



# B&C SPEAKERS

## 2022

# Sustainability Report

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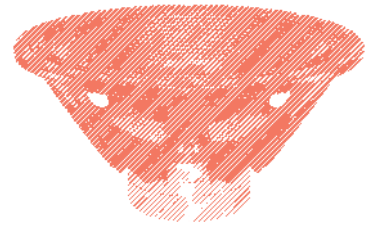
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1

The creation  
and evolution  
of our business

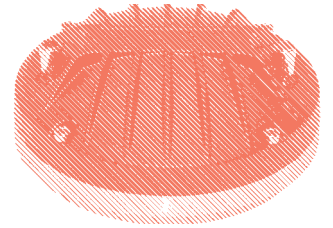
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Our people

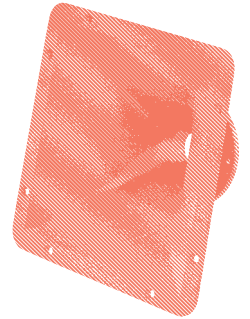
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From material  
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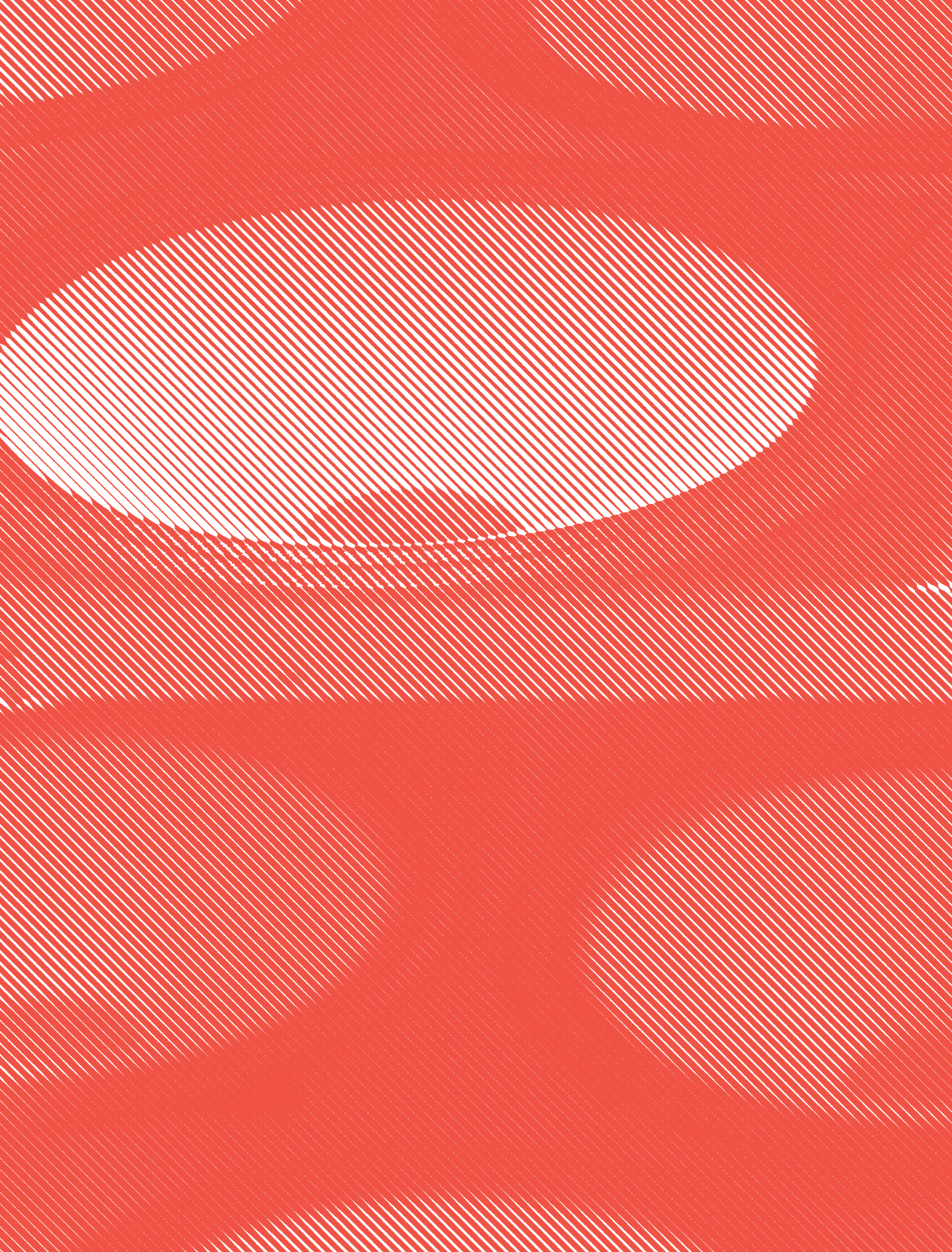


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Our commitment  
to environmental  
protection

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# Letter to

2024 was a year of change and awareness for the B&C Speakers Group. In a world that demands ever-increasing responsibility, we have taken the decision to strengthen our commitment to a tangible, forward-looking business focused on people and the environment.

We have embarked on a structured approach and developed our first **Sustainability Plan**: a strategic document that guides our actions and sets out clear objectives to integrate sustainability into all areas of our business. This plan was inspired by our desire to transform our values into measurable results, in line with our stakeholders' expectations and with global goals.

Our most significant achievements in 2024 include **the award of Certification UNI/PdR 125**, which validates our tangible commitment to gender equality. This recognition is not only a formal achievement, but also represents a confirmation of a cultural approach that promotes inclusion, equity and recognition of the value of diversity within our organisation. In terms of the environment, we have taken an important step towards providing a more complete account of our climate impact by integrating **Scope 3 GHG emissions calculations** into our reporting for the first time. This provides us with a broader and more responsible vision of our environmental footprint, including indirect emissions along our value chain.

These achievements are set against a context of international growth and consolidation, continuing the course charted in previous years. Our strategic decisions continue to be guided by sustainability, innovation and attention to human capital, which we consider to be our most valuable resource for building our future.

We are looking ahead with determination, aware that sustainability is not a destination, but a journey. We will continue to work with transparency, responsibility and receptiveness,

# stakeholders

with the aim of generating shared value and making a positive contribution to the context in which we operate.

To all those who have accompanied us on this journey – collaborators, customers, suppliers, partners and communities – you have our most sincere gratitude.

**With gratitude and confidence  
in the future**

Lorenzo Coppini  
Chief Executive Officer  
B&C Speakers S.p.A.

# The creation and evolution of our business



## 1

# A story of innovation and excellence



The story of B&C Speakers began in Florence in 1945 – the inspiration of Roberto Coppini and Fernando Borrani.



The story of B&C Speakers began in Florence in 1945 – the inspiration of Roberto Coppini and Fernando Borrani.

Their small artisan business, initially called BBC Elettroacustica Professionale, focused on the manufacture of basic acoustic traducers – used in various public applications and audio systems for cinema and theatres – for the Italian market. This activity enabled the company to develop specific technical skills and to build a strong reputation in the sector. Until the early 1970s, the company was mainly focused on producing custom audio systems for cinemas and theatres. The speaker market boomed that decade, thanks to an increase in live concerts and the advent of revolutionary musical genres such as Rock & Roll and Pop, which became global phenomena.

To respond to the growing demand, the company refined its technical skills and made major improvements to the quality of its products. This development allowed the company to diversify its product range, offering advanced acoustic solutions for use in outdoor environments such as amusement parks, where audio represents an essential part of the overall atmosphere. In that same decade, the company launched partnerships with renowned Italian amplifier manufacturers including Montarbo, Lombardi Amplificazioni and FBT. In the 1980s, building on the success of the previous decade, the company strengthened its position within the industry through an international expansion plan, focusing mainly on key markets such as Europe and the United States.

In 1993, Roberto Coppini acquired a controlling stake in the company, which was renamed B&C Speakers S.p.A. after the names of the two founding partners. In 1996 the factory was moved to Bagno a Ripoli, near Florence, allowing the company to increase its production capacity and become a major player



on the global pro-audio components market while also maintaining a strong position in Europe, thanks to the innovative introduction of neodymium magnets.

The company completed this important phase of its development by becoming listed on the Italian Stock Exchange in July 2007, making B&C a publicly traded company.

In 2009, B&C Speakers completed the construction of a new, cutting-edge production facility in Bagno a Ripoli, thus linking five previously separate production units. The new factory, which initially extended for 8,800 m<sup>2</sup> and was subsequently extended to 10,500 m<sup>2</sup>, has enabled significant improvements in production capacity and efficiency thanks to a higher degree of automation, improving product quality and giving the company a competitive edge.

In addition to the new factory, the company kept the 3,000 m<sup>2</sup> building that houses its main administrative offices, where management, sales, accounting and research and development still take place.

The period of growth continued in the following decades: in December 2017, B&C announced the acquisition of Eighteen Sound S.r.l., a manufacturer of high-quality professional speakers based in Reggio Emilia, Italy.

2023 marked a year of considerable growth and transformation for B&C Speakers, with two important events that significantly expanded the Group's perimeter. The first was the acquisition in September of Eminence Holdings LCC, a company based in Kentucky, USA. This acquisition has enabled the Group to strengthen its presence on the US market and to enhance its product portfolio with high-quality solutions in the musical instrumental segment. The integration of Eminence Holdings LCC has created new production synergies and opportunities for technological development, contributing significantly to the company's overall growth.

The second major event was the foundation in December of B&C Dongguan Electronics Co. Ltd, a new entity wholly owned by B&C Speakers S.p.A. This initiative marked B&C Speakers' direct entry onto the Chinese market, one of the world's fastest growing and most dynamic markets. The process to select the location of the new factory focused on identifying the greatest efficiency for the Group in terms of both production and logistics.

These two events represent important milestones in B&C's history, once again emphasising how 2023 was a crucial year of transformation and growth. The acquisition of Eminence Holdings LCC and the foundation of B&C Dongguan Electronics Co. Ltd. not only expanding the company's geographic reach, but also strengthened its capacity for innovation and technological development, laying solid foundations for the future. Confirming the positive sector-wide trend, in 2024 B&C Speakers showed improved economic performance compared to 2023 leading to growth. Today, B&C Speakers continues to strengthen its position as a global leader and one of the world's most prestigious manufacturers of electro-acoustic transducers, consolidating its position thanks to a strategic sales network in the US, Brazil and China. These operational bases have enabled the Group to optimise its presence and distribution chain on a global scale, increasing its capacity to receive and quickly and dynamically respond to requests from customers across the globe. Furthermore, the professional audio sector shows promising growth prospects for 2025, driven by technological innovation and the expansion of various market segments.

The company's core business is centred on the design, production, distribution and commercialisation of electro-acoustic

transducers for professional use (the main components used in music speakers) aimed at manufacturers of finished professional speaker systems.

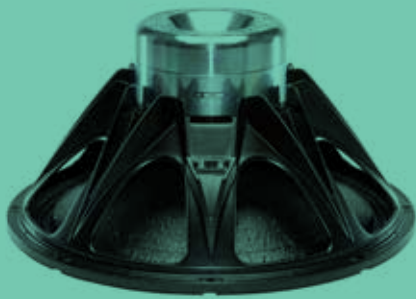
B&C Speakers S.p.A. aims to serve the highly specialised market segment of speakers for professional use, focusing on the production of electro-acoustic transducers, in order to operate fully autonomously and independently from its clients and avoid any conflicts of interest.

B&C Speakers' business centres on the manufacture of high- and low-frequency drivers, speakers, coaxial components, and cone drivers. The company also specialises in fields such as high-frequency diaphragm technology, cone geometry, magnetic assemblies, and enclosure design to create a dynamic and powerful range of components. Currently, the primary product range consists of low-frequency or cone drivers and high-frequency drivers. The product line also includes, to a lesser extent, combined low/high-frequency drivers and high-frequency speakers.

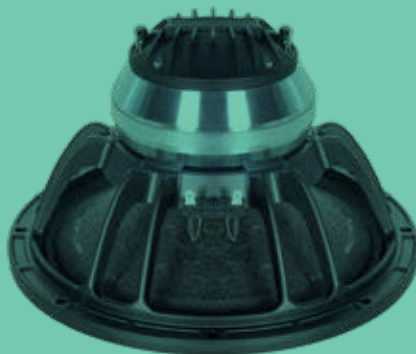
Innovation is a fundamental pillar for the Group and a significant portion of its workforce operates in the field of R&D.

The production and assembly processes for B&C Speaker products are meticulously managed at its production facilities in Bagno a Ripoli and Reggio Emilia, which also handle product sales and distribution for the Italian market. Meanwhile, products are also produced at the sites of the Group's new companies, located in Dongguan and Kentucky, which also meet customer needs by managing product sales in the relative local markets. This international expansion has enabled B&C Speakers to have a direct presence in several key markets.

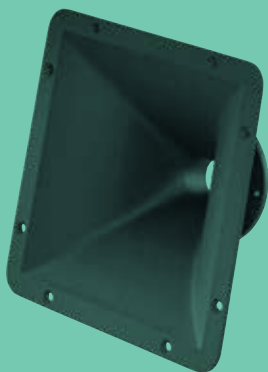
The Group specialises in two key market segments: installation, focused on small-scale installations, where it enjoys a strong position



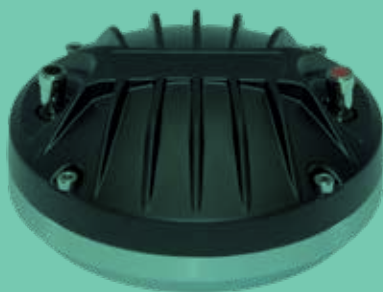
Low-frequency or  
**Cone Drivers**



Combined  
low/high-frequency  
**Drivers**



High-frequency  
**Speakers**



High-frequency  
**Drivers**

in the medium/high-end segment thanks to its competitive edge, and large events, such as T&R (Touring&Rental), where the Group has positioned itself as a global leader in the high-end segment. This latter market demands technologies that are both lightweight and reliable, a combination that only a few manufacturers - among them B&C - are able to offer.

Around three quarters of all products manufactured and sold under the “B&C Speakers” brand are designed and manufactured to meet the specific requirements of Original Equipment Manufacturer (OEM) customers from around the world (mainly the US, Europe and China). The remaining portion of sales go to distributors, operating in more than 80 countries worldwide. For distribution in the Asian market, the company uses local distributors, while for the North American and Brazilian markets, the Group operates through its subsidiaries B&C Speakers NA LLC and B&C Speakers Brasil LTDA. The company currently has around 130 suppliers and 150 customers located around the world.

→  
Suppliers

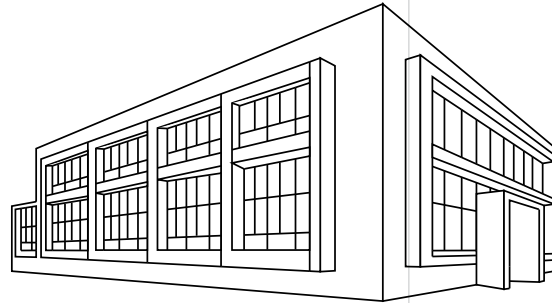
Single components based on B&C Proprietary design

Incoming Component & Quality Control

Input  
B&C R&D  
Catalogue products



Input  
B&C R&D and customers  
Custom products



Manufacturing & Assembling



Distribution Channels  
Distribution Network

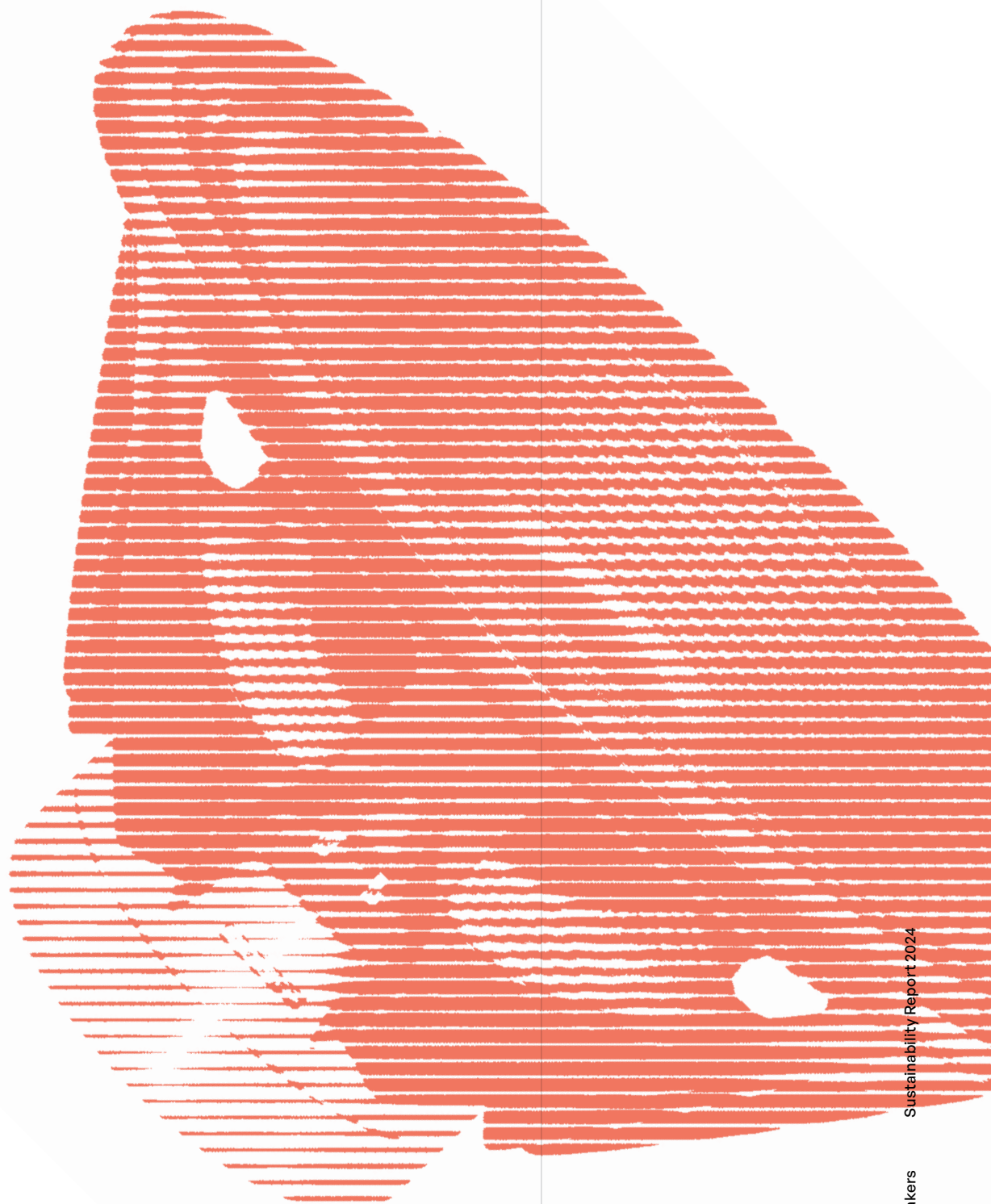


Oem  
Oem clients

Finished Products & Quality Control









## 1.1

# Our growth towards sustainable development



The Group recognises sustainability as a fundamental and indispensable element in its product value chain

The Group recognises sustainability as a fundamental and indispensable element in its product value chain, effectively integrating quality and environmental, social and governance aspects into its company strategy. The journey towards sustainability that B&C Speakers embarked on in 2021 has been a major initiative, culminating in the implementation of a structured system to report on the Group's material topics. The **Sustainability Report** represents a crucial pillar of the business strategy and serves as a tool to document and communicate the efforts and progress made on social, environmental and governance (ESG) issues. This document has proven to be particularly effective in providing stakeholders with a clear and detailed vision of the Group's management and performance in terms of sustainability. It also offers a detailed overview of the initiatives and projects undertaken by the Group, highlighting its constant commitment to pursuing an increasingly sustainable business model.

In 2023 the Group adopted a **Sustainability Policy**, which aims to direct the Group's strategy towards the responsible and sustainable approach required to achieve long-term growth. The policy reflects the values enshrined in the Code of Ethics, such as respect for people, equity and transparency, promoting active dialogue with local communities to improve quality of life and protect the regions in which the Group operates. The Group places human development and wellbeing at the heart of its strategy, aiming to create an inclusive working environment that respects human rights and gender diversity. Furthermore, the policy enshrines B&C Speakers' commitment to environmental responsibility through the monitoring of energy consumption and greenhouse gas emissions, reducing the environmental impact on its manufacturing activities. The Sustainability Policy involves all

## B&C Sustainability policy areas of action



1

### Human development and well-being

- + Promote an inclusive working environment that allows an appropriate work-life balance;
- + Ensure respect for human rights and gender diversity along the entire value chain;
- + Optimise the technical professionalism and hard skills of the company workforce, raise awareness of sustainability issues, and maintain high standards of occupational health and safety.



2

### Sustainable production

- + Monitor the company's energy consumption, as well as the related greenhouse gas emissions generated, in order to optimise and reduce consumption and emissions;
- + Reduce the impact of the materials used, particularly during the logistics phase of incoming and outgoing products.



3

### Sustainable supply chain

- + Develop circular economy and recovery solutions as alternatives to extraction, also through participation in research partnerships and associations;
- + Strengthen the company's oversight of sustainability issues throughout the supply chain through traceability systems that ensure transparency along the entire supply chain.

of the Group's stakeholders and applies to all of the subsidiary companies.

In 2024 the Group took another step forward with the definition of the **Sustainability Plan, a Reporting Procedure** and a **Supplier Code of Conduct**, all of which represent essential tools to guaranteeing clear and responsible reporting of its activities. These measures are not only aimed at improving communication and responsibility towards stakeholders, but also consolidate B&C Speakers' commitment towards sustainable and responsible management by ensuring that ESG aspects are at the heart of business decisions.

The drafting of the **Sustainability Plan**, which will be definitively approved in 2025, is a clear expression of the Group's awareness of the importance of ESG issues and its desire to contribute to sustainable development. The plan integrates a series of aspects that reflect the challenges and opportunities of the current context, and sets out the organisation's long-term vision. For each of the ESG pillars identified (Human development and wellbeing, Diversity and inclusion, Sustainable production and Sustainable supply chain), specific objectives have been set to be achieved between 2025 and 2027.

At the heart of this strategy is the optimisation and appreciation of the workforce, with a particular focus on human development and wellbeing. B&C Speakers is committed to creating an inclusive and stimulating working environment where each employee can fully reach their potential. This contributes to a business culture that recognises and values individual skills as essential resources for collective success.

Through the Plan, B&C Speakers is also positioning itself to take a serious and determined approach to tackling issues related to climate change, committing to monitoring and optimising its energy consumption and greenhouse gas emissions. It also aims to promote the adoption of circular economy

practices and to invest in the development of innovative solutions to reduce the dependence on raw materials with a high environmental impact.

Another element of the Plan is the focus on the creation of a sustainable supply chain, which represents a major element of social and environmental responsibility in the Group's relations with suppliers. In this context, in 2024 the Supplier Code of Conduct was drafted, aimed at guaranteeing ethical and transparent practices throughout the supply chain.

In preparing this Sustainability Report, the Group has strictly adhered to the requirements set out in the GRI Sustainability Reporting Standards, in particular the 2021 version.

These are the most widely used non-financial reporting standards at global level.

The steps taken by the company in the preparation of the Sustainability Report included a detailed analysis phase aimed at identifying all the ESG impacts generated by the Group through its operations and along the entire value chain. These impacts were revised and updated in 2024, and subsequently discussed with the main company functions in order to identify the Group's material topics that relate to the impacts. This process provides an integrated and conscious vision of the challenges and opportunities linked to sustainability.

# B&C Stakeholder and main channels of dialogue

			
<div>Shareholders</div> <div>Shareholders' Meeting</div> <div>Annual and Interim Financial Reports</div> <div>Sustainability Report</div>	<div>Customers</div> <div>Corporate website</div> <div>Company Profile</div> <div>Personal relationships</div> <div>Research activities</div> <div>Code of Ethics</div> <div>Sustainability Report</div>	<div>Competitors</div> <div>Corporate website</div>	<div>Financial community</div> <div>Annual and Interim Financial Reports</div> <div>Sustainability policy</div> <div>Sustainability Report</div>
			
<div>Local communities</div> <div>Plant visits</div> <div>Corporate website</div> <div>Press releases</div>	<div>Employees</div> <div>Company Intranet</div> <div>Company policies</div> <div>Code of Ethics</div>	<div>Research institutions</div> <div>Document exchange</div> <div>Research projects</div>	<div>Suppliers</div> <div>Code of Ethics</div> <div>Audit activities</div> <div>Sustainability policy</div>
			
<div>Government and PA</div> <div>On-site visits</div> <div>Document exchange</div>	<div>Media</div> <div>Corporate website</div> <div>Press releases</div> <div>Sustainability policy</div>	<div>Unions</div> <div>Dialogue</div> <div>Document exchange</div>	

## Our stakeholders

B&C Speakers is deeply convinced of the strategic value of responsible and sustainable business management in the medium and long term. For this reason, it is dedicated to building transparent and lasting relationships with all of its stakeholders, both internal and external to the company. These stakeholders - parties who influence or are influenced by the activities of B&C Speakers - are at the centre of the company's commitment towards sustainable and responsible growth. When preparing its first Sustainability Report, the Parent Company conducted a detailed analysis to identify its stakeholders. This mapping process was based on a review of the organisational structure, commercial operations, value chain and network of relationships that characterise the business. Specifically, eleven stakeholder categories were identified and, for each one, the main channels and tools of communication necessary to ensure an open and continuous dialogue were defined. For the preparation of this Report, the Group reviewed the previous mapping in order to identify possible new stakeholders.

In 2024, continuing the initiatives launched in the previous year, the Board of Directors confirmed its commitment to implementing the **Stakeholder Engagement Policy**. This approach has enabled the Group to consolidate and refine the rules, responsibilities and processes that govern its interactions with various interested parties. The purpose of the policy is to recognise the fundamental importance of continuously increasing the level of engagement with shareholders, investors and other stakeholders in optimising both financial and non-financial performance. This commitment perfectly aligns with the Group's strategic vision, which aims to pursue long-term sustainability.

Open and constructive dialogue and receptiveness are essential to continuously improving the Group's performance as they



enable an ever greater understanding of the needs and expectations of all stakeholders. In this regard, B&C Speakers is committed to creating an environment characterised by transparent and inclusive communication, where each voice is heard and valued, thus contributing to the creation of solid and long-lasting relationships with stakeholders.





## Material topics

Once the stakeholder mapping was completed, to comply with the requirements of the GRI Standards, the Group carried out an analysis to identify the actual and potential environmental, economic and social impacts of its business. In 2024, B&C Speakers continued to undertake a consolidated process to identify its environmental and social impacts, in line with the GRI Standards. In this context, B&C Speakers therefore carried out a new analysis of the main impacts related to the context in which the Group operates, which comprised the following elements:

- + benchmark analysis with respect to Italian and international competitors or comparables, as well as B&C customers working in the same sector, which made it possible to identify the sustainability issues most commonly discussed on publicly available websites and documents;
- + an analysis of relevance to the media and public opinion, identifying the main events that involved B&C Speakers during year based on articles printed in local and international publications;
- + analysis of sustainability pressures with respect to the sector, by identifying the issues most commonly discussed in the publications issued by the main international associations and organisations (RobecoSam, SASB, etc.);
- + analysis of sustainability trends at the global level, by mapping the issues most commonly considered by the main stock markets, sustainability ratings agencies (DJSI, MSCI, etc.), international organisations (GRI, World Economic Forum, etc.) and governmental institutions (EU, UN, etc.).

By conducting this analysis of its context, the company identified the potential and actual impacts, both positive and negative, related to its operations and the entire value chain. Following this mapping process, the impacts identified were analysed and discussed to establish their respective levels of materiality, considering both the likelihood of occurrence and the severity of the impact. Once this analysis was complete, a materiality threshold was identified which led to the identification of 15 material impacts. These were then associated with 11 material topics, which informed the preparation of the content included in this Sustainability Report. Compared to the previous year, in 2024 the impact assessment identified one additional material topic: Protection of biodiversity. This topic is linked to the indirect impact “Environmental damage and loss of biodiversity caused by the procurement of critical raw materials and the presence of hazardous substances.” This impact emerged following a detailed analysis of the activities along the Group’s supply chain that play a crucial role in its operations. Specifically, the impact relates exclusively to the mineral extraction of critical raw materials which, if inadequately monitored, could cause harm to the terrestrial ecosystem.
















The Group’s material topics have been associated with the Sustainable Development Goals (SDGs) to which the Company contributes.

The SDGs refer to the 17 Sustainable Development Goals established by the United Nations 2030 Agenda. These goals, identified and endorsed in 2015 by the governments of the 193 UN member states, consist of 169 common targets and are part of a broader action plan that encompasses the initiatives to be implemented by 2030 in the environmental, social and governance spheres to promote sustainable development.

Below is a brief description of the material

topics and related SDGs, which were selected taking into account their relevance to the industry and the Group’s business activities, as well as its ability to contribute to them.



MATERIAL TOPIC	SDGS	DESCRIPTION
Economic performance and sustainable growth	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	Promote the company's economic growth in line with the defined corporate governance principles and commitments.
Business ethics and transparency	<p>17 PARTNERSHIPS FOR THE GOALS</p> 	Guarantee integrity and ethical conduct and condemn any violation of the Code of Ethics.
Sustainable supply chain	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	Promote responsible behaviour throughout the supply chain, especially when selecting and certifying suppliers and when monitoring their performance.
Energy efficiency and climate action	<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>13 CLIMATE ACTION</p> 	Limit energy consumption, promoting energy efficiency solutions and spreading a culture of energy savings within and without the company, with the aim of reducing greenhouse gas emissions and decreasing overall impact on climate change.
Responsible material and waste management	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	Extend the material life cycle, decreasing the use of virgin materials when possible, minimising waste in production processes and reducing the percentage of waste sent to landfills.
Product quality, research and development	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	Innovate, develop and promote research activities with the aim of meeting the needs of the reference market. Work to continuously develop and innovate in corporate processes and products to exceed customer expectations.
Responsible material and waste management	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	Extend the material life cycle, decreasing the use of virgin materials when possible, minimising waste in production processes and reducing the percentage of waste sent to landfills.
Employee health and safety	<p>3 GOOD HEALTH AND WELL-BEING</p> 	Guarantee a healthy and safe workplace, promote structured safety management procedures and programmes and disseminate information about a safety culture.
Care for employees, recruitment and non-discrimination	<p>5 GENDER EQUALITY</p>  <p>10 REDUCED INEQUALITIES</p> 	Create a welcoming, stimulating and positive workplace. Guarantee equal professional opportunities to all workers (employees and collaborators), respecting all types of diversity.
Training and professional development of employees	<p>4 QUALITY EDUCATION</p> 	Promote and strengthen the skills of all employees, providing high-quality training, to improve performance and provide career development possibilities.
Customer health and safety	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	Guarantee product safety and meet customer expectations.

The material topics identified reflect the impacts generated by the B&C Speakers Group in the following spheres:

- + **Environmental:** Energy Efficiency and Climate Action, Responsible Material and Waste Management, Product Quality, Research and Development, Protection of Biodiversity;
- + **Social:** Care for Employees, Recruitment and Non-Discrimination, Employee Health and Safety, Training and Professional Development of Employees, Customer Health and Safety, Business Ethics and Transparency;
- + **Economic and Governance:** Economic Performance and Sustainable Growth, Sustainable Supply Chain.

The table below shows the material topics and the related impacts, along with the relative GRI standard of reference.

IMPACT	DESCRIPTION	MATERIAL TOPIC	GRI
Creation of economic value and employment impact on local communities	<p>B&amp;C Speakers' business promotes economic growth and local development, creating new employment opportunities and boosting the local economy.</p> <p>The company creates jobs for people who live close to its operating sites and collaborates with suppliers and local partners, supporting the creation of further economic opportunities.</p>	Economic performance and sustainable growth	<b>GRI 201</b> Economic performance
Lack of transparency and unethical business practices	<p>In the performance of their activities, electrical and electronic equipment companies may engage in conduct that contravenes social and environmental laws and regulations in order to derive benefits (e.g., obtaining environmental permits for which not all requirements are met) or to reduce costs (e.g., irregular employment contracts). Furthermore, due to the complex structure of the supply chain, there may be incidents of corruption, competition or other conduct contrary to ethical business practices along the value chain.</p>	Business ethics and transparency	<b>GRI 205</b> Anti-corruption
Investment in R&D to support product innovation	<p>B&amp;C Speakers continuously invests in research and development to innovate its audio products. These innovations improve sound quality as well as the company's efficiency and competitiveness, meeting customer expectations and supporting the growth of the business. In particular, research and development can have a positive impact on product sustainability.</p>		
Contribution to the development of good practices of circular economy	<p>Companies in the electrical and electronic equipment sector are facing increasing challenges associated with the environmental impacts of the use of rare materials and resources, such as metal magnets. The use of solutions that promote the recycling or re-use of materials, coupled with a focus on sustainable design, can limit the use of rare resources and reduce the presence of harmful chemicals. Moreover, optimising energy consumption and performance, including in the product use phase, can lead to a significant reduction in the overall environmental impact.</p>	Product quality, research and development	<b>GRI 301</b> Materials

IMPACT	DESCRIPTION	MATERIAL TOPIC	GRI
Violation of human rights along the value chain	It is increasingly important to ensure that the human rights of workers operating in the production of electronic components are protected. Companies often operate as part of complex supply chains in countries characterised by low-cost labour and varying human rights laws. Supplier certification and assessment procedures can protect workers from unfair practices and abuse, reducing negative social impacts.	Sustainable supply chain	<b>GRI 308</b> Supplier Environmental Assessment
Impacts on related activities caused by the inability to guarantee business continuity (e.g., inefficient monitoring of the supply chain).	Electrical and electronic equipment companies have supply chains linked to potentially negative environmental and social impacts. Failure to integrate ESG aspects in the supplier selection processes can lead to situations of socio-environmental non-compliance along the company's supply chain.		<b>GRI 414</b> Supplier Social Assessment
Environmental damage and loss of biodiversity caused by the procurement of critical raw materials and the presence of hazardous substances.	Companies in the sector make use of several critical materials as key inputs for product development. Many of these raw materials currently have few or no substitutes. The mineral extraction required to contain these resources, if not effectively monitored, can have a significant impact on the integrity of terrestrial ecosystems. Furthermore, the presence of harmful and hazardous substances in the materials represents another aspect that could potentially have a negative impact on the environment and human health. If incorrectly managed, these substances can cause pollution to environmental matrices and pose a threat to human health.	Protection of biodiversity	<b>GRI 304</b> Biodiversity

IMPACT	DESCRIPTION	MATERIAL TOPIC	GRI
Contribution to climate change linked to greenhouse gases	B&C Speakers contributes to climate change both directly and indirectly through the generation of greenhouse gases (GHG) along its entire value chain: from the procurement of raw materials, which involves the extraction and processing of natural resources, and the production and assembly phases, whose processes are associated with GHG emissions, to logistics and the distribution of finished products, which requires the use of modes of transportation powered by fossil fuels, and the disposal of finished products, which could include recycling or disposal to landfill, representing another source of GHG emissions.		
Contribution to climate change due to energy consumption from the combustion of fossil fuels	Electrical and electronic equipment companies may use significant amounts of energy during the production cycle, including assembly, product testing and handling of finished products. These types of energy consumption are associated with GHG emissions. B&C Speakers contributes to climate change through energy consumption in its operations as well as activities both upstream and downstream of the value chain. However, the company is adopting measures to reduce this impact by improving energy efficiency and using renewable energy sources.	Energy efficiency and climate action	GRI 302 Energy  GRI 305 Emission
Generation and release of atmospheric pollutants	Companies in the sector emit pollutants during the various processing stages, especially treatment and assembly. Welding, for example, releases fumes, dust, metal oxides and gases such as ozone, carbon monoxide (CO) and nitrogen oxide (NOx). Polluting emissions can also be released during the distribution of end products.		
Environmental damage due to incorrect waste disposal	The production of electrical and electronic devices generates a significant amount of waste, including packaging, solvents, iron and steel, aluminium, filtering materials, and copper. The components often contain critical raw materials, such as neodymium, which must be managed and disposed of correctly in order to be recovered, thus reducing their environmental impact.	Responsible material and waste management	GRI 306 Waste
Optimisation of employee wellbeing and satisfaction	The company promotes a health work-life balance, recognising that this is essential to the overall wellbeing of its employees and positively impacts their mental and physical health, productivity, and job satisfaction.	Care for employees, recruitment and non-discrimination	GRI 401 Employment  GRI 405 Diversity and Equal Opportunity  GRI 406 Non-discrimination



IMPACT	DESCRIPTION	MATERIAL TOPIC	GRI
Damage to worker health and safety due to incorrect practices or inadequate working environments	The health and safety of workers is a critical issue that businesses in the sector must pay specific attention to. During the treatment and component assembly phases, employees use potentially dangerous equipment and may come into contact with harmful chemicals that can negatively affect health (such as the glues in the assembly phase). Failure to adopt good practices and promote a culture of safety can prevent the mitigation of potential negative impacts on employee health and safety, potentially leading to financial consequences such as higher healthcare costs, litigation and work interruption.	Employee health and safety	<b>GRI 403</b> Occupational health and safety
Development of employee knowledge and skills	For B&C Speakers, promoting training and consolidating the skills of its employees is essential to development its human capital. The company is committed to guaranteeing the growth of its workers by creating stimulating working environments. This commitment incentivises employees to pursue professional growth and career progression, further contributing to the development of their skills.	Training and professional development of employees	<b>GRI 404</b> Training and education
Harm to the health and safety of stakeholders along the value chain	B&C Speakers' business and products may potentially generate negative impacts on the health and safety of its stakeholders. Therefore, it is imperative for B&C Speakers to guarantee the health and safety of workers involved in all phases of the value chain, from the supply of raw materials and components to distribution. Workers along the supply chain may be exposed to dangerous situations, such as the use of harmful chemicals, work-related accidents and unsafe working conditions. At the same time, customers may also encounter health problems such as hearing problems caused by product defects, or harm caused by electrical malfunctions.	Customer health and safety	<b>GRI 416</b> Customer health and safety

In 2024, the Group conducted an in-depth analysis of ESG risks and opportunities, focusing on environmental and social events or conditions that, should they occur, could have a positive or negative impact on the financial performance of the business.

Both the risks and opportunities were assessed according to their likelihood of occurrence and magnitude, which relates to the financial impact that it could result in.

Based on this analysis, the most significant risks for the Group's business are economic and reputational risk arising from the failure to implement a sustainable supply chain. In fact, in the European regulatory context in which the Group operates, failure to comply with the applicable regulations, in particular the Corporate Sustainability Due Diligence Directive (CSDDD), which requires businesses to identify, prevent and mitigate the risks related to human rights and the environment along the supply chain, can lead to legal sanctions and reputational harm, as customers and stakeholders reward companies that demonstrate a genuine commitment to sustainability.

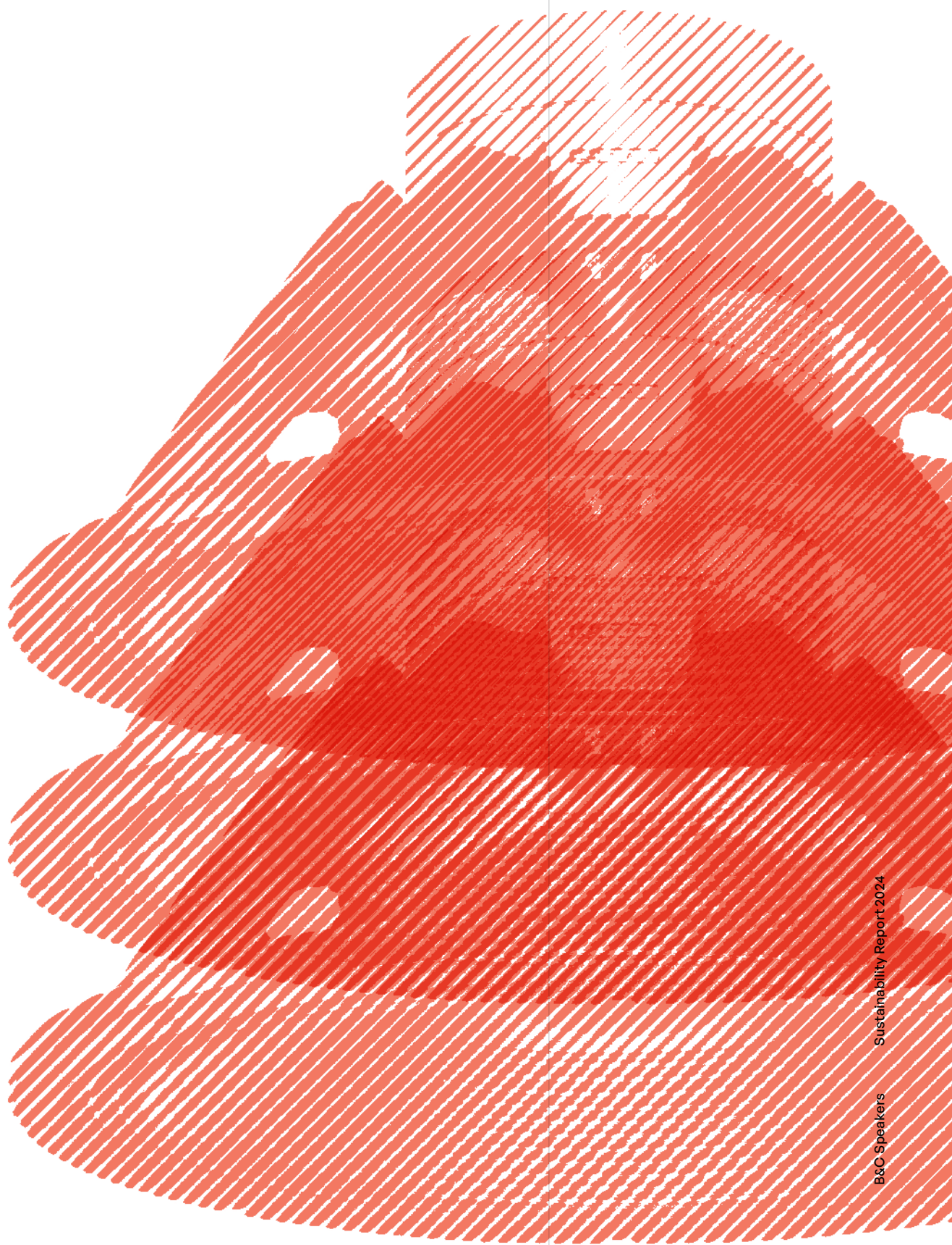
Furthermore, economic risk related to extreme weather events caused by climate change, such as floods, hurricanes, fire, drought, heat stress and landslides was also identified as a significant risk. These events can have a negative impact on production processes, cause delays, result in the suspension of works and loss of production, and damage the company's property and assets.

These two risks have been integrated in the Group ERM framework.

At the same time, economic and reputational opportunities related to the creation of a balanced working environment that offers several benefits were also identified. A positive working environment increases employee satisfaction and productivity, reducing staff turnover and improving the company's image,

Moreover, increasing the number of staff hired from the local community boosts the economic development of the region and strengthens the link with the community. This approach can translate into greater trust among stakeholders, consolidating customer relations and increasing opportunities for collaborations with local businesses.

This assessment has allowed the Group to gain greater awareness of its exposure to ESG risks and highlighted a number of opportunities on which to focus its resources.



## 1.2

# The responsible governance model

With the aim of ensuring proper and responsible management of the Group and fostering trust among shareholders, customers and collaborators, B&C Speakers has adopted a Corporate Governance

With the aim of ensuring proper and responsible management of the Group and fostering trust among shareholders, customers and collaborators, B&C Speakers has adopted a Corporate Governance system that complies with the principles laid down in the Corporate Governance Code for Listed Companies prepared by Borsa Italiana. The Parent Company is also listed on the STAR segment of the MTA and is therefore subject to stringent transparency and governance regulations.

The organisational structure adopted includes a system of powers that is led by the **Board of Directors** (BoD), the body authorised to manage the Company.

The BoD in office at the approval date of this statement was appointed by the Ordinary Shareholders' Meeting of 29 April 2024 by majority resolution (applying the slate voting system), in line with the Articles of Association, and will remain in office until the Meeting called to approve the financial statements as at 31 December 2026.

Only shareholders who, individually or together with other shareholders, hold an equity investment in the share capital with voting rights of no less than 2.5% (threshold identified by CONSOB in Resolution no. 19109/2015) are entitled to submit slates.

The Parent Company has expressed its stance on the maximum number of positions held by Board members in the executive or control bodies in other companies, without prejudice to the duty of each Director to assess the compatibility of the positions held and the causes of ineligibility and disqualification provided for by law:

1. executive directors may only serve as non-executive directors and statutory auditors (maximum of two positions);
2. non-executive directors may serve as directors and statutory auditors (maximum of four positions), of which only one role may be executive director.

**1. The Chair of the Board of Directors does not hold the position of senior manager within the company.**



# COMPOSITION OF THE BOARD OF DIRECTORS

- Roberta Pecci **Chair**
- Lorenzo Coppini **Chief Executive Officer**
- Alessandro Pancani **Director**
- Francesco Spapperi **Director**
- Marta Bavasso **Independent Director**
- Valerie Sun **Independent Director**
- Raffaele Cappiello **Independent Director**

The Board of Directors in office consists of seven directors, of whom four are non-executive. Of these, three are independent directors; the ratio of independent directors to non-independents is deemed adequate. In line with the provisions of Italian Law no. 120/2011, which establishes a mandatory percentage of women in senior management roles in order to establish a fair representation of men and women in the workplace, the Board of Directors is composed of three women and four men, 14% of whom fall in the 30-50 age bracket, while the remaining 86% are over 50.

In order to ensure a diverse and inclusive governing body, capable of accommodating a wide range of opinions, as well as ensuring gender balance, in 2022 the Board of Directors approved its own **Regulation on the Functioning of the Board of Directors**, consisting of a series of recommendations regarding the composition of the Board with regard to the age and length of service of the directors, their positions, gender balance, and the skills, training, and professional profile of each director.

The importance of these guidelines is further amplified by the key role played by the Board of Directors, which is responsible for analysing and approving the business plan and the related targets. The Board also monitors the implementation of the plan on a quarterly basis, assessing the overall management trend and comparing the results achieved with those expected.

The Board assesses the adequacy of the organisational, administrative and accounting structure, with particular reference to the internal control and risk management system, also in relation to the strategic objectives defined in the business plan.

Each year, the Board also carries out a critical analysis of its own size, composition and operating efficiency, as well as that of its

**2. The composition of the corporate bodies is available on the B&C Speakers website at the following links:**

<https://www.bcspeakers.com/en/investor-center/corporate-governance/consiglio-damministrazione>

<https://www.bcspeakers.com/en/investor-center/corporate-governance/comitati>

<https://www.bcspeakers.com/en/investor-center/corporate-governance/audit-committee>

**3. The Remuneration Policy of B&C Speakers is contained within the Remuneration Policy and Compensation Report for the year 2023, approved by the BoD on 19 March 2024:**

<https://bcspeakers.com/uploads/investor-content/file/relazione%20sulla%20remunerazione%202023.pdf>

internal committees. This self-assessment process is based on questionnaires distributed to all directors. The responses are collected and then examined and reviewed by the Appointments Committee. This self-assessment process is conducted internally without the support of external consultants.

As well as the BoD, B&C Speakers' governance is ensured by the **Board of Statutory Auditors**, appointed in April 2024 and composed of three Standing Auditors and two Alternate Auditors, who will remain in office until the Meeting called to approve the financial statements as at 31 December 2026. The Board is responsible for providing oversight on compliance with the Articles of Association and the law by the directors.

Furthermore, on 14 May 2024 the BoD established the internal **Risks, Control and Sustainability Committee**, composed of three independent members and formally charged with monitoring sustainability issues<sup>2</sup>. In carrying out its tasks, the Control and Risk Committee is supported by the **Internal Audit (IA)** department, which is responsible for verifying compliance with the procedures in effect within the company and the control, management and monitoring of the risks to which the company and its subsidiaries are exposed.

At the same meeting, the Remuneration Committee and the Appointments Committee were merged into the **Remuneration and Appointments Committee**, also composed of three independent members<sup>3</sup>. The Board of Directors has entrusted this Committee with the functions provided for under the Corporate Governance Code as well as various duties, including supporting the Board in the self-assessment process of the Board itself and of its internal committees, defining its optimal composition, presenting proposals and opinions on directors' remuneration and setting the performance targets linked to the

variable remuneration component, monitoring the correct application of the **Remuneration Policy**, and verifying the effective achievement of the defined performance targets. Finally, on an annual basis, the Remuneration and Appointments Committee assesses the adequacy and consistency of the Remuneration Policy for directors and senior management.

In 2024, the Board of Directors, supported by the Remuneration and Appointments Committee, prepared and approved the Remuneration Policy for the 2024-2026 three-year period. This Policy has been designed to achieve strategic objectives of significant importance for the company and governs the criteria for determining the remuneration of Directors, in line with the principle of transparency established in the Code of Ethics. The Policy is published on the website and is accessible to the public.

The assessment of the previous Remuneration Policy was positive, highlighting the consistency of the bonuses with the company's performance and its medium to long-term objectives. For the 2024-2026 three-year period, the Remuneration Policy has been supplemented to further align it with the goal of pursuing sustainable success.

Specifically, through this Policy, B&C Speakers aims to:

- provide a useful remuneration tool for the attraction and retention of highly skilled resources;
- create value not only in the short term but also in the medium to long term by aligning internal resources around the achievement of annual budget targets;
- strengthen the link between individual and corporate performance and the interests of shareholders.

The Remuneration Policy is based on an analysis of specific performance indicators,

selected to encourage continuous improvement and the achievement of significant targets in the short, medium and long term.

For the 2024-2026 three-year period, the Shareholders' Meeting approved a change in the determination of the bonus, which is now equal to 3.7% of Group Pre-Tax Profit (known as the "accrued bonus"), and no longer 5% of Net Profit. 50% of the accrued bonus is distributed among the executive directors, while the remainder is distributed among the Group's key figures, at the CEO's discretion. The Policy also defines the weights if the various parameters that contribute to the formation of the variable remuneration component, as follows:

Short-term component, which takes into account turnover and EBITDA compared to the Budget;

Medium/long-term component, which considers the change in the average ROI for the years 2024, 2025, and 2026 compared to the ROI achieved in 2023;

Non-financial component, the achievement of which is linked to a single sustainability target, associated with the publication of the non-financial statement. 2024 was the first year in which the activities of the new subsidiaries, Eminence and B&C Speakers China, will be fully consolidated. For both entities, several projects aimed at relaunching the business are currently underway. Therefore, the decision has been taken to exclude the economic and financial results of these entities from the calculation of the bonus for the 2024 financial year.

The **Control, Risk and Sustainability Committee** plays a central role in the management of ESG (Environment, Social and Governance) issues, and is supported by a professional consultant with specific expertise in this area. Its important position is intended to promote the integration of ESG principles into the Group's corporate governance strategy and includes various responsibilities,

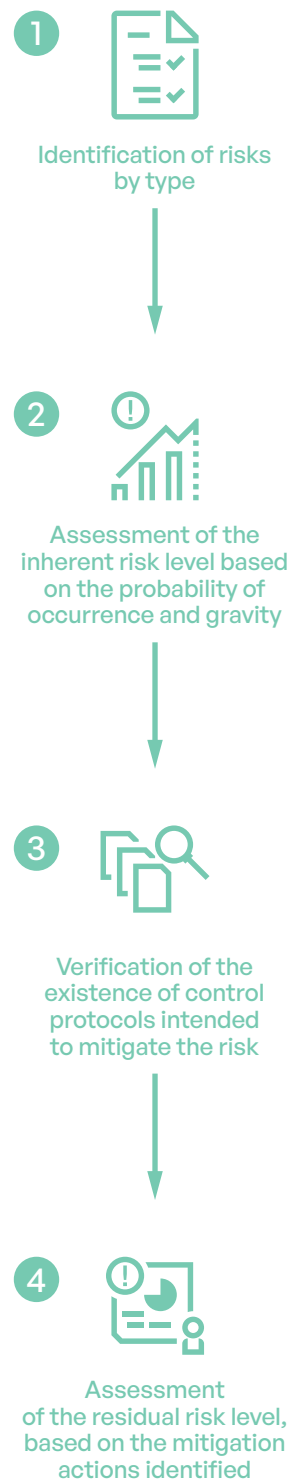
such as carrying out in-depth analysis of the legislative and manufacturing framework, close monitoring of potential risks and emerging opportunities, and periodic assessment of the company's sustainability performance.

More specifically, the risk mapping process includes four stages (see the infographic).

The **Risk Management** model adopted by the Parent Company is summarised in the "ERM Framework" document approved by the Board of Directors, which aims to ensure that business objectives are aligned with Management's strategy and are consistent with the adopted level of risk appetite. Using this framework, the Group identifies and assesses the main business risks, managing them and defining how to organise the system of controls in order to contain them within acceptable limits.

Two fundamental concepts that apply to the model are **Risk Appetite**, which refers to the level of risk that the organisation is willing to accept in order to achieve its strategic business and ESG objectives, and **Risk Tolerance**, which is the maximum level of risk that the organisation is willing to bear. The Risk Appetite is defined not at individual risk level but at the level of the entire organisation and reflects the decisions and vision of senior management. In line with previous years, the Parent Company has internally identified its Risk Appetite level as "Balanced", meaning that the organisation accepts controlled exposure to the risk of economic and financial losses, due to the occurrence of risky events, for the achievement of its strategic objectives, including those relating to ESG areas.

Meanwhile, the Risk Tolerance level set out by the model is identified for each risk category and depends on the defined Risk Appetite. The risk analysis and management model also integrates the risk map in order to identify both a **specific category of ESG risks related**





to sustainability and a breakdown of existing risks that takes sustainability into account. This decision aims to establish a monitoring and risk management system that considers ESG and sustainability issues on a par with economic and financial aspects.

In the risk assessment, Management analyses potential risks under the dual perspectives of **probability**, i.e., the possibility that a certain event may occur, and impact, i.e., the magnitude of the related consequences. This assessment is fundamental to understanding how such risks may influence the achievement of business targets.

The identified risks are catalogued in a **Risk Map**, which is updated at least once a year. The main ESG risks identified include: Economic risk linked to extreme weather events caused by climate change, economic and reputational risk arising from failure to implement a sustainable supply chain, and risk related to the internal control system of ESG issues.

This map represents the foundation for preparation of the **Annual Audit Plan**, a strategic document that establishes the schedule and methods of the audits to be conducted during the year. The Risk Assessment and Internal Audit Plan are essential tools for the effective implementation of the Integrated Quality, Environment, and Safety Management System adopted by B&C Speakers.

The Parent Company has implemented an **Organisation, Management and Control Model** that complies with Italian Legislative Decree 231 of 8 June 2001 (“231 Model”). This model precisely defines the responsibilities, control mechanisms and mitigation strategies for the identified risk areas.

Moreover, the Group has adopted a **Code of Ethics** that clearly reflects the ethical and social values that guide B&C’s actions, setting out the guiding principles, rules of conduct, and the responsibilities that define the company’s

internal operations. In 2024 this Code was updated and approved, highlighting the Group's commitment to maintaining ethical relations with employees, shareholders, suppliers, partners and communities. The general principles of the Code include respect for the individual and fundamental human rights, the promotion of sustainable development, and dialogue with local authorities, emphasising the Group's focus on reducing its environmental impact and promoting sustainability. The Code reaffirms the Group's commitment to non-discrimination and equal opportunities, compliance with laws and internal regulations, continuous improvement of business processes, clear and timely communication of information, and the protection of personal and sensitive data.

These principles were defined to ensure proper management of the company and represent a guideline of fundamental importance for achieving the Group's social and business goals and apply without distinction to directors, employees, and external collaborators.

In order to monitor the effective application and observance of the Code of Ethics and the 231 Model, the Parent Company has established a **Supervisory Body** (SB), which is responsible for promptly notifying the BoD of any shortcomings encountered in the 231 Model or any alleged violations. Furthermore, the SB is responsible for providing independent advice on ethical questions that may emerge regarding corporate decisions or alleged violations of the Code of Ethics.

In line with the most recent regulations on whistleblowing, in 2023 B&C updated its **whistleblowing** system and implemented the "My Whistleblowing" digital platform, which can be accessed via a link on the company's portal. In line with Italian Legislative Decree 24/2023, this platform allows employees to confidentially report any unlawful conduct or breaches of the Code or other company

# THE GENERAL PRINCIPLES OF THE B&C GROUP'S CODE OF ETHICS

- Respect for the individual  
And fundamental human Rights
- Sustainable development
- Effectiveness and efficiency
- Relationship with the  
enviroment
- Transparency
- Right to diversity, equality,  
Non-discrimination and  
Equal opportunity
- Confidentiality
- Lawfulness and honesty

policies. To ensure effective and confidential management of these reports, in November 2022 the Board of Directors established a **Whistleblowing Committee**, composed of members of the SB and the Head of the HR Department. In testament to the Group's commitment to these aspects, in 2024 an employee training programme was launched which includes sessions on the Code of Ethics and the Whistleblowing system. Thanks to the governance tools adopted by the Group, no significant cases of non-compliance with social or economic regulations have been recorded.

The Parent Company continues to maintain high standards of lawfulness and ethical conduct in its corporate affairs, as attested to by its three-star **legality rating** - the highest possible rating - awarded by the Italian Competition and Market Authority (AGCM). This rating reflects the company's commitment to proper and transparent business conduct.

To further strengthen its approach to these matters, the B&C Speakers Group has also adopted an **Anti-Corruption Policy**<sup>4</sup>. The Anti-Corruption Policy applies to all of the business activities and commercial relations of the B&C Speakers Group, including relations with suppliers, customers and other stakeholders, and establishes guidelines to prevent, identify and manage all forms of direct or indirect corruption or bribery. The Policy aims to guarantee that the conduct of its directors, employees and partners is always inspired by criteria of fairness, cooperation, good faith, honesty, transparency and mutual respect, with the aim of ensuring compliance with all applicable anti-corruption regulations and promoting an ethical and responsible working environment. The policy applies to all of the Group's employees, including directors and members of the Board of Directors. Furthermore, the document also makes

**4. The Anti-Corruption Policy is available on the B&C Speakers website at:**  
[https://marketing.bcspeakers.com/PoliticaAnticorruzione\\_ITA+ENG+CHINESE.pdf](https://marketing.bcspeakers.com/PoliticaAnticorruzione_ITA+ENG+CHINESE.pdf)

**5. The Sustainability Policy is available on the B&C Speakers website at:**

<https://marketing.bcspeakers.com/caSostenibilit%C3%A0ITA+ENG+ZHH.pdf>

**6. The Diversity & Inclusion Policy is available on the B&C Speakers website at:**

<https://marketing.bcspeakers.com/PoliticaD&IITA+ENG+ZHH.pdf>

reference to the Group's whistleblowing system which provides a secure and confidential channel for reporting alleged violations.

In 2024, there were no reports on social topics such as corruption, human rights and working practices, nor of breaches of company policies. Finally, in relation to these aspects, B&C Speakers has implemented the necessary improvements required to adapt to the changes to the Corporate Governance Code of Listed Companies, which indicates the best practices to be adopted.

To further align its Governance system to sustainability requirements, in 2024 the Group produced the following documents: the Supplier Code of Conduct, the Reporting Procedure and the Sustainability Plan. In addition, the Board of Directors also approved the Sustainability Policy and the Diversity & Inclusion in 2023.

- The **Sustainability Policy<sup>5</sup>** was developed by Group Management to identify and promote strategic areas of intervention and the corresponding medium-term targets, and approved by the Board of Directors on 27 February 2023. This policy is based on the values enshrined in the Code of Ethics, which emphasises the importance of respect for the individual, environmental responsibility, equity and impartiality, effectiveness and efficiency, and transparency and privacy. These values serve as the foundation for the definition of the Group's sustainability commitments and have been divided into three priority areas of intervention, each characterised by specific objectives that are regularly monitored using indicators set by Management.
- The **Diversity & Inclusion Policy<sup>6</sup>** approved by the Board of Directors on 12 September 2023 to respond to the need to reflect on Diversity & Inclusion issues. The D&I Policy aims to incorporate Diversity & Inclusion issues into company processes, recognising



that businesses can derive significant benefits from a more inclusive economy, such as gaining access to new markets, broadening innovation, and contributing to greater social cohesion. Furthermore, in 2024 the Parent Company was awarded the **Gender Parity Certification** (UNI PdR/125) by the certifying body DNV, concluding the process to adjust its organisation processes and affirming its commitment to inclusivity and gender equality issues. This marks a significant step in the Group's journey towards sustainable development and growth.

- **The Supplier Code of Conduct** represents an important initiative aimed at guaranteeing the presence of a supply chain characterised by high standards of ethics and sustainability. This document establishes principles and rules of conduct that complement existing regulations and internal procedures. Suppliers are required to comply with these standards, promoting responsible working and environmental practices and actively encouraging the reporting of any violations, while also ensuring the confidentiality of information. Through careful monitoring and effective management of non-compliance, the B&C Speakers Group is committed to maintaining commercial relationships characterised by fairness and social responsibility.
- **The Reporting Procedure**, which will be approved in 2025, describes the process for preparing, approving, publishing, and filing the Sustainability Report of the B&C Speakers Group. The document clearly defines the roles and responsibilities in the reporting process, as well as a glossary and a detailed description of the activities involved.
- **The Sustainability Plan** represents the organisation's concrete commitment to sustainability and social responsibility,



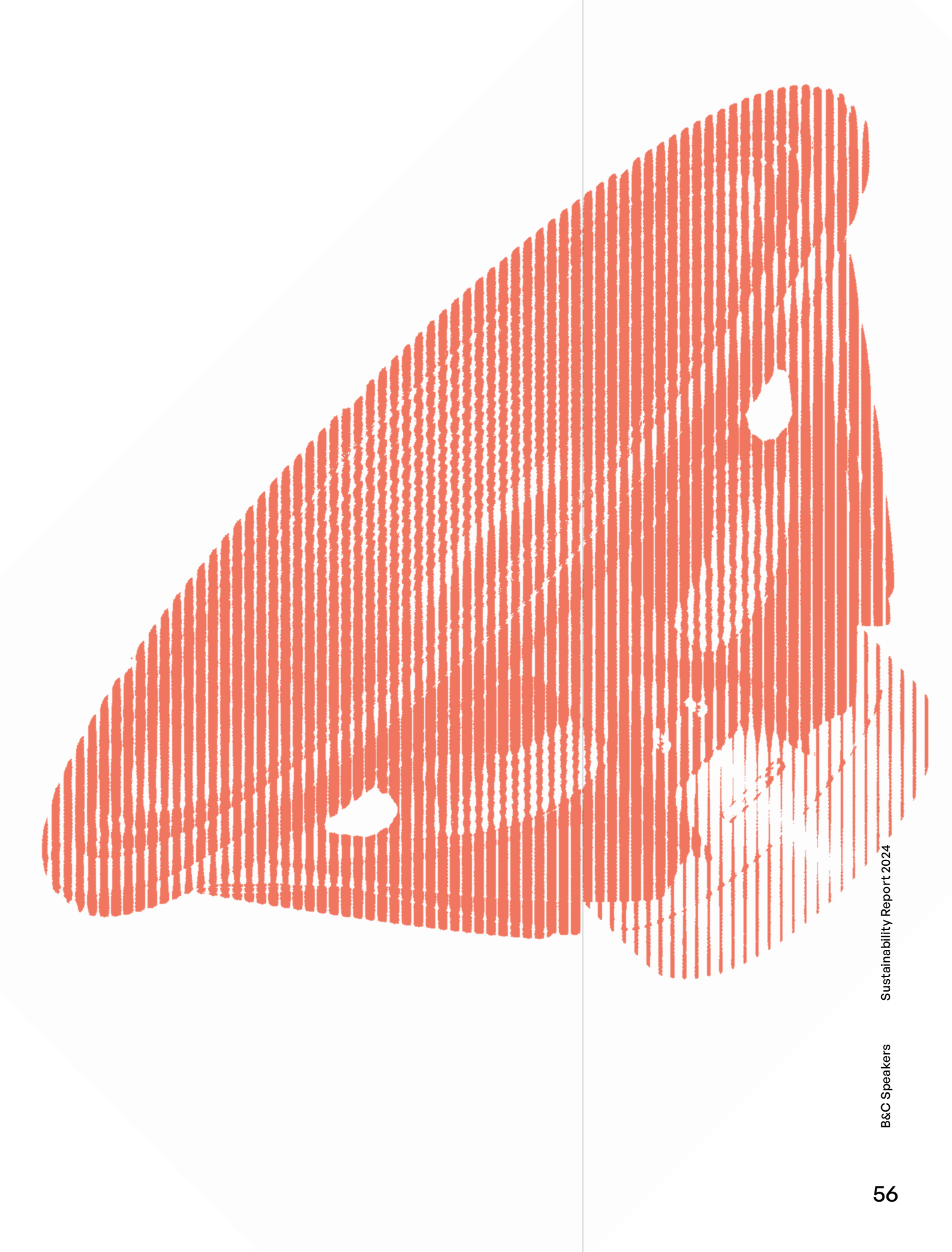
aligning itself with the Sustainable Development Goals (SDGs). As described in the previous paragraph, the Plan is an expression of the Group's commitment to promoting an inclusive work environment, enhancing the skills of its personnel through training activities on issues related to sustainability, anti-corruption, and human rights. The Plan also provides for the monitoring of key KPIs such as energy consumption and greenhouse gas emissions, and aims to reduce environmental impact by developing circular economy solutions and analysing packaging management.

The Plan also includes a number of targets related to business governance. The targets set for 2025 include joining the UN Global Compact Network Italy, sharing the Code of Ethics and Anti-Corruption Code with all legal entities, maintaining the highest legality rating, and drafting and subsequently sharing the reporting procedure at Group level. In line with these targets, the Group has already launched several initiatives in 2024, as highlighted in this paragraph.

The governance targets for the 2025-2027 three-year period are shown in the table of the previous page.

ESG PILLAR	TARGETS	TIMING
Business governance	Join the <b>UN Global Compact Network Italy</b>	2025
	Company representative to take part in one of the proposed <b>activities/training opportunities</b>	2026
	Active participation in <b>local initiatives affiliated with the network</b> and any round tables on relevant topics	2027
	Sharing of the <b>Code of Ethics and Anti-corruption Code</b> with all legal entities and maintenance of the legality rating	2025
	Monitoring and analysis of any critical issues identified	2026
	<b>Monitoring</b> and analysis of any critical issues identified (comparison with LY)	2027
	Drafting and sharing of a <b>Reporting Procedure</b> at Group level	2025
	Sharing of the procedure and updating it to take into account any changes to legislation or the internal structure	2026
	<b>Sharing</b> of the procedure and updating it to take into account any changes to legislation or the internal structure	2027





## 1.3 Economic performance

The professional audio sector has made a robust recovery after the crisis caused by the Covid-19 pandemic, with a significant increase in demand for speakers



The professional audio sector has made a robust recovery after the crisis caused by the Covid-19 pandemic, with a significant increase in demand for speakers, particularly for live events and concerts. In 2024, the global professional audio equipment market was valued at US\$ 4.73 billion, and projections indicate a significant increase by 2033. This growth is supported by high demand for high-quality audio and the expansion of content creation platforms, which have broadened the opportunities for using audio products. The outlook for the professional audio industry in 2025 is particularly positive, thanks to ongoing technological innovation and expansion into various market segments which are contributing to a dynamic and evolving environment. This positive trend was further confirmed in 2024, highlighting a market environment that is rapidly adapting to new needs and opportunities.

With regard to ongoing conflicts, it is important to note that the 2024 results were not directly impacted by the events in Ukraine and the Middle East, as historically the Group has not had any significant turnover from Russian, Ukrainian or Middle Eastern customers. Although indirect impacts related to these conflicts have been felt, such as increased operating costs, the overall effect has been limited as the Group's business is not particularly energy-intensive and has proven to be remarkably resilient.

With regard to the possible application of tariffs by the US Administration, based on currently available information, the management has not identified any imminent threats that could significantly affect the business in the short to medium term. The management of B&C Speakers S.p.A. continues to closely monitor developments in this area in order to assess any political, economic, or other implications that could affect the company's operations.

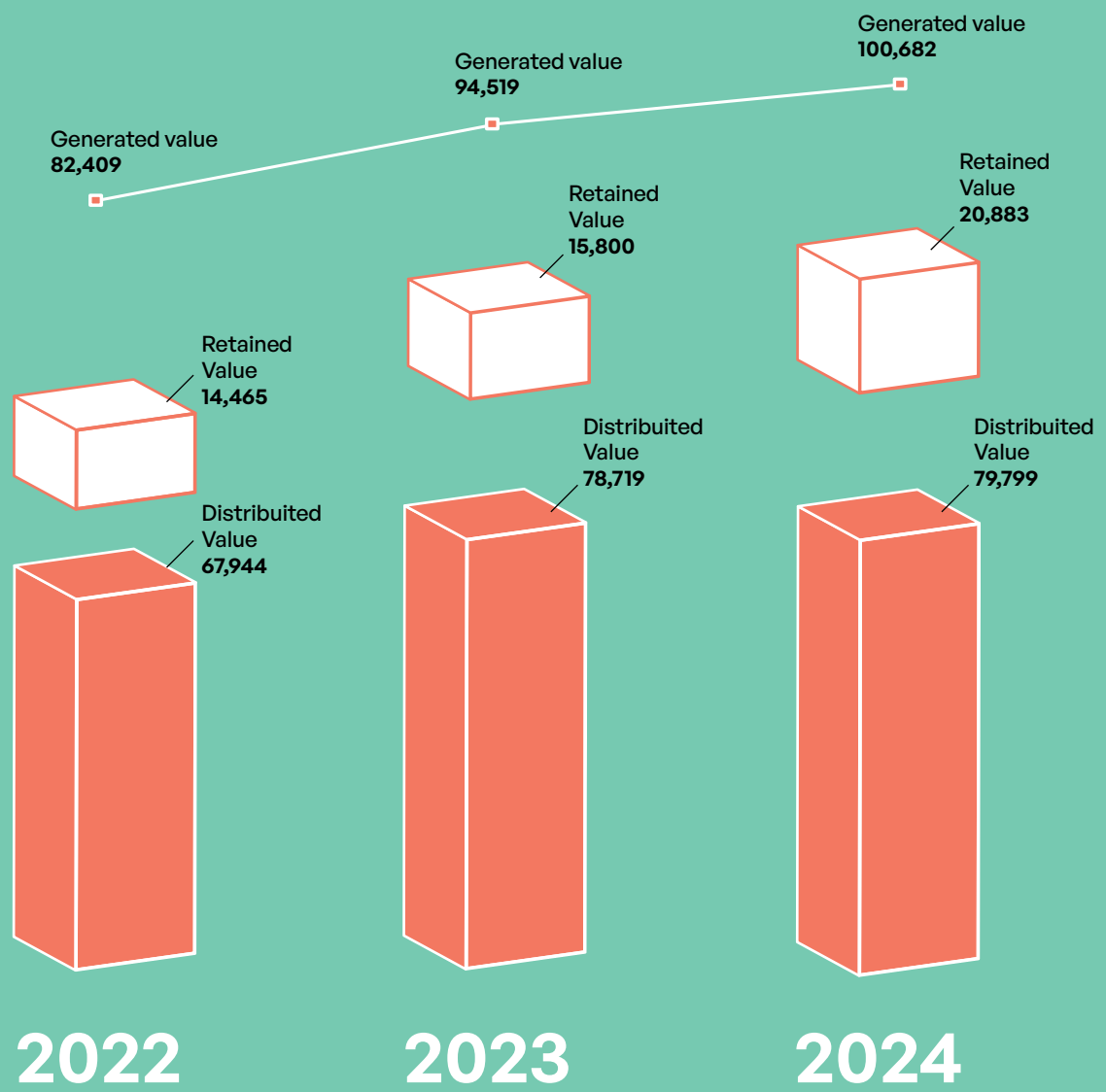


Considering the current situation, financial structure, available liquidity, bank credit lines, and the order book as of December 2024, management is confident that there are no significant uncertainties regarding the company's ability to continue as a going concern. In this regard, the ability of the Parent Company and its subsidiaries to meet their commitments and operate as a going concern within a foreseeable time frame was assessed, and the results showed a level of solidity sufficient to provide adequate reassurance to stakeholders.

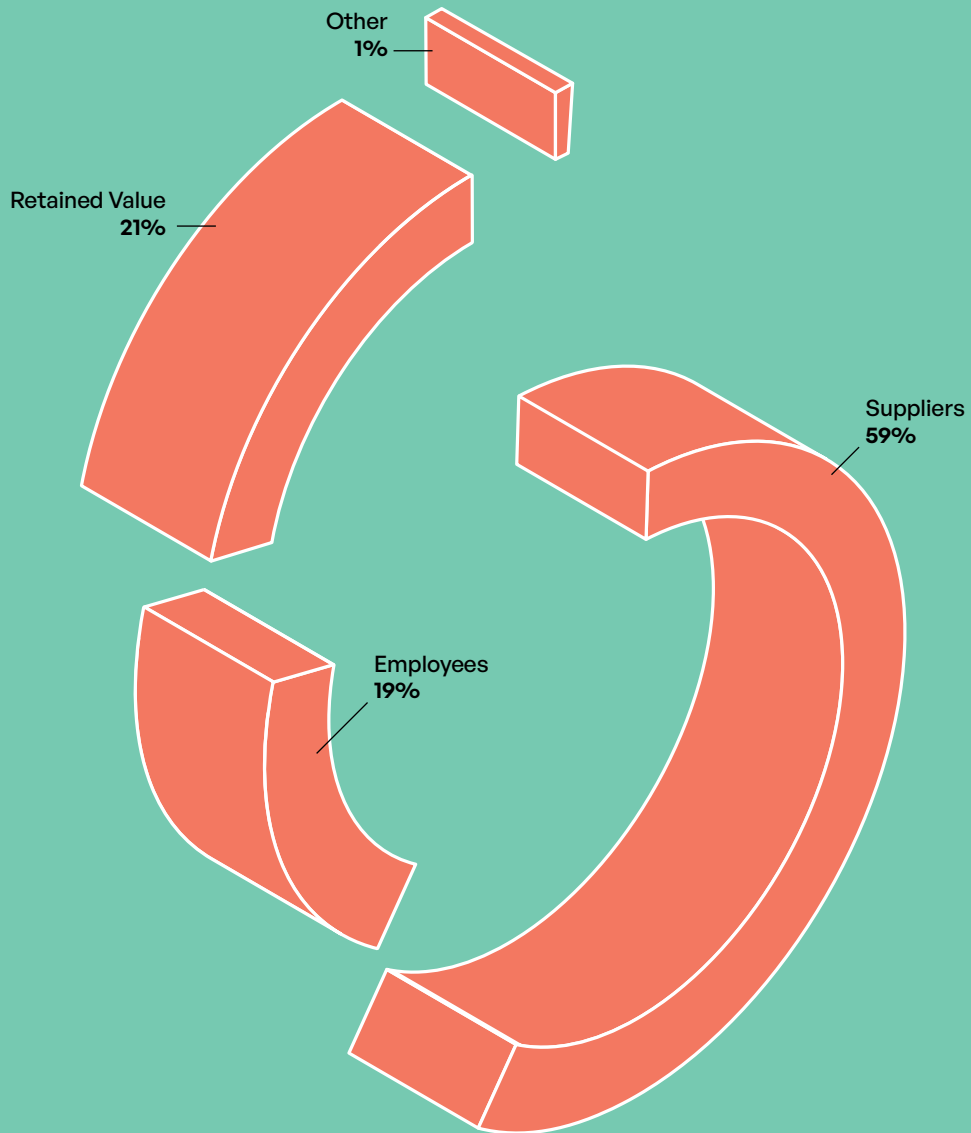
It is important to note that the subsidiaries Eminence Speaker LLC and B&C Speakers Electronic Co. Ltd became part of the Group at year-end 2023 and has contributed to the consolidated results as of 2024. This has enabled the Group to consolidate its global presence and respond effectively to customer needs in different geographical areas. The economic performance in 2024 showed a significant improvement compared to the previous year, highlighting the Group's resilience and ability to adapt. Order intake was particularly strong, enabling the order book of the Parent Company to reach a value of approximately € 19.5 million as at 31 December 2024, a milestone that reflects the effectiveness of the commercial strategies adopted.

In 2024, the B&C Speakers Group recorded total revenues of € 100,368,870, an increase of approximately 7% compared to € 94,018,328 in 2023. It is important to note that a significant portion of this increase (€ 13 million) was achieved by the subsidiaries Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd, which contributed substantially to the economic results for the entire financial year, demonstrating the importance of the Group's geographical and operational diversification.

**Value generated, distributed and retained  
(thousand of euros)**



## Distribution of value generated



2024

Revenues were mainly concentrated in Europe and North America, with significant increases compared to the previous year. Italy recorded moderate growth, while Latin America remained stable.

In particular, Europe contributed 48% of total revenues, while North America accounted for 21%. Growth in Italy, at 5%, reflects robust domestic demand. The biggest challenges were encountered in the Middle East and Africa, with a 43% decline in revenues.

The breakdown of economic value distributed and retained in the 2022-2024 period is shown in the graphic of the previous page.

A significant part of the value generated (59%, or approximately € 59 million) went to suppliers, primarily for the purchase of semi-finished products and process materials, and partly for external processing for production purposes.

Secondly, 19% of the value generated, equivalent to almost € 20 million, was allocated to the workforce, including both direct and indirect employees. This amount includes remuneration, benefits, social security costs and severance pay, highlighting the importance of human capital within the organisation.

A further 21% of the value generated was retained within the company and used to strengthen B&C Speakers' assets, thus contributing to the financial stability and long-term sustainability of the business. Finally, the remaining 1% represents the value transferred to capital providers, the public administration and the community through donations and sponsorships.


In 2024, the Group made significant investments, amounting to approximately € 2 million, mainly for the purchase of industrial plants and equipment for the production process. These investments were planned with the aim of increasing the efficiency of the Group's production facilities, thereby ensuring greater competitiveness and production capacity.

Furthermore, investments in Research and Development remained high, allowing not only the completion of existing projects, but also the launch of new initiatives, with a particular focus on technological innovation. The Parent Company focused its efforts on particularly innovative projects, incurring costs related to research and development activities in line with the previous year. This strategy is guided by the belief that successful innovations can generate positive results in terms of turnover and have a favourable impact on the company's overall economy.

# Our people







**“The B&C Group is committed to treating people fairly and honestly, valuing the principle of equal opportunities in all aspects of the employment relationship without distinction” – B&C Speakers Group Code of Ethics.**

The B&C Speakers Group firmly believes that the skills and experience of each individual person are the beating heart of the entire organisation, fuelling every aspect of its business, from research and design to production processes. The Group places its employees at the centre of its strategies, with the aim of cultivating a stimulating, inclusive and respectful working environment that welcomes and values differences, understanding that diversity is an asset for the development of the entire Group. Aware of the indispensable role that employees play and their added value in terms of know-how and experience, the Group pays particular attention to the management of its human resources, recognising that it is thanks to their valuable contribution that it can achieve its objectives day after day.

Furthermore, the B&C Speakers Group is committed to respecting human rights and gender diversity throughout the entire value chain, condemning all forms of child labour, forced labour and discrimination based on any personal characteristic. It also values the technical professionalism and hard skills of its staff, enhancing their uniqueness within a sector characterised by a limited number of players. The Sustainability Plan sets out several initiatives on Staff Development and Diversity and Inclusion which will be pursued in 2025. These include the definition of a response system to address any critical issues that emerge from the company climate survey, the provision of training on anti-corruption, whistleblowing and the Code of Ethics to all Group entities, and the achievement of ISO 45001 certification for the Reggio Emilia site. In 2023, the Parent Company embarked on a major process of organisational change aimed at obtaining Gender Equality Certification (UNI/PdR 125), with a view to promoting gender equality and strengthening the fairness and inclusivity of internal practices. This

commitment came to fruition in early 2024 with the award of the certification by the awarding body DNV, confirming the validity of the path taken and the Company's commitment to integrating the principles of equality into its sustainable development strategy.

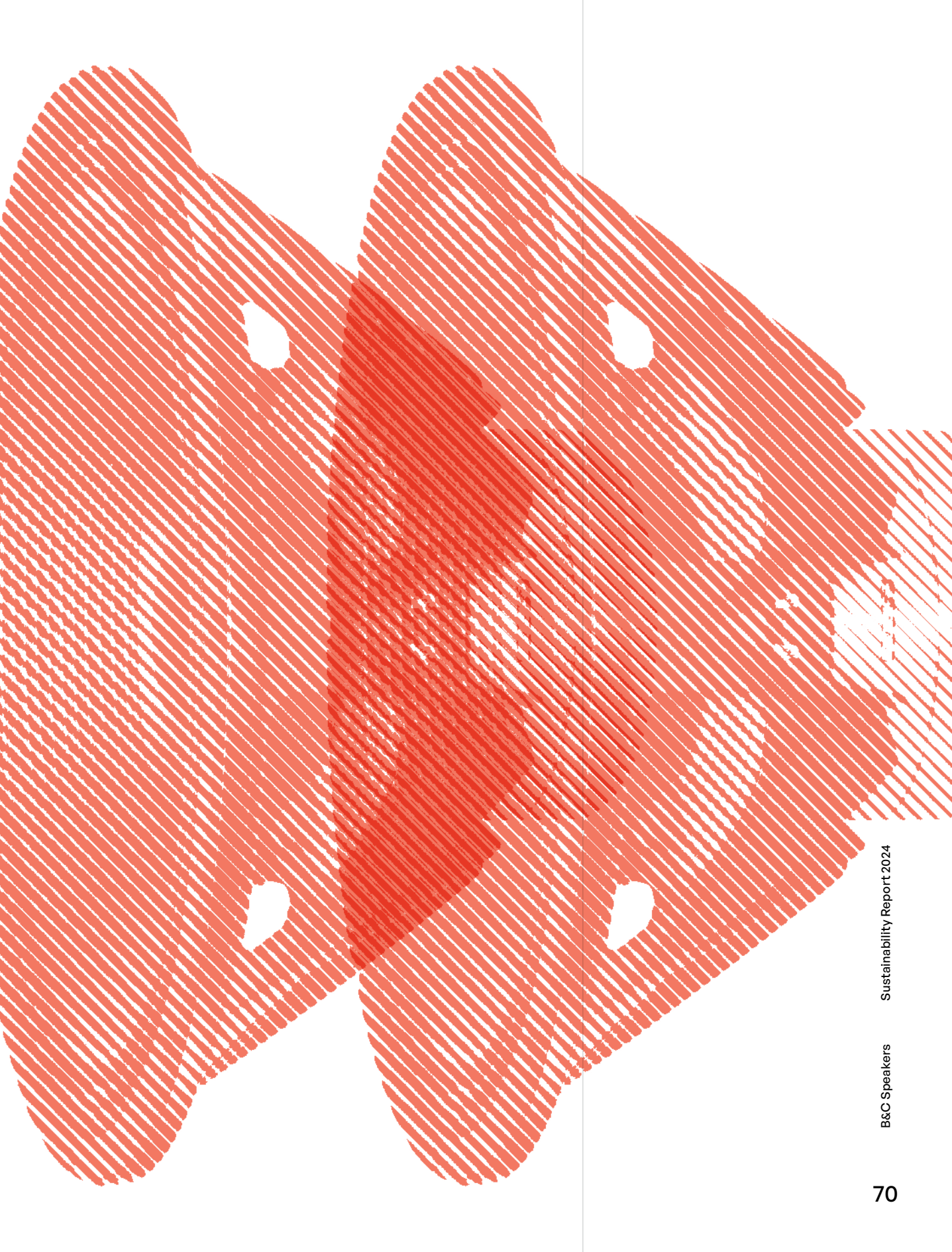
Through the adoption of an Integrated Management System, B&C Speakers periodically monitors its performance on Occupational Health and Safety and Diversity and Inclusion, implementing measures aimed to ensure continuous improvement and updating its internal policies and operating procedures from time to time. In particular, a Management Review is carried out every year. During this dedicated meeting, the Management analyses the objectives set, the results achieved and the effectiveness of the Management System, in order to identify any areas requiring correction or improvement. At Group level, steps are being taken to strengthen the culture of diversity and inclusion through specific training programmes for all staff. With a view to gradually extending best practices, the next goal is to obtain UNI/PdR 125 certification for the subsidiary 18 Sound, demonstrating a shared and broad commitment.

These initiatives reflect B&C Speakers' commitment to creating a working environment that not only respects and values its employees, but also contributes to achieving the sustainability goals adopted by the Group to achieve sustainable growth.

ESG PILLAR	TARGETS	TIMING
Human development and well-being	Analysis of the results of the organisational climate survey in Italy and definition of a response system to address any critical issues that emerge	2025
	Implementation of the plan for the Group's Italian entities, with a two-year analysis of the organisational climate and subsequent sharing of the results with management	2026
	Extension of the organisational climate analysis to non-Italian subsidiaries, to be carried out every two years	2027
	Provision of training on anti-corruption, whistleblowing and the Code of Ethics to all entities within the Group	2025
	Provision of training on D&I and Sustainability Policy to all Group entities	2026
	Completion of training on all identified topics and assessment of any emerging training needs	2027
	Attainment of ISO 45001 certification Reggio Emilia - 18 Sound	2025
	Preliminary study of ISO 45001 for non-Italian companies	2026
	Gap analysis of ISO 45001 for non-Italian companies and implementation of corrective measures	2027
	Italy: Maintenance of Uni/pdr 125 certification for the Parent Company Group: Training on diversity and inclusion policies for all legal entities	2025
Diversity & inclusion	Assessment for Uni/pdr 125 certification for 18sound	2026
	Certification of 18sound Maintenance of Uni/pdr 125 certification where obtained, and ongoing training	2027









## 2.1 Human Resources

As at 31 December 2024, the B&C Speakers Group had a total of 358 employees, marking a significant increase compared to the previous year

As at 31 December 2024, the B&C Speakers Group had a total of 358 employees, marking a significant increase compared to the previous year. This growth is attributable not only to the expansion of the workforce in Italy, but also to the expansion of the reporting boundary, which as of this year includes the production sites of Eminence Speakers and B&C Speakers Dongguan.

The Italian offices in Bagno a Ripoli and Reggio Emilia recorded increases of 8% and 13% respectively compared to 2023, now employing 181 and 52 people. The new international offices have contributed significantly to the overall growth in the workforce: Eminence Speakers currently has 67 employees, while B&C Speakers Dongguan employs 50. Finally, the commercial offices located in Brazil and the United States have a total of 8 employees, confirming the Group’s increasingly global reach. In addition, in 2024 the Group collaborated with a total of 42 non-employees, distributed across different geographical areas. Of these, 32 operate in Italy, representing 76.2% of the total. This is followed by international offices with 2 employees at Eminence (4.8%), 4 in China (9.5%) and 4 in Brazil (9.5%).

CONTRACT TYPE	2022	2023	2024
Internship	–	2	1
Temporary workers	24	25	31
Self-employed workers	–	–	10
<b>Total</b>	<b>24</b>	<b>27</b>	<b>42</b>

Therefore, in 2024, the B&C Speakers Group had a total workforce of 233 employees in Italy, 73 in the United States, 2 in Brazil and 50 in China.

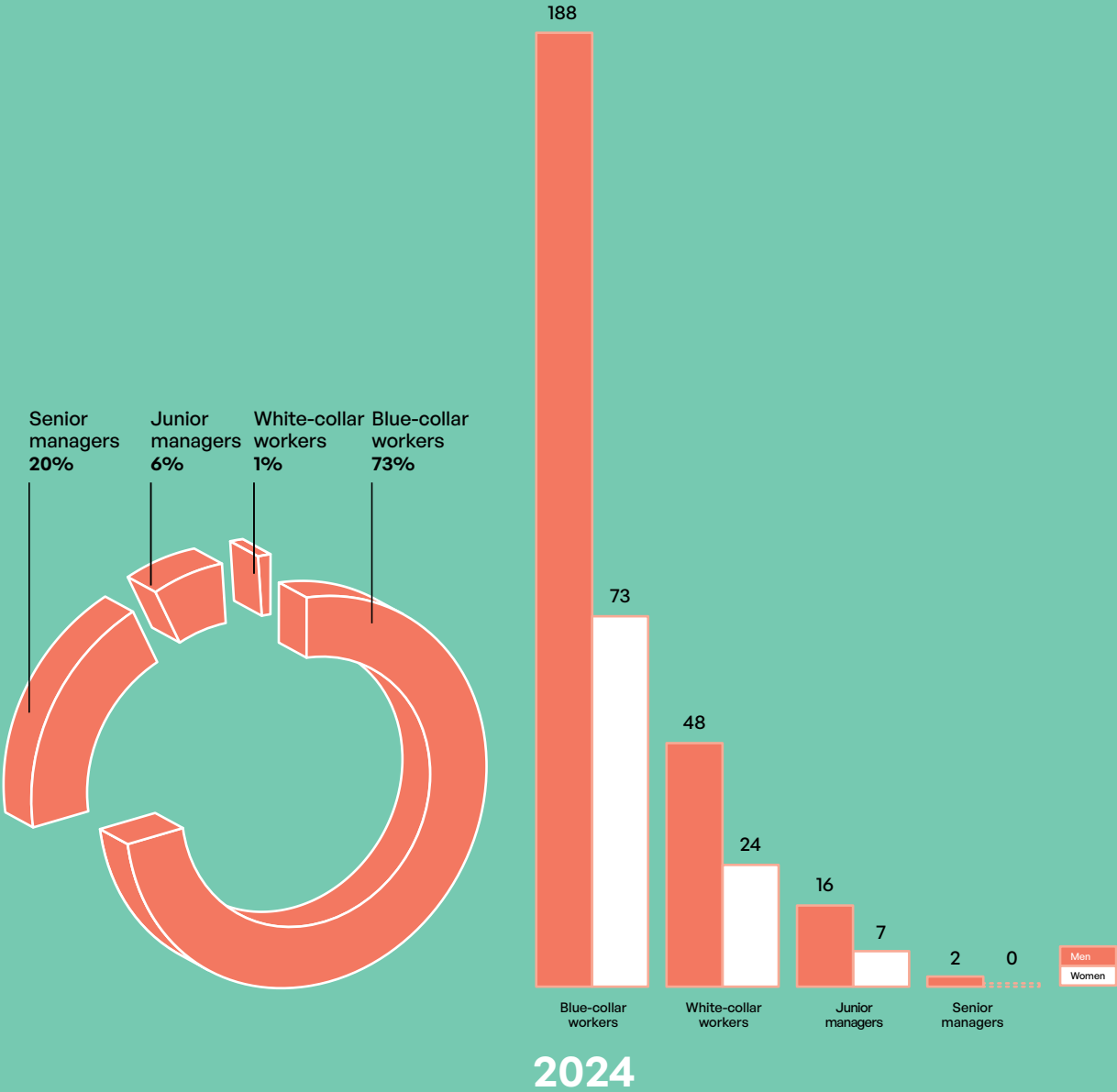
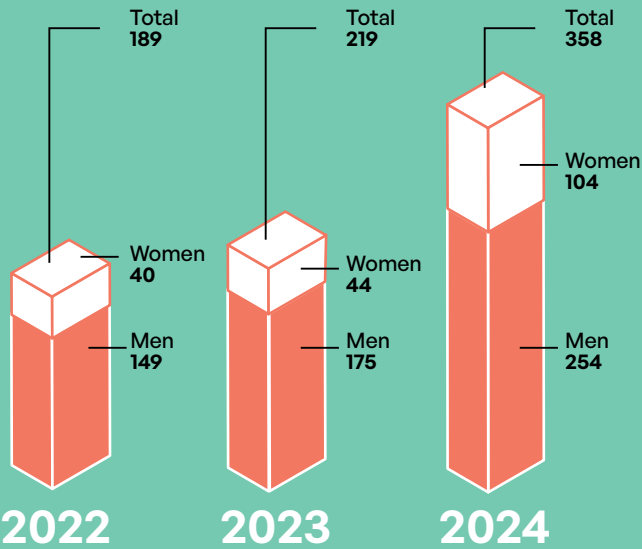
The employment structure of the B&C Speakers Group in 2024 consistently reflects the typical characteristics of the manufacturing sector, with a clear prevalence of operational personnel. In fact, manual workers represent approximately 73% of the total workforce, confirming the central role of production activities in the Group's business model. This is followed by clerical workers, who comprise 20% of the total, while the remaining positions are held by middle managers and executives, reflecting a streamlined but functional organisational structure focused on efficiency and technical specialisation. This distribution highlights the strong manufacturing component of the Group's business, underlining the importance of technical and operational skills within the organisation.

As regards the gender distribution within the various professional categories, women represent a significant component of the workforce, including a notable presence in operational roles, where there are 73 female manual workers out of a total of 261 manual workers, equating to 28%. Although men continue to be in the majority in all categories, women are also present at clerical and managerial levels, with 24 female clerical staff out of 72 (33%) and 7 female middle managers out of 23 (30%).

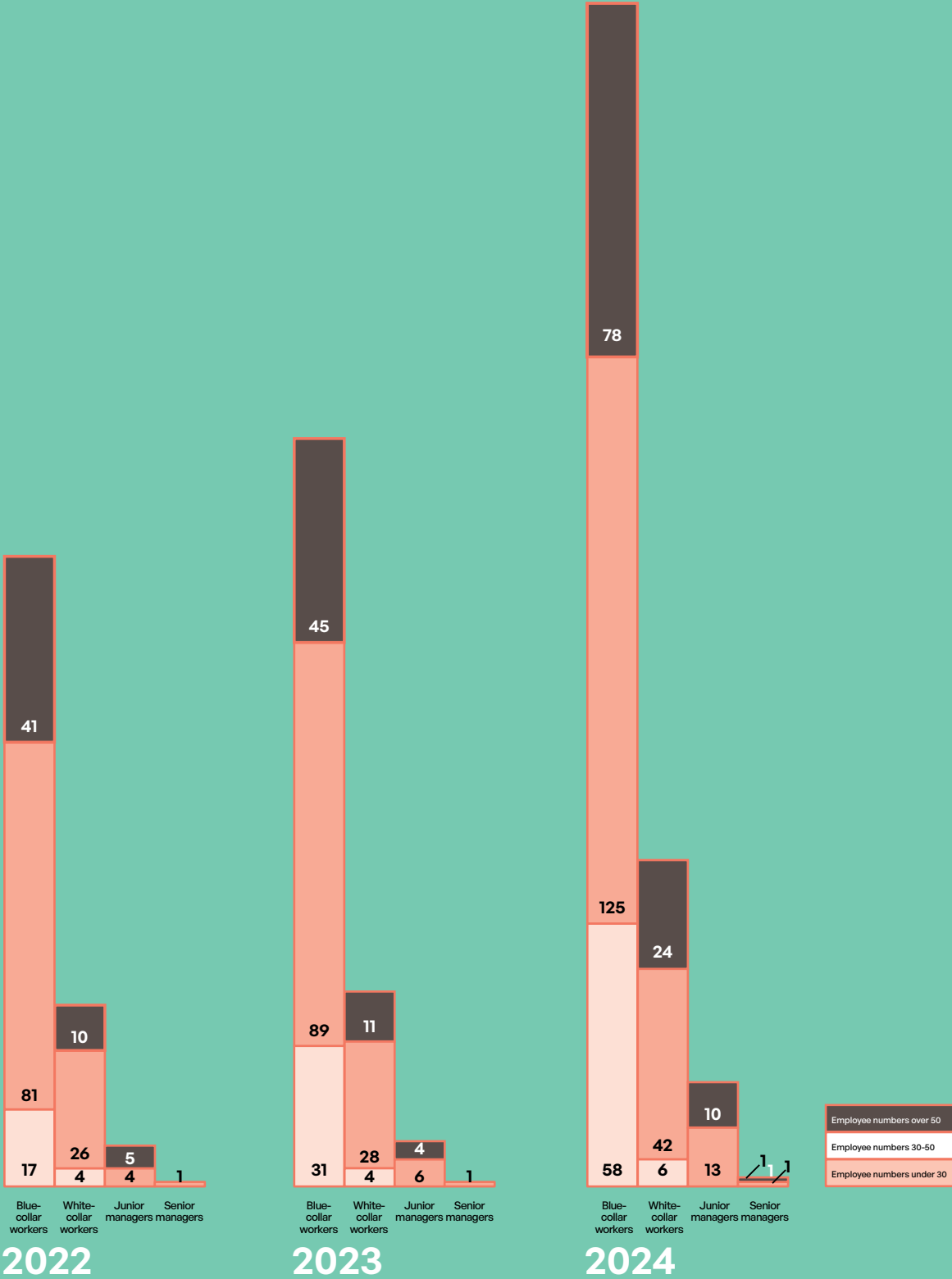
In comparison, men account for 48 clerical positions, 16 middle management roles and 2 executive positions.

Considering all managerial roles (executives and middle managers), women represent 7 out of a total of 25, equal to approximately 28%. These figures highlight an organisation that is still largely characterised by a male-dominated workforce, typical of the manufacturing sector, yet is showing signs of openness and inclusion,

Employees  
by gender  
and professional  
category



Employees  
by age range  
and professional  
category



with an increasing female presence in more senior roles.

The age distribution of B&C Speakers Group personnel shows a prevalence of employees aged between 30 and 50, as seen throughout the three-year period under review. This figure reflects a stable balance between experience and operational continuity within the organisation.

At the same time, there has been a steady increase in the number of employees under the age of 30, which is a positive sign of a gradual generational change and the Group's growing attractiveness to young professionals.

In pursuing its goal of building solid and lasting professional relationships, the B&C Speakers Group continues to prioritise stable forms of employment. Almost 85% of employees are hired on permanent contracts, demonstrating the company's commitment to valuing human capital and promoting job continuity.

Meanwhile, the Group also recognises the importance of flexible work opportunities to support the well-being of its employees. In 2024, just over 6% of staff were employed on part-time contracts, while the remaining 94% were on full-time contracts.

In the 2022-2024 three-year period, the B&C Speakers Group carefully managed staff turnover to ensure that any changes reflect both the evolution of the organisation and the expansion of the reporting boundary. In 2024, the recruitment rate stood at 16% (16% among women and 17% among men). At the same time, the rate of outbound turnover increased to 13% overall, with a higher incidence among male staff (14%) compared to female staff (11%).

These figures highlight the impact of the integration of new production and commercial entities into the Group, which has led to a natural readjustment of employment dynamics while also maintaining a focus on stability and sustainable growth.



The B&C Speakers Group guarantees compliance with contractual regulations and employment protections in all geographical areas in which it operates. In Italy, all employees, representing 65% of the total workforce, are covered by the National Collective Labour Agreement (CCNL) for metalworkers, ensuring a robust and shared regulatory framework. In the other countries where the Group operates, namely the United States, China and Brazil, employment relationships are governed in accordance with local legislation, in compliance with applicable regulations and workers' rights.

Furthermore, employees at the Italian plants in Bagno a Ripoli and Reggio Emilia benefit from a second-level supplementary agreement structured around three fundamental pillars:

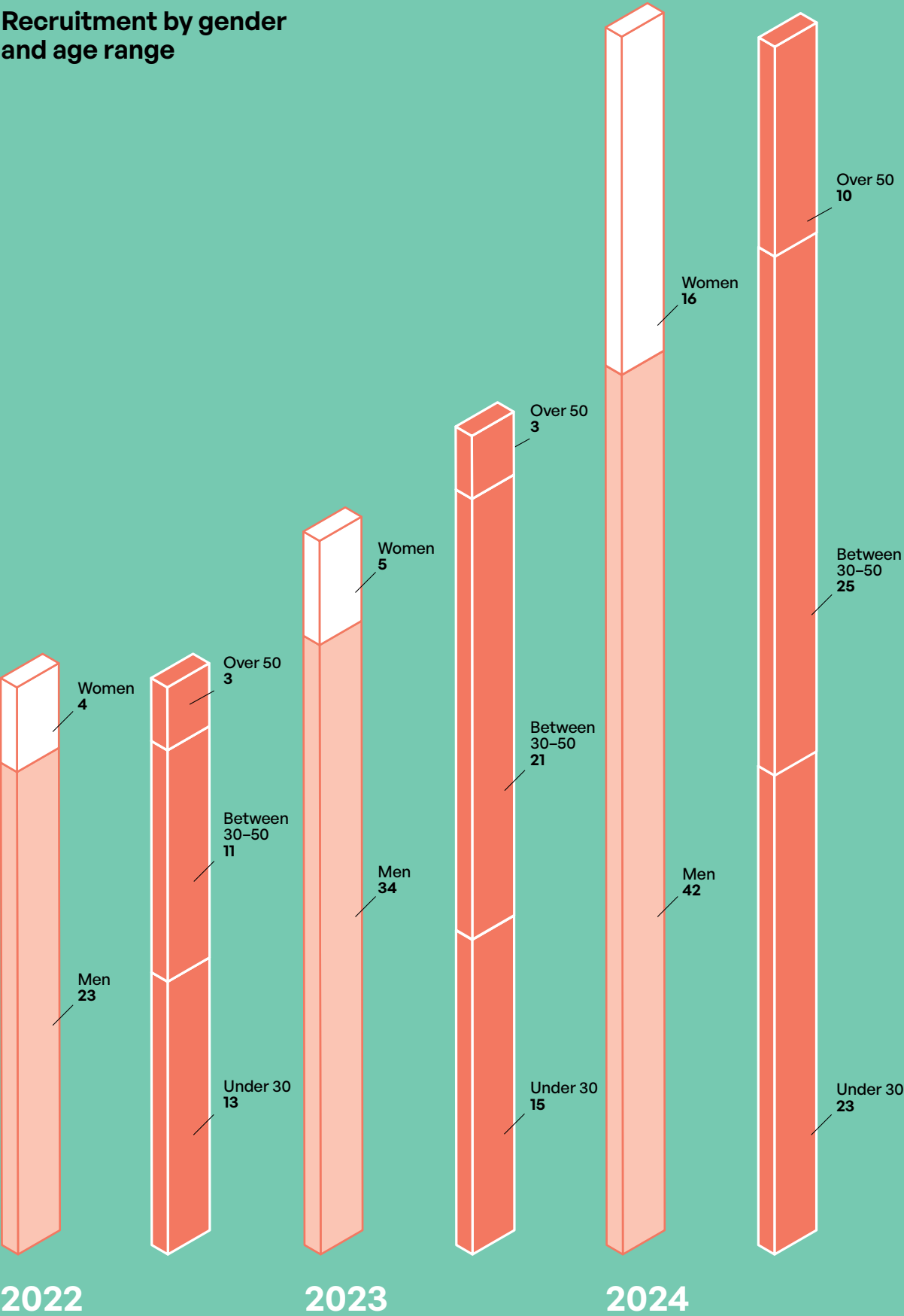
- the regulation of company bonuses;
- the introduction of measures to promote work-life balance;
- the definition of trade union relations, with a view to constructive dialogue and active participation.

These contractual tools are a distinctive feature of the Group's labour policy, which is focused on valuing people and continuously improving the working environment.

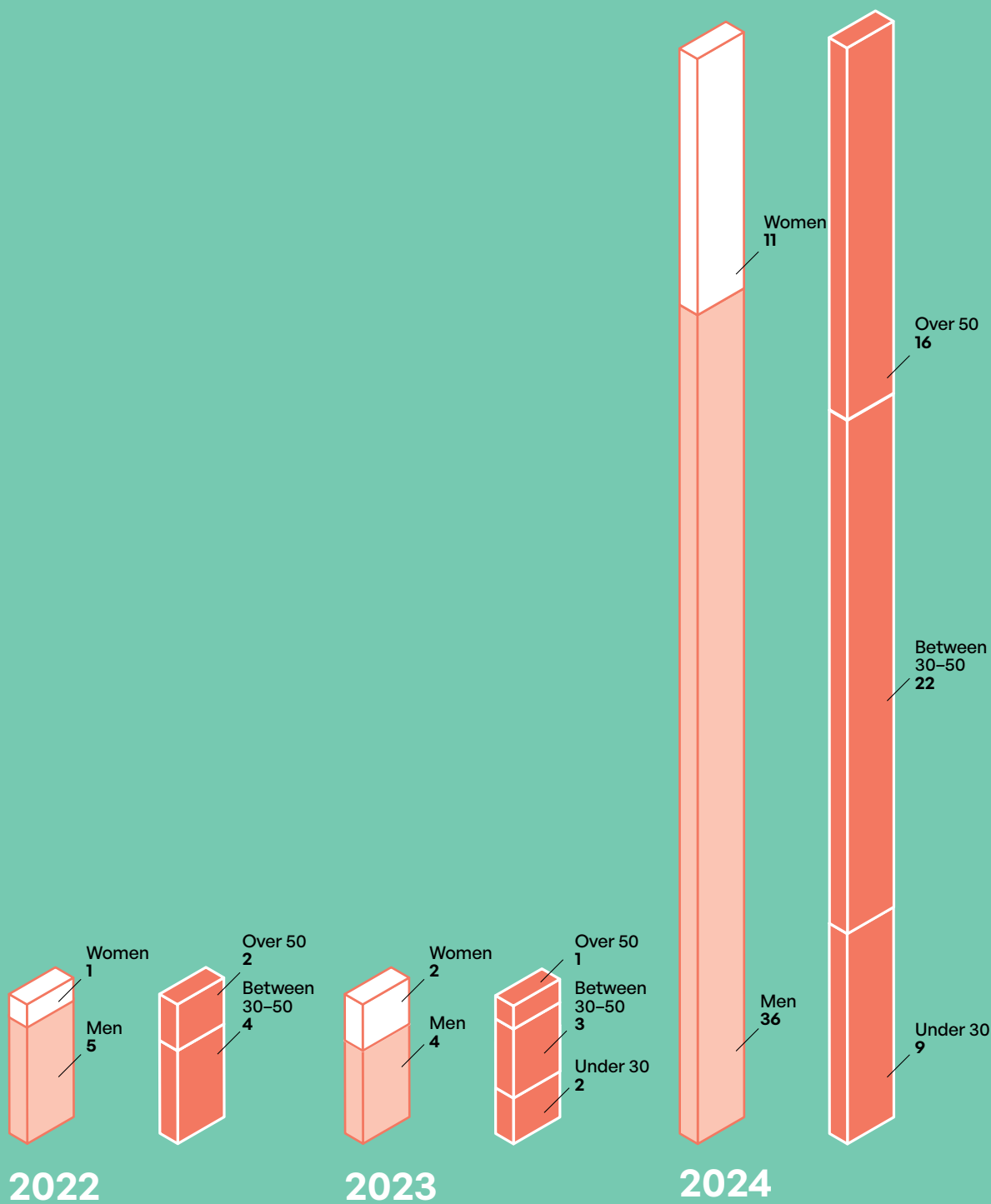
The B&C Speakers Group is committed to maintaining a solid and positive relationship with its employees, based on principles of fairness, inclusion and skills development. Through a series of initiatives and policies implemented at individual Group company level, particularly in Italy, the Group is committed to promoting a stimulating and respectful working environment in which every individual can feel supported in their professional and personal development.

The Parent Company awards a company bonus to employees based on economic criteria, such as EBITDA, and productivity criteria, such as efficiency, attendance and fulfilment of delivery targets. These parameters,

Recruitment by gender and age range



Contract terminations  
by gender and age range



determined with the involvement of all company departments, allow departmental performance to be objectively measured. To strengthen employee protections, the Parent Company has allocated additional remuneration through welfare bonuses, in line with the National Collective Agreement. This includes € 200 accessible through the Welfare Hub platform and an additional contribution of € 800, up to a maximum of € 1,800 for staff with dependent children, based on their income level (Gross Annual Salary). This amount can be used flexibly on a wide range of services to meet different personal and family needs, such as admission to museums, cultural events, training courses, travel, gym memberships or contributions to supplementary pension funds. The supplementary second-level contracts also define relations with unions, above all with reference to the Reggio Emilia plant. The company continues to work with the appointed Trade Union Representative (TUR) to pursue jointly beneficial cooperation on a daily basis. The TUR meets annually with Management to share information about workloads and order status, the number of employees by contract type, the budget for possible future projects, and developments to the production structure.

Following the purchase of an additional part of the Bagno a Ripoli building in 2022, a company canteen for employees was opened in 2024. This service, which is widely supported by the Parent Company, offers employees the opportunity to use the service for a modest contribution. The canteen represents a further step towards improving the well-being of workers, promoting a more comfortable working environment that is attentive to the needs of staff.

In line with the principles of the Code of Ethics, the Group promotes and guarantees equal working opportunities for its employees. Focusing in particular on its Italian companies, it concentrates initiatives on protecting the

value of the family and encouraging the return of female employees to work after maternity leave, safeguarding their professional skills. To achieve these objectives, the Parent Company has implemented various procedures, including measures to facilitate return to work after maternity leave, the promotion of remote working twice a week, and other initiatives to create a healthier work-life balance. These include the option of requesting part-time work, a bonus of € 2,000 for the birth or adoption of a child, and additional parental leave in addition to the minimum legal requirement. In addition, non-Italian workers are granted the option of taking one month's leave to travel to their countries of origin and spend time with their families.

To further strengthen its commitment to promoting the principles of inclusion and diversity and to combat all forms of discrimination, and following the drafting of its Diversity & Inclusion Policy in 2022, B&C Speakers established the Gender Equality Committee in 2023. This committee, which meets regularly, has promoted numerous initiatives aimed at encouraging an inclusive culture that values the diversity of everyone at B&C Speakers.

During its meetings, the committee agreed to establish a specific email address, which will be notified to staff through an official communication, to receive proposals and suggestions for initiatives aimed at promoting inclusiveness and gender equality. In addition, the survey on abuse and harassment in the workplace was conducted again at the end of 2024 to assess the effectiveness of the actions taken.

This ongoing commitment to promoting a culture of inclusion and respect in the workplace, supported by policies designed to put these principles into practice, has had a positive outcome: no cases of discrimination were reported during the three-year reporting period.

Another essential tool for the Group is the company climate survey, which aims to identify areas for improvement and implement actions to create and maintain a positive and increasingly stimulating work environment. Conducted every two years, the surveys gather valuable feedback from employees. The climate analysis aims to provide a snapshot of the organisation's internal environment, identifying and diagnosing any internal issues and alerting senior management. The work environment survey was conducted among B&C Speakers SpA employees in 2023 and, in view of the results and the importance attached to these topics, the survey was repeated in 2024 for the 18Sound division. The next survey of B&C Speakers S.p.A. will take place in 2025.

The 2024 survey shows that organisational satisfaction levels at Eighteen Sound are positive across all areas analysed. The highest scores were recorded for engagement, sense of belonging, relationships with colleagues and perception of workplace safety. Questions relating to the corporate climate within the various organisational units recorded very high levels of satisfaction which were consistently above average. Areas related to trust in company management, training opportunities and internal communication processes, although slightly below average, still scored positively. However, certain aspects were highlighted as requiring greater attention, especially for clerical workers.

These surveys and the results achieved demonstrate the Group's commitment to promoting a working environment that respects and values its employees, while contributing to the achievement of the company's sustainability objectives. In 2024, B&C Speakers S.p.A organised its first company open day. This special event was attended by employees' families and represented a unique opportunity to strengthen bonds between employees and





create a more cohesive and inclusive working environment. During the open day, families had the opportunity to visit the company premises, learn more about the work carried out and participate in various initiatives designed to celebrate a sense of community and belonging.





## 2.2

# Skills development and professional growth

“The company is committed to optimising the technical expertise and hard skills of its personnel, increasing their uniqueness within a sector characterised by a limited number of players” -  
B&C Speakers  
Sustainability Policy

Training is a strategic element for the Group. Within the Italian companies, where training plays a particularly crucial role, the Human Resources Department coordinates structured training plans on an annual basis, based on the needs expressed by both area managers and employees. This approach ensures that every member of the team can develop and refine their skills, thus contributing to maintaining the high quality standards that characterise B&C Speakers' products. Considering the high level of expertise required to manufacture cutting-edge, high-quality products, staff skills are key to the company's strategy. Continuous training therefore not only supports employees' professional growth, but also represents a strategic investment for the company, ensuring that internal skills are always aligned with market innovations and challenges.

In 2024, the B&C Speakers Group further strengthened its commitment to staff training, recording a significant increase in the number of hours provided compared to the previous year. Overall, more than 3,200 hours of training were provided, with a particular focus on operational staff and the enhancement of interdisciplinary skills.

Manual workers benefited from 2,795 hours of training, with an average of 10.7 hours per person, marking a sharp increase compared to 2023. For executives and middle managers, a total of 53 hours of training were recorded, with an average of 2 hours per person for executives and 2.1 hours per person for middle managers. From a gender perspective, in 2024 women received 596 hours of training, with an average of 5.7 hours, while men received a total of 2,636 hours, with an average of 10.4 hours. This marked another improvement compared to 2023, when the averages were 3.1 and 6.3 hours respectively.

These results confirm the Group's commitment to investing in the professional growth of its employees in a structured

manner, promoting increasingly fair and targeted access to training opportunities, in line with its sustainable and inclusive development objectives.

In 2024, in addition to the mandatory training hours required by the Group, each employee participated in an 8-hour mandatory training programme, divided equally between 4 hours on gender equality and 4 hours on specific topics essential for achieving Uni/PdR 125 certification. This programme played a crucial role in raising workers' awareness of relevant issues and promoting greater understanding within the organisation. This commitment is particularly significant given the pre-existing gender inequality linked to the nature of the business, helping to bridge the gap and strengthen gender inclusivity among its employees.

## Training hours by professional category

		2022		2023		2024	
		Total	Average	Total	Average	Total	Average
<b>By professional category</b>	<b>h</b>	<b>428</b>	<b>2,4</b>	<b>1248</b>	<b>5,7</b>	<b>3232</b>	<b>9</b>
Senior managers	18	18	6	6	4	2	
Junior managers	0	0	60	12	49	2,1	
White-collar workers	190	5,4	234	5,4	384	5,3	
Blue-collar workers	220	1,6	948	5,7	2795	10,7	
<b>By gender</b>	<b>h</b>	<b>428</b>	<b>2,4</b>	<b>1248</b>	<b>5,7</b>	<b>3232</b>	<b>9</b>
Women	96	2,4	138	3,1	596	5,7	
Men	332	2,3	1110	6,3	2636	10,4	



To promote consistent and monitored professional growth, the Parent Company has implemented a structured periodic performance review system for its employees. This system uses the Feedback 360° platform. In 2024, 51% of the Group's total employees were evaluated. This assessment system provides an overall score that considers various aspects, including the achievement of results, compliance with rules, commitment, reliability, soft skills, and respect for the confidentiality of company data and security procedures. As well as the self-assessment, the opinions of managers and co-workers are obtained in quantitative terms, from 1 (non-existent) to 10 (excellent). The results are then discussed on a one-to-one basis with the employee to identify a personalised improvement plan based on the feedback received and the progress made from year to year.

Training programmes are reviewed annually and, in addition to occupational health and safety issues, also include technical aspects related to production. The topics to be included are identified following the performance appraisals and the needs expressed by the workers themselves. Temporary workers are also included in this process, receiving quarterly feedback and the possibility of renewal for another 12 months before permanent employment.

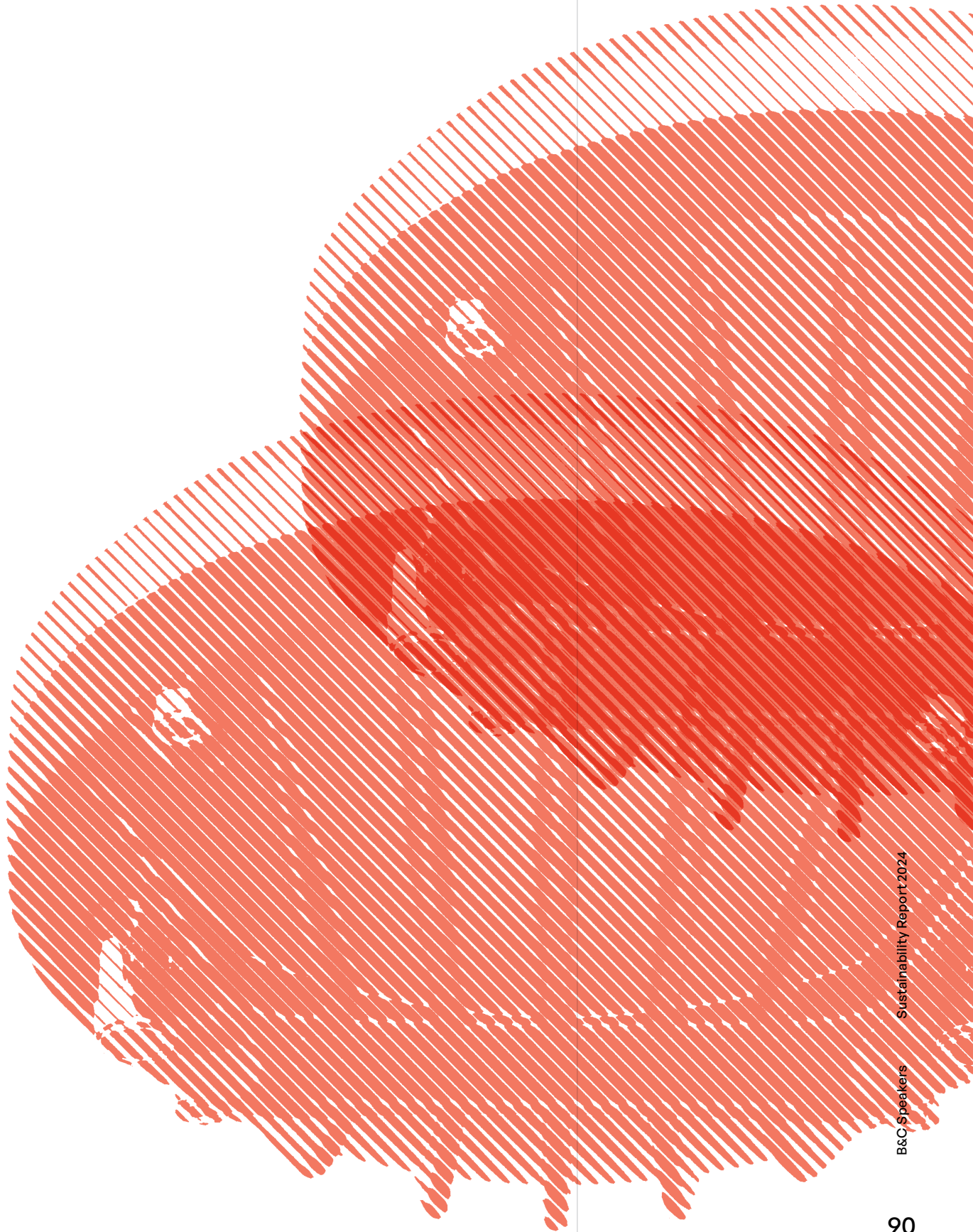
Health & Safety training, both for B&C Speakers SpA and 18s, was completed using the "Remind" application, which manages the schedule, offers an e-learning option, and issues the relevant certificates to employees. In 2024, the mandatory training courses required by law were provided. In particular, each employee received specific training based on their job and the level of risk to which they are exposed, in line with the provisions of the Risk Assessment Document. This includes training courses for first aid and fire safety officers, training on specific risks divided into low and high risk, and refresher

courses for supervisors and the Health and Safety Officer (RSPP).

This structured and integrated approach to training demonstrates the Group's commitment to promoting a safe, inclusive and growth-oriented working environment for its employees.







## 2.3

# Health and safety in the workplace

The B&C Group is committed to conducting its business in full compliance with applicable regulations, this Code of Ethics and internal procedures.

«The B&C Group is committed to conducting its business in full compliance with applicable regulations, this Code of Ethics and internal procedures. This commitment is aimed at adopting all safety measures required by technological developments and at ensuring the physical integrity and moral character of our employees.».

B&C Speakers Group Code of Ethics.

The Group is committed to continuously improving its processes, products and performance in the field of health and safety. In this regard, it pays close attention to the prevention of work-related accidents and ill-health through the identification and assessment of all potential hazards to which people are exposed in the workplace, with the aim of creating a healthy and safe environment.

This focus translates into the active involvement of all staff, from safety officers to each individual employee, through the adoption of accessible reporting tools, targeted training courses, and regular opportunities for discussion. The promotion of a safety culture requires awareness and continuous training, both of which are considered essential for improving company performance and the quality of the service offered to customers.

In this context, B&C Speakers encourages the active participation of its employees, valuing their ideas and suggestions for improving its preventive measures at every stage of the work process, in the belief that everyone's contribution is key to achieving significant results.

The principles relating to the management of health and safety issues are set out in the Integrated Policy for quality, occupational health and safety, information security and the environment adopted by B&C Speakers S.p.A. This policy is the key reference document through which the Company

undertakes to improve its performance in the field of occupational health and safety, integrating these aspects with those relating to the quality of the processes implemented, data protection, and respect for the environment. Management is responsible for annually reviewing the validity of this policy, which is made available to all personnel and stakeholders. This process includes the definition of targets and implementation programmes consistent with the commitment to prevent work-related accidents and ill-health.

The Group's Italian companies, B&C Speakers S.p.A. and 18 Sound, operate in full compliance with Legislative Decree 81/2008, which is the main regulatory reference for occupational health and safety. In particular, the Parent Company has implemented a Health and Safety Management System compliant with the UNI ISO 45001 standard. Currently, the health and safety management system, which is developed internally and certified, covers 233 employees, corresponding to 65% of the Group's total workforce. This system enables continuous risk monitoring and the adoption of specific preventive measures to ensure that the Group's working environments are safe and protected.

At the same time, the Group pays particular attention to the overall well-being of its employees by promoting aspects related to health outside the workplace. With this in mind, additional medical services are available to employees at the Group's Italian sites on a voluntary basis. These services are made available through adherence to the National Collective Labour Agreement for metalworkers, which provides access to a wide range of healthcare services, including specialist consultations, diagnostic tests, dental care and prevention programmes. Furthermore, with regard to occupational health and safety, the Italian companies produce a Risk Assessment Document (DVR)

to identify and assess the hazards present in the workplace. The DVR identifies prevention and protection measures to limit and manage these risks, such as the introduction of innovative technological solutions, ensuring the reorganisation and periodic updating of operating procedures. The DVR is updated and reviewed periodically to ensure that the data remain both current and relevant. At the same time, the company is constantly researching new products and innovative systems aimed at reducing worker exposure to risks, continuously improving safety conditions at workstations.

In September 2024, the DVR underwent a number of major revisions. The sections of the document that were revised include equipment risk, manual load handling risk, electromagnetic field risk, chemical risk, work-related stress risk, artificial and natural optical radiation risk, ionising radiation risk, ultrasound and infrasound risk, and the risk of exposure to explosive atmospheres (ATEX). Specifically, the main reasons for the revision included:

- Updating workstations in accordance with the new UNI ISO 11228-1 standard;
- NIOSH (National Institute for Occupational Safety and Health) assessments;
- Description of the new oven for applying UV glue in the cone department
- Updating of the risk of exposure to ionising radiation with the inclusion of the radon risk information sheet
- ATEX update based on the latest revision of the CEI EN 60079-10-1 standard.

These updates reflect B&C Speakers' ongoing commitment to ensuring a safe and healthy working environment. This commitment is particularly evident at the Italian sites in Bagno a Ripoli and Reggio Emilia, where state-of-the-art preventive and protective measures have been adopted and staff are actively involved in all health and safety



initiatives. With the aim of preventing the identified risks, each workstation has been provided with a risk analysis sheet, which lists the hazard symbols, risk statements and personal protective equipment (PPE) required for the performance of work activities, such as non-slip shoes, gloves and safety goggles. In addition, to reduce transport requirements to a minimum, processes are carried out in the same building whenever possible. When materials must be transported, automated systems are used.

All machinery used at the Italian production sites is certified in line with the Machinery Directive and all are equipped with the necessary safety devices. Assembly stations are equipped with extractor hoods to ensure a healthy working environment that complies with regulatory standards.

To limit the physical and mental strain on workers and reduce exposure to risks associated with loss of concentration during prolonged activities, the Italian sites have adopted a workstation rotation system. The production facilities are divided into colour-coded zones, each associated with specific time limits: for example, in red zones, workers are allowed to work for a maximum of 2 hours per day, while in green zones, they can work for the entire 8-hour shift. This system reflects the constant focus on the proactive management of ergonomic and organisational risks.

To support these measures, regular sampling is carried out at workstations to monitor environmental conditions and assess the effectiveness of the measures taken. There is also a plan to improve shift efficiency in the most critical areas, with the aim of further improving workload distribution.

Finally, the health of workers is managed by the company doctor, who works in close collaboration with the Health and Safety Officer (RSSP). Together, they draw up and periodically update the company health plan, ensuring the timely monitoring of exposure to

the risks identified in the DVR and constantly monitoring and safeguarding occupational health and safety.

These activities are confirmation that protecting the health and safety of its workers is a key priority for the B&C Speakers Group. In particular, at its Italian sites, the Group adopts a structured and consolidated approach to risk prevention, aimed at continuously improving operating conditions and the overall well-being of its staff.

In 2024, four work-related accidents were recorded within the B&C Speakers Group. Of these, one occurred at the Bagno a Ripoli site and was attributable to a crushing incident. All of the measures established in the internal procedures were promptly implemented: first aid was administered immediately to the worker involved, and the accident was immediately reported and recorded internally and subsequently reported to the relevant authorities, including INAIL. Internal investigations confirmed that the event was accidental and not attributable to shortcomings in the safety protocols adopted by the Group.

The other three accidents occurred at the Eminence site and involved two crushing incidents and one case of burns.

Over the last year, the total number of accidents recorded within the Group remained in line with 2023 figures. This result is particularly significant considering that the reporting scope has been expanded to include two new production sites: Eminence and Dongguan. The activities carried out within the production plants, by their very nature, involve greater exposure to the risk of accidents. In this context, the stable number of accidents is a significant indicator of the effectiveness of the prevention and protection measures adopted by the Group.

It is important to emphasise that B&C Speakers adopts a rigorous and structured approach to occupational safety management,



which translates into the application of preventive measures aimed at mitigating risks, the constant provision of adequate personal protective equipment (PPE), and the systematic verification of its correct use. This is accompanied by an ongoing commitment to staff training and awareness-raising, with the aim of promoting a widespread, conscious and participatory culture of safety at all levels of the organisation.

During the same period, there were no accidents involving non-employees of the Group, a figure that further highlights the effectiveness of the preventive measures adopted and their extension to external personnel.

In 2022, the Company set itself the strategic objective of integrating near misses into the reporting system, promoting greater awareness among operators of the importance of prevention. The following year, in 2023, awareness-raising activities were strengthened, actively involving department managers in collecting reports and promoting safety-conscious behaviour. A specific near-miss report form was also introduced, enabling more systematic recording and timely analysis of potentially hazardous situations. This was further supported by targeted training for both operational staff and department managers.

In 2024, the Group continued in this direction by consolidating the use of the tools introduced and further strengthening the culture of prevention. The focus centred on ensuring the continuity of training activities and the constant monitoring of reports, with the aim of transforming the management of near misses into a daily and shared practice, capable of anticipating risks and actively helping to reduce the number of accidents.

## Occupational accidents and illnesses<sup>7</sup> involving employees

	2022	2023	2024
Hours worked	285.844	346.267	615.338
Total number of injuries	0	4	4
Of which with serious consequences	0	0	0
Injury rate	0	11,6	6,5
Injury with serious consequences rate	0	0	0
Number of cases of occupational disease	0	0	0

## Occupational accidents and illnesses involving non-employees

	2022	2023	2024
Hours worked	113.616	96.259	84.653
Total number of injuries	4	1	0
Of which with serious consequences	0	0	0
Injury rate	35,2	10,5	0
Injury with serious consequences rate	0	0	0
Number of cases of occupational disease	0	0	0

<sup>7</sup> For definitions and calculation methods, please see the Note on Methodology.



# From material selection to final distribution



# 3

## The production process

Following its global expansion in 2023, which saw the establishment of the Chinese subsidiary B&C Dongguan Electronics Co. Ltd and the acquisition of Eminence Holdings LLC in the United States, the Group expanded its production activities

Following its global expansion in 2023, which saw the establishment of the Chinese subsidiary B&C Dongguan Electronics Co. Ltd and the acquisition of Eminence Holdings LLC in the United States, the Group expanded its production activities, which had previously been concentrated exclusively in the Bagno a Ripoli and Reggio Emilia sites. Despite the two new locations, the Italian sites continue to maintain a key strategic position in terms of expertise and represent the centre of the Group's manufacturing activities. These various Group facilities carry out the design, production and testing of high-quality professional electro-acoustic transducers, including speakers and drivers.

Eminence's Kentucky facility operates as a major production and design centre for electro-acoustic transducers, contributing significantly to B&C Speakers' global production capacity. At the same time, the new Chinese headquarters in Dongguan has been designed to consolidate and develop the Group's business on the Asian market, representing a strategic step towards strengthening its global presence and optimising the distribution of its products worldwide.

This international expansion has not only enabled B&C Speakers to increase its production capacity, but has also consolidated its position as a leader in the electro-acoustic transducer sector, ensuring that design, production and testing activities continue to be carried out to the high quality standards that characterise the Group.

In order to guarantee that products meet the highest quality standards, rigorous checks are carried out at various stages of the production process. These include specific checks on incoming materials on receipt of the goods. Each item is carefully tested before being stored to ensure that it meets production requirements. If the checks carried out on the incoming goods detect any anomalies, the

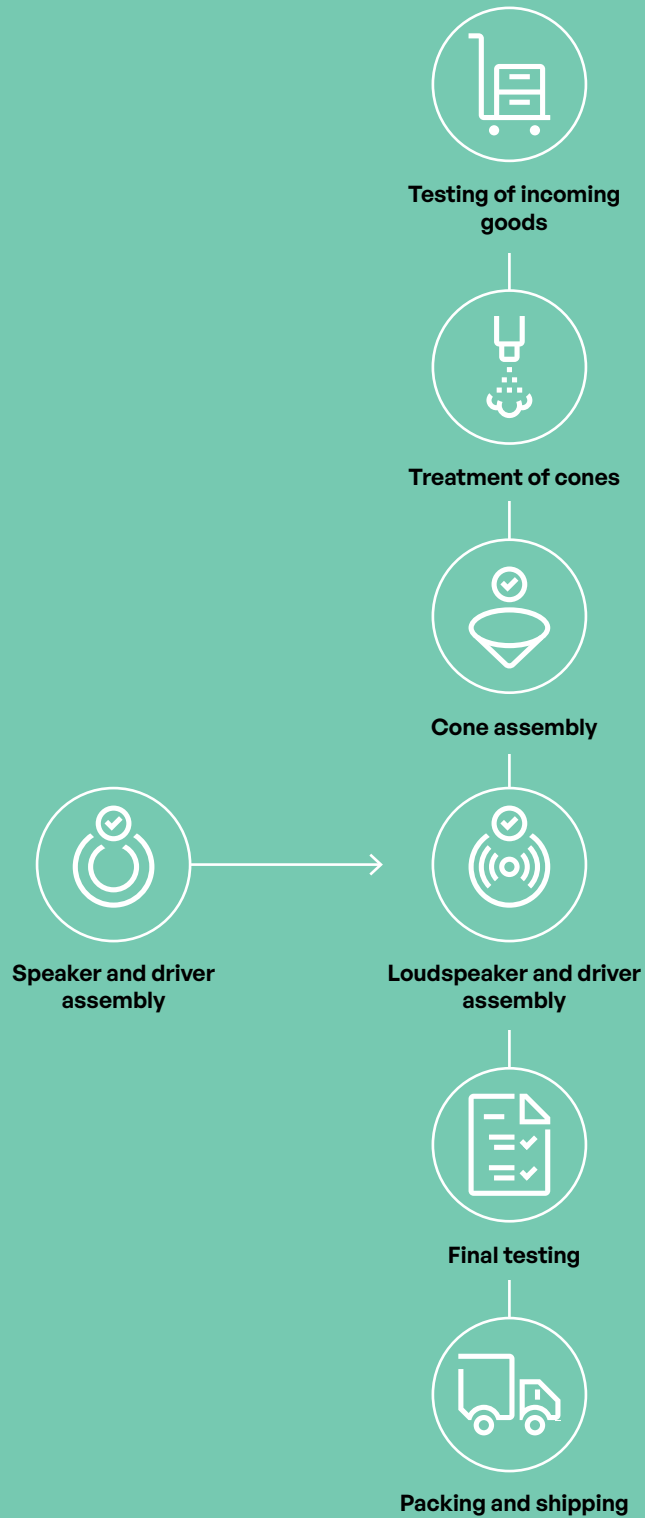


organisation takes immediate action, either repairing the product or, if this is not possible, returning it to the supplier. Similarly, semi-finished and finished products are inspected to ensure that every component and final product meets the Group's high quality standards. Although supplier relations have evolved, with increasingly specific requirements aimed at continuous improvement, the suppliers themselves remain largely unchanged, thereby ensuring a consistent level of quality of supplied materials. The components requested from suppliers are manufactured according to B&C Speakers' specific designs, which means that suppliers must produce the components exactly to the Group's specifications. However, this need for precision makes it difficult to find new suppliers who are reliable and capable of producing components of the same quality. As such, maintaining stable and long-lasting relationships with existing suppliers is crucial to ensuring continuity and high production standards.

Since 2002, the Parent Company has implemented a Quality Management System compliant with the UNI EN ISO 9001 standard. This certification, which is an international recognition of high quality standards, has been periodically renewed and was extended to Eighteen Sound in 2020, further strengthening the rigour and consistency of the company's processes.

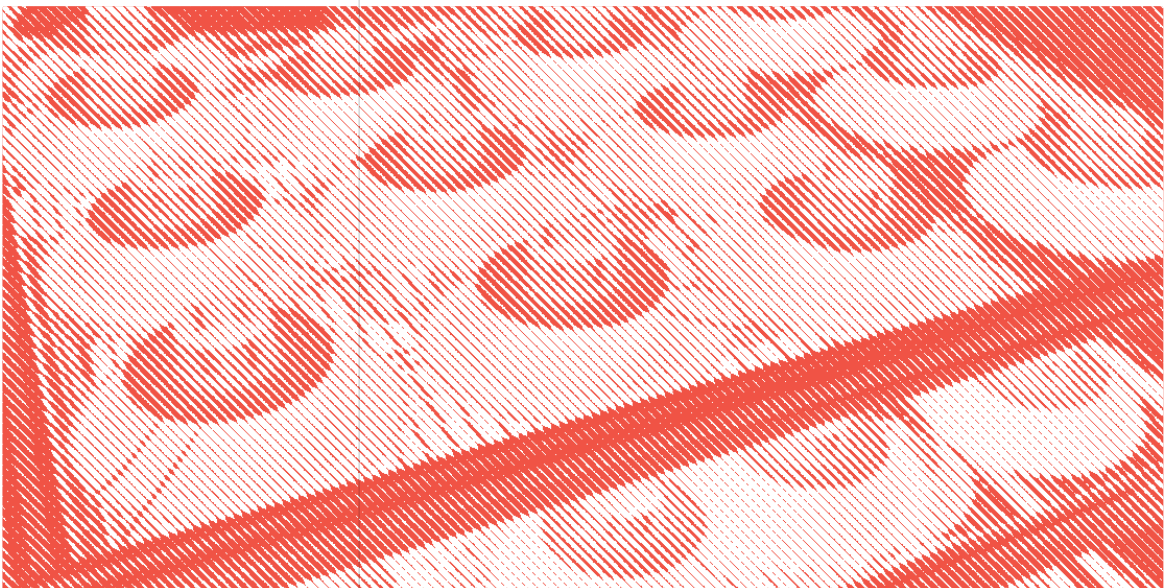
Through the adoption of an Integrated Management System, B&C Speakers periodically monitors its performance in terms of quality, implementing measures to ensure continuous improvement and updating its internal policies and operating procedures when necessary.

In particular, a Management Review is carried out every year. During this dedicated meeting, the Management analyses the objectives set, the results achieved and the effectiveness of the Management System, in order to identify



**8.** The image below describes the assembly process of the woofers

any areas requiring correction or improvement. Thanks to the Group's robust control processes and safety measures, there were no cases of non-compliance with current product quality and safety regulations in 2024. This result highlights the effectiveness of the Group's internal procedures and the attention given to each stage of the production process. The production process is structured into a number of independent lines, each specialising in the manufacture or assembly of semi-finished products. Each line is made up of a series of blocks associated with a specific activity according to a sequential configuration: the semi-finished product leaves one block and is moved by conveyor belts or forklifts to feed into the next block. The assembly stages are mainly done by hand, using glue, while special aspects such as painting and moulding are outsourced by B&C, with the exception of cones, which are done entirely in-house<sup>8</sup>. Cones are taken from the warehouse and treated with water-based adhesives and are



then dried in a belt oven or, more frequently, left to air-dry on trolleys.

After treatment, the cones are delivered to the two assembly lines where they are suitably sized to facilitate insertion of the coil. The coil is then attached using two-component glue and, once dry, the cones are transferred to the next workstations for welding and insertion of the centring device, which ensures that the cone is perfectly aligned with the air gap that houses it. Once assembly is complete, the cone is placed in the vacuum tunnel and sent to the speaker department.

While the cones are being assembled, the membranes are prepared in another department to meet the demands of the driver department. The membranes are obtained using Mylar®, Kapton® and PEEK™ films, cut from printers or titanium which is subsequently combined with the coil with a thin layer of glue, using a press to facilitate bonding. At the same time, the rings are also prepared, which are mechanically assembled with the brim using a pneumatic press. The speakers are assembled in another department which begins by creating the metal fitting that holds the magnet, followed by magnetisation, in which the ferromagnetic nucleus is magnetised with automated equipment. In the next group of workstations, assembly of the metal fitting on the chassis begins and, if required, treatment of the upper part of the cone with waterproof paint. When assembly is complete, the speakers undergo automatic testing using Klippel measurement systems.

Before packaging and shipping, each speaker produced by B&C Speakers undergoes thorough testing. These tests include detailed measurements for each component to ensure that the frequency responses, harmonic distortion and electrical impedance comply with the established tolerance standards. Speakers that pass the tests are then sent for packaging. Those that don't meet the criteria

are sent to a dedicated workstation for detailed manual analysis, with the aim of identifying and correcting any defects or flaws. Once repaired, the speakers are tested again and, if they meet the required standards, are sent for packaging. While at this workstation, the product identification label is attached, when required, and a visual check is performed to ensure that each speaker is in perfect condition.

Meanwhile, for drivers, the incoming semi-processed products, tubes, plates, and magnets, which together constitute the magnetic assembly for the driver, are assembled and glued at the first workstation. This is followed by the magnetisation and assembly of the equaliser, membranes and dome. As with speakers, the drivers also undergo testing: if no issues are identified, the driver is sent to the warehouse to be packaged. Otherwise, it is re-examined by the workers, who ensure it is properly assembled and perform acoustic tests.

In line with the Group's commitment to responsible business growth, the 2025-2027 Sustainability Plan sets out a number of objectives aimed at developing a more sustainable production process. In particular, the selection of low-impact materials and the implementation of energy efficiency measures are key initiatives to reduce environmental impact and improve the quality of production processes.







## 3.1 Creating a sustainable supply chain

“Our relationships with our suppliers are the foundation of our success and are based on principles of transparency, mutual trust and shared ethical values.”  
B&C Speakers Group  
Supplier Code of Conduct

The Group bases its relations with suppliers on the principles of fairness, professionalism and reliability with a view to establishing strong links with all players in its supply chain. Recognising that responsible supply chain management is essential to achieving its strategic objectives, the Group considers its suppliers to be essential partners for the success of the business and for sustainable growth.

In this context, the Group's 2025-2027 Sustainability Plan pays particular attention to the issue of sustainable supply chains, emphasising the importance of integrating sustainable practices throughout the entire supply chain. This commitment translates into concrete initiatives aimed at promoting transparency, ethics and social responsibility, ensuring that every partner shares the Group's values and objectives. Among these initiatives, by 2025, the Group plans to approve the **Supplier Code of Conduct** and share a due diligence survey with its most relevant and critical suppliers. These actions, combined with collaborative dialogue, also aim to support and encourage suppliers in the adoption of sustainable practices.

The goal for future years is to extend these aspects to an increasing number of suppliers, thereby strengthening the entire supply chain.

The Supplier Code of Conduct was drafted in 2024 and is currently pending approval in 2025. This represents a significant step forward for the sustainable development of the Group's supply chain, as the Code establishes the ethical principles and rules of conduct that must be observed in all commercial relations with suppliers. In line with the Group's Code of Ethics, the purpose of this document is to integrate social and environmental responsibility into daily operations and relationships.

Suppliers are therefore required to comply with applicable regulations, promote anti-corruption

policies and avoid conflicts of interest, thereby contributing to creating a fair and respectful working environment for all.

From an environmental perspective, B&C Speakers invites suppliers to comply with environmental regulations and implement practices that reduce the impact of their operations. This commitment includes sustainable waste management, compliance with regulations governing water withdrawal and discharge, and responsible sourcing of materials. The Group encourages suppliers to adopt environmental management systems and to undertake specific initiatives to promote environmental responsibility.

Furthermore, B&C Speakers recognises the importance of human rights and is committed to ensuring that its suppliers respect the rights and dignity of all workers, supporting them in implementing internal mechanisms that allow employees to report any violations. The Code clearly states that forced or compulsory labour practices and all forms of discrimination are not tolerated. Suppliers must ensure decent working conditions, fair wages and compliance

PILLAR ESG	OBIETTIVI	TIMING
Filiera sostenibile	Approvazione di un Codice di Condotta dei Fornitori internamente che integri una Politica dei lavoratori sulla catena del valore in linea con i principi sulla tutela dei diritti umani.	2025
	Condivisione e formazione sul Codice con un nucleo di fornitori target individuati (domestici e esteri) ad hoc.	2026
	Allargamento e completamento della platea di fornitori coinvolti.	2027
	Condivisione del questionario di due diligence con il campione di fornitori individuato.	2025
	Condivisione del questionario alla % target dei fornitori materiali sui temi fondamentali (1° livello).	2026
	Condivisione del questionario al % target dei fornitori materiali sui temi di dettaglio (2° livello) e allineamento con CSDDD.	2027

with applicable health and safety regulations. To ensure compliance with the provisions of the Code of Conduct, B&C Speakers reserves the right to monitor its suppliers, which may include audits at production sites and requests for necessary documentation. Transparency and cooperation are essential in this process, and suppliers are required to report any areas of non-compliance and implement the necessary actions to bring their operations into compliance.

In addition, B&C Speakers S.p.A. has adopted a **Responsible Procurement Policy**, undertaking to ensure that the tin used in its products does not finance armed conflict or human rights abuses in Conflict and High Risk Areas (CAHRAs) and neighbouring countries. Suppliers are required to adopt a policy to trace the origin of such materials and report any ethical concerns or policy violations. This commitment reflects B&C Speakers' dedication to promoting responsible sourcing practices and protecting human rights throughout the value chain.

With regard to the **selection and monitoring of suppliers**, the Parent Company continues to adopt specific procedures based on quality and cost assessment as well as the counterparty's ability to promptly provide goods and services of a standard appropriate to the company's needs. These procedures derive from the application of Model 231, which defines the tools and conditions for selecting a potential supplier and ensuring its continued presence on the list of qualified suppliers.

During the selection phase, the potential new supplier is subjected to an initial screening phase aimed at verifying the quality of the supply. A request for quotation is issued for a basket of products, which are then evaluated on the basis of quality and cost criteria.

Depending on the product category, suppliers must meet a series of specific requirements. The components requested are manufactured according to the Group's designs, which means

that suppliers must produce the components exactly according to the company's specifications.

In order to select suppliers, the company participates in trade fairs and networking events to learn about new and valid operators. However, it is becoming increasingly difficult to find reliable and capable suppliers who can meet the Group's needs.

This preliminary phase is followed by a visit to the supplier's production site, which is also attended by the Quality Manager. During the visit, a series of requirements defined in the Code of Ethics and collected in a specific checklist are verified, relating to technical and professional suitability, respect for the environment, and social commitment.

Once the collaboration has begun, accredited suppliers receive a copy of the Supplier Code of Conduct, which they must accept and sign, undertaking to ensure compliance and to disseminate its principles among their employees, suppliers, external collaborators and all other parties involved. To confirm their acceptance of the Code, recipients must sign the Acceptance Form or sign a specific contractual clause which guarantees their compliance with the principles and rules of conduct defined in the Code.

B&C Speakers reserves the right to monitor the recipients of the Code directly or through third parties. These activities, which may include requests for necessary documentation and audits at production sites and offices, including inspection visits, are essential to ensuring the full implementation of the Code. The Group undertakes to treat the information collected during monitoring with the utmost confidentiality, respecting the intellectual property rights and commercial rights of the recipients. Any refusal or failure to cooperate during the monitoring activities may be considered a potential sign of non-compliance. Accredited suppliers are subject to regular audits by the company, generally within six









months of completion of the qualification phase and every six months thereafter, to verify environmental compliance and compliance with health and safety regulations, including the implementation of mandatory training and health surveillance. These audits may be more frequent in the case of supplies considered critical to the production process. Once the inspections have been completed, suppliers are evaluated on a scale of 1 (job stopper) to 5 (acceptable/best practice), on the basis of which the Group decides whether the relationship can continue or whether action is necessary, agreeing with the supplier an improvement plan and measures aimed at remedying any shortcomings that may have emerged.

With the goal of progressively integrating ESG criteria into its business activities, the Parent Company recently added a request its preliminary supplier evaluation stage to share sustainability information and strategies, when adopted by the supplier, to extend the scope of analysis to possible commercial partners. In this regard, B&C Speakers S.p.A. is developing an internal supplier ESG assessment, which will award a score to each supplier based on their sustainability performance. The system is designed to incorporate ESG criteria into the existing quality standards and establish a prioritisation system for certified suppliers based on actual ratings. Although the rating system is not yet fully developed in relation to the product categories covered by the Carbon Border Adjustment Mechanism (CBAM), more specific questions on ESG issues and requests for information are already being asked of the Group's suppliers associated with these product categories. This has enabled the collection of data and information on ESG aspects for a small group of suppliers. The supply chains of the suppliers are more difficult to monitor, but B&C has begun to request further information, demonstrating its ongoing commitment to ensuring sustainability and

transparency throughout the supply chain. In 2024, the Parent Company continued to subject all purchased raw materials to rigorous testing upon receipt, ensuring quality before storage and start-up of production lines. For strategic semi-finished products, such as magnets, which require longer delivery times, suppliers are required to carry out preliminary tests before shipment, thus ensuring compliance with company standards. Currently, the Group's Italian companies rely on approximately 130 suppliers distributed globally. However, as of the end of 2020, B&C Speakers S.p.A. and Eighteen Sound have shifted their strategy towards domestic suppliers, where possible, driven by rising raw material prices and the need to reduce emissions and transport costs. This decision has helped to create value in the Italian supply chain, strengthening ties with the local area. Despite the Group's growing need for more targeted communication and specific requests for continuous improvement, which placed some strain on relationships with suppliers, in 2024 the core group of main suppliers remained unchanged. This was made possible through continuous and constructive dialogue, as well as long-standing human relations that have been nurtured over the years between the managers of the respective departments. In line with its commitment to traceability and transparency throughout the entire value chain, the Parent Company has launched an innovative project to associate all products with a unique serial code. This code allows the creation of a detailed database containing information on all batches and components in each product shipped, thus facilitating greater traceability. The success of this project has been made possible thanks to the collaboration between various company representatives, including the IT Manager, the Design Office Manager and the Quality Office, and the use of PDM design software. Thanks to these tools, it is possible to precisely measure the weight

of materials used in production processes, ensuring efficient and transparent resource management.

B&C Speakers S.p.A. has continued to successfully continue the project launched in 2021, aimed at making the company **plastic free**. The Quality Control Department carried out a census of incoming materials, finding that the use of plastic material mainly relates to packaging. As the supply chain represents the phase of the value chain with the greatest impact in this regard, the company invited its Italian suppliers to take part in the programme to reduce the amount of plastic used. There was a significant decrease in the total amount of plastic used, which fell from 19 tonnes in 2021 to less than 9 tonnes in 2023, representing a reduction of more than 50%. This considerable progress is mainly due to the replacement of plastic packaging with recycled and recyclable cardboard, and to the adoption of recyclable plastic packaging for finished products that are more susceptible to damage.

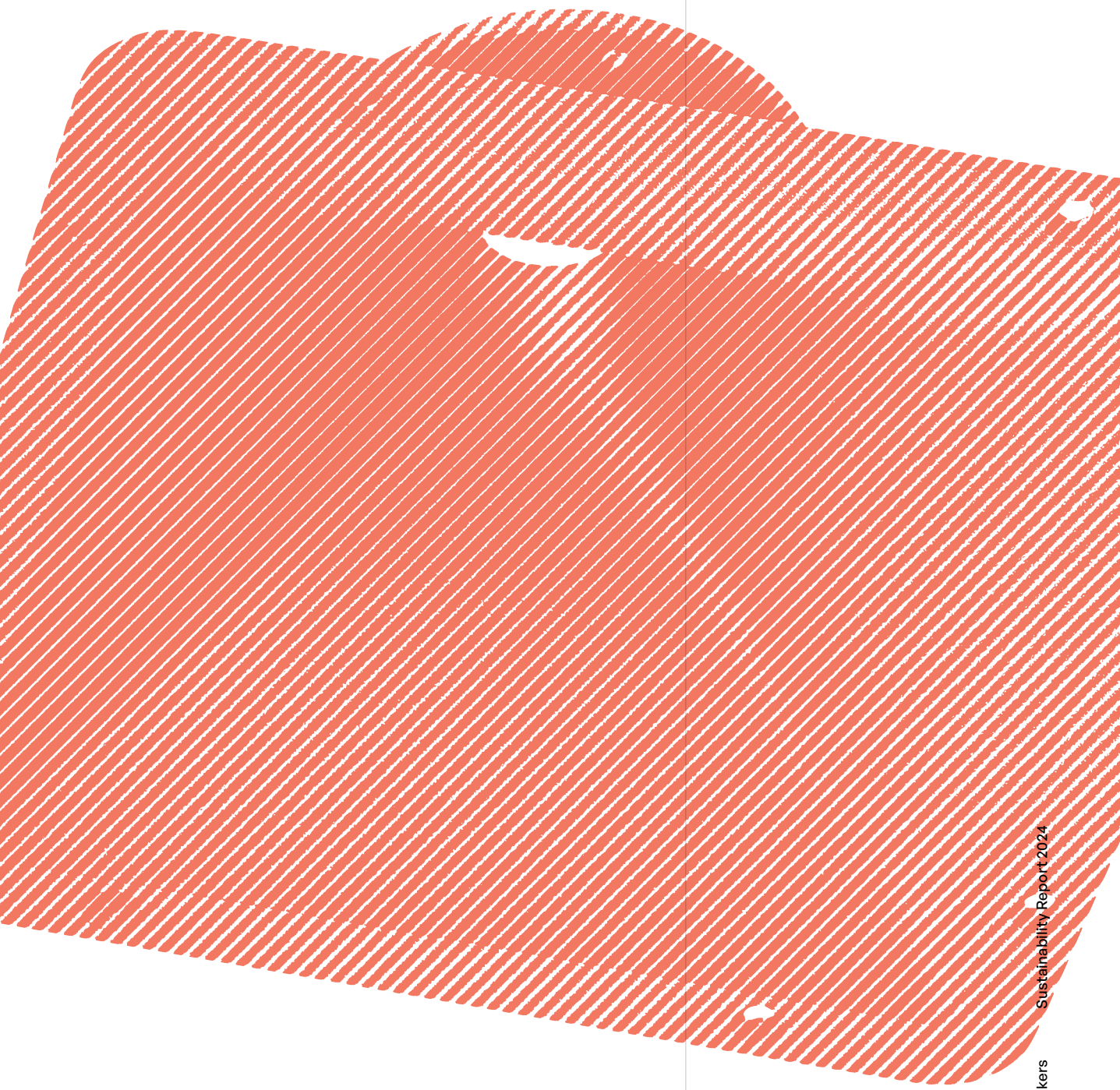
Although a substantial reduction in plastic has already been achieved in previous years, making further significant reductions difficult, the Group remains committed to further improvement. Thanks to these measures, by 2025 plastic use is expected to decrease by more than 80% compared to 2021 levels.



## B&C SPEAKERS FOR REIA

The Rare Earth Industry Association (REIA) is an international non-profit association, which represents the global rare earth element (REE) industry, founded in 2019 following a push by the European Commission with the aim of encouraging the identification of alternative solutions to the current methods used to obtain rare earth elements. REIA works to overcome the obstacles that characterise the rare earth industry, including the inefficient recovery of resources from users and end products, the high environmental impact of production and processing, and the high volatility of raw material prices. With the aim of addressing these issues, REIA brings together the key players in the supply chain across the global market and shares the information needed to create an innovative industry. The organisation has active members worldwide, including the B&C Speakers Group, which also sits on the board of the initiative. REIA's main objective is to promote and improve the transparency and sustainability of the rare earth value chain. Current initiatives include the measurement and communication of the environmental impact of

products containing rare earth oxides (REO) and the development of a Life Cycle Inventory (LCI) related to rare earth production, in order to understand the impacts resulting from these elements. Additionally, the scientific committee of the REIA, in cooperation with an American certification body, has begun developing an International Organization for Standardization (ISO) standard regarding the production of products containing rare earth elements. The Group will be able to be certified as an ISO partner and then evaluate respect for the criteria of the standard by other companies in the sector. During 2024, REIA continued its project to introduce a blockchain that will enable the environmental footprint of rare-earth elements to be assessed. In fact, using the Life Cycle Assessment (LCA) method, it is possible to reconstruct the product life cycle from extraction to production of the magnets. However, the most recent studies still use data coming from literature or estimates, increasing uncertainties about the environmental impacts calculated. The Group decided to launch a project with the University of Florence to analyse the life cycle of its products with more relevant data.





## 3.2

# Our customers around the world

Just as it is committed to establishing fruitful relationships with upstream players in the value chain, the Group also has strong relations with customers downstream in the value chain.

Just as it is committed to establishing fruitful relationships with upstream players in the value chain, the Group also has strong relations with customers downstream in the value chain. Indeed, one of B&C Speakers' strengths is the strong relationships built with customers and developed over the years through close cooperation, which has helped to establish a climate of mutual respect and trust.

These relations were mainly created during audits by customers. In fact, the Group has demonstrated that it has the processes and competent personnel necessary to ensure the quality and safety of the equipment it manufactures, as well as compliance with the REACH Regulation<sup>9</sup> and the RoHS Directive<sup>10</sup>, which prohibit the use of certain substances in products to protect the environment and the health of end users.

In recent years, there has been a significant increase in the industrial sector's focus on the use of PFAS (perfluoroalkyl substances). These substances are known for their persistence and ability to bio-accumulate in the environment, and exposure to them can cause serious health problems. The issue is of international concern, prompting several governments, notably those of the United States and France, to adopt specific regulations and bans to limit the spread and use of these substances where possible. In this context, and in response to requests for assurances from customers, in 2024 B&C Speakers conducted an in-depth analysis of the presence of PFAS in its products and purchased materials, confirming the absence of these substances. It subsequently published a statement on its website to guarantee that all its products are PFAS-free and requested its suppliers to ensure that the raw materials they supply do not contain PFAS. This ongoing commitment to quality and safety, together with compliance with current regulations, is further strengthening the relationships of trust and collaboration with customers.

<sup>9</sup>. Regulation (EC) No. 1907/2006

<sup>10</sup>. Directive 2011/65/EU

In addition, the Parent Company has adopted an information security management system, certified since 2018 according to the UNI EN ISO 27001 standard, in order to guarantee the confidentiality, integrity and legal compliance of customer data. This system promotes a culture of security within the organisation, ensuring that employees are aware of best practices for data management. At the same time, it demonstrates a tangible commitment to customer trust, helping to strengthen its reputation on the market.

Through the adoption of an Integrated Management System, B&C Speakers periodically monitors its performance in terms of information security, implementing measures to ensure continuous improvement and updating its internal policies and operating procedures when necessary.

In particular, a Management Review is carried out every year. During this dedicated meeting, the Management analyses the objectives set, the results achieved and the effectiveness of the Management System, in order to identify any areas requiring correction or improvement.

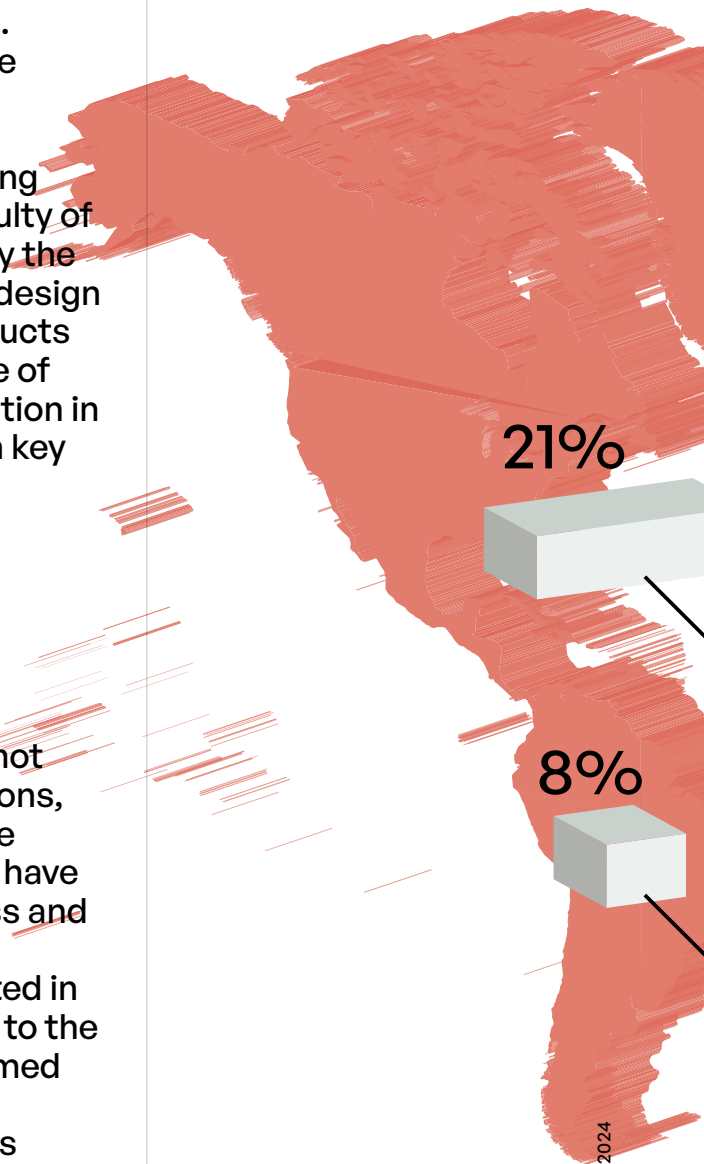
A distinctive feature of the B&C Speakers Group's business is its close collaboration with customers in the development of products that meet their specific needs, such as improved performance, technological innovation and the application of special treatments. The Group produces most of its products to order and thus offers a high degree of flexibility. This approach, which eliminates the need for large stocks of finished products, allows the Group to make rapid changes and continuous improvements, while also ensuring the delivery of customised products without compromising on quality, a key factor that has enabled it to forge strong and long-lasting partnerships. Furthermore, as some of the components supplied by B&C Speakers are difficult to replace, the relationships established are very stable, precisely because of the sensitivity

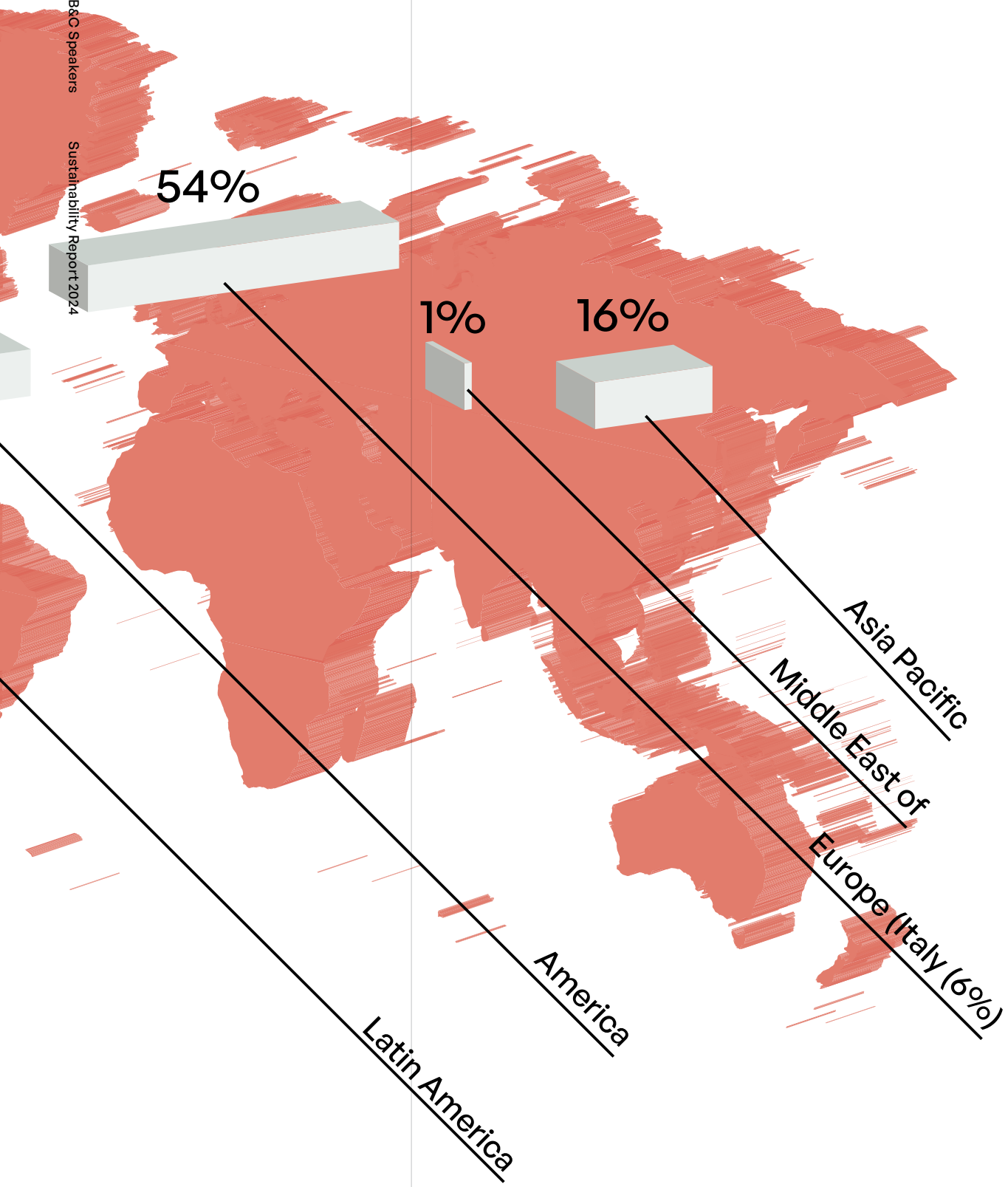
of some of the information gathered in the innovation and development projects carried out in close collaboration with customers. In line with its risk management policy, the Group places particular emphasis on the product development process, aiming to extend the product life cycle by maintaining high quality levels. In particular, the difficulty of replacing certain components supplied by the Group, together with its high capacity to design and manufacture highly customised products for its customers, has led to a high degree of customer loyalty and a consequent reduction in the risk arising from the concentration on key customers.

At present, B&C Speakers has around 150 customers located across the world.

In economic terms, most of the Group's revenues come from orders placed by customers who are direct manufacturers (OEMs) of professional audio systems. If demand from these customers, who are not tied by any particular contractual obligations, were to decline, or if payments from these customers were to be delayed, this could have a negative impact on the Group's business and financial position.

In 2024, revenues were mainly concentrated in Europe, which an 11% increase compared to the previous year. North America also performed well, with an increase of 13%, highlighting the effectiveness of the market strategies adopted in the region. Latin America, on the other hand, recorded a slight increase of 1%, indicating a certain stability in the area, while the Middle East and Africa experienced a significant decline. Asia and the Pacific also showed a slight decline and a decrease of 3%, suggesting the need for targeted strategies to stimulate growth in these areas.





# Our commitment to environmental protection



In line with its Code of Ethics, the B&C Speakers Group is committed to promoting and strengthening a strong environmental culture and awareness, always operating in compliance with the applicable laws

In line with its Code of Ethics, the B&C Speakers Group is committed to promoting and strengthening a strong environmental culture and awareness, always operating in compliance with the applicable laws. Recognising the direct and indirect impact of its activities on the environment and climate, the Group considers environmental impact to be an important issue and aims to reduce the negative effects generated by resource consumption, waste production and other activities. The aim is to create, offer and maintain a healthy environment, extending this commitment to the broader concept of preserving the environment for future generations.

Within its Integrated Policy, which is accessible to the public on the company website and shared with all employees and public control bodies, the Parent Company aims to pursue and guarantee respect for the environment over time, considering this to be a central element for sustainable and continuous growth. To ensure the application of this Policy, in 2020 B&C Speakers S.p.A. certified its Environmental Management System in accordance with the UNI EN ISO 14001 standard. This certification has been maintained over the years.

Through the adoption of an Integrated Management System, B&C Speakers periodically monitors its performance in terms of the environment, implementing measures to ensure continuous improvement and updating its internal policies and operating procedures when necessary.

In particular, a Management Review is carried out every year. During this dedicated meeting, the Management analyses the objectives set, the results achieved and the effectiveness of the Management System, in order to identify any areas requiring correction or improvement.

In addition, an Environmental Analysis Report is drawn up and the Environmental Impact Assessment is updated every year in order to provide a detailed picture of the current situation and any environmental risks

associated with the company's activities, implementing control and improvement measures aimed at reducing risk and keeping it within defined acceptable values. Based on these analyses, the Parent Company updates and monitors its improvement objectives every year, as well as developing its environmental plans and initiatives. The 2024 Environmental Impact Assessment did not reveal any additional risks in the areas considered. From a regulatory point of view, the Group's Italian sites are subject to the Single Environmental Authorisation (SEA) procedure with regard to atmospheric emissions produced by the gluing and welding workstations, in particular for total dust and volatile organic compounds (VOCs). In compliance with the requirements of the SEA, self-checks are carried out annually on emission chimneys and the results are reported to the relevant bodies. In line with previous years, no values exceeding the legal limits were recorded in 2024.





## 4.1

# Energy consumption and climate-changing emissions

In the B&C Speakers Group's 2025-2027 Sustainability Plan the topic of Responsible Production is considered to be of crucial importance

In the B&C Speakers Group's 2025-2027 Sustainability Plan the topic of Responsible Production is considered to be of crucial importance, both for its environmental and operational implications. In this regard, the Group has set targets for the management of climate-changing emissions and energy consumption, with the aim of actively contributing to the fight against climate change.

One of the main objectives is to conduct an in-depth analysis of energy consumption and greenhouse gas (GHG) emissions produced at Group level, in order to facilitate the identification of areas for improvement and the implementation of tangible energy efficiency strategies appropriate to the size of the Group. This process aims to define targets aligned with the Science Based Targets initiative (SBTi) and to develop a decarbonisation policy, contributing to sustainable growth and the achievement of globally defined targets.

These commitments represent the dedication of the B&C Speakers Group to environmental and operational responsibility, promoting business practices and strategies that reduce its environmental impact.

Energy consumption data has already been collected for all Group entities in order to prepare this document. This monitoring will provide a comprehensive and detailed overview of the Group's energy consumption, with the aim of gaining improvements by reducing the use of estimates.

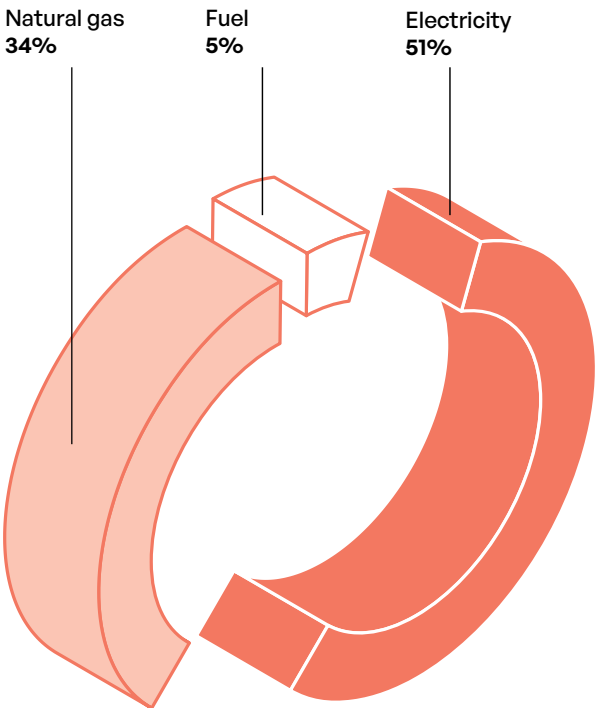
In addition, in 2024 the Group performed its first Scope 3 GHG emissions calculation, which includes all indirect GHG emissions from activities along the value chain. This calculation is a key step in understanding the overall impact of the Group's operations and identifying the areas on which to focus emissions reduction efforts.

In 2024, following the expansion of the Group, the main energy consumption is attributable to the production processes of the facilities



ESG PILLAR	TARGETS	TIMING
Responsible production	Extension of consumption monitoring to all group entities (Scope 1 and Scope 2)	2025
	Assessment of the results of the emissions analysis and evaluation of efficiency measures and improved energy mix in Italy, with a simultaneous climate risk analysis aimed at investigating physical and transition risks related to climate change	2026
	Assessment of the results obtained, efficiency measures and optimisation of the energy mix at group level, and assessment of the definition of targets in line with SBTi standards.	2027
	First calculation of Scope 3 emissions and definition of any areas of interest.	2025
	Second calculation of Scope 3 emissions and analysis of new areas of interest.	2026
	Third calculation of Scope 3 emissions and definition of a decarbonisation policy in light of the calculation results.	2027

Energy consumption - 2024



located in Bagno a Ripoli, Reggio Emilia, Eminence (USA) and Dongguan (China). This consumption is mainly attributable to the use of purchased electricity and natural gas. In particular, the product assembly and testing lines, the handling and hoisting equipment, as well as lighting and cooling and heating systems in the factories and offices of the Parent Company and the Chinese company are all powered exclusively by electricity.

In 2024, electricity consumption accounted for approximately 61% (10,408 GJ) of total energy consumption, of which 483.5 GJ came from the photovoltaic system on the roof of the Parent Company's factory. Total energy consumption, amounting to 17,062 GJ, increased by 70% compared to 2023. This significant change is due to the expansion of the reporting boundary, which, as of 2024, also includes the new production sites of Eminence Speaker LLC and B&C Speakers Dongguan, LTD.

The production plants in Reggio Emilia and Eminence also have a heating system powered by natural gas. The natural gas consumption related to this system, together with that associated with B&C Speakers USA, accounts for 34% of total energy requirements, equivalent to 5,802 GJ. The remaining 5% of energy consumption relates to the fuel consumed by the company fleet.

With regard to the company fleet, the Parent Company is continuing with its plan to reduce emissions and optimise fuel consumption through the gradual replacement of conventional vehicles with more environmentally friendly alternatives equipped with hybrid petrol/electric engines. One vehicle was replaced in 2024, and the goal is to gradually replace the entire fleet with hybrid vehicles. In line with last year, no refrigerant gas leaks were recorded.

The Group's production facilities in Bagno a Ripoli and Reggio Emilia were built using the latest construction techniques and

**ii.** For 2023 the data relating to the energy produced by the photovoltaic system have been restated compared to the data reported in last year's Sustainability Report. This update was made following an improvement in the data collection methodology.

designed to maximise the use of natural light, thereby reducing the need for artificial lighting and allowing for significant energy savings. Furthermore, as part of energy efficiency initiatives, an advanced HVAC (Heating, Ventilation & Air Conditioning) system was installed at the Parent Company's headquarters in previous years. This system consists of cutting-edge machinery and technology capable of efficiently supplying and regulating heating, cooling, ventilation and air conditioning in the plants. This solution not only optimises the performance of the systems, ensuring optimal temperature control, but also delivers benefits in terms of energy efficiency and a reduced environmental impact. In 2024, B&C Speakers further strengthened its commitment by developing a sophisticated energy consumption monitoring system at its Italian sites, which allows consumption to be

Energy consumption within the organisation  
(GJ)<sup>ii</sup>

	2022	2023	2024
Electricity (purchased and self-produced)	6.785	7.240	10.590
Electricity purchased from renewable sources	-	-	4.379
Self-produced electricity from renewable sources	-	757	665
of which consume	-	602	484
of which sold	-	156	181
Natural Gas	3.005	2.547	5.802
Diesel for company vehicles	175	156	314
Petrol for company vehicles	175	238	432
Propane for company vehicles	-	-	106
Total consumption	10.149	10.025	17.062

tracked in kWh on a daily or monthly basis or according to a custom frequency. The system relies on the IKON server, which collects and analyses energy consumption data, enabling the identification of inefficiencies and optimisation of energy use, and reducing energy costs and the associated environmental impact.

The Parent Company had also already taken a significant step towards energy efficiency by installing photovoltaic systems on the roofs of its factories in Bagno a Ripoli. These systems, with a total capacity of 200 kW, represent an important initiative for the generation of renewable energy, helping to reduce dependence on conventional energy sources. In 2024, these systems produced a total of 184,720 kWh, of which 27% (50,410 kWh) was fed back into the national grid, while the remaining 73% (134,310 kWh) was self-consumed.

In addition, following the work carried out in 2023, as of May 2024 the electricity supply of the Parent Company and Eighteen Sound is sourced exclusively from renewable energy. This milestone represents a further step towards sustainable growth, ensuring that the energy used comes exclusively from renewable sources and further reducing the environmental impact of the Group's operations.

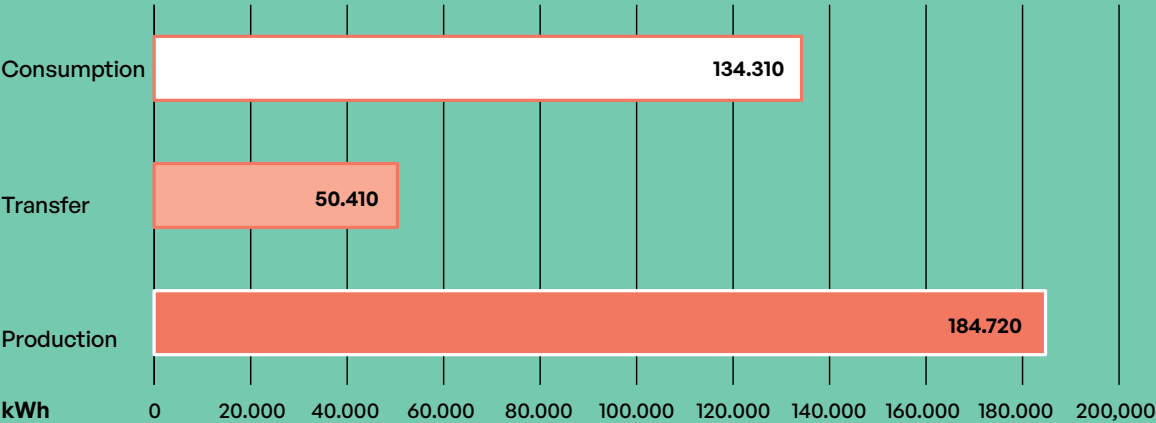
The energy efficiency initiatives implemented, the production of energy from renewable sources and the purchase of renewable electricity represent B&C Speakers' commitment to reducing the greenhouse gas emissions associated with its business activities and, consequently, contribute significantly to the fight against climate change.

GHG emissions associated with the Group's energy consumption are divided into direct emissions (Scope 1), arising from emission sources owned or directly controlled by the organisation, and indirect emissions (Scope 2), which come from the purchase of electricity.

Self-produced eletricity from photovoltaic systems - 2024

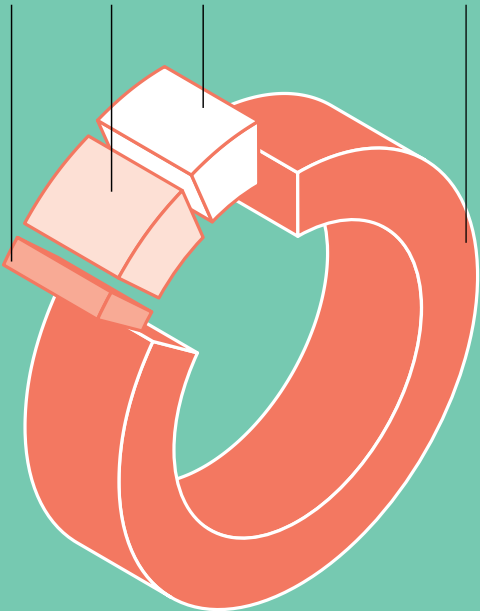
B&C Speakers

Sustainability Report 2024



Percentage of Scope 1 Emissions

FGas 0 Propane 2% Gas 7% Diesel 6% Natural gas 85%



Direct emissions include those produced by the combustion of fossil fuels for heating buildings and the use of company vehicles. The reporting of GHG emissions for 2024 differs significantly from previous years as, following the expansion of the reporting boundary, the Group's emissions data now also include the new production sites of Eminence Speaker LLC and B&C Speakers Dongguan, LTD. This expansion has provided a more complete and accurate view of the Group's overall environmental impact.

Furthermore, this document is the first version of the B&C Speakers Group Sustainability Report to include Scope 3 GHG emissions reporting. This analysis, which has been carried out for the first time in this financial year, takes into account all other indirect emissions that occur throughout the entire value chain, including those resulting from the activities of suppliers and the use of the products sold. The inclusion of Scope 3 GHG emissions underscores the Group's commitment to monitoring and reducing its environmental impact throughout the entire life cycle of its products, promoting greater environmental responsibility.

In 2024, Scope 1 GHG emissions were quantified at 383.62 tCO<sub>2</sub>eq. Of these emissions, 15%, equal to 56.87 tCO<sub>2</sub>eq, is attributable to the consumption of petrol, propane and diesel used to power the Group's vehicle fleet. The largest contribution to GHG emissions, equal to 85% and corresponding to approximately 326.8 tCO<sub>2</sub>eq, comes from the consumption of natural gas.

In 2024, Scope 2 GHG emissions, which entirely related to the consumption of electricity purchased from the grid, amounted to 1,008 tCO<sub>2</sub>, calculated using the location-based method. This method involves the use of national average emission factors relating to each country's energy mix for electricity production.



Quantitative analyses of Scope 2 GHG emissions - Location Based show that the majority (57%) is associated with Italian sites. The United States represents 29% of emissions, while China accounts for 13% and Brazil contributes a marginal share of approximately 0.1%.

These figures reflect the geographical distribution of B&C Speakers' activities: in Italy, the high percentage of emissions can be attributed to the presence of numerous production facilities and the density of business operations. In the United States, the significant contribution to emissions is linked to the extensive distribution network and commercial operations. China has a considerable impact due to its role as a manufacturing hub, while Brazil, with a less significant presence, contributes minimally to overall emissions.

Using the market-based calculation method, which takes into account purchased renewable electricity and any contractual agreements with electricity suppliers and uses an emission factor that considers the residual market mix, B&C Speakers' Scope 2 GHG emissions amounted to 746 tCO<sub>2</sub>.

Despite the expansion of the reporting boundary, there was an overall decrease of approximately 10% compared to 2023, attributable to the significant increase in purchases of energy from renewable sources by Italian companies.

With regard to other indirect emissions (Scope 3), the Group conducted an analysis to identify the activities with the greatest impact in terms of emissions. Based on this analysis, the following reporting categories were identified:

- Categoria 3.1: *Purchased good and services*;
- Categoria 3.2: *Capital Goods*;
- Categoria 3.3: *Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2*;
- Categoria 3.4: *Upstream transportation and distribution*;
- Categoria 3.5: *Waste Generated in Operation*;
- Categoria 3.6: *Business travel*;
- Categoria 3.7: *Employee commuting*;
- Categoria 3.9: *Downstream trasportation and distribution*;
- Categoria 3.11: *Use of sold product*;
- Categoria 3.12: *End-of-life treatment of sold products*.

Categories 3.8 – Upstream Leased assets, 3.10: Processing of sold products, 3.13 – Downstream Leased assets, 3.14 - Franchises and 3.15 – Investments, are not applicable to the Group’s business or are not relevant.

Scope 2 GHG Emissions  
Location Based

ELECTRICITY CONSUMPTION	TCO2
Italia	577
USA	295
Cina	135
Brasile	1
Totale	1.008

Scope 2 GHG Emissions  
Market Based

ELECTRICITY CONSUMPTION	TCO2
Italia	308
USA	302
Cina	135
Brasile	1
Totale	746

The results for each reporting category are shown below:

CATEGORY (GHG PROTOCOL)	TONCO <sub>2</sub> E 2024
Scope 3.1 Purchased goods and services	38.809
Scope 3.2 Capital goods	401
Scope 3.3 Fuel and energy-related activities (not included in Scope 1 and Scope 2)	242
Scope 3.4 Upstream transport and distribution	1.229
Scope 3.5 Waste generated by operations	227
Scope 3.6 Business travel	125
Scope 3.7 Employee commuting	316
Scope 3.9 Transport and downstream distribution	440
Scope 3.11 Use of products sold	544.479
Scope 3.12 End-of-life of products sold	1.295

The analysis showed that categories 3.1 and 3.11 were the most impactful, representing approximately 6.59% and 92.49% of the Group’s total GHG emissions. Scope 3 GHG emissions accounted for the largest share of the Group’s total GHG emissions (Scope 1, 2 and 3) in 2024. The company is committed to monitoring its energy consumption, as well as the related GHG emissions generated, to identify and implement optimisation and reduction measures.

# GHG Emissions (tCO<sub>2</sub>eq)

	2022	2023	2024
Direct GHG emissions (Scope 1)			
Natural Gas	170	143	327
Diesel	12	11	22
Petrol	12	15	28
Propane	-	-	7
Total direct emissions	194	170 <sup>12</sup>	384
Indirect GHG emissions (Scope 2)			
Indirect emissions (Location-based)	593	570	1.008
Indirect emissions (Market-based)	860	828	746
Other indirect GHG emissions (Scope 3)			
	-	-	587.562
Total GHG emissions Scope 1, Scope 2 – location based, Scope 3	787	740	588.953
Total GHG emissions Scope 1, Scope 2 – market based, Scope 3	1.054	998	588.691

<sup>12</sup>. The total (170) differs from the algebraic sum of the components (169) due to the presence of decimals for the natural resources reported.

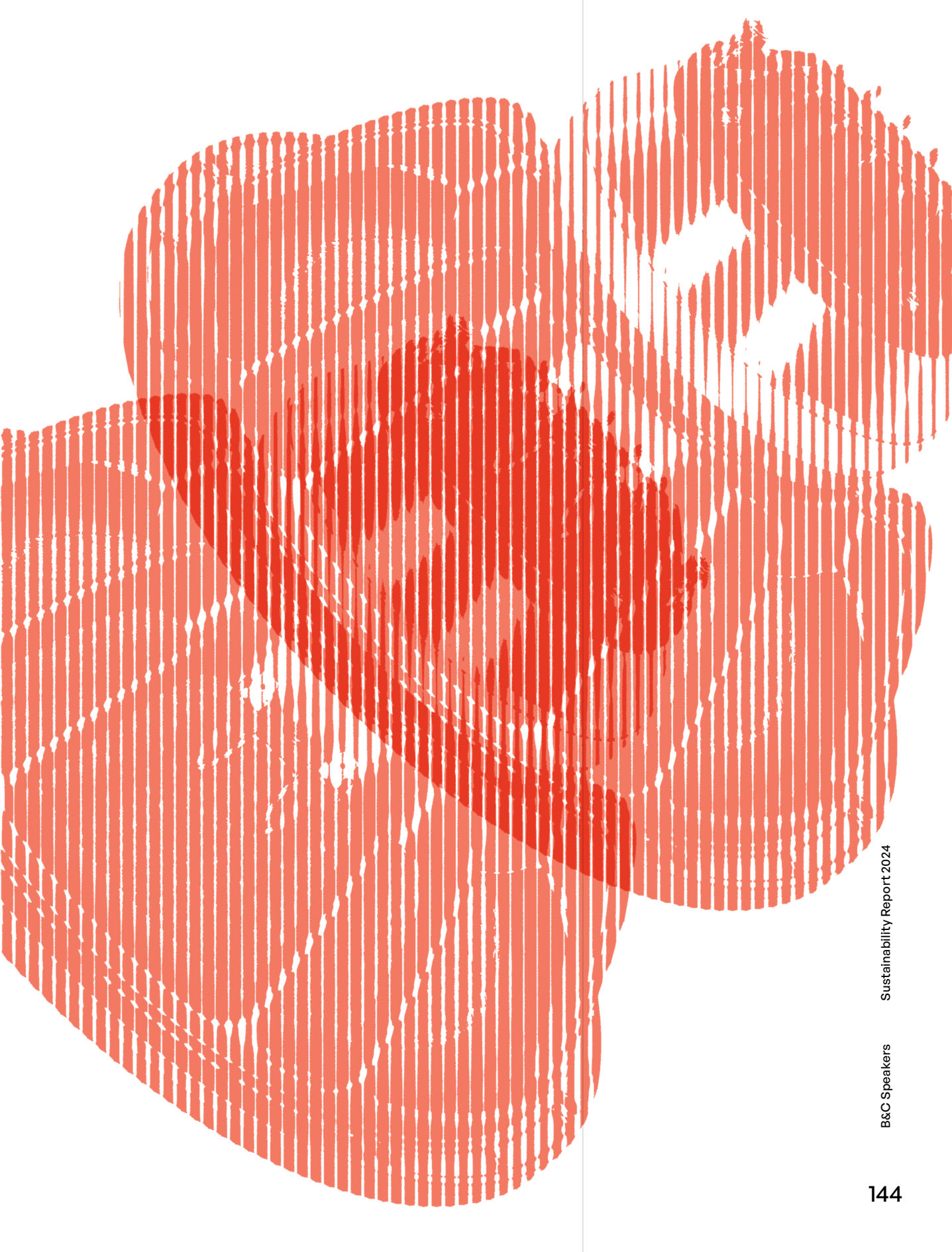
### B&C Speakers and Treedom

Also in 2024, the partnership started by B&C Speakers in 2021 with the certified B-Corp Treedom was continued, with the aim of sponsoring the implementation of agroforestry and social projects. The forestation project generates environmental benefits as it helps to combat soil erosion, enrich biodiversity, protect soil fertility and create sustainable ecosystems. Furthermore, in the course of its life, each tree absorbs CO<sub>2</sub> from the atmosphere and stores it in its wood. This process removes CO<sub>2</sub> from the atmosphere

and its effects are greater the longer the trees are able to grow and live. Equally important are the positive impacts generated on the local communities where these projects are implemented, including funding, training and technical assistance, as well as the recognition of the ecosystem services provided by the trees in terms of food resources and economic opportunities. The partnership, set to last five years, calls for 200 years to be planted every year: the B&C Forest. The trees are located in Cameroon, Colombia, Ecuador, Ghana, Kenya, Madagascar, Nepal and Tanzania.









## 4.2

# Sourcing of raw materials

The responsible  
sourcing of raw  
materials is central  
to the Group's  
sustainability strategy

The responsible sourcing of raw materials is central to the Group's sustainability strategy, as it is closely linked to both product quality and the management of environmental impacts upstream in the value chain. The production of high-performance electro-acoustic components requires the use of strategic materials and rare resources, including iron, aluminium, copper, ferrite and neodymium magnets, which are essential elements in ensuring the reliability and distinctive quality of B&C Speakers products.

In particular, given the growing global attention to biodiversity protection and the responsible use of natural resources, the Group recognises the importance of proactively assessing and managing the indirect impacts on the ecosystem associated with the procurement of materials along its value chain. In this context, biodiversity is a relevant aspect as it is closely related to the supply of raw materials used in production processes.

The use of materials from complex global supply chains, often located in geographical areas characterised by political instability and environmental vulnerability, poses an indirect but significant risk to the integrity of natural ecosystems. The extraction activities necessary to supply these resources can have severe and potentially irreversible environmental impacts, including the conversion of natural habitats, ecosystem fragmentation, and the permanent loss of biodiversity, which, if not adequately monitored and mitigated, can permanently compromise the ecological balance of the areas concerned. Aware of these critical issues, the Group is committed to promoting a corporate culture focused on environmental responsibility, as enshrined in its Code of Ethics and formalised in the Sustainable Production and Sustainable Supply Chain pillars of its Sustainability Policy. In line with this approach, the Group has planned to define a dedicated biodiversity policy by 2026, establishing principles, targets

**13.** REACH (an acronym of Registration, Evaluation, Authorisation and Restriction of Chemicals), or Regulation EC 1907/2006 of the European Parliament and Council, concerning the registration, evaluation, authorisation and restriction of chemical substances, calls for the registration of all substances produced in or imported into the European Union in quantities exceeding one tonne per year.

**14.** RoHS (an acronym of Restriction of Hazardous Substances), directive 2011/65/EU of the European Parliament and Council on the restriction of the use of certain hazardous substances in electrical and electronic equipment.

and operational criteria for the prevention and mitigation of indirect impacts on natural ecosystems. This policy will then be shared with the entire supplier network by 2027, with the aim of promoting responsible resource management throughout the supply chain and strengthening the collective contribution to the conservation of natural capital.

These materials are sourced through a network of carefully selected suppliers, who are required to comply with strict quality standards and to adopt ethical and sustainable practices. To this end, the Group’s Supplier Code of Conduct establishes the obligation to implement management systems that ensure the traceability of raw materials, the reduction of environmental impact and respect for human rights throughout the supply chain. In line with the OECD Due Diligence Guidance, suppliers are also required to carry out thorough checks on the origin of materials such as aluminium, copper, iron, tin, rare earths and other critical metals, in order to rule out any involvement in activities that may finance armed conflict or human rights violations in high-risk areas.

At the same time, the Group is strongly committed to regulatory compliance, adhering to the REACH Regulation<sup>13</sup> and the RoHS Directive<sup>14</sup>, which restrict the use of hazardous chemicals in products, thus protecting the environment and human health. The REACH and RoHS declarations published by B&C Speakers and its subsidiary Eighteen Sound confirm the absence of prohibited substances in products intended for the market, ensuring maximum transparency towards customers and stakeholders.

ESG PILLAR	TARGETS	TIMING
Responsible production	Definition of a group-wide biodiversity policy	2026
	Sharing of the biodiversity policy with suppliers	2027

The Group's approach is also characterised by its growing focus on the principles of the circular economy, which is considered a strategic lever for reducing dependence on virgin resources and minimising environmental impact. In this context, B&C Speakers actively participates in research and development projects, such as Susmagpro, which ended in 2023, aimed at the recovery and reuse of magnetic materials, and has set a series of objectives including:

- the analysis of incoming and outgoing materials from a circularity perspective (2025);
- the definition of environmental targets for the most impactful materials (2026);
- the implementation of an eco-design project for product packaging (2027);
- scouting for partners to measure the carbon footprint and LCA of a selected product (2025), with extension to other lines by 2027.

In addition, the Group is working to define a global Restricted Substances List (RSL) (2025) and to analyse packaging management in all legal entities, with the aim of developing guidelines for the circular use of paper and plastic by 2026.

In 2024, the B&C Speakers Group managed a total volume of 5,351 tonnes of incoming materials for its production processes. This figure reflects a significant expansion of the reporting scope compared to previous years, which for the first time included the production sites of B&C Speakers China and Eminence Speakers in the United States, in addition to the Italian plants of B&C Speakers S.p.A. and 18Sound.

Overall, in 2024, 5,000.9 tonnes of non-renewable materials were purchased, accounting for approximately 93% of the total, compared to 350.6 tonnes of renewable materials, equivalent to approximately 7%. An analysis of the composition of the materials shows a clear prevalence of non-renewable raw

materials, especially iron, which accounts for approximately 42% of the total, followed by steel (17%), aluminium (15%) and ferrite (13%), and neodymium (4%). These materials form both the structural and functional basis of the electro-acoustic components produced by the Group. In addition to these main raw materials, numerous secondary materials are also used, including adhesives, silicone, paints, technical polymers and special alloys, which are also mainly of non-renewable origin.

The table below shows the quantities in tonnes of the main categories of incoming materials used at the Group's production sites.

ESG PILLAR	TARGETS	TIMING
Responsible production	Participation in research and development activities on circular economy issues (e.g., Susmagpro Analysis and definition of an RSL for the entire Group	2025
	Analysis of packaging management from a circular economy perspective in all legal entities of the Group	2025
	Definition of packaging guidelines: use of paper and plastic for circular waste management	2026
	Implementation of an ad hoc product packaging project (eco-design)	2027
	Analysis of incoming and outgoing materials from a circularity perspective following Scope 3 analysis	2025
	Definition of targets for the most impactful materials based on the results of the calculation and analysis	2026
	Continuous analysis of materials starting from Scope 3 and definition of new targets based on the results of the calculation	2027
	Scouting and searching for partners to carry out a carbon footprint/LCA for a product	2025
	LCA/carbon footprint of the selected product	2026
	Extension of the analysis to another product line	2027

# Main materials purchased for use in production processes (tonnes)<sup>15</sup>

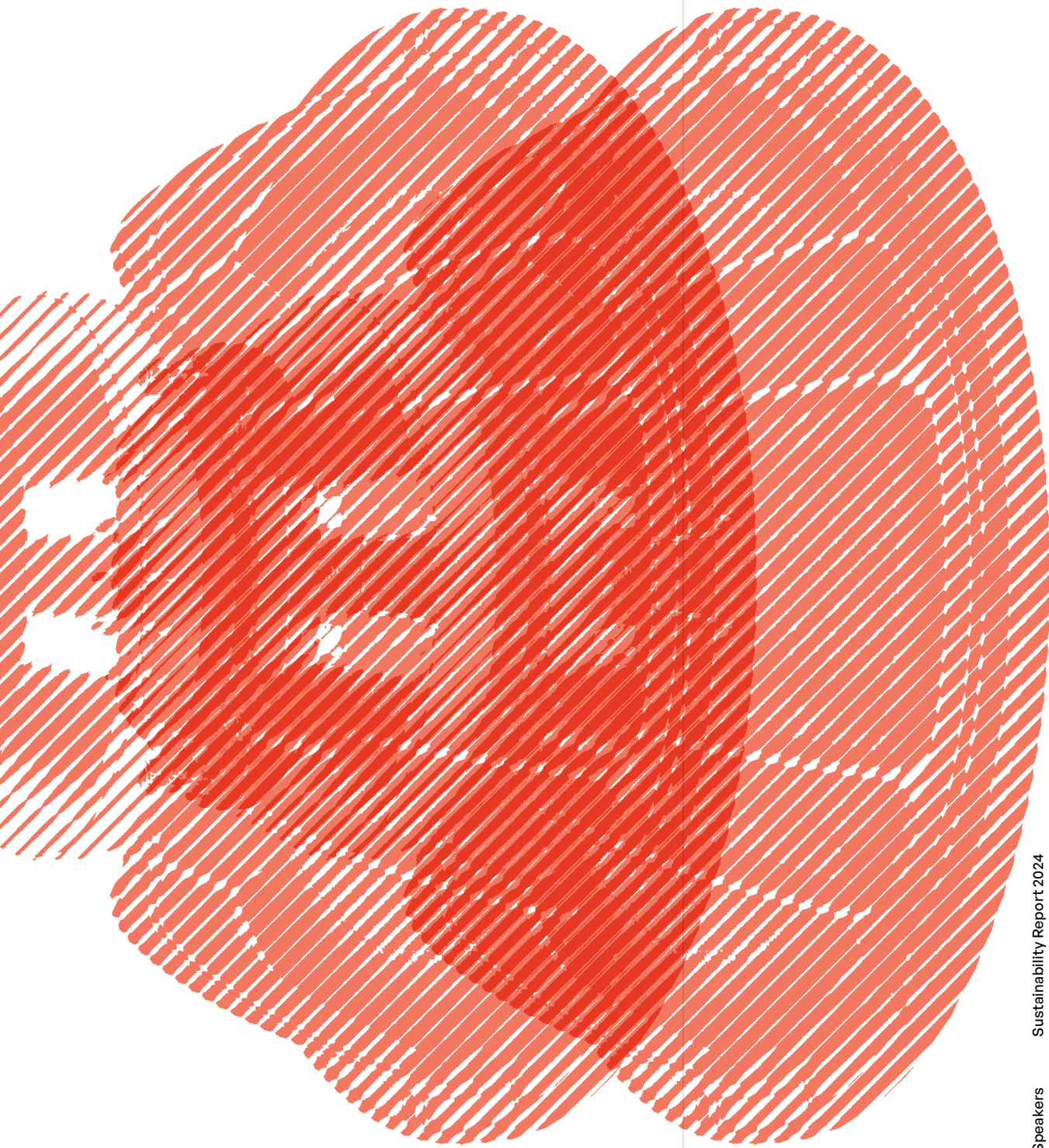
	RENEWABLE	2022	2023	2024
Iron	NO	4.835	2.680	2.271
Aluminium	NO	2.057	733	799
Ferrite magnets	NO	1.134	692	703
Neodymium magnets	NO	274	269	214
Paper	SI	82	143	256
Copper	NO	41	15	24
Steel	NO	-	154	891
Plastic <sup>16</sup>	NO	-	66	30

<sup>15</sup>. As stated in the methodological note, in 2024 the calculation methodology applied in 2023 to incoming materials used in the production processes of Group companies, with the exception of the Parent Company, was used. As a result, data relating to steel, plastic and mixed materials for 2022 cannot be identified.

<sup>16</sup>. Excluding biodegradable plastic







## 4.3 Responsible waste management

In the professional electro-acoustic transducer manufacturing sector, the use of potentially hazardous materials requires strict management of scrap and waste, in compliance with current environmental, health and safety regulations

In the professional electro-acoustic transducer manufacturing sector, the use of potentially hazardous materials requires strict management of scrap and waste, in compliance with current environmental, health and safety regulations. In this context, waste management is a critical and strategic process for B&C Speakers and is addressed with a systematic and responsible approach aimed at reducing environmental impact through recycling, recovery and controlled disposal practices.

In line with its Sustainability Policy, the Group is committed to limiting the environmental impact of the materials used, with particular attention to the inbound and outbound logistics phases, and to constantly monitoring the consumption of resources upstream of the production process, as well as the production and management of waste downstream.

In 2024, the total volume of waste generated by the Group's production activities in Italy and the United States reached 768<sup>17</sup> tonnes. This increase compared to the previous year is mainly attributable to the expansion of the reporting boundary, which now also includes the Eminence site (USA). Limiting the analysis to Italian sites only, the amount of waste produced in 2024 was 389 tonnes, a modest increase of 3% compared to 2023.

A qualitative analysis of the waste shows that approximately 51% of the total consists of non-hazardous waste intended for recovery, while less than 25% is non-hazardous waste sent for disposal. Hazardous waste accounts for approximately 25% of the total, of which 23.5% destined for recovery and 1.1% for disposal and incineration.

Currently, there is no specific distinction between the types of disposal and the different types of recovery, nor is there a breakdown based on the composition of the waste. The quantities of hazardous and non-hazardous waste produced in 2023 and 2022

<sup>17</sup>. The total amount of waste from manufacturing companies does not include data from the Chinese company (B&C Dongguan Electronics Co. Ltd), which, as it is reporting this data for the first time, is currently establishing a specific internal data collection process.



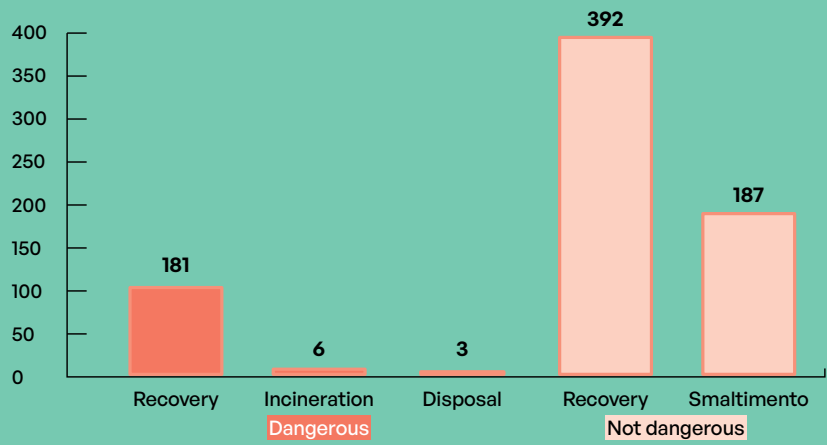
by B&C Speakers Spa and 18 Sound are shown in the graphic of the previous page.

To ensure that waste is managed effectively and in compliance with current regulations, waste management officers have been appointed at each of the Group's Italian production sites. In addition, specific instructions have been distributed to staff which contain guidelines for the correct separation, storage and delivery of waste. Waste production is monitored using loading and unloading forms and through the annual completion of the Single Environmental Declaration Form (MUD). Waste is stored in paved areas equipped with water drainage systems or in covered outdoor containers until delivery to accredited suppliers for recovery or disposal. Paper, cardboard, and wooden packaging are generally sent directly for recycling, while other waste is temporarily stored in dedicated areas pending further processing.

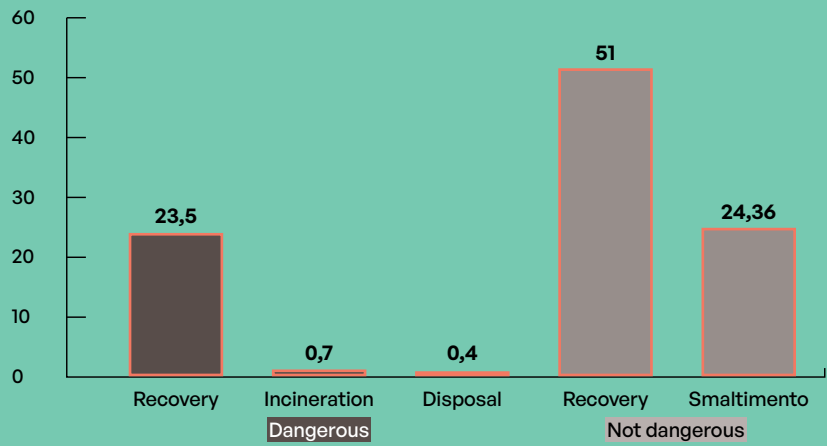
This approach not only ensures full compliance with environmental regulations, but also reflects the Group's ongoing commitment to sustainability and resource optimisation. With this in mind, B&C Speakers actively promotes waste reduction by using recyclable stationery and introducing a completely plastic-free canteen service from 2024. In addition, the company works with its suppliers to reduce the environmental impact of incoming material packaging, thus contributing to a more sustainable and responsible supply chain.

In December 2023 the European project SUSMAGPRO (Sustainable Recovery, Reprocessing and Reuse of Rare Earth Magnets in a European Circular Economy), funded by the Horizon 2020 programme, was concluded. This project aimed to develop a virtuous cycle for the recovery, processing and reuse of rare earth magnets, particularly neodymium magnets, an essential component in the production of high-

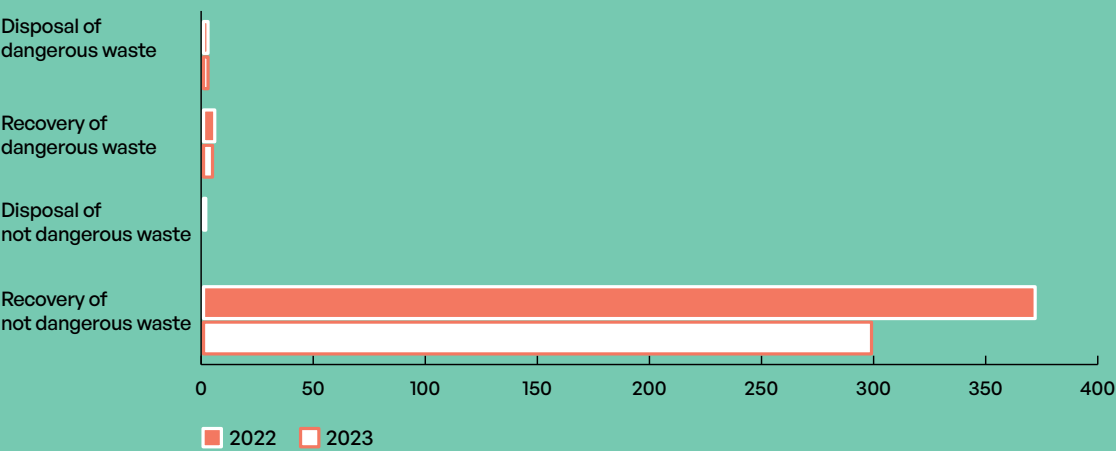
## Quantity of waste (t)



## Final distribution of waste produced (%)



## Total quantity of waste produced by B&C Speakers Spa e 18 Sound





performance magnets used in numerous industrial sectors, including those in which B&C Speakers operates. B&C Speakers contributed to the project by providing the technical specifications of the magnets used in its products, which were used to test the quality of the recycled magnets. The results confirmed that the technology is capable of producing magnets with magnetic and thermal characteristics compatible with the required standards, demonstrating the technical validity of the process. However, there are two major obstacles still to be overcome before the process can be applied on a large scale: the variability of the raw material, and the overall costs associated with the process.

The Group's participation in the SUSMAGPRO project represented a concrete step towards a more sustainable future, one where technological innovation is combined with environmental responsibility and reduced dependence on critical resources. In this regard, B&C Speakers has collaborated with a company specialising in the development of automated disassembly lines for complex electromagnets, which allow the recovery of magnets through thermal debinding processes, followed by demagnetisation, cleaning, storage and reuse. Thanks to this process, which has been successfully tested, magnets can be recovered and remagnetised without losing their functional properties, opening up new prospects for a circular economy for magnetic materials. Although there is still a long way to go before the process can be rolled out on an industrial scale, the results of the tests provide a solid basis for the development of new initiatives in the field of advanced materials recycling.

### **B&C Speakers participates in ERMA**

The European Raw Materials Alliance (ERMA) is the European alliance established in September 2020 by the European Commission, as part of an action plan on critical raw materials.

This action plan examines the current and future challenges regarding the use of critical raw materials and proposes actions to reduce Europe's dependence on raw materials from third countries, promoting responsible sourcing from primary and secondary sources, and improving resource efficiency and circularity. The goals in the Action Plan on Critical Raw Materials are: develop resilient value chains for EU

industrial ecosystems; reduce dependency on primary critical raw materials through circular use of resources, sustainable products and innovation; strengthen domestic sourcing of raw materials within the EU; diversify sourcing from third countries and remove distortions to international trade. Metals, minerals and innovative materials are the key factors for a globally competitive, green and digital Europe. The alliance contributes to guaranteeing reliable, safe and sustainable access to raw materials and involves all relevant parties, including Member States, regions, unions, civil society, research and development institutions, investors, NGOs and industrial actors throughout the value chain, including B&C Speakers.





# Note on

B&C Speakers S.p.A. is based in Italy, in Bagno a Ripoli, Florence, Italy.

As of 31 December 2024, the Group's structure is as follows: Eighteen Sound S.r.l, located in Reggio Emilia; Eminence Speakers LLC, located in Eminence, Kentucky (USA); B&C Speakers Electronic Co. Ltd, located in Dongguan (China); B&C Speakers NA LLC located in New Jersey (USA); B&C Speakers Brasil LTDA located in Estância Velha (Brazil).

This document is the fourth Sustainability Report ("Report") of B&C Speakers S.p.A. and its subsidiaries ("Group", "B&C Speakers Group" or "B&C Speakers"), drawn up on a voluntary basis with the aim of transparently informing its stakeholders of its performance, strategies and commitments in areas of sustainability that are significant for the Group. The process led to the preparation of the Report with the involvement of company management and the main departments they coordinate. Specifically, the qualitative and quantitative information of a social, environmental and economic-financial nature contained in this document was gathered through direct interviews with the heads of the various corporate departments and through compilation of data collection forms, according to a reporting process set up on an annual basis. This Report refers to the 2024 financial year (from 1 January to 31 December) and includes data for 2022 and 2023. With regard to the reporting boundary, as of this year Eminence Speakers LLC and B&C Speakers Electronics Co. Ltd, which joined the Group in the last quarter of 2023, have also been included; any exclusions from the various GRI standards are indicated in the GRI Content Index. This document has been prepared on the basis of the requirements of the GRI Sustainability Reporting Standards 2021 ("GRI Standards") defined by the Global Reporting Initiative (GRI), according to the option "with reference to GRI Standards". The B&C Speakers Group has appointed PricewaterhouseCoopers Business Services

# Methnology

SrL (“PwC” or “PwC Business Services SrL”) to conduct the limited assurance review of the Sustainability Report, carried out in accordance with the criteria set out in the “International Standard on Assurance Engagements ISAE 3000 Revised.” The report prepared by PwC is annexed to this document.

The auditing company belongs to the same network as the company appointed to conduct the audit of the financial statements.

The scope of reporting includes B&C Speakers S.p.A. and its subsidiaries:

- + Eighteen Sound S.r.l.
- + Eminence Speakers LLC
- + B&C Speakers (Dongguan) Electronic Co. Ltd
- + B&C Speakers NA LLC
- + B&C Speakers Brasil LTDA

The document was drafted in line with the following *Reporting Principles definiti dallo Standard GRI 1 - Foundation*:

- + **Accuracy:** the information reported is correct and sufficiently detailed to allow an assessment of the Group's impacts;
- + **Balance:** the positive and negative impacts are presented in an objective and unbiased way and allow users to see impact trends from year to year;
- + **Clarity:** the language used is clear and accessible, and data tables are used to make this report accessible and understandable to stakeholders;
- + **Comparability:** the indicators used in the report make reference to the three-year reporting period to enable the analysis of performance over time, and are reported in a coherent and consistent manner to enable comparisons with other companies;
- + **Completeness:** the information reported is sufficient to enable an assessment of the organization's impacts during the reporting period;
- + **Sustainability context:** the information about the organization's impacts is reported in the wider context of sustainable development;
- + **Timeliness:** this document is produced on a regular schedule and made available in time for information users to make decisions;
- + **Verifiability:** the data are gathered, recorded, compiled and analysed in such a way that the quality of information can be evaluated.

This document was approved by the Board of Directors of B&C Speakers on 23 June 2025.



MATERIAL TOPIC	GRI DISCLOSURE	SCOPE		LIMITATIONS OF REPORTING
		Internal	External	
Economic performance and sustainable growth	201-1: Directly generated and distributed economic value	B&C Speakers Group	-	-
Business ethics and transparency	205-3: Confirmed incidents of corruption and actions taken	B&C Speakers Group	-	-
Sustainable supply chain	308-1: New suppliers that were screened using environmental criteria	B&C Speakers Group	-	-
	308-2: Negative environmental impacts in the supply chain and actions taken			
	414-1: New suppliers that were screened using social criteria			
	414-2: Negative social impacts in the supply chain and actions taken			
Product quality, research and development	301-1: Materials used by weight or volume	B&C Speakers Group	-	-
Energy efficiency and climate action	302-1: Energy consumption within the organisation	B&C Speakers Group	-	-
	305-1: Direct GHG emissions (Scope 1)			
	305-2: Indirect GHG emissions from energy consumption (Scope 2)			
	305-3: Other indirect emissions (Scope 3)			

MATERIAL TOPIC	GRI DISCLOSURE	SCOPE		LIMITATIONS OF REPORTING
		Internal	External	
Protection of biodiversity	304-2 Significant impacts of activities, products and services on biodiversity	B&C Speakers Group	-	-
Responsible material and waste management	306-1 Waste generation and significant waste-related impacts	B&C Speakers Group	-	The figures of B&C Speakers NA LLC, B&C Speakers Brasil LTDA and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.
	306-2 Management of significant waste-related impacts			
	306-3 Waste generated			
	306-4 Waste diverted from disposal			
	306-5 Waste directed to disposal			
Care for employees, recruitment and non-Discrimination	401-1 New employee hires and employee turnover	B&C Speakers Group	-	-
	405-1 Diversity of governance bodies and employees			
	406-1 Incidents of discrimination and corrective actions taken			
Employee health and safety	403-1 Occupational health and safety management system	B&C Speakers	-	For GRI indicator 403-5, the figures of B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eminence Speakers, LLC and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.
	403-2 Hazard identification, risk assessment, and incident investigation			
	403-3 Occupational health services			
	403-4 Worker participation, consultation, and communication on occupational health and safety			

MATERIAL TOPIC	GRI DISCLOSURE	SCOPE		LIMITATIONS OF REPORTING
		Internal	External	
Employee health and safety	403-5 Worker training on occupational health and safety	B&C Speakers	-	For GRI indicator 403-5, the figures of B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eminence Speakers, LLC and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.
	403-6 Promotion of worker health			
	Prevention and mitigation of occupational health and safety impacts within business relationships			
	403-8 Workers covered by an occupational health and safety management system			
	403-9 Work-related injuries			
Training and professional development of employees	403-10 Work-related ill health			
Training and professional development of employees	404-1 Average hours of training per year per employee			For GRI indicator 404-1, figures relating to OHS training at B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eminence Speakers, LLC and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded..
	404-3 Percentage of employees receiving regular performance and career development reviews	B&C Speakers	-	
Customer health and safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	B&C Speakers	-	-

# Main calculation criteria

Below are the calculation methods used for some of the indicators found in the various sections of the Report. For environmental data, a conservative approach was adopted for assumptions.

## Energy consumption

The Group's energy consumption, deriving from electricity, diesel, petrol, natural gas and propane, was calculated in terms of gigajoules (GJ). For uniformity among the various types of energy, the conversion factors found in the "UK Government GHG Conversion Factors for Company Reporting – Fuel properties" table were used, published by the UK Department for Environment, Food & Rural Affairs (DEFRA 2024), for the three-year reporting period.

## Electricity production

The data on total electricity produced by the photovoltaic plant in 2024 was collected from direct readings.

## Materials used in the production process

Two distinct methodologies were adopted to determine the weight of the materials used in the production processes of B&C Speakers S.p.A and its manufacturing subsidiaries.

For B&C Speakers S.p.A, the Information Systems Manager (NAV) provided a detailed list of identification codes relating to purchases made in 2024 that passed through the warehouse. Subsequently, with the support of the Design Department Manager, each code was linked to a unit weight and the main material using the design software.

For 18S, Eminence and B&C China, as no software was available for measuring and recording the materials and weights of the components purchased, the following estimation method was adopted: a sample of the 10 best-selling codes in 2024 was identified, referring exclusively to neodymium and ferrite products, and these codes were then divided according to the type of material (neodymium and ferrite). For each of the codes identified, details of the materials constituting the components and their weight in grams (g) were provided. The data obtained were used to calculate a weighted average of the sample for

each of the two product categories (Neodymium and Ferrite). From this, the total weight of the materials used (in tonnes) was calculated by multiplying the total quantity sold in 2024, divided between the two product categories (Neodymium and Ferrite), by the weights of the individual materials identified using the weighted average of each product category.

### Direct emissions (Scope 1), indirect emissions (Scope 2) and other emissions (Scope 3)

Greenhouse gas emissions were calculated based on the standards in the “GHG Protocol Corporate Accounting and Reporting Standard”, published by the Greenhouse Gas Protocol Initiative, in terms of CO2 equivalent and determined as shown in the table.

The information provided on Scope 3 emissions is subject to greater inherent limitations than Scope 1 and 2 emissions, due to the lower availability/accuracy of both quantitative and qualitative data relating to the value chain.

### Direct GHG emissions (Scope 1)

SOURCE	ACTIVITY	EMISSION FACTOR	NOTES
Diesel, Petrol, Natural Gas, Propane	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2024.	-

### Direct GHG emissions (Scope 2)

SOURCE	ACTIVITY	EMISSION FACTOR	NOTES
Electricity purchased from the national grid, according to the location-based method	Electricity consumption	Terna 2019 Green – e 2024	Only CO <sup>2</sup> emissions were considered.
Electricity purchased from the national grid, according to the market-based method	Electricity consumption	AIB - European Residual Mixes 2023 Green-e 2024 Terna 2019	Only CO <sup>2</sup> emissions were considered.



## Other GHG emissions (Scope 3)

CATEGORY	CALCULATION METHODOLOGY USED	EMISSION FACTOR	NOTES
Scope 3.1	<p>The quantities of material purchased by weight are multiplied by each selected emission factor.</p> <p>For products without weight data, CO<sub>2</sub>e emissions were estimated by re-proportioning the values based on the purchase cost and emissions associated with materials for which weight was available. For products associated with 18S, Eminence and B&amp;C China, for which data on weight was not available, this was estimated by applying the methodology described in the section “Materials used in the production process” of the Methodological Note.</p> <p>With regard to emissions related to the purchase of services, the total expenditure is multiplied by the EPA emission factors.</p>	<p>DEFRA (Department for Environmental, Food &amp; Rural Affairs) – 2024</p> <p>EPA – United States Environmental Protection Agency</p> <p>Ecoinvent 3.11 Cut off</p>	<p>Average EUR-USD exchange rate: 1.0822</p> <p>Source: Exchange rates: EUR to USD - Historical exchange rates 2024</p>
Scope 3.2	<p>The increases relating to the following items have been converted into USD and multiplied by the EPA emission factor: land and buildings, plant and machinery, photovoltaic systems, industrial equipment, other assets and assets under construction.</p> <p>The calculation of emissions associated with this category is based on a spend-based method, in accordance with the GHG Protocol.</p>	EPA – United States Environmental Protection Agency	
Scope 3.3	<p>The consumption of natural gas, petrol and diesel was multiplied by the selected emission factor for pre-combustion processes.</p> <p>Electricity consumption was multiplied by the selected emission factor for pre-combustion processes and by the emission factor related to T&amp;D.</p> <p>The final value for this category was obtained by adding these three contributions together.</p> <p>The calculation of emissions associated with this category is based on an average data method, as required by the GHG Protocol.</p>	DEFRA (Department for Environmental, Food & Rural Affairs) – 2021, 2024	
Scope 3.4	<p>The data is provided directly by the Group's suppliers, calculated on the basis of the information they have shared. In cases where specific data on shipments was not available, economic data on supplies was used.</p> <p>In accordance with the GHG Protocol, the calculation of emissions associated with this category is based on a distance-based method and, if not available, on a spend-based method.</p>	<p>DEFRA (Department for Environmental, Food &amp; Rural Affairs) – 2024</p> <p>EPA – United States Environmental Protection Agency</p>	

CATEGORY	CALCULATION METHODOLOGY USED	EMISSION FACTOR	NOTES
Scope 3.5	<p>The quantities of waste produced are multiplied by the emission factors selected according to the type of waste and disposal. With regard to waste from production processes, for the Chinese company, which is currently developing a more accurate method for data collection, the value of the quantities produced was estimated by re-proportioning the tonnes of CO<sub>2</sub>e obtained by the number of employees. The calculation of emissions associated with this category is based on a waste-type-specific method, in accordance with the GHG Protocol.</p> <p>In relation to municipal waste, in the absence of data, an estimate was made based on data from the ISPRA annual report.</p>	<p>DEFRA (Department for Environmental, Food &amp; Rural Affairs) – 2024</p> <p>Ecoinvent 3.11 Cut off</p>	
Scope 3.6	<p>Travel expenses are multiplied by the emission factor selected based on the type of transport (air, train) and hotel. In the case of train travel within Italy, the data comes directly from the service provider.</p> <p>In accordance with the GHG Protocol, the calculation of emissions associated with this category is based on a spend-based and distance-based method, if data is available.</p>	<p>EPA – United States Environmental Protection Agency</p> <p>DEFRA (Department for Environmental, Food &amp; Rural Affairs) – 2024</p>	
Scope 3.7	<p>The data was collected through a questionnaire distributed to Group personnel. The distances travelled between home and work each day were multiplied by the number of days worked during the year, and the emission factor was selected based on the type of transport. From the result, an average value of kgCO<sub>2</sub>e per person was calculated based on the number of participants in the questionnaire, and the total value of TonCO<sub>2</sub>e was calculated according to the number of Group employees.</p> <p>The calculation of emissions associated with this category is based on a distance-based method, in accordance with the GHG Protocol.</p>	<p>DEFRA (Department for Environmental, Food &amp; Rural Affairs) – 2024</p>	
Scope 3.9	<p>Please refer to the information provided in category Scope 3.4.</p>	<p>DEFRA (Department for Environmental, Food &amp; Rural Affairs) – 2024.</p>	

CATEGORY	CALCULATION METHODOLOGY USED	EMISSION FACTOR	NOTES
Scope 3.11	<p>Internal analyses were conducted to determine the average lifespan of a speaker unit. Based on these assessments, the estimated lifespan of the products sold was set at 10 years. Speakers are mainly used for events such as concerts. Considering an average of 3 concerts per week with an average duration of 2.5 hours, the average daily use is 1 hour.</p> <p>To calculate consumption and CO2 emissions, the nominal power was calculated, divided into ferrite and nominal products, using an average of the products sold. The destination of sale was also taken into account based on the Group's main customers. In particular, the calculation did not take into account the entire value of the nominal power of the speaker, but only a fraction of it. Since only part of the available power is used during normal use, a conservative value of 75% of the nominal power was assumed. This power was multiplied by the assumed lifetime in years, the average hours of daily use, the number of days in a year, the number of products sold and finally by the specific emission factor for that geographical area.</p> <p>With regard to the final destination of the products sold, the breakdown by geographical area was obtained through an estimate based on a representative sample of the quantities sold. The customers included in the sample provided a percentage breakdown of the destinations of their sales.</p> <p>For Eminence and the Chinese company, only ferrite and neodymium products were considered, as these represent the most significant sales. For the Chinese company, quantities associated with the sale of "other speakers" were also included.</p>	Terna 2019	
Scope 3.12	<p>The quantities of product sold, including packaging, are multiplied by the emission factor selected based on the type of disposal.</p> <p>The calculation of emissions associated with this category is based on a waste-type-specific method, in accordance with the GHG Protocol.</p>	Ecoinvent 3.11 Cut off	

## **Health and safety**

The injury frequency index is calculated as the ratio between the total number of accidents registered, excluding those off site, and the number of hours worked in the same period, multiplied by 1,000,000.

The injury with serious consequences frequency index is calculated as the ratio between the total number of accidents involving days of absence exceeding 180, and the number of hours worked in the same period, multiplied by 1,000,000.

## **Employees**

Figures for employees are represented in terms of staff at 31 December of each reference period and not as full-time equivalent (FTE) figures.

Employees who left the company on 31 December are considered active, as they are presumed to have completed their last scheduled shift.

## **Calculation of total hours worked**

Hours worked by employees are estimated, except in the case of the Parent Company, for which the data is derived from the internal management system. The hours worked by temporary workers in 2023 are also estimated.

## **Information and contacts**

Collection of information was managed by the Chief Financial Officer area, supported by the various departments involved. For information about the B&C Speakers sustainability strategy and the content of this Sustainability Report, please write to:

[amministrazione@bcspeakers.com](mailto:amministrazione@bcspeakers.com).

## **Review of information reported in previous reporting years**

The number of employees for the year 2023, presented in paragraph 2.2 in the respective chart, has been updated from the figures reported in last year's Sustainability

Report. This update was made following the implementation of a more precise and accurate data collection system. As a result, the table showing the breakdown of employees by professional category and age group has also been updated for 2023. Similarly, the information on training hours by professional category, also presented in paragraph 2.2, has been revised in light of the same improvement in the data collection and validation process.

# GRI Content

## **Declaration of use**

B&C Speakers has prepared this report according to the option “with reference to GRI Standards” for the period 01/01/24 - 31/12/24.

## **GRI 1 used**

GRI 1: Foundation 2021

## **Applicable GRI sector standards**

N/A



# Index

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# General information

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
The organisation and its reporting practices						
GRI 2: Informativa generale	2 - 1	Organisational details	1.1 A story of innovation and excellence  Note on Methodology			
GRI 2: Informativa generale	2 - 2	Entities included in the organisation's sustainability reporting	Note on Methodology			
GRI 2: Informativa generale	2 - 3	Reporting period, frequency and contact point	Note on Methodology			
GRI 2: Informativa generale	2 - 4	Restatements of information	Note on Methodology			
GRI 2: Informativa generale	2 - 5	Ownership structure and legal form	Note on Methodology			
Activities and workers						
GRI 2: General information	2 - 6	Activities, value chain and other business relationships	1.1 A story of innovation and excellence 1.2. Our growth towards sustainable development 2. Our people 3.2 Creating a sustainable supply chain 3.3 Our customers around the world 4.2 Sourcing of raw materials			
GRI 2: General information	2 - 7	Employees	2.1 Human Resources			
GRI 2: General information	2 - 8	Workers who are not employees	2.1 Human Resources			

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
Governance						
GRI 2: General information	2 - 9	Governance structure and composition	1.3 The responsible governance model			
GRI 2: General information	2 - 10	Nomination and selection of the highest governance body	1.3 The responsible governance model			
GRI 2: General information	2 - 11	Chair of the highest governance body	1.3 The responsible governance model			
GRI 2: General information	2 - 18	Evaluation of the performance of the highest governance body	1.3 The responsible governance model			
GRI 2: General information	2 - 19	Remuneration policies	1.3 The responsible governance model			
GRI 2: General information	2 - 20	Process to determine remuneration	1.3 The responsible governance model			
Strategy, policies and practices						
GRI 2: General information	2 - 22	Statement on sustainable development strategy	Letter to Stakeholders			
GRI 2: General information	2 - 24	Integrazione degli impegni in termini di policy	1.2. Our growth towards sustainable development 1.3 The responsible governance model 2.1 Human resources 3.2 Creating a sustainable supply chain 4. Our commitment to environmental protection 4.2 Sourcing of raw materials			
GRI 2: General information	2 - 27	Compliance with laws and regulations	3.1 The production process			

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 2: General information	2 - 28	Membership associations	1.2. Our growth towards sustainable development 3.2 Creating a sustainable supply chain 4.1 Energy consumption and climate-changing emissions			
Stakeholder engagement						
GRI 2: General information	2 - 29	Approach to stakeholder engagement	1.2. Our growth towards sustainable development			
GRI 2: General information	2 - 30	Collective bargaining agreements	2.1 Human resources			
GRI 3: Material topic	3 - 1	Process to determine material topics	Our growth towards sustainable development			
GRI 3: Material topic	3 - 2	List of material topics	1.2. Our growth towards sustainable development			

## Economic performance and sustainable growth

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.4 Economic performance			
GRI 201: Economic performance	201 - 1	Directly generated and distributed economic value	1.4 Economic performance			

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.3 The responsible governance model			
GRI 205: Anticorruzione	205 - 3	Confirmed incidents of corruption and actions taken	1.3 The responsible governance model			

Sustainable supply chain

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	3.1 The production process 3.2 Creating a sustainable supply chain 4.2 Sourcing of raw materials			
GRI 308: Valutazione ambientale dei fornitori	308 - 1	New suppliers that were screened using environmental criteria	3.1 The production process 3.2 Creating a sustainable supply chain 4.2 Sourcing of raw materials			
GRI 308: Valutazione ambientale dei fornitori	308 - 2	Negative environmental impacts in the supply chain and actions taken	3.1 The production process 3.2 Creating a sustainable supply chain 4.2 Sourcing of raw materials			
GRI 414: Valutazione sociale dei fornitori	414 - 1	New suppliers that were screened using social criteria	3.1 The production process 3.2 Creating a sustainable supply chain 4.2 Sourcing of raw materials			
GRI 414: Valutazione sociale dei fornitori	414 - 2	Negative social impacts in the supply chain and actions taken	3.1 The production process 3.2 Creating a sustainable supply chain 4.2 Sourcing of raw materials			

# Product quality, research and development

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 3.1 The production process 3.5 Creating a sustainable supply chain 4.2 Sourcing of raw materials			
GRI 301: Materials	301 - 1	Materials used by weight or volume	4.2 Sourcing of raw materials			

# Energy efficiency and climate action

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 4.1 Energy consumption and climate-changing emissions			
GRI 302: Energia	302 - 1	Energy consumption within the organisation	4.1 Energy consumption and climate-changing emissions			
GRI 305: Emissioni	305 - 1	Direct GHG emissions (Scope 1)	4.1 Energy consumption and climate-changing emissions			
GRI 305: Emissioni	305 - 2	Indirect GHG emissions from energy consumption (Scope 2)	4.1 Energy consumption and climate-changing emissions			
GRI 305: Emissioni	305 - 3	Other indirect emissions Scope 3)	4.1 Energy consumption and climate-changing emissions			



Protection of biodiversity

B&C Speakers

Sustainability Report 2024

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 4.2 Sourcing of raw materials			
GRI 304: Biodiversity	304 - 2	Significant impacts of activities, products and services on biodiversity	4.2 Sourcing of raw materials			

Responsible material and waste management

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 4.3 Responsible waste management			
GRI 306: Material topic	306 - 1	Waste production and significant impacts	4.3 Responsible waste management			
GRI 306: Material topic	306 - 2	Management of significant impacts linked to waste	4.3 Responsible waste management			

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 306: Waste	306 – 3	Waste produced	4.3 Responsible waste management The figures of B&C Speakers NA LLC, B&C Speakers Brasil LTDA, and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.			
GRI 306: Waste	306 – 4	Waste not sent to landfills	4.3 Responsible waste management The figures of B&C Speakers NA LLC, B&C Speakers Brasil LTDA, and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.			
GRI 306: Waste	306 – 5	Waste sent to landfills	4.3 Responsible waste management The figures of B&C Speakers NA LLC, B&C Speakers Brasil LTDA, and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.			

Care for employees, recruitment and non-discrimination

B&C Speakers

Sustainability Report 2024

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 1.3 The responsible governance model 2. Our people 2.1 Human resources 2.2 Skills development and professional growth 2.3 Health and safety in the workplace			
GRI 401: Employment	401 - 1	New employee hires and employee turnover	2.1 Human resources			
GRI 405: Diversity and Equal Opportunity	405 - 1	Diversity of governance bodies and employees	1.3: The responsible governance model 2.1 Human resources			
GRI 406: Non discriminazione	406 - 1	Incidents of discrimination and corrective actions taken	2.1 Human resources			

Employee health and safety

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 - 1	Occupational health and safety management system	2.3 Health and safety in the workplace			

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 403: Occupational health and safety	403 – 2	Hazard identification, risk assessment, and incident investigation	2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 – 3	Occupational health services	2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 – 4	Worker participation, consultation, and communication on occupational health and safety	2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 – 5	Worker training on occupational health and safety	2.3 Health and safety in the workplace The figures of B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eminence Speakers, LLC and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.			
GRI 403: Occupational health and safety	403 – 6	Promotion of worker health	2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 – 7	Prevention and mitigation of occupational health and safety impacts within business relationships	2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 – 8	Workers covered by an occupational health and safety management system	2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 – 9	Work-related injuries	2.3 Health and safety in the workplace			
GRI 403: Occupational health and safety	403 – 10	Work-related ill health	2.3 Health and safety in the workplace			

Formazione e sviluppo professionale dei dipendenti

B&C Speakers	GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
					Omitted requirements	Motivation	Explanation
Sustainability Report 2024	GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 1.3 The responsible governance model 2. Our people 2.2 Skills development and professional growth 2.3 Health and safety in the workplace			
	GRI 404: Training and education	401 - 1	Average hours of training per year per employee	2.2 Skills development and professional growth Figures for training related to occupational health and safety at B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eminence Speakers, LLC and B&C Speakers (Dongguan) Electronic Co. Ltd have been excluded.			
	GRI 404: Training and education	404 - 3	Percentage of employees receiving regular performance and career development reviews	2.2 Skills development and professional growth			

# Customer health and safety

GRI STANDARD	DISCLOSURE	INDICATOR DESCRIPTION	DOCUMENT SECTION	OMISSIONS		
				Omitted requirements	Motivation	Explanation
GRI 3: Material topic	3 - 3	Management of material topics	1.2. Our growth towards sustainable development 3.1 The production process 3.2 Creating a sustainable supply chain 4.2 Sourcing of raw materials			
GRI 416: Customer health and safety	416 - 2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.1 The production process			



# Independent Practitioner Report



## INDEPENDENT PRACTITIONER'S REPORT ON SUSTAINABILITY REPORTING

To the Board of directors of B&C Speakers SpA

We have undertaken a limited assurance engagement on the Sustainability Report of B&C Speakers SpA and its subsidiaries (hereafter also the "Group") for the year ended 31 December 2024.

### *Responsibilities of the directors for the Sustainability Report*

The directors of B&C Speakers SpA are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), as illustrated in the "Methodological note" section of the Sustainability Report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for defining the sustainability performance targets of the Group, as well as for identifying its stakeholders and material topics to be reported on.

### *Our Independence and Quality Management*

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### *Our Responsibilities*

Our responsibility is to express a limited assurance conclusion, based on the procedures we have performed, regarding the compliance of the Sustainability Report with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" (hereinafter also "ISAE 3000 Revised") issued by the International

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Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed were less in extent than those performed in a reasonable assurance engagement conducted in accordance with ISAE 3000 Revised and, consequently, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

- 1) analysis of the process of definition of the material topics reported on in the Sustainability Report, with reference to the method applied in the analysis and understanding of the Group's environment, the identification and prioritisation of the actual and potential impacts, and the internal validation of the results of the process;
- 2) understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.

In detail, we held meetings and interviews with the management personnel of the B&C Speakers SpA, EMINENCE SPEAKERS LLC and B&C Speakers (Dongguan) - Electronic Co. Ltd, and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, aggregation, processing and submission of non-financial data and information to the function responsible for the preparation of the Sustainability Report.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a Group level,
  - a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documentation to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.
- for the following entities, divisions and sites B&C Speakers SpA, EMINENCE SPEAKERS LLC e B&C Speakers (Dongguan) - Electronic Co. Ltd, which we selected on the basis of their activities, their contribution to performance indicators [at a consolidated level] and their location, we carried out onsite visits during which we met the persons in charge and obtained documentary evidence, on a sample basis, regarding the correct application of the procedures and calculation methods applied for the indicators.

### ***Intrinsic Limitations***

As indicated in the Methodological Note, section 'Direct emissions (Scope 1), indirect emissions (Scope 2), and other emissions (Scope 3)', provided by the entity, Scope 3 emissions are subject to greater intrinsic limitations compared to Scope 1 and 2. This is due to the limited availability and the relative accuracy of the information used to define Scope 3 emission data, both quantitative and qualitative, in relation to the value chain.



### ***Limited Assurance Conclusion***

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability report of the Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the “Methodological note” section of the Sustainability Report.

Torino, 18 July 2025

PricewaterhouseCoopers Business Services Srl

Signed by

Paolo Bersani  
(Partner)

*This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*



