



# **SUSTAINABILITY REPORT**

**LUTECH GROUP 2024**





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# SUSTAINABILITY REPORT

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**LUTECH GROUP  
2024**

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## 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.

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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.

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## ACRONYMS – LUTECH 2024 SUSTAINABILITY REPORT

## INTRODUCTION AND METHODOLOGICAL NOTE

The Lutech Group is an IT solutions integrator operating in the following sectors:

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

In the areas of Infrastructure and Digital Services, the parent company and the subsidiaries of the Lutech Group operate as integrators of third-party technologies: they design, integrate, install, and implement solutions using hardware and software technologies from leading market vendors, on whose technologies they have developed significant expertise through top-level certifications and partnerships within the industry.

The Group's organization, structured into teams of specialists for the main industries, is able to orchestrate projects that span the entire ecosystem: from advisory to execution, support, and post-delivery evolution, managing the entire project lifecycle with both application and infrastructure expertise. In this context, the Group collaborates with the best technology partners on the market to build an integrated ecosystem that grows and evolves in line with the Client's business objectives.

In carrying out its activities, all companies within the Lutech Group employ their own personnel as well as resources provided by specialized third parties, who support technology vendors in procurement relationships. Across the various industries, the customer base includes both large companies in the respective sectors and a much broader portfolio of smaller clients, particularly in the manufacturing sector.

With this Sustainability Report, the Lutech Group continues its journey toward transparent and responsible reporting, in line with the CSRD Directive, which was initiated in 2023 by the parent company Lutech S.p.A. The goal is to lay the foundations for a solid ESG governance framework capable of generating value for customers, people, and communities. The reporting perimeter, which coincides with that of the 2024 consolidated financial statements, includes Lutech S.p.A. and 20 companies of the Lutech Group.





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**GENERAL  
INFORMATION**

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# ESRS 2 - GENERAL INFORMATION

## PURPOSE

### Datapoint no. 1-2

This ESRS establishes disclosure requirements that apply to all companies regardless of their industry sector and for all sustainability issues.

In preparing the disclosures required by this standard, the Group has applied the disclosure requirements set out in the thematic ESRSs, listed in Appendix C “Disclosure requirements/implementation requirements in the thematic ESRSs applicable in conjunction with ESRS 2 General Information”.

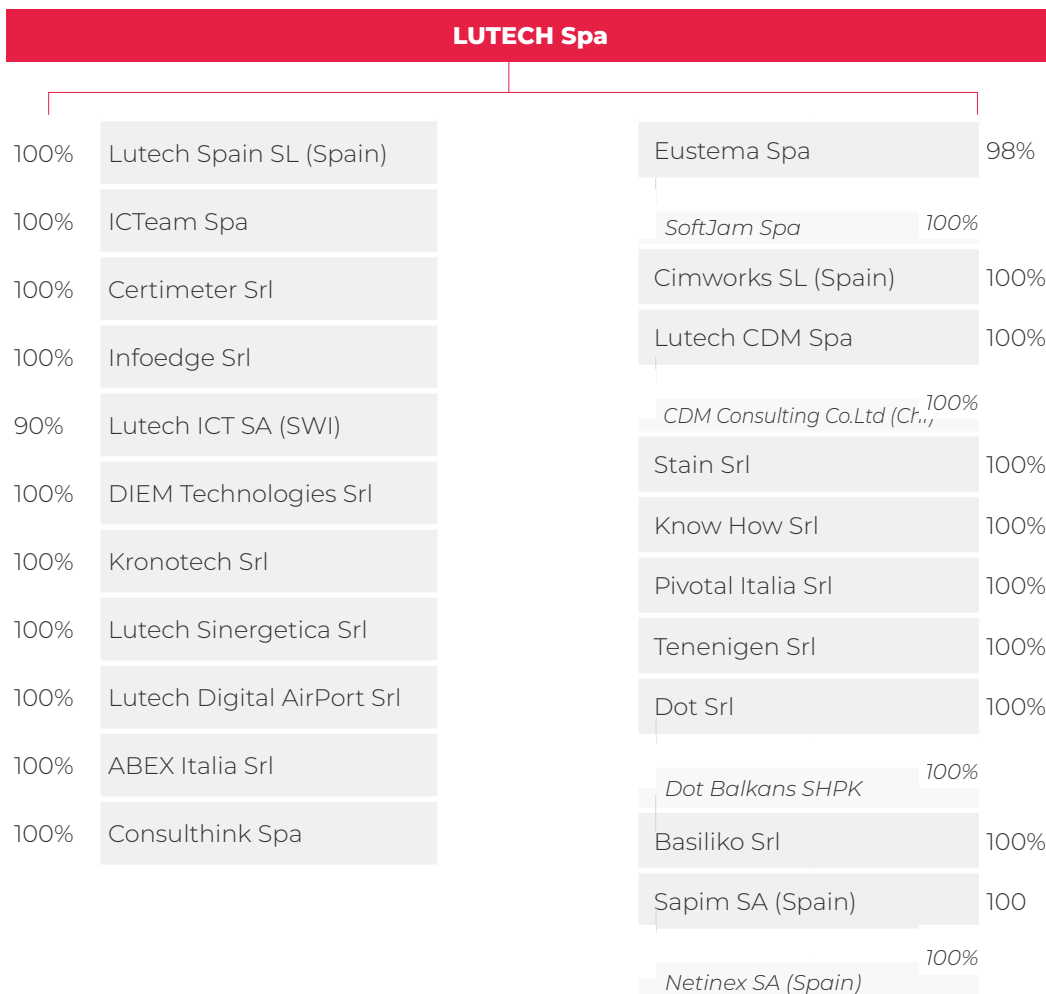
## 1. BASIS FOR PREPARATION

### 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, the criteria that guided the process of drafting the Group's sustainability statement for the year 2024 are presented.

The structure of the Lutech Group as at 31 December 2024 comprised twenty-five companies, in addition to the parent company Lutech Spa, as shown in the following diagram:



In January 2024, Lutech Spa completed the acquisition of Eustema Spa and its subsidiary SoftJam Spa, both of which are well-known for their excellence in the IT sector. In March 2024, the shareholders of Lutech Spa and Lutech Advanced Solutions Spa approved the proposed merger by incorporation of the latter into the former, which became effective on 1 July 2024. In June 2024, Lutech Spa completed the acquisition of Airport ICT Services Srl which, following the acquisition, was renamed Lutech Digital AirPort Srl. Abex Italia Srl, a company with a strong footprint in the manufacturing sector, closed in October. The acquisitions of the Spanish company Sapim SA and its subsidiary Netinex SA and the Italian company Consulthink Spa were finalised in December. At year-end, the merger by incorporation of Certimeter Srl into Lutech Spa became effective.

This Report has been prepared on a consolidated basis, including the parent company Lutech Spa, all the companies of the Lutech Group, excluding Lutech ICT SA (SWI) - Consulthink Spa - Lutech CDM Consulting Co.Ltd (CHI) - Sapim SA - Netinex SA which will be involved starting from the 2025 Sustainability Report. The 21 aggregated companies, resulting from the aforementioned perimeter definition processes, represent “the Lutech Group”.

Value chain coverage includes information on relevant impacts, risks and opportunities related to the Group's activities through the direct and indirect business relationships in the upstream or downstream value chain of each entity belonging to the group.

The Group 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 horizons adopted by the Lutech Group, the latter complies with the definitions contained in ESRS 1 section 6.4, with which it shares the significance. In particular:

- **short term:** from 0 to 2 years, as a reference in its financial statements
- **medium term:** over 2 and up to 5 years
- **long term:** over 5 years

This Sustainability Report uses metrics that include upstream and/or downstream value chain data, estimated from direct sources. Where it was necessary to use indirect sources (proxies or industry averages), the Group describes the basis for their preparation, the resulting level of accuracy, and any actions planned to improve their accuracy in the future.

The Lutech Group also identifies the quantitative metrics subject to uncertainty, highlighting their causes and the assumptions made in the evaluation.

As 2024 was the first year of consolidated "simulated" CSRD reporting, there are no previous periods or perimeters within which to relate the measurements and data collected. However, some past data, where comparable, will be presented.

No material errors were detected in previous periods, as this is the first year of consolidated simulated CSRD reporting.

The Lutech Group is not subject to any other regulations or provisions regarding Sustainability Reporting. Where information is presented by reference, the Group will indicate its presence by specifying the disclosure requirements of the ESRS or the specific information items required to be disclosed.



## 2. GOVERNANCE

### Datapoint no. 18

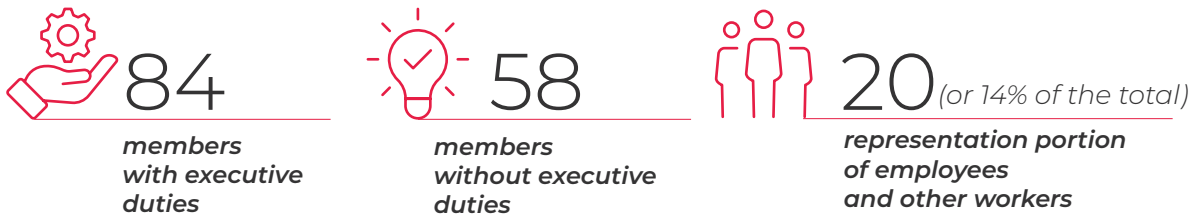
This chapter sets out the disclosure requirements that allow understanding of the governance processes, controls and procedures established to monitor, manage and control sustainability issues.

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

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

The Lutech Group is characterised by administrative, management and control bodies (AMSBs), the composition and diversity of which are set out below:

Experience in the sectors, products, and geographic areas in which the Group operates is provided by managers with in-depth knowledge of the evolution of the digital sector and previous experience in other companies



in the sector, which has allowed them to strengthen their understanding of organizational and management dynamics. For foreign companies, the personnel involved in AMSBs bodies have in-depth knowledge of the country and the foreign market where the entity, part of the Lutech Group, operates.

In general, therefore, all members of the Group's AMSBs bodies, whether executive, independent or non-executive, have decades of experience in the industry and in the markets in which the different companies operate. For example, the representatives of the APAX investment funds, currently partners in the lead company Lutech Spa, have significant experience in the Italian market as a result of previous investments and have chosen as members of the Board of Directors of Lutech Spa people with recognised experience in the sector. In the ESG sphere, the above-mentioned professionals have developed specific sensitivity thanks to the revision of policies and strategies that have allowed them to anticipate when and how to collect and analyse data, as demonstrated by the early simulation of mandatory CSRD reporting, which the lead company, Lutech, has implemented starting with the 2023 Report.

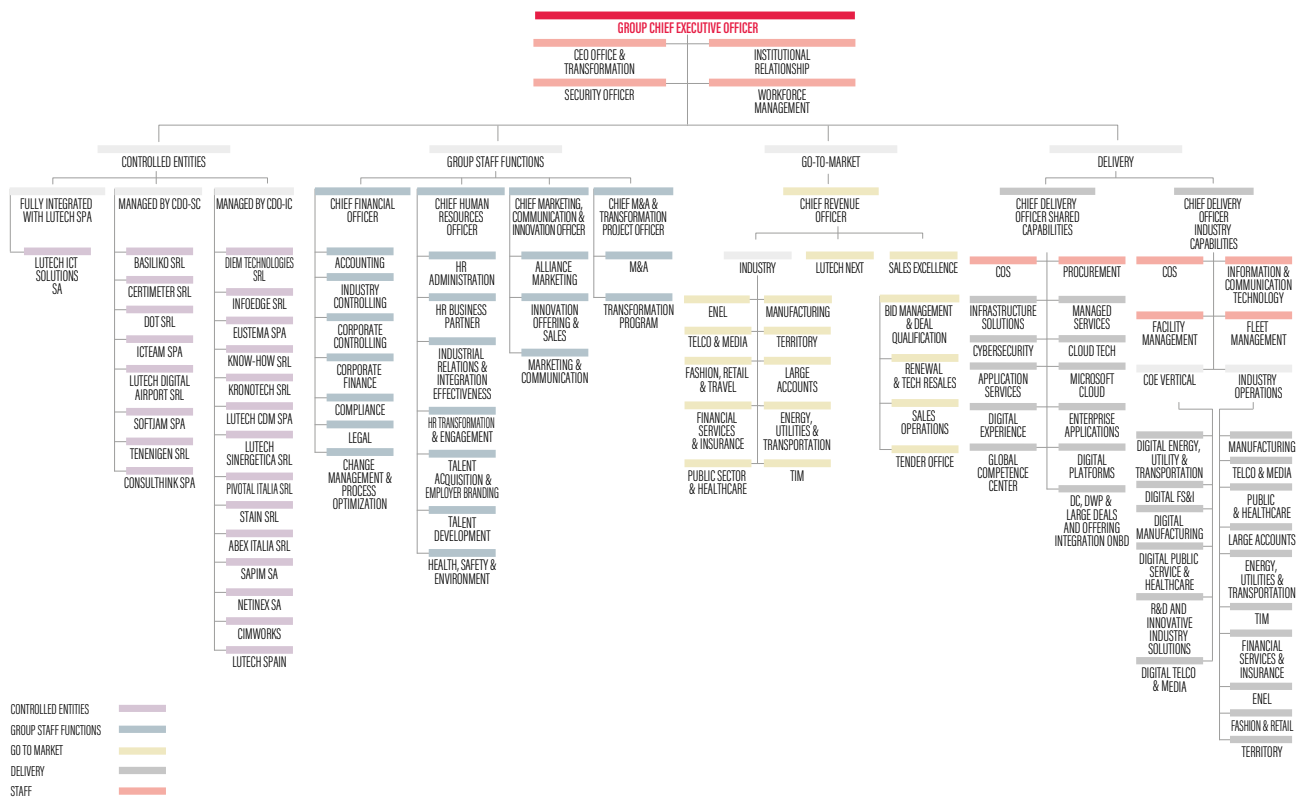
Of the **total members of the** Group's Board of Directors, the **gender breakdown** (average ratio between men and women) is as follows:



Of **the total number of members of** the Board of Directors, the percentage of **independent members of the various Boards of Directors** is:



The figure below shows the Lutech Group's organisation chart covered by this report, where the Group's AMSBs functions can be identified:



The people responsible for monitoring impacts, risks, and opportunities in the Group's various AMSBs are in close contact with the Group Chief Executive Officer, who has ultimate responsibility for and is in charge of the governance of corporate processes, including those of ESG relevance.

Each body highlights its responsibility for Impacts, Risks, Opportunities (IRO) within the Group's various missions, in the Board of Directors' mandates and in the systemic policies on ESG matters based on the General Organisational Structure Procedure (PSQ-000), which makes them responsible for these topics and part of an ESG Due Diligence process, as described in the following paragraphs.

The Group's management team, represented by 193 employees, plays a key role in the governance processes, controls, and procedures that monitor ESG impacts, risks, and opportunities within the Group. The role of senior management in the Group's ESG IRO control processes is represented by the presence of the Group Chief Executive Officer who, as mentioned above, has ultimate responsibility and governance of ESG processes.

The management of impacts, risks, and opportunities is monitored by the CSR function (within the lead company's compliance area and responsible for the entire Group) in coordination with the various Group companies, which are encouraged to participate in processes for developing systemic ESG policies and procedures.

The Administrative, Management and Control bodies of the various companies of the Lutech Group and the Group's senior management review the objectives (defined following the ESG Risk, Impact and Opportunity analysis process) and their progress through unstructured monitoring and only in the event of critical issues detected by the ESG area or a specific company. The AMSBs 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 Group level, a Group Sustainability Committee was established in 2024. The members of the Sustainability Committee and its chairperson (the "Chairperson") are appointed and removed by resolution of the Board of Directors of the parent company and such body may be composed exclusively of executive or non-executive directors of the Company and of the companies of the Lutech 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 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 entrusted to the Corporate Social Responsibility function for implementation across the parent company and the Group companies.

Further operational details are described in the 'Rules of the Sustainability Committee', published in the first quarter of 2024, Articles 3 and 6 of which elaborate on the controls and how they are integrated with other internal functions in the various Group companies.

With regard to the roles in the oversight of Impacts, Risks and Opportunities management procedures by the Group 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 department of the lead company.

The AMSBs determine whether the Group's ESG capabilities and expertise are available or will be available by initially relying on the profiles pertaining to the following areas which, although are not AMSBs, communicate with them on a regular basis:

- **corporate Social Responsibility function** is responsible for guiding the Group's ESG (environment, social, governance) strategy established by the Management, coordinating projects (e.g. Sustainability Report) and promoting initiatives on the subject
- **the group HSE function** 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 (Consolidated Environment Act) and collaborates with the Chief Compliance Officer in developing, implementing and monitoring the occupational health and safety management system (ISO 45001) and the environmental management system (ISO 14001)
- independent bodies related to the ESG governance of the Lutech Group companies

Additionally, for specific, highly vertical expertise, the company relies on external experts who, in a consultancy capacity, contribute to the process of raising awareness and improving ESG impacts by engaging with the lead company and the Lutech Group companies, whenever the topic in question is specifically relevant to one of them.



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

### **Datapoint no. 24-25-26**

Within the Lutech Group, during the 2024 reporting period, the AMSBs bodies were informed about the Impacts, Risks and Opportunities (IRO), the implementation of Due Diligence, and the results of the strategic, policy, and objective-related activities through the CSR function of the parent company Lutech Spa. The CSR function, together with the Sustainability Committee, participated in numerous meetings in conjunction with the Management reviews of the Group's ISO certifications and/or during the preparation of the lead company's Sustainability Report (2023 edition) in anticipation of the Group's Sustainability Report.

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

- **(POL-900) Sustainability Policy** last updated on 24/10/2023
- **(POL-940) Sustainable and Responsible Procurement Policy** last updated on 09/01/2024
- **(POL-980) Responsible Artificial Intelligence Policy** last updated on 21/06/2024
- **(PSQ-500) Corruption Prevention Policy**: last updated on 02/10/2024
- **(POL-960) Corporate Social Responsibility Policy**: Last updated on 27/05/2024
- **(MSL-POL) Occupational health and safety management system policy** last updated on 26/08/2024 (Policy of the lead company Lutech Spa whose guidance will be extended to all non-certified Group companies in the three-year period 2025-2027. In 2024, Eustema had an HSE Policy in place, certified against ISO 45001)

The effectiveness of the above documents is monitored by the corporate functions closest to the relevant ESG theme, and systematised by the CSR function within the Group's compliance area.

From the exchange between AMSBs bodies and more technical sustainability functions, the BoD and other bodies can obtain analytical assessments of the most important issues. In general, the approach pursued is precautionary and preventive, opting to anticipate possible negative impacts 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-based prospective study in order to decide how and to what extent to develop the identified opportunity.



The Group AMSBs consider Impacts, Risks and Opportunities (IRO) within a three-stage process:

1. analysis of material topics
2. verification of the status quo on Due Diligence policies and processes implemented during the reporting year within the Group
3. identification of new objectives and/or improvement actions, also defined in light of IROs and priorities that emerged within the consolidated period

During 2024, the following IROs were addressed by AMSBs:

### RISKS

- energy cost volatility
- inadequate protection of existing diversity and expertise
- failure of suppliers to comply with ESG
- possible corruption incidents
- misalignment of market preferences



### IMPACTS

- lack of continuity in production activities and reduced margins due to rising energy costs
- high employee turnover and high onboarding costs
- reputational loss linked to supply chains not aligned with recent ESG standards, with possible exclusions from tenders and public procurement
- involvement in expensive legal proceedings that significantly affect reputation
- dissatisfaction and a possible reduction in market share



### OPPORTUNITIES

- development of a transition plan aligned with national ESG targets
- maintenance of training and corporate welfare opportunities
- enhanced ESG reporting reflected along the value chain
- development of green services and products to meet new market needs
- strengthening of Business Ethics certifications and internal investigation tools



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

**Datapoint no. 27-28-29**

The Lutech Group has not implemented any incentive system or remuneration policy related to sustainability issues for the reporting year 2024. There are no plans to develop such tools in the near future.



## 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 address actual and potential adverse impacts on the environment and people associated with their activities. Since the company cannot address all the impacts generated by its business at the same time, it relies on two international documents as references through which to assess the priorities for action based on the severity and likelihood of occurrence of adverse impacts.

These documents are:

- Human Rights Due Diligence, as described in the **United Nations Guiding Principles on Business and Human Rights**: a set of 31 principles endorsed by the UN Human Rights Council in 2011, which sets out



a global framework for preventing and addressing the adverse impacts of business activities on human rights. These principles were developed by Prof. John Ruggie, Special Representative of the UN Secretary-General for Business and Human Rights, and are based on a three-pillar approach, known as Protect, Respect and Remedy

- The Human Rights and Environmental Due Diligence process, described in the **OECD Guidelines for Multinational Enterprises on Responsible Business Conduct**: first adopted in 1976 (last revised in 2023), this document is not a mandatory legal framework but clearly outlines government expectations for companies. These guidelines apply to all multinational enterprises operating in member countries, regardless of their registered office or whether they are private or public companies. They aim to identify, prevent, mitigate and account for actual or potential negative impacts that they may cause or contribute to, applying this analysis also to suppliers and business partners, along the entire value chain

The connection between CSRD Sustainability Reporting and ESG Due Diligence is illustrated in the following table.

FUNDAMENTALS OF DUE DILIGENCE	PARAGRAPHS OF REFERENCE IN THE SUSTAINABILITY REPORT
Integrating Due Diligence into governance, strategy and business model	GOV 1 GOV 4 SBM 1
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

In 2024, the Lutech Group established the processes necessary to identify the Group's actual and potential adverse impacts on the environment and human rights. To achieve this, the Group has:

- 1) identified the issues concerning the Group's business activities along the value chain, summarised in the table below:

DUE DILIGENCE TOPICS	
<b>Technological Due Diligence</b>	Intellectual Property
	Cybersecurity and Data Protection
<b>Financial Due Diligence</b>	Competitive Behaviour/Business Ethics
	Revenue Model/Business Continuity
<b>Legal Due Diligence &amp; Compliance</b>	Sectoral Regulation/Quality
	Tax and legal liability
<b>ESG Due Diligence</b>	Environmental impact of operations and plants
	Corporate Welfare
	Inclusion and diversity policies
	Continuous employee training
	Retention
	HSE
<b>Operational Due Diligence</b>	Anti-Corruption
	Innovation
	Business Continuity



2) the themes were then linked to five possible areas, depending on the location of their impacts, which make up the strategic areas of the Group's business models, as shown in the table below:

DUE DILIGENCE - Ref Areas		
Topics reviewed	Reference Area 1	Reference Area 2
Intellectual Property	Ethics and governance	
Cybersecurity and Data Protection	Ethics and governance	Human resources
Competitive Behaviour/Business Ethics	Operations	Ethics and governance
Revenue Model/Business Continuity	Operations	Value chain
Sectoral Regulation/Quality	Products and Services	Value chain
Tax and legal liability	Ethics and governance	Human resources
Environmental impact of operations and plants	Operations	Value chain
Corporate Welfare	Human resources	
Inclusion and diversity policies	Value chain	Human resources
Continuous employee training	Human resources	
Retention	Human resources	Value chain
HSE	Human resources	Operations
Anti-Corruption	Ethics and governance	Human resources
Innovation	Operations	Products and Services
Business Continuity	Operations	Ethics and governance



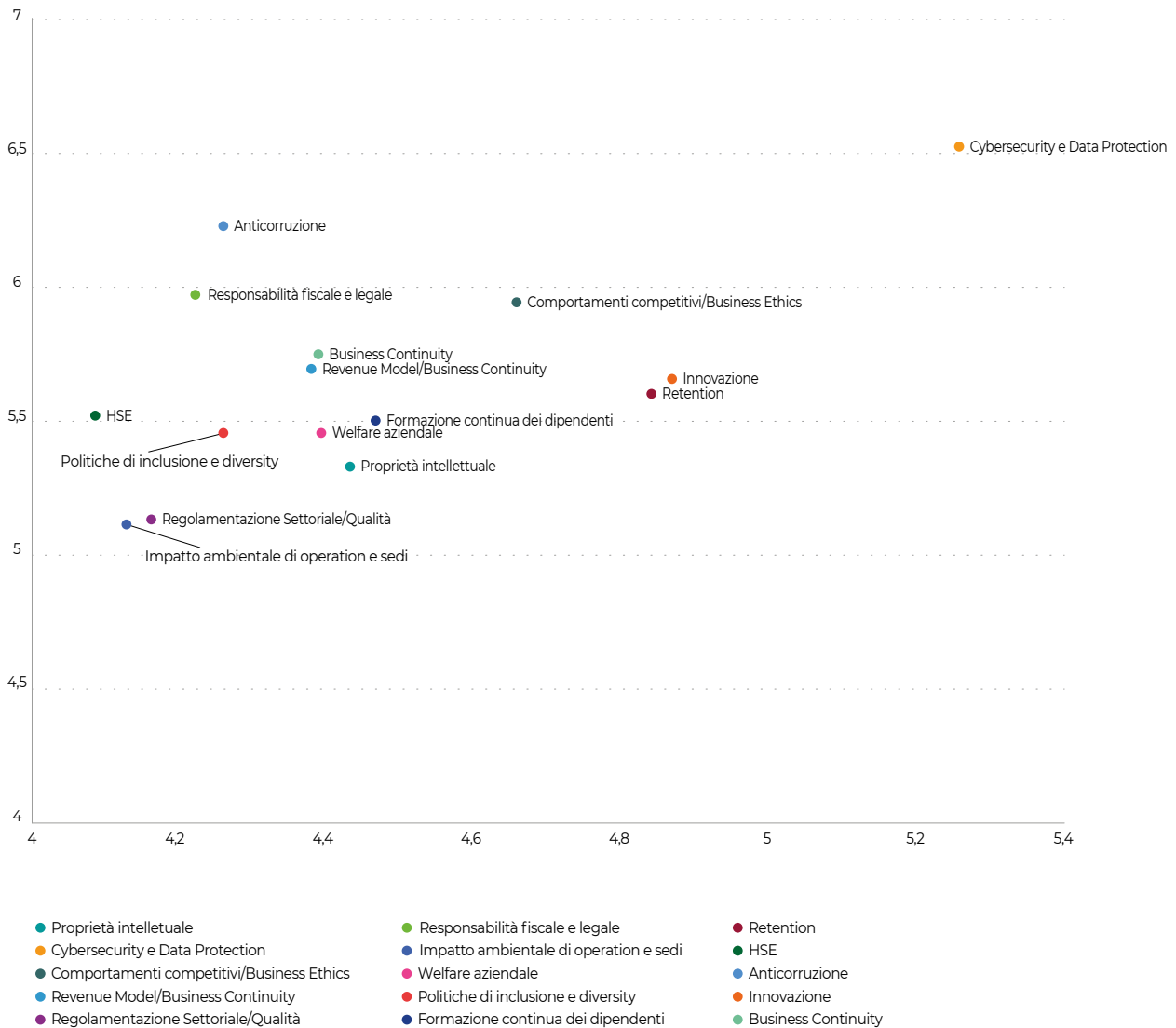
3) later, the Group specified the type of internal/external stakeholders of the Group, to which the impacts could mainly be directed, as shown in the table below:

DUE DILIGENCE - Ref Stakeholder					
Thematic	areas	Type of Stkh concerned	Type of Stkh concerned	Type of Stkh concerned	Type of Stkh concerned
Value Chain	Revenue Model/Business Continuity	SHAREHOLDERS	FINANCING ENTITIES	SUPPLIERS	CUSTOMERS
	Sectoral Regulation/Quality	EMPLOYEES	COLLABORATORS	LOCAL COMMUNITIES	CUSTOMERS
	Environmental impact of operations and plants	LOCAL COMMUNITIES	FINANCING ENTITIES	SHAREHOLDERS	
	Inclusion and diversity policies	LOCAL COMMUNITIES	FINANCING ENTITIES	EMPLOYEES	
	Retention	EMPLOYEES	CUSTOMERS	RESEARCH	
Operations	Revenue Model/Business Continuity	SHAREHOLDERS	EMPLOYEES	FINANCING ENTITIES	
	Competitive Behaviour/Business Ethics	SHAREHOLDERS	FINANCING ENTITIES	SUPPLIERS	CUSTOMERS
	Environmental impact of operations and plants	FINANCING ENTITIES	CUSTOMERS	EMPLOYEES	SUPPLIERS
	HSE	EMPLOYEES	CUSTOMERS	SUPPLIERS	FINANCING ENTITIES
	Innovation	SHAREHOLDERS	EMPLOYEES	COLLABORATORS	SUPPLIERS
	Business Continuity	SHAREHOLDERS	EMPLOYEES	COLLABORATORS	SUPPLIERS
Human resources	Cybersecurity and Data Protection	SHAREHOLDERS	EMPLOYEES	COLLABORATORS	
	Tax and legal liability	SUPPLIERS	EMPLOYEES	SHAREHOLDERS	FINANCING ENTITIES
	Corporate Welfare	LOCAL COMMUNITIES	FINANCING ENTITIES	EMPLOYEES	
	Inclusion and diversity policies	SHAREHOLDERS	SUPPLIERS	RESEARCH	
	Continuous employee training	EMPLOYEES	COLLABORATORS		
	Anti-Corruption	SHAREHOLDERS	PUBLIC INSTITUTIONS	SUPPLIERS	PUBLIC INSTITUTIONS
	Retention	EMPLOYEES	COLLABORATORS	SUPPLIERS	
Products and Services	HSE	EMPLOYEES	SUPPLIERS	CUSTOMERS	SHAREHOLDERS
	Sectoral Regulation/Quality	SHAREHOLDERS	EMPLOYEES	SUPPLIERS	RESEARCH
	Innovation	EMPLOYEES	RESEARCH	CUSTOMERS	SHAREHOLDERS
Ethics and governance	Intellectual Property	SHAREHOLDERS	SUPPLIERS	FINANCING ENTITIES	
	Cybersecurity and Data Protection	SHAREHOLDERS	EMPLOYEES	COLLABORATORS	
	Anti-Corruption	SHAREHOLDERS	EMPLOYEES	SUPPLIERS	LOCAL COMMUNITIES
	Competitive Behaviour/Business Ethics	EMPLOYEES	CUSTOMERS	SUPPLIERS	FINANCING ENTITIES
	Tax and legal liability	EMPLOYEES	SHAREHOLDERS	FINANCING ENTITIES	PUBLIC INSTITUTIONS
	Business Continuity	SHAREHOLDERS	EMPLOYEES	COLLABORATORS	SUPPLIERS



4) at this point, the Group's stakeholders, according to a sample of 1,185 voters, the same ones involved in the definition of Double Materiality (excluding Employees), with an internal gender breakdown (i.e. referring to Management and Board of Directors) of 167 men and 26 women, voted on the different issues according to their severity and likelihood of occurrence, allowing for their prioritisation.

The following Due Diligence matrix has been developed based on the votes collected:



5) such 15 issues were then further shortlisted, with the Group concentrating on those in the fourth quadrant (issues that are both most probable and most severe), specifically:

- **Cybersecurity**
- **Innovation**
- **Retention**
- **Business Ethics**
- **Intellectual property**
- **Employee Training**

6) subsequently, recommendations were developed and activities outlined for each significant topic, as detailed below:

### CYBERSECURITY

**Recommendations:** On this topic, the Lutech Group recommends adopting recognised frameworks and information from verified sources, and involving multidisciplinary teams that include experts in IT Security, Legal, Compliance, Risk Management, and Data Privacy. Ultimately, it suggests employing Non-Disclosure Agreements and secure communication channels for all confidential exchanges.

**Activities:** The Group takes tangible steps in this area by annually verifying the compliance of cybersecurity protocols, developing response plans for any emergencies as well as recovery plans. Additionally, the company mapped its IT architecture, conducted network audits, and evaluated recovery processes. Internally, there is an application security audit, which includes review and testing of critical applications, protection against attacks and vulnerability management and patching. User logins are also managed through multi-factor authentication and privileged account control. Finally, regulatory compliance with third-party certifications such as ISO 27001 (for some companies in the Group), the presence of a data breach log and the constant updating of employee training and awareness programmes, all contribute to effectively implementing Due Diligence initiatives in cybersecurity.

### INNOVATION

**Recommendations:** In its approach to innovation processes, Lutech bases its choices on the systemic or specific nature of innovation, in order to grasp its scope from both a conceptual and economic perspective. Consequently, it recommends a business impact assessment, through ROI analysis and the possibility of incorporating it into existing innovation processes, in order to optimise resources and maximise results in the short and medium term.

**Activities:** analysis of active R&D processes and related budgets, examination of any pre-existing patents or



prototypes already implemented, developed both in-house and outside the company. The Group also invests heavily in ongoing dialogue with CTOs and Innovation Managers of other companies, who provide strategic and operational insight into potential new activities, which can potentially be developed in partnership with universities, startups, or research centres.

### RETENTION

**Recommendations:** To emphasise the importance of long-term employee retention through building loyalty and value, the Lutech Group advises closely monitoring and assessing turnover rates. This helps to uncover root causes and relate them to the quality of the corporate environment and setting. Participation in contests and awards that evaluate these factors is recommended, along with evaluating the attractiveness of compensation packages and career paths.

**Activities:** Monitoring staff turnover, average tenure, engagement, and absenteeism; conducting regular reviews of career plans and welfare policies; developing employee climate surveys; and refining onboarding and offboarding processes to improve their effectiveness over time.

### BUSINESS ETHICS

**Recommendations:** Protecting the rules and principles that govern the ethical conduct of companies and their employees, contributing to a fairer and more responsible work environment, requires a commitment beyond mere legality, aiming to promote corporate conduct that is not only compliant with the law but also morally correct and sustainable. In this regard, the Lutech Group recommends the presence of up-to-date documentation (e.g. Code of Ethics, Sustainability Report, ESG Policies) and the presence of anti-corruption and whistleblowing safeguards. Finally, it is important that, within the various analyses, the risks of misconduct or non-compliance with regulations are always considered, especially where the latter are still being defined because they relate to particularly recent technological solutions or digital innovations, the ethical impacts of which may not be entirely clear.

**Activities:** Reviewing and verifying the Code of Ethics, whistleblowing channels, Model 231, and internal audit records, including related reports received. Proper updates and renewals of ethical certifications such as SA8000 and ISO 37001 (where in place) are also carried out.

### INTELLECTUAL PROPERTY

**Recommendations:** As a basis for compliance with this principle, the Lutech Group requires that rights to software, platforms, and solutions form part of its own proprietary and protected assets. Furthermore, it is advisable to ensure there are no ongoing legal disputes or unrecognised or pending Intellectual Property Rights risks. Finally, updating knowledge regarding intellectual property protection in international markets is recommended.

**Activities:** Spot checks on the actual ownership of Intellectual Property, in particular where business solutions are developed by collaborators or with third parties; analysis of existing licence agreements and NDAs.

### EMPLOYEE TRAINING

**Recommendations:** The Lutech Group does not consider training merely for compliance purposes, but rather as a strategic tool for upskilling staff. It is recommended that the alignment between training, performance, and innovation generated for the company be analysed. In addition, it is recommended that training should also follow the improved guidance deriving from certification and management systems, so as to increase the level of internal knowledge related to these tools.



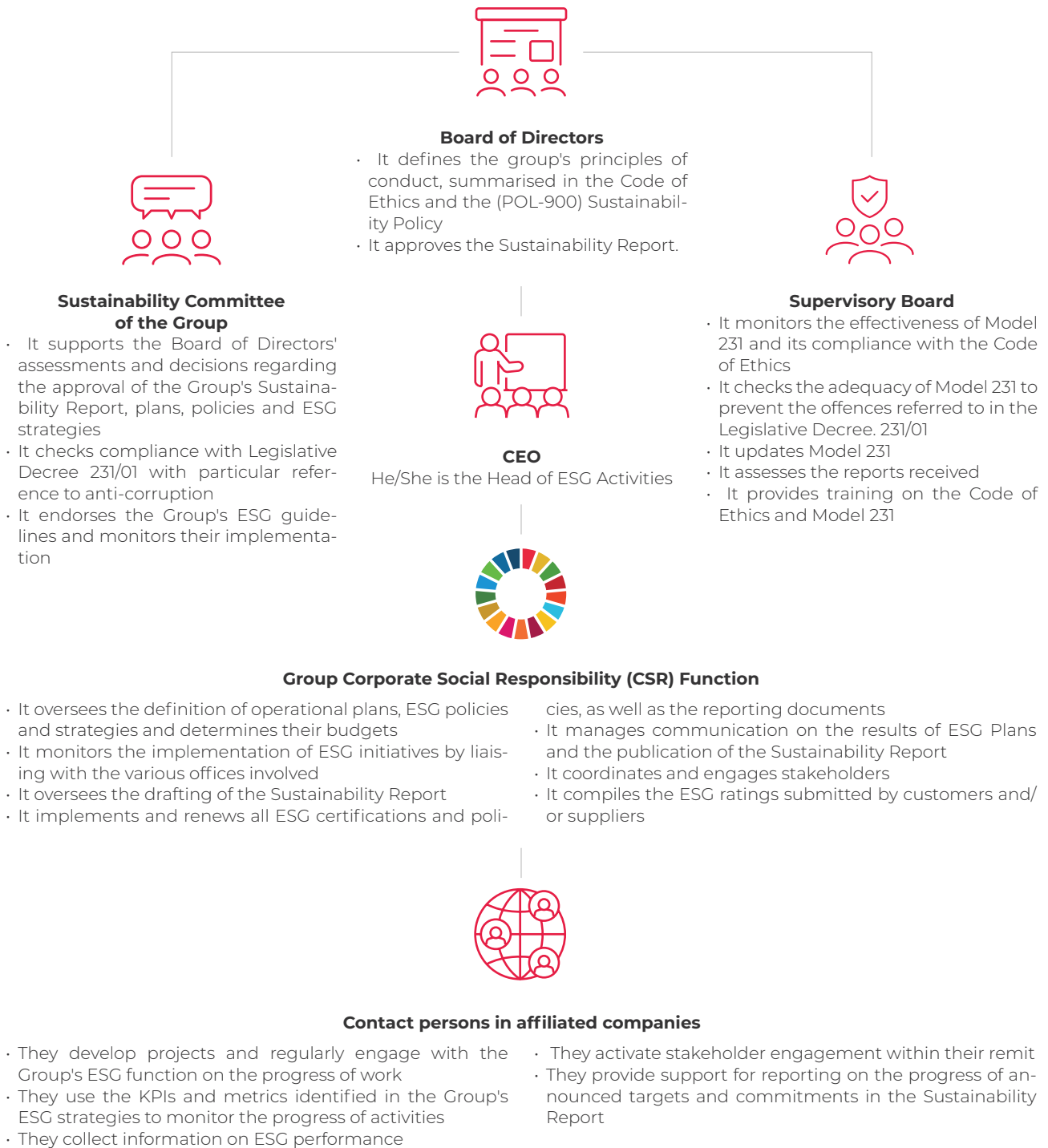
**Activities:** The Lutech Group implements a corporate training plan, diversified according to the affiliated companies, and supported by a dedicated budget. External training platforms (e-learning) and internal training platforms, i.e. specific to the counselling pathways activated (vertical training), are considered. The hours of training per capita and the results achieved measured by quantitative and qualitative metrics are checked and, finally, adherence to specific obligations resulting from updated regulations (e.g. anti-money laundering, occupational safety, etc.) is checked.

7) Subsequently, the corporate governance steps to translate the recommendations into actions and to give the actions a structured place in the company processes to prevent, mitigate and account for the impacts of ESG Due Diligence were clarified:

- **at governance and policy level:** the Lutech Group has a governance model in place, led by the Board of Directors, within which the CEO (with the top management) approves and is ultimately responsible for the Sustainability Policies. Additionally, there is a Sustainability Committee that oversees the operational aspects of ESG compliance. From a CSRD perspective, this is where the effort to integrate ESG Due Diligence into corporate governance mechanisms comes in.
- **at the level of Identification and assessment of impacts:** the Lutech Group annually carries out an assessment of the risk and probability of occurrence of both environmental and human rights impacts, updating the analysis process for each new entity joining the Group. From a CSRD perspective, this is where the commitment to stakeholder engagement and the identification of potentially adverse impacts comes in
- **at the level of the process integration aimed at reducing, preventing, and mitigating impacts:** the Lutech Group invests in dedicated training, updating documents (Policies and Certifications), and assessing suppliers, engaging them on ESG issues. From a CSRD perspective, this is where efforts to concretely address adverse impacts on human rights and the environment come in
- **at the level of assessment and reporting:** the Lutech Group is committed to updating its ESG reporting and Due Diligence documents, monitoring their effectiveness and any regulatory developments. The identification of material topics for Double Materiality and Due Diligence is carried out by engaging various stakeholder categories, who are given the opportunity to vote each year based on their own vision. The presence of KPIs and objectives also demonstrates the commitment to a concrete and measurable process of continuous improvement. Finally, the inclusion of a Due Diligence section within the Sustainability Report completes the Group's integrated approach to reporting, both at a procedural and managerial level (with ESG Due Diligence) and at a performance/quantitative level, with the preparation of the Sustainability Report in accordance with the CSRD Directive. From a CSRD perspective, this is where the effort to monitor and communicate one's ESG choices and performance comes in
- **in terms of disclosure and remediation mechanisms:** the Lutech Group has established a dedicated whistleblowing channel, compliant with Legislative Decree No. 24/2023. This system allows employees and stakeholders to report violations or irregularities, ensuring the confidentiality of the whistleblower's identity and the information provided. Reports may concern unlawful acts, violations of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01, or other conduct detrimental to the public interest or integrity of the Group. Regarding remediation mechanisms, the Group may initiate internal investigations to ascertain the facts and take disciplinary action as provided for by the Code of Ethics, the National Collective Bargaining Agreement, and the Organisational and Control Model pursuant to Legislative Decree No. 231/01. With regard to this last point, it is also possible that the procedures set forth in the Model itself will be activated, including: reporting to the Supervisory Board, reviewing and updating control procedures, and possibly filing a complaint with the judicial authorities. From a CSRD perspective, this is where the effort to concretely address the adverse impacts mapped in Group's IRO comes in



8) finally, a Group ESG Due Diligence Organisational Chart was developed:



## 2.5 Disclosure Requirement GOV – 5 – Risk management and internal controls over Sustainability Reporting

### Datapoint no. 34-35-36

The Lutech Group has implemented a risk management system related to the consolidated Sustainability Reporting process that has as its starting point the management systems in place and maintained within the Group.

Below is a list of the management systems and models that are in place within the Lutech Group.

ISO 9001	ISO 20000-1	ISO 27001	ISO 14001	ISO 14064-1	ISO 45001	ISO 37001	UNI PDR 125	SA8000	MOD 231/01
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The Risk Management processes are characterised, as far as Sustainability Reporting is concerned, by the following features:

- involvement of the functions of all Group companies 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 an annual basis, whereby individual functions in the different companies report any anomalies or problems to the process contact persons
- implementation of risk correction and mitigation procedures

These processes are distinguished by an inclusive and modular approach, encompassing the various entities controlled, capable of integrating the various companies of the Group by virtue of a proximity in business models that for some of them is almost total. In particular, among the external (from an outside-in perspective) and internal (from an inside-out perspective) variables, the Lutech Group has also considered ESG dynamics based on the level of risk and its impact on consolidated value creation processes, with the aim of limiting any negative effects through systematic risk identification, assessment, handling and control activities. All control and risk management processes include:

- a cross-review of the control and risk management procedures related to Sustainability Reporting
- the presence of training hours prior to the collection of reporting data for alignment of the different functions
- the dispatch to the first lines as representatives of the Management for mutual evaluation

As for the risk prioritisation methodology, the lead company started in 2024 the process of extending the risk identification, assessment, and mitigation procedure to all Lutech Group companies according to the process described below:

- **Context definition:** the internal and external context is established, identifying areas of impact and relevant regulations. Objectives, stakeholders involved and criteria for risk assessment are established
- **Risk identification:** through tools such as Double Materiality, internal audits and integrated assessments (e.g. mobility plan, health and safety, home-work mobility), environmental, social and governance risks are identified
- **Analysis and evaluation:** each risk is assessed based on:
  - **Probability:** this is quantitatively/qualitatively assessed through audits, historical and regulatory data, ESG models
  - **the potential impact** is assessed in terms of:
    - > financial impact (costs, penalties, business losses)



- > reputational impacts
- > effects on stakeholders (employees, customers, suppliers, community)
- > environmental or regulatory effects
- **relevance for stakeholders:** the result of the materiality analysis and consulting activities, involving customers, employees, communities, investors
- **Current level of control:** this is measured based on existing policies and certifications
- **External trends and regulatory pressures:** monitoring CSRD, CSDDD, EU Taxonomy, regulatory/technological developments
- **Interconnection between risks:** this refers to the combined effects of environmental, social, reputational and regulatory risks
- **Planning of mitigation processes:** action plans are defined according to the high-priority risks. Key areas include: certifications (e.g., ISO 14001, ISO 45001, ISO 27001, ISO 37001), corporate policies (e.g., anti-corruption, ethical procurement, cybersecurity, responsible use of Artificial Intelligence)
- **Connection with Group governance:** this is achieved through the oversight of the Sustainability Committee, appointed in 2024, and by cross-functional teams involving internal and external stakeholders to ensure greater buy-in and diversity of representation
- **Monitoring, reviewing and reporting:** regular updates of management systems and Double Materiality ensure that risk analysis remains aligned with regulatory, technological and contextual changes



In terms of the internal control of the Sustainability Reporting process, the various entities, in cooperation with the Group ESG area, assessed the following risks shown in the table:

TOPIC	RISKS	MITIGATION STRATEGIES
Completeness and integrity of data	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 in the upstream and/or downstream value chain	Dialogue with Hot-spots upstream and/or downstream
Timeframe with which information is made available	Failure to respect the timeframe to which information is made available	Preparing information in time

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

The regular reporting of risk assessment findings to the Group's AMSBs is carried out by the Sustainability Committee, which met on three occasions in 2024: on 21/02/24, 24/07/24, and 17/12/24.



# 3. STRATEGY

**Datapoint no. 37**

This chapter outlines the elements of the Group's strategy concerning sustainability issues, the business model and value chain, how stakeholder concerns are taken into account and the outcome of the assessment of relevant impacts, risks and opportunities (IRO).

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

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

During the period under review in 2024, the Lutech Group comprises 21 companies, each with a focus on specific and occasionally complementary ICT sectors.

The image below presents the breakdown of the Group's services, arranged according to their vertical, horizontal, or infrastructural classification.

Vertical services cater specifically to the requirements of a distinct industry or business sector. They address the usual demands unique to a particular industry.

Horizontal services are broad and overarching, as they are relevant to any sector.

Infrastructure services lay the foundation essential for both horizontal and vertical services to function efficiently. They serve as the technological bedrock of the ICT ecosystem.



## DELIVERY MODEL

**87%  
Digital  
Services**

**Digital Industry-Specific**  
47%



### VERTICAL DIGITAL SERVICES

Deep vertical expertise with sector-specific solutions:

- Market leader in the Energy & Utility sector for metre-to-cash smart grids, IT/OT, AI and Digital Twins
- Market leader in the Manufacturing sector around CAD/CAM, PLM, ERP, MES/ MOM, AI, IoT and Digital Twins
- In-depth experience in the public sector, with specific welfare applications

**Digital cross-industry**  
40%



### HORIZONTAL DIGITAL SERVICES

Extensive range of horizontal digital skills

- Dx - Market leader in Salesforce
- Cloud - End-to-end offering
- App modernisation – In-demand custom dev capabilities
- Cyber – End-to-end offering including SOC
- ERP – SAP and Infor
- Digital Workplace solutions

**Infrastr. Solutions**  
13%



### INFRASTRUCTURE SOLUTIONS

Data Centre and network design, installation and security

By Offering  
(FY23)

These areas demonstrate the Group's commitment to providing integrated and innovative solutions for the digital transformation of companies and are reported in the financial statements as they each contribute at least 10% of the revenues of the various companies that offer them to the market.

The image below outlines the main customer categories the Group serves, along with detailed information on the services offered and market positioning.

### ENERGY, UTILITIES & TRANSPORTATION

#### Market leader

They cater to all industry players

Vertical expertise across the entire value chain: generation, distribution, and retail

Proprietary solutions and distinctive expertise in SAP, Digital Twin, Data, and Trading Solutions

+700 certified vertical specialists

### MANUFACTURING

#### Market leader

Presence throughout Italy

Broad end-to-end offering on the Digital Factory: PLM, CAD/CAM, ERP, MES/MOM, AI, IoT & Digital Twins

+400 certified vertical specialists

### PUBLIC SECTOR & HEALTHCARE

#### Presence in Central and Local Public Administration

Vertical expertise in welfare (pensions and benefits)

The Acquisition of Eustema in 2024 consolidated the sector

+700 certified vertical specialists



### TELCO & MEDIA

#### We cater to the top 4 players: TIM, Vodafone, WindTre, Fastweb

NOC Telco Specific expertise

Digital broadcasting for RAI, Sky, and Mediaset

Key partnerships and joint go-to-market initiatives

+200 certified OSS/BSS specialists

### FINANCE & INSURANCE

#### Insurance customers on core and horizontal systems, with over 200 certified specialists.

Distinctive CRM skills with excellence in Salesforce

Management of application services for major Italian banks

+200 certified specialists

### FASHION & RETAIL

#### Omnichannel expertise with excellence in Salesforce

Distinctive skills on Data Driven Company

Industrial performance for the Luxury Industry



The significant markets in which the Group operates and the number of employees by geographical area are shown in the image below:

CONTINENT	AMOUNT	MARKET RELEVANCE %	No. OF EMPLOYEES
Europe	818,995,549.26	99.9583%	4,978
Asia	310,867.74	0.0379%	2
Africa	2,760.00	0.0003%	0
North America	28,140.00	0.0034%	0
Central and South America	0	0	0
Oceania	0	0	0

As a market player, the Lutech Group operates 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 or dual-use technologies (products, including software and technology, that can have both civil and military use), which can only be sold subject to a prior ministerial authorisation.

The sectors in which the Lutech Group operates are not included in those for which more detailed reporting is required.



In 2024, there were no other significant sectors or activities that generated Group profits with significant impacts.

The following table shows the objectives (some commercial, other focused on positioning) related to sustainability in terms of significant service groups, customer categories, geographic areas and stakeholder relations:

GROUPS OF SERVICES	SUSTAINABILITY TARGETS
<p>Software for ESG data collection</p>	<p>Reporting and monitoring of environmental sustainability values (GHG Protocol for the Group and ISO 14064-1) through the Net Zero Cloud tool</p> <ul style="list-style-type: none"> <li>&gt; PURPOSE: reporting and monitoring of environmental sustainability values (GHG Protocol and ISO 14064-1)</li> <li>- Sustainability goals: SDG 12, SDG 13</li> </ul> <p>A platform for managing and analysing sustainability data, in collaboration with MADE, with the aim of managing, standardising, and analysing data from corporate information and automation systems relating to the environmental sustainability of production processes</p> <ul style="list-style-type: none"> <li>&gt; PURPOSE: reporting and monitoring of environmental sustainability values</li> <li>- Sustainability goals: SDG 12, SDG 13</li> </ul> <p>A dedicated architecture for automatic data collection, via an ESG DATA HUB within the proprietary Data Platform managed by Lutech for the client. The Data Hub enables seamless integration and ensures data reliability for customers</p> <ul style="list-style-type: none"> <li>&gt; PURPOSE: reporting and monitoring of environmental sustainability values</li> <li>- Sustainability goals: SDG 12, SDG 13</li> </ul>
CATEGORIES OF CUSTOMERS	SUSTAINABILITY TARGETS
<p>Multi-utility companies</p>	<p>The Lutech Group supports:</p> <ul style="list-style-type: none"> <li>· customers in the definition and activation of a new eMSP platform to be used for integrated energy efficiency services and technology solutions in the strategic E-Mobility field</li> <li>· customers for the evolutionary updates and corrective maintenance of the e-mobility platform tailored for overseeing the charging operations of electric cars</li> </ul> <ul style="list-style-type: none"> <li>&gt; PURPOSE: establishing a green mobility infrastructure</li> <li>- Sustainability goals: SDG 12, SDG 13</li> </ul> <ul style="list-style-type: none"> <li>· customers for the optimization of energy consumption measurement, improving the efficiency and effectiveness of business processes, significantly reducing energy consumption, and limiting energy wastage</li> </ul> <ul style="list-style-type: none"> <li>&gt; PURPOSE: streamlining energy consumption data collection processes</li> <li>- Sustainability goals: SDG 12, SDG 17</li> </ul>
GEOGRAPHICAL AREAS	SUSTAINABILITY TARGETS
<p>Southern Italy</p>	<p>The Lutech Group, together with the Department of Electrical and Information Engineering of the Polytechnic University of Bari, has signed a research and testing agreement with Acquedotto Pugliese for the creation of a <b>Digital Twin</b>, based on process modelling and digitisation, of Europe's largest water lifting plant, Parco del Marchese, in the municipality of Laterza. The particularly energy-intensive nature of a lifting plant leads to the identification of strategies aimed at maximising energy efficiency, and the Digital Twin represents an analysis, simulation and planning tool for increasing productivity, reducing innovation risks and production costs, as well as reducing emissions and the carbon footprint.</p> <ul style="list-style-type: none"> <li>&gt; PURPOSE: Efficiency enhancement of on-site water distribution processes</li> <li>- Sustainability goals: SDG 6, SDG 9, SDG 12, SDG 17</li> </ul>



**RELATIONS WITH STAKEHOLDERS**      **SUSTAINABILITY TARGETS**

Students and junior professionals, local institutions, communities and local area

**Lutech Campus:** Situated in the multipurpose spaces of the headquarters, the Lutech Campus serves as the Open Innovation Hub for the Lutech Group. More info at: (<https://lutech.group/it/open-innovation-hub/lutechcampus>). The innovative training, start-up, demo lab and dissemination platform on leading edge technologies opens up to Academic Institutes, Research Institutes, Technology Partners, Customers and Start-ups to innovate together. In particular, the training will also include courses dedicated to undergraduates, recent graduates and graduates in the STEM area.

**The MILE R&D Hub of Bari** operates in partnership with the Polytechnic University of Bari, the University of Bari Aldo Moro, LUM, alongside local institutions and businesses. The €24 million investment, focusing on the local community and resources, includes the immediate hiring of 60 recent graduates and experienced technicians and the construction of a new data centre. The project also includes the hiring of 500 technicians over the next five years, making the Bari office a true nearshoring hub for the Lutech Group and reskilling key local resources. Technical seminars will be held at the Computer Science degree programs, focusing on Loyalty, Fintech, and Energy, to strengthen skills in software engineering, advanced programming methods, and data mining. Internships and placements will be offered to both university students and local technical institutes, and excellence programs will be offered to the most deserving students.

- > PURPOSE: investing in education in regions where structural investments are scarce
- Sustainability goals: SDG 4, SDG 5, SDG 17

**CATEGORIES OF CUSTOMERS**      **SUSTAINABILITY TARGETS**

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 is given to dissertations submitted by female engineering graduates that best respond to the annual theme chosen by the Award. The Lutech Group has supported the initiative since 2023.

The '**Girls Polimi**' project, which Lutech is joining at Group level for the three-year period 2023-2026 (<https://lutech.group/it/newsroom/il-gruppo-lutech-aderisce-al-progetto-girls-polimi>), provides for scholarships and an orientation and outward communication campaign aimed at reaching out to society and institutions, young women and their families, with the aim of actively contributing to attracting more girls enrolled in STEM studies.

**Digital Diversity Week:** This 100% digital event is designed to bring companies and people with disabilities and other vulnerable groups together, encouraging their inclusion in the labour market. During the five-day workshop, participants can meet with companies, submit their applications, and take part in training and orientation sessions. If applicants match the company's requirements, they will be contacted directly for an interview.

**Digital Recruiting Week STEM GIRLS:** an event entirely dedicated to STEM undergraduates and graduates, during which participants can participate in company presentation webinars, apply for open positions sponsored by participating companies, and start real-time interviews.

**Virtual Job Meeting Stem Girl:** A fully digital event offering companies the opportunity to connect with young female graduates and professionals in STEM (Science, Technology, Engineering, and Mathematics) disciplines.

Thanks to digital technologies, it is possible for participating companies to communicate their reality and share their corporate culture, in addition to meeting target candidates and interacting with them virtually.

- > PURPOSE: supporting gender equality
- Sustainability goals: SDG 4, SDG 5, SDG 17



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

- the group of products linked to the Salesforce platform (including Net Zero Cloud) is in line with the achievement of the objective of creating a Group transition plan with a view to increasing its focus on reducing CO2 emissions --> reference ESRS E1
- 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--> reference ESRS S4

The **elements of the Group's 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 the two-year period 2024-2025, when the merger of Lutech Advanced Solutions into Lutech spa resulted in a total workforce of around 3000 people for Lutech Spa alone
- 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** of the Group are:

- defining 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
- actively engaging the various companies in the Lutech Group towards adopting a shared and consistent ESG vision

**Projects to implement** in the future will be:

- supply chain analysis
- leveraging AI applications that can provide support, especially in terms of forecasting (e.g. Net Zero Cloud)

No company or Group of companies works in isolation from other companies and the local context, which is why it is important to represent the Group's business model and the value chain in which the perimeter of consolidation is integrated.

The following image presents the Lutech Group's business model, defined on the basis of the Business Model Canvas framework, which comprises nine key components:

- |                       |                       |                     |
|-----------------------|-----------------------|---------------------|
| 1. customer segments  | 4. customer relations | 7. key activities   |
| 2. value propositions | 5. revenue streams    | 8. key partnerships |
| 3. channels           | 6. key resources      | 9. cost structure   |

The data used to develop the business model are structured and qualitative data on the Group. The first to be used are those that integrate the different missions, visions, and value propositions, followed by an analysis of customer segments, sales channels, and revenue sources. It is crucial to understand operating costs, key resources, strategic activities and partnerships. The method for collecting this information involved an exchange between internal stakeholders and the analysis of company documents (financial statements, strategic reports, presentations).



**CUSTOMER SEGMENTS**

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



**VALUE PROPOSITION**

Lutech offers end-to-end digital solutions, including:

- IT infrastructures: design and management of secure and scalable Multi Cloud and Hybrid Cloud environments
- digital services: user experience, customer engagement, digital commerce
- proprietary products: specific software suites for each industrial sector



**CHANNELS**

- direct sales
- strategic partnerships with over 100 technology partners, including Cisco, Dell, NetApp, HPE, Salesforce, AWS, Microsoft and Google
- events and fairs: participation at tradefairs such as the TECH JOBS FAIR



**CUSTOMER RELATIONS**

Lutech maintains close relations with customers through:

- a consultancy approach: supporting them throughout the entire life cycle of the project
- long-term collaboration: developing customised solutions and ongoing support
- open Innovation: involvement of universities, start-ups and institutions at the Lutech Campus



**REVENUE STREAMS**

The main revenue streams derive from:

- digital transformation projects
- sale of proprietary products
- consultancy and support services
- IT infrastructure management



**KEY RESOURCES**

Key resources include:

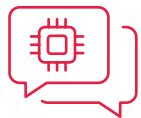
- over 5,500 professionals with transversal skills
- proprietary software products for various industries
- technological partnerships with market leaders
- investments in research and development, with over 100 million euros planned over the next three years



**KEY ACTIVITIES**

Key activities include:

- design and implementation of IT solutions
- development of software products
- consultancy and support to customers
- training and development



**KEY PARTNERSHIPS**

Lutech collaborates with:

- technology partners: Cisco, Dell, Nethoo, HPE, Salesterce AWS, Microsoft, Google
- universities and research centres: for innovation and training projects
- start-ups: for the development of innovative solutions



**COST STRUCTURE**

Major costs include:

- highly qualified personnel
- research and development
- technological infrastructure
- marketing and sales activities



On the next page, a chart of the value chain is presented, showing 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, representing ESG risks or opportunities.

To define the Lutech Group's value chain, we relied on the Porter model, which allowed us to map:

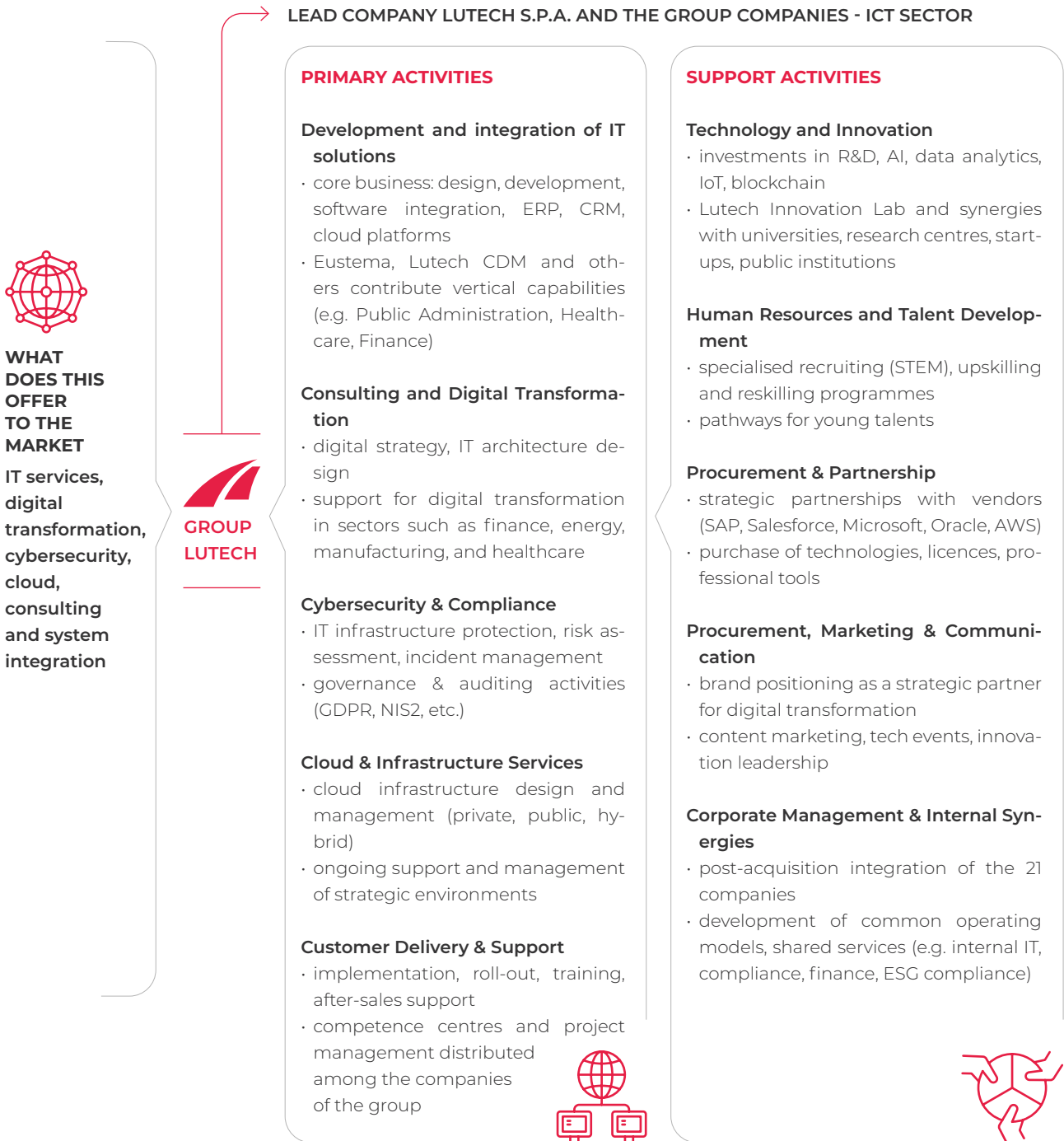
- where value is created
- how companies collaborate in creating that value
- what are the ESG and competitive leverage points

Unlike the original model, the following adaptive changes have been made to make it more consistent with the Lutech Group's identity and the need to use the value chain as a framework for identifying ESG risks and opportunities:

CRITERION	ADAPTATION TO THE LUTECH GROUP'S REALITY
Type of business	From manufacturing to advanced technological services
Delivery	From production/logistics to IT projects and consulting
Internal structure	From a single company to a Group with intercompany synergies
ESG	Cross-cutting and strategic integration of ESG dimensions
Final objective	Mapping where and how the Group creates sustainable value



Below are summarised images of the Lutech Group's value chain:





**PRIMARY ACTIVITIES**

**IT SOLUTION DEVELOPMENT & INTEGRATION**

**🟢 Opportunities:**

- energy-efficient software design
- solutions for the digitisation of PA and more accessible services (e.g. e-government, digital inclusiveness for schools or hospitals)
- use of AI and edge computing to optimise infrastructure energy consumption

**⚠️ Risks:**

- energy-efficient software design
- solutions for the digitisation of PA and more accessible services (e.g. e-government, digital inclusiveness for schools or hospitals)
- use of AI and edge computing to optimise infrastructure energy consumption

**CONSULTING AND DIGITAL TRANSFORMATION**

**🟢 Opportunities:**

- support to customers in the ESG transition (e.g. decarbonisation strategies, data-driven sustainability)
- human capital enhancement in digital upskilling processes

**⚠️ Risks:**

- unintentional green/social washing in customer projects that are shared by the Group
- dependence on high-pressure organisational models (burnout of consultants or of the most accountable employees)

**CYBERSECURITY & COMPLIANCE**

**🟢 Opportunities:**

- protection of privacy and personal data (key ESG theme)
- resilient infrastructure design (ESG core theme)

**⚠️ Risks**

- cyberattacks on internal or customer systems – possible damage and theft of information or intangible assets (e.g. software source code) owned by the company or its customers. Cost of any refunds or penalties
- risk of GDPR and ethics violations

**CLOUD & IT INFRASTRUCTURE**

**🟢 Opportunities:**

- migration to sustainable clouds (e.g. net-zero data centres)
- scalable, low-impact infrastructure design

**⚠️ Risks:**

- high carbon footprint of cloud services unless they are green-certified
- hardware obsolescence and poor IT lifecycle management (WEEE)

**DELIVERY & SUPPORT**

**🟢 Opportunities:**

- inclusive customer care (e.g. digital accessibility, multilingual support)
- social inclusion through IT projects in the most disadvantaged areas

**⚠️ Risks:**

- low representation of women in operational and technical roles.
- low quality of subcontracted work (e.g. contracts, uncontrolled outsourcing)



**SUPPORT ACTIVITIES**

**TECHNOLOGY AND INNOVATION**

**🟢 Opportunities:**

- innovation oriented towards ESG solutions (e.g. AI for environmental monitoring, sustainable reporting tools)

**⚠️ Risks:**

- lack of ESG metrics in innovation KPIs

**HUMAN RESOURCES AND TALENT DEVELOPMENT**

**🟢 Opportunities:**

- DE&I (Diversity, Equity & Inclusion) programmes, soft skills training, psychological well-being

**⚠️ Risks:**

- gender gap and lack of intergenerational or intercultural inclusiveness
- risk of job insecurity in junior profiles (e.g. unpaid internships, fixed-term positions)

**PROCUREMENT, MARKETING AND COMMUNICATION**

**🟢 Opportunities:**

- choice of ESG certified suppliers, contracts with environmental/social clauses

**⚠️ Risks:**

- dependence on partners with non-transparent supply chains (e.g. hardware made in countries with human rights risks)
- unclear reputation of partners with whom the company co-hosts events

**CORPORATE MANAGEMENT AND INTERNAL SYNERGIES**

**🟢 Opportunities:**

- efficiency gains resulting from data collection activities for integrated ESG reporting, group stakeholder engagement, code of ethics and policies shared among the 21 companies of the group
- expansion into foreign markets (acquisition of new companies to open new markets and create new synergies)

**⚠️ Risks:**

- risk of fragmented governance post-acquisitions
- lack of ESG accountability in strategic decisions



## ESG RISKS AND OPPORTUNITIES ARISING FROM SYNERGIES AMONG THE COMPANIES OF THE LUTECH GROUP

### ESG OPPORTUNITIES

#### SCALABILITY OF BEST PRACTICES

- positive synergistic effect: a well-designed ESG policy (e.g. gender inclusion, sustainability in data centres) can be quickly replicated across intra-group companies
- example: sharing of DE&I or "carbon neutrality roadmap" programmes → greater impact and visibility

#### DEVELOPMENT OF INTEGRATED SOLUTIONS FOR SUSTAINABILITY

- the companies in the group cover complementary sectors: software development, cloud infrastructure, cybersecurity, digital PA, etc.
- collaboration between these entities can lead to the creation of:
  - data-driven environmental tools

#### EFFICIENT RESOURCE MANAGEMENT

- sharing of IT assets, data centres, HR resources and know-how with → less duplication, lower environmental and economic impact.
- optimisation of energy consumption and licensing costs through a shared infrastructure
- sharing of physical locations with optimisation of energy resources, also supported by Group-wide remote working policies

#### ATTRACTIVENESS FOR ESG-ORIENTED TALENTS AND INVESTORS

- a cohesive Group with a common ESG strategy is more attractive to:
  - young talents sensitive to value issues (especially Gen Z)
  - corporate clients attentive to ESG Due Diligence
  - sustainable investors and ethical funds

#### FOOTPRINT IN THE LOCAL AREA

- Group companies have a presence in local communities → opportunities to generate positive impact across various social settings (youth employment, regional digitisation, vocational training)



### ESG RISKS

#### CULTURAL AND VALUE INCONSISTENCIES

- risk of inconsistency in ESG strategies among individual companies (e.g. one prioritises DE&I, while another overlooks environmental impact)
- possible misalignment on Ethics, Governance, or Personnel Management Policies

#### LACK OF CENTRALISED ESG GOVERNANCE

- in the absence of a strong direction, ESG initiatives may be fragmented, ineffective or overlapping
- difficulty in producing a comprehensive and consistent group sustainability report

#### CASCADING REPUTATIONAL RISKS

- misconduct by one of the 21 companies (e.g. an environmental violation or ethical problem) can damage the Group's entire image

#### PROBLEMS IN THE INTERNAL SUBCONTRACTING CHAIN

- synergies often involve outsourcing or task-sharing among the Group's companies → possible loss of control over internal ESG quality
- e.g. risks related to informal subcontracting, non-transparent working conditions or simply little systemic knowledge (ESG data desertification)

#### DIGITAL DIVIDE OR INEQUITABLE SOCIAL IMPACT

- if the Group operates only in highly industrialised clusters, it risks not including disadvantaged territories or communities, exacerbating inequalities



As shown in the last image above, in Lutech's value chain, ESG (environmental, social and governance) risks and opportunities – so-called 'hotspots' – 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, in terms of CO2 emissions and energy consumption, if not managed with renewable sources. Sourcing hardware components from uncontrolled supply chains can also generate significant environmental risks. Finally, hardware obsolescence and poor IT lifecycle management (WEEE disposal) can lead to soil and groundwater pollution if machinery is not disposed of properly.

On the social front, there is a risk of a lack of transparency in algorithms used internally or externally (i.e., for customer-facing solutions), with a risk of amplifying ethical/decision-making biases. Likewise, the low representation of women in operational and technical roles may expose the Group to risks of gender discrimination. Finally, the potential low quality of subcontracted work (e.g., procurement, uncontrolled outsourcing) or dependence on partners with non-transparent supply chains could lead to significant violations of workers' rights in the supply chain.

From a governance perspective, the risks to which the Lutech Group is exposed, in the mutual interactions among the different companies, are:

- unintentional greenwashing in projects presented to or shared by customers
- dependence on high-pressure organisational models, with potential increasing burnout rates among the most junior or most exposed figures
- reputational damage resulting from cyberattacks on internal or customer systems, or from possible GDPR and ethics violations
- lack of ESG metrics in innovation KPIs
- unclear reputation of partners with whom the company co-hosts events
- risk of fragmented governance post-acquisitions
- lack of ESG accountability in strategic decisions

**Opportunities:**

- energy-efficient software design
- solutions for the digitisation of PA and more accessible services (e.g. e-government, digital inclusiveness)
- use of AI and edge computing to optimise infrastructure energy consumption
- support to customers in the ESG transition (e.g. decarbonisation strategies, data-driven sustainability)
- human capital enhancement in change management processes
- innovation oriented towards ESG solutions (e.g. AI for environmental monitoring, sustainable reporting tools)
- DE&I (Diversity, Equity & Inclusion) programmes, soft skills training, psychological well-being
- choice of ESG certified suppliers, contracts with environmental/social clauses
- efficiency gains resulting from data collection activities for integrated ESG reporting, group stakeholder engagement, code of ethics and policies shared among the companies of the Group

The data used to develop the value chain are those present in the Group's policies. The collection method involved the compliance function, which is responsible for Group certifications, policies and risk analyses. Further details regarding risks and opportunities will be provided in the relevant vertical thematic disclosures.



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

#### Datapoint no. 43-44-45

The Lutech Group's stakeholders are:

- customers, suppliers and technology partners, employees, shareholders and senior management, external collaborators, financing bodies, local communities, and public or private institutions

Regarding the stakeholder engagement process, a level analysis was developed, which we report below:

LUTECH 2024						
STAKEHOLDERS	Benefits they receive from participating in the stkh engagement process	Contributions they bring by participating	Potential, past, and current conflicts	Engagement activities: methods	Frequency of involvement	Monitoring indicators
SHAREHOLDERS TOP MANAGEMENT	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	Distance from corporate reality Lack of time Little interest in these topics and willingness to invest	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Annual	Response rate (%) Completion rate Quality of open-ended responses Participation rate: in training (%) Training completion rate
EMPLOYEES	Sharing a system of common values Feeling part of the creation of a process that will lead the company to define strategies, plans in which everyone will be involved and of which everyone will be a part Internal motivation Greater knowledge of the company's commitments on sustainability issues New perceptions of the activities they perform for the company	Current perception of business reality New ideas	Not very motivated Little interest in the company's activities Scarcely aware of the overall corporate environment Poorly trained	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Approximately five times a year for various objectives, including: definition of the materiality matrix, environmental impacts, SA8000 audits, audits of governance processes (anti-corruption)	Active participation in forums, communities, or internal platforms. Number of internal ambassadors or key stakeholders promoting initiatives. Response rate (%) Completion Rate Quality of open-ended responses Newsletter opening rate Content click-through rate (CTR) Participation rate: in training (%) Training Completion Rate
EXTERNAL COLLABORATORS	Discussion on increasingly common issues with confirmation of commitment Creating lasting relationships based on trust and respect New perceptions of what they do for the company	Current perception of business reality New ideas	Not very motivated Little interest in the company's activities	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Approximately five times a year for various objectives, including: definition of the materiality matrix, environmental impacts, SA8000 audits, audits of governance processes (anti-corruption)	Response rate (%) Completion rate Quality of open-ended responses
SUPPLIERS TECHNOLOGY PARTNERS	Discussion on increasingly common issues with confirmation of commitment Creating lasting relationships based on trust and respect Sharing best practices	Consolidation of partnerships on topics that can lead to innovative process and/or product solutions Sharing of best practices and expertise	Supplier not trained (or too much trained) on specific issues Lack of time and resources to develop these issues	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Annually, in some cases even twice a year. Suppliers can in fact be involved in internal audits in accordance with SA8000	Response rate (%) Completion rate Quality of open-ended responses Participation rate: in training (%) Training completion rate
FINANCIAL INSTITUTIONS (Banks, Funds, Insurers, Training bodies)	Discussion on increasingly common issues with confirmation of commitment Creating lasting relationships based on trust and respect Sharing best practices	Consolidation of contractual relations Sharing of best practices	Imposing too stringent requirements and metrics	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Biennial (unless there are strategic changes and/or changes due to the introduction of new regulations)  For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Response rate (%) Completion rate Quality of open-ended responses
CUSTOMERS	Sharing a common value system. Increased awareness of sustainability issues and the value Lutech has decided to give Sharing of best practices and expertise	Sharing of best practices and expertise Sharing a system of common values	Customer not trained on specific issues Lack of time and resources to develop these issues. On the contrary, imposing too stringent requirements and metrics	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	At least three times a year per matrix, CSAT, events	Active participation in dedicated events Number of ambassadors or partnerships made Response rate (%) Completion Rate Quality of open-ended responses



## LUTECH 2024

STAKEHOLDERS	Benefits they receive from participating in the stkh engagement process	Contributions they bring by participating	Potential, past, and current conflicts	Engagement activities: methods	Frequency of involvement	Monitoring indicators
LOCAL COMMUNITIES (Non-profit organisations, Associations)	Sharing a common value system. Training and awareness on sustainability issues The ESG vision of a corporate player (i.e. for-profit organisations) Sharing of best practices and planning	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	Lack of training on specific issues Lack of resources to develop these issues Regulatory constraints related to their associative and non-profit nature	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Annually, upon the review of the materiality matrix	Response rate (%) Completion rate Quality of open-ended responses
PUBLIC and/or PRIVATE INSTITUTIONS (Local, National, Regional, International) RESEARCH PARTNERS	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.	Little (or too much) training on specific issues Lack of resources to develop these issues Bureaucratic constraints linked to their public, ministerial or institutional nature	For the analysis relating to the years 2024 and 2025, dedicated surveys will be produced with the scope extended to the entire Lutech Group	Biennial (unless there are strategic changes and/or changes due to the introduction of new regulations)	Response rate (%) Completion rate Quality of open-ended responses



Based on this approach, the Group has implemented 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
- materiality**, 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. In particular, to create the Double Materiality matrix, a stakeholder engagement process was planned and organized through questionnaires sent to all representatives of the various stakeholder groups, across all companies within the Lutech Group, in proportion to their number of employees.

The management of these ESG information exchanges was coordinated by the Group Corporate Social Responsibility team. The team, responsible for defining objectives, criteria, specific action points and typification of the different stakeholders, collected the data and evaluated them for the creation of the double 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 (IRO), 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 representativeness within the Group. In particular:

- Shareholders and Senior Management:** all Senior Management and Group shareholders (183 + 10 targets, total 193) received the questionnaire for impact materiality and for the definition of Due Diligence issues. The minimum redemption for the process to be maintained was identified as 30% of the incoming data, coming from all the companies of the Lutech Group
- employees and collaborators:** (involved only for Double Materiality voting, not for Due Diligence voting). Of the total 4,980 employees, and a minimum expected redemption rate of 30%, the minimum number of completed questionnaires to be completed and received was 354. The questionnaires actually received were 364 from the targeted Employees target and 21 from the targeted freelance Collaborators. All ques-

tionnaires were distributed maintaining a balance of gender and, where possible, seniority. The questionnaires sent were 1195 (Employees) and 84 (Collaborators, for a total of 1279)

- **technology partners/suppliers:** the materiality questionnaires were submitted to the 210 suppliers representing 70% of the Group's procurement (i.e. all Group companies and the lead company). The same sample was also subjected the Due Diligence assessment. The minimum threshold for data collection aimed to obtain the preferences of suppliers representing at least 50% of the Group's purchases, with records coming from all the companies of the Lutech Group (not just the lead company).
- **financing institutions:** the 91 banks or lenders (including private foundations or Regions) of the Group were identified and all of them (100%) were sent both the materiality and due diligence surveys, aiming for a minimum redemption rate of 30%
- **customers:** the materiality questionnaires were submitted to the 544 customers representing 70% of the Group's sales (i.e. of all companies and the lead company). The Due Diligence questionnaire was also sent to the same sample. The minimum threshold for data collection aimed to obtain the preferences of customers representing at least 50% of the Group's sales, with records coming from all the entities (not just the lead company)
- **local community:** the 22 civil society associations that benefited from monetary donations (or in the form of services or materials), from the lead company and the Lutech Group companies were all (100%) activated for Double Materiality and Due Diligence, assuming an expected redemption of 30% of all those involved
- **public institutions:** the 2 institutions that collaborated with the lead company and the other companies (for working groups on new regulations, for calls for tenders for which they were institutional supporters) were both activated by sending out questionnaires for Due Diligence and the Double Materiality matrix, assuming an expected redemption of 30% of all those involved
- **research partners:** all the 39 research partners who collaborated with the lead company and the other companies of the Lutech Group (for research projects, technical insights) were involved in the Due Diligence and Double Materiality Matrix voting, assuming an expected redemption of 30% of all those involved



Below is a summary table with the numbers relating to stakeholder involvement for the preparation of the Double Materiality Matrix:

STAKEHOLDER INVOLVED	INTERACTIONS ACTIVATED	RESPONSES RECEIVED	DESIRED PERCENTAGE	PERCENTAGE OF RESPONSES RECEIVED
Top Management - Shareholders	193	99	50%	51.2%
Employees	1,195	364	30%	30.5%
External collaborators	84	21	30%	25%
Suppliers/ Technology partners	210	40	50%	19%
Financial Institutions	91	8	30%	8.8%
Customers	544	19	50%	3.5%
Local communities	22	3	30%	8.8%
Public institutions	2	0	30%	0%
Research partners	39	3	30%	7.7%

To date, the Group does not summarise the results of stakeholder engagement in periodic reports, as the results flow directly into the documents underlying the development of Double Materiality and the IRO table presented in reporting. This process is repeated annually, whenever the ESG reporting scope changes (mainly as a result of M&A).

Following the engagement of several stakeholders, the Lutech Group changed its employee strategy to support the ESG learning process. Particular emphasis was placed on the role of the commercial functions and senior management of all Lutech Group companies, for whom CSR owners provided ad hoc training in March and April 2024. In addition, a comprehensive discussion has been initiated with all the executives across the Group's companies to elucidate the data collection processes necessary for the preparation of the Sustainability Report, in adherence to the CSRD Directive, identifying each of them as equal contributors within the Group. The difficulty in harmonizing the different ESG backgrounds within the perimeter confirmed the need for additional meetings, which will be activated in January 2025. Finally, ESG issues are increasingly present in 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 Group's AMSBs are periodically informed through the compliance department, which ensures a constant flow of data on the work of listening to and assessing stakeholder opinions. This then allows us to promote policies, actions, and investments necessary for the improvement of the Group's 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 and for the development of the Due Diligence for the 2024 Sustainability Report.

### 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***

The Group provides a description of relevant Impacts, Risks and Opportunities (IRO) 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 Double Materiality matrix, developed from the stakeholder engagement process outlined above, the following material topics were identified:

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 the Group's stakeholders, with the



relevant topics listed in points a) b) c) of this paragraph. They are valid for the year 2024. Further details will be developed in the specific thematic indicator.

RELEVANT TOPIC FOR THE GROUP	ESRS OF REF.	RISK	IMPACT	OPPORTUNITIES	LOCALISATION IN THE BUSINESS MODEL AND VALUE CHAIN
CLIMATE CHANGE	ESRS E1	<ul style="list-style-type: none"> <li>· severe weather events</li> <li>· limited access to energy</li> <li>· failure to be admitted to tenders/supplier registers</li> <li>· pollution from improper disposal</li> <li>· higher costs for greener suppliers</li> <li>· brand shaming</li> <li>· inclusion in lists of creditors involved in environmental damage</li> <li>· environmental risks not managed with Due Diligence</li> <li>· poor communication with territories and communities</li> <li>· failure to define an ESG strategy</li> <li>· failure to supervise</li> </ul>	<ul style="list-style-type: none"> <li>· lack of continuity of service</li> <li>· reduced competitiveness</li> <li>· drop in profitability</li> <li>· increased legal costs for civil or criminal cases</li> <li>· brand devaluation</li> <li>· more unstable supplies</li> <li>· default</li> <li>· reputational damage</li> <li>· reduction in business volumes</li> <li>· lower customer retention</li> <li>· disputes and drop in orders</li> <li>· high costs to meet customers' ESG plans</li> <li>· little collaboration between the social fabric and the Group's companies</li> <li>· failure to align with the political/regulatory objectives of the institutions</li> </ul>	<ul style="list-style-type: none"> <li>· better conditions for accessing credit</li> <li>· improving brand reputation</li> <li>· CO2 reduction thanks to remote working</li> <li>· collaboration with higher-performing suppliers who pay attention to environmental impacts</li> <li>· possible new business lines developed for green-oriented services</li> <li>· development of new, more efficient distribution models</li> <li>· greater employee motivation if there are incentives related to environmental performance</li> <li>· access to green tenders</li> <li>· creation of research clusters and partnerships dedicated to creating sustainable solutions</li> </ul>	<p><b>BUSINESS MODEL</b> Offering of solutions and services, clients and sectors served, ESG compliance and reputation</p> <p><b>VALUE CHAIN</b> Upstream activities &gt; ICT Procurement, Operations &gt; Data Centres and ICT infrastructure, IT services/consultancy (core business), client engagement and after-sales</p>
HUMAN RESOURCES	ESRS S1	<ul style="list-style-type: none"> <li>· change in structure and positioning in the market</li> <li>· insufficient resources</li> <li>· insufficient skills</li> <li>· discrimination</li> <li>· exploitation</li> <li>· injuries</li> <li>· violation of data management regulations</li> <li>· gap between roles and tasks</li> <li>· unbalanced workloads</li> <li>· poor dialogue with the employee</li> <li>· poor management of personnel</li> </ul>	<ul style="list-style-type: none"> <li>· lack of continuity</li> <li>· reduced competitiveness</li> <li>· sanctions</li> <li>· reputational loss</li> <li>· staff reductions and/or temporary layoff</li> <li>· low employee retention</li> <li>· increased requests for stress-related sick leave</li> <li>· low staff motivation</li> <li>· delays and supply chain problems due to poor internal staff management</li> <li>· damage to reputation in the eyes of lenders</li> <li>· reduced ability to satisfy the customer</li> <li>· failure to meet ESG targets</li> <li>· worsening of the image in the eyes of partners, the community and institutions</li> </ul>	<ul style="list-style-type: none"> <li>· talent attraction if personnel management is correct</li> <li>· facilitating the recruitment and retention of highly skilled human resources</li> <li>· Improved brand reputation resulting from high-quality human resources management</li> <li>· local roots and the formation of innovation districts</li> <li>· expanding DE&amp;I projects</li> <li>· applying a cross-curricular training programme that is attentive to both technological and social innovation aspects</li> <li>· envisaging a new model of employee contracting that is more inclusive</li> </ul>	<p><b>BUSINESS MODEL</b> Human capital as a strategic asset</p> <p><b>VALUE CHAIN</b> Upstream activities &gt; Recruiting &amp; employer branding Downstream activities &gt; training and development, working methods and productivity, corporate culture and engagement</p>
SUPPLY CHAIN	ESRS S2	<ul style="list-style-type: none"> <li>· insufficient skills or skills that do not meet the needs of the supply chain</li> <li>· discrimination</li> <li>· injury</li> <li>· risk of involvement in data mismanagement phenomena</li> <li>· late payments</li> <li>· working time too tight</li> <li>· non-compliance or involvement in crimes</li> <li>· opacity in relationships</li> <li>· budgets that are too low or unstable</li> <li>· exploitation of workers</li> <li>· change in structure and positioning in the market</li> </ul>	<ul style="list-style-type: none"> <li>· reduced competitiveness</li> <li>· sanctions and loss of reputation</li> <li>· worsening of relations with suppliers</li> <li>· worsening of supplier quality</li> <li>· contract terminations</li> <li>· poor retention</li> <li>· impacts on business due to lack of continuity in upstream supplies</li> <li>· reduced ability to satisfy the customer</li> <li>· sanctions if involved in incidents or due to failure to supervise</li> <li>· compromising relations with the local area</li> <li>· possible impacts on related industries due to lack of production continuity</li> </ul>	<ul style="list-style-type: none"> <li>· improved monitoring of the value chain</li> <li>· updating the quality of high-risk suppliers</li> <li>· seize opportunities for updating as a result of suppliers' know-how</li> <li>· SME suppliers' support for ESG issues and a rise in their number</li> <li>· creation of innovative financing tools for responsible supply chains</li> <li>· creation of a local district</li> <li>· positive reputation for the territory in which the Group operates</li> <li>· compliance with new ESG regulations</li> <li>· dissemination of best practices for the supply chain</li> <li>· development of innovative partnerships with suppliers</li> </ul>	<p><b>BUSINESS MODEL</b> Sourcing model and technology partnerships</p> <p><b>VALUE CHAIN</b> Upstream activities &gt; Procurement Downstream activities &gt; Operations / Service production, marketing and customer delivery</p>





RELEVANT TOPIC FOR THE GROUP	ESRS OF REF.	RISK	IMPACT	OPPORTUNITIES	LOCALISATION IN THE BUSINESS MODEL AND VALUE CHAIN
CUSTOMERS	ESRS S4	<ul style="list-style-type: none"> <li>· non-compliance, involvement in crimes</li> <li>· interruption of public service due to ESG violations</li> <li>· low quality of the solutions offered by the Group</li> <li>· non-compliance</li> <li>· poor transparency</li> <li>· data management breach</li> <li>· risk of inadequate training of external collaborators with possible legal repercussions</li> <li>· misalignment of performance</li> <li>· disorganised management of supplies</li> <li>· use of algorithms that are misleading or harmful to customers</li> <li>· poor customer relationship management</li> <li>· illegal acts in the sale of the service</li> <li>· failure to comply with contractual conditions</li> </ul>	<ul style="list-style-type: none"> <li>· sanctions</li> <li>· loss of reputation</li> <li>· loss of business continuity</li> <li>· loss of customers</li> <li>· increase in legal costs for litigation</li> <li>· financing instability</li> <li>· loss of image</li> <li>· damage to the customer's health and safety</li> <li>· customer disaffection</li> <li>· low product and company rating</li> <li>· criminal or administrative proceedings</li> <li>· worsening of the reputation in the local area</li> <li>· impairment of external relations with partners or institutions</li> </ul>	<ul style="list-style-type: none"> <li>· increase and differentiation of customer base</li> <li>· innovation and strengthening of communication channels with customers</li> <li>· development of innovative ecosystems between Lutech Group and customers</li> <li>· catering to particular disadvantaged customers or those with special needs</li> <li>· enjoying better security and transparency performance, with a view to brand reputation</li> <li>· improving our image</li> <li>· increasing our knowledge of customer needs and desires</li> </ul>	<p>BUSINESS MODEL</p> <p>Segments served and value proposition</p> <p>VALUE CHAIN</p> <p>Upstream Activities &gt; Solution Development and Innovation</p> <p>Downstream activities &gt; Sales and business relations, service delivery and customer experience, after-sales support and partnerships</p>
BUSINESS ETHICS	ESRS G1	<ul style="list-style-type: none"> <li>· risk of merger, acquisition, demerger</li> <li>· currency fluctuation risk</li> <li>· failure to participate in tenders or contracts</li> <li>· involvement in corruption</li> <li>· involvement in crimes related to data processing</li> <li>· inadequate stakeholder engagement</li> <li>· involvement in crimes</li> <li>· late payments</li> <li>· unfair market practices</li> <li>· mobbing</li> <li>· poor communication with the local area</li> <li>· exploitation of workers</li> <li>· convictions for mismanagement</li> </ul>	<ul style="list-style-type: none"> <li>· lack of business continuity</li> <li>· reduction in competitiveness and business opportunities</li> <li>· sanctions and loss of reputation</li> <li>· inability to participate in public tenders and contracts</li> <li>· compromising relations with the supply chain operators</li> <li>· increase in legal costs</li> <li>· personal sanctions and loss of reputation</li> <li>· worsened workplace climate</li> <li>· impacts on the supply chain due to lack of business continuity</li> <li>· termination of contracts</li> <li>· compromising relations with the more agile but also more financially fragile supply chain</li> <li>· default</li> <li>· reduced competitiveness</li> <li>· termination of credit facilities</li> <li>· inability to satisfy the customer</li> <li>· uncertainty about the presence in the local area</li> <li>· Political repercussions on local institutions</li> <li>· development of sub-optimal research paths</li> </ul>	<ul style="list-style-type: none"> <li>· enhanced reputation</li> <li>· generation of a transparent and value-based business model</li> <li>· high employee motivation</li> <li>· better talent acquisition</li> <li>· better retention of human resources</li> <li>· greater chances of participating in funding rounds</li> <li>· increased interest from high-profile clients</li> <li>· greater attractiveness for the territory in which the Group operates</li> <li>· better relationship with institutions</li> <li>· better attractiveness of high-standing research partners</li> </ul>	<p>BUSINESS MODEL</p> <p>governance and decision-making model</p> <p>VALUE CHAIN</p> <p>Upstream Activities &gt; Governance &amp; Compliance</p> <p>Downstream Activities &gt; People Management, Customer, Partner and Supplier Relationships, Innovation and Technology</p>



The current and predicted Impacts, Risks and Opportunities (IRO) are organised according to their reference standard, as summarised below:

**ESRS E1 - Climate Change**

- **impacts:** on the value chain due to raw material costs, increasing CO2 emissions, worsening relations with creditors and legislators
- **risks:** on the brand's reputation and on relationships with territories and 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 by virtue of a possible high employee turnover, on employee retention, on the quality of services in the case of unqualified or unmotivated employees
- **risks:** high employee turnover, an increase in work-related illnesses, low-skilled employees and low attractiveness of the brand to new human resources, gap between roles and assigned tasks
- **opportunities:** leaner and shared decision-making processes, talent acquisition, better relationships with local areas, brand reputation

### 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; worsening brand reputation
- **Risks:** instability and/or disruption of relationships; reputational risks in the event of problems along the value creation chain; reduced financing opportunities
- **opportunities:** at the strategic level for the development of innovative partnerships; creation of districts and supply chain projects

### 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; updating know-how; strengthening relations with agile suppliers



### ESRS G1 – Business conduct

- **impacts:** reduced competitiveness and corporate image; contractual instability; loss of access to credit; insolvency
- **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; poor quality of communication with partners
- **opportunities:** generation of a transparent and value-driven business model; better chances of participating in funding rounds; improved attractiveness to high-standing partners; strengthening of corporate image; better relationship with local or national institutions and media



The Group's significant negative and positive impacts affect (or may affect, if potential) people and the environment primarily through the following mechanisms:

#### Negative:

- increased CO2 emissions and consequent negative contribution to the average rise in global temperature, with negative consequences on the health and safety of all the Group's stakeholders and on its business competitiveness
- lack of transparency towards internal and external stakeholders resulting in a decline in performance, a worsening climate within the Group and possible repercussions on financing and regulatory compliance
- 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 businesses closer to the needs of vulnerable customers or categories whose needs are unmet and who, therefore, can represent a possible new market
- increase in the Group's expertise in the ESG field, with consequent improvement in the credit attractiveness of the Group and its companies
- employee retention and improved talent acquisition dynamics, which would make the Group's workforce even more motivated and high-performing
- better relations with public authorities, leading to an easing of the bureaucratic and compliance burden
- strengthening the ESG scores of its supplier base, improving the overall ESG performance of the Group's different supply chains

The aforementioned IROs are linked to the 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 or at customers'

premises, high environmental impacts mainly in terms of energy (data centres and plant-related consumption), 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 Group 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.

Looking further into the matter, there is a dependence on third parties that causes a significant (adverse) environmental impact linked primarily to data centres and their high energy consumption. This can be explained by the desire to diversify the supply of these services by relying on external suppliers who can offer qualitative and quantitative guarantees of their environmental commitment (over which, however, the Group has no control). On the other hand, there is a possible impact resulting from third parties that could arise if the fund continues its M&A trajectory, thereby increasing the environmental impacts related to land use, energy consumption and the management of the growing human resources of the newly acquired companies. On a positive note, the APAX fund requires annual monitoring of greenhouse gas emissions and the compilation of a report that is included in the Fund's Sustainability Report. Third-party company ratings should also to be considered as dependencies with a material impact (positive, in this case, for the environment): banks and investors generate an impact, in fact, linked to sustainability assessments through their own or third-party company ratings.

With regard to the current financial effects of the Group'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	Financial effects
<p><b>Risks:</b> worsening of brand reputation and value chain resilience due to volatile raw material prices and supplier volatility</p>	<p><b>Current :</b> difficulties in meeting commitments due to excessive burden or unavailability of resources resulting in the application of penalties  <b>Expected:</b> reduction in the tangible and intangible value of the Group's brand</p>
<p><b>Opportunities:</b> 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</p>	<p><b>Current:</b> increased Group investments to explore market scenarios  <b>Expected:</b> increase in market share</p>
ESRS S1 – Own workforce	Financial effects
<p><b>Risks:</b> high employee turnover, low employee retention and low brand attractiveness to new human resources</p>	<p><b>Current :</b> greater difficulty in meeting commitments due to possible unavailability of resources  <b>Expected:</b> worsening of talent acquisition processes</p>
<p><b>Opportunities:</b> more streamlined and shared decision-making processes</p>	<p><b>Current:</b> increased efficiency and profitability  <b>Expected:</b> increase in market share</p>
ESRS S2 – Workers in the value chain	Financial effects
<p><b>Risks:</b> failure to meet contractual deadlines resulting in payment delays and possible application of penalties</p>	<p><b>Current:</b> reputational damage in the event of problems along the value chain  <b>Expected:</b> lower liquidity and less availability of highly qualified suppliers</p>
<p><b>Opportunities:</b> at strategy level for developing innovative partnerships</p>	<p><b>Current:</b> recognition of the role as market leader in the field of innovation applied to the green supply chain  <b>Expected:</b> higher profitability and new market shares</p>



ESRS S4 – Consumers and end-users	Financial effects
<p><b>Risks:</b> 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</p> <p><b>Opportunities:</b> on the business model and strategy for possible shared projects with positive ESG impacts</p>	<p><b>Current:</b> increase in customer complaints with possible application of penalties</p> <p><b>Expected:</b> failure to secure new projects/contracts</p> <hr/> <p><b>Current:</b> increased profitability</p> <p><b>Expected:</b> new market shares</p>
ESRS G1 – Business conduct	Financial effects
<p><b>Risks:</b> 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 identified within the Business Model which, as it relates to a large company, poses greater difficulties in tracing the suppliers of its value chain distributed internationally</p> <p><b>Opportunities:</b> 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</p>	<p><b>Current:</b> loss of process efficiency</p> <p><b>Expected:</b> drop in market shares</p> <hr/> <p><b>Current:</b> increased employees retention</p> <p><b>Expected:</b> improved profitability</p>

Considering future investment and divestment plans, it is possible that the expected financial effects will change depending on the risk management strategy and opportunities due to:

- new businesses acquired with different (both quantitatively and qualitatively) exposures to risks and opportunities
- new regulations that the Group may have to comply with due to the changed scope of consolidation
- new regulations resulting from specific M&A transactions

The resilience of the Group's strategy and business model in terms of its ability to deal with material IROs can be explained by the management structure that the Group has built up over time, aligning and extending the value of management systems and certifications that serve as predictors of any strategic adjustments (resulting from ESG impacts) that need to be taken into serious consideration. The procedural architecture that supports the resilience of growth strategies and models consists of a set of certification schemes that underpin the entire Group's sustainability journey. These schemes, covering the three ESG areas, make it possible to maintain control and monitoring certified by third-party bodies, guaranteeing the accuracy of data and the credibility of processes. Finally, in 2024, a preliminary study was launched to develop the Lutech Group's Resilience analysis specifically focused on Climate Change, to be completed in 2025, which will be addressed in the relevant ESRS E1 thematic standard.

The changes in the analysis of Impacts, Risks, and Opportunities (IRO) compared to the previous reporting period can be explained, on a quantitative level, by the progressive integration of all 21 entities belonging to the Lutech Group in 2024. However, the type of IRO has not changed in qualitative terms, except for the inclusion of the new point relating to:

- risk of merger, acquisition, demerger (RISK)
- change in structure and positioning in the market (IMPACT)

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*

The following disclosure requirement will illustrate the process through which Impacts, Risks, and Opportunities were identified, including the information that – following the materiality assessment – the Group has included in this Sustainability Report.

#### 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*

The Group carried out a Double Materiality analysis to prepare the reporting path according to the EFRAG principles and ESRS standards contained in the CSRD Directive. Both the inside-out perspective, i.e. the main impacts generated by business activities on the environment, people, and the economy (measured through the perception of the Group's stakeholders), and the outside-in perspective, through an assessment of the impacts that external factors (environmental and social) can generate on the Group, influencing its economic and financial performance, were considered. In this regard, the hotspots identified and mapped in the process of defining the value chain were taken into due consideration, and the contribution of each stakeholder in each company of the Group was valued, involving them in the identification of IROs and material issues, as described below.

For each stakeholder involved, the analysis identified the risk and impact of each issue with respect to the Group's value creation process, as well as possible mitigation activities that could be implemented. Finally, every opportunity offered to the Group by the same theme was identified and, for each opportunity, the development actions suitable for making the benefits evident were identified.

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

- 1. identification of positive and negative impacts:** the positive and negative, current and potential impacts that the Group 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 the impacts, sustainability risks and opportunities connected to the sector in which the Group operates were considered, although not sufficient to develop entity-specific disclosures
- 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, 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:** a careful analysis was carried out to identify the relevant environmental, social, and governance material issues. With this in mind, the Group examined its priorities, identifying the following topics:
  - presence of process certifications related to transparency/absence of corruption/ethical conduct of the market (no corruption, no insider trading, etc.)
  - workplace climate
  - going concern/investment prudence
  - industry innovation



- corporate and brand reputation
- human rights protection
- environmental protection/responsible procurement procedures/CO2 offsetting
- privacy/security protection in the management of internal data
- health and safety at the workplace
- presence of strategic objectives/ESG objectives in corporate strategies
- corporate welfare/flexible hours/attention to staff needs
- employee training
- gender presence in senior positions
- proper payment times for suppliers

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 Group (represented by the Sustainability Committee of the lead 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, the severity resulting from an average of three indicators was assessed:

1. **magnitude**, understood as the severity of the impact
2. **scope**, understood as the perimeter of diffusion
3. **irremediability**, which means how permanent the impact of the issue is over time

The score, expressed from 1 to 10, indicated:

- low severity: scores from 0 to 2
- medium-low severity: scores from 3 to 4
- medium severity: scores from 5 to 6
- medium-high severity: scores from 7 to 8
- high severity: scores from 9 to 10

The topics with a Severity score higher than 5 were considered relevant and material. These are: ESRS E1, ESRS S1, ESRS S2, ESRS S4, ESRS G1.





**GROUP**

Linking with standards			Impact matrix		
Reference ESRS sub-sub-topic	Reference ESRS sub-topic	Reference ESRS topic to assess in the matrix	Severity	RESULT	RESULT AGGREGATE
	ADAPTATION		6.00	6.00	6.56
	MITIGATION	CLIMATE CHANGE - E1	6.67	6.67	
	ENERGY		7.00	7.00	
SECURE EMPLOYMENT			8.67	8.67	8.07
WORKING HOURS			8.67	8.67	
ADEQUATE WAGES	WORK CONDITIONS		8.67	8.67	
WORK-LIFE BALANCE			8.67	8.67	
HEALTH AND SAFETY		OWN WORKFORCE - S1	7.67	7.67	
GENDER EQUALITY AND EQUAL PAY			7.67	7.67	
TRAINING AND SKILLS DEVELOPMENT, INVOLVEMENT AND MOTIVATION, MERITOCRACY AND GROWTH	EQUAL TREATMENT AND OPPORTUNITY		8.00	8.00	
DISABILITY EMPLOYMENT AND INCLUSION			7.00	7.00	
DIVERSITY			7.67	7.67	
SECURE EMPLOYMENT			6.67	6.67	
WORKING HOURS	WORK CONDITIONS	WORKERS IN THE VALUE CHAIN - S2	6.67	6.67	
HEALTH AND SAFETY			8.00	8.00	
SOCIAL INCLUSION/DIVERSITY			6.00	6.00	
GENDER EQUALITY AND EQUAL PAY	EQUAL TREATMENT AND OPPORTUNITY		6.00	6.00	
TRAINING AND SKILLS DEVELOPMENT, TRAINING PLANS			7.67	7.67	
HEALTH AND SAFETY (QUALITY) OF THE SERVICES PROVIDED	PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS	CONSUMERS AND END-USERS S4	8.00	8.00	8.00
EFFECTIVE FINANCIAL CONDUCT			9.67	9.67	8.81
CORPORATE CLIMATE	CORPORATE CULTURE, MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS	BUSINESS CONDUCT - G1	8.67	8.67	
COMMON VALUE SYSTEM			8.00	8.00	
CORPORATE REPUTATION			9.00	9.00	
COMPLIANCE WITH CONTRACTUAL CONDITIONS			9.00	9.00	
ANTI-CORRUPTION AND BUSINESS ETHICS	ACTIVE AND PASSIVE CORRUPTION		8.67	8.67	
TRANSPARENCY			8.67	8.67	



**5. Analysis of the materiality of impact for the Group's stakeholders:** the topics that emerged from stakeholder engagement from the perspective of the Group's various stakeholders were subjected to the same reasoning, identifying the sub-topics and sub-sub-topics attributable 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 the following topics were defined as material results for the stakeholders: ESRS E1, ESRS S1, ESRS S2, ESRS S4, ESRS G1



## STAKEHOLDERS

Linking with standards			Impact matrix		
Reference ESRS sub-sub-topic	Reference ESRS sub-topic	Reference ESRS topic to assess in the matrix	Severity	RESULT	RESULT AGGREGATE
	ADAPTATION		6.95	6.95	7.09
	MITIGATION	CLIMATE CHANGE - E1	6.92	6.92	
	ENERGY		7.41	7.41	
SECURE EMPLOYMENT			7.96	7.96	8.23
WORKING HOURS			7.77	7.77	
ADEQUATE WAGES	WORK CONDITIONS		8.47	8.47	
WORK-LIFE BALANCE			8.21	8.21	
HEALTH AND SAFETY			8.30	8.30	
GENDER EQUALITY AND EQUAL PAY		OWN WORKFORCE - S1	8.53	8.53	
TRAINING AND SKILLS DEVELOPMENT, INVOLVEMENT AND MOTIVATION, MERITOCRACY AND GROWTH	EQUAL TREATMENT AND OPPORTUNITY		8.62	8.62	
DISABILITY EMPLOYMENT AND INCLUSION			8.17	8.17	
DIVERSITY			8.01	8.01	
SECURE EMPLOYMENT			7.69	7.69	
WORKING HOURS	WORK CONDITIONS	WORKERS IN THE VALUE CHAIN - S2	7.10	7.10	
HEALTH AND SAFETY			7.67	7.67	
SOCIAL INCLUSION/DIVERSITY			7.26	7.26	
GENDER EQUALITY AND EQUAL PAY	EQUAL TREATMENT AND OPPORTUNITY		7.35	7.35	
TRAINING AND SKILLS DEVELOPMENT, TRAINING PLANS			7.81	7.81	
HEALTH AND SAFETY (QUALITY) OF THE SERVICES PROVIDED	PERSONAL SAFETY OF CONSUMERS AND/OR END-USERS	CONSUMERS AND END-USERS S4	7.99	7.99	7.99
EFFECTIVE FINANCIAL CONDUCT			9.00	9.00	8.82
CORPORATE CLIMATE	CORPORATE CULTURE, MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS		8.76	8.76	
COMMON VALUE SYSTEM			8.38	8.38	
CORPORATE REPUTATION			8.91	8.91	
COMPLIANCE WITH CONTRACTUAL CONDITIONS			8.90	8.90	
ANTI-CORRUPTION AND BUSINESS ETHICS	ACTIVE AND PASSIVE CORRUPTION		9.02	9.02	
TRANSPARENCY			8.76	8.76	



**6. Overall impact materiality analysis:** the final result of the impact materiality is as highlighted in the following table, which confirms the final selection of the five material topics: ESRS E1, ESRS S1, ESRS S2, ESRS S4, ESRS G1

SUMMARY AND RECAP			IMPACT MATERIALITY
Ref. ESRS	MATERIALITY FOR STK	MATERIALITY FOR COMPANY	FINAL SELECTION
ESRS E1	6.56	7.09	✓
ESRS S1	8.07	8.23	✓
ESRS S2	6.83	7.48	✓
ESRS S4	8.00	7.99	✓
ESRS G1	8.81	8.82	✓

**7. subsequently, the financial materiality was established,** i.e. a specific analysis to identify which ESG aspects have an impact on the Group's business and financial activities. Financial materiality was achieved through four remote meetings with representatives of the Group's lenders. 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 topic. The probability was then complemented by a risk analysis over time and a magnitude scale. These two variables were used to evaluate three different areas where impacts could manifest themselves: turnover, reference regulations, and the Group's reputation. The result of this analysis (based on assignments divided into three scenarios: low/short term, medium, high/long term) determined the severity. Finally, the score was calculated for each thematic standard. The financial impact of this was taken into account by 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 offices) and possible increases in energy costs due to a shortage of renewable or fossil sources, as well as reputational damage due to excessive pollution produced by data centres, 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 the Group's logistics strategy with a plan to optimise the movement of goods between locations. It should also be considered that all the Group's companies are structured to be able to manage all their activities remotely. However, the score associated with this topic was 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 adverse impacts on the Group's own workforce, including, for example, violations of internal human resources rights, is considered to be a medium-level material issue, with a particularly strong impact on Reputation and Turnover. The score associated with this topic is 0.52. The work done in 2024 on certification according to the SA8000 standard and preparation for UNI PDR 125 certainly contributed to making this issue financially material
- **ESRS S2:** financial stakeholders have not considered the issue of workers in the value chain as a material issue, considering that the Lutech Group has already structured a strong supply chain that respects workers' rights, both upstream and downstream of the Group's individual entities. This results in a severity of 0.85 and a score of 0.23
- **ESRS S4:** the probability that events affecting customers and end consumers could impact the value creation model of the Lutech Group is estimated with a severity of 1.16. 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 the Lutech Group's strong focus on the end consumer is also well-known among lenders, and this makes them convinced that it is the most relevant, i.e. most strategic, issue for the Group, regardless of the real weight of the related ESG impacts.
- **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 1.02 and a score of 0.33. Please note that Lutech Spa and Eustema are ISO 37001 certified (anti-corruption management system) and Lutech Spa has developed and distributed its own Code of Ethics. Furthermore, several companies of the Group have implemented a Model 231 in accordance with Legislative Decree No. 231/01

Below is the detail of the evaluations that emerged from the involvement of the four financial actors engaged.



Methodologically, it is worth noting the difficulty of comparing the data from the 2023 report, due to the doubling of stakeholders involved in voting on financial materiality.

SUMMARY TABLE	Funding Body A		Funding Body B		Funding Body C		Funding Body D		Overall		Conclusions
	Severity	Score	Severity	Score	Severity	Score	Severity	Score	Severity	Score	
INDICATORS IMPACTS											
Climate change E1	2.7	0.3	1.0	0.1	1.3	0.1	0.1	0.7	1.7	0.3	0.3
Own workforce S1	2.3	0.2	4.7	3.7	2.0	0.2	0.2	0.4	3.0	4.2	4.2
Workers in the value chain S2	2.0	0.2	3.0	0.9	2.3	0.2	0.2	0.5	2.4	1.1	1.1
Consumers and end-users S4	3.3	1.0	4.0	3.2	3.3	0.3	0.3	0.3	3.6	5.4	5.4
G1 Business conduct	2.7	0.3	4.0	3.2	2.7	0.3	0.3	0.5	3.1	3.9	3.9
DEPENDENCIES IMPACTS											
Supplier X	2.7	0.80	2.3	0.7	3.0	0.9	0.9	0.3	2.7	2.1	2.1
Distributor Y	2.3	0.23	1.3	0.1	3.0	0.9	0.9	0.3	2.2	0.9	0.9
Specialised labour	2.3	0.70	4.7	3.7	1.3	0.1	0.1	0.1	2.8	4.2	4.2

**8. Double 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 2024

ESRS	IMPACT MATERIALITY			MATERIAL TOPICS	FINANCIAL MATERIALITY	DOUBLE MATERIALITY
	MATERIALITY FOR STAKEHOLDERS	MATERIALITY FOR COMPANY	FINAL SELECTION			
Climate change E1	6.56	7.09	✓	0.3	✓	
Own workforce S1	8.07	8.23	✓	4.2	✓	
Workers in the S2 value chain	6.83	7.48	✓	1.1	✓	
Consumers and end-users S4	8.00	7.99	✓	5.4	✓	
G1 Business conduct	8.81	8.82	✓	3.9	✓	

The Group's strategic priority is therefore 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. Therefore, by setting up a structured risk mitigation system related to ESG dynamics, entrusted to the responsibility of the CSR area, the Group managed to examine the same topics and develop decision-making processes and internal control procedures.

The input parameters used refer to verified 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 2024, the IRO analyses were the first necessary step in identifying the topics that, during 2025 and subsequent years will make it possible to define the strategy and make the process cross-cutting for the functions involved.

The changes compared to the previous period did not occur at the methodological level, but only at the quantitative level with regard to the number of voters, both in impact materiality and financial materiality. The numerical comparison, therefore, appears to be of little significance, as the calculations are influenced by the greater number of records collected.

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



DISCLOSURE OBLIGATIONS	SUSTAINABILITY REPORT PAGE
ESRS E1	79
ESRS S1	98
ESRS S2	130
ESRS S4	144
ESRS G1	166

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
	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>	<i>Applicable</i>	
ESRS E1-1: Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2(1) of EU Regulation 2021/1119	Not present
Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits				Article 2(1) of EU Regulation 2021/1119	Not active

With regard to the topic of climate change, the Lutech Group considers the issue relevant and therefore provides adequate information. The non-relevant topics, in respect of which the Group 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***

This section defines the minimum disclosure requirements that must be included when an organisation discloses information regarding Policies and actions to prevent, mitigate and correct relevant actual and potential impacts, address risks and pursue relevant opportunities.

When a policy or action pertains to multiple ESRSs, it will be associated with one primary ESRS, to which all other relevant instances will refer.

If it is not possible to disclose information about relevant policies and actions because they are not in place, the Lutech Group will communicate this and indicate the reasons for not adopting them. Where possible, a deadline will be specified by which they are intended to be adopted.

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

#### ***Datapoint no. 63-64-65***

Lutech Group 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 Group is the Chief HR Officer.

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 consolidated business and are not generic. All Group Policies are on the Lutech Group'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, the Lutech Group adopts a comprehensive Policy called (POL-900) Sustainability Policy, supported by the (MAM-POL) Environmental Management System Policy (where applicable and linked to the environmental management system) and the (POL-940) Sustainable and Responsible Procurement Policy. The Sustainability Policy is a framework that the Group 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 we operate. 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 following Group-wide staff functions: HSE, Procurement and CSR.

### ESRS S1 - Own workforce

The policies referring to the Group's own workforce are divided into basic policies and custom policies, the latter resulting from a special approach to managing its employees and collaborators, stemming from the diverse entities within the Group. Among the Group's Basic Policies, the (POL-960) Corporate Social Responsibility Policy refers to issues that apply to all companies, i.e., human rights, freedom of association and expression, the prohibition of discrimination and forced labour, and occupational health and safety. These principles are also included in the Code of Ethics of the parent company Lutech (MOG-001) and of other companies in the Group. They are referred to as basic because in the regulatory and social context from which the Lutech Group companies originate (i.e. the Italian legal system) they are taken for granted since their absence, or worse, violation, would represent a violation of the Criminal Code whereby the company could not operate in any way as a market player. In contrast, the custom policies 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) whistleblowing (iv) and are present in a diversified manner within the Group. Regarding the protection of Lutech Group employees with regard to the use of AI, there is a specific policy (POL-980) Responsible Artificial Intelligence Policy valid for the entire Group.

For the ISO45001 certified companies (Lutech Spa and Eustema) there is also an Employee Health and Safety Policy.

Further details will be specified in disclosure requirement S1 – 1 Policies related to own workforce. The reference body for the formulation and implementation of such Policies 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 by the presence of the (POL-940) Sustainable and Responsible Procurement Policy and the new (POL-960) Corporate Social Responsibility Policy introduced in May 2024 by the parent company in its relations with suppliers, which are the responsibility of the Procurement function in cooperation with the CSR area and the Compliance function.

These are reinforced by the new (POL-941) Code of Conduct for Suppliers and Partners issued and shared with all external stakeholders on 24/05/2024. Within this document, the Lutech Group is committed to building a corporate culture of transparency and integrity based on ethical behaviour, in compliance with applicable legislation, and requires its suppliers and partners to do likewise. From this perspective, and in line with the Group's Code of Ethics—which emphasizes the principles and defines the guidelines governing the behaviour of employees and those working on behalf of Group companies in both internal and external relations—the need arose to develop a Code of Conduct to guide its relations with suppliers and partners.

Since the Code of Conduct plays a key role in allowing the Lutech Group to provide services in line with its ethical and sustainable standards, suppliers and partners are expected to commit to the principles established in this Code of Conduct and recognize that this commitment constitutes an essential part of the contractual relationship. Lutech's suppliers also acknowledge that this commitment will be taken into account in the assessment conducted by Lutech to monitor the corporate social responsibility risk related to its supply chain. The principles applied are shared through the document (POL-940) Sustainable and Responsible Procurement Policy distributed to all suppliers. This document applies to any business partner of the Lutech Group, including but not limited to: suppliers, subcontractors, resellers, distributors, business partners, RTI companies (for which Lutech is the agent). Further details will be set out in the appropriate disclosure obligation.

### ESRS S4 - Consumers and end-users

The objective of these policies is to ensure the safety of services sold by the Lutech Group (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 of the parent company and the companies of the Lutech Group. Indeed, the Group has always promoted a culture of safety in the services it offers, avoiding damage to end consumers resulting from accidents during the installation phase of digital solutions or in their use. This is underpinned by continuous monitoring and an always open dialogue with its customers, including through the after-sales service that all Group companies offer their customers.

At the policy level, 10 companies, including the parent company Lutech, have developed Policies that contain information and provisions on these topics such as the (MSQ-POL) Policy for the Quality Management System. With regard to the (PSQ-604) Personal Data Protection Policy, by design and by default this Policy has been extended to all companies of the Group.

With regard to the (MGS-POL) Policy for the Service Management System, there are specific documents for the parent company and for Eustema. All other companies in the Group align their behaviour on this issue with the indicated Policies.

Regarding the protection of customers and end users in the use of AI by the Lutech Group, there is a specific policy, (POL-980) Responsible Artificial Intelligence Policy, valid for the entire Group.

### 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 bribery and corruption, and to oversee the issue of ethics in Artificial Intelligence pending the development of relevant institutional regulations. They refer in detail to the Group document (PSQ-500) Policy for the Prevention of Corruption and the document (POL-980) Policy for Responsible Artificial Intelligence, mentioned above. In addition to these two documents already valid for the Group since 2024, in the area of anti-corruption, the Group companies have adopted the (PSQ-501) Whistleblowing Policy - management of reports of possible wrongdoing pursuant to Legislative Decree. 24/2023. Sixteen companies refer to the Business Ethics paragraphs contained in their Codes of Ethics and all companies in the Group (including the lead company) can refer to the provisions in their own Conditions of Purchase. The reference bodies for the formulation and implementation of the aforementioned Group Policies are the Ethical





Risk areas and the Anti-Corruption Compliance Function of the parent company Lutech Spa. Further details will be covered in Disclosure Requirement G1-1 – Business conduct policies and corporate culture. The table below and the following one show the certifications and policies present in each company of the Lutech Group.

	ISO 9001	ISO 20000-1	ISO 27001	ISO 14001	ISO 14064-1	ISO 45001	ISO 37001	UNI PDR 125	SA8000	MOD 231/01
LUTECH (lead company)	✓	✓	✓	✓	✓	✓	✓	since 2025	✓	✓
ABEX ITALIA	✓									
BASILIKO										
CERTIMETER										
CIMWORKS										
DAP										
DIEM										✓
DOT	✓									
DOT BALKANS										
EUSTEMA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ICTEAM	✓									✓
INFOEDGE	✓		✓							
KNOW - HOW										
KRONOTECH	✓									✓
LUTECH CDM	✓									✓
LUTECH SYNERGETIC										✓
LUTECH SPAIN										
PIVOTAL										✓
SOFTJAM	✓									✓
STAIN	✓									
TENENIGEN										✓



	Code of Ethics (MOG-001)	WHISTLEBLOWING (adoption of the tool and application of PSQ-501)	(POL-900) Sustainability policy	(PSQ-500) Corruption Prevention Policy	(POL-940) Sustainable and Responsible Procurement Policy	(POL-960) Social Responsibility Policy	(POL-980) Responsible Artificial Intelligence Policy
LUTECH (Lead Company)	✓	✓	✓	✓	✓	✓	✓
ABEX ITALIA	since 2025		✓	since 2025	✓	✓	✓
BASILIKO	✓		✓	✓	✓	✓	✓
CERTIMETER		✓	✓	✓	✓	✓	✓
CIMWORKS		✓	✓	since 2025	✓	✓	✓
DAP	✓	since 2025	✓	since 2025	✓	✓	✓
DIEM	✓	✓	✓	✓	✓	✓	✓
DOT	✓	since 2025	✓	since 2025	✓	✓	✓
DOT BAL-KANS			✓	-	✓	✓	✓
EUSTEMA	✓	(managed independently)	✓	(managed independently)	✓	✓	✓
ICTEAM	✓	✓	✓	✓	✓	✓	✓
INFOEDGE	✓	✓	✓	✓	✓	✓	✓
KNOW - HOW	✓	✓	✓	✓	✓	✓	✓
KRONOTECH	✓	✓	✓	✓	✓	✓	✓
LUTECH CDM	✓	✓	✓	✓	✓	✓	✓
LUTECH SYNERGETIC	✓	✓	✓	✓	✓	✓	✓
LUTECH SPAIN			✓	-	✓	✓	✓
PIVOTAL	✓	✓	✓	✓	✓	✓	✓
SOFTJAM	✓	✓	✓	-	✓	✓	✓
STAIN	✓	since 2025	✓	✓	✓	✓	✓
TENENIGEN	✓	✓	✓	✓	✓	✓	✓



#### 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 double materiality matrix, the Group has implemented targeted actions to manage relevant sustainability issues. These actions, including action plans and allocated resources, are part of this paragraph.

In the environmental field, with reference to the material topic **of Climate Change**, the actions refer to a series of initiatives designed to seize the opportunities offered by Climate Change in the digital sector, as well as reduce CO2 emissions to the level of specific internal operations. The main actions in this regard were:

- Selection of Data Centre service providers using renewable sources and consolidation of IT infrastructure towards certified Data Centres
- Reduction and rationalisation of spaces, with attention to risks related to the geographical location and energy efficiency risks of buildings, and gradual replacement of conventional vehicles with hybrid or electric vehicles
- Constant updating of environmental management systems (where in place) and calculation of the Carbon Footprint, aligning with the Group's future transition plan
- Start of the renegotiation of electricity supply contracts (effective from 2025) including certificates of origin to guarantee the use of sustainable sources

On a societal level, one of the most important aspects that Lutech Group has been working on for some time from an ESG perspective is the responsible management of its **own workforce**. The pillars of the relationship between the Group and its employees are in fact the strong focus on work-life balance and the psychological and physical well-being of the staff, in addition to the enhancement of the many opportunities for exchange and employee involvement which strengthen their training, motivation and growth. The main actions in this regard were:

- Development of a Performance Management model aimed at assessing the soft and hard skills of all Group employees
- Strong enhancement of the ISO 37001 management system and the Code of Ethics and Organisational Model, including the adoption (for some Group companies) of the SA8000 and Uni PDR 125 certification, involving an increasingly significant portion of the Lutech Group's personnel
- the Group's participation in the "Great Place to Work" certification platform

An interesting aspect that emerged in the materiality matrix is the strong focus on the **workers in the value chain**, which we could imagine as an effort to extend to business relations that attention to ESG issues that is characteristic of the internal processes of the most responsible organisations. The main actions in this regard were:

- Monitoring compliance with contractually agreed payment terms and entering into non-unfair back-to-back agreements with suppliers, flexibly managing the relationship so as to build the trust that allows us to overcome the asymmetries typical of the relationship between buyer and supplier
- Developing a supplier qualification process in terms of legal and economic acceptability and in terms of anti-corruption
- Extending the Due Diligence process to the value chain through the voting of the questionnaire on relevant issues and through the establishment of processes and controls that strengthen environmental and human rights accountability along the supply chain
- Supporting the complaint mechanism open to suppliers, through online contact sharing or directly through the supplier tool, where adopted

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 primarily concern the maintenance and monitoring of existing management systems and certifications and the securing of data and information through the Personal Data Protection Management System (SGPDP) and the information security management system overseen by a Group Security Officer. Finally, many actions are aimed at strengthening communication channels with customers and end consumers. The main actions in this regard were:

- Conducting the CSAT and Sales Relationship surveys, in addition to the surveys dedicated to the writing of the Sustainability Report
- Updating the Responsibility Area on the Group's website, where official documents for customers and consumers are made accessible
- availability of online and offline channels to submit complaints, reports, or suggestions/requests
- access to after-sales services structured and performing according to customer needs

At the governance level, the material theme that emerged from stakeholder engagement and the process of defining Double Materiality is **Corporate Conduct**. The Group has undertaken various initiatives to update best practices and policies in Business Ethics and to enhance stakeholder engagement processes in this area. The main actions in this regard were:

- developing a (POL-980) Responsible Artificial Intelligence Policy
- implementing a system of anti-corruption safeguards for the parent company and all its Lutech Group companies, including the internal reporting and investigations system, which allows reporting of possible violations of regulatory or European Union provisions (also anonymously), in compliance with the whistleblowing legislation (Legislative Decree no. 24/2023) but extended to cover also reports on SA8000 issues
- dedicated anti-corruption training courses for high-risk figures and management bodies, and extended to all company people
- disseminating the Talent Development project to all Group companies, with more transparent processes and a focus on staff training needs
- implementing an automated due diligence platform to assess compliance and reputational risks of business partners



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) at group level 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	Maintaining the management system (where in place): - environmental ISO 14001 - GHG Protocol calculation according to ISO 14064-1	-	€ 69,859.32	Costs for Services	€ 52,912.00
		Calculation of the Group's carbon footprint (included in the previous item)	-	-	-	-
		Maintaining a tool for monitoring greenhouse gas emissions (Net Zero Cloud)	-	€ 47,000.00	Costs for services	€ 46,944.00
		Reducing size, boosting efficiency, and optimising workspaces (LOCATIONS)	-	-	-	-
		Consolidation of IT infrastructure towards certified Data Centres	Data not available	Data not available	Data not available	€ 213,000.00
		Group Mobility Manager Programme	-	€ 14,000.00	Costs for services	€ 3,000.00
		Progressive replacement of conventional vehicles with hybrid or electric vehicles	Data not available	Data not available	Data not available	Data not available
		Analysis and study of a Climate Transition Plan	-	-	-	€ 37,000.00
		Due Diligence Process in Choosing Locations	-	-	-	-
		Energy efficiency of premises	Data not available	Data not available	Data not available	Data not available
		Installation of electric charging points (wall boxes) for the offices of Cinisello and Milan	69,629.62	-	Property, Plant and Equipment	€ 54,768.00





ESRS	Topic	Actions	CapEx	OpEx	Reference to the annual financial statements	Future resources (Y+1)
S1	Own workforce	Maintaining the management system (where in place): - ISO 45001 Occupational Health and Safety - SA8000 - UNI PDR 125	-	€ 32,883.00	Costs for services	€ 46,207.50
		Implementation of UNI PDR 125 (where not in place)	-	-	-	€ 46,207.50
		Maintaining Remote Work Policies	-	-	-	-
		Participation in the "Great Place to Work" certification platform	-	€ 70,290.00	-	€ 71,000.00
		Use of the Lutech Learning platform extended to the entire Lutech Group	-	€ 257,000.00	Costs for services	€ 260,000.00
		Core and Technical Continuing Education Process	-	€ 429,000.00	Costs for services	€ 430,000.00
		Defining a Performance Management Model	-	€ 54,700.00	Costs for services	-
		Defining and disseminating the Talent Development project across all companies in the Group	-	-	-	-
		"Tu come stai" ("How Are You?") Psychological Support Project (Serenis)	-	€ 21,924.00	Costs for services	€ 22,000.00
		Corporate volunteering activities	-	-	-	-
WONDER LUTECH - Gamification activity that will involve everyone in the Group	-	€ 45,000.00	Costs for services Personnel costs	-		



ESRS	Topic	Actions	CapEx	OpEx	Reference to the annual financial statements	Future resources (Y+1)
S2	Workers in the value chain	Executing structured, non-unfair back-to-back agreements with suppliers	-	-	-	-
		Disseminating the (POL-960) Corporate Social Responsibility Policy among all suppliers	-	-	-	-
		Involving the supply chain in an evaluation and collaboration process on sustainability issues	-	-	-	-
		Extending the Due Diligence Process to the Value Chain	-	-	-	-
		Monitoring compliance with contractually agreed payment terms	-	-	-	-
		Assessing the ESG profile of suppliers	-	-	-	-

ESRS	Topic	Actions	CapEx	OpEx	Reference to the annual financial statements	Future resources (Y+1)
S4	Customers and end-users	Maintaining the management system (where in place): · ISO 9001 · ISO 27001 · ISO 20000-1 - GDPR (DPO and management tools)	-	€ 181,339.47	Costs for services	€ 195,900.00
		Maintaining and managing corporate ratings required by customers	-	€ 1,980.80	Costs for services	€ 4,300.00
		Analysis and study for the adoption of new certifications according to market needs	-	-	-	-
		Engaging consumers and end users through dedicated surveys for the writing of the Sustainability Report	-	-	-	-
		Maintaining direct exchange channels (such as CSAT surveys, Sales Relationships)	-	-	-	-
		Publishing the Sustainability Report on the Lutech Group's website	-	-	-	-
G1	Business conduct	Maintaining the management system (where in place) ISO 37001	-	€ 77,429.60	Costs for services	€ 35,200.00
		Maintaining the Model referred to in Legislative Decree 231	-	€ 204,314.00	Costs for services	€ 129,454.00
		Maintaining and monitoring an internal anti-corruption reporting and investigation system (Tool)	-	-	-	-
		Conducting regular audits of suppliers to ensure compliance with ethical and environmental standards	-	-	-	-
		Engaging internal and external stakeholders on Business Ethics issues	-	-	-	-
		Incorporating anti-corruption contractual clauses	-	-	-	-
Publishing the Sustainability Report on the Lutech Group's website	-	-	-	-		





ESRS	Topic	Actions	CapEx	OpEx	Reference to the annual financial statements	Future resources (Y+1)
G1	Business conduct	Dedicated anti-corruption training for high-risk figures and management bodies	-	-	-	-
		Liaising with public bodies to promote the development of the technological and digital sector	-	-	-	-
		Analysis and support for writing Sustainability Reports according to the new European Directive (CSRD)	-	€ 58,500.00	Costs for services	€ 128,000.00



## 5. METRICS AND TARGETS

### Datapoint no. 70-71-72

This section defines the minimum disclosure requirements that must be included when the Group discloses information on the metrics and targets related to each material sustainability issue.

The corresponding information is included alongside the information required by the thematic ESRs.

In the event that information on the targets prescribed by the relevant thematic ESRs is missing, the Group shall disclose this and indicate the reasons for non-adoption. Finally, if possible, it shall notify a deadline by which it intends to adopt them.

### 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
Maintaining Management Systems: - environmental ISO 14001 (where in place) - GHG Protocol calculation according to ISO 14064-1 (where in place)	Tonnes of CO2 Eq	GHG Protocol	YES ISO 14001 ISO 14064-1	NO	NO
Calculating the Group's Carbon Footprint	Tonnes of CO2 Eq	GHG Protocol	NO	NO	NO
Maintaining a tool for monitoring greenhouse gas emissions (Net Zero Cloud)	Tonnes of CO2 Eq	GHG Protocol	NO	NO	NO
Reduction, efficiency-enhancement and rationalisation of work spaces (LOCATIONS)	Total square metres of offices/total number of employees ratio	–	NO	NO	NO
Consolidation of IT infrastructure towards Certified Data Centres	Certifications of Data Centre	Selecting and ranking suppliers who declare environmental performance with greenhouse gas emission reduction target	NO	ESRS E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	NO
Participation in the Great Place to Work Certification Platform	% of participation in the survey	Great Place To Work Methodologies	YES	NO	NO





### ESRS E1 – Climate Change

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Progressive replacement of conventional vehicles with hybrid or electric vehicles	Implementing a Group-wide Policy  Signing specific contracts with a choice of hybrid and/or electric cars	Reviewing the group's car fleet with progressive reduction of petrol and diesel cars	NO	NO	NO
Due Diligence Process in Choosing Locations	Adopting a Site Due Diligence checklist	Health and Safety Standards, Environmental Regulations	NO	NO	NO
Hiring an external company to study an ecological transition plan starting from the Group's Carbon Footprint	Tonnes of CO2 Eq	GHG Protocol	NO	NO	NO



### ESRS S1 – Own workforce

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Maintaining the management system (where in place): - ISO 45001 Occupational Health and Safety - SA8000 - UNI PDR 125	Managing actions required by third-party audits and maintaining an improvement process	- ISO 45001 Occupational Health and Safety - SA8000 - UNI PDR 125			
HR Certifications (UNI PDR 125)	Outcome of the Certification for the parent company Lutech Spa (scheduled for 2025)	UNI PDR 125	YES	NO	REGULATORY REFERENCE UNI PDR 125
Maintaining Remote Work Policies	% of remote work calculated on an annual basis	Remote work arrangements in place in all Group companies	NO	NO	NO
Participation in the "Great Place to Work" certification platform	% positive answers		YES	NO	PROPRIETARY METHODOLOGY Great Place to Work
Use of the Lutech Learning platform	% of training participants		NO	NO	NO

### ESRS S1 – Own workforce

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Core and Technical Continuing Education Process	% of training participants		NO	NO	NO
Defining a Performance Management Model	Procedures that define procedural steps and phases for the Performance Management process Dedicated tool		NO	NO	NO
Defining and disseminating the Talent Development project across all companies in the Group			NO	NO	NO
"Tu come stai" ("How Are You?") Psychological Support Project (Serenis)	% of service usage		NO	NO	NO
Corporate volunteering activities			NO	NO	NO
WONDER LUTECH - Gamification activity that will involve everyone in the Group			NO	NO	NO



### ESRS S2 – Workers in the value chain

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Signing structured and non-unfair back to back agreements with suppliers	% of agreements signed	Reviewing contractual agreements	NO	NO	NO
Disseminating the (POL-960) Corporate Responsibility Policy among all suppliers	Acknowledgement of the Policy	Sharing the Policy on supplier qualification portals and the company website	NO	NO	NO
Involving the supply chain in an evaluation process and collaboration on sustainability issues	No. of suppliers involved	Policy sharing and co-design activities	NO	NO	NO
Involving workers in the value chain along the process of identification of the relevant ESG topics	% of participation in the annual survey		NO	NO	NO
Monitoring compliance with contractually agreed payment terms	Average difference from contractual agreements of less than 10%		NO	NO	NO
Assessing the ESG profile of suppliers		Systems managed by third parties	NO	NO	Proprietary ratings of third parties





**ESRS S4 – Consumers and end-users**

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Maintenance of management systems (where in place): · ISO 9001 · ISO 27001 · ISO 20000-1	Managing actions required by third-party audits and maintaining an improvement process	ISO and other	YES	NO	ISO
Maintaining and managing corporate ratings required by customers	Management of actions requested by customers and achievement of a higher score than the previous year	Systems managed by third parties	YES	NO	Third-party proprietary ratings
Analysis and study for adoption of new certifications according to the needs of the market	Implementation of new management systems aimed at ensuring better control of the services offered	ISO and other	YES	NO	ISO
Engaging consumers and users through surveys dedicated to the preparation of the Sustainability Report	% of participation in the annual survey	CSRD regulations	NO	YES	NO
Maintaining direct exchange channels (such as CSAT surveys, Sales Relationships)	Annual CSAT - % of participation		NO	NO	C-SAT
Publishing the Sustainability Report on the Lutech Group's website	Dedicated section within the Lutech website		NO	NO	NO



**ESRS G1 – Business conduct**

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Maintenance of management systems (where in place): · ISO 37001	Managing actions required by third-party audits and maintaining an improvement process	ISO 37001	YES	NO	ISO
Maintenance and monitoring an internal anti-corruption reporting and investigation system	Legislative Decree 231	Tools supporting Whistleblowing mechanisms	YES	NO	MANDATORY REGULATIONS
Conducting regular audits of suppliers to ensure compliance with ethical and environmental standards			NO	NO	NO
Engaging internal and external stakeholders on Business Ethics issues			NO	NO	NO



**ESRS G1 – Business conduct**

Actions	Metrics	Methodology and assumptions	External validation	Defined in the ESRS	Other sources
Incorporating anti-corruption contractual clauses	% of revised contracts		NO	NO	NO
Dedicated anti-corruption training for high-risk figures and management bodies	% of training participants	“Lutech Learning” portal	NO	NO	NO
Liaising with public bodies to promote the development of the technological and digital sector			NO	NO	NO
Analysis and support for writing Sustainability Reports according to the new European Directive (CSRD)			NO	NO	NO



## 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 taken by the Group in 2024, 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	Mode of monitoring planned for the goal	Possible involvement of stakeholders
ESRS E1 - SUSTAINABLE AND RESPONSIBLE PROCUREMENT POLICY	100% of suppliers measured on ESG parameters	Suppliers informed but not yet evaluated according to their performance, Policy published on the website	Monitoring of data managed by the various companies of the Group	YES
ESRS E1 - SUSTAINABILITY POLICY	Defining a corporate sustainability strategy	Policy published on the website and shared on supplier qualification tools, where in place	Presence and acknowledgement of the Policy	NO
ESRS E1 – SUSTAINABILITY POLICY	Reduced energy consumption	Group emissions being monitored	Consumption analysis	NO
ESRS E1 – SUSTAINABILITY POLICY	Maintenance and improvement of the ISO 14001 management system (where in place)	In view of the extension of the Environmental Policy at Group level	Maintenance of ISO 14001 management systems where in place, guidelines shared with the entire Group, even for non-certified companies	NO
ESRS E1 – SUSTAINABILITY POLICY	Monitoring of greenhouse gas emissions produced in 2024 and ISO 14064-1 certifications (where in place)	Currently being monitored	Compliance with ISO 14064-1 for Lutech Spa and Eustema, For the entire Group, data collection and annual monitoring activities continue	NO
ESRS S1 - OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM POLICY	Ensuring a safe workplace, in line with current law and, where in place, with ISO 45001 and SA8000 certifications	100%	Maintaining ISO 45001 and SA8000 management systems, where in place, guidelines shared with the entire Group, even for non-certified companies	NO
ESRS S1 - CORPORATE SOCIAL RESPONSIBILITY POLICY	Increased awareness of DE&I in compliance with the principles of the Code of Ethics	100%	· participation in “#includiamoCI!” web sessions · Monitoring of UNI PDR 125 KPIs for Lutech Spa and Eustema	YES



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 - POLICY FOR THE PREVENTION OF CORRUPTION	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 of the percentage of fully managed anti-corruption reports (100%) and sharing of the (PSQ-501) Whistleblowing Policy - management of reports of any possible wrongdoing pursuant to Legislative Decree No. 24/2023 to Group companies with the exception of Eustema which has a separate Policy and reporting tool	NO
ESRS G1 - POLICY FOR THE PREVENTION OF CORRUPTION	Maintenance of certification according to the ISO 37001 scheme (where in place)	100%	Maintenance of the ISO 37001 certification for Lutech Spa and Eustema and sharing of the (PSQ-500) Corruption Prevention Policy for all Group companies	NO
ESRS G1 - RESPONSIBLE ARTIFICIAL INTELLIGENCE POLICY	Creating and disseminating the Policy across all companies in the Group	100%	Presence and acknowledgement of the Policy	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 and performance achieved
- scope of the target
- base value and/or base year of measurement
- period of application of the target
- selected scenario/data sources
- report with sound scientific data
- stakeholder involvement in target setting
- any changes regarding goals or metrics
- performance achieved against communicated targets

Relationship between the aim of the action and the goal 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	Changes in goals or metrics
ESRS E1 - the supplier evaluation process on ESG parameters is in line with the objective of (POL-940) Sustainable and Responsible Procurement Policy	Percentage (20%)	Progress compared to total activity (considered 100)	Business processes of the Group Supplier processes	2024	2024-2027	--	NO	NO
ESRS E1 - The definition of a Corporate Sustainability Strategy allowed us to publish the (POL-900) Sustainability Policy	Percentage (100%)	Progress compared to total activity (considered 100)	Business processes of the Group	2023	Annual	--	NO	NO
ESRS E1 – The energy consumption reduction target is in line with the Environmental Management System Policy	Absolute value (Process start)	Presence/ Absence	Group business processes	2024	Annual	Paris Agreement Climate Scenario (-1.5°C by 2030)	IPCC Paris Agreement	NO
ESRS E1 — maintaining and improving the environmental management system (where in place) is one of its guidelines (where not in place) in line with the Environmental Management System Policy	Absolute value	Presence/ Absence	Group business processes	2024	Annual	--	NO	NO
ESRS E1 - Monitoring of greenhouse gas emissions in accordance with ISO 14064-1 is in line with the EMS Policy for an annual emission reduction commitment	Absolute value (process maintenance)	Presence/ Absence	Group business processes	2024	Annual	Paris Agreement Climate Scenario (-1.5°C by 2030)	IPCC Paris Agreement	NO



Relationship between the aim of the action and the goal 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	Changes in goals or metrics
ESRS S1 - Ensuring a safe workplace is in line with (MSL-POL) Occupational health and safety management system policy, (POL-960) Corporate Social Responsibility Policy and with national regulations in force	Absolute value	Presence/ Absence	Business processes of the Group	2024	Annual	--	NO	NO
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)	Business processes of the Group	2023	Annual	--	NO	NO



Relationship between the aim of the action and the goal 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	Changes in goals or metrics
ESRS G1 – The complete handling of 100% of reports from the Whistleblowing tool is in line with the dedicated Policy, which ensures constant monitoring.	Percentage (100%)	Progress compared to total activity (considered 100)	Business processes of the Group	2023	Annual	--	NO	NO
ESRS G1 – the maintenance of the Corruption Prevention Management System according to ISO 37001 is in line with the goal of the (PSQ-500) Corruption Prevention Policy towards continuous improvement of business processes	Absolute value (process maintenance)	Presence/ Absence	Business processes of the Group	2023	Annual	--	NO	NO
ESRS G1 – The maintenance of the ISO 27001 management system and the application of an annual Business Continuity plan are in line with the (MSI-POL) Security Information Policy	Absolute value (process maintenance)	Presence/ Absence	Business processes of the Group	2023	Annual	--	NO	NO
ESRS G1 – The maintenance and improvement of processes related to IT service management and ISO 20000-1 are in line with the (MGS-POL) Service Management System Policy	Absolute value (process maintenance)	Presence/ Absence	Process of the lead company towards the Group	2023	Annual	--	NO	NO



## 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, letter 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 No. 28 2022/2453, 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				





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**ENVIRONMENTAL  
INFORMATION**

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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 Group 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 double 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 Group has not in place, 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 double materiality analysis, the Group considered the approach to the subject matter of this section to be particularly relevant and strategic. However, a Transition Plan for Climate Change Mitigation was not developed in 2024, which was planned in H2 2025 and designed to be Group-wide.



## 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 relevant in ESRS 2 SBM-3, the Lutech Group has carried out the following analysis, relating to 2024 within the consolidated perimeter:

Significant climate-related risk	Nature of the risk (physical/transitional)	Possible economic/financial impact
Risk of environmental impact of data centres used by Lutech Group 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 the Lutech Group	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 customers' 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 of work	Physical risk	Business continuity damage



In light of the table above, compiled with the Lutech Group Business Model in mind, in 2024, an analysis was started on the resilience of the Group's business with respect to Climate Change, conceived on a scope of impact affecting the Group (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 (Greenhouse Gas Effect) reduction targets - see disclosure E1-4). For 2024, climate scenarios and their possible impacts on the income statement were examined (ref: ESRS 2 - IRO 1), considering, however, that even the most severe risk assumptions refer to a detracting economic impact of less than 10% of the Group's business value.

Key assumptions on how the transition to a resilient, low-carbon economy will influence macroeconomic trends in the digital sector in which the Lutech Group operates 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 the Group 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 the commercial solutions sold by Group companies or the failure to monitor performance, since these risks are 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 the Group's business, so much so that there are no past experiences that can provide data and behavioural models in the event of a climate-related 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, 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 Group 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 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 Group operations and the ability to reorient its service portfolio towards those with a lower environmental impact

The resilience analysis will be completed at the end of 2025.



## 3. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### 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 Double 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 belonging to the Group and possible changes in *commuting/remote working* 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 data security of companies data across the Group
- 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 the Group's IRO analysis refer to higher costs associated with the implementation of increasingly lower carbon business practices; presence of component suppliers that may be dependent on non-sustainable energy sources, thus exposed to fluctuations in energy prices that would impact the Group's green strategies
- opportunities in the Group's own operations and along the upstream and downstream value chain were found in identifying new sources of components (through 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 entire Group, in evaluating opportunities for savings through the judicious choice of locations and infrastructure, in migrating the car fleet (company and mixed-use) opting for hybrid or full-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 Group 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 positions of the Group's stakeholders, as shown in the table below:





Stakeholders	Climate change risk and relevance to stakeholders	Impact on the company
Customers	Energy consumption and traceability	Customers pay particular attention to the energy issue, as evidenced by the proliferation of environment-related ESG programmes in which the Lutech Group is involved. This has an impact on the Lutech Group in terms of: <ul style="list-style-type: none"> <li>· the need for dedicated resources</li> <li>· the implementation of specific plans and KPIs to monitor</li> <li>· the search for business solutions to demonstrate our commitment to this issue</li> </ul>
Financing entities	Adapting to Climate Change and energy consumption	Public institutions have also shown the same level of attention towards the Lutech Group as described above. This has an impact on the Lutech Group in terms of: <ul style="list-style-type: none"> <li>· accessibility to research calls that reward projects with low environmental impact</li> <li>· lower cost of borrowing because of better environmental performance</li> </ul>
Suppliers	Energy consumption	Lutech's suppliers pay attention to this aspect. This impacts the Lutech Group in terms of: <ul style="list-style-type: none"> <li>· verifying contractual conditions</li> <li>· identifying suppliers that use renewable energy and/or whose costs are less volatile</li> </ul>



For the above assessments, we referred to the IPCC climate scenario SSP1-2.6 (Intergovernmental Panel on Climate Change), which refers to a 'high' level of greenhouse gas emissions, 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 high-emission climate scenario, considered in the medium term, also affect the Group's activities to the extent that precise risk mitigation actions are not implemented, as detailed in section E1-2 below.



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

Classification of climate-related hazards (source: EU Commission Delegated Regulation 2021/139)				
	Temperature	Wind	Water	Solid Mass
<b>Chronic</b>	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	
<b>Acute</b>	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 Group, 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 (POL-940)”. In addition, it maintains an up-to-date and monitored environmental management system (where in place), drawn up according to ISO 14001.

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

- **aspects related to climate change mitigation which, in accordance with the 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 Environmental Policy, are pursued through:**
  - development of a Group business continuity, also designed to handle sudden and unexpected environmental events
  - digitised plans to make the Group's supply chains more resilient to disruptions due to climatic events
  - developing IT networks more resistant to blackouts and outages due to extreme events
  - enhancing IT security to prevent blackouts and malfunctions related to weather events
  - Group environmental insurance/environmental risk insurance
  - transitioning electricity contracts towards 100% renewable and certified energy solutions
- **aspects related to energy efficiency, which, in accordance with the Environmental Policy, are pursued through:**
  - supporting circular economy initiatives (reuse of PCs after reconditioning)
  - shifting to data centres that are powered by renewable energy (solar, wind, hydroelectric)
  - containing energy consumption through energy efficient hardware
- **aspects related to the dissemination of renewable energies, which, in accordance with the Environmental Policy, are pursued through:**
  - shifting to data centres that are powered by renewable energy (solar, wind)
  - optimising energy consumption, including in logistics, by favouring renewable energy sources
  - modifying supply agreements to switch to Green contracts with certificates of origin, effective from late 2024 or early 2025



### 3.3 Disclosure Requirement E1-3 – Actions and resources in relation to Climate Change Datapoint no. 1-2-3-4

Consistent with the Group's (POL-900) Sustainability Policy and its provisions, several actions dedicated to reducing environmental impacts (i) and energy efficiency (ii) have been defined.

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				
<b>Adaptation</b>	Mobility management programme	Corporate carbon footprint development with extension to all locations and Group-wide calculation according to GHG Protocol from 2024 onwards	Development of an internal Environmental Business Continuity process to ensure business continuity in the event of unforeseen climate change events	Distributed services hosted on cloud platforms (Data Centres) provided by leading partners who have obtained the necessary environmental certifications
	<b>Decarbonisation lever:</b> prevention of new emissions	<b>Decarbonisation lever:</b> prevention of new emissions	<b>Decarbonisation leverage:</b> managing operational resilience, helping to sustain corporate decarbonisation strategies over time	<b>Decarbonisation lever:</b> prevention of new emissions
	Exploring the development of sustainable solutions proposed by key customers to promote greener (circular) business models, also considering the role of AI			
	<b>Decarbonisation lever:</b> prevention of new emissions			
<b>Mitigation</b>	Reducing size, boosting efficiency, and optimising workspaces (LOCATIONS)	Maintaining a tool for monitoring greenhouse gas emissions throughout the entire Group	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)
	<b>Mitigation lever:</b> prevention of new emissions	<b>Mitigation lever:</b> prevention of new emissions	<b>Mitigation lever:</b> prevention of new emissions	<b>Mitigation lever:</b> prevention of new emissions





**Present actions**

<p><b>Mitigation</b></p>	<p>Maintaining questionnaires that incorporate ESG issues for the parent company as part of the qualification process</p> <p><b>Mitigation lever:</b> prevention of new emissions</p>	<p>Monitoring and updating of management systems (ISO 14064 and ISO 14001)</p> <p><b>Mitigation leverage:</b> managing operational resilience, helping to sustain corporate decarbonisation strategies over time</p>	<p>By late 2024, the Lutech Group entered into agreements to obtain approximately 65% of its energy needs from suppliers delivering energy from renewable sources, validated by Certificates of Origin</p> <p><b>Mitigation lever:</b> prevention of new emissions</p>	<p>Installing electric charging points (wall boxes) at some locations, to encourage the adoption of electric cars</p> <p>According to the 2024 Plan, 20 charging stations were installed in Cinisello Balsamo. As outlined in the 2025 Plan, charging stations are scheduled for installation at Milano Park West</p> <p><b>Mitigation lever:</b> prevention of new emissions</p>
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**Future actions**

<p><b>Adaptation</b></p>	<p>Exploring the development of sustainable solutions proposed by key customers to promote greener (circular) business models, also considering the role of AI</p> <p><b>Decarbonisation lever:</b> prevention of new emissions</p>	<p>Finalising the resilience plan associated with the Group's Business Model, in terms of Climate Change impact</p> <p><b>Decarbonisation leverage:</b> managing operational resilience, helping to sustain corporate decarbonisation strategies over time</p>	<p>Assessing a plan to optimise the environmental impacts of the locations slated for 2026-2027, revised following the expected mergers by incorporation of certain Group companies by 2025</p> <p><b>Decarbonisation lever:</b> prevention of new emissions</p>	
<p><b>Mitigation</b></p>	<p>Monitoring and updating of management systems (ISO 14064-1 certificate and ISO 14001 management system) where in place</p> <p><b>Mitigation leverage:</b> managing operational resilience, helping to sustain corporate decarbonisation strategies over time</p> <p>Maintaining a tool for monitoring greenhouse gas emissions throughout the entire Group</p> <p><b>Mitigation lever:</b> prevention of new emissions</p>	<p>The car policy has been revised and published, and the shift to electric/ full hybrid vehicles for the fleet is progressing upon the expiry of existing rental contracts</p> <p><b>Mitigation lever:</b> prevention of new emissions</p> <p>Developing a Group Transition Plan</p> <p><b>Mitigation lever:</b> prevention of new emissions</p>	<p>Presence of training courses dedicated to the issues of climate change and reduction of environmental impacts</p> <p><b>Mitigation leverage:</b> managing operational resilience, helping to sustain corporate decarbonisation strategies over time</p> <p>Installing electric charging points (wall boxes) at some locations, to encourage the adoption of electric cars</p> <p>2024 Plan: 20 charging stations were installed in Cinisello Balsamo</p> <p>2025 Plan: charging stations are scheduled for installation at Milano Park West</p> <p><b>Mitigation lever:</b> prevention of new emissions</p>	<p>Introduction of Lutech's green Due Diligence processes planned for 2024-2025</p> <p><b>Mitigation leverage:</b> managing operational resilience, helping to sustain corporate decarbonisation strategies over time</p> <p>Introduction of an ESG vendor rating mechanism for major suppliers</p> <p><b>Mitigation leverage:</b> managing operational resilience, helping to sustain corporate decarbonisation strategies over time</p> <p>Optimisation of electricity contracts</p> <p><b>Mitigation lever:</b> prevention of new emissions</p>





With regard to mitigation actions, their outcome for the Group 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 CO<sub>2</sub> 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 CO<sub>2</sub> emissions related to means of transport)
- **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) are obtained
- **data centres operated by certified third-party providers** → thanks to the reduction of greenhouse gases (GHG) emissions from data centres outsourced to suppliers with special environmental policies (100% certified renewable energy) and consumption containment
- **monitoring and updating certifications** → an up-to-date ISO 14001 system and ISO 14064-1 certification (where present) and a monitored Group GHG Protocol have direct and positive impacts on the Group'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. 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 total square metres of the Lutech Group's premises and according to the consolidated annual turnover (ii). This will make it possible to carry out monitoring regardless of the changing size of the Group.

With regard to **remote work**, in 2024 no calculation was carried out to quantify the CO<sub>2</sub> saved as a result of remote working arrangements, at Group level.

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

Planned actions	CapEx	OpEx	Balance Sheet Reference	Key performance indicators
Mobility Management Programme (Adaptation)	-	€ 14,000.00	Costs for services	-
Internal Business Continuity process to ensure business continuity in case of unforeseen events (Adaptation)	-	-	-	-
Consolidation of IT infrastructures towards certified Data Centres (EQUINIX) (adaptation)	Data not available	Data not available	Data not available	-
Maintaining the management system (where in place): <ul style="list-style-type: none"> <li>• environmental, ISO 14001</li> <li>• GHG Protocol calculation according to ISO 14064</li> </ul> (mitigation)	-	€ 60,895.32	Costs for services	-



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

Planned actions	CapEx	OpEx	Balance Sheet Reference	Key performance indicators
Calculating the Group carbon footprint (included in the cost of maintaining environmental management systems) (adaptation)	-	-	Costs for services	-
Maintaining a tool for monitoring greenhouse gas emissions (Net Zero Cloud)	-	€ 47,000.00	-	-
Reducing size, boosting efficiency, and optimising workspaces (LOCATIONS)	-	-	-	-
Energy efficiency of premises (mitigation)	Data not available	Data not available	Data not available	-
Installation of electric charging points (wall boxes) for the offices of Cinisello and Milan	€ 69,629.62	-	Property, Plant and Equipment	-



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
Progressive replacement of conventional vehicles with hybrid or electric vehicles - 266 electric and hybrid cars order in 2024 to replace about 90% of diesel cars	Data not available	-	-	-
Installation of electric charging points (wall boxes) for the offices of Cinisello and Park West	€ 54,768.00	-	Property, Plant and Equipment	-
Involving the supply chain in an evaluation and collaboration process on sustainability issues (mitigation)	-	-	-	-
Analysis and study of a Climate Transition Plan	-	€ 37,000.00	Costs for Services	-
Maintaining a tool for monitoring greenhouse gas emissions (Net Zero Cloud)	-	€ 46,944.00	Costs for services	-





## 4. METRICS AND TARGETS

### 4.1 Disclosure Requirement E1-4 – Climate Change mitigation and adaptation targets

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

Within the framework of climate change mitigation and adaptation policies and actions, the Lutech Group 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
(POL-900) Sustainability policy	Lutech SpA updated its REG-001 Car Policy in July 2024, beginning an extension process to cover the Group's entire fleet of cars. This policy aims to transition long-term rental agreements to electric vehicles, or, where this is not yet possible, to low emission vehicles (full Hybrid or Hybrid Plug-in), with the goal of reducing GHG emissions from the vehicle fleet to zero by 2032	2025-2026	Migration of long-term rental contracts to electric cars	At least 70% of the company's fleet is powered by hybrid or electric engines.	By 2032
(POL-900) Sustainability policy	Reducing the number of locations and improving building performance are addressed by taking into account changes in corporate structure (M&A) and opportunities for aggregation of locations. At IRO level, a plan to optimise the environmental impacts of the locations was confirmed for 2025-2027	By 2027	Updating the site management process with tracking systems for 2025	17 locations are expected to close due to mergers in 2025	By 2027
(POL-900) Sustainability policy	Renewable energy supply	By 2026	Electricity supply contracts from certified renewable sources only	electricity supplies 100% certified	By 2027
(POL-900) Sustainability policy (POL-940) Sustainable and Responsible Procurement Policy	Analysis and rating of the supply chain with respect to environmental issues, integrated by assessing the adoption of a new tool for key suppliers of the Group	By 2027	Supply chain analysis	Choosing a tool that supports the procurement function in managing suppliers on sustainability issues	2027



Targets related to climate change mitigation and adaptation					
Policy	Target	Time span	Action	Target	Time span
(POL-900) Sustainability policy	Training on sustainability issues (Climate Change and societal and governance impacts)	2026	Introduction of courses for all employees within an AI-supported platform change, planned for 2025	100% of employees trained	2026-2027
(POL-900) Sustainability policy	Encouraging the use of low-emission cars	2025-2026	Installing new charging points for electric cars	Installing charging stations in the locations with more than 100 employees	By 2026
(POL-940) Sustainable and Responsible Procurement Policy	Green Due Diligence processes	2025-2027	Supply chain analysis	50% of suppliers evaluated	2025-2027
(POL-900) Sustainability policy	Studying and designing an environmental transition plan	By 2026	Emission reduction plan resulting from scenario analyses derived from the Transition Plan	Aligning the targets emerging from the plan of Group companies with more than 100 employees	By 2026



## 4.2 Disclosure Requirement E1-5 – Energy consumption and mix

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

The table below provides detailed information on energy consumption and the energy mix for 2024. Lutech Spa and Eustema had detailed information on energy consumption and the energy mix certified by an accredited external body, according to the ISO 14064-1 scheme for quantifying and reporting greenhouse gas emissions and their removal.

Below are the Group's figures, the result of a comprehensive data collection and compiled by an external company:

Energy consumption and mix	2024 (MWh)	Notes
(1) Fuel consumption from coal and coal products	0	
(2) Fuel consumption from crude oil and petroleum products	11,888.09	
	Of which petrol	1,357.88
	Of which diesel	10,332.54
	Of which LPG	197.67
(3) Fuel consumption from natural gas	2,788.96	
(4) Fuel consumption from other non-renewable sources	0	
(5) Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired	2,327.48	
(6) Total energy consumption from fossil sources (sum of rows 1 to 5)	17,004.53	
<b>Share of fossil sources in total energy consumption (%)</b>	<b>92.68%</b>	
(7) Consumption from nuclear sources	79.64	
<b>Share of nuclear sources in total energy consumption (%)</b>	<b>0.44%</b>	
8) Fuel consumption for renewable sources including biomass (also includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	0	The Lutech Group does not use biomass or waste to generate hydrogen or renewable energy
(9) Consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	1,263	
(10) Consumption of self-produced renewable energy without resorting to fuels	0	The Lutech Group does not self-produce energy
(11) Total energy consumption from renewable sources (sum of rows 8 to 10)	1,263	
<b>Share of renewable sources in total energy consumption (%)</b>	<b>6.88%</b>	
Total energy consumption (sum of rows 6, 7 and 11)	18,347.17	



Regarding the energy intensity associated with activities in sectors with a high climate impact, the Lutech Group does not provide such data as it does not operate within such high-impact sectors.

### 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

In 2024, the Lutech Group had detailed information on energy consumption and the energy mix certified by an external company, with the aim of calculating the environmental performance relating to the greenhouse gas emissions of the activities carried out by the Lutech Group's member organisations at the various company locations. The data collection and calculation of GHG emissions by Lutech Group's member organisations was developed according to the principles of the GHG Protocol, which, although it is not a binding regulation, is the most widely used voluntary standard for reporting greenhouse gas emissions globally.

The result of the calculation performed is the total GHG emitted by the activities carried out by the Lutech Group's member organisations at the different locations and is expressed as total tonnes of CO2 equivalent (tCO2eq) in absolute terms. The Lutech Group has aggregated its GHG emissions at the emission source level using the control approach: the organisation accounts for all GHG emissions (and/or removals) quantified by the sources over which it has operational control (basically, emissions are directly related to the financial statements).

It should be noted that there are no GHG sinks, so GHG removals have not been quantified.

GROSS GHG EMISSIONS 2023		
Type	tCO2eq	% of total
Area 1 (Category 1)	5,244.48	16.42%
Area 2 (Category 2)	1,141.13	3.57%
Area 3 (Category 3 + Category 4)	25,552.30	80%
<b>Total emissions:</b>	<b>31,937.91</b>	<b>100%</b>

It should be noted that the largest impacts are related to scope 3 (80.0%), with commuter transport (38.1%) being the biggest impact. This is followed by scope 1, which includes impacts related to the organisation's direct emissions: these account for 16.4%, of which 14.4% is due to emissions from company vehicles. Scope 2, relating to emissions from imported energy, has an impact of 3.6% due mainly to electricity purchased from the grid (3.4%).

There are no particular variations in what constitutes the communicating organisation itself and its upstream value chain, as the significance analysis produced 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 2024 were 5,244.48 tCO2eq of which 0% is covered by emissions trading schemes.

GHG emissions in scope 2 were 1,141.13 tCO2eq in the reporting period, based on its position. Regarding the market analysis, the Group has no detectable Market Based benefits, as it has not signed any green energy contracts, so category 2 emissions are still 1,141.13 tCO2eq. Emission factors for the impacts associated with electricity consumption were derived from the Ecoinvent 3.10 process "Electricity, low voltage {IT}| market for electricity, low voltage | 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:

SCOPE 3				
Description		UM	Value	% of Uncertainty
<b>Category 1 - Products and services procured</b>				
	Goods purchased	tCO <sub>2</sub> eq	392.35	15.40%
	Cloud Services	tCO <sub>2</sub> eq	4,639.39	23.30%
	Remote Work	tCO <sub>2</sub> eq	22.01	22.40%
	Goods purchased for resale	tCO <sub>2</sub> eq	2,217.16	28.30%
<b>Category 2 - Capital goods</b>				
	Fuel production and infrastructure related to company cars	tCO <sub>2</sub> eq	5,069.92	8.10%
	Infrastructure related to heating and electricity imports	tCO <sub>2</sub> eq	380.79	8.00%
<b>Category 4 - Upstream transport and distribution</b>				
	Road freight transport	tCO <sub>2</sub> eq	2.49	22.40%
	Sea freight transport	tCO <sub>2</sub> eq	0.01	22.40%
<b>Category 6 - Business Travel</b>				
	Hotel overnight stays	tCO <sub>2</sub> eq	58.61	11.00%
	Airplane	tCO <sub>2</sub> eq	334.64	22.40%
	Bus	tCO <sub>2</sub> eq	0.78	14.10%
	Car	tCO <sub>2</sub> eq	140.82	15.60%
	Train	tCO <sub>2</sub> eq	84.69	14.10%
<b>Category 7 - Commuter transport</b>				
	Bus	tCO <sub>2</sub> eq	1,442.06	22.40%
	Car	tCO <sub>2</sub> eq	5,316.43	26.70%
	Electric scooter	tCO <sub>2</sub> eq	0.26	22.40%
	Car sharing and taxis	tCO <sub>2</sub> eq	5,159.01	28.30%
	Bikes	tCO <sub>2</sub> eq	151.08	22.40%
	Tram/underground	tCO <sub>2</sub> eq	48.84	22.40%
	Train	tCO <sub>2</sub> eq	61.8	22.40%
<b>Category 9 - Downstream transport and distribution</b>				
	Road freight transport	tCO <sub>2</sub> eq	28.23	22.40%
	Sea freight transport	tCO <sub>2</sub> eq	0.93	22.40%
<b>TOTAL</b>		<b>tCO<sub>2</sub>eq</b>	<b>25,552.30</b>	<b>12.00%</b>



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 Group measures GHGs exclusively by the position-based method.

The Lutech Group's GHG emission intensity for 2024 is: 31,937.91 tCO<sub>2</sub>eq.

A new Group calculation will be possible in 2025, improving the accuracy of the calculation and reducing

	TCO2-EQ	CO2	CH4	N2O	SF6	HFC	Other GHGs	% of Uncertainty	% Category
<b>Scope 1</b>	5,244.48	5,14E+03	3,37E+00	2,50E+01	2,81E-02	7,60E+01	2,65E-03	8.20%	16.40%
<b>Scope 2</b>	1141.13	9,88E+02	1,31E+02	1,26E+01	9,00+00	7,27E-01	4,90E-02	10%	3.60%
<b>Scope 3</b>	25,552.30							12%	80%
<b>TOTAL</b>	<b>31,937.91</b>							<b>6%</b>	<b>100%</b>

the use of estimated data. Furthermore, future reports will provide reporting indicators (per employee/per turnover) to allow for comparison between different reporting years against possible changes in the Group's calculation perimeters.

#### 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 Group 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 Group did not purchase carbon credits and did not set targets for zero net emissions, in addition to GHG gross emission targets. No public statements have been made about 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 Group 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**

With regard to:

- the expected financial effects of **relevant physical risks**
- their influence on the Group's financial position, results of operations and cash flows
- the expected financial effects of **relevant transition risks**
- **their** influence on the **financial** position, results of operations and cash flows

the **Lutech** Group has no information to share.





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**SOCIAL INFORMATION**

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# 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 Lutech Group 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 Group 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 Group have always been held in high regard, guiding the group's 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 Group 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 Group listens to its employees, gathering information and ideas that are useful for the development of the company strategies, which – with regard to human resources – identify its two fundamental axes precisely in this exchange and in the possibility of gathering bottom-up input.

As detailed below, during 2024, 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 2024 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 was planned that involved all staff across the Group to foster integration between staff of the various Legal Entities and Locations (the project Wonder Lutech started 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 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 Group 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 Group's workforce derive from, or are linked to, a strategy and business model. For Lutech Group, 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
<b>Impacts arising from the company's strategy or business model</b>	High internal mobility and turnover: the "project-based" model leads people to frequently change teams and clients, generating a reduced sense of stability and a greater risk of leaving the company	Generational mismatch: if no investment is made in attractive employer branding, young talent might prefer start-ups or big tech companies with the risk of an 'ageing' workforce
	Variable workload and risk of burnout: tight deadlines and specific customer requests generate intense work peaks with a related increase in stress and difficulty in balancing work and private life	Erosion of the sense of belonging: without strong engagement initiatives there could be a risk of loss of common identity and weak corporate culture
	Continuous skill gap: rapid technological change requires constant updates, generating pressure on employees to keep up to date	Difficulties with inclusion and diversity: if proactive D&I policies are not implemented, the Lutech Group risks being left behind in a sector that is already poorly balanced in terms of gender and diversity, with negative effects on its reputation and attractiveness
<b>Impacts guiding the company's strategy and the company's business model</b>	Centrality of specialised skills: the quality and availability of skills in highly specific areas drive the service offering, shaping the portfolio of services on offer	The difficulty or ease of attracting young professionals and qualified senior figures may prompt Lutech to invest more and more in its employer branding model
	Managing resources as mobile and flexible teams influences the very structure of the business: the company competes on the ability to quickly allocate people to complex projects "on demand"	If the workforce develops strong skills in specific sectors (e.g. digital health, fintech), the business model will tend to focus more and more on strategic verticals, modifying the functional organisational chart accordingly
	Centrality of the customer relationship: the relationship and advisory skills of employees drive customer loyalty and thus business growth	Emerging ideas and skills from the workforce and other non-IT disciplines (new languages, frameworks, agile methodologies, HCD) can redefine the services offered and the value proposition, guiding the strategic direction





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
<b>R&amp;O resulting from impacts and dependencies in terms of the company's workforce</b>	Reduced talent acquisition due to high turnover of vertical skills, impacting service continuity	Attracting young digital talent and strengthening employer branding are the result of strong investments in human capital
	Burnout and worsening work-life balance due to high work intensity, resulting in loss of human capital and high replacement costs	Opportunity to become a digital skills development hub, increasing employability and reducing the technology gap in the country as a result of heavy investment in R&D
	Worsening of reputation and ability to attract talent if the workforce is not diversified	Opportunity to stand out in a historically gender unbalanced sector thanks to Advanced Gender focused Policies
	Dependence on key skills, linked to a few figures, resulting in vulnerability for the organisation	Higher productivity and better project quality through engagement and retention processes that motivate and retain the workforce
	Risk of conflict with internal stakeholders due to short-sighted management of human capital (weak policies on welfare, training and development)	Achieving responsible leadership by positioning ourselves as a 'people-first' company model strengthens our reputation and reduces risks of labour conflicts or high turnover
<b>R&amp;O resulting from impacts and dependencies in terms of strategy and business model</b>	Risk of legal or reputational disputes if contractual, union, labour or occupational safety regulations are not complied with	
	The "project-based" model in which teams continuously rotate on projects increases the risk of a poor ownership and greater mobility towards competitors	Positioning ourselves as a "quality workplace" in the IT sector, enhancing well-being, inclusion and development, so as to strengthen employer branding processes
	Work peaks, tight deadlines, travel or presence at the customer's premises increase the risk of stress, reduced productivity and replacement costs	Enjoying a competitive advantage and generating social value (reducing the national digital skills gap) thanks to upskilling and reskilling programmes specifically designed for the ICT sector
	Structural skills shortage if no investment is made in continuous training. Shortage of staff with up-to-date skills increases pressure on already qualified employees	Increasing staff satisfaction and reducing social risks related to work-life balance through smart working and flexibility
	Risk of isolation from the group, less internal cohesion, loss of engagement due to the fact that some employees may work on site at customers and lose the sense of corporate belonging	Expanding the talent pool and improving the internal climate through targeted policies for women, young people, and people with diverse backgrounds
		Working on digital projects in healthcare, public administration or sustainability can motivate employees who see a concrete positive impact, increasing their loyalty



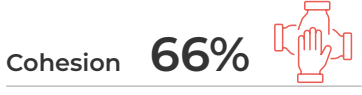
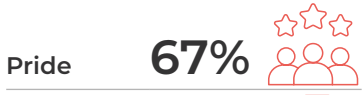
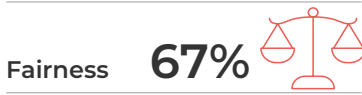
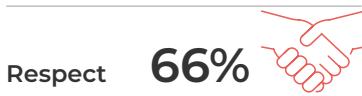
All workers on which the Group has significant impacts are included in the SBM 3 - ESRS 2 disclosure, including impacts related to the company's own operations and its value chain (discussed in detail in ESRS S2), including through its products or services, as well as business relationships.

Briefly describing Lutech Group's employees, it can be said that they are people with an average age of 40.4 years old, 83% of whom are of Italian origin and 17% foreign, with an average seniority of 7.6 years. Their average classification is white-collar and their working hours are standard central (8 hours per day) according to the applicable CCNL.

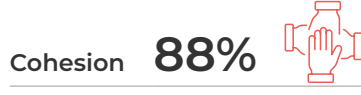
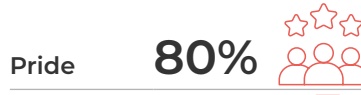
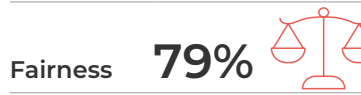
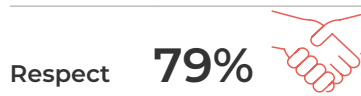
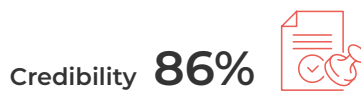
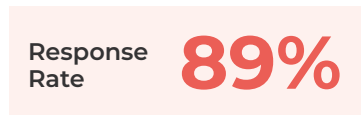
The majority of their education is academic (high school diploma and degree) and in terms of gender balance, women account for 30% and men for 70%.

The motivation that drives them to work at Lutech Group is corporate credibility, respect for employees, and fairness, which rank among the top three in all of the Group's business geographies.

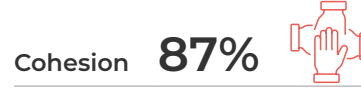
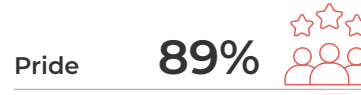
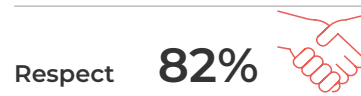
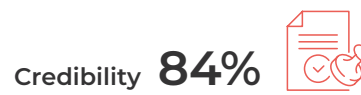
**ITALY RESULTS**



**SPAIN RESULTS**



**ALBANIA RESULTS**



Briefly describing the workers who are not employed by the Group, it can be said that they are external consultants provided by third-party companies and freelancers who have consolidated experience of the services offered and are therefore able to best understand the needs of the Group and its clients. Most of them 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** that could be experienced by the Lutech Group 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 Group's companies 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 companies. 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 retention and leading to high employee turnover

- lack of attention to DE&I Policies, 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 example, to make use of flexible working hours while balancing company productivity and their psycho-physical balance, or to benefit from support services of various kinds (e.g. the Serenis project)
- up-to-date and growing 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 Group, 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 ecological transition plans to reduce negative environmental impacts mainly refer to a project started in 2023 and extended to all Group companies in 2024, which envisages a gradual change in the composition of the company fleet (direct or mixed) towards electric and/or hybrid cars instead of combustion engine cars.

Another important aspect is the confirmation of the application of a smart working agreement to 100% of the workforce, with a percentage of smart working use exceeding 50% of the employed workforce by 2024.

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

With regard to its own employees who may be adversely affected based on the materiality assessment pursuant to ESRS 2 IRO-1, the Group has identified executive and managerial positions as being exposed to high levels of stress (mainly due to mergers/acquisitions) with adverse impacts on turnover.

In its analyses, the Group 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 third-party company 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
<b>R&amp;O affecting specific groups of people</b>	<b>Disadvantaged and/or vulnerable people:</b> burnout and worsening of work-life balance due to high work intensity	<b>Under 35:</b> increased loyalty and the strengthening of employer branding are the result of strong investments in human capital  <b>Women and disadvantaged/vulnerable people:</b> increased loyalty and opportunity to stand out in a historically gender unbalanced sector thanks to Advanced Gender focused Policies
<b>R&amp;O affecting the entire workforce</b>	<i>*All the above, as listed in the table "Risks and opportunities arising from impacts and dependencies in terms of the company's workforce, and strategy and business model".</i>	<i>*All the above, as listed in the table "Risks and opportunities arising from impacts and dependencies in terms of the company's workforce, and strategy and business model".</i>





## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### 2.1 Disclosure Requirement S1-1 – Policies related to own workforce Datapoint no. 17-18-19-20-21-22-23-24

The Group 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 Group 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 Group engages them with internal communication tools (intranet, newsletter, community, one-to-one meetings, periodic surveys, periodic All Hands events)
- regarding measures to remedy any human rights violations, Lutech Group 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

The lead company Lutech and the other Group companies comply with 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 Group 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, some companies of the Lutech Group, in addition to complying with specific legal regulations, have the (MSL-POL) Occupational Health and Safety Management System Policy, relating to the ISO 45001 (where present), which is necessary to promote a continuous and growing awareness of Safety in its Workplaces, 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 Group’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 Group has adopted the Code of Ethics, which promotes the culture of non-discrimination as a corporate value.



Lutech Group 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, the SA8000 management system and UNI PDR 125 (where in place). 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 Group'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 Group 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 who could be affected is the Industrial Relations & Integration Effectiveness (see PSQ-000), 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. In parallel, the Industrial Relations & Integration Effectiveness and the Chief Human Resources Officer operationally manage 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 29 RLSs in the Group (and two persons in Cimworks as shown in the table below), 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 is: [RLS@lutech.it](mailto:RLS@lutech.it). In addition, all names can be found in a section of the Lutech HUB intranet.

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 ISO 45001 standard where it is in place.

In accordance with Legislative Decree 81/08, which is also the basis of the controls for the management sys-





tem, the Employer's Representatives (in the HSE area, group role), the Workers' Safety Representative, the Management System area and the CSR area (within the Compliance unit), 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.

The table below shows the numbers of RLSs in the Group companies:

Company	RLSs present	Notes
Abex Italia Srl	2	
Basiliko Srl	1	
Certimeter Srl	1	
Cimworks SL	2	It is an outsourced service. Presence of a team at the level of Health and Safety: A Person in Charge of the emergency and an alarm and evacuation team
Diem Technologies Srl	1	
Dot Balkans Shpk	0	
Dot Srl	1	
Eustema Spa	3	
ICTeam Spa	1	
Infoedge Srl	1	
Know-How Srl	1	
Kronotech Srl	1	
Lutech CDM Spa	1	
Lutech Digital AirPort Srl	2	
Lutech Sinergetica Srl	1	
Lutech Spa	7	
Lutech Spain SL	0	
Pivotal Italia Srl (with Lutech CDM)	0	
SoftJam Spa	1	
Stain Srl	1	
TenEnigen Srl	3	
<b>TOTAL</b>	<b>31</b>	



## 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 Group'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:

1. **analysis and identification of negative impacts** by collecting reports from employees, monitoring KPIs and - in order to understand the root causes of negative impacts - performing an ad hoc analysis of the underlying causes of the problem, e.g. by commissioning a specific analysis on work-related stress, work-life imbalances, poor internal communication or ineffective leadership
2. **designing solutions:** the development of initiatives, with the involvement of employees, aimed at 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
3. **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) following these sub-steps:
  - **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 Group's approach to reports or grievance mechanisms from 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 several companies 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, the Lutech Group has two channels, the first is the company intranet available to all company staff for all internal communication and sharing issues between colleagues, the second is a channel for direct communication of reports, complaints or problems of any kind to the attention of the relevant company figures. 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, the use of the tool, which is currently designed for whistleblowing, was also extended to the handling of such complaints and grievances so that a secure, controlled and anonymous process could be guaranteed by all Group employees.





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 Group 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 for the 13 companies that use Group whistleblowing and for Eustema, which uses one independently). Anonymity is made possible, 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 2024, in the following tables.

2024	Preventing, mitigating, and remedying negative impacts	Interventions to remedy actual major impacts	Additional actions for producing positive impacts	Mechanism for monitoring the effectiveness of such actions	
<b>Remote work confirmation</b>	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	
<b>Maintaining internal communities</b>	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	 
<b>Portal "Lutech Learning" for training extended to the entire Group</b>	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	 
<b>Project "#includiamoCI!" extended to all companies in the Group</b>	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	Project participation monitoring	 
<b>Project "#IAmRemarkable" extended to all companies in the Group</b>	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	Project participation monitoring	
<b>Project "The Inspirational Mix" extended to all companies in the Group</b>	Poor retention and loyalty	Reducing workforce isolation by fostering involvement and exchange opportunities towards new hires under 30.	Development of internal knowledge and communication process for new employees under 30	Project participation monitoring	



## WOMEN'S EMPOWERMENT AND STEM

For years, the Lutech Group has been developing initiatives in favour of female empowerment in the workplace, against gender stereotypes and in support of female representation in STEM subjects. Listed below are some of the projects activated by the Group during 2024:

- **COMMUNITY EQUITY AND EMPOWERMENT:** started as a people engagement initiative, in 2024 the community evolved and became the spokesperson and expression of the Group's values on DE&I issues. The community's goal is to engage the company's workforce by sharing – on a voluntary basis – culture, information, opinions, and projects on inclusion, empowerment, and gender equality, as shared values for growing together
- **#includiamoCI!**: an initiative born from the Lutech Group's Equity & Empowerment community. The project fits into the HR People Engagement and ESG Social Equity areas as a voluntary training programme on Diversity, Equity & Inclusion. Participation in the project is on a voluntary basis and consists of 3 webinars open to the entire Lutech Group population
- **I AM REMARKABLE:** an initiative born in 2016 at Google, as part of the Diversity, Equity & Inclusion programmes, which later became a brand-independent .org, is promoted globally, also through Partners, after a Train The Trainer programme to become a Facilitator. The goal of #IAR is to discuss the importance of self-promotion in professional and personal life (self-empowerment and self-promotion), to facilitate the ability to talk openly about one's successes in the workplace and beyond, and to offer participants the tools to promote themselves in front of colleagues and managers
- **DIGITAL RECRUITMENT WEEK STEM GIRLS:** an event entirely dedicated to STEM undergraduates and graduates, during which participants can participate in company presentation webinars, apply for open positions sponsored by participating companies, and start real-time interviews
- **INGENIO AL FEMMINILE** With the 'Ingenio al Femminile Dissertation Award' project, the Lutech Group supports women by promoting and supporting female excellence in pursuing degrees in STEM subjects. The award was created to promote Goal 5 of the UN 2030 Agenda on Gender Equality. The theme chosen for the 2024 edition is: "The 5.0 Paradigm and the Strategic Role of Engineering"
- **VIRTUAL JOB MEETING STEM GIRLS:** A fully digital event offering companies the opportunity to connect with young female graduates and professionals in STEM (Science, Technology, Engineering, and Mathematics) disciplines. Lutech Group companies will be able to communicate their reality and share their corporate culture, in addition to meeting target candidates and interacting with them virtually

To better understand the design aspects underlying the initiatives listed above, below is an interview with the internal figures within the Lutech Group who deal with these issues.

**What are the most important aspects for the Lutech Group when planning initiatives like those listed above? Which methodological pillars do you not intend to give up?**

**AV:** It is essential to reach out to all the Group's entities, with projects that start from the bottom, with the aim of creating a strong cultural base on the topic.

**EP:** We don't give up on recruitment, with initiatives that offer real opportunities, preventive guidance, and educational support beyond the goal of job placement.

**Many initiatives are often shared and promoted externally: do you often find other partners who are proactive and active on these issues? Have you ever been invited to participate in national or international initiatives or campaigns?**

**AV:** There's a lot of collaboration within the university environment, and we often meet with external



providers who host STEM-related events, which we can customise to suit our perspectives.

**EP:** It happens often and it's something we hope for. In addition to the requests we receive from associations (which seek us out and it's difficult to please everyone), very important cross-sector initiatives often emerge, because partnerships based on values also make business ones last longer.

### **How do you think this topic will develop within the Italian business landscape in the near future?**

**AV:** the future on these issues will be very much about the supply chain, no longer working in silos, but companies aligning themselves with suppliers.

**EP:** We are witnessing an evolution in the labour market. There are more and more new professionals with soft skills. In this sense, by moving away from highly vertical professions that suffered from gender bias, gender stereotypes will vanish. Future generations will move in the direction where gender will no longer matter. University courses are also moving in this direction: the humanities intersect with more technological fields.

### **What requests do young female STEM graduates make when they come into contact with Lutech Group companies, and how do they differ—if at all—from those of their male colleagues?**

**AV and EP:** there are no real differences between the requests that come from girls today, compared to those that come from male peers. The only difference perhaps is the way they emerge in interviews. In general, then, in STEM women there is a complexity and completeness of soft characteristics that are more pronounced and evident than in male engineers. Male engineers are often defined by their highly specialised technical expertise, which is generally less adaptable to interdisciplinary approaches.

### **Beyond the projects listed above, how does the Lutech Group think it is a business reality in which women can find the space they deserve?**

**EP:** with a view to talent acquisition we have new welfare policies that facilitate women's needs. However, 2024 was a year of integration with other companies, so the path was more one of incubation than development. We have opportunities for inclusion in the business context that do not generate difficulties as a result of this. Our context is very flexible in terms of changing roles, albeit within clear growth paths. Personally, I've seen an increase in female hires. Of course, the limitation is somewhat in the type of business we are in. Currently, computer science courses are inherently male-dominated, which is why it's important to raise awareness in technical institutes and high schools: the challenge isn't hiring girls and helping them advance their careers, but finding them.

**AV:** in 2024, a preparatory process for UNI PDR 125 certification began, which represents a proactive step towards the institutionalisation of gender equality within companies. This represents a step forward that offers guarantees of fairness to new hires.

### **Are there any international best practices in your sector that you refer to or that you would like to see implemented in Italy?**

**EP:** Looking abroad, we see how the DE&I strategy goes beyond the STEM theme, with actual Academies dedicated to women to enable company placements even in fields far from their studies. From this perspective, new initiatives could be explored, including dedicated training programmes and certifications, to provide opportunities not only for recruitment but also for attraction. By diversifying the type of opportunities, we can increase the number of women interested in joining the Lutech Group.

**AV:** certification pathways, including the one for the achievement of SA8000 certification in 2024, represent best practices of international origin that new employees increasingly appreciate.





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.

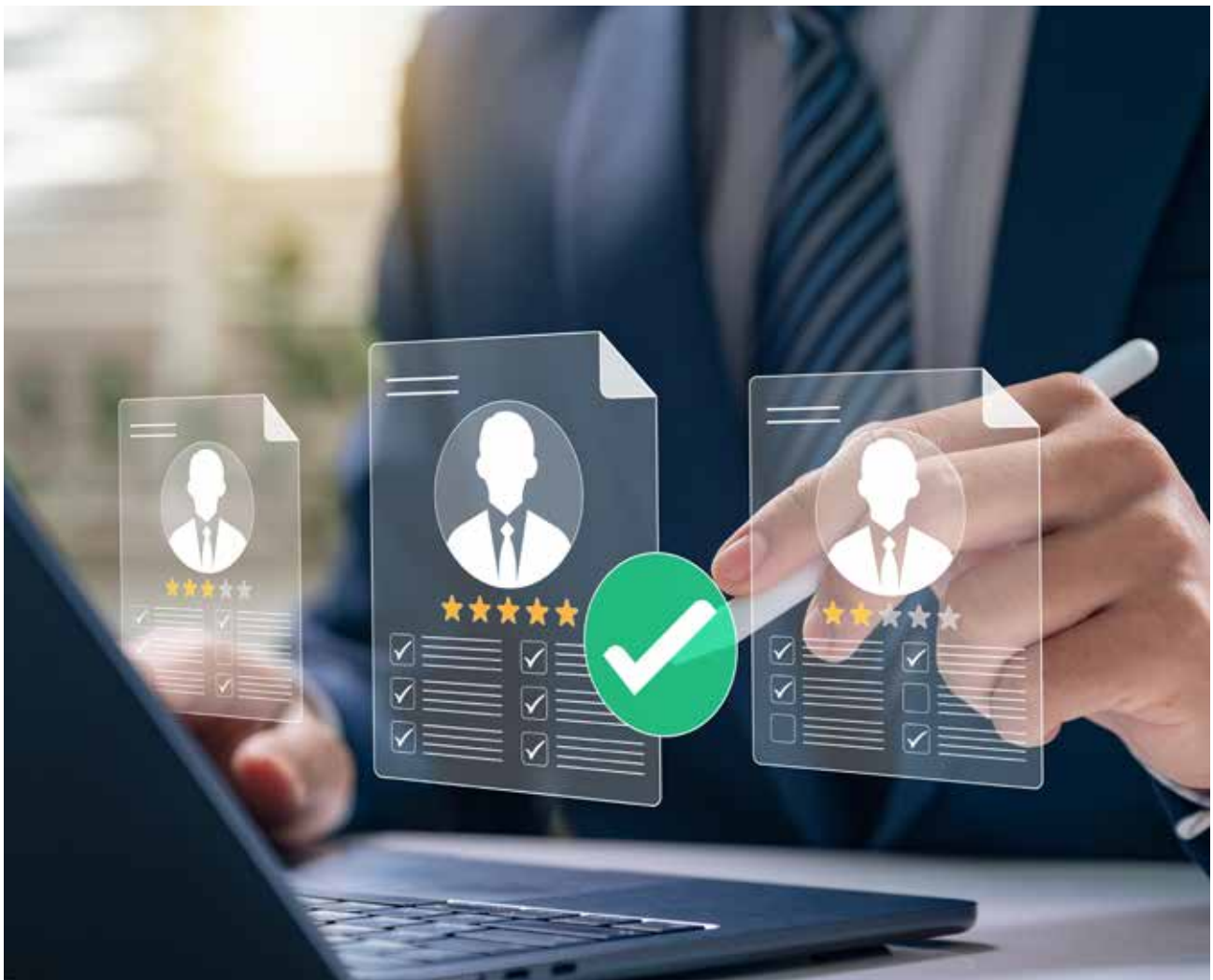
2024	Mitigation actions of the relevant risks resulting from impacts and dependencies	Mechanism for evaluating effectiveness in practice	Actions to pursue relevant opportunities in relation to the company workforce
<b>Lutech Learning training portal</b>	Lack of training plans and poor retention	% of participation in training programmes	Dissemination of the tool throughout the entire population
<b>Remote work confirmation</b>	Attractiveness on the labour market  Retention  Work/life balance	Annual monitoring of % remote work used	Maintaining remote work arrangements
<b>Maintaining internal communities for the Lutech Group, e.g. Next Gen and Equity &amp; Empowerment communities</b>	Lack of internal dialogue channels or tools  Failure to integrate of employees	Membership and participation in communities  Participation in projects resulting from the Communities	Encouraging participation through leadership Executive Sponsors and internal newsletters
<b>Project #includiamoCI!</b>	Lack of attention to policies on inclusion, disability, diversity, and gender equality	% of participation in organised webinars	Encouraging participation through leadership Executive Sponsors and internal newsletters
<b>#IAmRemarkable project</b>	Lack of Policies for the enhancement of resources in terms of soft skills	% of participation in webinars	Encouraging participation through internal newsletters
<b>Project The Inspirational Mix</b>	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



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 - SGPD 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 Group 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 2024-2025
<b>Reduction of negative impacts on own workforce</b>	
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	Monitoring of ISO 45001 certification (where in place) and enforcement through the HSE function of Legislative Decree No. 81/08
Measures against violence and harassment in the workplace	Maintaining SA8000 certification for certified companies (Lutech Spa and Eustema) and progressive implementation of the whistleblowing platform for all group companies
Child labour	Keep recruitment under 18 years of age at zero
Forced labour	Maintain zero complaints or allegations of forced labour
<b>Enhancing positive impacts on own workforce</b>	
Freedom of association, collective bargaining	Maintaining the freedom of association already guaranteed at Lutech
Adequate wages	Measuring and monitoring the deviation of the minimum wage from the basic wage indicated by the CCNLs and compliance with the conditions of the CCNL applied
Work-life balance	Maintaining the remote work agreement
Gender equality and equal pay for equal work	Implementing and disseminating a Policy to be distributed to all companies in the group  Maintaining certification for certified companies (Eustema Spa)  UNI PDR 125 certification obtained for Lutech Spa
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
<b>Management of material risks and opportunities for own workforce</b>	
Social dialogue/existence of works councils/rights of information, consultation and participation of workers	Establishment of the Social Performance Team within Lutech Spa to obtain the SA8000 certification  Implementing and disseminating a Policy to be distributed to all companies in the group



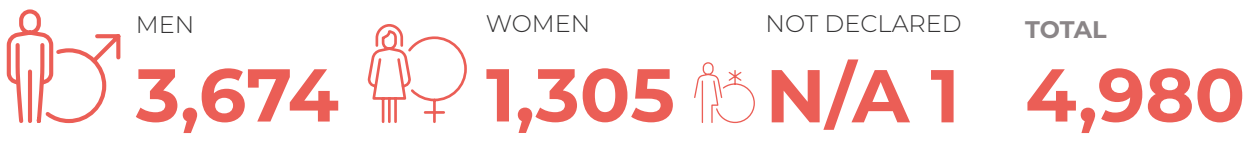
The target-setting process is carried out through analysis of the Management Systems already in place and those that may need to be implemented, with the involvement of the relevant corporate functions that have the opportunity to contribute to the definition of the metrics/timelines and, where necessary, their own workforce, so as to identify the most important instances. The workforce has the opportunity to contribute to defining metrics or timelines through a structured Performance Management process, which also includes objectives related to training and professional development.

The Group's performance against the established objectives was monitored annually for 2024, while the SA8000-related objectives were monitored every six months. 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 2024:



Regarding the type of contractual relationship, the tables below show the following:

1) type of contract





2) type of contract referred to the country (Italy vs. Abroad) and gender (ii)

TYPE OF RELATIONSHIP	WOMEN	MEN	N/A	TOTALS
FIXED-TERM ABROAD	6	5	0	11
FIXED-TERM OR TEMPORARY CONTRACT	15	37	0	52
PERMANENT CONTRACT ABROAD	60	97	1	158
PERMANENT CONTRACT	1,224	3,535	0	4,759
<b>TOTALS</b>	<b>1,305</b>	<b>3,674</b>	<b>1</b>	<b>4,980</b>

3) geographical distribution of the Group's employees

COUNTRY RESIDENCE	ALBANIA	CHINA	GREECE	IRELAND	ITALY	SPAIN	SWITZERLAND	TOTALS
<b>TOTALS</b>	<b>88</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4,807</b>	<b>80</b>	<b>1</b>	<b>4,980</b>

With regard to the breakdown of employees by type of contract, the following table shows the 2024 figures:

COUNTRY RESIDENCE	ALBANIA	CHINA	GREECE	IRELAND	ITALY	SPAIN	SWITZERLAND	TOTALS
Fixed-Term Abroad	4	0	0	0	1	6	0	11
Fixed-term or temporary contract	0	0	0	0	52	0	0	52
Permanent contract	0	2	0	1	4,754	0	1	4,759
Permanent contract Abroad	84	0	1	0	0	74	0	158
<b>TOTALS</b>	<b>88</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4,807</b>	<b>80</b>	<b>1</b>	<b>4,980</b>

With regard to the breakdown of employees by type of contract, broken down by region (in numbers), the following table shows the 2024 figures:

REGION BRANCH	Calabria	Campania	Emilia Romagna	Friuli Venezia Giulia	Lazio	Liguria	Lombardy	Piedmont	Apulia	Sardinia	Sicily	Tuscany	Veneto	Europe	TOTALS																											
Company	Type of contract														Total people														TOTALS													
GROUP LUTECH	Number of fixed-term employees																																									
GROUP LUTECH	Number of permanent employees																																									
<b>TOTALS</b>	<b>40</b>	<b>660</b>	<b>350</b>	<b>49</b>	<b>1,149</b>	<b>107</b>	<b>1,735</b>	<b>188</b>	<b>347</b>	<b>35</b>	<b>15</b>	<b>26</b>	<b>106</b>	<b>173</b>	<b>4,980</b>																											



An important element that Lutech Group 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 2024, the employees who left or joined the Lutech Group are shown in the table below, where the negative employee turnover rate = (employees leaving the company in a given period ÷ headcount at the beginning of the period) × 100. The positive staff turnover rate = (staff who joined the company in a given period ÷ headcount at the beginning of the period) × 100.

Company	Leaving	Negative turnover	Hired	Positive turnover
Abex Italia Srl*				
Basiliko Srl	1	6.67%	1	6.67%
Certimeter Srl	23	20.18%	24	21.05%
Cimworks SI	10	18.52%	9	16.67%
Diem Technologies Srl	1	7.14%	0	
Dot Balkans Shpk	20	38.46%	55	105.77%
Dot Srl	4	12.50%	3	9.38%
Eustema Spa	26	6.74%	47	12.18%
Icteam Spa	7	4.67%	13	8.67%
Infoedge Srl	19	20.88%	0	
Know-How Srl	8	13.33%	7	11.67%
Kronotech Srl	7	25.93%	14	51.85%
Lutech Cdm Spa	34	11.68%	27	9.28%
Lutech Digital AirPort Srl	1	6.25%	4	25.00%
Lutech Sinergetica Srl	6	12.77%	10	21.28%
Lutech Spa	369	11.78%	366	11.68%
Lutech Spain SI	2	18.18%	16	145.45%
Pivotal Italia Srl	1	100.00%	0	
SoftJam Spa	14	10.45%	16	11.94%
Stain Srl	1	5.00%	2	10.00%
Tenenigen Srl	17	8.76%	30	15.46%
<b>TOTALS</b>	<b>571</b>	<b>11%</b>	<b>644</b>	<b>13%</b>

\* Data not available because the company was acquired at the end of October 2024.



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

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

In 2024, Lutech Group employed 1,821 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:

- 112 VAT-registered consultants
- 1,648 subcontracted workers (T&M, F&P)
- 61 secondment/staffing (resources hired by a Group company and working within another Group company)



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

In 2024, the Lutech Group had 100% of its employees covered by a national collective agreement. There are no other collective agreements within the European Economic Area.

For non-employees, contractual conditions are defined in accordance with the national collective labour agreements, applied consistently with the relevant occupational category (trade, engineering, etc.)

The absolute values and percentages of trade union representatives within the Lutech Group can be seen in the table below, as well as the number of Workers' Safety Representatives (last column).

Employee safety representatives cover 100% of the Lutech workforce.

TYPE OF WORKFORCE	Union representatives in the Lutech Group in 2024 (absolute N values)	Union representatives in the Lutech Group in 2024 (% of total population)	Employee safety representatives in the Lutech Group (absolute N values)
Abex Italia Srl	0	0%	2
Basiliko Srl	0	0%	1
Certimeter Srl	0	0%	1
Cimworks SL	0	0%	2
Diem Technologies Srl	0	0%	1
Dot Balkans Shpk	0	0%	0
Dot Srl	0	0%	1
Eustema Spa	3	1%	3
Icteam Spa	0	0%	1
Infoedge Srl	0	0%	1
Know-How Srl	0	0%	1
Kronotech Srl	0	0%	1
Lutech Cdm Spa	1	0%	1
Lutech Digital AirPort Srl	1	5%	2
Lutech Sinergetica Srl	0	0%	1
Lutech Spa	22	1%	7
Lutech Spain SL	0	0%	0
Pivotal Italia Srl*	0	0%	0
SoftJam Spa	0	0%	1
Stain Srl	0	0%	1
Tenenigen Srl	0	0%	3
<b>LUTECH GROUP</b>	<b>27</b>	<b>0.54%</b>	<b>31</b>

\*The data referred to the company Pivotal Italia are counted within the Lutech CDM data.

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.

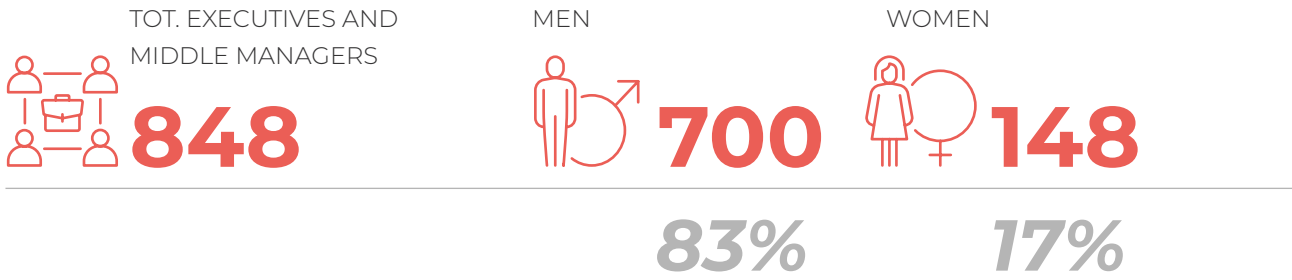


### 3.5 Disclosure Requirement S1-9 – Diversity metrics

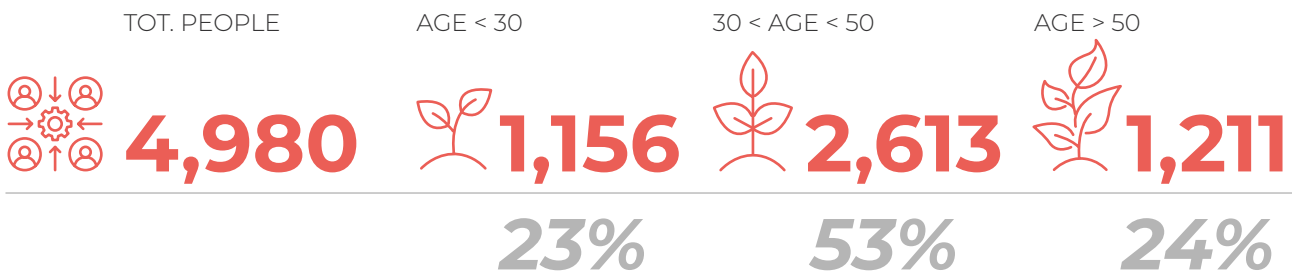
#### Datapoint no. 64-65-66

In the table below, the Lutech Group discloses the situation in terms of gender diversity at management level (Executives and Directors) and middle management (meaning the first two levels below the CEO), as well as the distribution of employees by age group:

#### EXECUTIVES/MIDDLE MANAGERS - TOTAL AND GENDER BREAKDOWN



#### COMPANY POPULATION AGE



### 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

All 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 Group's 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 National Collective Labour Agreements (CCNL), the Group also offers other optional additional coverage options developed by the company for its employees, such as sup-





plementary healthcare agreements based on the contractual level (e.g., Fondo Est, Metasalute, Sanimpresa, QUAS), as shown in the table below. Dedicated insurance coverage is provided for Executives.

Supplementary healthcare arrangements are in place	
GROUP ENTITIES	YES Extended coverage for employees depending on the contractual level as per the CCNL (e.g. Fondo Est, Quas, Metasalute, etc.) and as per the national contracts for foreign companies

In 2024, an online mental health service was also planned through a partnership with Serenis, a specialised online medical centre. The service is dedicated to the entire Group workforce and provides five online psychotherapy sessions free of charge for people who wish to make use of it. The service was launched in January 2024.



### 3.8 Disclosure Requirement S1-12 – Persons with disabilities

#### Datapoint no. 77-78-79-80

Social responsibility, by which the Group 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 Group, 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 2024, the percentage of people with disabilities among Lutech Group employees was 3.5%\*, i.e., a total of 174 people, divided into 112 men and 62 women.

*\*Group employees also include those of companies with fewer than 15 employees and/or employees of foreign companies not subject to the Italian law on the employment of persons with disabilities (L.68/99)*



#### YOUNG GENERATIONS AND VULNERABILITIES

In an ever-changing business environment such as that of the digital sector, age diversity represents a strategic and indispensable value for the Lutech Group, which is committed daily to innovation and digital transformation. Promoting a generationally inclusive work environment is not just a matter of fairness, but a conscious and forward-looking choice that enriches the cultural, operational and creative heritage of the organisation.

In this regard, the Group is committed to creating work spaces and dynamics where everyone feels at ease, recognised, and supported, reducing stress, encouraging dialogue, and fostering an inclusive and motivating environment.

Initiatives carried out in 2024 include:

- **THE INSPIRATIONAL MIX:** the event is organised physically at the Lutech headquarters in Cinisello Balsamo or at external venues. Participation is voluntary, but it is an integral part of the onboarding process for new hires under 30. Participants collaborate on the development of innovative ideas, which result in new business processes or communication campaigns. In 2024, the first edition focused on WonderLutech, the internal engagement and gamification project, and led to the launch of sustainability challenges, shared on the internal platform. The second edition, organised at the Museum of Science and Technology in Milan, involved participants in an "Innovation Hunt", and culminated in the design of communication campaigns for the solutions offered by the Lutech Group, in mutual exchange between young people and seniors
- **Buddy Programme:** this is a mentorship project that makes a reference person available to new recruits to guide them through their first weeks in the company, accompanying them through some simple but fundamental steps. The primary five terms that characterise this role are:
  - booster, because it gives the 'initial push' to new hires during the first two weeks of joining the company
  - unifier, because it constitutes an element of union and integration for all new hires at every branch and company of the group
  - driver, because it gets involved and guides one of the most important phases of the employee's life
  - dependable, because it constitutes a serious and reliable point of reference
  - youthful, because it has a fresh and young spirit, in line with the speed and growth of the company

In 2024, 111 volunteers from various functions throughout Italy supported new hires during their first months onboarding. The programme, coordinated by five Buddy Leaders, included training and refresher courses to provide effective, quality support

- **Chiediti come stai:** since 2023, the Group has partnered with Serenis, an online medical centre specialising in confidential psychotherapy and coaching services. The project involved the creation of a customised landing page through which each employee can access helpful content and advice on psychological well-being, carry out journaling activities, book an initial interview and benefit from 4 free psychotherapy or coaching sessions offered by the company. At the end of the 4 sessions, it is possible to continue, benefiting from a discounted rate for each session. In October 2024, on the occasion of World Mental Health Day, a campaign was also conducted to relaunch the service, accompanied by the distribution of personalised bookmarks in all Lutech Group offices, as a symbolic gesture of awareness and attention to psychological wellbeing
- **Next Gen Community:** set up in 2022 as a people engagement initiative, available on VivaEngage (the company's internal social network), it promotes exchange, meeting and proactivity among GenZ members within the Group – at the end of 2024, a series of projects for 2025 were defined

Below is an interview with the People Engagement function regarding the projects described above.

### **What do you think are the key elements to ensuring that generational diversity becomes a lever for innovation and not simply a factor in staff turnover within company dynamics?**

There are 4 generations of workers in the Lutech Group and the Group's strategy is to expand the representation of people under 30 as from the end of 2024. In 2024, under the banner of the #includiamoci! initiative, we set up a community project centred around the theme of intergenerationality. Also in 2024, the new model of People Managers was launched, trained - by external bodies - on Age Diversity/ Intergenerationality issues.

### **In the process of empowering employees of all ages, what are the most important issues to address in order to avoid the risk of stress or 'overload' in high-responsibility and fast-paced technological contexts like yours?**

Prioritising listening is crucial. This is why the Group conducts surveys (such as the Great Place to Work) and population climate and listening surveys that provide broadly segmented data by generation, as well as other data developed based on demographic criteria. The findings are broken down by organisational structure and shared with the various HR business partners, who can then analyse them and identify any critical issues. Basically, heatmaps emerge in which, by segmenting the HR structure (in full anonymity) thanks to filters, one can see where the needs are to be taken into consideration.

### **In a context where age diversity and wellbeing are often discussed as "hot topics," how do you ensure that these policies aren't just temporary or cosmetic initiatives, but translate into a concrete, lasting commitment that becomes an integral part of the company culture?**

The seriousness with which we manage these issues is evident in the methodology we use: consistency is achieved only if I collect the data and then report back over time on the consequences that data has generated within the organisation. We have also been pursuing the topic of corporate wellbeing for years. It starts with onboarding (we provide a kit that explains mental health for everyone) and from then on it is an ever-present and discussed topic. There are two times each year (for the past two years) – May and October – when we launch a communications campaign with an active landing page, as well as a webinar. In general, for these projects (although with greater difficulty in the mental health field, for obvious privacy reasons), the thing that works best is sharing stories: it generates culture and vision.



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

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

The Lutech Group 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.

The table below provides a complete overview of the Lutech Group's training progress.

GROUP VALUES							
<b>TOTAL number of employees</b>	<b>4,980</b>						
Employees who participated in periodic performance and career development reviews	No. of people	% of total population					
of which women	1,124	23%					
of which men	3,099	62%					
of which white collar employees	3,427	69%					
of which middle managers	638	13%					
of which executives	158	3%					
People who have completed the NON-mandatory training	No. of people	% of total population	Training hours	No. of people Hard skills training	training hard skills no. of hours	training soft skills no. of people	Hours of Soft Skills Training
of which women	775	16%	12,280.6	438.0	8,124.7	550.0	4,219.9
of which men	2,337	47%	43,024.9	1,479.0	30,540.2	1,464.0	12,910.8
of which white collar employees	2,527	51%	44,797.4	1,652.0	32,967.0	1,555.0	11,962.4
of which middle managers	460	9%	8,503.4	239.0	4,832.8	342.0	3,837.6
of which executives	126	3%	2,067.7	26.0	5,60.1	121.0	1,347.7



### 3.10 Disclosure Requirement S1-14 – Health and safety metrics

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

National laws on workers' health and safety and the occupational health and safety management system (where in place) cover 100% of its own employed and non-employed workforce, ensuring 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.

In the Lutech Group in 2024 there were no deaths related to injuries and illnesses contracted in the workplace. The total number of injuries in 2024, at Group level, is presented in the table below:

Company	Number	Type	Frequency	Severity
Infoedge Srl	1	Commuting	7.17	0.29
Know-How Srl	1	Commuting	9.51	0.05
Lutech Spa	8	Commuting	2.04	0.11





With regard to employees, the number of cases concerning work-related illnesses was 0 in 2024. For the same category, in 2024 the number of days lost due to work-related injuries, work-related illnesses and deaths due to illnesses was 0.

### 3.11 Disclosure Requirement S1-15 – Work-life balance

#### Datapoint no. 91-92-93-94

Lutech Group 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 Group employees are entitled to family leave under the Social Policy and/or collective agreements.

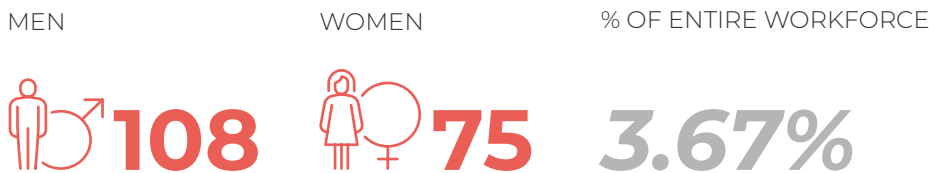
In 2024, the following employees took parental leave (maternity and paternity) and caregiver leave:

#### WORK-LIFE BALANCE METRICS AT THE GROUP

##### TOTAL NUMBER OF EMPLOYEES WHO TOOK PATERNITY/MATERNITY LEAVE



##### TOTAL NUMBER OF EMPLOYEES WHO HAVE BENEFITED FROM ASSISTANCE AND LEAVE UNDER LAW 104/1992



### 3.12 Disclosure Requirement SI-16 – Remuneration metrics (pay gap and total remuneration) Datapoint no. 95-96-97-98-99

Within the Lutech Group, 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 2024 within the Lutech Group is shown in the table below, detailing each company in the Group, and was calculated as follows: average gross hourly pay of male employees - average gross hourly pay of female employees/average gross hourly pay of male employees, multiplied by 100.

Company	Women	Men	N/A	%
Abex Italia Srl*	0	0		0
Basiliko Srl	13.69	21.43		36.14%
Certimeter Srl	13.11	14.10		7.03%
Cimworks SL	15.28	14.45		-5.73%
Diem Technologies Srl	15.55	21.03		26.08%
Dot Srl	18.54	15.22		-21.82%
Eustema Spa	20.51	21.10		2.77%
Icteam Spa	19.00	22.77		16.58%
Infoedge Srl	19.75	20.30		2.70%
Know-How Srl	16.28	18.18		10.45%
Kronotech Srl	16.21	21.93		26.08%
Lutech Balkans Shpk	11.29	11.63	22.52	2.95%
Lutech Cdm Spa	18.11	19.75		8.30%
Lutech Digital AirPort Srl	0	22.39		100.00%
Lutech Sinergetica Srl	17.90	18.17		1.52%
Lutech Spa	18.85	20.92		9.89%
Lutech Spain SL	12.59	22.53		44.11%
Pivotal Italia Srl	0.00	0.00		0.00%
SoftJam Spa	16.92	18.99		10.92%
Stain Srl	16.31	31.91		48.91%
Tenenigen Srl	19.19	20.56		6.69%

\*The value of Abex Italia is not available due to the fact the company was acquired by the Group at the end of October 2024





The annual total remuneration rate in 2024 for each Group company is shown in the table below, and was calculated as follows: ratio of the median remuneration of Lutech employees to the median of top management.

COMPANY	TOTAL ANNUAL REMUNERATION RATE*
Abex Italia Srl*	N/A
Basiliko Srl	2.93
Certimeter Srl	2.41
Cimworks SL	2.59
Diem Technologies Srl	2.06
Dot Balkans Shpk	3.60
Dot Srl	3.02
Eustema Spa	3.88
Icteam Spa	2.85
Infoedge Srl	2.13
Know-How Srl	2.98
Kronotech Srl	2.14
Lutech Cdm Spa	3.16
Lutech Digital AirPort Srl	1.49
Lutech Sinergetica Srl	1.46
Lutech Spa	16.57
Lutech Spain SL	5.45
Pivotal Italia Srl (with Lutech CDM)	0.00
SoftJam Spa	2.48
Stain Srl	2.28
Tenenigen Srl	4.56

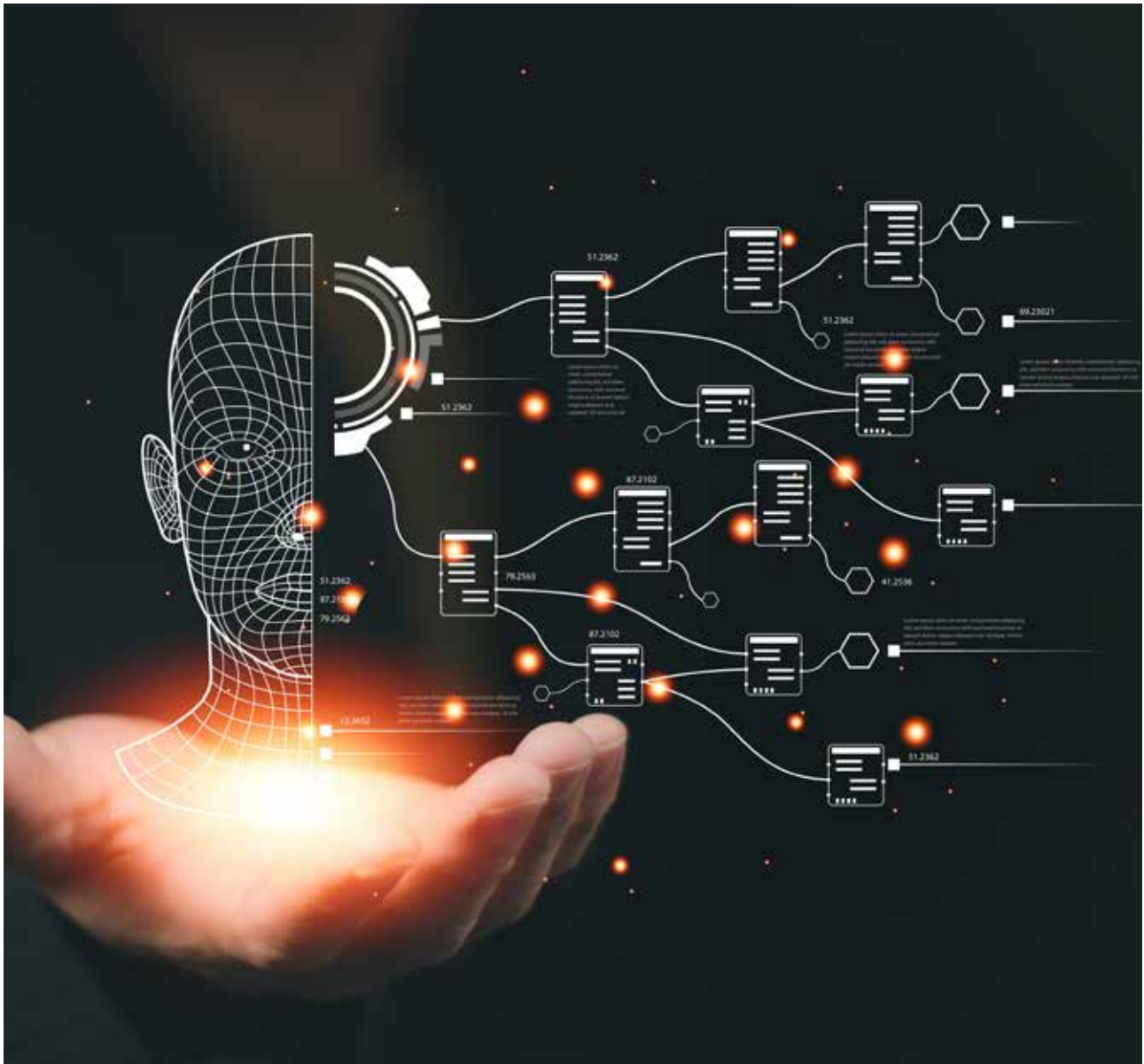


\*The value of Abex Italia is not available since the company was acquired by the Group at the end of October 2024

### 3.13 Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts Datapoint no. 100-101-102-103-104

During 2024, there were no cases of discrimination, including harassment, or complaints about it. The only exception occurred at Lutech Spa and emerged through a whistleblowing report pursuant to SA8000, managed in collaboration between the Social Performance Team and the Chief HR Officer.

In 2024, there were no serious labour-related human rights incidents.





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**WORKERS IN THE  
VALUE CHAIN**

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# 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 Group'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.

At Lutech Group, several processes are in place to manage and monitor relationships with Suppliers, with the aim of ensuring collaboration, quality and compliance with ESG principles. Some companies use structured tools, others use simpler procedures, while smaller entities have no formal systems. However, a continuous dialogue is ensured through dedicated contact persons and monitoring activities conducted by purchasing and procurement managers.

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 Group value chain could be significantly impacted by the company should the negotiating imbalances, which are the result of dominant positions on the part of the companies, lead to cost-cutting, the imposition of special, uncoordinated practices, and the consequent violation of workers' rights in the value chain, even their Human Rights. 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 the Lutech Group intends to operate and does business, since the companies make their relational reputation one of their main distinguishing features, along with the quality of their products and service.

Lutech Group's supplier ecosystem consists of large and small companies with whom our companies have 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 workers in the supply chain are taken into account by the companies of the Group 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 allows for direct and open discussion, is then reinforced by any changes to the vendor rating (for companies that have their own or those that use the lead company's rating) resulting from suggestions or needs expressed by the Suppliers.

Finally, any supplier, distributor, or manufacturer upstream or downstream of the Group's business can communicate with the various companies within the same thanks to institutional references on the site or provided by the several Procurement departments, and to the availability of figures who are responsible for main-





taining and handling external relations.

The Procurement Manager role is in place for Lutech Spa, and for most of the Group's companies, and is 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 through the supplier qualification portal (available for the lead company, while the other companies have dedicated forms or questionnaires), 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, the Group's Strategy and business model.

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



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 resulting from impacts and dependencies in relation to workers in the value chain	Involvement in events related to the loss of corporate reputation of the supplier	Growing opportunities for improvement as a result of suppliers' vertical knowledge
	Reduced competitiveness if the Supplier is not up to date or in line with ESG logics in the Supply Chain  contract instability for Suppliers that are not economically sound (either in size or seniority)	
R&O resulting from impacts and dependencies in terms of Strategy and business model	Excessive stress imposed on Suppliers due to market dynamics or end customers	Support and growth of SME Suppliers towards sustainability and compliance issues adapted to new market expectations
	Poor communication and impersonality in relations	Development of innovative partnerships
	Supply chain stability risk for possible delays in payment  Adverse impacts on the supply chain due to a change in the Group's structure and positioning in the market	Continuous improvement of the processes for constant monitoring of the value chain with qualification update of the most at-risk Suppliers



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

To briefly describe the typical workers impacted by Lutech Group'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 premises** of the Group companies but not employed by the latter include: employees of companies operating in connection with site maintenance
- upstream **workers** include hardware material distributors
- downstream **workers** include employees working in the area of technical and professional consultancy

workers who (within the previous categories) are particularly vulnerable to the negative impacts produced by the Group companies, either because of their intrinsic characteristics (specific disabilities), or because of the context in which they work (e.g., 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 Group's 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 the client of the Group company
- loss of trust and damage to business continuity due to lack of contractual clarity and/or late payments
- 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 Group 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 Group
- 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 Group 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 within the Group's company premises or on behalf of the Group.



The categories present are listed below:

ACTIVITY CATEGORY	DESCRIPTION
<b>IT materials and services</b>	HW and SW IT distributors, telematics connections, companies for the supply of software subscriptions and HW and SW fees, companies for software development
<b>Technical consultancy</b>	People hired from the Workforce Management area with technical and management skills, working on orders
<b>Technical performance</b>	On-site installers
<b>Training</b>	Companies providing specific technical corporate training
<b>Cloud Services &amp; IT Data Centres</b>	Cloud and data centre service providers
<b>Facility materials and services</b>	Companies involved in facility maintenance, rentals, utilities, reception service, cleaning, security, travel agency, stationery, car rental
<b>HSE materials and services</b>	Medical examination companies, PPE Suppliers
<b>Professional consulting</b>	Consultancy services between Lutech Spa and the PA, e.g. professionals and firms of lawyers, notaries, labour consultants, etc.
<b>Management Consulting</b>	Professionals or service companies that support and define corporate Strategy, e.g. general consultancy companies, payroll offices, certification consultants, DPOs, etc.
<b>Business consultancy</b>	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 Group's 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
<b>R&amp;O affecting specific groups of workers in the work chain</b>	contract instability for Suppliers that are not economically sound (either in size or seniority)	Growth of SME suppliers oriented towards adequate sustainability and compliance with new market expectations
		Strengthening of business relations and mutual learning
<b>R&amp;O affecting all workers in the value chain</b>	Non-compliance with payment terms or imposition of unfair terms	Possibility of developing innovative partnerships for the launch of new projects
	Involvement in events related of corporate reputation	
	Failure to transmit the value principles applied in the Group along its value chain	
	Reputational risk for non-compliant suppliers	





## 2. MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

### 2.1 Disclosure Requirement S2-1 – Policies related to value chain workers

#### **Datapoint no. 14 - 19**

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

Part of the quality concept is also the certainty that the process behind the realisation of what the Group 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 Sustainable 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 2024, 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 the majority of the Lutech Group's Suppliers are European and Italian (see table below) and therefore subject to the human rights regulations typical of these regulatory/legal areas.

Group/employees	European suppliers (not Italian)	Italian suppliers
Lutech Spa (3137)	1.30%	99.70%
Eustema Spa (398)	5%	95%
ICTeam Spa (157)	10%	88%
Infoedge Srl (74)	0%	100%
Kronotech Srl (35)	14.42%	80.09%
Lutech Sinergetica Srl (53)	0%	97%
SoftJam Spa (138)	0%	100%

Nevertheless, in order to better control the processes underpinning its manufacturing in supply, a supplier vetting process is in place which obliges suppliers to certify the absence of any human rights violations within their manufacturing processes, thanks to the presence of a control mechanism within the scope of Legislative Decree No. 231/01 and of SA8000 (where in place) to verify the absence of any violation of Human Rights.

The Lutech Group does not have a single tool for the pre-qualification, qualification, and evaluation phases of all Suppliers; only Lutech, the lead company, has one.

Where applicable, 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, 16 Group companies have a Code of Ethics shared with all Suppliers, which specifies the principles to be observed with regard to Human Rights.



Below is a list of the articles of the Code of Ethics applicable to the 16 companies of the Group, relevant for workers in the value chain:

- 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 it 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 Group does not explicitly address the issue of human trafficking in its Code of Ethics, while the issue of child labour or forced labour is implicit in Article 7.

On 24 May 2024, the (POL-941) Supplier and Partner Code of Conduct, which addresses these issues, was developed and extended to all Group companies.

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.

In 2024, there was no evidence of violations or possible risks of violations of Human Rights.





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

The stages of involvement take place at three particular points in time and involve all possible forms of representation, 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 Group 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 Double Materiality matrix, in which a selection of suppliers representative of the Group'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
- during the implementation of ESG Due Diligence, which involved the sending of questionnaires dedicated to identifying the main environmental and social impacts resulting from ESG dynamics. The clients involved were able to vote on the topics most relevant to them, and these preferences motivated the definition of a governance logic and, therefore, of Due Diligence to support the roles and responsibilities affected by the potential Impacts, Risks, and Opportunities.

These processes are the shared responsibility of the Procurement and CSR function, in constant dialogue with the various internal contacts within each Group company.

Furthermore, starting from the first year of Due Diligence, an annual monitoring of the engagement processes related to the Due Diligence and Materiality process will be developed in order to allow for an improvement in the results obtained.

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 2024, the Lutech Group did not sign any global framework agreements in relation to the respect of



human rights of workers in the value chain.

The Group 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 each entity within the Group, 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.

For each company in the Lutech Group, 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 Group 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 each Group company to handle.

It can inform 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 referred to in the Code of Ethics (shared with the workers in the value chain and available on the institutional website of the lead company as a reference for the Group companies that share it) and in the previous editions of the Sustainability Reports available on the institutional website.

In order to remedy any significant negative impacts, the Lutech Group acknowledges the Supplier'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 Group 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 Lutech Group 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 Group 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 Group has policies in place for the protection of persons who avail themselves of such whistleblowing or complaint mechanisms, as per (PSQ-501) Whistleblowing Policy - management of reports of possible wrongdoing under Legislative Decree No. 24/2023.





## 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 Group addresses significant impacts on workers in the value chain, the following table presents specific initiatives in this regard:

	COMPLETED / ONGOING ACTIVITIES	PLANNED
<b>Actions to prevent or mitigate significant negative impacts</b>		2025-2027: extending the Due Diligence Process to the Value Chain  2025-2027: drafting of a report that can measure social metrics  2025-2027: drafting of a report that can measure environmental metrics
<b>Remedies against actual relevant impacts</b>	Completed in 2024: the dissemination of the (POL-960) Corporate Social Responsibility Policy to all Suppliers both through qualification portals and through the Group's institutional website	2025-2027 - selection and involvement of suppliers defined as strategic within a process that can define a structured ESG rating
<b>Actions promoting positive impacts for workers in the value chain</b>		2024-2025: review of contracts and sharing of delivery schedules
<b>Monitoring actions in place</b>	Monitoring activities on issues covered by: <ul style="list-style-type: none"> <li>· Data Privacy</li> <li>· Security Officer</li> <li>· Ethical Risk</li> <li>· Corporate responsibility (through dedicated audits)</li> </ul>	



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 Group 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, the Group in 2024 focused on:

- maintaining the ISO 37001 management system (where in place and extending many controls also to non-certified companies) by optimising its document and process integration, periodically reviewing its efficiency and effectiveness and its alignment with the principles of Model 231 and the Code of Ethics, which are constantly monitored by the (autonomous) Supervisory Board
- monitoring compliance with contractually agreed payment terms
- enter into structured, non-binding back-to-back agreements with suppliers
- managing collaboration and relationships in a flexible way
- deepening knowledge of own suppliers by assessing their profiles

There is no Group-wide process for profiling Suppliers on ESG issues. However, the Supplier profiling processes of some companies (Lutech, SoftJam, and Eustema) include elements that allow us to understand whether they are exposed to negative impacts and how the relationship could improve following their mitigation.

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 Group.

In terms of relevant opportunities for the Group, in relation to workers in the value chain, in 2024 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
- reviewing contracts and sharing delivery schedules
- setting up a team to deal directly and bi-directionally with the supplier

With regard to procurement, sales and the use of data, the Lutech Group's approach to avoid causing significant negative impacts on its value chain includes procedures and several privacy policies that aim to define the principles and information flows that regulate the relationships between each Lutech Group's company 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 2024.

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

Target	Time span
Drawn up of a Code of Conduct for all Suppliers and Partners	First half of 2024  (POL-941) Supplier and Partner Code of Conduct, published on 24/05/2024, document extended to the entire Lutech Group
Obtaining SA8000 Certification with subsequent engagement of the value chain	First half of 2024  Certification was obtained for the parent company Lutech Spa in July 2024. Within the Group, Eustema Spa is also SA8000 certified
Involvement of key partners/suppliers in an ESG assessment process	2025-2027
Review of contracts and sharing of delivery schedules	2024-2025  Review of master agreements for suppliers is currently underway



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

Target	Time span
Maintaining high attention and effectiveness of the systems already implemented through the improvement and maintenance: <ul style="list-style-type: none"> <li>• of the ISO 37001 certified management system (where in place)</li> <li>• of the SA8000 system (where in place)</li> <li>• of the Code of Ethics and Organisational Model Legislative Decree 231/01</li> <li>• of the Supervisory Board</li> </ul>	2024-2025 (recurring activity on an annual basis)
monitoring compliance with contractually agreed payment terms, in compliance with applicable laws	2024-2025 (recurring activity on an annual basis)



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

Target	Time span
Identifying any suppliers with worker-related risks in the value chain	First half of 2025 (recurring activity on an annual basis)
Issuing the second-party audit plan to be able to build a new dialogue based on the requirements of SA8000	First half of 2025 (recurring activity on an annual basis)
Following the ESG assessment process, identifying possible improvement plans from an ESG perspective	2026-2027 (recurring activity on an annual basis)

These objectives are the result of an exchange of opinions and views between the Group 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 the time required to achieve them. In 2024, this took place when writing the Sustainability Report for the year 2023 and in the dialogue initiated for the new Double Materiality matrix at the end of 2023.

Finally, none of the stakeholders from the supplier/partner category was involved in monitoring the company's performance against the identified objectives.

The lessons for improvement emerged 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.





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**CONSUMERS  
AND END-USERS**

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# 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 Group's corporate approach to identifying and managing Impacts, Risks, Opportunities arising from impacts on consumers and end-users of Lutech Group products and services, with reference to information given to consumers (i), consumer safety (ii) and social inclusion/non-discrimination of consumers (iii). Thus, topics related to the reputation of Lutech Group products and services will be discussed.

The Group's companies operate in a B2B or B2B2C environment; therefore, for "consumers and end users" we mean the customers to whom Lutech sells its ICT services - only in rare cases may these be the end users of the services/products.

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***

The interests, opinions and rights of consumers play a central role in defining the Business Model and strategy of the Lutech Group, orienting the company towards a customer-centric approach that aims to create customised technological solutions with high added value. Lutech constantly integrates customer feedback into its decision-making processes, developing services that respond effectively to the safety, innovation and sustainability needs required by the market. Respect for consumer rights translates into a focus on transparency, personal data protection and the quality of the service offered, elements that strengthen customer trust and loyalty.

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 connected to internal processes related to quality and security controls that involve specific roles such as, for example, the HSE, Audit & Reporting, Corporate Social Responsibility, Ethical Risk Management, Data Privacy, Security Office, Management Systems ES and QSS and Bid Risk Management functions. These functions are centralised within the parent company with the aim of integrating and standardizing - where possible - processes, procedures, and policies. Furthermore, all products used by Lutech Group comply with national and European consumer health and safety regulations and are CE-marked (mandatory), Energy Star-certified, and TCO-certified, if requested.

These aspects guide the Group's strategy and business model since they are the result of a *modus operandi* reinforced, finally, by the presence of certifications that include aspects related to consumer protection. These certifications are distributed among the 21 companies of the Group reviewed in this report as follows:

- ISO 27001, held by: Lutech Spa, Eustema and Infoedge
- ISO 37001, held by: Lutech Spa, Eustema
- ISO 20000-1, held by: Lutech Spa, Eustema



- ISO 9001, held by: Lutech Spa, Abex Italia, Lutech CDM, Dot, Eustema, Icteam, Infoedge, Kronotech, Soft-Jam, Stain

## 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
<b>Impacts arising from the company's strategy or Business Model of the Companies of the Group</b>	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 judgments
<b>Impacts guiding the company's Business Model of the Group</b>	Need for an always active contact for any requests or subsequent customisation by customers using software developed by Lutech Group. This guides Lutech's strategy of prioritising the customer and their needs, including in the after-market  Need for dedicated resources to comply with ESG obligations and requests from the Group's clients	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  A synergistic exchange of ESG data is needed at all levels, between buyers and customers, hence the need to share information and return it externally to optimise processes, share reputation and learn from each other

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

	RISKS	OPPORTUNITIES
<b>R&amp;O arising from impacts and dependencies in relation to consumers and end-users</b>	<p>Risk of lack of attention to green hardware/software 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> <p>Risk of criminal or administrative proceedings in case of failure to comply with contractual conditions</p>	Innovation in communication channels and green marketing



	RISKS	OPPORTUNITIES
<b>R&amp;O arising from impacts and dependencies in relation to strategy and business model</b>	<p>Risk of inadequate communication/feedback channel if the number of customers does not allow for thorough after-market care</p> <p>Suppliers of hardware/software components and products may be dependent on unsustainable energy sources, resulting in exposure to energy price fluctuations</p> <p>Extreme weather events may affect the timely production, transport and installation of components/products purchased from hardware suppliers and forming part of the offered solutions</p> <p>Use of algorithms that are misleading or harmful to the interests and well-being of customers</p>	<p>Development of new business lines dedicated to specific customer needs/requests</p> <p>Include price simulations, in contracts, related to energy cost volatility</p> <p>Clarifying the guiding principles that guide the use of responsible algorithms within the digital solutions offered to the market</p>

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

The Lutech Group's typical customers are large and medium-sized companies, both in the public and private sector, mostly in Italy (and then also in some countries abroad) operating mainly in telecommunications, media, energy and utilities, transport, banking, insurance, healthcare, manufacturing and public administration. The objective of the collaboration with Lutech Group companies is to innovate and optimise their technological and digital processes, improving the efficiency and security of operations, typical of complex and highly regulated markets.

However, it should be noted that Lutech products or services offered by the Lutech Group 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 usually neutral in its application in solving market challenges.

For all consumers who may be negatively affected in terms of their rights to privacy, personal data protection, non-discrimination and freedom of expression, the following companies (Lutech Spa, Abex Italia Srl, Basiliko Srl, Certimeter Srl, Diem Technologies Srl, DOT Srl, Dot Balkans SH.P.K., Eustema Spa, ICTeam Spa, Infoedge Srl, Know How Srl, Kronotech Srl, Lutech CDM Spa, Lutech Digital AirPort Srl, Lutech Sinergica Srl, SoftJam Srl, Stain Srl) will adopt the personal data management and protection system developed by the parent company and adopted in accordance with EU Regulation 2016/679 – GDPR.

In addition, the parent company Lutech and Eustema chose to keep the ISO 20000-1 service management system certification up-to-date. ISO 27001 - Information security management system (with extension to the ISO 27017 and ISO 27018 Guidelines) was also confirmed in 2024 for Lutech Spa, Infoedge and Eustema.

With regard to the other companies in the Group, a merger by absorption policy is planned for the two-year period 2025-2026, with the incorporation of the company name Lutech, resulting in the unification of offices and/or extension of the scope of the parent company's certifications, or extension of the parent company's guidelines to the processes and procedures of the autonomous legal entities.

In the event that these certifications are not in place, the quality of information sharing with the customer would be guaranteed through:



- the Lutech Group website
- the technical documentation provided
- adequate professional training services
- technical support during kick-off and delivery

Finally, due to the nature of Lutech Group'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 Group to the customer were to be used by vulnerable consumer groups, the Group would address them by paying attention to any specific requirements from the design phase onwards (see HCD box in the Lutech Group).

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, e.g. through misuse of AI
- 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
- operationally, poorly designed or non-transparent algorithms could generate incorrect or discriminatory decisions, negatively impacting business processes, access to services or automated evaluations. Moreover, their unethical or non-compliant use could expose customers to indirect legal implications or reputational damage, especially in regulated sectors

Among these, the generalised or systemic (i.e. structural) impacts in the context in which the Lutech Group operates refer to:

- excessively high costs resulting from increased energy costs to power digital processes, which could jeopardise supply stability and harm customers
- incorrect/unethical use of algorithms

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
- definition of service-integrated AI usage models that can become models to which the market can refer

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. Finally, the impacts 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:

- (POL-900) Sustainability policy: extended and valid in all 21 legal entities of the Group (within the scope of this report)
- (POL-980) Responsible Artificial Intelligence Policy: extended and valid in all 21 legal entities of the Group (within the scope of this report)

In addition to these are the following procedures:

- (PSQ-604) Protection of Personal Data by Design and by Default Policy (updated January 2024), which describes how, during the development of each application, service, product, or project implemented internally or requested from a third-party supplier, Lutech intends to implement the requirements set forth in Article 25 of EU Regulation 2016/679 (General Data Protection Regulation – hereinafter GDPR)
- Service Management System: Lutech and Eustema have certified service management policies; for all other companies in the Group, reference is made to the customers' contractual requirements and the parent company's guidelines
- (MSI-POL) Information Security Management System Policy: On the security side, the policy rules that are centrally defined on the infrastructure (e.g. Microsoft 365) are applicable to all companies whose ICT architecture is managed by the ICT function (e.g. companies that use Lutech Spa email). Some management system procedures have already been extended within the Group and some companies are ISO 27001 certified (Lutech Spa, Eustema, Infoedge)

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, the Lutech Group refers to the parent company's (MOG-001) Code of Ethics. 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 light of the above, Eustema implements its own Code of Ethics, revised in November 2024 (Version 4.2), which is part of the Organisational Model pursuant to Legislative Decree No. Legislative Decree 231, which recalls the United Nations Guiding Principles on Business and Human Rights. A revision is expected to be published in 2025, providing further alignment with the Lutech Group Code of Ethics.





In 2025, consumers and end-users were involved through the double materiality survey for the drafting of the new 2024 Sustainability Report.

The Lutech Group's main customers were also involved in the Customer Satisfaction Survey, in which customers were able to express their opinion on the products and services provided by the Lutech Group.



## LUTECH AND THE INVOLVEMENT OF ITS CUSTOMERS

Lutech Talks are events organised by the parent company and intended for internal stakeholders (primarily the Sales area) of the entire Group and external stakeholders (primarily customers, technology partners, representatives of the public administration and/or institutions, representatives of the academic and/or territorial communities) of the entire Group.

Almost all the events organised by the Communication Department of the Lutech Group are in partnership with vendors, in particular the Lutech Talks. In 2024, customers and end consumers were involved in the following events:

- **LUTECH TALKS:** events every six months, aimed at 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 MEETING:** annual event, dedicated to the presentation of sales results, sharing of best practices, key deals and the strategy and objectives for the coming year, with the presence of customers (CEO, CIO, CTO) in the first part of the day for positioning on prime areas

In total, about 60 events were held at Group level, with a total of approximately 60,000 participants, involving all member companies.



## 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 Group offers cross-functional expertise (from consulting and advisory to the ongoing maintenance of services and products) for the ecosystem, infrastructure, and ICT (Information and Communication Technology) needs of its customers, providing end-to-end solutions for Digital Transformation.

Dialogue with the Group's customers is ensured through relationships with the Sales function at all levels, after-sales service, and annual surveys that gather customer opinions on all issues and aspects that characterise the relationship with the Lutech Group.

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).

Customers are invited to express their opinion through the Double Materiality survey that is sent annually by the Group's ESG function to an economically and numerically significant sample of the Group's customer portfolio. In addition, in the annual CSAT (Customer Satisfaction Survey) managed by the sales function, a number of questions were introduced in 2024 concerning interest in (and references to) ESG issues.

More specifically, the feedback collection procedure is called CSAT, Customer Satisfaction Survey, and is governed by the Customer Satisfaction (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 2024, the interview comprised a form with 14 questions to 43 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 to CSAT, the Group 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.

The views of consumers, thus collected, are subsequently taken into account in the decision-making process





## CUSTOMER SATISFACTION SURVEY IN THE LUTECH GROUP

In 2024, the Lutech Group strengthened its approach to customer satisfaction through a structured, multi-level Customer Satisfaction Survey (CSAT) model, which combines several levels of surveys. The process involved a targeted cluster of approximately 50 strategic customers, selected based on REV, ABP criteria and the results of previous surveys.

The approach adopted by the Group is based on a three-level pyramid model:

- 1 transactional level (basic):** this collects immediate feedback relating to the service provided, with a focus on the end user experience and perceived operational quality
- 2 tactical level (intermediate):** this concerns contract management through IT coordination, with targeted interviews to evaluate the customer's perception of individual contracts
- 3 strategic level (top):** this focuses on the overall relationship with high-profile stakeholders, such as the board, Chief Experience Officers and purchasing groups, in order to assess the quality of the partnership as a whole

The satisfaction survey process involves two types of surveys: an external survey, conducted through individual interviews with CXOs (Chief Experience Officer), based on a structured questionnaire, and an internal survey, filled in by the interviewer themselves at the end of the meeting, with the aim of integrating direct customer perception with an internal qualitative assessment.

Feedback is analysed with an unambiguous classification of areas for improvement and the subsequent planning of corrective actions, with deadlines based on the severity of the score:

- within 1 month for critical cases, i.e. those with a score  $\leq 6$
- within a quarter for intermediate cases (two scores 7-8)
- within six months for isolated incidents (a score of 7-8)

In monitoring customer experience, the Group adopts three main KPIs: the Customer Effort Score (CES), which measures the ease of working with the company; the Net Promoter Score (NPS), which assesses the likelihood of customers recommending Lutech to others; and the Overall Customer Satisfaction (OCS), an indicator of the overall level of satisfaction with the services offered.

The 2024 results confirm significant progress: 43 strategic surveys were completed (a significant increase from the 26 completed in 2023), reaching 84% coverage, up from 81% in the previous year. The average scores obtained are very high: NPS 9.2 and CES 9.1, with an “excellent” loyalty index for 88% of customers surveyed.



through discussions between Sales Managers and the other functions involved, mainly Operations, Finance and Compliance/Quality. Generally speaking, the people involved in this process are Sales Managers, Delivery Managers and customer- and contract-specific Service Managers, supported by the Finance, Compliance and CSR functions.

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 Double 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 2024 did not include any sustainability issues, regarding which customers evidently recognise a satisfactory oversight and quality of feedback with respect to their needs. There was, however, some disconnect between the ESG expectations conveyed by customers through their ESG or procurement functions (which interact with the Lutech Group) and the feedback shared by their own managers interviewed.

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. The CSAT process is managed by Lutech Spa, selecting respondents from the Lutech Group's customer base.

Ultimately, Management is directly responsible for these customer and end-user 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, the companies of the Lutech Group will apply careful processes tailored to individual needs. These processes would take into account the following:

- **(PSQ-405) Secure Development Policy:** This document can be defined as a procedure, as it details how to implement a Security by Design Policy (sometimes required by law, such as in the privacy field) on controls regarding the incorporation of information security and privacy principles into the design and management of systems in development/testing/acceptance and production environments. It applies to all employees and collaborators involved in development activities within the 21 companies of the Group analysed in this report, regardless of their location, role, grade or position
- **(OSWAP standards - LG-400) Guideline for the secure development of web applications:** the OSWAP (Open Standard for Workplace Adjustment Processes) standards are international standards that define guidelines and procedures for inclusive management of workplace adjustments. Their aim is to ensure equal opportunities and accessibility for all workers, particularly those with disabilities or special needs
- **AGID Standards:** issued by the Agenzia per l'Italia Digitale (Italian Digitisation Agency), these define technical requirements and guidelines to ensure the accessibility, security and interoperability of digital services of the Public Administration, aiming to promote an efficient, inclusive and citizen-oriented digital administration

In 2024, the Lutech Group introduced the (POL-980) Responsible Artificial Intelligence Policy, which defines the guiding principles to be adopted in all AI-related projects. Starting from this document, the Group is





working on completing the alignment with the Code of Ethics, valid for all those who work on behalf of the organisation, within which a section specifically dedicated to Artificial Intelligence will be developed.



## ETHICAL AND RESPONSIBLE AI

The Ethics of AI (Ethics of Artificial Intelligence) refers to the study and evaluation of the moral, social and legal implications of technologies based on Artificial Intelligence. This field explores how to design, develop, and use AI in a way that is fair, transparent, safe, and responsible, avoiding risks such as bias, discrimination, privacy violations, or social harm.

One of the most sensitive issues is that of bias and discrimination. Algorithms, if trained on unbalanced or biased data, risk amplifying existing inequalities instead of eliminating them. Issues of accountability and transparency are also of central importance, as decisions taken by algorithms are influencing an increasing number of aspects of everyday life. For this reason, it is crucial to be able to understand the criteria underlying these decisions: *who is responsible when AI makes a mistake? How can we ensure that its choices are understandable to those affected?* Making algorithms more transparent and explainable is essential to building trust with technology.

In response to the many ethical challenges associated with the use of Artificial Intelligence, principles have been identified to ensure that this technology is used fairly, safely and responsibly. Transparency is **one** of the pillars of these principles: every decision made by an AI system must be understandable and explainable to humans, so that the decision-making process can be traced and any errors or biases identified. Fairness **is** another core principle, which emphasizes the importance of designing AI in such a way that it neither favours nor disadvantages any group of people. Finally, **security** is another key aspect, as Artificial Intelligence systems must be designed to avoid accidental or intentional damage.

The Lutech Group recognises the potential of Artificial Intelligence and promotes its responsible development, drawing inspiration from Asilomar's principles and national and international regulations. In its projects, it adopts three key principles: transparency in the use of AI, human supervision (human-in-the-loop) and non-discrimination in algorithms, alongside fundamental values such as transparency, inclusion, accountability, impartiality, reliability, security and privacy protection.

Below, we will take a closer look at the activities of the Lutech Group thanks to the involvement of the AI, Data & Hyperautomation Manager, who works in the field of Artificial Intelligence.

### **In what areas and to what extent is Artificial Intelligence applied within the Group's processes or the services offered to the market?**

We need to differentiate our initiatives between those occurring internally and those directed externally at the market. Internally, we develop the so-called client-zero approach, for example with reference to the BrAI project, available to more than 300 Lutech colleagues, which supports knowledge management and content sharing processes, strengthening the internal Go to Market area. The goal is to support the preparation of content for customers. The initiative is currently being developed solely with colleagues in the area and therefore, internally, it is still being adopted gradually. However, it does not involve the processing of sensitive employee data.



The second initiative uses AI to manage internal infrastructure operations, including ticket management. This is generative AI applied to a systemic perspective. In this case too, it is used by around 30 colleagues within our organisation, with the aim of expanding the audience in the coming years. Finally, I would like to mention the LIFT project, which is linked to the world of testing automation. As for what we offer externally, AI is activated on our customers' systems, especially in the energy utilities sector (e.g. via chatbots to prepare content) or for ticket management in tenant and customer reference architectures. Additionally, AI supports us in the development of AI Factory with the aim of building an architectural ecosystem for scalable and compliant generative AI aimed at all markets.

**Does the Lutech Group provide specific training that includes ethical aspects for the use of these tools?**

This is a very important aspect on which the Group is taking different approaches. On the one hand, we developed training modules applied to the aforementioned BrAI project, with a specific focus on ethics, aimed at those collaborating on the project in question. At the same time, we are awaiting the development of European legislation relating to Regulation 2024/1689 – known as the “AI Act” – which establishes harmonised rules on Artificial Intelligence and will be the first comprehensive legal framework on AI worldwide, mandatory from August 2026. By then, we will have developed a training plan in line with the legislation and the specific use cases we are interested in.

**Are there any policies or regulations governing the use of AI within the Group?**

Of course. To date, we have the Policy on the use of Artificial Intelligence, made operational at Group level at the end of 2024. Based on this document, we are now working to complete its alignment with the Code of Ethics applicable to all those who work in the name and on behalf of the Lutech Group, within which we will develop a section dedicated to AI.

**Considering the magnitude of the topic, what is the specific potential that Lutech is looking at with the greatest interest and responsibility?**

Our work will change significantly in the coming years: AI will support us and we will be able to rely on so-called “Agents”, which will simultaneously develop multiple tasks and orchestrate multiple activities in parallel. All this must be guided, for example, by adopting a client zero approach (as specified above) so as to gradually grasp the opportunities and risks involved. Then, of course, it will be necessary to develop KPIs that justify their adoption based on the benefits they bring to the company. Overall, therefore, we can say that for the Lutech Group, the development of AI means integrating solutions into our customers' processes, rather than into our general purpose. In other words, it means working with large-scale vertical solutions that offer concrete benefits to support what the customer is already developing, but with greater effectiveness and efficiency.



Where appropriate, Lutech may consider requests to comply with specific standards, such as the Web Content Accessibility Guidelines 2.0 (WCAG) and the Web Accessibility Initiative (WAI) guidelines.

In this regard, it is important to note that the Lutech Group has a department specifically dedicated to the application of Human Centred Design in service development processes.

In the box below, we will hear from the Head of the CoE eXperience Studio Team who, for the Lutech Group,



is responsible for Human-Centred Design processes together with her team.



## HCD IN THE LUTECH GROUP

Human-Centred Design (HCD) is a design approach that places people at the centre of the creative process, with the aim of creating products, services or systems that truly respond to their needs, desires and behaviours.

HCD is based on principles including a thorough understanding of users and the context in which they operate, analysis of their needs, and active involvement in the design process through continuous feedback collection. The method also involves an iterative cycle of testing and improvement, refining the design through prototyping and evaluation. Finally, it aims to ensure a smooth user experience and adopt a multidisciplinary approach, involving experts from different fields to obtain a broader and more comprehensive vision.

This approach places people's needs at the centre of the project, making it extremely versatile and applicable to various sectors, including technology and digital product development, creating apps and platforms that are intuitive and accessible. In the healthcare sector, HCD plays a fundamental role, enabling the design of medical devices and telemedicine systems that meet both the practical and emotional needs of patients and healthcare professionals. It can also be applied to education, where it helps create inclusive and personalised learning environments.

Finally, in the world of services and customer experience, this method enables companies to design more engaging and tailored customer experiences. From intelligent chatbots that improve customer service to personalised loyalty programmes, HCD helps companies better understand and meet consumer expectations.

From a business perspective, adopting this approach leads to greater market success: HCD-designed products are more competitive because they respond better to user needs and, finally, user-centred design strengthens customer loyalty to the brand through a continuous series of feedback.

The following questions shed light on the activities of the Lutech Group in the field of Human-Centred Design.

### **In which services and products offered by the Lutech Group is this method used?**

I would start by saying that the Experience Studio team, which I coordinate, takes care of the customer experience both online and offline. The goal of our work is to ensure that the user experience is consistent, accessible, and highly satisfying for the customer/end user, regardless of the channel used, helping them achieve business goals. For example, we work for the Public Administration with a focus on digital accessibility (in order to comply with EU Directive 2019/882, editor's note). Furthermore, we ensure that digital designs comply with AGID guidelines on accessibility and usability. Some of these guidelines regulate the relationship between the background and content of the website, in order to enhance clarity and readability. In the same vein, we prioritise a simple process for web navigation flow, which facilitates navigability. Essentially, we ensure that when a company designs any product (mobile app, store layout, web interface), it does so using a specific methodology.

### **How were the UX and user engagement processes structured?**

We use a "proprietary" methodology that is based on typical Human-Centred Design (HCD) indica-



tions. These are widespread and shared principles that we customise for our own needs. Where possible, we use design thinking, which derives from HCD, and we use it to gather questions. Other times we go straight to users with direct interviews, guided by a psychological approach. Of course, our interviews can be standardised to meet specific requirements: we often talk 'with' people and, at the same time, we think 'about' people, about the customer journey, which forms the basis for developing the new user experience. The interesting thing is that sometimes there are differences between what you have discovered indirectly and what the market sends you as feedback, which is why we believe that our work is fundamental: it is a link between what the company takes for granted and what the customer really wants. We need a greater understanding, in general, of how listening and involvement can make a difference.

**What concrete benefits can the Group say it has achieved through this approach?**

Until recently, this approach did not exist. More specifically, and with a great deal of determination, we set ourselves apart from our competitors in a different, more distinctive way. Especially when working with the Public Administration. On the other hand, those involved in HCD are usually product or service designers who do not typically have a high profile within companies. However, in recent years, their importance has grown, and with it, their strength of identity. Where HCD is incorporated into processes, the relationship with the customer is always better: we listen better and more. In turn, we return the data to the business functions, rather than to IT.

**How is the team dealing with this issue within the Group structured, and what is the background of the team members?**

Many people have a degree in Design, or come from Fine Arts or Psychology academies. Basically, in the Lutech Group, the most common profiles are IT, humanities and finally communication (including people from advertising agencies). My team consists of 30 people, 65% of whom are women, and the average age is relatively low: between 26 and 40.



The services sold by the Lutech Group to customers are, in almost all cases, not used by end users; therefore, they rarely involve use by vulnerable individuals such as the elderly, children or people with disabilities. In these rare cases, specific technical analyses are carried out that take into account not only the policies applied by Lutech but also additional standards requested by the customer or directly by the technical requirements of the project.

The effectiveness of involvement is measured by the type of new input received and the number of improvement processes implemented as a result of use and feedback from users and requesting stakeholders.

**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 disposal of the companies of the Group to remedy negative impacts on consumers are aimed at placing an increasing focus on maintaining Lutech Group's complex structure of certificates.

The Group's Compliance function oversees the certification status of all Group companies, while maintaining each company's autonomy in managing the certification system and related renewals/monitoring (for which the parent company can also provide support, if requested). For companies that are merged into the parent

company during the year, the certifications lapse and, upon the first renewal of the parent company's certifications, the scope is extended to the new locations/resources.

The certifications in place within the Lutech Group guarantee:

- 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) implemented in the Group's companies: Lutech, Eustema and Infoedge
- the security of the design and monitoring of the services offered through the maintenance of the ISO 20000-1 (certified by Lutech and Eustema) and ISO 9001 (certified by 10 companies within the Group) management systems: Lutech, Abex Italia, Lutech CDM, Dot, Eustema, Icteam, Infoedge, Kronotech, Soft-Jam and Stain
- respect for all stakeholders involved in the project through the Code of Ethics, which some companies have developed independently, while others are in the process of integrating the model used by the lead company

All customers also have a set of direct channels, i.e. managed internally by the company (such as CSAT surveys, Sales Relationships) and reference numbers or e-mails for any complaints, reports or proposals/requests that guarantee a continuous dialogue between supplier and customer. In the Lutech Group's business model, the main contact person for the Client is the Sales Manager and/or Client Executive and/or Client Manager, 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. Go To Market is led by the Chief Revenue Officer, who is responsible for defining and implementing the company's organic growth strategy, developing the sales strategy, directing and focusing the offering, and managing the relationship with new and existing customer executives (CXOs).

The following structures report directly to the Chief Revenue Officer:

- vertical industries dedicated to MAJOR customers
- industries dedicated to TOP customers
- territories dedicated to NAMED customers
- Lutech Next, which represents the service line dedicated to Business Consulting activities
- Sales Excellence

This organization will be reviewed and adapted to market changes during 2025.

In addition, direct business relationships with its on-customer contacts allow the Group companies to readily work alongside them, sharing any problems or needs for improvement. In particular, in 2024, the Account Manager role, which is more focused on commercial relationship management, was joined by key figures for operational management during the delivery phase:

- **Customer Delivery Executive**, specialising in supporting customer delivery and therefore also managing any significant negative impacts from an ESG perspective. The CDE is tasked with the following:
  - managing profit & loss in relation to managed clients
  - supervising contracts and their performance
  - scheduling regular meetings with service/project managers to check the financial status
  - identifying customers' needs and expectations
  - overseeing the performance of services by coordinating meetings on the status of services/projects in relation to risks and issues and to the management of their demand and capacity
  - ensuring that services/projects are delivered with satisfactory performance by analysing KPIs
  - managing customer relations in response to service delivery issues and supervising the outcomes of Steering Committee meetings with customers
  - suggesting strategies and processes to increase performance and productivity



- providing support to the sales areas both to give indications and/or suggestions based on what was detected during the delivery phase and to support the AM in achieving customer satisfaction
- **Service Delivery Manager**, who is tasked with the following:
  - managing profit & loss in relation to coordinated clients
  - ensuring that projects/services are delivered on time, on budget and ensuring quality in their execution
  - determining customer needs and supporting delivery
  - ensuring that services/projects are delivered with satisfactory performance by analysing KPIs
  - managing customer expectations
  - managing possible risks and issues
  - monitoring the planning of activities/services, also reporting on the progress of such activities
  - ensuring compliance with requirements and policies
  - managing the customer relationship
  - managing assigned resources and the working environment
  - acting proactively taking into account possible impacts on the customer from choices or decisions
  - taking action following customer feedback
  - empathising with the customer to understand their point of view and anticipate and/or exceed their expectations
  - acting effectively to achieve customer expectations



At a more institutional level, channels that can be used to remedy any negative impacts are also those set up by Anitec-Assinform, IFAB (<https://www.ifabfoundation.org/it/>) for contributing to research in the field of supercomputing and AI applications.

Finally, among all the following associations to which the Lutech Group belongs (Anitec-Assinform, Assolombarda, Confindustria Digitale, Confindustria Bari-BAT, Abi Lab, A.P.S.P - the Association of Payment Service Providers, Metaverse Standards Forum), although it has no complaints mechanisms to which it is obliged to respond, the only one that shares guidelines and policy papers with the Group's companies on the management of potential adverse impacts deriving from its products is Abi Lab, with its European project TRUST aWARE, which is full of concrete tools to protect consumers from digital risks.

None of the other associations listed are publicly committed to developing specific policies to address potential negative impacts on end customers.

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, specific to the customer or to the existing contract.

If there were any abnormal peaks in reports, the Group company would initiate the internal control procedure by the Service Manager. The accessibility of these channels is disclosed by the Group at the contractual level. These channels are totally free of charge and available to users of the Group's products and services. 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 2024, 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 Group 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 Group addresses the relevant impacts on consumers and end-users, the following table presents the specific interventions in this regard:

	IN PROGRESS	PLANNED
<b>Actions to prevent, mitigate or remedy significant negative impacts</b>	Compliance with service security regulations and personal data management	Maintaining the ISO 27001 certification (where in place) and GDPR and completing the sharing of guidelines for Group companies
	Engaging consumers and end users through dedicated surveys for the writing of the Sustainability Report and Double Materiality.	Extending consumer and end-user engagement also for companies that joined the Group in the second half of 2024
<b>Remedies against actual relevant impacts</b>	Presence of direct channels, i.e. managed internally by the Group companies (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	Activities were renewed also for 2025
	Engaging consumers and end users through dedicated surveys for the writing of the Sustainability Report and Double Materiality.	Extending consumer and end-user engagement also for companies that joined the Group in the second half of 2024
<b>Actions promoting positive impacts for consumers or end-users</b>	High-quality performance and innovative solutions capable of seizing development opportunities and responding to specific needs	Launch of the Lutech BrAIIn project, a framework for the adoption of AI solutions, designed to maximise return on investment and achieve tangible impact on processes, governance and customer experience
	Participation in multi-stakeholder research projects capable of optimising the impact on the supply chain and the local area	Projects dedicated to enhancing the digital learning experience (AI Learning)
<b>Monitoring and evaluation of effectiveness of actions taken</b>	Maintenance of the required ESG ratings and participation in the qualification of Lutech Spa and all Group companies as a supplier to customers with a dedicated ESG team	Annual updating of the ESG ratings requested by our clients and participation in all dedicated sustainability programmes
	Maintenance and monitoring of the management systems already implemented such as ISO 9001, ISO 27001 and annexes, ISO 20000-1, ISO 37001 (where in place) and the application of the Code of Ethics and Organisational Model pursuant to Legislative Decree No. 231/01	Annual audit programme with third-party bodies for surveillance and recertification for management systems (where in place), audits on the application of the Code of Ethics and the Organisational Model pursuant to Legislative Decree no. 231/01



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 end-users of Lutech Group companies.

These risk management processes are based on the intervention approach underlying the complex system of international certifications (ISO) with which Lutech Group 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 the procedure (PSQ-603) Risk Management - SGPDP sets out the risk management process in the field of privacy.

Added to this is the IRO assessment applied to sustainability issues, which for the first time for the Lutech Group 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 Group 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), 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 Group – before breaking off relations – would implement accompanying measures. The Group 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 Group'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 2024, the value of the penalties received was equivalent to 0.06% of the total revenue from services. This value corresponds to the claim received, without any change to the stipulated contract.

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

IN PROGRESS IN 2024	PLANNED
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 (corruption section, 231, Group Code of Ethics) with a structured process in terms of legal and economic acceptability and in terms of anti-corruption	Gradual rollout of the qualification process to all Group suppliers as part of a continuous improvement process.



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

More on a commercial level, another metric evaluated is:

- KPI dedicated to customer satisfaction, reported through the survey. The calculation includes the NPS Net Promoter Score and CES Customer Effort Score values, which allow us to evaluate customer satisfaction based on their experience in using Lutech's services

The actions described above correspond to a responsibility of the Group resulting from the identification of the Group's companies as the direct cause of the impacts, and therefore the subject of a resolution of the problem, the manner of which is the total and sole responsibility of the Lutech Group. However, it is possible that some negative impacts are the result of interactions with other parties (Vendors, Service Subcontractors, other providers), towards which the Group works by pushing for a reduction of negative impacts by exploiting the effect of leverage and the business relationship. In the Lutech Group's business model, such cases mainly involved entities such as technology vendors and providers of professional and/or specialist services, with whom the relationship takes two forms: the purchase of products from vendors and the acquisition of technical services from providers, either through outsourcing or through the use of subcontracted professionals.

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. The portal is available to all Group companies.

In terms of ongoing or planned actions to pursue relevant opportunities, in 2024 the Group took steps to:

- enhancing the CSAT, 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, including information related to ESG aspects
- analysing the results of the CSAT 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
- implementing proactive actions related to ESG ratings for greater dialogue on sustainability issues
- planning the adoption of additional standards, requested by the market (e.g. UNI PdR 125)

Finally, among the multilateral initiatives pursued in 2024 by Lutech Group 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:

- **DORSAL Project (2024 - 2025):** Lutech Spa, in collaboration with MADE, has implemented a platform for the management and analysis of sustainability data for a client based in Brescia. The DORSAL project set itself the objective of creating a digital platform capable of managing, standardising and analysing data from corporate information and automation systems, relating to the environmental sustainability of production processes
- **ESG Data Hub (2024):** the client started a process of adapting its systems, identifying the relevant KPIs and the ICT systems involved in their management. For this reason, they asked Lutech Spa to implement a dedicated architecture for automatic data collection, creating an ESG Data Hub within their proprietary Data Platform. The Data Hub enables seamless integration and ensures data reliability

These measures to maximise positive impacts bring Lutech Group'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



Lutech Group ensures the practical effectiveness of its actions through an annual review (with internal evaluation) and through monitoring to report on any new problems following the implementation of corrective actions.

For 2024, positive improvements include:

- increasing involvement of Lutech Group on sustainability-related aspects through the collaboration of the CSR area for all contractual aspects shared with customers
- sharing ESG-related Policies with all external stakeholders (POL-900) Sustainability Policy, (POL-960) Corporate Social Responsibility Policy, (POL-940) Sustainable and Responsible Procurement Policy

In the long run, these processes have led to a number of market opportunities, including:

- differentiation
- increased attractiveness
- increased 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 Group’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**

The Lutech Group 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 reference framework is called RA<sup>2ISE</sup>(Risk Assessment and Authorisation In Sales Execution) whose processes are described and monitored within the procedure (PSQ-003) RAISE - Sales Opportunity Management

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

- **medium term (2024-2025)** - 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** (from 2024) - Introduction of the START (Support To Apply Right Things) process

The purpose of the START 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 of support 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 enables 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 (2025):**

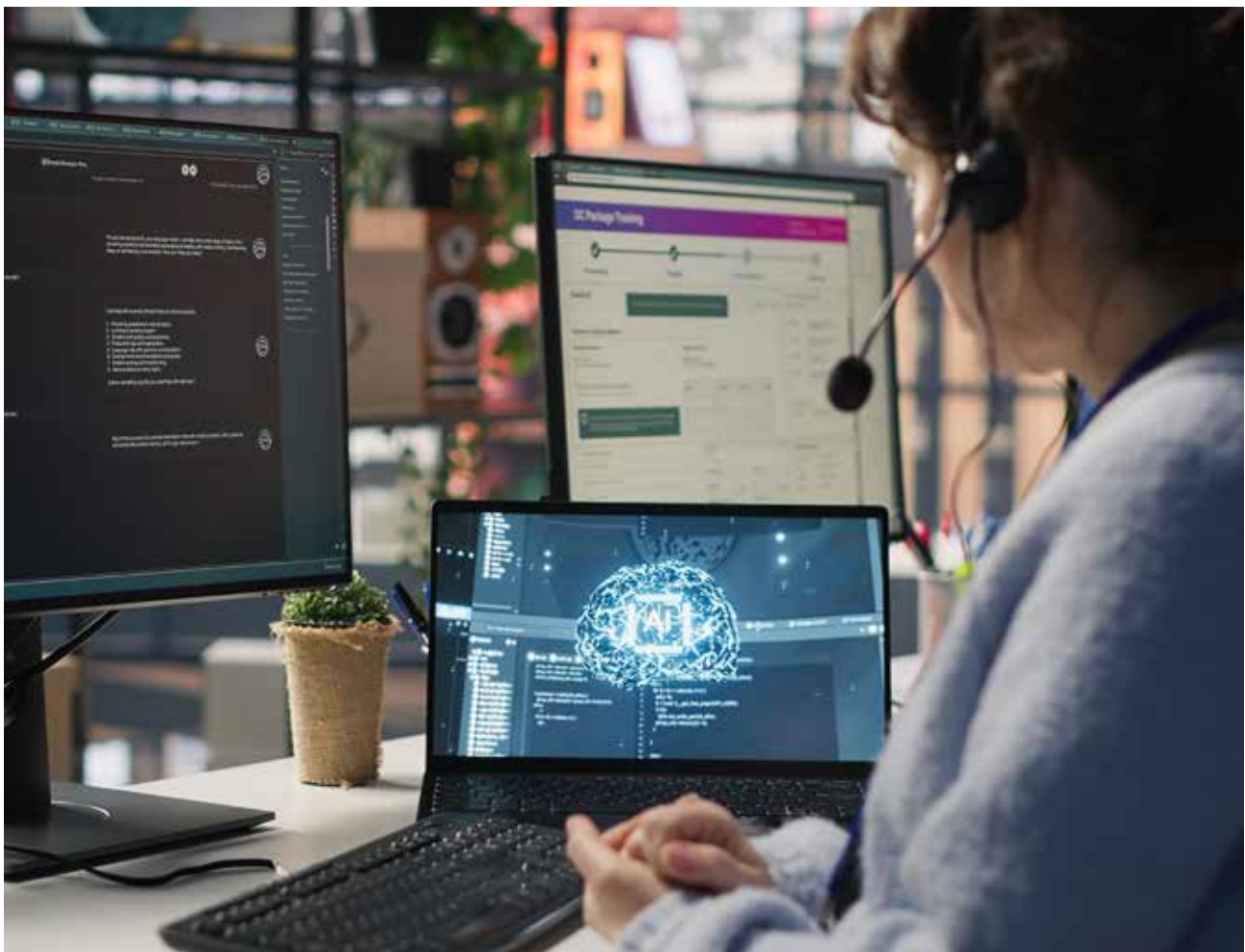


- reducing the number of subcontractors
- streamlining sales and cash flows
- ease of document management in compliance processes thanks to greater use of generative AI, with improvements in areas such as international tenders or bids
- more efficiency in classifying necessary documents
- location-independent delivery model (location agnostic)

What impact will the above initiatives have on the Group's processes?

- progressive study of generative AI at the service of internal processes, to improve performance towards customers
- in-depth mapping related to the identification of possible risks associated with all activities carried out with AI, reducing ethical risks that - if not considered - could put customers at risk
- possible definition of internal figures with expertise in AI ethics (also in relation to the regulatory development of the AI Act)

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





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**BUSINESS  
CONDUCT**

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# 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.

The information in this section should be read in conjunction with the disclosure requirements under ESRS 2 on governance (GOV), strategy (SMB) and management of Impacts, Risks and Opportunities (IRO) and disclosed at the same time.

## 1. GOVERNANCE

### **1.1 Disclosure Requirement related to ESRS 2 GOV-1 – The role of the Administrative, Management and Supervisory bodies**

#### **Datapoint no. 5**

In the Lutech Group, the Administration, Management and Control bodies (AMSBs) play a central role in promoting and overseeing Business Ethics and Business Conduct. These functions ensure the adoption and compliance with the Code of Ethics, supervise the 231 organisational model, and monitor information flows and decision-making with a view to transparency and integrity. The AMSBs ensure the proper functioning of anti-corruption safeguards, whistleblowing mechanisms, and ethical Due Diligence in procurement processes. Through internal audits, compliance checks, and targeted training, these bodies help spread a culture of legality within the organisation. Furthermore, they assess reputational risks and define policies consistent with ESG principles, with specific reference to social and governance dimensions. In short, they are key players in ensuring that ethics is not just a set of rules, but a guiding criterion for business choices. The competences of these bodies are as follows:

At management level:

- approval of the (PSQ-500) Corruption Prevention Policy
- ensuring that the strategy and the above policy are aligned
- collection– from Top Management and the Corruption Prevention Compliance Function – and submission to review, at scheduled intervals, of information concerning the content and functioning of the Corruption Prevention Management System (ISO 37001) where in place
- requesting for adequate and appropriate resources necessary for the effective functioning of the management system for the prevention of corruption
- exercising reasonable oversight of the implementation of the ISO 37001 Corruption Prevention Management System by senior management and its effectiveness
- promoting and improving the Corruption Prevention Management System (ISO 37001) where in place

Lutech Group Top Management:

- ensures that the ISO 37001 Corruption Prevention Management system, where present, 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 (where in place) and the relevant Policies, where not in place
- ensures the allocation of adequate and appropriate resources for the effective operation of the ISO 37001 corruption prevention management system (where present)



The Board of Statutory Auditors (only present in Lutech, ICTeam, Lutech CDM, Eustema, SoftJam):

- 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 (where in place):

- 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 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 Anti-Corruption Compliance Function (FCPC), where in place:

- 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

Furthermore, the FCPC acts as a point of reference within the Lutech Group in the anti-corruption field.

The work of these structures is the element that ensures a constant flow of information and guidance, useful for corporate policy and management of the Group, which the central Board of Directors controls and validates. Indeed, the latter, adequately informed, can in turn promote policies, actions and investments necessary for the improvement of the management of all operations, 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 of the Group within an 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 Group's CEO and their top management, who are responsible for making strategic decisions and approving the policies of other Group companies, approve the Group's strategies, policies, operational plans, and Sustainability Report. The functional organization is decided by the CEO of Lutech Spa and their immediate reports; at the level of individual companies within the Group, additional hierarchical organizational charts may be developed.

To ensure the effective management of the business and, at the same time, the oversight of all issues related to ESRS G1 - Business Conduct, the Lutech Group implemented an integrated organisational model for the entire Group, summarised in the table below:

<b>(POL-900) Sustainability Policy</b>	<b>(POL-980) Responsible Artificial Intelligence Policy</b>	<b>Internal management and risk control system</b>	<b>(PSQ-500) Responsible for the prevention of corruption</b>	<b>Data Protection Management System</b>
Contains guidelines to foster the integration of sustainability into corporate strategy and operations of the company	Policy that guides the use and applicability of Artificial Intelligence in reference to the internal and external stakeholders of the Lutech Group, specifying its guiding principles, limits and methods of correct application	Coordinated by the Supervisory Board for offences under Legislative Decree 231/2001 and by the FCPC for passive and active corruption (bribery) 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	Rules, internal standards and organisational structures implementing protection, confidentiality and secrecy as well as compliance with the requirements of the GDPR



In addition to the documents listed above, within the Group there following are also in place:

- the **Code of Ethics**: extended to all companies in the group, it has been officially integrated by 14 companies. It enshrines the behaviour and values that must characterise all those who work in the name and on behalf of the company that has adopted it
- the **Organisation, Management and Control Model** pursuant to Legislative Decree 231/01: present in 10 of the Group's 21 companies, it is an organisational system adopted by entities and companies to prevent administrative liability arising from offences
- the **whistleblowing procedure**: present in 14 Group companies and included as a tool to support the (PSQ-500) Corruption Prevention Policy, it allows employees, collaborators and third parties to report unlawful conduct, irregularities or violations of the Code of Ethics in a confidential and protected manner. Further details will be covered in the section "Business conduct policies and corporate culture". The procedure is expected to be extended to all 21 companies of the Group
- **ISO 27001 certification**: present in 3 companies of the Group, it is a certification based on an international standard that specifies the requirements for an information security management system
- **ISO 37001 certification**: present in 2 companies of the Group, it is an international certification that specifies the requirements for an anti-corruption management system



## 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 Group has implemented a process for identifying and assessing its actual and potential Impacts, Risks and Opportunities. In section IRO 1 of ESRS 2, the annual process was described in detail, while the salient aspects are outlined below.

Underlying this 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 Group 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 activities and opportunities that companies within the Group may pursue in the identified context. The assessment is made using criteria that take into account their extent and likelihood.

This process, managed by CSR area function 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 CSR function prioritises the most important reports, in terms of severity, that the IRO analysis has revealed.



## 2.2 Disclosure Requirement G1-1 – Business conduct policies and corporate culture

### Data Point no. 7-8-9

Corporate culture is represented by the set of procedures used within a company or group, which reflect the body of knowledge inherent in a certain organisational structure and which, with the passage of time and their consistent application, become consolidated as corporate values.

The main risks that are intended to be mitigated through Corporate Culture Policies concern the failure to comply with commercial relationships with suppliers (including payment terms), the elimination of both active (bribery) and passive corruption incidents, and the improper use of Artificial Intelligence.

These aspects are fundamentally important for the life of the Group, ensuring its continuity and preventing the organisation from being subjected to very serious damage, in reputational terms, that could lead to the closure of some entities if violations are repeated over time, without adequate supervision.

Lutech Group policies for establishing, developing, promoting and evaluating its corporate culture include:

- **(PSQ-500) Corruption Prevention Policy:** 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 Group 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
- **(POL-940) Sustainable and Responsible Procurement Policy** is based on a commitment to work only with suppliers who meet high social, environmental and governance (ESG) standards. In the selection and hiring process, the company considers decent working conditions, the absence of child or forced labour, and equality and inclusion criteria. Priority is given to the use of materials with a low environmental impact, environmentally friendly packaging and processes that minimise waste. Contractual clauses oblige suppliers to comply with these principles throughout the entire supply chain, with transparency and periodic reporting obligations. Lutech conducts audits on a regular basis to verify compliance with agreements and initiates corrective actions when critical issues emerge
- **(POL-980) Responsible Artificial Intelligence Policy:** this aims to ensure ethical and transparent use of AI in all its business applications. The company is committed to developing algorithmic models that respect human rights and GDPR regulations, based on the principles of privacy by design and data minimisation. Transparency is ensured through clear documentation of objectives, data sources, and automated decision-making processes. Any incidents or non-compliant uses are governed by internal reporting and critical issues management processes. Continuous training of users and developers keeps them aware of the risks, legal responsibilities and benefits associated with AI. Periodic audits will be conducted throughout 2025 to identify and correct potential biases and discrimination in the models. Within the organisation, a cross-functional team - involving IT, legal and compliance figures - will pre-emptively assess the ethical impacts of AI solutions

In addition to these Group Policies, the various companies have developed their own application procedures to activate responsible behaviour, including - in the area of relations with suppliers and payment timeframes - the conditions of sale and purchase, aimed at enforcing compliance with the agreed conditions and the related payment terms. In this regard, the administrative manager of each company in the Group 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 process also facilitates the management of reporting in the event of any funding obtained.



Furthermore, in 2024 the lead company Lutech Spa published the new “Supplier and Partner Code of Conduct”, which contractually enshrines the fundamental principles and obligations of suppliers. This document is expected to be extended to other Group companies in the two-year period 2025-2026. The company Cimworks, on the other hand, has a code of conduct that also applies to suppliers, where ESG issues are addressed.

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 conducted by both internal (employees) and external (suppliers, customers, partners, associates, etc.) stakeholders.

With regard to transparency and Business Ethics issues, the Lutech Group has an online and offline reporting channel in line with the whistleblowing procedure, which is valid for 13 companies (Eustema has a different one, managed internally), through which it is possible to report any wrongdoing encountered in the work environment:

- **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)



In general, even for companies not subject to defined whistleblowing processes, there is a portal—Ethics first, Building a trustworthy environment—available to all parties who have a legal relationship with the Lutech Group, such as employees, suppliers, contractors, consultants, interns, shareholders, and individuals with administrative, management, control, supervisory, or representation roles.



## THE ETHICS FIRST PORTAL

In order to concretely promote a culture based on ethics and transparency, the Lutech Group has set up an internal reporting channel aimed at allowing you to quickly and easily report (even anonymously) any violations of the Code of Ethics, of the Model of organisation, management and control, as well as any illegal acts or omissions that harm the public interest, the integrity of the company or of a public administration, which you may have become aware of within your work context.

Through this internal channel, therefore, the following can be reported, by way of example only:

- unlawful conduct relevant pursuant to Legislative Decree 231/2001 or violations of the Organisation, Management and Control Model (also referred to as 'Model 231')
- offences falling within the scope of EU or national acts, acts or omissions affecting EU financial interests or affecting the internal market (competition and state aid rules, corporate tax rules, etc.)
- anomalous cases, irregularities or potential crimes or offences that may adversely affect our company, e.g. in the areas of public procurement, product safety, environment, privacy, network and information system security, competition

The Lutech Group ensures the utmost protection of confidentiality and protection of the whistleblower from undue retaliation pursuant to and in accordance with Legislative Decree no. 24/2023 under the conditions set forth therein.

In any case, the facts and/or conduct reported must have the potential to undermine corporate integrity and ethics, the integrity of a public administration or harm the public interest, and must not be of a personal or individual nature (the provisions of Legislative Decree no. 24/2023 shall not apply to disputes, claims or demands pertaining to one's individual employment relationship or with hierarchically superior persons).

In the latter case, however, the Lutech Group companies that have obtained certification regarding corporate social responsibility and gender equality will guarantee that such reports (pertaining to their individual employment relationships) will still be taken into account and managed in compliance with the SA8000 and UNI PDR 125 standards, excluding the application of Legislative Decree no. 24/2023 (art. 1 paragraph 2 letter A).



Responsibility for handling of reports of unlawful conduct pursuant to Legislative Decree 231/01 lies with the SB (where in place), while for reports that are not relating to that decree, the responsibility for handling lies with:

- the Social Performance Team for aspects concerning SA8000 (where in place)
- the Gender Equality Committee for the topics of UNI PDR 125 (where in place)
- the Compliance function, for topics not listed above

The reporting channel (except for Eustema) is available at <https://lutech.integrityline.com>, 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.

Whistleblowing processes 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 in the lead company's Code of Ethics, (MOG-001), which applies to 14 Group companies, 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 acts of retaliation, discrimination or disciplinary measures that within (PSQ-501) Whistleblowing Policy - management of reports of possible wrongdoing pursuant to Legislative Decree no. 24/2023, to the following article:

- **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 companies implement an investigation process (valid for cases of active and passive bribery) specified in Information G1-3 – Prevention and detection of corruption and bribery.

The individuals most at risk of active and passive corruption within the Group are identified through ISO 37001 risk analysis for the parent company Lutech Spa and for Eustema. For other companies, on the other hand, identification is always carried out following the parent company's guidelines according to (PSQ-028) Risk Management.

In detail, with regard to the parent company Lutech Spa, 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 Group 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

As for Eustema, the individuals most at risk of active and passive corruption are identified through an internal mapping process. This mapping allows, through process coding, to more accurately highlight the degree of exposure to corruption risks, identifying the individuals and corporate roles involved, and identifying any measures to address and mitigate the risk. For this assessment, the criteria set forth in (PSQ-028) Risk Management are also taken into account, as well as the variable parameters previously indicated for Lutech Spa. All the figures listed in the table below are those most at risk of active and passive corruption in Eustema. These aspects are promoted throughout the company when the Code of Ethics is delivered and signed, in-



DEPARTMENT	ROLE
Administration, Finance and Human Resources Department	Head of Administration and Finance
	General accounting and budgeting, Treasury, Administration and cash management
	HR Specialist
	HR Assistant
Operations Department	Head of Communication, Head of Operations and Purchasing
	Procurement and RSPP
	HR Specialist
	IT Recruiter
	Head of Technical Department
Sales Department	RdC/KCM
	Sales Director Enterprise & Local Government/Northern Italy Branch
	Energy & Utility Communication Transportation
	Financial & PAL
	Sales Director Central Government & Welfare
Tender & Partnership	MEF & Agencies
	Head of Tender & Partnership
	Tender Office Specialist/Tender Office
	Tender & Partnership BID Manager
Legal Department	Legal Specialist
	Head of Legal Department
Governance	Chairperson of the Board
	Chief Executive Officer
	Director
	Chairperson of the Board of Statutory Auditors
Relevant Third Parties	Auditor
	CEO of SoftJam Spa (member of the Lutech Group)
	Chairperson of the Supervisory Board



forming all new employees of the behaviours they must adhere to. In parallel, employees responsible for handling the necessary internal audits and investigations are trained<sup>1</sup>.

Corporate training on business ethics and business conduct in 2024 resulted in some interventions – both in-person and online – on compliance with Law 231, anti-corruption, GDPR, Information Security, and the ISO 37001 Corruption Prevention Management System. The table below shows the numbers only for the Lutech Group's 231 and anti-corruption training:

GROUP	YEAR REPORT				2024	
	Course	HH	Total	Training completed	%	Total HH
	Training on Legislative Decree 231/01 - Basic	1.50	4,942	2,347	47.37%	3,511.5
	Anti-Corruption Training Course	1.50	4,942	2,351	47.57%	3,526.5



### 2.3 Disclosure Requirement G1-2 – Management of relationships with suppliers Datapoint no. 12-13-14-15

The Lutech Group also aims to create value through the responsible management of relations with Suppliers, who are key players in the ethical and sustainable management process: the supply chain is considered a key element in achieving the company's sustainability goals.

The Procurement functions within the companies of the Group– with the support of the Compliance (Ethical Risk, Data Privacy, CSR), Security and HSE functions – ensure 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 Code of Ethics, compliance with the Organisation and Management Model pursuant to Legislative Decree 231/01, (PSQ-500) Corruption Prevention Policy, ethical, privacy and security requirements, and standards referring to ISO 37001 certification, and for the parent company, they are screened against a vendor rating that also contains ESG criteria. Thanks to a specific monitoring activity, in 2024, no serious conduct in breach of the monitored principles was detected in the supply chain of the Group.

The Lutech Group has not yet unified its procurement department for all its companies, so different companies have different tools depending on the administrative tool they use.

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

<sup>1</sup> Eustema and SoftJam companies submit their own Code of Ethics (with reference to the group documents), while Cimworks produces its own independent Code of Ethics.



## THE ONE PROCUREMENT PROJECT

In 2024, a One Procurement project evaluation process began to centrally coordinate all non-internal procurement needs (projects or services).

More specifically, during 2024, the lead company conducted in-depth due diligence on all newly qualified suppliers (also with the support of screening tools): a total of 341 new suppliers.

At the same time, Eustema carried out Due Diligence on all Suppliers, with a response rate of 68% (44 Suppliers out of 65), with the involvement of Quality Management. For the other companies of the Lutech Group, supplier due diligence is not required.



In 2024, the lead company Lutech Spa initiated a more in-depth ESG audit, involving strategic suppliers and investigating further issues, 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 2024, the Group did not develop a report of its supplier database because the purchasing procedures are not common to the 21 companies in the consolidated scope.

At Lutech Spa, the tools used for screening activities are Moody's Orbis and Compliance Catalyst. These KYC (Know Your Customer) solutions are used to verify factors such as adverse media, sanctions lists, and financial status. These tools provide a comprehensive overview of the supplier's reputational and economic profile.



With regard to the anti-corruption Due Diligence process, Lutech Spa submits to all its Suppliers (excluding occasional irrelevant ones and a few others) the MOD-506 questionnaire, which is divided into two versions:

- MOD-506A - Self-certification of Conflict of Interest - Business Partners (Legal Person)
- MOD-506B - Self-certification of Conflict of Interest - Business Partners (Natural Person)

At Eustema, on the other hand, the Due Diligence process involved 65 Suppliers, to whom the TM033.005 'Business Partners Questionnaire' and the 'Business Partners Anti-Corruption Commitment' document were submitted.



In both cases, no critical issues emerged, with the exception of some suppliers involved in the investigations related to the Sogei case. For the latter, in-depth investigations and audits were carried out, with constant monitoring, and no involvement of internal Lutech Group functions was detected.

For all companies within the Group, Suppliers with inadequate performance are subject to corrective actions and 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

Lutech Group 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 the Group's values and compliance with the law, the Lutech Group 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

The Lutech Group is extremely aware of corruption risk issues. The following describes the certifications held by the Lutech Group and provides an overview of the procedures established to prevent, identify, and manage allegations or cases of active (bribery) and passive corruption. These procedures, where applicable, also apply to Lutech Group companies:

Company	ISO 37001	Application of Model 231/01	Code of Ethics (MOG-001)	WHISTLEBLOWING (Adoption of the tool and application of PSQ-501)	(PSQ-500) Responsible for prevention Policy
LUTECH (Lead Company)	✓	✓	✓	✓	✓
ABEX ITALIA			since 2025		since 2025
BASILIKO			✓		✓
CERTIMETER				✓	✓
CIMWORKS				✓	since 2025
DAP			✓	since 2025	since 2025
DIEM		✓	✓	✓	✓
DOT			✓	since 2025	since 2025
DOT BALKANS					-
EUSTEMA	✓	✓	✓	✓ (independently managed)	✓ (independently managed)
ICTEAM		✓	✓	✓	✓
INFOEDGE			✓	✓	✓
KNOW - HOW		✓	✓	✓	✓
KRONOTECH			✓	✓	✓
LUTECH CDM		✓	✓	✓	✓
LUTECH SINERGETICA		✓	✓	✓	✓
LUTECH SPAIN					-
PIVOTAL		✓	✓	✓	✓
SOFTJAM		✓	✓	✓	-
STAIN			✓	since 2025	✓
TENENIGEN		✓	✓	✓	✓



- the main documentary system to refer to as a preventive measure is Model 231 (231/2001) including the Code of Ethics, General Part Model and Special Part Model, accompanied by the (PSQ-500) Corruption Prevention Policy, the (PSQ-501) Whistleblowing policy - Management of Reports of any unlawful acts pursuant to Legislative Decree 24/2023 adapted for the various Group companies and by the Management Systems Manuals for the Prevention of Corruption, where in place. Eustema and SoftJam have separate document systems
- the signing of the Code of Ethics and the Corruption Prevention Policy (PSQ-500) by all Lutech Group's 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 Lutech Group's implementation of a system of anti-corruption safeguards testifies to its 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 preliminary assessment and feedback to the whistleblower are the responsibility of the Case Managers (a role not involved in the case assessment, therefore independent), while the investigation is the responsibility of the Supervisory Body and FCPC, with the support of internal or external experts when necessary.

In the event of reports under SA8000 and/or UNI PDR 125, the investigation is the responsibility of the Social Performance Team, the Gender Equality Committee, and the relevant internal functions (e.g. HR).

If corruption is confirmed, the CEO, the Board of Directors, and the Board of Statutory Auditors will be involved.

The promotion of the procedures listed above usually takes place during the onboarding processes of new hires, within the Group's intranet, through the institutional website and/or through the websites, where in place of Group Companies, where the 231 Model (general and special part), and the Code of Ethics are available and, as from 2018, also the (PSQ-500) Corruption Prevention Policy, operationally supplemented in 2023 by the (PSQ-501) Whistleblowing Policy - management of reports of any illegal facts pursuant to Legislative Decree. 24/2023 and the adoption of the relevant reporting and management tool. Eustema and Cimworks have their own independent portal.



Moreover, all Group 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).

SoftJam within the Group does not follow this procedure (it is expected to be integrated in 2025), while Cimworks has its own system that requires new hires to disclose the existence of conflicts of interest. There are no subsequent checks on personnel already in service.

Critical issues are communicated to the highest Control body within the reporting by the various corporate functions concerned: DB and FCPC, where in place. For more general ESG issues, there is no standard reporting, but only on an as-needed basis. At Cimworks, the Management conducts verification.

The following table summarises the work done by the Lutech Group during 2024 on the population present as of 31/12/2024:

	Functions at risk	Executives	AMSBs	Other company workers
<b>Extension of training</b>				
Total recipients of anti-corruption training (excluding SoftJam and Eustema)	28	168	35	4402
<b>Percentage of Anticorruption Training Coverage</b> (excluding SoftJam and Eustema)				
	10.71%	48.21%	8.57%	44.05%
<b>Delivery method, duration and frequency</b>	<p>Training on active and passive corruption is an ongoing process implemented through the Lutech Learning portal, where all courses are available in e-learning mode. The duration of each individual course is on average less than two hours.</p> <p>Training on these topics is reviewed on average every 2 years or when significant changes to internal processes or legislation are introduced.</p>			
<b>Topics covered (for all formats)</b>	<p>Overview of the various types of corruption (active bribery/passive corruption)</p> <p>Illustration of the (PSQ-500) Corruption Prevention Policy</p> <p>Description of the processes and bodies to be consulted on corruption prevention matters for the Group</p> <p>Description of the whistleblowing process</p> <p>Related to 231 Anti-Corruption topics, terminology, processes and dedicated bodies</p>			



For Eustema Company, the training of at-risk figures in the years prior to 31 December 2024 covered the following percentages:

- 90% of AMSBs
- 100% of other at-risk functions, senior managers and other workers

There were 40 high-risk individuals, mainly Eustema employees (34/40) placed in various company positions (top and middle managers and direct reports). They include members of AMSBs such as members of the BoD, CS, SB, although they also include consultants and Lutech Spa resources (e.g. BoD members and statutory auditors) to the extent of 6 out of 40. The percentage of high-risk Eustema personnel who have been trained is 85%.

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 Group, 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 2024. 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 Group'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 2024 reporting period. Furthermore, in those years, no political financial or in-kind contributions were made in the name and on behalf of the Lutech Group, either directly or through any other entity traceable to it.

### 3.3 Disclosure Requirement G1-6 – Payment practices

**Datapoint no. 31-32-33**

The average time taken by the Group to pay an invoice from the date on which the contractual payment deadline starts to be calculated is 60 days end of month.

The standard contractual payment terms for the Lutech Group are as follows:

- professionals (e.g. notaries, lawyers): generally paid by direct remittance, often immediately or within 10 days
- consultants: variable conditions, but frequently 30/60 days from the end of the month invoice date, sometimes with +10/15 days
- Leasing and rental fees: commonly settled by direct debit or bank transfer within 30 days of the end of month invoice date, with possible extensions of up to 60 days
- generic or service providers: usually 30-60 days of the end of month invoice date, in some cases up to 90-120 days for hardware/software



Some cases involve advance payments for recurring rents or services, or customised conditions for strategic suppliers.

Lutech Group shall ensure that the contractually agreed payment deadline is strictly adhered to by providing a 15-day grace period beyond the contractual deadline.

Payment directions are always included in all orders sent or established in the course of entering into the framework agreement, where present.

There is no Group tool that monitors and produces reports on the punctuality of payments.

At the time of drafting this report, and with reference to the period analysed, there are no pending legal proceedings due to late payments, except for SoftJam, for which there is an ongoing legal proceeding related to condominium expenses of one of the Group's companies.

Lutech Group provided the above data by considering all suppliers of goods and services, without representative sampling.





## ACRONYMS – LUTECH 2024 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 <sub>4</sub>	Methane
CICES	Common International Classification of Ecosystem Services
CO <sub>2</sub>	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 2024 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 2024 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 <sub>2</sub> O	Nitrous oxide
NACE	Statistical Classification of Economic Activities in the European Community
NF <sub>3</sub>	Nitrogen trifluoride
NH <sub>3</sub>	Ammonia
NO <sub>x</sub>	Nitrogen oxides
NUTS	Nomenclature of Territorial Units for Statistics
O <sub>3</sub>	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 2024 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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