



SUSTAINABILITY REPORT

LUTECH SPA
2023



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2023**

When reading this document, you can navigate through the contents by choosing your own reading path.

**ESRS 2**

General information that applies to all companies, regardless of the sector in which they operate.

**ESRS E1**

Disclosure requirements related to the following sustainability issues: “climate change mitigation”, and “climate change adaptation”. It also concerns energy-related issues insofar as they are relevant to climate change.

**ESRS S1**

Disclosure obligations relating to actual and potential significant impacts on the company’s own workforce in relation to social factors and issues.

**ESRS S2**

Relevant impacts on workers in the value chain related to the company’s own operations and value chain, including through its products or services as well as its business relations

**ESRS S4**

Disclosure obligations relating to actual and potential relevant impacts on consumers and/or end-users associated with the company’s products or services in relation to information-related impacts, personal safety of consumers and/or end-users, social inclusion of consumers and/or end-users.

**ESRS G1**

The company’s strategy, approach, processes and procedures, as well as its conduct performance.

This Sustainability Report has been prepared in accordance with the CSRD (Corporate Sustainability Reporting Directive), applying the most directly relevant aspects of the new legislation. This approach made it possible to anticipate and test the adoption of the required standards, enhancing transparency and aligning reporting with CSRD guidelines.

TABLE OF CONTENTS

INTRODUCTION AND METHODOLOGICAL NOTE	09
ESRS 2 - GENERAL INFORMATION	
PURPOSE	11
1. BASIS FOR PREPARATION	
1.1 Disclosure Requirement BP-1 – General basis for preparation of sustainability statement	11
1.2 Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances	11
2. GOVERNANCE	
2.1 Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	12
2.2 Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	18
2.3 Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes	20
2.4 Disclosure Requirement GOV-4 – Statement on due diligence	20
2.5 Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting	21
3. STRATEGY	
3.1 Disclosure Requirement SBM-1 – Strategy, business model and value chain	22
3.2 Disclosure Requirement SBM-2 – Interests and views of stakeholders	31
3.3 Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	34
4. IMPACT, RISK AND OPPORTUNITY MANAGEMENT	
4.1 Disclosures on the materiality assessment process	42
4.1.1 <i>Disclosure Requirement IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities</i>	42
4.1.2 <i>Disclosure Requirement IRO-2 – Disclosure requirements in ESRS covered by the undertaking’s sustainability statement</i>	47
4.2 Minimum disclosure requirement on policies and actions	48
4.2.1 <i>Minimum disclosure requirement – Policies MDR-P – Policies adopted to manage material sustainability matters</i>	48
4.2.2 <i>Minimum disclosure requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters</i>	50
5. METRICS AND TARGETS	
5.1 Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters	54
5.2 Minimum disclosure requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets	57
APPENDIX B	
List of datapoints in cross-cutting and topical standards that derive from other EU legislation	61

ENVIRONMENTAL INFORMATION

Disclosure pursuant to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation) 67

ESRS E1 - CLIMATE CHANGE

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION 67

1. GOVERNANCE

- 1.1 Disclosure requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes 67

2. STRATEGY

- 2.1 Disclosure Requirement E1-1 – Transition plan for climate change mitigation 67
- 2.2 Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 68

3. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

- 3.1 Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities 70
- 3.2 Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation. 72
- 3.3 Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies 74

4. METRICS AND TARGETS

- 4.1 Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation 78
- 4.2 Disclosure Requirement E1-5 – Energy consumption and mix
📌 *Energy diagnosis at Lutech* 78
- 4.3 Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions 83
- 4.4 Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits 84
- 4.5 Disclosure Requirement E1-8 – Internal carbon pricing 84
- 4.6 Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities 84

SOCIAL INFORMATION

ESRS S1 OWN WORKFORCE

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION 86

1. STRATEGY

- 1.1 Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders 86
- 1.2 Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model 87

2. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

- 2.1 Disclosure Requirement S1-1 – Policies related to own workforce 91

2.2	Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	92
2.3	Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	93
2.4	Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	95
	📌 <i>From communities to people to strengthen inclusion and participation</i>	96
	📌 <i>Flu campaign and free vaccination at Lutech 97</i>	

3. METRICS AND TARGETS

3.1	Disclosure Requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	99
3.2	Disclosure Requirement S1-6 – Characteristics of the undertaking's employees	100
3.3	Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce	101
3.4	Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue	102
3.5	Disclosure Requirement S1-9 – Diversity metrics	102
3.6	Disclosure Requirement S1-10 – Adequate wages	103
3.7	Disclosure Requirement S1-11 – Social protection	103
3.8	Disclosure Requirement S1-12 – Persons with disabilities	103
3.9	Disclosure Requirement S1-13 – Training and skills development metrics	104
3.10	Disclosure Requirement S1-14 – Health and safety metrics	104
3.11	Disclosure Requirement S1-15 – Work-life balance	105
3.12	Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)	105
3.13	Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts	105

ESRS S2 WORKERS IN THE VALUE CHAIN

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION 107

1. STRATEGY

1.1	Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	107
1.2	Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	108

2. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

2.1	Disclosure Requirement S2-1 – Policies related to value chain workers	111
2.2	Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts	112
2.3	Disclosure Requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	113
2.4	Disclosure Requirement S2-4 – Taking Action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	115

3. METRICS AND TARGETS

3.1	Disclosure Requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	122
-----	--	-----

ESRS S4 - CONSUMERS AND END-USERS

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION	125
1. STRATEGY	
1.1 Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	125
1.2 Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	125
2. IMPACT, RISK AND OPPORTUNITY MANAGEMENT	
2.1 Disclosure Requirement S4-1 – Policies related to consumers and end-users <i>📌 Lutech and the involvement of its customers</i>	128 129
2.2 Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts	129
2.3 Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	131
2.4 Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions	133
3. METRICS AND TARGETS	
3.1 Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	137

GOVERNANCE INFORMATION

ESRS G1 BUSINESS CONDUCT

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION	140
1. GOVERNANCE	
1.1 Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	140
2. IMPACT, RISK AND OPPORTUNITY MANAGEMENT	
2.1 Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	142
2.2 Disclosure Requirement G1-1– Business conduct policies and corporate culture <i>📌 We give a voice to whistleblowers at Lutech</i>	143 146
2.3 Disclosure Requirement G1-2 – Management of relationships with suppliers	146
2.4 Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery	149
3. METRICS AND TARGETS	
3.1 Disclosure Requirement G1-4 – Incidents of corruption or bribery	152
3.2 Disclosure Requirement G1-5 – Political influence and lobbying activities	152
3.3 Disclosure Requirement G1-6 – Payment practices	152

ACRONYMS – LUTECH 2023 SUSTAINABILITY REPORT	154
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INTRODUCTION AND METHODOLOGICAL NOTE

Lutech Spa is an IT solutions integrator and places six technological cores at the heart of the Digital Evolution: LutechConsulting, LutechCloud, LutechServices, LutechCybersecurity, LutechDigital, LutechSolutions.

The sectors served by Lutech products are:

- Financial & Insurance
- Energy & Utilities
- Telco & Media
- Manufacturing
- Public Sector
- Fashion & Retail

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 aim of this document is to lay the foundations for future reporting in compliance with the CSRD. The reporting boundary is that of Lutech SpA.





**GENERAL
INFORMATION**

ESRS 2 - GENERAL INFORMATION

PURPOSE

Datapoint no. 1-2

1. BASIS FOR PREPARATION

1.1 Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement

Datapoint no. 3-4-5

In these first paragraphs of the Sustainability Report, Lutech presents the criteria that guided the process of drafting the document through which the company intends to report to all stakeholders on the procedure followed in preparing the sustainability statement for the year 2023. It should be noted that this Report has been prepared on an individual basis, excluding subsidiaries and parent companies, referring only to the boundary in which Lutech SpA operates.

Value chain coverage includes information on relevant impacts, risks and opportunities related to the company through its direct and indirect business relationships in the upstream or downstream value chain. In this sense, therefore, the company has developed an initial analysis evaluating the dynamics involving employees, owners, suppliers, partners, customers, which have been contextualised within strategies, policies, actions and objectives capable of returning a precise vision of the inside-out and outside-in dynamics typical of sustainability reporting in line with the CSRD Directive.

The company has not made use of the option to omit one or more specific disclosures related to intellectual property, know-how or innovation results, nor of exemptions from disclosure concerning upcoming developments or issues under negotiation.

1.2 Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances

Datapoint no. 6-7-8-9-10-11-12-13-14-15-16-17

With regard to the time frames adopted by Lutech, the company complies with the definitions contained in ESRS 1, in particular:

- short term: 0 to 2 years
- medium term: 2 to 5 years
- long term: over 5 years

Lutech uses metrics in this Sustainability Report that include upstream and/or downstream value chain data estimated from direct sources. Where it was necessary to rely on indirect sources (proxies or industry averages) the company will describe the basis for their preparation, the resulting level of accuracy and any actions planned to improve their accuracy in the future. It also identifies the quantitative metrics subject to uncertainty, highlighting their causes and the assumptions made in the evaluation.

As the current year is the first year of 'simulated' CSRD reporting, there are no previous periods to which to relate the measurements and data collected with the same methodology. However, some past data, where comparable, will be presented.





Lutech is not subject to any other regulations or provisions regarding sustainability reporting and makes partial use of the transitional provisions in accordance with Appendix C of ESRS 1, with regard to:

- ESRS 2 SBM3: EXPECTED FINANCIAL EFFECTS
- ESRS E1 – 9: EXPECTED FINANCIAL EFFECTS

2. GOVERNANCE

Datapoint no. 18

2.1 Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory

bodies

Datapoint no. 19-20-21-22-23

Lutech SpA is a joint-stock company under Italian law, the majority of whose capital is indirectly held by the APAX international investment funds. In 2023, the Company is led by a seven-member Board of Directors appointed at the shareholders' meeting by the shareholder.

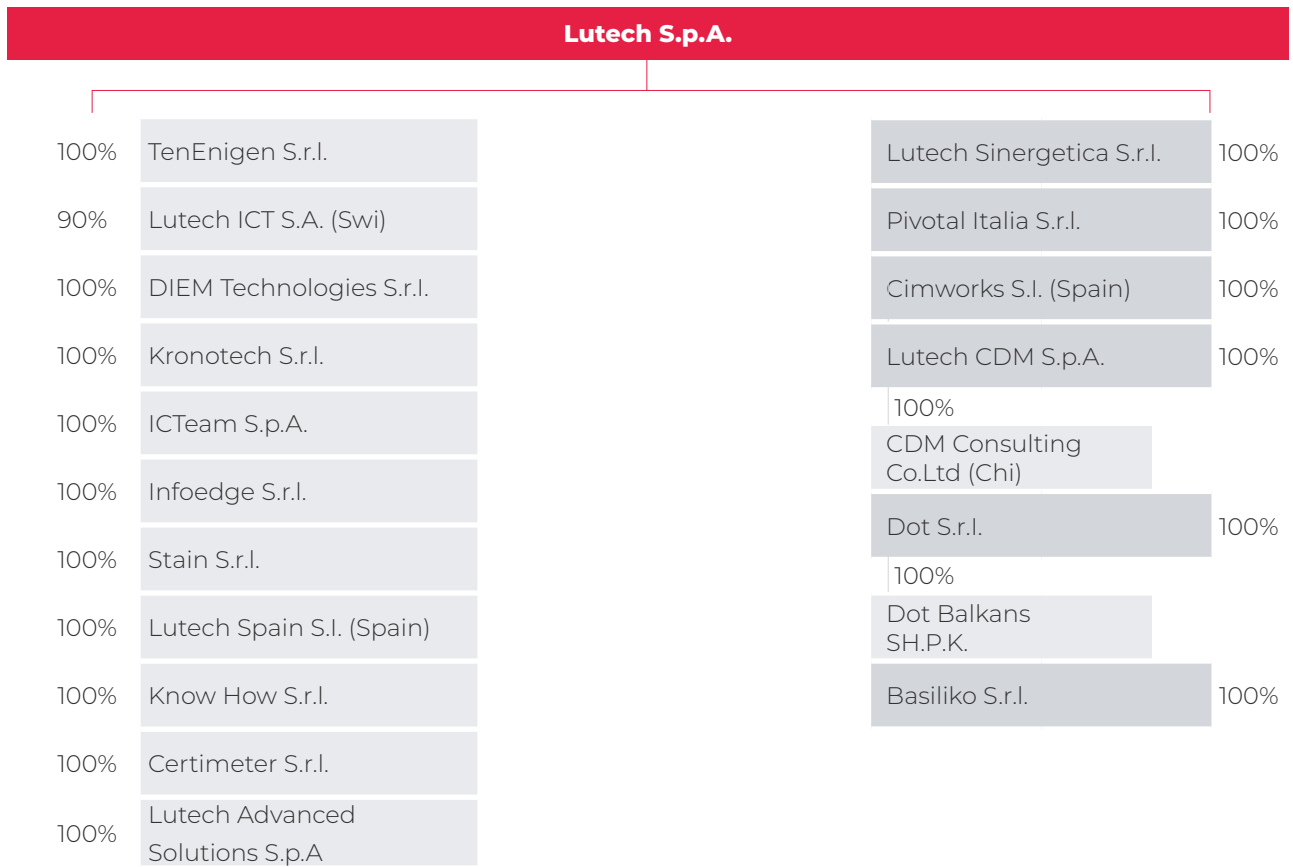
The Board of Directors appoints a Managing Director who exercises the powers of ordinary administration reporting to the Board of Directors. The current Articles of Association of the Company were approved by the Shareholders' Meeting on 13 December 2017.

Lutech is directly controlled by Libra Holdco SARL, a holding company under Luxembourg law that has no operational activities. 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 minority stakes who have decided to invest in the Group's growth.

To support the purchase of the Lutech Group by the APAX funds, a bond was issued listed on regulated markets for a total amount of €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), and the subjection to the obligation to publish corporate disclosures on the Company website (quarterly reports and audited annual financial statements).



Lutech Spa is an operating company and also holds interests in subsidiaries in the following sociogram:



Details of Lutech SpA's subsidiaries during 2023 are presented in the following table:

Company	%	Control	Activities
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
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
DIEM TECHNOLOGIES S.R.L.	100%	Direct	System integrator specialising in satellite communication systems and digital broadcasting solutions
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
ICTEAM S.P.A.	100%	Direct	Consulting and system integration in Big Data and Artificial Intelligence, consulting and software development in Loyalty & Direct Marketing
INFOEDGE S.R.L.	100%	Direct	Specialised application consulting on business processes to major clients in the insurance industry
KNOW-HOW S.R.L.	100%	Direct	Process consulting and integration of ERP solutions mainly on the INFOR space
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 ADVANCED SOLUTIONS S.P.A.	100%	Direct	Formerly Atos Italia S.p.A., consulting services in technologies such as SAP, digital twins, hyper automation, high performance computing, workplace management and business platforms, with broad vertical expertise in the Energy and Telco & Media markets.
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
LUTECH SYNERGETICA 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.
PIVOTAL ITALIA S.R.L.	100%	Direct	Consulting, marketing and integration of Customer Relationship Management (CRM) and Product Lifecycle Management (PLM) solutions
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
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.
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
CIMWORKS SL (SPAIN)	100%	Direct	Consulting, marketing and integration of Product Lifecycle Management (PLM) solutions for the Spanish market
DOT BALKANS S.H.P.K.	100%	Indirect	Office nearshoring within Salesforce.com and ERP
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 SPAIN SL	100%	Direct	Solution implementation services mainly in the SAP area



Lutech SpA is organised according to the traditional administration and control model, based on a scheme characterised by the following corporate bodies:

- Shareholders' Meeting
- Board of Directors
- Board of Auditors

The company also has:

- Supervisory Board (appointed by the BoD)
- Corruption Prevention Compliance Function (appointed by the BoD)

In 2023, Lutech had the following Administrative, Management, and Supervisory Bodies (AMSBs):



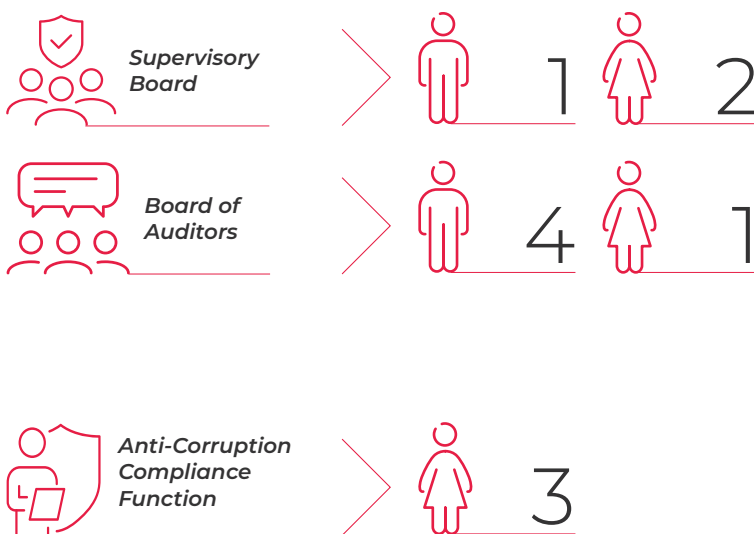
The composition of the Board in **2023** is as follows:



In order to align with the annual report, its most recent formation is also illustrated (**year 2024**), which breaks down as follows:



In **2023** the remaining bodies were composed as follows:



A member from outside the organisation and two employees.

Three statutory auditors and two alternate auditors. Of the five members, one alternate auditor is a woman. The membership requirements are those stipulated by law, and the appointment is made by the Shareholders' Meeting.

In this function, the members are all internal.





The members of the Board of Directors, whether executive, independent or non-executive, all have decades of experience in the industry and markets in which the company operates. The representatives of the APAX investment funds, currently partners of the company, have gained significant experience in the Italian market as a result of previous investments and have chosen as members of the Board of Directors people with recognised experience in the sector. In particular, their expertise contributed to the company's growth to €316 million in 2022. In the ESG area, these professionals have accumulated experience from reviewing policies and strategies that have enabled them to anticipate when and how to collect and analyse data, as required in the coming years by the European Corporate Sustainability Reporting Directive.

With regard to the roles in the oversight of ESG Impacts, Risks and Opportunities (IRO) management procedures by AMSBs, the latter verify the defined ESG IRO targets and their progress through unstructured monitoring and only in the event of critical issues detected by the CSR area.

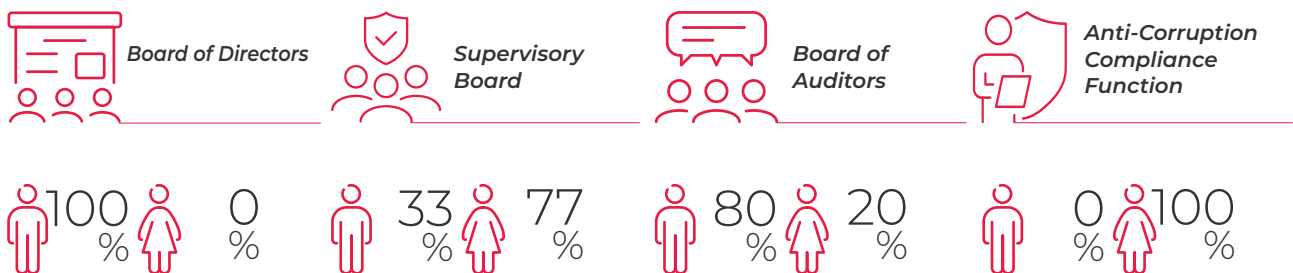
However, the company has structured internally the "Compliance Office" function, in which the Chief Compliance Officer acts as coordinator and developer, through the "Corporate Social Responsibility" area, of the various instances of ESG design, execution and reporting.

At a general level, therefore excluding the dynamics of the AMSBs, the following profiles represent the competencies and responsibilities in accountability:

- Corporate Social Responsibility area (within the Compliance function), which is responsible for guiding the company's ESG (Environment, Social, Governance) strategy established by Management, coordinating defined projects (e.g., Sustainability Reports) and promoting initiatives on the subject;
- Mobility Manager (a role held by the Chief Corporate Operations Officer) whose main objective is the creation of the Home-Work Travel Plan (PSCL), a tool to streamline staff travel through the analysis, development and verification of possible solutions to improve home-work mobility.
- HSE function, which is responsible for ensuring that the company's activities are conducted in full compliance with the regulations of Legislative Decree 81/08 and Legislative Decree 152/06 Single Text on the Environment, and collaborates with the Compliance Office in the development, implementation and control of the Management Systems for Occupational Health and Safety (ISO 45001) and for the Environment (ISO 14001).

Additionally, for particular, very vertical expertise, the company relies on external experts who, in a consultative capacity, contribute to Lutech's ESG impact awareness and improvement path by dialoguing with the "Corporate Social Responsibility" area, which then reports any issues to management structures.

The gender percentages in the administration, management and control bodies in 2023 are as follows:



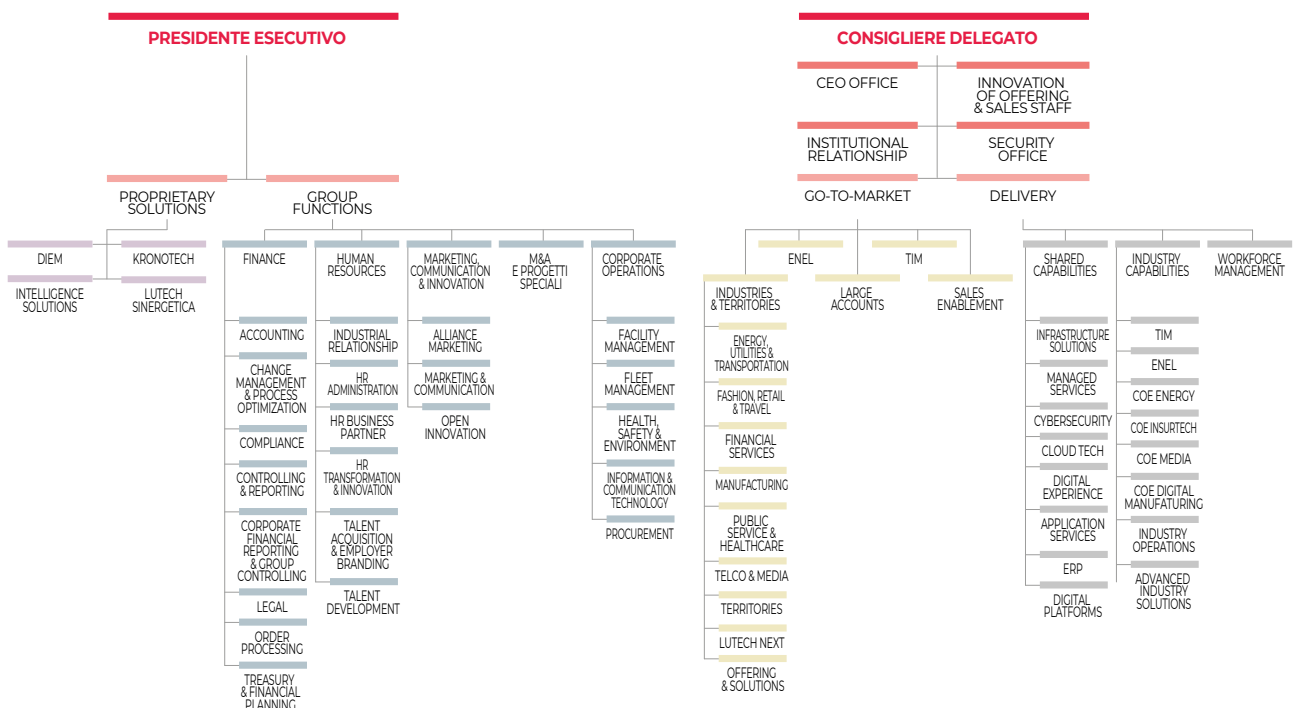
The role of senior management in ESG IRO control processes is represented by the presence of the Group Chief Executive Officer who has ultimate responsibility and governance of business processes, including those of ESG relevance.

The CEO's control over ESG risks, impacts and opportunities is the result of processes and objectives managed by the ESG area (within the Compliance function) in conjunction with the various corporate functions, which are encouraged to take part in policy and procedure building processes. The Boards of Directors, Management and Control and senior management monitor the defined ESG IRO targets and their progress through unstructured monitoring and only when critical issues are detected by the CSR area. Administrative, management and control bodies take into account what is communicated to them by assessing the elements on a case-by-case basis and deciding whether and how to take action to reduce a risk or maximise an opportunity. Further details on this will be presented in the vertical thematic information.

In order to strengthen the governance of ESG issues at Lutech, a "Sustainability Committee" will be established from the start of 2024. The members of the Sustainability Committee and its chairperson (the "Chairperson") are appointed and removed by resolution of the Board of Directors and may be composed exclusively of executive or non-executive directors of the Company and its subsidiaries (the "Group"). In any case, at least one member must meet the independence requirements set forth in the Articles of Association, and at least one member must have adequate experience in the field of sustainability and sustainable development, the assessment of which is left to the Board of Directors at the time of appointment. The Chief Human Resources Officer and the Chief Compliance Officer of the Company and the Group participate in the work of the Committee. They support the members of the Committee and do not have voting rights. The activities identified by the Committee are then referred to the Corporate Social Responsibility function (internal team of the Compliance function).

The "Rules of the Sustainability Committee" are currently being studied and are expected to be issued in the first quarter of 2024.

Lutech's corporate organisational structure in 2023 can be schematically represented as follows:



Per il posizionamento delle seguenti funzioni/ruoli si rimanda ai documenti di dettaglio corrispondenti:
 • Organismo di Vigilanza ex D.Lgs.231/01 – vd PSQ-000C Struttura Organizzativa e Regolamento Organismo di Vigilanza
 • Funzione di Conformità per la Prevenzione della Corruzione (FCPC) – vd PSQ-000F Struttura Organizzativa: Sistema di Gestione per la Prevenzione della Corruzione
 • Procuratore Inquirente ex D.Ls.81/08 – vd PSQ-000H Struttura Organizzativa: Salute e Sicurezza sul Lavoro
 • Responsabile della Protezione dei Dati (DPO) – vd PSQ-000E Struttura Organizzativa: Sistema Gestione Protezione Dati Personali

GO TO MARKET ■
 DELIVERY ■
 GROUP STAFF FUNCTIONS ■
 PROPRIETARY SOLUTIONS ■
 STAFF ■



2.2 Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the AMSBs

Datapoint no. 24-25-26

Sustainability is an issue that needs to be discussed and constantly reported to companies' management levels, so that it gradually becomes a topic of constant dialogue and strategy.

In this regard, in the 2023 reporting period Lutech discussed ESG issues with the AMSBs through the Corporate Social Responsibility area and the Compliance Office, with regular meetings in conjunction with management reviews for ISO certifications and/or during the preparation of sustainability reports.

The meetings were mainly held to define strategies related to the merger by incorporation that will take place during 2024 of Lutech Advanced Solutions and how this merger will impact sustainability issues. In addition, all management levels were competently involved in the various management reviews that took place to maintain certification.

The results of this exchange and information process led to the creation and/or updating of the following policies and procedures, which will be referred to in the sections below:

- Sustainability Policy (POL-900 published in October 2023): ESRS chapter E1
- Human Resources Management (PSQ-025 continuously updated): ESRS chapter S1
- update of the Information Security Policy for Relations with Suppliers (PSQ-407 published March 2023)
- update of the Corruption Prevention Policy (PSQ-500 published in July 2023): ESRS chapter G1
- Whistleblowing Policy (PSQ-501 published in July 2023): ESRS chapter G1
- Protection of Personal Data by Design and by Default Policy (PSQ-604 updated in March 2023): ESRS chapter S4
- Quality Policy (MSQ-POL): ESRS chapter G1
- Sustainable Procurement and Value Chain Policy (POL-940 published in January 2024): ESRS chapter S2
- Supplier and Partner Code of Conduct (POL-941 expected to be published in the first half of 2024): ESRS chapter S2
- Social Responsibility Policy (POL-960 expected to be published in the first half of 2024): ESRS chapter S1
- Environmental Management System Policy (MAM-POL confirmed to March 2023)
- Occupational Health and Safety Management System Policy (MSL-POL)

The effectiveness of the above documents is monitored by the contact persons of the functions closest to the relevant ESG topic (Compliance function including CSR, People Engagement, HR Administration, Finance and HSE area) in order to achieve the ESG goals subscribed to in the previously published Sustainability Reports.

The AMSBs take into account risk and opportunity impacts (IROs) by structuring a three-step process:

1. analysis of material topics
2. verification of the status quo on due diligence policies and processes implemented during the reporting year by Lutech
3. identification of new objectives and/or improvement actions, also defined in light of IROs and corporate priorities

In the governance of the company, the administrative, management, and supervisory bodies take into account the impacts, risks, and opportunities related to sustainability issues through dialogue with the Corporate Social Responsibility area (and, planned for 2024, the Sustainability Committee), from whose input the Board of Directors and other bodies can obtain analytical assessments regarding the most important issues. In general, the approach pursued is precautionary and preventive, opting to anticipate possible negative im-



pacts in order to develop solutions to prevent their occurrence. In parallel, with regard to opportunities, the AMSBs follow a data-driven approach that requires a scenario study in order to decide how and to what extent to develop the identified opportunity.

During the second part of 2023, the following IROs were addressed by AMSBs:

RISKS

- legal proceedings for inadequate management of internal processes, including environmental processes
- corruption risk from uncodified lobbying activities
- lack of work/life balance
- lack of effective communication channels inside and outside the company
- poor monitoring procedures
- lack of compliance with the GDPR and transparency on customer data
- little attachment to the local area and isolation of the company from the local community



IMPACTS

- exclusion from competitions and tenders due to reputational damage
- deterioration of relationships with suppliers due to unsatisfactory contracting and management of collaboration
- greater difficulty in finding highly qualified employees
- deterioration of brand reputation and damage to relations with the local area and creditor financial institutions
- costs of any legal proceedings



OPPORTUNITIES

- development of certified and suitable management and governance systems
- accompanying the growth of SME suppliers towards sustainability and compliance issues
- facilitating the recruitment (and retention) of human resources with high competence/high growth potential
- better ratings in the area of certificates and classification questionnaires by customers when registering as approved suppliers and/or participating in tenders
- better opportunity to win tenders or reduction of compensatory costs
- development of a new, more inclusive and co-created collaborative contracting model
- development of innovative partnerships
- innovating the communication channels used on customers
- possible new business lines for target audience with disabilities
- possibility of creating a local digital district
- better relationship with local public authorities
- more alignment with regulations, more institutional proximity between company and public body, earlier access to information
- increased research activities between Lutech and various partners
- opening of Lutech Research Academy



2.3 Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

Datapoint no. 27-28-29

Lutech has not implemented, for the 2023 reporting year, any salary incentive system related to sustainability issues.

2.4 Disclosure Requirement GOV-4 – Statement on due diligence

Datapoint no. 30-31-32-33

Due diligence is the process by which companies identify, prevent, mitigate and account for how they manage their ESG impacts.

In 2023, such a process was in place at Lutech, referring only to the core elements of due diligence, i.e. those relating to people and the environment. The expansion of this process to include other ESG aspects is planned for 2024-2025 following the merger of Lutech Advanced Solutions into Lutech SpA.

Lutech, in this Report, provides the main information it has gathered on environmental issues, social issues both inside and outside the company, and governance issues both in terms of its approach towards the consumer/end user and in terms of business conduct.

In particular, paragraph ESRs2 SBM-1 will explain both the business model and the value chain in which all the upstream and downstream actors involved are identified, with identification of hotspots, i.e. points where situations may arise from which impacts, risks and/or opportunities for the company originate.

Paragraph ESRs2 SBM-2 will provide information on how Lutech has surveyed, examined and taken into account the interests and opinions of stakeholders in the company's strategy and business model by engaging as many stakeholders as possible.

The 'materiality' analysis, finally illustrated in paragraph IRO-1, will report the links with the impacts that have emerged, which, once identified, Lutech will assess in order to prevent and mitigate their effects.

Due Diligence disclosures for Environment and People with regard to ESG are set out in this section and outlined as follows:

Basic elements of due diligence	Reference paragraphs in the Sustainability Report
Integrating due diligence into governance, strategy and business model	GOV1 GOV4 SBM1
Involvement of stakeholders at all key stages of due diligence	SBM2
Identification and assessment of negative impacts	SBM 3 IRO 1
Interventions to address negative impacts	MDR-P MDR-A
Monitoring the effectiveness of interventions and reporting	MDR-M MDR-T



2.5 Disclosure Requirement GOV – 5 – Risk management and internal controls over sustainability reporting

Datapoint no. 34-35-36

Lutech has implemented a risk management system related to the sustainability reporting process that has as its starting point the management systems in place and maintained in the company. These processes have the characteristics of inclusiveness of the different corporate contributions and are characterised by the following elements, which refer to a participative approach and are able to integrate the different corporate functions:

- cross-review of various functions
- presence of training hours prior to the collection of reporting data for alignment of the different functions
- sending to AMSBs for final approval

Among the external (from an outside-in perspective) and internal (from an inside-out perspective) variables, the company has also considered ESG dynamics based on the level of risk and its impact on value creation processes, with the aim of limiting any negative effects through systematic risk identification, assessment, handling and control activities.

The Risk Management processes implemented refer to the legal boundary of corporate relevance and are characterised, as far as sustainability reporting is concerned, by the following processes:

- involvement of functions potentially impacted by ESG risks and opportunities
- activation of the offices involved in the process of mapping and identifying risks related to sustainability reporting processes and identified in the table
- development of a participatory process of prioritisation of risks, ordered according to their magnitude
- definition of an internal control mechanism, on a monthly basis, whereby individual functions report any anomalies or problems to process contact persons
- implementation of risk correction and mitigation procedures

In terms of the internal control processes of the sustainability reporting process, the various functions, in cooperation with the ESG area, assessed the following risks shown in the table:

Topic	Risks	Mitigation strategies
Data completeness and integrity	Partial or incomplete data	Checking the appropriateness of the data before disclosure in the report
Accuracy of estimation results	Inaccurate estimation results	Careful checking of estimation results
Availability of upstream and/or downstream value chain data	Lack of availability of upstream and/or downstream value chain data	Dialogue with HotSpots upstream and/or downstream
Timeframe with which information is made available	Failure to respect the timeframe in which information is made available	Preparing information in time



The findings of the risk assessment, as regards the sustainability reporting process, lead to the definition of new internal processes that allow for their mitigation; new responsibilities for new (or pre-existing) figures who will have to monitor and produce data required for reporting; targeted training courses in order to increase knowledge and awareness of possible ESG risks within the Lutech workforce.

The various figures involved in the various ESG risk analyses periodically report to the ESG area, which then reports to the AMSBs with respect to these risks and related improvement strategies that impact the preparation of the Sustainability Report.



3. STRATEGY

Datapoint no. 37

3.1 Disclosure Requirement SBM-1 – Strategy, business model and value chain

Datapoint no. 38-39-40-41-42

Lutech's reflections on sustainability issues, strategy, business model and value chain generated the following assessments.

As regards corporate strategy and the relationship with ESG issues, below is the Business Model Canvas that allows for the identification of the processes underlying the creation of value, whether they are linked to tangible or intangible dynamics and the related sustainability impacts.

BUSINESS MODEL CANVAS

KEY PARTNERS BY CATEGORY

Who are my most important partners?

Technology Vendors, Distributors, Service Providers, Consulting Companies and Consultants, Universities, Start-ups and Financial Institutions.

What key resources do I acquire from these relationships?

HW/SW Products, Technology Solutions, Professional Services, Technical Services, Consultancy Services, Know-how and Financial Resources

What benefits do I gain?

Quality and completeness of the offering, Brand Reputation, Innovation, Profitability and Financial Stability

And which of my activities enable partners to perform?

Sales, Customer and market Relations, Research and development, Communication/promotion and Compliance (policies, behaviour and certifications)

COST STRUCTURE

What are the main costs?

Personnel costs (wages, contributions, social security charges, welfare), Third Party Consultancy, HW/SW for resale/internal use, Maintenance fees for resale/internal use, Location leases, Consumption, Miscellaneous expenses, Financial costs, Taxes and levies

What are the fixed costs? What are the variable costs?

Fixed costs (total value remains constant as the quantities produced or sold change): personnel costs, cost of internal consultancy and maintenance, office rental, consumption, various expenses
Variable costs: HW/SW for resale, third-party consultancy and resold maintenance

What expenses result from the resources deployed?

By way of example, personnel costs: salaries, contributions, social security charges, training, welfare, location and consumption costs, management costs, telephony and fuel.

KEY ACTIVITIES

What activities do we perform on a daily basis to manage our business model?

Customer, partner and supplier relations, Human resource management (employees), Sales, Presales and design, Implementation and maintenance services, Institutional communication (social, media, press releases, events), Administration, finance and control, Technical, commercial, mandatory training, Research and development and Compliance

KEY RESOURCES

What resources do we need to convey our value proposition?

Human resources, Economic resources, Know-how, Tools and technical resources, and Relations

What people, knowledge, means, tools, and funds are useful for running the business?

Human resources: internal (Managers, Sellers, Technicians, staff functions,...), external (Consultants, Suppliers, Vendors,...), Economic resources: banks, investors or lenders, shareholders, Know-how: technical skills, commercial skills, knowledge of the Market and Competitors, knowledge of regulations and legislation, Tools: SW (CRM platforms, management systems, cloud), HW (cars, IT equipment), workplaces, Relations: with Customers, Vendors, Suppliers, Institutions and Banks, Communities/Local areas, Authorities

VALUE OFFERED

What is the main value we want to deliver to our customers?

The awareness of having a solid partner that can accompany it end-to-end in the Digital Transformation process, optimising performance and creating value-added services, in an innovative, sustainable way and in accordance with a shared value system.

What problems do we strive to solve for our customers?

All Digital Transformation problems, building technology solutions to help them remain competitive, innovative, and sustainable

Can we do this?

Yes, through our dedicated solutions for specific vertical markets, with which we can support the customer end-to-end, from advisory to operational maintenance.

What customer needs do we want to satisfy?

Product and service quality, business continuity, innovation, sustainability, financial stability, and competitiveness.

What products/services are we offering customers?

HW and SW products from leading vendors and technology solutions in the infrastructure and digital areas (Customer success, Digital twin & HPC, Cloud, Business platform, Cybersecurity, Hyperautomation, Digital factory & IoT, Digital workplace), Consultancy services, advisory, innovation advisory, design, delivery, maintenance, and optimisation.

What promise are we making to customers?

To be a key partner that can guarantee competitiveness, innovation, quality, and transparency in a long-lasting relationship, as well as development, communication/promotion and compliance (policies, behaviour and certifications)

CUSTOMER RELATIONS

How is the outcome of the relationship established with the customer measured?

Through loyalty (length of business relationship, extent of products/services sold, ...), average annual turnover and the annual Customer Satisfaction Survey.

How do you maintain a relationship with customers?

Through an ethical and stable commercial relationship (meetings, calls, events, ...) that guarantees listening and identification of the customer's needs through a proactive and innovative approach.

What costs must be incurred?

Expenses for representation, travel, events, gadgets, communication, training to sales and other customer-facing units.

CHANNELS

How do we communicate with our customers?

Meetings, calls, events, and communication.

How do we reach them?

Our channels are: social media (LinkedIn, Facebook, Instagram), website, press, media, direct communication, and e-mail.

How do we convey our value proposition?

Through presentations, demos, technical events, tender responses and direct offers.

CUSTOMERS

For whom are we creating value?

For Enterprise and SME companies of all market sectors, for Public Administration, and for International and Government Organisations, in a B2B sales context.

Who is willing to first understand our proposal and accept it?

Within the Customer, the main contact persons for the positioning of our solutions are the Business, the CIO and the IT function in general, the CTO and the Technology functions in general, and the Digital Transformation teams (often cross-functional).

Which customers bring in the most revenue?

Customers from the Telco & Media, Energy & Utilities, Finance, and Public Administration vertical markets.



What value do our customers want to pay for?

Quality, continuity, innovation and sustainability of products and services

What method do they use to pay? And which would they prefer to use?

Bank transfer is the preferred method for all customers

What are the different income models?

The income model at Lutech is: REDDITI SC - Limited liability companies, business entities and similar.



The path that has made Lutech a reference point for companies and professionals in the provision of solutions for digitising business has been characterised by:

- customer support with consultancy services, training, design support and technical assistance, representing a particularly transparent player capable of listening and investing in the most correct management of buyers' and consumers' needs
- a continuous search for updates and innovative solutions to improve and increase energy efficiency
- ongoing relations with research partners such as Italian universities focusing on cutting-edge projects related to Smart Cities and Energy Management Saving
- the choice of strategic partners that demonstrate the same commitment to environmental and social issues in the conduct of their activities, such as Cisco and Equinix

The aspects described above demonstrate a focus in line with the objectives of reducing negative environmental and social impacts, in line with dynamics further specified in the thematic indicators.

Lutech currently offers different types of products and services, covering the following strategic areas:

• 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

• DIGITAL WORKPLACE

Secure and high-performance digital workplace services through a flexible service model for the integration and management of any cross-market infrastructure

• 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, BIG DATA & HYPERAUTOMATION

Business process optimisation through Big Data, 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.

• SAP AND INFOR PLATFORM

Vertical expertise in particular in the Manufacturing and Energy markets (Infor LN, SAP S/4 HANA, SAP Utilities)

• DIGITAL TWIN & HPC

Implementation of supercomputers such as 'Leonardo' (Cineca, 4 WW and II in Europe) and 'Davinci' (Leonardo spa), virtualisation of the physical process chain, integrating IoT, Big Data and AI

Lutech's services to support its customers are based on end-to-end technologies designed to meet the multi-



ple needs of Digital Evolution. The significant groups of products offered are highlighted below:

LUTECH CONSULTING: practice specialising in the management of end-to-end digital transformation programmes and business performance improvement. It offers integrated and modular consulting services in the areas of Business Transformation, Operations Optimisation, Digital Transformation and Innovation, supporting companies in change management and operations governance.

BUSINESS ADVISORY & CONSULTING	
PROGRAMME MANAGEMENT	PERFORMANCE IMPROVEMENT
DIGITALTRANSFORMATION STRATEGY	SUPPLY CHAIN & OPERATIONS OPTIMISATION
CHANGE MANAGEMENT	



LUTECH CLOUD: designs, implements, secures and manages Hybrid Cloud solutions, identifying the most agile, scalable and resilient architectures, the very foundations of digitisation projects. Performance, business continuity and security are the drivers behind every cloud and infrastructure project.

CLOUD ADVISORY Cloud Transformation, Governance & Compliance	
HYBRID CLOUD ARCHITECTURES	NEXT-GEN NETWORKING
CLOUD MODERNISATION	DIGITAL WORKPLACE
DATA ARCHITECTURE	



LUTECH SERVICES: Lutech's Managed Service Operations Centre transforms technology and management processes into value for customers. More than 400 specialised technicians manage 24x7 a catalogue of flexible, modular and customisable services based on the customer's needs. Performance is constantly monitored and guaranteed by a Service Management structure, through shared KPIs and SLAs.

SERVICE DESK	
CLOUD OPERATIONS CENTRE	NETWORKING OPERATIONS CENTRE
APPLICATION MANAGEMENT	
INFRASTRUCTURE OPERATIONS	





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.

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



LUTECH DIGITAL: 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.

DIGITAL TRANSFORMATION	
DIGITAL ADVISORY	DIGITAL COMMERCE
CUSTOMER ENGAGEMENT & EXPERIENCE	DIGITAL FACTORY & IOT
DATA INTELLIGENCE	APPLICATIONS MODERNISATION
AI & HYPERAUTOMATION	BUSINESS PLATFORM
CLOUD NATIVE TRANSFORMATION	DIGITAL TWIN & HPC

LUTECH SOLUTIONS: the proprietary solutions and products offered for the characteristic and distinctive needs of each industry are based on years of development, solid technological and consulting expertise, and are constantly evolving. Knowledge of the specific processes in each sector and the needs to be addressed form the basis of our analyses and product developments.

SOLUTION ADVISORY	
CREDIT MANAGEMENT	
ENERGY, METER 2 CASH, ETRM & BILLING	SMART DEVICES & RFID
SOLUTION MANAGEMENT APPLICATION MANAGEMENT, BPO	DIGITAL OPERATIONS FOR RETAILERS (DORA)

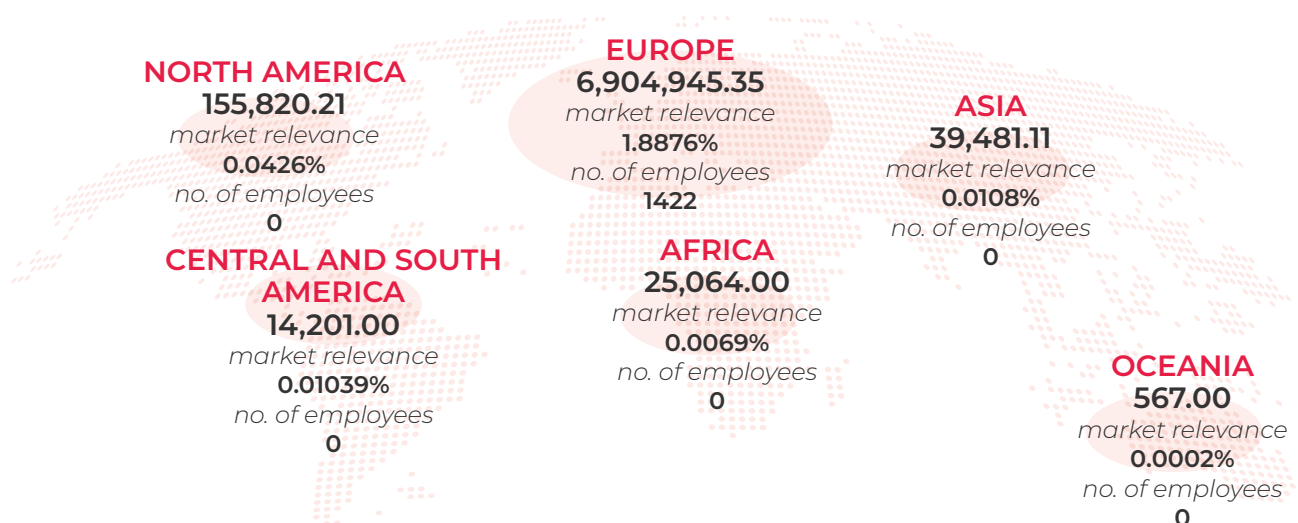
As a market player, Lutech is active in the national and international context with the only restrictions on the sale of products and services related to embargo situations for geopolitical reasons or trade conflicts at national level (e.g. China-USA) or “dual-use” technology (products, including software and technologies, that can have both civil and military use) that can only be sold to countries pre-authorized by the Ministry of Economic Development (MISE).

The sector in which Lutech operates is not included in those for which more detailed reporting is required. The products indicated above are significant in that they represent at least 10% of the company's revenues.

The significant customer groups to which the company addresses its work are:

- Financial & Insurance
- Energy & Utilities
- Telco & Media
- Manufacturing
- Public Sector
- Fashion & Retail

Lutech operates in the following markets, in association with the relevant employees all operating within Italy. Lutech products are not banned in any of these markets.



Lutech Spa's total Value of Production was €365,802,860, of which:

Description	31/12/2023
Product sales	152,856,100
Provision of services	183,035,730
Changes in contract work in progress	12,256,195
Increases in fixed assets for internal work	4,120,540
Other revenues and income	13,534,295
Value of Production	365,802,860

In 2023, there were no other significant sectors or activities that generated inter-company profits with significant impacts.

The following table shows the sustainability objectives in terms of significant product/service groups, customer categories, geographic areas and stakeholder relations.

Product/service groups	Sustainability-related goals
Study (in 2023) for the introduction of a new software tool to support all topics related to Sustainability, for which Lutech Spa is the main tester, but which will be part of the product portfolio managed by Lutech planned for 2024	Reporting and monitoring of environmental sustainability values (GHG Protocol and ISO 14064)
Customer categories	Sustainability-related goals
Group of support organisations for fundraising (charity)	Design of a website with special features for disabled users, in particular visually impaired users, in line with industry documentation and technical guidelines (“Web Content Accessibility Guidelines 2.0” and “Web Accessibility Initiative WAI”)
Geographical areas	Sustainability-related goals
-	-
Relations with stakeholders	Sustainability-related goals
Students and junior professionals, local institutions, community and local area	Lutech Campus: Lutech Campus, the Lutech Group’s Open Innovation Hub, is based in the multifunctional spaces of the headquarters (https://lutech.group/it/open-innovation-hub/lutech-campus): an innovative platform for training, startups, demo labs and dissemination on leading edge technologies, where Lutech opens up to Academic Institutes, Research Institutes, Technology Partners, Customers and Startups to innovate together. In particular, the training will also include courses dedicated to undergraduates, recent graduates and graduates in the STEM area
Young female students/researchers	With the “Ingenio al Femminile Dissertation Award” project, the Lutech Group supports female excellence in pursuing degrees in STEM subjects. The award, promoted by the National Council of Italian Engineers in collaboration with Cesop HR Consulting Company (https://www.cesop.it/ingenio-al-femminile/), is awarded to the dissertations, submitted by female engineering graduates, that best respond to the annual theme chosen by the Award. Lutech has supported the initiative since 2023
Young female students/researchers	This project, to which Lutech adheres at Group level (https://lutech.group/it/newsroom/il-gruppo-lutech-aderisce-al-progetto-girls-polimi), provides scholarships and an orientation and outward communication campaign, with which the Politecnico, together with its partner companies, intends to effectively reach: society and institutions, young women and their families with the aim of actively helping to attract more women enrolled in STEM studies by spreading awareness that there is currently a great shortage of young women enrolled in engineering courses with a high employment rate. Lutech is supporting the initiative from 2023 for a three-year period



Relations with stakeholders	Sustainability-related goals
Support for women's empowerment among disadvantaged people (refugees)	<p>Fellowship 2022: Sistech is Europe's leading non-profit for the access of refugee women to the Digital & Tech labour market (https://sis.tech/). Refugee women represent an untapped source of Tech talent. Sistech offers targeted programmes for companies to take a step towards greater inclusion and diversity by stimulating innovation through retraining and up-skilling refugee women. The participation of Lutech staff in the project is individual and voluntary; by signing up as volunteers, colleagues made themselves available to help develop the Fellows' skills, choosing from these 3 pathways: Mentor – guides vocational choice and soft skills; Trainer – supports the acquisition of technical skills and online resources; Language tandem – contributes to the acquisition of professional language skills and cultural codes of the sector</p>

Below is the assessment of current products/services, markets and customer groups that are relevant to the company's sustainability goals:

- the group of products linked to the Salesforce platform (Net Zero Cloud) is in line with Lutech's goal of creating a decarbonisation plan with a view to increasing its focus on reducing CO2 emissions
- the expansion towards the Spanish market is in line with the objective of expanding the Lutech model also in terms of governance towards a service portfolio that is complete and performs according to our customers' needs
- projects related to stakeholders are in line with the goal of increasing attention to external communities that represent the social fabric in which Lutech operates

The **elements of business strategy** related to sustainability issues are:

- investment in innovative and research projects that reconcile the new frontiers of AI with respect for environmental and social parameters in terms of ESG
- increasing focus on people, especially during 2024, when the merger of Lutech Advanced Solutions into Lutech will result in a total workforce of around 3200 people
- strong collaborative spirit with suppliers and customers to define and participate in joint strategies on both environmental and social sustainability projects

The main **challenges for the future** are:

- definition of a strategy, in agreement with the new Sustainability Committee, that is realistic and based on the new business scenario
- further integration of internal functions in the ESG data collection process
- improved environmental performance, despite the increase in the number of employees and the expansion of the reporting boundary

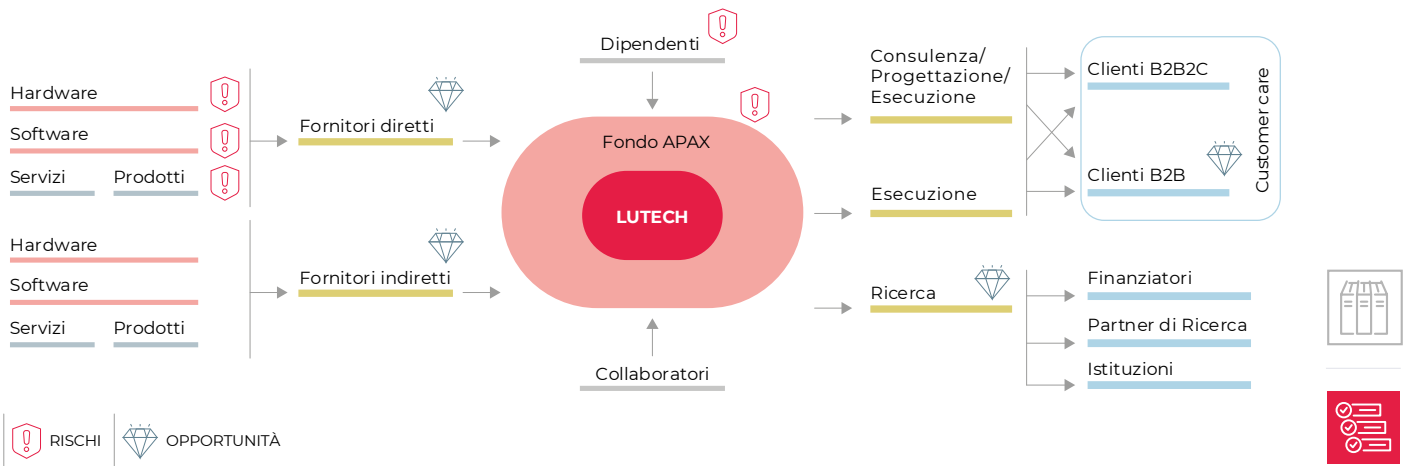
Projects to implement in the future will be:

- supply chain analysis
- use of applications that use AI-related algorithms internally and that can provide support especially in terms of forecasting (e.g. Net Zero Cloud)
- definition of a greenhouse gas emission reduction plan following the merger of Lutech Advanced Solutions into Lutech

No company works in isolation from other companies and the local context, which is why it is important to



represent the value chain in which Lutech is integrated. The image below shows a schematic illustration of the value chain, presenting not only the upstream and downstream characteristics, but also the critical points (hotspots) that have an important impact on the flow of relations and the exchange of services/products between the actors in the chain.



Lutech's value chain is based on an end-to-end approach to enable its customers' digital transformation, integrating advanced technologies with specific expertise. The chain starts with Innovation Advisory, which helps companies define a strategic and customised roadmap. It continues with Design & Delivery, where integrated, flexible and secure ecosystems are designed using cloud and digital solutions. Finally, the company focuses on Operate & Optimise, providing continuous management and optimisation services to maximise the efficiency of implemented solutions.

In Lutech's value chain, ESG (environmental, social and governance) risks and opportunities – so-called 'hot-spots' – are concentrated at several key points.

- **Risks:** one of the main environmental risks concerns the management of IT infrastructure, especially in the context of cloud computing and data centres, which consume large amounts of energy and can have a significant impact on climate change if not managed with renewable sources. On the social front, there is the risk of inequalities related to the adoption of digital technologies, with potential negative impacts on employees and the workforce due to automation and robotisation. In addition, the contractualisation of suppliers and possible sub-suppliers is also an issue that needs special attention. From a governance perspective, the main risk relates to cybersecurity, a priority for Lutech, considering the importance of data protection and compliance with regulations such as the GDPR.
- **Opportunities:** Instead, Lutech can capitalise on environmental opportunities by integrating hybrid cloud solutions and IT system optimisation, reducing its carbon footprint through energy efficiency. On the social front, the opportunity lies in developing digital skills in local communities and promoting an inclusive and diverse corporate culture. Moreover, given the high level of innovation typical of the sector, it is possible to seize development opportunities through research and/or business development partnerships on specific needs (from an ESG perspective) of its B2B2B and B2B2C customers. Finally, at governance level, Lutech can strengthen its cybersecurity leadership, creating value through innovation and maintaining strong compliance with data protection regulations, contributing to stakeholder trust.

Further details will be explained in the relevant thematic information.

3.2 Disclosure Requirement SBM-2 – Interests and views of stakeholders

Datapoint no. 43-44-45

Lutech stakeholders are:

- customers, suppliers, employees, shareholders and senior management, external collaborators, financing bodies, local community, and public institutions

Concerning the stakeholder engagement process, Lutech developed a level analysis which we report below.

Lutech 2023						
STAKEHOLDERS	Benefits they receive from participating in the STK engagement process	Contributions they bring by participating	Potential, past, and current conflicts	Engagement activities: methods	Frequency of involvement	Monitoring indicators
SHAREHOLDERS TOP MANAGEMENT	<ul style="list-style-type: none"> Increased awareness of sustainability issues and their value to other stakeholders (including the market) 	Commitment to building the medium- and long-term strategies that will guide the company	<ul style="list-style-type: none"> Distance from the business Lack of time Lack of interest in these issues and willingness to invest 	For the analysis for the year 2023, dedicated surveys produced	Annual due to the stakeholder engagement processes required for ESG reporting	Number of responses
EMPLOYEES	<ul style="list-style-type: none"> Sharing a common value system. Feeling part of the creation of a process that will lead the company to define strategies, plans in which everyone will be involved and be part of Inner motivation Greater awareness of corporate commitments to sustainability issues New perceptions of the activities they perform for the company 	Current perception of the business New ideas	<ul style="list-style-type: none"> Low motivation Little interest in company activities Lack of visibility of the global business environment Poorly trained 	For the analysis for the year 2023, dedicated surveys produced	Approximately five times a year for various objectives, including: definition of the materiality matrix, SA8000 audits, audits of governance processes (anti-corruption)	Number of responses obtained, number of proposals solicited, average level of adherence to company initiatives
EXTERNAL COLLABORATORS	<ul style="list-style-type: none"> Discussion of increasingly common issues with confirmation of commitment Building lasting relationships based on trust and respect New perceptions of the activities they perform for the company 	Current perception of the business New ideas	<ul style="list-style-type: none"> Low motivation Little interest in company activities 	For the analysis for the year 2023, dedicated surveys produced	Annual due to the stakeholder engagement processes required for ESG reporting	Number of responses obtained, average level of adherence to company initiatives
SUPPLIERS - TECHNOLOGY PARTNERS	<ul style="list-style-type: none"> Discussion of increasingly common issues with confirmation of commitment Building lasting relationships based on trust and respect Best practice sharing 	Consolidation of partnerships on topics that can lead to innovative process and/or product solutions Sharing of best practices and expertise	<ul style="list-style-type: none"> Supplier not trained (or over-trained) on specific topics Lack of time and resources for the development of these issues 	For the analysis for the year 2023, dedicated surveys produced	Annual due to the stakeholder engagement processes required for ESG reporting	Number of responses obtained, number of proposals solicited, average level of adherence to company initiatives
FINANCIAL INSTITUTIONS (BANKS, INSURANCE COMPANIES)	<ul style="list-style-type: none"> Discussion of increasingly common issues with confirmation of commitment Building lasting relationships based on trust and respect Best practice sharing 	Consolidation of contractual relations Sharing of best practices	<ul style="list-style-type: none"> Imposing too stringent requirements and metrics 	For the analysis for the year 2023, dedicated surveys produced	Annual due to the stakeholder engagement processes required for ESG reporting	Number of responses





Lutech 2023

STAKEHOLDERS	Benefits they receive from participating in the STK engagement process	Contributions they bring by participating	Potential, past, and current conflicts	Engagement activities: methods	Frequency of involvement	Monitoring indicators
CUSTOMERS	<ul style="list-style-type: none"> Sharing a common value system. Increased awareness of sustainability issues and their value to Lutech Sharing of best practices and expertise 	Sharing of best practices and expertise Sharing a common value system.	<ul style="list-style-type: none"> Customer not trained on specific topics Lack of time and resources for the development of these topics. On the contrary, imposing too stringent requirements and metrics 	For the analysis for the year 2023, dedicated surveys produced	At least three times a year for dual materiality matrix, sustainability reporting and events	Number of responses obtained, number of proposals solicited, average level of adherence to company initiatives
LOCAL COMMUNITIES (NON-PROFITS, ASSOCIATIONS)	<ul style="list-style-type: none"> Sharing a common value system. Training and awareness of sustainability issues The vision on ESG issues of a corporate (i.e. for-profit) player Sharing of best practices and projects 	A point of view not related to business and profit. Vision of the real social needs of the areas and the operational needs of the associations	<ul style="list-style-type: none"> Insufficient training on specific topics Lack of resources for the development of these topics. Regulatory constraints related to their associative and non-profit nature 	For the analysis for the year 2023, dedicated surveys produced	Annual due to the stakeholder engagement processes required for ESG reporting	Number of responses obtained, number of proposals solicited, average level of adherence to company initiatives
PUBLIC and/or PRIVATE INSTITUTIONS (LOCAL, NATIONAL, REGIONAL, INTERNATIONAL) RESEARCH PARTNERS	<ul style="list-style-type: none"> Sharing a common value system. The corporate vision on ESG issues. Sharing of best practices on methodologies and processes. Ideas and expertise on tools/ technologies to support ESG 	Institutional perspective on sustainability issues. Expertise on funds/tenders. Forward-looking and international (EU) vision. Innovation	<ul style="list-style-type: none"> Little (or too much) training on specific topics Lack of resources for the development of these topics. Bureaucratic constraints linked to their public, ministerial or institutional nature 	For the analysis for the year 2023, dedicated surveys produced	Annual due to the stakeholder engagement processes required for ESG reporting	Number of responses obtained, average level of adherence to company initiatives



Based on this approach, the company followed the implementation of a stakeholder engagement process based on the AA1000 SES guidelines, issued by AccountAbility (2015), whose three key principles are:

- **inclusiveness** - i.e. ensuring the involvement of stakeholders throughout the process to arrive at a strategic and shared response to the challenges of sustainable development;
- **relevance** - understood as the ability to determine the relevance and significance of an issue, both for the organisation and its stakeholders;
- **responsiveness** - to be able to ensure an adequate response on key issues impacting stakeholders, through targeted and effective decisions, actions and communications.

The understanding of stakeholder opinions and interests took into account exchanges that took place in various areas, both commercial and marketing and research, resulting from a dialogue with stakeholders that the company considers crucial. In particular, engagement involving the use of questionnaires (for employees, customers, suppliers, and institutions) was planned and organised for the creation of the double materiality matrix.

The management of these ESG information exchanges was coordinated by the Corporate Social Responsibility team. The team, responsible for defining objectives, criteria, specific action points and typification of the different stakeholders, collected the data that emerged from the stakeholder dialogue and evaluated them for the creation of the dual materiality matrix and for the definition (or improvement) of internal company policies with ESG impacts on stakeholders.

Stakeholder engagement took place through digital surveys sent out to identify impacts, risks and opportunities, as well as material issues related to the identification of EFRAG indicators for use in sustainability reporting.

Stakeholders were involved with different measures according to their type and responded in different ways. In detail:

Stakeholders involved	Interactions activated	Responses received	Desired percentage	Percentage of responses received
Top Management - 12 Shareholders		7	100%	58%
Employees	190	166	10% of the total number of employees (1422)	10% - 144 answers analysed, broken down by gender and company position
External collaborators	29	9	10%	31%
Suppliers/ Technology partners	25	6	10% of suppliers, representing at least 50% of the purchase volume	24%
Financial institutes	4 (selected by importance)	2	100%	50%
Customers	20	10	10% of customers, representing at least 50% of turnover	50%
Local communities	27	5	10%	19%
Public institutions	14	2	10%	14%



To date, Lutech does not summarise the results of stakeholder engagement in periodic reports, but it is a structured process that is being implemented every two years.

Following several stakeholder engagement rounds, Lutech changed its employee strategy to support the ESG learning process. This took the form of a number of training modules dedicated to ESG reporting processes according to the CSRD Directive implemented in preparation for the data collection phase and aimed at all internal functions (employee stakeholders and management) in order to facilitate the data collection process. In addition, ESG issues are increasingly filtering into the agendas of the various corporate functions, becoming the subject of reflection and the development of more responsible choices by managers and new monitoring and policy-making processes that will progressively further refine the perception of stakeholder needs and strengthen further exchange and communication processes.

The administrative, management and control bodies are periodically informed by the CSR area through the Compliance department, which ensures a constant flow of information about the work of listening to and assessing stakeholder opinions. This then allows the Board of Directors, properly informed, to promote policies, actions and investments necessary for the improvement of company management, taking as a reference the sustainability issues that emerge from the exchange with all stakeholders.

An example of this was the data collection process for the materiality analysis for the 2022 Sustainability Report. Furthermore, all stakeholders were involved in the new process for the creation of the dual materiality analysis, which started in 2023.

3.3 Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Datapoint no. 46-47-48-49

Lutech provides a description of relevant impacts, risks and opportunities resulting from the materiality assessment, the process of which is detailed in section 4.1 below. IRO –1 Description of the process for identifying and assessing relevant impacts and opportunities.

Following the process of defining the dual materiality matrix, developed from the stakeholder engagement process outlined above, Lutech identified the following material topics:

1. in the environmental area: ESRS E1 Climate change
2. in the social area: ESRS S1 Workforce; ESRS S2 Workers in the value chain; ESRS S4 Consumers and end-users
3. in the governance area: ESRS G1 Business conduct

The following tables illustrate impacts, risks and opportunities sorted by Lutech's stakeholders, with the relevant topics listed in points a) b) c) of this paragraph. They are valid for the year 2023, which is the reference time baseline. Further details will be developed in the specific thematic indicator.

Relevant topics for Lutech	Ref. ESRS	Impact of risk and opportunity	Risk	Opportunity	Location in the business model and value chain
Business conduct (Shareholders and ownership)	ESRS G1	<ul style="list-style-type: none"> · any loss of image in the markets may impact on the possibility of participating in public tenders, being accepted as a reliable supplier, accessing credit and funding without additional costs · payment delays to small- and medium-sized enterprises may jeopardise relations with the more agile but also financially fragile supply chain, preventing access to specific human resources and expertise or being constrained by increased tariffs to compensate for the cash-flow gap · costs of legal proceedings (direct and indirect costs of the proceedings and any sanctions) · enhanced reputation and improved brand positioning in the market · stronger and more aware supply chain with which to develop new synergies 	<ul style="list-style-type: none"> · risk of legal proceedings, inadequate management of whistleblowing, lack of SB oversight on Code of Ethics and Organisation, Management and Control Model · late payments to small- and medium-sized enterprises, with repercussions on the supply chain · the company's activities and commitments relating to the exercise of its political influence, including its lobbying activities (grey areas of corruption risk or suspected corruption risk) 	<ul style="list-style-type: none"> · corporate ethics and corporate culture, including the fight against active and passive corruption and protection of whistleblowers; certified management and governance systems suitable for presenting the company as a leader in supplier ranking questionnaires and tender requirements, with top scores · supplier relationship management, including payment practices: developing relationships in accompanying the growth of SME suppliers towards sustainability and compliance issues appropriate with new market expectations, with growth of the partnership relationship 	Internal process management



Relevant topics for Lutech	Ref. ESRS	Impact of risk and opportunity	Risk	Opportunity	Location in the business model and value chain
Own workforce - Secure employment (Employees)	ESRS S1	<ul style="list-style-type: none"> low employee retention and high turnover increased requests for stress-related sick leave employees who are under-stimulated and less receptive to the social and economic needs of the context in which they work 	<ul style="list-style-type: none"> risk of instability in employment relationship 	<ul style="list-style-type: none"> simplify recruitment (and retention) of human resources with high competence/high growth potential 	Internal process management
Working hours (Employees)	ESRS S1	<ul style="list-style-type: none"> less and worse employee/company dialogue development of more effective engagement models, closer listening to staff needs, opportunities for new social partnerships with other DE&I actors in the area 	<ul style="list-style-type: none"> risk of lack of work/life balance risk of increased work-related stress 	<ul style="list-style-type: none"> implementation of a cross-population development programme that is attentive to both technological and social developments (e.g. allowing everyone the freedom to choose their educational pathways) deepen and expand DE&I-related social innovation projects and initiatives 	
Adequate wages (Employees)	ESRS S1	<ul style="list-style-type: none"> less and worse employee/company dialogue development of more effective engagement models, closer listening to staff needs, opportunities for new social partnerships with other DE&I actors in the area 	<ul style="list-style-type: none"> risk of loss of purchasing power by the worker if the wage is not sufficiently adequate 		
Gender equality and equal pay for work of equal value (Employees)	ESRS S1	<ul style="list-style-type: none"> low employee retention and high turnover increased requests for stress-related sick leave employees who are under-stimulated and less receptive to the social and economic needs of the context in which they work 	<ul style="list-style-type: none"> risk of lack of monitoring/attention/identification of metrics on these aspects risk of failure to analyse mitigation measures related to this aspect 		Internal process management
Training and skills development, involvement and motivation, meritocracy and growth (Employees)	ESRS S1	<ul style="list-style-type: none"> less and worse employee/company dialogue development of more effective engagement models, closer listening to staff needs, opportunities for new social partnerships with other DE&I actors in the area 	<ul style="list-style-type: none"> risk of only applying competence development processes to certain areas of the company (e.g. delivery) risk of not adapting skills development to new technologies. risk of not having adequate policies and procedures in place to ensure the transfer of skills to new generations 		
Lack of diversity (Employees)	ESRS S1		<ul style="list-style-type: none"> risk of having a company workforce that is not very inclusive and does not represent the community in which it operates 		
Workers in the value chain (Collaborators)	ESRS S2	<ul style="list-style-type: none"> lack of supplier loyalty deteriorating quality of work risk of lack of contractual continuity high work-related stress on the employee increased employee involvement and improved performance and motivation (extra mile) 	<ul style="list-style-type: none"> risk of a lack of communication channels enabling external collaborators to raise any complaints payment delays to small- and medium-sized enterprises, as well as a lack of contractual continuity, may jeopardise relations with the more agile but also financially fragile supply chain, preventing access to specific human resources and expertise or being constrained by increased tariffs to compensate for the cash-flow gap risk of excessive stress and poor performance due to tighter work schedules resulting from Lutech customer demands 	<ul style="list-style-type: none"> imagine a new model of employee contracting that is more inclusive and co-created with employees 	Internal process management



Relevant topics for Lutech	Ref. ESRs	Impact of risk and opportunity	Risk	Opportunity	Location in the business model and value chain
Business conduct (Suppliers)	ESRS G1	<ul style="list-style-type: none"> lack of possibility to participate in public tenders, to be accepted as a reliable supplier, to access credit and funding without additional costs less opportunity to use suppliers for specific parts of the solution/service decrease in the volume of business of suppliers who have preferential and established relations with the company compromising relations with the more agile but also financially fragile supply chain tensions in the relations and conduct of the project/service reinforce compliance with the shared Code of Ethics opening up new business opportunities strengthening corporate reputation and branding 	<ul style="list-style-type: none"> risk of non-compliance with payment terms or the imposition of unfair terms by Lutech risk of involvement in events related to the loss of corporate reputation risk of failure to transmit the value principles applied at Lutech along its value chain 	<ul style="list-style-type: none"> growth of SME suppliers towards sustainability and compliance issues adapted to new market expectations 	Distribution
Workers in the value chain (Suppliers)	ESRS S2	<ul style="list-style-type: none"> poor quality of collaboration between the parties lack of transparency between buyer and supplier continuity of the relationship at risk unstable budgets guaranteed business continuity selection and maintenance of high-quality suppliers obtaining high-value work 	<ul style="list-style-type: none"> contract instability for suppliers that are not economically sound (either in size or seniority) poor communication and impersonal relationships excessive stress imposed on suppliers by Lutech due to market dynamics or end customers 	<ul style="list-style-type: none"> development of innovative partnerships 	Distribution
Climate change (Suppliers)	ESRS E1	<ul style="list-style-type: none"> higher costs for using suppliers with appropriate environmental strategies increased supplier volatility due to high energy costs easier to find funding that prioritises environmental aspects 	<ul style="list-style-type: none"> risk of environmental impact of the Datacentres provided by suppliers and used by Lutech to carry out its activities suppliers of HW/SW components could be dependent on unsustainable energy sources, being exposed to fluctuations in energy prices and thus less commercially stable 	<ul style="list-style-type: none"> collaborating with industry-leading partners and strong focus on environmental aspects better brand reputation creating coalitions of greener suppliers 	Logistics
Business conduct (Funding bodies)	ESRS G1	<ul style="list-style-type: none"> possible loss of image less chance of participating in public tenders, being accepted as a reliable supplier access to credit and financing at no extra cost end up on the list of bad creditors process efficiency and recovery of time for other activities alignment already in place with possible new forthcoming legislation 	<ul style="list-style-type: none"> risk of involvement in events related to the loss of corporate reputation risk of non-repayment of various loans/disbursements due to inappropriate economic manoeuvres 	<ul style="list-style-type: none"> streamline verification processes by establishing a historical base of positive findings, with time and cost benefits 	Internal process management
Climate change (Funding bodies)	ESRS E1	<ul style="list-style-type: none"> damage to turnover loss of image reduction of costs for developing such environmental plans externally 	<ul style="list-style-type: none"> risk of fines for non-traceability of data/environmental process risks of administrative proceedings resulting from failure to deliver waste 	<ul style="list-style-type: none"> easier creation of energy transition and climate neutrality plans linked to properly monitored environmental impacts 	Internal process management



Relevant topics for Lutech	Ref. ESRS	Impact of risk and opportunity	Risk	Opportunity	Location in the business model and value chain
Consumers and end-users (Customers)	ESRS S4	<ul style="list-style-type: none"> any loss of image in the markets uncertainty in customer perception related to transparency in the use of data reduce the possibility of participating in public tenders, accessing credits and funding at no extra cost disaffection, contestation and low evaluation of the product and the company, with economic impacts on future sales loss of loyalty, loss of customers possible criminal or administrative proceedings greater alignment and better customer relations obtaining new brand positioning (disability-related) better social reputation easier meeting with new (supplier or research) aligned partners possible new funding 	<ul style="list-style-type: none"> risk of inadequate communication / feedback channels risk of violation of transparency in the use of data 	<ul style="list-style-type: none"> innovating the communication channels used on customers 	Sales
Climate change (Customers)	ESRS E1	<ul style="list-style-type: none"> high operating costs: rising supply chain, component and energy costs can affect the company's profitability; any willingness to switch to green solutions may require higher expenses, reducing competitiveness lower customer loyalty, disaffection, dispute and low evaluation of the product and company, with further potential impacts on future orders high costs to meet the demands of customers' ESG programmes, possible loss of Lutech's own ESG focus increased participation in customers' green strategies development of new innovative business models development of cross-functional programmes to integrate green variables into business processes develop an ongoing dialogue on these issues with customers develop joint green projects with customers 	<ul style="list-style-type: none"> lack of attention to "circular economy" solutions proposed by Lutech customers lack of focus on green HW/SW solutions required by customers proliferation of ESG programmes to meet customers' needs 	<ul style="list-style-type: none"> possible new business lines developed on special needs, including those of disadvantaged customers development of new, more efficient and environmentally innovative distribution models 	Internal process management
Business conduct – GDPR (Customers)	ESRS G1	<ul style="list-style-type: none"> Compromise of established IT security systems and corporate databases 	<ul style="list-style-type: none"> lack of information security 	<ul style="list-style-type: none"> possibility of fortifying cybersecurity 	Internal process management
Workers in the value chain (Local community)	ESRS S2	<ul style="list-style-type: none"> compromising relations with the local area greater flexibility in the event of irregularities 	<ul style="list-style-type: none"> possible contractual violations and impoverishment of the quality of work in the community loss of local know-how due to possible company relocation 	<ul style="list-style-type: none"> possibility of creating a local digital district better relationship with local public authorities 	Distribution



Relevant topics for Lutech	Ref. ESRS	Impact of risk and opportunity	Risk	Opportunity	Location in the business model and value chain
Business conduct (Local community)	ESRS G1	<ul style="list-style-type: none"> · few opportunities for interaction and mutual recognition of value in the local area · social isolation of the company · reputational risk and aversion of local communities · strong sense of corporate belonging on the part of the workers 	<ul style="list-style-type: none"> · no philanthropic relationship to support local needs 	<ul style="list-style-type: none"> · loyalty of workers towards second generations 	Internal process management
Business conduct (Political institutions)	ESRS G1	<ul style="list-style-type: none"> · exclusion from public relations and opportunities for companies in the area · forcing changes in strategic choices dictated by public authorities · be ahead of public ESG guidelines · improve personal relations with decision-makers · have access to dedicated funds · obtain more flexibility and understanding in case of critical issues 	<ul style="list-style-type: none"> · risk of involvement in events related to the loss of corporate reputation · risk of worst case scenario in own area, negative publicity, professional depopulation 	<ul style="list-style-type: none"> · development of new experimental policies through collaboration with institutions · become a case study of excellence for local authorities · more alignment with regulations, more institutional proximity between company and public body, earlier access to information 	Internal process management
Business conduct (Research partners)	ESRS G1	<ul style="list-style-type: none"> · reduced possibility of participating with research partners in public projects and/or accessing public credits and funding · being forced to make changes in strategic choices, dictated by partners · development of sub-optimal research paths · increased turnover as a result of participatory research · the possibility of scaling up larger and more complex tenders, intercepting increasingly important partners · get to know other relevant research partners · win new research grants · streamline partnership processes and skills growth with high-fit projects, having established a historical base of positive feedback, with time and cost benefits · increase the quality of Lutech's human resources 	<ul style="list-style-type: none"> · risk of involvement in events related to the loss of corporate reputation 	<ul style="list-style-type: none"> · increased research activities between Lutech and various partners · open Lutech Research Academy · select increasingly competent technicians and researchers 	Research and Development



The current and expected effects of impacts, risks and opportunities are organised according to their reference standard:

ESRS E1 - Climate change

- **impacts:** on the value chain due to raw material costs and supplier relations
- **risks:** on brand reputation and the value chain given the volatility of raw material prices and the possible volatility of suppliers
- **opportunities:** on the business model and strategy because of the possibility of developing new services that are CO2-efficient thanks to digital technology, opening up new market opportunities

ESRS S1 - Own workforce

- **impacts:** on the decision-making process in the absence of an aligned and aware workforce and on the business model due to possible high employee turnover
- **risks:** at the level of decision-making and business model due to high employee turnover, an increase in work-related illnesses, unskilled employees and low attractiveness of the brand to new human resources
- **opportunities:** more streamlined and shared decision-making processes

ESRS S2 - Workers in the value chain

- **impacts:** at the value chain level due to a less stable role of suppliers and possible decrease in the quality of purchased services and goods
- **risks:** at the value chain level due to a possible decrease in the quality of purchased services and goods and/or interruption of relations. Reputational risks in the event of problems along the value chain
- **opportunities:** at the strategy level for developing innovative partnerships

ESRS S4 - Consumers and end-users

- **impacts:** at the value chain level for possible damage or opportunities with customers and end consumers. Further impacts at the strategy level for sharing new sustainable business practices
- **risks:** reputational damage due to possible problems in commercial supply; risks at the level of decision-making processes in the event of a failure to map ESG data associated with marketed products
- **opportunities:** on the business model and strategy for possible shared projects benefiting ESG impacts

ESRS G1 – Business conduct

- **impacts:** at the value chain level for possible business relationships that do not live up to Lutech transparency standards. Further impacts are located at the level of decision-making and brand reputation in partner selection processes in compliance with business ethics standards.
- **risks:** more complicated decision-making processes due to lack of information on transparency and business ethics, reputational damage due to possible relationships with unverified actors. Finally, risks can be located within the business model, which, as it relates to an international digital services company, poses greater difficulties in tracing the actors in its value chain.
- **opportunities:** at the strategic level through massive investment in horizontal strategic training for all employees; at the business model level through possible sharing of research projects with institutions related to transparency and business ethics.



The company's significant negative and positive impacts affect people and the environment primarily through the following mechanisms:

Negative:

- increase in CO2 emissions and consequent negative contribution to the average global temperature rise;
- lack of transparency towards internal and external stakeholders resulting in a decline in performance
- increased stress level of employees and consequently increased risks of stress-related illnesses
- decline in brand reputation due to possible reduction in transparency between business or research partners

Positive

- development of new business closer to the needs of fragile customers
- increased supply chain competence in ESG
- employee retention and improved talent acquisition dynamics
- better relations with public authorities
- strengthening the ESG scores of its supplier base

They are linked to the company's strategy and business model according to dynamics typical of the digital services sector, which is characterised by strong dependence on highly qualified personnel, a widespread organisation of work with a significant presence of employees working remotely, high environmental impacts mainly in terms of energy, or social impacts linked to a high mental load caused by tight deadlines and the need for continuous innovation.

The expected timeframes for impacts are 3 to 5 years.

The company is not involved in significant impacts as a result of special business relationships, since it operates independently in the market and is not subject to external dependencies. In the final analysis, the only dependence on third-party players, which motivates a significant environmental impact related to data centres and their high energy consumption, is explained by the company's desire to diversify the supply of such services by relying on a few external suppliers on which it has no power to impose a process of green certification or continual machine efficiency improvement.

With regard to the current financial effects of the company's relevant risks and opportunities on its balance sheet, profit and loss and cash flows, a table is presented below, where these effects are appended to each ESRS thematic indicator.



ESRS E1 – Climate change	Current and Potential Financial Effect
<ul style="list-style-type: none"> · Risks: on brand reputation and value chain due to volatile commodity prices and possible supplier volatility 	Inability to meet commitments due to excessive burden or unavailability of resources resulting in the application of penalties
<ul style="list-style-type: none"> · Opportunities: on the business model and strategy because of the possibility of developing new services that are CO2-efficient thanks to digital technology, opening up new market opportunities 	Increased market share and profitability
ESRS S1 – Own workforce	Current and Potential Financial Effect
<ul style="list-style-type: none"> · Risks: high employee turnover, low employee retention and low brand attractiveness to new human resources 	Greater difficulty in meeting commitments due to possible unavailability of resources
<ul style="list-style-type: none"> · Opportunities: more streamlined and shared decision-making processes 	Increased efficiency and profitability

ESRS S2 – Workers in the value chain	Current and Potential Financial Effect
<ul style="list-style-type: none"> • Risks: reputational in case of problems along the value creation chain 	*Potential effect, not occurring in 2023: failure to meet contractual deadlines resulting in payment delays and possible application of penalties
<ul style="list-style-type: none"> • Opportunities: at strategy level for developing innovative partnerships 	Higher profitability and new market shares
ESRS S4 – Consumers and end-users	Current and Potential Financial Effect
<ul style="list-style-type: none"> • Risks: reputational damage for possible problems in commercial supply; risks at the level of decision-making processes in case of a lack of mapping of ESG data associated with marketed products 	*Potential effect, not occurring in 2023: increase in customer complaints with possible application of penalties
<ul style="list-style-type: none"> • Opportunities: on the business model and strategy for possible shared projects with positive ESG impacts 	Higher profitability and new market shares
ESRS G1 – Business conduct	Current and Potential Financial Effect
<ul style="list-style-type: none"> • Risks: more complicated decision-making processes due to lack of information on transparency and business ethics; reputational damage due to possible relationships with unverified partners. Finally, other risks can be located within the business model, which, as it relates to a large company, poses greater difficulties in tracing its internationally distributed value chain suppliers. 	*Potential effect, not occurring in 2023: drop in market share
<ul style="list-style-type: none"> • Opportunities: at the strategic level through massive investment in horizontal strategic training for all employees; at the business model level through possible sharing of research projects with institutions related to transparency and business ethics. 	Improved profitability

As this is the first year in which the sustainability report is being prepared in accordance with CSRD, Lutech is exercising the option to omit the information prescribed by ESRS 2 SMB-3 paragraph 48 (e) “expected financial effects”.

The resilience of the company’s strategy and model with regard to its ability to deal with significant IROs can be explained by the management fabric, which Lutech has built over time, consisting of a set of certification schemes on which it bases its sustainability journey. These schemes, covering the three reporting areas, make it possible to maintain control and monitoring certified by third-party bodies that guarantee their veracity. In 2023, a preparatory study for the development of the Lutech Resilience Analysis was initiated – but not completed – and will be addressed in the relevant ESRS E1 thematic standard.

There are no changes in impacts, risks and opportunities compared to the previous reporting period as 2023 is the first year in which IRO analyses were developed.

There are no descriptions of Impacts, Risks and Opportunities (IROs) with respect to which the company has made use of entity-specific additional disclosures.



4. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

4.1 Disclosures on the materiality assessment process

Datapoint no. 50

4.1.1 Disclosure Requirement IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Datapoint no. 51-52-53

Lutech carried out a 'dual materiality' analysis to prepare the reporting path according to the EFRAG principles and ESRS standards. The company considered both the inside-out perspective, i.e. the main impacts generated by the activity carried out on the environment, people and economy, and therefore on stakeholders, and the outside-in perspective, through an initial qualitative assessment of the external impacts in terms of risks and opportunities that could influence Lutech's economic and financial performance.

The company gave due consideration to the intercepted hotspots and confirmed their importance through stakeholder engagement, which took place according to the process described below.

For each stakeholder involved, the analysis identified the risk and impact of each issue with respect to the company and its bottom line, as well as identifying possible mitigation activities that could be implemented by the company. Finally, each opportunity offered to the company by the same topic was noted and each opportunity was associated with both the possible positive impact on the company and the development actions suitable to make the possible benefit manifest.

Risks and impacts were assessed taking into account the results of stakeholder engagement and the careful analysis of the value chain, also examining extensions outside the company boundary. In addition, specific existing relationships were analysed, in particular with direct suppliers and institutional customers.

The process of implementing the dual materiality analysis involved the following steps:

- 1. identification of positive and negative impacts:** the positive and negative, current and potential impacts that Lutech generates on the economy, environment and people (inside-out perspective) and that are able to influence the company's economic and financial performance (outside-in perspective) have been identified. In identifying impacts, sustainability risks-opportunities related to the sector in which the company operates were considered
- 2. assessment of the significance of impacts:** the impacts identified according to both perspectives were subjected to assessment through the organisation of stakeholder engagement activities (with the active involvement of the CSR area), which were asked to analyse the significance of the impacts related to each potentially material topic
- 3. prioritisation of the most significant impacts and definition of material topics:** Lutech carried out a careful analysis in order to identify the relevant environmental, social and governance topics. With this in mind, it examined its priorities, identifying them as follows:
 - presence of an organisational model with clearly defined management
 - presence of a growth strategy associated with the business model
 - prevention/identification/training in the area of anti-corruption
 - employee health and safety
 - employee training and skills development
 - adequate salaries for employees



- secure employment for suppliers
- responsibilities in the supply chain
- customer health and safety
- access to products and services / responsible business practices
- environmental impact of operations
- socio-economic impacts on the local area

These issues were therefore associated with the ESRS standards: ESRS 2, ESRS G1, ESRS S1, ESRS E1, ESRS S4, ESRS S2.

4. Analysis of the impact materiality for the company: the thematic ESRSs that emerged from the stakeholder engagement were examined according to the relevant sub-topics and sub-sub-topics. For each ESRS, Severity was assessed as the result of an arithmetic mean (using a numerical scale from 1 to 10) of three indicators: a) Magnitude, understood as the severity of the impact; b) Scope, understood as the perimeter of diffusion; c) Irremediability, i.e. how costly and difficult it is to remedy the impact.

The topics with a Severity greater than 5 were considered relevant and material to the company. These are: ESRS S1, ESRS S2, ESRS G1. The topic related to consumers and end-users did not emerge as relevant from a business perspective as its severity is below 5, hence the red box in the summary table below.



Linking with standards			Impact matrix		
Reference ESRS sub-sub-topic	Sub-topic Reference ESRS	Reference ESRS topic to assess in the matrix	SEVERITY	RESULT	
	ADAPTATION	CLIMATE CHANGE - E1	6.0	6.28	
	MITIGATION		6.0		
	ENERGY		6.8		
SECURE EMPLOYMENT			8.3	7.83	
WORKING HOURS			8.7		
ADEQUATE WAGES	WORK CONDITIONS		8.8		
WORK-LIFE BALANCE			7.8		
HEALTH AND SAFETY			7.0		
GENDER EQUALITY AND EQUAL PAY		OWN WORKFORCE - S1	8.3		
TRAINING AND SKILLS DEVELOPMENT, INVOLVEMENT AND MOTIVATION, MERITOCRACY AND GROWTH	EQUAL TREATMENT AND OPPORTUNITY		8.0		
DISABILITY EMPLOYMENT AND INCLUSION			6.8		
DIVERSITY			6.7		
SECURE EMPLOYMENT			6.5	5.69	
WORKING HOURS	WORK CONDITIONS	WORKERS IN THE VALUE CHAIN - S2	5.2		
HEALTH AND SAFETY					6.0
SOCIAL INCLUSION/DIVERSITY					5.3
GENDER EQUALITY AND EQUAL PAY	EQUAL TREATMENT AND OPPORTUNITY		4.7		
TRAINING AND SKILLS DEVELOPMENT, TRAINING PLANS			6.5		
HEALTH AND SAFETY (QUALITY) OF SERVICES PROVIDED	PERSONAL SAFETY OF CONSUMERS AND/OR END- USERS	CONSUMERS AND END-USERS S4	4.8	4.80	
EFFECTIVE FINANCIAL CONDUCT			8.7	8.62	
CORPORATE CLIMATE	CORPORATE CULTURE, MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS	BUSINESS CONDUCT - G1	8.5		
COMMON VALUE SYSTEM					7.5
CORPORATE REPUTATION					9.5
COMPLIANCE WITH CONTRACTUAL CONDITIONS			8.2		
ANTI-CORRUPTION AND BUSINESS ETHICS	ACTIVE AND PASSIVE CORRUPTION		9.3		
TRANSPARENCY			8.7		

5. Analysis of impact materiality by individual stakeholder: Lutech subjected the issues that emerged from stakeholder engagement to the same reasoning. An impact materiality analysis was therefore performed for each individual stakeholder, identifying the sub-topics and sub-sub-topics that can be attributed to the thematic ESRS. Thus, the various Severities obtained for each relevant topic from the various stakeholders involved were placed side by side and examined and, through a qualitative analysis, the following topics were defined as material results for the stakeholders: ESRS E1, ESRS S1, ESRS S2, ESRS S4, ESRS G1.

Linking with standards			Impact matrix	
Reference ESRS sub-sub-topic	Sub-topic Reference ESRS	Reference ESRS topic to assess in the matrix	SEVERITY	RESULT
	ADAPTATION MITIGATION ENERGY	CLIMATE CHANGE - E1	7.4	6.86
SECURE EMPLOYMENT WORKING HOURS ADEQUATE WAGES WORK-LIFE BALANCE HEALTH AND SAFETY	WORK CONDITIONS	OWN WORKFORCE - S1	9.0	8.40
GENDER EQUALITY AND EQUAL PAY TRAINING AND SKILLS DEVELOPMENT, INVOLVEMENT AND MOTIVATION, MERITOCRACY AND GROWTH DISABILITY EMPLOYMENT AND INCLUSION DIVERSITY	EQUAL TREATMENT AND OPPORTUNITY			
SECURE EMPLOYMENT WORKING HOURS HEALTH AND SAFETY SOCIAL INCLUSION/DIVERSITY	WORK CONDITIONS	WORKERS IN THE VALUE CHAIN - S2	7.8	6.76
GENDER EQUALITY AND EQUAL PAY TRAINING AND SKILLS DEVELOPMENT, TRAINING PLANS	EQUAL TREATMENT AND OPPORTUNITY			
HEALTH AND SAFETY (QUALITY) OF SERVICES PROVIDED	PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS	CONSUMERS AND END-USERS S4	8.1	6.44
EFFECTIVE FINANCIAL CONDUCT CORPORATE CLIMATE COMMON VALUE SYSTEM CORPORATE REPUTATION COMPLIANCE WITH CONTRACTUAL CONDITIONS ANTI-CORRUPTION AND BUSINESS ETHICS TRANSPARENCY	CORPORATE CULTURE, MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS ACTIVE AND PASSIVE CORRUPTION	BUSINESS CONDUCT - G1	9.0	8.80



6. Analysis of impact materiality for stakeholders and the company: The final result of the impact materiality (considering both the company's and stakeholders' perspectives) is as shown in the following table, which confirms the final selection of the five material topics: ESRS E1, ESRS S1, ESRS S2, ESRS S4, ESRS G1. The topic represented by the ESRS S4 indicator, while not material for the company, was material for the stakeholders, hence the decision to keep it among the topics for sustainability reporting.

Summary and overview			Impact materiality
ESRS	MATERIALITY FOR STK	MATERIALITY FOR COMPANY	MATERIAL TOPICS
ESRS E1	6.86	6.28	E1
ESRS S1	8.40	7.83	S1
ESRS S2	6.76	5.69	S2
ESRS S4	6.44	4.80	S4
ESRS G1	8.80	8.62	G1

7. Subsequently, the **financial materiality** was established, i.e. a specific analysis to identify which topics have an impact on Lutech’s business and financial activities. Financial materiality was achieved through 2 remote meetings with the 2 funding bodies that made up the survey sample for the year 2023. In this specific case, the assessment was made by correlating the ESRS thematic standards with a number of variables that can help to understand the potential and magnitude of the risk. In particular, the likelihood of the risk was first assessed in relation to the individual thematic standard. The probability was then complemented by a risk analysis over time and a magnitude scale. These two variables were used to assess three different risk areas: Turnover, Regulatory, and Reputation. The result of this analysis determined the Severity. Finally, the Score was calculated for each thematic standard. The financial impact of this was taken into account when assessing both its positive and negative impact, and was considered with reference to its various dimensions: from the effects on company turnover, to possible higher operating costs, investments, and loss of revenue related to the analysed topics.

The assessments carried out in the financial materiality analysis are summarised here:

- **ESRS E1:** on this topic, the analysis considered the likelihood of climate change occurring and thereby generating impacts on the value chain. In particular, the possibility of traffic gridlocks due to high concentrations of PM10 in the air (in areas close to Lutech offices) and possible increases in energy costs due to a shortage of renewable or fossil sources were assessed. On the other hand, climate change could also generate a push for the identification of alternative energy sources and a more environmentally efficient rethinking of Lutech’s logistics strategy with a location optimisation plan. It should also be considered that Lutech is structured to be able to manage all its activities remotely. The score associated with this topic is low, as the probability of occurrence was not judged to be particularly high, which is why the topic was not material at the financial materiality level
- **ESRS S1:** the risk of changes in Lutech’s own workforce, as well as violations of rights related to Lutech’s internal human resources, is considered to be a medium-sized issue, with a particularly strong impact on Reputation and Turnover. The score associated with this topic is 0.82. It should be noted that on this topic, Lutech plans to be certified according to the SA8000 standard and assess the KPIs related to UNI PDR 125 by the year 2024

The topic was therefore material from the perspective of financial actors.

- **ESRS S2:** variations affecting workers in the labour chain are considered through the perspective, under implementation, of:
 - a qualification process that also takes into account the Health and Safety aspects of workers and an initial assessment of Social certifications (e.g. SA8000)
 - a SA8000 risk analysis and possible involvement of a selection of suppliers in a first specific analysis of ESG topics

This results in a severity of 1.98 and a score of 0.35.

- **ESRS S4:** the probability that events affecting customers and end consumers could impact the Lutech value creation model is estimated with a severity of 3.47. This implies the high score given by the actors



to this topic, which is among the most relevant from an Outside-In perspective. It should be noted that Lutech has revised its internal organisation on this issue with respect to 2022, with the 'Go to Market' area increasingly focused on listening to customers' needs, and in the course of 2024 plans to revise the customer involvement part in a more systemic manner

- **ESRS G1:** significant decisions taken by governance certainly have major effects on the generation of corporate value. One need only consider possible breaches in the management of customer data and the related effects on brand reputation. On this the financial actors expressed themselves with a Severity of 3.30 and a Score of 1.24. Consider that Lutech on this issue has obtained ISO 37001 Corruption Prevention Management System certification, has developed and distributed its own code of ethics, and has implemented a 231 Model pursuant to Legislative Decree 231/01

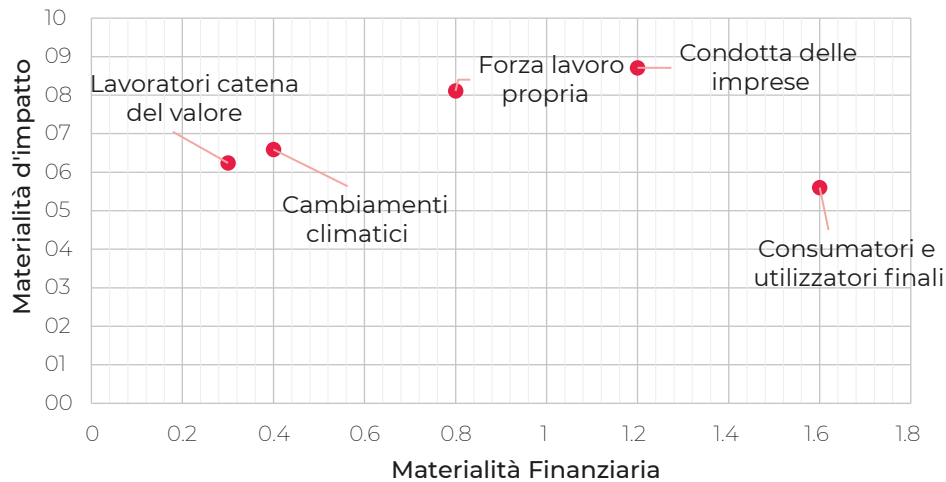
Below is the detail of the evaluations that emerged from the involvement of the two financial actors engaged by Lutech.

SUMMARY TABLE	Funding Body A		Funding Body B		Overall		Conclusions	Average probability
	Severity	Score	Severity	Score	Severity	Score		
INDICATORS IMPACTS								
Climate change E1	2.64	0.53	1.98	0.30	2.31	0.41		17.5%
Own workforce S1	2.97	0.89	2.97	0.74	2.97	0.82		27.5%
Workers in the value chain S2	1.98	0.40	1.98	0.30	1.98	0.35		17.5%
Consumers and end-users S4	3.30	1.49	3.63	1.63	3.47	1.56		45.0%
Business management G1	3.30	0.99	3.30	1.49	3.30	1.24		37.5%
DEPENDENCIES IMPACTS								
Supplier X	3.63	1.63	3.96	1.19	3.80	1.41		37.5%
Distributor Y	1.98	0.30	1.98	0.20	1.98	0.25		12.5%
Specialised labour	1.32	0.26	1.32	0.20	1.32	0.23		17.5%

8. Dual materiality analysis: by comparing the results of the two materialities, five topics were identified: ESRS E1, ESRS S1, ESRS S2, ESRS S4, ESRS G1, which will be reported in the CSRD simulation Sustainability Report for the reference year 2023.

Summary and overview			Impact materiality	Financial materiality	Dual materiality
ESRS	MATERIALITY FOR STK	MATERIALITY FOR COMPANY	MATERIAL TOPICS	FINAL SELECTION	MATERIAL TOPICS
ESRS E1	6.86	6.28		0.41	E1
ESRS S1	8.40	7.83		0.82	S1
ESRS S2	6.76	5.69		0.35	S2
ESRS S4	6.44	4.80		1.56	S4
ESRS G1	8.80	8.62		1.24	G1

Matrice di doppia materialità



The company's strategic priority is to counteract the possible negative effects of material topics with a view to a virtuous ESG risk management process, capable of tackling possible intercepted negative effects in advance and with foresight. Therefore, by setting up a structured risk mitigation system related to ESG dynamics, entrusted to the responsibility of the CSR area, the company examines the same topics and develops decision-making processes and internal control procedures.

The input parameters used refer to verified data sources identified on the basis of events that have already occurred, while the scale of operations is always proportional to the short/medium-term time scenario reflected in the asset and liability cycle.

During 2023, the IRO analyses were the first necessary step in identifying the topics that, during 2024 and subsequent years will make it possible to define the strategy and make the process cross-cutting for the functions involved.

There is no change from the previous period as the IRO methodology was not used and therefore comparison is not possible.

4.1.2 IRO-2 Disclosure Obligation – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Datapoint no. 54-55-56-57-58-59

Lutech provides sustainability information, complying with the relevant disclosure requirements of the ESRS standards, on the topics found to be relevant according to the dual materiality analysis carried out, which are: ESRS E1, S1, S2, S4, G1.

Disclosure requirements	Sustainability report page
ESRS E1	66
ESRS S1	85
ESRS S2	106
ESRS S4	124
ESRS G1	139



With regard to information elements stemming from other EU legislative acts, please refer to the table in the appendix to identify the relevant page of the report where they will be covered. Undeveloped regulatory references are detailed below.

Duty of disclosure and corresponding information element	SFDR reference	Third Pillar reference	Reference on indices	EU climate law reference	Notes
	Not applicable	Not applicable	Not applicable	Applicable	
				ESRS E1-1: Transition Plan to achieve climate neutrality by 2025	Not present
				ESRS E1-7: GHG removals and carbon credits	Inactive



With regard to the topic of climate change, Lutech considers the issue relevant and therefore provides adequate information. The non-relevant topics, in respect of which Lutech withholds information, are: ESRS E2 - Pollution; ESRS E3 - Water and marine resources; ESRS E4 - Biodiversity and ecosystems; ESRS E5 - Circular economy; ESRS S3 - Affected communities.

4.2 Minimum disclosure requirement on policies and actions

Datapoint no. 60-61-62

4.2.1 Minimum disclosure requirement - Policies MDR-P – Policies adopted to manage significant sustainability issues

Datapoint no. 63-64-65

Lutech provides a concise description of the policies put in place to prevent, mitigate and correct actual and potential impacts, address risks and pursue relevant opportunities related to the topic considered as material.

All the policies listed below refer to the manager responsible for the function related to the topic covered by the policy. For example, the highest management level responsible for the human rights policy within the company is the head of Human Resources.

From a methodological standpoint, all of the policies listed below are the result of information exchanges with relevant stakeholders (in the case of the environmental policy with sector experts) and analyses of national and international best practices. Indeed, the consideration given to stakeholders impacted by the issue addressed in the policy is fundamental to developing documents that reflect the company's business and are not generic. All company policies are on Lutech's institutional website and therefore freely accessible to all stakeholders.

Given the scope and relevance of the policies listed below, they will be specified in the relevant thematic indicators by means of a specific cross-reference.

ESRS E1 - Climate change

With regard to climate change, Lutech adopts an all-encompassing policy called "Sustainability Policy (POL-900)", flanked by the "Environmental Management System Policy (MAM-POL)". The Sustainability Policy is a framework that the company uses for continuous improvement. This document is therefore intended as a basis that can be progressively enhanced by other policy developments and/or provisions resulting from changes in



the company's sensitivity and/or the environmental context in which Lutech operates. Further details will be elaborated in Disclosure Requirement E1 - 2 - "Policies related to climate change mitigation and adaptation", to which we refer. The bodies responsible for the formulation and implementation of this policy are the HSE function, the Procurement function and the CSR area.

ESRS S1 - Own workforce

The policies referring to the company's own workforce are divided into a set of 'basic' policies and a set of 'custom' policies, the latter resulting from Lutech's special approach to managing its employees and collaborators. The 'basic' policies include those on human rights, freedom of association and expression, the prohibition of discrimination and forced labour, and occupational health and safety. These principles are enshrined in the *Lutech Code of Ethics (MOG-001)* and are also dealt with individually in separate documents. They are referred to as 'basic' because in the regulatory and social context from which Lutech originates (i.e. the Italian legal system) they are taken for granted since their absence, or worse, violation, would represent a very serious violation of the Criminal Code whereby the company could not operate in any way as a market player. In contrast, the policies of the 'custom' set are those based on the concept of 'people's wellbeing' and 'social responsibility', concepts that are translated into specific provisions on training (i), home-work balance (ii), growth and promotion programmes (iii). Further details will be specified in disclosure requirement S1 - 1 "Policies related to own workforce". The reference body for the formulation and implementation of this policy is the Human Resources department in cooperation with the CSR department.

ESRS S2 - Workers in the value chain

The adoption of policies on this material topic is exemplified in the presence of the "*Sustainable and Responsible Procurement Policy (POL-940)*" and the "*Information Security Management System Policy (MSI-POL)*" in relations with suppliers, both of which are the responsibility of the Procurement function in collaboration with the CSR area. They will be strengthened by the new code of conduct for suppliers and partners planned for 2024. The above will be detailed in the relevant disclosure requirement.

ESRS S4 - Consumers and end-users

The objective of these policies is to ensure the safety of products and services sold by Lutech (i), the use of non-discriminatory sales policies (ii) and the proper handling of sensitive customer data (iii) – approaches already described in the Code of Ethics. Indeed, the company has always promoted a culture of safety in the products and services it offers, avoiding damage to end consumers resulting from accidents on construction sites or in the private use of purchased products. This is underpinned by continuous monitoring and an always open dialogue with its customers, including through after-sales service. At the policy level, the company has developed three policies that contain information and provisions on these issues: the "*Quality Management System Policy (MSQ-POL)*", the "*Protection of Personal Data by Design and by Default Policy (PSQ-604)*" and the "*Services Management System Policy (MGS-POL)*". Similarly, the various process certifications held by the company fit into the same picture. Further details will be specified in Disclosure Requirement S4 - 1 "Policies related to consumers and end-users". The relevant bodies for the formulation and implementation of the above-mentioned policies are the Compliance Office, the Security Officer and the Data Privacy Area.

ESRS G1 – Business conduct

Policies on this topic aim to support and promote corporate culture, better manage financial relationships with suppliers, and limit incidents of both active and passive corruption. They refer in detail to the documents: "*Corruption Prevention Policy (PSQ-500)*" and "*Whistleblowing Policy - Management of Reports of Unlawful Acts pursuant to Legislative Decree 24/2023 (PSQ-501)*" and the paragraphs on Business Ethics contained in the Lutech Code of Ethics (i) and "Conditions of Purchase" (ii). The reference bodies for the formulation and implementation of these policies are the Ethical Risk areas and the Anti-Corruption Compliance Function. Further details will be covered in Disclosure Requirement G1-1 – "Business conduct policies and corporate culture".



4.2.2 Minimum disclosure requirement – Actions MDR-A – Actions and resources related to relevant sustainability issues

Datapoint no. 66-67-68-69

In relation to the findings of the dual materiality matrix, Lutech has implemented actions through which to manage relevant sustainability issues. These actions, including action plans and allocated resources, are part of this paragraph.

In the environmental field, on the material topic “**Climate change**”, Lutech’s actions refer to a series of initiatives dedicated to energy efficiency – also of the production sites – (i), the presence of remote work days, with a consequent reduction of climate-altering gas emissions (ii) the calculation of the organisation’s carbon footprint for all company sites (iii), the choice of more sustainable Data Centre service providers (iv), the development of business continuity processes even in the event of climate shock (v) and finally the development of more sustainable solutions co-created with its customers (iv).

Details will be set out in the relevant Thematic ESRS E 1 “Climate change”.

The cost of these actions is explained in the table at the end of this information sheet.

On a societal level, one of the most important aspects that Lutech has been working on for some time from an ESG perspective is the responsible management of its **own workforce**. The pillars of the excellent relationship between the company and its employees are the flexible working hours granted to employees (thanks to extensive remote work opportunities), the introduction in 2023 of the new “Lutech Learning” platform available to all Lutech employees and on which there are technical courses, language courses and all mandatory training for employees, the organisational management of personnel, which aims not only at process efficiency but also at the active involvement of people through ideas and stimuli that can make them increasingly feel part of an evolving and constantly updated community of professionals (this aspect should be developed with particular reference to employees belonging to disadvantaged groups). Also for the year 2023, Lutech has maintained and renewed its ISO 45001 “Occupational Health and Safety Management System”.

Details of the above will be set out in the corresponding ESRS S1 “Own workforce”, accompanying the policies. SA8000 certification on social responsibility is expected in the first half of 2024. The cost of these actions is explained in the table at the end of this information sheet.

An interesting aspect that emerged in the materiality matrix is Lutech’s strong interest in the **workers in the value chain**, which we could imagine as an effort to leave no partner behind with respect to the qualitative advancements of ESG processes affecting supplies. First and foremost, the company decided to engage suppliers to fully comply with the Code of Ethics and the Sustainability Policy, binding them to maintain high social and environmental standards, in line with European standards, so as to dispel any doubts about compliance with the UN Human Rights and OECD guidelines on the operation of large companies. Moreover, these suppliers operate according to high standards not only with regard to human and environmental rights, but also to innovation, therefore benefiting from established expertise. In this regard, on-site audits conducted simultaneously with training sessions are planned by 2024, so that compliance with the best ESG guidelines and the adoption of a Supplier and Partner Code of Conduct can be verified in person. The relationship with the actors in the value chain was also characterised in 2023 by monitoring the value chain, updating the qualification of the most at-risk suppliers and developing innovative partnerships.

Details on this will be set out in the corresponding ESRS S2 “Workers in the value chain”, accompanying the policies.

The cost of these actions is explained in the table at the end of this information sheet.

Part of Lutech’s business success is also the result of its constant focus on its **consumers and end-users**, which are the ultimate reason for a business model attentive to the needs and challenges of the market. Actions in this regard include how the CSR area is now part of the programmes on ESG issues that link Lutech to its main customers (i), access to after-sales services structured and performing according to the customer’s



needs (ii), participation in industry events where new innovations and innovative processes were presented in 2023 (iii), such as:

- CyberTech, where among the main topics were the latest innovative solutions in the field of cyber security and digital transformation; Lutech was a sponsor of this event with its own stand to meet customers and partners and present its end-to-end approach to cybersecurity (<https://lutech.group/it/newsroom/cybertech-europe-rome-2023>);
- FORUM PA 2023, held in May in Rome, where Lutech was the event's main partner and one of the main players awarded tenders for innovative services for PAs under the strategic Consip framework agreements for digital innovation in PA: Collaboration (PRINCO), CRM SAAS, migration and cloud transformation (IAAS-PAAS), cloud application services (SAC 2) for the digitisation and growth of the country (<https://lutech.group/it/newsroom/eventi/forum-pa-2023>);
- ComoLake2023 – Next Generation Innovations, held in October in Como, Italy, an EXPO Conference organised under the patronage of the Department for Digital Transformation of the Presidency of the Council of Ministers where Lutech spoke during the session “Digital Sovereignty for European Competitiveness: Supercomputing, AI and Cybersecurity” (<https://lutech.group/it/newsroom/eventi/comolake2023-next-generation-innovations>).

The company's proximity to the customers is also part of the constant work of collecting data from surveys that are submitted to major clients at the end of product delivery or annually. During 2023, 32 customers were involved. Data collection started in late 2023 and took about three months to process. The areas involved were the Sales department (Go To Market) and the Compliance department for the management of the data received. Finally, Lutech has structured an Information Security Management System according to ISO 27001 (and extensions 27017-27018) and a Service Management System according to ISO 20000-1. In addition to the aforementioned certified Management Systems, the company maintains, since 2018, a system of rules, internal standards and organisational structures that comprise the Personal Data Protection Management System - SGPDP which, since 2019, has been extended to all Lutech Group companies. Details on this will be set out in the corresponding ESRS S4 “Consumers and end-users”, accompanying the policies.

The cost of these actions is explained in the table at the end of this information sheet.

At the governance level, the material topic that emerged from the stakeholder engagement and dual materiality process is that of **Business Conduct** towards which the company has taken various actions, including the development of a code of ethics with specific rules of conduct to avoid illicit and non-transparent behaviour (i), auditing practices towards suppliers (ii), tools to support whistleblowing mechanisms (iii), the quality management system according to ISO 9001 and, finally, the ISO 37001 transparency and anti-corruption certification. Details on this will be set out in the corresponding ESRS G1 “Business conduct”, accompanying the policies.

The cost of these actions is explained in the table at the end of this information sheet.

At the financial level, the resources allocated for each policy mentioned above (or detailed in the relevant thematic standard) led to the identification of operational expenditure (OpEx) and/or capital expenditure (CapEx) summarised below, in relation to the relevant budget items and expenditure allocated for the future:





ESRS	Topic	Actions	CapEx	OpEx	Reference to the annual financial statements	Future resources (Y+1)
E1	Climate change	Carbon Footprint calculation according to ISO 14064-1		€ 32,322.80	B9) Staff costs B7) Costs for services	€ 58,001.61
E1	Climate change	Maintenance of the ISO 14001 Environmental Management System		€ 15,539.90	B9) Staff costs B7) Costs for services	€ 42,898.50
E1	Climate change	Energy efficiency of production sites	€ 5,000		B1-7) Intangible fixed assets -	€ 5,000
E1	Climate change	Distributed services are hosted on cloud platforms provided by leading partners who have obtained the necessary certifications (Equinix service) (Adaptation)	€ 295,480.00	€ 2,583,313.00	CAPEX B1) Intangible fixed assets B2 – 4) Tangible fixed assets OPEX B7) Costs for services	€ 3,838,975
E1	Climate change	Data Centres operated by third-party providers (includes backup planning to prevent damage due to thermal or energy shocks) (Mitigation) (Equinix Datacentre)	Entered in previous cost centre	Entered in previous cost centre	Entered in previous cost centre	Entered in previous cost centre
E1	Climate change	Internal business continuity process to ensure business continuity in case of unforeseen events (Adaptation)		€ 24,326.40	B9) staff costs	€ 25,000.00
E1	Climate change	Mobility Management Programme		€ 3,492.00	B7) Costs for services	€ 14,000.00
ESRS	Topic	Actions	CapEx	OpEx	Reference to the annual financial statements	Future resources (Y+1)
S1	Own workforce	Maintenance of the ISO 45001 Occupational Health and Safety Management System		€ 15,539.90	B9) Staff costs B7) Costs for services	€ 42,898.50



ESRS	Topic	Actions	CAPEX	OPEX	Reference to the annual financial statements	Future resources (Y+1)
S2	Workers in the value chain	Maintenance of the Data Protection System		€ 256,902.00	B9) Staff costs B7) Costs for services B1-3) Intangible fixed assets	€ 312,756.64
S2-S4	Workers in the value chain Consumers and end-users	Organisation of and participation in industry events		€ 906,157.00	B9) Staff costs	€ 1,041,000.00
S2-S4	Workers in the value chain Consumers and end-users	Maintenance of the ISO 27001 Information Management System (and its extensions 27017-27018)		€ 124,840.00	B9) Staff costs B7) Costs for services	€ 80,318.88



ESRS	Topic	Actions	CAPEX	OPEX	Reference to the annual financial statements	Future resources (Y+1)
S4	Consumers and end-users	Maintenance of the ISO 9001 Quality Management System		€ 14,035.00	B9) Staff costs B7) Costs for services	€ 117,540.21
S4-S2	Consumers and end-users	Maintenance of the ISO 27001 Information Management System (and its extensions 27017-27018)		€ 124,840.00	B9) Staff costs B7) Costs for services	€ 80,318.88
S4	Consumers and end-users	Maintenance of the ISO 20000-1 Management System		€ 40,430.00	B9) Staff costs B7) Costs for services	€ 85,140.77
S4	Consumers and end-users	After-sales services structured and performing according to customer needs	Non-monetisable data			
S4	Consumers and end-users	Maintenance and management of own corporate ratings required by our customers		€ 6,300.80	B9) Staff costs B7) Costs for services	€ 13,643.60



ESRS	Topic	Actions	CAPEX	OPEX	Reference to the annual financial statements	Future resources (Y+1)
G1	Business conduct	ISO 37001 maintenance		€ 109,186.00	B9) Staff costs B7) Costs for services	€ 230,619.76
G1	Business conduct	Tools supporting Whistleblowing mechanisms		€ 134,678.00	B9) Staff costs B7) Costs for services	€ 173,538.48



5. METRICS AND TARGETS

Datapoint no. 70-71-72

5.1 Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

Datapoint no. 73-74-75-76-77

In the table below, Lutech illustrates the metrics used to monitor the effectiveness of actions to manage relevant sustainability issues.

ESRS E1 – Climate change

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Calculation of an organisation's Carbon Footprint according to ISO Standard 14064-1	Savings in CO2 produced (tonnes equivalent)	GHG Protocol	yes	ESRS E1-4 – Targets related to climate change mitigation and adaptation	
Extension and maintenance of the Environmental Management System	100% coverage compared to Lutech locations (post-LAS merger - second half of 2024)	ISO 14001 standard	yes	ESRS E1-2 – Policies related to climate change mitigation and adaptation	
Energy efficiency of production sites	Savings in CO2 produced (tonnes equivalent)	GHG Protocol	no	ESRS E1-5 – Energy consumption and mix	
Mobility Management Programme	Updated post-LAS merger report		no	ESRS E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	



ESRS S1 – Own workforce

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Maintenance of the Occupational Health and Safety Management System	% coverage compared to Lutech locations	ISO 45001 standard	yes	ESRS S1-1 – Policies related to own workforce	
Work-life balance	% of employees entitled to leave and % of leave taken	SA8000	yes	ESRS S1-15 – Work-life balance metrics	
Employee retention	the total number of employees who left the company during the reference period and the employee turnover rate during the same period	SA8000	yes	ESRS S1-6 – Characteristics of the undertaking's employees	
Staff training	average number of training hours per employee and gender	SA8000	yes	ESRS S1-13 – Training and skills development metrics	



ESRS S2 – Workers in the value chain

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Maintenance of Data Protection System	Number of complaints about non-compliant data management	EU Regulation 2016/679	yes	ESRS S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns	Lutech
Organisation and participation at industry events	Number of participations in trade fairs and conventions/Total trade fairs		no	ESRS G1-2 Management of relationships with suppliers	Lutech
Maintenance of Information Security Management System	Outcome of the renewal of ISO 27001 certification	(and extensions 27017-27018)	yes	ESRS S2-1 – Policies related to value chain workers	Lutech
Local audits at suppliers	Number of audits / total suppliers	SA8000 ISO 37001	yes	ESRS S2-2 – Processes for engaging with value chain workers about impacts ESRS G1-3 – Prevention and detection of corruption and bribery	Lutech



ESRS S4 – Consumers and end-users

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Maintenance of Quality Management System Certification	Outcome of certification renewal	ISO 9001	yes	ESRS S4-1 – Policies related to consumers and end-users	Lutech
Maintenance of Information Security System certification	Outcome of certification renewal	(and extensions 27017-27018)	yes	ESRS S4-1 – Policies related to consumers and end-users	Lutech
Maintenance of Service Management Certification	Outcome of certification renewal	ISO 20000-1	yes	ESRS S4-1 – Policies related to consumers and end-users	Lutech
Structured and efficient after-sales services tailored to customer needs	Number of such services sold		no	ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Lutech/ customers
Maintenance and management of own corporate ratings required by our customers	Management of actions requested by our customers and achievement of a higher score than the previous year	Systems managed by third parties	yes		Lutech/ customers





ESRS G1 – Business conduct

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Maintenance of the Corruption Prevention Management System Certification	Outcome of Quality Certification Renewal	ISO 37001	yes	ESRS G1-1 – Business conduct policies and corporate culture	Lutech
Whistleblowing process	Number of reports received / year centre	Whistleblowing and confidentiality in Legislative Decree No. 24/2023	yes	ESRS G1-3 – Prevention and detection of corruption and bribery	Lutech



5.2 Minimum disclosure requirement – Targets MDR-T Targets – Monitoring the effectiveness of policies and actions through targets

Datapoint no. 78-79-80-81

In communicating the targets related to the relevant sustainability issues listed above, a monitoring system (if applicable) will be illustrated below for each specified action to help gauge its effectiveness, with associated metrics and the progress of activities (as a proxy for understanding the progress achieved).

For each action performed in 2023, the following is shown below:

- the objective of the relevant policy
- the progress of activities with respect to policy objectives
- the monitoring method envisaged for the objective
- possible involvement of stakeholders

Relevant sustainability topic	Target of the relevant policy	Status of activities with respect to policy targets	Planned monitoring arrangements for the target	Possible involvement of stakeholders
ESRS E1 - Developing a policy on sustainable procurement	100% of suppliers measured on ESG parameters	Suppliers informed but not yet evaluated according to their performance, policy published on the website	Monitoring data and performance as a result of the completed questionnaire	No
ESRS E1 - Development of a sustainability policy	Definition of a corporate sustainability strategy	Policy published on the website and shared on supplier qualification tools	Presence and acknowledgement of the policy	No
ESRS E1 – Environmental Policy (Energy consumption efficiency)	Reduced energy consumption	Currently being monitored; development of and participation in an energy community	Consumption analysis	Other companies in the energy community
ESRS S1 – Occupational Health and Safety Policy	Ensure a safe workplace in line with current law and ISO 45001 certification	50%	Extension of ISO 45001 certification across the entire company boundary	No
ESRS E1 – Environmental Policy	Maintenance and improvement of the ISO 14001 management system	50%	Extension of ISO 14001 certification to the entire company boundary	No
ESRS E1 – Environmental Policy	Monitoring of greenhouse gas emissions in 2023	Certification obtained for 2023 data	Compliance with ISO 14064-1	No
ESRS S1 – Code of Ethics	Increased awareness of DE&I in compliance with the principles of the Code of Ethics	100%	Half-yearly according to UNI PDR 125 KPIs Participation in “#includiamoCI!” web sessions	No
ESRS G1 – Whistleblowing Policy	Handling of 100% of reports of unlawful acts pursuant to Legislative Decree 24/2023	Active tool and consequent monitoring of reports when fully operational (100%)	Monitoring the percentage of anti-corruption reports fully handled (100%)	No





Relevant sustainability topic	Target of the relevant policy	Status of activities with respect to policy targets	Planned monitoring arrangements for the target	Possible involvement of stakeholders
ESRS G1 – Whistleblowing for the prevention of corruption	Passing of surveillance audits according to the ISO 37001 scheme	100%	Achievement of ISO 37001 certification across the entire company boundary	No
ESRS G1 / ESRS S4 Information Security Policy	Maintenance and improvement of certification according to ISO 27001 (and its extensions 27017-27018) Annual Business Continuity Plan	100%	Maintaining the certificate KPI-067 Total Security Incidents monitored annually KPI-079 Testing the Business Continuity Plan	No
ESRS S4 – IT Service Management Policy	Maintenance and improvement of certification according to the ISO 20000-1 scheme	100%	Maintenance of the certificate	No



Furthermore, for each policy objective mentioned, the following is specified:

- the relationship between the objective of the action and the objective of the policy
- whether the target is a percentage or an absolute value
- unit of measurement of the target
- scope of the target
- base value and/or base year of measurement
- period of application of the target
- selected scenario
- report with sound scientific data
- performance achieved against communicated targets

Relationship between the target of the action and the target of the policy	Target in percentage or absolute value	Unit of measurement of the target	Scope of the target	Base value/ base year of measurement	Period of application of the target	Selected scenario	Relation to sound scientific data
ESRS E1 – the supplier evaluation process on ESG parameters is in line with the objective of the Sustainable Procurement Policy	Percentage (20%)	Progress compared to total activity (considered 100)	Internal business processes Supplier processes	2023	2024-2025		
ESRS E1 - The definition of a corporate sustainability strategy allowed us to publish the Sustainability Policy	Percentage (100%)	Progress compared to total activity (considered 100)	Supplier business processes	2023	Annual		
ESRS E1 – The energy consumption reduction target is in line with the Environmental Policy	Absolute value (Initiation of the process)	Presence/ Absence	Supplier business processes	2023	Annual	Paris Agreement Climate Scenario (- 1.5°C by 2030)	IPCC Paris Agreement
ESRS E1 – the maintenance and improvement of the environmental management system is in line with the Environmental Policy	Absolute value	Presence/ Absence	Supplier business processes	2023	Annual		
ESRS E1 – Monitoring of greenhouse gas emissions in accordance with ISO 14064-1 is in line with the Environmental Policy for an annual emission reduction commitment	Absolute value (Process maintenance)	Presence/ Absence	Supplier business processes	2022	2023	Paris Agreement Climate Scenario (- 1.5°C by 2030)	IPCC Paris Agreement
ESRS S1 – Ensuring a safe workplace is in line with the Occupational Health and Safety Policy	Absolute value	Presence/ Absence	Supplier business processes	2022	2023		
ESRS S1 – Becoming more aware of DE&I issues is in line with the Code of Ethics	Percentage (100%) (Process maintenance)	Progress compared to total activity (considered 100)	Supplier business processes	2023	2023		





Relationship between the target of the action and the target of the policy	Target in percentage or absolute value	Unit of measurement of the target	Scope of the target	Base value/ base year of measurement	Period of application of the target	Selected scenario	Relation to sound scientific data
ESRS G1 – The complete handling of 100% of reports from the Whistleblowing tool is in line with the Whistleblowing Policy, which ensures constant monitoring.	Percentage (100%)	Progress compared to total activity (considered 100)	Supplier business processes	2023	2023		
ESRS G1 – maintenance of the Corruption Prevention Management System according to ISO 37001 is in line with the goal of the Corruption Prevention Policy towards continuous improvement of business processes	Absolute value (Process maintenance)	Presence/ Absence	Internal business processes	2023	2023		
ESRS G1 – Maintenance of the ISO 27001 management system and application of an annual Business Continuity plan are in line with the Security Information Policy	Absolute value (Process maintenance)	Presence/ Absence	Internal business processes	2023	2023		
ESRS G1 – The maintenance and improvement of processes related to IT service management and ISO 20000-1 are in line with the IT Service Management Policy	Absolute value (Process maintenance)	Presence/ Absence	Internal business processes	2023	2023		



APPENDIX B: List of datapoints in cross-cutting and topical standards arising from other EU legislative acts

Duty of disclosure and corresponding information element	SFDR reference	Third pillar reference	Indices regulation reference	EU climate law reference	Notes
"ESRS 2 GOV-1 Board's gender diversity, paragraph 21(d)"	Annex I, Table 1, Indicator No. 13		EU Commission Delegated Regulation 2020/1816, Annex II		
"ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21(e)"			EU Commission Delegated Regulation 2020/1816, Annex II		
"ESRS 2 GOV-4 Statement on due diligence, paragraph 30"	Annex I, Table 3, Indicator No. 10				
"ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40(d)(i)"	Annex I, Table 1, indicator No. 4	Article 449a of EU Regulation No. 575/2013; EU Commission Implementing Regulation 2022/245328, Table 1 – Qualitative information on environmental risk and Table 2 – Qualitative information on social risk	EU Commission Delegated Regulation 2020/1816, Annex II		
"ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40(d)(ii)"	Annex I, Table 2, Indicator No. 9		EU Commission Delegated Regulation 2020/1816, Annex II		
"ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40(d)(iii)"	Annex I, Table 1, Indicator No. 14		Article 12(1) of EU Delegated Regulation 2020/181829 and Annex II of EU Delegated Regulation 2020/1816		
"ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40(d)(iv)"			Article 12(1) of EU Delegated Regulation 2020/1818 and Annex II of EU Delegated Regulation 2020/1816		
"ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14"				Article 2(1) of EU Regulation 2021/1119	Not present
"ESRS E1-1 Undertakings excluded from Paris-aligned Benchmark, paragraph 16(g)"		Article 449a of EU Regulation No. 575/2013; EU Commission Implementing Regulation 2022/2453, Model 1: Banking book- Indicators of potential climate change-related transition risk: Credit quality of exposure by sector, issuance and residual maturity	Article 12(1)(d) to (g) and (2) of EU Delegated Regulation 2020/1818		
"ESRS E1-4 GHG emission reduction targets, paragraph 34"	Annex I, Table 2, Indicator No. 4	Article 449a of EU Regulation No. 575/2013; EU Commission Implementing Regulation 2022/2453, Model 3: Banking book – Indicators of potential climate change-related transition risk: alignment metrics	Article 6 of EU Delegated Regulation 2020/1818		
"ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38"	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				





Duty of disclosure and corresponding information element	SFDR reference	Third pillar reference	Indices regulation reference	EU climate law reference	Notes
"ESRS E1-5 Energy consumption and mix, paragraph 37"	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				
"ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40-43"	Annex I, Table 1, indicator No. 6				
"ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44"	Annex I, Table 1, Indicators Nos. 1 and 2	Article 449a of EU Regulation No. 575/2013; EU Commission Implementing Regulation 2022/2453, Model 1: Banking book - Indicators of potential climate change-related transition risk: Credit quality of exposure by sector, issuance and residual maturity	Articles 5(1), 6 and 8(1) of EU Delegated Regulation 2020/1818		
"ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55"	Annex I, Table 1, Indicator no. 3	Article 449a of EU Regulation No. 575/2013; EU Commission Implementing Regulation 2022/2453, Model 3: Banking book – Indicators of potential climate change-related transition risk: alignment metrics	Article 8(1) of EU Delegated Regulation 2020/1818		
"ESRS E1-7 GHG removals and carbon credits, paragraph 56"				Article 2(1) of EU Regulation 2021/1119	Not present
"ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66"			Annex II of EU Delegated Regulation 2020/1818 and Annex II of EU Delegated Regulation 2020/1816		
"ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66(c)"		Article 449a of EU Regulation No. 575/2013; points 46 and 47 of EU Commission Implementing Regulation 2022/2453; Model 5: Banking book – Indicators of potential physical risk related to climate change: exposures subject to physical risk			
"ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)"		Article 449a of EU Regulation No. 575/2013; paragraph 34 of EU Commission Implementing Regulation 2022/2453; Model 2: Banking portfolio – Indicators of potential climate change-related transition risk: loans secured by real estate – Energy efficiency of collateral			
"ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69"					
"ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28"	Annex I, Table 1, Indicator No. 8; Annex I, Table 2, Indicator No. 2; Annex I, Table 2, Indicator No. 1; Annex I, Table 2, Indicator No. 3				



Duty of disclosure and corresponding information element	SFDR reference	Third pillar reference	Indices regulation reference	EU climate law reference	Notes
"ESRS E3-1 Water and marine resources, paragraph 9"	Annex I, Table 2, Indicator No. 7				
"ESRS E3-1 Dedicated policy, paragraph 13"	Annex I, Table 2, Indicator No. 8				
"ESRS E3-1 Sustainable oceans and seas, paragraph 14"	Annex I, Table 2, Indicator No. 12				
"ESRS E3-4 Total water recycled and reused, paragraph 28 (c)"	Annex I, Table 2, Indicator No. 6.2				
"ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29"	Annex I, Table 2, Indicator No. 6.1				
"ESRS 2 IRO-1 - E4 paragraph 16 (a) (i)"	Annex I, Table 1, Indicator No. 7				
"ESRS 2 IRO-1 - E4 paragraph 16 (b)"	Annex I, Table 2, Indicator No. 10				
"ESRS 2 IRO-1 - E4 paragraph 16(c)"	Annex I, Table 2, Indicator No. 14				
"ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24(b)"	Annex I, Table 2, Indicator No. 11				
"ESRS E4-2 Sustainable oceans/ seas practices or policies, paragraph 24(c)"	Annex I, Table 2, Indicator No. 12				
"ESRS E4-2 Policies to address deforestation, paragraph 24(d)"	Annex I, Table 2, Indicator No. 15				
"ESRS E5-5 Non-recycled waste, paragraph 37(d)"	Annex I, Table 2, Indicator No. 13				
"ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39"	Annex I, Table 1, Indicator No. 9				
"ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, paragraph 14 (f)"	Annex I, Table 3, Indicator No. 13				
"ESRS 2 - SBM3 - S1 Risk of child labour, paragraph 14 (g)"	Annex I, Table 3, Indicator No. 12				
"ESRS S1-1 Human rights policy commitments, paragraph 20"	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
"ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21"			EU Commission Delegated Regulation 2020/1816, Annex II		





Duty of disclosure and corresponding information element	SFDR reference	Third pillar reference	Indices regulation reference	EU climate law reference	Notes
"ESRS S1-1 processes and measures for preventing trafficking in human beings, paragraph 22"	Annex I, Table 3, Indicator No. 11				
"ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23"	Annex I, Table 3, Indicator No. 11				
"ESRS S1-3 Grievance/complaints handling mechanisms 32(c)"	Annex I, Table 3, Indicator No. 5				
"ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)"	Annex I, Table 3, Indicator No. 2		EU Commission Delegated Regulation 2020/1816, Annex II		
"ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)"	Annex I, Table 3, Indicator No. 3				
"ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)"	Annex I, Table 1, Indicator No. 12		EU Commission Delegated Regulation 2020/1816, Annex II		
"ESRS S1-16 Excessive CEO pay ratio, paragraph 97(b)"	Annex I, Table 3, Indicator No. 8				
"ESRS S1-17 Incidents of discrimination, paragraph 103(a)"	Annex I, Table 3, Indicator No. 7				
"ESR S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guideline, paragraph 104(a)"	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of EU Delegated Regulation 2020/1816 and Article 12(1) of EU Delegated Regulation 2020/1818		
"ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the work chain, paragraph 11(b)"	Annex I, Table 3, Indicators Nos. 12 and 13				
"ESRS S2-1 Human rights policy commitments, paragraph 17"	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
"ESRS S2-1 Policies related to value chain workers, paragraph 18"	Annex I, Table 3, Indicators Nos. 11 and 4				
"ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19"	Annex I, Table 1, Indicator No. 10		Annex II of EU Delegated Regulation 2020/1816 and Article 12(1) of EU Delegated Regulation 2020/1818		



Duty of disclosure and corresponding information element	SFDR reference	Third pillar reference	Indices regulation reference	EU climate law reference	Notes
"ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19"			EU Commission Delegated Regulation 2020/1816, Annex II		
"ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36"	Annex I, Table 3, Indicator No. 14				
"ESRS S3-1 Human rights policy commitments, paragraph 16"	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
"ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17"	Annex I, Table 1, Indicator No. 10		Annex II of EU Delegated Regulation 2020/1816 and Article 12(1) of EU Delegated Regulation 2020/1818		
"ESRS S3-4 Human rights issues and incidents, paragraph 36"	Annex I, Table 3, Indicator No. 14				
"ESRS S4-1 Policies related to consumers and end-users, paragraph 16"	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				
"ESRS S4-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 17"	Annex I, Table 1, Indicator No. 10		Annex II of EU Delegated Regulation 2020/1816 and Article 12(1) of EU Delegated Regulation 2020/1818		
"ESRS S4-4 Human rights issues and incidents, paragraph 35"	Annex I, Table 3, Indicator No. 14				
"ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)"	Annex I, Table 3, Indicator No. 15				
"ESRS G1-1 Protection of whistleblowers, paragraph 10(d)"	Annex I, Table 3, Indicator No. 6				
"ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24(a)"	Annex I, Table 3, Indicator No. 17		Annex II of EU Delegated Regulation 2020/1816		
"ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24 (b)"	Annex I, Table 3, Indicator No. 16				





**ENVIRONMENTAL
INFORMATION**

Disclosure pursuant to Article 8 of EU Regulation 2020/852 (Taxonomy Regulation) - NOT PRESENT

ESRS E1 - CLIMATE CHANGE

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION

Datapoint no. 1-2-3-4-5-6-7-8-9-10-11-12

This section will detail the disclosure requirements that provide an understanding of how the company affects climate change, the mitigation efforts it has implemented and plans to implement, and its ability to adapt its strategy and model to help limit global warming.

Any interactions with other ESRS in this ESRS E1 - Climate change, will be made explicit in particular in ESRS S1 - Own workforce, ESRS S2 - Workers in the value chain and ESRS S4 - Consumers and end-users, which were also found to be relevant by the dual materiality review.

1. GOVERNANCE

1.1 Disclosure requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

Datapoint no. 13

As specified in ESRS2 GOV-3 - Integration of sustainability-related performance in incentive schemes, Lutech has not defined, for members of the administration, management and control bodies, an incentive plan related to greenhouse gas (GHG) emission reduction targets, nor is the result of their work evaluated against GHG emission reduction targets.

2. STRATEGY

2.1 Disclosure Requirement E1-1 – Transition plan for climate change mitigation

Datapoint no. 14-15-16-17

Having conducted the dual materiality analysis, Lutech considered the approach to the subject matter of this section to be particularly relevant and strategic. Although the company was subject to the obligation to develop a transition plan for climate change mitigation, as per Article 2 of EU Regulation 2021/1119 and Delegated Regulation 2020/1818, in 2023 such a plan was not present at company level as the company was not yet subject to this requirement, which resulted from the European Sustainability Reporting Directive (CSRD). This plan is scheduled to be delivered by the end of 2025.





2.2 Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Datapoint no. 18-19

With respect to the climate-related risks considered as relevant in ESRS 2 SBM-3, Lutech conducts the following analysis, covering 2023:

Significant climate-related risk	Nature of the risk (physical/transitional)	Possible economic/financial impact
Risk of environmental impact of data centres used by Lutech to carry out its activities	Physical risk	Higher costs for using suppliers that apply appropriate environmental strategies and for constant monitoring of their performance
Extreme weather events may affect the timely production, transport and installation of components/products purchased from HW suppliers and forming part of the offered solutions	Physical risk	Instability in the supply chain: extreme weather events and changes in suppliers' sustainability practices can lead to disruptions in the supply chain, causing delays in delivery and installation and potentially incurring penalties that need to be managed with back-to-back or insurance agreements (to overcome force majeure), leading to increased costs (for insurance and back-to-back margins)
Suppliers of HW/SW components could be dependent on unsustainable energy sources, resulting in exposure to fluctuations in energy prices.	Transition risk	High operating costs: Rising supply chain, component and energy costs can affect company profitability. Any desire to switch to green energy may require higher expenses.
Risk of administrative sanctions for non-traceability of environmental data/processes	Physical risk	Damage to turnover
Risks of administrative proceedings resulting from failure to deliver waste	Physical risk	Damage to turnover and reputational damage with possible inability to participate in public tenders/ bids
Risk of lack of attention to "circular economy" solutions proposed by brands used by Lutech	Transition risk	Disaffection, contestation and low evaluation of the product and the company, with economic impacts on future sales
Risk of lack of attention to green HW/SW solutions		
Risk of proliferation of ESG programmes to meet customer needs	Transition risk	Risk of loss of focus on the Lutech business to meet customer needs; high costs to accommodate customers' ESG programme requirements
Risk of damage to operational infrastructure and premises	Physical risk	Business continuity damage



In light of the table above, compiled with the company's business model in mind, Lutech initiated (but did not conclude in 2023) a climate change resilience analysis, based on a limited scope of impact for Lutech alone (suppliers and customers excluded) over a one-year risk and impact assessment timeframe, since this is the timeframe used to identify physical and transitional risks (table above) and to establish GHG reduction targets (see disclosure E1-4).

For 2023, climate scenarios and their possible impacts on the income statement were examined (ref: ESRS 2 - IRO 1), considering that even the most severe risk assumptions refer, from an economic standpoint, to an impact on business of less than 10%.

Key assumptions on how the transition to a resilient, low-carbon economy will influence macroeconomic trends in the digital sector indicate that the main focus will be on energy efficiency, which is necessary to continue the development of artificial intelligence and the exploitation of data centres. In this sense, the main industry trends are as follows: the optimisation of AI algorithms and their more efficient management (e.g. with on-demand algorithm training and moving AI algorithms to edge devices), the use of renewables to power data centres, and the efficiency of data centres through advanced cooling technologies, heat containment systems, virtualisation and machine containment. This is where Lutech will focus the development of future resilience analyses, which will concretely aim to (efficiently) reduce the energy consumption of these technologies.

In particular, the climate scenarios analysed were those derived from the risk analyses of ISO 14001 and ISO 27001. In detail, for environmental certification, the risk of infrastructure unavailability was assessed, while for information security, the risks of physical damage such as fire, flooding and natural events such as weather phenomena and earthquakes were analysed. The resilience analysis excludes assumptions related to the failure to update Lutech solutions from a green perspective or the failure to monitor performance, since this risk is more related to internal business and management strategies.

The areas of uncertainty in the aforementioned resilience analysis depend on the fact that: risks related to climate change are not among the main critical points for Lutech's business, so much so that there are no past experiences that can provide data and behavioural models in the event of an emergency (i); energy efficiency and innovation processes related to the reduction of AI energy consumption or data centre efficiency are highly dependent on the state of technological advancement, which is proceeding at a very high rate, making scenarios difficult to update (ii).

Lutech's ability to adapt its strategy and business model to climate change:

- **in the short term** is linked to structured governance through the constant maintenance of ISO 14001 certification, which will see its extension to all Lutech post-merger locations in 2024, as well as the continuous monitoring of greenhouse gas emissions as a result of the identification (in 2023) of KPIs that can identify the precise status of emissions regardless of the change in company size.
- **in the medium term** is linked to the development of innovative solutions that are environmentally efficient and are the result of up-to-date and increasingly competent in-house R&D on circular and low-impact digital solutions (with particular focus on AI and data centres)
- **in the long term** is linked to continued access to finance related to improvements in environmental performance in operations and the ability to reorient its service portfolio towards those with a lower environmental impact





3. IMPACT, RISK AND OPPORTUNITY MANAGEMENT

3.1 Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Datapoint no. 20-21

As previously mentioned, the dual materiality analysis for reporting purposes according to EFRAG principles and ESRS 2 - IRO 1 standards considered both inside-out and outside-in perspectives, examining Lutech’s production activities and taking due account of intercepted hotspots.

Specifically, the following emerged:

- climate change impacts are related to business developments, increased consumption of locations, increased number of workers involved and possible changes in *commuting/remote work*, which could have a negative impact on GHG emissions
- physical climate-related risks are related to the likelihood of extreme weather events, such as tornadoes, sudden heavy rainfall ('cloudbursts') or persistent heavy rainfall and consequent flooding and/or disruption of electricity grid services, connectivity and roads, which could compromise the availability of IT systems and the security of company data
- climate-related transition risks in own operations and along the upstream and downstream value chain (with climate scenario limited to +1.5°C) resulting from Lutech’s IRO analysis refer to higher costs associated with the implementation of sustainable and low-carbon practices; component suppliers may be dependent on non-sustainable energy sources, and thus exposed to fluctuations in energy prices
- opportunities in the company’s own operations and along the upstream and downstream value chain were found in identifying new sources of components (suppliers/distributors) resilient to climate change, in evaluating corrective measures to JIT (Just in Time) policies, in exploring the increased use of renewable energy sources for the company, in evaluating opportunities for savings through the judicious choice of locations and infrastructure, in migrating the car fleet (company and mixed-use) to electric cars

Risks and impacts were assessed taking into account the results of stakeholder engagement, as well as the analysis of the value chain and its extensions outside the company boundary. In addition, consideration was given to specific existing relationships, in particular with suppliers of raw materials and technology, as well as the business relationship with customers and distributors.

The outcome of the analysis carried out through stakeholder engagement highlighted the relevance of this issue for the stakeholders consulted by the company, who expressed their positions as shown in the table below.



Stakeholders	Climate change risk and relevance to stakeholders	Impact on the company
Customers	Energy consumption and traceability – 8.6	Customers pay particular attention to the energy issue, as evidenced by the proliferation of environment-related ESG programmes in which Lutech has been involved since 2023. This certainly impacts Lutech in terms of: <ul style="list-style-type: none"> · the need for dedicated resources; · the implementation of specific plans and KPIs to monitor; · the search for business solutions to demonstrate our commitment to this issue.
Funding bodies	Climate change adaptation and energy consumption – 8.2	Public institutions have also shown the same level of attention towards Lutech as described above.
Suppliers	Energy consumption – 8.0	Lutech's suppliers with this score demonstrate their attention to this aspect. It is therefore necessary to define agreed strategies to consolidate Lutech's positioning.



For the above assessments, Lutech referred to the IPCC climate scenario SSP1-2.6 (*Intergovernmental Panel on Climate Change*), which refers to a 'low' level of greenhouse gas emissions as an objective to achieve, thus directing its corporate policy choices towards an ever greater containment of greenhouse gases both in the production phase (inside-out) with the actions that will be detailed in paragraphs E1-5 and E1-6, and in the phase of assistance provided to its customers, as well as in the phase of logistical distribution of products. The same climate scenario was also used for the identification of actual and potential risks and opportunities along the value chain.

The dangers associated with the low-emission climate scenario, considered in the medium term, also affect Lutech's activities to the extent that they are not taken into account by means of precise risk mitigation actions, as detailed in section E 1-2 below.

Lutech's medium-term physical risk assessment is summarised in the following table:

Classification of climate-related hazards (source: EU Commission Delegated Regulation 2021/139)				
Chronic	Temperature	Wind	Water	Solid Mass
	Temperature change (air, fresh water, sea water)		Change in the pattern and type of precipitation (rain, hail, snow/ice)	
	Thermal stress		Hydrological or rainfall variability	Soil degradation
	Temperature variability		Water stress	
Acute	Heat wave	Cyclones, hurricanes, typhoons	Drought	
	Wave of cold/frost		Heavy precipitation (rain, hail, snow, ice)	Landslides, mudslides and avalanches
			River or groundwater flooding	





The table below highlights some of the effects estimated by Lutech, compared to the medium term, in relation to climate-related transition events:

Climate-related transition events (based on the classification of the Task Force on Climate-Related Disclosures – TFCDD)

Political and legal nature	Technology	Market	Reputation
Increased price of GHG emissions	Need to replace existing products and services with low-emission options	Possible change in customer behaviour	Change in consumer preferences
Strengthening of emission reporting requirements	Bankruptcy investments in new technologies	Uncertainty of market signals	Stigmatisation of the sector
Mandates and regulation of existing products and services	Bankruptcy investments in new technologies	Increase in the cost of raw materials (energy) and products	Increased stakeholder concern
Mandates and regulation of existing delivery processes	Transition costs towards low-emission options		Negative stakeholder feedback
Exposure to legal disputes	Transition costs towards low-emission options		Negative stakeholder feedback



3.2 Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation.

Datapoint no. 22-23-24-25

With regard to climate change, Lutech has developed the “Sustainability Policy (POL-900)”, the “Sustainable and Responsible Procurement Policy (PO-940)” and maintains an updated and monitored Environmental Management System according to ISO 14001.

By relocating the above-mentioned policy processes in light of their focus on climate change mitigation or adaptation, the following two policy areas can be defined:

- **aspects related to climate change mitigation which, in accordance with the company’s environmental policy, are pursued through:**
 - the complete and precise identification and assessment of the environmental impacts – whether arising from normal situations or from abnormal or emergency situations – of anyone who may be directly or indirectly connected with the company’s operations
 - the optimisation of company energy consumption, including in logistics and on the commute to work, favouring renewable energy sources
 - the development of a vendor rating containing environmental variables for supplier qualification
 - a commitment to quantifying, reporting and removing greenhouse gas emissions produced by the company

• **aspects of climate change adaptation, which, in accordance with the companies' environmental policy, are pursued through:**

- incentivising and consolidating the virtuous behaviour of employees and collaborators, including by promoting training on climate change
- the continuous improvement of its Environmental Management System in order to increasingly enhance the company's environmental performance and ensure business continuity
- replacement of cars (fleet or mixed use) with electric vehicles to avoid traffic restrictions (from ZTL extension to traffic blocks)
- audits and site efficiency to anticipate regulatory measures for green building





3.3 Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies

Datapoint no. 1-2-3-4

Consistent with the company’s Sustainability Policy and its provisions, the company has defined several actions dedicated to reducing environmental impacts (i) and energy efficiency (ii).

The table below describes the actions and resources related to climate change mitigation and adaptation, grouped according to the decarbonisation lever they refer to, including the achieved or planned GHG emission reductions:

Present actions				
Adaptation	Mobility management programme	Development of corporate Carbon Footprint for monitoring and containment of corporate CO2	Development of an internal Environmental Business Continuity process to ensure business continuity in the event of unforeseen climate change events	Distributed services are hosted on cloud platforms (Datacenters) provided by leading partners who have obtained the necessary environmental certifications
		Development of green solutions with customers to develop greener (circular) business practices		
Mitigation	Energy efficiency of premises	Participation in the creation of a photovoltaic system through an energy community together with 10 other companies in relation to the building in Bergamo (M)	Significant presence of remote work days, resulting in reduced climate-altering gas emissions (M)	Data Centres operated by third-party providers (includes backup planning to prevent damage due to thermal or energy shocks)
	Decarbonisation lever: prevention of new emissions	Decarbonisation lever: renewable energy supply	Decarbonisation lever: prevention of new emissions	Decarbonisation lever: prevention of new emissions
	Inclusion in the qualification process, within dedicated questionnaires, of questions related to ESG issues.	Monitoring and updating of management systems (ISO 14064 and ISO 14001)		
	Decarbonisation lever: prevention of new emissions	Decarbonisation lever: prevention of new emissions		



With regard to mitigation actions, their outcome for Lutech in terms of reducing environmental impacts is described below:

- **energy efficiency of premises** → mainly due to the use of renewable energy (which drastically reduces emissions of CO₂ and other greenhouse gases), minimisation of waste (which not only reduces the need for disposal, but also avoids emissions related to the transport of waste materials), better logistics management (which reduces the need for unnecessary transport, reducing CO₂ emissions related to means of transport)
- **energy community participation** → thanks to its ability to generate clean, renewable energy without direct greenhouse gas (GHG) emissions
- **remote work** → thanks to reduced transport to/from the office, reduced office energy consumption and reduced material consumption (less office supplies and less materials for maintenance and cleaning of premises)
- **data centres operated by certified third-party providers** → thanks to the reduction of GHG emissions from data centres outsourced to suppliers with special environmental policies (100% renewable energy) and consumption containment
- **monitoring and updating of management systems and certifications** → an up-to-date and monitored ISO 14001 system and ISO 14064-1 certification have direct and positive impacts on the company's ESG score, reducing environmental and legal risks, improving transparency and compliance, as well as strengthening the stakeholder engagement process

It was not possible to estimate a percentage reduction of GHGs for energy efficiency activities at the sites. This calculation will also not be possible next year (2024) due to the merger (by incorporation) of Lutech Advanced Solutions (formerly Atos Italia), which is very similar in size to Lutech. In view of this and considering the need to obtain this data, the company began in 2023 to include in the analysis process a series of indicators that relate certified emissions according to the number of employees, according to the total square metres of Lutech's premises and according to annual turnover. This will make it possible to carry out monitoring regardless of the changing size of the company.

With regard to the CO₂ effects resulting from participation in the energy community, there are no calculations on this, as CO₂ savings will start to be calculated from 2024.

In spite of remote work in 2023, the CO₂ associated with Scope 3 (commute to work) increased due to the greater need for in-person work. This figure, which is affected by the post-Covid aftermath, will normalise by 2025, with actual figures linked to CO₂ reductions resulting from the commute to and from work.

With regard to the provision of storage services entrusted to more sustainable data centres, the suppliers chosen by Lutech contributed to a 2% drop in emissions in Scope 1, compared to 2022, and a 2% drop in Scope 2, compared to the same year. Overall, the CO₂ output from these suppliers decreased by 24% compared to 2019.

On the other actions, it is not possible to indicate the result in terms of Greenhouse Gas reduction. In 2024, the company will endeavour to produce calculations estimating the GHG savings related to these actions.





Future actions

Adaptation

Study of a plan to optimise the environmental impacts of the locations planned for 2024-2025

Mitigation

Use of an office paint that can capture CO2

Mitigation level:
Pollution reduction

Revision of the Car Policy to provide for the replacement of the car fleet with electric cars only

Mitigation level:
prevention of new emissions

Presence of training courses dedicated to the issues of climate change and reduction of environmental impacts

Monitoring and updating of management systems (ISO 14064-1 certificate and ISO 14001 management system)

Introduction of Lutech's green due diligence processes planned for 2024-2025

Optimisation of electricity contracts

Monitoring of energy efficiency in terms of CO2 saved through participation in the Energy Community

Introduction of an ESG vendor rating mechanism for major suppliers

Mitigation level:
prevention of new emissions



The following tables detail the actions taken by reporting the significant monetary amounts of CapEx and OpEx required for their implementation.

2023 actions	CapEx	OpEx	Balance Sheet Reference	Key performance indicators
Mobility Management Programme (Adaptation)		€ 3,492	B7) Costs for services	
Internal Business Continuity process to ensure business continuity in case of unforeseen events (Adaptation)		€ 24,326.40	B9) Staff costs	
Distributed services hosted on cloud platforms provided by partners with environmental certifications	€ 295,480	€ 2,583,313	CAPEX B1 – 7) Intangible fixed assets B2 – 4) Tangible fixed assets	
Data Centres operated by third-party providers with environmental certifications			OPEX B7) Costs for services	
Development of corporate Carbon Footprint for monitoring and containment of corporate CO2 (Adaptation)		€ 32,322.80	B9) Staff costs B7) Costs for services	
Energy efficiency of locations (Mitigation)	€ 5,000.00		B1 – 7) Intangible fixed assets	
Participation in the creation of a photovoltaic system through an energy community together with 10 other companies in relation to the building in Bergamo (Mitigation)			Specific reference absent	
Monitoring and updating of ISO 14001 management systems (Mitigation)		€ 15,539.90	B9) Staff costs B7) Costs for services	

The table below shows the planned actions that are considered to be additional to those renewed each year, previously illustrated in the CapEx and OpEx table of the ESRS 2 indicator.

Planned actions	CapEx	OpEx	Balance Sheet Reference	Key performance indicators
Study of a plan to optimise the environmental impacts of the locations planned for 2024-2025 (Adaptation)	Not estimable	Not estimable	Specific reference absent	
Use of a CO2-capturing paint for offices (Mitigation)		€ 15,000.00	B1 – 7) Intangible fixed assets	
Revision of the Car Policy to provide for the replacement of the car fleet with electric cars only (Mitigation)	Not estimable	Not estimable	Specific reference absent	
Involving the supply chain in a process of assessment and collaboration on sustainability issues (Mitigation)		€ 57,626.00	B9) Staff costs B7) Costs for services	
Introduction of a greenhouse gas emission monitoring tool		€ 83,863.40	B9) Staff costs B7) Costs for services	



4. METRICS AND TARGETS

4.1 Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

Datapoint no. 5-6-7-8-9

Within the framework of climate change mitigation and adaptation policies and actions, Lutech has defined some qualitative and quantitative objectives that are summarised in the table below.

Targets related to climate change mitigation and adaptation						
Policy	Target	Time span	Action	Target	Time span	
Car Policy update	Reducing/zeroing emissions from car fleet	Planned in 2024	Migration of long-term rental contracts to electric cars	100% full-electric cars	By 2032	
Sustainability Policy	Reducing locations and improving building performance	Planned in 2024	Location reduction plan - ULO plan application Use of an office paint that can capture CO2	16 locations closed/ULO merged through planned merger with Lutech Advanced Solutions (4 locations integrated: MI, RM, NA, CS)	By the second half of 2025	
Sustainability Policy Sustainable Procurement Policy	Supply chain analysis and rating with respect to environmental issues	Not present	Supply Chain Analysis	TBC	By the second half of 2025	
Sustainable Procurement Policy	Due Diligence Green processes	Not present	Supply Chain Analysis	TBC	2024-2025	
Sustainability Policy	Presence of training courses dedicated to the issues of climate change and reduction of environmental impacts	Not present	Introduction of courses for all employees explaining climate change issues	100% of employees trained	2024-2025	

4.2 Disclosure Requirement E1-5 – Energy consumption and mix

Datapoint no. 10-11-12-13-14

The following table shows detailed information on Lutech's energy consumption and energy mix, certified by an accredited external body, for both the year 2022 and the year 2023 according to the ISO 14064-1 scheme for quantifying and reporting greenhouse gas emissions and their removal.

The first 5 rows of table RA 34 of the Regulation are omitted as Lutech does not operate in high climate impact sectors.

Energy consumption and mix	2022 comparative figure	Year 2023
6) Total energy consumption from fossil sources (MWh)	5,056.42	1,569.00
Share of fossil sources in total energy consumption %	0%	0%
7) Consumption from nuclear sources (MWh)	0	0
Share of nuclear sources in total energy consumption %	0%	0%
8) Fuel consumption for renewable sources including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	0%	0%
9) Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired (MWh)	0	0
10) Consumption of self-produced renewable energy without fuel (MWh)	0	0
11) Total energy consumption from renewable sources (MWh) (sum of rows 8 to 10)	0	0
Share of NON-renewable sources in total energy consumption (%)	100%	100%
Share of renewable sources in total energy consumption (%)	0%	0%
Total energy consumption (MWh) (sum of lines 6 and 11)	5,056.42	1,569.00



As far as energy intensity based on net revenue is concerned, Lutech does not provide the figure as it has no activities in sectors with a high climate impact.





ENERGY DIAGNOSIS AT LUTECH

Lutech carries out Energy Diagnosis every 4 years, the obligation of which is established by **Legislative Decree 102/2014**, which transposes the **European Directive 2012/27/EU** on energy efficiency.

The **European Directive 2012/27/EU** is in turn contained in **EU Regulation 2021/1119** of the European Parliament and of the Council of 30 June 2021.

The diagnoses carried out in 2023 start from the analysis of the energy consumption in 2022, developed in TEP, of all Lutech sites and analyse in detail with specific documents the two sites with the highest consumption, i.e. the Cinisello Balsamo Headquarters and the Bergamo site in Via delle Canovine.

The following table summarises the Company's sites:

Website	Province	Address	ATECO code	Activity carried out	Toe
MILAN	MI	VIA DANTE, 14	62.02.00	Consulting and SW development	0.00
ORNAGO	MB	VIA ALESSANDRO VOLTA, 3	62.02.00	Consulting and SW development	15.20
CASSINA DE' PECCHI	MI	VIA ROMA, 108	62.02.00	Consulting and SW development	32.40
CINISELLO BALSAMO	MI	VIA MASSIMO GORKI, 30/32C	62.02.00	Consulting and SW development	189.20
ROME	RM	VIA EDOARDO D'ONOFRIO, 304	62.02.00	Consulting and SW development	3.60
LIMENA	PD	VIA PRAIMBOLE, 13	62.02.00	Consulting and SW development	9.40
PADUA	PD	VIALE DELLA NAVIGAZIONE INTERNA, 1	62.02.00	Consulting and SW development	2.80
CAPANOLI	PI	VIA S. FRANCESCO, 12	62.02.00	Consulting and SW development	0.00
TREMESTIERI ETNEO	CT	VIA TRINACRIA, 18	62.02.00	Consulting and SW development	1.90
NAPLES	NA	VIA GIOVANNI PORZIO, 5	62.02.00	Consulting and SW development	2.10
VALENZANO	BA	STRADA PROVINCIALE PER CASAMASSIMA KM 3	62.02.00	Consulting and SW development	0.00
TRIESTE	TS	VIA PIETRAFERRATA 9/1	62.02.00	Consulting and SW development	0.00
CARAFFA DI CATANZARO	CZ	LOC. DIFESA, SNC	62.02.00	Consulting and SW development	0.80
FLORENCE	FI	VIA VITTORIO CORCOS, 15	62.02.00	Consulting and SW development	0.00
REGGIO CALABRIA	RC	CONTRADA LAGANI 1 - TRAV. PRIVATA 15	62.02.00	Consulting and SW development	1.00
TURIN	TO	CORSO SVIZZERA, 185	62.02.00	Consulting and SW development	17.10
BARI	BA	CORSO DELLA CARBONERIA, 15	62.02.00	Consulting and SW development	0.80
CAGLIARI	CA	VIA STANISLAO CABONI, 14	62.02.00	Consulting and SW development	0.50
CAGLIARI	CA	VIA STANISLAO CABONI, 3	62.02.00	Consulting and SW development	3.40
SORBOLO	PR	VIA MARCONI, 25	62.02.00	Consulting and SW development	0.00
FAENZA	AR	VIA PAOLO COSTA, 11	62.02.00	Consulting and SW development	8.70
BOLOGNA	BO	VIA DEL FONDITORE, 12	62.02.00	Consulting and SW development	0.00
GENOA	GE	VIA XX SEPTEMBER, 37	62.02.00	Consulting and SW development	0.00
BERGAMO	BG	VIA DELLE CANOVINE, 46	62.02.00	Consulting and SW development	42.50
GRASSOBBIO	BG	VIA AZZANO SAN PAOLO, 150	62.02.00	Consulting and SW development	0.00
CASTEL MAGGIORE	BO	VIA BUOZZI, 77	62.02.00	Consulting and SW development	4.20
NOLA	NA	VIA VARIANTE 7 BIS, 44	62.02.00	Consulting and SW development	2.30

With regard to the two locations where the analysis was carried out, a number of opportunities for improvement were identified.



With reference to the Cinisello Headquarters, the proposed actions were as follows:

Id	Proposed intervention	Initial investment (€)	Reduction in consumption (toe)	Cost reduction (€/year)	CO2 emission reduction (tCO2 eq/year)	Payback (years)	TIR	VAN 8	VAN/I
Opp1 Manag.	Block C closure	10,000	15	35,500	21	0.3	355%	€222k	2228%
Opp2 Manag.	ISO 5001	12,000	4	12,128	5	2.9	44%	€25k	206%

Opportunity 1 Manag.: Closure of the entire Unit C

Considering the limited number of staff working in Unit C of the building, 40 average/day, and considering that all the lighting in this location is with neon tube fittings (except for the ground floor) and that the heating is with gas boilers, the proposal is to reallocate the staff to the other Units of the building, belonging to Lutech, and the total closure of Unit C.

The closure of Unit C would lead to the elimination of all EE and gas consumption for all services necessary for the use of the building itself, and by extension, to the reduction of general maintenance and cleaning costs.

Investment cost: hours of internal staff/maintenance company already present in the building for the removal of the present staff and for the shutdown of all installations.

With the implementation of the improvement action, all the remaining Blocks will be illuminated with LED lamps and with the commissioning of the consumption monitoring system, the Company will have achieved two important steps to improve the energy efficiency of the premises.

Estimated reduction in consumption: The savings are estimated at 78,000 kWh/year corresponding to approximately €22,000 and an estimated saving on condominium costs of €12,000/year.

Possible incentives: none.

Project risks: none.

Opportunity 2 Manag.: ISO 50001 implementation

The proposal is to implement an ISO 50001 energy management system. This means a continuous and structural focus on energy use in order to improve energy efficiency and reduce cost. The energy management programme positively impacts the company's business and forms an important part of daily management activities. It can also have a positive impact on the image of the Group, which operates in a highly competitive high-tech sector.

Investment cost: internal staff hours, plus €12,000 for consultancy company

Possible incentives: None.

Project risks: None

With reference to the Bergamo Via delle Canovine site, the proposed actions were as follows:

Id	Proposed intervention	Initial investment (€)	Reduction in consumption (toe)	Cost reduction (€/year)	CO2 emission reduction (tCO2 eq/year)	Payback (years)	TIR	VAN 8	VAN/I
Opp1 Manag.	Partial closure of floor1	5,000	1	6,500	2	0.8	131%	€ 38,000	762%
Opp1 Tech.	Relamping 50%	3,900	1	1,264	1	3	28%	€ 4,400	115%
Opp2 Tech.	Heat meters	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Opportunity 1 Manag.: Closure of part of floor 1

In view of the limited number of staff working at the site in question, which averaged 18 people/day in 2022, primarily due to remote work, the proposal consists of an analysis of staff workflows, making remote work structural, and consequently optimising occupation of the site floor.

Considering that the staffing capacity of the floor is about 100 people and the average attendance in 2022 was 18 people, it is reasonable to assume that 50% of the floor can be closed to reduce consumption related to general services.

The closure of part of the floor leads to a reduction in EE consumption for: lighting, support equipment such as printers, and hot/cold air conditioning, including centralised air conditioning. This saving is estimated at 7,300 kWh/year plus a reduction in condominium costs estimated at €3,700/year.

Investment cost: staff hours of maintenance companies for the refurbishment of equipment and adaptation of facilities, estimated €5,000.

Estimated reduction in consumption: if 50% of the floor were to be closed, the savings in kWh could be 7,300 kWh/year related to lighting and services. Corresponding to 1 toe total and 2 tCO₂.

Possible incentives: none.

Project risks: none.

Opportunity 1 Tech.: Relamping lighting fixtures

Assuming that the Manag.1 proposal, described above, is adopted, 55 remaining lighting fixtures on the building floor would have to be replaced. At present, the light fittings installed in the office areas are mainly fixtures with 1x 58W neon tubes. The proposal is to replace these fittings with LED systems.

Investment cost: The cost of the intervention is estimated at € 3,800 for the purchase, dismantling and disposal of 55 light fittings with an equal number of LED fittings.

Estimated reduction in consumption: the savings in terms of kWh/year equate to a saving of approximately €1,200/year.

Possible incentives: none.

Project risks: none

Opportunity 2 Tech.: Heat meters

Since the building does not have a heat meter, it is necessary to install heat meters in order to comply with the provisions of Legislative Decree 102. These heat meters should be connected to Lutech's central system for centralised consumption control.

Investment cost: to be defined according to whether the heat meters are connected only locally or also remotely.

Estimated reduction in consumption: to be defined

Possible incentives: none.

Project risks: none.

All these proposals for improvement will be tested during 2024 in order to understand what action needs to be taken before the next Energy Analyses in 2027.



4.3 Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions Datapoint no. 19-20-21-22-23-24-25-26-27-28-29-30

The table below shows the gross GHG emissions in the different business consumption areas:

GROSS GHG EMISSIONS 2023		
Type	tCO2eq	% of total
Area 1 (Category 1)	620.22	12.0
Area 2 (Category 2)	597.48	11.6
Area 3 (Category 3 + Category 4)	3,931.8	76.4
Total emissions:	5,149.5	100%



With regard to GHG emissions in scope 1, Lutech’s main impacts on climate change appear to be related to workplaces (almost exclusively office use), in terms of consumption and emissions related to heating (methane consumption) for about 5.33% of total emissions, in addition to fuel combustion from company vehicles (5.19% of total emissions).

Scope 2 emissions related to imported energy (purchased and consumed by the company) account for 11.6%, and the main climate change impacts are found to be related to workplaces (almost exclusively office use).

Emissions in area 3, which are an important factor in the transition risk, are related, for example, to home-work mobility, business trips and cloud activities (use of e-mail, video communication channels, cloud activities). The movement of goods (products/components) appears less relevant due to the largely intangible nature of the solutions and services provided (software-based).

Overall, emissions for 2023 are still 16% lower than those for 2022.

The 70% reduction in category 2 emissions is attributable to the fact that they are no longer present in the reporting boundaries due to staff divestment and relocation to other neighbouring offices:

- a. the Florence office, which last year represented the largest contribution to the category
- b. the Rome Fiumicino office, which last year represented the second largest contribution
- c. the Cassina de Pecchi office, also responsible for a large part of the impacts decommissioned in June 2023

There are no particular variations in what constitutes the communicating enterprise itself and its upstream value chain, as the significance analysis produced for the certification of emissions according to the ISO 14064-1 standard indicated both the life cycle of the products used by the organisation and the recycling/disposal of waste produced during the core phase as “Not Significant”.

Scope 1 GHG emissions in 2023 were 620.2 tCO2eq of which 0% is covered by emissions trading schemes.

GHG emissions in scope 2 were 597.5 tCO2eq in the reporting period, based on Lutech’s position. Regarding the market analysis, Lutech has no detectable Market Based benefits, as it has not signed any green energy contracts, so category 2 emissions are still 597.5 tCO2eq. Emission factors for the impacts associated with electricity consumption were derived from the Ecoinvent 3.10 process “Electricity, low voltage {IT} market for | Cut-off, U.”, relating to the average Italian low-voltage market mix (location-based approach). The emission factor was separated from the contributions related to network losses and infrastructure production, which



would otherwise be reported in Scope 3.

Below, the emissions categorised as Scope 3 are subdivided within each significant category:

- 1985.72 tCO₂eq - Emissions from non-owned means of transport (commute to work)
- 248.70 tCO₂eq - Emissions from non-owned means of transport (business trips)
- 1202,78 tCO₂eq - Emissions from Construction and maintenance of infrastructure and production and maintenance of all means of transportation
- 296,83 tCO₂eq - Emissions from use of cloud services (server – email – video call – remote work)
- 182,73 tCO₂eq – Indirect emissions from electricity, natural gas and heating oil generation plants
- 15,05 tCO₂eq – Indirect emissions from domestic water consumption

As far as total emissions are concerned, these cannot be disaggregated by distinguishing between the total emissions of GHGs derived from the emissions of underlying scope 2 GHGs measured by the position-based vs. market-based method as Lutech measures GHGs exclusively by the position-based method.

Lutech's GHG emission intensity for 2023 is: 5,149.51 tCO₂eq.

4.4 Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

Datapoint no. 31-32-33-34-35-36

Lutech has not funded any GHG emission absorption or mitigation projects financed with carbon credits. However, it promotes initiatives aimed at decarbonisation, including:

- reducing the environmental impact of transport and making the commute to work more efficient (including through remote work);
- reducing GHG emissions by using renewable energy purchased from third parties

The company did not purchase carbon credits and did not set targets for zero net emissions, in addition to GHG gross emission targets. The company has made no public statements on its climate neutrality in terms of GHG emissions requiring the use of carbon credits.

4.5 Disclosure Requirement E1-8 – Internal carbon pricing

Datapoint no. 37-38

The company does not apply internal carbon pricing systems.

4.6 Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Datapoint no. 39-40-41-42-43-44-45

Lutech intends to make use of the option to omit the information on this Datapoint, as set out in Appendix C of Transitional Provision 10.4.





SOCIAL INFORMATION



ESRS S1 OWN WORKFORCE

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION

Data point no. 1-2-3-4-5-6-7-8-9-10-11

This section will detail the disclosure requirements that allow for an understanding of how the actions and choices undertaken by the company impact its workforce, the actions implemented to mitigate impacts on working conditions, equal treatment and opportunities, and other labour-related rights. This section also provides an insight into the extent to which Lutech complies with international and European human rights conventions and instruments.

Possible interactions of this ESRS S1 - Own workforce with ESRS S2 - Workers in the value chain and ESRS S4 - Consumers and end-users will be presented below.

1. STRATEGY

1.1 Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Datapoint no. 12

The interests, opinions as well as rights of the people working for and on behalf of Lutech have always been held in high regard by the company, guiding its strategy and business model, indicating expectations, needs and suggestions at the level of pay or career advancement, work-life balance, and Diversity and Inclusion (DE&I) management. This is why the company's own workforce is considered a key stakeholder group and therefore involved at different levels by the company itself.

The way in which the company strategy is guided by the opinions of its own workforce is positively affected by the many open channels of dialogue and updating that characterise the way in which Lutech listens to its employees, gathering information and ideas that are useful for the development of the company strategy, which – with regard to human resources – identifies its two fundamental axes precisely in this exchange and in the possibility of gathering bottom-up input.

As detailed below, during 2023, surveys, direct interviews with one-to-one staff, periodic professional appraisal update meetings for employees (with the adoption of an appraisal approach based on planned feedback-gathering meetings) and qualitative performance appraisals were implemented on a six-monthly and annual basis for all staff and for each corporate role. The “Speak Up Survey” conducted in 2023 involved the entire company workforce and identified the three most important lines of action for employees, namely Learning & Development (i), Group Identity (ii) and Performance Appraisal (iii). Consequently, at the strategic level, the following action plans were developed in 2023 to address these three needs:

- for the Learning & Development area, the use of the “Lutech Learning” platform was promoted through training, information, events and contests
- for the area related to Group Identity, a gamification activity has been planned that will involve all staff across the Group to foster integration between staff of the various Legal Entities and Locations (the project will start in January 2024)
- for the third identified area, Performance Appraisal, a structured Performance Management model has been built, aimed at assessing hard and soft skills, which will aim at fostering an open, transparent and continuous dialogue between manager and employee, building mutual trust and empowering both of them on the growth and improvement of individual and company performance, in the short and long term (Performance Management will be launched starting from the H1 2024 appraisals)

The company organisation chart includes the figure of the Chief Human Resources Officer, who oversees the department and has been entrusted with the task of managing the organisation of staff and their involvement in the achievement of market and sustainability objectives, such as personal motivation, inter-work



collaboration, and home-work balance.

The “People Engagement” area is dedicated to the involvement and mobilisation of staff on issues of importance to the company from a values perspective, such as Diversity, Equity and Inclusion, intergenerational integration, wellbeing, mental health, home-work balance, and on-boarding of new recruits.

Finally, the company can rely on the intranet, online landing pages, newsletters and corporate communities, all channels dedicated to corporate communications that can be used both for top-down and bottom-up communications.

All of these initiatives highlight how the views of their own workforce can guide strategy and business model, mitigating the relevant impacts described in ESRS 2 SBM – 3.

1.2 Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Datapoint no. 13-14-15-16

The following table illustrates whether and how actual and potential impacts on the company’s workforce derive from, or are linked to, a strategy and business model. For Lutech, the concept of impact echoes the definition in the CSRD glossary and therefore refers to a change in status, positive or negative, resulting from an external intervention in a process or product.

	Effective impacts on own workforce	Potential impacts on own workforce
Impacts arising from the company’s strategy or business model	Insufficient opportunities for exchange and discussion	Lack of loyalty
	Increase in work-related illnesses resulting from stress	High staff turnover
	Low retention	Ease of scaling up personnel initiatives thanks to digital tools, both internally at different company sites and externally at industry level
Impacts guiding the company’s strategy and business model	Lack of attention to inclusion policies, disability, diversity, and gender equality leads to pay differences that need to be bridged	Identification of new development partners for DE&I co-creation activities
	Low perception of the work context and its needs (including economic and social) leads to ‘isolation’ of the workforce	
	Maintaining mechanisms for external monitoring and auditing of ESG performance	
	Hidden costs related to very frequent recruitment cycles	



Risks and opportunities arising from impacts and dependencies in terms of the company's workforce, on the one hand, and strategy and business model, on the other, are highlighted in the table below:

	Risks	Opportunities
R&O resulting from impacts and dependencies in terms of the company's workforce	<ul style="list-style-type: none"> Unstable employment relationship Increased work-related stress 	<ul style="list-style-type: none"> Simplifying the recruitment (and retention) of human resources
R&O resulting from impacts and dependencies in terms of strategy and business model	<ul style="list-style-type: none"> Lack of bottom-up information resulting from a lack of channels or tools for dialogue with top management and/or committees Lower productivity due to lack of work/life balance Low perception of the needs of the workplace, the result of an overly homogeneous workforce Difficulties in dialogue by different "professional generations" 	<ul style="list-style-type: none"> Implementation of a cross-population training development programme that is attentive to both technological and social developments (e.g. allowing all employees the freedom to choose their educational pathways). Deepening and expanding social innovation programmes related to Diversity&Inclusion



All workers on which the company has significant impacts are included in the SBM 3 - ESRS 2 disclosure, including impacts related to the company's own operations and its value chain (discussed in detail in ESRS S2), including through its products or services, as well as business relationships.

Briefly describing Lutech's employees, it can be said that they are people with an average age between 40 and 50 years old, 98% of whom are of Italian origin and 2% foreign, with an average seniority of 5.98 years. Their average classification is white-collar and their working hours are standard central (8 hours per day) according to the applicable CCNL. The majority of their education is academic (diploma) and in terms of gender balance, women account for 21% and men for 79%. The motivation for them to work at Lutech is the company's economic soundness, reliability, work-life balance policies, and market reputation.

Briefly describing the workers who are not employed by the company, it can be said that they are external consultants provided by third-party companies and freelancers (92% men and 8% women) who have consolidated experience of the services offered and are therefore able to best understand the needs of Lutech and its clients. Most of them work in the company (60%), while the remainder work remotely. Lutech also makes use of self-employed workers or workers provided by third-party companies to perform certain special functions, including company cleaning, the management of beverage/snack vending machines, and the administration of medical examinations, managed through annual or multi-year Service Agreements.

The **significant negative impacts** found by Lutech on its own workforce relate to:

- inadequate attention to remuneration policy and professional growth, which can be a strong hindrance to the retention of resources already in force, with hidden costs that impact on the company as a result of the forced repetition of cycles of candidate search, selection, medical examination, compulsory training, coaching (training on the job); this can generate negative feedback from company staff, increasing dissatisfaction and the propensity to leave the company. The same impact is caused by competence development processes designed only for certain areas of the company (e.g. Delivery). Equally, failure to adapt skills development to new technologies generates disaffection, damaging company retention and leading to high employee turnover

- lack of attention to DE&I policies within the company, which can lead to employees not being able to relate to the social context in which the company operates, making them isolated groups that are not very receptive to the internal needs and the needs (including economic and business needs) of the community in which they operate. Equally, the lack of attention to intergenerational equity (e.g. due to the lack of adequate policies and procedures to ensure the transfer of skills to new generations) makes it more difficult to harmonise human resources and maximise skills
- poor home-work balance, which can generate low retention, low attractiveness in the labour market, and higher cases of work-related stress illnesses with decreased business productivity
- little attention to staff, which leads to a deterioration in communication between human resources and the company, damaging the exchange needed by both for the growth and development of new ideas or the resolution of any problems

With regard to problems, the systemic issues are related to loss of attractiveness in the labour market, poor resource retention and more generally insufficient communication between the various company levels, while those related to individual incidents are related to the growth of reports of abnormal or suspicious events (whistleblowing, harassment, etc.).

The **relevant positive impacts** mainly relate to:

- corporate welfare practices that allow workers, who request them and have justified reasons for doing so, to make use of flexible working hours while balancing company productivity and their psycho-physical balance
- up-to-date and high competence of all professional figures, the result of continuous training
- good company climate resulting from the use of internal listening and sharing processes such as: intranet, employee surveys, twice-yearly employee interviews and one-to-one meetings between manager and employee

With regard to the risks and opportunities relevant to the company, resulting from the impacts and dependencies in terms of its own workforce, please refer to the table above.

Significant impacts on the company's own workforce as a result of the transition plans to reduce negative environmental impacts mainly refer to a project that started in 2023 and will be formalised in 2024, which envisages a gradual change in the composition of the company fleet (direct or mixed) towards electric cars instead of combustion engine cars. At the level of impacts on the company workforce, some resistance to the use of such cars may be encountered, especially with regard to higher mileage users (who will have to rethink the organisation of their long-distance journeys). Another relevant aspect is the application of a remote work agreement to 100% of the workforce, with a remote work usage rate of 76% of the employee workforce: while this has a positive impact in terms of reducing CO2 emissions related to the commute to and from work, it also makes it more complex to develop a sense of corporate belonging as a result of sharing space and time with colleagues.

Lutech has no operations of its own at serious risk of forced or compulsory labour, let alone at risk of child labour.

With regard to the company workers who could be adversely affected on the basis of the materiality assessment under ESRS 2 IRO-1, the company identified managers who, due to impending changes in the corporate structure, could be exposed to great stress, especially if the attractiveness of highly qualified professionals such as those at Lutech led them to accept other offers, generating a staff shortage that would result in longer shifts and more work for those remaining.

In its analyses, the company also managed to include workers with particular characteristics (people with





physical disabilities and neurodivergent people) or who work in particular contexts (e.g. healthcare facilities or industrial sites) that might be more exposed to risks. They were involved through one-to-one and specific meetings, which allowed them to express their needs and expectations.

Among the relevant risks and opportunities resulting from impacts and dependencies, those affecting specific groups of people or, conversely, the entire workforce are highlighted in the table below:

	Major risks from impacts and dependencies	Opportunities from impacts and dependencies
R&O affecting specific groups of people	<p>Difficulties in communicating their needs particularly impact disabled employees who may have reduced opportunities for discussion or rely on fewer dedicated channels</p> <p>Increase in work-related stress illnesses for disabled employees or caregivers</p>	<p>Disabled employees or caregivers can be further involved in the definition of DE&I processes or initiatives given their proximity to special needs and/or specialised stakeholders</p>
R&O affecting the entire workforce	<p>Lack of channels or tools for dialogue with top management and/or committees, etc.</p> <p>Risk of lack of work/life balance with increased work-related stress</p> <p>Low loyalty and retention</p> <p>Social/human distance from the work context</p>	<p>Development of a cross-cutting training programme for the entire workforce, attentive to both technological and social developments (e.g. making it free to all employees in their choice of training courses).</p> <p>Expansion of DE&I programmes</p> <p>Simplification of recruitment and retention methods</p>



2. IMPACT AND RISK MANAGEMENT AND OPPORTUNITIES

2.1 Disclosure Requirement S1-1 – Policies related to own workforce

Datapoint no. 17-18-19-20-21-22-23-24

The Lutech policies adopted to manage sustainability issues impacting on its own workforce mainly refer to two topics, one of which is material. On the one hand, they address Occupational Health and Safety (which will be discussed in more detail below), as part of the obligations that require the company to pay the utmost attention in order to avoid accidents, injuries and deaths at work. On the other hand, it addresses the topic of employee well-being by integrating both the training part and the home-work balance part. All relevant policies address the workforce as a whole.

In particular:

- as far as human and labour rights are concerned, the company respects them by implementing not only the rules and guidelines of the applicable collective bargaining agreements, but also policies, code of ethics, code of conduct and management systems that guarantee the company's commitment to the rights of its own workers and those of the value chain
- with regard to the involvement of its own workers, the company engages them with internal communication tools (intranet, newsletter, community, one-to-one meetings, periodic surveys)
- regarding measures to remedy any human rights violations, Lutech operates through the implementation of management systems with KPI monitoring and a whistleblowing platform for reporting possible violations, with guaranteed privacy and protection of individual rights

Lutech respects the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

The disclosure in Datapoint 22 is not relevant for Lutech as it is not exposed to the risk of human trafficking, forced and child labour with regard to its workforce.

Focusing in particular on the prevention and management of accidents at work, Lutech has the *Occupational Health and Safety Management System Policy*, relating to the ISO 45001 Occupational Health and Safety Management System, necessary to promote continuous and growing awareness of Safety in its Workplace in order to ensure that its activities are carried out in compliance with current legislation, in all areas in which it has to operate, as well as with internal requirements and procedures, to involve and raise awareness among its customers, suppliers and partners, to best preserve the Company's image as a punctual, reliable, competent and safe supplier, and finally to encourage a balanced balance of work and personal life and reduced stress generated by work activities.

With regard to policies aimed at the elimination of discrimination (on the basis of race, ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national ancestry, social background, as well as any other form of discrimination covered by EU and national law) and the promotion of equal opportunities, Lutech has adopted the Code of Ethics, which promotes the culture of non-discrimination as a corporate value; in addition, in 2023 Lutech started activities to implement the SA8000 "Corporate Social Responsibility" Management System and will introduce a policy to enshrine Lutech's commitment to non-discrimination that will include:

- the prohibition of discrimination on grounds of race, social class, national origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, trade union membership, political



- opinion, age or any other condition that could lead to discrimination
- the prohibition of behaviour, including gestures, language and physical contact, that is threatening, abusive, exploitative or sexually coercive

Lutech has made no specific commitments regarding inclusion or other actions in favour of vulnerable groups within its workforce.

The implementation of these policies is done through the ISO 45001 Management System and, in 2024, will also be done through the SA8000 Management System. Both provide for processes, procedures, KPIs, monitoring, internal and external audits and any corrective actions that ensure the continuous compliance of the company's activities with Lutech's commitments under the aforementioned issued and shared policies.

2.2 Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Datapoint no. 25-26-27-28-29

The management of relevant potential or actual impacts on one's workforce is an activity that must be coordinated with workers and their representatives. In this regard, according to the internal due diligence process, the company involves the above categories through dialogue with trade union representatives and workers, with whom it discusses working conditions, equal treatment issues and other rights, including data privacy and human rights. This is done through the following processes:

- meetings between the company and trade union representatives
- meetings and assemblies between workers and trade union representatives
- communications of the representatives to the workers (through digital communications or through notice boards in company offices)
- company communications to employees through standard internal communication channels

This mechanism includes the sharing of surveys, periodic meetings and individual interviews with individual workers and their union representatives, balancing purely informative, participative and consultative methods. In detail, the process starts with the trade unions convening by e-mail (or through offline channels), bringing particular issues to the worker's attention, which, if requested, will be voted on by majority vote.

The top figure responsible for engaging employees on ESG issues that might impact them is the CHRO, Chief Human Resources Officer, for dialogue with trade union representatives, while the CCO, Chief Compliance Officer, conveys training/information on ESG issues through the Corporate Social Responsibility area, managing a process of collecting stakeholder opinions so that the results guide the work and overall vision of the company.

The Chief Human Resources Officer operationally manages employee engagement processes, thanks to a background in union negotiation and conflict management, which has also been acquired through company-funded or previously acquired processes.

Other actors involved are the Workers' Safety Representatives (RLS). There are five RLSs at Lutech, all of whom are trade union representatives and therefore elected to the role of RLS in correspondence with the trade union appointment. Each RLS is the representative of all Lutech workers, regardless of the location or work group to which they belong. In spite of this, in order to better ensure that the demands of male and female workers are taken care of, some RLSs have more vertical responsibility for the specific needs of a particular location or group, while remaining at the disposal of all male and female colleagues. Workers can contact the RLS by e-mail through a dedicated address provided during the training course, which explains the figure and responsibilities of an RLS. The contact box for RLSs at Lutech is: RLS@lutech.it

In addition, the involvement of all the organisation's staff in issues that impact on their own workforce is also



a determining factor in the implementation of the certified ISO 45001 standard in the company.

In accordance with Legislative Decree 81/08, which is also the basis of the controls for the management system, the Employer's Representatives (in the HSE area), the Workers' Safety Representative, the Management System area and the CSR area (within the Compliance function), are directly involved in all phases of the Management System process, from risk analysis to accident investigations and the definition of improvement targets.

There is no global framework agreement between the company and the workers' representatives in relation to the respect of human rights and the company workforce.

There is no method of evaluating the effectiveness of the involvement of the company workforce.

There is no way of understanding the perspectives of workers who are vulnerable themselves.

2.3 Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

Datapoint no. 30-31-32-33-34

Lutech's approach to remedy where there has been a significant negative impact on its own workers is to build a continuous feedback loop and periodic audits, based on objective data and close cooperation with its workforce. This approach ensures that solutions are effective over time and can be further refined as the needs of employees and the market change. Concretely, the company takes the following steps to remedy any negative impacts:

- **analysis and identification of negative impacts:** collecting reports from employees, monitoring KPIs and analysing the underlying causes of the problem in order to understand the roots of negative impacts, e.g. by commissioning specific analyses on work-related stress, work-life imbalances, poor internal communication or ineffective leadership
- **designing solutions:** developing initiatives with the involvement of employees, developing flexible and customised solutions to meet the specific needs of different groups of workers (e.g. flexible working models to foster work-life balance, mental health support programmes or professional development pathways) and creating an action plan prioritising interventions
- **implementation of solutions:** thanks to transparent communication (including via the Intranet) and supporting those directly concerned in case of need (e.g. when changing procedures or the technical means of using a company service)
- **verification and assessment of effectiveness:** through pre/post-intervention discussions with the functions concerned and possible review sessions with management and employees
- **creation of a culture of continuous improvement:** necessary to create a working environment in which feedback is always welcome and there is a continuous openness to improvement. This is done by adapting company policies according to employees' evolving needs and with a proactive approach that invests in future prevention, promoting occupational well-being as part of the company culture

Lutech takes several approaches to verify the effectiveness of its solutions:

- **benchmarking:** comparing its own performance with that of other companies in the sector
- **trend analysis over time:** evaluating the improvements achieved over a period of months or years to establish the sustainability of the adopted solutions

The company's approach to reports or grievance mechanisms from Lutech workers is respectful of both different points of view and the soundness of the problem analysis and resolution processes, which are taken into consideration by the company in meetings with workers' representatives or the workers themselves. No punitive or undermining attitudes are accepted and, on the contrary, dialogue on these issues is seen as truly





enriching and beneficial thanks to reporting by crucial stakeholders. Consequently, these reporting channels for problems and concerns are present in all places where employees can access them.

As specific channels for workers to communicate their concerns, Lutech has a company intranet available to all staff, which performs two functions: the first is for internal communication and sharing between colleagues, the second is for direct communication of reports, complaints or problems of any kind to the attention of the relevant company figure. These tools ensure that the company can acknowledge the issues and take into consideration the concerns raised.

The handling of such complaints and grievances involves HR management, employees, and even the Board of Directors for matters of the utmost urgency and importance. In the course of 2024, use of the tool, currently designed for whistleblowing, will be extended to the handling of such complaints and grievances in order to ensure a secure, controlled and anonymous process.

Every employee is made aware at the time of recruitment, or following company communications, of the existence of the Intranet and offline and online spaces for reporting any negative impacts on employees. The company therefore works in every appropriate forum to promote the dialogue channels available to its employees.

The issues raised are monitored through a periodic review of processes and an in-depth analysis of the nature of the complaints collected in order to understand the main nature of the problems and prioritise structural responses by the company.

Lutech does not assess whether its own workers are aware of the existence of such structures, as it has no data on their effectiveness from the workers themselves (e.g. surveys carried out, satisfaction levels found). There are no policies to protect people who use these tools (other than the provisions contained in the Whistleblowing processes). Anonymity is made possible through the Whistleblowing mechanism, as also indicated in ESRS G1-1.



2.4 Disclosure requirement SI-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Datapoint no. 35-36-37-38-39-40-41-42-43

The way in which negative impacts and relevant opportunities are managed and addressed in relation to the company's own workforce is summarised, for the year 2023, in the following two tables.

2023	Preventing, mitigating, and remedying negative impacts	Interventions to remedy actual major impacts	Additional actions for producing positive impacts	Mechanism for monitoring the effectiveness of these actions
Remote work confirmation	Reducing turnover, stress-related diseases	Promoting home-work balance and remote work	Expansion of corporate welfare activities	Evaluation of turnover rates, leave requests, work-related stress illnesses, productivity
Maintaining internal communities	Improvement of poor internal communication and low level of personal engagement	Reducing workforce isolation by fostering involvement and opportunities for exchange, improving the perception of employee needs	Expansion of communities and related individual projects	Monitoring of adherence to the proposed project, monitoring of the number of proposed projects
"Lutech Learning" training portal	Job abandonment and instability of the contractual relationship due to lack of opportunities for growth	Improving retention, productivity and being more appealing on the labour market through training projects designed together with the employee	Development of a cross-functional project with freedom for employees to join the various modules	Monitoring participants in trainings, monitoring increased productivity
"#IncludiamoCI!" project First edition	Improvement of internal communication, behaviour, level of engagement of people with regard to DE&I topics	Improving retention, productivity and being more appealing on the labour market through training projects designed together with the employee	Expansion of DE&I programmes	Monitoring of participation in the project
"#IamRemarkable" project	Lack of awareness of one's own value and contribution within the corporate context	Reducing workforce isolation by fostering self-promotion and self-esteem and increasing opportunities for interpersonal exchange	Development of a cross-functional project with freedom for employees to join	Monitoring of participation in the project
"The Inspirational Mix" project (on-boarding)	Poor retention and loyalty	Reducing workforce isolation by fostering involvement and exchange opportunities towards new hires under 30.	Development of an internal knowledge and communication process for new employees under 30	Monitoring of participation in the project





FROM COMMUNITIES TO PEOPLE TO STRENGTHEN INCLUSION AND PARTICIPATION

Since 2022, the Next Gen and Equity & Empowerment corporate communities have been operating to create togetherness, culture, and a sense of belonging and to share innovative ideas and internal and external projects, including those related to Social Sustainability.

The NEXT GEN Community enhances and amplifies the potential of the Lutech Under 30 population to which the project is dedicated. "The Inspirational Mix", an experiential workshop organised quarterly at the Cinisello Balsamo headquarters, is aimed at new recruits under 30 in collaboration with the company leadership, and aims to create cohesion among young recruits and gather innovative ideas to improve business processes and/or create communication content.

Since the year of creation, more than 100 participants have had the opportunity to participate in this event and to contribute, among other projects, to the design of the company on-boarding process, as well as to design the storyboard for the People Manifesto launch video. Finally, The Inspirational Mix provides for a generational exchange between juniors and seniors, presenting their work to a jury composed of company leadership and a number of management figures.

This is when an important generational exchange takes place, during which different visions, models, ideas and value perceptions are compared. In the June 2023 edition, communication campaigns for Equity and Equality were designed and developed.

2023 saw the launch of the **#includiamoCI!** Project dedicated to the workforce and part of the Diversity, Equity and Inclusion training programme with a focus on gender equality. An extension to the entire DE&I area is planned for the 2024 edition.

The **#includiamoCI!** project has involved employees since June 2023 in a series of webinars on topics such as gender stereotypes, inclusive language, and managerial and inclusive behavioural styles. This first edition was developed in cooperation with Fondazione Libellula, specialising in information and awareness-raising activities on gender-based violence and discrimination, stereotypes, empowerment, language, inclusive management and anti-harassment services for companies (<https://www.fondazione.libellula.com/it/>).



The choice of the specific action necessary and appropriate in response to a particular negative impact is made through internal consultation within the company, in particular with the Human Resources department and – where necessary – with external advice from experts in the field.

2023	Actions to mitigate relevant risks resulting from impacts and dependencies	Mechanism for evaluating effectiveness in practice	Actions to pursue relevant opportunities in relation to the company workforce
“Lutech Learning” training portal	Lack of training plans and poor retention	% of participation in training plans	Dissemination of the tool throughout the workforce
Remote work confirmation	Attractiveness on the labour market Retention Work/life balance	Annual monitoring of % remote work used	Maintenance of remote work
Maintenance of internal communities	Lack of internal dialogue channels or tools Failure to integrate employees	Membership and participation in communities Participation in projects resulting from the Communities	Encouraging participation through Executive Leadership Sponsors and internal newsletters
“#includiamoCI!” project First edition	Lack of attention to policies on inclusion, disability, diversity, and gender equality	% of participation in organised webinars	Encouraging participation through Executive Leadership Sponsors and internal newsletters
“#IAmRemarkable” project	Lack of policies for the enhancement of resources in terms of soft skills	% of webinar participation	Encouraging participation through internal newsletters
“The Inspirational Mix” project (on-boarding)	Retention (turnover) Internal integration especially in the younger generation	Survey at the end of the event Quality of outputs produced	Maintaining and extending the project to new employee groups



FLU CAMPAIGN AND FREE VACCINATION AT LUTECH

Part of the care that the company offers its employees also concerns their health and that of the business community in which they work. For this reason, also in 2023, the company provided 300 doses of flu vaccine for all Group employees and their family members over the age of 18.

From 28 September until 11 October 2023, it was possible to book a flu vaccine at one of the San Donato Group’s authorised centres throughout Italy, with which the company has signed a partnership. The vaccine, which can be booked on the Welion portal, not only protects employees’ health, but also that of relatives or family members in a frail condition.



Ensuring that the company's processes do not cause significant negative impacts on its workforce is the result of a system of internal procedures and processes that are derived from extensive interpersonal experience on the part of Lutech management, as well as an always open dialogue with its employees. For example, with regard to employee data management practices, 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. In addition, compliance with all regulations and a vocation for always wanting to maintain a high reputation for its brand mean that attention to its workforce is at the heart of the company's growth and development strategies.

The resources that enable users to understand how relevant impacts are managed are those related to internal communication processes, coordinated by Human Resources management in the various areas (HR People Engagement, HR Administration, HR Talent Development and Talent Acquisition) and by Workforce Management, which manages the contracting of non-Lutech resources. They are joined in some cases by Marketing & Communication resources.



3. METRICS AND TARGETS

3.1 Disclosure Requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Datapoint no. 44-45-46-47

Lutech has defined precise targets related to the management of impacts, risks and opportunities reflected on its own workforce. They relate to the reporting requirements already defined in ESRS 2 MDR-T (monitoring the effectiveness of policies and actions through targets).

Social and human rights issues	Targets set for 2023-2024
Reducing negative impacts on company workforce	
Secure employment	Monitor the % of fixed-term employees → 100% of employees
Working hours	Monitoring of overtime in compliance with CCNLs → compliance with the rules laid down in the applicable workers' contract
Health and Safety	Extension of ISO 45001 certification boundary to all Lutech locations (following the merger of Lutech Advanced Solutions)
Measures against violence and harassment in the workplace	Extension to SA8000, in 2024, of the Whistleblowing platform already implemented in 2023
Child labour	Keep recruitment under 18 years of age at zero
Forced labour	Maintain zero complaints or allegations of forced labour
Enhancing positive impacts on company workforce	
Freedom of association, collective bargaining	Maintaining the freedom of association already guaranteed at Lutech
Adequate wages	Measure and monitor the deviation of the minimum wage from the basic wage indicated by the CCNLs → compliance with the conditions of the applicable CCNL
Work-life balance	Maintaining the remote work agreement
Gender equality and equal pay for equal work	In the second half of 2024 update the analysis for the UNI PDR 125 certification process after the merger with Lutech Advanced Solutions
Employment and inclusion of people with disabilities	Measure and monitor the integration and inclusion of people with disabilities, according to the law
Diversity (multiculturalism)	Monitoring of the percentage of employees with non-Italian citizenship
Management of risks and opportunities relevant to own workforce	
Social dialogue/existence of works councils/rights of information, consultation and participation of workers	Early 2024: establishment of the Social Performance Team for planned SA8000 certification in the first half of 2024
Training and skills development	In the first half of 2024: development of a dedicated talent development plan on the basis of an individual and structured performance management process on a six-monthly basis





The target-setting process is carried out through analysis of the Management Systems already in place and those that may need to be implemented, with the involvement of the relevant corporate functions that have the opportunity to contribute to the definition of the metrics/timelines and, where necessary, their own workforce, so as to identify the most important instances. The company workforce has no opportunity to contribute to the definition of metrics or timelines.

Monitoring of the company's performance against targets will take place for 2023 on an annual basis, and for 2024 on a half-yearly basis. Monitoring does not and will not involve employees.

Learning from reports is achieved through analysis of the KPIs produced and identification of possible improvement and corrective actions.

3.2 Disclosure Requirement S1-6 – Characteristics of the undertaking's employees Datapoint no. 48-49-50-51-52

The Lutech workforce was distributed as follows in 2023:



Country/place	Number of employees (in number of persons) 2023
Cinisello Balsamo (MI) - HQ	695
Bari	5
Bergamo	74
Bologna	16
Brescia	8
Cagliari	26
Capannoli (PI)	14
Caraffa di Catanzaro (CZ)	3
Castel Maggiore (BO)	3
Faenza (RA)	45
Florence	14
Genoa	3
Grassobbio (BG)	88
Naples	17
Nola (NA)	5
Ornago (MB)	10
Padua	23
Reggio Calabria	6
Rome	209
Sorbolo (PR)	3
Turin	24
Tremestieri Etneo (CT)	16
Trieste	13
Valenzano (BA)	85
Vimercate (MB)	17
TOTAL	1422



With regard to the breakdown of employees by type of contract, broken down by gender (in numbers), the following table shows the 2023 figures:

2023					
	WOMEN	MEN	OTHER	NOT REPORTED	TOTAL
Number of employees	310	1,112	N/A	N/A	1422
Number of permanent employees	309	1,108	N/A	N/A	1417
Number of fixed-term employees	1	4	N/A	N/A	5
Number of employees with variable hours	0	0	0	0	0
Number of full-time employees	261	1,103	N/A	N/A	1364
Number of part-time employees	49	9	N/A	N/A	58

With regard to the breakdown of employees by type of contract, broken down by region (in numbers), the following table shows the 2023 figures:

2023													
	CALABRIA	CAMPANIA	EMILIA ROMAGNA	FRIULI VENEZIA GIULIA	LAZIO	LIGURIA	LOMBARDY	PIEDMONT	PUGLIA	SARDINIA	SICILY	TUSCANY	VENETO
Number of employees	9	22	67	13	209	3	892	24	90	26	16	28	23
Number of permanent employees	9	25	66	13	208	3	889	24	90	26	16	28	23
Number of fixed-term employees	0	0	1	0	1	0	3	0	0	0	0	0	0
Number of employees with variable hours	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of full-time employees	9	25	62	13	200	3	854	23	88	26	16	28	20
Number of part-time employees	0	0	5	0	9	0	38	1	2	0	0	0	3



An important element that Lutech takes into account is the turnover rate, which is useful for understanding possible problems related to the employment contract, such as lack of prospects or low pay. In 2023, 146 employees left Lutech, with a turnover rate of 10.20%. Lutech's negative staff turnover rate = (staff leaving the company in a given period ÷ staff at the beginning of the period) × 100, was 10.2%. Lutech's positive staff turnover rate = (staff who joined the company in a given period ÷ staff at the beginning of the period) × 100 was 9.15%.

3.3 Disclosure Requirement S1-7 – Characteristics of non-employees in the undertaking's own workforce

Datapoint no. 53-54-55-56-57

In 2023, Lutech employed 291 self-employed persons (calculated in number of full-time equivalents - FTE, as an average for the reporting period) who were not employees, divided into the following types:

- 288 workers employed in delivery
- 0 self-employed workers in Research and Development
- 0 sales agents
- 0 distributors
- 0 warehouse workers



- 3 workers engaged in personnel search, selection and supply activities. They manage Search and Selection activities in RPO Recruitment Process Outsourcing, a process through which some Search and Selection activities (or some phases of the recruiting process) are outsourced and managed according to the company's standards and needs

3.4 Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue
Datapoint no. 58-59-60-61-62-63

In 2023, Lutech had 100% of its employees covered by a national collective agreement. There are no other collective agreements within the European Economic Area. With regard to non-employees, their working conditions are influenced by collective labour agreements, which are applied according to their category (commerce or metalworking). The overall percentage of employees covered by employee representatives was 100% in 2023. For trade union representatives the coverage in 2023 was 65%. Employee safety representatives cover 100% of the Lutech workforce.

There are no agreements with employees for representation by a European works council (EWC), agreements with European Society (SE) or European Cooperative Society (SCE) works councils.

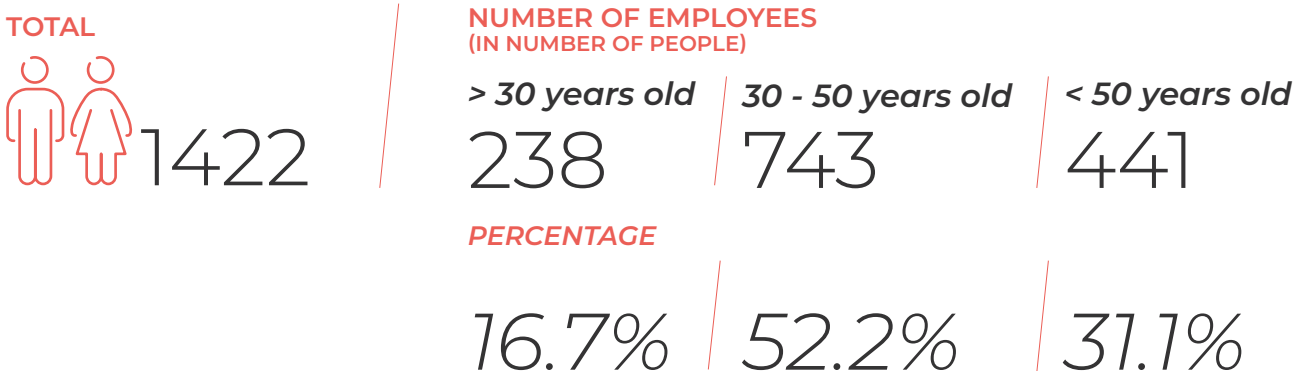
3.5 Disclosure Requirement S1-9 – Diversity metrics
Datapoint no. 64-65-66

Lutech discloses the situation in terms of gender diversity at management and executive level (meaning the first two levels under the ADC body):

Gender of executives and middle managers 2023	Number of employee executives and middle managers (in number of people)	Percentage
MEN	227	20.4%
WOMEN	41	13.2%
OTHER	N/A	N/A
NOT REPORTED	N/A	N/A
TOTAL	268	18.8%

On the distribution of employees by age group:

AGE GROUP (2023)



3.6 Disclosure Requirement S1-10 – Adequate wages

Datapoint no. 67-68-69-71-71

All employees receive an adequate wage in line with the parameters set out in EU Directive 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union (OJ L 275, 25.10.2022, p. 33). In addition, the wages are in line with the thresholds defined in the national trade and metal industry contracts.

3.7 Disclosure Requirement S1-11 – Social protection

Datapoint no. 72-73-74-75-76

Both of the above contracts offer social protection safeguards, such as the redundancy fund in the event of a sudden drop in production and unemployment benefits in the event of dismissal or termination of employment. The collective bargaining agreements provide for statutory social security and pension coverage, which is why Lutech employees are covered by social protection with regard to sickness, unemployment, occupational injury and acquired disability, parental leave, and retirement.

In addition to the protections provided by the CCNLs, there are also other optional additional covers at Lutech, developed by the company for the benefit of employees, such as supplementary health care agreements. In 2023, two solutions were in place at Lutech: one for all white-collar employees with a permanent or apprenticeship contract, and one for employees classified as middle managers.

An online mental health service was also planned in 2023, through a partnership with 'SERENIS', a specialised online medical centre. The service is dedicated to the entire workforce and provides 5 online psychotherapy sessions free of charge for people who wish to make use of it. The service will be launched in January 2024.

There are no Lutech non-employee workforce programmes.

3.8 Disclosure Requirement S1-12 – Persons with disabilities

Datapoint no. 77-78-79-80

Social responsibility, by which the company takes care not only of the environment but also of its human resources, guarantees fair labour inclusion processes also for people with disabilities, who are included in the workforce on an equal footing with able-bodied people, dealing with tasks in which disability is not a limitation and does not compromise the achievement of fair performance. People with disabilities are offered accompaniment, support and assistance, especially in the start-up months.

Lutech, as required by Law No. 68/99, has complied with the obligation to hire persons belonging to protected categories for companies with more than 15 employees.

In 2023, the percentage of people with disabilities among Lutech employees was 3.6%, i.e. a total of 49 people, divided into 30 men and 19 women.

3.9 Disclosure Requirement S1-13 – Training and skills development metrics

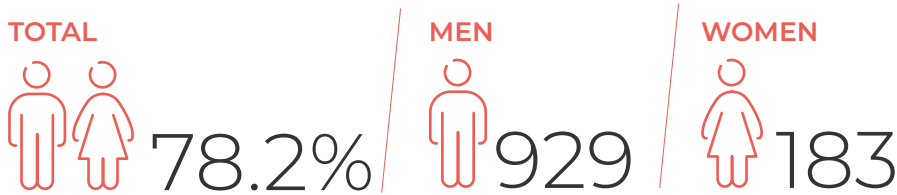




Datapoint no. 81-82-83-84-85

Lutech offers its human resources training opportunities, not only to fulfil regulatory obligations, but also to invest in strengthening the company's internal and external human capital in the area.

Percentage of employees who participated in periodic performance and career development reviews in 2023:



Paths broken down by classification:



At present, the company is not able to track the average number of training hours per employee.

The average number of non-compulsory training hours per employee in 2023 was 20.5 hours. The same figure broken down by gender in 2023 was 22h for men and 15h for women.

3.10 Disclosure Requirement S1-14 – Health and safety metrics

Datapoint no. 86-87-88-89-90

The Occupational Health and Safety Management System, which covers 100% of the company's employed and non-employed workforce, was implemented on a specific basis to ensure comprehensive coverage. During the induction phase, each employee is involved in the process of becoming familiar with occupational health and safety procedures through regular training sessions, information materials and the provision of PPE (Personal Protective Equipment) where necessary.

Ongoing training is provided to ensure that all employees are aware of the security procedures and protocols to follow.

At Lutech in 2023, there were no deaths related to injuries and illnesses contracted in the workplace. This also applies to other workers working at the company's sites (workers in the value chain).

The total number of accidents in 2023 was 7, of which: 4 commuting accidents and 3 ergonomic accidents. With regard to INAIL indices, the relative frequency was 2.79, while the accident severity was 0.09.

With regard to employees, the number of cases concerning work-related illnesses was 0 in 2023. For the same category, in 2023 the number of days lost due to work-related injuries, work-related illnesses and deaths due to illnesses was 0 days.



3.11 Disclosure Requirement S1-15 – Work-life balance

Datapoint no. 91-92-93-94

Lutech has always overseen the issue of home-work balance by guaranteeing the leave provided for by the CCNLs (maternity, paternity, parental and caregiver leave), as required by law.

All company employees are entitled to family leave under social policy and/or collective agreements.

In 2023, 59 employees (37 men and 22 women) took parental leave (maternity and paternity), corresponding to 4% of the entire workforce (1422 employees).

3.12 Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)

Datapoint no. 95-96-97-98-99

At Lutech, classification is linked to the job held and the only cases of lower pay are due, for example, to people receiving lower pay because they work shorter hours (part-time). Even in these cases, remuneration is linked to the applicable CCNL contract.

The gender pay gap in 2023 was 8.4%, calculated as follows: *average gross hourly earnings of male employees - average gross hourly earnings of female employees / average gross hourly earnings of male employees, multiplied by 100.*

The annual total remuneration rate in 2023 was 23% calculated as follows: *percentage generated by the ratio of the median remuneration of Lutech employees to the median of top management.*

3.13 Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts

Datapoint no. 100-101-102-103-104

During 2023, there were no cases of discrimination, including harassment, or complaints about it.

There were also no serious labour-related human rights incidents.





**WORKERS IN THE
VALUE CHAIN**

ESRS S2 WORKERS IN THE VALUE CHAIN

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION

Datapoint no. 1-8

This section will detail the disclosure requirements that enable an understanding of how Lutech's actions and choices impact workers in the value chain, considering both the impacts related to Lutech's own operations and those related to the company's value chain. Dynamics related to working conditions, equal treatment and opportunities for all, and other work-related rights will be considered.

This indicator ESRS S2 – Workers in the value chain, should be read in conjunction with ESRS 1 General requirements and ESRS 2 – General information, as well as ESRS S1 – Climate change and ESRS 4 – Consumers and end-users.

1. STRATEGY

1.1 Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Datapoint no. 9

The interests, views, and rights of workers in the Lutech value chain could be significantly impacted by the company in a context in which negotiating imbalances, the result of dominant positions on the part of the company, would lead to cost-cutting, the imposition of special, uncoordinated practices, and the consequent violation of workers' rights in the value chain. Also at the level of human rights, possible impacts could occur as a result of supplier selection processes that only prioritise low price, to the detriment of other variables that determine the market value of goods and services, also reflecting human rights compliance costs. Such a scenario, however, is at odds with the way Lutech intends to operate and does business, since the company makes its relational reputation one of its main distinguishing features, along with the quality of its products and service.

Lutech's supplier ecosystem consists of large and small companies with whom the company has established a fair and transparent relationship. Consequently, there are no direct or indirect suppliers at risk of human rights violations, as detailed below.

The interests and opinions of its workers in the supply chain are taken into account by the company through annual processes of updating and verifying contracts, including conditions related to aspects other than mere supply (e.g. flexibility in timing, problem solving, clarity, ability to go the 'last mile', etc.). This formal procedure, which leaves room for a direct and open discussion, is then reinforced by any changes in the vendor rating as a result of suggestions or needs solicited by suppliers. Finally, any supplier or distributor or manufacturer upstream or downstream of Lutech's business can communicate with the company thanks to institutional references on the site, and to the availability of figures who are responsible for maintaining and handling external relations. The Procurement Manager is also active in monitoring the status of suppliers through surveys, face-to-face interviews, and physical meetings during trade fairs and industry meetings. Finally, any needs are communicated to the company through the supplier qualification portal, which includes a space to collect requests and data from workers in the value chain.





1.2 Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s) Datapoint no. 10-13

The following table illustrates whether and how actual and potential impacts on the workforce in the value chain derive from, or are linked to, a strategy and business model.

	ACTUAL IMPACTS ON WORKERS IN THE VALUE CHAIN	POTENTIAL IMPACTS ON WORKERS IN THE VALUE CHAIN
Impacts arising from the company's strategy or business model	Demand for skilled labour in development based on new technologies	Choice of highly specialised suppliers at the expense of other established but less well-performing suppliers
	ESG performance scrutiny with respect to the company's supply chain	Supplier instability with inadequate ESG performance
	Reduced communication and co-planning with suppliers	Low quality of collaboration and lack of timely data/information
Impacts guiding the company's strategy and business model	Loss of image in the markets with a consequent decrease in business value can jeopardise business with its suppliers, undermining business continuity	Increased competition leads to the need for changes in contractual conditions with suppliers
		Unstable budgets Poor continuity of relations between suppliers and Lutech



The table below shows the risks and opportunities arising from the impacts and dependencies in terms of workers in the value chain on the one hand, and Strategy and Business Model on the other:

	RISKS	OPPORTUNITIES
R&O arising from impacts and dependencies in relation to workers in the value chain	Involvement in events related to the supplier's loss of reputation	Support and growth of SME suppliers towards sustainability and compliance issues adapted to new market expectations
	Increased costs due to rising energy costs	
	Excessive stress imposed on suppliers by Lutech due to market dynamics or end customers	
R&O resulting from impacts and dependencies in terms of strategy and business model	Value principles applied at Lutech	Development of innovative partnerships
	Instability of contracts for suppliers that are not economically sound (either in size or seniority)	Continuous improvement of value chain monitoring processes with updated qualification of the most at-risk suppliers
	Poor communication and impersonality in relations	



The workers in the value chain on whom the company has a material impact are those involved in business relations with the company, i.e. those who have a service contract with Lutech.

To briefly describe the typical workers impacted by Lutech's operations, these include 24-hour Service Desk operators, customer service technicians (software and hardware), surveillance system installers, cleaners or various facility services and warehouse workers.

In particular:

- those **operating at the company's premises** but not employed by the company include: employees of companies operating in connection with site maintenance
- **upstream workers include HW material distributors**
- **downstream workers include employees working in the area of technical and professional consultancy**
- there are no employees carrying out operations in joint ventures or special purpose vehicles in which Lutech is involved
- workers who (within the previous categories) are particularly vulnerable to the negative impacts produced by Lutech, either because of their intrinsic characteristics (specific disabilities), or because of the context in which they work (trade unionists, home workers, women, under 30s, migrants), are managed according to the regulations in force by the suppliers

There are no geographical areas within the Lutech value chain – or particular commodities – for which there is a significant risk of child labour or forced labour.

The **significant negative impacts** on workers in the value chain are:

- exposure to high levels of stress in the event of changes in contractual conditions imposed by Lutech's client
- loss of trust and damage to business continuity due to lack of contractual clarity
- intangibility and impersonality of relationships that generates little mutual knowledge and trust

Of these, the most generalised or systemic (i.e. structural) in the context in which Lutech operates is the intangibility and impersonality of relationships, which generates little mutual knowledge and trust.

In contrast, the impact related to a single incident is the loss of trust and damage to business continuity due to a lack of contractual clarity. With regard to possible negative impacts as a result of the green transition, it is worth noting those that could affect small suppliers, which are unable to update their products or services to the new green technologies and circular production models, with obvious cases of non-compliance with European and national regulations related to the European Green New Deal.

The **relevant positive impacts** on workers in the value chain are:

- alignment to the high delivery quality standards demanded by Lutech
- the company's continuity and willingness to grow with the supplier
- high accessibility of exchange and listening channels for involving workers in the value chain

Commercially relevant risks arising from impacts on workers in the value chain and their dependencies are as follows:

- risk of non-compliance with payment terms or the imposition of unfair terms
- risk of Lutech's involvement in events detrimental to its corporate reputation
- failure to transmit the value principles applied at Lutech along its value chain
- risk related to contract instability for suppliers that are not economically sound (either in terms of size or seniority)
- reputational risk linked to Lutech suppliers not complying with applied national laws





Commercially relevant opportunities include:

- possibility of developing innovative partnerships for the launch of new projects
- growth in the focus of small- and medium-sized suppliers on sustainability and compliance issues, in line with new market expectations and the strengthening of business and mutual learning relationships

The identification of workers most impacted by risks and opportunities places particular emphasis on providers of technical advice, who may be exposed to increased risk of stress caused by increasing competition in that sector. The latter, like other types of workers, are identified by Lutech through a qualification process that details the scope of their supply activities. In fact, in addition to an initial subdivision into categories dictated by the legal nature of the supplier (companies, VAT number, associations/universities/charities), the qualification tool also contains several categories identifying the activities carried out at Lutech or on behalf of Lutech.

The categories present are listed below:

ACTIVITY CATEGORY	DESCRIPTION
IT materials and services	HW and SW IT distributors, telematics connections, companies for the supply of software subscriptions and HW and SW fees, companies for software development
Technical consultancy	People hired from the Workforce Management area with technical and management skills, working on orders
Technical performance	On-site installers
Training	Companies providing specific technical corporate training
Cloud & IT data centre services	Cloud and data centre service providers
Facility materials and services	Companies involved in facility maintenance, rentals, utilities, reception service, cleaning, security, travel agency, stationery, car rental
HSE materials and services	Medical examination companies, PPE suppliers
Professional consulting	Consultancy services between Lutech and the PA, e.g. professionals and firms of lawyers, notaries, labour consultants, etc.
Management Consulting	Professionals or service companies that support and define corporate strategy, e.g. general consultancy companies, payroll offices, certification consultants, DPOs, etc.
Business consultancy	Professionals such as agents and brokers, other business development consultants, etc.



Among the relevant risks and opportunities resulting from impacts and dependencies in relation to workers in the Lutech value chain, those that affect specific groups of workers or, conversely, all workers in the value chain are:

	RELEVANT RISKS RESULTING FROM IMPACTS	OPPORTUNITIES RESULTING FROM DEPENDENCIES
R&O affecting specific groups of workers in the work chain	Contract instability for suppliers that are not economically sound (either in size or seniority)	Growth of SME suppliers towards sustainability and compliance issues adapted to new market expectations Strengthening of business relations and mutual learning
R&O affecting all workers in the value chain	Non-compliance with payment terms or imposition of unfair terms Involvement in events related to the loss of corporate reputation Failure to transmit the value principles applied at Lutech along its value chain Reputational risk for non-compliant suppliers	Possibility of developing innovative partnerships for the launch of new projects



2. IMPACT AND RISK MANAGEMENT AND OPPORTUNITIES

2.1 Disclosure Requirement S2-1 – Policies related to value chain workers Datapoint no. 14 - 19

Lutech's value chain policies cover workers on whom the company has significant impacts or who could be significantly impacted by the company.

Part of the quality concept is also the certainty that the process behind the realisation of what the company buys is up to standard with regard to respect for human rights, including labour and workers' rights (i), the involvement of workers in the value chain (ii), the presence of any measures to remedy human rights impacts (iii).

This translates into a "SustainableSustainable and Responsible Procurement Policy (POL-940)" and a set of provisions aimed at protecting working hours, prohibiting human trafficking, forced labour and child labour, in line with internationally recognised instruments for such workers, including the UN Guiding Principles on Business and Human Rights. No cases of non-compliance with these principles were reported in 2023, nor with those of the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

It should be noted, however, that Lutech's suppliers are 100% European and 85% Italian, and therefore subject to the human rights regulations typical of these regulatory/legal areas. Nevertheless, in order to better control the processes underpinning its manufacturing in supply, in 2023 the company implemented a supplier vetting process that obliges suppliers to certify the absence of any human rights violations within their manufacturing processes.

Furthermore, Lutech chose a customised tool to ensure, in the pre-qualification, qualification and evaluation phases of all suppliers, the absence of any human rights violations. 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. Suppliers are assessed both through automatic evaluation, based on their certifications, and through questionnaires assessed directly by the Procurement function, with the support of the Ethical-Risk and CSR areas.

In addition, Lutech has a Code of Ethics that all suppliers must accept (in addition to the framework agreement), which specifies the principles to observe with regard to human rights. In 2023, there was no evidence of violations or possible risks.

The relevant articles for workers in the value chain are as follows:

- ART.6 HUMAN RIGHTS
- ART.7 CORRECTNESS, which sets out the concepts of:
 - CORRECTNESS IN EXTERNAL CONTRACTUAL RELATIONSHIPS in terms of not exploiting one's counterparts' ignorance or incapacity, exploiting positions of weakness or dependence.
 - CORRECTNESS IN INDUSTRIAL RELATIONS in which the values of competition are made explicit according to principles of fairness, fair competition and transparency towards all operators.
- ART.8 DISCRIMINATION regarding the need to avoid all forms of discrimination
- ART.23 CORRECT NEGOTIATING IN RELATIONS WITH SUPPLIERS in which Lutech declares that it sets up contracts with its Suppliers in a correct, complete and transparent manner, trying to foresee the circumstances that could significantly affect the established relationship and undertakes in the event of unforeseen events not to exploit situations of dependence or weakness of the counterparty.

The company does not explicitly specify the issue of human trafficking, while the issue of child labour or forced labour is implicit in Article 7; these two aspects will be made more explicit in the Code of Ethics during 2024. Similarly, Lutech does not have a Supplier Code of Conduct but plans to draft one in the course of 2024.

No reports of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises were received.

2.2 Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts

Datapoint no. 20 - 24

The process of employee involvement in the value chain is important to Lutech, which has always had an open dialogue with its partners and suppliers. However, it must be remembered that they are not company employees, so the level of involvement is always mediated by the will of their company ownership/management.

In this respect, Lutech has channels of exchange and discussion that go beyond the mere business relationship: on the basis of these channels, the company managed to involve the most important suppliers in the development and updating of the 2023 materiality matrix, in order to listen to their impressions regarding relevant impacts. This process will become part of the Due Diligence that the company will implement towards this particular stakeholder group (also including the employees' trusted delegates in the value chain) from 2024 onwards.

The stages of involvement take place at three particular points in time and involve all possible forms of rep-



resentation, mediated by their ownership/corporate management/representatives and contact persons:

- during the course of the commercial or research collaboration, in which the company actively engages in dialogue with workers in the value chain to focus on any relevant impacts due to, for example, delivery schedules (sometimes too tight and at risk of worker exploitation), payment schedules (an aspect that will be reflected in indicator G1) and the presence of any subcontractors, quality of products and processes required (investigating the environmental and social impacts of a specific supply and/or material, rather than another). These interactions, mainly collected at the qualification stage and updated annually, are part of the collaboration development process and allow the company to better frame the working conditions of workers in the value chain. The type of involvement, therefore, is both official, i.e. through e-mails and formal meetings in the company, and the result of personal respect between workers and buyers, allowing Lutech to grasp additional subtleties regarding working conditions
- during the supplier qualification process, when workers in the value chain are asked to fill in a questionnaire containing questions related to respect for human rights and the environmental and social impacts of their production processes
- during the stakeholder engagement processes underpinning the development of the dual materiality matrix, in which a selection of suppliers representative of Lutech's total suppliers (including disadvantaged or weaker categories, to whom it is more difficult to provide a voice) is involved in the identification of relevant issues that will then determine the impacts, risks and opportunities related to the company's activities and business model

These processes are the responsibility of the Procurement department, with regard to the day-to-day management of collaboration with workers in the value chain, while they belong to the CSR area with regard to the ESG impact assessment process and the development of the materiality matrix. Over the next two years, the latter will develop a comprehensive review of the findings of the three involvement channels. The effectiveness of these processes is evaluated in terms of the duration of collaboration with the supplier (i) and the absence of incidents of human rights violations among workers in the value chain (ii).

During 2023, the company did not sign global framework agreements in relation to the respect of human rights of workers in the value chain.

Lutech has not developed any special measures to better understand the views of particularly vulnerable workers within its supplier base.

2.3 Disclosure Requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Datapoint no. 25 – 29

Any issues impacting workers in the value chain are collected through a mutual exchange and discussion system, managed entirely by Lutech, where the supplier (and/or its representatives or delegates) can always write to their company contact person indicating any needs related to negative ESG impacts.

In a more structured manner, there is a complaint mechanism open to suppliers at Lutech and an e-mail address of a contact person in charge of maintaining relations with suppliers. In addition, the company annually involves the workers in the value chain in the identification of relevant issues necessary for the drafting of the Sustainability Report. At this time it is possible for any employee or trusted representative (including the trade union, if the employee is a member) to raise doubts or concerns, as well as to explain the needs they would like Lutech to handle.

The company informs its main suppliers of the above both during meetings for business purposes (in person or remotely) – with an invitation to all employees taking part in the discussion – and by referring to them in the appendix notes to the contracts. Moreover, these mechanisms are also referred to in the company's Code of Ethics (shared with the workers in the value chain and available on Lutech's institutional website) and in the





previous editions of the Sustainability Reports publicly available on the institutional website.

In order to remedy any significant negative impacts, Lutech acknowledges the employee's report. Subsequently, it involves the contact person of the process in question and internally assesses the degree of severity of the impact generated, its extent and irretrievability. Where this impact is judged to be significant, the company immediately proceeds to remedy it with technical solutions, in-depth courses and training so that it does not happen again in the future. It is also possible for the company to take action to compensate for the damage, in accordance with the law.

The effectiveness of the entire process described above is monitored on an annual basis, involving the CSR area and the Procurement department contact person.

Lutech is dedicated to informing its suppliers and workers in the value chain about the presence of such processes. As already mentioned, however, the company cannot ensure that all workers, at all levels of the value chain, take part, as they are not directly employed by the company. Nevertheless, the company is committed to promoting the above.

The company does not have policies in place for the protection of persons who make use of such reporting or complaint mechanisms, other than those provided for the whistleblowing mechanism.



2.4 Disclosure Requirement S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Datapoint no. 30 - 38

With regard to the actions through which Lutech addresses significant impacts on workers in the value chain, the following table presents specific initiatives in this regard:

	COMPLETED / ONGOING ACTIVITIES	PLANNED
Actions to prevent or mitigate significant negative impacts	Completed in 2023: the identification of the categories (related to both legal nature and activity) of the different actors in the value chain, allowing better traceability of the different interactions and consequent improvement of the future Due Diligence process	During 2024-2025: extension of the Due Diligence process to the value creation chain
	Completed in 2023: the definition of a survey when qualifying social requirements applied by the supply chain	During 2024-2025: drafting of a report that can measure social metrics
	Completed in 2023: the definition of a survey when qualifying environmental requirements applied by the supply chain	During 2024-2025: drafting of a report that can measure environmental metrics
Remedies against actual relevant impacts	Sharing of the POL-940 Sustainable and Responsible Procurement Policy	Dissemination of the Social Responsibility Policy to all suppliers in 2024
		During 2024-2025: selection and involvement of suppliers defined as strategic within a process that can define a structured ESG rating
Actions promoting positive impacts for workers in the value chain		During 2024-2025: review of contracts and sharing of delivery schedules
		In 2024-2025: the establishment of a team to deal with the supplier in a dedicated manner, increasing opportunities for exchange and discussion of any negative or positive impacts
		In 2024: identification of more frequent opportunities and channels for exchange and discussion also as part of the supplier qualification and monitoring tool





	COMPLETED / ONGOING ACTIVITIES	PLANNED
Monitoring actions in place	Ongoing: monitoring activities on issues covered by: <ul style="list-style-type: none"> - Data Privacy - Security Officer - Ethical Risk 	

The processes of identifying necessary and suitable responses in correspondence with a particular negative impact (e.g. in the context of excessive stress in delivery time management) are the result of:

- an acknowledgement of the claim by the worker(s) in the value chain
- an internal assessment based on the importance of the negative impact (according to its severity, extent, irreparability)
- activation of an immediate corrective response. The latter is selected from among several analysed alternatives, prioritising cost-effectiveness and practicability in the short term. Ultimately, termination of the business relationship with the supplier is also considered



Once the corrective intervention has been carried out, the supplier is involved in a phase of verifying the effectiveness of the intervention, aimed at the final approval of the new relationship conditions. With regard to capacity building and/or forms of involvement among workers in the value chain, please refer to the previous section.



Finally, Lutech ensures that processes to remedy negative impacts are available by making them structural both in their procedural nature and in the presence of any budget allocated for remedial action.



In terms of actions in place to mitigate relevant risks, Lutech focuses on:

- maintain a high level of attention and effectiveness of the systems already implemented through the ISO 37001 Management System, the Code of Ethics and Organisational Model pursuant to Legislative Decree 231/01, the Supervisory Board
- monitor compliance with contractually agreed payment terms, in compliance with applicable laws;
- enter into structured, non-binding back-to-back agreements with suppliers
- flexibly manage the collaboration and the relationship, seeking to build a relationship of trust that makes it possible to overcome the asymmetries typical of the relationship between buyer and supplier
- deepen knowledge of own suppliers by assessing their profiles in order to select those that are most responsible and attentive to human rights and ESG impacts



More specifically, in the supplier profiling process there are questions that allow the company to understand whether the supplier is exposed to negative impacts and how the business relationship could improve as a result of their mitigation. A score is associated with each question, which helps to clarify the potential intervention scenario for Lutech. The process is also broken down by legal type of supplier, distinguishing between companies, VAT numbers and associations. For each of these profiles, the following three questionnaires must be completed:

- general-ESG questionnaire
- Data Privacy questionnaire
- Information Security questionnaire



The questionnaires are diversified not only on the basis of the number of questions but also by the different legal types of the respondent. As an example, below are the questions from the General – ESG Questionnaire applied to the legal category “Private Profit Company” and then to the legal category “Sole Proprietorship/VAT”:

Legal nature: Private Profit company










Lutech ESG	Question area	Question	Lutech Specifications/Notes	Mandatory attachment
GOVERNANCE	Management systems	Is your company certified according to the ISO 9001 Quality Management System standard?	If yes, please upload the valid certificate	YES
GOVERNANCE	Management systems	Is your company certified according to the ISO 20000-1 Management System for Services standard?	If yes, please upload the valid certificate	YES
GOVERNANCE	Management systems	Is your company certified according to the ISO 27001 Information Security Management System standard?	If yes, please upload the valid certificate	YES
GOVERNANCE	Management systems	Is your company certified according to the ISO 37001 Corruption Prevention Management System standard?	If yes, please upload the valid certificate	YES
GOVERNANCE	Management systems	Is your company certified according to the ISO 45001 Occupational Health and Safety Management System standard?	If yes, please upload the valid certificate	YES
GOVERNANCE	Management systems	Is your company certified according to the ISO 14001 Environmental Management System standard?	If yes, please upload the valid certificate	YES
GOVERNANCE	Management systems	Is your company certified according to the ISO 14064-1 Greenhouse Gas Emission Calculation standard and/or according to Carbon Footprint protocols?	If yes, please upload the valid certificate	YES
GOVERNANCE	Management systems	Is your company certified according to the SA8000 international social responsibility scheme?	If yes, please upload the valid certificate	YES
GOVERNANCE	Anti-Corruption	If your company IS NOT certified according to ISO 37001, has it adopted a Corruption Prevention Policy and/or implemented corruption prevention controls?	If yes, please upload the document Corruption Prevention Policy and/or specify the controls implemented	YES
GOVERNANCE	Anti-Corruption	Can you confirm that the shareholders and/or the Legal Representative of your company have NOT been convicted of any offence of bribery and corruption and have not received any final convictions or plea bargains pursuant to Article 444 of the Code of Criminal Procedure? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.		
GOVERNANCE	Anti-Corruption	Can you confirm that your company is NOT in a position of even potential conflict of interest with Lutech?	'Conflicts of interest' are defined in MOD-506 Business Partner Conflict of Interest. The form is available in the 'Documents' area to be downloaded and returned duly completed and signed	





Lutech ESG	Question area	Question	Lutech Specifications/Notes	Mandatory attachment
GOVERNANCE	Anti-Corruption	Can you confirm that your company has NOT been subject to international sanctions or has NOT carried out transactions with persons on the sanctions list? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.		
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231	Has your company adopted an Organisational Model pursuant to Legislative Decree 231/2001 which includes a Code of Ethics?	If yes, please upload the Code of Ethics	YES
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231 - Anti-Corruption	Has your company adopted a function or organisational structure, including through outsourcing, to monitor compliance of company activities with the regulatory provisions applicable to the company, or an Organisational Model pursuant to Legislative Decree No. 231/2001?		
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231 - Anti-Corruption	Can you confirm that an order has NOT been issued against your company for the application of precautionary disqualification measures for offences under Legislative Decree no. 231/2001? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you		
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231 - Anti-Corruption	Can you confirm that your company has NOT been convicted of any offence under Legislative Decree no. 231/2001 and has not received any final convictions or plea bargains pursuant to Article 444 of the Criminal Procedure Code? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.		
GOVERNANCE	Sustainability	Has your company defined specific employee training policies on sustainability issues?		
GOVERNANCE	Sustainability	Does your company publish its Sustainability Report on an annual basis?		
SOCIAL	Health and safety in the workplace	Has your company produced the Health and Safety Risk Assessment Document (DVR)?	If yes, please upload the DVR	YES
SOCIAL	Health and safety in the workplace	Has a person in charge of the prevention and protection service for safety been appointed within your company?		
SOCIAL	Health and safety in the workplace	Have workers' safety representatives been appointed within your company and have they received appropriate documented training?		



Lutech ESG	Question area	Question	Lutech Specifications/Notes	Mandatory attachment
SOCIAL	Health and safety in the workplace	Have training and information courses on occupational health and safety been carried out in your company?		
SOCIAL	SOCIAL	Does your company have policies and/or rules for the management of human rights and the management of related risks?		
SOCIAL	SOCIAL	Does your company have policies and/or rules to manage diversity, inclusion and equal opportunities issues for different categories of employees?		
SOCIAL	SOCIAL	Does your company refrain from any form of forced labour (e.g. withholding staff identity documents, withholding part of staff wages, restricting workers' freedom to leave the workplace at the end of their shift, etc.)?		
SOCIAL	SOCIAL	Does your company have measures in place that promote work-life balance for its employees? (flexible hours, remote working, etc.)		
SOCIAL	SOCIAL	Does your company allow its workers to join trade unions?		
ENVIRONMENT	Environment	Has your company defined a policy and action plans regarding the management and reduction of environmental impacts?		
ENVIRONMENT	Environment	Does your company have training courses on environmental issues?		
ENVIRONMENT	Environment	Does your company have tools and methodologies to measure the amount of waste by type (hazardous and non-hazardous) and destination (recycling, reuse, other operations)?		
ENVIRONMENT	Environment	Does your company have internally applied operational procedures for reducing energy and water consumption?		
ENVIRONMENT	Environment	Does your company have internally applied operational procedures for the reduction of atmospheric emissions caused by fossil fuels?		
				



Legal nature: sole proprietorship/VAT

Lutech ESG	Question area	Question	Lutech Specifications/Notes	Mandatory attachment
GOVERNANCE	Management systems	Is your company certified according to any voluntary certification scheme, e.g. ISO 9001?	If yes, please upload the valid certificate(s)	YES
GOVERNANCE	Anti-Corruption	Do you confirm that during the last two years, you have NOT been convicted of any offence of bribery and corruption and have NOT received any final convictions or plea bargains pursuant to Article 444 of the Code of Criminal Procedure? Please be AWARE that if you answer NO, it means that the critical issues listed in the question apply to you.		
GOVERNANCE	Anti-Corruption	Do you confirm that you are NOT in a position of even potential conflict of interest with Lutech?	"Conflicts of interest" are defined in MOD-506 Business Partner Conflict of Interest. The form is available in the 'Documents' area to be downloaded and returned duly completed and signed	
GOVERNANCE	Anti-Corruption	You confirm that you have not entered into any agreement or transaction with a 'Sanctioned Person' (as defined and identified in the OFAC[1] list available at: https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information , in the OFSI[2] (list available at: https://sanctionssearchapp.ofsi.hmtreasury.gov.uk) and on the EU list available at: https://www.sanctionsmap.eu/#/main) or with an entity 50% or more owned by that "Sanctioned Person" or with the Government of Iran or with an entity owned or controlled by the Government of Iran? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.		
GOVERNANCE	Sustainability	Has your company participated in training courses on sustainability issues?		
SOCIAL	Health and safety in the workplace	Has your company participated in training and information courses on occupational health and safety?		
SOCIAL	SOCIAL	Has your company participated in training courses on diversity, inclusion and equal opportunities issues for the various categories of employees?		



Lutech ESG	Question area	Question	Lutech Specifications/Notes	Mandatory attachment
ENVIRONMENT	Environment	Has your company defined a policy and action plans regarding the management and reduction of environmental impacts?		
ENVIRONMENT	Environment	Does your company have internally applied operational procedures for the correct handling and separation of waste?		

In addition, maintaining an open dialogue and directly involving suppliers through institutional channels and specific figures in the company ensures maximum awareness of production processes. By way of example, each supplier can write within the qualification tool or directly to a dedicated email for any doubts or needs that may arise during their entire period of collaboration with Lutech. The e-mail address is qualifica.fornitori@lutech.it and refers to a team of people from both the Procurement and CSR areas.

In terms of relevant opportunities for the company, in relation to workers in the value chain, in 2023 a need emerged to focus on:

- educating suppliers on sustainable practices and sharing best practices already in place
- implementing monitoring systems to assess the impact of actions on the supply chain and external suppliers' adherence to ethical and sustainable objectives and practices, in line with those of the company
- developing innovative pilot projects with long-standing suppliers to raise awareness of ESG issues
- reviewing contracts and sharing delivery schedules
- setting up a team to deal directly and bi-directionally with the supplier
- increasing opportunities for exchange and discussion such as:
 - October 2023 - Lutech participates together with Spada Media Group, De-LAB and Tesla in Milan Digital Week 2023 - Theme: The importance of digital data in sustainability journeys: strategies and processes for collecting and sharing performance. The goal is to reveal the innovation behind ESG data and its crucial importance in corporate sustainability paths. This event was a unique opportunity for companies to discover how to address the environmental, social and governance challenges of the modern world
 - Themed meetings with some of the vendors with whom Lutech has major technology partnerships (including DELL and CISCO). With them, the company shared lines of thought and strategies on environmental and social sustainability issues and pooled ESG best practices

With regard to procurement, sales and the use of data, Lutech's approach to avoid causing significant negative impacts on its value chain includes a specific procedure (*PSQ-006 Procurement*) and several privacy notices that aim to define the principles and information flows that regulate the relationships between Lutech and its suppliers with respect to the procurement of products and services, establishing the operating procedures of the functions responsible for identifying appropriate procurement requirements, issuing orders, managing non-compliance and handling shared personal data.

No serious human rights problems or incidents related to the upstream and downstream value chain were reported in 2023.

The understanding by the users, i.e. in this case the workers in the value chain, of the information on the management of relevant impacts is entrusted to the procurement and legal departments, which ensure that suppliers are aware of what is indicated in the documentation that is drawn up from in each case, such as in the Framework Agreement, Art. 5 "Supplier Personnel and Collaborators", Art. 6 "Safety at Work", Art. 19 "Organisation, Management and Control Model-Code of Ethics", "Prevention of Corruption".





3. METRICS AND TARGETS

3.1 Disclosure Requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Datapoint no. 39-42

Lutech has defined specific time targets related to enhancing the positive impacts on workers in the value chain. In detail:

Target	Time span
Creation of a code of conduct for all suppliers and partners	First half of 2024
Achievement of SA8000 certification with consequent involvement in the value chain	First half of 2024
Involvement of key partners/suppliers in an ESG assessment process	2024-2025
Review of contracts and sharing of delivery schedules	2024-2025
Establishment of a team to deal with the supplier in a two-way manner	2024-2025
Identification of more frequent opportunities for exchange and discussion	2024-2025



Regarding the reduction of negative impacts on workers and the value chain, the time targets identified are as follows:

Target	Time span
Issue of a second-party audit plan in order to build a new dialogue on the basis of SA8000 requirements	First half of 2024
Maintain a high level of attention and effectiveness of the systems already implemented through the improvement and maintenance of the ISO 37001 certified management system, the Code of Ethics and Organisational Model ex 231, the Supervisory Board and in the setting up of the Social Performance Team (for SA8000 expected in 2024)	2024
Monitor compliance with contractually agreed payment terms, in compliance with applicable laws	2024-2025
Exchange of information and supplier training, encouraging supplier involvement in improvement activities (reducing negative impacts)	2024-2025



Finally, with regard to time objectives on the management of risks and opportunities relevant to workers in the value chain, Lutech identified the following:

Target	Time span
Identify any suppliers with worker-related risks in the value chain. Issue of a second-party audit plan in order to build a new dialogue on the basis of SA8000 requirements.	First half of 2024
Identification of actions to develop for suppliers from ESG analyses	2024-2025

These objectives are the result of an exchange of opinions and views between the company and the main suppliers involved in the process of identifying relevant risks and opportunities, who were asked to participate in the definition of the targets to achieve based on their in-depth knowledge of the feasibility of these objectives and their timeframe for achievement. In 2023, this took place when writing the Sustainability Report for the year 2022 and in the dialogue initiated for the new dual materiality matrix at the end of 2023.

Finally, 25 stakeholders from the supplier/partner category were involved in monitoring the company's performance against the identified objectives.

The lessons for improvement therefore emerged for everyone, for both Lutech and the suppliers involved, when assessing the effectiveness of the measure addressed by the collaboration, as well as its acceptability by all the actors involved and, finally, its cost-benefit ratio.





**CONSUMERS
AND END-USERS**

ESRS S4 - CONSUMERS AND END-USERS

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION

Datapoint no. 1-2-3-4-5-6-7

This section will review information on the company’s approach to identifying and managing impacts, risks, opportunities arising from impacts on consumers and end-users of Lutech products and services, with reference to information given to consumers (i), consumer safety (ii) and social inclusion/non-discrimination of consumers (iii). Topics related to the reputation of products and services and corporate branding will be discussed.

Considering the fact that Lutech operates in a B2B or B2B2C environment, “consumers and end-users” refer to the customers to whom Lutech sells its digital services, although in rare cases these constitute the end-user.

This indicator ESRS S4 - Consumers and end-users should be read in conjunction with ESRS 1 - General requirements and ESRS 2 - General information, as well as with ESRS S1 - Own workforce and ESRS S2 - Workers in the value chain.

1. STRATEGY

1.1 Disclosure Requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

Datapoint no. 8

Lutech has a market strategy aimed at excellence and respect for its customers and end-consumers to whom it caters by providing innovative and high-quality solutions. The business model provides for a series of information and exchange channels open to the public, both online (institutional website <https://lutech.group/it>) and offline (dedicated telephone numbers, telephone/mail addresses of sales staff available to customers and partners, dedicated events). These channels are also complemented by internal processes related to quality and security controls with dedicated figures such as the HSE, Data Privacy, Security Office and Compliance Office functions. Furthermore, all products used by Lutech comply with national and European consumer health and safety regulations and are CE-marked, Energy Star-certified, and TCO-certified.

These aspects guide the strategy and business model since they are the result of a *modus operandi* reinforced by the presence of certifications that include aspects related to consumer protection (e.g. ISO 27001 – ISO 37001 – ISO 20000-1 and ISO 9001). In general, large companies – such as Lutech – guide the market, defining levels of qualitative excellence that measure up to their corporate reputation.

1.2 Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Datapoint no. 9-10-11-12

The following table illustrates whether and how actual and potential impacts on consumers or end-users derive from, or are linked to, the company’s strategy and business model.





	ACTUAL IMPACTS ON CONSUMERS AND END-USERS	POTENTIAL IMPACTS ON CONSUMERS AND END-USERS
Impacts arising from the company's strategy or business model	Increased supply chain, component and energy costs can affect the company's profitability unless the final selling price of the Lutech service is increased	Loss of image in the markets due to inadequate communication channels of feedback from customers and in the case of wrong choices/decisions Limited participation in public tenders, access to credit and financing at no extra cost in the event of investigations, charges and adverse judgements
Impacts guiding the company's strategy and business model	Need for an always active contact for any requests or subsequent customisation by customers using software developed by Lutech. This guides Lutech's strategy of prioritising the customer and their needs, including in the after-market	Failure to adequately address the needs of customers including or related to groups with disabilities can lead to disaffection, contestation and low evaluation of the product and company, with economic impacts on future sales



Risks and opportunities arising from impacts and dependencies in relation to consumers and/or end-users, as well as the business strategy and model, are highlighted in the table below:

	RISKS	OPPORTUNITIES
R&O arising from impacts and dependencies in relation to consumers and end-users	<p>Risk of lack of attention to green HW/SW solutions if not correctly perceived (i.e. only perceived as additional costs) by the customer</p> <p>Risk of proliferation of adherence to ESG programmes to meet customer requirements when qualifying for the supplier list or responding to questionnaires and rating requests</p>	Innovation in communication channels and green marketing
R&O arising from impacts and dependencies in relation to strategy and business model	<p>Risk of inadequate communication/feedback channel if the number of customers does not allow for thorough after-market care</p> <p>Suppliers of HW/SW components and products may be dependent on unsustainable energy sources, resulting in exposure to fluctuations in energy prices</p> <p>Extreme weather events may affect timely production, transport and installation of components/products purchased from HW suppliers and forming part of the offered solutions</p>	Development of new business lines dedicated to particular customer needs/requirements

Consumers or communities affected by possible significant impacts refer to Lutech's customers, whether B2B or B2B2C, who may be affected by the company's operations.

The company's typical customers are large and medium-sized companies, both in the public and private sector, operating mainly in telecommunications, media, energy and utilities, transport, banking, insurance, healthcare, manufacturing and public administration. The objective of the collaboration with Lutech is to innovate and optimise its technological and digital processes, improving the efficiency and security of opera-

tions, typical of complex and highly regulated markets. However, it should be noted that Lutech products or services do not carry the risk of inherent harm associated with their use, so there are no impacted categories by definition. These are in fact possible damages resulting from the mismanagement of the digital product or service which, however, as such, like all civil technologies, is neutral in its application in solving market challenges.

For all consumers whose rights to privacy, personal data protection, non-discrimination and freedom of expression might be negatively impacted, the Personal Data Protection and Management System, adopted in accordance with the EU Regulation 2016/679 – GDPR, is applied.

Consumers who require accurate and accessible information on the use of Lutech products or services are all customers who need to be ensured that the process of managing the delivery of various services and the implementation of new solutions is effective and timely. This is why Lutech has chosen to keep its ISO 20000-1 Service Management System certification up-to-date, as well as the ISO 27001 Information Security Management System (with extension to Guidelines 27017 and 27018).

Finally, due to the nature of Lutech's business, there are no categories of consumers and/or end-users that are particularly vulnerable and to whom the company needs to pay extra attention. If the solution offered by Lutech to the customer were to be used by vulnerable consumer groups, Lutech would address them by paying attention to any specific requirements from the design phase onwards.

As emerged from the previous paragraphs, the **possible significant negative impacts** related to the products/services provided by Lutech are:

- excessively high costs resulting from increased energy costs to power digital processes, which could jeopardise supply stability and harm customers, especially small- and medium-sized customers
- restriction or violation of privacy, if information is collected or mapped without authorisation
- limitation of consumer autonomy in the event of economic and contractual dependencies resulting from the use of non-proprietary software
- limiting or low-quality service, disaffection, contestation, and low service evaluation if Lutech fails to address specific customer needs related to any special needs categories

Of these, the generalised or systemic (i.e., structural) impact in the context in which Lutech operates relates to:

- excessively high costs resulting from increased energy costs to power digital processes, which could jeopardise supply stability and harm customers

Conversely, those related to individual incidents (or specific business relationships) are:

- restriction or violation of privacy if information is collected or mapped without authorisation
- inability to adequately address the needs of customers related to categories with disabilities
- limitation of consumer autonomy in the event of economic and contractual dependencies resulting from the first use of non-proprietary software

Relevant positive impacts are as follows:

- continuous search for new solutions dictated by technological evolution to reduce human involvement in particularly dangerous, repetitive or time-consuming processes, reducing the likelihood of accidents at work
- study and development of new projects related to the needs of partners and customers, such as the new tool that will enable Lutech to provide a tool for better traceability of greenhouse gas emissions



These impacts are reflected in all sectors and geographical areas where these products/solutions are marketed.

At the level of risks and opportunities, those commercially relevant as a result of possible impacts on consumers would be related to possible (but unlikely) events that could be followed by an indictment or adverse ruling, possibly limiting participation in public tenders and access to credit and financing. Those resulting from consumer dependencies are the proliferation of participation in ESG programmes as strategic suppliers and the need for highly developed after-market services to accompany the customer even in the phase of familiarisation with the software/device.

2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

2.1 Disclosure Requirement S4-1 – Policies related to consumers and end-users **Datapoint no. 13-14-15-16-17**

The policies to protect consumers and end-users in order to manage relevant impacts and risks on these stakeholders are as follows:

- Sustainability Policy (POL-900 published in October 2023)
- Whistleblowing Policy - Management of Reports of Unlawful Acts pursuant to Legislative Decree 24/2023 (PSQ-501 published in July 2023): Chapter ESRS G1
- Protection of Personal Data by Design and by Default Policy (PSQ-604 updated in March 2023): Chapter ESRS S4
- Quality Management System Policy (MSQ-POL): Chapter ESRS G1
- Services Management System Policy (MGS-POL)
- Information Security Management System Policy (MSI-POL)

These policies refer to consumers and end-users as a whole and are in line with the UN principles on business and human rights. No violations of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises were found down the corporate value chain.



With regard to the protection of human rights as they pertain to consumers, Lutech refers to its Code of Ethics (MOG-001). These processes include monitoring operations against the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and compliance with the OECD Guidelines for Multinational Enterprises.

In 2023, consumers and end-users were involved through dedicated surveys for the writing of the Sustainability Report for 2022 and for the double materiality in late 2023 in view of the new Sustainability Report. At company level, there are no measures to remedy any human rights impacts on consumers and end-users.



LUTECH AND THE INVOLVEMENT OF ITS CUSTOMERS

In 2023, Lutech customers and end consumers were involved in the following events:

- **LUTECH TALKS:** events every four months, aimed at our C-level customers; each event is dedicated to the in-depth study of a topic of primary importance for the ICT context, combining technology, sustainability, innovation, with the participation of speakers who are experts in the subject
- **EVENTS IN PARTNERSHIP WITH VENDORS:** vendor and customer relationship events with a mainly technological focus
- **COFFEE & LEARN:** thematic, in-depth internal events on Lutech's product line, in which customers testify about case studies conducted with Lutech
- **SALES KICK-OFF MEETINGS:** periodic internal events dedicated to the presentation of sales results and the sharing of best practices and key deals, with the attendance of customers (CIO, CTO, CPO, ...) in the case of particular success stories



2.2 Disclosure Requirement S4-2 – Processes for engaging with consumers and end-users about impacts

Datapoint no. 18-19-20-21-22-23

The company, which has as its core business development and services related to the world of Information Technology and Digital Transformation, has always promoted a culture of safety in the products and services it offers, preventing its customers from damages resulting from accidents during activities or in the private use of the purchased products and services. This is precisely why the company conducts continuous monitoring and an always open dialogue with its customers, including through after-sales service. In addition, various management systems ensure that all business operations are performed according to specific policies and procedures (as described in ESRS 2 - MDR-P).

The views of consumers and end-users on relevant ESG issues are taken into account by Lutech in several ways, and one of the main tools is the annual product and service satisfaction surveys.





Although these surveys do not explicitly focus on the ESG issues of relevance to this Sustainability Report, i.e., privacy, freedom of expression, access to quality information, product health and safety, and product/service discrimination, if critical issues in these areas emerged they would have been detected by the survey, which, in 2023 was the main instrument of exchange between Lutech and its customers. More specifically, the feedback collection procedure is called CSAT, Customer Satisfaction Survey, and is governed by the PSQ-024 procedure.

The Strategic CSAT consists of an in-person interview with a CxO (e.g., CEO, CIO, Head of Procurement, Head of Innovation, etc.) of customers considered strategic in terms of revenue and/or market importance for Lutech. In 2023, the interview comprised a form with 12 questions to about 30 customers.

The results of the CSAT were collected, shared and analysed with the Go To Market department and with the other corporate functions involved for the analysis of the ideas for improvement and/or critical issues that emerged in the feedback from customers.

In addition, the company has several channels for direct dialogue with its sales targets, both B2B and B2B2C, including sales relationships (sales meetings, scheduled video calls), internal and external events and dedicated e-mail addresses linked to an internal company figure responsible for consumer relations (CRM). The views of consumers, thus collected, are then taken into account at the decision-making level through discussions between Sales Managers and the other functions involved, mainly Operations, Finance and Compliance/Quality.

The perspective of consumers and end-users guides corporate choices to the extent that the involvement processes described above provide for the definition of precise stages in which to collect and articulate their input. In particular:

- **phase 1** – Start of commercial collaboration for the definition of contracts and all necessary requirements from our customers. This phase also includes all activities required by the client for its ESG compliance
- **phase 2** – project implementation review meetings (SAL)
- **phase 3** – Satisfaction survey – The survey is an interview, preferably carried out in the presence of a customer's CxO. Most questions are answered by a rating from 1 to 10 (ratings up to 6 are considered inadequate, 7 and 8 are acceptable but can be improved, 9 and 10 are optimal); there are also open questions in which the customer is asked to write freely. The results are merged into a single report, on which the overall rankings are calculated and all answers to the open questions are collected. The document summarising the results is presented to the Sales Department (Go To Market) in order to identify the actions necessary to respond to and resolve the critical issues and/or points for improvement reported by the customer; in this phase, the owners of the actions and the Due Dates are also identified. Actions consist of new activities, processes, propositions and projects that may also involve other corporate functions according to their competence
- **phase 4** - Involvement in the development of the dual materiality matrix when drawing up the sustainability report

These processes take place at the opening of a new project, at the conclusion of a new agreement or, more frequently, in the event of any regulatory updates or sustainability reporting deadlines.

The improvement or critical issue areas reported by customers in 2023 did not include any sustainability issues, regarding which customers evidently recognise a satisfactory oversight and quality of feedback with respect to their needs.

The department involved in ensuring that the processes described above are properly structured is the Go To Market, in consultation with the Compliance Office and, where necessary, there is also external supervision by specialised lawyers. Ultimately, Management is directly responsible for these engagement processes, from which it benefits in terms of transparency, consumer loyalty, and brand reputation.



When it is necessary to develop projects for special categories of vulnerable users, Lutech has developed careful processes tailored to individual needs. These processes take into account the:

- Secure Development Policy (PSQ-405)
- Guideline for Secure Web Application Development (OSWAP Standards -LG-400)
- AGID standards

An example of this is the project to support a group of charitable organisations operating globally by assisting various donors in managing finances and funds. For this project, policies were adopted to improve the accessibility of their institutional fundraising website. Each page of the website has been made accessible by tools for the blind, and a tool has been set up to increase the font size or change the colours for improved viewing. For the client, Lutech took into account the requirement to comply with specific standards such as the “Web Content Accessibility Guidelines 2.0 (WCAG)” and the “Web Accessibility Initiative WAI”. In conclusion, Lutech’s services do not provide for exceptional use by vulnerable persons such as the elderly and children, while specific technical analyses (as in the case above) are provided for disabled categories, taking into account not only the policies applied by Lutech but also additional standards requested by the client or directly by the project’s technical requirements.

The effectiveness of involvement is measured by the type of new stimuli received and the number of improvement processes applied as a result of these involvement processes.

2.3 Disclosure Requirement S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Datapoint no. 23-24-25-26-27

At a general level, the mechanisms at the company’s disposal to remedy negative impacts on consumers are aimed at placing an increasing focus on maintaining Lutech’s complex structure of certificates, which guarantees:

- data and information security through the Personal Data Protection Management System (SGPDP) and the Information Security Management System (ISO 27001 and Guidelines 27017 and 27018)
- the security of the design and monitoring of the services offered through the maintenance of ISO 20000-1 and ISO 9001 management systems
- respect for all stakeholders participating in the project through the Code of Ethics
- all customers also have a set of direct channels, i.e. managed internally by the company (such as CSAT surveys, Sales Relationships) and a reference number or e-mail for any complaints, reports or proposals/requests that guarantee a continuous dialogue between supplier and customer. In Lutech’s business model, the main contact person for the Client is the Sales Manager and/or Client Executive and/or Client Manager dedicated to the Client, who serves as the entry point for any reports and/or complaints from the Client, acting as the spokesperson for the report internally within the company to the other Functions involved. Other important contact persons for Clients are Delivery Managers and Service Managers.

In addition, the compliance checks that the company complies with each year allow it to anticipate potential problems and reduce the likelihood of negative impacts on consumers and end-users. In addition, direct business relationships with its on-customer contacts allow Lutech to readily work alongside them, sharing any problems or needs for improvement. On a more institutional level, channels that can be used to remedy any negative impacts are also those set up by the National Consumers Association, which links end consumers to companies held responsible for possible negative impacts resulting from the use of particular products or services. Finally, the following associations of which Lutech is a member also share guidelines and policy papers with the company on the subject of managing possible negative impacts from its products, although





they have no complaints mechanisms to which Lutech is obliged to respond: Anitec-Assinform, Assolombarda, Confindustria Digitale, Confindustria Bari-BAT, Abi Lab, A.P.S.P – Associazione Prestatori di Servizi di Pagamento, Metaverse Standards Forum.

The way in which any problems raised are controlled and monitored involves a review of what has been reported by the Sales and/or Delivery Manager and/or Service Manager. If there were any abnormal peaks in reports, Lutech would initiate the internal control procedure by the Service Manager. The accessibility of these channels is disclosed by Lutech at the contractual level. These channels are totally free of charge and at the service of the users of Lutech products and services who, if necessary, can enjoy anonymity. The success of such contact channels is demonstrated by the awareness of their existence among consumers and end users of the company, which reaches 100% of possible targets.

During 2023, no complaints were received relating to issues relevant to the ESG area covered in ESRS S4.

There are no mechanisms to protect those reporting negative impacts, since the magnitude of the possible reports does not expose these parties to any kind of repercussions, but rather considers them partners for possible improvement developments of the Lutech business offer.

On the basis of the legitimacy of these channels, their accessibility, their transparency and their improving effectiveness, the company considers these tools to be particularly effective in pursuing a model of corporate growth based on continuous improvement.



2.4 Disclosure Requirement S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Datapoint no. 28-29-30-31-32-33-34-35-36-37

With regard to the interventions by which Lutech addresses the relevant impacts on consumers and end-users, the following table presents the specific interventions in this regard:

	IN PROGRESS	PLANNED
Actions to prevent, mitigate or remedy significant negative impacts	Reorganisation of the Go To Market area for better customer relations	Improvement of the structured survey allowing us to get in touch with customer contacts dealing with sustainability
	Supplier qualification activities with a structured process in terms of legal and economic acceptability and in terms of anti-corruption	Analysis of the supply chain to prevent and possibly mitigate risks from it in the area of sustainability
Remedies against actual major impacts	Ongoing: there are no processes activated as no actual impacts have been recognised	
	Planned: complaint handling according to Lutech procedures with reference to ISO 9001, ISO 27001 and annexes and ISO 20000-1	
Actions promoting positive impacts for consumers or end-users	Maintenance of the required ESG ratings and participation in the qualification of Lutech as a supplier to customers with a dedicated ESG team	Proactive actions related to ESG ratings for more dialogue on sustainability issues requested by our customers
Monitoring and evaluation of effectiveness of actions undertaken	Maintenance and monitoring of the management systems already implemented such as ISO 9001, ISO 27001 and annexes, ISO 20000-1, ISO 37001 and the application of the Code of Ethics and Organisational Model pursuant to Legislative Decree 231/01	Planning for the adoption of additional required standards (e.g. SA8000)



The process of identifying responses to a particular negative impact is the result of the consumer or end-user receiving the request through the channels described in Section S4-3. They are part of existing comprehensive risk management processes, including that for Lutech's end-users.

These risk management processes are based on the intervention approach underlying the complex system of international certifications (ISO) with which Lutech has equipped itself, which is also described in a procedure, the "PSQ-028 Risk Management", which brings together all the methodologies applied in terms of Quality, Information Security, Quality of Services, Workers' Health and Safety and Environment, Prevention of Corruption and Organisational Model pursuant to Legislative Decree 231/01, while procedure PSQ-603 sets out the risk management process in the field of privacy.

Added to this is the new introduction of the IRO assessment applied to sustainability issues, which for the first time initiated an analysis that considers all stakeholders, thus also B2B and B2B2C customers, in relation to ESG issues.



Any collected reports would trigger an internal process of analysis and assessment of the problem, which – if confirmed – would be evaluated according to its actual or potential dangerousness. In general, Lutech applies the precautionary principle in all its processes and for all its products, which prevents it from taking (or causing third parties to take) risks that are not currently calculable. These procedures, which involve managers from different areas (Compliance, Sales, Service Managers, Delivery Managers and Management) with a total of around 100 employees, after the first inspection phase initiate steps to correct critical issues, arranging for new safety and quality tests or, sometimes, reimbursement or compensation defined in court (if necessary). The whole process enables an internal assessment of the type of problem encountered, a rethinking of the processes underlying the critical issue and a realignment of the responsible functions with a view to structural change of conditions. Where necessary, the reduction of significant negative impacts could lead to the termination of productive relations with certain stakeholders, towards whom the company – before breaking off relations – would implement accompanying measures. The company does not envisage any mitigation measures resulting from the termination of the relationship, since this is an extreme measure, implemented only in the event of serious and repeated misconduct by business counterparties.

These processes are guaranteed as they are structural to the company's business model, which provides for the execution of specific procedures for the resolution of any critical issues concerning negative impacts on consumers/end-users. They are, therefore, not subject to changes in the allocated annual budgets, nor to the different directions that Management may wish to take over time.

In 2023, the value of the penalties received was equivalent to 0.06% of the total revenue from services. This value corresponds to the claim received, handled with specific actions as set out in the previous paragraph, without any change to the stipulated contract.

In terms of existing or planned actions to mitigate relevant risks, Lutech has planned the following actions:

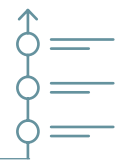
ONGOING IN 2023



Reorganisation of the Go To Market area for better customer relations

Supplier qualification activities with a structured process in terms of legal and economic acceptability and in terms of anti-corruption

PLANNED



Improvement of the structured survey allowing us to get in touch with customer contacts dealing with sustainability

Analysis of the supply chain to prevent and possibly mitigate risks from it in the area of sustainability

The effectiveness of these interventions is measured in terms of:

- KPI monitoring the number of complaints received
- KPI relating the value of penalties to the total value of revenues
- KPI measuring the success rate of the sales process, comparing the number of sales opportunities won and the total number of opportunities closed
- KPI dedicated to measuring the maturity level of management systems and consequently of business processes
- KPI dedicated to customer satisfaction, reported through the survey. The calculation includes the NPS Net Promoter Score and the CES Customer Effort Score, which allows us to assess customers' satisfaction based on their experience in using Lutech's services



The interventions described above correspond to corporate responsibility resulting from the identification of the company as the direct cause of the impacts, and therefore the subject of a resolution of the problem, the manner of which is Lutech's total and sole responsibility. However, it is possible that some negative impacts are the result of interactions with other parties (Vendors, Service Subcontractors, other providers), towards which the company works by pushing for a reduction of negative impacts by exploiting the effect of leverage and the business relationship. In Lutech's business model, cases of this type have mainly involved parties such as Technology Vendors (for products) and Service Providers (for technical services that Lutech buys from outsourcers and/or for professional profiles that Lutech subcontracts). In all these cases, Lutech relies on established technological partnerships and multi-year service contracts with registered suppliers that make the management of any negative impacts on customers smooth and effective.

Other tools for indirect mitigation of negative impacts are related to training and refresher courses (promoted by Lutech within the "Lutech Learning" portal and focusing on Lutech's business model and commercial strategy) addressed to all but especially to new recruits in the Go To Market department. These processes therefore represent other indirect forms of mitigation of negative impacts.

In terms of ongoing or planned actions to pursue relevant opportunities, in 2023 the company has taken steps to:

- support the client, a leading multi-utility in the North West and one of the main Italian operators active in electricity, gas, district heating, integrated water and environmental services management, and integrated energy efficiency solutions, in the development of 'digital' and 'smart' energy efficiency services. In concrete terms, Lutech supported the company in the design and implementation of an end consumer electric recharging service (eMSP), managing payment, caring and other value-added services (booking a recharge, displaying free stations on a map, area marketing, etc.). This project has therefore opened up the possibility for Lutech to offer digital solutions for electric charging services, which, being environmentally friendly, represent a positive opportunity from both an environmental and market standpoint





- develop an integrated hardware and software system dedicated to the storage, transmission, display and printing of digital diagnostic images (PAO) for a private hospital in Milan specialising in cancer care and scientific research to improve cancer diagnosis and treatment methods.

The partnership led to the creation of state-of-the-art IT infrastructure that ensures maximum protection and availability of critical patient care information. The project was also awarded Best Project for Public Administration, at the ITALIAN PROJECT AWARDS (#IPA2K23) as, thanks to the implementation of Lutech solutions, it managed to achieve unprecedented levels of efficiency in the healthcare sector, overcoming the challenges of managing and accessing large amounts of clinical data

- development of a digital and organisational innovation path for a North-Eastern multiutility operating throughout Italy, active in the production and distribution of renewable energy, natural gas, district heating, integrated water service management and environmental services, in order to carry out the digital transformation of systems supporting the entire meter-to-cash chain to optimise credit and cash flow management.

Through this ambitious project, Lutech has adopted advanced digital solutions that not only improve the efficiency and effectiveness of business processes, but also promote environmental sustainability by significantly reducing energy consumption and limiting energy wastage.

Process optimisation is now one of the most important tools for organisations that collect large amounts of data every day, in order to extend a virtuous path of sustainable innovation that helps minimise environmental impact. With this in mind, Lutech decided to seize the opportunity to position itself as a digital partner for process and energy efficiency related to big data management.

Finally, among the multilateral initiatives pursued in 2023 by Lutech to seize the opportunities offered by ESG drivers for the benefit of its relationship with its customers and end-users, the following should be mentioned:

- partnership with the University of Bologna, CINECA and the Municipality of Bologna for the 2022-2023 “Call for Projects” of IFAB (International Foundation Big Data and Artificial Intelligence for Human Development promoted by the Emilia-Romagna Region).

The collaboration led to the creation of digital models of complex real systems: the Digital Twin, a technology that can provide predictive assessments to enhance the environmental, economic and social impacts of spaces and infrastructures and improve our daily quality of life. Specifically, the project aims to develop an intelligent platform for the simulation of the electricity production and consumption system of the building complex and future recharging stations in the Lazzaretto university area.

The Digital Twin will also enable the evaluation of a scenario in which the electric vehicles involved include electric buses, enabling verification of possible synergies with the municipality and the city’s transport company, which will benefit the community and the company’s sustainability

These measures to maximise positive impacts bring Lutech’s work within the 17 UN sustainability goals, with particular reference to:

- **Goal 8** – Decent work and economic growth
- **Goal 9** – Industry, innovation and infrastructure
- **Goal 17** – Partnership for the goals



For 2023, positive improvements include:

- increasing involvement of Lutech on sustainability-related aspects through the collaboration of the CSR area for all contractual aspects shared with customers
- sharing the “POL-900 Sustainability Policy” with all external stakeholders.

In the long run, these processes have led to a number of market opportunities, including: differentiation, increased attractiveness and brand visibility.

No serious problems or human rights incidents related to consumers and/or end-users have been reported, also considering the nature of Lutech’s business. Such impacts would give rise to legal and reputational exposures, resulting from faulty service or process designs, culminating in a loss of business continuity that would harm both the company and the consumer or end-user.

3. METRICS AND TARGETS

3.1 Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Datapoint no. 38-39-40-41

Lutech has defined the following time targets related to the reduction of negative impacts on consumers/end-users:

- **short term (2024)** - Constant monitoring linked to any reports that may give rise to significant negative impacts and implementation of a framework for the sales force to manage the sales opportunity management process, specifying the steps and checkpoints. The framework is called RA²ISE (Risk Assessment and Authorization In Sales Execution)

and the following time objectives related to the enhancement of positive impacts:

- **medium term** - Reorganisation of the Go To Market department, pursuing a scheme shared with all Group companies that represents the company in an integrated manner (One Company), combining experience and culture for a better and more customer-oriented view.

At the procedural level, the management of relevant risks and opportunities includes the following time targets:

- **short term** - introduction (start-up 2024) of a process relating to the management of the support provided by the Compliance function to the start-up of new contracts and/or orders.

The purpose of the process is to ensure that:

- orders are started in the correct manner in accordance with company instructions and management systems
- all handover activities have been carried out and the necessary information provided for the start-up of the order
- in the event of a need on specific issues, delivery groups are directed to the relevant business functions to receive specialised support (e.g: Account Manager, Data Privacy, Security Office, Legal, Human Resources, etc.)
- a working method is acquired by the delivery groups for reuse in the future

The execution of the process will enable the Compliance function to:

- provide guidance to delivery teams to carry out start-up activities, executing them correctly at the right time
- facilitate the implementation of a well-integrated and interconnected single process with appropriate



methodologies, tools and reporting

- share Lessons Learned with all stakeholders
 - detect opportunities to improve the process itself
- **medium term:** “Small Tickets Initiative” process (operational from the second half of 2024) to address order fragmentation and refocus efforts on activities with higher value creation. The optimisation levers identified are:
- reduction of micro-orders (below €5,000)
 - order aggregation (time windows for large customers)

These initiatives will have an impact on processes characterised by the reallocation of back-office efforts to support sales and pre-sales.

The process of setting these goals did not involve direct interaction with consumers and end-users or their representatives.





**BUSINESS
CONDUCT**

ESRS G1 BUSINESS CONDUCT

PURPOSE, INTERACTION WITH OTHER ESRS, GENERAL INFORMATION

Datapoint no. 1-2-3-4

This section will detail the disclosure requirements that allow the reader to delve into issues relating to the company's conduct, with specific reference to ethics and corporate culture, relations with suppliers and possible trade union/political issues.

For the interactions of this ESRS G1 - Business conduct with cross-cutting information, please refer to ESRS 2 - General Information.

1. GOVERNANCE

1.1 Disclosure Requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

Datapoint no. 5

The Administration, Management and Control bodies that deal with the “Business conduct” topic are:

- Board of Directors (BoD or Governing Body)
- Top Management
- Board of Auditors
- Supervisory Board (SB) pursuant to Legislative Decree 231/2001¹
- Anti-Corruption Compliance Function (FCPC) pursuant to ISO 37001

The competences of these bodies are as follows (see also: *MPC-000 Corruption Prevention Management System Manual* – chapter “5.1 Leadership and commitment” – and *MOG-000A Organisation, Management and Control Model pursuant to Legislative Decree 231/01 - General Part* - Chapter “4.4 Functions, powers and duties of the Supervisory Board”)

The Lutech Governing Body:

- approves the Corruption Prevention Policy
- ensures that the corruption prevention strategy and policy are aligned
- receives – from Top Management and the Corruption Prevention Compliance Function – and reviews, at scheduled intervals, information concerning the content and functioning of the Corruption Prevention Management System (ISO 37001)
- requires the allocation and assignment of adequate and appropriate resources necessary for the effective functioning of the management system for the prevention of corruption
- exercises reasonable oversight of the implementation of the ISO 37001 Corruption Prevention Management System by senior management and its effectiveness
- promotes the improvement of the Corruption Prevention Management System (ISO 37001).

Lutech's Top Management:

¹ Legislative Decree 231/01 regulates the “liability of entities for administrative offences”. According to these rules, companies can be held “liable” for certain offences committed or attempted, in the interest or to the advantage of the companies themselves, by members of the company's senior management (so-called “senior” figures, excluding members of the Board of Statutory Auditors) and by those who are subject to the management or supervision of the latter (Article 5(1) of Legislative Decree 231/2001). Companies' administrative liability is independent of the criminal liability of the natural person who committed the offence, and stands alongside the latter. The company's administrative liability is, however, excluded if it has adopted and effectively implemented, prior to the commission of the offences, organisation, management and control models (in short, “Model 231”) suitable for preventing offences of the kind that have occurred. The company's administrative liability is, in any case, excluded if the senior figures and/or their subordinates have acted exclusively in their own interest or in the interest of third parties.



- ensures that the ISO 37001 Corruption Prevention Management System, including the objectives and the *Corruption Prevention Policy* is established, implemented, maintained and reviewed so that Lutech's corruption risks are adequately addressed
- ensures the integration of the requirements of the ISO 37001 Corruption Prevention Management System into business processes
- ensures the allocation of adequate and appropriate resources for the effective operation of the ISO 37001 Corruption Prevention Management System

The Board of Auditors

- verifies compliance with the law and the statutes
- verifies compliance with the principles of sound administration
- verifies the adequacy of the organisational, administrative and accounting structure adopted by the company and its actual functioning

The Supervisory Board pursuant to Legislative Decree 231/2001:

- verifies the efficiency and effectiveness of the Model also in terms of compliance between the operating methods adopted in practice and the protocols formally provided for by the Model
- promotes the updating of Model 231
- promptly notifies the Board of Directors, for the appropriate measures, of any ascertained violations of the Model that may give rise to liability for the Company
- promotes initiatives for the dissemination of the Model, as well as for staff training and awareness-raising on compliance with the principles contained in the Model
- promotes communication and training on the contents of Legislative Decree 231/2001, on the impact of the regulation on the Company's activities and on the rules of conduct
- provides clarification on the meaning and application of the provisions contained in the Model;
- verifies, to the extent of its competence, the internal communication and reporting channels for violations in the 231 area, guaranteeing the whistleblower's privacy and protection in accordance with Legislative Decree 24/2023 (Whistleblowing);
- formulates and submits to the Board of Directors for approval the expenditure forecast necessary for the proper performance of the assigned tasks
- has free access, in compliance with current legislation, to any corporate function of the Company in order to request information, documents and data deemed necessary for the performance of the tasks provided for by Legislative Decree 231/2001
- requests relevant information from employees, consultants and collaborators external to the Company, however named
- promotes the initiation of any disciplinary proceedings as a consequence of violations of this Model

The Compliance function for Corruption Prevention:

- oversees the organisation's design and implementation of the ISO 37001 Corruption Prevention System
- provides guidance to staff on the Corruption Prevention System and on corruption issues in general
- ensures that the Corruption Prevention System complies with the requirements of ISO 37001
- reports on the performance of the Corruption Prevention System, on any critical issues related to acts of corruption or violations of the Corruption Prevention System itself, to the Governing Body and Top Management

The work of these structures is the element that ensures a constant flow of information and guidance, useful for corporate policy and management, which the Board of Directors controls and validates. Indeed, the latter, adequately informed, can in turn promote policies, actions and investments necessary for the improvement





of company management, referring to the sustainability issues that emerge from the work of the various functions.

This Sustainability Report, included in the Management Report, is scrutinised by the highest governing body within an internal accountability process developed through structured reporting, in order to align with the functions that manage ESG issues and meet the requirements of Legislative Decree 254/2016 and the Corporate Sustainability Reporting Directive.

The Board of Directors approves the strategies, policies, operational plans and this Sustainability Report.

To ensure effective management of the business and, at the same time, the oversight of all issues related to ESRS G1 – “Business conduct”, Lutech implemented an integrated organisational model, summarised in the table below.

Sustainability policy (POL-900)	Code of Ethics (MOG-001)	Model 231/2001	Internal management and risk control system	Corruption Prevention Policy (PSQ-500)	Whistleblowing Policy (PSQ-501)	Data Protection Management System
Contains guidelines to foster the integration of sustainability into corporate strategy and operations	Enshrines the general principles and rules of conduct binding on all parties interacting with Lutech, supplementing what is already provided for at the regulatory level	Its purpose is to prevent the commission of offences under the decree, such as corruption, extortion, false communications, environmental offences and money laundering	Coordinated by the Supervisory Board for offences under Legislative Decree 231/2001 and by the FCPC for passive and active corruption aspects and by the auditing company for financial issues	Policy outlining the principles of the Code of Ethics in the area of corruption prevention, providing guidance on permissible conduct	Incorporates Legislative Decree 24/2023 implementing EU Directive 2019/1937 on the protection of persons who report breaches of EU law	Rules, internal standards and organisational structures implementing protection, confidentiality and secrecy as well as compliance with the requirements of the GDPR

The Code of Ethics, the Sustainability Policy and the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 that have been adopted enshrine the general principles to which the behaviour of members of corporate bodies, all staff, external collaborators and suppliers must adhere.

2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

2.1 Disclosure Requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

Datapoint no. 6

Lutech has implemented a process for identifying and assessing its actual and potential impacts, risks and opportunities. In section IRO 1 of ESRS 2, the process was described in detail, while the salient aspects are outlined below.

Underlying it all is the development of impact (inside-out) and financial (outside-in) materiality. This analysis makes it possible to identify which material topics (and their sub-topics and sub-subtopics) are relevant for the company with regard to the topic “Business conduct”. The analysis process derives from a careful assessment of the impacts and related risks (real and potential, positive and negative) arising from the activity and opportunities that the company may pursue in the identified context. The assessment is made using criteria that take into account their extent and likelihood.



This process, managed by the Compliance function (CSR area) is supported by the stakeholder engagement activity, which involves, following the identification of relevant stakeholders, knowing what their expectations are and how relevant the issues identified are to their relationship with the company.

At the same time, the Compliance function prioritises the most important reports, in terms of severity, that the IRO analysis has revealed.

The last stage involves the presentation of the work to the Board of Directors, which analyses it, asks for further details if necessary, and finally approves it.

2.2 Disclosure Requirement G1-1 – Business conduct policies and corporate culture

Data Point no. 7-8-9

The main risks that are intended to be stemmed through policies on this material issue relate to the impoverishment of the corporate culture, non-compliance with financial relations with suppliers and their payment terms, and the elimination of episodes of both active and passive corruption.

These aspects are fundamentally important for the life of the company, ensuring its continuity and preventing the company from being subjected to very serious damage, in reputational terms, that could lead to its closure if violations are repeated over time, without adequate supervision.

Lutech policies for establishing, developing, promoting and evaluating its corporate culture include:

- **Corruption Prevention Policy (PSQ-500):** through the timely and transparent allocation of roles, responsibilities and authorities in the area of corruption prevention and the systematic identification of potential corruption risks and their treatment through their identification, the policy aims at the planning and application of operational controls. Moreover, with this policy, Lutech prohibits corruption in all its possible forms by committing itself to honest and transparent business management, aiming to counter any malfeasance, upholding the values of loyalty, integrity, honesty, competition and transparency in economic relations
- **Sustainable and Responsible Procurement Policy (POL-940), Conditions of Sale and Purchase:** aim to establish proper management of business relations with suppliers and enforce compliance with agreed terms and payment terms. In this regard, the administrative manager is instructed to periodically produce a report with the average payment days of suppliers compared to contractually agreed and industry-standard terms. In difficult cases, a dialogue will be opened with the relevant supplier. This policy also facilitates the management of reporting processes for any funding obtained. With regard to supplier payment times, please refer to ESRS G1-6 in the sustainability report. A new "Supplier and Partner Code of Conduct" is scheduled to be published in 2024, which will contractually enshrine the fundamental principles and obligations of Lutech's suppliers also in the ESG area

The mechanisms activated to identify and report concerns regarding unlawful conduct and to conduct investigations in this regard are illustrated in the following paragraphs and apply when brought forward by both internal (employees) and external (suppliers, customers, partners, associates, etc.) stakeholders.

With regard to transparency and business ethics issues, Lutech has provided for an online and offline whistleblowing channel (see "Operating arrangements - Internal whistleblowing channel and reporting procedures" of "PSQ-501 Whistleblowing Policy - Management of reports of possible wrongdoing pursuant to Legislative Decree no. 24/2023") to which reports of possible wrongdoing in the workplace can be made:

- **VIOLATIONS OF NATIONAL LAW** or unlawful conduct relevant under Legislative Decree No. 231/2001 and violations of the Organisation, Management and Control Model provided for in Legislative Decree No. 231/2001



- **VIOLATIONS OF EU LAW** i.e. (i) offences committed in breach of the EU legislation set out in Annex 1 to Legislative Decree No. 24/2023 and any national provisions implementing it; (ii) acts or omissions affecting the financial interests of the European Union (Art. 325 of the TFEU fight against fraud and illegal activities affecting the EU's financial interests) as identified in EU regulations, directives, decisions, recommendations and opinions; (iii) acts or omissions affecting the internal market, which jeopardise the free movement of goods, persons, services and capital (Article 26(2) of the TFEU). This includes violations of EU competition and state aid rules, corporate tax rules and mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax rules (Art. 2(1)(a)(5)); (iv) acts or conduct that frustrate the object or purpose of EU provisions in the areas indicated in the preceding points. This includes, for example, abusive practices as defined by the case law of the Court of Justice of the European Union (CJEU)

This channel is available to all persons who have a legal relationship with the company, such as employees, suppliers, contractors, consultants, trainees, shareholders, and persons with administrative, management, control, supervisory or representative functions.

Responsibility for handling of reports of unlawful conduct pursuant to Legislative Decree 23/01 lies with the SB, while for those not relating to that decree, the responsibility for handling lies with the Compliance function.

The preferred reporting channel is the <https://Lutech.integrityline.comservice>, which guarantees, through the use of encryption tools, the confidentiality of the identity of the person making the report, the person involved (reported) or the person referred to in the report, as well as the content of the report and the relevant documentation.

Upon delivery and signing of the Code of Ethics, the company informs all new employees about these processes and, in parallel, trains the employees responsible for handling the necessary internal audits and investigations.

Training on this topic was carried out by 97% of the total of 1422 employees (the anti-corruption training cycle lasts 2 to 3 years), totalling 3,471 hours of refresher/training calculated on a cumulative basis from 2021.

Whistleblowing processes (part of the Anti-Corruption and Transparency Policy) prohibit any act of retaliation against the whistleblower for reasons directly or indirectly related to the report or the information contained therein, as well as the submission of unfounded reports.

Protection of whistleblowers against possible retaliation is made possible by the presence of anonymity mechanisms when sending reports through the official Whistleblowing channel, in addition to the measures to prohibit retaliation and protect whistleblowers set out in the policies.

The prohibition of retaliation is reiterated both within "MOG-001 Ethical Code", in the following article:

16.3 The Company encourages the use of procedures for reporting acts of corruption, even if alleged, ensuring that such reports, if made in good faith, will not give rise to retaliation, discrimination or disciplinary measures.

that within "PSQ-501 Whistleblowing Policy - Management of Reports of Unlawful Acts pursuant to Legislative Decree 24/2023", to the following article:



7.1 Prohibition of retaliation - It is important to recall that the Company, pursuant to Legislative Decree 24/2023, prohibits any act of retaliation against the whistleblower for reasons connected, directly or indirectly, to the report or the submission of unfounded reports, and intends to proceed in accordance with the law and with the disciplinary sanctions laid down in this Organisational Model

At the procedural level, once the report has been received, the company implements an investigation process (valid for cases of active and passive bribery) specified in Information G1-3 – Prevention and detection of corruption and bribery.

Corporate training on business ethics and business conduct in 2023 resulted in 15 interventions – both in-person and online – on compliance with Law 231, anti-corruption, GDPR, Information Security, Procurement Code, and ISO 37001 Corruption Prevention Management System, for all current employees, with a duration of 1 to 2.5 hours per intervention, totalling 1,861.8 hours provided to 714 employees in 2023.

Within the company, the persons most at risk of active and passive corruption are identified through a periodic risk assessment (see procedure “PSQ-028 Risk Management” - chapter 8.6 Risk assessment for business associates, personnel, transactions, projects and activities) which assesses the business functions present in Lutech on the basis of the following enabling factors:

- scope, i.e. whether the party is external or internal to the company
- information, i.e. whether the party may come into possession of data or information that may be used to gain personal advantage or benefit other persons
- discretion, i.e. whether the party has wide margins of discretion, not only in relation to the choices and actions it takes but also in relation to the criteria on the basis of which it chooses to act
- economic relevance, i.e. whether financial resources are allocated to the party, enabling it to make decisions that could directly or indirectly erode the budget allocated to the function or could cause the company to incur costs and move cash flows
- spending powers, i.e. whether the party is assigned spending powers, with a defined budget allocated (e.g. employee attorneys with spending powers within monetary thresholds, other attorneys also external to the company with defined budgets, directors with powers, SB, FCPC, Health and Safety Officer, etc.) and may spend it on third parties
- signature powers, or whether the party is assigned signature powers
- private relations, i.e. whether the party has relations with external private parties
- public relations, i.e. whether the party has relations with external public entities





WE GIVE A VOICE TO WHISTLEBLOWERS AT LUTECH

- **When did the Whistleblowing Policy come into force at Lutech?** The company formalised a whistleblowing management procedure as early as 2014, which was adapted and transformed into a Whistleblowing Policy in July 2023
- **Which processes has the Policy simplified and/or strengthened?** The entire process of reporting and tracking possible wrongdoing has been strengthened, with particular attention paid to the guarantees of protection of whistleblowers and the prohibition of retaliation, unless there is evidence of wilful misconduct or gross negligence on the part of the whistleblower, better specifying the operational steps and responsibilities
- **How is it updated in light of the evolution of the types of offences and the channels that can be used to trace and report them?** The policy is constantly monitored to keep it compliant with Legislative Decree 24/2023, as well as ANAC and Confindustria guidelines. Whenever the need arises, it is reviewed and submitted for approval to the Board of Directors before being announced to all employees and published both on the institutional website and on the Whistleblowing portal
- **Are there procedural differences applied at Lutech Group locations in Albania?** The policy applies to all Lutech locations, both those in Italy and the only foreign location in Albania (representative office). Procedural changes only arise to the extent that the whistleblower indicates a non-Italian location for the commission of the reported infringement, in which case the handling procedures may change to also take the applicable local legislation into account



2.3 Disclosure Requirement G1-2 – Management of relationships with suppliers

Datapoint no. 12-13-14-15

Lutech also aims to create value through the responsible management of relations with suppliers, key players in the ethical and sustainable management process.

The Procurement function – with the support of the Compliance (Ethical Risk, Data Privacy, CSR), Security and HSE functions – ensures the definition of and compliance with supply policies and the centralised management of procurement of goods, services and labour. Thanks to structured processes, suppliers are selected who adhere to the company's values and rules of conduct, through subscription to the company's Code of Ethics, compliance with the Organisation and Management Model pursuant to Legislative Decree 231/01, Corruption Prevention Policy, ethical, privacy and security requirements, and standards referring to ISO 37001 certification, and finally, they are screened against a vendor rating that also contains ESG criteria.

Lutech considers the supply chain a key element in achieving its sustainable development goals. Thanks to a specific monitoring activity, in 2023, no serious conduct in breach of the monitored principles was detected in the supply chain.

In the course of 2023, 13 in-depth due diligence investigations were conducted on as many suppliers, with the involvement (in one specific case) of an external law firm experienced in anti-corruption.

In all 13 cases, no critical issues were found that would jeopardise the contracting of the supplier, apart from one case (classified as "minor critical issue") where it was decided to continue anyway after reinforcing the contractual clauses.

The selection and assessment of suppliers takes into account a technical-organisational, economic-financial and ESG analysis, with the aim of placing suppliers on a qualification list and therefore defining a rating based on their responses in the various areas.

The questions put to the suppliers involved are described in the following table, and also include the social and environmental questions discussed in ESRS S2 – Workers in the value chain.

Lutech ESG	Question area	Question	Lutech Specifications/Notes
GOVERNANCE	Management systems	Is your company certified according to the ISO 9001 Quality Management System standard?	If yes, please upload the valid certificate
GOVERNANCE	Management systems	Is your company certified according to the ISO 20000-1 Management System for Services standard?	If yes, please upload the valid certificate
GOVERNANCE	Management systems	Is your company certified according to the ISO 27001 Information Security Management System standard?	If yes, please upload the valid certificate
GOVERNANCE	Management systems	Is your company certified according to the ISO 37001 Corruption Prevention Management System standard?	If yes, please upload the valid certificate
GOVERNANCE	Management systems	Is your company certified according to the ISO 45001 Occupational Health and Safety Management System standard?	If yes, please upload the valid certificate
GOVERNANCE	Management systems	Is your company certified according to the ISO 14001 Environmental Management System standard?	If yes, please upload the valid certificate
GOVERNANCE	Management systems	Is your company certified according to the ISO 14064-1 Greenhouse Gas Emission Calculation standard and/or according to Carbon Footprint protocols?	If yes, please upload the valid certificate
GOVERNANCE	Management systems	Is your company certified according to the SA8000 international social responsibility scheme?	If yes, please upload the valid certificate
GOVERNANCE	Anti-Corruption	If your company is NOT certified according to the ISO 37001 standard, has it adopted a Corruption Prevention Policy and/or implemented corruption prevention controls?	If yes, please upload the document Corruption Prevention Policy and/or specify the controls implemented
GOVERNANCE	Anti-Corruption	Can you confirm that the shareholders and/or the Legal Representative of your Company have NOT been convicted of any offence of bribery and corruption and have not received any final convictions or plea bargains pursuant to Article 444 of the Code of Criminal Procedure? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.	
GOVERNANCE	Anti-Corruption	Can you confirm that your company is NOT in a position of even potential conflict of interest with Lutech?	"Conflicts of interest" are defined in MOD-506 Business Partner Conflict of Interest. The form is available in the "Documents" area to be downloaded and returned duly completed and signed





Lutech ESG	Question area	Question	Lutech Specifications/Notes
GOVERNANCE	Anti-Corruption	Can you confirm that your company has NOT been subject to international sanctions or has NOT carried out transactions with persons on the sanctions list? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.	
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231	Has your Company adopted an Organisational Model pursuant to Legislative Decree 231/2001 which includes a Code of Ethics?	If yes, please upload the Code of Ethics
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231 - Anti-Corruption	Has your Company adopted a function or organisational structure, including through outsourcing, to monitor compliance of company activities with the regulatory provisions applicable to the company, or an Organisational Model pursuant to Legislative Decree No. 231/2001?	
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231 - Anti-Corruption	Can you confirm that an order has NOT been issued against your company for the application of precautionary disqualification measures for offences under Legislative Decree no. 231/2001? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.	
GOVERNANCE	Organisational Model pursuant to Legislative Decree 231 - Anti-Corruption	Can you confirm that your company has NOT been convicted of any offence under Legislative Decree no. 231/2001 by a final judgement or by a judgement applying penalties on request pursuant to Article 444 of the Code of Criminal Procedure? 231/2001? Please be aware that if you answer NO, it means that the critical issues listed in the question apply to you.	



From 2024, a more in-depth ESG audit process will be activated, involving strategic suppliers and examining issues that were only touched upon in 2023, including:

- social aspects
- environmental aspects (measuring carbon emissions, energy-saving policies, limiting the use of fossil fuels)
- occupational health and safety aspects (such as the existence of certified management systems aimed at occupational risk prevention, compliance with ILO protocol)
- sustainability policies implemented towards sub-suppliers

The score obtained in response to the questions is also valid as a reward criterion for suppliers at the contract renewal stage and is aimed at continuously improving the level of sustainability of the supply chain, with the intention of helping less virtuous suppliers to adopt ESG best practices and to protect the company from potentially serious supply chain risks.

In addition, there are clauses at the contractual level that refer to the company's code of ethics, Model 231 under Legislative Decree 231/01 and the Corruption Prevention Policy, which are signed by suppliers while also checking for potential conflicts of interest. The Code of Ethics is therefore integrated into the framework

agreement signed by technical consultants (on contract) and technical service providers. All documents are distributed to all suppliers through the qualification portal.

The main KPIs used for supplier verification are based on compliance with product quality, delivery times, prices charged and ESG impacts noted.

Suppliers are also constantly monitored in order to:

- facilitate better communication between them and the company
- act quickly to correct and to improve performance
- create partnerships with suppliers themselves, especially with highly innovative suppliers
- develop a performance-based culture

Suppliers with inadequate performance are subject to corrective actions and, as anticipated, may also be suspended or excluded from the supplier list in the event of negative performance or following significant negative events, including:

- unethical behaviour (particularly with regard to forced labour, child labour, human rights);
- serious environmental or occupational safety incidents
- serious instances of non-compliance detected during audits or field checks
- failure to maintain the necessary documentation for the purposes of legal obligations concerning safety at work
- documented irregular position towards legal obligations

In 2023, the company did not develop a report of its supplier database to check their governance performance and develop aggregate or point data considerations. However, based on the audits completed on the 13 “sample” providers (the results of which are detailed in ESRS S2) this will be completed by the year 2024.

Lutech, on the other hand, guarantees the correct remuneration of purchased goods and services with respect to market levels and compliance with signed agreements, such as the payment schedules agreed in purchase orders/contracts, depending on the type of supply, for both large and small companies. The company’s policy on payment terms provides for compliance with contractual conditions in the forms detailed in Indicator G1-6 – Payment practices.

In line with corporate values and compliance with the law, Lutech does not use suppliers at risk of undeclared work, child labour, forced labour and/or without proven human rights practices.

2.4 Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery **Datapoint no. 16-17-18-19-22-21**

As a company, Lutech is extremely aware of corruption risk issues. The following is an overview of the procedures in place to prevent, detect and manage allegations or cases of active and passive corruption.

- the main documentary system to refer to as a preventive measure is Model 231 (pursuant to Legislative Decree 231/2001) - including *Code of Ethics*, General Part Model and Special Part Model, flanked by the “*Corruption Prevention Policy (PSQ-500)*” the “*Whistleblowing Policy - Management of Reports of any unlawful acts pursuant to Legislative Decree 24/2023 (PSQ-501)*” and the Manual of the Corruption Prevention Management System (MPC-000)
- the signing of the Code of Ethics and the Corruption Prevention Policy by all Lutech employees and collaborators highlights the company’s value system on permissible and prohibited conduct, also specifying the type of approach to take during relations at high risk of corruption





- the implementation of a system of anti-corruption safeguards for the company and its subsidiaries testifies to Lutech’s commitment to prevention
- the system of internal reports and investigations – described in section 2.2 above – makes it possible to report any violations of regulatory or European Union provisions (including anonymously), in compliance with the Whistleblowing legislation (Legislative Decree No. 24/2023) and thus to keep the company’s attention level high. The investigative body is not separate from the corporate procedural chain, which is responsible for business conduct
- employee awareness is pursued through dedicated anti-corruption training courses for high-risk figures and management bodies, and extended to the entire company workforce

Concretely, the process of investigating, analysing and reacting to suspected cases of corruption is structured as described below:

- preliminary assessment of the admissibility of the report and its classification according to content (Relevant, Deficient, Not Relevant/Not Applicable)
- investigation to assess the existence of the reported facts (substantiation)
- feedback to the whistleblower on the outcome of the investigation

The promotion of the procedures listed above usually takes place during the onboarding processes of new hires, within the corporate intranet and through the institutional website, where the 231 Model (general and special part), and the Code of Ethics are available and, from 2018, also the Corruption Prevention Policy, operationally supplemented in 2023 by the Whistleblowing Policy and the adoption of the related tool for whistleblowing and its management.

Moreover, 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/Procurement, SB and FCPC functions (depending on the nature of the conflict) review the findings and identify actions to mitigate the impacts of such conflicts (non-recruitment/recruitment, recruitment/recruitment with restrictions, recruitment/collaboration).

Critical issues are communicated to the highest control body within the reporting by the various corporate functions concerned: SB and FCPC. For more general ESG issues, there is no standard reporting, but only on an as-needed basis.

With regard to information and training against active and passive corruption, below are tables summarising what Lutech did during 2023 on the workforce as at 31/12/23, bearing in mind that the frequency of training is not always on an annual basis:



	OADC (Management and supervisory bodies)	Other at-risk functions	Other managers	Other company workers
Extension of training				
Total trained in 2023	0	0	4	150
Total trained in previous years	5	10	54	1178
Total recipients	16	17	60	1352
Mode				
In the classroom				
Remote	yes	yes	yes	yes
Remote voluntary training	yes	yes	yes	yes
Frequency				
Every 4 years or in the event of significant updates				
Topics covered				
Definition of corruption	yes	yes	yes	yes
Policy	yes	yes	yes	yes
Suspicion/detection procedures	yes	yes	yes	no



The percentage of at-risk functions covered in the training programmes was 45.5% overall, with no intervention in 2023.

Concerning direct training for the Administration, Management and Control bodies, no intervention was carried out, whereas the interventions made in previous years had covered 31.3% of the ADC targets.





3. METRICS AND TARGETS

3.1 Disclosure Requirement G1-4 – Incidents of corruption or bribery

Datapoint no. 22-23-24-25-26

Lutech, also thanks to the prevention policy set out in ESRS 2 G1 - Business conduct, did not encounter any incidents of active or passive corruption in 2023. Consequently, there were no cases of convictions or fines for violations of the law against active and passive corruption.

3.2 Disclosure Requirement G1-5 – Political influence and lobbying activities

Datapoint no. 27-28-29-30

Lutech's activities are not related to lobbying or activities of public relevance. No board member held a senior position in public administration in the two years preceding the 2023 reporting period. Furthermore, in those years, no political financial or in-kind contributions were made in the name and on behalf of the company, either directly or through any other entity traceable to it.

3.3 Disclosure Requirement G1-6 – Payment practices

Datapoint no. 31-32-33

The standard contractual payment terms provide for suppliers to pay in the following instalments:

- direct remittance for all professionals such as notaries and/or lawyers
- direct remittance +10 / 30 days month-end invoice date +10 for all consultants
- 30 days month-end invoice date + 15 days for all leases and rentals

For all HW/SW Vendors, payment conditions may vary as follows:

- 60 or 90 or 120 days month-end invoice date + 15 days for all HW and SW Vendors

Payment directions are always included in all orders sent or established in the course of entering into the framework agreement, where present.

Lutech shall ensure that the contractually agreed payment deadline is strictly adhered to by providing a 15-day grace period beyond the contractual payment deadline.

In the course of 2023, Lutech replaced the tool used for general accounting to meet the new requirements dictated by the planned merger in 2024 with Lutech Advanced Solutions. In this complex transition, it was not possible to produce a report monitoring the punctuality of payments. This capability will be introduced within the financial management from 2024.

At the time of drafting this report, and with reference to the analysed period, there are no pending legal proceedings due to late payment.

Lutech provided the above data by considering all suppliers of goods and services, without representative sampling.





ACRONYMS – LUTECH 2023 SUSTAINABILITY REPORT

EBA	European Banking Authority
ESA	European Supervisory Authorities
AMS	Automatic measuring systems
APE	Energy performance certificate
AQI	Air quality indices
AWS	Alliance for Water Stewardship
BAT	Best available techniques
BAT-AEL	Emission level associated with best available techniques
BAT-AEPL	Environmental performance level associated with best available techniques
BREF	Best available techniques reference documents
Btu	British thermal units
EWC	European Works Council
CapEx	Capital expenditure
CBD	Convention on Biological Diversity
CDDA	Common Database on Designated Areas
EC	European Commission
CEN	European Committee for Standardisation
CENELEC	European Committee for Electrotechnical Standardisation
CH ₄	Methane
CICES	Common International Classification of Ecosystem Services
CO ₂	Carbon dioxide
CRR	EU Regulation No. 757/2013 of the European Parliament and of the Council (Capital Requirements Regulation)
DEGURBA	Degree of urbanisation
DNSH	Do No Significant Harm
DR	Disclosure requirement
DR BP-1	Disclosure Requirement BP-1 – General basis for preparation of the sustainability statements
DR BP-2	Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances
DR GOV-1	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies
DR GOV-2	Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
DR GOV-3	Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes
DR GOV-4	Disclosure Requirement GOV-4 – Statement on sustainability due diligence



ACRONYMS – LUTECH 2023 SUSTAINABILITY REPORT

DR GOV-5	Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting
DR IRO-1	Disclosure Requirement IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities
DR SBM-1	Disclosure Requirement SBM-1 – Market position, strategy, business model(s) and value chain
DR SBM-2	Disclosure Requirement SBM-2 – Interests and views of stakeholders
DR SBM-3	Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)
EFRAG	European Financial Reporting Advisory Group
EFRAG SRB	EFRAG Sustainability Reporting Board
EMAS	Eco-Management and Audit Scheme
E-PRTR	European Pollutant Release and Transfer Register
ESMA	European Securities and Markets Authority
ESRS	European Sustainability Reporting Standards
ESRS 1	European Sustainability Reporting Standard 1 – General requirements
ESRS 2	European Sustainability Reporting Standard 2 – General disclosures
ESRS E1	European Sustainability Reporting Standard E1 – Climate change
ESRS E2	European Sustainability Reporting Standard E2 – Pollution
ESRS E3	European Sustainability Reporting Standard E3 – Water and marine resources
ESRS E4	European Sustainability Reporting Standard E4 – Biodiversity and ecosystems
ESRS E5	European Sustainability Reporting Standard E5 – Resource use and circular economy
ESRS G1	European Sustainability Reporting Standard G1 – Business conduct
ESRS S1	European Sustainability Reporting Standard S1 – Own workforce
ESRS S2	European Sustainability Reporting Standard S2 – Workers in the value chain
ESRS S3	European Sustainability Reporting Standard S3 - Affected communities
ESRS S4	European Sustainability Reporting Standard S4 - Consumers and end-users
ETP	European Sustainability Reporting Standard S4 - Consumers and end-users
EU ETS	EU Emissions Trading System
FPIC	Free, prior and informed consent
GAAP	Generally Accepted Accounting Principles
GHG	Greenhouse gases
GJ	Gigajoule
GRI	Global Reporting Initiative



ACRONYMS – LUTECH 2023 SUSTAINABILITY REPORT

GWP	Global warming potential
HFC	Hydrofluorocarbons
IED	Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (Industrial Emissions Directive)
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
ISEAL	International Social and Environmental Accreditation and Labelling Alliance
ISO	International Organisation for Standardisation
ISSB	International Sustainability Standards Board
ITS	Implementing Technical Standards
IUCN	International Union for Conservation of Nature
KBA	Key Biodiversity Areas
Kg	Kilogram
lb	Pound
LEAP	Locate, Evaluate, Assess, Prepare
LGBTQI	Lesbian, gay, bisexual, transgender, queer and intersex people
MDR	Minimum Disclosure Requirement
MWh	Megawatt hour
N ₂ O	Nitrous oxide
NACE	Statistical Classification of Economic Activities in the European Community
NF ₃	Nitrogen trifluoride
NH ₃	Ammonia
NO _x	Nitrogen oxides
NUTS	Nomenclature of Territorial Units for Statistics
O ₃	Ozone
OECD	Organisation for Economic Cooperation and Development
ODS	Ozone-depleting substance
OECM	One Earth Climate Model
ILO	International Labour Organisation
NGO	Non-governmental organisation
UN	United Nations
OpEx	Operating expenses



ACRONYMS – LUTECH 2023 SUSTAINABILITY REPORT

SDG	Sustainable Development Goals
PBTS	Persistent bioaccumulative toxic substances
PCAF	Partnership for Carbon Accounting Financials
PFC	Perfluorocarbons
PM	Particulate matter
PMTS	Persistent, mobile and toxic substances
POP	Persistent organic pollutants
AR	Application requirement
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
SBTi	Science Based Targets initiative
SBTN	Science Based Targets Network
SCE	Societas Cooperativa Europaea
SDA	Sectoral Decarbonisation Approach
SDPI	Sustainable Development Performance Indicator
SE	Societas Europaea
EEA	European Economic Area
SEEA	System of Environmental-Economic Accounting
SEEA EA	SEEA Ecosystem Accounting
SFDR	EU Regulation 2019/2088 of the European Parliament and of the Council on sustainability reporting in the financial services sector
SOx	Sulphur oxides
SVHC	Substances of Very High Concern
TCFD	Task Force on Climate-Related Financial Disclosures
TNFD	Task Force on Nature-Related Financial Disclosures
EU	European Union
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
EIA	Environmental impact assessment
vPvB	Very persistent and very bioaccumulative substance
vPvM	Very persistent and very mobile substance
WDPA	World Database on Protected Areas
WRI	World Resources Institute
WWF	World Wide Fund for Nature





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