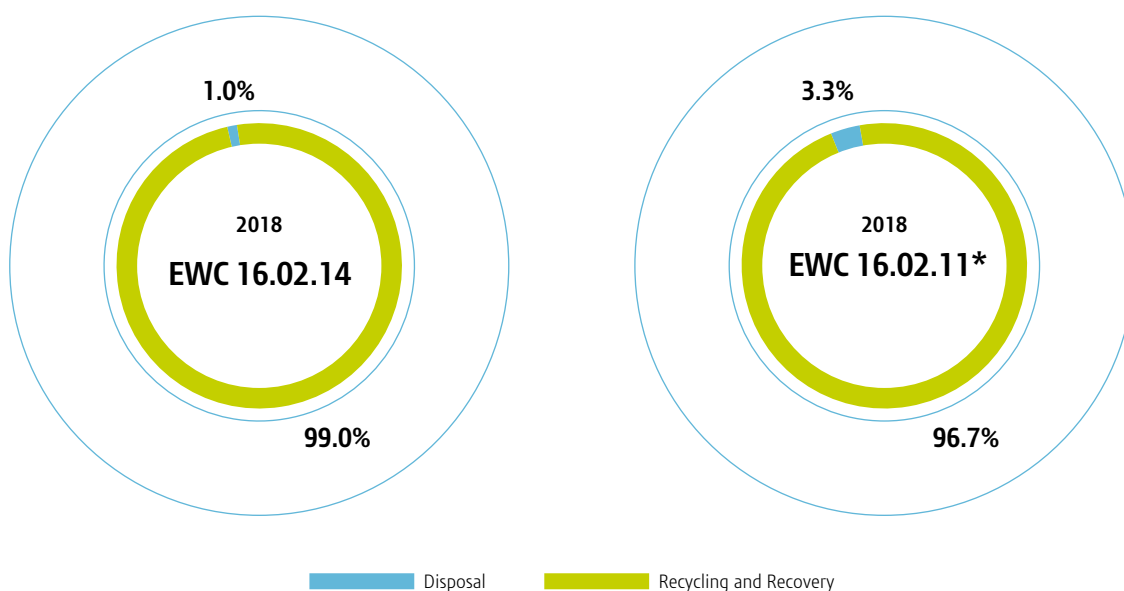


All processing activities produced the percentages of recovery reported in the table below.

Percentages of recovery of the discarded equipment of IVS Group S.A. and IVS Italia S.p.A.²⁰

Final use	EWC 16.02.14	EWC 16.02.11*
Recycling	91.9%	92.8%
Recovery	7.1%	3.9%
Disposal	1.0%	3.3%

Lower wastage of materials, lengthening of the useful life of machines and the decrease in the quantity of materials to be sent for disposal are clear results of the reuse and recycling policy adopted by the Group.



20. "Recycling" refers to the material recovery while "Recovery" to the energy recovery.

L'acqua è
un bene prezioso,
non sprecarla!

Chiama subito un tecnico se noti perdite da
lavandini, rubinetti, scarichi.

Limita l'acqua al necessario.

Usa correttamente i pulsanti (poca/tanta acqua)
posti sugli scarichi dei servizi igienici.



Water consumption

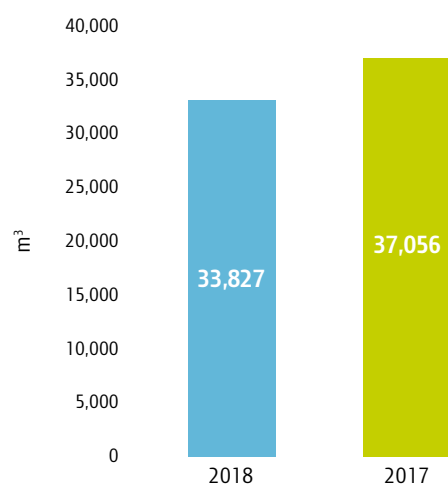
The IVS Group uses water for both sanitary and for industrial purposes, particularly for the washing and sanitisation of automatic vending machines for the Vending division²¹. In 2018, water consumption²² totalled 33,827 m³.

The Group's commitment to raising personnel awareness of the rational use of natural resources also extends to the issue of water consumption, through the posting of notices and distribution of information material in the branches. As regards the method of data collection, in Italy, every two months each branch fills in the form called "Controllo Operativo Visivo" (Visual Operating Control) which collects various items of information including meter readings. The data from the meter readings of water consumption and the invoices are collected so that water

management can be kept under control and so that prompt action can be taken when problems arise (e.g. water leaks, excessive consumption, etc.).

The bulk of water is withdrawn from the waterworks. The remainder is instead withdrawn from the subsoil. Data collection and monitoring activities, which are performed manually in the majority of branches at present, based on the consumption efficiency, monitoring and reduction project cited above²³, can be managed automatically through a telemetry system, able to offer a direct reading service virtually in real time. The huge advantage offered by this monitoring system is its guaranteed speed: any leaks and/or excessive consumption can be corrected almost instantly, without incurring delays, hence avoiding considerable damages. The system is already active in the Seriate and Pedrengo offices.

Group water consumption²⁴



21. The total water withdrawal for the Coin Division is not particularly significant, given that the consumption of water from the water network does not fall under the necessary factors for the process of provision of the service by the division itself, but is closely related to sanitary services, cleaning of premises and the personal requirements of employees.

22. As regards the company Coin Service S.p.A., the water consumption data only include the Empoli branch.

As regards the company IVS France S.A.S., 2017 water consumption data only include the Cormeilles branch.

As regards the company IVS France S.A.S., 2018 data for Nice and Trets were estimated multiplying the actual water consumption per employee of Marguerittes branch by the number of employees of each branch.

23. More information is available in the section "Group efficiency drives".

24. The main source of supply in terms of Group water consumption is the waterworks, from which 31,125 m³ of water is withdrawn. The remainder is withdrawn from the subsoil, amounting to 2,702 m³.



The background of the image features a large, dark silhouette of a tree with a thick trunk and spreading branches. The tree is set against a sky with a warm, orange-to-yellow gradient, suggesting a sunset or sunrise. A semi-transparent yellow-green rectangular overlay is positioned behind the text, partially covering the tree and sky. The foreground shows a dark, silhouetted landscape with some low-lying vegetation.

RESPONSABILITY TO PEOPLE

The responsibility to people for the IVS Group

The importance of the Group's personnel is outlined explicitly in its Code of Ethics. In fact, the Code affirms that human resources are recognised as a fundamental and essential factor in the Group's development. The central importance of employees, who are expressly required by the Group to exhibit professionalism, dedication, loyalty, integrity and a spirit of cooperation, is also guaranteed through the protection of professional development in order to enhance their skill-sets. The recognition of salary increases or other incentives, as well as access to higher roles and positions are connected not only to the regulations established by law and the national collective labour agreement, but the merit of the employees, which takes shape not only through the attainment of performance targets, but also through the capacity to engage in organisational conduct based on the Group's ethical principles. In addition, the Code of Ethics states that the Group undertakes not to engage in any forms of favouritism and nepotism and hires personnel exclusively on the

basis of regular employment contracts, and does not tolerate any form of irregular work.

The IVS Group is well aware of the need to retain its key personnel. Business activities also depend unequivocally on employees, key figures with whom the Group maintains relations and exchanges resources with a view to mutual growth. The Group's performance may be negatively impacted if, for any reason, a certain number of its employees choose to leave the organisation.

In addition, an unhealthy company environment or misleading bonus system could be general sources of disquiet within the organisation and also cause strikes or similar situations, capable of interrupting the business activities. To stop this from happening and promote a stimulating work environment, which improves employee well-being and productivity, the IVS Group undertakes to constantly adapt to the legislation and best practice in force in the different countries.



Industrial relations

The IVS Group firmly believes in the importance of social dialogue in the work procedures of its organisation. The development of constructive dialogue with the trade unions, based on values such as correctness and transparency in the management of relations with the various trade union associations, contributes positively to creating an impartial and collaborative company environment, also allowing the Group to understand the national and international labour requirements.

The Human Resources department continuously handles, for the IVS Group, the management and development of industrial relations with the Trade Union Organisations that sign the national collective agreements applied by the Group companies and the Corporate Trade Union.

Representatives (RSA) which the latter have established within the Group itself. These industrial relations are maintained at different levels: national regional, provincial and local.

Specifically, the IVS Group:

- manages all out-of-court activities with national, regional, provincial and local Trade Union Organisations, including directly with the dispute offices;
- applies level II bargaining ("so-called "Productivity Bonus");
- reaches national framework agreements, subsequently implemented at local level for video-surveillance systems and for geo-location devices (GPS);
- participates in specific projects.

As regards the various projects in which the Group participates in this area, "Laboratorio Cisl Impresa 4.0" stands out, conceived to encourage



consideration of the repercussions the new productive models have for work conditions, production and employment. Participation allowed the Group to provide the necessary support to the Trade Federations for the construction of effective proposals and initiatives in relation to the above-mentioned themes.

In addition, the company-specific union representatives were involved in signing the agreements with the trade unions, in particular as regards the agreements on the installation of video-surveillance systems and on financed training. At the request of the company-specific union representatives, meetings are also held between workers and company departments in order to discuss any problems that have arisen in the work organisation.

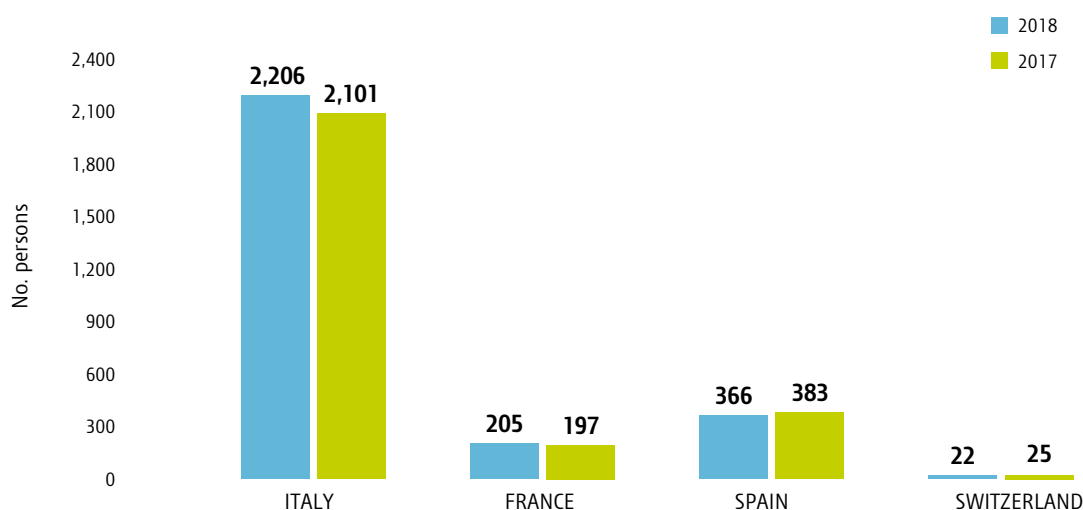
Our people

As at 31 December 2018, the IVS Group's workforce was composed of 2,799 employees, marking growth of 3.4% compared to 2017.

This increase, in line with the growth in the size of the Group, was due primarily to the acquisitions

completed in 2017. A total of 78.8% of the IVS Group's personnel is employed in Italy, the Group's operating hub. Followed by Spain, where 13.1% of the total workforce is employed, 7.3% in France and the remaining 0.8% in Switzerland.

Distribution of Group employees by country as at 31 December



As regards the breakdown of the Group workforce by professional category, executives account for 0.1% of the total, middle managers 1.5%, white collar employees 24.1% and blue collar workers the remaining 74.3%. Restocking and the associated logistics activities represent the areas with the greatest use of resources, followed by technicians, hardware revamping factories, quality and security, hardware logistics and management, sales and finance.

The Group considers collaboration with Universities an essential element which guarantees the hiring of highly skilled personnel within its organisation; therefore, special agreements have already been in place for many years with various universities, including the Universities of Bergamo, Pisa, Como, Sapienza (Rome), Bologna, Luigi Bocconi and the Catholic University of Milan.

These collaborations have led to the launch, starting in 2013, of 13 training periods, both curricular and extra-curricular, in the strategic areas of the companies IVS Group S.A. and IVS Italia S.p.A.. Seven of these, equal to 53.8% of the total, resulted in direct employment in the company.

These figures demonstrate how the Group firmly believes in the training of young students/

workers and is interested in striking up long-term partnerships with the Universities.

As proof of the confidence the company has in its personnel and in the hope of ensuring long-term employment for them, the IVS Group privileges the offer of a stable and long-lasting employment relationship: therefore, 92.5% of employees are hired on permanent contracts and 7.5% on temporary contracts.

Distribution of Group employees by contract type and gender

No. persons	At 31 December 2018			At 31 December 2017		
	Men	Women	Total	Men	Women	Total
Permanent	2,276	314	2,590	2,181	306	2,487
Temporary	181	28	209	192	27	219
TOTAL	2,457	342	2,799	2,373	333	2,706

Distribution of Group employees by contract type and country

No. persons	At 31 December 2018			At 31 December 2017		
	Temporary	Permanent	Total	Temporary	Permanent	Total
Italy	187	2,019	2,206	210	1,891	2,101
France	5	200	205	1	196	197
Spain	17	349	366	8	375	383
Switzerland	-	22	22	-	25	25
IVS GROUP	209	2,590	2,799	219	2,487	2,706

Distribution of Group employees by professional category and gender

No. persons	At 31 December 2018			At 31 December 2017		
	Total number	% Men	% Women	Total number	% Men	% Women
Executives	3	100.0	0.0	3	100.0	0.0
Middle managers	43	90.7	9.3	38	92.1	7.9
White-collar employees	673	55.9	44.1	657	58.9	41.1
Blue-collar employees	2,080	98.0	2.0	2,008	97.0	3.0
TOTAL	2,799	87.8	12.2	2,706	87.7	12.3

Turnover

The IVS Group has demonstrated its commitment to generating high-value employment, employing a personnel selection process implemented in full respect of the personality and dignity of the individual, as cited in the Code of Ethics. **A total of 513 new staff were hired in 2018, while 420 left the company. The turnover rate (incoming)²⁵ of the IVS Group was 18.3%, an increase of 2.0 percentage points compared to 2017.** Most hires were men between the ages of 30 and 50, accounting for 47.8% of the total.

France represents the country with the highest turnover rate (incoming), with 37.1%, followed by Spain (18.6%), Switzerland (18.2%) and, lastly, Italy (16.5%).

The turnover rate (outgoing)²⁶ of the IVS Group was 15.0%, an increase of 1.5 percentage points compared to 2017 but, nonetheless, lower than the incoming percentage. In particular, the turnover rate in Italy was 11.8%, 33.2% in France, 23.2% in Spain and 31.8% in Switzerland.

Number and turnover rate (incoming and outgoing) by gender, age and country

2018	Incoming turnover				Outgoing turnover			
	Men	Women	Total	Rate (%)	Men	Women	Total	Rate (%)
IVS GROUP								
< 30 years	183	14	197	52.8	118	10	128	34.3
30 - 50 years	245	36	281	14.7	221	28	249	13.0
> 50 years	29	6	35	6.8	32	11	43	8.4
TOTAL	457	56	513	18.3	371	49	420	15.0
RATE (%)	18.6	16.4	18.3		15.1	14.3	15.0	
ITALY								
< 30 years	133	8	141	47.6	77	5	82	27.7
30 - 50 years	172	24	196	12.8	134	16	150	9.8
> 50 years	23	5	28	7.5	20	8	28	7.5
TOTAL	328	37	365	16.5	231	29	260	11.8
RATE (%)	17.0	13.6	16.5		11.9	10.7	11.8	
FRANCE								
< 30 years	39	4	43	110.3	28	3	31	79.5
30 - 50 years	24	6	30	24.4	23	6	29	23.6
> 50 years	3	0	3	7.0	6	2	8	18.6
TOTAL	66	10	76	37.1	57	11	68	33.2
RATE (%)	37.9	32.3	37.1		32.8	35.5	33.2	
SPAIN								
< 30 years	10	2	12	34.3	10	2	12	34.3
30 - 50 years	48	4	52	21.2	62	5	67	27.3
> 50 years	3	1	4	4.7	5	1	6	7.0
TOTAL	61	7	68	18.6	77	8	85	23.2
RATE (%)	18.5	19.4	18.6		23.3	22.2	23.2	
SWITZERLAND								
< 30 years	1	-	1	33.3	3	-	3	100.0
30 - 50 years	1	2	3	25.0	2	1	3	25.0
> 50 years	-	-	-	-	1	-	1	14.3
TOTAL	2	2	4	18.2	6	1	7	31.8
RATE (%)	10.5	66.7	18.2		31.6	33.3	31.8	

25. The turnover rate (incoming) is calculated by dividing the number of hires registered in 2018 by the total number of workers by gender and age as at 31.12.2018.

26. The turnover rate (outgoing) is calculated by dividing the number of workers who left the Group during 2018 by the total number of workers by gender and age as at 31.12.2018.

Number and turnover rate (incoming and outgoing) by gender, age and country

2017	Incoming turnover				Outgoing turnover			
	Men	Women	Total	Rate (%)	Men	Women	Total	Rate (%)
IVS GROUP								
< 30 years	154	9	163	46.7	115	6	121	34.7
30 - 50 years	214	41	255	13.4	184	22	206	10.9
> 50 years	20	3	23	5.0	33	5	38	8.2
TOTAL	388	53	441	16.3	332	33	365	13.5
RATE (%)	16.4	15.9	16.3		14.0	9.9	13.5	
ITALY								
< 30 years	110	7	117	41.9	67	4	71	25.4
30 - 50 years	162	33	195	13.1	132	16	148	9.9
> 50 years	16	3	19	5.7	24	5	29	8.8
TOTAL	288	43	331	15.8	223	25	248	11.8
RATE (%)	15.7	16.4	15.8		12.1	9.5	11.8	
FRANCE								
< 30 years	28	2	30	96.8	32	1	33	106.5
30 - 50 years	28	3	31	26.3	31	4	35	29.7
> 50 years	-	-	-	0.0	2	-	2	4.2
TOTAL	56	5	61	31.0	65	5	70	35.5
RATE (%)	33.9	15.6	31.0		39.4	15.6	35.5	
SPAIN								
< 30 years	13	-	13	37.1	13	1	14	40.0
30 - 50 years	16	3	19	6.9	19	1	20	7.3
> 50 years	1	-	1	1.4	5	-	5	6.8
TOTAL	30	3	33	8.6	37	2	39	10.2
RATE (%)	8.6	8.3	8.6		10.7	5.6	10.2	
SWITZERLAND								
< 30 years	3	-	3	75.0	3	-	3	75.0
30 - 50 years	8	2	10	76.9	2	1	3	23.1
> 50 years	3	-	3	37.5	2	-	2	25.0
TOTAL	14	2	16	64.0	7	1	8	32.0
RATE (%)	63.6	66.7	64.0		31.8	33.3	32.0	



Diversity and equal opportunities

As part of the management of its human resources, the IVS Group recognises the importance of the role of diversity as a key element in guaranteeing a balanced, competitive and socially cohesive environment. Therefore, the Group has undertaken an ethical process of guaranteeing a work environment that eliminates all forms of discrimination on the basis of gender, relation, nationality, personal and political opinions, age, health and the economic conditions of its stakeholders, ensuring equal opportunities for all its employees, enhancing their individual potential and skills, as outlined in the Code of Ethics.

In particular, the Group is a firm believer in the decisive contribution of female professionals. At the

IVS Group, the presence of women is not considered a mere fulfilment of a regulatory requirement, but an essential resource, without which the development in terms of the structure and quality of life at the company would not have been possible. As at 31 December 2018, women accounted for 12.2% of Group employees. Bucking the trend in the sector, at the IVS Group, women account for a high percentage of the total - without taking into consideration tasks that women are historically and culturally more predisposed to carrying out - of the roles normally reserved to men: in fact, there are large numbers of Branch Operations Managers, Department Heads, Automatic vending machine replenishment personnel, Sales Development personnel, Bar staff.

Distribution of Group employees by gender and country

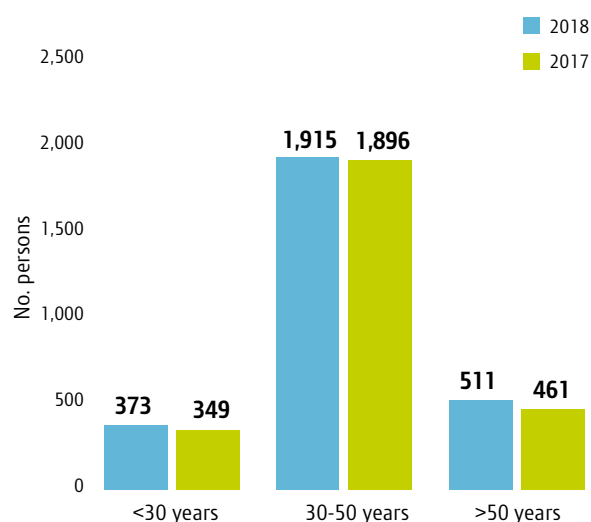
	At 31 December 2018		At 31 December 2017	
	% Men	% Women	% Men	% Women
Italy	87.7	12.3	87.5	12.5
France	84.9	15.1	83.8	16.2
Spain	90.2	9.8	90.6	9.4
Switzerland	86.4	13.6	88.0	12.0
IVS GROUP	87.8	12.2	87.7	12.3



Distribution of Group employees by professional category and age

	At 31 December 2018				At 31 December 2017			
	Number	< 30 years %	30-50 years %	> 50 years %	Number	< 30 years %	30-50 years %	> 50 years %
Executives	3	-	66.7	33.3	3	0.0	66.7	33.3
Middle managers	43	-	60.5	39.5	38	2.6	68.5	28.9
White-collar employees	673	5.9	70.5	23.6	657	6.7	70.6	22.7
Blue-collar employees	2,080	16.0	67.9	16.1	2,008	15.1	69.9	15.0
TOTAL	2,799	13.3	68.4	18.3	2,706	12.9	70.1	17.0

Distribution of Group employees by age



The IVS Group places huge emphasis on the theme of the protected categories, recognising its importance in developing personnel with “special” needs. In fact, in many cases, for a disabled person work represents a cornerstone of social integration. For this reason, the Group continues to dedicate efforts to employing people in the protected categories. **As at 31 December 2018, the total workforce included 137 employees from the vulnerable groups.**

Percentage of employees belonging to the vulnerable groups by professional category

	At 31 December 2018		At 31 December 2017	
	Number	% protected groups	Number	% protected groups
Executives	3	-	3	-
Middle managers	43	2.3	38	2.6
White-collar employees	673	5.6	657	5.8
Blue-collar employees	2,080	4.7	2,008	5.0
TOTAL	2,799	4.9	2,706	5.1



Staff training and assessment

In the Automatic Vending Machine market, staff training is of strategic importance in keeping pace with the frequent regulatory, technological and cultural changes. The numerous update meetings organised by the IVS Group are important in encouraging the growth in know-how and an opportunity for consolidating the work group, promoting the swapping of experiences and knowledge and developing valuable professional exchanges. A trained and constantly updated work team optimises the service, guarantees a broad and carefully selected offering, ensures consistently excellent assistance and consultancy; in addition, an untrained team of employees risks becoming outdated,

like any market product; for these reasons, the IVS Group invests heavily in training its human resources, with constant training that involves all the Group's professionals. As proof of this commitment, also in 2018, the Quality, Hygiene and Safety department of IVS Group S.A. drafted the [Annual Training Plan](#). This plan was defined by identifying, for each employee, based on the professional category and the relevant company, both the company training requirements in terms of mandatory training (e.g. health and safety training, training for new hires, etc.) and in terms of specific technical needs. The table below summarises the main training themes identified:



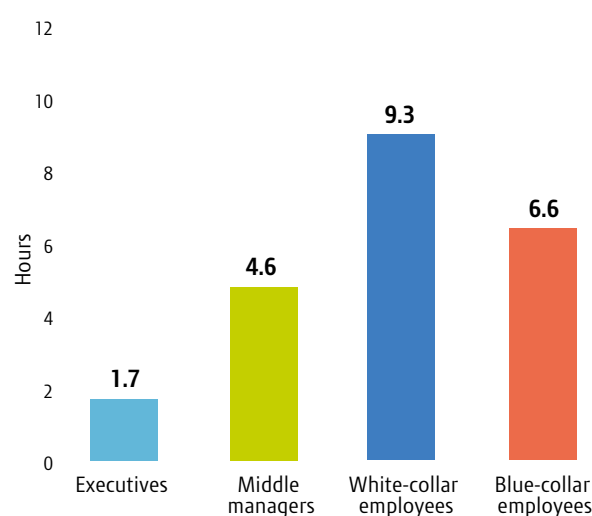
Also in 2018, training courses were provided at the two Group companies IVS Sicilia S.p.A. and Eurovending S.r.l., targeted at the area managers and sales managers, with a focus on the Organisational Model 231/01 and the Code of Ethics as they were adopted by the latter. These training courses were essential in view of the broadening of the scope of the crimes that may apply to the company, the adoption of a new Antitrust Code and the new procedure for the management of tenders in which some Group companies participate, strictly related to the risks of corruption.

A total of 20,227 hours of training were provided in 2018, mainly classroom-based training sessions provided directly by highly skilled personnel or external companies, with an average of around 7.1 hours per head for men and 8.2 hours per head for women, giving an overall average of roughly 7.2 hours per head. The training sessions focused on various themes, defined on the basis of the requirements of the individual professional categories. All personnel, and in particular, front office staff, for example, undergo constant training, in the various offices throughout the region, regarding food hygiene (HACCP), workplace safety, operating procedures, information technology and

electronics used in automatic vending machines, hardware and software updates, cleaning and sanitisation and preventive maintenance. The Sales Force undergoes frequent refresher training on relationship-building and sales techniques, and the analysis of statistical reports on customers.

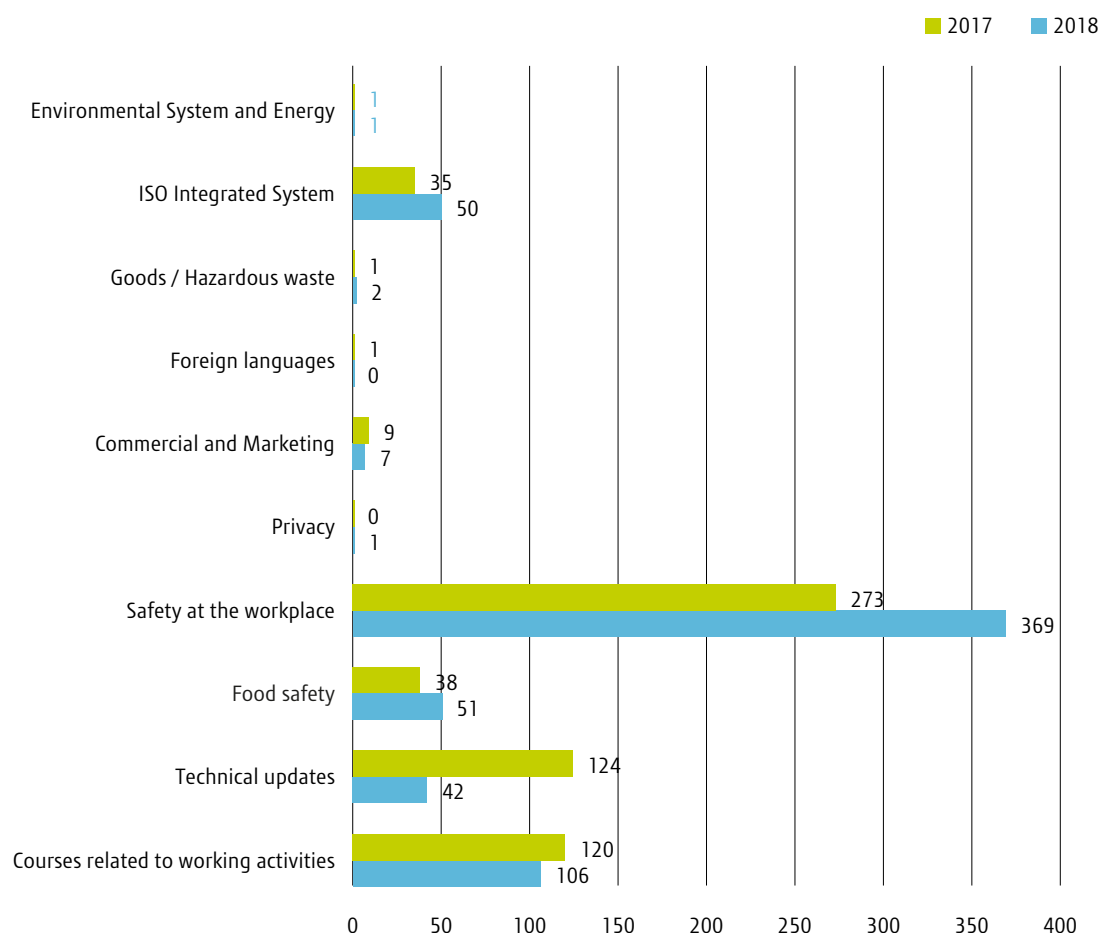
Training sessions on the Integrated ISO System were also held, there were also opportunities for dialogue and growth on environmental aspects, with the goal of raising awareness of sustainability issues.

Average hours of Group training by professional category and gender in 2018



Average hours	2018			2017		
	Men	Women	Total	Men	Women	Total
Executives	1.7	0	1.7	1.3	0	1.3
Middle managers	4.9	2	4.6	8.2	32.5	10.1
White-collar employees	9.7	8.9	9.3	9.0	7.1	8.3
Blue-collar employees	6.7	3.8	6.6	5.8	2.4	5.7
TOTAL	7.1	8.2	7.2	6.4	6.5	6.4

Number of courses held by type²⁷



In order to enhance the professional motivation and personal development of its managerial staff, the IVS Italia S.p.A. introduced a staff evaluation process, based on the measurement of employee performances on the back of the results achieved during the year.

This performance evaluation system (Management By Objectives), aims to achieve better alignment between the company objectives and strategies and the performance of the individual and of managers through an incentive system. The evaluation process is structured through direct meetings between individuals and their line managers, in order to:

a) promote the practice of clear and realistic feedback on professional results between the manager and the employee;

b) make employees aware of their professional evaluation so as to align their conduct with the company's expectations and requirements;

c) lay the foundations for constant improvement.

The performance evaluation is purely objective and, therefore, the IVS Group believes it is crucial to standardise, as far as possible, the evaluation criteria at the level of the entire system and of the Group.

The evaluation factors must be established at company level, well-known and common to the assessor and the person being evaluated. The evaluation is based on objective elements

27. The category "Courses related to working activities" also includes courses regarding Anti-trust and Model 231/01.

(observable conduct) deriving from the activities carried out by the person being evaluated in relation to the requirements of the role covered. It must also regard all fundamental aspects of the professional activity of the person being evaluated (taking account of the relevant Organisational Area). **These company criteria considered for performance evaluation include: competence, professionalism, initiative, strategic thinking, organisation and efficiency, communication and managerial skills.**

In order to spread the culture of service and quality through all its branches, the IVS Group not only offers incentives to the key personnel of group business, such as staff responsible for restocking the automatic vending machines, but put in place, in 2015, a performance-based bonus known as

the "Productivity Bonus", signed with the national trade union organisations (level II bargaining).

Through this bonus, linked to employees' work performances, the IVS Group intends to increase the productivity, quality, profitability and efficiency in work organisation aspects with the constant objective of enhancing customer satisfaction and loyalty.

TRAINING FOR THE COIN DIVISION

Owing to the specific characteristics of the business, in addition to the usual training for the Vending Division, both the Coin Division companies pay special attention to the following training areas:

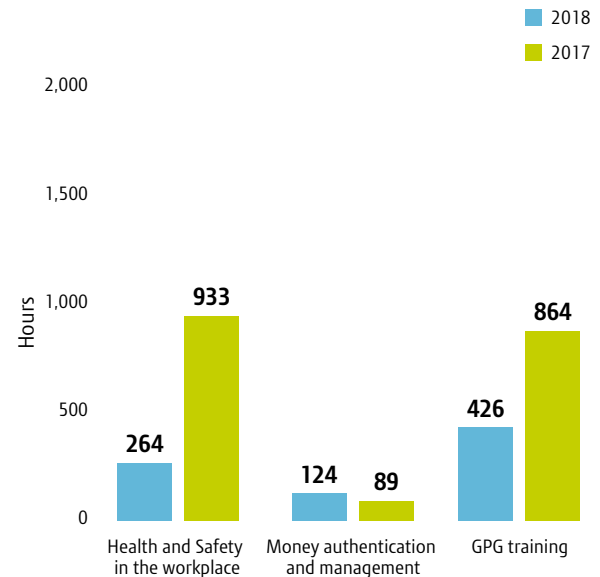
- **Workplace health and safety:** includes training on safety, first aid and fire prevention;



- **Money authentication and management:** concerns training for the correct authentication of coins in Euros dedicated to counting room managers and operators;
- **GPG training:** with reference to Ministerial Decree no. 269 of 1 December 2010, which requires Security Guards to receive theory training and education before starting operating services, the company Coin Service provides annual training courses for Security personnel (store anti-theft, doorman, etc.), Special Security Guards, and surveillance personnel.

A total of 814 hours of training were provided in 2018 (marking a decrease of 43.1% compared to 2017), which saw the involvement of 147 staff. This decrease in the number of hours and, therefore, of training, stems from the stability of the personnel who had already received training in previous years.

Coin Division Training



The quality of company life

The attention the IVS Group focuses on the supply of quality services to its customers, in an attempt to improve their welfare, is mirrored in the relations the Group

establishes with its employees and its associates, in line with the modern trend.



In 2018, the IVS Group continued to promote a series of company welfare measures and initiatives to ensure employees have a good work-life balance and improve the Group's internal environment. First and foremost, the IVS Group encourages the introduction of contract types other than full-time. As at 31 December 2018, a higher number of IVS Group employees were on part-time contracts compared to 2017, especially women (a total of 110).

Distribution of Group employees by contract type and gender

No. persons	At 31 December 2018			At 31 December 2017		
	Men	Women	Total	Men	Women	Total
Full-time	2,427	232	2,659	2,345	228	2,573
Part-time	30	110	140	28	105	133
TOTAL	2,457	342	2,799	2,373	333	2,706

At the end of November, for the sixth year running, IVS Italia S.p.A. was recognised and awarded the WHP (Workplace Health Promotion) network accreditation. This accreditation therefore confirms the company's significant commitment to promoting workplace safety, which was also extended to the regions in which the project promoted by the Local Health Authorities has still not been launched. Management saw fit, also in this year, to continue to pursue the WHP project in all six thematic areas, which are outlined hereunder, with the goal of also extending the initiative to other branches in other areas:

1. Promotion of a proper diet;
2. Fight against tobacco smoke;
3. Encouragement of physical activity;
4. Road safety and sustainable mobility;
5. Tackling addiction;
6. Well-being and work-life balance.



Some of the initiatives promoted and concluded in the year, presented below, saw an increase in the number of participants compared than last year.

1. Promotion of a protective diet - the company increased the offering of products in keeping with the theme of providing healthy foods in automatic vending machines located in the break areas for its employees, and also increased the availability of fresh fruit to twice a week, putting up various information posters, including those illustrating the food pyramid;



2. Fight against tobacco smoke - the 'smoking areas' at the company have been converted or integrated in the existing break areas in line with the objective of their definitive removal. In addition, information campaigns have been launched to make people more aware of the damage caused to health by smoke, through brochures attached to payslips and displayed on company monitors;

3. Encouragement of physical activity - the collaboration with Sportpiù continued, a company tied to the WHP project and certified by ASL and Confindustria of Bergamo. Step-counters were delivered to employees, in accordance with the information campaign "Mantieniti in forma" (keep in shape) promoted through brochures and fliers. In addition, sporting events were organised, such as the company outing and inter-company volleyball tournament, which other major companies in the area also took part in;

"YOUR BEST TREKKING", THE COMPANY OUTING IN 2018

Bolstered by the "Azienda Family Friend" accreditation, which the company has enjoyed for many years, IVS Italia S.p.A. continues to organise "Your Best Trekking" excursions, which combine sporting activity with historical-cultural interests. These initiatives are fully incorporated in the company's work-life balance policy, able to help build a comfortable work environment between employees and their families. The initiative consisted of an excursion to the slopes of Monte Pasubio to hike through "Le 52 Gallerie" (52 tunnels) which were built by our soldiers during the first world war.

It is a genuine masterpiece of military engineering and boldness, especially considering the lack of equipment available to construct them, the speed of construction and the prohibitive conditions in which they were built.

It is a historical path stretching 6,300 metres, of which as many as 2,300 metres in the form of tunnels and the remaining 4,000 metres carved almost entirely into the live rock of the extremely steep ravines, almost making the path appear to hang from the cliff walls of the ravines themselves.

Moving from a historical point of view and spectacular in terms of the landscape, the excursion to the '52 Tunnels' is considered among the most interesting and evocative; a trip all hikers should make at least once in their lifetime. Everything is rounded off with a typical local dish served up at the Papa refuge (1928 meters).

The walk, the open air lunch at the refuge and, the shared appreciation of their surroundings were a perfect opportunity for employees to share some time away from the workplace and become an increasingly more close-knit team.



- 4. Road safety and sustainable mobility** - in addition to providing specific training on safe driving for operators on a race-track with information on vehicles and their handling, meetings were organised in collaboration with the State Police, in the Italian Municipalities where this was possible. Activities which the Police Force has committed to providing free of charge for many years;



- 5. Tackling addiction** - the company continued to provide training courses on drugs, alcohol and gambling; evaluation questionnaires were also handed out by the company doctor with a score placed in the employee folder and an associated health report. An information campaign was promoted similar to the one to tackle tobacco smoke;
- 6. Well-being and work-life balance** - the company continues to take steps to stipulate agreements with entities, facilities, centres and public enterprises that make it possible to obtain a series of promotional offers for its employees and their relatives. In particular, discounts are provided at national level on vehicle purchases, for various insurance policies, for some low-cost airport car parks in Northern Italy and for rail tickets.
- By contrast, at local level, the initiatives involved:
- institutions like **The Carrara Academy of Bergamo** with which, for a cycle of three years, the company participated in the project "Quota 15000", acting as key players in the conservation of the magnificent artistic heritage of museums and promoters of the cultural life of their cities;
 - Gabriele Laterza**, author of artistic projects, who put on two shows for company employees and their families, at Bergamo and Rome offices: the first one, "Uomini o No", reading passages from "Se questo è un uomo" (If This Is a Man) by Primo Levi and "Inferno" (Hell) by Dante, hence relating both to the topic of the holocaust, and the second one, "Una goccia di splendore", a tale of the life and existential and civilian reflections of Fabrizio De André described in the words of his songs on the marginalised, on the conventions of the society and, in particular, on the theme of love;

- Stefano Bertoli and Gabriele Laterza** in an exhibition, at the Pedrengo office, "Note jazz e testi letterari" where Laterza read and interpreted Gianni Rodari. The show was a homage to the most famous Italian author of folk tales and poetry in the form of nursery rhymes of the 20th century and also jazz music which, with his language is able to bring



back that joy of living and being together that marries well with Rodari's profound message: the beauty of life and the need to try and ensure everyone can fully enjoy it.

As outlined previously, the other initiatives that helped to create a climate of well-being among employees included the company outing and company dinners. The focus on employees also received positive feedback thanks to the collection of their suggestions in "Your best opinion" boxes, while the traditional welfare tools incorporated company benefits, like discounts on crèche fees.

IVS Italia S.p.A. continues to reconfirm its commitment, with an eye already on the future and new initiatives will always be evaluated for the continuous improvement of company welfare which will make it possible to make the offering more customised.

your best steak

Venerdì 25 maggio 2018

Ci incontreremo tutti nella filiale di Pedrengo alle ore 20:00 per una fantastica braciolata!

Se vuoi essere dei nostri conferma la tua partecipazione a

ivsitalia.com
LEADER NELLA RISTORAZIONE AUTOMATICA



STUDY GRANT

In memory of the founder of the IVS Group, Cesare Cerea, the Board of Directors of IVS Group S.A. resolved to set up a multi-year programme (5 years) targeted at the disbursement of study grants (Euro 25,000 per year), aimed at supporting the higher level studies of the children of the employees of companies in the IVS Group, between the ages of 18 and 24.

Promising young people, children of people used to standing out at work: a group of people Cesare Cerea would have been proud of, celebrated on Friday, 19 October 2018 with an event which saw them as the most prominent figures.

During the ceremony, held at the IVS Italia S.p.A. office in Seriate, five young people received a **University Study Grant named after the President**, in front of their proud parents, employees of the company.

An opportunity to show the extent to which the company has the future of young people at heart, but also to emphasise the importance of the work of those who form part of this great Group.

PROGRAMMA BORSE DI STUDIO INTITOLATE A "CESARE CEREÀ"

A ricordo del fondatore del gruppo IVS, Cesare Cerea, il Consiglio di Amministrazione di IVS Group SA ha deliberato di istituire un programma pluriennale finalizzato all'erogazione di borse di studio, finalizzate al sostegno degli studi universitari dei figli dei dipendenti di società facenti parte del gruppo IVS, di età compresa tra 18 e 24 anni.

Con tale programma, il Consiglio di Amministrazione intende ricordare Cesare Cerea, che ha sempre sostenuto il valore dell'impegno continuo nella formazione e nella qualità delle persone.

CARATTERISTICHE DEL PROGRAMMA DI BORSE DI STUDIO

La durata del programma, è pari a 5 anni, da novembre 2018 a novembre 2023, eventualmente rinnovabili, con delibera del Consiglio di Amministrazione.

Il programma prevede l'erogazione di n. 5 borse di studio annuali da erogare ai figli dei dipendenti delle società del gruppo legate alle attività di Vending in Italia (incluse IVS Group SA e S. Italia spa) che:

- A) abbiano conseguito il diploma di maturità (scuole medie superiori), indipendentemente dalla tipologia di scuola frequentata e intendano iscriversi al primo anno di frequenza universitaria da ottobre 2018 presso facoltà tecnico-scientifiche, economico-sociali o giuridiche (es. ingegneria, economia e commercio, giurisprudenza, scienze politiche o equiparabili);
- B) frequentino già un corso universitario (laurea triennale o magistrale) presso facoltà tecnico-scientifiche, economico-sociali o giuridiche (es. ingegneria, economia e commercio, giurisprudenza, scienze politiche o equiparabili).

IMPORTO DELLE BORSE DI STUDIO

Ogni borsa di studio avrà un ammontare annuale pari a Euro 5.000, per un monte complessivo annuale pari a Euro 25.000 e a Euro 125.000 nell'arco del programma quinquennale.

MODALITÀ DI ASSEGNAZIONE

L'assegnazione delle borse di studio verrà decisa entro il **30 settembre** di ogni anno, in caso di mancata assegnazione di una o più borse nel corso dell'anno, le borse non assegnate potranno essere aggiunte a quelle erogate negli anni successivi del programma.

L'assegnazione delle borse di studio sarà decisa annualmente da una Commissione di 3 componenti, tra cui: 1 membro del Consiglio di Amministrazione di IVS Group, 1 soggetto scelto tra i responsabili di area o tra i responsabili delle filiali del gruppo IVS, 1 membro indicato dalla famiglia di Cesare Cerea.

Nel valutare l'assegnazione di più borse annuali al medesimo candidato, la Commissione ne considererà gli elementi di merito (esami sostenuti e medie votazioni conseguite).

Il medesimo soggetto candidato potrà beneficiare al massimo di 4 borse annuali nel corso dell'intero programma, in ogni caso, per poter beneficiare di più borse di studio il candidato dovrà rappresentare ogni anno la relativa domanda e documentazione.

PRESENTAZIONE DOMANDA

La presentazione delle domande per l'assegnazione delle borse di studio dovrà avvenire da parte degli interessati entro il **1 agosto** di ogni anno, scrivendo alla segreteria della direzione di IVS all'indirizzo dedicato: borsastudio@ivsitalia.com.

Si precisa sin d'ora che non verranno presi in considerazione studenti già iscritti e fuori corso.

La domanda di assegnazione dovrà avvenire attraverso l'apposito **modello** messo a disposizione e che raccoglie:

- I dati anagrafici del candidato e i riferimenti del genitore dipendente del gruppo IVS;
- Il corso di studi completato (per gli studenti che abbiano appena conseguito il diploma di maturità) con il relativo voto finale, ovvero, la facoltà universitaria e il corso di laurea presso cui intende iscriversi e già in corso la frequenza;
- L'anno di frequenza (per gli studenti universitari già in corso), con l'elenco degli esami sostenuti e dei voti conseguiti;
- Modello ISEE ovvero indicatore della Situazione Economica Equivalente;

Saranno considerati come elementi distintivi nel valutare le borse di studio da assegnare, le votazioni conseguite, eventuali tesine o ricerche realizzate (in ambito scolastico o universitario) e presentate dai candidati insieme alla domanda, aventi per oggetto temi attinenti il settore della distribuzione automatica (vending) sotto diversi possibili profili: tecnologia, aspetti economici, commerciali, sociali, dell'educazione alimentare e della comunicazione.

ivs group.

I VISPI SORRISI, THE COMPANY CRÈCHE

"A company that thinks of its future must also think of the future of its employees, and what better way is there than helping families to raise their children?"

Based on this strong belief, in October 2011 IVS Italia S.p.A. set up a company crèche at its Seriate office: I Vispi Sorrisi. The Company Management showed a strong desire to get this up and running in order to improve the quality of life of its employees, offering them huge support with the day-to-day management of their/children. **In the 2018/2019 scholastic year, the initiative involved 18 children, of which 6 children of IVS Italia S.p.A. employees.**

The company helps employees who register their children at the I Vispi Sorrisi crèche by paying around half the fees.



After the “Your best opinion” project, created some years ago which has brought personnel even closer and involved them more through opportunities for communication, this year the IVS Group took part in the project promoted by Confindustria Bergamo “eccellenza sul lavoro” (excellence at work), with the goal of rewarding employees it believes should be held

up as an example for the quality of their work and the commitment, hence contributing to the well-being of their family, the company and the community.

The common thread being: passion, enthusiasm, the desire for constant improvement, in the belief that skills are not static but need to be constantly improved today more than ever.



Employee health and safety

The IVS Group considers health and safety in the workplace to be an issue of vital importance. It represents an ongoing commitment and a constant pillar of the company mission. On this basis, the IVS Group has used the "Declaration of the Integrated Company Policy" to set out specific objectives in the areas of health and safety and injury prevention. To this end, the IVS Group has developed an internal protocol to aid in the definition of procedures designed to help the company achieve its health and safety objectives, in order to:

- Develop integrated models in accordance with requirements set out in international BS OHSAS 18001:2007 norms;
- Respect the content and principles of health and safety laws and voluntarily implement necessary preventative and protective measures, even where there are no legislative obligations to do so;
- Promote initiatives designed to prevent injuries that could compromise the safety of the Group's workers and any third parties that could be involved;
- Make available necessary resources designed to ensure health and safety objectives are achieved;
- Pursue ongoing improvement in safety management through the identification of risks associated with activities and the definition of objectives designed to reduce these;
- Guarantee consultation with employees on company decisions as regards the implications that these could have on health and safety issues and on adherence to prevention and protection measures;
- Raise awareness among and provide information to employees and personnel around safety and hygiene rules;
- Train employees and collaborators to use the most relevant pieces of equipment and address incorrect use and emergency situations;

- Use products and formulas within the production cycles that have as little impact on health and safety as possible.

Of the many objectives that emerge from the IVS Group's internal protocol, special mention must go to the aim of ensuring ongoing improvement in the way the company deals with health and safety, through the identification of the risks associated with the various activities. The constant monitoring and management of the risks associated with employee health and safety are fundamental tasks when it comes both to building and sustaining a healthy, safe working environment and to upholding the image of the IVS Group in the eyes of the workforce and the outside world with which the Group interacts. In order to hit these targets, the IVS Group undertakes an analysis and a qualitative and quantitative evaluation of exposure to risk for each production unit. The first step in this process is to identify potential sources of danger.

For each source of danger identified, the Group then analyses working conditions, prevention and protection measures in place, procedure and aspects relating to employee training.

In the event that shortcomings are identified, those responsible for procedure brainstorm necessary prevention and protection measures and propose three operational directions depending on the level of employee exposure to risk:

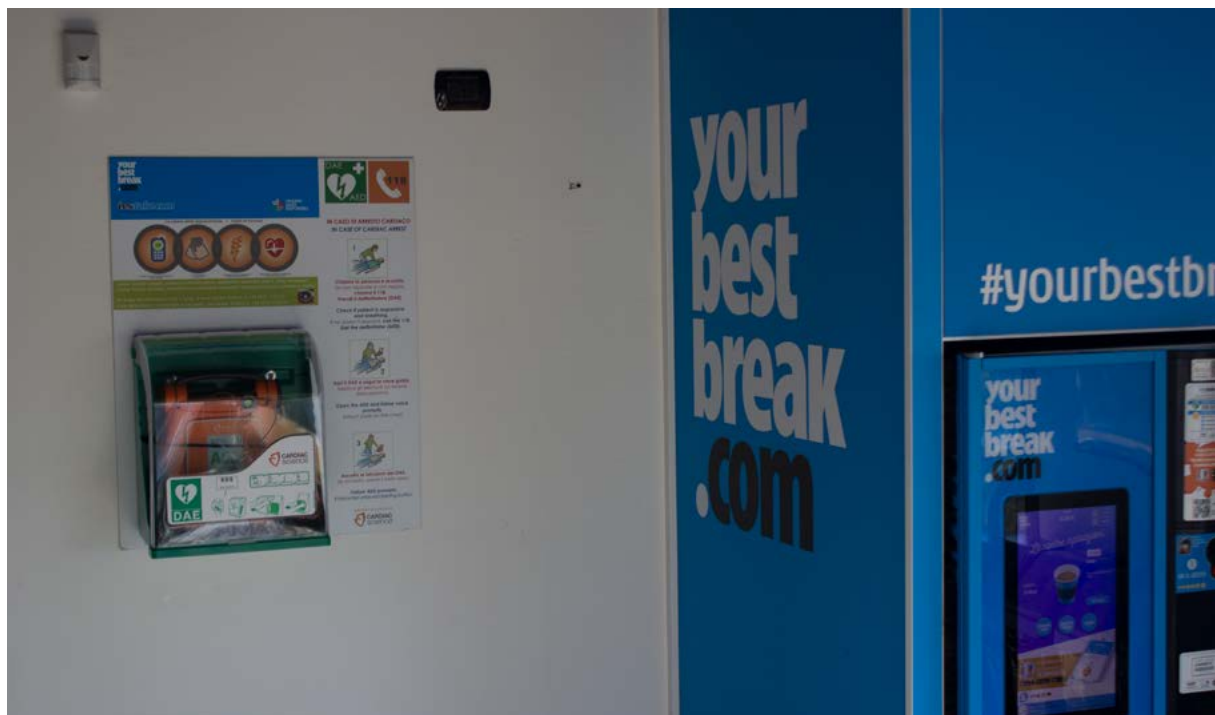
- In the event that the risk assessment reveals non-compliance with regulations, these issues must immediately be communicated to Company Management who will take steps to resolve them, providing guarantees that work can continue safely as soon as possible;

- In the event that a risk has been assessed and deemed irrelevant, the only action will be to note the situation without taking any further preventative measures. This establishes that safety conditions are being maintained;
- In the event that the type of risk in question requires more in-depth analysis, the Group will plan the investigations necessary to facilitate the qualitative and quantitative assessment of the risk. In time, IVS Group will identify action to be taken in order to reduce the risk, establish timescales and set out which company departments need to take action.

Quantitative risk assessments are carried out in a number of ways, depending on the case in question. Where a risk assessment is expressly required by regulations or there are specific technical standards available, specific assessment criteria shall be adopted. For all risk factors that cannot be compared with regulatory or technical

standards, procedure states that a semi-quantitative assessment shall be carried out in order to obtain a general verdict on the relevance of the risk. Inevitably, this will include a subjective contribution from the assessor²⁸. Quantitative risk assessments are carried out by multiplying Probability (that a risk will cause harm to the health and safety of a person) by Damage (the consequences of exposure to risk factors associated with a person's work). The value obtained is classified and, according to the level of risk in question, specific action shall be prescribed in order to address risks and maintain health and safety standards.

All companies in the Group share a commitment to and focus on the delicate issues associated with health and safety at work. Several companies of the Group adopted the BS OHSAS 18001:2007 protocol, relating to the management of health and safety in the workplace. In 2018, IVS France S.A.S. obtained the certification too.



28. As regards the semi-quantitative risk assessment, IVS Italia S.p.A. uses the Superior Institute for Prevention and Safety at Work (ISPESL)'s Integrated Environment and Safety Management Manual for SMEs (2005).

In 2018, as part of its efforts to properly safeguard its employees and associates, IVS Group purchased high-visibility clothing for all personnel operating in situations with increased risks (such in the travel segment, which is related to airports, stations, ports, etc.).

In the case of IVS France S.A.S., the focus on the health and safety topic is also demonstrated by the presence of a Committee of Hygiene, Safety and Working Conditions (*Comité d'Hygiène, de Sécurité et des Conditions de Travail*) (CHSCT). Composed of six members, the committee aims to contribute to the health and safety of workers and help to improve their working conditions. It does this by:

- Analysing working conditions and professional risks to which employees can be exposed, particularly as regards pregnant women;
- Using inspections and investigations to ensure compliance with legislative and regulatory requirements and check that recommended preventative measures are being implemented;
- Promoting prevention through activities designed to raise awareness and spread information;
- Carrying out investigations into the circumstances and causes of accidents at work and occupational diseases.

Given the specific nature of the Group business, the main risks within the company in terms of frequency and gravity are those connected with driving vehicles (e.g. road accidents, injuries sustained while travelling to and from work) and manually moving loads. The IVS Group is well aware of the importance and delicate nature of these issues and therefore keeps a close eye on instances of workplace injuries, considering as it does this area to be one of vital importance.

During 2018, a total of 138 injuries were recorded²⁹ (none of which were fatal).

131 of these occurred at the workplace, while seven occurred on the way to work. The number of injuries represents a 7.4% decrease on the 2017 figure, but it is nonetheless in line with the growth of the IVS Group. During 2018, there were no registered cases of occupational diseases. The injury overview (including injuries sustained on the way to work) is documented in the tables below. The rate of absenteeism has decreased slightly, from 2.6% to 2.2%.



29. For the calculation of the injury indexes for 2017 and 2018 for Spain, only the company DAV S. L. was considered.

Number of injuries by gender and country

	2018		2017	
	Men	Women	Men	Women
IVS GROUP				
Total occupational diseases	-	-	-	-
Total injuries	131	7	141	8
of which sustained on the way to work	5	2	16	3
of which sustained at the workplace	126	5	125	5
of which fatal	-	-	-	-
ITALY				
Total occupational diseases	-	-	-	-
Total injuries	67	3	86	5
of which sustained on the way to work	1	1	12	3
of which sustained at the workplace	66	2	74	2
of which fatal	-	-	-	-
FRANCE				
Total occupational diseases	-	-	-	-
Total injuries	30	3	34	3
of which sustained on the way to work	1	1	-	-
of which sustained at the workplace	29	2	34	3
of which fatal	-	-	-	-
SPAIN				
Total occupational diseases	-	-	-	-
Total injuries	33	1	18	-
of which sustained on the way to work	2	-	4	-
of which sustained at the workplace	31	1	14	-
of which fatal	-	-	-	-
SWITZERLAND				
Total occupational diseases	-	-	-	-
Total injuries	1	-	3	-
of which sustained on the way to work	1	-	-	-
of which sustained at the workplace	-	-	3	-
of which fatal	-	-	-	-

Injury indexes by gender and country³⁰

	2018			2017		
	Men	Women	Total	Men	Women	Total
INJURY RATE						
IVS GROUP	32.1	14.5	30.2	35.2	16.6	33.2
Italy	20.6	7.9	19.3	28.0	13.4	26.4
France	100.1	53.7	92.8	115.6	52.3	105.3
Spain	68.0	22.0	64.1	30.2	0.0	28.0
Switzerland	21.4	0.0	20.1	64.1	0.0	60.4
OCCUPATIONAL DISEASE RATE						
IVS GROUP	0.0	0.0	0.0	0.0	0.0	0.0
Italy	0.0	0.0	0.0	0.0	0.0	0.0
France	0.0	0.0	0.0	0.0	0.0	0.0
Spain	0.0	0.0	0.0	0.0	0.0	0.0
Switzerland	0.0	0.0	0.0	0.0	0.0	0.0
LOST DAY RATE						
IVS GROUP	0.6	0.0	0.5	1.0	0.5	0.9
Italy	0.4	0.0	0.3	0.7	0.7	0.7
France	2.9	0.1	2.5	3.5	0.0	2.9
Spain	0.8	0.0	0.7	1.1	0.0	1.0
Switzerland	0.0	0.0	0.0	0.0	0.0	0.0
ABSENTEE RATE (%)						
IVS GROUP	2.2	1.8	2.2	2.7	2.5	2.6
Italy	2.1	1.9	2.1	2.2	2.1	2.2
France	6.8	2.3	6.1	6.4	1.9	5.7
Spain	0.4	0.2	0.4	3.7	4.7	3.8
Switzerland	0.1	0.0	0.0	2.4	23.0	4.6

30. Injury rate: ratio between total number of injuries (including those sustained on the way to work) and the total number of hours worked in the same period, multiplied by 1,000,000.

Occupational disease rate: ratio between total number of occupational diseases and the total number of hours worked in the same period, multiplied by 1,000,000.

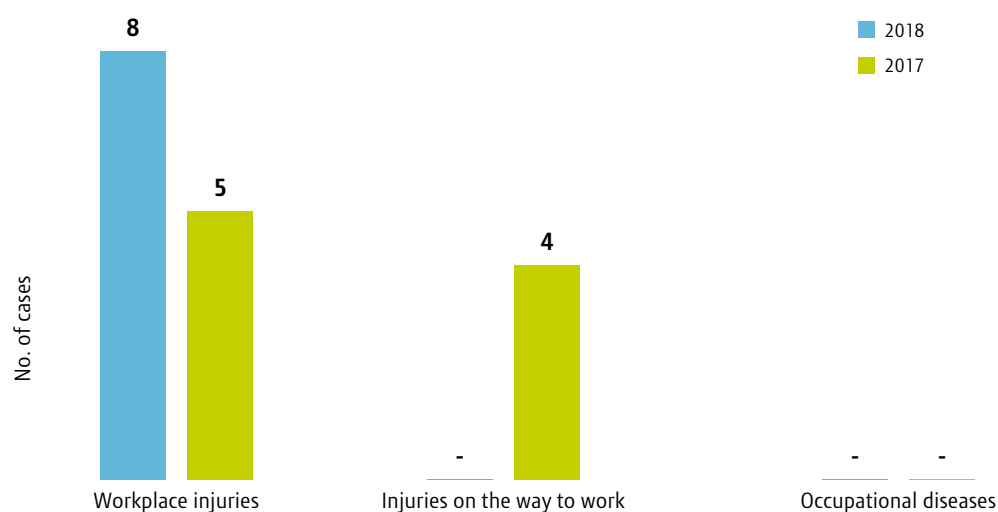
Lost day rate: ratio between the number of days lost through injury or occupational disease and the total number of hours scheduled to be worked, multiplied by 1,000.

Absentee rate: percentage ratio between total work days missed and total days scheduled to be worked by workers for the same period. The following have been excluded from the calculation: holidays, study leave, maternity and paternity leave.

COIN DIVISION INJURIES

Coin Division employees undergo health checks administered by the branch doctor. Data on injury rates is constantly monitored and analysed with the objective of identifying critical issues requiring action. During 2018, the Coin Division registered eight injuries, all of which were sustained at the workplace.

Coin Division injury data by year and type



Generally speaking, the injury rates for 2018 show a contrasting trend with the previous year. The rate of injury has gone from 32.6 injuries per million hours worked in 2017 to 26.5 in 2018. Meanwhile, the lost day rate, which measures the number of days lost for every 1000 hours scheduled to be worked, stayed level at 0.5. Finally, the absentee rate increased from 2.3% to 2.6%.

Coin Division injury indexes by gender

	2018			2017		
	Men	Women	Total	Men	Women	Total
Injury rate	30.9	0.0	26.5	37.8	0.0	32.6
Occupational disease rate	0.0	0.0	0.0	0.0	0.0	0.0
Lost day rate	0.0	3.5	0.5	0.7	0.0	0.6
Absentee rate (%)	2.9	0.8	2.6	2.4	1.3	2.3





A photograph of a person riding a bicycle through a sun-dappled forest. The image is partially obscured by a large, semi-transparent green triangle that serves as a background for the text. The text is written in a bold, white, sans-serif font, oriented vertically. The background shows a person's legs in blue jeans and a brown saddle on a bicycle, with a blurred forest scene in the background.

FOCUS ON CUSTOMERS

Constant contact with customers

The IVS Group places the pursuit of excellence and the personal well-being of the end users of its services at the centre of its strategy, in line with welfare issues, which are becoming more and more important in national and multi-national companies. Ensuring attention to detail throughout the entire Group

workforce is a way of guaranteeing the quality of the customer's working day by promoting the idea of daily breaks. The IVS Group also ensures that customer satisfaction maintains a role of central importance by carefully selecting partners - be they industrial companies, coffee producers or food suppliers.



MEDIUM-SIZED COMPANY from one to 10 people

Serving small entities such as small offices, commercial and professional companies, companies with front offices and artisanal workshops requires great attention. Group's staff consult with customers on how to integrate the vending machine into their space, particularly as regards public spaces, while ensuring speedy deliveries when replenishing stock.

LARGE COMPANY from 11 to 50 people

Given that this user band throws up a variety of different requirements, the Group has devised a comprehensive range of services and solutions. Among the many advantages IVS Group guarantees its customers, it offer scheduled reviews and automated stock checks as well as using GPRS technology to manage calls.

EXTRA-LARGE COMPANY over 50 people

Experience is a must when it comes to overseeing vending services for very large companies, with logistics and architectural considerations playing a key role. The IVS Group is able to seamlessly integrate large numbers of vending machines into companies. The services are fully bespoke, with personalised outer casings and furnishings for break areas on offer.

The IVS Group contains a wide range of personnel whose role is to measure and improve the satisfaction of its customers by listening to problems, proposing solutions and often responding to needs before they are expressed.

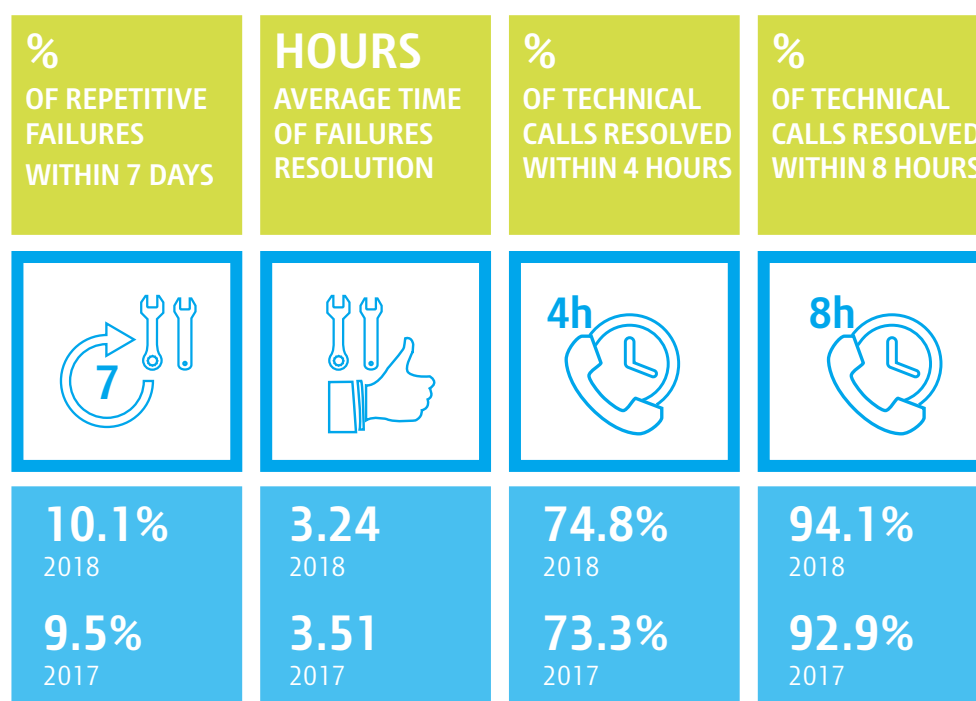
TECHNICAL ASSISTANCE

The IVS Group has a team of dedicated professionals whose job is to provide quick and efficient assistance to customers. The Group is convinced that good preventative technical assistance service is an essential starting point when it comes to minimising breakages, which is essentially how customers rate the efficiency of Group service. The IVS Group carries out checks at predetermined intervals in order to prevent its vending machines from malfunctioning, even as regards naturally occurring problems. In order to plan preventative action, the Group uses scheduled maintenance charts referring to the various types of machines installed. Action is planned according to time and usage considerations, in order to minimise disturbance to the customer.

Extraordinary technical assistance is overseen by a team of operators equipped with handheld computers which register action taken and - thanks to the use of the latest technology - ensure that assistance is provided quickly. The average response time is 60 minutes from notification by the user and/or machine. For more complex repair work, the IVS Group guarantees the immediate replacement of vending machines that cannot be repaired within 24 hours. In addition to fixing broken vending machines, the Group's dedicated technicians also check that the machines are working correctly, including verifying payment systems (coin box, change dispenser, electronic readers) and completing a quality control check on the products supplied.



Currently, IVS Italia S.p.A.'s standard response times see 90% of assistance requests resolved within eight hours of notification.



TEC CONTROL ROOM

The **TEC (Vending Machine Technical Assistance) Control Room** is an innovative space equipped with the latest technology. It is dedicated to the management, control and monitoring of all principal assistance and vending machine maintenance activities. This modern system is designed to enable one to monitor all operational factors and anticipate customer requests. It is a unique service - one that raises the bar in the sector and allows to take quick, efficient action if breakages do occur.

All technicians are constantly linked up to the Group's headquarters via satellite technology. The control rooms can then use GPRS to send instructions to technicians using the handheld computers the Group provides them with.

Yet what really makes this control room unique is the technological platform it uses. It's connected up to all the technical assistance vehicles through GPS (Ground Positioning System) satellite navigation systems and GSM software, which allow to send data back to headquarters via SMS messages and monitor all assistance requests in real time. In this way, all information regarding products, vending machines, supply and assistance requests are constantly monitored, enabling one to intervene where necessary and ensure that the vending machines are working correctly and the quality of the products dispensed remains constant. All of the machines in the Travel segment (2,604 in total) are connected and managed using tech platforms. Real-time telemetry systems designed to flag up breakages were installed, to enable one to immediately verify how a machine is working to prevent defects and intervene in good time.

ARD CONTROL ROOM

The IVS Group has an **ARD (Vending Machine Restocking Staff) Control Room** which allows us to check the stock situation and history of each individual machine, verify the restocking schedule and see the priority level of any non-scheduled restocking requests. The speed of response to such requests is always tailored to the specific case in question. The precise response time depends on a range of factors, including location, the customer's past orders and the way consumption levels are adjusted to reflect peak demand. **The investment in telemetry systems and the Travel segment has enabled the Group to use the GSM network to link up the vending machines to a remote, centralised control system which shows relevant salesdata, allowing to optimising ARD routes, obtaining in 2018, on average, a percentage of 98.4% of scheduled routes successfully completed.**



Moreover, a test was carried out on a model installed machine which, thanks to the installed telemetry system, produced positive results.

In fact, as shown in the table below, the average number of pieces restocked has grown by 21%, on equal number of routes, from January to December 2018. This growth means optimising customer visits, through the telemetry system, which allows to restock this type of machine in a targeted way, leading to a reduction in the number of visits, kilometres travelled maintenance procedures required, time taken up moving between places, etc.

These checks are the responsibility of the coordinator, who works in real time to ensure that restocking staff are covering the needs of all customers assigned to them. Where necessary, the staff can also call on additional team members. The service is organised so as not to interfere with standard company activities, keeping in mind the peak usage times for the vending machines. By analysing the needs of each individual customer, the IVS Group is able to produce a personalised restocking schedule.

Comparing between the average number of pieces restocked

Average number of pieces restocked (January 2018)	Average number of pieces restocked (December 2018)	Percentage increase
177	215	21.5%

CUSTOMER CARE

The Group's customer care activities encompass various different services: the company function undertakes checks on the activities of restocking staff, flagging up any issues and taking direct or indirect action to resolve these; deals with complaints; organises Customer Satisfaction surveys designed to gauge customer satisfaction with the service provided. Specifically, it means that customers will always have somebody immediately available to deal with requests relating to the services provided. These front-line team members work with supply chain coordination staff and the departments responsible for providing solutions to respond to or solve queries as soon as possible, keeping the claimant informed of developments and notifying it when the action requested has been successfully completed. This company department deals with the following areas:

1) Vending machines

Maintaining cleanliness/hygiene both inside and out, ensuring adherence with products and layouts set out in commercial agreements, ensuring action undertaken is properly logged, maintaining appearance of vending machines and ensuring user instructions are available.

2) Complaints

Ensuring issues flagged up by customers are resolved, whether they relate to restocking, hygiene, technical or commercial matters. Complaints are quickly logged by the Call Centre and inputted into Vega (the company's operating system). Logged complaints automatically generate internal emails

addressed to the personnel responsible for problem-solving. This system allows for integrated, speedy monitoring, ensuring that steps are taken to resolve complaints as soon as possible.

3) Customer satisfaction

The Group uses customer meetings to gauge customer satisfaction and uncover any hidden, unexpressed or unresolved problems. Customer meetings take place with users, close to the vending machine location.

The meetings use eight questions to focus on different areas:

- quality of products supplied;
- adequacy of machine restocking and cleaning service;
- efficacy of technical assistance service;
- politeness of restocking and assistance staff;
- Efficiency and availability of customer services.

By analysing data used by the Group to evaluate its performance, we are able to obtain precise information which can be used to improve and differentiate the Group's service according to the type of customer in question. This allows to obtain an up-to-date picture of customer satisfaction. All actions relating to improving standards, training staff or boosting the quality of vending machines start from simple yet vital analysis.

CUSTOMER SATISFACTION

The IVS Group is aware of the importance of constantly analysing customer satisfaction in order to monitor the development and effectiveness of its strategic and operational decisions, as a way of identifying areas in need of attention and improving the service offered. In order to achieve these objectives, the Group carries out numerous customer satisfaction interviews throughout the course of the year. In 2018, for example, IVS Group completed a survey of around 6,205 customers in Italy. The participants were asked to answer eight questions on issues such as the quality of the product/service offered, the fairness of the price and the way the Group's staff come across. Working on a scale of 2 to 10, with 6 representing "sufficient", the survey revealed a high degree of customer satisfaction across all questions. Indeed, the average response to the eight questions was between a minimum of 7.5 (frequency of vending machine breakages) and a maximum of 8.6 (staff appearance).

The survey was carried out by 38 customer care employees across Italy. Based on the average response to the eight questions, Sicily and Lazio have the highest rates of customer satisfaction, with both regions scoring above 7.7. The results of the 2018 customer satisfaction survey are in line with the 2017 results, with a slight improvement on average. Sicily and Lazio were once again the regions where the highest number of interviews were carried out. The lowest average scores were registered in Campania (6.6) and Piedmont (6.5), yet these were nonetheless above the base mark and showed an improvement on the 2017 figures (+0.3 and +0.1 respectively). Based on the results, the IVS Group aims to investigate the most pressing areas in need of improvement in the field of customer satisfaction. Keeping in mind the customer responses and their region, the IVS Group will attempt to explore the reasons behind the responses and - based on the results of this analysis - invest in order to bring about the necessary qualitative improvements.

CALL CENTER

The Group deals with incoming calls through specialist operators or automatic operators: Operators are trained to deal with customer requests and offer quick assistance, whether the requests relate to administrative, commercial, technical or restocking matters, as well as complaints. All telephone correspondence is dealt with in-house, with the sole aim of ensuring customer satisfaction and the speedy resolution of problems. The service can be contacted between 7:30 and 18:00 during the week and between 8:00 and 12:00 on Saturdays. Outside of these hours, reception systems are

available which are monitored by technicians in real time. An automated system ensures that calls logged by the Call Centre are sent to the relevant technician via handheld device, SMS or email, thus ensuring that the process of resolving the customer request is started as quickly as possible.

By way of illustration of the importance the IVS Group places on listening to its customers, the Group has this year introduced clearly defined listening/response procedures, with courses focusing on leadership and customer care. This is all part of the Group's ongoing push to improve services.

Below are some significant figures illustrating the Group's activities.

Call Center data per year³¹

Type	2018	2017
Received (No.)	917,191	873,104
Completed (No.)	858,414	822,527
Serviced (No.)	674,362	691,169

Against a greater number of calls received, **the number of telephone calls completed has increased by 4.4%.**

31. Data refers to IVS Italia S.p.A., DDS S.p.A., IVS Sicilia S.p.A. and Venpay S.p.A.

Received: number of times customers called the freephone number; **Completed:** total calls that went through to a service (reception, recall, entry into a queue with response from operator); **Serviced:** total calls that received a response from the operator (before or after entering a queue).

Customised services and products

DEDICATED AREAS

The IVS Group has always worked tirelessly to build partnership-style relationships with its customers. The Group ensures its service lives up to customer expectations even when a company wants more than just a well-functioning vending machine stocked with quality products. The Group is also happy to create large spaces designed for break times, taking care of the design of the furnishings and architecture around the vending machine.

The choice of colour, layout of the furniture and use of material and light are all essential factors in ensuring that those brief moments spent away from work are as relaxing as possible. These considerations play a vital role in boosting the regenerative potential of a quick break - something that undoubtedly has a positive impact when employees then return to their work. By working with partners boasting proven experience in designing and installing furniture, the IVS Group is able to further broaden its service offering by designing and building 3D models to quickly give customers a preview of the architectural and colour impact of its products in their spaces.

CUSTOMISED VENDING MACHINES

Corporate branding and image are important tools, not least within the company premises itself. The care taken by companies to customise the service they offer to their "internal customers" - employees of all ranks - is a useful way of measuring quality of life in the workplace. A more positive perception of the workplace can only have beneficial effects on the quality of work produced.

The IVS Group has been working on this premise for some time now, offering its customers a vending machine customisation service whereby customers have the option to add their company colours, brand or other trademarks to the machines. The Group provides a fully customisable consultancy service, ensuring interaction with one, expert point of contact and thus achieve an advantage in terms of timescales, management and brand identity.

According to the standard company practice, once a customer requests a bespoke service, the IVS Group implements a centralised screening process to identify the most suitable supplier to fit their specific needs, considering factors such as value for money and timescales. Once this decision is taken centrally, it is then shared with the relevant departments.

Customers are free to choose between the IVS Group's extensive range of certified, efficient vending machines. All of the Group's machines are practical, intuitive, solid and modern in their shape and design. Various different payment systems are available, including coin payment with change dispenser and contactless rechargeable electronic keycards etc. The wide range of models we offer includes customised vending machines for coffee and hot drinks, food, cold drinks and fresh products. The Group's range



of machines includes small, medium-sized and large models (designed for rare or high use), while the Group also offers machines with coffee brewing units in plastic or steel bronze. The IVS Group can even offer two different coffee blends at once!

Furthermore, as part of the Group's efforts to make customer contact more direct and offer rapid, customised service to all users, the IVS Group has also equipped its machines with new technology to ensure they are all linked up to the network. This means that they can issue and receive information in real time, learn about purchasing habits and hone in on specific attitudes towards food, thus boosting customer loyalty.

DIVERSIFICATION

The central focus of the IVS Group's activity is to offer solutions designed to fit the customer profile as closely as possible, with products that can be diversified in quantity and quality upon request.

Customer have a wide range of foodstuffs to choose from, covering many different dietary requirements. Products are supplied by companies boasting proven reliability and certified production chains.

Furthermore, as part of the Group's commitment to ethics, the environment and a healthy food culture, the IVS Group has decided to include organic and Fair Trade products in its range. The Group also offers gluten-free products for people affected by coeliac disease.

The companies belonging to the IVS Group are also working to promote recycling among their customers by distributing containers for the collection of different types of rubbish and, in some cases, compactors and shredders for PET, cans and plastic bottles.

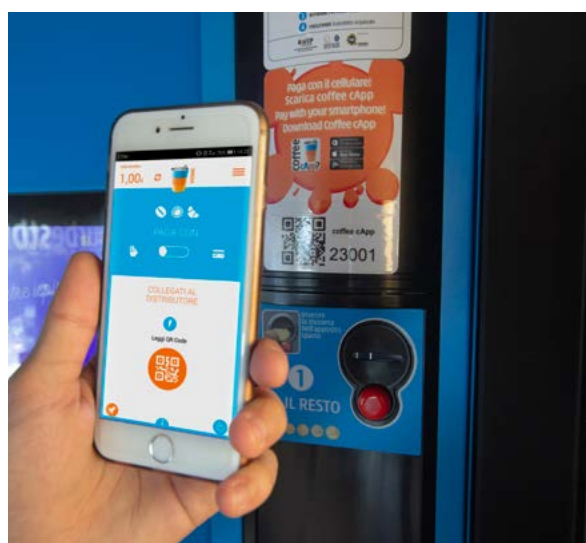


PAYMENT SYSTEMS

The IVS Group is able to offer its customers the most advanced payment systems on the market to meet the needs of companies and public bodies of all shapes and sizes. The Group's payment systems include:

1. Coin payment systems with change dispenser;
2. Banknote readers;
3. Cashless payment systems;
4. Debit/credit card readers;
5. *Myfare* card readers.

The Group's objective for the future is to boost vending machine connectivity and make them more and more user-friendly.



Product quality and safety

By working with the IVS Group, customers acquire the security, protection and certainty that comes with choosing a large-scale group whose organisation is closely managed - as shown by

the Group's major certifications - to guarantee the quality of services. The table below shows some of the many certifications obtained by companies in the Group.

Certifications obtained by type and company as of 2018³²

	UNI EN ISO 9001:2015	UNI EN ISO 14001:2015	UNI EN ISO 22000:2005	BS OHSAS 18001:2007	UNI CEI EN ISO 50001:2011	UNI 10854:1999	Top Quality Standard - TQS Vending	F-Gas
IVS Group S.A.	X	X	X	X		X		
IVS Italia S.p.A.	X	X	X	X	X	X	X	
S.Italia S.p.A.	X	X	X	X	X	X		X
IVS Sicilia S.p.A.	X	X	X	X	X	X	X	
DDS S.p.A.	X	X	X	X	X	X	X	
Eurovending S.r.l	X	X	X	X	X	X	X	
IVS France SAS	X	X	X	X		X		
DAV S.L.	X	X	X	X		X		

At Group level, the aforementioned Integrated Company Policy on environmental responsibility and employee health and safety includes a range of objectives inherent to food safety:

- To set measurable objectives and monitor activities in order to ensure that products do not damage consumers either directly or indirectly;
- To periodically evaluate the Food Safety system and ensure this is kept up to date using the latest information on Food Safety issues;
- To inform the supply chain and notify the entire organisation of any information regarding the development, implementation or update of the Food Safety management system as regards safety issues relating to products used;
- To establish, implement and maintain procedures designed to help manage potential emergency situations or accidents which could have an impact of food safety.



32. Blue color denotes certification obtained in 2018 for the first time.

FOOD TRACEABILITY

The IVS Group has produced a Company Hygiene Self-Regulation manual - a policy unique to the sector. This governs preventative, planned maintenance work and the cleaning and sanitisation of the machines. The Group only uses specific products that have been tested for the food sector. All action is planned using IT systems. The IVS Group also has a Food Safety Management System that complies with UNI EN ISO 22000:2005 and UNI 10854:1999 standards, as shown in the table.

The IVS Group ensures European regulations on traceability (ER 178/2002) are properly applied in order to guarantee complete transparency across all batches. In order to add another layer of security to the delivery procedure, the Group ensures that the operator who collects goods from the storeroom is the same person who inserts them

into the vending machines. Weekly inventories of all stock (including the vans of operators responsible for restocking) allow to verify shelf life and expiry dates.

Once products have been selected, the Group's staff take great care over goods right through from collection in the storeroom to delivery to customer. Products coming in and out are monitored by a video surveillance system which - in accordance with EU regulations on food traceability - guarantees complete transparency throughout the supply chain for each and every batch. The IVS Group's vending machines are kept simple in order to maintain the freshness and integrity of products. The Group selects only top-quality machines in order to ensure perfect food preservation and allow to calibrate the offering to fit personal taste and requests.



CLEANING AND HYGIENE

For the IVS Group, ensuring compliance with industry legislation and maintaining the hygiene of its vending machines are of paramount importance. In addition to being promptly restocked and subject to scheduled maintenance, it is vital that the hygiene of the vending machines adheres to the highest standards. For example, all plastic components that come into contact with powder and any coffee units which are exposed to granules are checked, dismantled, washed and sanitised on a weekly basis. They are then put back together and tested to ensure the product supplied is of the highest quality.

In almost all cases, the same maintenance and hygiene checks are applied to the mechanics of vending machines of packaged or fresh products. Where no coffee units or other components come into direct contact with the raw ingredients, the IVS Group undertakes ongoing cleaning activities to ensure that all filters, coils and fans are working correctly and comply with hygiene standards.

MANAGING THE COLD CHAIN

The IVS Group works tirelessly to ensure that fresh products are handled in conditions of controlled atmosphere, with temperatures required to be between +0 and +4 °C. Offering fresh products enables to increase Group's range of offer and take a step away from traditional vending machines. The vehicles used to distribute fresh products have been specially designed on the basis of a concept devised by US company Hackney Inc. The vehicles are equipped with fridges complete with additional, independent generators, thus ensuring

that the cold chain is maintained until the goods arrive at the vending machines. The Group has also introduced a system designed to allow to constantly monitor the temperature of the fridges in the vehicles using a device that immediately sends notification of any issues to staff responsible for overseeing this. Vending machines dispensing snacks, drinks and products required controlled temperatures must comply with the strictest safety standards, as well as having constructors' CE certification and adhering to the First In, First Out (FIFO) product management system. They must also prevent further sales if the internal temperatures cease to comply with the temperature range for safe product conservation (+0 C°/+4 C°).



Supplier relations

CHOOSING OUR SUPPLIERS

The IVS Group places great importance on developing and managing its relations with suppliers and looks to build medium- to long-term partnerships based on strategic and operational common ground. The Group's Code of Ethics "requires all employees, external collaborators and suppliers to sign a declaration confirming that they have read the Code of Ethics and commit to respect its contents". Such is the importance of the Code of Ethics to the Group that the ability of suppliers to guarantee compliance with the Code is taken into consideration when the Group selects its partners.

Furthermore, the Group complies with the principles of honesty and transparency when approaching the process of acquiring goods and services, as required by the IVS Group Code of Ethics. These values are also central to the process by which the Group selects its suppliers. Transparency in supplier relations is ensured through the adoption of rules and mechanisms that allow the Group to analyse their professional and technical reliability, economic and asset situation and commitment to corporate social and environmental responsibility. All fees and/or sums paid out under whatever circumstances must be properly documented and proportional with the activities carried out and current market conditions. The Code of Ethics also states that the Group rejects any form of discrimination based on the gender, religion, nationality, personal or political opinions, age, health and economic situation of anyone it comes into contact with, including its suppliers.

A number of factors may influence how the Group goes about acquiring a product. The IVS Group keeps itself up to date on market trends by regularly participating in trade fairs, monitoring its

competitors and periodically meeting its suppliers. The Group identifies potential product suppliers by analysing the market and studying consumer trends. The suppliers are then compared against a benchmark taking into account a range of factors. The objective is always to identify and select the supplier with the best performance levels and who can guarantee the best service possible. Supplier selection criteria vary according to the product required by the Group and may include:

- **Company characteristics:** cost effectiveness, ability to develop partnerships with the customer, range of coverage of geographical markets, production capacity, ability to hit deadlines and volume of deliveries, flexibility, etc.;
- **Health characteristics of the products:** glycaemic index, use of gluten-free products, products without palm oil, fruit percentage, salt content, NFC, sodium content, mineral residue, etc.;
- **Environmental impact:** possession of UNI ISO 14001:2015 environmental certification, analysis of supplier ability to pursue sustainability objectives;
- **Certifications:** possession of organic and Fair Trade certifications.

Among the procedures contained in the pre-assessment is a requirement to obtain/issue a series of certifications/declarations of conformity. For each negotiation, the Group makes it expressly clear that these are an essential requirement for all collaboration agreements. Notable requirements include:

- declaration of conformity with EU Regulation 853/04 (HACCP);
- declaration of conformity with EU Regulation 178/2002, Article 18 "Traceability";

- complete descriptions for every product supplied, containing information on ingredients, chemical properties, microbiological analyses, nutritional values, organoleptic properties, shelf life, optimum product preservation temperature and methods, correct storage methods;
- suppliers of soluble products, snacks and beverages must certify that their production sites contain no risk of cross-contamination with at-risk raw materials (Legislative Decree 114/06) and that they comply with the provisions set out in EC Reg 1935/2004 ("packaging materials for primary ingredients");
- certified company registration and anti-mafia certification.

The IVS Group's assessment of its suppliers does not stop when a contract is signed. Rather, it is an ongoing task designed to avoid sudden and unexpected declines in operational efficiency as well as ensure constant improvement - which is one of the cornerstones of the IVS Group mission. The IVS Group's procurement policy includes management of supplier relations and comprises strategic activities such as creating partnerships, producing products specifically tailored for the sector and, in some cases, obtaining exclusivity rights over products. An example of the importance of this nature of collaboration is the Group's agreement with Cedral Tassoni, signed in 2017. This agreement allowed IVS Italia S.p.A. to exclusively introduce Cedrata Tassoni Soda into its vending machines for the first time ever, with around 50 thousand units sold in 2018.

Procurement is a factor of extreme strategic importance to the IVS Group and plays a key role in the relationships established throughout the Group's supply chain. For this reason, operational risks (i.e. the inability of the regular supplier to satisfy a



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request, delayed or missed deliveries or products that fail to adhere to qualitative requirements) are continually monitored. In order to reduce their potential impact, we prioritise the following aspects: agility/flexibility of the supply chain; increasing influence over, control of and collaboration with suppliers; boosting product quality and reliability; increasing efficiency and reducing operational costs; increasing brand credibility and reputation.

PRODUCT RANGE

The products the Group's customers consume on a daily basis must be reliable and constant. The IVS Group strives to ensure that its service is of a high quality and works hard to offer its customers a range of products they recognise, both locally and all over the world. As a consequence, the selection of products offered by the IVS Group is tailored to ensure maximum brand recognition and quality across all sectors. For example, rather than falling

back on the convenience of prioritising a small bank of suppliers who can cover all food products, the IVS Group prefers to work with a large number of brands who achieve levels of excellence in individual products or product groups. This means that partner management activities take longer and are more expensive, but - crucially - it guarantees that products are of the highest quality. We strongly believe that local areas are an asset that must be celebrated and made full use of. Therefore, in addition to some of the most well-known brands in Italy and around the world, the IVS Group also offers its customers a range of the best local products, selecting top-quality local delicacies to complete the commercial offering. IVS Italia S.p.A. selects the best food brands on the market, including nationally and internationally renowned producers and many quality local producers. Brands stocked by the Group include Ferrero, Galbusera, San Carlo, San Pellegrino, San Benedetto, Coca Cola and Nestlé. IVS Italia S.p.A. is also the exclusive license holder for Nespresso in Italy. By way of illustration of the extent to which the management believes in this project, it decided to set up a new company - WEFOR S.r.L., based in the province of Milan - run directly by the OCS department.

In the No Food sector, the IVS Group favours suppliers who can offer the most sustainable goods/items. To this end, the central purchasing department is working with one particular supplier (Lyreco) to plan a shift from standard quality products to "green" products.

In 2018, with this supplier, 56% of the Group's purchases fell under the "green" sector. Excluding products with no green equivalent, given that these are irrelevant to this study, "green" purchases are expected to reach 75% (+19%) by 2019.

ORDER MANAGEMENT

The IVS Group's management system calculates product consumption daily across a period of eight weeks, cross-referencing this with stock levels and orders. Next, a purchasing or transfer proposal is presented to the relevant warehouse. Each warehouse can then decide whether to confirm, modify or cancel the proposals it receives.

Monitoring warehouses plays a role of fundamental importance in ensuring the logistical efficiency of the IVS Group. Both warehouses and suppliers are monitored and assessed centrally, after which their output is verified and checks are carried out to ensure they are adhering to policies, strategies and requests. Assessment results are added to a purchasing/transfer document that is sent by the system to the supplier and/or warehouse. In the event of a missed delivery, the system independently automatically sends a reminder and - where delivery still does not occur - then cancels the order and repeats the entire process. **In 2018, the IVS Group worked with 372 suppliers, of which 270 in the Food sector, 50 in the Beverage sector and 52 in the No Food sector.** Figures include both national and local suppliers. National suppliers are responsible for delivering products from Italy, Europe or outside Europe, while local suppliers may only work with customers based nearby to them. For a certain number of suppliers, the logistics office centrally oversees orders and uses its own or third-party vehicles to collect goods.





A fluffy white dog is lying on its side on a vibrant green lawn. The lawn is dotted with numerous small white daisies and some yellow wildflowers. A semi-transparent green shape, resembling a large, irregular brushstroke or a stylized letter 'L', is positioned over the dog's body to serve as a background for the text. The text 'FOCUS ON FOCAL AREAS' is written in a clean, white, sans-serif font, oriented vertically along the right side of the green shape. The overall scene is bright and natural, suggesting a sunny day outdoors.

FOCUS ON FOCAL AREAS

Local initiatives

As set out in the Code of Ethics, "the IVS Group is committed to making a tangible contribution to improving quality of life, boosting the socio-economic development of the communities in which it operates and promoting the development of human resources and local skills, while at the same time carrying out its corporate activities according to methods compatible with proper commercial practice". The IVS Group shows its commitment to social issues by supporting local projects and social causes which involve the active participation of the company and its workers.

In 2018, IVS Italia S.p.A. continued to take on interns from students at institutes of higher education based in the local area (Itis Majorana, Scuola Edile Bergamasca and Sacra Famiglia di Comonte Professional Training Body).

The IVS Group works with local schools to offer work placements to students (over 100 students so far), particularly as regards the technical department, where the payment systems are repaired.

The IVS Group encourages and organises visits to its facilities for students of local secondary schools (High schools, Technical schools) in order to give them a first-hand taste of the vending machine business and help new generations build up a more mature, informed picture of the world of work.

IVS Group continues to support "The Bridge for Hope" Association in their mission to provide support to the family members of people suffering from incurable illnesses and as a way of honouring the memory of President Cesare Cerea, who died last August as a result of a terminal illness. The support also focused on The Bridge for Hope's #CorriAmoLaVita project, since the Group believes in the values of solidarity and sport.

In 2018, the Group also took part in the Milan Marathon with a team composed of runners of all levels of preparation and experience and hailing from different parts of the world. The IVS Group runners were all employees of the Group's Italian companies (more than 50) across the country.

IVS Group also awarded Generosity Bonuses (Euro 5 credit on coffee cApp) or YBB baskets, with unique YourBestBreak goodies, to everyone who made a donation.

In Bergamo, IVS Italia S.p.A. once again sponsored "Bergamo Festival - Fare la Pace". On the Sentierone, in the heart of the city, a special culture vending machine was set up next to advertising for the keynote speeches of the special guests appearing at the festival to issue limited-edition, pocket-sized prints from well-known artists. The initiative was made possible thanks to the collaboration of some of the leading contemporary



del 08 Maggio 2018
L'ECO DI BERGAMO
estratto da pag. 57

Sorpresa, libri e arte invece degli snack per un pieno di cultura

Bergamo Festival. Fino al 7 giugno sul Sentierone il distributore automatico per acquistare a un prezzo simbolico pubblicazioni e serigrafie di artisti affermati

BARBARA MAZZOLENI

Una volta tanto, opere d'arte e libri prendono il posto di snack e bevande: ritorna sul Sentierone, nell'ambito di Bergamo Festival, la Pace in partnership con Ias Italia e in collaborazione con il Comune di Bergamo, il distributore automatico di cultura.

Nel pieno centro cittadino, dunque, da oggi fino al 7 giugno, basta un gesto per poter acquistare a un prezzo simbolico le pubblicazioni delle lezioni magistrali degli ospiti speciali che hanno partecipato al Festival, oppure serigrafie di artisti affermati, prodotte in edizione limitata e in formato tascabile grazie alla collaborazione di alcune tra le più note gallerie di arte contemporanea di Bergamo, ciascuna delle quali ha invitato un artista a realizzare una serigrafia in esclusiva sul tema affrontato quest'anno dal Festival, la Riconciliazione.

Thomas Brambilla Contemporary Art ha scelto il raffinato artista torinese Erik Saglia, con il progetto «Convergenze parallele». «Le serigrafie presenti nel distributore sono opere inedite che sviluppano il tema delle griglie

ortogonali dei miei primi lavori - spiega l'artista -. Sulle griglie sono state inserite delle linee parallele che rappresentano l'arte e la pace ed è proprio questa suggestione che ha ispirato il mio lavoro. Così come il Festival riflette sul tema della riconciliazione, l'opera d'arte si pone l'obiettivo di congiungere l'arte con i valori della pace e, grazie al formato tascabile, di raggiungere il maggior numero di persone veicolando un messaggio positivo di speranza».

Marco Manzoni è il giovane talento bergamasco invitato dalla Galleria Marella, realizzando l'opera «Tabula Rasa». «È una riflessione sul passato e sulle architetture che si sono perse e in molti casi sono state distrutte dal terrorismo - sottolinea Manzoni -. Nei miei lavori le grandi opere del passato vengono trapiantate su un territorio neutro, un nuovo museo a cielo aperto, nel segno della speranza di una nuova cultura umana. Nel distributore di cultura il pubblico troverà il celebre Altare di Pergamo, ora conservato al Pergamonmuseum di Berlino. L'Altare rimanda ai grandi temi della riconciliazione e della pace indagati dal Festival». Traffic Gallery infine punta sulle creatività, un po' umane e un po' animali, di «Huckepack, Courtesan» della tedesca Karin Andersen. «L'opera si inserisce all'interno di una riflessione che mi sta molto a cuore e cioè quella dell'interazione fra le diverse forme di vita. I miei personaggi rappresentano l'Altro, sono figure umanoidi che portano con sé elementi caratteristici del mondo animale e del mondo della natura. Le serigrafie vogliono dunque essere una riflessione sull'accettazione dell'alterità, sulla necessità di riconoscere nelle relazioni con gli altri un'opportunità di crescita non solo personale ma dell'intera società».

Oggi la performance di Hemo

Ma anche il distributore di cultura si veste di arte contemporanea, grazie all'intervento di Enrico Sironi, in arte «Hemo», tra i migliori artisti di Urban Art attualmente riconosciuti nel panorama nazionale, che il pubblico potrà vedere all'opera nella giornata

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Italy's leading vending machine provider was also the premium sponsor of the fourth edition of the "La Vallata dei Libri Bambini", a literary festival for children and young people. Organised by the charitable association of the same name, this extensive cultural project aims to boost the local area.

This year, the event took place in the Municipality of Vertova, in the province of Bergamo. The stars of the show - apart from the books, of course - were children from local schools, who were able to enjoy exhibitions, workshops, special guest appearances and a range of events big and small. The festival then came to an end with the closing ceremony on 08 March 2018.

art galleries in Bergamo. Each gallery asked one of their artists to create an exclusive print on the theme of this year's festival: reconciliation.

The culture vending machine was customised with artwork by Enrico Sironi, also known as Hemo, an urban artist from Bergamo who is well known in Italy.

As part of the Group's commitment to promoting culture, IVS Italia S.p.A., has teamed up with the The Carrara Academy of Bergamo to create Art Dispenser, a project designed to make art more accessible. Art Dispenser is an art vending machine which - instead of dispensing snacks and drinks - offers artwork created by students on the academy's art and photography courses. Sales of the artwork - which costs Euro 2 each - will help to fund future projects at the academy. Art Dispenser is still located at the Carrara Academy.

IVS Italia S.p.A.'s commitment to the education and development of children has also continued in recent times. Already a sponsor of sports teams and events in football, skiing, cycling and golf,

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#IVSitalia è premium sponsor del 5° Festival di Letteratura per Ragazzi che si svolgerà dal 10 al 25 marzo a Vertova (BG). Vieni a trovarlo! Per saperne di più: <http://www.lavallatadeilibribambini.it/> #YourBestBreak

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IVS Italia S.p.A. has also signed up to the Istituto Scolastico Majorana di Seriate's scholarship programme, the aim of which is to promote the pursuit of excellence by guaranteeing students better opportunities as they progress through their school careers. At the heart of the initiative is the belief that the young people of the future are a project we should always invest in.

Another initiative related to the sport was **StraWoman, a race that** brought women together for a day of enjoyment and sport, with the Group's partner organisation BWT as the main sponsor for the second successive year.

The competition shone a light on the use of non-bottled water enriched with magnesium, the precious mineral of which humans require around 300 mg every day.

During StraWoman, the water was filtered using BWT pitchers provided to runners in the Village, turning the entire event pink and helping to make it a special day for all the women involved.

Among other initiatives focusing on health and sport, there have been the sponsorships to **"Andrea Maria" amateur swimming club in Reggio Calabria**, **"F.lli Giorgi" cycling team** and **"Orobie Ultra-Trail"**.

The Group's companies abroad have also helped to promote sustainability in their local areas through a variety of initiatives. Some of the most significant include:

- the production of honey at the Cormeilles facility, for the "Intergenerational project for sustainable development in the local area. Creation of a social bond in Val d'Oise";

- introduction of recycling scheme for coffee grounds in Cormeilles, with the aim of reusing these in other materials;
- in Barcelona, food products that could no longer be used were donated to the food bank.

DONATIONS AND SPONSORSHIP

As alluded to with the aforementioned initiatives, the IVS Group has always been committed to promoting and enhancing the local community through sponsorship and donations. The Group is determined to stimulate social and cultural development, improve the quality of life of people and better relations between the Group and the local area.

As set out in the Code of Ethics, the Group may only respond to funding requests deriving from non-



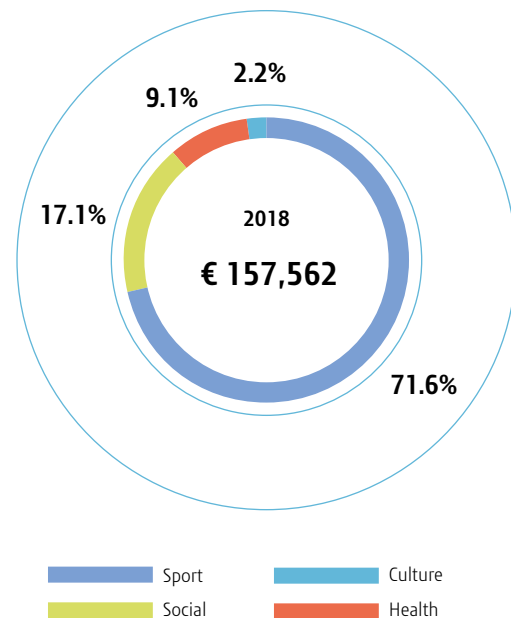
profit bodies and associations or linked to initiatives of particular cultural or charitable value. Maximum transparency must be maintained at all times. Sponsorship may be awarded for initiatives in the social, environmental, sporting, showbusiness, art and cultural spheres.

During 2018, activities designed to promote actions benefiting the community continued.

Given that Bergamo is the capital city of the region in which the legal headquarters of the Group's Parent Company is located, it was vital that work continued to promote the best of local sport, the with aim of furthering aims linked to youth development, social values and integration between different ethnic groups.

There was important investment in the **PromoSerio Association**, whose objective is to **work across the board to boost the Val Seriana and Val di Scalve areas**. The aim is to promote and encourage tourism in the local area and further afield so that people come to enjoy the varied natural surroundings, art heritage, food and flavours, events and the quality and professionalism of the production and manufacturing sector, in order to lay the foundations for far-reaching sustainable growth. During 2018, a total of Euro 157,562 was paid out in donations and sponsorships. The majority of sponsorship was awarded in the field of sports (71.6%), followed by social (17.1%), health issues (9.1%) and cultural (2.2%).

Donations and sponsorship by type



Responsible marketing³³

The consumer choices of customers are influenced by a range of factors, including current social trends. Over the past few years, numerous market research surveys have been carried out to investigate the life style of consumers. These surveys have revealed the rise of the responsible consumption trend. Responsible consumption equates to a growing tendency to choose safer, better-controlled products which are environmentally friendly and provide top quality.

Given that part of a company's job is to be aware of the needs of its consumers, The IVS Group only offers products delivering guaranteed quality and works to promote a food culture based on the principles of sustainability, health and respect for small local producers.

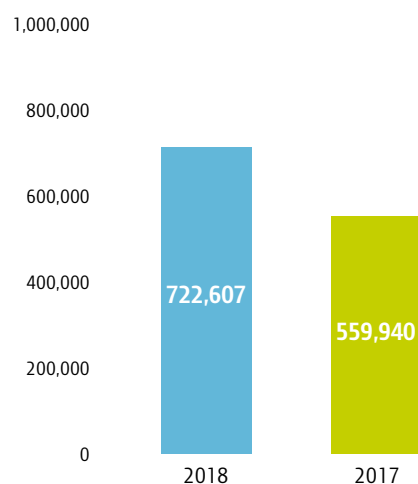
These values are encapsulated by the Vending Made Responsible brand, which summarises all the Group's projects in the realms of boosting

environmental sustainability, promoting healthy, natural eating, ensuring constant improvement in the working environment and supporting Fair Trade. The IVS Group has been pushing in this direction for many years and has achieved notable success in the field, **with a notable increase in the number of organic products sold. The total number of organic products sold was 722,607 units, a 29% increase on 2017.**

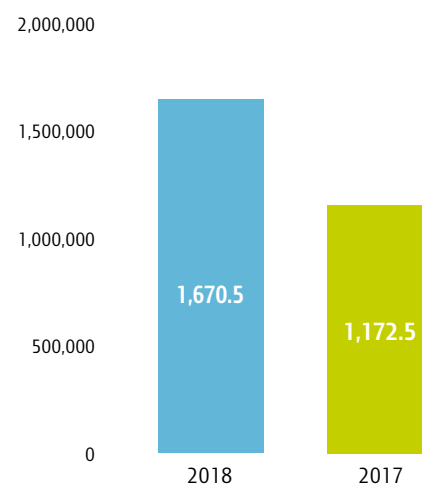
This increase is also down to the introduction of a standard "green drawer", providing space for this type of product. The "green drawer" is offered to customers and already forms part of the Group's portfolio.

In particular, the Group increased purchases of organic coffee, which is supplied by a partner with a strong focus on sustainability. The increase in purchases of this type of raw ingredient, which equates to a 43% increase, is the start of the IVS Group's quality/sustainability Mission.

Number of organic products sold per year



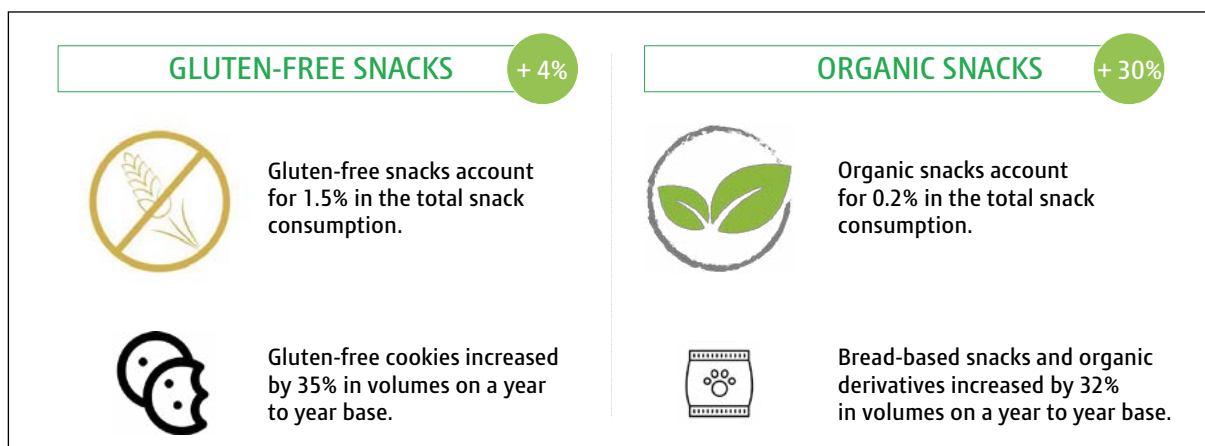
Organic coffee purchased by year (kg)



In recent years, the sector has shown that it can be a participant in the shift towards healthier food habits, as shown in the data. Further evidence of this is provided by the Sector study by CONFIDA (Associazione Italiana Distribuzione Automatica) - the Italian Association of Vending Machines, as shown by the data below³⁴.

33. The quantitative data related to IVS Group products presented in this paragraph refer to the following companies: IVS Italia S.p.A., DDS S.p.A., Eurovending S.r.l., IVS Sicilia S.p.A., AUTO-BAR S.r.l..

34. The Sector study refers to 2017 data.



BIOBREAK, ORGANIC, SUSTAINABLE EATING

BioBreak is a project run by IVS Italia S.p.A. and focusing on the promotion of organic, Fair Trade food products. The presence of this brand on the Group's vending machines indicates that the coffee sold is produced according to the strictest organic agriculture criteria in a way that respects local producers.

In accordance with the introduction of a new European regulation to limit the use of plastic, IVS Group began to look further into the subject at the end of 2018, searching for alternative, sustainable packaging solutions (glasses, palettes).

LOWEST-IMPACT SUSTAINABLE ACCESSORIES

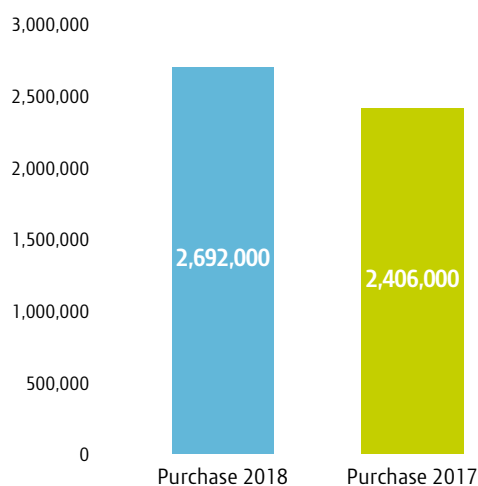
The IVS Group has continued to invest in the principles of sustainability as regards accessories, with a particular focus on single-use, biodegradable and compostable cups (cups made from PLA, a plant-based polymer made from corn, wheat or beet).

A trait of organic materials, biodegradability is vital to maintaining the ecological balance of our planet,

which is spared waste and rubbish, with more space given to new life.

Between 2017 and 2018, purchases of this accessory increased by nearly 12%.

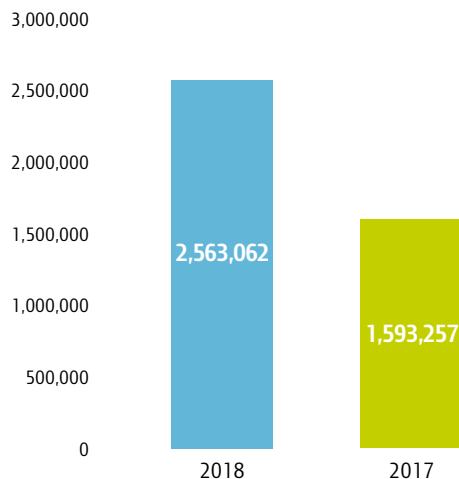
PLA cups purchased by year



AN ALL-NATURAL BREAK

The *Enjoy Your Natural Break* project, which offers a range of healthy food products, achieved significant results this year, which are detailed below. Vending machines featuring this brand of products contain

Number of reduced-sugar/sugar-free drinks sold per year



fresh foods with low levels of fat, sugar and preservatives. A comparison with the previous year provides a clear idea of the IVS Group's tangible commitment to the well-being of its customers and to the environment around us. **In 2018, as regards reduced-sugar/sugar-free drinks, the average calorific value³⁵ of products purchased by customers was 30.1 kcal.** The low level of the calorific value is even more interesting when you consider the amount of drinks purchased per customer, illustrating the tangible benefit for individual people.

The percentage of items sold has increased by 61% in comparison with the previous year, equal to almost 970 thousands additional items sold. This is a clear illustration of the growing interest individuals have in healthier products.



RESPECT FOR FOOD INTOLERANCES

There is an increasing need to offer products suitable for people who suffer from food intolerances. For this reason, the IVS Group has once again focused on investing in gluten- and lactose-free products, increasing the number of such products in its vending machines.

In 2018, the Group sold nearly 2.5 million of gluten-free snacks, equating to 2.8% of total snacks sold in the year, and more than 16 million of lactose-free snacks, equating to 18.8% of the total snacks sold. Again, the Sector study of Confida confirms the increase of these types of products as buying choice during last years.

ORGANIC DRINKS +120%	SUGAR-FREE DRINKS +60%	NEW FORMATS +200%
 <p>Organic cold drinks account for 1.2% in total cold drinks consumption (excluding water).</p> <p>Juices and cold tea are the categories in the organic segment with the highest growth (90% and 120% respectively).</p>	 <p>Sugar-free cold drinks account for 2.7% in total cold drinks consumption (excluding water).</p> <p>The category leading the sugar-free growth is fruit drink which quadruples the volumes compared to the previous year.</p>	<p>The new 400ml "slim" PET format is growing, accounting for 1% of other cold drinks consumption.</p> <div style="text-align: center;">  </div>

35. The average calorific value was obtained by multiplying the calorific value of each product sold for the quantity sold and dividing what you get for the total purchased items. The average is therefore to be considered weighted by the number of individual products sold.

EAT PROJECT

Obesity and the issue of being overweight are an increasing problem that affects 30% of the world's adult population, with 2.2 billion people considered overweight in total. This includes 108 million children and over 600 million adults with a BMI of over 30, which makes them obese (as shown by a wide major study conducted by the "Institute for Health Metrics and Evaluation" at the University of Washington³⁶). There are a number of significant pathologies associated with being overweight, in addition to the increased general risk of cardiovascular and metabolic issues, inevitably leading to increased demand for healthcare.

Proper treatment plans should include educational/informative activities designed to discourage "bad" lifestyle choices such as poor diet and insufficient exercises, from an early age.

The EAT Project was set up as a response to these issues by the Gruppo Ospedaliero San Donato Foundation and the I.R.C.C.S. Policlinico San Donato, in collaboration with ENI, SANOFI, Sigi, Evs, Cda, *Oregon Scientific* and R.M. Service. The project is being monitored by the Ministry of Education, University and Research's "Scuola per EXPO 2015" Technical and Scientific Committee and by ASL Milano 2.

The project is targeted at all middle school children in San Donato Milanese and the Milan suburbs. It comprises a range of cross-discipline activities comprising a series of steps including:

- Recording anthropometric data (weight, height, waist size);
- Analysing food habits (via questionnaires);

- Lectures from nutritionists;
- School tests on food education;
- Use of pedometers;
- Educational posters (food pyramid and healthy plates);
- SMS messages with positive reinforcement messages;
- Sharing via social media;
- Range of healthy food in "Alimenta la Tua Salute, con buon senso" [Nourish your health with common sense] vending machines located inside schools.

IVS Italia S.p.A. has an active role in the final point, stocking only foods approved by the scientific community in vending machines located in the biggest hospitals and other sites in Italy.



36. Source: <http://www.healthdata.org/news-release/new-study-finds-more-2-billion-people-overweight-or-obese>.

GREEN WATER PROJECT

In the light of international revelations in relation to the constant increase in the amount of plastic waste in our oceans and seas and the harm that this causes, the Group is aware that although plastic is an extraordinarily useful material, it must be used in a more responsible manner.

The IVS Group has started to invest in an initiative designed to raise awareness of this and reduce use of plastic.

The idea should help consumers to choose sustainable alternatives.

The Group wants to move quickly, create alternative solutions and make the most of its wonderful yet limited resources by promoting the use of water from the public supply.





PERIMETER

ANALYSIS AND GRI CONTENT INDEX

Perimeter analysis of the IVS Group's material topics

MACRO AREAS	TOPICS	RELEVANCE	
		Where impact occurs	Involvement of the IVS Group
Governance and business ethics	Corporate Governance	IVS Group	Direct
	Risk Management	IVS Group	Direct
	Ethics and integrity	IVS Group suppliers and partners Producer community	Direct Business partnership
Economic performance	Business strategy	IVS Group	Direct
	Economic/financial performance	IVS Group	Direct
Environmental performance	Environmental impact	IVS Group suppliers and partners	Direct Business partnership
	Management of product life cycle	IVS Group	Direct
	Management of industrial and food waste	IVS Group suppliers and partners	Direct Business partnership
Social performance	Procurement policies and practices	IVS Group	Direct
	Development of the local community	IVS Group	Direct Contribute
	Food education	IVS Group Producer community	Contribute Business partnership
	Talents attraction and development	IVS Group	Direct
	Welfare and work-life balance	IVS Group	Direct
	Diversity and equal opportunities	IVS Group	Direct
	Industrial relations	IVS Group Producer community	Direct Business partnership
	Health and safety of employees	IVS Group ³⁷	Direct
	Customer satisfaction	IVS Group	Direct
	Responsible advertising and marketing	IVS Group	Direct
Product performance	Innovation and product design	IVS Group	Direct
	Product quality and safety	IVS Group	Direct
	Logistics	IVS Group	Direct
	Food traceability	IVS Group	Direct

37. The IVS Group will carry out an analysis concerning the relevance of workers who are not employees, in order to consider the possibility to gather data from the employers of workers who are not employees and the suppliers who work in the Group's plants and/or the control of the Group, taking into consideration the quality and the accuracy of those data over which the Group has no direct control.

GRI Content Index³⁸

GENERAL STANDARD DISCLOSURE

GRI	DESCRIPTION	PAGES/NOTES
Organizational profile		
102-1	Name of the organization	12; 26-27
102-2	Activities, brands, products and services	20-25; 112
102-3	Location of headquarters	21
102-4	Location of operations	19; 24; 32
102-5	Ownership and legal form	26-27
102-6	Markets served	20-25; 32-33
102-7	Scale of the organization	18-19; 22-23; 25; 84
102-8	Information on employees and other workers	12; 84-85; 96
102-9	Supply chain	123-125
102-10	Significant changes to the organization and its supply chain	12-13
102-11	Precautionary Principle or approach	13; 34-45
102-12	External initiatives	IVS France S.A.S. cooperates with ESAT ANAIS association, to sustain the social and professional integration of people with disability.
102-13	Membership of associations	IVS Group companies operating in the vending sector participate in the following foundations, trade or not trade and national or international associations: CONFIDA (Associazione Italiana Distribuzione Automatica), ANIVP (Associazione Nazionale Istituti di Vigilanza Privata e dei Servizi Fiduciari di Sicurezza), NAVSA (French association in the vending sector), ANEDA (Asociación Nacional Española de Distribuidores Automáticos), ACV (Associació Catalana de Vending).
Strategy		
102-14	Statement from senior decision-maker	7-9
102-15	Key impacts, risks and opportunities	13; 34-45; 60-61; 82; 91; 103-105; 113; 120-124
Ethics and integrity		
102-16	Values, principles, standards and norms of behavior	20; 39-40; 48
102-17	Mechanisms for advice and concerns about ethics	37-45
Governance		
102-18	Governance structure	26-27; 34
102-25	Conflicts of interest	41
Stakeholder engagement		
102-40	List of stakeholder groups	49; 52
102-41	Collective bargaining agreements	ITALY: 100% of employees are covered by the CCNL Terziario Distribuzione e Servizi, apart from: - IVS Italia S.p.A., in which more than 99% of employees are covered by the CCNL Terziario Distribuzione e Servizi and the remaining employees by the CCNL Pubblici Esercizi; - Coin Service Nord S.p.A., whose 100% of employees are covered by the CCNL Istituti di Vigilanza Privata. SPAIN: 100% of employees are covered by CCNL "mayorista de alimentación". FRANCE: 100% of employees are covered by CCNL 3044 - Commerce de gros - IDCC 0573. SWITZERLAND: no collective bargaining agreements applied.
102-42	Identifying and selecting stakeholders	49-52
102-43	Approach to stakeholder engagement	49-52
102-44	Key topics and concerns raised	49-52

38. All General Disclosures, Management approaches and Topic-specific Standards in the GRI Content Index are those published by the GRI in 2016.

GRI	DESCRIPTION	PAGES/NOTES
Reporting practice		
102-45	Entities included in the consolidated financial statements	12
102-46	Defining report content and topic Boundaries	12-14; 49-52; 140 The reporting principles applied for the content of this Report refer to GRI's guidelines: materiality, stakeholder inclusiveness, sustainability context, completeness, accuracy, balance, clarity, comparability, reliability and timeliness.
102-47	List of material topics	51
102-48	Restatements of information	62; 67; 72-73
102-49	Changes in reporting	No significant changes occurred.
102-50	Reporting period	12-13
102-51	Date of most recent report	March 2018.
102-52	Reporting cycle	13
102-53	Contact point for questions regarding the report	13
102-54	Claims of reporting in accordance with the GRI Standards	12
102-55	GRI content index	141-145
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TOPIC-SPECIFIC DISCLOSURES

GRI	DESCRIPTION	PAGES/NOTES
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103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	35-36; 56
103-3	Evaluation of the management approach	35-36; 56
201-1	Direct economic value generated and distributed	57
Anti-corruption		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	37-38; 41-42; 44-45
103-3	Evaluation of the management approach	37-38; 41-42; 44-45
205-3	Confirmed incidents of corruption and actions taken	No confirmed corruption incidents were registered in 2018.
Anti-competitive behaviour		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	41; Code of Ethics
103-3	Evaluation of the management approach	41; Code of Ethics
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No significant legal action was taken in response to anti-competitive behaviour, anti-trust behaviour and monopoly practices in 2018. Payment of the sanction imposed by competitions authority on IVS Italia S.p.A. in 2016 will conclude in March 2019. More information is available in the 'Significant Events' section of the IVS Group S.A.'s 2016 Annual Report.
GRI 300: ENVIRONMENTAL TOPICS		
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103-2	The management approach and its components	60-63; 66
103-3	Evaluation of the management approach	60-63; 66
302-1	Energy consumption within the organization	62-65

GRI	DESCRIPTION	PAGES/NOTES
Water		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	60-61; 79
103-3	Evaluation of the management approach	60-61; 79
303-1	Water withdrawal by source	79
Emissions		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	60-61; 67-69
103-3	Evaluation of the management approach	60-61; 67-69
305-1	Direct (Scope 1) GHG Emissions	67-69 Gases included in the calculations of Scope 1 emissions: CO ₂ , CH ₄ , N ₂ O; Sources of the emission factors: - ISPRA, Italian Greenhouse Gas Inventory 1990 - 2016 - National Inventory Report (2018) for consumption of natural gas, fuel, diesel and LPG; - IPCC Fifth Assessment Report: Climate Change 2013 for factors of GWP (100 years), CH ₄ and N ₂ O.
305-2	Energy indirect (Scope 2) GHG Emissions	67-69 The values reported in the Report for Scope 2 emissions were obtained applying the location-based calculation method. Under the market-based calculation, the Scope 2 emissions in 2017 are 4,639 tonnes of CO ₂ e and in 2018 are 4,995 tonnes of CO ₂ e. Gases included in calculations of Scope 2 emissions: CO ₂ , CH ₄ , N ₂ O. Sources of the factors of emission: - TERN, Statistical data concerning electrical energy in Italy, year 2017 (2016) for electricity consumption - Location Based method; - Association of Issuing Bodies (AIB), 2017 European Residual Mixes, V.1.13 (2018), for electricity consumption - Market Based method.
Effluents and Waste		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	60-61; 72-75
103-3	Evaluation of the management approach	60-61; 72-75
306-2	Waste by type and disposal method	72-73
Environmental Compliance		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	60-61
103-3	Evaluation of the management approach	60-61
307-1	Non compliance with environmental laws and regulations	No significant fines or sanctions were registered as a result of violations of environmental laws and regulations in 2018.
GRI 400: SOCIAL TOPICS		
Employment		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	82; 86; 96-102
103-3	Evaluation of the management approach	82; 86; 96-102
401-1	New employee hires and employee turnover	86-87
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	96-102
Occupational health and safety		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	103-105
103-3	Evaluation of the management approach	103-105
403-1	Workers representation in formal joint management-worker health and safety committees	105
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	106-108; 140 2017 lost day rate data were calculated as ratio between the number of days lost through injury or occupational disease and the total number of hours worked, multiplied by 1,000 (Source: Norma UNI 7249)
403-3	Workers with high incidence or high risk of diseases related to their occupation	105

GRI	DESCRIPTION	PAGES/NOTES
Training and education		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	91-95
103-3	Evaluation of the management approach	91-95
404-1	Average hours of training per year per employee	92
Diversity and equal opportunity		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	88-89
103-3	Evaluation of the management approach	88-89
405-1	Diversity of governance bodies and employees	34; 88-90
Non-discrimination		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	39; 88-90
103-3	Evaluation of the management approach	39; 88-90
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination were registered in 2018.
Freedom of association and collective bargaining		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	83
103-3	Evaluation of the management approach	83
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	83
Local Communities		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	128-131
103-3	Evaluation of the management approach	128-131
413-1	Operations with local community engagement, impact assessments, and development programs	128-131; 135
Supplier Social Assessment		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	123-124
103-3	Evaluation of the management approach	123-124
414-1	New suppliers that were screened using social criteria	According to the IVS Group procurement practices, the screening of the suppliers is also based on their acceptance of the Code of Ethics. In particular, it requires to each supplier to sign a declaration of acknowledgment of the Code of Ethics and to give a written undertaking to respect its content.
Socioeconomic compliance		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	37-45; 82-83
103-3	Evaluation of the management approach	37-45; 82-83
419-1	Non-compliance with laws and regulations in the social and economic area	No significant monetary and non-monetary sanctions were registered during 2018.

GRI	DESCRIPTION	PAGES/NOTES
Business strategy		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	7-9; 20-25; 30-32; 56
103-3	Evaluation of the management approach	7-9; 20-25; 30-32; 56
Corporate Governance		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	26-27; 34-45
103-3	Evaluation of the management approach	26-27; 34-45
Customer satisfaction		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	112-119
103-3	Evaluation of the management approach	112-119
Food education		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	96-97; 135
103-3	Evaluation of the management approach	96-97; 135
Food traceability		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	121
103-3	Evaluation of the management approach	121
Innovation and product design		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	30-31; 118-119
103-3	Evaluation of the management approach	30-31; 118-119
Logistics		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	62-65; 113-115; 125
103-3	Evaluation of the management approach	62-65; 113-115; 125
Management of product life cycle		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	60-61; 66; 74-77
103-3	Evaluation of the management approach	60-61; 66; 74-77
Product quality and safety		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	120-122
103-3	Evaluation of the management approach	120-122
Responsible advertising and marketing		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	132-136
103-3	Evaluation of the management approach	132-136
Risk management		
103-1	Explanation of the material topic and its Boundary	49-52; 140
103-2	The management approach and its components	13; 35-38; 41-45; 60-61; 82; 91; 103-105; 120-124
103-3	Evaluation of the management approach	13; 35-38; 41-45; 60-61; 82; 91; 103-105; 120-124

REPORT OF THE EXTERNAL AUDITORS

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

**To the Board of Directors of
IVS Group S.A.**

We have carried out a limited assurance engagement on the Sustainability Report of the IVS Group (hereinafter the "Group") as of December 31, 2018.

Directors' responsibility on the Sustainability Report

The Directors are responsible for the preparation of the Sustainability Report in accordance with "*Global Reporting Initiative Sustainability Reporting Standards*" established in 2016 by GRI – Global Reporting Initiative, as stated in the paragraph "Methodological note" of the Sustainability Report, and for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to frauds or unintentional behaviours or events. The Directors are also responsible for defining the Group's objectives regarding the sustainability performance and the reporting of the achieved results, for the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to issue this report based on the procedures performed. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

The procedures performed on the Sustainability Report included inquiries, primarily with company personnel responsible for the preparation of the Sustainability Report, analysis of documents, recalculations and other evidence gathering procedures as appropriate.

These procedures consisted in verifying its compliance with the standard "GRI 101: Foundation" for defining report content and quality, and are summarised as follows:

- comparing the economic and financial information and data reported in the chapter "Economic responsibility" of the Sustainability Report with those included in the Group Consolidated Financial Statements as of December 31, 2018, on which another auditor issued the independent auditor's report, dated March 19, 2019;
- analysing, through interviews, the governance system and the management process of the matters related to sustainable development regarding the strategy and operations of the Group;
- analysing the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- analysing how the processes underlying the generation, collection and management of quantitative data of the Sustainability Report operate. In particular, we have performed:
 - interviews and discussions with the management of IVS Group to gather information about the accounting and reporting systems used in preparing the Sustainability Report, as well as on the processes and procedures supporting the gathering, aggregation, processing and transmittal of data and information to the department responsible for the preparation of the Sustainability Report;
 - analysis, on a sample basis, of the documentation supporting the preparation of the Sustainability Report, in order to gather the evidence of processes in place, their adequacy, and that they correctly manage data and information in connection with the objectives described in the Sustainability Report;
- analysing the compliance and the internal consistency of the qualitative information disclosed in the Sustainability Report in relation to the standards identified in the paragraph "Directors' responsibility on the Sustainability Report" of this report;
- analysing the stakeholders engagement process, in terms of methods applied, through the analysis of the minutes of the meetings or any other available documentation about the main topics arisen in the discussion with them;
- obtaining the representation letter signed by the legal representative of IVS Group S.A., on the compliance of the Sustainability Report with the standards identified in the paragraph "Directors' responsibility on the Sustainability Report" of this report, as well as the reliability and completeness of the data and information disclosed.

The procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the IVS Group as of December 31, 2018 is not prepared, in all material aspects, in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI – Global Reporting Initiative, as stated in the paragraph "Methodological note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.



Franco Amelio
Partner

Milan, Italy
March 19, 2019

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Respecting the environment, IVS GROUP S.A. has decided to print this Annual Report on paper coming from forests responsibly managed, according to the FSC® criteria (Forest Stewardship Council®).



April 2019

