



# **SUSTAINABILITY REPORT**

**2022**





SUSTAINABILITY REPORT

LUTECH S.p.A.

2022

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## **EXECUTIVE SUMMARY**

*The 2022 edition of the Lutech Sustainability Report is characterised by greater depth in the data collected and greater involvement of the various company functions in the data collection process. The areas of analysis are characterised by qualitative and quantitative information, presented in such a way as to offer a comprehensive overview of the processes behind the various initiatives, whether they have been in place in the Company for years, or are “first-time operations” that testify to Lutech's ambition to continue innovating and pushing the envelope.*

*The presence of an initial baseline year enables all stakeholders to start making comparisons that demonstrate a company trend pointing in a certain direction of continuous improvement and, in the coming years, the historical nature of the data presented will increasingly constitute an element of reasoning and strategic growth development.*

*The 2022 reporting is presented through certain impact areas, two of them introductory (context and products/processes) and the others representative of the value creation areas in which the Company operates: Governance, Economic Area, Social Area, Environmental Area. Within each area, employees who follow a particular impact process are given a say through in-depth focus that enriches the narrative through the voices of the players.*

*Next, the business outlook section highlights the status of work related to the corporate objectives stated in the previous reporting year, and lists the new ones related to the years 2023 and 2024. This will make it possible to monitor and evaluate the progress of ESG processes at company level, comparing general and specific objectives as well as KPIs. This year, as last year, the objectives were defined through an internal learning process that originated from the data collection and budgeting process. It is precisely this learning that continues to be the first governance impact of the Integrated Sustainability development process for Lutech.*

*The materiality matrix updated according to the directives of the new GRI, the analysis of levels and the stakeholder engagement pathways represent, in the end, the essential aspects of a methodology that describes the type of in-depth analysis adopted by Lutech for the benefit of performance comparability over time, making the “ESG journey” increasingly clear and challenging.*



## LETTER TO THE STAKEHOLDERS

*Lutech's second year of ESG reporting testifies to the Company's continuous effort to improve its social and environmental performance, measured – qualitatively and quantitatively – from 2021 onwards. The second year is when the Company sets its strategy and activities, building on the baseline data of the first year of reporting, thus enabling the definition of a traceable and verifiable continuous improvement path.*

*In the financial year 2022, internal reflections on the importance of ESG issues were intertwined with the updating of GRI reporting methodologies.*

*It is evident that companies are increasingly becoming all-round players in our communities and therefore in their value creation process they must strive to mitigate their negative impacts while increasing their positive ones, with the aim of regenerating the ecosystems in which they operate through the adoption of a sustainable business model. The long-term ESG vision is built on the foundations laid year after year, on the efforts of all stakeholders involved at various levels in the drafting of this report.*

*In the financial year 2022 at the environmental level, we extended the scope of analysis and measurements on the CO2 emission contribution of all Lutech locations and we have implemented and strengthened the sustainable procurement process. On a social level, we have worked strongly on employee involvement, promoted communication, both inside and outside the Company, on ESG issues and invested in processes to promote STEM disciplines. Finally, at the governance level, we have started the process for new certifications in the area of business ethics. The work, started this year, will enable us to obtain an ever higher profile of transparency in business management. Last but not least, is the value recognised by the Company for its investment in research and development, which is also achieved thanks to an extremely efficient, innovative and – we hope – replicable public-private collaboration model applied to other national contexts.*



*The ICT sector and the market for digital solutions are also having to reflect on the guidelines provided by European regulations, on the reliability of so-called “ethical claims”, and on the strategic value of measuring emissions, the latter being necessary to set up serious strategies to reduce one's own environmental footprint, just like other industrial sectors; Lutech has taken concrete and measurable steps in this regard.*

*The magnitude of these challenges does not concern us and in this year we have confirmed our commitment and vision to a participatory, data-driven ESG approach to making choices on efficiency, governance and internal engagement.*

*The Lutech of tomorrow has a solid foundation and positive outlook thanks to the efforts described and documented in this report: our future comes from our ability to envision a more sustainable and inclusive tomorrow.*

**Tullio Pirovano**

*Chair of the Board of Directors and Chief  
Executive Officer of Lutech SpA*

## INTRODUCTION

The second year of ESG reporting for Lutech opens under the banner of challenges: after an initial year of positioning itself on the topic and investigating the Company's ESG processes inside and outside, the Company's intention is to strengthen its reporting capacity by taking advantage of an updated methodological approach – the GRI version 2021 – and a more consolidated focus on ESG-oriented data, which has been developed by all company units.

The awareness of working on Corporate Social Responsibility issues in the aftermath of a period of updating and entry into force of particularly in-depth European regulations on corporate sustainability, entails a growing commitment especially in the definition of quantitative values that tell and measure performance, as well as in the definition of challenging and increasingly binding objectives referring to the short, medium and long term.

The work reported here, therefore, provides an overview ranging from GRI disclosures resulting from the new impact materiality, to thematic insights that give voice to the internal forces of the Company, engaged in high value-added projects whose ESG impacts are highlighted in the dedicated boxes.

With the aim of improving, in qualitative and quantitative terms, the work begun in 2021, this report contains the results of a year's work in which ESG issues have been integrated across all operations: a patient and rewarding process that sees Lutech personally committed to giving back to all stakeholders the sense of its all-round work, beyond the mere generation of profits, strengthened by the awareness that the usefulness of companies always has a social sense beyond that of pure market.

# CONTEXT OF REFERENCE

 LUTECH

# CONTEXT OF REFERENCE

To interpret an ever-changing world, it is necessary to understand change, sense it and anticipate it. Lutech supports its customers' evolution by designing, implementing and managing end-to-end digital solutions, in the name of a constant improvement involving people and processes, technology and knowledge.

Lutech Spa is an IT solutions integrator and places five technological cores at the heart of the Digital Evolution: Lutech**Solutions**, Lutech**Digital**, Lutech**Cybersecurity**, Lutech**Services** and Lutech**Cloud**. The company serves six markets in five countries: Italy, Spain, Netherlands, Romania, Albania.

The sectors served by Lutech products are:

- **Public Administration**
- **Manufacturing**
- **Financial Services**
- **Telco & Media**
- **Energy & Utilities**
- **Fashion & Retail**

As far as proprietary software solutions are concerned, the Group, with its own and third-party resources, develops software platforms that are sold to customers together with installation and maintenance services to manage the customer's core business. In the Infrastructure and Digital Services business, the Company operates as an integrator of third-party technologies: it designs, integrates, installs, and implements customer solutions using

hardware and software technologies from the market's leading vendors, on whose technologies it has relevant knowledge by virtue of certifications and partnerships at the highest levels in the sector.

Lutech's organisation, structured in teams of specialists for the main industries, is able to manage projects that span the entire business ecosystem: from advisory, to execution, to support and post-delivery evolutions, Lutech guides the client through the entire project lifecycle, with both application and infrastructure expertise, collaborating with the best technology partners on the market to build an integrated ecosystem that grows and evolves with the client's business objectives.

In carrying out its activities, the Company uses employees and resources provided by specialised third parties that support technology suppliers in their purchasing operations. In the different industries, customers include both large companies in the various sectors and a much larger and smaller customer portfolio, especially in the manufacturing sector.

## THE LUTECH STORY

Lutech SpA, headquartered in Cinisello Balsamo (Milan), today the holding company of a group of companies in the IT consultancy sector, is active in Italy and Europe in ICT services and solutions. Thanks to the expertise and professionalism of qualified personnel and an end-to-end approach, Lutech supports the Digital Evolution of Client companies. The company's activities are historically attributed to NAICS CODE 541512 "Computer systems integration analysis and design services".

Historically, Lutech was born in 2001 out of the merger of GPLV Partners, a Milan-based IT consultancy company, and Lucchini Servizi, the Lucchini Group's IT services company, and debuted on the market with a team of around 500 professionals targeting a clientèle consisting of large companies and telecommunications operators. In 2003, Lutech was acquired by the Laserline Group, the Brianza-based holding company established by Enrico Magni, which, together with 16 other minority shareholders, expanded its offering through new investments and acquisitions in various sectors.

In 2014, in fact, with the Orizzonte sgr fund from the Milan Chamber of Commerce, it launches the "Scale2Double" business plan and begins acquisitions with the companies Arcares and Liscor: thus, the Lutech Group is born. In 2015, the Group consists of 1,200 resources, with a turnover of Euro 150 million. In 2016, a turnover of Euro 177 million is in line with the Scale2Double plan and Kronotech, Teia and TerraTron are acquired.

In 2017, Lutech is now a medium-sized company with a recognised standing in the IT sector, specialising in the integration of systems and technology solutions for medium-sized and large Italian public and private companies. The offer is diversified and addresses different vertical markets and business models. In the same year, Enrico Magni sells Lutech

to One Equity Partners (OEP), an American private equity firm that operates in the market for medium-sized companies and aims to further expand the Group's presence in Italy and Europe. This further accelerates the organic growth and acquisition plan, which continues with the entry of Sinergy, Nest2, CSTTech, TEN, Telesio, ICTeam, Sinergetica, CDM, Pivotal, Cimworks, Tecla, Diem, Finance Evolution, DISC, Enigen, Mediana and BeeToBit.

In 2021, after 15 acquisitions and an almost three-fold increase in EBITDA in four years, Lutech moves from OEP to funds managed by Apax, a leading global private equity firm specialising in investments in technology, services, healthcare and internet/consumer. With a turnover of Euro 433 million, the aim is to grow by strengthening the digital service offering and accelerating the M&A strategy. The Lutech Group's new development plan then proceeds with the acquisition of Infoedge, Advantage and KnowHow, and the inauguration of the new Headquarter in Cinisello Balsamo, conceived as an ideal environment for hybrid working, equipped with the latest in-presence and remote collaboration technologies, and designed according to environmental and social sustainability principles.

Over the past 20 years of continuous growth and evolution, we have helped our customers meet their Digital Transformation challenges, building technology solutions to help them remain competitive.

Lutech continues to expand and update its offer of solutions and services: thanks to strategic acquisitions and continuous investments in our people, platforms and geographic areas, in 2022 Lutech is heading the Lutech Group, a leading Italian and European player in ICT services and solutions with over 3,000 professionals and a turnover of Euro 512 million, supporting the transformation and growth of companies and institutions.

# VALUES, MISSION AND VISION

## VALUES

Aware of our role as value creators, we cannot fail to also contribute to the creation of values, in line with our founding principles, which we outline below.

**PEOPLE DEVELOPMENT** → i.e. a strong focus on the professional needs and growth of the people working for Lutech, both employees and contractors.

**CONTINUOUS IMPROVEMENT** → i.e. the effort to constantly improve our performance and management processes in favour of increasingly distinctive and competitive products and services.

**TEAMWORKING** → i.e. the importance we attach to teamwork, to sharing professional and personal experiences within our daily work.

**INNOVATION** → i.e. what we see as the main trajectory of all our efforts aimed at the daily improvement of our being and doing, i.e. the entire spectrum of activities carried out by Lutech.

**CUSTOMER SATISFACTION** → i.e. the commitment with which we approach our customers, listening to their needs and objectives, backed by the expertise that distinguishes us from other players and eager to establish long-term, collaborative relationships.

## MISSION

Lutech's mission relates to its commitment to put digital technologies at the service of business needs, simplifying and facilitating daily work through increasingly customised and effective tools.

With **technology**, an **end-to-end** approach and **market-specific expertise**, we enable our customers to work more easily, achieve their goals and **evolve their business**.

## VISION

The corporate vision is that of an ambitious company that wants to make its mark on the market and that harmonises its focus on people with the constant updating of technologies, because it firmly believes that from this balance comes the key to achieving continuous improvement goals.

1. We want to be **leading players** in Europe in **the Digital Evolution**.
2. We believe in our **People** and invest in their **talent, leadership** and **passion**.
3. We integrate the most **innovative technologies** to offer the best performance to our Customers.

In 2022, the Company has developed its own Manifesto to better identify and define the Company's sense of belonging. The work led to an awareness of feeling part of something bigger than just the corporate community, of an ambitious and ever-evolving project.

Underlying this path has been in-depth work on the value drivers for growth, which the Company has identified in listening as the starting point for finding new solutions, and in innovation, which people at Lutech see as a source of well-being and constant improvement. In addition, transparency is seen as an expression of integrity and fairness, aspiring to mutual trust based on sincere relationships that maximise each person's potential. All this is then reflected in the manifesto and the digital working environment of Lutech, which is also, by definition, limitless.

From these principles has finally derived the pay-off "**Lutech is You**" the main message of the Manifesto, which represents the idea that Lutech's success is the result of the contribution of every worker.

## THE DIGITAL MARKET

For many companies and organisations, the years of the Covid-19 Pandemic have been crucial in accelerating digital transformation, pushing technology initiatives, drastic process changes and rethinking the digital culture within all social processes, first and foremost with the massive emergence of remote working, which requires coordination – including digital coordination – between in-presence and off-premises employees.

Looking at a quantitative level, this precondition is demonstrated by the following numbers, contained in the report “Digitale in Italia. Forecasts 2022-2025 and policy”<sup>1</sup> by Anitec-Assinform (November 2022): in the first six months of 2022, digital was worth Euro 37.2 billion, a growth of 3% compared to the first six months of 2021. The sectors with the strongest percentage growth were ICT Services (+7.2%), driven mainly by the Cloud market (+25.5%), and Content and Digital Advertising (+7.1%).

As far as forecasts for the coming years are concerned, in 2023 the Italian digital market is estimated to grow by 3% compared to 2022, totalling Euro 79.1 billion.

Across different sectors, the digital enablers are the most innovative technologies and those characterised by greater dynamism. Among those that will show higher growth rates in the period 2022-2025 are:

- ◆ **+26,5%**  
BLOCKCHAIN
- ◆ **+24,5%**  
CLOUD COMPUTING
- ◆ **21,7%**  
ARTIFICIAL INTELLIGENCE

Sectors with the highest growth in 2022 include:

- ◆ **+10,5% • € 2,489.5 million**  
CENTRAL PUBLIC ADMINISTRATION
- ◆ **+9,4% • € 1,486 million**  
LOCAL PUBLIC ADMINISTRATION
- ◆ **+8,8% • € 2,034.1 million**  
HEALTHCARE

These three sectors will also have the highest average growth in the 2022-2025 period:

- ◆ **+12,5%**  
CENTRAL PUBLIC ADMINISTRATION
- ◆ **+ 11,5%**  
LOCAL PUBLIC ADMINISTRATION
- ◆ **+ 11,2%**  
HEALTHCARE

Cybersecurity products and services, which are expected to be worth Euro 1.6 billion by the end of 2022 (+13.5 % compared to 2021), deserve a separate focus. In the 2021-2025 period, the average growth of the sector is expected to be 14%, with a value in 2025 of Euro 2.3 billion.

As pointed out in the “Digitale in Italia” report, cyber attacks continued to grow in numbers, globally, in 2022, posing a serious threat to the ongoing digital transformation. On the one hand, they are a direct consequence of increasing digitisation and the spread of smart working, on the other hand, the increase is also attributable to the outbreak of the Russian-Ukrainian conflict. This is why the cybersecurity market trend is booming, while legislation and national cybersecurity strategy will also play an important role in the defence and management of attacks (see: Focus Lutech: ISO27001).

<sup>1</sup> <https://d110erj175o600.cloudfront.net/wp-content/uploads/2022/11/29131257/11-Digitale-in-italia-vol-2.pdf>

Among other threats to the expansion of the digital sector, Italy's structural lack of digital skills is one of the main brakes to digitisation: there are about 2.1 million workers who need to be provided with basic digital skills by 2026 in order to keep up with market needs, while there are 20 million citizens to whom Italy needs to provide basic digital training

by 2030 in order to meet the European Digital Decade's target of reaching 80% of the population with basic digital skills. Lastly, the small average size of companies, which makes the Italian sector undersized compared to the European one, does not help, undermining the possibility of implementing an organic national industrial policy at country level.





# PRODUCT AND PROCESSES

 LUTECH

# PRODUCT AND PROCESSES

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## LUTECH SOLUTIONS

The six strategic areas through which Lutech supports its customers with key technology solutions for business digitisation are:

- **CUSTOMER SUCCESS**

Customer Experience paths developed through a single view of the customer and the ability to monitor data and behaviour at every touchpoint, for a digital transformation of sales & marketing processes.

- **DATA INTELLIGENCE**

Data management and analysis for data-driven companies aimed at improving decision-making processes, supporting business teams in producing results.

- **CLOUD**

Design, implementation and management of secure Multi Cloud and Hybrid Cloud environments.

- **CYBERSECURITY**

Cybersecurity advisory services and technologies to ensure Cyber Resilience and Business Continuity.

- **AI & AUTOMATION**

Optimisation of business processes through Artificial Intelligence, Machine Learning and RPA.

- **DIGITAL FACTORY & IOT**

ERP, PLM, IoT, Artificial Intelligence and AR/VR platforms to evolve every process, from sales & marketing to production to after sales.


Lutech's services to support its customers are based on technologies designed for an end-to-end offer, capable of meeting the multiple needs of Digital Evolution:



**LUTECH CYBERSECURITY:** governs the risks arising from the Digital Transformation by ensuring that information assets, people, capital and brand are defended against the continuous and growing threats from the cyber world. Thanks to its excellent

technologies and skills, it carries out projects in business-critical, heterogeneous and complex contexts, providing support as Trusted Advisor in the choice of the best solutions to be adopted according to the specific operational context.


<b>CYBERSECURITY ADVISORY</b> Consulting, Design, Audit, Education	
<b>APPLICATION SECURITY</b>	<b>DATA SECURITY</b>
<b>ENDPOINT SECURITY</b>	<b>CLOUD SECURITY</b>
<b>NETWORKING SECURITY</b>	<b>OT SECURITY</b>
<b>MANAGED SERVICES NEXT GENERATION SOC</b>	



**LUTECH SERVICES:** The Lutech Managed Service Operations Centre transforms technology and management processes into value for Customers. More than 400 specialised technicians manage 24x7 an extensive catalogue of flexible, modular and fully cu-

stomisable services based on the customer's needs. Performance is constantly monitored and guaranteed by a Service Management structure, through shared KPIs and SLAs.


<b>SERVICE DESK</b>	
<b>CLOUD OPERATIONS CENTER</b>	<b>NETWORKING OPERATIONS CENTER</b>
<b>APPLICATION MANAGEMENT</b>	
<b>INFRASTRUCTURE OPERATIONS</b>	



**LUTECH DIGITAL:** It creates the best customer experience by integrating and giving value to customer, product and business performance data, to build a digital transformation path supporting data-driven

business evolution. New ways of interacting and collaborating inside and outside the Company are the lens through which Lutech looks to the future.


<b>DIGITAL ADVISORY</b>	
CUSTOMER ENGAGEMENT	DIGITAL COMMERCE
DATA INTELLIGENCE	DIGITAL FACTORY & IOT
AI & AUTOMATION	APPLICATION MODERNIZATION
<b>CLOUD TRANSFORMATION</b>	



**LUTECH CLOUD:** It designs, implements, secures and manages Hybrid Cloud solutions, identifying the most agile, scalable and resilient architectures, the very foundations of digitisation projects. Perfor-

mance, business continuity and security are the drivers behind every cloud and infrastructure project.

<b>CLOUD ADVISORY</b> Cloud Transformation, Governance & Compliance	
HYBRID CLOUD ARCHITECTURES	NEXT-GEN NETWORKING
CLOUD MODERNIZATION	DIGITAL WORKPLACE
<b>DATA ARCHITECTURE</b>	



With knowledge of the key processes in each sector, from sales & marketing through operations to after sales, Lutech's team is able to manage projects that span the entire business ecosystem.

As a market player, Lutech is active in the national and international context with the only restrictions on the sale of products and services related

to embargo situations for geopolitical reasons or trade conflicts at national level (e.g. China-USA) or “dual-use” technology (products, including software and technologies, that can have both civil and military use) that can only be sold to countries pre-authorised by the Ministry of Economic Development (MISE).

# QUALITY

Lutech's commitment and professionalism can also be seen in the certifications and processes that the Company has been able to renew and improve over the years. They represent milestones, sometimes mandatory, that attest to the seriousness of the relationships and know-how behind the product or service placed on the market.

## PROCESS QUALITY

Lutech intends to be for its customers a so-called 'Value Added Consultant' able to offer the best global ICT solutions to specific problems, proposing complete solutions that extend from feasibility stu-

dies to final implementation and operational management, and striving to fulfil the customers' requirements and thus to maximum their satisfaction. At the business process level, Lutech is distinguished by a number of awards issued by leading vendors attesting to the professionalism and expertise required to resell its products.

In **2022**, the number and type of certifications granted by vendors to Lutech was **820**, of which **181** were pre-sales, **124** sales, and **515** technical. There are **15** major companies of which Lutech is a direct business partner. Specific data are given in the table below:

Partner Name	Partnership Level	Partnership Area Description	Years of partnership	Certified Specialists active at 31 December 2022 only LUTECH	Competences / Specialization active
CISCO	Gold Certified Partner	"Networking Security Datacenter Collaboration IoT"	20+	111 total certifications 46 people certified	Advanced Data Centre Architecture Specialisation Advanced Enterprise Networks Architecture Specialisation Advanced Security Architecture Specialisation Advanced Unified Contact Centre Enterprise Specialisation Cisco IoT Specialisation Cisco Umbrella for MSSPs Specialisation Cisco Webex Calling Partner Collaboration SaaS Specialisation Buying Models Commerce Certification

Figure: Lutech awards issued by primary vendors, 21/22

Partner Name	Partnership Level	Partnership Area Description	Years of partnership	Certified Specialists active at 31 December 2022 only LUTECH	Competences / Specialization active
<b>DELL</b>	Titanium Certified Partner	"Storage Datacenter (Server & Client) Networking"	20+	74 total certifications 10 people certified	Solution Provider Cloud Service Provider Competencies Deployment services Storage Server Networking Data Protection Data Domain Portafoglio client core Converged/ Hyper-Converged Infrastructure Avamar Isilon NetWorker PowerMax & VMAX Family RecoverPoint Unity VPLEX VxRail
<b>VMWARE</b>	Principal	Data Center Virtualization & Cloud Infrastructure & Networking & Security	20+	234 total certifications 48 people certified	Business Continuity Cloud Provider Desktop Virtualization Hyper-Converged Infrastructure Mobility Management Management Operations Network Virtualization Server Virtualization VMware Cloud Data Center Virtualization
<b>NETAPP</b>	Star Unified Partner	"Storage Datacenter"	20+	26 total certifications 9 people certified	Solution Provider FlexPod Capabilities FlexPod Implementation Services NetApp HCI ONTAP StorageGRID E-Series Professional Services ONTAP Data Protection ONTAP SAN Support Services
<b>CHECKPOINT</b>	4 stars ****	Security Solutions	20+	30 total certifications 12 people certified	Value Added Reseller Managed Service Provider Specialization Certified Collaborative Support Provider Appliance Support Advanced Threats Partner – Network, Mobile, Endpoi... SMB - Small and Medium Business

Figure: Lutech awards issued by primary vendors, 21/22

Partner Name	Partnership Level	Partnership Area Description	Years of partnership	Certified Specialists active at 31 December 2022 only LUTECH	Competences / Specialization active
<b>FORTINET</b>	Expert Partner	Security & Wireless Solutions	15+	80 total certifications 29 people certified	System Integrator Network Security Expert Specialization Secure SD-WAN Threat Landscape Evolution of Cybersecurity Wireless Infrastructure Integrated Wireless
<b>FORCEPOINT</b>	Platinum Partner	Security Solutions	10+	9 total certifications 5 people certified	System Integrator Specialization Forcepoint Web Security Data Protection User Protection Edge Protection
<b>F5</b>	Gold UNITY Reseller	Security, Cloud & Application Delivery Solutions	10+	20 total certifications 10 people certified	System Integrator Value Added Reseller Specializations BIG-IP Administrator Local Traffic Management Global Traffic Management
<b>MICROSOFT</b>	Base Membership	"Cloud Platform - Gold Cloud Productivity - Gold Application Development - Silver Application Integration - Silver Collaboration and Content - Silver Messaging - Silver"	10+	66 total certifications 35 people certified	System Integrator Specializations Networking Azure Cloud
<b>AWS</b>	Advanced Consulting Partner	IAAS, PAAS, SAAS	10+	43 total certifications 34 people certified	Programs: Public Sector Solution Provider Immersion Day Well-Architected Partner Program Competencies in completamento: DevOps Government Migration
<b>COMMVAULT</b>	Market Builder	Data protection & management	6	22 total certifications 8 people certified	Solution Provider Specializations CVSP CVTSP CVSA CommV HiperScale CommV Orchestrate Commv Activate IntelliSnap SnapManagement

Figure: Lutech awards issued by primary vendors, 21/22

Partner Name	Partnership Level	Partnership Area Description	Years of partnership	Certified Specialists active at 31 December 2022 only LUTECH	Competences / Specialization active
<b>SALESFORCE</b>	Platinum Partner	Cloud CRM Salesforce Automation and Customer Service Marketing Automation & Omnichannel Data Driven Marketing Salesforce Authorized Training Provider: unico Partner in Italia che eroga corsi di formazione ufficiale su tutta la piattaforma Salesforce.	20+	19 total certifications 10 people certified	Cloud Reseller, Salesforce Consulting, Execution, Training. Percorsi end-to-end per il digital customer engagement.
<b>GENESYS</b>	Gold	CTI	9	8 total certifications 5 people certified	Pure Cloud, Pure Engage
<b>INFORMATICA</b>	Platinum	ETL, Data Governance, Master Data Management	6	7 total certifications 4 people certified	Informatica Cloud, Data Quality & Governance Cloud, Data Integration, Product 360 - PIM
<b>SERVICENOW</b>	Specialist	ITMS/ITOM	6	14 total certifications 7 people certified	ServiceNow Certified Implementation Specialist IT Service Management - ServiceNow Certified Implementation Specialist Customer Service Management - ServiceNow Certified System Administrator

Figure: Lutech awards issued by primary vendors, 21/22

These certifications are, therefore, further proof of the Company's utmost commitment to the marketing of quality digital solutions, strengthened by an established and improving relationship with the major manufacturing players. Further new experimental and commercial collaborations can certainly develop from these mutually committed relationships.

In addition, the Company has voluntarily chosen to adopt and implement Management Systems certified by Accredited Bodies to ensure the highest level of quality, process security and compliance.

In particular, it has obtained the following system certifications:

- ISO 9001:2015 Quality Management System**  
 In order to guarantee the full satisfaction of its customers and the continuous fulfilment of their needs, Lutech has adopted a Quality Management System compliant with the ISO 9001:2015 standard, of which it guarantees the periodic review and continuous improvement of all company processes with particular attention to those of a more innovative nature;
- ISO 14001:2015 Environmental Management System**  
 To ensure that its activities are carried out in compliance with current legislation and in all areas in which it operates, Lutech has certified its environmental management system. This has as a



prerequisite, in addition to the full involvement of employees and collaborators, an awareness-raising action with respect to customers, suppliers and partners to achieve the common goal of reducing environmental impacts;

- **ISO 45001:2018 Occupational Health and Safety Management System**

The Management System adopted ensures the complete and accurate identification of risks, the removal of Health and Safety hazards and the prevention of accidents for anyone who may be directly or indirectly connected to Lutech's activities;

- **UNI CEI EN ISO/IEC 27001:2017 Information Security Management System**

Lutech has designed and implemented a management system capable of guaranteeing the security of information systems through the adoption of internationally recognised best practices. The system enables reliable and secure management of information to provide high service levels; to monitor and reduce the risks of possible disruptions; to reduce the risks of service interruption (Business Continuity). On this aspect, please refer to the interview box on page 85;

- **ISO/IEC 20000-1:2018 Service Management System**

To ensure a continuous response to the needs

expressed by its customers, Lutech has implemented a Management System capable of guaranteeing the periodic review and continuous improvement of all company processes and services provided. This allows us to offer the best global ICT solutions and to propose complete solutions, from feasibility studies to final implementation and operational management.

In addition to the aforementioned certified Management Systems, the Company maintains, since 2018, a system of rules, internal standards and organisational structures that make up the Personal Data Protection Management System (SGPDP) which, as of 2019, has been extended to all Lutech Group companies.

On a path to improving and strengthening its business ethics processes, in 2022 Lutech finally began internal discussions to implement a Management System for the Prevention of Corruption in line with the UNI/ISO 37001:2016 standard, through which a management standard would be identified to define the processes to be activated in the fight against corruption. UNI ISO 37001 specifies these requirements and provides guidance for establishing, implementing, maintaining, updating and improving an integrated corruption prevention process. This further certification, covering all locations and on the same domain as ISO 9001, is expected to be achieved by 2023.



## INTERNAL TRAINING

In-company training is one of the most important improvement steps, the impact of which on human resources, and thus on productivity and the corporate climate, can be carefully grasped from the number of training interventions provided and the

total number of hours spent. The table below shows the details for the year 2022. Further details will be found in other sections devoted to the particular type of training provided/received. For example, corporate training on Human Rights issues will be presented in the specific thematic section.

INTERNAL TRAINING 2022			
Category	Training interventions	Employees with at least 1 h course	hh
Compliance Training (231, Anti-Corruption, GDPR, Security, Procurement Code, Management System)	1475	1194	1,591.50
Compliance Training (81/08)	668 training sessions of which 12 events were held in the classroom and the remainder online	522	4,132.00
General training	29	340	4,532.00
Strategic technical training	226	288	13,373.00
<b>Grand total</b>			<b>23,628.50</b>

## RESEARCH AND DEVELOPMENT

Three areas are the main focus of Lutech's R&D projects and financial investments:

- **RT3:** Concerns the creation of a platform called RT3 and intended for the wiretapping, environmental and telematic interception market.
- **Lutech Digitale 4.0:** The aim of the project is to study, design, develop and test a software platform for the transition of proprietary legacy systems to a new generation of cloud-based application solutions. These new application solutions, capable of encompassing technologies such as Big Data and Analytics, AI-Machine Learning, Linked Data, Augmented Reality, developed on Cloud Computing and Micro-Services architectures, aim to update Lutech's application assets and enter new application and market segments powered by these technologies. The application platform under the project will over time support some of the application domains in which Lutech is present: Financial Services, Loyalty Programs and Energy & Utilities.

It will consist of several components, including a transversal one defined as Process Orchestration Layer and a specialised "Domain Specific" component for each of them, which verticalises the LUTECH DIGITAL 4.0 platform into the priority application domains for Lutech defined as Service Layer Interface to Lutech 4.0 APIs.

- **Artificial Intelligence:** the following strands of activity can be traced back to this research:
  - **I-SPIN – Italian Sentence pair inference:** this concerns the development of a model, based on transfer learning techniques, that allows, through a non-supervised approach - i.e. one that does not require the labelling of data - to interrogate free text, e.g. reviews, and extract information such as the topic discussed or the related sentiment, through Boolean outputs. The project was focused on the Italian language.
  - **Process Mining for Opportunity Management in Lutech:** the objective of the project is to analyse Lutech's Salesforce opportunity data in order to identify what in process mining are

referred to as “execution gaps”, i.e. all the flaws in the opportunity management process that have a negative impact on the Company's business. Specifically, it is a matter of identifying whether the opportunities that are embedded within Salesforce are managed correctly during their lifecycle and whether there are any process steps that impact negatively on time. The purpose of this is to “correct” any processes that skip certain steps or to speed up those that take longer than average.

- **HELDE – Help Desk EMAIL CLASSIFIER:** in view of the large number of e-mails received by the Help Desk systems concerning the most varied types of problems reported by different customers and by different systems, it became necessary to introduce an intelligent automatism capable of supporting the work of categorising the e-mails received in order to simplify their management. The aim of the project is to implement this type of automatism in such

a way that it is scalable and easily upgradable in order to keep up with the frequent changes (additions, terminations) of customers and projects whose monitoring is the responsibility of the Help Desk, as well as changes in the text of e-mails from monitoring systems or reports of new types of problems.

During **2022**, Lutech invested Euro **2,038,537** million in R&D. The percentage of R&D investment in total turnover in **2022** was **0.64%**, up from the **2021** figure (**0.46%**).

The company does not have an internal innovation management committee but invests permanently in R&D with even long-term projects designed to support future growth. This is the background to the **MILE (Meet the Innovative Lutech Experience)** project, a cross-sectoral line of investment and research dedicated to identifying new innovative and commercially strategic solutions for Lutech.



## RESEARCH AND DEVELOPMENT AT LUTECH

This in-depth box analyses some of the R&D design steps taken by Lutech and some of the innovation frontiers at company and territorial level.

→ **In R&D, the most complex step to make is the one between model and product: which features do you think enable Lutech to transform an idea into a commercially viable product in your industry more than others?**

We need to create a virtual model like the one we have created with our MILE approach, capable of involving both research organisations and business partners who test the technology throughout the design phase. Usually these models last about two/three years and allow, on the one hand, the traceability of what is innovative and, on the other hand, an understanding of what can be industrialised. For Lutech, the goal is to have a number of projects under the MILE “umbrella” that bring with them a wealth of experience, some of which is also required by the public tenders in which we participate. A separate discourse deserves the research front that Lutech is sharing with the Ministry of Justice, where obviously the model to be implemented must already be in line with the type of need of the public partner with whom we work, and from whom we receive specific training on aspects related to the particular public/institutional dimension of our service. Furthermore, we think it is important that the research

idea to be developed is already in line with the size of the Client company, i.e. focused on where we can really go together. Finally, the innovative product to be developed needs a definite development time.

→ **There is a lot of talk about Open Innovation, albeit in a context – digital – in which innovation has high development costs and is therefore susceptible to patent protection: how can the right balance be achieved between contamination and protection of innovation, in the sector in which you operate?**

Creating projects that have the right balance between research and development is complex: it usually starts with the need of research institutes to publish, to which the industrial need for dissemination, with defence mechanisms for possible patents must be added. This occurs, for example, in the case of the MILE Lutech Digital 4.0 project where there is a project component called Loyalty that allows the research organisation to have a new scientific publication based on the process and data developed by Lutech.

→ **More and more R&D – especially in the digital field – is being linked to possible solutions and applications for everyday use and social impact, just think of those for health purposes: what would be needed to boost investment in this field and further involve companies like yours?**

What is needed is an investment incentive system, going beyond the NRP, that intercepts European and national funds aimed at a regional steering committee, able to aggregate other incentives and funds from other social players. Each region should be encouraged to incentivise funds that support industrial excellence. In such an ecosystem, R&D operations would be managed through shared protocols, ethical accountability, results balanced between science, industrialisation and national scalability. This shared governance model – which is also very scalable – would be crucial for effective research partnerships.

→ **How are digital technologies changing R&D?**

The two aspects – R&D and digital technologies – are integrated and there is no longer a clear-cut distinction; consider for example the use of artificial intelligence and imaging technologies, whether in the clinical field, or in manufacturing, electrical or agricultural fields, are becoming increasingly pervasive. As, for example, in the agricultural context where x-rays are taken of raw materials to determine their origin, quality and correct price on the market. More and more in the work teams there are not only pure researchers but also computer scientists, physicists, technicians and that is why following R&D developments with digital technologies is no longer as difficult as it used to be: the two worlds have become much closer and the stakeholders are common. This also applies to the projects Lutech shares with the Ministry of Justice where the two dynamics feed off each other. Certainly, however, AI and process automation may lead to less dependence on unskilled workers in the near future, so that roles will also evolve in research where there will only be room for those with real added value.

→ **Lutech R&D also focuses on projects managed by public institutions of strategic importance, as in the case of the Digital Twin project developed in partnership with “Acquedotto Pugliese”. How can the public help the scalability of your research projects?**

The public is crucial to implement initiatives that allow innovative experimentation logics and provide an important return to other customers as well. In essence, the public is a crucial partner for private enterprise because it allows it to work in the absence of short-term commercial pressures, to experiment with a model that can then be further customised in the private sector and replicated elsewhere, allocating resources in optimal partnerships where different players work towards a common goal. The governance of these participatory approaches is generally managed by the private partner and the role of the public is also to coordinate all players that are part of the partnership.

## COMMUNICATION

Taking action to transfer social value to one's own community and territory is not sustainable if one does not accompany every corporate action or initiative with social communication aimed at telling and detailing the methods, objectives and impacts of what has been achieved. Communication on ESG issues, in fact, far from being communication for sales or marketing purposes, is intended to disseminate knowledge and good practices in order to enable the replicability of social projects or the dissemination of knowledge about how imbalances and problems that have arisen in one's own context can be addressed.

Lutech has decided to structure an ESG communication process that starts first of all from the inside, i.e. from information, training and involvement of all employees, and then activates ad hoc processes aimed at suppliers, customers and the general public.

In 2022, this process has continued with the drafting of the 2021 Sustainability Report, an opportunity taken by Lutech to inform and involve the HR, Communication and People Engagement units in the preparation of the first Sustainability narrative docu-

ment, as well as to update the specific section, dedicated to Corporate Social Responsibility issues, of the institutional website launched in 2021.

With the **“The First Step”** campaign, Lutech's first sustainability report was launched internally, starting with an email from the CEO and an accompanying video.

The publication of Lutech's first Sustainability Report was further promoted – externally – with a press release relaunched in industry publications, communications on the Company's social media and a dedicated web news. Likewise, the main ESG projects and objectives were accompanied by a news item on the website and disseminated via the Company's social media. The space of excellence for addressing the ESG issue at Lutech is, therefore, the “Responsibility” section within the Company website, where information and documents related to the Company's CSR strategy can be found. In addition, a monthly newsletter is produced that includes news and ESG initiatives and promotes the internal communities dedicated to Woman Empowerment, Running and Digital Education topics.

At the communication level, Lutech uses events wi-

thin an integrated group strategy as key elements in the process of building its image, identity, brand recognition and business solutions. These events aim to strengthen customer relations, foster commercial and cross-selling strategies, so as to develop a number of productive relationships in the new group perspective.

The event types fall into three categories:

:

- **Institutional Event:** event led by Lutech, with the aim of promoting services and solutions at an all-around independently manner or in cooperation with several partners.
- **Alliance event with a Partner/Vendor:** a co-marketing event with a partner in which they participate jointly or share one of their institutional events and aims to promote the partnership and present a joint offer.
- **Internal Event:** an event dedicated to internal employees (e.g. Sales Kick Off), which focuses on sharing sales targets and updating the sales offer for Lutech Group Sales.

The types of events include different formulas, such as:

- Trade show
- Conference
- Workshop
- Roadshow
- Round table
- Team building
- Convention/Kick-Off

**Over the course of 2022**, Lutech organised **58 events**, of which **8** were in live streaming **webinar** format, **12** in **hybrid mode** (in-person and live streaming) and **38 in-person**.

The majority of events were organised in attendance, a sign of a resumption of post-pandemic activities. Despite this, Lutech has continued to emphasise the webinar format, which makes it possible to optimise time and reach a wider geographical audience, thus limiting travel and reducing the environmental im-

pact of transport.

The "webinar" format allows event viewers to follow the live broadcast from any location, from any PC or phone device, while still being able to interact by asking questions to speakers, participating in polls, etc.

The virtual mode was also used at larger events such as trade shows, with dedicated platforms providing 3D graphic environments to create virtual booths allowing participants to easily browse multimedia content, attend virtual conferences, use chat tools to connect with exhibitors and easily participate in webinar sessions.

Within the different events realised, the degree of Lutech's involvement has changed. There are events that are entirely the Company's responsibility, involving goal setting, draft plan, planning, execution and post-event management. In these phases the Company often makes use of external agencies with which it collaborates in the realisation of the different formats. There are also other types of events, such as Alliance events (organised by a vendor) or Multisponsor events (organised by external agencies such as The Innovation Group or IDC) in which Lutech participates with its own contact person to give a speech on a specific topic of the Lutech offering.

# GOVERNANCE

 LUTECH

# GOVERNANCE

Lutech SpA is an Italian joint-stock company, the majority of whose capital is held indirectly by the APAX funds, headed by the CEO. The current Articles of Association of the Company were approved by the Shareholders' Meeting on 13 December 2017.

Lutech SpA is directly controlled by Libra Italy Solution SRL and indirectly by Libra Groupco S.p.A, a company that exercises management and coordination. Upstream in the corporate structure is the investment vehicle Libra Topco Sarl, a company under Luxembourg law in which a number of managers and private investors participate with minori-

ty stakes who have decided to re-invest part of the proceeds from the sale of their companies in the Lutech project.

To support APAX's purchase of the Lutech Group, Libra GroupCo S.p.A issued a bond loan listed on regulated markets totalling Euro 338 million. The issuance of the loan (Senior Security Note) entailed a further process of evolution of the Group in terms of transparency and disclosure: in fact, the issue took place through the publication of an Offering Memorandum, the obtaining of a public rating by two leading rating agencies (Moody's and S&P's), and the



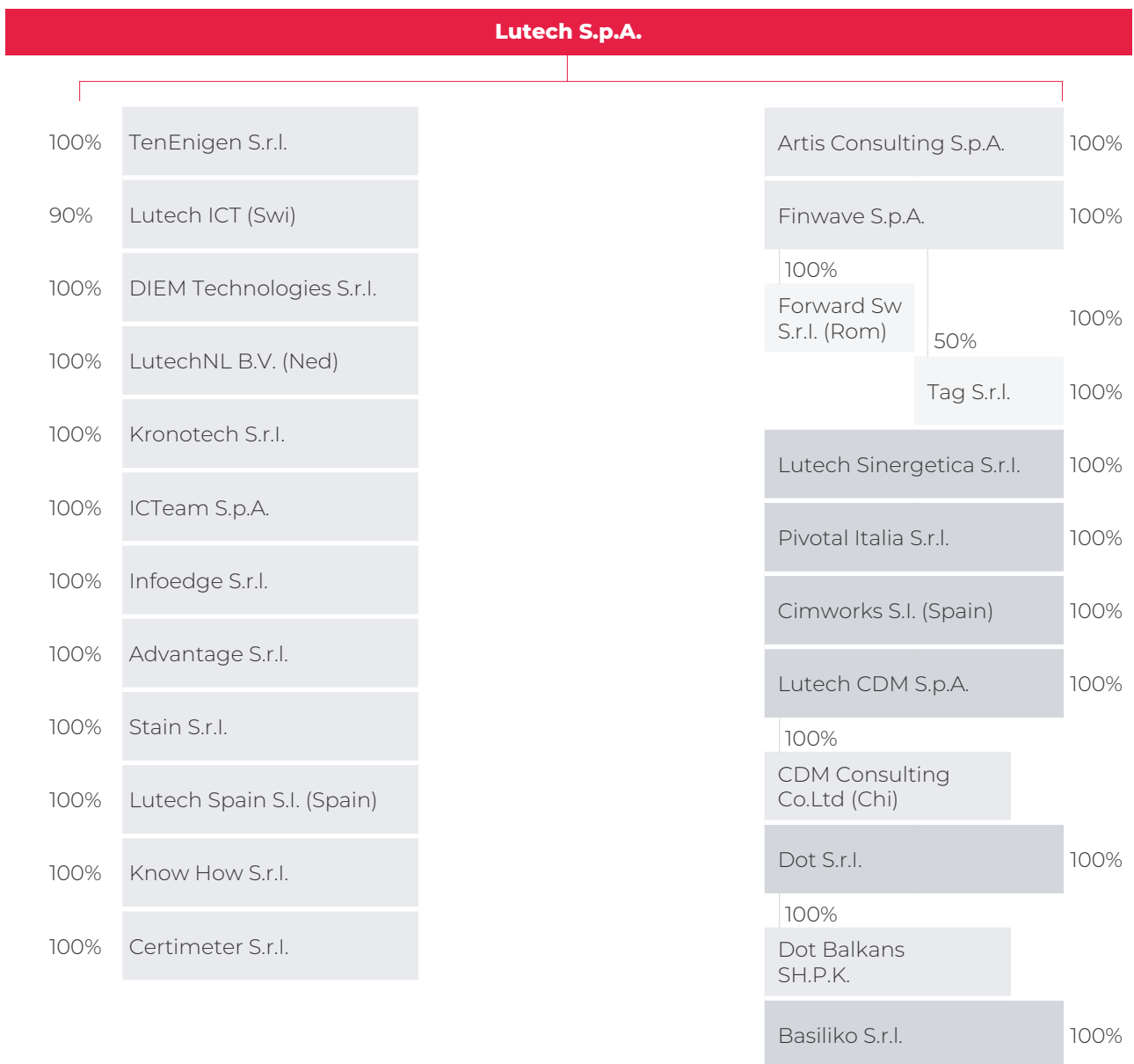


subjection to the obligation to publish corporate disclosures on the Company website (quarterly reports and audited annual financial statements).

The Company is organised according to the traditional administration and control model according to a model characterised by the following corporate bodies:

- Shareholders' Meeting
- Board of Directors
- Board of Auditors
- Supervisory Board (appointed by the Board of Directors)
- Corruption Prevention Compliance Function (appointed by the Board of Directors)

Within Lutech there are a number of subsidiary companies, represented in the sociogramme below:



**Shown:** Lutech S.p.A. organisation chart.

Details of the subsidiaries of Lutech SpA are listed in the table below:

Company	%	Control	Activities
LUTECH S.P.A.	100%		Cybersecurity, cloud solutions, customer engagement solutions, application development, next-generation IT infrastructure, big data, eHealth and cognitive computing solutions
FINWAVE S.P.A.	100%	Direct	Design and sale of business process management software for the Banking, Finance and Capital Market sector, in the field of factoring and leasing, in the world of securities and derivatives as well as Security Services, design, development and marketing of proprietary software for business process management; leader in the Italian market in solutions for compliance and regulatory compliance, with strong specialisation in the financial sector (formerly ARCARES S.P.A., after the merger of LISCOR S.P.A., FINANCE EVOLUTION S.R.L. and CST S.R.L.)
ARTIS CONSULTING S.P.A.	100%	Direct	A company offering a powerful combination of state-of-the-art technology and specific organisational, tax, accounting and regulatory expertise, with a consultancy approach, complementing the Group's range of finance services and solutions
ICTEAM S.P.A.	100%	Direct	Consulting and system integration in Big Data and Artificial Intelligence, consulting and software development in Loyalty & Direct Marketing
FORWARD SOFTWARE S.R.L.	100%	Indirect	Design, development and marketing of proprietary software for business process management in banking and finance in the field of rental and leasing for the Group and local customers in the Romanian market
INFOEDGE S.R.L.	100%	Direct	Specialised application consulting on business processes to major clients in the insurance industry
LUTECH CDM S.P.A.	100%	Direct	Consulting, marketing and integration of solutions in Product Lifecycle Management (PLM), Internet of Think (IoT), Enterprise Resources Planning (ERP) in the INFOR space
CIMWORKS SL (SPAIN)	100%	Direct	Consulting, marketing and integration of Product Lifecycle Management (PLM) solutions for the Spanish market
ADVANTAGE S.R.L.	100%	Direct	Consulting, marketing and integration of solutions for the manufacturing sector in the field of Product Lifecycle Management (PLM), partner PTC ("Parametric Technology Corporation")
KNOW-HOW S.R.L.	100%	Direct	Process consulting and integration of ERP solutions mainly on the INFOR space
PIVOTAL ITALIA S.R.L.	100%	Direct	Consulting, marketing and integration of Customer Relationship Management (CRM) and Product Lifecycle Management (PLM) solutions
CDM CONSULTING CO. LTD	100%	Indirect	Consulting and integration of Product Lifecycle Management (PLM), IoT, ERP solutions serving Lutech Group's multinational customers with local units in China

Company	%	Control	Activities
TENENIGEN S.R.L.	100%	Direct	Consulting and integration of Customer Relationship Management (CRM) and Customer Experience (CX) solutions with cloud solutions based on the Salesforce.com platform and related training activities.
LUTECH SINERGETICA S.R.L.	100%	Direct	Design, development and marketing of Energy Trading & Risk Management (ETRM) solutions. The company incorporated the activities of Mediana S.r.l. during the year and changed its name in 2021.
DIEM TECHNOLOGIES S.R.L.	100%	Direct	System integrator specialising in satellite communication systems and digital broadcasting solutions
KRONOTECH S.R.L.	100%	Direct	Design, development and marketing of IoT solutions, mechanical, electronic, computer, telematics, process and office automation systems (security and access control)
LUTECH ICT SOLUTIONS SA	90%	Direct	System integrator of data centre and networking solutions, established in Switzerland to serve the local market and local units of multinational customers of the Lutech Group
LUTECH NL B.V.	100%	Direct	Marketing of software for business process management in banking and finance in the Dutch and French markets
LUTECH SPAIN SL	100%	Direct	Software and services in the area of financing practice management for specialised operators in Spain (company inactive to date)
CERTIMETER S.R.L.	100%	Direct	Recognised for its leading capabilities in software development, IT security, collaboration, business intelligence, machine learning, big data and analytics and Salesforce.com technologies
DOT S.R.L.	100%	Direct	Consultancy company specialising in Salesforce.com software products that mainly deals with Digital Transformation projects for Enterprise customers with an "Adaptive Agile" approach
DOT BALKANS S.H.P.K.	100%	Indirect	Office nearshoring within Salesforce.com and ERP
BASILIKO S.R.L.	100%	Direct	Company accompanying Italian brands and retailers in the development of B2C and B2B e-Commerce networks on Adobe Commerce platform, integrating them with the best ERP, PIM and CRM technologies
STAIN S.R.L.	100%	Direct	Development and sale of MES software for production data collection, logistics management, quality and maintenance, with a focus on the manufacturing market

### Board of Directors

The main corporate governance body is the Board of Directors, which is responsible for determining and pursuing the strategic objectives of the Company. The current Board of Directors was appointed by the Shareholders' Meeting on 14 June 2021 and will remain in office for three financial years, until the approval of the 2023 annual financial statements. Its composition is made up of 4 internal members (company managers) with diverse technical expertise and roles in order to have a comprehensive understanding of all aspects of entrepreneurship. The company is under the management and coordination of Libra Groupco S.p.A.

Libra Groupco S.p.A is a company governed by a Board of Directors of 5 members – all male of whom 1 is independent, 2 representatives of the APAX Partner and 2 Managers (stakeholders involved/represented). There are no members representing under-represented social groups. In Libra Groupco, the Chair of the Board is not a manager of the Company.

For the members of the Lutech Board of Directors, the remuneration is decided by the Shareholders' Meeting, which determines the total amount for the term of office of the Board of Directors and distributes it to its members. The remuneration at Lutech is fixed and it is the Board of Directors itself that decides whether to pay it monthly or annually. Members

of the Board belonging to the Manager category are remunerated as employees within the scope of their functions or, in the case of the Managing Director, by a Directorship Agreement with both a fixed and a variable component. Board members representing the APAX Partner are not remunerated in their office. Independent members receive a fixed fee.

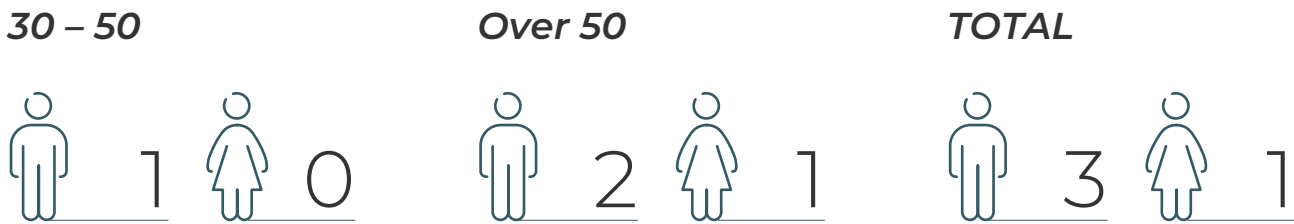
For the Board of Directors and the Board of Auditors, the appointment criteria are set out in the Civil Code and in the Articles of Association. For the Supervisory Board and Compliance Function for the Prevention of Corruption, the reference is to the Legislative Decree 231/01, ISO 37001 and in-house procedures. For the Board of Directors and the Board of Auditors, the appointment criteria are set out in the Civil Code and in the Articles of Association. For the Supervisory Board and Compliance Function for the Prevention of Corruption, the reference is to the Legislative Decree 231/01, ISO 37001 and In-house Procedures (see also MOG-000A). Specific criteria for the selection of the members of the various bodies are also set out in the above-mentioned references.

The Managing Director of Lutech SpA, who is also Chair of the Board of Directors, is subject to regular due diligence and conflict-of-interest checks, from which no critical issues have emerged.

Below is the composition of the Board of Directors (BoD) of Lutech SpA:

Role	Term of office
Chair of the Board of Directors, Chief Executive Officer and Legal Representative	Appointed from 14 June 2021 and until approval of the 2023 financial statements
Chief Financial Officer Managing Director	Appointed from 14 June 2021 and until approval of the 2023 financial statements
Chief Human Resources Officer Managing Director	Appointed from 14 June 2021 and until approval of the 2023 financial statements
Chief Revenue Officer Managing Director	Appointed from 02 February 2022 and until approval of the 2023 financial statements

The age and gender composition of the Lutech Board appears as below:



To supplement the Controls System that the Company has adopted, Lutech also provides for the Board of Statutory Auditors and the Auditing Company.

### Supervisory Board

This body has the task of monitoring compliance with the law and the Articles of Association, observance of the principles of proper administration, and in particular the adequacy of the organisational, administrative and accounting structure adopted by the Company as well as its actual functioning. The company's Supervisory Board ("SB") coincides with the Board of Auditors, for which the professional profile of the members is in line with the requirements of the Model 231 to hold the office.

The Supervisory Board continuously monitors the adequacy and actual implementation of the safeguards provided for in Model 231 and in the Code of Ethics by all recipients. It also reports on the need to update the Model 231 in the event of changes in the regulatory framework, management processes and the organisational structure of the Company.

Financial reporting is produced in accordance with Italian accounting standards (OIC).

### Board of Auditors

The Board of Statutory Auditors performs its function as laid down in the Civil Code and current regulations. Therefore, it performs the function of supervising compliance with the Articles of Association and the proper administration and functioning of the Company.

Annually, it formalises its report to the Shareholders' Meeting at the time of approval of the Annual Report and proposes that it be approved.

It is composed, as indicated in the Chamber of Commerce certificate, of 5 members, a Chair, two standing auditors and 2 alternate auditors.

### The Anti-Corruption Compliance Function

This Function reports to the Chief Executive Officer for issues related to legislation for the prevention of corruption. It has a collegial structure consisting of:

- Head of HR Administration
- Chief Legal Officer
- Chief Compliance Officer

## ANTI-CORRUPTION COMPLIANCE FUNCTION (FCPC - FUNZIONE DI CONFORMITÀ PER LA PREVENZIONE DELLA CORRUZIONE)

HR Administration Manager

Chief Compliance Officer

Chief Legal Officer

This Function is responsible for:

- overseeing the design and implementation of the Management System for the Prevention of Corruption (SGPC – Sistema di Gestione per la Prevenzione della Corruzione);

- providing advice and guidance on the SGPC system and corruption-related issues (advice to other corporate functions in the event of declared or potential conflicts of interest advice to anyone who has concerns on the use of the

"Whistleblowing" tool or when confronted with situations that may lead to corruption risks advice to Lutech personnel on the functioning of the Management System for the Prevention of Corruption);

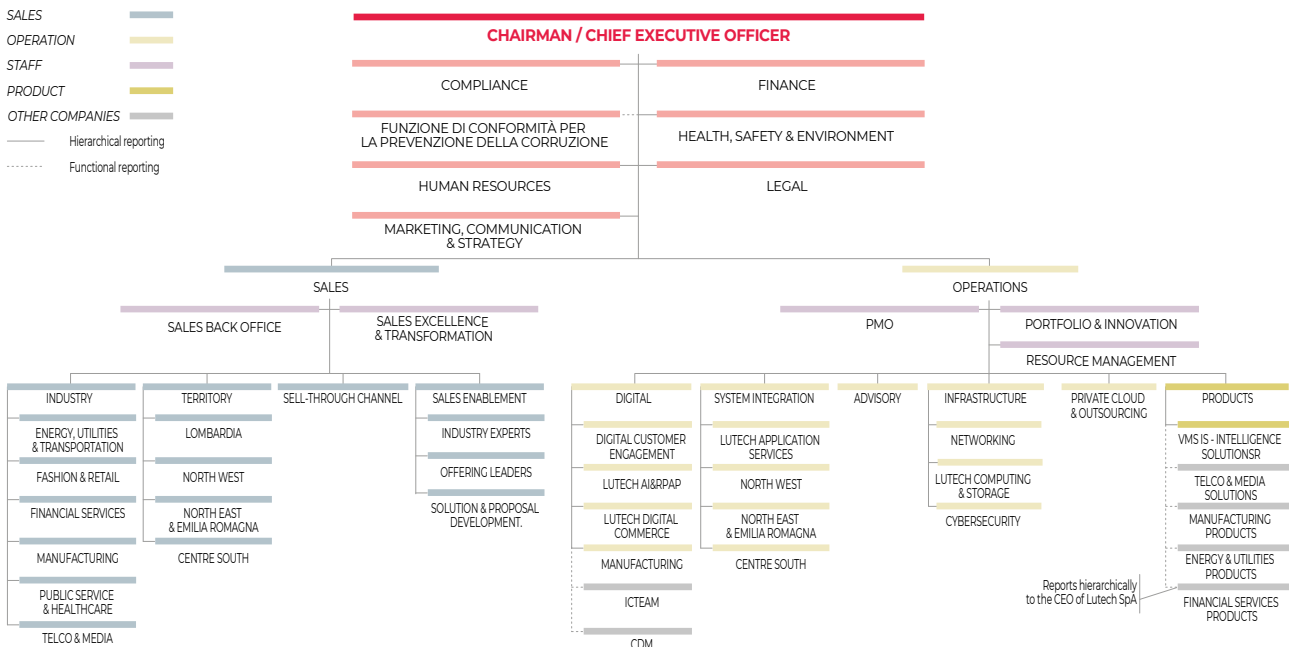
- ensuring that the SGPC complies with the requirements of ISO 37001;
- reporting to the Governing Body and the Chief Executive Officer on the performance of the SGPC;
- handling incoming anti-corruption reports;
- verifying the need to update, supplement or amend Lutech's anti-corruption document system;
- periodically updating the corruption risk assessment of the management system for the prevention of corruption;
- coordinating internal investigations triggered by

anti-corruption reports;

- proposing training and/or awareness-raising for Lutech staff where the need arises;
- proposing training and/or awareness-raising for Lutech business associates where the need arises;
- evaluating all findings from internal audits or audits by the Certification Body;
- reporting, when requested, to other Lutech Corporate Bodies on the Prevention of Corruption Management System;
- carrying out Due Diligence, on an annual basis, on Lutech staff holding positions exposed to risk above the low level.

The function is supported by Compliance in carrying out activities related to the design, implementation and maintenance of the SGPC.

### Lutech S.p.A. organisation chart



Regarding Lutech's approach to governance stakeholder engagement, it is possible to analyse the relationship with the two main stakeholders: majority shareholder and employees. As for the partner, monthly meetings are structured to review results, share critical issues and define strategies, in addition to scheduled in-depth discussions on specific business and market issues.

The main changes to Lutech's workspaces in 2022 were as follows:

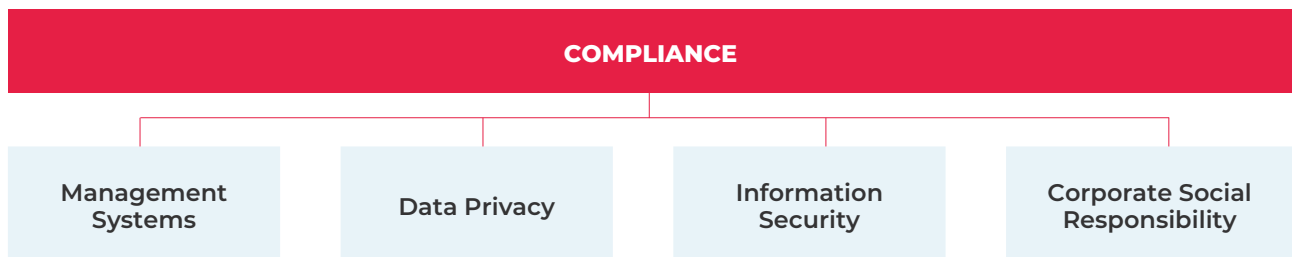
- Fiumicino office closure
- Genoa office opening
- Rivalta of Turin office closure
- Expansion of Cagliari office
- Opening of the Valenzano Parco Scientifico Tec-

nologico Tecnopolis office

- Conversano office closure

The ways in which the Company pursues its sustainability goals are organised as follows:

- for Compliance purposes: with regard to the adherence to and implementation of ISO standards related to Sustainability and Corporate Social Responsibility issues, the Lutech "Compliance" department is responsible for the investigation of processes, their completion and monitoring of annual data, as well as the renewal or extension of relevant regulations. The Compliance Function is structured as in the organisational chart below:



The Chair of the Board of Directors has identified the Compliance Office as the position for Corporate Social Responsibility, coordinated by the Chief Sustainability Officer, which is responsible for guiding and governing environmental, social and economic responsibility activities and related governance processes. This structure also has the task of managing institutional communication on those issues, mainly through this Sustainability Report, and of monitoring the implementation of the actions approved by the Board of Directors. Corporate Social Responsibility, delegated by the Board of Directors, annually conducts the process of collecting/updating the organisation's ESG impacts on the economy, environment and people by submitting questionnaires to the stakeholders. The results, before use, are shared with the Leadership Team for confirmation. In addition, the drafting and review of the sustainability report carried out systematically and annually represents a moment of shared participation through which the ESG impacts are scrutinised by the hi-

ghest governing body as part of an internal accountability process that is being systematised through structured reporting and the future establishment of an internal Board Committee to act as a link with the operational functions in charge of managing ESG issues;

- For CSR/Integrated Sustainability purposes: the Leadership Team presides collegially over the processes of applying integrated ESG goals and objectives, i.e. with extended impacts on all internal company operations. The roles within the committee are: Chief Executive Officer, Chief Financial Officer, Chief Operation Officer, Chief Human Resource Officer, Chief Revenue Officer and Chief Marketing, Communication & Strategy Officer.

By 2023, Lutech plans to activate an internal working group dedicated to Corporate Philanthropy, which will manage the selection of non-profit be-

neficiaries to whom pro-bono aids will be directed, as well as any emergency initiatives that may be necessary.

With regard to the process and frequency with which senior managers or other employees must report to the highest governing body on the management of the organisation's impacts on the economy, environment and people, there is no structured process at Lutech on an annual basis, as issues are shared during several informal meetings where information and topics are reviewed and approved by the CEO, who is also the Chair of the Board.

On the subject of Sustainability Governance, Lutech has worked during 2022 to set up a data collection process aimed at drawing up the Sustainability Report that would be as effective and efficient as possible, envisaging a collaboration of the various functions involved that would differ from the vertical hierarchical model based on roles and reports, in order to move towards a specific empowerment of the individual remote units, i.e. those closest to the data to be measured.

### **Code of Ethics**

Lutech intends to pursue the affirmation of an ethical code of business conduct and ethics for the shareholders, directors, employees and collaborators of the Company, as well as for all those who, directly or indirectly, permanently or temporarily, establish and maintain relations or relationships with it. Indeed, the Company believes that credibility and reputation represent two of the main intangible factors of an enterprise.

The Company therefore considers it essential to clearly and firmly express its ideals in order to prevent unlawful conduct or conduct that is in any way contrary to corporate principles on the part of those who have relations with the Company for any reason.

The commitments contained in the Code of Ethics and the outcomes of ISO certifications, especially those impacting human rights, are reported and

where necessary approved by the Board.

Among the principles contained in the Code of Ethics, Lutech places the greatest emphasis on those that relate directly to governance, such as:

- Fairness (Article 7)
- Conflict of interest (Article 11)
- Money laundering (Article 15)
- Prevention of corruption (Article 16)
- Relations with the Public Administration (Chapter 1, Articles 17 – 19)
- Economic Relations (Article 21)
- Contracts (Article 23)
- Internal Organisation (Chapter 4, Articles 31 – 34)

For a complete analysis of the Code of Ethics, please refer to the "Responsibilities" section of the Lutech corporate website (<https://lutech.group/it/responsabilita> REPORT section).

### **Internal management and risk control system**

Lutech has a risk control body coordinated by the compliance department with regard to ISO certifications and by the auditing company with regard to finance issues. Over time, the Company has adopted organisational tools to ensure that business operations are carried out in compliance with the mandatory regulations to which it is subject and with the voluntary standards it has adopted to ensure effective, efficient, transparent and sustainable management.

### **Data Protection Management System**

Lutech has developed and adopted since 2018 a system of rules, in-house standards and organisational structures for their implementation, to protect the human rights of confidentiality and secrecy as well as to ensure compliance with the mandatory requirements imposed by the Privacy Code, GDPR and the provisions of the Supervisory Authority. A set of organic rules that make up the Personal Data Protection Management System (SGPDP) which, as of 2019, has been extended to all Lutech Group companies.



# TRANSPARENCY AND ANTI-CORRUPTION

For Lutech, it is essential to operate in full compliance with the market rules and business ethics that characterise the operations and sectors in which it carries on business, and therefore the Company has adopted a Model 231 since 2010 for the management of these aspects within it.

In 2022, Lutech also initiated a project aimed at achieving ISO 37001 "Prevention of Corruption" certification. This entailed the preliminary assessment of the corruption risk by the newly established "Anti-corruption Compliance Function", in consultation with the Process Managers, in order to estimate the level of exposure of processes, and of all related activities, to the corruption risk, as well as the assessment of personnel exposure to the same risk. Consistent with the type of activity carried out almost exclusively in Italy and mainly in smart working, the evaluation criteria considered include:

- relations with the public administration
- frequency of relations with the public administration
- economic value of relations with the public administration

while the variable "geographical location" is excluded. By virtue of this, the Company constantly monitors potential conflicts of interest of the employees and suppliers (collaborators) with particular attention to commercial management. This monitoring is therefore integrated with the due diligence process of business associates, which also includes recipients of donations, sponsorships and other charitable disbursements.

The prior due diligence process of these entities, as set out in the Company's procedures, ensures – reasonably – the proper use of the funds provided.

External communication in the area of anti-corruption is conveyed through the institutional website, where a special section containing anti-corruption policies and procedures is available, and through so-

cial channels. Internal communication in the area of anti-corruption is conveyed via the company intranet, e-mails and newsletters.

The figures below refer to the reporting period 1 January-31 December 2022.

According to the risk analysis conducted as part of the preparatory work for the **ISO 37001** certification, **107 operations** were assessed for corruption risks in 2022, and the total number of processes identified as being at risk of corruption was **82 (76.64%)**.

There were 66 significant corruption-related risks identified during the risk assessment, of which 6 were significant after mitigation. They are mainly related to the following cases drawn out from the Risk Analysis of all risks with a "High" or "Very High" value in "PRI Inherent Risk Assessment (IA vs. RAR)":

- Crimes against the P.A. (bribery for the exercise of a function, for an act contrary to official duties, incitement to bribery, bribery in judicial acts, undue induction to give or promise benefits, fraud to the detriment of the state, embezzlement to the detriment of the state, incitement to bribery of foreign states, etc.);
- private bribery pursuant to Article 2635 of the Civil Code;
- incitement to private bribery 2635 bis.

With regard to communication and training on anti-corruption policies and procedures, all members of the governing body, broken down by region, were communicated the organisation's anti-corruption policies and procedures in 2022, and, referring to the governing body as the BoD, more precisely: four, all in Italy, corresponding to 66% of the total number of BoD members.

As far as employees are concerned, all of them – thus 100% – have been informed about anti-corruption

tion policies and procedures. All employees prior to employment and all employees at the time of their recruitment – including board members – fill out a self-declaration with a section on specific conflict of interest questions. If conflicts exist, the HR, SB and FCPC functions (depending on the nature) review the findings and identify actions to mitigate the impacts of such conflicts (non-recruitment/recruitment, recruitment/recruitment with restrictions, recruitment/collaboration). In general, no disclosure is made unless the conflict concerns board candidates and senior managers.

Critical issues are communicated to the highest control body within the reporting by the various corporate functions concerned: e.g. Supervisory Board, FCPC, HSE. There is no standard reporting, but only on an as-needed basis, for more general topics in the field of ESG. The total number and nature of critical issues that were reported to the highest governing body during the reporting period is 0 as no cases of corruption were detected within the Company.

With regard to the total number of business partners to whom anti-corruption policies and proce-

dures have been disclosed, in 2022 it is possible to refer to the presence of such reporting in contracts, although it is not possible to calculate how many Lutech contracts include such a reference and/or how many customer-originated contracts include this aspect. At the supplier level, out of the 1084 active suppliers in 2022, 157 suppliers (compared to 146 in 2021) signed a framework agreement where business ethics notes were included, corresponding to 14.48% of the total suppliers.

Unlike the above-mentioned targets, anti-corruption policies and procedures have been communicated to the public since 2020 through the website where the Model 231 general part and the Code of Ethics are available, and since 2021 when the anti-corruption policy was added to the previous policies.

The total number of members of governing bodies, meaning the Board of Directors, who received anti-corruption training was:

### ◆ **5 out of 6 managers**

**CORRESPONDING TO 83.3 % OF THE BOD,  
ALL IN ITALY**



With regard to the total number and percentage of employees who have received ad hoc training on this matter, the table below shows that the training cycle lasts between two and three years and is conducted in person mode for management and frontline staff and in e-learning mode for all other employees, including new recruits. In the figures below, we show the corresponding figures for the benefi-

ciaries of the course in force until 31 December 2022, i.e. 94.1% of employees. In addition, there is a specific course on ISO 37001 for management, frontline staff and other roles, which will be extended to the entire company population in 2023. There is currently no training for business partners, only information on company procedures.

### ANTICORRUPTION TRAINING 2022

*Number of employees having received anti-corruption training by 31/12/2022 (excluding Libra)*

Category	ELIGIBLE	COURSE ATTENDED	COURSE NOT ATTENDED
EXECUTIVES	59	56	3
MANAGERS	204	186	18
WHITE COLLARS	1,141	1,035	106
WORKERS	29	26	3
<b>Grand total</b>	<b>1,433</b>	<b>1,303</b>	<b>130</b>

### ANTICORRUPTION TRAINING 2022

*Number of employees having received anti-corruption training (including Libra staff in governing body) by 31/12/2022*

Category	ELIGIBLE	COURSE ATTENDED	COURSE NOT ATTENDED
EXECUTIVES	64	60	4
MANAGERS	204	186	18
WHITE COLLARS	1141	1035	17
WORKERS	29	26	18
<b>Grand total</b>	<b>1438</b>	<b>1307</b>	<b>131</b>

In the tables above, the figure for apprentices and white collars is aggregated as the two categories belong to the same INPS category.

Furthermore, in 2022, there were no proven incidents of corruption, or corruption-related public lawsuits brought against the organisation or its employees. Consequently, there were no confirmed incidents for which employees were dismissed or disciplined for corruption, nor confirmed incidents for which contracts with business partners were terminated or not renewed due to corruption-related

violations. Finally, Lutech did not participate in any collective actions and/or initiatives to combat corruption in 2022. Regarding corporate compliance with laws and regulations, in 2022 Lutech did not record any significant events of non-compliance during the reporting period. The only penalties related to voluntary agreements (and not to penalty procedures due to non-compliance with laws or public regulations) accounted for 0.28 % of the total Lutech services in 2022.

## BUSINESS ETHICS & BRAND REPUTATION

Considering “Business Ethics” as the set of standards of what is considered to be a form of ethics applied to business operations, it is the result of a particular corporate culture that affects the way companies treat, behave and act with their stakeholders. For Lutech, the topic falls primarily within the legal framework of human rights and the Sustainability Goals of the UN 2030 Agenda. The following data show the actions taken by the Company to implement virtuous processes in both areas.

Lutech has adopted a Code of Conduct based primarily on Legislative Decree 231/01 and the ISO 37001 standard. The commitments include respect for human rights, but the adoption of the precautionary principle is not explicitly stated. Due diligence is only related to the areas of Bribery (ISO 37001) and M&A.

Regarding the total number of activities that have been subject to human rights compliance audits or human rights impact assessments, it should be noted that Lutech works mainly in Italy, where advanced international human rights regulations apply. Consequently, there are no specific human rights audits as the topic is not assessed as a risk area. However, taking the framework stated in Model 231, and in particular its Gap Analysis, it is possible to identify five activities whose impacts may be reflected on human rights compliance:

- *Information Security Management System (Gestione del Sistema di Gestione per la Sicurezza delle Informazioni - SGSI)*
- *Recruitment of employees and project staff*
- *Recruitment and management of Third Country Personnel (non-EU)*
- *Employee reward process*
- *Management of contracted personnel*

These activities represent 10% of the activities analysed in the Model 231, which identifies a total of 50. Furthermore, the Model 231 (Code of Ethics, Proto-

cols, Risk Analysis, Supervisory Board, Training, etc.) identifies the 231 offences, namely:

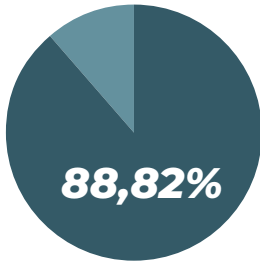
- article 25-septies of Legislative Decree no. 231/2001 (culpable homicide and serious and very serious bodily harm committed in breach of the rules on accident prevention and the protection of hygiene and health at work);
- article 25-quinquies of Legislative Decree 231/2001 (Crimes against the individual), while reasonably excluding the risk of commission (and therefore not dealing with):
  - offence provided for in Article 25-quater.1 (Practice of mutilation of female genital organs) since the Company does not and cannot perform surgical healthcare services;
  - article 25 duodecies (Provisions against clandestine immigration), in relation only to the offence referred to in article 12, paragraph 3, 3-bis, 3-ter and paragraph 5, of Legislative Decree no. 286/1998, provisions against clandestine immigration, insofar as it concerns cases of organisation, financing or transport of foreigners in the territory of the State as last amended on 4 November 2017 by Law no. 161/2017; under article 25-terdecies of Legislative Decree 231/01, as amended on 20 November 2017 by Law No. 167/2017 (Offences of xenophobia and racism).

One of the most structural aspects of Lutech's commitment to human rights is the training for employees on policies and procedures for human rights compliance and monitoring.

The employees who attended the 1.5-hour course on 231 issues were:

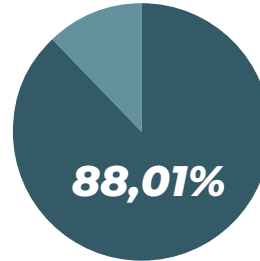
2019-2021

◆ **1232 people out of 1387**  
IN PERCENT



2022

◆ **279 new recruits out of 317**  
IN PERCENT



The 2022 figure includes newly recruited executives, managers and white collars for a total of 375.5 hours. Based on the total number of employees, therefore, the percentage achieved is 94.24%

In 2022, 279 out of 317 newly recruited employees, i.e. 88.01% of newly recruited employees including executives, managers and white collars, attended the course on the Model 231, for a total of 475.5 hours. Based on the total number of employees, the percentage achieved is 94.24%.

The human rights regulations, then, also apply to external stakeholders, i.e. customers or suppliers through investment agreements and significant contracts that include human rights clauses or that have undergone a human rights assessment. With regard to suppliers, out of the 1084 active in 2022, 157 have signed the framework agreement containing clauses related to Model 231, representing 14.48%, to which must be added all framework agreements and contracts containing data protection clauses.

The most relevant document reflecting Lutech's efforts and interest in the internal management of Business Ethics is the Code of Ethics. It describes the principles to which the Company, and anyone working in its name and on its behalf, must refer. The document contains control and assessment

measures, including practices for reporting possible abuses and violations. The Code of Ethics is shared with all employees at the start of the collaboration, and is distributed on the company intranet and shared with external stakeholders through the corporate website.

The Company's approach to the issue of transparency and fairness in the market contributes to the strengthening of the Brand Reputation on which Lutech operates, also through its presence as a partner of the Cybersecurity & Data Protection Observatory of Politecnico di Milano, whose Advisory and Compliance areas are users of content and information courses.

Policy commitments apply equally to all of the organisation's activities and business relationships, and in 2023 internal audits will be conducted to verify the application of policies throughout the organisation.

Policy commitments are shared with employees through email communications and newsletters, sharing on the company intranet and signing acceptance upon hiring. In the case of other partners or stakeholders, commitments are shared contractually through specific clauses and sharing is ensured through the institutional website.

The ways in which the commitments made are implemented are included in the policies, procedures and other documents that make up Lutech's corpus of documentation. In them, implementation and monitoring responsibilities are clarified. Each area is assigned to the most related organisational unit: for discrimination to HR, for corruption to ODV and FCPC, for environment to Compliance (monitoring) and Facility and HSE (implementation). Reporting is present and formalised in a structured manner only in some cases, while in others it is currently in progress.

All projects and results are shared with the entire company through newsletters, social messages, the website or during internal events open to all and can be further discussed in the Leadership Team or in specific meetings.

Compliance with the commitments made is monitored – at the moment in a still partial manner because the processes are under construction during internal audits and more specifically in the Compliance Programme, which includes requirements regarding adopted standards and policies.

Suppliers prior to recruitment, which may lead

to commercial agreements (partnerships) or framework agreements must be qualified in the supplier register, which provides for the assignment of a rating based on responses in various areas. There are contractual clauses referring to Lutech's Code of Ethics and the Code of Conduct that is signed by suppliers.

The Code of Ethics is integrated in the framework agreement signed by all suppliers who have one and by management consultants. It is also distributed to all suppliers via the qualification portal.

Business partners are subjected to a due diligence process (based on the level of anti-corruption and economic risk) according to ISO 37001, that provides a disciplinary system also for business associates.

The organisation has established a minimum set of mandatory online courses for the entire corporate population, including: Model 231, anti-corruption course, security, privacy, internal policies and procedures. At the end of each course there is a learning test with a minimum threshold for passing it. There are also face-to-face sessions on specific topics or more general sessions for senior management and managers.





# ECONOMIC AREA

 LUTECH

# ECONOMIC AREA

Lutech SpA is a joint stock company based in Italy with a presence also in Spain, the Netherlands, Romania and Albania. The company is wholly owned by Libra Italy Solution Srl.

The direct economic value generated and distributed (EVG&D) on an accrual basis, including the basic components of the organisation's global operations, in 2022:



Regarding the total capitalisation split between debt and equity of the Company, below are the 2021/2022 figures

<b>LUTECH TOTAL CAPITALISATION</b>		
	<b>Year 2021</b>	<b>Percentage of the total</b>
Shareholders' Equity	100,905,942	33.2%
Net financial liabilities	175,147,591	57.6%
<b>TOTAL</b>	<b>276,053,533</b>	<b>90.8%</b>
	<b>Year 2022</b>	
Shareholders' Equity	102,415,684	33.7%
Net financial liabilities	201,893,802	66.3%
<b>TOTAL</b>	<b>304,309,485</b>	<b>100.0%</b>



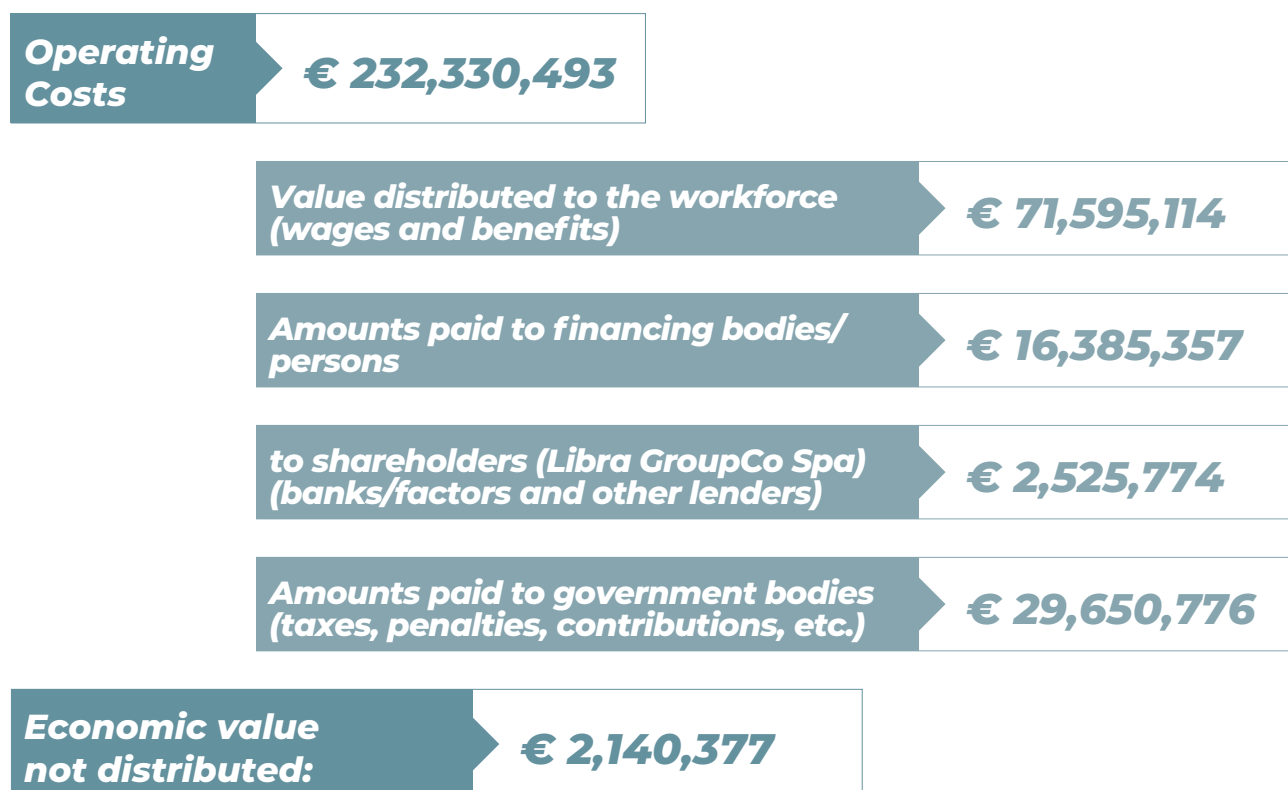
The Lutech financial statements comply with the provisions of Articles 2423 et seq. of the Civil Code and the national accounting standards OIC. The criteria used in the preparation and measurement of the financial statements take into account the changes introduced into national law by Legislative Decree 139/2015, through which Directive 2013/34/EU was implemented. As a result of Legislative Decree 139/2015 national accounting standards were amended. The valuation of financial statements items is based on the general criteria of prudence and accrual, with a view to the business going concern. The recognition and presentation of items in the financial statements is made taking into account the substance of the transaction or contract, where compatible with the provisions of the Italian Civil Code and the OIC accounting standards. The assumptions of consistency in evaluation criteria, relevance and comparability of information are also

respected.

In preparing the financial statements, the Directors make a forward-looking assessment of the Company's ability to constitute a functioning economic entity intended to produce income for the foreseeable future.

The annual financial statements are formed through a structured process, supported by appropriate management tools (Enterprise Resource Planning), and in application of an organisational model that segregates activities allowing for self-control mechanisms.

Regarding the distributed economic value, including operating costs, employee wages and benefits, payments to capital providers, and payments to governments by country, the figures are as shown below:



As far as investments in the community are concerned, understood as charitable donations, the total figure amounts to Euro 49,319.98, the details of which concerning the projects will be highlighted in the

following chapters.

The non-distributed economic value is shown in the table below as a residual component of the data mentioned above.

<b>ECONOMIC VALUE NOT DISTRIBUTED</b>		<b>Financial Statements Data</b>
Economic value generated	EVG&D	354,627,891
Economic value distributed	Operating Costs	232,330,493
Economic value distributed	Value distributed to the workforce (wages and benefits)	71,595,114
Economic value distributed	Amounts paid to financing bodies/persons	16,385,357
Economic value distributed	To the shareholders (Libra GroupCo SpA) (banks/factors and other lenders)	2,525,774
Economic value distributed	Amounts paid to government bodies (taxes, penalties, contributions, etc.)	29,650,776
<b>ECONOMIC VALUE NOT DISTRIBUTED</b>		<b>2,140,377</b>

Regarding the risks and opportunities resulting from climate change that could cause substantial changes in operations, revenues or expenses, Lutech believes that even for an information technology company there are risks (albeit low) associated with climate change, which it is important to consider proactively to mitigate potential negative impacts on business operations.

In this regard, it is important to emphasise that Lutech's sites are not in locations that present environmental risks, which is why the Company is not exposed to mechanisms that could make it more vulnerable to climate change due to the geography of the territories.

Another low risk, but still worthy of attention, concerns data security. Indeed, climate change can increase the likelihood of extreme events such as floods or fires, which could damage IT systems and compromise the security of corporate data. To mitigate this risk, the Company adopted a strategy of Data Centres managed by third-party providers. In addition, an adequate backup schedule was implemented. All distributed services are hosted on cloud

platforms provided by leading partners who have obtained the necessary certifications. In addition, the Company has developed an internal process to ensure business continuity in the event of unforeseen events.

At the level of risk/opportunity management, the following events can therefore be analysed, the level of occurrence of which was found to be – for Lutech – low:

- **ISO 14001 risk analysis** within which the risk of infrastructure unavailability is managed;
- **ISO 27001 risk analysis** which analyses risks related to physical damage such as fire, flooding and natural events such as climatic events, earthquakes, etc.

## VALUES AND INVESTMENTS

Regarding the total monetary value of financial assistance received from any government during the reporting period, including tax breaks and tax credits, the 2022 figures show a total figure of Euro 193,899, broken down as follows:



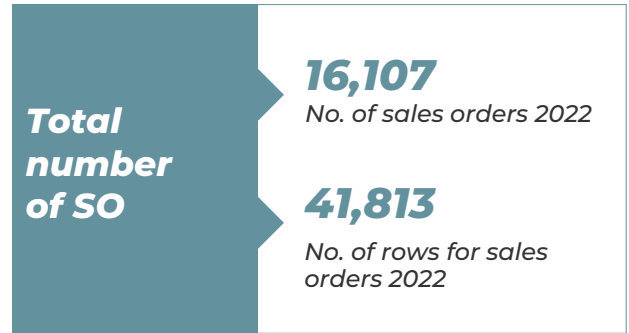
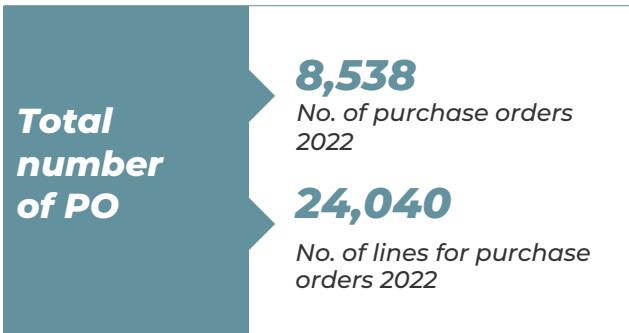
As far as Lutech 2022 investments are concerned, they total as follows:



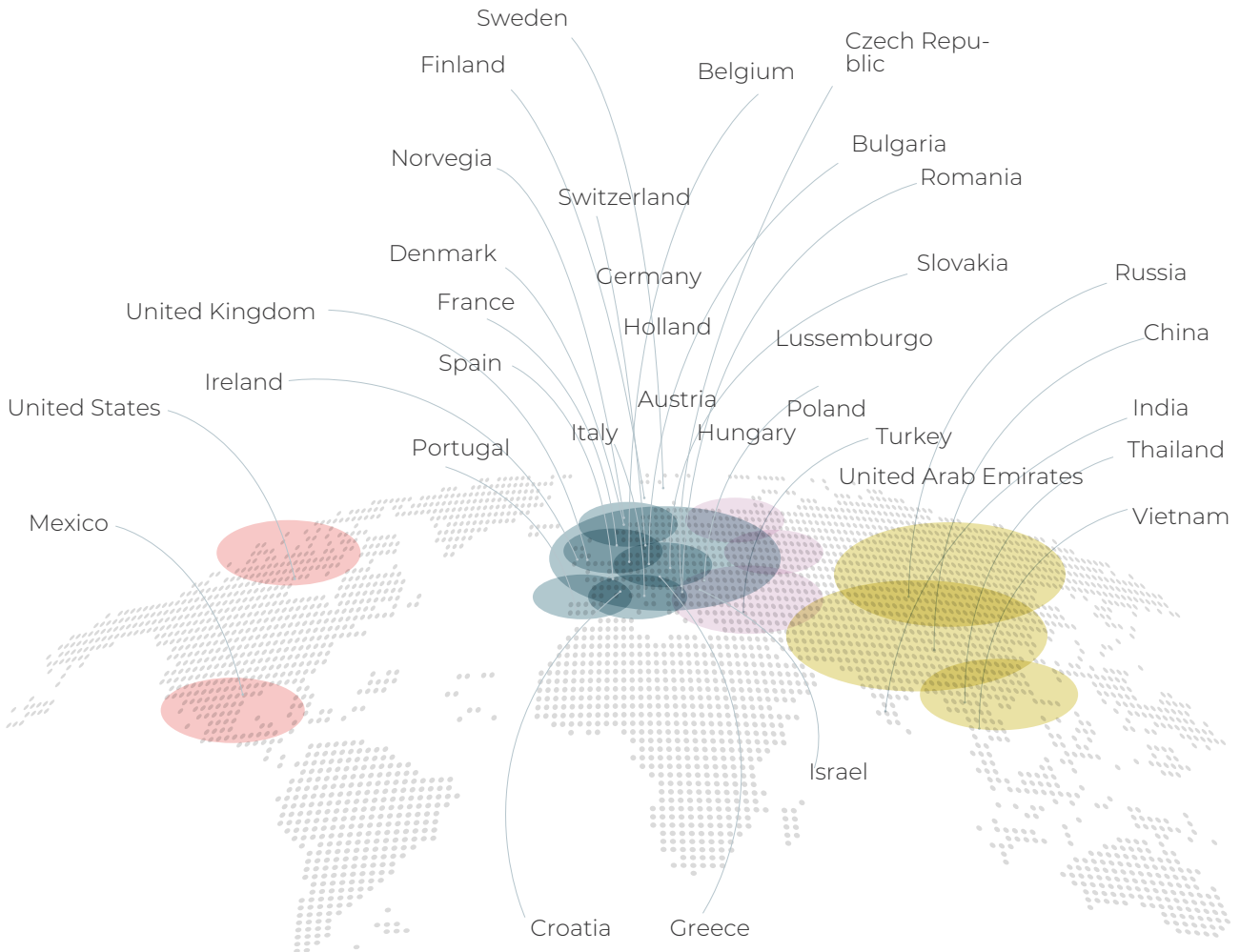
Lutech SpA also has 100% direct shareholdings in two companies in Spain (one of which is non-operational), one company in the Netherlands at 100%, one in Switzerland at 90%. The strong concentration on the Italian market justifies the centrality of Italy in the reporting scope of the sustainability report.

Lutech's business model is both B2B and B2B2C in its target markets, in particular: Local and Central Public Administration, Financial Services, Telco & Media, Energy, Manufacturing and Fashion & Retail.

## OPERATIONS



Lutech products and services are mainly available in Italy but the company operates commercially also in the following geographical areas:





# SOCIAL AREA

 LUTECH

# SOCIAL AREA

In managing its stakeholders, Lutech pursues the principles of CSR, paying attention to responsibility towards all categories, with a particular focus on suppliers, employees and customers, as the Company's choices have a direct impact on their well-being and needs. For example, in order to better understand and manage indirect social and environmental impacts, i.e. the impacts caused by its supply chain, Lutech is committed to supporting supplier qualification and selection processes based on social sustainability principles, through audits and assessments that highlight the performance of

partners. With regard to the impact on employees, on the other hand, particular weight is given to employee health and safety, ensured through specific training programmes, individual well-being and growth, inclusion and equal opportunities, both in terms of economic and other benefits. On the other hand, customer focus is ensured through a Lutech performance exchange and evaluation model, which makes it possible to monitor the qualitative development of relationships and improve any shortcomings.



## EMPLOYEES

Lutech's full-time equivalent (FTE) employees in 2022 were 1,413.97 (out of a total of 1,433), counted as employees in force at the end of the period (2022/12), also taking into account those terminated as at 31/12 (external collaborators and non-employees are not included). The main changes in the number of employees compared to 2021 occurred following the merger of DISC SpA into Lutech Spa (96 employees) on 1 January 2022 and the sale of the wealth business unit (69 employees).

Workers who are not employees but whose tasks are controlled by the organisation, in force as at 31/12/2022, include:

**◆ 34 trainees**  
**(35,45 on average in 2022)**  
*out of a total of 79 activated internships*

As far as salaries are concerned, the average salary in Lutech was Euro 38,750 in 2022, or 23.50 per cent of the maximum salary. The latter was unchanged, while the average rose<sup>2</sup> from Euro 38,200 to 38,750. 100% of Lutech employees are covered by national collective labour agreements (CCNL): there are no employees not covered. All wages agreed upon at

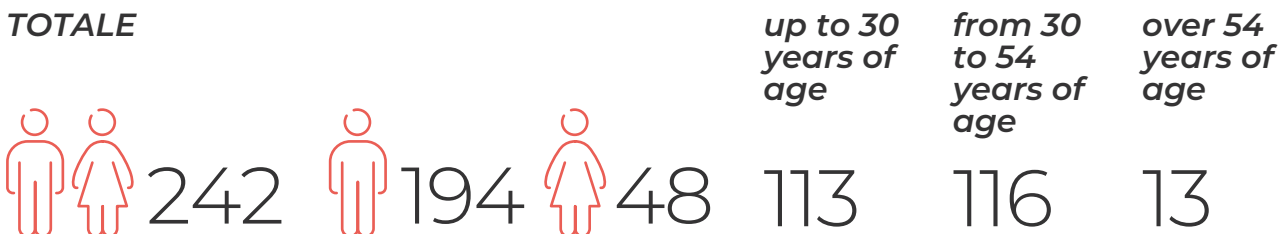
the time of hiring are based on the minimum rates laid down in the applicable CCNL (Tertiary Trade Sector or Metalmechanics Industry). There are no salaries below these values. An individual employee may be granted a super-minimum defined on the basis of unambiguous criteria, i.e. based on work and training experience, company seniority, etc. the definition of "location of significant activities" for Lutech is the "Administrative/operational location with more than 50 staff".

The percentage of senior management in significant business locations, recruited from the local community, is 100%: the definition used for "senior management" refers to the "Heads of Technical, Commercial and Staff Functions". The geographical definition of the organisation refers to "local" as the "administrative/operational headquarters registered in the Chamber of Commerce".

Labour relations are regulated according to the CCNLs applied in the Company (Tertiary Trade Sector and Metalmechanics Industry). In the context of the management of labour relations, there were no incidents attributable to points 1.2.2 to 1.2.7 of the GRI 401 disclosure.

### NEW EMPLOYEES

#### TOTALE



GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES		REGIONS		REGIONS	
LOMBARDY	122	SARDINIA	8	CAMPANIA	2
PUGLIA	44	SICILY	6	TUSCANY	1
LAZIO	40	EMILIA ROMAGNA	6		
PIEDMONT	9	VENETO	4		

<sup>2</sup> Data extrapolated from the HR management software that takes into account the payroll entered in the pay slip.

**TURNOVER**



**TURNOVER WOMEN**



**MEN TURNOVER**



The minimum number of weeks' notice generally given to employees and their representatives prior to the implementation of major operational changes that could substantially affect them differs according to the type of operational/management change and the applicable collective bargaining agreement. The CCNL of the Metalmechanics Industry provides for 20 days' notice of a transfer of employment location, and the CCNL of the Tertiary Trade Sector for 45 days' notice.

Periodic alignment meetings that are necessary for exceptional matters are set by mutual agreement and do not observe scheduled deadlines and notice periods defined in consultation arrangements or in the agreements themselves. There is no legislation that can prevent employees from joining trade union organisations, from being appointed by them as RSA/RSU [Corporate Trade Union Representation/Unitary Trade Union Representation], from participating in trade union assemblies.

**TOTAL NUMBER OF EMPLOYEES 2022**

**TOTAL**



GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES					
REGION		REGION		REGION	
LOMBARDY	931	TUSCANY	27	FRIULI VENEZIA GIULIA	13
LAZIO	218	VENETO	27	CALABRIA	10
EMILIA ROMAGNA	66	PIEDMONT	25	LIGURIA	3
PUGLIA	45	SARDINIA	21		
CAMPANIA	28	SICILY	19		



**TOTAL NUMBER OF OPEN-ENDED CONTRACTS 2022****TOTAL**

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES					
REGION	REGION	REGION	REGION	REGION	REGION
LOMBARDIA	927	TOSCANA	27	FRIULI VENEZIA GIULIA	13
LAZIO	216	VENETO	27	CALABRIA	10
EMILIA ROMAGNA	66	PIEMONTE	25	LIGURIA	3
PUGLIA	44	SARDEGNA	21		
CAMPANIA	28	SICILIA	15		

**TOTAL NUMBER OF FIXED-TERM CONTRACTS 2022****TOTAL****GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES**

REGION	REGION
LOMBARDY	4
SICILY	4
LAZIO	2
PUGLIA	1

**TOTAL NUMBER OF ACTIVE EMPLOYEES WORKING REMOTELY 2022****TOTALE**

GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES					
REGION	REGION	REGION	REGION	REGION	REGION
LOMBARDY	888	CAMPANIA	26	FRIULI VENEZIA GIULIA	13
LAZIO	206	PIEDMONT	24	CALABRIA	10
EMILIA ROMAGNA	61	SARDINIA	21	LIGURIA	3
PUGLIA	45	VENETO	21		
TUSCANY	27	SICILY	19		

**TOTAL NUMBER PART-TIME CONTRACTS 2022**

**TOTAL**



GEOGRAPHICAL DISTRIBUTION OF EMPLOYEES			
REGION		REGION	
LOMBARDY	43	EMILIA ROMAGNA	5
LAZIO	12	CAMPANIA	2
VENETO	6	PIEDMONT	1

**MANAGEMENT MODE**

Lutech's focus on the "employee" stakeholder is confirmed by the achievement of ISO 45001:2018 certification and, thus, the establishment of an Occupational Health and Safety Management System.

In order to manage these issues correctly, Lutech pursues the following general objectives:

- involving all internal staff in the implementation and maintenance of the ISO 45001:2018 System through continuous and increasing awareness of Safety in the Workplace with reference also to the prevention of accidents and occupational illnesses;
- ensure that its activities are carried out in accordance with applicable legislation, as well as internal requirements and procedures;
- involve and raise the awareness of its Customers, Suppliers and Partners on Health and Safety at the Workplace issues, in the same way as it does for its Employees and Collaborators;
- preserve the Company's image as a punctual, reliable, competent and safe supplier;
- encourage the balance of work and personal life, and the reduction of stress generated by work activities.

In order to achieve these objectives, the responsibilities of each employee have been defined. Each employee is considered a key resource who is therefore actively involved in the Company's activities. Inclu-

sion of staff and the goal of being a crucial partner for its customers are also fundamental to the Company which is committed to identifying, recruiting, developing and retaining employees by investing in their talent, leadership and dedication. Furthermore, Lutech aims to enhance its resources through training, customised career paths and innovative incentive mechanisms, so as to constantly increase the quality of skills and motivation. Finally, the two fundamental principles for the Group, ethics and transparency, are pursued in all activities, ensured, in particular, through a specific complaints handling process.

There are documents in Lutech that are distributed to all employees describing, in terms of severity and escalation of priority, the handling of complaints handled by the organisation and from the various stakeholders, both internal and external. There are currently no procedures for people to seek clarification on the implementation of the organisation's policies and practices for responsible business conduct.

The following paragraphs show some figures on the presence in the Company of employees, practices to protect their health and safety, and social impact projects in which they were involved during 2022.

## HEALTH AND SAFETY

On the subject of health and safety at the workplace, in 2022, Lutech has relied on an Occupational Health and Safety Management System based on the combined requirements imposed by Legislative Decree 81/08 and the compliance commitments imposed by the ISO 45001:2018 standard. This system applies to 100% of Lutech workers.

Lutech also has an HSE office with an in-house prevention and protection service manager (RSPP – Responsabile del servizio di prevenzione e protezione) and personnel trained in safety training.

Risk assessment and health and safety management within the organisation is addressed through internal audits by the corporate compliance and HSE department, together with external bodies for ISO 45001 certification.

With regard to the type of workers, activities and workplaces covered by the occupational health and safety management system, in 2022 Lutech related to the following tasks defined in the risk assessment document (DVR – Documento di Valutazione dei Rischi):

- **white collars** : all employees who carry out non-technical activities, basically staff or sales personnel, may move, for service requirements, between sites or at customer premises, typically use computers and are not authorised to access the warehouse;
- **H24 Shift Service Desk operators:** working mainly at 2 locations, but also in smart working according to shifts that cover H24 service. The rule is not to exceed 80 nights per year, but from a preventive point of view, the health surveillance provides for them to be managed as night workers in order to prevent the limit of 80 nights/year from being exceeded;
- **customer service technician (software technician or hardware technician):** workers who carry out their duties in the office or at the customer's

premises, installing and configuring equipment of various electronic nature, may use pool cars or have them assigned to them to reach the customer. When handling equipment weighing more than 2 kg, they are provided with safety shoes and for installation operations involving the use of screwdrivers, they are provided with suitable gloves;

- **surveillance systems installer technician:** workers who carry out their duties in the office or at the customer's premises, installing and configuring equipment of various electronic nature, may use pool cars or have them assigned to them to reach the customer. When handling equipment weighing more than 2 kg, they are provided with safety shoes and for installation operations involving the use of screwdrivers or other tools they are provided with suitable gloves and protective goggles. As opposed to normal service technicians, they can work at height, in which case they are trained and equipped with the necessary CAT III PPE. By type of activity, the risk of aggression is assessed;
- **cleaner**(one employee);
- **warehouse worker:** there are 4 employees working at the Ornago site, 3 of them have a forklift driving licence. The activity includes loading and unloading of incoming and outgoing material, preparation thereof and handling of office paperwork, for which they use video terminals.

With regard to the workplaces covered by the system, they are mainly offices, meeting rooms, archives, warehouses of Lutech premises and/or customer sites, with the exception of some activities performed externally, in particular business units of the Company.

As far as Lutech is concerned, the main health complaints related to office functions are those of prolonged and incorrect use of video terminals, which can cause visual fatigue, musculoskeletal disorders due to a lack of postural ergonomics and fatigue related to the use of the instrument. The health

surveillance obligations related to the profession of video terminal operators are set forth in the Consolidated Occupational Safety Act, Legislative Decree 81/2008 in articles 176 and 177. These articles set out the frequency of health checks of the video terminal operators and the applicable measures, the manner in which the activity is to be carried out and the necessary protective systems.

The devices to be provided in order to protect the health of the video terminal operator are:

- a chair equipped with self-braking castors, with a height-adjustable seat and tilt-adjustable backrest;
- a work surface of adequate width to support tools and documents needed for work;
- a tilting and adjustable screen, positioned to avoid reflections;
- a keyboard that can be tilted (and disassociated from the screen, as for the mouse, in the case of portable devices);
- a footrest, where required.

The above must be positioned with the correct distances in mind so as not to strain the eyes and to maintain the correct position.

In 2022, let alone in the previous periods, there were no reports of occupational diseases related to the above. Lastly, in addition to providing what is outlined in the Consolidated Occupational Safety Act, in order to eliminate possible hazards and reduce risks, health surveillance is applied at Lutech and controls are in place by supervisors to ensure that employees comply with all necessary procedures.

Regarding the identification of hazards, the processes used to detect their presence at work and to assess risks in a systematic and non-systematic manner, Lutech has established, implements and maintains processes for the continuous and proactive identification of hazards.

These processes take into account:

- how the work is organised, the social factors (including workload, working hours, harassment

and intimidation), the leadership and the company culture;

- routine and non-routine activities and situations, including hazards arising from:
  - infrastructure, equipment, materials, substances and physical conditions of the workplace;
  - product and service design, research, development, testing, and service delivery;
  - human factors;
  - how the work is performed;
  - major incidents that have occurred, internal or external to the organisation, including emergencies and their causes. Such incidents that have occurred or have not occurred (so-called “near misses”) are appropriately recorded by the HSE Office structure;
- potential emergency situations;
- people, taking into consideration:
  - those who have access to the workplace and their activities, including workers, contractors, visitors and other persons;
  - those in the vicinity of the workplace who may be affected by Lutech's activities;
  - workers in a location not under Lutech's direct control, such as personnel at customer sites, or, local units opened at Lutech Group companies;
- other factors, taking into account:
  - the design of work areas, processes, equipment, operating procedures and work organisation, including their adaptation to the needs and capabilities of the workers involved;
  - situations occurring in the vicinity of the workplace caused by work-related activities under Lutech's control;
  - situations not kept under the control of Lutech and occurring in the vicinity of the workplace, which may cause injury and illness to persons in the workplace;
  - analysis according to ISO 45001:2018 of the Risks and Opportunities for the OHS [Occupational Health and Safety] Management System by HSE with the support of the Compliance Office.

- The results of these processes to evaluate and continuously improve the occupational health and safety management system are used in the following way, supported by the indications contained in the documents "Risk and Opportunity Analysis" and "Risk Assessment Document".

By virtue of the "Risk and Opportunity Analysis" document, derived from the UNI ISO 45001 standard, internal and external factors are taken into account, divided into areas, and how these affect various functions and processes within the Company is taken into consideration.

The areas for which the above-mentioned factors are considered are:

- HUMAN RESOURCES
- PRODUCTION
- INFRASTRUCTURE/TECHNOLOGY
- MARKET
- ECONOMIC FACTORS
- ORGANISATIONAL EVOLUTION
- COMPLIANCE

The impacts and probabilities of these factors are then considered, and in the event of situations hazardous to the Health and Safety at the Workplace, possible countermeasures and actions are identified, such as:

- enhance training and dissemination of Health and Safety at the Workplace contents to all personnel;
- continuous training on new topics and updates on existing ones for all those structures dealing with compliance;
- better organisation of the entry of new companies into the Lutech Group by better defining the procedural steps for onboarding them, including within the Compliance and thus also within the Management System.

Also in the "Risk Assessment Document (DVR)", which was developed in compliance with Legislative Decree no. 81/08, various types of risk defined in the

above-mentioned decree-law are considered and how they are mitigated at company level, for example through periodic maintenance to ensure the efficiency of equipment and facilities; daily monitoring by the workers of the main safety features inherent to the performance of their duties (and consequent reporting of inefficiencies to their supervisor); constant monitoring by area managers and immediate reporting by them; constant monitoring by area managers and reporting by them to the employer and the RSPP of the correct behaviour of workers and compliance with appropriate working practices; periodic inspection/audit of work areas by the RSPP in order to check the general condition of the workplaces and the staff behaviour, as well as to discuss with area managers any problems relating to Health and Safety at the Workplace.

In addition to maintaining the efficiency of the protective measures already in place, the Company constantly modernises its plants, production processes, workplaces and safety equipment to ensure the continuous improvement of working conditions from a health and safety perspective.

At company level, the workplace hazards that present a risk of an accident with serious consequences are:

- the danger of falling from heights for workers carrying out activities at height
- the risk of electrocution for workers carrying out live activities or in medium-high voltage substations.

These hazards were determined through the Specific Risk Assessment. None of them caused or contributed to accidents with serious consequences during the reporting period. The actions taken or planned to eliminate these hazards and minimise risks using the hierarchy of controls are:

- specific education and training to manage such risks;
- the provision of suitable PPE to deal safely with such risks;

- The verification and control during work by the supervisors.

Improvements are generally planned:

- at the annual meeting referred to in article 35 of Legislative Decree 81/08;
- in case of incident reports;
- in the event of changes in the legislation in force.

The reporting of the presence of possible hazards and dangerous situations at work, including the possibility of moving away from situations that are believed to cause occupational injuries or illnesses, is done through the provision of an anonymous reporting system via:

- the modalities defined by Legislative Decree 231/01 applied in the Company, i.e. “Whistleblowing” reports received directly by the Supervisory Board (SB)
- direct communications to the Human Resources (HR) structure, communications then managed with the protection of the RSU [Unitary Trade Union Representation] and RLS [Worker Safety Officers].

It is therefore possible for all employees to contact their Workers' Safety Officers (RLS – Responsabili dei Lavoratori per la Sicurezza) at a company e-mail address, just as it is possible to communicate directly with the RSPP's office.



With regard to the ability to investigate occupational incidents, including processes to identify hazards and assess risks related to incidents, Lutech has established, implements and maintains multiple processes, including reporting, investigating and defining actions to be taken to determine and manage Incidents and Non-Compliances.

The policies and processes that workers must implement in order to remove themselves from risky situations in the workplace, are set out in the documents PSQ 000 (General Organisational Structure), Guidelines 900 (Smart Working) and Disclosure 905 (Worker Safety Disclosure (article 22, paragraph 1 of Law No. 81 of 22 May 2017)).

When an Incident or Non-Compliance occurs, the Company:

- reacts promptly and, to the extent applicable, takes action to bring it under control and correct it, dealing with the consequences;
- assesses, with the participation of workers and the involvement of other relevant stakeholders, the need for corrective action to eliminate the root cause of the Incident or Non-Compliance;
- reviews existing assessments of OHS and other risks, as appropriate;
- determines and implements any necessary action, including corrective actions, according to the hierarchy of prevention and protection measures and change management;
- assesses any OHS risks involving new or changed hazards before taking action;
- reviews the effectiveness of any action taken, including corrective actions;
- makes changes to the OHS Management System, if necessary.

At the documentary level, Lutech stores the following documented information as evidence of the nature of Incidents or Non-Compliances and any subsequent action taken on the web tool "Compliance Activity Management" and on the Accident Register maintained by the HSE Office; the results of any corrective actions, including their effectiveness. Lutech communicates this information to workers,

workers' representatives and other relevant stakeholders through management reviews and regular meetings with the RLS, RSPP and the Competent Physician (MC – Medico Competente).

Non-Compliances are managed according to procedure "PSQ-007 Non-Compliance and Complaint Management". Corrective actions, whatever their origin, are managed in accordance with the procedure "PSQ-019 Action Management", which sets out the responsibilities for managing corrective actions and how they should be handled. All information on actions taken and results obtained is recorded and stored by the Compliance Office on the web tool "Compliance Activities Management".

Concerning the activation of occupational medicine services that contribute to the identification and elimination of dangers and the minimisation of risks, open to worker participation and consultation, Lutech has set out a structure consisting of Coordinating Competent Physicians throughout Italy and a Coordinating Competent Physician, as defined by Legislative Decree no. 81/08. The health information of employees remains guarded and protected from being read by the competent physician: it is not shared, by the physician, with the Company and the only output produced by the physician is the certificate of fitness which contains the diagnosis and any prescriptions.

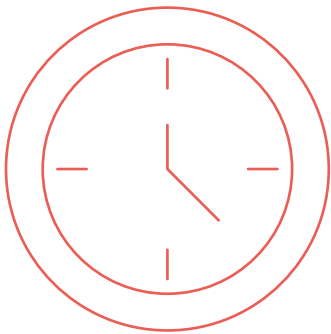
At least once a year, a (periodic) meeting is held with the Coordinating Competent Physician, RSPP, Workers' Safety Representatives (RLS, selected from the RSU, elected through appropriate elections) and the Employer. At these (periodic) meetings, the activities of the previous period are reported and possible improvement actions for the future are decided. There are no joint management-worker committees.

It is possible for all employees to contact their RLS at a company e-mail address as well as to communicate directly with the office of the RSPP, who is also a company employee.

Furthermore, the Company has a “Covid-19 Committee”, which was created at the indication of the Prime Ministerial Decree issued during the Covid-19 pandemic emergency, consisting of the Employer or its delegate, RSPP, Workers' Safety Representatives (RLS), trade union representatives and the Human Resources (HR) function, which met as needed to present the various activities to be implemented to respond to the emergency, identified by the HSE Office. Another very important element relating to the health and safety of workers concerns their training, which Lutech has provided in 2022 according to Le-

gislative Decree 81/08 (and thus at the request and supervision of the HSE Office). This training is provided according to the tasks in the Company. More in detail, it consists of a 4-hour generic training and a 4-hour course for the specific risk as video terminal workers. Forklift training is also provided for warehouse workers. Specific courses for work at height and live working are planned for some installation technicians. Training is offered free of charge and during paid working hours. The effectiveness of the training is assessed during internal audits of workers by checking their behaviour during work.

**IN 2022, THE TOTAL HOURS OF HEALTH AND SAFETY TRAINING WERE DISTRIBUTED AS FOLLOWS:**



**4 hours**

General Training, to all employees

**4 hours**

Lutech Specific Hazards Training, to all employees

**16 hours**

Training, to all Executives

**8 hours**

Training, to all Persons in Charge

**50 hours**

Training, to the RSPP

**24 hours**

Training, to Safety Trainers

**32 hours**

Training, to the RLSs

**16 hours**

Training, to First Aiders

**8 hours**

Training, to the Fire Prevention Officers



Relating to ISO 45001:2018, and thus at the request and supervision of the Compliance Office, the New Hire Course, on all Lutech Management Systems, was then delivered to all incoming employees.

With regard to the promotion of workers' access to non-work related health care services, the Company, depending on the National Collective Labour Agreement (CCNL) and the relevant contractual level, participates in appropriate supplementary funds for its workers related to Health and Safety at the Workplace.

The percentage of all employees and non-employee workers whose work and/or workplace is covered by the internally audited Health and Safety management system is 40%. With regard to the promotion of workers' access to non-work related health care services, the Company, depending on the National Collective Labour Agreement (CCNL) and the relevant contractual level, participates in appropriate supplementary funds for its workers related to Health and Safety at the Workplace.

All employees and non-employee workers whose work and/or place of work is within Lutech's perimeter are covered by the regulations of Legislative Decree 81/2008 and the Health and Safety Management System and are audited internally and externally by the HSE function.

Of all Lutech locations, in 2021 only the Cinisello Bal-

samo location holds ISO 45001 certification, which is expected to be extended in the coming years.

With regard to occupational accidents, the number and rate of deaths due to occupational accidents and the number and rate of occupational accidents with serious consequences (excluding deaths) was 0 in 2022 (counting basis 1 million hours worked). The number of occupational accidents recorded was 1 (frequency index=0.39452; severity index=0.00671). The main types of occupational accidents at Lutech refer to accidents occurring to the employee at home while working in smart working mode. In 2022, the only worker injured was recognised 17 accident days<sup>3</sup>.

◆ **2,534,695.53**  
working hours in 2022

There have been no work-related deaths or accidents with serious consequences, or general accidents among workers who are not employees but whose work and/or workplace is under Lutech's control. The latter type of workers in 2022 worked 86,072 hours with 371 external workers.

Hazards at work that constitute a risk of injury with serious consequences are classified in the DVR as Risk "R" = Probability "P" \* Damage "D".



<sup>3</sup> Frequency Index (If – Indice di frequenza): number of accidents that occurred, per million hours worked, in a given period. Accident Severity Index (Ig – Indice di gravità): number of days of absence due to accidents occurring over a certain period of time in relation to thousands of hours worked.

The classification is based on what is defined in Legislative Decree no. 81/08. No serious accidents were recorded during the reporting period. However, in order to reduce dangers or risks, Lutech ensures that mandatory training is provided to supervisors, workers and safety executives. In addition, it encourages Smart Working and the provision of Personal Protective Equipment (PPE) where necessary. These data were calculated using rates defined on the basis of 1,000,000 hours worked and no workers are excluded from these figures. Again, data compiling was carried out following the guidelines set out in the Legislative Decree 81/08 and the ISO 45001:2018

standard. The Company does not use child labour or forced labour.

### TRAINING, TALENT ACQUISITION AND INTERNAL GROWTH

The relationship with human resources for Lutech also includes processes for evaluating and enhancing the professional skills required to achieve its objectives. The company's view on this can be verified by data on the level of junior human resources training in the Company, which in 2022 reported the following figures:

TALENT ATTRACTION		NUMBER OF EMPLOYEES		
Level of training of junior human resources:	baseline 2020	baseline 2021	baseline 2022	
lower diploma	17	22	51	
higher diploma	2	2	4	
bachelor's degree	6	9	12	
master's degree	6	6	7	
phD	0	0	1	

As far as internal training is concerned, the figures for 2022 are reported below:

OVERVIEW TRAINING PROVIDED (NOT COMPULSORY)	
Workforce	1,433 employees
Training hours provided	17,905 hours
Average hours of training per employee	12.5 hours

TRAINING PROVIDED BY GENDER (NOT COMPULSORY)			
Gender	Training hours provided	Number of employees	Average training hours per employee
Gender - Female	5,549	306	18.1
Gender - Male	12,356	1,127	11.0

TRAINING PROVIDED BY CATEGORY (NOT COMPULSORY)			
Category	Training hours provided	Number of employees	Average training hours per employee
Executives	779	54	14.4
White collars	14,466	1,156	12.5
Workers	0	28	0.0
Managers	2,660	195	13.6

**TRAINING PROVIDED BY AGE GROUP (NOT COMPULSORY)**

Age group	Training hours provided	Number of employees	Average training hours per employee
Under 30 years of age	2,232	234	9.5
Between 30 and 50 years	5,111	827	6.2
Over 50 years	10,562	372	28.4

With regard to the type and scope of programmes implemented and assistance offered to improve

employees' skills, the figures below confirms Lutech's commitment in 2022:

**TRAINING PROVIDED BY TYPE (EXCLUDING COMPULSORY)**

Type	Training hours provided	Percentage of the total	Average hours of training per employee
External Training	17,221	96%	12.0
Internal Training	684	4%	0.5

**TRAINING PROVIDED BY TRAINING AREA (EXCLUDING COMPULSORY)**

Category	Training hours provided	Percentage of the total	Average hours of training per employee
Apprenticeship	356	2%	0.2
Linguistics	2,221	12%	1.5
Managerial Skills	1,071	6%	0.7
Onboarding programme	884	5%	0.6
Technical	13,373	75%	9.3



At Lutech there are no transition assistance programmes to facilitate employability and management of the end of employment due to retirement or termination.

Other data, related to the Company's recruitment processes, are reported in the graphs below:

TALENT ATTRACTION	baseline 2020	baseline 2021	baseline 2022
No. of orientation events/courses held in schools and universities (open days)	5	20	35
No. of scholarships awarded	0	0	2
No. of curricular and extracurricular internship courses activated	curricular 9 extra-curricular 17	curricular 21 extra-curricular 31	18 curricular internships; 61 extracurricular internships
No. of school-to-work alternation courses activated in the Company	0	0	30
No. of applications received	2,000	5,000	10,150
No. of applications passed to the next interview stage	215	400	850
No. of applications converted into actual recruitment	67	118	242
Reach for Hire: total number of candidates entered into the Company's Resumé database	2,000	5,000	10,150
Reach for Hire: company social page followers and blog newsletter subscribers	Follower: LinkedIn 23,956, Facebook 1,401, Twitter 870	Follower: LinkedIn 28,717, Facebook 1,543, Twitter 980	Follower: LinkedIn 37,820, Facebook 1,557, Twitter 1,042
Time to fill: time needed to manage and successfully close a job search	50	60	70
Time to hire: number of days from first contact with the candidate (application or first contact with a recruiter in the case of passive candidates) to acceptance of the job offer	40	45	45
Cost per Hire: average cost needed to attract and hire new employees. Cost per Hire (€) = [Total External Costs + Total Internal Costs / Total Number of Hires.	€ 3,900	€ 3,100	€ 2,800

From an operational point of view, the onboarding process at Lutech is characterised by a constant dialogue with the HR function that puts the Company designated person in contact with the new recruit, a process that often takes place online and also aligns active smart working staff. The work materials and identification documents are usually distributed on the first day of work at headquarters, during which the new employee's participation in an online course provided by the Company to all new recruits, called the "Onboarding Breakfast", which is held once a month, is defined.

In general, Lutech places a lot of tactical and strate-

gic emphasis on the issues of identifying and retaining human resources, especially after the impact of the pandemic, which demonstrated the importance of balancing spatial proximity with personal proximity in order to motivate employees. In addition, Lutech advocates the importance of working in an inclusive environment that respects all diversities, as well as the need for a "corporate well-being" that allows all employees to feel part of a system of growing people and their talents.

The relationship between Lutech and its employees also results from a meeting that takes place in terms of dialogue and information, after having

been designed and structured according to precise talent acquisition strategies. The specific function that deals with the attraction and retention of increasingly qualified resources bases its work on a number of pillars that define the Company's ambitions and objectives. They can be identified in three key messages:

- amplify the values and mission of employer branding;
- promote the inclusion and engagement of employees;
- identify students and recent graduates in line with company positioning.

To implement these messages, the HR function has identified distinctive values to serve as a basis, supporting their delivery and dissemination to all employees. They refer to:

- the need to link the Lutech business model to the success and growth of the people working at Lutech;
- the value of continuous teaching and learning beyond corporate roles;
- the balance between belonging and diversity;

- conceiving innovation as a process of improving what Lutech already knows how to do, thus placing individual effort in a paradigm of continuous updating and renewal;
- the determination to offer trust as well as professional skills to all corporate clients, becoming a company synonymous with reliability.

In the perspective described above, Lutech's work with universities and training centres deserves a separate mention, which led to the participation in 35 events (physical and virtual) – including 10 Career Days involving students, undergraduates, and recent graduates – with the objective of making Lutech's job opportunities known and orienting candidates towards the world of work. Some events were for coaching purposes (simulation assessment and interviews); these events, which are usually multi-brand, feature a corporate speaker who talks about their work experience at Lutech and aspects of the brand's growth and strategy in different areas. Depending on the various formats developed, we continue usually with one-to-one meetings and round table discussions.



The table below shows details of the various meetings.

ORGANISER	PLACE	TYPE
eForhum	Milan	Recruiting day
Cesop	Virtual	Virtual Job Meeting Engineering
Career Service Politecnico di Milano	Milan	Strategic Consulting Career Week: CAREER TALK ON TECHNICAL PROJECTS
Career Service Politecnico di Milano	Milan	Working for innovation: ROUND TABLE DISCUSSION WITH COMPANIES ON THEIR ROLES IN TELECOMMUNICATIONS
Employerland	Virtual	Digital Talent Fair 12 April 2022 STEM Girls!
Career Service Politecnico di Milano	Virtual	MEET YOUR CAREER ADVISOR... WITH COMPANY HR
Al Lavoro BARI- Digital Edition 2022	Bari	Career Day "Al Lavoro" Bari
Career Service Politecnico di Milano	Milan	PoliMI Career Day
Aulab	Virtual	TA Day:Company presentation Loyalty Applications for Data
Aulab	Virtual	TA DAY: Company presentation Workflow implementation based on acyclic oriented graphs
Career Fair Università degli studi di Pavia	Virtual	Virtual career day
Aulab	Bari	TA DAY: Company Demo Project
Università degli studi Roma 3	Rome	CV at Lunch
Università La Sapienza	Rome	Recruiting day
Almalaurea	Milan	"Al Lavoro" Milan
Aulab	Virtual	Virtual career day
Cesop	Bari	Phygital Job Meeting Bari
Cesop - Bari	Bari	Phygital Job Fair Bari
Politecnico di Bari	Bari	Recruiting day
Università degli studi di Torino	Turin	Career Day Department of Computer Science
Cesop	Rome	Career day at Sapienza
Cesop	Milan	Job Meeting MilanPhygital Edition
Portale Porta Futuro Comune di Bari	Bari	Recruiting Day
Almalaurea	Rome	Al Lavoro ROME
Employerland	Virtual	Digital Talent Fair STEM & Digital
Tor Vergata	Virtual	Career day at Tor Vergata
Almalaurea	Parma	Job Day at Università di Parma
Cesop	Virtual	INCLUSION JOB DAY
Career Service Politecnico di Milano	Virtual	Guess My Job: Discover the roles of the management engineer
Cesop - Napoli	Naples	Phygital Job Meeting Naples
AlfaLiguria	Genoa	"Orientamenti" Trade Show
Reteintormaticalavoro	Virtual	Techjobsday 2022
Università di Pavia	Pavia	Career Day - "Companies meet information engineers"
UniBari	Bari	Career Day Department of Computer Science UNIBA
Cesop - STEM Girls	Virtual	Virtual Job Meeting STEM Girls

At the impact level, the outcome of the internships activated as a result of the meetings described above led to the employment of 28 interns: 20 apprentices and 8 white collars (of whom 3 on fixed-term contracts and 5 on open end contracts).

Within the framework of the numerous orientation and promotion activities within the Lutech Campus Strategy (which has set up relations with Politecnico di Milano, Università degli Studi di Torino, Università Roma La Sapienza, Politecnico di Bari, Università degli Studi di Bari Aldo Moro, Università di Pavia, Università degli Studi Tor Vergata, Università degli Studi Roma Tre) in 2022, the following specific initiatives were launched:

- partnership with Politecnico di Milano for the Company's participation in the CyberSecurity Academy, through a training orientation course conducted by 6 internal managers for a total of 16 hours for 30 students, which enabled the participants to address issues related to cyber security and ethical hacking, both from a theoretical and practical point of view. The training was carried out pro-bono. A second initiative, dedicated to supporting female students interested in STEM subjects, will be explored in more detail in the section on "Diversity and Inclusion"
- university partnership with the Università degli Studi di Roma, Tor Vergata for the awarding of two scholarships covering 50% of the enrolment costs for the 9th edition of the Second Level Master's Degree Course in "Customer Experience, Statistics, Machine Learning and Artificial Intelligence (CESMA)"
- partnership with the Università degli Studi di Roma La Sapienza for guidance and generation of job opportunities for students.

Lastly, a very two-part important element in contributing to a company's social sustainability remains: the evaluation of human resources and their internal professional development. With regard to the evaluation of technical staff, the process provides that the Human Resources office activates the evaluation by signalling to the Hierarchical Managers

(RG – Responsabili Gerarchici) the need to proceed with the six-monthly evaluation of the competences of the assigned resources, activating the evaluation session.

Subsequently, the hierarchical manager evaluates the resources for which they are responsible, also taking into account the information received from the Engagement Managers responsible for the projects in which the resources being evaluated participated.

Each resource is assessed on the previous items, for which the hierarchical manager assigns a priority scale called "priority" and organised on the following levels: low, medium, high and very high. After that, the hierarchical manager determines the priority scale taking into account the role held by the resource and its seniority. With reference to the degree of ability and competence demonstrated on the different levels of the Relational and Technical area, the hierarchical manager assigns each item a degree of competence summarised as follows

- EXCEED EXPECTATION
- ABOVE EXPECTATION
- AT LEVEL
- BELOW EXPECTATION
- NO FURTHER INFORMATION

Consistent with the assigned evaluations, the hierarchical manager reports any proposals for action with regard to career, salary and training. The proposals are then forwarded to Human Resources and the Service Group Leader (SGL), who analyse them in cooperation. Human Resources, having verified that the evaluation process has been properly conducted, collects all proposals for action and summarises them for the Management where, during a special session, the Chief Operating Officer of reference reviews the proposals for action summarised by Human Resources, evaluates them and decides whether to accept them and to what extent. Subsequently, Human Resources records the decisions made by the Chief Operating Officer and commu-

nicates to the Hierarchical Manager the approved interventions, which will then be communicated to each evaluated employee. . Finally, the Human Resources office implements the established actions on time.

In 2022, the percentage of total employees by gender and by employee category who underwent periodic performance evaluations and professional development during the reporting period is reported in the table below:

<b>OVERVIEW</b>	
Employees in force	1433
Employees evaluated	1093
Percentage of employees evaluated	76%

<b>BY GENDER</b>			
<b>Gender</b>	<b>Employees evaluated</b>	<b>Employees in force</b>	<b>Percentage of employees evaluated</b>
Female Gender	167	306	55%
Male Gender	927	1127	82%

<b>BY CATEGORY</b>			
<b>Category</b>	<b>Employees evaluated</b>	<b>Employees in force</b>	<b>Percentage of employees evaluated</b>
Executives	7	54	13%
Managers	123	195	63%
White collars	936	1156	81%
Workers	27	28	96%

<b>BY AGE GROUP</b>			
<b>Age group</b>	<b>Employees evaluated</b>	<b>Employees in force</b>	<b>Percentage of employees evaluated</b>
Under 30 years of age	188	234	80%
Between 30 and 50 years of age	672	827	81%
Over 50 years of age	233	372	63%



## CORPORATE WELFARE

With a view to corporate welfare, Smart Working – adopted as an emergency mode during the Covid-19 pandemic – was the subject of the “Smart Working/Smart Caring” project, which, starting in November 2021, proposed a path for professional and individual growth through the targeted support of specialised trainers, coaches and counsellors.

In 2022, the Smart Working/Smart Caring Project was developed through two initiatives intended for all employees:

**1) Wellbeing Drops:** every month from April to November 2022, a webinar focused on a topic related to mental health (e.g. conflict management, proper nutrition, stress management, etc.). Each meeting was attended by a professional expert on the subject (psychologist, nutritionist) belonging to the EAP Italy network and a member of the company leadership who gave his or her testimony. In 2022, 2,562 employees of the entire company group benefited from this process during the 8 meetings held.

**2) Wellbeing Roadshow:** 8 sessions were organised in the most populated Lutech locations in Italy. The objective of this roadshow was twofold: on the one hand, there was the relaunch of the SmartCaring project, the initiative that allows every person in the Group and their cohabiting family members access to psychological support free of charge for up to 5 sessions. Through the intervention of an EAP professional, the service was explained and some situations and areas of mental health care were shared and “normalised”. On the other hand, it was an opportunity for listening and contact between the HR team and the people involved, 610 in total. At the end of each session, there was another session dedicated to listening to the participants, where each person raised concerns or questions to the HR team present.

In addition to the above, also in 2022 Lutech applied some employee benefits characterised by welfare elements involving various services and facilities. In particular, for 90% of the Trade Contracts present in the Company – thanks to participation in the Est Fund – Euro 350 net per year was provided for each employee (only possible, by law, for fixed-term contracts lasting more than three months), while Euro 200 net per year was provided for employees governed by the Industry collective agreement (recognised for fixed-term contracts lasting more than three months). The Lutech meal voucher (in 2021 worth Euro 5.29 per day) is only recognised in the case of working hours of more than 4 hours/day and is increased in 2022 to Euro 7 per day, for a total expenditure in 2022 of Euro 1,734,416.57. Legal Entities that held a meal voucher for a higher amount kept the set amount.

With regard to health, Lutech provides a supplementary plan in addition to the basic one, comprising a supplementary policy for managers and employees, to support personal and household expenses, including surgery and hospitalisation. All employees, except managers, have an accident policy for permanent disability or death (PREVIP VITA/INFORTUNI) with a total value for the year 2022 of Euro 94,199.18. There is also an accidental damage policy for those who use their car for service needs. Finally, in 2022, initiatives to promote employee health were carried out, such as the flu vaccination campaign or the psychological support listening point, as part of the Smart Caring project. In the first case, an e-mail was sent to all workers giving availability of the flu vaccine to employees and family members. 300 doses were purchased and 195 were administered to workers. The leftover vaccines were donated to charity.

## PEOPLE ENGAGEMENT

The Lutech Group has always been committed to building a healthy and productive working environment and a common identity with which all employees can identify regardless of their place of work or specific role.

To support this commitment, a People Engagement (PE) function was established within the HR structure in 2021 to support continuous internal communication with employees and to propose initiatives for involvement, stimulation and care.

The aim of the People Engagement function in 2022 was to lay the foundations to create a distinctive work experience and stimulate the desire to belong to the Lutech Group.

In the year 2022, actions were developed that can be grouped into five main areas:

- **LISTENING & ANALYSIS:** the approach of PE activities is based on active listening which is carried out in both top down and bottom up.

This means that feedback from the satisfaction surveys submitted after each activity and from less structured channels such as live listening sessions during events or the proud2be@lutech.it mailbox is collected and analysed. At the end of 2022, preparation took place for the first Group Engagement Survey entitled "SPEAK UP!", to be launched in the first quarter of 2023. The first preparation phase took place through qualitative interviews involving company leadership, CEOs of Group companies and managers running large organisations.

- **GROUP IDENTITY:** December 2022 saw the launch of Lutech's first "People Manifesto" centred on the claim **Lutech is You**. The aim of the Manifesto is to encapsulate the Group's five values and create a sense of belonging and consistency in values for all the Group's people activities.



**We believe** in feeling part of something bigger. We think that listening is the starting point for finding solutions. We imagine innovation as a source of well-being and constant improvement. We consider the characteristics of each person a valuable asset.

**LUTECH is YOU.**

We trust in digital because it sets no limits. We promote transparency, which is an expression of integrity and fairness. We aspire to mutual trust, based on sincere relationships. We believe in people. We believe **in you**.

**#proud2belutech**

## - PEOPLE ACTIVATION & NETWORK

Two areas of work are recognised in this context:

**1) 1) Communities:** the Communities project was launched in May 2022. Communities are groups of people interacting on the Yammer corporate platform who share common interests or themes. Participation in Communities is on a voluntary basis and the aim is to foster relationships and implement concrete initiatives that have an impact inside and outside Lutech, which anyone in the Group can join. Each Community is chaired by one or more Community leaders who, in cooperation with the PE team, carry out the activity plans. There are three active communities:

- a. NEXT GEN,** the community to create aggregation, share innovative ideas, enhance and amplify the potential of the Under-30 population.
- b. LUTECH RUNNING TEAM** the community for sharing the passion for running, milestones, advice among runners and participation in important solidarity marathons.
- c. WOMEN EMPOWERMENT Community:** to share visions, opinions, prospects and projects on gender equality in STEM fields.

**2) Events:** new live and virtual HR engagement formats, listed below and linked to team building processes, have emerged:

- a. The Inspirational Mix:** is the in-person event that is organised every quarter at the Cinisello headquarters and is intended for all new employees under 30. It is an experiential workshop organised in cooperation with the Next Gen Community and aims to bring young recruits together and gather innovation insights that are transformed into initiatives and processes. In 2022, 95 new employees were involved in the two editions of the event.
- b. Christmas event:** the 2022 Christmas event was centred on the claim "Lutech is You" from the People Manifesto. Each phase of the event was punctuated by the

various phrases in the Manifesto, which introduced the initiatives implemented throughout the year. During the event, we talked about Communities, our commitment to the ESG issue and other initiatives we have put in place, involving 1260 participants.

- c. Wellbeing Roadshow:** 8 events were organised in Lutech's main locations that could be enjoyed both in person and remotely. The aim was to relaunch the SmartCaring project and initiate a ritual of closeness between Group HR issues and the Group population.

- **EMPLOYEE LIFECYCLE:** with the support of the Next Gen Community, an onboarding process was developed for all new hires, which includes tactical communication actions and engagement moments that take place from the month before the entry of the resource until four months after the entry into Lutech. The route will be activated in 2023.
- **EMPLOYEE CARING:** the SmartCaring project launched in December 2021 was re-launched during the year 2022 through a webinar course called Wellbeing Drops, including the stages of the Wellbeing Roadshow.

The internal company climate and participation are entrusted to a main channel of communication on HR and People issues, consisting of the monthly HR Newsletter, sent to all employees. Also in 2022, as it started in September 2021, the newsletter signalled and promoted initiatives specifically dedicated to people. The @Proud2BeLutech e-mail was also available to employees to ask questions and make proposals with a view to maximum participation.

**DIVERSITY & INCLUSION**

The type of approach that Lutech intends to pursue for the benefit of its employees is not only related to the prevention of possible accidents or illnesses, but aimed at creating a healthy and inclusive working environment, where each employee or collaborator can feel at ease, aware that the Company represents a space for growth and collaboration. With this in mind, one of the topics in which the Company is most interested is Diversity, i.e. the diverse compo-

sition of its human resources, in relation to Inclusion processes, i.e. the set of practices in favour of the social and cultural integration of minorities and vulnerable individuals.

The issue, particularly felt by new generations of professionals, is contextualised in the Company at strategic and operational levels, intertwining with governance and human resources management decisions. Data and indicators related to this matter are reported below.

**TOTAL NUMBER OF EMPLOYEES ENTITLED TO PARENTAL LEAVE, BY GENDER**

**TOTAL**



**TOTAL NUMBER OF EMPLOYEES ENTITLED TO PARENTAL LEAVE, BY GENDER**

**TOTAL**



**TOTAL NUMBER OF EMPLOYEES WHO RETURNED TO WORK AT THE END OF PARENTAL LEAVE AND WERE STILL EMPLOYED BY THE ORGANISATION 12 MONTHS AFTER RETURNING TO WORK, BY GENDER**

**TOTAL**



## RETURN TO WORK AND RETENTION RATES OF EMPLOYEES WHO HAVE TAKEN PARENTAL LEAVE, BY GENDER

### Return to work rate

100%

### Loyalty rate

82%

### Paternity leave granted in 2022

345 days



### Maternity leave granted in 2022

931 days



Concerning the ratio of men's basic salary to women's salary, the tables below show the average percentage salary difference calculated from the

average basic salary, the latter broken down by classification.

QUALIFICATION	SEX	CFR AVERAGE RAL [Gross Annual Remuneration] AND CCNL
white collars	female	112,44%
white collars	male	119,75%
managers	female	145,25%
managers	male	155,85%
executives	female	165,33%
executives	male	170,65%

Methodologically, the average of the national average remuneration was calculated from the CCNL of the Commerce sector, placing levels 1 to 5 for white collars and managers, while the contractual minimum wage was used for executives.

In 2022, there were no incidents of discrimination and no reports were received through anonymous communication (supervisory body) or through other channels.

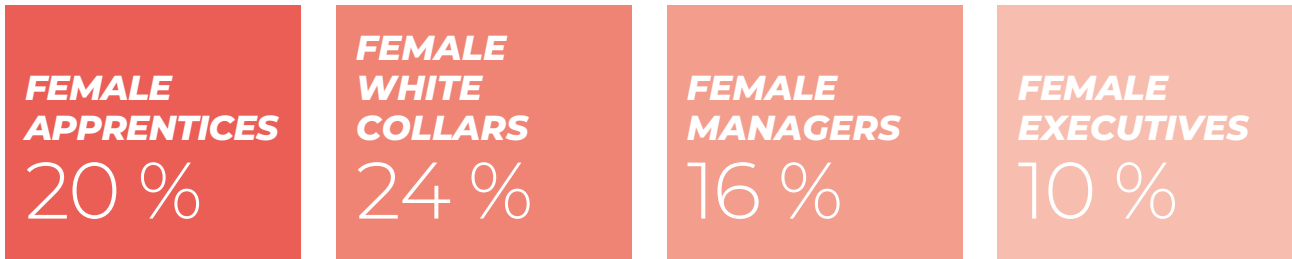
With regard to the presence of disabled and protected categories employees within Lutech, in 2022 their number was 4 protected categories (article 18) corresponding to 3.39% of the total number of employees and 49 disabled (article 1) – of which 5 were hired through a cooperative, 2 on temporary contracts and 2 active positions thanks to the col-

laboration with the non-profit employment agency Mestieri Lombardia. In addition, various Conventions and exemption practices developed with Employment Centres throughout Italy are present and active.

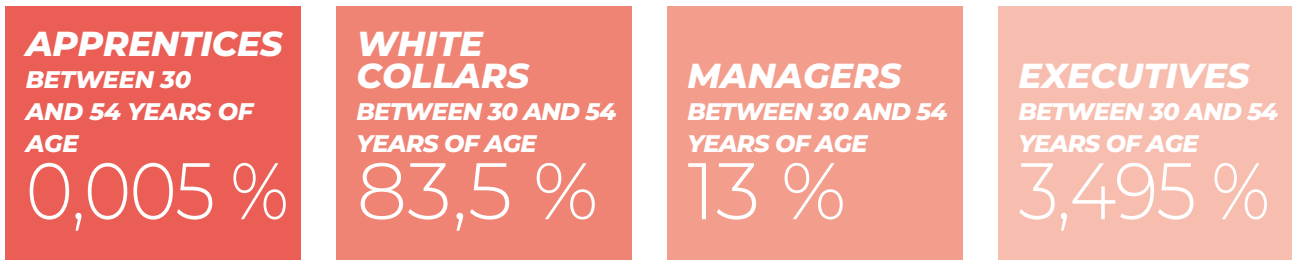
An inclusive working environment is able to create a context where each person or group is respected for their characteristics, where they can express themselves at their best without prejudice of any kind. This also applies to the different origins of employees, which in 2022 reflected the distribution presented in the table.

Americas	12
Asia	8
Europe	34
Africa	5
Oceania	1

PERCENTAGE OF EMPLOYEES PER CATEGORY BELONGING TO THE FOLLOWING DIVERSITY CATEGORIES: GENDER



PERCENTAGE OF EMPLOYEES PER CATEGORY BELONGING TO THE FOLLOWING DIVERSITY CATEGORIES: AGE GROUP (UNDER 30, BETWEEN 30 AND 50, OVER 50)



PERCENTAGE OF EMPLOYEES PER CATEGORY BELONGING TO THE FOLLOWING DIVERSITY CATEGORIES: OTHER DIVERSITY INDICATORS



On an operational level, during 2022 Lutech internalised new diversity&inclusion issues by collaborating with the company Specialisterne Italia, for the job placement of candidates with neurodivergences. The shared project focused on training recruiters and hiring managers to properly manage the selection process and to ensure an effective onboarding process. The training hours were:

- 9 hours of training provided on handling interviews with autistic persons
- 8 hours of training in the management of the autistic person.

Le persone Lutech coinvolte sono state 11 per la unit Risorse Umane e 10 referenti dell'area Business. Il risultato della collaborazione è stato l'assunzione di tre risorse nel 2022 ed una risorsa aggiuntiva che verrà confermata nel 2023.

In addition, the Company participated in the "Inclusion Day" event intended for candidates belonging to protected categories and the "Virtual job meeting STEM Girls" intended for female students and/or candidates in STEM matters. As for the first event, organised by the CESOP HR Consulting Company partner in virtual mode, the Company had the opportunity to make a short corporate presentation to tell about the opportunities and commitment on diversity & inclusion issues, addressing the positioning on the issue of the integration of disabilities and workers belonging to protected categories (article 18, Law 68/99). The event also offered the opportunity to collect Resumés through the posting of job opportunities, interacting with candidates through chats and one-to-one interviews.



Moreover, thanks to internal collaboration and exchange, Lutech activated a series of projects in line with Sustainable Development Goal No. 5, dedicated to reducing inequalities. One of them, particularly interesting for the bottom-up approach from which it originated, is "We are WOW", the corporate community open to all employees to share visions, opinions, prospects and projects on gender equality. Launched in July 2022, it has over 150 subscribers and five regular sections providing information and guidance on the topic of gender equality and women's empowerment, particularly in the professional and STEM areas.

An interesting perspective on the theme of inclusion was held by Lutech with reference to intergenerational equity, doubly relevant for an Italian company like Lutech since Italy is a country with a very advanced average age, where the labour market suffers from imbalances that impact turnover (i) and because of the type of industrial sector in which it operates, digital, where the evolution of skills requires continuous updating that risks marginalising people who are not up-to-date or are too old (ii). This will be discussed in the following section, with reference to the Lutech project "The Inspirational Mix".



### **THE INSPIRATIONAL MIX**

→ **Our country is one of those most affected by the phenomenon of an ageing population: how is the issue of generational turnover and reverse mentoring handled within Lutech?**

In 2022, the project to create Corporate Communities came to life. One of these is the NEXT GEN Community, designed to create aggregation, share innovative ideas, and enhance and amplify the potential of the Under-30 population. With the help of this community, new engagement formats were developed for all employees, both live and virtual.

The Inspirational Mix is the in-person event that is organised every quarter at Lutech's Cinisello headquarters and is aimed at all new recruits under 30. This is an experiential workshop organised in collaboration with the Community Next Gen and business leadership. The aim is to create aggregation among young recruits and gather ideas for creating communication content or improving some existing processes. More specifically, at each event, participants are asked to work on a previously defined output. For example, during the two 2022 editions, the 95 participants had the opportunity to contribute to the design of the corporate onboarding process and design the storyboard for the People Manifesto launch video. At the end of each event, the works are presented to a "jury" consisting of the company leadership and some experienced managers/executives from within the Company. This is when an important generational exchange takes place, during which different generations, models, ideas and value perceptions are compared. The space given to more junior roles is therefore constructively aimed at stimulating and training more senior roles.





## CUSTOMERS

A third type of stakeholder crucial to Lutech's environmental, social and economic impacts is its Customers, who are clearly the main stakeholders from a market perspective. However, instead of managing them and considering them as "passive" recipients of Lutech's professionalism, or as players solely interested in commercial issues, the Company conducts a transparent relationship with them, based on a partnership that can be mutually enriching as well as long-term.

Number of Italian customers	1,379
Number of non-Italian customers	148
Turnover generated by Italian customers	302,462,249
Turnover generated by non-Italian customers	13,494,226

The surveys conducted in 2022 on the relationship between the Company and its Customers led to a revision of the customer satisfaction verification process, changing both the way in which the sam-

ple involved in the survey was created, the composition of the questions asked and the way in which the questionnaire was administered to Customers.

The survey, managed by the Sales function with the support of Compliance, identified "three samples to be interviewed within the entire Group": MAJOR Customers, i.e. significant customers of the Group with high spending and growth capacity in terms of revenues and business development (i), NAMED Customers, i.e. customers with limited spending and growth capacity, assigned on a geographic basis by the Territory Leader to local areas (ii), and OFFERING-LED Customers, i.e. customers of proprietary solutions or particular services with limited or no growth opportunities in areas other than their existing areas (iii).

Below is the distribution per market (Energy & Transportation, Fashion & Retail, Finance, Manufacturing, Public Administration & Healthcare, Telco & Media) of the interviewees:

INDUSTRY	TOTAL EXPECTED CUSTOMERS	TOTAL CUSTOMERS WHO RESPONDED	CUSTOMER COVERAGE	TOTAL EXPECTED RESPONDENTS	TOTAL QUESTIONNAIRES RECEIVED	QUESTIONNAIRE COVERAGE
ENE	23	19	82.6%	62	31	50.0%
FAR	21	18	85.7%	48	26	54.2%
FIN	23	19	82.6%	54	30	55.6%
MAN	44	26	59.1%	115	39	33.9%
PSH	16	13	81.3%	42	25	59.5%
TEL	16	14	87.5%	32	22	68.8%
<b>TOTALE</b>	<b>143</b>	<b>109</b>	<b>76.2%</b>	<b>353</b>	<b>173</b>	<b>49.0%</b>

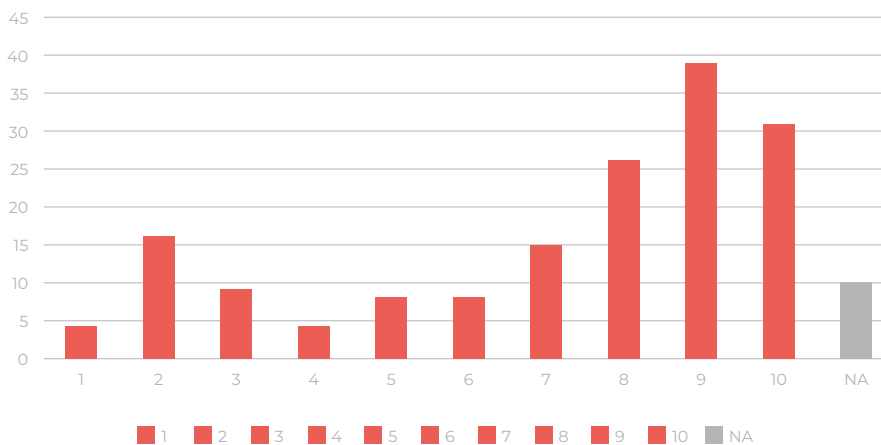
Below is the distribution of respondents with details of the relevant customer category:

		TOTAL EXPECTED CUSTOMERS	TOTAL CUSTOMERS WHO RESPONDED	CUSTOMER COVERAGE	TOTAL EXPECTED RESPONDENTS	TOTAL QUESTIONNAIRES RECEIVED	QUESTIONNAIRE COVERAGE
<b>MAJOR CLIENT</b>	ENE	12	10	83.3%	35	18	51.4%
	FAR	12	12	100.0%	30	18	60.0%
	FIN	17	16	94.1%	41	27	65.9%
	MAN	1	1	100.0%	3	3	100.0%
	PSH	10	9	90.0%	28	19	67.9%
	TEL	12	11	91.7%	24	16	66.7%
	<b>TOTALE</b>	<b>64</b>	<b>59</b>	<b>92.2%</b>	<b>161</b>	<b>101</b>	<b>62.7%</b>
<b>NAMED CLIENT</b>	ENE	11	9	81.8%	27	13	48.1%
	FAR	6	3	50.0%	13	5	38.5%
	FIN	6	3	50.0%	13	3	23.1%
	MAN	23	16	69.6%	59	25	42.4%
	PSH	6	4	66.7%	14	6	42.9%
	TEL	3	2	66.7%	5	4	80.0%
	<b>TOTALE</b>	<b>55</b>	<b>37</b>	<b>67.3%</b>	<b>131</b>	<b>56</b>	<b>42.7%</b>
<b>OFFERING-LED CLIENT</b>	ENE	0	0	-	0	0	-
	FAR	3	3	100.0%	5	3	60.0%
	FIN	0	0	-	0	0	-
	MAN	20	9	45.0%	53	11	20.8%
	PSH	0	0	-	0	0	-
	TEL	1	1	100.0%	3	2	66.7%
	<b>TOTALE</b>	<b>24</b>	<b>13</b>	<b>54.2%</b>	<b>61</b>	<b>16</b>	<b>26.2%</b>

The introduction of the CES (Customer Experience) data was traced back to the question "Rate the average level of effort required to solve a given problem

with LUTECH" (Scale from 1 – low effort required – to 10 – high effort required) and showed the following distribution of resources:

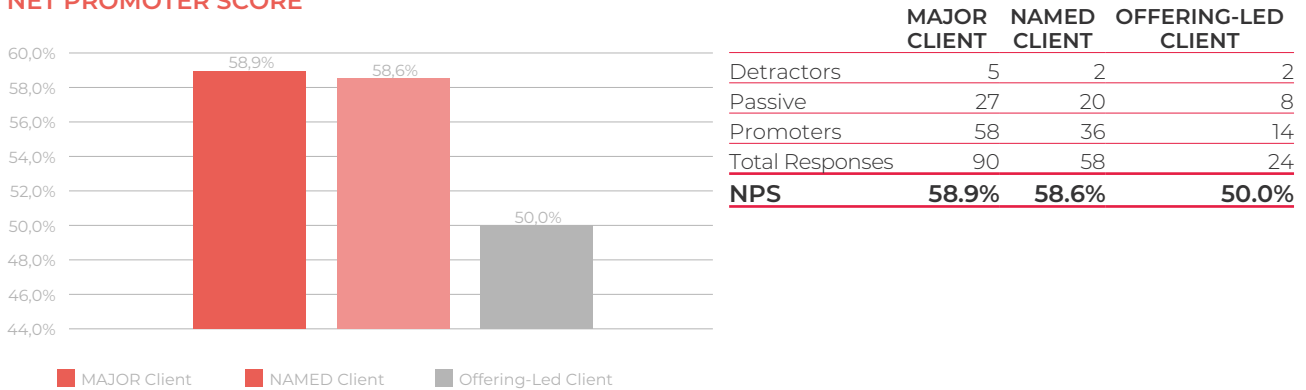
### RESPONSES DISTRIBUTION



Response	Total
1	4
2	16
3	12
4	4
5	8
6	8
7	15
8	26
9	39
10	31
NA	10
<b>Total Responses</b>	<b>173</b>

As far as the Net Promoter Score is concerned, the data emerged are reported below:

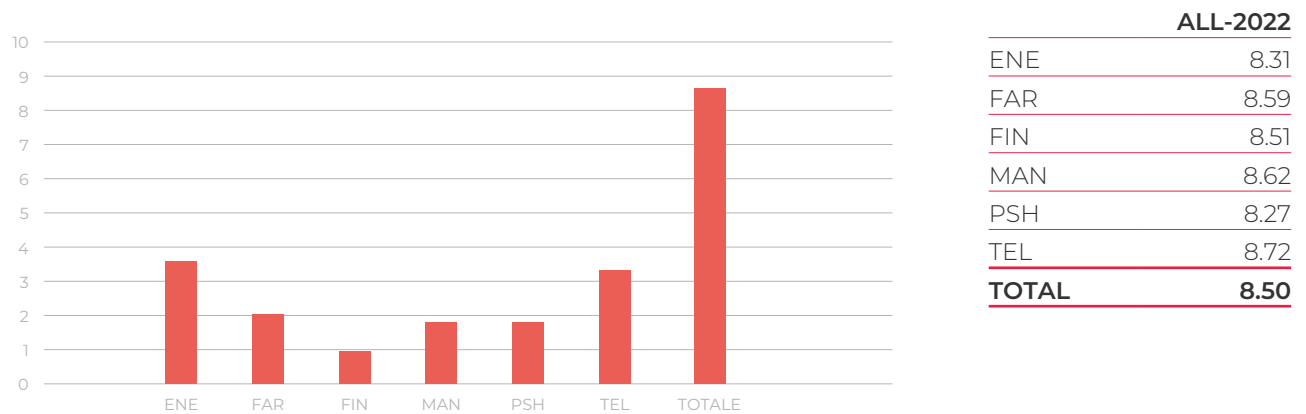
**NET PROMOTER SCORE**



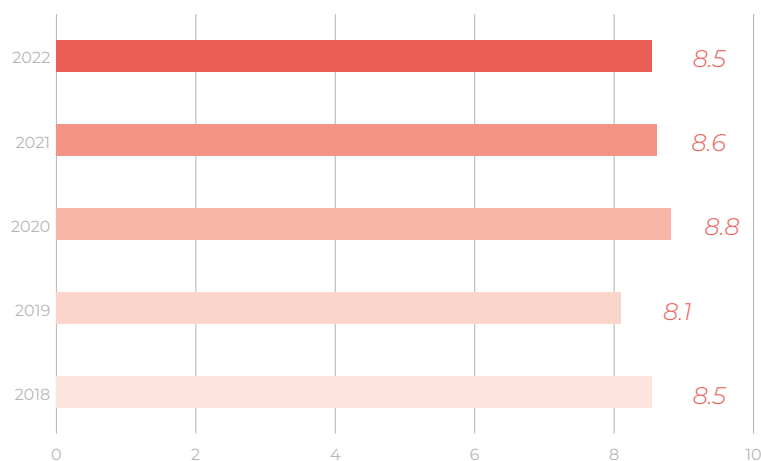
The data show a decrease in the index compared to the previous two years (in 2020, the NPS was 79.2% and in 2021, 87.7%).

As far as the general evaluation given by customers to the Company is concerned, the data are shown below

**GENERAL EVALUATION BY INDUSTRY**



show a substantial stability of results compared to previous years, as per the graph below:



To conclude, Lutech has adopted a policy for handling customer complaints and there is also a policy for managing whistleblowing, available to people inside and outside the organisation, including customers and partners. There is currently no human rights complaints procedure, with the exception of the processing of personal data, which complies with the legal guidelines.

Finally, in addition to the above data, the constructive and proactive spirit of a company can also be seen in the type of partnerships and collaborations it establishes with its Customers, especially considering those that generate ESG impacts. In this regard, the Lutech project “Digital Twin Acquedotto Pugliese” [Digital Twin Puglia Aqueduct] is mentioned.

The project, co-funded by the Puglia Region and 35% by Lutech for a total of Euro 3.4 million, with a duration of about three years, started in 2022 and

involves a draft of the first simulation model planned for summer 2023, with its release between late 2023 and 2024.

The aim is to create a Digital Twin that, starting from the deterministic model of the Parco del Marchese water-lifting plant, builds a predictive model that facilitates energy-saving and efficient operation of the lifting plant. In addition to Lutech, Politecnico di Bari and the client Acque Pugliesi (AQP) itself are involved in this project. The expected benefits upon completion of the project will be related to the Energy Balance, the energy efficiency of all operations and the Predictive Index. Of particular interest is the scalability of the project and the solution, which could also be applied in other Italian and foreign facilities.



The best practice described above represents one of the many occasions when the relationship between Lutech and its Customers has led to the sharing of original and innovative projects. These achievements are not occasional, but the result of a collaborative and ambitious relationship, which has earned the Company the following awards and recognition from its Customers:

## 2022

- Best Cloud Marketplace Partner @ Cisco Italian Partner Awards 2022
- Best Security Partner @ Cisco Italian Partner Awards 2022
- Varonis Partner of the Year Italy 2022
- FED Awards 2022 | Innovation Technology European Digital Forum Award open to the entire media industry for digital technological innovation

Another essential element of Lutech's sensitivity towards its customers is the attention to the protection of their privacy, which is managed according to the provisions of the Lutech Group's Personal Data Protection and Management System (SGPDP – Sistema di Gestione e Protezione Dati Personali), adopted in compliance with EU Regulation 2016/679 – GDPR.

The SGPDP defines the categories of Data Subjects whose personal data are processed by Lutech, including "Citizens and/or Users; Final Customers and/or Prospect Suppliers and/or Partners".

Within this category, "Customers" (natural persons belonging to Lutech SpA's customer organisations) are subject to different types of processing, the main purposes of which are:

- contractual or pre-contractual activity
- communication and marketing (B2B)

based on both consent and legitimate interest.

The rights of data subjects are also protected by internal policies and procedures, which provide for how retention periods are determined and evaluated, how rights can be exercised, and third-party verification (DPOs and authorities).

Further information on this is made accessible to all in the public section of the company portal (<https://lutech.group/it/privacy-policy>).

From a numerical point of view, in the context of the records of events that occurred in the period between 25 May 2018 and 31 December 2022, there are no cases attributable to "complaints" made by involved parties belonging to the "Customers" category of Lutech Spa.

## DATA SECURITY

The topic of Data Security is, for Lutech, crucial and intrinsic to its identity and functions as an enterprise in the digital sector. This topic, which is one facet of the CSR theme "Consumer Protection", is part of the Company's commitment to maintaining high quality standards, because by ensuring the utmost attention to data protection, customers and project partners are also protected. In this respect, the data security guaranteed by Lutech are as follows:

- in 2020 and 2021, the Company did not suffer any breaches of resources, but only attempted attacks that were promptly repulsed by the tools provided to counter them.
- The number of users with administrative privileges decreased in 2022 compared to 2021 as a result of security analyses and audits, from 50 to 47.
- The dedicated team spent an average of eight hours implementing application security patches or mitigating high-risk vulnerabilities.
- The percentage of monitored suppliers on data

security remained 100% in 2022 (data collected according to an evaluation performed annually by means of specific analysed questionnaires).

- The mean time to contain (MTTC) required to close identified attack vectors on all endpoints ranges from 30 minutes to 8 hours, specifying that the time may vary due to technical peculiarities and/or impacts to be considered when closing attack vectors. For instance, if the shutdown only impacted firewalls, the activity could be performed by the same structure that detected the attack (SOC) and therefore almost immediately counteracted.
- The Lutech team's average response time to a cyber attack once it is aware of it varies from 0 to 30 minutes, specifying that the average response time is usually immediate if the attack is detected by the SIEM platform and immediately analysed by the SOC; however, if detected manually, the response time may increase, thus justifying the wide variation in the stated timeframe.
- The mean time to resolution (MTTR) to a cyber attack once the team is aware of it varies from 0 to 24 hours. The average resolution time is related to the type of intervention to be performed.
- The mean time to detection (MTTD) during which security threats go undetected was a maximum of 30 minutes in 2022. Activities are monitored by Lutech's Security Operation Centre (SOC), which provides the service 24 hours a day.
- The percentage of systems with known vulnerabilities is 10% in 2022 for particular tools with obsolete or end-of-life operating systems. The figure is expressed as a percentage and relates to the share of systems included in the total with known vulnerabilities (end of life, non-secure protocols, etc.).

- The volume of data transferred via the corporate network was 220 TB/day in 2022. The specified data volume also includes the backup process, which causes an increase in traffic on the corporate network.
- In 2020, as well as in 2021 and 2022, the time needed to deactivate the credentials of a former employee was a maximum of one day.
- In 2022 the number of open communication ports over a period of time was 3/by server publicly exposed on the internet and 15/by server exposed on the intranet. The specified values refer to a single machine/server, distinguishing whether exposed on the Internet or on the intranet. Those on the Internet usually only have the necessary ports open for operating from the Internet.
- In 2022, the frequency of third-party access reviews was once a year and the frequency of third-party access to critical business systems was once a day per year.
- The percentage of business partners with effective cybersecurity policies is expected to be 85% in 2022. In 2022, the supplier qualification process, including verification of the existence of cyber security policies, was substantially improved following the adoption of a specific supplier qualification tool. In detail, it is a Supplier Qualification Software capable of performing a complete, fast and automated control of the supplier qualification process (selection) and periodic performance monitoring (vendor rating software). The software is also able to manage the “application” of new suppliers.

**ISO 27001**

→ **ISO 27001 is the international standard describing best practice for an ISMS (information security management system): what were the most important aspects of the Lutech journey that led to this important certification?**

It was certainly a complex path because the Company's scope is very large and the aspects to be considered range across the board on the issue of IT security, which required a high degree of organisational maturity in order to understand the context and scope of analysis. The most important aspects were teamwork between the different functions, the correct understanding of all the requirements of the standard in order to be audit-ready and, finally, a deep understanding of our organisational processes.

→ **Information and data are increasingly sought-after resources for the development of strategies and structural choices: how is their protection updated over time and with what tools?**

Information is not just a resource but a real asset. We have moved from considering the security of the device (the computer) to the security of information. Then continuous updating is crucial, which is also achieved with the help of techniques such as advanced cryptography (e.g. quantum cryptography) or special software such as MDM (Mobile Device Management) capable of centrally managing, controlling and protecting mobile devices within an organisation. Then multi-factor authentication, monitoring and detection of the tools used make the difference. One milestone is also the adoption of Cyber Threat Intelligence, conducted online on both the web and the dark web. In parallel, of course, some awareness regarding the use of devices is also needed. Even with the GDPR, all protection has become much faster.

→ > **What are the three main challenges Lutech will face in data protection in the near future?**

Security threats are becoming increasingly sophisticated. They involve the whole supply chain, not just the individual company: if a weak link in the supply chain is found, exponential threats can result from it. The exponential growth of data (big data) is also a major challenge. Finally, the continuous evolution of national and international regulations. For instance, the National Cyber Security Strategy, the NIS 2 (European Directive) to be implemented by 2024, and finally the international standards themselves, such as ISO 27001, are all open fronts on which staying abreast is a daily challenge.

→ **What contribution do public institutions make to information security and what kind of public-private partnership would be desirable?**

There is a lot of talk about "cyber diplomacy" where public input is obviously crucial to develop comprehensive strategies, which has been the case since the early 2000s with the Budapest Convention. The new cybersecurity strategy, which is aligned with NIS 2, advocates a partnership in problem reporting and is starting to talk about "cyber security parks" where we can collaborate in a participatory

manner. At the international level, it all started with the United Nations, and then the European Union followed, focusing on the “principle of attribution”, i.e. figuring out who was responsible for what (unlawful) actions... something complex in cyberspace, which, by definition, lacks well-defined geographical boundaries. In general, however, these are very new fields and both the strategy mentioned earlier and the National Cybersecurity Agency are recent organisations, which is why there is still much to be done.

The hope is for leaner management and then more binding standards, and in this, public-private collaboration will be increasingly important in the process of updating standards.





## SUPPLIERS

Lutech S.p.A. intends to establish business relationships with its suppliers and business partners that are characterised by transparency, fairness and ethical negotiations. The development of credible and long-lasting relations with suppliers, attention to quality, safety and respect for the environment, and compliance with current regulations, are objectives to be pursued with a view to consolidating value. For Lutech, the goal is to work sustainably along its supply chain to guarantee to the Company and its customers that product supplies are always characterised by a satisfactory ethical-quality-price ratio. With this in mind, the involvement of new suppliers includes, as of 2020, the acceptance of the Framework Agreement and Code of Ethics, which states principles (such as the prohibition of child labour, freedom of association, and relations with trade unions) for which there has never been any evidence of violations or possible risks, as Lutech's suppliers are mainly located in Italy and Europe.

Suppliers are the operational core of Lutech's activities, comprising 1,084 companies in 2022. They comprise:

- vendors, distributors, consultants and cloud providers, mainly from Europe, the United States and the rest of the world;
- professional service providers all operating in Italy with the exception of one provider based in Ukraine.



The Purchasing process is carried out according to the rules set forth in the documents "PSQ-005 Qualification of Suppliers", and "PSQ-006 Procurement" and in compliance with their contents and guidelines – Lutech operates direct and indirect purchases of Hardware, Software and Third Parties, directly from vendors or through distributors in Italy of major brands: Cisco, NETAPP, CHECKPOINT, FORTINET, FORCEPOINT, DELL.

The estimated monetary value of payments made to suppliers was Euro 232,781,524.35 million in 2022, and their type of use is defined around the following: supply of IT products, purchasing through distributors, partnerships and consultancy. 80% of the supply of hardware and services took place in Italy.

The role of suppliers in sustainability is crucial for achieving ESG goals as they are an integral part of the supply chain and can directly affect the sustainability of products and services offered by companies.

This is the context of Lutech's commitment to developing a process for selecting and evaluating business partners that involves verifying compliance with environmental and social standards but also assessing sustainable management practices and transparency in the disclosure of ESG data.

From a systemic point of view, therefore, suppliers can make a significant contribution to the achievement of corporate sustainability goals, becoming part of a shared and participatory strategy that actually broadens the scope of ESG information retrieval and the direct and indirect responsibility of the players involved. In this, a particularly important factor will be the definition of the CSRD Directive, which – at the European level – will integrate the principles of the EU Taxonomy with those of Integrated Reporting, clarifying the mechanisms of involvement of supply chains in ESG reporting pro-

cesses. On these issues, Lutech remains and will remain particularly vigilant in order to be ready to comply with any new compliance procedures.

### **ETHICAL PROCUREMENT**

Regarding the supplier selection process based on ESG principles, the project related to the qualification and evaluation of all Lutech suppliers was formalised in 2022: after an in-depth analysis, Lutech chose a customised tool to ensure pre-qualification, qualification and evaluation phases applicable to all suppliers. Within this project, all ESG areas were taken into account in order to define the first uniform evaluation criteria for all suppliers, regardless of their category.

At the end of 2022, the Company implemented the first pilot project, which involved 34 suppliers. The evaluation of suppliers took place both through automatic evaluation, resulting from the certifications held, and through questionnaires evaluating directly the Procurement function, with the support of the Compliance Unit (ESG).

The number of companies subjected to ex-post performance evaluation (including the presence of ISO 14001 and 45001 certification) was composed of 49

suppliers evaluated in the year 2022, including the 34 from the pilot phase and 15 suppliers particularly relevant for activities in strategic sectors for Lutech.

The number of supplier audits conducted in presence in the reporting year is 0 if we refer to audits carried out directly by Lutech, while the number of Lutech Spa supplier privacy adequacy assessments is 57, of which 70% required two or more supplier interactions. Verifications were conducted through document audits according to the following distribution:

- 6 relating to suppliers with one-off contracts
- 51 concerning suppliers subject to QA (TMP-028)

The number of new suppliers specifically evaluated through environmental criteria was 11 new suppliers in 2022 among the 15 evaluated in terms of Environment and Health and Safety at the Workplace. In 2022, not a single supplier out of the 15 examined had a negative environmental assessment. In 2022, there were no suppliers with current or potential significant or negative environmental impacts, which is why no procedures for improvement or, conversely, termination of relations were initiated.





### **NEW LUTECH SUPPLIER REGISTER TOOL**

During 2022, the project related to the qualification and evaluation of all Lutech suppliers was formalised. After a technical analysis of several alternatives, a specially customised Sinergest Suite tool was chosen for Lutech Spa to ensure pre-qualification, qualification and evaluation of all suppliers. Within this project, ESG areas were taken into account to define the first uniform evaluation criteria for all suppliers, independent of their category.

The new “Lutech Supplier Register” tool, implemented at the end of 2022, includes four specific environment-related questions in the questionnaires:

- Are there qualified environmental personnel?
- Does the Company have internally applied operational procedures for the proper management and sorting of waste?
- Does the Company have internally applied operational procedures for reducing energy and water consumption?
- Does the Company have internally applied operational procedures for reducing atmospheric emissions caused by fossil fuels?

In addition to these questions, there are two questions with a social background, submitted to the suppliers during the qualification phase:

- Has your company implemented an anti-discrimination and harassment policy?
- Does your company have measures to promote work-life balance for employees (flexible working hours, remote working, etc.)?

With a view to continuous improvement, the outcome of this first phase of pre-selecting and categorising suppliers according to their ESG performance will be a policy on sustainable procurement that will be developed from 2023.

## COMMUNITIES

Working in the market means working within the community, thus relating to a territory, a culture and a social and institutional fabric that represents Lutech's scope of action. Every environment is the result of potential and limits, and it is precisely on these that we must work – also in a network with other players – to leave a legacy of growth that is not only economic but also value-based. In the next two paragraphs, the social initiatives carried out by Lutech and some of its partners will be described.

### TERRITORIES

Lutech Mile in Bari is the new innovation pole, the result of Euro 24 million investment in local territory and resources, for the recruitment and development of innovative solutions based on Artificial Intelligence, Quantum Computing, and Digital Twin in collaboration with the Politecnico di Bari, Università degli Studi di Bari Aldo Moro and LUM, and with local institutions and enterprises.

Lutech Mile stands as a key resource for the development of the area's production and employment fabric, thanks to its impacts – present and future – summarised below:

- Immediate placement of 60 recent graduates and technical experts and the construction of a new data centre.
- Recruitment of 500 technicians over the next five years, making the Bari site a real nearshoring centre for the Lutech Group and reskilling for key resources in the area.
- Organisation of technical seminars offered at IT degree courses on Loyalty, Fintech and Energy to consolidate skills in software engineering, advanced programming methods and data mining.
- Internships and apprenticeships with both university students and local ITISs, and paths of excellence dedicated to the most deserving students.

For the training of young people in the STEM areas and the development of these sectors, partnerships with the Puglia region universities Politecnico di Bari, Università degli Studi di Bari Aldo Moro, LUM as well as with technical institutions in the region are strategic.

MILE is a project that, by focusing on research, development and innovation, also bears witness to the capacity for collaboration between the business, university and research system, enabling many Puglia residents to work, specialise and cultivate their talents.

The inauguration event of Lutech MILE in October 2022 was attended by the highest local authorities representing the Municipality of Bari and the Puglia Region. In front of an audience of young students from local high schools and technical institutions, investments were presented for the creation of research projects in Quantum technology, which will involve Puglia's universities, local SMEs and international technology partners, the development of Artificial Intelligence-based solutions that will enable training and Academies, and lastly, participation in extended partnerships, nationally nominated champions and innovation ecosystems, in particular FAIR (Future Artificial Intelligence Research), which, in collaboration with UniBa, will foster the involvement of researchers, technology transfer and start-ups. Lutech also presented concrete examples such as that of Acquedotto Pugliese.

### PHILANTHROPY

After the massive impact of the pandemic and its redistributive consequences on markets and households, society's expectations of companies have grown, and they are being asked to take on a strong, leadership and stimulating role in the challenges of social and environmental action. This is an important recognition of the value of purpose that busi-

ness can and should testify in communities and a very significant change of operational approach. To activate mechanisms of social change, companies today have – in the expectations of public opinion – levers of action to act as drivers of improvement. Lutech is also responding to this requirement with a number of charitable donations described below and associated with social impact projects.

For 2022, Lutech renewed its sponsorship of the Pechiera Borromeo golf tournament, the proceeds of which (Euro 5.4 thousand) were paid to the association “The Monkeys Asd” and distributed for research purposes and support to other associations. In particular, 35% of the proceeds were donated to Cystic Fibrosis Research, 35% to the Association of Disabled Italian Golfers, and the remaining 30% to The Monkeys, which will offer some needy families free enrolment of their children in psychomotricity activities organised by the association, including psychomotricity courses for children aged 2 to 5 years to support the socialisation process during the pre-school period.

On the occasion of the International Day of Women and Girls in Science, Lutech Group joined the Girls@Polimi project of Politecnico di Milano, which offers scholarships for future female engineers in STEM (Science, Technology, Engineering and Mathematics) subjects. The support mechanism is aimed at female students who in September 2022 will begin the 5th grade, who have taken the test in the 4th or 5th grade and who have stated their intention to enrol in September 2023 in one of the Politecnico di Milano's Bachelor degree courses where the presence of women is less than 20%, in particular:

- Electrical engineering;
- Computer engineering;
- Mechanical Engineering;
- Electrical engineering;
- Automation Engineering;
- Aerospace engineering;
- Industrial Production Engineering.



The initiative is part of the “POP-Pari Opportunità Politecniche” programme through which the university is targeting female students still in their fourth and fifth year of high school, which Lutech intends to support by offering a scholarship in the total amount of Euro 24,000 spread over three years, to study engineering at the Politecnico di Milano, attending courses with a low female presence, including: Aerospace, Automation, Electrical, Electronic, Computer, Mechanical and Industrial Production Engineering.

Indeed, the digital transformation needs the skills of everyone, especially young women who want to contribute to the technological development of the country.

The winds of war in the early months of 2022 prompted a newsletter from the Director of Human Resources in which the 'Lutech for Ukraine' operation was launched in cooperation with the Refugees Welcome ONLUS Association. Everyone in the Group was involved in a fundraising initiative whose



objective was to finance the employment of a person fleeing the Ukraine, reaching the value of 5,159 euro collected. The selected person was recruited into the Refugees Welcome team with the role of supporting first aid operations, translation and intercultural mediation to help the fleeing population.

In addition to fundraising, support was provided for any colleague or colleague who wished to host a refugee. In addition, all Lutech people were given the opportunity to offer their participation in the support of a refugee on the path to social integration, through the possibility of becoming a Mentor. Below, a picture of Yuliia, recruited into the Refugee Welcome team as an interpreter and mediator.

In addition, 2022 saw the birth of the Lutech Running Team in April, which ran in Milan and Rome in support of the Alzheimer's Marathon Foundation. The participation of the 28 employees, divided into 7 relays, testified to the importance given to well-being and solidarity among Lutech resources. The participation in the Rome and Milan Marathons was accompanied by a fundraising event for the association, with the final donated amount of Euro 5,100 .



In 2022 Lutech also supported 9 African boys remotely, sponsored by the Don Bosco missionary Felice Molino and his non-profit organisation "Amici OK"



**Together.  
To get.**



for a total of Euro 5,560 donated to cover educational expenses (tuition and school materials) in several local schools, including institutes for the disabled where 2 of the 9 boys are enrolled.

Two other philanthropic collaborations continued in 2022: the first with AIRC (Italian Association for Cancer Research – Associazione Italiana Ricerca sul Cancro) by financing a new scholarship and launching the “Raddoppia la Speranza” (Doubling Hope) donation campaign in favour of the AIRC project dedicated to children cancer. A total of Euro 9,520 was raised during the campaign, the result of employee donations during the Christmas event and the Company's commitment, which doubled the staff donation. A proven, value-added tandem that ensures continuity of Lutech's commitment to combating serious diseases through medical research. In parallel, a partnership was renewed with the Institute for Strategic and Political Studies (IASSP – Istituto Alti Studi Strategici e Politici), which received a donation from Lutech of Euro 5,000 to support research dedicated to the interdisciplinary field of economic intelligence.



The natural evolution of the disbursement initiatives described above will lead Lutech to the development of a Corporate Philanthropy Strategy in the course of 2023, which responds to the awareness, increasingly strong in those at the helm of companies, that social citizenship is a concept that must be placed at the centre of the corporate strategy, and can no longer be relegated to some residual or ancillary form of the corporate organisation chart. Lutech is aware that we live in times in which a new entrepreneurial consciousness is growing – reflected in the dynamics of the labour market, with reference

to the phenomena of Talent Attraction and Recruitment that is going beyond the “trade-off” between business and social.

## PARTNERSHIP

As stated in the introduction to this section, positive change is achieved by collaborating in a network, sharing values and objectives with other local or sectoral partners. Network dynamics are in fact the most effective and the most innovative in the achievement of ESG goals because they allow to leverage common knowledge and motivation.

Within this strategic framework, Lutech can count on established partnerships with the following organisations and associations:

- Confindustria
- Digital Confindustria
- Payments Association
- Assolombarda, Anitec Assinform
- Ente Bilaterale EBI Veneto (enrolled from 2020 for Corporate Welfare purposes)
- AIRC
- Cybersecurity & Data Protection Observatory of the Politecnico di Milano
- Italian Association for Information and Communication Technology (ICT) of Anitec-Assinform
- Confindustria Bari-BAT
- Abi Lab, A.P.S.P – Association of Payment Service Providers
- Metaverse Standards Forum
- Anitec-Assinform Asstel
- ASLI
- FAIR Foundation
- HDFI
- Politecnico di Bari
- Università di Bari
- Università LUM di Bari
- Università di Bologna
- Politecnico di Torino
- Politecnico di Milano
- Università Federico II Napoli
- Università Roma La Sapienza.



### **LUTECH TALKS**

The Lutech Talks, an initiative of Lutech Campus in collaboration with the Lutech Group's main technology partners, are a series of events in which influential figures from academia, institutions and industry share their ideas and visions in confidential Lectio Magistralis, to be discussed with participants around a panel discussion.

Such events make an important contribution through the dynamic exchange of ideas between representatives from institutions, academia and industry, which can result in the development of innovative solutions for the country system on economic, geopolitic and digital transformation issues.

In 2022, the Lectio Magistralis offered were:

- 5 July: Instability and changes taking place in the current geopolitical context: what are the impacts on the innovation ecosystems and digital transformation. Guests: Luca di Biase, Federico Petroni and Lucio Caracciolo.
- 27 September: The future that awaits us: Lectio Magistralis on innovation, digital transformation, sustainability in a changing economic scenario. Guests: Alec Ross, Barbara Carfagna, Andrea Pontremoli.
- 28 November: Mastering uncertainty in the changing economic and geopolitical environment: the role of digital innovation. Guests: Nunzia Ciardi, Alessandro De Angelis, Lina Palmerini, Galeazzo Bignami, Valentino Valentini, Stefano Del Col.





# ENVIRONMENTAL AREA

 LUTECH

# ENVIRONMENTAL AREA

Lutech is actively engaged in implementing corporate plans to optimise its impact on the environment and implements, both internally and externally, projects related to the reduction of energy consumption and greenhouse gas emissions into the atmosphere, with a focus on sustainable mobility management.

The company believes in the importance of involvement and constant dialogue with all stakeholders

in order to contribute positively to environmental issues throughout its value chain, raising awareness among its employees, customers and suppliers.

For this reason, the activities planned and carried out by Lutech go beyond regulatory compliance and the specific requirements of certified Management Systems and ensure the implementation of a series of voluntary and proactive incremental initiatives.

## MANAGEMENT MODES

Lutech has identified two environmental issues as particularly significant and a priority for its work, on which to focus improvement actions in the coming years:

- energy efficiency,
- reduction of environmental impact and Greenhouse Gas (GHG) emissions into the atmosphere

Environmental issues are constantly monitored and managed through an Environmental Management System (EMS) in accordance with ISO 14001:2015, voluntarily adopted as of 2 September 2019 and certified by a Third Party Entity that ensures compliance and proper implementation.

On a day-to-day basis, this translates into lines of

action, policies and operating procedures that allow all activities and processes that may have an impact on the environment to be managed in a coordinated and systematic manner.

The EMS is continuously improved by including processes and interactions that are in accordance with the ISO standard and current legislation, and is shared and disseminated to everyone who works with the Company. Specific training sessions on ISO 14001 issues are provided to newly recruited employees and members of the Compliance Office and HSE Office.

The Chief Compliance Officer is responsible for the EMS, but the HSE Chief Officer is also of paramount importance, as the guarantor of environmental

As far as the Environmental Policy is concerned, Lutech pursues the following general objectives:

- involving all internal staff in the implementation and maintenance of the EMS through continuous and increasing awareness of issues related to the environmental impacts of activities;
- ensuring that activities are carried out in accordance with applicable legislation, requirements and internal procedures. In 2022, there were 2 minor non-conformities related to ISO 14001;
- involving and raising the awareness of Customers, Suppliers and Partners on environmental issues, in the same way as with Employees and Collaborators. As far as Customers, Suppliers and Partners are concerned, this is done mainly through the dissemination of materials via the web and through the supplier qualification tool;
- preserve the Company's image as a punctual, reliable, competent and environmentally friendly supplier.

The tools and methodologies that are indispensable for achieving these objectives are:

- the application of techniques and methodologies specific to the Management Systems, as a means of managing in a controlled way all the activities carried out in the processes involved;
- the organic and clear definition of the tasks and responsibilities of all personnel involved in all the Company's operational processes;
- the active and participative involvement of employees, collaborators and their representatives;
- active supervision and operational control over the performance and effective communication of information necessary for the coordination of environmentally friendly activities;
- the complete and accurate identification and assessment of environmental impacts whether they arise from normal or abnormal/emergency situations of anyone who may be directly or indirectly connected with the Company's achievements;
- optimisation of company energy consumption;

- the promotion of differentiated waste management at all company sites;
- the encouragement of virtuous behaviour by employees and collaborators aimed at reducing pollution and preserving natural resources;
- the commitment to quantifying, reporting and removing greenhouse gas emissions produced by the Company;
- continuous improvement of its EMS in order to increase environmental performance.

In order to verify the effectiveness of the achievement of the set objectives, Management undertakes to monitor the results through annual internal audits and measure performance, and to plan any corrective or improvement actions, as well as to share the information via the company website or email.

Having defined the objectives, Lutech plans the actions to be implemented to reduce its most significant environmental impacts as much as possible, including:

- promozione dello Smart Working fra i dipendenti;
- incentivazione di soluzioni "Paper Less". Per quanto riguarda il consumo di carta, i dati a disposizione mostrano un acquisto di carta nel 2022 corrispondente a 93.000 fogli, in diminuzione rispetto ai circa 150.000 del 2021 (acquistati nel 2020, per i due anni, per un totale di 300.000 fogli A4). Sul dato ovviamente incide la dimensione dello Smart Working, per cui la carta utilizzata per stampe e ufficio non è più stata consumata in ufficio, bensì a casa. In generale, è possibile asserire che l'azienda è attivamente orientata verso un percorso di riduzione dell'impiego di carta, così come peraltro avvenuto con l'attivazione della firma digitale sugli ordini di acquisto, che rappresenta per Lutech la regola e non più l'eccezione;
- optimisation of consumption (energy, water, etc.) and efficiency;

- selection of electricity suppliers using renewable energy sources;
- implementation of Mobility Management projects, entering into agreements with transport companies (Trenitalia, Trenord, ATM), providing car sharing and/or shuttles for employees, analysing employee travel on an annual basis;
- green behaviours at the Cinisello Balsamo (MI) site set up according to criteria of high consumption and performance efficiency, physical environment comfort
  - green solutions that increase healthiness by making physical spaces smarter through areas with green plants;
  - phone booths and soundproof rooms to reduce noise pollution in offices;
  - natural or recycled materials for furniture and offices, thanks to greener suppliers, use of wood, insulation and environmentally friendly paints;
  - solutions to reduce visual pollution and increase temperature stability by means of blinds and/or shades.

- organisation's Carbon Footprint quantification processes and voluntary certification according to ISO 14064-1:2018 (Greenhouse Gas Inventory, Analysis and Reduction System) for the activities carried out in the Cinisello Balsamo HQ and in all the other Lutech sites distributed throughout Italy, extending the scope of carbon footprint calculation to the Company as a whole.

Furthermore, the Group is committed to assessing and keeping up-to-date the possible risks and opportunities related to the environmental aspects of its specific activities and supply chain. In particular, Lutech establishes and implements processes to control the indirect environmental impacts of its supply chain through regular reviews, alignments and second-party audits of contractors. These processes constitute what is known as “supplier qualification”, which is the responsibility of the Procurement department, as described in the section on supplier relations.



## CERTIFICATIONS

From an environmental point of view, Lutech provides its services in accordance with international standards:

- ISO 14001:2015 Environmental Management System;
- ISO 14064-1:2018 Greenhouse gases: Organisation-wide specifications and guidance for quantifying and reporting greenhouse gas emissions and their removal.

Obtaining these certifications has enabled the Company to monitor and control its environmental impacts, correctly assessing risks and ensuring its legal compliance, as well as limiting the impact on climate change.

A special focus should be made on ISO 14064-1, which allows organisations to quantify their GHG emissions in order to implement carbon management policies and communicate their commitment to environmental sustainability to their stakeholders.

The importance of these processes has been fully grasped by Lutech, which in 2022 decided to extend the data collection aimed at calculating the organisation's Carbon Footprint to all company sites, no longer just to the Cinisello Balsamo HQ. The resulting calculation was set up according to the principles – in line with ISO 14064-1:2018 of:

- **PERTINENCE:** through the selection of sources, absorbers, GHG reservoirs, data and methodologies appropriate to the user's needs;
- **COMPLETENESS:** to include all relevant GHG emissions and removals;
- **COHERENCE:** in order to allow meaningful comparisons of GHG information;
- **ACCURACY:** aimed at reducing systematic errors and uncertainties as far as possible in practical application;
- **TRANSPARENCY:** with a view to being able to disclose sufficient and appropriate GHG-related information so that users can make decisions

with reasonable confidence.

## SPECIAL PROJECTS

In 2022, two particularly innovative projects were set up and implemented, in which Lutech was an active participant.

At the project level, the process of implementing – within the energy community of which Lutech is a member together with 10 other companies in relation to the building in Bergamo (via delle Canovine) – a 75.03 KW photovoltaic system was started, of which Lutech's share, proportional to the thousandths of membership, is about 33% of the investment and implementation. The initiative starts with the involvement of the Municipality of Bergamo together with other reference organisations from the world of Bergamo craftsmanship.

In the context of Renewable Energy Communities, the concrete objective is to analyse the effects, sustainability and possible benefits generated by collective energy sharing and self-consumption.

In 2023, this project will be developed in its most operational part and could therefore become a case history to be presented at the event “Bergamo and Brescia Italian Capitals of Culture 2023”.



The second project has to do with the use of an office paint capable of capturing CO<sub>2</sub>, which – as stated by the company AirLite, which painted the Lutech headquarters in Cagliari – was applied to an 80 square metre area, contributing to the elimination of pollution equivalent to 13 Euro 6 diesel cars per day, corresponding to 4,745 cars per year. The emission data, calculated on an urban mileage of 12 km/day per car, adds up to inhibition data of emissions for 42 kg of CO<sub>2</sub> compared to conventional paints.



## ENERGY EFFICIENCY

The Company is concretely committed to monitoring and evaluating its energy consumption, thanks to specific indicators that make it possible to prevent waste and improve energy efficiency based on the

results obtained. During the year 2021, a total of approximately 18,637.44 GJ of energy was consumed at Lutech sites, of which 918.02 GJ was consumed for the HQ in Cinisello Balsamo (Mi).

2022						
	CINISELLO BALSAMO		OTHER SITES		TOTAL	
	Value	GJ	Value	GJ	Value	GJ
Methane - Heating (smc)	12,160 cubic metres = 128,288 kWh = 11,721 smc	461.80	11,579 smc	456.21	23,300 smc	918.02
Total purchased electricity consumption (kWh)	539,783	1,943.22	4,382,279	15,776.20	4,922,062	17,719.42
<b>TOTAL ENERGY CONSUMPTION ON SITE</b>	<b>551,504</b>	<b>2,405.02</b>	<b>4,393,858</b>	<b>16,232.41</b>	<b>4,945,362</b>	<b>18,637.44</b>

*In the figure: total internal energy consumption 20/21*

Data on total electricity consumption are derived from the analysis for ISO 14064 for the year 2022. There were 20 out of 28 sites analysed. Of the remaining 8, 5 have a tenant related to a group company and 3 have all-inclusive contracts for electricity.

In terms of total heating energy, 28 sites were also analysed. Of these 28, for 5 sites specific consumption exists, for 5 sites Lutech is not tenant of the site (it is a guest

of group companies) and cannot check the heating consumption, finally for the remaining sites either the costs are included in the rent, or heat pumps are used, or there is no heating. There were no losses related to Refrigerant Gases for the year 2022.

Concerning energy consumption outside the organisation, it comes mainly from business travel and home-work commuting. For the latter, Lutech is committed from 2021 onwards to implementing

specific projects, such as Mobility Management, in order to decrease relative emissions and, as already described, promote smart-working. In the following

table, the data on business travel and home-work commuting refer to all Lutech sites<sup>4</sup>.

	VALUE 2021	VALUE(GJ) 2021	VALUE 2022	VALUE(GJ) 2022
<b>Business trips (km)</b>	<b>3,975,341.00</b>	<b>6,761.90</b>	<b>2,605,562</b>	<b>4,466.6</b>
Petrol	811,349.00	1,733.26	216,617.90	469.79
Diesel	2,659,251.00	4,130.08	1,523,730.04	2,433.11
More	504,741.00	898.55	865,214.06	1,563.7
<b>Home-work commuting (km)</b>	<b>5,127,936.00</b>	<b>9,038.42</b>	<b>9,574,971.37</b>	<b>16,702.22</b>
Cars	3,917,173.00	7,279.28	8,810,588.43	16,372.71
Bikes	142,443.00	175.56	70,128.38	87.68
Train/Metro	1,068,320.00	1,583.59	694,254.56	241.83



<sup>4</sup>The value in GJ of train and metro commuting in 2022 was calculated according to more up-to-date data than those used in 2021, published in the study carried out by ENEA in collaboration with Università di Roma la Sapienza "Development of a model for calculating the electricity consumption of rail transport", basing the methodology on the calculation of an average GJ value per person according to the data provided by the study itself.



## **MOBILITY MANAGEMENT & SMART WORKING AT LUTECH**

Implementing more sustainable mobility practices with a focus on technological, economic and social evolution is one of the fundamental principles the Lutech Group has been working on in recent years. The adoption of less polluting vehicles, the push for more environmentally friendly modal shifts for daily commuting and the increase in smart working are among the solutions identified by the Lutech Group in its 2021 and 2022 Home and Work Commuting Plan. In the following interview, the Lutech Mobility Manager clarifies Lutech's main lines of development in sustainable mobility.

→ **Global environmental targets in the mobility sector aim to achieve CO2 emission reduction targets of 55% by 2030, and energy neutrality with zero emissions in 2050. How can private companies make a difference in their respective territories to align with these targets?**

As far as mobility is concerned, private companies must focus on the development of new technologies other than the electrification of cars, e.g. by focusing on hydrogen.

→ **How can the public sector support companies that want to become active in the field of sustainable mobility by facilitating their work?**

The public sector can act as a driving force vis-à-vis the private sector, mainly in two ways: by investing in research and development and thus tapping into larger funds than the individual company could obtain, by networking with universities and different companies (i) and by practical experimentation (ii). The example of public transport lends itself to explain this: experimentation with hydrogen cars could take place with the massive involvement of the public sector, which could make concrete what is now futuristic.

→ **The 15-minute city is an urban planning concept in which people live within walking or cycling distance of everything they need. In your opinion, can the 15-minute business, i.e. a model of territorial proximity between workplace and employee services, also exist? If yes, what features would it have for Lutech?**

At Lutech we already live and work 15 minutes away. The take-up rate for smart working is enormous and considering that more people work from home than on location, people often say that their home is Lutech, their nursery near home is Lutech, the school where their children go is 15 minutes away.



→ **Smart Working and Welfare (e.g. car sharing) are two powerful levers for the purpose of more sustainable corporate mobility: what are Lutech's next projects in these areas?**

On the issue of Smart Working at Lutech, performance is already optimal, while on the issue of car sharing, a module has been activated – within the company management programme – for which reservations and pick-up/delivery processes can be implemented in car pooling mode, or the car sharing programme can be improved.

→ **What are the main challenges in the field of sustainable mobility in an area like Lombardy?**

A lot of education is needed because nowadays everything that is public and of the community is treated badly, dirtied, disrespected. In the lack of civic sense about the use of – for example – public transport, the idea that what is shared is not of quality is rooted. On the contrary, if more education were done to change this mentality, resources for the maintenance of public transport could be freed up and redirected towards better and more innovative means.

The operational monitoring of Lutech's Home and Work Commuting Plan (PSCL), updated to 2022, included company activities in four specific areas:

- **CONCESSIONS** > Provision of incentives and concessions: a 150-watt meter was set up in Cinisello to install recharging stations; the application of Smart Working was kept at a high level; there was a plan for involving resources and evaluating satisfaction.
- **RESTRICTION** > Restriction to factors hindering sustainable mobility: no projects.
- **PERSUASION** > Change of values and behaviour: set up a working panel with the Cinisello Balsamo Municipality administration for the expansion of the car sharing service in the company area; activated an internal survey for employees of all the companies located in Cinisello Balsamo to measure the degree of satisfaction with the interventions carried out.
- **INNOVATION AND CHANGE** > Technological and Organisational: presence of a structural agreement on Smart Working with individual agreements, set up and expansion of call conference rooms in all sites, implementation of Hy-

brid work, development of a study for a car pooling management app, installation of charging stations for cars.

The interventions listed above resulted in a specific budget allocated as follows:

- site in Cinisello Balsamo: Euro 10,000.00
- site in Cassina de Pecchi: Euro 4,000.00
- site in Rome: Euro 4,500.00
- site in Fiumicino: Euro 3,000.00

for a total investment of Euro 21,500 and two dedicated human resources.

Among the 2023 targets, based on project developments in 2022:

- car pooling still remains a theoretical mode as the success of smart working will not allow its current implementation until at least mid-2023. The aim is to evaluate with the new monitoring any changes that might make its implementation worthwhile.
- smart Working remains the preferred mode of emission reduction and traffic decongestion for all locations. Therefore, also for 2023, the Lutech

Group expects a presence at the workplace of 4 days per month. In addition, to virtual meetings will be preferred rather than business travels.

- Lutech will continue its focus on renewing its car fleet to further lower the Company's emission level, with the gradual introduction of hybrid and electric vehicles. In 2022, no more electric vehicles were added to those already existing and the 23 hybrid cars corresponding to 6.5% less polluting cars in the total 2021 fleet.
- in 2023, in addition to the monitoring activities, a new survey will be carried out to find out about new travel patterns and habits.

### REDUCING ENVIRONMENTAL IMPACT

Climate change and the resulting rise in the earth's temperatures are due to the increased concentration of greenhouse gases (such as CO<sub>2</sub> and CH<sub>4</sub>) caused by emissions from human activities. Compared to pre-industrial levels, the temperature has risen by 0.8°C and an increase of more than 2°C

would cause further risks and disasters. For these reasons, organisations are striving to produce goods and services with reduced environmental impact and increased competitive advantage.

Lutech measures the impact of its activities through its Corporate Carbon Footprint, an indicator that uses CO<sub>2</sub> equivalent as a reference gas to measure GWP<sub>4</sub>. For the year 2022, data was collected for all Lutech locations, thus making that year the baseline for future measurements.

The approach chosen for the analysis and quantification of GHGs was "operational control", whereby all GHG emissions over which the organisation has operational control were accounted for. The result of the calculation led to the figure of 4,682 tonnes CO<sub>2</sub>eq of GHG emissions related to the activities carried out by LUTECH S.p.A. in the year 2022, referring to all locations.

Details of direct and indirect emissions in tonnes of fossil CO<sub>2</sub>eq are reported in the table below:

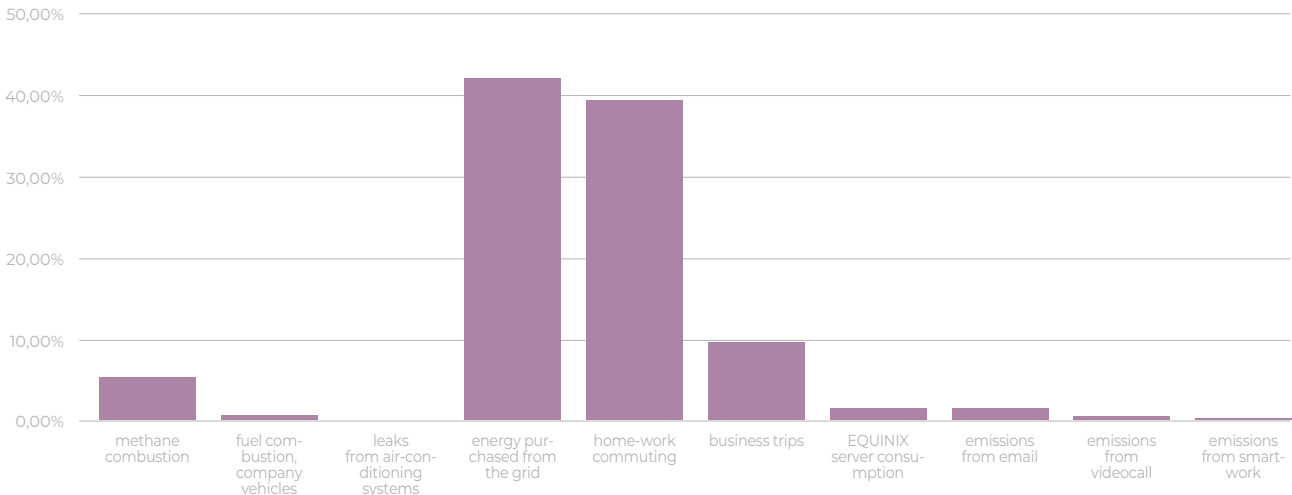
	U.M.	Value	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	SF <sub>6</sub>	HFC	others	Incidence of contributions	Uncertainty
<b>Category 1</b>	ton CO <sub>2</sub> eq	2,52E+02	2,53E+02	2,53E+02	6,91E-01	1,21E-02	1,20E-04	2,19E-04	5,5%	6,1%
<b>Category 2</b>	ton CO <sub>2</sub> eq	1,98E+03							42,4%	20,2%
<b>Category 3</b>	ton CO <sub>2</sub> eq	2,29E+03							49,0%	7,3%
<b>Category 4</b>	ton CO <sub>2</sub> eq	1,54E+02							3,3%	8,7%
<b>TOTAL</b>	ton CO <sub>2</sub> eq	4.682							100%	9,3%

The table below describes the emissions by category and impact type according to incidence:

CATEGORY	tCO <sub>2</sub> eq	% per category	% of total
<b>Category 1</b>			
methane combustion	231.1	91.1%	5.0%
combustion of diesel	1.4	0.6%	0.0%
fuel combustion, company vehicles	21.3	8.4%	0.5%
leaks from air conditioning systems	n.a.	-	-
<b>Total Category 1</b>	<b>253.8</b>	<b>100.0%</b>	<b>5.5%</b>
<b>Category 2</b>			
energy purchased from the grid	1,983	100.0%	42.2%
<b>Total Category 2</b>	<b>1,983</b>	<b>100.0%</b>	<b>42.2%</b>
<b>Category 3</b>			
Combustion of fuels, non-company vehicles and public transport:			
· for home-work commuting	1,850	80.6%	39.4%
· for business trips	444	19.4%	9.5%
<b>Totale categoria 3</b>	<b>2,294</b>	<b>100.0%</b>	<b>48.9%</b>
<b>Categoria 4</b>			
Use of cloud services:			
· EQUINIX server consumption	60.6	39.4%	1.3%
· emissions from email	69.5	45.2%	1.5%
· emissions from videocall	16.4	10.7%	0.3%
· emissions from smart-work	7.2	4.7%	0.2%
<b>Total Category 4</b>	<b>153.7</b>	<b>100.0%</b>	<b>3.3%</b>
<b>TOTAL LUTECH</b>	<b>4,694</b>		<b>100.0%</b>

It is important to note that the most significant impacts are related to the category of indirect transport emissions (49%), with home-to-work commuting being the most significant. This is followed by the category that includes impacts related to purchased electricity (42%). Category 1, relating to indirect emissions, has an incidence of 6%, while category 4,

relating to indirect emissions from product use by the organisation, has an incidence of 3%. Within the individual categories, the items with the greatest impact are grid electricity consumption (42%) and home-to-work commuting (39%), as shown in the diagram below.



Since 2022 is the first year of the carbon footprint calculation extended to all Italian company sites, it is not possible to assess the extent of the performance recorded, whereas this becomes possible by focusing only on the Cinisello Balsamo site, for which

data is available from 2020.

The table below shows the comparison with all the years in which the calculation was carried out, in Cinisello Balsamo alone.

	U.M.	Value 2020	Value 2021	Value 2022	Change 2022 vs 2020
<b>Category 1</b>	ton CO <sub>2</sub> eq	77.55	72.80	23.6	- 70%
<b>Category 2</b>	ton CO <sub>2</sub> eq	117.52	143.46	177.7	+ 51%
<b>Category 3</b>	ton CO <sub>2</sub> eq	2,095.21	722.41	739.4	- 65%
<b>Category 4</b>	ton CO <sub>2</sub> eq	616.86	1,056.52	130.7	- 79%
<b>TOTAL</b>	ton CO <sub>2</sub> eq	2,907.14	1,995.19	1,071.4	- 63%

**Table:** Comparison of total emissions for Cinisello Balsamo alone, compared to the base year of this study.

The comparison shows a 63 % decrease in greenhouse gas emissions over the year 2020. The reduction in Category 1 emissions is linked to the drop in methane gas consumption for the Cinisello site in 2022. In addition, no refrigerant gas leaks were recorded from air conditioning systems. The decrease in Category 4 emissions is related to a lower use of cloud services, compared to the reference year.

Regarding the management of WEEE waste, in 2022 it was accumulated but not disposed of, nor diversified. This was possible because, as they are not hazardous waste, the Company decided to treat them only once a year in the first months of the

year following their storage, so in this case their treatment will take place in early 2023.

Finally, again with a view to reducing environmental impact, new gadgets made of environmentally sustainable material were proposed and produced in 2022 for the activities and initiatives of the Talent Acquisition unit. Such gadgets were:

- Backpack bag made of RPET, obtained from recycled plastics → 500 pieces
- Bamboo pens → 500 pieces.

For the year 2023, the same unit is planning new gadgets made of recycled materials, namely: shopping bags made of 100% recycled cotton; pens made of

recycled aluminium and shiny bamboo barrel made of 100% compostable natural resources.



### THE LUTECH FOREST

Lutech's commitment to supporting green areas with a view to offsetting CO2 continued into 2022. In fact, the "Lutech Forest" project has been further developed by adding a new reforestation scenario. In addition to the 500 trees planted in 2021, which had offset 120,000 kg of CO2, supporting 8 families in the Amazon, in 2022 Lutech collaborated with TreeCorp – a company specialising in reforestation, forestation, tree sales and planting services – in the "Tree your Life" project. In fact, Lutech has purchased 30 trees – for an amount of Euro 8,052 – planted in the municipality of Soncino (Cremona).

The Lutech park of 50 trees – being planted in 2023 – will be able to absorb an average of 5 tonnes of CO2 per year and about 100 tonnes over 20 years, according to TreeCorp estimates. The estimate is based on a study carried out by the CNR in Bologna, Institute of Biometeorology, over one year of the tree's life and over a period of 20 years.

The improvement intervention will have two main purposes:

- preserve the areas for sports (basketball court) and play areas for children, enriching them with plant species;
- contribute to the reduction of carbon dioxide (CO2) and the increase of oxygen (O2), and generally improve air quality.

Species chosen for reforestation include oriental plants, such as Ginko Biloba, various types of maples, and typical trees of the lowland forest, such as holm oaks, oaks, ash trees and hornbeams.

On the side is the map identifying the planting areas:



# OUTLOOK

 LUTECH

# OUTLOOK

The second edition of the Lutech Sustainability Report was drawn up in a period of strong corporate change: the acquisition by the APAX fund in December 2022 and the related rethinking of roles and processes affected the reporting year, characterising it by a limited number of new ESG activities and a programmatic approach of maintaining the existing. Nevertheless, some major efforts were made to build on what emerged in the first edition and better organise future ESG activities: the extension of the Carbon Footprint calculation perimeter to all company locations has – for example – taken the step of wanting to represent Lutech's environmental contribution more precisely and meaningfully; the advancement of the supplier qualification process according to ESG criteria has marked a renewed interest in dialogue with the supply chain; the strong

attention Lutech pays to the needs of the third sector with its countless philanthropic initiatives, some aligned with the Company's strategic objectives (as in the case of the project on Diversity in support of the Politecnico di Milano, for the Talent Acquisition area). What emerges, therefore, is a positive reinforcement of what was highlighted – in a positive way – in the last report, and an improvement in the non-strategised and internally uncoordinated ESG areas.

In the following section, the commitments that Lutech is undertaking for the reference year 2023/2024 will be described, in continuation of what was stated in the previous reporting document.




## VISIONS OF THE FUTURE

Regarding **the Environmental Area**, the commitments announced in the previous ESG reporting year are shown below, with an addition

relating to the progress status of the work towards the planned target.









ENVIRONMENTAL AREA					
Objective	Action	KPI	SDG	STATUS	
Definition of a Green Procurement System	<b>By 2022</b> <ul style="list-style-type: none"> <li>Developing the process of defining ESG rewards for suppliers</li> </ul>	<b>By 2022</b> <ul style="list-style-type: none"> <li>Completion of the process of defining supplier selection criteria, benchmarks and evaluation metrics on an environmental and social basis</li> </ul>		Completed	
	<b>By 2023</b> <ul style="list-style-type: none"> <li>Drawn up of a supplier Code of Conduct</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Endorsement of the supplier Code of Conduct by all new suppliers and 50% of historical/strategic suppliers</li> </ul>	 	In progress	
Updating and increasing internal and external environmental expertise	<b>By 2022</b> <ul style="list-style-type: none"> <li>Involvement of suppliers and customers in environmental sustainability initiatives</li> </ul>	<b>By 2022</b> <ul style="list-style-type: none"> <li>Sending an information sheet to 50% of customers to promote Lutech's environmental initiatives</li> </ul>		Postponed	
	<b>By 2023</b> <ul style="list-style-type: none"> <li>Realisation of employee awareness-raising processes on sustainability issues</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Implementation of 2 hours of dedicated training for at least 80% of Lutech managers</li> </ul>		In progress	
	<ul style="list-style-type: none"> <li>Provide a minimum number of environmental law refresher courses for the dedicated team</li> </ul>	<ul style="list-style-type: none"> <li>Ensure an average of 16 training hours for each team member dedicated to ESG issues</li> </ul>		In progress	
Complete GHG mapping of all locations	<b>By 2023</b> <ul style="list-style-type: none"> <li>Extension of ISO 14064 system boundaries to at least 50% of Lutech Italian locations</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Certification of data by 31/12/23</li> </ul>		Completed	
Dematerialisation/digitalisation	<b>By 2023</b> <ul style="list-style-type: none"> <li>Further adoption of document digitisation software</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>15% increase in internal processes managed exclusively by IT</li> </ul>		Completed	
Definition of a Green Procurement system	<b>By 2023</b> <ul style="list-style-type: none"> <li>Developing a policy on sustainable procurement</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Publication of the policy by 31/12/2023</li> </ul>		In progress	
Defining a corporate sustainability strategy	<b>By 2023</b> <ul style="list-style-type: none"> <li>Development of a sustainability policy</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Publication of the policy by 31/12/2023</li> </ul>		In progress	
Reducing the Company's contribution to climate change	<b>By 2023</b> <ul style="list-style-type: none"> <li>Development and participation in an energy community</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Achievement of target by 31/12/2023</li> </ul>		In progress	
	<b>By 2024</b> <ul style="list-style-type: none"> <li>Increase in reforestation area compared to 2023</li> </ul>	<b>By 2024</b> <ul style="list-style-type: none"> <li>Achievement of target by 31/12/2024</li> </ul>		In progress	



ENVIRONMENTAL AREA				
Objective	Action	KPI	SDG	STATUS
Strengthening Sustainable Commuting at Lutech	<b>By 2023</b>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Achievement of 100% of the project objectives by 31/12/2023.</li> </ul> <b>By 2024</b> <ul style="list-style-type: none"> <li>20% increase in the number of hybrid or electric cars within the Lutech fleet</li> </ul>	  	In progress
	<b>By 2024</b>			

Regarding the **Social Area**, the commitments announced in the previous ESG reporting year are shown below, with an addition linked to the progress

status of the work aimed at achieving the planned target.









SOCIAL AREA				
Objective	Action	KPI	SDG	STATUS
Broadening the analysis of occupational health and safety management systems	<b>By 2023</b>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Completion of the activity by 31/12/2023</li> </ul>		Postponed
	<ul style="list-style-type: none"> <li>Extension of the scope of analysis of ISO 45001</li> </ul>			
Diversity & Inclusion	<b>By 2022</b>	<b>By 2022</b> <ul style="list-style-type: none"> <li>Collection of qualitative and quantitative data to assess Lutech S.p.A's compliance with the criteria proposed by the gender equality certification.</li> </ul>	 	Completed
	<ul style="list-style-type: none"> <li>Becoming more aware of D&amp;I within Lutech</li> </ul>			
	<b>By 2023</b>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Establishment of awareness-raising activities on the value of inclusion and diversity also through external interventions and sharing of good practices</li> <li>Activation of the internally selected project supporting gender balance in STEM disciplines</li> <li>Creation of an internal working and monitoring group dedicated to D&amp;I at Lutech</li> <li>Preparation of tools for the identification of possible wage gaps</li> <li>Definition and drafting of a company policy on Diversity &amp; Inclusion</li> </ul>	 	In progress  Completed  In progress  Completed  Postponed
	<ul style="list-style-type: none"> <li>Internal D&amp;I update and dialogue</li> </ul>			
	<ul style="list-style-type: none"> <li>Correction of any unequal treatment within Lutech</li> </ul>			
	<ul style="list-style-type: none"> <li>Definition of Diversity &amp; Inclusion policy tools</li> </ul>			
Strengthening the Philanthropic Area	<b>By 2023</b>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Completion of the model by 31/12/2023</li> </ul>		In progress
	<ul style="list-style-type: none"> <li>Development of a Strategic Corporate Philanthropy Model</li> </ul>			
Strengthening the Diversity & Inclusion focus area	<b>By 2023</b>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Implementation of the initiative(s) by 31/12/2023</li> </ul>	 	In progress
	<ul style="list-style-type: none"> <li>Completion of a philanthropic STEM initiative, in addition to those completed in 2022</li> </ul>			

SOCIAL AREA				
Objective	Action	KPI	SDG	STATUS
Strengthening internal competences in the area of ESG data collection	<b>By 2023</b> <ul style="list-style-type: none"> <li>Definition of internal sensitisation and empowerment of the various units</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Training delivery by 31/12/2023</li> </ul>		In progress
Strengthening internal involvement in the relationship with the territory	<b>By 2023</b> <ul style="list-style-type: none"> <li>Company Volunteering Project Preparation</li> </ul> <b>By 2024</b> <ul style="list-style-type: none"> <li>Initiation of corporate volunteering activities</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Preparation of the initiative and internal engagement</li> </ul> <b>EBy 2024</b> <ul style="list-style-type: none"> <li>Initiation of at least two support channels</li> </ul>	  	In progress

Regarding the **Governance Area**, the commitments announced in the previous ESG reporting year are shown below, with an addition linked to the progress

status of the work aimed at achieving the planned target.

GOVERNANCE AREA				
Objective	Action	KPI	SDG	STATUS
Strengthening anti-corruption practices	<b>By 2022</b> <ul style="list-style-type: none"> <li>Obtaining ISO 37001 certification</li> </ul>	<b>By 2022</b> <ul style="list-style-type: none"> <li>Completion by 31/12/2022</li> </ul>		In progress (certification obtained in February 2023)
	<b>By 2023</b> <ul style="list-style-type: none"> <li>Development of awareness-raising and dialogue activities on "Business Ethics and Anti-Corruption"</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Promotion of an awareness campaign aimed at customers and business partners</li> </ul>	 	In progress
		<ul style="list-style-type: none"> <li>Preparation of the tools necessary for whistleblowing to work at Lutech</li> </ul>		In progress
Strengthening and streamlining the ESG data collection process	<b>By 2023</b> <ul style="list-style-type: none"> <li>Establishment of an internal ESG data collection procedure</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Definition by June 2023 of a timeline and a shared template for the collection of ESG data</li> </ul>		Completed
		<ul style="list-style-type: none"> <li>Implementation of tools</li> </ul>		Postponed
Communication and delivery of ESG commitment at Lutech	<b>By 2022</b> <ul style="list-style-type: none"> <li>Define tools and spaces for sharing the start of the ESG processes at Lutech</li> </ul>	<b>By 2022</b> <ul style="list-style-type: none"> <li>Preparation of a web section dedicated to Lutech Responsibility</li> </ul>		Completed
		<ul style="list-style-type: none"> <li>Preparation of an internal engagement campaign related to the publication of the first Lutech Sustainability Report</li> </ul>		Completed
		<ul style="list-style-type: none"> <li>Preparation of a social campaign for the publication of the Lutech Sustainability Report</li> </ul>		Completed
	<b>By 2023</b> <ul style="list-style-type: none"> <li>Updating all Lutech data of impact</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Update of the Lutech sustainability web section with infographics on ESG impacts</li> </ul>		In progress

GOVERNANCE AREA					
Objective	Action	KPI	SDG	Status	
Strengthening of in-house expertise on ESG	<b>By 2023</b> <ul style="list-style-type: none"> <li>Provision of a master training course on ESG topics for contact persons of the Compliance unit</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Master's degree attendance to be certified by 31/12/2023</li> </ul>		In progress	
Strengthening of internal EGS reporting processes	<b>By 2023</b> <ul style="list-style-type: none"> <li>Establishment of an internal committee of the BoD to which the Sustainability Team representatives will report</li> </ul>	<b>By 2023</b> <ul style="list-style-type: none"> <li>Officialisation and entry into operation of the committee by 31/12/2023</li> </ul>		In progress	
	<ul style="list-style-type: none"> <li>Obtaining legality rating</li> </ul>	<ul style="list-style-type: none"> <li>Obtained by 31/12/2023</li> </ul>		In progress	
Increasing Corporate Social Responsibility (CSR) accountability	<b>By 2024</b> <ul style="list-style-type: none"> <li>Obtaining SA8000 Certification</li> </ul>	<b>By 2024</b> <ul style="list-style-type: none"> <li>Obtaining certification by 31/12/2024</li> </ul>		In progress	
Participation in an international network dedicated to the new frontiers of CSR	<b>By 2024</b> <ul style="list-style-type: none"> <li>Enrolment in the UN Global Compact</li> </ul>	<b>By 2024</b> <ul style="list-style-type: none"> <li>Enrolment completed by 31/12/2024</li> </ul>		In progress	
Strengthening Business Continuity	<b>By 2024</b> <ul style="list-style-type: none"> <li>Coverage of all Lutech subsidiaries under Italian law according to Model 231</li> </ul>	<b>By 2024</b> <ul style="list-style-type: none"> <li>Achievement of objectives by 31/12/2024</li> </ul>		In progress	
Active participation and advocacy	<b>By 2024</b> <ul style="list-style-type: none"> <li>Endorsement of a global campaign for the reduction of the digital divide and universal accessibility of ICT technologies</li> </ul>	<b>By 2024</b> <ul style="list-style-type: none"> <li>Subscription of an internationally recognised manifesto/initiative by 31/12/2024</li> </ul>	 	In progress	

The logo for LUTECH, featuring a stylized white icon of three curved lines to the left of the word "LUTECH" in a white, sans-serif font.

LUTECH

# METHODOLOGICAL NOTE

The Social Responsibility Report herein refers to the data, projects carried out and services or products produced by Lutech S.p.A in the financial year 2022, namely from 1 January to 31 December. Furthermore, this Report has been prepared in accordance with the guidelines of the ISO 26000 International Standard for Corporate Social Responsibility (2020), as well as the AA1000, Stakeholder Engagement Standard (2015).

The reporting principles adopted are those indicated by GRI, namely:

- Accuracy
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness
- Verifiability

The Company's reporting scope did not change substantially from the previous year, as the DISC merger had already been included in the reported data for the 2021 Budget. The nature of the activities has not changed, fewer revisions are due to greater maturity of the organisation. The main revision concerns an improvement in the calculation of GHG emissions for 2022 at all Lutech sites.

In particular, with respect to the following reporting topics, the measurement scopes are detailed below:

- Transparency, Anti-Corruption, Model 231 and Business Ethics, Personal Data Protection: all Lutech S.p.A. sites
- ISO 14001: Environmental Management System > all sites; Certification > Cinisello Balsamo (MI) site;
- ISO 9001: Quality Management System > all sites; Certification > Cinisello Balsamo (MI) site; Cassina De' Pecchi (MI), Fiumicino (Rome) site;
- ISO 45001: Health and Safety Management System > all sites; Certification > Cinisello Balsamo (MI) site;
- ISO 27001: Information Security Management System > all sites; Certification > Cinisello Balsamo (MI) site, Cassina De' Pecchi (MI), Bergamo;
- ISO/IEC 20000: Service Management System > all sites; Certification > Cassina De' Pecchi (MI) site, Cinisello Balsamo (MI) site.
- ISO 14064: Organisation Carbon Footprint Certification > all sites.

With regard to the analysis of environmental impacts, reporting focused on the following areas:

- energy efficiency: all sites;
- home-work commuting: 4 sites subject to regulatory obligations: Cinisello Balsamo (MI), Cassina De' Pecchi (MI), Fiumicino (Rome) and Rome;
- business trips: all sites;
- reducing environmental impact: all sites.

The economic and financial data presented in this sustainability report are the same as those published in the Annual Report 2022, which was audited by

KPMG in accordance with the principles and criteria recommended by CONSOB. In contrast to sustainability reporting, the audited and published consolidated financial statement includes 23 subsidiaries at 31 December 2022. The financial reporting period is the same as for the sustainability reporting and is issued by 30 June 2023. No external assurance was provided for the 2022 sustainability report.

The stakeholder mapping process – conducted by Lutech for the first time in 2021 – allowed Lutech to identify the main stakeholders, towards whom the Company establishes different relationships and carried out different initiatives, depending on their urgency, proximity or dependence on the Company's business. There were no updates with respect to new stakeholders isolated in the 2022 reporting period.

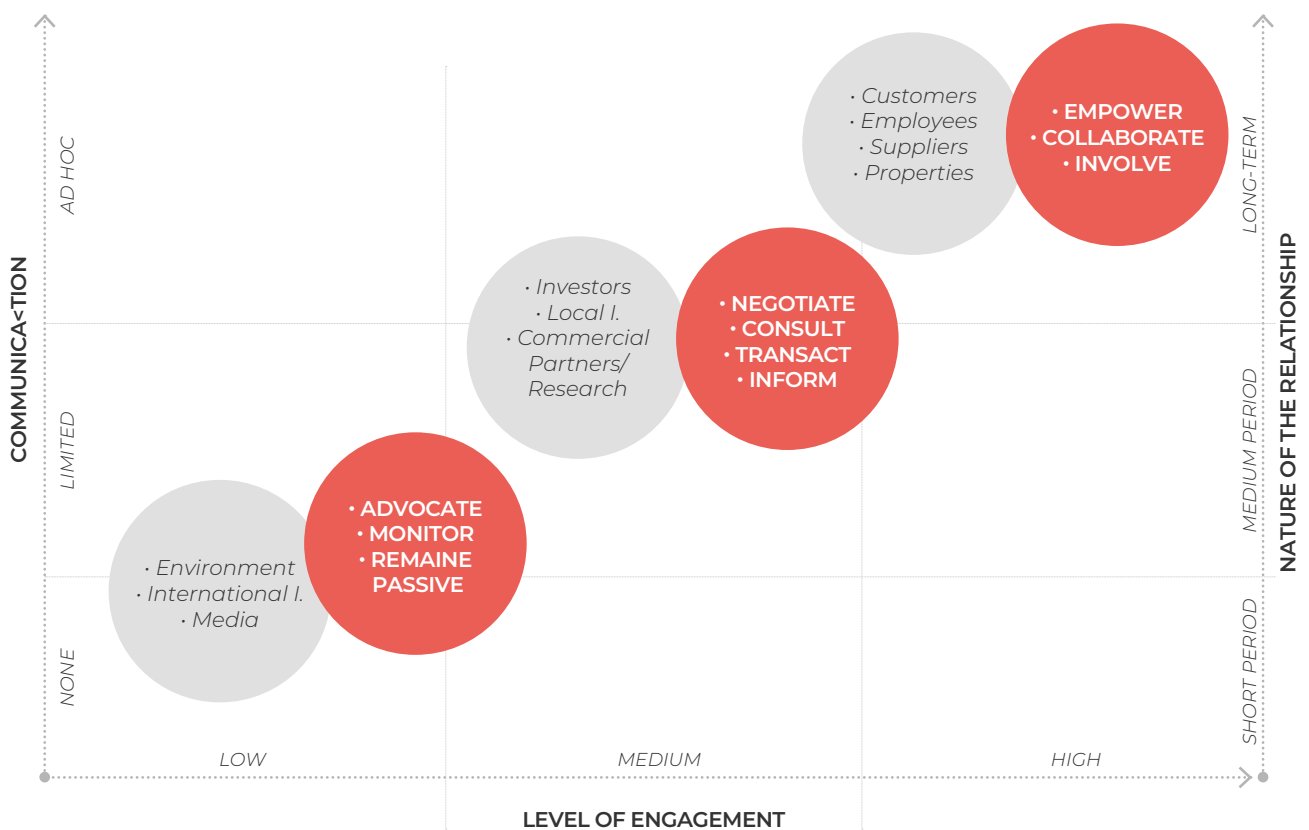
**LUTECH STAKEHOLDER MAPPING**



The identification of stakeholders led the Company, starting from the first year of reporting, towards a conscious assessment of which channels of involvement to activate and what type of processes to implement, for each of the identified stakeholders. Since it is not possible to deal equally with all players, it is precisely the criteria of dependence/influence, proximity and relevance (legitimacy of the relation-

ship) that justify certain choices of involvement, with reference to the type, intensity and time horizon of the processes. In the following figure, reworked from the AA1000 standard (2015), it is possible to view the identified different levels of stakeholder involvement, which remained unchanged in 2022.

**LUTECH ENGAGEMENT LEVELS**



Further down, the analysis of Lutech's engagement levels is specified by illustrating the concrete activi-

ties related to the individual ways in which different stakeholders are involved.

STAKEHOLDER CATEGORY	POSSIBLE INVOLVEMENT ACTIVITIES	INVOLVEMENT ACTIVITIES 2022
Customers	Ad hoc events, social media campaigns, corporate website updates, dedicated mailing, co-planning	Updating company website, sharing of specific documents, information
Employees	Ad hoc events, social media campaigns, corporate website updates, dedicated mailings, intranet, internal surveys, training, sharing of specific documents, one-to-one meetings, co-planning	Ad hoc events, company website updates, dedicated mailing, intranet, internal surveys, sharing of specific documents
Suppliers	Ad hoc events, social media campaigns, company website updates, dedicated mailings, external surveys, information, sharing of specific documents	Updating company website, sharing of specific documents, information
Investors	Ad hoc events, company website updates, dedicated mailing, sharing of specific documents, co-planning	Company website updates, sharing of specific documents
Environment	Compliance with company regulations, adoption of projects to reduce environmental impact	Compliance with company regulations, adoption of projects to reduce environmental impact
Media	Press releases, ad hoc events, information, sharing of specific documents	Press releases, information
Local public institutions	Compliance with current regulations, thematic meetings (e.g. ESG refresher courses), involvement in co-planning, information, sharing of funding facilities for ESG projects	Compliance with regulations, information
International Public Institutions	Compliance with current international regulations, thematic meetings (refresher courses and presentation of global scenarios and trends), sharing of funding facilities for ESG projects	Compliance with international regulations
Properties	Information, strategic involvement, sharing of documents	Information, strategic involvement, sharing of documents
Institutional partners (universities, trade associations, research partners, external technicians)	External surveys, information, sharing of specific documents, ad hoc events	Sharing of specific documents, information, ad hoc events



From the identification of stakeholders (stakeholder mapping) to the definition of the different types of engagement (level analysis), it is important to derive actual processes of activation and involvement of the different stakeholders. The ultimate goal is to co-create with stakeholders a participative process aimed at exchanging information, projects, updates, in the area of ESG.

During 2022, Lutech's stakeholder engagement activities were:

- general meetings addressed to employees dedicated to ESG issues;
- submission of specific questionnaires aimed at developing the materiality matrix;
- focus groups/technical training for specific internal corporate roles, active on ESG issues;

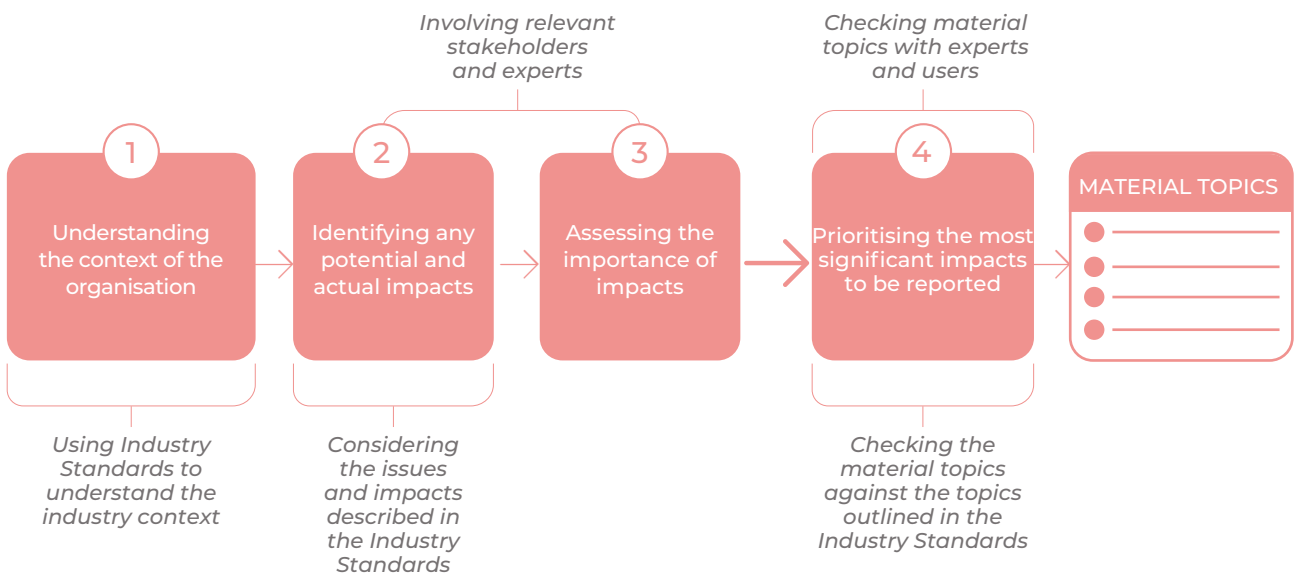
- one-to-one communications with suppliers on ESG issues; one-to-one communications with specific customers on ESG issues;
- participation in ESG events.

From the opportunities described above, data and ideas emerged that allowed the Company to focus on the importance of structured and measurable Corporate Social Responsibility processes. Nevertheless, the Company's decision to move towards one particular set of topics, rather than another, was the result of an internal and external discussion mechanism that initially involved business units, suppliers and customers, and then later – in 2022 – was revised to align with the new GRI Materiality Impact requirements, depicted in the image below reworked from official GRI 3 - Materiality Topics documents:

**PROCESS OF DETERMINING MATERIAL TOPICS**

*IDENTIFICATION AND EVALUATION OF IMPACTS ON AN ONGOING BASIS*

*DETERMINING THE MATERIAL TOPICS TO BE REPORTED*



The renewed tool, resulting from the update of the GRI methodology in force as at 1 January 2023 for the previous reporting year, in fact necessitated a revision of the method of identifying material issues, which Lutech addressed as detailed below:

- 2021 material themes were organised according to their area of impact, i.e: Economy, Environment and People, in line with a tripartite interpretation of sustainability, i.e. across the typical areas of sustainable development, as defined since the Brundtland Report (1987) and followed by the 1992 Rio Declaration.
- 70 additional cogent topics were prepared, also in line with the impact area of reference and placed alongside the 2021 material topics, to broaden the materiality analysis in order to improve the return process
- for each additional topic, an evaluation grid was prepared that highlighted their actual (i.e. already manifested) impact within the Lutech value creation process. In particular, the individual additional topics were classified according to their positive or negative impact, short-term or long-term, intentional or unintentional, reversible or irreversible. Subsequently, each topic was rated on a scale of 1 to 5 in order to identify the specific relevance of the topic. This process was first carried out by the Lutech front line staff and later extended to other management functions, for a total of 25 records collected on 46 additional topics.
- in parallel, a further 24 mandatory issues were identified, also in line with the reference impact area and the previous material issues, which were subjected to analysis with regard to their potential (i.e. not yet manifest) impact on Lutech's value creation process. Also for this second set of themes, their impact was assessed as positive or negative, short- or long-term, intentional or unintentional, reversible or irreversible. Subsequently, each topic was rated on a scale of 1 to 5 in order to identify the specific relevance of the topic. This process was first carried out by the Lutech front line staff and later extended to other management functions, resulting in a total of 25 records

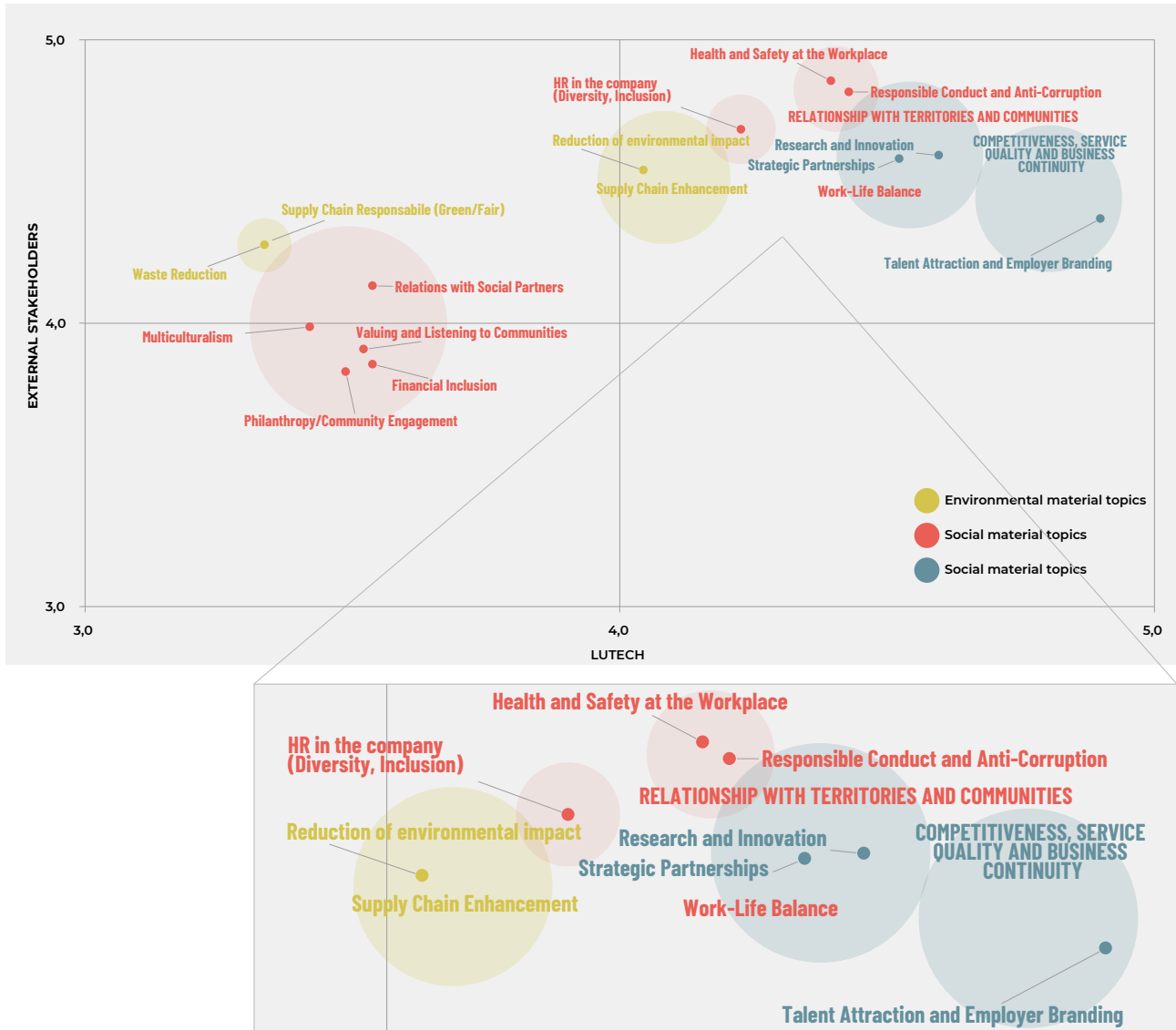
collected from a total of 70 topics.

- the results of the materiality ranking were then weighted to focus only on those records that for at least 80% of the respondents had a risk/impact rating between a score of 4 and/or 5.
- the nine material topics thus selected were then brought back to the initial topics of the 2021 materiality matrix, resulting in the following variations:
  - Absence of investment plans for staff growth > included in the new material topic "Competitiveness, service quality and business continuity"
  - Transparency in labour relations > already present in the material topic "Brand Reputation"
  - Gender pay inequality > already present in the material topic "Employee Protection and Diversity"
  - Energy waste/lack of efficiency already present in the material topic "Energy Efficiency"
  - Health and Safety at the Workplace > already included in the material topic "Health and Safety at the Workplace".
  - Insufficient attention to staff requests > included in the new material topic "Relationship with territories and communities" with a view to strategic stakeholder involvement
  - Improving anti-corruption processes > already present in the material topic "Responsible Conduct and the Fight against Corruption"
  - Lack of environmental non-conformities > already present in the material topic "Environmental Impact Reduction"
  - Transparency in the commitment to ESG > already present in the material topic "Brand Reputation"

The materiality analysis, conducted on the basis of the first selection of topics made in 2021 and modified according to the analysis of actual and potential

impacts required by the new GRI protocol, has resulted in the following overall material/impact topics:

**LUTECH MATERIALITY MATRIX**



The correspondence between material topics and GRI Specific Standards is highlighted in the table below:

GRI SPECIFIC STANDARD	MATERIAL TOPIC
Health and Safety at the Workplace	GRI 403 - GRI 401
Responsible Conduct and Anti-Corruption	GRI 205
Relations with territories and communities	GRI 413
Research and Innovation	External, non-GRI indicators
Competitiveness, service quality and business continuity	GRI 201 - GRI 202
Brand Reputation	GRI 404 - GRI 416 - GRI 418
Work-Life Balance	External, non-GRI indicators
Energy Efficiency	GRI 302 - GRI 204
Environmental Impact Reduction	GRI 308 - GRI 305
Protection of People in the Company – D&I	GRI 402 - GRI 405 - GRI 406 - GRI 407 - GRI 408 - GRI 409

## LUTECH MATERIALITY ANALYSIS RESULT

MATERIAL TOPICS	CORRESPONDING GRI TOPICS	SCOPE	
		INTERNAL	EXTERNAL
ENERGY EFFICIENCY	ENERGY	LUTECH	-
REDUCTION OF ENVIRONMENTAL IMPACT	EMISSIONS	LUTECH	SUPPLIERS (AT THE CONCLUSION OF THE QUALIFICATION TOOL)
RESPONSIBLE SUPPLY CHAIN	ENVIRONMENTAL EVALUATION OF SUPPLIERS	LUTECH	SUPPLIERS
DIVERSITY & INCLUSION	NON-DISCRIMINATION	LUTECH	SUPPLIERS (AT THE CONCLUSION OF THE QUALIFICATION TOOL)
IBID	DIVERSITY	LUTECH	IBID
PROTECTION OF HUMAN RIGHTS IN THE COMPANY	HUMAN RIGHTS	LUTECH	IBID
RESPONSIBLE CONDUCT AND ANTI-CORRUPTION	CORRUPTION	LUTECH	IBID
HEALTH AND SAFETY AT THE WORKPLACE	OCCUPATIONAL HEALTH AND SAFETY	LUTECH	-
STAFF GROWTH AND REMUNERATION POLICIES	TRAINING AND EDUCATION	LUTECH	-
"ICT FOR THE GREEN ECONOMY"	-	LUTECH	-
"WORK-LIFE BALANCE"	-	LUTECH	-
"INTERNAL CLIMATE AND PARTICIPATION"	-	LUTECH	-
"RESEARCH AND INNOVATION"	-	LUTECH	CUSTOMERS
"BRAND REPUTATION AND STRATEGIC PARTNERSHIPS"	-	LUTECH	CUSTOMERS, COMMUNITIES
"QUALITY AND CUSTOMER EXPERIENCE"	-	LUTECH	CUSTOMERS
"EMPLOYER BRANDING AND TALENT ATTRACTION"	-	LUTECH	COMMUNITIES

These issues are the result of a consultation process involving a group of 79 external and 55 internal stakeholders in 2022. Their participation in this survey phase, which took place over a period of two months, was made possible by a series of questionnaires administered by e-mail in which they were asked to indicate, in a range from 0 to 5, which issues they perceived as relevant according to their own point of view (for external stakeholders) or that of the Company (for internal stakeholders). To complement this, in 2023 (for the reporting year 2022), voting on the new topics was opened to the frontline staff and the people reporting to them, with a total of 25 preferences expressed.

In this phase of identifying priority issues, the perspective expressed by existing company documents was also considered: policies, internal procedures, Code of Ethics, any certifications in the field of ESG, previous internal surveys on ESG issues. In addition, in order to broaden the variability of the relevant topics and contextualise their evolution within the main regulatory and policy-making processes at an Italian and international level, the main reporting models of other companies in the IT sector were analysed, in order to choose an original and identifying positioning for Lutech S.p.A.

Once the data collection was completed, the evaluations were normalised by virtue of the source stakeholder, assigning an ad hoc multiplication factor to the data collected from the internal management stakeholder. In addition, the data analysis was further filtered through certain guiding principles, which are intended to characterise Lutech's work in the coming years, namely:

- **RELEVANCE:** evidence of major interest with respect to the material topic at hand
- **TRANSVERSALITY:** ability of a material topic to be integrated into different business units

- **SCALABILITY:** the ability of a material topic to evolve, either by extending its reach into other territories or communities, or by vertically expanding its impacts over time.

These steps, together with the preliminary analyses on the ESG positioning in the IT sector and the study of external documents, made it possible to specifically prioritise the different topics that have emerged from the materiality matrix, which was finally approved internally by Lutech management.

In general, what emerges from the Lutech materiality matrix implies:

- **for the Economic impact area,** a strong focus on brand reputation (of which Talent Acquisition, ESG transparency and employee retraining are primary proxies), research and innovation and competitiveness/business continuity;
- **for the Social impact area,** a strong focus on diversity, health and safety, transparency, work/life balance and relations with territories and communities;
- **for the Environmental impact area,** a strong focus on energy efficiency and reduction of the environmental impact.

## GRI CONTENTS

Declaration of use	Lutech has prepared the report in accordance with GRI standards for the period 1 January 2022 – 31 December 2022.
Used GRI 1	GRI 1 Fundamental Principles version 2021
Relevant GRI sector standards	Absent for the ICT sector

GENERAL REPORTING						
GRI STANDARD/ OTHER SOURCE	REPORTING	LOCATION (Page)	OMISSIS	REASON	EXPLANATION	GRI INDUSTRY STANDARD REFERENCE NO.
			OMITTED REQUIREMENTS			
GRI2- General Reporting - version 2021	2-1 Organisational Details	10, 16-18, 30-44				GRI 2.1 a-d
	2-2 Entities included in the organisation's sustainability reporting	115,116				GRI 2.2 a-c
	2-3 Reporting Period, Frequency and Contact Person	115,116				GRI 2.3 a-d
	2-4 Review of Information	115-123				GRI 2.4 a-c
	2-5 External Assurance		GRI 2.5 a-b	Not compulsory assurance	The 2022 report did not provide for external assurance	GRI 2.5 a-b
	2-6 Activities, value chain and other business relations	46-50				GRI 2.6 a-d
	2-7 Employees	53-78				GRI 2.7 a-e
	2-8 Non-employees	53-78				GRI 2.8 a-c
	2-9 Governance Structure and Composition	30-38				GRI 2.9 a-c
	2-10 Appointment and selection of the highest governing body	30-38				GRI 2.10 a-b
	2-11 Chair of the highest governing body	30-38				GRI 2.11 a-b
	2-12 Role of the highest governing body in the impact management control	30-38				GRI 2.12 a-c
	2-13 Delegation of responsibility for impact management	30-38				GRI 2.13 a-b
	2-14 Role of the highest governance body in sustainability reporting	30-38				GRI 2.14 a-b

**GENERAL REPORTING**

<b>GRI STANDARD/ OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>REASON</b>	<b>EXPLANATION</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>
			<b>OMITTED REQUIREMENTS</b>			
	2-15 Conflicts of Interest	30-44				GRI 2.15 a-b
	2-16 Communication of Critical Issues	30-44				GRI 2.16 a-b
	2-17 Collective knowledge of the highest governing body		2.17 a	There are no such processes	These processes will be structured in 2023	GRI 2.17
	2-18 Performance evaluation of the highest governing body		2.18 a-c	There are no such procedures	These procedures will be structured in 2023	GRI 2.18 a-c
	2-19 Remuneration rules		2.19 b	Unknown data	Lack of internal information	GRI 2.19 a-b
	2-20 Procedure for determining remuneration		GRI 2.20 a-b	Unknown data	Lack of internal information	GRI 2.20 a-b
	2-21 Total annual remuneration ratio	53				GRI 2.21 a-c
	2-22 Sustainable development strategy statement	109-113				GRI 2.22
	2-23 Policy commitment	21-23				GRI 2.23 a-f
	2-24 Integration of policy commitments	21-23				GRI 2.24
	2-25 Processes to remedy negative impacts	19-23				GRI 2.25 a-e
	2-26 Mechanisms for requesting clarification and raising concerns	134				GRI 2.26 a
	2-27 Compliance with laws and regulations	42-44				GRI 2.27 a-e
	2-28 Membership of associations	93-94				GRI 2.28
	2-29 Approach to stakeholder engagement	72-73, 115-123				GRI 2.29
	2-30 Collective Labour Agreements	53-56				GRI 2.30 a-c

**MATERIAL TOPICS**

<i>GRI STANDARD/OTHER SOURCE</i>	<i>REPORTING</i>	<i>LOCATION (Page)</i>	<i>OMISSIS</i>	<i>GRI INDUSTRY STANDARD REFERENCE NO.</i>	
			<i>OMITTED REQUIREMENTS</i>	<i>REASON</i>	<i>EXPLANATION</i>
GRI3-Material topics - version 2021	3-1 Process for determining material topics	119-123			GRI 3-1 a-b
	3-2 List of material topics	119-123			GRI 3-2 a-b
	3-3 Management of material topics	119-123			GRI 3-3 a-f

**ECONOMIC PERFORMANCE**

<i>GRI STANDARD/OTHER SOURCE</i>	<i>REPORTING</i>	<i>LOCATION (Page)</i>	<i>OMISSIS</i>	<i>GRI INDUSTRY STANDARD REFERENCE NO.</i>		
			<i>OMITTED REQUIREMENTS</i>	<i>REASON</i>	<i>EXPLANATION</i>	
GRI3-Temi materiali - versione 2021	3-3 Managing material topics					
GRI 201: Performance economica 2016	Reporting 201-1 Direct economic value generated and distributed	46-50			GRI 201-1 a-b	
ibid	Reporting 201-2 Financial implications and other risks and opportunities resulting from climate change	96-98			GRI 201-2 a (i - v)	
ibid	Reporting 201-3 Obligations concerning defined benefit and other pension plans		GRI 201-3B-ii, GRI 201-3B-iii, GRI 201-3C, GRI 201-3D, GRI 201-3E	Not applicable	There are no other benefit plans and other structured pension plans for all employees and/or homogeneous categories	GRI 201-3 a-e
ibid	Reporting 201-4 Financial assistance received from the government	49, 82			GRI 201-4 a i - vii	



**RESPONSIBLE CONDUCT AND ANTI-CORRUPTION**

<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 205: Anti-corruption 2016	Reporting 205-1 Transactions evaluated to determine corruption risks	39-44			GRI 205-1 a-b
ibid	Reporting 205- 2 Communication and training on anti-corruption regulations and procedures	39-44			GRI 205-2 a-e
ibid	Reporting 205-3 Confirmed incidents of corruption and measures adopted	39-44			GRI 205-3 a-e

**CHILD LABOUR**

<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 408 Child labour 2016	Reporting 408-1 Activities and suppliers presenting a significant risk of instances of child labour	42, 64, 87			GRI 4081 a-c

**FORCED OR COMPULSORY LABOUR**

<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 409 Forced or compulsory labour 2016	Reporting 409-1 Activities and suppliers presenting a significant risk of incidents of forced or compulsory labour	64, 87			GRI 4091 a-b

<b>CUSTOMER PRIVACY</b>					
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 418 Customer privacy 2016	418-1 Grounded complaints regarding breaches of customer privacy and loss of customer data	83-86			GRI 418 – 1 a-c

<b>LOCAL COMMUNITIES</b>					
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 413 Local Communities 2016	413-1 Transactions with local community involvement, impact assessments and development programmes	90-94			GRI 413 – 1 a
ibid	Reporting 413-2 Transactions with significant actual and potential impact on local communities	99,100, 102-104, 107			GRI 413 – 2 a

<b>MARKET PRESENCE</b>					
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 202 Market presence 2016	Reporting 202-1 Ratio of standard basic wages by gender to the local minimum wage	75			GRI 202 – 1 a-d
ibid	Reporting 202-2 Percentage of senior management recruited from the local community	34			GRI 202 – 2 a-d

**EMPLOYMENT**

<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 401 Employment 2016	Reporting 401-1 Recruitment of new employees and employee turnover	54			GRI 401 – 1 a-b
ibid	Reporting 401-2 Benefits for full-time employees that are not available to fixed-term or part-time employees	71			GRI 401 – 2 a
ibid	Reporting 401-3 Parental Leave	75			GRI 401 – 3 a - e

**MANAGEMENT OF LABOUR AND TRADE UNION RELATIONS**

<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>	
			<b>OMITTED REQUIREMENTS</b>	<b>REASON</b>	<b>EXPLANATION</b>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 402 Management of labour and labour relations 2016	Reporting 402-1 Minimum notice periods regarding operational changes	87			GRI 402 – 1 a-b

**HEALTH AND SAFETY AT THE WORKPLACE**

<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>REASON</b>	<b>EXPLANATION</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>
			<b>OMITTED REQUIREMENTS</b>			
GRI3-Material topics - version 2021	3-3 Managing material topics					
GRI 4013 Health and Safety at the Workplace 2016	Reporting 403-1 Occupational Health and Safety Management System	57-64				GRI 403 – 1 a-b
ibid	Reporting 403-2 Hazard identification, Risk assessment and Accident investigation	57-64				GRI 403 – 2 a-d
ibid	Reporting 403-3 Occupational Health Services	57-64				GRI 403 – 3 a
ibid	Reporting 403-4 Worker participation and consultation on health and safety at the workplace programmes and related information	57-64				GRI 403 – 4 a-b
ibid	Reporting 403-5 Health and Safety at the workplace training for workers	57-64				GRI 403 – 5 a
ibid	Reporting 403-6 Workers' health promotion	57-64				GRI 403 – 6 a-b
ibid	Reporting 403- 7A Prevention and mitigation of Health and Safety at the workplace impacts directly related to business transactions	57-64				GRI 403 – 7 a
ibid	Reporting 403-8 Workers covered by an occupational health and safety management system	57-64				GRI 403 – 8 a - c
ibid	Reporting 403-9 Accidents at work		GRI 403 – 9 b	Data not available	HR does not manage non-employee workers, for whom there are no records of work-related injuries	GRI 403 – 9 a - g
ibid	Reporting 403-10 Occupational illness	57-64				GRI 403 – 10 a - e

<b>TRAINING AND EDUCATION</b>					
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>REASON</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>
			<b>OMITTED REQUIREMENTS</b>	<b>EXPLANATION</b>	
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 404 Training and Education 2016	Reporting 404-1 Average number of training hours per year per employee	64, 65			GRI 404 – 1 a
ibid	Reporting 404-2 Employee skills upgrading and transition assistance programmes		GRI 404-2B	No information	There are no such programmes in Lutech SpA GRI 404 – 2 a-b
ibid	Reporting 404-3 Percentage of employees receiving regular evaluations of their performance and professional development	64, 65			GRI 404 – 3 a

<b>DIVERSITY</b>					
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>REASON</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>
			<b>OMITTED REQUIREMENTS</b>	<b>EXPLANATION</b>	
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 405 Diversity and equal opportunities 2016	Reporting 405-1 Diversity in governance bodies and among employees	74-77			GRI 405 – 1 a-b
ibid	Reporting 405-2 Ratio of basic wage and salary of women to men	75			GRI 405 – 2 a-b

<b>NON-DISCRIMINATION</b>					
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>REASON</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>
			<b>OMITTED REQUIREMENTS</b>	<b>EXPLANATION</b>	
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 406 Non discrimination 2016	Informativa 406-1 Episodi di discriminazione e misure correttive adottate Reporting 406-1 Incidents of discrimination and corrective measures adopted	38, 42, 74-77			GRI 406 – 1 a-b

FREEDOM OF ASSOCIATION					
<i>GRI STANDARD/OTHER SOURCE</i>	<i>REPORTING</i>	<i>LOCATION (Page)</i>	<i>OMISSIS</i>	<i>REASON</i>	<i>GRI INDUSTRY STANDARD REFERENCE NO.</i>
			<i>OMITTED REQUIREMENTS</i>	<i>REASON</i>	<i>EXPLANATION</i>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 407 Freedom of Association and Collective Labour Bargaining 2016	Reporting 407-1 Activities and suppliers where the right to freedom of association and collective labour bargaining may be at risk	38, 87-89			GRI 407 -1 a-b

EXPENDITURE WITH LOCAL SUPPLIERS					
<i>GRI STANDARD/OTHER SOURCE</i>	<i>REPORTING</i>	<i>LOCATION (Page)</i>	<i>OMISSIS</i>	<i>REASON</i>	<i>GRI INDUSTRY STANDARD REFERENCE NO.</i>
			<i>OMITTED REQUIREMENTS</i>	<i>REASON</i>	<i>EXPLANATION</i>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 204 Procurement practices 2016	204-1 Proportion of expenditure to local suppliers	87, 89			GRI 204 -1 a-c

ENVIRONMENTAL EVALUATION OF SUPPLIERS					
<i>GRI STANDARD/OTHER SOURCE</i>	<i>REPORTING</i>	<i>LOCATION (Page)</i>	<i>OMISSIS</i>	<i>REASON</i>	<i>GRI INDUSTRY STANDARD REFERENCE NO.</i>
			<i>OMITTED REQUIREMENTS</i>	<i>REASON</i>	<i>EXPLANATION</i>
GRI3-Material topics - version 2021	3-3 Managing material topics				
GRI 308	308-1 New suppliers selected using environmental criteria	87, 89			GRI 308 -1 a
Environmental evaluation of suppliers 2016	308-1 New suppliers selected using environmental criteria	87, 89			GRI 308-2 a-e
ibid	308-2 Negative environmental impacts in the supply chain and measures adopted				

<b>ENERGY</b>						
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>REASON</b>	<b>EXPLANATION</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>
			<b>OMITTED REQUIREMENTS</b>			
GRI3-Material topics - version 2021	3-3 Managing material topics					
GRI 302: Energy2016	Energy consumed within the organisation		302-1.C4, 302-1.D 1-4,	Data not available	Steam energy not applicable, energy sold for heating or cooling not applicable	GRI 301 -1A - G
ibid	Energy consumed outside the organisation	100,101				GRI 302 -2 a-c
ibid	Energy intensity		303-3 a-d	Data not available	Not calculated, in forecast calculation for 2023	GRI 302 3 a-d
ibid	Reducing energy consumption		302-4.A, 302-4.C	Data not available	There is no baseline as 2022 was the first year of calculation on all company locations	GRI 302 4 a-d

<b>EMISSIONS</b>						
<b>GRI STANDARD/OTHER SOURCE</b>	<b>REPORTING</b>	<b>LOCATION (Page)</b>	<b>OMISSIS</b>	<b>REASON</b>	<b>EXPLANATION</b>	<b>GRI INDUSTRY STANDARD REFERENCE NO.</b>
			<b>OMITTED REQUIREMENTS</b>			
GRI3-Material topics - version 2021	3-3 Managing material topics					
GRI 305: Emissions 2016	Direct GHG emissions (Scope 1)	104-107				GRI 305-1. a-g
	Indirect GHG emissions from energy consumption (Scope 2)		305-2.B	Not applicable	LUTECH S.p.A. records its energy consumption in a "location-based" manner.	GRI 305-2. a-g
ibid	Other indirect GHG emissions (Scope 3)	104-107				305-3.a-g
ibid	Intensity of GHG emissions		305-4.A, 305-4.B, 305-4.C	Data not available,	index not calculated in the ISO14064-1:2018 certification process	305-4.a-d

The drafting phase of this report involved all corporate functions across the various locations within the reporting boundary, in particular Human Resources, Procurement, Communication and Compliance. The latter unit then coordinated the internal review of the data and gave final approval in agreement with Management.

Finally, the Company has set up an ad hoc e-mail dedicated to ESG issues that will allow all internal and external stakeholders to interact on Corporate Social Responsibility issues. The Esg@lutech.it e-mail address (managed by the Compliance function) will then serve as a reference for exchanges of information with other entities in the area and with different types of stakeholders.

**FINAL NOTES:**

Lutech S.p.A. during 2022 recorded the:

- closure of the Fiumicino site in Via Mantegna 4/c,
- opening of the Genoa site on Via 20 Settembre,
- closure of the Rivalta di Torino site at Terza Strada-no. 8 interport site Turin
- closure of Intelligent Solutions site in Frosinone, Via Silvio de Santis 28/30
- expansion of the Cagliari site in Via Caboni 3
- opening of the Valenzano site, in Strada provinciale per Casamassima km3 Valenzano
- closure of the Conversano site in the province of Bari in Via Mercadante no. 8





## GLOSSARY

**Environment (excerpt from UNI EN ISO 14001:2015):**

the environment in which an organisation operates, including air, water, land, natural resources, flora, fauna, human beings and their interrelationships.

**CO2 Equivalent:** Unit to compare the radiant strength of a GHG with that of carbon dioxide.

**Due Diligence:** In the GRI Standards, due diligence refers to the process by which a company identifies, prevents, mitigates and reports on how it addresses its actual and potential impacts on the economy, environment and people.

**GHG emissions:** Total mass of a GHG released into the atmosphere over a specified period of time.

**Direct GHG emissions:** GHG emissions from greenhouse gas sources owned or controlled by the organisation.

**Indirect GHG emissions:** GHG emissions from the production of electricity, heat or steam imported and consumed by the organisation or from non-owned GHG sources.

**Non-renewable energy source:** energy source that cannot be replenished, reproduced, regenerated or generated within a short period of time through ecological cycles or agricultural processes.

**Renewable energy source:** energy source that can be replenished in a short period of time through ecological cycles or agricultural processes.

**Greenhouse Gases (GHG):** Gaseous constituent of the atmosphere, both natural and man-made, that absorbs and emits radiation at specific wavelengths within the spectrum of infrared radiations emitted from the earth's surface, atmosphere and clouds. GHGs include: carbon dioxide (CO<sub>2</sub>), metha-

ne (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>).

**Green Procurement:** integration of environmental considerations into purchasing procedures for products and services, taking into account environmental impacts throughout their life cycle, from raw material extraction to waste disposal.

**Environmental impact (excerpt from the UNI EN ISO 14001:2015):** any change in the environment, negative or beneficial, caused wholly or partially by the environmental aspects of an organisation.

**ISO 14001:2015:** international standard that identifies the requirements for an "environmental management system" capable of identifying and assessing the environmental aspects of an organisation's activities, products and services for the purpose of continuous improvement of environmental performance and system requirements. The standard can be used for third-party certification, and/or for self-declaration, or simply as a guideline to establish, implement and improve an environmental management system.

**ISO 14064-1:2018:** voluntary standard published by the International Standards Organisation (ISO), defining international best practice in the management, reporting and verification of greenhouse gas (GHG) data and information.

**ISO 9001:2015:** international standard defining the requirements of a quality management system for an organisation. This standard provides guidelines to improve effectiveness and efficiency in the manufacturing of product or delivery of services and to increase customer satisfaction and loyalty.

**Employee:** an individual who is recognised under national laws or practices as an employee of the reporting organisation. **LCA (Life Cycle Assessment):** analysis methodology that assesses the set of inte-

reactions that a product/component has with the environment and defines its direct or indirect impacts, considering its entire life cycle: from production to recycling to final disposal.

**Materiality:** materiality refers to the relevance of a particular issue (economic, management, social or environmental) for the Company and its stakeholders (see stakeholders). Those aspects that reflect the organisation's significant economic, social and environmental impacts or substantially affect stakeholders' assessments and decisions are material.

**Scope of a topic:** description of where the impacts of a material topic fall and what the organisation's involvement is in these impacts.

**Environmental policy (excerpt from UNI EN ISO 14001:2015):** overall intentions and directives of an organisation relating to its environmental performance as formally expressed by senior management. The environmental policy provides a framework for conducting activities and setting environmental objectives and targets.

**Occupational health and safety management system:** a set of interconnected or interacting elements useful for defining an Health and Safety at the Workplace policy and objectives and how to achieve these objectives.

**Sustainability and Sustainable Development:** the most widely used definition of the concept of sustainable development can be found in the "Brundtland Report" of the World Commission on Environment and Development (named after the on-duty chair Gro Harlem Brundtland), drawn up in 1987. Sustainable development refers to a development model "that meets the needs of the present without compromising the ability of future generations to meet their own needs". Sustainability is thus an approach (to society, as well as to business) aimed at ensuring a balance between present and

future needs, reconciling economic-financial, social and environmental concerns.

**Stakeholders and multi-stakeholders:** stakeholders are groups or individuals who are reasonably expected to be significantly affected by the organisation's activities, products and/or services, or whose actions may affect the organisation's ability to successfully implement its strategies and achieve its objectives. According to the AA1000SES standard (developed by the British organisation AccountAbility and recognised as an international reference), an organisation can prioritise its stakeholders or stakeholder groups according to the relevance of each of them. Relevance is an attribute determined by the joint assessment of the dependence, influence and urgency that each stakeholder has towards the organisation, or other aspects that characterise the relationship between the stakeholder and the organisation. The multi-stakeholder approach is one in which a given issue is addressed with the participation and collaboration of players representing different interests in relation to the issue and thus having different demands. These can be, for example, the different players involved in a production chain, representatives of institutions, enterprises and non-profit organisations, etc.

**Supply Chain:** the process of planning, implementing and controlling the efficient and effective flow and storage of raw materials, semi-finished and finished products and related information from the point of origin to the point of consumption with the aim of meeting customer requirements.

**Type of employment:**

- **full-time:** a full-time employee is an employee whose working hours on a weekly, monthly or annual basis are defined according to national legislation and current practice in terms of working time (such as national legislation according to which "full time" corresponds to a minimum of nine months per year and a minimum of 30

hours per week);

- **part-time:** a part-time employee is an employee whose working hours on a weekly, monthly or annual basis are less than those of “full-time” as defined above.





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