Dear Stakeholders,

The year 2023 has been characterised by strong structural processes of technological evolution that have affected our daily lives and are linked to the development of Artificial Intelligence and related disciplines, such as the availability of generative AI tools, which are now within everyone’s reach.

These technologies, although still in a phase of adoption, seem set to revolutionise every sector quickly, making possible new approaches to business processes that we had never imagined before. Our commitment to innovation leads us to work on digital solutions that, thanks to AI, can automate and improve the efficiency of routine processes and support high value-added activities with new functionalities. We therefore look forward optimistically to this opportunity with the aim of providing services that help our customers shape the future.

At the same time, we are aware of the environmental impacts of AI systems, which are part of a wide debate; the focus on the choice of efficient architectural models and systems optimised for these purposes has effects that can be significant in reducing emissions from the development and use of models.

In addition, we cannot forget that these ‘frontier’ technologies carry risks for society, since intentional misuse is not strictly necessary to have negative impacts, e.g. in terms of misinformation and errors. We are thinking of biases (understood as unconscious biases), which can influence decision-making processes, generating, for example, social discrimination with profound effects in socio-economic structures. For this reason, Reply has structured itself with a committee dedicated to the ethical aspects inherent to AI, in order to provide support in understanding and best managing the relationships between social and technological aspects, while maintaining a commitment to implementing AI systems according to international best practices of safe development.

Parallel to the rapid acceleration of technological change, geopolitical tensions have unfortunately increased and there are numerous ongoing conflicts. Moreover, extreme weather phenomena such as fires, floods and rising temperatures have reached new record impacts, which seem to outstrip efforts and resources for climate change adaptation and contribute to widespread instability.

However, as a consultancy firm, we know that the greatest contribution we can make to the right transition is to use our expertise to help our clients manage the innovation aspects of the transition, transforming the way products and services are designed to be more efficient and sustainable.

Reply remains committed to its challenging environmental goals of Carbon Neutrality in 2025 and Net Zero emissions by 2030. At the same time, we keep a strong focus on the social aspects of diversity, equity and inclusion, to consolidate a fair working environment that rewards merit and is conducive to gender equality. In the light of recent regulatory developments, we are working to further strengthen the link with our supply chain with regard to sustainability aspects.

This statement gives us an opportunity to report on our progress during 2023 and to reaffirm our support for the Sustainable Development Goals in conducting our business and managing our operations.

I renew my thanks to all our Colleagues and Collaborators for their constant commitment to innovation and sharing these sustainability commitments also beyond the work context, in the many occasions of interaction and involvement of the communities we are part of, to contribute to a better future for all.
Communication on progress

From 2021, Reply has adhered to the United Nations Global Compact committing to support the Ten Principles on Human Rights, Labour, Environment and Anti-Corruption promoted by the initiative, and to contribute to the achievement of the Sustainable Development Goals. In line with the requirements of the Global Compact, Reply reports on the specific digital platform (UN Global Compact CoP Digital Platform) regarding the actions undertaken and the results achieved thanks to the integration of the Ten Principles of the United Nations Global Compact in its business strategies and operations, qualifying its commitment to support the achievement of the Sustainable Development Goals.

In 2023 was awarded the Silver Medal by the Scoring Agency EthiFinance, with a score of 62/100, a marked improvement on the previous year.

53/100 in the Vigeo Eiris analysis of ESG criteria, higher than the industry average, and with a specific score in energy transition of 64/100.

In 2023 rated A by MSCI, a leading international company in the provision of information tools to support the investment decisions of global investors.

In 2023 silver medal in the Ecovadis assessment with a score of 64/100, an improvement from the previous year.

Certifications

Reply is ISO 9001 certified for its Group-wide quality management system.

Reply S.p.A. is ISO 45001 certified for its occupational health and safety management system through which it provides such services to Group companies.

ISO 14001 environmental management system certification is held by Reply S.p.A., Reply Deutschland SE, the Reply Public Sector Consortium and all the consortium companies. All major European locations are included in the scope of certification.

ISO 14064 certification (Organizational Carbon Footprint) is held by Reply S.p.A. and the Reply Public Sector Consortium.

With regards to information security, ISO/IEC 27001 TISAX and CyberEssentials certifications are held by the Group companies for which it is relevant to the services provided.

Whitehall Reply has achieved Gender Equality Certification according to UNI/Pdr 125.

As a significant event subsequent to the reporting period, in April 2024, ISO 37001 certification for the Anti-bribery management system was obtained by Reply S.p.A., the Reply Public Sector Consortium and the consortium companies.

ESG rating

The validity of Reply’s Corporate Social Responsibility management model is recognised by rating agencies and by ESG indices, which guarantee transparency in communication to investors and comparability with peers, as well as increasing the Group’s visibility on financial market.

Since 2012 part of the CDP (formerly the Carbon Disclosure Project), obtaining Level B in 2023.

Confirmed as “low risk” in the Sustainalytics index.

Included in the ESG Mib Index, which identifies the major Italian listed issuers with the best ESG practices.
Following the 2015 Paris Climate Agreement, many companies have stepped up their efforts to tackle climate change.

Reply has made a full commitment to environmental sustainability, and for this reason it is committed to achieving:

To achieve the Net Zero target, Reply is working on its emission reduction programme and has a series of actions to optimise the company’s energy consumption. The main measures implemented by Reply to reduce emissions are as follows:

**Transition to 50% electricity from renewable sources in all countries by 2025.**
- In 2023, more than half of the countries where Reply is present were supplied with energy from renewable sources for more than 50% of their total consumption. When compared to the total electricity consumption of the entire Group, 78% of it comes from renewable energy sources.

**Evolution towards a green fleet, with a target of 30% hybrid/electric vehicles in 2025.**
- In 2023, the Reply fleet reached 29% of hybrid/electric vehicles, the use of which is supported by the presence of special charging stations, both publicly available near the offices and, for some of the main offices, installed for the use of Reply employees.

**Adoption of Environmental Policy guidelines** to reduce and monitor the environmental impact of the company’s activities in offices not owned by the company, and implement energy efficiency improvements in all offices by 2030 (in Italy).
- For 2024, in continuation of 2023, a series of measures are planned with the aim of improving the energy efficiency of offices, especially lighting systems. At several locations, relamping with LED lighting will continue for both the exteriors and interiors of the buildings. In 2023, the energy diagnosis of buildings subject to legal requirements was carried out and the installation of photovoltaic panels and the introduction of PIR presence detectors to make electricity consumption more efficient were envisaged.
- When it comes to office renovation projects, voluntary certifications of energy efficiency and ecological footprint of buildings (e.g. LEED, BREEAM) are being considered, which are already available for some of the sites used by the Group in the different regions. In particular, there are 10 certified sites (5 BREEAM, 5 LEED) and one in the process of LEED certification by the first half of 2024.

**Establishment of the Reply Forest** to absorb tonnes of CO₂ and support reforestation.
- By the end of 2023, all Reply Companies have a total of more than 1,800 trees through Treedom: the Reply Forest, together with the forests of the Reply companies, is currently capable of absorbing more than 500 tonnes of CO₂ per year.

**Implementation of the offsetting programme** to achieve Carbon Neutrality in 2025 and Net Zero in 2030 for CO₂ equivalent emissions.
- The purchase of carbon credits for voluntary offsetting of Scope 1 and 2 through certified offsetting projects, as per the Carbon Neutrality target set for 2025, was initiated.
No opportunity is wasted

Reply is committed to achieving zero-waste status by 2030 with the aim of reusing and recycling where opportunities exist in e-waste. To achieve this goal, Reply has decided to continue donating laptops that are still functional but inadequate for internal technical/operational needs.

Reply also demonstrates its focus on the environment by reusing promotional materials, such as roll-ups, which are 80% recycled to create limited edition gifts distributed to employees who have actively contributed to the initiatives.

As far as municipal waste is concerned, all offices contain separate waste collection containers for all types managed locally (e.g. plastic, paper, organic, metal) in a widespread manner.

Most of the waste produced (98.24%) is classified as “non-hazardous” and almost all of it is recovered (99.63%).

### 2023 - Emissions CO₂eq by Scope

<table>
<thead>
<tr>
<th>SCOPE</th>
<th>UNIT OF MEASURE</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct emissions (Scope 1)</td>
<td>tonCO₂eq</td>
<td>5,335 (-1%)</td>
</tr>
<tr>
<td>Electricity indirect GHG emissions (Scope2) LOCATION-BASED</td>
<td>tonCO₂eq</td>
<td>4,515 (-5%)</td>
</tr>
<tr>
<td>Electricity indirect GHG emissions (Scope2) MARKET-BASED</td>
<td>tonCO₂eq</td>
<td>2,737 (-0%)</td>
</tr>
<tr>
<td>Other indirect GHG emissions (Scope3)</td>
<td>tonCO₂eq</td>
<td>11,094 (+46%)</td>
</tr>
</tbody>
</table>
The management and valorisation of Reply’s human capital strive towards integration and respect for equal opportunities and diversity, which represent an asset to innovate ideas and processes and to better grasp and manage the challenges posed by the market.

Reply pays the utmost attention to conducting its business activities under the banner of transparency and fairness, respecting the expectations of the different stakeholders and regulatory provisions.

The fundamental ethical principles of the Group are:
- Professionalism and reliability.
- Legality and honesty of the activities carried out by the Group in full compliance with current legislation.
- Impartiality.
- Respect for diversity and non-discrimination.
- Prevention of potential conflicts of interest and fairness and transparency.

Reply and its subsidiaries follow an adopted a Code of Ethics developed to ensure that the Reply Group’s key ethical values are clearly defined and constitute the basic elements of corporate culture, as well as set a standard of conduct for all those working for the Group with regard to business and non-business affairs.

The Safeguarding employment stability has continued to remain a priority for Reply, and in 2023 99% of women and 99% of men are employed on permanent contracts.

In addition, Reply established the Human Rights & Labour Policy which rejects child labour and forced labour and protects the freedom of association and collective bargaining throughout the Group, and issued the Modern Slavery Policy against modern forms of slavery.

Reply is attentive to the issue of gender equality: the presence of women in 2023 is constant compared to the previous year and stands at 28.7% of the total workforce: a percentage in line with that of university faculties (STEM), which are the Group’s main area of recruitment. In 2023, there was a pay equity for women compared to men of 95% on the average salary.

Reply pays close attention to safeguarding employee health and safety and provides its employees with benefits to increase their general well-being. This is done by implementing the necessary measures to guarantee a safe workplace and by arranging training and circulation of information for effective prevention, and managing professional risks associated with corporate business and with specific programmes dedicated to well-being.

Reply offers employees the opportunity to work remotely by offering a Hybrid work Programme, with the aim of promoting more efficient time management and greater freedom in the choice of working space and time. This practice, which has been established for several years, aims to reduce stress related to home-work commuting and improve the balance between work and personal life.

### Frequency rate

<table>
<thead>
<tr>
<th>Rate</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>0.09</td>
<td>0.46</td>
</tr>
<tr>
<td>R2</td>
<td>0.27</td>
<td>1.50</td>
</tr>
<tr>
<td>R3</td>
<td>1.25</td>
<td>0</td>
</tr>
</tbody>
</table>

### The lost day rate

<table>
<thead>
<tr>
<th>Rate</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>0.00</td>
<td>0.03</td>
</tr>
<tr>
<td>R2</td>
<td>0.00</td>
<td>0.06</td>
</tr>
<tr>
<td>R3</td>
<td>0.02</td>
<td>0.52</td>
</tr>
</tbody>
</table>

In 2023, a total of 9 on-site accidents had occurred (5 for men and 4 for women).
SOCIAL WELLNESS AND DIVERSITY

The Reply All - Uniquely Diverse programme aims to create a community that gives space and visibility to diversity, inclusion and accessibility, leveraging on the intrinsic nature of Reply: a network of companies that celebrate differences.

The elements of Reply All – Inclusion, Diversity, Collaboration and Growth help to build a strong culture where employees experience the Reply DNA. With continuous interaction with the local Reply communities across the globe, the program focuses on bringing in diverse perspectives in terms of experiences, cultures, social topics and much more. The program manifests itself in many formats for example: global panels, speaker series, local talks & workshops, networking sessions.

In 2023, the panels on women and the LGBTQIA+ community involved more than 822 unique Replyers from 10 different countries.

The international Booster Club programme involves the creation of teams to engage the employee community in each of the Group’s offices. The aim is to encourage knowledge sharing and participation in #LifeAtReply events. As a whole, the goal of Booster Clubs is to offer opportunities throughout the Reply network and to listen to the voices of all Replyers, regardless of the size of their offices. The very nature of the Booster programme, in 2023 made up of 46 different teams present in 15 countries (in 2022 there were 40 teams in 14 countries), allows for a wide variety of initiatives, at both local events and shared events with shared initiatives between different Reply offices. In 2023, more than 12,000 employees attended Booster events globally.

In regards to its employees, Reply takes care of both their wellness and diversity needs. Numerous well-being programmes are made available to them, with a range of physical and digital tools and initiatives. Additionally, growth and knowledge sharing are facilitated, and networking is supported, providing access to services and opportunities for all employees in a fair and equitable manner, regardless of gender, status, origin, or office.
Reply invests in the development of talent and skills, promoting the importance of lifelong learning as an integral part of career paths. Training and professional development are promoted regularly with ongoing education activities.

In 2023, Reply invested in programmes for professional skill and career development, including induction and onboarding courses, specialisation and technical refresher courses, and soft skill workshops. In particular, the Group provides **optional training activities that are open to all employees**.

Specific internal training programmes are periodically scheduled for new managers and executives (**Reply Management Programme**), covering team and people management, business development, internal company processes, management skills and continuing education activities in collaboration with internationally recognised business schools.

Internal training through skills improvement courses is always available. In particular, the training programme with user-generated content (**Learn.Share.Remix**), allows Reply employees to act as lecturers and speakers on current topics of interest to the company, through interactive sessions and workshops. As part of the Learn. Share. Remix programme, 176 events were organised in 2023 with over 4,300 global participants from 11 different countries.

Reply Challenges are a series of online competitions created by Reply employees and open to anyone who loves technology in the fields of Coding, Finance, Security and Creativity. In 2023, Reply organised three Reply Challenges throughout the year, each of which bringing together groups of experienced employees in a single location to hone their skills, innovate and develop a problem for participants to solve. In 2023, 1,900 employees participated in challenges in areas such as: coding, cybersecurity, investments and creativity. Employees can use their skills and innovation skills to reach the top of the rankings and win the prizes up for grabs.
Reply believes and invests in the development of talent and skills. This vision is fostered and applied not only within the employee community, but also externally to students and professionals who participate in a variety of employee-focused activities. Reply acquires the best talents through established relationships with several Italian and European universities and research centres, enriching its workforce with high-profile personnel.

The various programmes include:

- **Student Tech Clash**
  - A competition between universities to stimulate competition through creativity and the production of innovative projects.

- **Reply Challenges**
  - Online competitions for teams on the main themes of innovation.

- **Reply Ambassador Programme**
  - A team of university students who collaborate with Reply during their academic career.

In 2022, in line with its commitment to promote gender equality, Reply joined the *Girls@Polimi* initiative, set up by the Politecnico di Milano to sponsor scholarships for female high school students to attend engineering courses starting in the 2023/2024 academic year. In 2023, the funded scholarships were disbursed. Support for women in STEM training promotes inclusive education, which breaks down stereotypes and helps reduce the gender gap.

During 2023, Reply continued the partnership started in 2022 with the UK charity upReach, which works to help students from disadvantaged backgrounds get into and stay in top jobs. In addition to these initiatives, which are mainly aimed at university students, there is the Code for Kids programme, a European initiative aimed at schools and companies, in which children and young people learn to code and play with innovative technologies during their school years in activities that introduce them to programming and the conscious use of technology.

Since 2015, more than 15,500 young elementary, middle and high school students have participated in coding days held at Reply offices or schools.
The selection process and the focus on building virtuous, long-lasting relationships with independent contractors is essential to Reply. Independent contractors work both at the Group and customer premises, so they are assessed and managed carefully.

It should be noted that in all contracts entered into by Group companies, independent contractors and suppliers are required to accept and apply the Group’s Code of Ethics and from 2022, the **Supplier Code of Conduct**, which integrates the existing Code of Ethics, also included in the contracts. The purpose of the **Code of Conduct** is to define the standards that must be respected by suppliers and to gather all the issues that Reply considers essential in the relationship with its suppliers:

- integrity and transparency;
- focus on the environment;
- health and safety;
- protection of people;
- working conditions.

In 2023, 296 suppliers completed the online questionnaire. Compared to the previous year, there was a clear improvement in the quality of the responses received, thanks to the collaborative and active involvement approach that Reply adopts with its suppliers.

As part of the security measures put in place by the ICT Security function, Multi-Factor Authentication (MFA) was also extended to external independent contractors to access Reply’s systems and network.
The Corporate Governance system adopted by Reply adheres to the indications contained in the Corporate Governance Code of Italian listed companies published by Borsa Italiana S.p.A., in the January 2020 version, with the integrations and adjustments consequent to the characteristics of the Group.

Reply’s Board of Directors is composed of five men, including the Chairman, over 50 years of age and four women, including the CEO, over 50 years of age, as described in the Report on corporate governance and ownership structures. The appointment of directors is governed by the company’s Articles of Association, which takes into account the legislation regarding gender balance.

Specific whistleblowing channels have been set up in all the countries in which the Group operates. In particular, there is a Whistleblowing Policy, again at Group level, encouraging stakeholders and employees to report any suspected wrongdoing as soon as possible, guaranteeing that any such report will not affect their working conditions.

In the reporting period there were no significant ascertained cases of non-compliance with laws and regulations and no fines were paid during the reporting period. There are no pending or closed legal proceedings regarding anticompetitive behavior and violations of antitrust and antimonopoly laws in which the organization has been identified as a party.

In Italy, Reply has adopted an Organisational, Management and Control Model which represents a structured and organic system of procedures and activities aimed at preventing, as far as possible, the commission of inappropriate conduct, including corruption and conflicts of interest. The Model specifies processes at risk of corruption and they include management of entertainment expenses, gifts, sponsorships, and generic donations.

The Board of Directors established the Sustainability Committee in 2021 to promote the integration of environmental, social and governance factors into corporate strategies in order to achieve sustainable growth and create long-term value for shareholders, taking into account the interests of relevant stakeholders. Reply considers compliance as an indispensable basis for maintaining business relations with public and private entities. In addition to complying with the national laws of the countries in which it operates, the Group pursues sustainable and inclusive growth and operates in accordance with the Universal Declaration of Human Rights, the conventions of the International Labour Organization (ILO) and the principles promoted by the United Nations Global Compact, to which it is a signatory.
The security of our information systems is a fundamental requirement for ensuring the reliability of the data processed, as well as the effectiveness and efficiency of the services provided by the company, as set out in Reply’s Code of Ethics.

**Reply’s commitment to data protection** is aimed specifically at safeguarding:

- confidentiality, ensuring that data is only accessible to authorised users and systems;
- integrity, safeguarding the integrity, completeness and accuracy of the data;
- availability, ensuring that authorised users and systems have access to data when needed.

To govern information security and privacy aspects in the services provided, the Reply Group has adopted a complex framework.

The **GDPR Compliance Programme** instead provides for the standardisation of data and privacy protection practices for all Group companies and holdings, and is applied through the definition of a **Privacy Management system**.

For further information see: [Consolidated disclosure of non-financial information 2023](#).