



SUSTAINABILITY REPORT

2021



SUSTAINABILITY REPORT

LUTECH S.p.A.

2021

CONTENTS

<i>Executive Summary</i>	<i>p 05</i>
<i>Letter to Stakeholders</i>	<i>p 06</i>
<i>Introduction</i>	<i>p 08</i>
► OUR IDENTITY	p 09
> Governance	p 14
· <i>Transparency and Anti-Corruption</i>	<i>p 15</i>
· <i>Business Ethics & Brand Reputation</i>	<i>p 17</i>
· <i>Data security</i>	<i>p 19</i>
> Market	p 21
· <i>Events</i>	<i>p 22</i>
> Quality	p 26
· <i>Product and service quality</i>	<i>p 26</i>
· <i>Process quality</i>	<i>p 27</i>
· <i>Training</i>	<i>p 31</i>
· <i>Research and Development</i>	<i>p 31</i>
► OUR COMMITMENT TO THE ENVIRONMENT	p 32
> Management approach	p 33
> Certifications (ISO 14001 - 064)	p 36
> Impactful projects	p 36
· <i>Energy Efficiency</i>	<i>p 36</i>
· <i>Reducing environmental impact</i>	<i>p 39</i>
· <i>ICT Solutions for the Green Economy</i>	<i>p 43</i>

▶ **OUR COMMITMENT TO PEOPLE**

p 44

- › Management approach
- › Suppliers
- › Employees
- › Customers

p 45

p 46

p 48

p 65

▶ **OUR COMMITMENT TO THE COMMUNITY**

p 68

- › Donations
- › Partnerships
- › Communications

p 69

p 70

p 71

Conclusions

p 73

Vision for the future

p 74

Methodological note

p 78

Glossary

p 90

EXECUTIVE SUMMARY

The first Lutech Sustainability Report is the result of a collective effort to organise in a single report the initiatives, projects and programmes that already characterised Lutech's actions in the environmental and social realms. The purpose of the report is therefore to become aware of its own positioning through a series of metrics measuring its performance in relation to the issues perceived as most relevant.

Like all first editions, this report has enabled the company to define a baseline against which to measure progress in the years to come, with the awareness that social and environmental sustainability represents an evolutionary process and not a static snapshot of the present.

The company's ambition is to embark on a strategic growth pathway that recognises environmental and social values as assets for integrated improvement, i.e. across all internal functions. In fact, it is now no longer possible to confine environmental and social sustainability issues to technical figures alone: the challenges that companies are called upon to face increasingly concern business models and not just individual product or process performance. This is why Lutech, backed by its experience in ICT process management, is confident that it will be able to buttress its "systemic" vision and expertise with the nature of the environmental, social and governance challenges that lie ahead.

In this document, the company is therefore presented through the filters of the main impact areas (market, environment, people, community) and the relative stakeholders (suppliers, employees, customers, partners), providing details for each reporting theme on the relevant performance in 2021 and, where possible, 2020, according to GRI standards - Core Option. In order to delve deeper into certain topics that are particularly important due to their innovative nature or high impact, in-depth focus areas have also been fleshed out, with interviews or additional specific data: Business Ethics: the evolution of a theme, Mobility Management, Cinisello Balsamo, The Lutech Forest, Procurement & Facility Management, Smart Working at Lutech, Lutech and Cisco for the Miulli Hospital in Bari.

Lastly, the final part of the document illustrates the main objectives - both internal and in relation to the Sustainable Development Goals of the United Nations 2030 Agenda - that the company intends to achieve in the years 2022 and 2023, the latter defined thanks to an internal learning process that originated from the data collection and report drafting process itself. It is precisely this learning that has therefore become the first governance impact of Lutech's initial approach to Integrated Sustainability issues.

The materiality matrix and the analysis of the levels and processes of stakeholder engagement represent, in closing, the essential aspects of a methodology that will allow Lutech to compare its performance over time, thanks to a set of internationally recognised indicators, making its "ESG journey" increasingly effective and beneficial.



LETTER TO STAKEHOLDER

2021 was a very important year for Lutech and taught us, or perhaps reminded us, that in today's interconnected world, there are no problems that do not concern us: the social, economic and environmental consequences of the climate crisis and the pandemic, and commodity shortages, are global phenomena that can only be effectively addressed by working together.

With the acquisition of Lutech S.p.A by the APAX fund, which took over for OEP in June 2021, we embarked upon a new path of growth with very ambitious goals, aware that being part of such an important fund is the result of the synergistic work of the team as a whole. To borrow a metaphor we often use, we are now "playing another league", which is more challenging and complex, with new goals.

Lutech S.p.A is at the beginning of a new cycle: our Bigger Game which, with the breadth of our expertise, will see us support our customers in the transformation of their business processes in an increasingly integrated and adaptive manner, with new rules and new perspectives that take into account the considerable changes taking place in the world in the environmental, social, and ethical spheres.

With the publication of this first edition of the 2021 Sustainability Report, we intend to announce to all stakeholders - employees, collaborators, customers, partners, owners, investors and the community - our concrete commitment to ESG issues, initiating a structured path of environmental, social and ethical responsibility that will set concrete goals for our transformation towards a business model in open dialogue with the Sustainable Development Goals of the UN 2030 Agenda (SDGs).

We have therefore built an organic and structured strategy, which establishes organisational ESG objectives and responsibilities that are specified in a series of projects, some of which will be implemented as early as 2022 for Lutech SpA, with a gradual extension of the effects to all Lutech Group subsidiaries.

More specifically, as concerns environmental impact, it will be a priority for us to consolidate existing certifications, deepen our relationship with our suppliers to foster socially and environmentally virtuous behaviour and, finally, reduce the environmental impacts of our sites and operations.

With regard to the social effects of our corporate behaviour, the effort will be aimed at taking a fresh look at the work-life balance of our employees, focusing on their professional and personal growth. In addition, we will strive to reduce internal inequalities and differences, striving to make the company even more inclusive and sensitive to diversity, in open dialogue - on this matter - with the local areas and communities in which we are present.

Lastly, in the area of Governance, we will work for better gender representation at management level and for the recognition of certifications attesting to our commitment to transparency and anti-corruption.

These are just some of the aspects on which, starting from a series of present but unstructured Corporate Social Responsibility processes, we intend to strengthen our ESG profile starting from the definition of a pathway shared across all operations on these increasingly important issues.

No winning company can shy away from measuring and becoming aware of its impacts with a view to continuous improvement. What you will find specified in this document are our first concrete steps that we are confident will lead us to become a reference model for sustainability in the world of ICT services.

Tullio Pirovano

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

INTRODUCTION

Attention to the community and local areas, as well as the centrality of the person across all levels of relationships with our stakeholders, represent the pillars of Lutech's way of doing business, of how the company intends to generate and increase value and values.

In a sphere such as the one in which the company operates, typical for its immateriality and its apparent distance from people and social diversity, it is at times complex to take concrete steps that intentionally, measurably and additionally demonstrate a commitment to increasingly sustainable business models. It is indeed necessary to overcome the mere phenomenon of sporadic communication of certain charitable initiatives, which - in and of itself - is not enough to outline an objective path of growth and improvement based on ESG (Environment, Social and Governance) principles.

On the contrary, as for all companies attentive to changing times and the needs of new generations - the consumers of today and tomorrow - Lutech's effort is oriented in the direction of an initial internal analysis to capture data and structure a baseline. Subsequently, the reporting process will allow for an informed evaluation of the performance achieved in view of the definition of clear objectives for the coming years.

This beneficial tension, taking form where possible through precise targets and metrics, will trigger the virtuous cycle of improvement and growth in which ESG issues (and in general all Corporate Social Responsibility initiatives) are the most important transversal asset.

OUR IDENTITY



OUR IDENTITY

Lutech SpA, headquartered in Cinisello Balsamo (Milan), currently the holding company of a group of companies in the IT consulting sector, is active in **ICT services and solutions** in Italy and Europe. Thanks to the skills and professionalism of its qualified staff and its end-to-end approach, Lutech supports the Digital Evolution of its client companies. The company's activities have traditionally been attributed to NAICS CODE 541512 "Computer systems integration analysis and design services" with the exception of the activities of the subsidiaries Kronotech and Teratron, attributed to 344419 "Radio frequency identification (RFID) devices manufacturing".

Historically, Lutech was founded in 2001 after the merger between GPLV Partners, a Milan-based IT consulting company, and Lucchini Servizi, the Lucchini Group's IT services company. It made its market debut with a team of around 500 professionals and targeted a clientele of large companies and telecommunications operators. In 2003, Lutech was taken over by the Laser Line Group, the Brianza-based holding company of founder Enrico Magni, which, together with 16 other non-controlling shareholders, expanded its offering through new investments and acquisitions in a number of sectors. Indeed, in 2014 with the Milan Chamber of Commerce's Orizzonte sgr fund, the "Scale2Double" business plan was launched and acquisitions began with the companies Arcares and Liscor: this is when the Lutech Group was born. In 2015, the Group con-

sisted of 1,200 employees, with turnover of € 150 million. In 2016, the turnover of € 177 million was in

line with the Scale2Double plan, and Kronotech, Teia and TeraTron were acquired.

In 2017, Lutech had become medium-sized company with recognised importance in the IT sector, specialising in system integration and technology solutions for medium-sized and large Italian public and private companies. The offer was diversified and addressed different vertical markets and business models. In the same year, Enrico Magni sold Lutech to One Equity Partners (OEP), an American private equity firm operating in the market of medium-sized companies that was aiming to further expand the Group's presence in Italy and Europe. This further accelerated the organic and acquisition-based growth plan, which continued with the entry of Sinergy, Nest2, CSTTech, TEN, Telesio, ICTeam, Sinergica, CDM, Pivotal, Cimworks, Tecla, Diem, Finance Evolution, DISC, Enigen, Mediana and BeeToBit. In 2021, after 15 acquisitions and EBITDA that had nearly tripled in four years, Lutech was transferred by OEP to funds managed by Apax, a leading global private equity firm specialising in investments in the technology, services, healthcare and internet/consumer segments. With turnover of € 433 million, the objective was to grow by strengthening the digital service offering and accelerating the M&A strategy. The Lutech Group's new development plan continued with the acquisition of Infoedge, Advantage

and Know-How, and the new Headquarters were inaugurated in Cinisello Balsamo, designed as the ideal environment for hybrid work, with the latest collaboration technologies and according to principles of environmental and social sustainability.

“We strive to be the European leader in the Digital Evolution”

“We believe in our People and invest in their passion, leadership and talent”

“We integrate the most innovative technologies to offer the best performance to our Customers”

The Lutech Group underpins the Digital Evolution with five technological areas designed for a complete and integrated offer, capable of meeting different digitalisation needs: Lutech**Solutions**, Lutech**Digital**, Lutech**Cybersecurity**, Lutech**Services** e Lutech**Cloud**.

Through its technology solutions, Lutech supports its customers through six strategic areas, key points for business digitalisation:

- **CUSTOMER SUCCESS**
- **DATA INTELLIGENCE**
- **CLOUD**

- **CYBERSECURITY**
- **AI & AUTOMATION**
- **DIGITAL FACTORY & IOT**

Through Artificial Intelligence, Machine Learning and RPA, Lutech optimises business processes and frees resources from repetitive tasks to optimise performance and provide better customer service; it transforms data into business value with ERP, PLM, IoT, Artificial Intelligence and AR/VR platforms to achieve evolution in every process, from sales & marketing to production and after sales.

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

LUTECH CYBERSECURITY: governs the risks deriving from the Digital Transformation, ensuring the defence of information assets, people, assets and brands from continuous and growing cyber threats. Thanks to excellent technologies and skills, it implements projects in business-critical, diverse and complex contexts, providing support as a Trusted Advisor in the selection of the best solutions to be adopted depending on the specific operational context.

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



LUTECH SERVICES: The Lutech Managed Service Operations Centre transforms technology and management processes into value for Customers. More than 400 specialised technicians manage 24/7 an extensive catalogue of flexible, modular and fully

customisable services based on Customer needs. Performance is constantly controlled and ensured by a Service Management structure through shared KPIs and SLAs.

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



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

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

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



LUTECH CLOUD: It designs, implements, secures and manages Hybrid Cloud solutions, identifying the most flexible, scalable and resilient architectures, the veritable foundations of digitalisation

projects.lizzazione. Performance, business continuity and security are the drivers behind every cloud and infrastructure project.

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



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

As a market player, Lutech is active in the national and international context with the only limitations being the sale of products and services linked to

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

VISION

The company vision tells of an ambitious company, which strives to make its mark on the market and harmonises a focus on people with constant technological updating, because it firmly believes that this balance is the key to reaching continuous improvement goals.

1. We strive to be European level **protagonists of the Digital Evolution**.
2. We believe in our **People** and invest in their **talent, leadership and passion**.
3. We integrate the most **innovative technologies** to offer the best performance to our Customers.

MISSION

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

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

VALUES

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

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

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

TEAMWORKING → i.e. the importance we attach to teamwork and the sharing of work and personal experiences as part of our daily commitment.

INNOVATION → i.e. what for us is the main trajectory of all of our efforts, with a view to improving our way of being and working every day, i.e. the entire spectrum of Lutech's activities

CUSTOMER SATISFACTION → i.e. the dedication with which we address our customers, listening to their needs and goals, strong from the expertise that distinguishes us from other players and eager to establish long-term, participatory relationships.

GOVERNANCE

As far as Lutech governance is concerned, the organisational chart presented below describes the relationships within the different corporate functions.

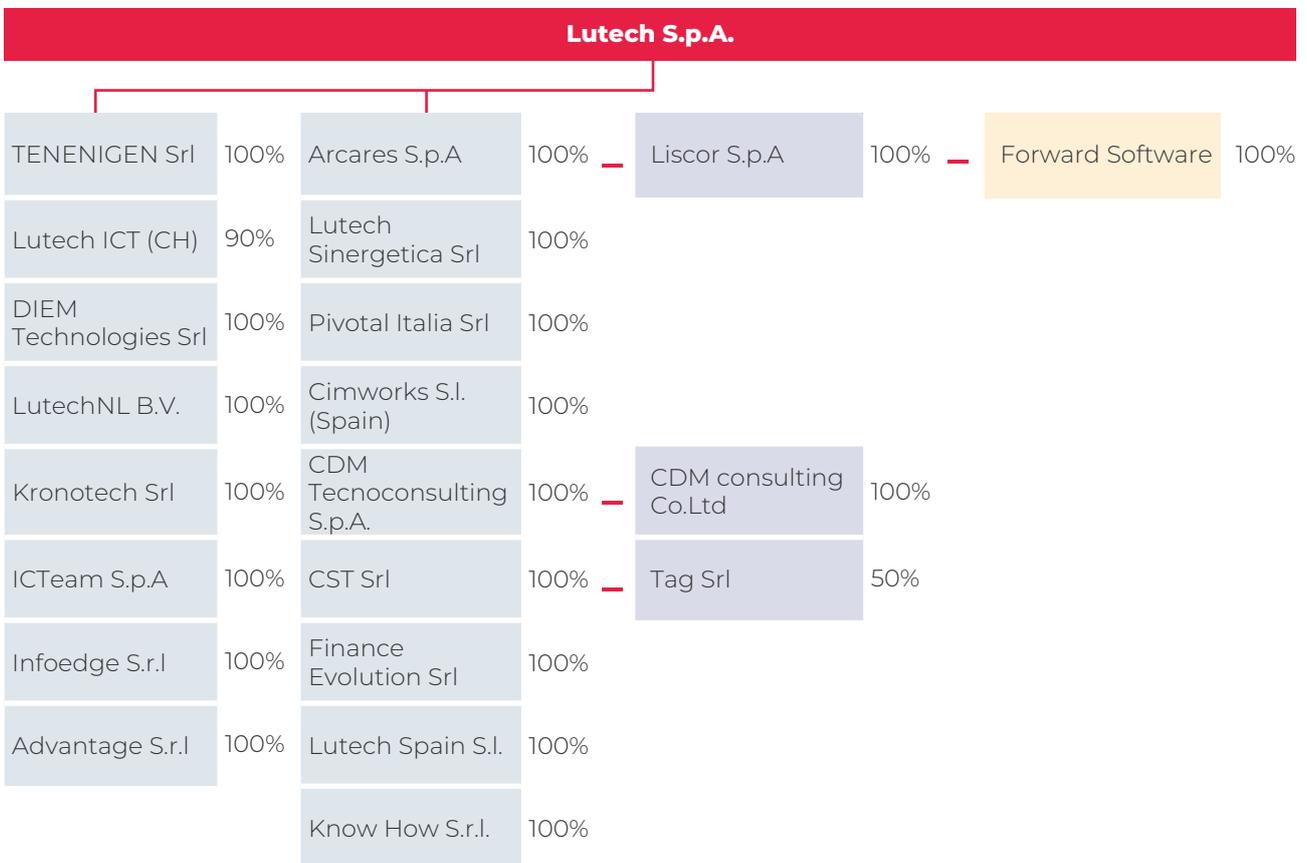
In more detail, in the course of 2021, there was a change of corporate ownership from One Equity Partner to Apax Partner; the transfer took place at a higher level of the chain of control, such that it was not visible as a change in the shareholding structure of Lutech S.p.A.

In 2021, the organisation's governance structure, including committees of the highest governing body, consists of a Board of Directors consisting of three directors (one of whom is a woman) and a Board of Statutory Auditors consisting of three members.

There is also a Supervisory Board pursuant to Legislative Decree 231/01 consisting of three members, of whom two are women and one is external. In the previous year 2020, the Board of Directors had (until mid-2021) seven members, four of whom were foreign (independent, appointed by OEP).

Finally, the committee responsible for decision-making on economic, environmental and social issues is the Leadership Team, consisting of:

- CEO (*Chief Executive Officer*),
- CHRO (*Chief Human Resources Officer*),
- CFO (*Chief Financial Officer*),
- COO (*Chief Operating Officer*),
- CRO-CMC (*Chief Revenue Officer / Chief Marketing & Communication*).



Shown: Lutech S.p.A. organisational chart

TRANSPARENCY AND ANTI-CORRUPTION

For Lutech, it is essential to operate in full compliance with the market rules and business ethics that characterise the operations and sectors in which it carries on business, and therefore the company has adopted a 231 Model for the management of these aspects within the company. The figures below refer to the reporting period from 1 January to 31 December 2021. Where possible, the previous year's figure has also been added to give a perspective of the development of performance over time.

The transactions assessed for corruption-linked risks, according to the results of the Gap Analysis conducted for the 231 Model with respect to all of those considered, amounted to 44 in 2021 and 40 in 2020, i.e. 86.27% in 2021 and 83.33% in 2020, with a slight increase due to the inclusion and specification of two specific areas: Intelligence Solutions and Medical Devices.

Significant corruption-related risks identified during the risk assessment were mainly the following cases extracted from the Risk Analysis of all risks with a "High" or "Very High" value in "PRI - Inherent Risk Assessment (IA vs. RAR)":

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

With regard to communications and training on anti-corruption policies and procedures, the members of the governing body to whom the organisation's anti-corruption policies and procedures have been communicated, broken down by region, amounted

to 100% in 2021 and, with the governing body understood as the Board of Directors, more precisely: three in Italy and no foreign members. With the Governing Body referring to the Leadership Team: six (Italy) and no foreign members.

Also in 2020, all members were informed and trained on the subject, so, if we understand the Board of Directors to be the Governing Body, this includes seven members - four of them foreign (independent, appointed by OEP), whereas, if we understand the Leadership Team to be the Governing Body, this includes five members in Italy and none abroad.

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

With regard to the total number of business partners to whom anti-corruption policies and procedures have been disclosed, it is possible to refer to the presence of such disclosures in contracts in 2021, although it was not possible to count how many Lutech contracts include such a reference and/or how many customer-originated contracts include this aspect. At supplier level, 146 suppliers have signed a framework agreement in which business ethics notes are included, corresponding to 14.51% of the total number of suppliers. In the previous year, the data recorded no customers but 14.29% of the suppliers, i.e. 135 suppliers which had signed the framework agreement, which is renewed annually and refers only to providers of professional services.

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

The total number of members of the governing body who received anti-corruption training by region in the year 2021, and in the additional year 2020 was: considering the Board of Directors to be the

Governing Body: three (Italy) - no foreign members; considering the Leadership Team to be the Governing Body: five (Italy) - no foreign members.

The percentage of members of the governing body who received anti-corruption training in 2021 was 100% (considering the BoD), and 83.33% considering the Leadership Team. The numbers are unchanged in 2020.

With regard to the total number and percentage of

employees who received anti-corruption training by role, the table below provides a reference, noting that the training cycle lasts between 2 and 3 years and is conducted in face-to-face mode for management and front-line staff and in e-learning mode for all other employees, including new recruits. The figures below show the course beneficiaries on the workforce until 31/12/2021.

ANTI-CORRUPTION TRAINING

On the workforce at 31/12/2021 COURSE COVERAGE 2021

Category	COURSE NOT TAKEN	COURSE TAKEN	POSSIBLE BENEFICIARIES	%
EXECUTIVES	9	39	48	81,25%
WHITE-COLLAR EMPLOYEES	160	971	1131	85,85%
MIDDLE MANAGERS	28	178	206	86,41%
Grand total	197	1188	1385	

Finally, in 2021 and 2020 were there no confirmed incidents of corruption, or public lawsuits linked to

corruption lodged against the organisation or its employees.



BUSINESS ETHICS E BRAND REPUTATION

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

With regard to the total number of activities that were subject to human rights audits or human rights impact assessments, it should be noted that Lutech works mainly in Italy, where advanced international human rights regulations apply. Therefore, there are no specific checks on human rights as the topic is not assessed as a risk area. However, taking up the framework offered by the 231 Model, and in particular its Gap Analysis, it is possible to identify five activities with impacts that may reflect on respect for human rights:

- *Management of the Information Security Management System (ISMS)*
- *Recruitment of employees and project workers*
- *Recruitment and management of personnel from third countries (non-EU)*
- *Employee bonus process*
- *Contractor management*

These activities represent 9.8% of the activities analysed in the 231 Model, which identifies a total of 51. Furthermore, the 231 Model (code of ethics, protocols, risk analysis, Supervisory Board, training, etc.) identifies the 231 offences, namely:

- Article 25-septies of Legislative Decree 231/2001 (Manslaughter and serious and very serious bodily injury committed in breach of accident prevention and occupational health and safety rules);

- Article 25-quinquies of Legislative Decree 231/2001 (Crimes against the individual), where-as it reasonably justifiably excludes the risk of the commission of (and therefore does not deal with):
 - offence set forth in Article 25-quater.1 (Female genital organ mutilation practices) since the Company does not and cannot perform surgical healthcare services;
 - Article 25 duodecies (Provisions against clandestine immigration), in relation only to the offence referred to in Article 12, paragraph 3, 3-bis, 3-ter and paragraph 5, of Legislative Decree No. 286/1998, provisions against clandestine immigration, insofar as it concerns the offence of organising, financing or transporting foreigners into the territory of the State, as most recently amended on 4 November 2017 by Law No. 161/2017; - pursuant to Article 25-terdecies of Legislative Decree 231/01, as amended on 20 November 2017 by Law No. 167/2017 (Offences of xenophobia and racism).

One of the most structural aspects of Lutech's commitment to human rights is without a doubt the training on the topic dedicated to employees, regarding policies and procedures for the respect and monitoring of human rights.

In the three-year period (2019-2021), 1232 out of 1387 people, i.e. 88.82% of the employees, attended the 1.5-hour course on 231-related matters.

In 2020, 1113 people out of 1387, i.e. 80.25% of the employees (including executives, middle managers and employees) on the workforce at 31/12/2020, attended the 231 Model course, for a total of 1669.5 hours.

In 2021, 194 employees out of 1387, i.e. 13.99% of the workforce, including executives, middle managers and employees, attended the 231 Model course, for a total of 291 hours.

Respect for human rights is also required of external stakeholders, i.e. customers or suppliers, through investment agreements and significant contracts that include clauses relating to human rights or that have undergone a human rights assessment. As far as suppliers are concerned, in 2021, 146 of them signed the framework agreement containing clauses relating to the 231 Model, representing 14.51%. In 2020, 135 suppliers signed the framework agreement containing clauses relating to the 231 Model, representing 14.29%.

The most significant document encapsulating Lutech's efforts and interest in the internal treatment of Business Ethics issues is the Code of Ethics, which illustrates the principles to which the company, and anyone working in its name and on its behalf, must refer. The document contains control and verification measures, including practices for reporting any abuses and violations. The code of ethics is shared with all employees when they are hired, and soft copies are available on the company intranet as well as on the corporate website.



BUSINESS ETHICS: THE EVOLUTION OF A THEME

A brief interview with the Chief Legal Officer and the Chief Compliance Officer for Lutech is provided in this deep-dive on the topic of anti-corruption and the relative application of the 231 Model.

→ How can the current development of Business Ethics issues at company level be defined?

As far as Legislative Decree 231/01 is concerned, its importance is growing, partly because compliance with it is increasingly required in public or private tenders, as well as due to an increasing internal awareness. It is therefore increasingly a pre-requisite that cannot be overlooked.

With regard to the processes resulting from anti-corruption regulations, the acceleration in their implementation is also due to changes in ownership and financial trends, such as the acquisition of Lutech by the APAX international fund. Our commitment in this regard will further materialise in 2022 in the project to obtain ISO 37001 certification, designed to support companies in promoting an ethical corporate culture.

→ What is the relationship between internal business processes and international, binding or voluntary, anti-corruption regulations?

International adherence to binding regulations creates a basis on which individual companies then choose to engage in any voluntary or customised behaviour. Very often, as in our case, by delving into the subject internally we realised that our actions exceeded legal requirements. Our sensitivity is also motivated by the demands of our customers, which always enable us to stay up-to-date, and by the ratings of specialised companies. In our case, the rating is fundamental because we have issued a bond.

→ How is the topic of “Business Ethics” applied operationally in the company?

In our case through the development and application of a model, designed for Lutech the company and then extended to all Group subsidiaries.

The company's approach to the issue of market transparency and fairness helps to strengthen the Brand Reputation, on which Lutech also works through its presence as partner of the Cybersecurity & Data Protection Observatory of the Polytechnic University of Milan, from which the Advisory area receives content and informational courses.

DATA SECURITY

For Lutech, the subject of Data Security is crucial and intrinsic to its identity and functions as an enterprise operating in the digital sector. The topic, which represents one of the facets of the “Consumer Protection” CSR theme, is part of the company's commitment to maintaining high quality standards, because by guaranteeing the utmost attention to data protection, customers and project partners are protected as well. In this respect, some data concerning the data security guaranteed by Lutech is presented below.

- In 2020 and 2021, the company did not experience any resource breaches, but only attempted attacks that were promptly repelled by the systems set up to counter them.
- The average time taken by Lutech to respond to data security incidents caused by suppliers was 8 hours.
- The number of users with administrative privileges increased in 2021 compared to 2020 due to the integration into Lutech of some companies

that were previously acquired in 2020, from 35 to 50 in 2021.

- The dedicated team spent an average of 8 hours implementing security patches for applications or mitigating high-risk vulnerabilities.
- The percentage of suppliers monitored on data security increased from 60% in 2020 to 100% in 2021, data collected according to an evaluation performed annually through specific analysed questionnaires.
- The mean time to contain (MTTC) required to close attack vectors identified on all endpoints varies from 30 minutes to 8 hours; the time may vary due to technical peculiarities and/or impacts to be considered when closing attack vectors. For instance, if the closure only impacted firewalls, the activity could be performed by the same structure that detected the attack (SOC), and therefore action could be taken against it almost immediately.
- The average response time of the Lutech team to a cyber attack once they are aware of it varies from 0 to 30 minutes (both in 2020 and 2021), specifying that the average response time is usually immediate if the attack is detected by the SIEM platform and immediately analysed by the SOC. However, if detected manually, response times may increase, justifying the broad range of timeframes provided.

re, giustificando l'ampia variazione delle tempistiche dichiarate.

- The mean time to resolve (MTTR) a cyber attack once the team is aware of it varies from 0 to 24 hours, for both 2020 and 2021. The mean time to resolve is linked to the type of intervention to be performed.
- The mean time to detect (MTTD) during which security threats go unnoticed was one hour in 2020 and 30 minutes in 2021. Activities are monitored by Lutech's Security Operations Centre (SOC), which provides the service every day for 24 hours a day. Compared to 2020, processes and tools were improved in 2021, which made it possible to reduce the time even further.
- The percentage of systems with known vulnerabilities was 5% in 2021 (figure not present in 2020), for specific tools with obsolete or end-of-life operating systems. The volume of data transferred via the corporate network was 150 TB/day in 2020 and 200 TB/day in 2021. The specified data volume also includes the backup process, which causes an increase in traffic on the corporate network

- In both 2020 and 2021, the time it took to deactivate the credentials of a former employee was one day.
- The number of open communication ports over a period of time in 2021 was 3/by internet-facing server and 15/by intranet-facing server. The specified values refer to a single machine/server, distinguishing whether internet or intranet facing. The only ports typically open for internet-facing ones are those which are necessary to operate from the internet.
- In 2021, third-party access was reviewed once a year and third-party access to critical business systems was reviewed once a day.
- The percentage of business partners with effective cybersecurity policies is considered to be 40% in 2020 and 70% in 2021. In 2021, the supplier qualification process, also including the verification of the existence of cyber security policies, was improved substantially, and by the end of 2022 it will also involve a specific tool.



MARKET

Lutech SpA is a joint-stock company wholly-owned by Libra Italy Solution Srl.

The company earned revenue in 2021 in 38 countries, with a strong concentration in Italy (96%).

The main foreign countries in which the company operates directly are Switzerland, Germany, the United Kingdom, Luxembourg, Slovakia and the Netherlands (together 3.6%, with the top seven countries accounting for a total of 99.6%).

The company also has direct holdings in two companies in Spain (one of which is non-operational),

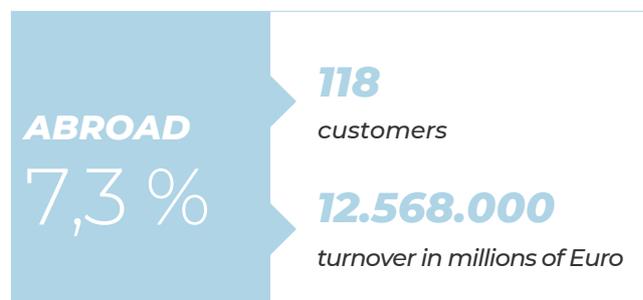
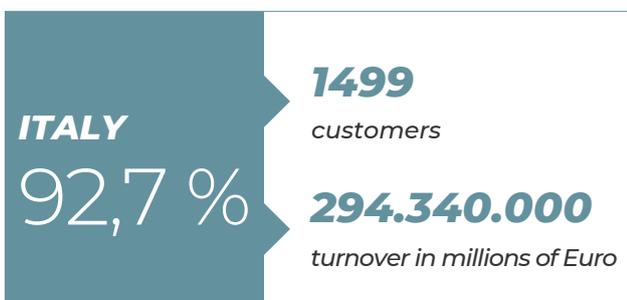
one company in the Netherlands and one in Romania. In the course of 2021 an equity investment in Germany was sold. The strong concentration in the Italian market justifies the centrality of Italy in the reporting scope of the sustainability report. Methodologically speaking, revenue for 2021 also includes that of DISC SpA (former Lutech Group), which was merged on 01/01/22.

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

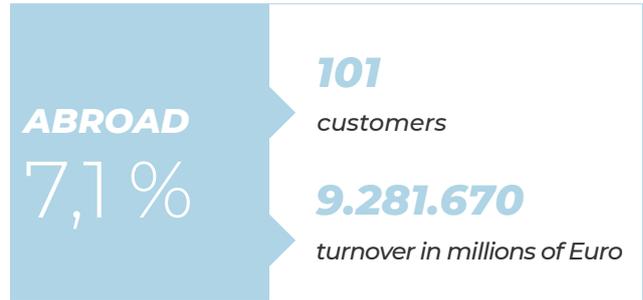
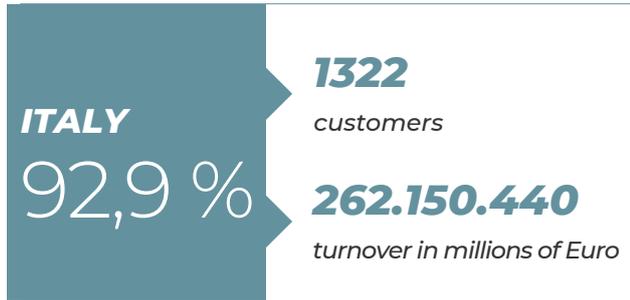


As of 31 December 2021, following the mergers, Lutech S.p.A. posted net revenue of € 307.7 million from the core business and € 3.8 million in other revenue.

IN 2021 LUTECH HAD A TOTAL OF 1617 CUSTOMERS, BROKEN DOWN AS FOLLOWS:



THE SAME DATA IN THE PREVIOUS YEAR FOR A TOTAL OF 1423 CUSTOMERS:



EVENTS

Lutech uses events as part of an integrated group communication strategy, as key elements of the process of building the image, new identity, brand recognition and solutions of Lutech. With events, the aim is to strengthen customer relationships and foster commercial and cross-selling strategies, so as to develop a series of productive relationships from the new group perspective.

The event types fall into three categories:

- **Institutional Events:** events led by Lutech, aiming for the 360° promotion of services and solutions independently or in collaboration with partners
- **Alliance Events with Partner/Vendor:** co-marketing events with a partner in which joint participation or participation in one of their institutional events is planned, in order to promote the partnership and present a joint offer.
- **Internal Events:** events dedicated to internal employees (e.g. Sales Kick Off), focused on sharing sales targets and updating sales offers for the sales staff of the Lutech Group)

The types of events include different formats and categories such as:

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

In 2021, 46 events were organised in the different formats mentioned above.

Due to Covid-19 related restrictions, participation in most of the 2021 events was virtual, using dedicated streaming platforms.

The webinar format allows event participants to view the live broadcast from any location, from any PC or smartphone, and to interact by asking the speakers questions, participating in polls, etc.

The virtual mode was also used in larger events such as trade fairs, with dedicated platforms that featured 3D graphic environments to create virtual stands, allowing participants to easily browse multi media content, attend virtual conferences, use chat tools to connect with exhibitors and easily participate in webinar sessions. The Lutech Manufacturing event in November 2021 was an exception to the format described above, as it was held in hybrid mode and dedicated to partners in the manufacturing sector. The venue of the event was the Made Competence Centre for Manufacturing at the Polytechnic University of Milan, with the live presence of about fifty

customers (number permitted by the host facility in compliance with distancing and other Covid-19 related measures). The rest of the invited customers connected via Webex and watched the event via streaming mode.

Lutech's degree of involvement in the different events varies. There are events which are entirely the responsibility of the company, and which involve goal setting, the draft plan, planning, execution and post-event management. For these phases, the

company often makes use of external agencies with which it collaborates in the implementation of the different event formats.

There are also other types of events, such as Alliance events (organised by a vendor) or Multi-sponsor events (organised by external agencies such as The Innovation Group or IDC), in which Lutech participates with its own contact person engaged to give a speech on a specific theme in connection with Lutech products.

LUTECH EVENTS 2021

Some events carried out during 2021, all in virtual mode. The only exception was the NextGeneration Manufacturing event which was held in hybrid form.



02/16/2021 **WEBINAR**
**Cisco "One
year of Cyber
Security" event**

Alliance event, held in collaboration with the partner Cisco in virtual mode to present to customers the activities of the Co-Innovation Centre, an innovation hub created by Cisco at the Milan Museum of Science and Technology.



03/02/2021 **WEBINAR**
**IoT & Connected
Things**

Alliance event in collaboration with Cisco to present Cross Industry IoT solutions. This event was the stop on a roadshow (three stops in total) that addressed the topic in relation to different sectors, with the presentation of dedicated solutions. On this stop the focus was on Power Shield, the Lutech solution for the active management of company spaces.



08/03/2021 **LIVE TV**
Ripartitalia

Alliance event in collaboration with VMware and transmitted through Class and Milano Finanza channels with the participation of Lutech as an expert on Smart Working solutions, a topic that became very current at the height of the pandemic.



23/03/2021 **WEBINAR**
**3 real stories
on Cyber security
with a happy
ending with
ForcePoint**

Alliance event in collaboration with Forcepoint on Cyber Security. The solutions were presented through successful case studies of projects carried out together for client companies.

	22/04/2021	WEBINAR PLM/ IoT NetApp PTC Lutech	Alliance event in collaboration with NetApp and PTC to illustrate the strategic value of the “new” PLM and to understand how to exploit the convergence between digital and physical products (Digital Twin) thanks to PLM, the IoT and Augmented Reality.
	29/04/2021	WEBINAR Check Point Infinity	Alliance event in collaboration with Check Point on risk management, a topic that cuts across every aspect of our lives and business. Two seemingly distant worlds were brought together to tell the tale: flight and high altitude acrobatics and the prevention of 5th generation threats against attacks on the network, endpoints and the cloud. On the agenda was a speech by Massimo Tammaro, for many years a Pilot and Corps Commander of the “Frecce Tricolori” National Aerobatic Team, who recounted his experience.
	20/05/2021	WEBINAR Cyberark Zero Trust	Alliance event in collaboration with Cyber Ark on the topic of Cyber Security to explain how to adopt an approach to Identity Security based on Zero Trust as a top priority for the success of the digital transformation of companies.
	27/05/2021	WEBINAR BigData & AI	Alliance event in collaboration with Dell on Big Data and AI to illustrate the optimal path to becoming a Data-Driven company. The Tenaris company was also present and talked about its successful project.
	17/06/2021	WEBINAR Cisco BigBet IoT	Alliance event in collaboration with Cisco to illustrate the ideal road map for creating connected, smart production lines and setting up systems for production plant automation and supervision, thanks to which it is possible to make informed decisions and anticipate critical issues.
	17/06/2021	Webinar Retail customer Calzedonia	Alliance event in collaboration with Dell and Informatica on the topic of data management in the retail industry, to improve time-to-market and the customer experience. Endorsement by the customer Calzedonia.
	21-25/06/2021	WEBINAR Forum PA	Virtual Trade Fair Event in which Lutech presented together with Innovapuglia the single solution for managing the diagnostic imaging services of healthcare companies



23/06/2021

**WEBINAR Building
the Next
Generation Utility**

Multi-sponsor event organised by IDC for companies in the energy industry. The Lutech speech illustrated the challenges that Energy and Utilities companies are facing, including workload migration, cloud-native application redesign and the management of hybrid and multicloud architectures. Special focus on emerging technologies and how they are defining the future of the industry.



08/07/2021

**WEBINAR NRRP
event with Prof.
Cottarelli**

Guest lecture event dedicated to top customers on the topic: Growth and stability with the NRRP, the vision of the resumption proposed by Professor Carlo Cottarelli.



14/07/2021

**WEBINAR Salesforce
Manufacturing**

Alliance event in collaboration with Salesforce. Presenter Dario Vergassola with his extraordinary interviews with three customers who recounted their Salesforce projects carried out with Lutech in an ironic way.



16/09/2021

**WEBINAR Security
and continuity
in the cloud: the year
of transition**

Alliance event in collaboration with VMware on the topic of Smart Working and how to set the pace for companies thanks to digital technologies. Trade Fair event dedicated to public and private companies in the healthcare sector in collaboration with Dell. Presentation of the Medical Record solution.



12-15/10/2021

**WEBINAR Digital
Heath Summit**

Soiel and Gartner Group event on the NRRP for the PA. Opportunities and enabling technologies presented by a panel of industry experts, including Lutech.



25/11/2021

**WEBINAR Gartner
PNRR PA**

Soiel and Gartner Group event on the NRRP for the PA. Opportunities and enabling technologies presented by a panel of industry experts, including Lutech.



10/11/2021

**WEBINAR Next
Generation
Manufacturing**

Lutech Institutional Event for the Manufacturing sector in collaboration with a number of partners. An end-to-end journey through key issues for the development of the Manufacturing sector, such as digitalisation, the NRRP and sustainability.

The only hybrid format event in 2021. The event venue was the Made Competence Centre for Manufacturing at the Polytechnic University of Milan, with the live presence of about 50 customers (number permitted by the host venue in compliance with distancing and other Covid-19 related measures). The other invited customers were connected via webex and viewed the entire event in streaming mode.

QUALITY

Lutech's commitment and professionalism can also be seen in the certifications and processes the company has been able to renew and improve upon over the years. They represent milestones, at times compulsory, which attest to the reliability of the relationships and know-how behind the product or service placed in the market.

PRODUCT AND SERVICE QUALITY

In 2021, at product level, reference is mainly made to certifications applied on medical devices. In particular, Lutech Spa has been registered as a Medical Device Manufacturer with the Italian Ministry of Health since 2019.

The medical devices for which it acts as Manufacturer are:

ATMOSphere – in vitro diagnostic medical device

ATMOSphere is a software device for monitoring and managing clinical laboratory processes, linking diverse pre-analytical, analytical and post-analytical instrumentation in a multi-laboratory and multi-LIS/HIS (Laboratory Information System/Hospital Information System) context.

It is a device classified according to Directive 98/79/

EC (in Italy, Legislative Decree 332/2000) following the classification process set out in Annex IV, as it is a device for the monitoring and management of clinical laboratory processes.

Labitup Millennium 2.0 - In vitro diagnostic medical device

Labitup Millennium 2.0 is a device for monitoring and managing clinical laboratory processes, linking pre-analytical, analytical and post-analytical instrumentation to an LIS and managing the flow for the sorting of required examinations to the interfaced instrumentation.

It is a device classified according to Directive 98/79/EC (in Italy, Legislative Decree 332/2000) following the classification process set out in Annex IV, as it is a device for the monitoring and management of clinical laboratory processes.

Both products are registered in the Italian Ministry of Health's database with specific index numbers.

ISO 13485 -The Quality System for Medical Devices

Lutech has certified its quality management system regarding its software systems for the medical sector.



PROCESS QUALITY

At business process level, Lutech has received a number of awards from leading vendors attesting to the professionalism and competence required to

be able to resell its products.

Lutech is a direct business partner to 14 main companies, 13 of which have been certified as excellent for at least six years. The specific data are provided below:

Partner Name	Partnership Level	Partnership Area Description	Years of partnership	Certified Specialists active at 29 June 2022 - LUTECH only	Competences / Specialisation active
CISCO	Gold Certified Partner	Networking Security Datacenter Collaboration IoT	20+	125 total certifications - 47 people certified	Advanced Data Centre Architecture Specialisation Advanced Enterprise Network Architecture Specialisation Advanced Security Architecture Specialisation Advanced Unified Contact Centre Enterprise Specialisation Cisco IoT Specialisation Cisco Umbrella for MSSPs Specialisation Cisco Webex Calling Partner SaaS Collaboration Specialisation Buying Models Commerce Certification
DELL	Titanium Certified Partner	Storage Datacenter (Server & Client) Networking	20+	56 total certifications - 13 people certified	Solution Provider Cloud Service Provider Competencies Deployment services Storage Server Networking Data Protection Data Domain Core client portfolio Converged/ Hyper-Converged Infrastructure Avamar Isilon NetWorker PowerMax & VMAX Family RecoverPoint Unity VPLEX VxRail

Shown: Lutech awards issued by leading vendors, 20/21

Partner Name	Partnership Level	Partnership Area Description	Years of partnership	Certified Specialists active at 29 June 2022 - LUTECH only	Competences / Specialisation active
NETAPP	Star Unified Partner	Storage Datacenter	20+	27 total certifications - 9 certified persons	Solution Provider, FlexPod Capabilities, FlexPod Implementation, Services, NetApp HCI, ONTAP, StorageGRID E-Series, Professional Services, ONTAP Data Protection, ONTAP SAN, Support Services
CHECKPOINT	4 stars ****	Security Solutions	20+	24 total certifications - 10 people certified	Value Added, Reseller, Managed Service Provider, Specialisation, Certified, Collaborative, Support Provider, Appliance Support, Advanced Threats, Partners - Network, Mobile, Endpoint SMB - Small and Medium Business
FORTINET	Expert Partner	Security & Wireless Solutions	15+	56 total certifications - 24 people certified	System Integrator, Network, Security Expert, Specialisation, Secure SD-WAN, Threat Landscape, Evolution of Cybersecurity, Wireless, Infrastructure, Integrated Wireless
FORCEPOINT	Titanium Partner	Security Solutions	10+	10 total certifications - 4 certified persons	System Integrator, Specialisation, Forcepoint, Web Security, Data Protection, User Protection, Edge Protection
F5	Gold UNITY Reseller	Security, Cloud & Application Delivery Solutions	10+	18 total certifications - 9 people certified	System Integrator, Value Added Reseller Specialisations, BIG-IP Administrator, Local Traffic, Management, Global Traffic Management
Microsoft	Gold	Cloud Platform - Gold, Cloud Productivity - Gold Application Development - Silver, Application Integration - Silver Collaboration and Content - Silver Messaging - Silver	10+	66 total certifications - 35 people certified	System Integrator, Specialisations, Networking, Azure, Cloud

Shown: Lutech awards issued by leading vendors, 20/21

Partner Name	Partnership Level	Partnership Area Description	Years of partnership	Certified Specialists active at 29 June 2022 - LUTECH only	Competences / Specialisation active
AWS	Advanced Consulting Partner	IAAS, PAAS, SAAS	10+	31 total certifications - 22 people certified	Programs: Public Sector, Solution Provider, Immersion Day, Well-Architected, Partner Programme, Competencies in completion: DevOps, Government, Migration
Commvault	Market Builder	Data protection & management	6	17 total certifications - 8 certified persons	Solution Provider Specialisations, CVSP, CVTSP, CVSA, CommV HiperScale, CommV Orchestrate, Commv Activate, IntellSnap, SnapManagement
Hcl (formerly ibm)	Reseller	Marketing automation, social collaboration - commerce - portali - campaigns	+20	The vendor has no certifications to be taken	Commerce - domino (collaboration) - single portal (enterprise marketing automation)
Genesys	Silver	Cti	9	8 Total certifications - 5 people certified	Pure cloud, pure engage
Informatica	Platinum	Etl, data governance, master data management	6	7 Total certifications - 4 people certified	Cloud computing, data quality & governance cloud, data integration, product 360 - pim
Servicenow	Specialist	Itms/itom	6	12 Total certifications - 5 people certified	Servicenow certified implementation specialist - it service management servicenow certified implementation specialist - customer service management servicenow certified system administrator

Shown: Lutech awards issued by leading vendors, 20/21



Lutech aims to be a “Value Added Consultant” for its customers, capable of offering the best global ICT solutions to specific problems, proposing complete solutions that range from feasibility studies to final implementation and operational management, and committing itself to the fulfilment of requirements and thus to utmost customer satisfaction.

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

In particular, it has obtained the following system certifications:

- **ISO 9001:2015 Quality Management System**

In order to guarantee the full satisfaction of its customers and the continuous fulfilment of their needs, Lutech has adopted a Quality Management System compliant with the ISO 9001:2015 standard, which guarantees the periodic review and continuous improvement of all company processes with a particular focus on those which are more innovative in nature;

- **ISO 14001:2015 Environmental Management System**

To ensure that its activities are carried out in accordance with current legislation in all areas in which it operates, Lutech has certified its environmental management system. This has as a prerequisite, in addition to the full involvement of employees and collaborators, an awareness-raising action with respect to customers, suppliers and partners to achieve the common goal of reducing environmental impacts;

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

The Management System adopted guarantees the complete and accurate identification of

risks, the removal of Health and Safety hazards and the prevention of accidents for anyone who may be directly or indirectly connected to Lutech's activities;

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

Lutech has designed and implemented a management system capable of guaranteeing the security of information systems by adopting internationally recognised best practices. The system enables the reliable and secure management of information that can provide high service levels; monitor and reduce the risks of possible service disruptions; reduce the risks of service interruptions (Business Continuity);

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

In order to ensure the continued ability to meet the needs expressed by its Customers, Lutech has implemented a Management System capable of ensuring the periodic review and continuous improvement of all company processes and services provided. This allows it to offer the best global ICT solutions and to propose complete solutions, from feasibility studies to final implementation and operational management;

These recognitions are therefore further proof of how the company pays the utmost attention to the marketing of quality digital solutions, with the strength of a consolidated and improving relationship with leading manufacturers. Further new experimental and commercial collaborations may certainly develop from these relationships of mutual commitment.

TRAINING

In-company training is one of the most important improvement steps, the impact of which on human resources and, thus, on productivity and the corporate climate can be understood based on the number of training activities provided and the total number of hours spent on training.

The table below shows the details for the year 2021. Further details will be presented in other sections devoted to the particular type of training provided/received. For example, corporate training on topics relating to Human Rights will be presented in the specific thematic section.

Training type	Training activities	Employees with at least 1 course	hh
Compliance training (231, anti-corruption, GDPR, Security, Procurement Code, management systems)	1471	563	2.847,80
Compliance training (81/08)	185	185	1.724,00
General training	21	21	84,00
Technical and strategic training	519	278	6.556,00
			11.211,80

RESEARCH AND DEVELOPMENT

The Lutech Group participates in the EU Horizon 2020 programme (Europe's largest innovation funding programme) with two projects, SPIRIT (Lutech S.p.A.) and MED-GOLD (BeeToBit S.p.A.).

The SPIRIT project calls for the creation of a software tool to improve police investigations by collecting data from the web. The estimated duration is 36 months starting from August 2018 and a total funding of € 5 million will be required, of which Lutech's share is € 382,000.

The MED-GOLD project, on the other hand, will end on 31 December 2021, unless extended, and concerns the transformation of climate information into added value for the traditional Mediterranean food crops of grapes, olives and durum wheat. BeeToBit's share is € 272.5 thousand.

During 2021, Lutech also made investments in solutions and products amounting to € 1,236 thousand,

of which € 91 thousand on the wLab platform, € 530 thousand on the wHospital platform, € 457 thousand on the RT3 platform and € 158 thousand for other solutions. Development costs were capitalised based on an assessment of the ability to generate revenue in future years through the sale of new licences and the invoicing of software maintenance fees.

The volume of investment in research and development in 2020 was € 1,236 thousand and in 2021 was € 1,461 thousand. The company does not have a specialised internal innovation management committee, but regularly invests in R&D, even with long-term projects designed to support future growth. The direct economic value generated by the investment in R&D was € 22 thousand in revenue in 2020 and € 21 thousand in 2021. The share of R&D investment out of total turnover in 2020 was 0.46% and in 2021 was 0.48%. The number of research projects carried out in 2020 was 8, and in 2021 there were 7.



OUR COMMITMENT TO THE ENVIRONMENT

 LUTECH

OUR COMMITMENT TO THE ENVIRONMENT

Lutech is actively committed to implementing business plans that optimise its impact on the environment and implements, both internally and externally, projects for the reduction of energy consumption and greenhouse gas emissions into the atmosphere, with a specific focus on sustainable mobility management.

The Group believes in the importance of engagement and constant dialogue with all stakeholders,

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

Therefore, the activities planned and implemented by Lutech go beyond regulatory compliance and the specific requirements of the certified Management Systems and ensure the implementation of a series of voluntary and proactive incremental initiatives.

MANAGEMENT APPROACH

Lutech has identified three environmental issues of particular significance and priority for its work, on which to focus improvement actions over the coming years. Energy efficiency, the reduction of environmental impact and Greenhouse Gas (GHG) emissions into the atmosphere, and ICT solutions for the green economy are therefore the pillars of its improvement strategy.

Environmental issues are constantly monitored and managed through an Environmental Management System (EMS) in accordance with ISO 14001:2015, which has been adopted voluntarily as of 2 September 2019 and certified by a third party to ensure compliance and proper implementation.

In everyday life, this translates into lines of action, policies and operating procedures that allow for the coordinated and systematic management of all activities and processes that may have an impact on the

environment.

The EMS is continually improved by including processes and interactions that are in accordance with the ISO standard and current legislation and is shared with and disseminated to anyone who performs an engagement with the company. Specific training sessions on the topics of ISO 14001 are provided to newly recruited employees and members of the Compliance Office and HSE Office (data on in-house training hours on Management Systems).

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

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

- involving all internal staff in the implementation and maintenance of the EMS through continuous and increasing awareness of issues linked to the environmental impacts of activities;
- ensuring that activities are carried out in accordance with applicable legislation and internal requirements and procedures. In 2021, there were no non-conformities, only suggestions for improvement actions;
- involving and raising the awareness of customers, suppliers and partners on environmental issues, as is done for employees and collaborators. As far as customers, suppliers and partners are concerned, this mainly takes place through the dissemination of materials via the web;
- preserving the company's image as a punctual, reliable, competent and environmentally friendly supplier.

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

- the application of management system techniques and methodologies, as a means for the controlled management of all activities carried out in the processes involved;
- the organic and clear definition of the tasks and responsibilities of all personnel involved in all of the company's operating processes;
- the active and participatory involvement of employees, collaborators and their representatives;
- active supervision and operational control over the performance and effective communication of the information necessary for the coordination of environmentally friendly activities;
- the full and precise identification and assessment of the environmental impacts - whether they derive from normal or from abnormal/emergency situations - of anyone who may be directly or indirectly connected to the company's actions;
- the optimisation of company energy consumption;
- the promotion of differentiated waste manage-

ment across all company sites;

- the promotion of a "Plastic Free" policy with respect to employees, as the environmentally sustainable choice and to fight against the overuse of plastic;
- incentivising and consolidating the virtuous behaviour of employees and collaborators to reduce pollution and preserve natural resources;
- the commitment to quantifying, reporting on and removing the greenhouse gas emissions generated by the company;
- the continuous improvement of its EMS in order to improve environmental performance.

In order to verify the effectiveness of the achievement of the established objectives, the management is committed to monitoring results through annual internal audits, measuring performance and planning any corrective or improvement actions, as well as sharing information via the company website or email.

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

- promoting Smart Working amongst its employees (which for 2021 assumes the 2020 take-up rate of 87.5% - data obtained through a survey in locations subject to Mobility Management);
- the promotion of "Paperless" solutions. As far as paper consumption over the two years is concerned, the available data show that 300,000 sheets of A4 paper were purchased in 2020, whereas in the following year, 2,500 sheets of A3 paper and no sheets of A4 were purchased. The figure is obviously affected by Smart Working, so that the paper used for printing and office work is no longer consumed in the office, but rather at home. In general, it can be said that the company is actively oriented towards a path of paper reduction, as was the case with the activation of the digital signature on purchase orders, which is the rule and no longer the exception at Lutech;

- optimisation of consumption (energy, water, etc.) and efficiency;
- selection of electricity suppliers that use renewable energy sources;
- implementation of Mobility Management projects, offering agreements with transport companies, making pooled cars and/or shuttles available to employees, analysing employee trips annually according to the Commuting Plan ("PSCL")¹;
- Fleet Management activities, i.e. the tracking and monitoring of the consumption and maintenance of the company's fleet of cars and the reduction of consumption and greenhouse gas emissions;
- construction of the new headquarters in Cinisello Balsamo (MI) according to criteria of high consumption and performance efficiency, environmental comfort and healthiness. In particular, by adopting:
 - greenery solutions that increase healthiness and make spaces smarter thanks to corners with green plants;
 - phone booths and soundproof rooms to decrease noise pollution in offices;
 - natural or recycled materials: in this sense,

- preference was given to suppliers with more responsible processes, as well as the use of wood, insulation and low environmental impact paints;
- solutions to reduce visual pollution and increase temperature stability by means of blinds and/or shades.
- quantification of its Corporate Carbon Footprint and voluntary certification according to ISO 14064-1:2018 (Greenhouse Gas Inventory, Analysis and Reduction System) for activities carried out at the Cinisello Balsamo HQ.

Furthermore, the Group is committed to assessing and keeping abreast of possible risks and opportunities linked to the environmental aspects of its specific activities and supply chain.

In particular, Lutech establishes and implements processes to control the indirect environmental impacts of its supply chain through regular reviews, alignments and second-party audits of contractors. These processes constitute the supplier qualification procedure, which is the responsibility of the procurement department.

¹Commuting Plan



CERTIFICATIONS

From an environmental standpoint, Lutech provides its services in accordance with the following international standards:

- **ISO 14001:2015** *Environmental Management System*;
- **ISO 14064-1:2018** *Greenhouse gases: Principles and requirements at the organisation level for*

quantification and reporting of greenhouse gas emissions and removals.

By obtaining these certifications, the company has been able to monitor and control its environmental impacts, correctly assess risks and ensure its compliance with legislation, as well as limit its impact on climate change.

IMPACT PROJECTS

ENERGY EFFICIENCY

The company is concretely committed to monitoring and evaluating its energy consumption with specific indicators that make it possible to prevent any waste and improve energy efficiency based on the results obtained.

During the year 2021, energy totalling approximately 7,593.48 GJ was consumed at Lutech sites, of which 2,307.98 GJ for the headquarters in Cinisello Balsamo (Mi). This consumption is due to the use of natural gas for heating produced by boilers, amounting to 1,019 GJ, and electricity purchased externally, amounting to 6,573 GJ².

2021						
	CINISELLO BALSAMO		OTHER LOCATIONS		TOTAL	
	Value	GJ	Value	GJ	Value	GJ
Methane - Heating (smc)	20.952,53	739,23	7.957,00	280,73	28.909,53	1.019,96
Total consumption of electricity purchased (kWh)	435.764,86	1.568,75	1.390.214,00	5.004,77	1.825.978,86	6.573,52
TOTAL CONSUMPTION OF ENERGY ON SITE	-	2.307,98	-	5.285,50	-	7.593,48

shown: total internal energy consumption 20/21

²The sources of the conversion factors used to calculate the energy consumed within the organisation are: Italian Ministry of the Environment - Table of National Standard Parameters for greenhouse gas monitoring and reporting - from UNFCCC Inventory (Natural Gas); UK Government GHG 2021 (Electricity).

As far as energy consumption outside the organisation is concerned, this comes mainly from business travel and commuting. For the latter, Lutech is committed to implementing specific projects, such as Mobility Management, in order to decrease the

relative emissions³. In the following table, the data on business travel refer to all Lutech locations, while the energy consumed for commuting relates to the four locations considered in the Lutech Commuting Plan.

2021		
	Value	Value (GJ)
Business trips (km)	3.975.341,00	6.761,90
Petrol	811.349,00	1.733,26
Diesel	2.659.251,00	4.130,08
Other	504.741,00	898,55
Commuting (km)	5.127.936,00	9.038,42
Vehicles	3.917.173,00	7.279,28
Motorcycles	142.443,00	175,56
Train/Metro	1.068.320,00	1.583,59
Energy consumed outside the organisation	-	15.800,32

shown: total external energy consumption 20/21

As concerns the reduction of energy consumption, it is not yet possible to have a meaningful baseline against which to compare performance over time. Indeed, Lutech opened the new Cinisello Balsamo site in September 2021, a year that is already not very representative, along with 2020, due to the effects of the Covid-19 pandemic and the resulting extended periods of smart working and office closures. 2022 could be the first reference year against which per-

formance in subsequent years may be compared.

For the year 2021, there was also an increase in electricity consumption due to the rental of a larger building than the previous one, an increase in the number of people in the office due to acquisitions, the closure of other locations and, finally, consumption linked to renovation work on the new office.

³ The sources of the conversion factors used to calculate the energy consumed within the organisation are: Italian Ministry of the Environment - Table of National Standard Parameters for greenhouse gas monitoring and reporting - from UNFCCC Inventory (automotive unleaded petrol); Italian Greenhouse (automotive diesel); UK Government GHG 2021 (automotive CNG); FIRE guidelines for the appointment of the Energy Manager 2018-v.2.1 (density for automotive petrol, diesel, automotive LPG).



MOBILITY MANAGEMENT

A fundamental theme for Lutech concerns sustainable mobility, which is also included in the company's strategic approach and interpreted through the lens of technological, economic and social evolution.

In particular, the first Commuting Plan ("PSCL") was presented in 2021 with the aim of assessing the impacts of systematic mobility between home and the workplace, raising employee awareness and identifying measures to promote sustainable mobility.

The plan, which was presented for the locations subject to current regulations (Cinisello Balsamo, Cassina De' Pecchi, Fiumicino and Rome), was drafted by the in-house Mobility Manager. The ultimate aim is to progressively decrease the company's impacts on the environment and discourage individual private car use.

The noteworthy aspects of the PSCL project are concentrated on three macro-initiatives.

1. Application of Smart Working, requiring presence in the office for one day per week, based on business needs;
2. IT solution for Company Car Pooling for the Cinisello Balsamo and Rome locations evaluated for the start of 2022;
3. Creation of a green corporate fleet, currently consisting of Euro 6 vehicles under long-term rental, which will be replaced with hybrid cars in the next contracts. In order to do this, a car list focusing on greener and less polluting hybrid vehicles was defined in cooperation with VW Italia, VW Financial Services Italia, Stellantis and Leasys. In 2021, Lutech's fleet numbered 370 vehicles, of which around 6.5% are less polluting than conventional vehicles, in particular, one electric car and 23 hybrids.



CINISELLO BALSAMO

In the second half of 2021, the new head office was inaugurated in Cinisello Balsamo, a completely renovated 12,000 square metre space designed for the hybrid working of the future, one-third of which is made up of shared spaces for interaction between employees and collaborators.

Starting with the choice between a green field investment or the use of an existing structure, the guiding thread adopted by Lutech was that of sustainability, which is why it opted for the renovation of a complex that was not in use which, in addition to the advantageous location in the area and the large areas available, made it possible to recover already constructed volumes instead of planning a new building, which is also more demanding from the environmental perspective.



Attention to the ecosystem is also demonstrated in the choice of suppliers and the use of natural or recycled materials, with a preference for those with a low environmental impact or zero emissions, including wood, insulation and green paints.

In addition, more than 1,100 plants have been placed inside the offices to purify the air, offset CO₂ emissions and contribute to staff well-being and quality of life. The vegetation is illuminated by luminaires that emit coloured light characterised by special light frequencies, which promote photosynthesis and thus plant growth. As far as lighting is concerned, the entire complex is equipped with low-energy LED lights designed, together with blinds and shades, to improve the thermal insulation of the offices and reduce visual pollution.

Finally, construction methods and high-performance materials contribute to excellent acoustics. In particular, phone booths and soundproof rooms reduce noise pollution in offices.

REDUCING ENVIRONMENTAL IMPACT

Climate change and the resulting rise in global temperatures are due to the increased concentration of greenhouse gases (such as CO₂ and CH₄) caused by emissions from human activities. Compared to pre-industrial levels, the temperature has increased by 0.8°C and an increase of more than 2°C would cause further risks and disasters. For these reasons, organisations are striving to produce goods and services with a reduced environmental impact and a greater competitive advantage.

Lutech measures the impact of its activities through the Corporate Carbon Footprint, an indicator that uses CO₂ equivalent as a reference gas to measure the GWP⁴. An initial study has been conducted on

Lutech's 2020 activity data for the Cinisello Balsamo site and is currently being updated for the year 2021.

The decision was made to analyse only the Cinisello Balsamo HQ as it is considered to be the largest and most highly populated site, as well as the most significant. In the future, the analysis will be extended to other locations as well.

Pending new data for 2021, a study was certified according to the GHG Protocol, scopes 1 and 2, which had the following results.

During 2021, there was a decrease in Scope 1⁵ emissions (direct GHG emissions), mainly due to a decrease in leaks from air-conditioning systems.

⁴ Global Warming Potential

⁵ Source and value of emission factor deriving from R410 F-Gas consisting of 50% HFC 125 and 50% HFC 32: Ecoinvent 3.8 database, value of 2,255.5 kgCO₂eq/kg;

Source and value of emission factor deriving from natural gas combustion: Ecoinvent 3.8 database (Heat, district or industrial, natural gas [Europe without Switzerland] | heat production, natural gas, at boiler modulating <100kW | APOS, U excluding the contribution of natural gas production and combustion plant), value of 2.06 kgCO₂eq/Sm³.

	tCO ₂ eq 2021	tCO ₂ eq 2020
Methane combustion in stationary sources	43,20	34,40
Leaks from air conditioning systems	32,06	43,16
SCOPE 1	75,26	77,56

shown: Lutech Scope 1 emission data

Concerning Scope 2⁶ (Indirect GHG emissions), there was an increase in emissions, which is mainly due to the increased use of the office after the renovation and expansion works carried out in 2021.

The calculation methodology used to determine Scope 2 is Location-based, which uses the average emission factors of national energy mixes for electricity production.

	tCO ₂ eq 2021	tCO ₂ eq 2020
Imported energy	164,04	117,52
SCOPE 2 (location-based)	164,04	117,52

shown: Lutech Scope 2 emission data

Regarding Scope 3 (Other indirect GHG emissions) within the Carbon Footprint Calculation, Lutech calculated Greenhouse Gas emissions for the year 2020 for the Cinisello Balsamo site as well, and an

update on the 2021 results is still ongoing. The complete data collected for 2020 are presented in the table.

	tCO ₂ eq 2020
Category 3	2095,21
Commuting	45,79
Business trips	1974,50
Shipping	0,08
Material procurement logistics	74,84
Category 4	616,86
Network losses and electricity transformation	3,45
Paper production	1,13
Production of specific products	11,29
Server consumption	548,46
Sending of mail	20,20
Video call	22,29
Smart Working	10,04
Total SCOPE 3	2712,07

shown: Lutech Scope 3 emission data

⁶ Source and value of emission factor deriving from electricity production: Ecoinvent 3.8 database (Electricity, low Voltage [IT] Lutech | market for | APOS, U), value of 0.376 kgCO₂eq/kWh.

The final figure for 2020 is 2712.02 tCO₂eq, while a higher value is estimated for 2021 due to the increase in activities after the limitations imposed by the Covid-19 emergency.

As far as waste management is concerned, disposal is carried out by Lutech's central warehouse. Toners,

on the other hand, are collected and disposed of by a qualified supplier.

Considering all Group locations, the total waste generated decreased over the last year, amounting to 11,320 kg in 2021 compared to 18,830 kg in 2020, and originates only from mixed material packaging and non-hazardous end-of-life equipment.

Waste weight - EWC codes	Kg 2020	Kg 2021
080318 - Waste printing toner other than those mentioned in 080317	450,00	-
150106 - Mixed packaging	15.980,00	7.940,00
160213* - Discarded equipment containing hazardous components other than those mentioned in 160209 to 160212	820,00	-
160214 - Discarded equipment other than those mentioned in 160209 to 160213	580,00	3.380,00
160601* - Lead batteries	260,00	-
200307 - Bulky waste	740,00	-
Total waste	18.830,00	11.320,00

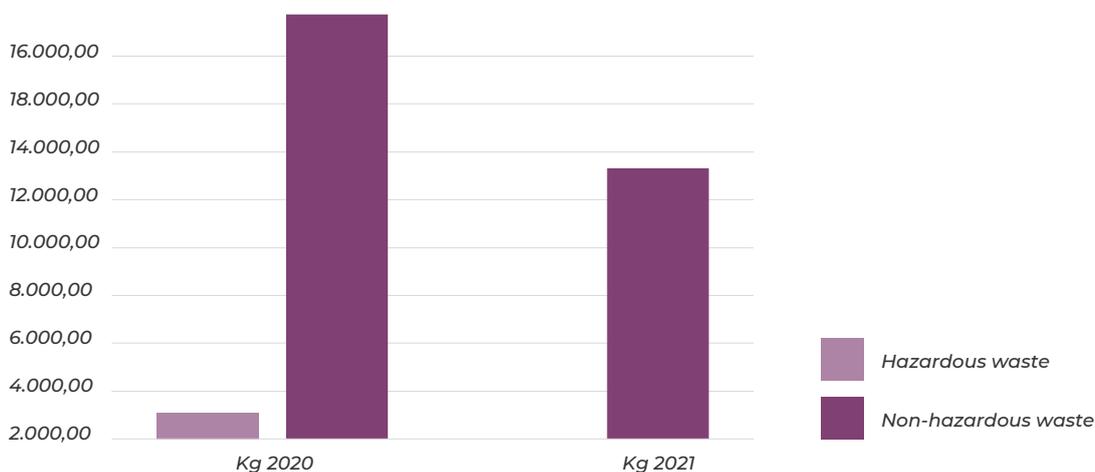
Codes with (*) indicate hazardous waste.

shown: Lutech waste management data, by code 2020/2021

In particular, while in 2020 6% of the waste produced by the Company was hazardous, in 2021 there was no hazardous waste. Finally, WEEE constitutes

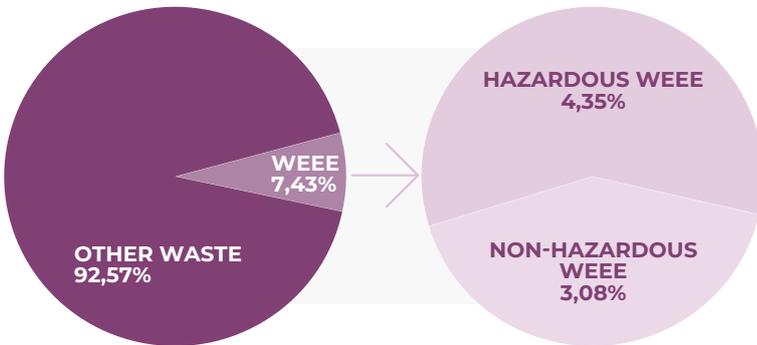
about 30% of total waste, up from 7.43% the previous year, but totally non-hazardous compared to 59% hazardous in 2020.

LUTECH WASTE COMPOSITION 2020/2021

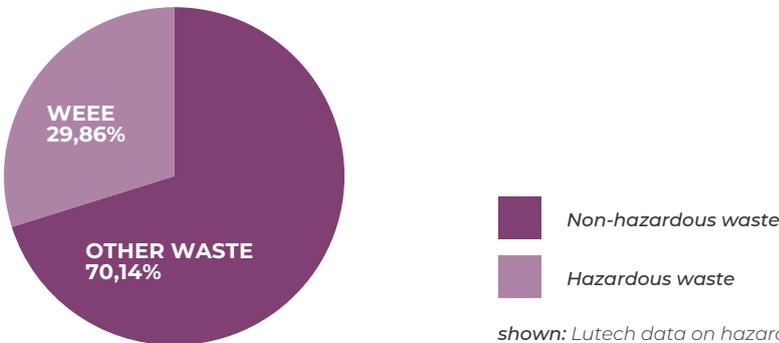


LUTECH HAZARDOUS/NON-HAZARDOUS WASTE

WEEE WASTE OUT OF TOTAL 2020



RIFIUTI RAEE SUL TOTALE 2021



shown: Lutech data on hazardous waste and WEEE waste out of total



THE LUTECH FOREST

The group pursues its environmental commitment not only internally, but also through projects aimed at the outside world and the community. This is how the “Lutech Forest” was born, a project in collaboration with ZeroCO2 that contributes to the reforestation of the Amazon Rainforest, with benefits in terms of CO2 offsetting, biodiversity protection and support for local indigenous populations.



500

Trees planted



120.000

Kilograms of CO₂ offset



8

Families supported

Specifically, anyone who registers for Lutech Next Generation Manufacturing, an event dedicated to the digital transformation of the industry, contributes to the planting and adoption of a tree. They will be kept updated on the characteristics and growth of their tree. The forest also supports local indigenous populations, as the peasant populations can use the collective plantings at risk of extinction as a source of income⁷.

⁷ <https://lutech.group/it/newsroom/foresta-lutech>

ICT SOLUTIONS FOR THE GREEN ECONOMY

As an ICT Company, the Lutech Group is committed to building IT project initiatives that support the company's environmental efforts.

Specifically, it focuses on three concrete actions:

1. streamlining of switchboards and landline telephones for all group companies, generating estimated daily savings of approximately 180/200 kWh;
2. streamlining of the data centres and server rooms of acquired companies into a single Group Server Farm, thus saving approximately 63,579 W/h due to the synergies introduced;
3. electronic signature project through the Lutech Remote Digital Signature procedure, created

using CSTTech's PBP.ESIGN tool. This initiative has a positive impact from the point of view of business processes, implying greater security and streamlining of paperwork, as well as the automation and acceleration of low-value added bureaucratic processes, and from the point of view of the external environment, by reducing paper consumption. In this context, the key words for Lutech are digitalisation and dematerialisation, implemented for the time being in order management activities, in the Healthcare division and in responses to tenders through a document approval workflow. As far as the initial estimates available in 2021 are concerned, 9133 sheets of paper were saved due to the digitalisation of order processes, considering an average of one page per order.





OUR COMMITMENT TO PEOPLE

 LUTECH

OUR COMMITMENT TO PEOPLE

Companies are made up of people, and it is therefore for them and with them that the commitment to a responsible business model must be developed and applied. Lutech has always been committed to building a working environment that is welcoming

and respectful, through formal certification processes, or the informal activation of participatory and inclusive practices. The following section explains the different processes, projects and data organised based on the specific beneficiary stakeholder.

MANAGEMENT APPROACH

In managing its stakeholders, Lutech follows CSR principles, paying attention to accountability with respect to all categories, with a particular focus on suppliers and employees, as company decisions directly impact their well-being and activities. In order to be able to better understand and manage indirect social and environmental impacts, i.e. those impacts caused by its supply chain, Lutech is committed to supporting supplier qualification and selection processes based on social sustainability principles, through audits and assessments that highlight the ESG performance of its partners. With regard to the impact on employees, on the other hand, particular weight is given to worker health and safety, which is ensured through specific training programmes, individual well-being and growth, inclusion and equal opportunities, in terms of both financial and non-financial benefits. Lutech's focus on these issues is confirmed by its achievement of ISO 45001:2018 certification and, thus, the establishment of an Occupational Health and Safety Management System.

In order to properly handle the above issues, Lutech has the following general objectives:

- engaging all internal staff in the implementation and maintenance of the ISO 45001:2018 System through continuous and growing awareness of Occupational Safety, also with reference to the prevention of accidents and occupational diseases;
- ensuring that activities are carried out in accordance with applicable legislation, as well as with internal requirements and procedures;
- engaging and raising the awareness of Customers, Suppliers and Partners on Occupational Health and Safety issues, as is done for Employees and Collaborators;
- preserving the company's image as a punctual, reliable, competent and safe supplier;
- incentivising work-life balance, and a reduction in work-related stress.

In order to achieve these objectives, the responsibilities of each employee have been defined, and every employee is considered a crucial resource and is therefore involved in the company's activities in an active and participatory manner. Staff inclusion and the goal of being a crucial partner for its customers are also fundamental for the Company, which is committed to identifying, recruiting, developing and retaining employees by investing in their talent, lea-

dership and passion. Furthermore, it aims to enhance its resources through training, customised career paths and innovative incentive mechanisms, so as to regularly boost the quality of skills and motivation. Finally, the two fundamental principles for the group, namely ethics and transparency, are pursued in all activities, ensured, in particular, through a specific Complaint Management System.

SUPPLIERS

A first type of stakeholder on which to define its corporate responsibility policies is represented by suppliers, the operational core of Lutech's activities, comprising 1024 entities in 2021 and 948 in 2020. These include:

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

From the financial perspective, in 2021 there were a total of 9,057 purchase orders, and 32,981 order lines.

The estimated monetary value of the payments made to suppliers in 2021 was € 227,939,242.67 million, and they were used for the following: supply of IT products, purchasing through distributors, partnerships and consulting.

With regard to the ESG-based supplier selection process, the number of companies

subject to ex-post performance evaluation (including the presence of ISO 14001 and 45001 certifi-

cations) came to 10 suppliers evaluated in the year 2020 and 15 suppliers evaluated in the year 2021, mainly active in the facility and HSE areas.

The number of new suppliers specifically assessed based on environmental criteria in 2020 was 1 new supplier out of the 10 subject to Environment and Occupational Health and Safety assessment. In 2021, out of a total of 15 suppliers assessed on Health, Safety and Environment aspects, one new supplier was added. In 2020, one supplier out of the 10 examined received a negative environmental assessment; it was replaced in the following year. In 2021, there were no suppliers with current or potential significant or negative environmental impacts, which is why no procedures for the improvement or, conversely, the termination of relationships, were initiated.

The number of in-person supplier audits conducted in the reporting year is zero if referring to audits conducted directly by Lutech, while there were 81 (in 2020) and 99 (in 2021) self-certified document audits on GDPR and Security topics.

Lutech S.p.A. intends to establish business relationships with its suppliers and business partners that

are characterised by transparency, fairness and ethical negotiations. The development of credible and long-lasting relationships with suppliers, attention to quality, safety and respect for the environment, and compliance with applicable regulations are objectives to be pursued with a view to consolidating value. For Lutech, the objective is to work

sustainably throughout its supply chain to ensure that the company and its customers are supplied with products with a satisfactory ethics-quality-price ratio. With this in mind, the involvement of new suppliers has required the acceptance of the Framework Agreement and Code of Ethics since 2020.



PROCUREMENT & FACILITY MANAGEMENT

Since 2020, major changes have been made to purchasing policies, in which sustainability criteria have been formalised as a key parameter in supplier selection. The project, which is still being finalised, will be implemented at the end of 2022 and will include a series of additional bonuses for suppliers that can demonstrate a proven and measurable focus on the environmental and social impacts of their supply chain, production and distribution.

In the new project in the pipeline, a new platform will be set up where suppliers will be encouraged to register for an assessment, which will be repeated at different intervals depending on the scores obtained. This tool will also allow Lutech to monitor the sustainability performance of its suppliers, supervising their activities and efforts.

Some of the issues considered in assessing the fulfilment of social and sustainability requirements will be, in the pre-qualification phase:



Environment



Occupational health and safety



GDPR compliance



Inclusion and Diversity

Once these macro-areas have been assessed with reference to specific parameters, the supplier will obtain a score, which will be submitted to the Procurement Office for evaluation. Subsequently, if successful, the supplier will start working for Lutech and its performance will be analysed against certain benchmarks. After one year of collaboration, a second performance evaluation (also ESG) will be carried out and the supplier will obtain a second score that will enable it to obtain confirmation of its accredited supplier status.

EMPLOYEES

The second internal stakeholder of particular importance for Lutech's social and environmental activities is the employees. Some figures will be presented below relating to their company presence, practices

to protect their health and safety and projects with a social or environmental impact in which they were involved.

TOTAL NUMBER OF EMPLOYEES BY LABOUR AGREEMENT

2021



2020



TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE

2021



2020



In 2020, the total number of employees by labour agreement (unlimited term and limited term) by geographical area was distributed as follows:

LOCAL UNIT	UNLIMITED TERM	LIMITED TERM
Campania	33	-
Emilia Romagna	28	-
Lazio	222	-
Liguria	6	-
Lombardy	938	8
Piedmont	35	-
Puglia	5	1
Sardinia	3	-
Sicily and Calabria	25	3
Tuscany	24	4
Triveneto	51	1

In the following year, the total number of employees by labour agreement (unlimited term and limited term) was as follows:

LOCAL UNIT	UNLIMITED TERM	LIMITED TERM
Campania	41	-
Emilia Romagna	18	1
Lazio	222	-
Liguria	6	-
Lombardy	916	30
Piedmont	36	1
Puglia	5	1
Sardinia	3	-
Sicily and Calabria	24	3
Tuscany	24	4
Triveneto	51	1

Finally, in 2021, 75% of employees received periodic performance and professional development evalua-

tions, by gender and by category as shown in the table below:

RESOURCES EVALUATED: 1,039 of which		
		
EXECUTIVES	15	0
MIDDLE MANAGERS	104	6
TRAINEES	30	10
BLUE-COLLAR EMPLOYEES	27	0
WHITE-COLLAR EMPLOYEES	688	159
TOTAL	864	175

With regard to the topic of occupational health and safety, in both 2020 and 2021 Lutech implemented an Occupational Health and Safety Management System based on the combination of the requirements imposed by Legislative Decree 81/08 and the compliance commitments imposed by the ISO 45001:2018 standard. This system covers 100% of Lutech employees.

With regard to the type of workers, activities and workplaces covered by the occupational health and safety management system, in both years Lutech focused on the following jobs as defined in the risk assessment document (“DVR”):

- employee (staff);
- 24-hour Service Desk operator - shift operator (operators with shifts over a 24-hour period);
- customer service technician (software technician or hardware technician);
- surveillance system installer technician;
- cleaner (only one employee);
- warehouse worker.

With regard to the workplaces covered by the sy-

stem, these are mainly Lutech offices and/or the offices of Customers, with the exception of some activities carried out externally in specific company business units.

With regard to hazard identification, the processes used to detect hazards at work and to assess risks systematically and non-systematically, Lutech has established, implements and maintains processes for continuous and proactive hazard identification.

These processes take into account:

- how work is organised, social factors (including workload, working hours, harassment, abuse and intimidation), leadership and company culture;
- routine and non-routine activities and situations, including hazards arising from:
 - infrastructure, equipment, materials, substances and physical conditions of the workplace;
 - product and service design, research, development, testing, and service delivery;
 - human factors;
 - how work is performed;
- major incidents that have occurred, inside or outside the organisation, including emergencies and



their causes. Such incidents occurred or did not occur (“near misses”) are properly recorded by the HSE Office structure;

- potential emergency situations;
- people, taking into consideration:
 - those who have access to the workplace and their activities, including workers, contractors, visitors and other individuals;
 - those in the vicinity of the workplace who may be affected by Lutech's activities;
 - workers in a location not under the direct control of Lutech, such as personnel at Customer sites, or local units open at Lutech Group companies;
- other factors, taking into consideration:
 - the design of work areas, processes, equipment, operating procedures and work organisation, including their adaptation to the needs and capabilities of the workers involved;
 - situations occurring in the vicinity of the workplace caused by work-related activities under Lutech's control;
 - Situations not controlled by Lutech and occurring in the vicinity of the workplace, which may cause injury and illness to people in the workplace;
- analysis according to ISO 45001:2018 of Risks and Opportunities for the OHS Management System by the Compliance Office.

The results of these processes to assess and continuously improve the occupational health and safety management system are used in the following way, supported by the indications set forth in the “Risk and Opportunity Analysis” document and the “Risk Assessment Document”.

By virtue of the first document, deriving from the indications of the UNI ISO 45001 standard, internal and external factors, divided into areas, are taken into consideration, and it is assessed how they influence various functions and processes within the company.

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

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

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

- enhancing training on and the dissemination of occupational health and safety content to all personnel;
- continuous training on new topics and updates on existing ones for all structures dealing with compliance;
- better organisation of the entry of new companies into Lutech by defining in more detail the procedural steps for onboarding them, also within the Compliance and thus also the Management System.

Also, the “Risk Assessment Document” (“DVR”), which was developed in compliance with Legislative Decree 81/08, takes into account the various types of risks defined in the above-mentioned law decree and how they are mitigated at company level, for example through periodic maintenance to ensure the efficiency of equipment and structures; daily monitoring by workers of the main safety factors concerning the performance of their job (and subsequent reporting of inefficiencies to their supervisor); constant monitoring by area managers and immediate reporting; constant monitoring by area managers and their reporting to the employer and the prevention and protection service manager (“RSPP”) of the proper behaviour of workers and respect for proper working

practices; periodic inspection/audit of the work areas by the RSPP in order to verify the general state of the workplaces and the behaviour of personnel, as well as to discuss any problems relating to occupational health and safety with area managers.

In addition to maintaining the effectiveness of the protection measures already in place, the company constantly modernises its plants, production processes, workplaces and safety equipment to ensure the continuous improvement of working conditions in terms of health and safety.

Improvement measures are generally planned:

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

The reporting of any hazards and dangerous situations at work, including the possibility of removing oneself from situations that are considered likely to cause work-related injuries or illnesses, takes place by providing workers with the following reporting tools and/or methods and subsequent removal from activities:

- sending anonymous reports using the methods defined by Legislative Decree 231/01 applied in the company, or “whistleblowing” reports received directly by the Supervisory Board (SB);
- direct communications to the Human Resources (HR) department, which are then managed with the protection of the unitary union representative body (“RSU”) and the Workers’ Safety Representative (“RLS”).

With regard to the ability to investigate professional accidents, including processes for identifying hazards and assessing risks relating to accidents, Lutech has established, implements and maintains several processes, including reporting, investigations and the definition of the actions to be taken to determine

and manage Incidents and cases of Non-Compliance. When an Incident or a case of Non-Compliance occurs, the company:

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

At document level, Lutech keeps the following documented information as evidence of the nature of Incidents or cases of Non-Compliance and any subsequent action taken in the “Compliance Activity Management” web tool and the Accident Register maintained by the HSE Office; of the results of any actions and corrective actions, including their effectiveness.

LUTECH communicates this information to workers, workers’ representatives and other relevant stakeholders through management reviews and periodic meetings with the RLS, RSPP and the company physician (“MC”).

Cases of Non-Compliance are managed according to “PSQ-007 Non-Compliance and Complaint Management” procedure. Corrective actions, whatever their origin, are managed in accordance with the “PSQ-019 Action Management” procedure, which sets out the

responsibilities for managing corrective actions and the execution methods for their processing. All information on the actions taken and the results obtained are recorded and stored by the Compliance Office in the “Compliance Activity Management” web tool.

With regard to the activation of occupational medicine services that contribute to the identification and elimination of dangers and the minimisation of risks, open to the participation and consultation of workers, at Lutech there is a structure consisting of Coordinated Company Physicians throughout Italy and a Coordinating Company Physician, as defined by Legislative Decree 81/08.

At least once a year, a (periodic) meeting is held with the Coordinating Company Physician, RSPP, Workers' Safety Representatives (RLS, selected from the RSUs, elected at appropriate elections) and the Employer. At these (regular) meetings, the activities of the previous period are reported on and possible future improvement actions are outlined.

Furthermore, the company has a “Covid-19 Committee”, which was created at the indication of the Prime Ministerial Decree issued during the Covid-19 pandemic emergency, consisting of the Employer or its delegate, RSPP, Workers' Safety Representatives (RLS), trade union representatives and the Human Resources (HR) function, which met as needed to present the various activities to be implemented to respond to the emergency, identified by the HSE Office.

Another very important element relating to the health and safety of workers concerns their training, which Lutech provided in 2021 in accordance with Legislative Decree 81/08 (and thus at the request and under the supervision of the HSE Office) in the following ways proved by examinations and/or end-of-course assessments:

- 4 hours of General Training, to all employees;
- 4 hours of Lutech Specific Risk Training, to all employees;

- 16 hours of Training, to all Executives;
- 8 hours of Training, to all Supervisors;
- 50 hours of training, to the RSPP;
- 24 hours of Training, as Safety Trainers;
- 32 hours of Training, to RLSs;
- 16 hours of First Aid Training;
- 8 hours of Training, Fire Prevention Officers; Relating to ISO 45001:2018, and therefore at the request and under the supervision of the Compliance Office: New Hire Course, on all Lutech Management Systems, to all incoming employees; ISO 45001:2018 Foundations, to selected Compliance Office personnel; ISO 45001:2018 Lead Auditor, to selected Compliance Office personnel; ISO 45001:2018 Implementer, to selected Compliance Office personnel.

With regard to the promotion of workers' access to non-work-related healthcare services, the company, depending on the National Collective Labour Agreement (CCNL) and the relative contractual level, participates in appropriate supplementary funds for its workers relating to Occupational Health and Safety.

The percentage of all employees and non-employee workers whose work and/or workplace is covered by the internally audited Health and Safety management system is 40%. The remaining 60% of workers work in workplaces with a system that is audited or certified by independent third parties.

Of all Lutech offices, in 2021 only the one in Cinisello Balsamo held the ISO 45001 certification, which is expected to be extended in the coming years.

As far as occupational accidents are concerned, the number of deaths or occupational accidents with

serious consequences was zero for both 2020 and 2021.



There were no work-related deaths or accidents with serious consequences, or general accidents involving workers who are not employees but whose work and/or workplace is under Lutech's control. The latter type of workers worked 61,267 hours in 2021 with 324 external workers, and 40,818 hours in 2020 with 252 external workers. The significantly increased figure in 2021 is explained by company mergers/acquisitions.

Hazards at work that constitute a risk of injury with serious consequences are classified in the DVR as Risk "R" = Probability "P" * Damage "D". The classification is based on what is defined in Legislative Decree 81/08. No serious accidents were recorded during the reporting period. However, in order to reduce dangers or risks, Lutech ensures that mandatory train-

ing is provided to supervisors, workers and safety managers. In addition, it incentivises Smart Working, and the provision of Personal Protective Equipment (PPE) when necessary. These data were calculated using rates defined on the basis of 1,000,000 hours worked and no workers are excluded from this reporting. Also in this case, the data were compiled following the guidelines set forth in Legislative Decree 81/08 and the ISO 45001:2018 standard.

For all employees and workers who are not employees but whose work and/or place of work is under the organisation's control, no deaths or cases of occupational illness were recorded in 2020 or 2021.

The Lutech Group is increasingly committed to crea-



ting a healthy and productive working environment and a common identity with which all employees can identify regardless of their place of work or specific role. To support this commitment, in 2021 a “People Engagement” function was established within the HR department to support continuous internal communication with employees and to propose initiatives for engagement, motivation and care.

Engagement initiatives start by listening to employee needs and interests. As proof of this, the first HR survey, “Lutech Next”, was offered in July 2021, to which 1116 employees (44% of the employees on the workforce at the time) responded, providing information on their Training, Social Responsibility, Engagement and Welfare needs. The results of this survey were transparently communicated to all employees in September 2021 and provided guidance for the planning of initiatives for 2021 and 2022 in five specific areas:

• TRAINING

In this area, amongst many inputs, some of the results pointed to the value of “Information Tech & Digital Skills” for improving current employee performance; the favour of real-time training modes but with openness to on-demand modes; and the irrelevance of attestations or certifications as reasons for interest in training courses.

• CORPORATE SOCIAL RESPONSIBILITY

With regard to the relevance given to certain issues from a Social Responsibility perspective, among the many inputs it emerged that amongst those responding “Very important” or “Fairly important” - referring to the consideration of CSR in the company - environmental initiatives emerged in first place, digital education in second place, followed by initiatives spontaneously suggested by employees and, lastly, those supporting local communities.

• DIVERSITY AND INCLUSION

With regard to the relevance attributed to Diversity

& Inclusion themes, among the many inputs it emerged that the most appreciated within Lutech are those dedicated to generational integration, women empowerment, and cultural and ethnic identity. The issues of sexual orientation and religion were not considered very important.

• COMMUNITY AND INTERNAL ENGAGEMENT

As concerns people engagement, Lutech employees expressed great interest in taking part, with preferences for tech topics, entertainment and the sharing of professional experiences.

On the subject of Innovation, the most eagerly awaited initiatives within Lutech were peer-to-peer mentoring, shared design challenges and think-tanks, and talk shows.

• COMPANY WELFARE

Finally, at the level of company welfare, the survey showed that the initiatives that employees would feel the greatest need for are company agreements for purchasing goods and services, health and well-being, individual or group counselling and coaching, parenting support and psychological support for processing traumatic events.

With a view to company welfare, Smart Working, which was adopted as an emergency response to the Covid-19 pandemic, was the subject of the “Smart Working/Smart Caring” project, which, starting in November 2021, offered professional and individual growth pathways through the targeted support of specialised trainers, coaches and counsellors.

The intervention took the form of a series of three webinars, voluntarily open to all employees, which provided guidelines to promote smart/hybrid working that is both productive and protective of mental and physical health. These webinars were attended by an average of about 400 employees. In parallel, the Group's 110 managers, who are responsible for the coordination of the more numerous working teams, were involved in an awareness-raising, training and group coaching course to sharpen their team ma-

nagement and motivation skills in hybrid working mode. The data on their participation in the various parts of the course show 408 unique participations, with a participation rate of 61% in the morning meetings and 39% in the afternoon meetings.

In December 2021, the SmartCaring service was activated to offer free specialised counselling by psychologists, coaches and experts to support mental/physical and relational well-being in both the professional and personal spheres. This project will also remain active throughout 2022. The service, which is accessible 24 hours a day, 365 days a year, is offered to all Group employees and their adult family members living in the same household. The purposes of using the service undoubtedly include the fruitful and positive management of changes at work or in private life; the establishment of more constructive personal and professional relationships; the improvement of communication with partners or colleagues or, simply, the desire to iden-

tify a growth path and identify the most effective tools to support it.

In addition to the above, Lutech offers certain employee benefits featuring welfare elements involving various types of services and facilitations. In particular, for 90% of the trade contracts present in the company, there is € 350 net per year for each employee, while there is € 200 net per year for employees governed by the industry collective agreement. With regard to health, Lutech provides a supplementary plan in addition to the basic plan, comprising a supplementary policy for management and employees to support personal and household expenses, including for operations and hospitalisation. All employees, except managers, have an accident policy covering permanent disability or death. In addition, there is a comprehensive policy for those who use their car for business purposes. In addition to this, there is a daily meal voucher, valid for both in-person and remote workers.





SMART WORKING AT LUTECH

From an operating perspective, access to Smart Working at Lutech is voluntary and, in 2021, 87.5% of the employees who were offered this arrangement took advantage of it. According to the process that supports the activation of this procedure, the authorised worker is required to sign an individual agreement that will govern Smart Working activities for everything that is not already set forth in Company Regulations.

When working remotely in a Smart Working arrangement, employees have discretion as to where to work, in compliance with the indications set forth in the Occupational Safety Disclosure, with a view to protecting their health and safety, the security of personal data and, in general, the confidentiality of the information at their disposal for work purposes.

The activation of remote work, if provided, entails working partly in-person at the company and partly elsewhere, according to the communicated schedule, considering that the performance of work in-person at the company is required indicatively for one day a week, depending on company needs.

Commenting on the above transitions from the management perspective, there is no doubt that the impact of the pandemic has definitely contributed to speeding up the process of work at Lutech becoming increasingly hybrid, to the point that it is now typically “mixed”, i.e. partly in-house and partly remote. The achievement of this degree of complementarity between the two working environments was the result of the constant and continuous work commented on below by key personnel in the Lutech “People Engagement” function:

“Speaking of Smart Working, it is important to emphasise that the scope of these new working relationships does not only emerge in the short term, but must also be considered in the future: the challenge for Lutech is to find the right balance between the possibility of working remotely and the need to continue to be involved, especially on ESG issues that have to be experienced within the corporate community”.

Therefore, with the aim of harmonising these two modes, the interviewees add: *“We need to recreate new rituals of communication and dialogue between employees, by exploiting a digital ecosystem that keeps people together despite distance and that continues to evolve according to the needs and requirements that emerge. For instance, one area to which we pay continuous attention is that of familiarisation between the employees of the various Lutech locations throughout Italy, or the harmonisation of all internal staff engagement practices, to be implemented during strong acquisition and expansion phases such as the one Lutech is currently experiencing”.*

In this highly complex framework, the need demonstrated in 2021 and on which management practices and processes valid for the following years were then grafted, led to increased sharing with the management leadership functions of strategies, changes and updates within the company, establishing a series of tools capable of fostering the strengthening of a common culture of identification and belonging.

The type of approach that Lutech intends to pursue on behalf of its employees is not only related to the prevention of possible accidents or illnesses, but aimed at creating a healthy and inclusive working environment, where each employee or collaborator can feel at ease, with the awareness that the company represents a space for growth and collaboration. With this in mind, one of the topics in which the company is most interested is Diversity, i.e. the diverse composition of its human resources, in relation to Inclusion processes, i.e. the set of practices in favour of the social and cultural integration of minorities and vulnerable individuals.

The topic, to which new generations of professionals are particularly sensitive, is contextualised in the company at strategic and operational level, interwoven with governance and human resource management choices. Data and indicators relating to the topic are provided below.

At governance level, the percentage of female members of the organisation's governing bodies was

2021

	M	F
Employee	121%	114%
Middle Manager	156%	147%
Executive	136%	135%

Methodologically, the mean of the national average wages was calculated based on the trade national collective labour agreement, using the levels from

13.04% in 2021, whereas it was 14.80% the year before. There are no representatives under the age of 30, while 32.6% represent the age group between 30 and 50, and 67.4% are over 50.

With regard to the breakdown of employees by gender and age, in 2021 the male component accounted for 77.41% of employees and the female component for 22.59%. In the previous year, the male component accounted for 78.3% and the female component for 21.7%. In terms of age, in 2021 employees under the age of 30 amounted to 12.93%, between 30 and 50 to 58.19% and - finally - over 50 to 28.88%. In 2021, the percentage of employees under 30 years of age was 14.99%, between 30 and 50 years of age was 56.1% and over 50 years was 28.91%.

With regard to the ratio of men's basic salary to women's salary, the tables below show the average percentage difference calculated with respect to the average basic salary, the latter broken down by job classification.

2020

	M	F
Employee	108%	110%
Middle Manager	153%	147%
Executive	137%	135%

1 to 5 for white-collar employees and middle managers, while for executives the contractual minimum wage was used.

As concerns the ratio of average female to male wages, the figures for 2021 are:



In 2021 and 2020, there were no incidents of discrimination, and no reports were received via anonymous communication (supervisory board) or other chan-

nels. Other data referring to this topic are presented in the figures below.

Parental leave was granted as follows in 2020:

MATERNITY LEAVE GRANTED



PATERNITY LEAVE GRANTED



With regard to the presence of disabled employees at Lutech, in 2021 there were 50, and there were 4 employees from the “protected categories” (refugees, war orphans, etc.). There are also 6 disabled people employed through cooperatives as of 2020. In addition, a number of exemption agreements and procedures developed with employment centres throughout Italy are in place and active.

An inclusive working environment is capable of creating a context in which each person or group is re-

spected for their characteristics, where they can best express themselves without prejudice of any kind. This is also true for employee origin, which in 2021 reflected the distribution presented in the table.

Europe	1398
Americas	12
Asia	9
Oceania	1
Africa	5

For Lutech, relationships with human resources also include processes for evaluating and enhancing the professional skills required to achieve its objectives. The company's vision in this regard is demonstrated

by the data on the level of education of junior human resources in the company, which in 2021 was as follows:

2021

Lower secondary school diploma	22
Upper secondary school diploma	2
Bachelor's Degree	9
Master's Degree	6
PhD	0

2020

Lower secondary school diploma	22
Upper secondary school diploma	2
Bachelor's Degree	9
Master's Degree	6
PhD	0

Other data relating to the company's recruitment processes are provided in the figures below:

TALENT ATTRACTION	UNIT	IN BASELINE 2020	IN BASELINE 2021
No. of orientation events/pathways conducted in schools and universities (open days),	#	5	20
No. of scholarships awarded	#	0	0
No. of curricular and extracurricular internships activated,	#	curricular 9 extracurricular 17	curricular 21 extracurricular 31
No. of work/study programmes activated in the company	#	0	0
No. of applications received	#	2000	5000
No. of applications moved to the subsequent interview stage	#	215	400
No. of applications converted into actual hires	#	67	118
Reach for Hire: total number of candidates entered into the company CV database	#	2000	5000
Reach for Hire: social page followers of the company and blog newsletter subscribers	#	Follower LinkedIn 23.956 Follower Facebook 1.401 Follower Twitter 870	Follower LinkedIn 28.717 Follower Facebook 1.543 Follower Twitter 980
Time to fill: time needed to manage and successfully close a personnel search process	GG	50	60
Time to hire: number of days from first contact with the candidate (application or first contact with a recruiter in the case of passive candidates) to acceptance of the job offer	GG	40	45
Cost per Hire: average cost needed to attract and hire new employees.	€	3.9 thousand	3.1 thousand

From the operating perspective, Lutech's onboarding process is characterised by constant dialogue with the HR function, which puts the company contact person into contact with the new employee, a process that often takes place online and also provides orientation to employees in smart working arrangements. Work materials and identification documents are usually distributed on the first day of work at the office, when it is decided when the new employee will participate in an online course provided by the company to all new employees, the "Onboarding Breakfast", which is held once a month.

In general, Lutech pays considerable attention to both the tactical and strategic issues of identifying and maintaining human resources, especially after the impact of the pandemic, which demonstrated the importance of knowing how to balance spatial and personal proximity in order to motivate employees. In addition, Lutech advocates the importance of working in an inclusive environment respectful of all diversity, as well as the need for "corporate well-being", which allows all employees to feel like they are part of a system of growing people and their talents.

The relationship between Lutech and its employees is also a relationship resulting from an encounter that takes place within dialogue and information spaces, after being designed and structured according to precise talent acquisition strategies. The specific function that deals with the attraction and retention of increasingly qualified resources bases its work on a series of pillars that define the company's ambitions and objectives. They can be identified in three key messages:

- amplifying the values and mission of employer branding;
- promoting employee inclusion and engagement;
- attracting students and recent graduates in line with corporate positioning.

To effectively transmit these messages, the HR function

has identified distinctive values to serve as a backdrop for them, supporting their promotion amongst and dissemination to all employees. They refer to:

- the need to link the Lutech business model to the success and growth of the people working at Lutech;
- the value of continuous instruction and learning beyond corporate roles;
- the balance between belonging and diversity
- understanding innovation as a process of improving what Lutech already knows how to do, thus embedding individual effort in a paradigm of continuous updating and renewal;
- the desire to offer trust as well as professionalism to all company customers, becoming a business synonymous with reliability.

In light of what is set forth above, Lutech's work with universities and training centres deserves a separate mention (for example, the partnership entered into in 2021 with the Investor Program of the Polytechnic University of Milan for the use of various services, including participation in university events and the publication of job advertisements on the university website), which led to the organisation of 11 career days.

These events, which are usually multi-brand, feature a corporate speaker who talks about their work experience at Lutech and aspects of the brand's growth and strategy in different areas. Depending on the various formats employed, the events generally continue with one-to-one meetings and round tables. Similar initiatives were also conducted in 2021 at seven other universities, aside from the Polytechnic University of Milan, with which Lutech has entered into an agreement (University of Calabria, Catholic University, University of Milan, University of Catania, La Sapienza University, University of Rome Tor Vergata and the Polytechnic University of Turin) and with the Angelo Rizzoli Postgraduate Training Institute, with a view to brand positioning, awareness and recruiting.

The full details of the 11 Career Days and 9 orientation events conducted in the various training centres in 2021 are provided in the table below.

EVENT	PLACE	ACTIVITIES
eForhum + Randstad	Milan	Developer class company presentation
CESMA Master - University of Rome Tor Vergata	Rome	Opening Ceremony
Polytechnic University of Milan	Milan	Online Challenge: Solving Machine Learning cases
Roma Tre University	Rome	CV at lunch: live company presentation
La Sapienza University of Rome	Rome	Technical project presentation
Employerland	Italy	Digital talent fair STEM girls
Polytechnic University of Milan	Milan	Online Challenge: Solving Cyber Security Cases
Almalaurea	Bari	Tour at work: Bari
University of Pavia	Pavia	Virtual Career Day
Polytechnic University of Milan	Milan	Online event: career advisor
University of Rome Tor Vergata	Rome	CESMA Master Testimonial
Polytechnic University of Milan	Milan	Virtual Career Day
Polytechnic University of Milan	Milan	Virtual Career Advisor
University of Pavia	Pavia	In-person company presentation
Employerland	Rome	Digital talent fair Roma Tre
Roma Tre University	Rome	In-person CV at lunch

In terms of impact, the outcome of the internships activated as a result of the meetings described above led to 30 resources being hired, including 14 ap-

prentices, 7 unlimited term, 1 limited term and 8 via third-parties.



Lastly, a very important element in contributing to a company's social sustainability remains: the evaluation of human resources and their internal professional development.

With regard to staff evaluation, the process calls for the human resources office to activate the evaluation by reporting the need to proceed with the six-monthly evaluation of the skills of the resources assigned to the Hierarchical Managers ("RG"), activating the evaluation session.

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

Each resource is evaluated on the previous items, to which the hierarchical manager assigns a scale of priorities broken down into the following levels: low, medium, high and very high. After that, the hierarchical manager determines the priority scale taking into account resource role and seniority. With reference to the degree of ability and skill demonstrated across the different levels of the Relational and Technical area, the hierarchical manager assigns each item a degree of skill summarised as follows:

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

Consistent with the assigned evaluations, the hierarchical manager reports any proposals for action with regard to career, salary and training. The proposals are then forwarded to Human Resources and the Service Group Leader (SGL), which analyse them in conjunction. Human Resources, after verifying that the evaluation process has been carried out properly, collects all proposals for action, summarising them

for the Management. During a special session, the reference Chief Operating Officer examines the proposals for action summarised by Human Resources, evaluates them and decides whether to accept them and to what extent. Subsequently, Human Resources records the decisions made by the Chief Operating Officer and then communicates the approved resource actions to the Hierarchical Manager, which will then be communicated to each evaluated employee. Finally, the Human Resources department takes the established actions according to the planned timeframe.

The monthly HR Newsletter, sent to all employees, is the main channel of communication on HR and People issues, responsible for maintaining the internal climate and company engagement. As of September 2021, the Newsletter reports on and promotes initiatives specifically dedicated to people. The email @ Proud2BeLutech is available for employees to ask questions and make proposals with a view to maximum participation. From its activation to the end of the reporting year, 76 requests and messages were received and processed.

Also as concerns corporate motivation and participation, it is worth describing the Lutech team-building event during Christmas 2021. Created as an online meeting point, the initiative was characterised by a very high participation rate (94% of employees). The event was structured in two sections, the first one institutional with the presence of the management and consisting of broad communications addressed to all employees. Secondly, a more fun part made it possible to attract and motivate online viewers, thanks to the presence of the comedian Teresa Mannino, who interviewed several colleagues. Finally, "Lutech Words 2022", an alphabet of values and guiding concepts that inspired the start of the following year, were created and shared during the event.

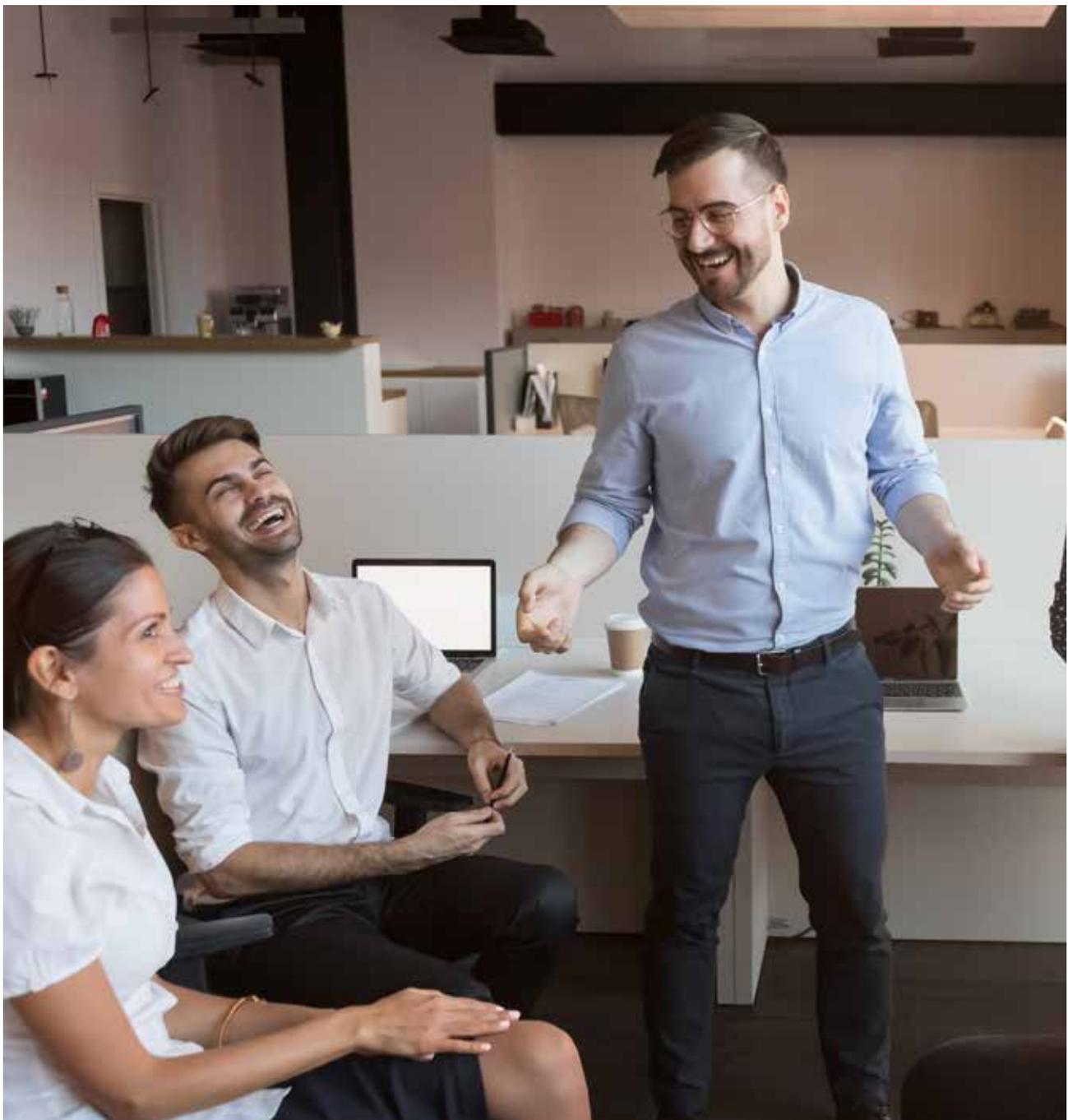
Lastly, consistent with the entire corporate effort to align the three ESG aspects (Environment, Social, Governance), Lutech workspaces also reflect the focus on employees and human relations within the company. On 30 September 2021, Lutech inaugurated its

new physical headquarters, the Group Headquarters in Cinisello Balsamo.

The office was designed to be comfortable and functional for both individual and group work, as well as equipped with advanced technological tools for hybrid work.

An internal event was dedicated to the inauguration

to encourage the use of the new spaces (again in compliance with anti-Covid regulations) and to give each employee the opportunity to participate in their configuration by choosing meeting room names. In addition, a photo contest was held with images that were projected in the meeting rooms during the initial months of activity.



CUSTOMERS

A third type of stakeholder crucial to Lutech's environmental, social and economic impacts is its customers, who are clearly the main stakeholders from a market perspective. However, instead of managing them and considering them as "passive" recipients of Lutech's professional activity, or as actors only interested in business issues, the company pursues a transparent and mutually enriching, as well as long-term, partnership with them.

The outcome of this constructive approach can be seen in the data of the Customer Effort Score, which measures the level of customer difficulty in completing a certain transaction with Lutech, thus measuring the fluidity and simplicity of the customer journey. In this case, on a scale of 1 (very dissatisfied) to 10 (very satisfied), the 2021 data measured a score of 8.9%, compared to the 2020 figure of 9.1%.

With regard to the Net Promoter Score, calculated as the percentage of Lutech's promoters (score between 9 and 10) minus the percentage of detractors (percentage 1-6), the company had a score of 79.2% in 2020 and a score of 87.7% in 2021.

With regard to the Customer Satisfaction Score, for 2021 the survey had a successful outcome, with satisfaction expressed by 100% of customers (result: "Satisfied" or "Very satisfied"), calculated on a data sample selected as follows:

- identification of 90 customers based on relevance of turnover;
- performance of interviews with 62 different customers;
- obtaining and analysing data relating to 66 questionnaires, with additional data resulting from duplication of questionnaires addressed to very large customers (MNCs) within which several units participated.

Finally, in addition to the above-mentioned quantitative data, the constructive and proactive spirit of a company can also be seen in the types of partnerships and collaborations it establishes with its customers, especially those that generate ESG impacts. The best practice below highlights Lutech's work in favour of the Miulli hospital in Bari, in partnership with CISCO.



LUTECH AND CISCO FOR THE MIULLI HOSPITAL IN BARI

The goal of the project was to completely overhaul the wired, wireless and VoIP communication network access technology infrastructure using Cisco Systems technology for the "F. Miulli" Regional General Hospital in Acquaviva delle Fonti (BA), resulting from the technological evolution of biomedical equipment, user workstations and the need for higher performing and more secure infrastructure.

The project lasted almost one year and involved the installation of 80 network devices, more than 500 access points and 800 IP telephones (wired and wireless) in a hospital environment where there were strict restrictions and controls in place due to Covid-19, thus having to ensure the service continuity of the entire infrastructure.



The solution adopted was based on the new Cisco Software Defined Networks technology using Cisco Software Defined Access (SDA): an architectural framework giving the new infrastructure homogeneity and integration, analysis, automation and maintenance capabilities, mobile access and security.

There have been multiple benefits: considering that the infrastructure of a hospital is in fact a service centre for units, departments, internal and external staff, suppliers and residents, the possibility of having a secure, reliable, programmable and centrally manageable and controllable network is the basis for the development of services in every area. In addition, for a business such as a hospital, where mobility in departments and on the wards is crucial, it was necessary to enhance the wireless component, in order to ensure connectivity everywhere and completely secure data access.

The results obtained include:

- an improvement in performance and reliability and thus a decrease in the likelihood of failure (therefore, a greater guarantee of service delivery for citizens, internal staff and medical equipment);
- the possibility to connect electromedical devices in wireless and wired mode (e.g. ECG devices, RICS, PACS) or use mobile devices for consulting medical records;
- an improvement in the experience of residents thanks to a free guest WiFi network, as well as the development of wayfinding solutions for navigation within the facility;
- an improvement in network security thanks to the segmentation that Cisco SDA technology easily provides;
- a decrease in the power consumption of network devices, thus reducing energy consumption, by using new generation devices that also power access points and IP telephones via PoE (Power over Ethernet);
- the possibility of using localisation via the wireless network, which enables the development of tracking solutions for electromedical devices, instruments, beds or wheelchairs, as well as doctors/nurses or the use of personal security devices/tracking.



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

2020

- Best System Integrator for Smart Working and Smart School ICA 2020 - Award dedicated to Italian ICT channel operators
- Top Infinity Partner of the Year EMEA Check Point Software Technologies - Best EMEA partner for Check Point's Infinity solution
- Enterprise Partner of the Year @ Cisco Partner Summit 2020 - Cisco Award for Competence and Successful Business Development
- Transformation / Innovation Partner of the Year @ Cisco Partner Summit 2020 - Cisco Award for Innovation, Leadership and Best Practices
- Platinum partner of the year @ Vertiv Accelerate

2020 EMEA - Best EMEA Platinum Partner of Vertiv

- Dell "Go big-Win big - Storage" Partner of the Year 2020 EMEA - Overall growth in services, storage, new business
- HDFI Innovation Award 2020 - HD Forum Italia Innovation Award

2021

- Best System Integrator ICA 2021 - Award dedicated to Italian ICT channel operators
- Top Infinity Partner of the Year @ Check Point Sales Kick Off - Best Italian partner for Check Point's Infinity solution
- Cisco EMEAR Geo IoT/Industry Solutions Partner of the Year 2021 - Cisco's best EMEAR partner in helping customers achieve IT transformation and infrastructure modernisation through IoT implementations
- Stibo Systems EMEA Best Mid-Market Partner FY 20/21 - Best Platinum Partner EMEA Mid-Market of Stibo Systems.





OUR COMMITMENT TO THE COMMUNITY

 LUTECH

OUR COMMITMENT TO THE COMMUNITY

Working in the market means working within the community and thus engaging with a local area, a culture and a social and institutional fabric that represents the context of Lutech's actions. Every environment is the result of potential and limitations, and it is precisely on the latter that it is necessary to take

action - also in a network with other actors - to leave a legacy of growth that is not only economic, but is also rooted in values. The next two sections describe the social initiatives carried out by Lutech and some of its partners.

DONATIONS

In 2021, Lutech renewed its collaboration with AIRC - Cancer Research Foundation - by funding a two-year scholarship worth a total of € 39,000, in memory of Paola Sinigaglia.

The scholarship, which has been active since 2019, is intended for a young Italian researcher and will enable the continuation of research and experimentation on diseases such as leukaemia and cancer.

Also for AIRC, the "Christmas 2021 HR Project: Double the Hope" fundraising campaign was carried out in 2021. With the funds collected, a donation was made for research into childhood cancer, and the company, aware of the importance of this work, doubled the amount collected from employees to a total of € 9.52 thousand, while also fostering

internal engagement and awareness-raising initiatives. In 2021, these initiatives took the form of a series

of 17 "informational snippets" with content shared by the AIRC Foundation for Cancer Research with the aim of raising awareness amongst employees and company stakeholders of the importance of supporting research and providing correct information about the disease and ways to prevent, diagnose and treat it.

Also in 2021, a donation was made to IASSP - Institute for Advanced Strategic and Political Studies, for the promotion of educational activities, and a donation was made to the Municipality of Cinisello Balsamo - Don Bosco - Salesiani Social Work, in favour of social transportation and support. In the latter case, the "Future in Travel" project aimed to promote forms of independence and social integration through transportation services placed under the responsibility - in terms of vehicle purchase and maintenance - of private companies, including Lutech.

“ This patronage means sharing an idea that is a virtuous example of collaboration, commitment and willingness to support the vulnerabilities that exist in society and that are increasing today due to the coexistence of several factors, including those resulting from the pandemic. Public/private collaboration can do a lot, and this project is an example of that. In this historical moment of resumption in particular, initiatives to help the disadvantaged mean equal opportunities ”.

Giacomo Ghilardi, Mayor of Cinisello Balsamo and Riccardo Visentin, Councillor for the Third Sector and Centrality of the individual

Lastly, Lutech's commitment to its local area led in 2021 to the sponsorship of a golf tournament in Peschiera Borromeo, the proceeds from which, amounting to € 1.3 thousand, went to support the creation of educational courses run by “The Monkeys” association to spread the values of sport in the complex and formative period of growth during early childhood. The association The Monkeys offers psychomotricity courses for children from 2 to 5 years of age to support the socialisation process during the pre-school period.



PARTNERSHIPS

As stated in the session introduction, positive change is achieved by collaborating in a network, sharing values and objectives with other local or sector partners. Network dynamics are in fact the most effective and the most innovative in the achievement of ESG goals because they make it possible to leverage common knowledge and motivation. In this strategic fra-

mework, Lutech has decided to join: Confindustria, Confindustria digitale, Associazione per i pagamenti, Assolombarda (member since 2019, for consulting purposes on international administrative issues), Assinform, Ente Bilaterale EBI Veneto (member since 2020 for Company Welfare purposes), AIRC.

COMMUNICATION

Acting to transfer social value to one's community and local area is not sustainable if every corporate action or initiative is not accompanied by social communication aimed at recounting and specifying the methods, objectives and impacts of what has been achieved. Indeed, communication on ESG issues, far from being communication for sales or marketing purposes, is intended to disseminate knowledge and best practices in order to enable the replicability of social projects or the dissemination of knowledge about how imbalances and problems can be addressed.

Lutech has decided to structure an ESG communication strategy that begins internally, i.e. with in-

forming, training and engaging all employees, and then taking action with ad hoc courses aimed at suppliers, customers and the general public. In 2021, this strategy was designed to be fully completed in 2022, also thanks to the input gathered in the "Lutech Next" Survey. In particular, the very occasion of drafting the 2021 Sustainability Report was an opportunity taken by Lutech to inform and involve the HR, Communication and People Engagement units in the forthcoming drafting of the Sustainability Report, as well as to introduce a specific section, dedicated to Corporate Social Responsibility issues, of the institutional website, which will be rolled out in 2022.





LUTECH

CONCLUSIONS

The work of collecting, processing and developing data relating to Corporate Social Responsibility issues has led to the formation of a precise image of Lutech that is functional to what its daily ESG efforts represent: the commitment of a company that strives to face challenges by taking a 360 degree approach, without being afraid to choose between profit and values. The importance of the topic therefore means that it is no longer enough to hide behind purely regulatory compliance choices, and Lutech is ready to accept the challenge of a continuously evolving commitment to Environmental, Social and Governance issues.

The company, strong from its track record of already

incorporating such issues within its company vision and the Leadership Team's activities, will then be able to further align these principles with its corporate DNA.

After this initial work of collecting and organising data and performance information, Lutech's sustainability positioning will be strengthened, evolving according to the needs expressed by its stakeholders, assisted by the added value that digital innovation can offer: accessibility, simplification and participation. Three elements that intrinsically characterise Lutech products and services and will certainly contribute to making the ESG journey even more meaningful.



VISION FOR THE FUTURE

The first edition of a Sustainability Report is certainly the first necessary step towards becoming aware of the state of ESG processes and commitments. In this report, the company has provided quantitative and qualitative information that will allow for the construction of a baseline against which progress can be

measured in the coming years.

Details on progress are provided in the table below and specified as precisely as possible with the use of metrics and indicators in order to contextualise the type of effort and result that Lutech is aiming for in 2022 and 2023.

ENVIRONMENTAL AREA			
Target	Action	KPI	SDG
Definition of a Green Procurement System	By the end of 2022 <ul style="list-style-type: none"> Development of the ESG bonus process for suppliers 	By the end of 2022 <ul style="list-style-type: none"> Completion of the process of defining supplier selection criteria, benchmarks and evaluation metrics on an environmental and social basis 	
	By the end of 2023 <ul style="list-style-type: none"> Creation of a supplier code of conduct 	By the end of 2023 <ul style="list-style-type: none"> Signing of the supplier code of conduct by all new suppliers and 50% of traditional/strategic suppliers 	 
Update and increase in internal and external environmental expertise	By the end of 2022 <ul style="list-style-type: none"> Involvement of suppliers and customers in environmental sustainability initiatives 	By the end of 2022 <ul style="list-style-type: none"> Sending information to 50% of customers to promote Lutech's environmental initiatives 	
	By the end of 2023 <ul style="list-style-type: none"> Implementation of procedures to boost employee awareness surrounding sustainability issues Providing a minimum number of environmental legislative refresher courses for the dedicated team 	By the end of 2023 <ul style="list-style-type: none"> Providing 2 hours of dedicated training for at least 80% of Lutech managers Ensuring an average of 16 hours of training per team member dedicated to ESG issues 	
Complete GHG mapping of all locations	By the end of 2023 <ul style="list-style-type: none"> Extension of ISO 14064 system to at least an additional 50% of Lutech's Italian sites 	By the end of 2023 <ul style="list-style-type: none"> Certification of data by 31/12/23 	
Dematerialisation/digitalisation	By the end of 2023 <ul style="list-style-type: none"> Further adoption of software for document digitalisation 	By the end of 2023 <ul style="list-style-type: none"> 15% increase in internal processes managed exclusively electronically 	

SOCIAL AREA			
Target	Action	KPI	SDG
Expanding the analysis regarding occupational health and safety management systems	By the end of 2023 <ul style="list-style-type: none"> Extension of the scope of analysis of ISO 45001 	By the end of 2023 <ul style="list-style-type: none"> Completion of the activity by 31/12/2023 	
Diversity & Inclusion	By the end of 2022 <ul style="list-style-type: none"> Acquisition of greater awareness of the D&I issue within Lutech 	By the end of 2022 <ul style="list-style-type: none"> Collection of qualitative and quantitative data assess Lutech S.p.A.'s compliance with the criteria proposed by the gender equality certification. 	 
	By the end of 2023 <ul style="list-style-type: none"> Update and internal dialogue on D&I 	By the end of 2023 <ul style="list-style-type: none"> Establishment of awareness-raising activities on the value of inclusion and diversity, also through external initiatives and the sharing of best practices 	 
	<ul style="list-style-type: none"> Correction of any disparities in treatment within Lutech Definition of Diversity & Inclusion policy tools 	<ul style="list-style-type: none"> Activation of the project to support gender balance in STEM subjects, selected internally Creation of an internal working and monitoring group dedicated to D&I at Lutech Preparation of tools for the identification of any wage gaps Definition and drafting of a company policy on Diversity & Inclusion 	



GOVERNANCE AREA			
Target	Action	KPI	SDG
Strengthening of anti-corruption practices	By the end of 2022 <ul style="list-style-type: none"> Obtaining ISO 37001 certification 	By the end of 2022 <ul style="list-style-type: none"> Completion of the activity by 31/12/2022 	
	By the end of 2023 <ul style="list-style-type: none"> Development of awareness-raising activities and dialogue on "Business Ethics and Anti-Corruption" 	By the end of 2023 <ul style="list-style-type: none"> Promotion of an awareness-raising campaign for customers and business partners Setting up the necessary tools for whistleblowing to function effectively at Lutech 	 
Strengthening and streamlining the ESG data collection process	By the end of 2023 <ul style="list-style-type: none"> Establishment of an internal ESG data collection procedure 	By the end of 2023 <ul style="list-style-type: none"> Definition by the end of June 2023 of an agreed timeline and forms for ESG data collection Implementation of SAP BPC tools 	
	By the end of 2022 <ul style="list-style-type: none"> Defining tools and spaces for sharing the start of the ESG process at Lutech 	By the end of 2022 <ul style="list-style-type: none"> Setting up a web section dedicated to Lutech Responsibility Preparation of an internal engagement campaign relating to the publication of the first Lutech sustainability report Preparation of a social campaign for the publication of the Lutech Sustainability Report 	
	By the end of 2023 <ul style="list-style-type: none"> Updating all Lutech impact data 	By the end of 2023 <ul style="list-style-type: none"> Updating the Lutech sustainability web section with infographics on ESG impacts 	



METHODOLOGICAL NOTE

Lutech S.p.A.'s first Social Responsibility Report was drafted in accordance with the "GRI Sustainability Reporting Standards", Core option.

This Responsibility Report refers to the data, projects carried out and services or products produced by Lutech S.p.A. from 1 January to 31 December 2021. Wherever possible, the year 2020 was also included to provide a perspective of the specific performance over time. Furthermore, this report was prepared in accordance with the guidelines of ISO 26000, International Standard for Corporate Social Responsibility (2010), as well as the AA1000, Stakeholder Engagement Standard (2015).

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

- energy efficiency: all locations;
- commuting: 4 locations subject to regulatory obligations (Cinisello Balsamo (MI), Cassina De' Pecchi (MI), Fiumicino (Rome) and Rome);
- business trips: all locations;
- environmental impact reduction: Cinisello Balsamo (MI) location only;
- waste management: all locations.

The social data refer to a scope representing the activities of Lutech S.p.A. and all its locations. In

particular, with respect to the following reporting topics, there are different scopes, specified below:

- transparency, anti-corruption, 231 Model and Business Ethics: all Lutech S.p.A. locations;
- ISO 14001: Environmental Management System > all locations; Certification > Cinisello Balsamo (MI) location;
- ISO 9001: Quality Management System > all locations; Certification > Cinisello Balsamo (MI) location; Cassina De' Pecchi (MI), Fiumicino (Rome) locations;
- ISO 45001: Health and Safety Management System > all locations; Certification > Cinisello Balsamo (MI) location;
- ISO 27001: Information Security Management System > all locations; Certification > Cinisello Balsamo (MI), Cassina De' Pecchi (MI), Bergamo locations;
- ISO/IEC 20000: Service Management System > all locations; Certification > Cassina De' Pecchi (MI), Cinisello Balsamo (MI) locations.

The economic and financial data presented in this sustainability report are the same as those published in the 2021 Annual Report, audited by KPMG in accordance with the principles and criteria recommended by CONSOB. The stakeholder mapping process enabled

Lutech to identify the main stakeholders, with whom the company engages in different relationships and initiatives, depending on their urgency,

proximity or dependence on the company's business. In the map below, they are identified in relation to Lutech's actions.

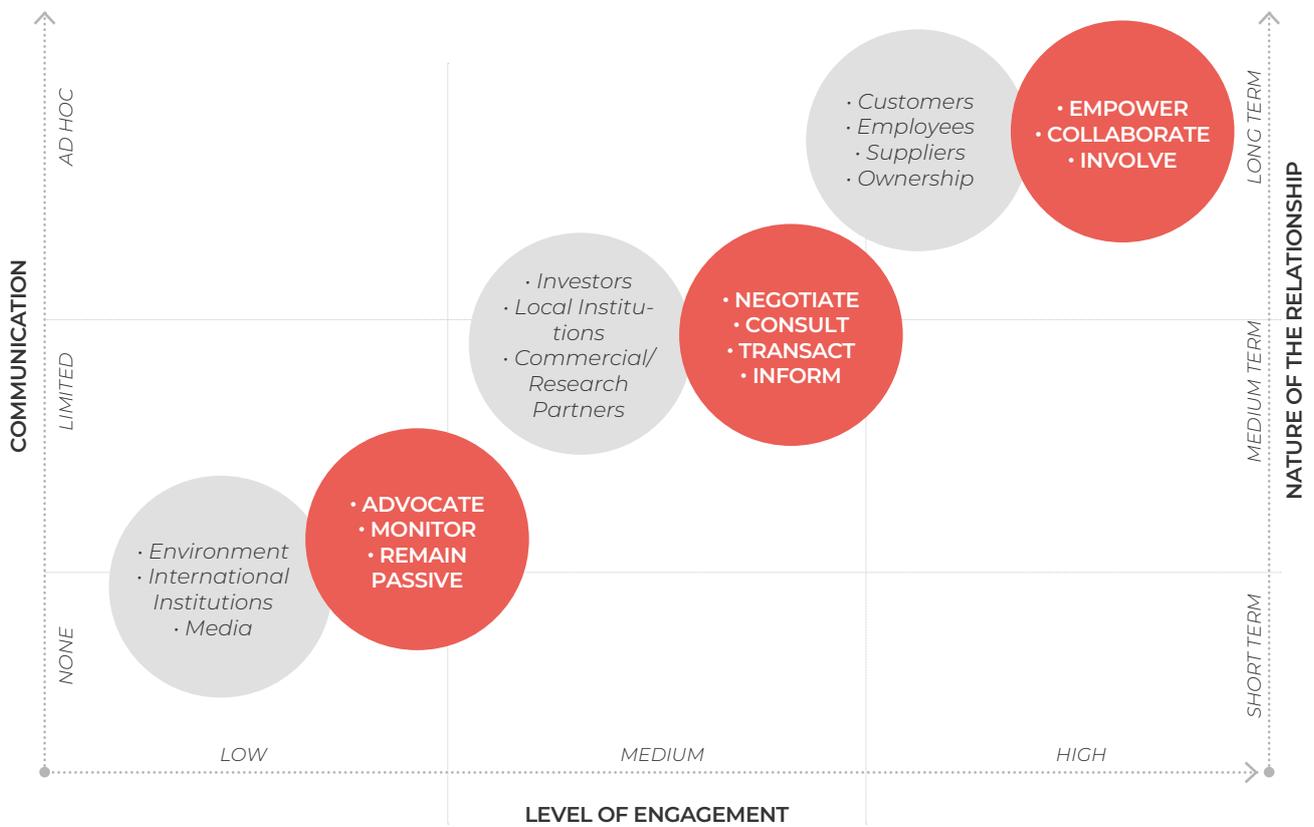
LUTECH STAKHOLDER MAPPING



The identification of relevant stakeholders motivated the company towards a careful assessment of which engagement channels to activate and which type of processes to implement for each of them. Since it is not possible to devote the same amount of resources to all players, it is precisely the criteria of dependence/influence, proximity and relevance (legitimacy of

the relationship) which justify certain engagement choices, with reference to the type, intensity and time horizon of the processes. The image below, based on the AA1000 standard (2015), displays the different levels of engagement of the different stakeholders identified.

LUTECH ENGAGEMENT LEVELS



Below, the analysis of Lutech engagement levels is specified by illustrating the concrete activities re-

ferring to the individual stakeholder engagement methods.

STAKEHOLDER CATEGORY	POSSIBLE ENGAGEMENT ACTIVITIES	ENGAGEMENT ACTIVITIES 2021
Customers	Ad hoc events, social campaigns media, updating the company website, dedicated mailings, co-planning	Updating the company website, sharing of specific documents, information
Employees	Ad hoc events, social campaigns media, updating the company website, dedicated mailings, intranet, internal surveys, training, sharing of specific documents, one-to-one meetings, co-planning	Ad hoc events, updating the company website, dedicated mailings, intranet, internal surveys, sharing of specific documents
Suppliers	Ad hoc events, social campaigns media, updating the company website, dedicated mailings, external surveys, information, sharing of specific documents	Updating the company website, sharing of specific documents, information
Investors	Ad hoc events, updating the company website, dedicated mailings, sharing of specific documents, co-planning	Updating the company website, sharing of specific documents
Environment	Compliance with company regulations, adoption of projects to reduce environmental impact	Compliance with company regulations, adoption of projects to reduce environmental impact
Media	Press releases, ad hoc events, information, sharing of specific documents	Press releases, information
Local public institutions	Compliance with current regulations, thematic meetings (e.g. refresher courses on ESG matters), involvement for co-planning, information, sharing of lines of financing for ESG projects	Compliance with current regulations, information
International public institutions	Compliance with international regulations in force, thematic meetings (refresher courses and presentation of global scenarios and trends), sharing of lines of financing for ESG Projects	Compliance with international regulations in force
Ownership	Information, strategic engagement, sharing of documents	Information, strategic engagement, sharing of documents
Institutional partners (Universities, Trade associations, research partners, external technical experts)	External surveys, information, sharing of specific documents, ad hoc events	Sharing of specific documents, information, ad hoc events

From the identification of the stakeholders (stakeholder mapping) to the definition of the different types of engagement (level analysis), it is important to develop effective processes for the activation and engagement of the various stakeholders. The ultimate goal is to co-create a participatory process with stakeholders aimed at the exchange of information, projects and updates on ESG matters.

During 2021, Lutech's stakeholder engagement activities included:

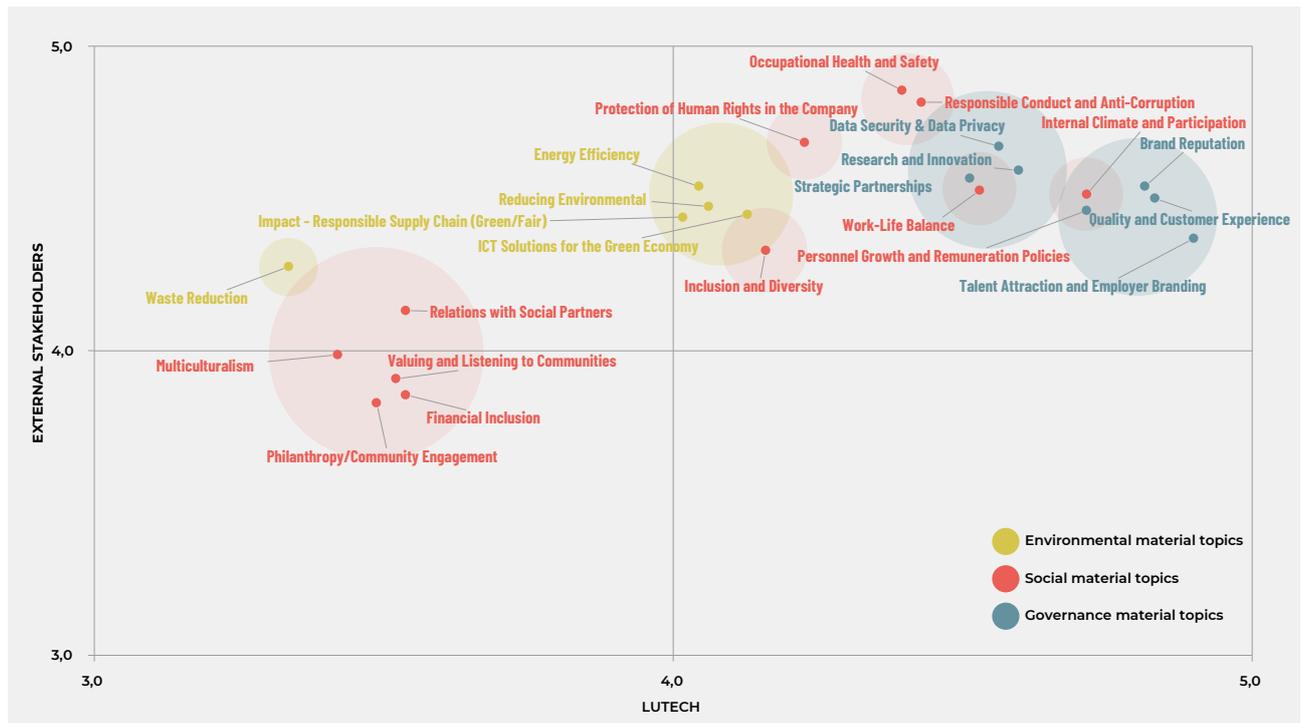
- general meetings for employees dedicated to ESG issues;
- submission of specific questionnaires aimed at developing the materiality matrix;
- focus groups/technical training for specific internal roles active on ESG issues;
- drafting of a Survey administered to all employees (Lutech Next);
- one-to-one communications with suppliers on ESG topics;

- one-to-one communications with specific clients on ESG topics;
- participation in ESG events. on specifici clienti su temi ESG;
- participation in ESG events.

From the opportunities listed above, data and ideas emerged that internally familiarised the company with the importance of working on structured and measurable Corporate Social Responsibility processes. Nevertheless, the company's decision to focus on one particular set of issues rather than another was the result of an internal and external discussion mechanism involving business units, suppliers and customers in the process of defining the materiality matrix.

The materiality analysis, conducted for the first time in order to draft the 2021 Sustainability Report, was carried out through a participatory process of discussion and dialogue with stakeholders, which led to the emergence of the following material issues:

LUTECH MATERIALITY MATRIX



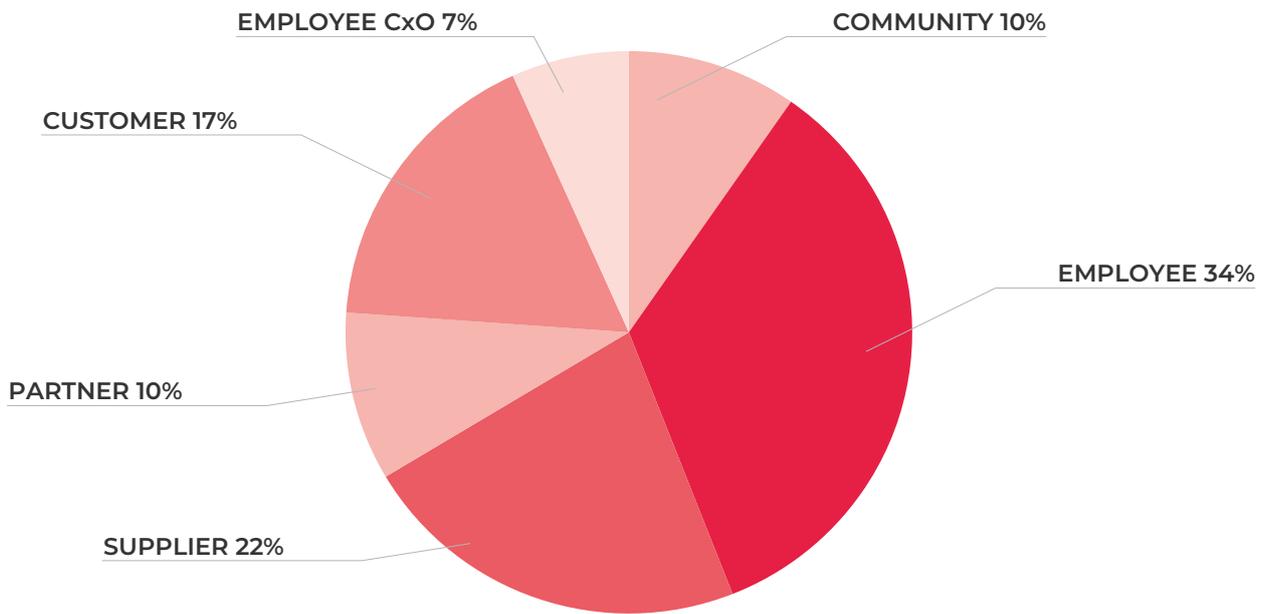
RESULT OF THE LUTECH MATERIALITY ANALYSIS

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

These topics are the result of a consultation process involving a group of 79 external and 55 internal stakeholders. Their participation in this survey phase, which took place over a period of two months, was possible thanks to a series of questionnaires sent via

email in which they were asked to indicate, on a scale of 0 to 5, which issues they perceived as relevant according to their own point of view (for external stakeholders) or that of the company (for internal stakeholders).

STAKEHOLDER ENGAGEMENT: REPRESENTATION BY CATEGORY



Shown: Breakdown by affiliation of Lutech stakeholders involved in the development of the Materiality Matrix.

In this phase of identifying priority topics, the perspective expressed by existing company documents was also considered: policies, internal procedures, Code of Ethics, any ESG certifications, previous internal surveys on ESG issues. In addition, in order to broaden the variability of the relevant topics and contextualise their evolution within the main regulatory and policy-making processes at Italian and international level, the main reporting models of other companies in the IT sector were analysed, in order to choose an original and identifying positioning for Lutech S.p.A. Once the data collection was completed, the evaluations were standardised by source stakeholder, assigning an ad hoc multiplication factor to the data collected from the internal management stakeholder. In addition, the data analysis was further filtered

based on a number of guiding principles, which are intended to characterise Lutech's work in the coming years:

- **RELEVANCE:** evidence of increased interest with respect to the material topic in question
- **TRANSVERSALITY:** ability of a material topic to be integrated into different business units
- **SCALABILITY:** capacità di evoluzione di un tema materiale, sia allargando il raggio d'azione su altri territori o comunità, sia approfondendo in modo verticale i propri impatti nel corso del tempo

These steps, together with the preliminary analyses on ESG positioning in the IT sector and the study of external documents, made it possible to give specific

priorities to the different topics that emerged from the materiality matrix, which was lastly approved internally by Lutech management.

In general, what emerges from the Lutech materiality matrix is a strong focus on social and governance issues, two of the most debated areas in ESG analyses due to the presumed intangibility of the relative metrics. On the contrary, Lutech's effort in the reporting phase brought to light initiatives that were measured both qualitatively and quantitatively, offering

a concrete contribution to the creation of a baseline that will serve as a basis for measuring performance in the coming years.

The disclosures of the GRI standard, which correspond to Lutech's material topics, are specified in the table below. The topics in italics correspond to the material topics for which there is no specific GRI but which have been reported on anyway using other types of indicators.

GENERAL STANDARD DISCLOSURE			
AREA	DISCLOSURE	PAGE	OMITTED
Strategy and analysis	• GRI 102-14 Statement from senior decision-maker	6	-
Organisational profile	• GRI 102-1 Name of organisation	10	-
	• GRI 102-2 Activities, brands, products and services	10-12	-
	• GRI 102-3 Location of headquarters	10	-
	• GRI 102-4 Location of operations	10	-
	• GRI 102-5 Ownership and legal form	21-22	-
	• GRI 102-6 Markets served	21	-
	• GRI 102-7 Scale of the organisation	48-64	-
	• GRI 102-8 Information on employees and other workers	46-47	-
	• 102-9 Supply Chain	46-47	-
	• 102-10 Significant changes to the organisation 46-47 - and the supply chain	50-52, 54	-
	• 102-11 Precautionary Principle or approach	23-25, 61,63, 65, 66, 69, 70	-
	• 102-12 External initiatives	70	-
	• 102-13 Membership of associations		-
Ethics and Integrity and norms	• GRI 102-16 Values, principles, standards of behaviour	13	-
Governance	• GRI 102-18 Governance structure	14	-
	• GRI 102.19 Delegating authority	16	-
Stakeholder engagement	• GRI 102-40 List of stakeholder groups	79	-
	• GRI 102-41 Collective bargaining agreements	58	-
	• GRI 102-42 Stakeholder identification and selection	80	-
	• GRI 102-43 Approach to stakeholder engagement	80,81	-
	• GRI 102-44 Key topics and concerns raised	82	-

GENERAL STANDARD DISCLOSURE

AREA	DISCLOSURE	PAGE	OMITTED
Reporting practice	· GRI 102-45 Entities included in the consolidated financial statements	78	
	· GRI 102-46 Defining report content and topic boundaries	78	
	· GRI 102-47 List of material topics	82,83	N/A
	· GRI 102-48 Restatements of information		N/A (1 st edition)
	· GRI 102-49 Changes in reporting	78	
	· GRI 102-50 Reporting period		N/A (1 st edition)
	· GRI 102-51 Date of most recent report	78	
	· GRI 102-52 Reporting cycle	88	
	· GRI 102-53 Contact point for questions regarding the report	78	
	· GRI 102-54 Claims of reporting in accordance with the GRI Standards	85-87	
	· GRI 102-55 GRI content index		N/A
· GRI 102-56 External assurance			

SPECIFIC STANDARD DISCLOSURE

AREA	MATERIAL ASPECT	DISCLOSURE	PAGE	OMITTED
Ambientale	GRI 103 - Management Approach, valid for all material topics listed below	· GRI 103-1 Explanation of the material topic and its boundary	33-35	
		· GRI 103-2 The management approach and its components	33-35	
		· GRI 103-3 Evaluation of the management approach	33-35	
	MATERIAL TOPIC "ENERGY EFFICIENCY", GRI 302 Energy	· GRI 302-1 Energy consumption within the organisation	37	
	MATERIAL TOPIC "REDUCING ENVIRONMENTAL IMPACT", GRI 305 Scope 3	· GRI 305-1 Direct (Scope 1) GHG emissions	40	
		· GRI 305-2 Indirect (Scope 2) GHG emissions	40	
		· GRI 305-3 Other indirect (Scope 3) GHG emissions	40	
	MATERIAL TOPIC "RESPONSIBLE SUPPLY CHAIN" GRI 308 Supplier Environmental Assessment	· GRI 308-1 New suppliers that were screened using environmental criteria	46,47	
		· GRI 308-2 Negative environmental impacts in the supply chain and actions taken	46,47	
	MATERIAL TOPIC "ICT for the green economy"	· Paperless and dematerialised internal processes	43	
Social	GRI 103 - Management Approach, valid for all material topics listed below	· GRI 103-1 Explanation of the material topic and its boundary	45,46	
		· GRI 103-2 The management approach and its components	45,46	
		· GRI 103-3 Evaluation of the management approach	45,46	
	MATERIAL TOPIC "DIVERSITY & INCLUSION", GRI 406 Non-discrimination	· GRI 406-1 Incidents of discrimination and corrective actions taken	59	
MATERIAL TOPIC "DIVERSITY & INCLUSION", GRI 405 Diversity	· GRI 405-1 Diversity of governance bodies and employees	58		
	· GRI 405-2 Ratio of basic salary and remuneration of women to men	58		

SPECIFIC STANDARD DISCLOSURE

AREA	MATERIAL ASPECT	DISCLOSURE	PAGE	OMITTED
Social	MATERIAL TOPIC "PROTECTION OF HUMAN RIGHTS IN COMPANY", GRI 412 Human Rights	<ul style="list-style-type: none"> GRI 412-1 Operations that have been subject to human rights reviews or impact assessments GRI 412-2 Employee training on human rights policies or procedures GRI 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening 	17-19 17-19 17-19	
	MATERIAL TOPIC "RESPONSIBLE CONDUCT AND ANTI-CORRUPTION", GRI 205 Anti-Corruption	<ul style="list-style-type: none"> GRI 205-1 Operations assessed for risks related to corruption GRI 205-1 Communication and Training on anti-corruption policies and procedures GRI 205-1 Confirmed incidents of corruption and actions taken 	15, 16 15, 16 15, 16	
	MATERIAL TOPIC "HEALTH AND SAFETY AT WORK", GRI 403 Occupational Health and Safety	<ul style="list-style-type: none"> GRI 403-1 Occupational Health and Safety Management System GRI 403-2 Hazard identification, risk assessment and incident investigation GRI 403-4 Worker participation, consultation, and communication on occupational health and safety GRI 403-5 Employee training on occupational health and safety GRI 403-6 Promotion of worker health GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships GRI 403-8 Workers covered by an occupational health and safety management system GRI 403-9 Work-related injuries GRI 403-10 Occupational diseases 	50-54 50-54 50-54 53 53-54 50-54 53 54 54	
	MATERIAL TOPIC "Work-Life Balance"	<ul style="list-style-type: none"> Type and number of company welfare procedures 	55, 56	
	MATERIAL TOPIC "Internal Climate and Participation"	<ul style="list-style-type: none"> Types and Numbers of People Engagement initiatives 	55, 56	
	MATERIAL TOPIC "PERSONNEL GROWTH AND REMUNERATION POLICIES", GRI 404 Training and Education	<ul style="list-style-type: none"> 404-1 Average hours of training per year per employee 404-3 Percentage of employees receiving regular performance and career development reviews 	16, 31, 53 63	
	Governance	MATERIAL TOPIC "DATA SECURITY & DATA PRIVACY", GRI 418 Customer Privacy	<ul style="list-style-type: none"> GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data 	19, 20
MATERIAL TOPIC Research and Innovation		<ul style="list-style-type: none"> R&D investments (volumes, percentages and revenues) 	31	
MATERIAL TOPIC Brand Reputation and Strategic Partnerships		<ul style="list-style-type: none"> Number and types of institutional partnerships Number and type of affiliations 	70 70	
MATERIAL TOPIC Quality and Customer Experience		<ul style="list-style-type: none"> Customer Satisfaction Score Net Promoter Score Customer Effort Score (CES) 	65	
MATERIAL TOPIC Employer Branding and Talent Attraction		<ul style="list-style-type: none"> Level of training of Junior resources Redemption of Employer Branding Events 	60 60-62	

The phase of drafting this report involved all corporate functions across the various locations within the reporting scope, in particular Human Resources, Purchasing, Communications and Compliance. The latter unit then co-ordinated the internal audit of the data, approving them on a definitive basis in partnership with the management.

Finally, the company has set up an ad-hoc email address dedicated to ESG issues that will allow all internal and external stakeholders to interact on Corporate Social Responsibility issues. The ESG@lutech.it address (managed by the Compliance function) will thus serve as a reference for exchanges with other local authorities and different types of stakeholders.

FINAL NOTES:

In 2021, Lutech S.p.A.:

- closed its HQ in Cologno Monzese, via Milano 150, lease agreement dated 27/07/2017 on 27 July 2021;
- extended its location in Cinisello Balsamo, via Massimo Gorki 30/32 C, with Addendum to the lease agreement dated 03/08/2020 on 17/05/2021;
- Took out a new lease for the logistics site in Ornago, via Volta 3, dated 29/01/2021
- released for the logistics site in Roncello, via don Locatelli 49/51, the lease agreement dated 27/07/2017 on 30/04/2021;
- Expanded Cagliari office at via Caboni, 3 on 20/09/2021
- In January 2021 TECLA (an entity that became part of Lutech on 01/08/2021) closed its Verbania Corso Cobianchi office, with a lease dated 24/04/2015
- On 28/02/2021 the TEIA office at via Colonna 50 Milan was closed and the company was merged into Lutech on 31/12/2021.

GLOSSARY

Environment (extract from UNI EN ISO 14001:2015):

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

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

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

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

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

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

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

ISO 9001: an international standard defining the requirements of an organisation's quality management system. This standard provides guidelines for improving effectiveness and efficiency in the creation of the product or in service delivery and for increasing customer satisfaction and loyalty.

Employee: an individual who is recognised under national laws or practices as an employee of the reporting organisation. LCA (Life Cycle Assessment): analysis methodology that assesses the set of interactions that a product/component has with the environment and defines its direct or indirect impacts, considering its entire life cycle: from production to recycling to final disposal.

Materiality: refers to the relevance that a certain topic (economic, operational, social or environmental) has for the company and its stakeholders (see stakeholders). Aspects are deemed material when they reflect the organisation's significant economic, social and environmental impacts or substantially influence stakeholder assessments and decisions.

Topic boundary: description of where the impacts of a material topic fall and what the organisation's involvement is in those impacts.

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

Occupational Health and Safety Management

System: a set of interconnected or integrated elements useful for defining a policy and objectives on health and safety at work and how to achieve these objectives.

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

Sustainability and Sustainable Development: the most widely used definition of the concept of sustainable development is contained in the "Brundtland Report" of the World Commission on Environment and Development (named after the chairwoman Gro Harlem Brundtland), drawn up in 1987. Sustainable development means a development model "meeting the needs of the present without compromising the ability of future generations to meet their own needs". Sustainability is therefore an approach (to society, as well as to business) oriented towards ensuring a balance between present and future requirements, balancing economic, financial, social and environmental concerns.

Supply Chain: the process of planning, implementing and controlling the efficient and effective flow and storage of raw materials, semi-finished and fini-

shed products and the relative information from the point of origin to the point of consumption in order to meet customer needs.

Type of employment:

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



lutech.group



lutech.group