REPO RT ON OPERA TIONS

Main risks and uncertainties to which Reply S.p.A. and the Group are exposed

The Reply Group adopts specific procedures in managing risk factors that can have an influence on company results. Such procedures are a result of an enterprise management that has always aimed at maximizing value for its stakeholders putting into place all necessary measures to prevent risks related to the Group activities.
Reply S.p.A., as Parent Company, is exposed to the same risks and uncertainties as those to which the Group is exposed, and which are listed below.
The risk factors described in the paragraphs below must be jointly read with the other information disclosed in the Annual Report.

External risks

Risks associated with general economic conditions
The informatics consultancy market is strictly related to the economic trend of industrialized countries where the demand for highly innovative products is greater. An unfavourable economic trend at a national and/or international level or high inflation could reduce the growth of demand and consequently could have negative effects on the Group's activities and on the Group's economic, financial and earnings position.
It should also be noted that the new scenarios of international economic policy linked to the continuation of the conflict between Ukraine and Russia and the crisis between Israel and Palestine, create uncertainties and tensions particularly within the Eurozone. Although the relative evolutions and impacts are still uncertain and difficult to assess, the intensification of ongoing geopolitical tensions and trade war could have significant negative repercussions on the global, international and Italian economy, on the performance of the financial markets and on the energy sector.

Risks related to the evolution of ict-related services
The ICT consulting services sector in which the Group operates is characterised by rapid and profound technological changes and by a constant evolution of the mix of professional skills and expertise to be pooled in the provision of the services themselves, with the need

for continuous development and updating of new products and services, and a prompt go to market. Therefore, with a strong and growing focus on ethical aspects, the future development of the Group's activities will also depend on its ability to foresee technological developments and the content of its services, also through significant investments in research and development activities, or through effective and efficient extraordinary operations.

Risks associated with competition

The ICT market is highly competitive. Competitors could expand their market share squeezing out and consequently reduce the Group's market share. Moreover the intensification of the level of competition is also linked with possible entry of new entities endowed with human resources and financial and technological capacities in the Group's reference sectors, offering largely competitive prices which could condition the Group's activities and the possibility of consolidating or amplifying its own competitive position in the reference sectors, with consequent repercussions on business and on the Group's economic, earnings and financial situation.

Risks associated with changes in client needs

The Group's solutions are subject to rapid technological changes which, together with the growing or changing needs of customers and their own need for digitalisation, could translate into requests for the development of increasingly complex activities that sometimes require excessive commitments that are not economically proportionate, or could result in the cancellation, modification or postponement of existing contracts. This could, in some cases, have repercussions on the Group's business and on its economic and financial situation.

Risks associated with segment regulations

The Group is subject to the laws and regulations applicable in the countries in which it operates, such as, among the main ones, regulations on the protection of occupational health and safety, the environment and the protection of intellectual property rights, tax regulations, regulations on the protection of privacy, the administrative liability of entities pursuant to Legislative Decree No. 231/01 and responsibilities under Law 262/05.
The Group operates in accordance with applicable legal requirements and has established processes to ensure that it is aware of the specific local regulations in the areas in which it operates and of regulatory changes as they occur.
Violations of these regulations could result in civil, tax, administrative and criminal sanctions, as well as the obligation to carry out regularisation activities, the costs and responsibilities of which could adversely affect the Group's business and its results.

Sustainability risks
In the context of sustainability, Reply describes its material impacts, risks, and opportunities—identified through the double materiality analysis—within the chapter *[SBM-3] Material impacts, risks and opportunities and their interaction with the business strategy and model* of the consolidated sustainability report.

Internal risks

Risks associated with key management and loss of know-how
The Group's success is largely due to certain key figures who have contributed in a decisive way to its development, such as the Chairman, the Chief Executive Officer and the executive directors of the Parent Company Reply S.p.A.. Reply also has a management team with many years of experience in the sector, which plays a decisive role in the management of the Group's activities. The loss of the services of one of the aforementioned key figures without adequate replacement, as well as the inability to attract and retain new and qualified personnel, could have a negative impact on the Group's prospects, maintenance of critical know-how, activities and economic and financial results. The Management believes, in any event, that the Company has an operational and managerial structure capable of ensuring continuity in the management of corporate affairs.

Risks associated with relationship with client
The Group offers consulting services mainly to medium and large size companies operating in different market segments (Telco, Manufacturing, Finance, etc.).
A significant part of the Group's revenues, although in a decreasing fashion in the past years, is concentrated on a relatively limited number of clients. If such clients were lost this could have an adverse effect on the Group's activities and on the Group's economic, financial and earnings position.

Risks associated with internationalization
The Group, with an internationalization strategy, could be exposed to typical risks deriving from the execution of its activities on an international level, such as changes in the political, macro-economic, fiscal and/or normative field, along with fluctuations in exchange rates. These could negatively influence the Group's growth expectations abroad.

Risks related to group development

The constant growth in the size of the Group presents new management and organisational challenges.

The Group constantly focuses its efforts on training employees and maintaining internal controls to prevent possible misconduct and/or ethically incorrect (such as misuse or non-compliance with laws or regulations on the protection of sensitive or confidential information and/or inappropriate use of social networking sites that could lead to breaches of confidentiality, unauthorised disclosure of confidential company information or damage to reputation).

If the Group does not continue to make the appropriate changes to its operating model as needs and size change, if it does not successfully implement the changes, and if it does not continue to develop and implement the right processes and tools to manage the business and instil its culture and core values in its employees, the ability to compete successfully and achieve its business goals could be compromised.

Risks related to acquisitions and other extraordinary operations

The Group plans to continue to pursue strategic acquisitions and investments to improve and add new expertise, service offerings and solutions, and to enable expansion into certain geographic areas and other markets.

Any investment made as part of strategic acquisitions and any other future investment in Italian or international companies may involve an increase in complexity in the Group's operations and there is no guarantee that such investments will generate the expected return on the acquisition or investment decision and that they will be properly integrated in terms of quality standards, policies and procedures in a manner consistent with the rest of the Group's operations. The integration process may require additional costs and investments. Inadequate management or supervision of the investment made may adversely affect the business, operating results and financial matters.

Risks related to non-fulfilment of contractual commitments

The Group develops high-tech, high-value solutions; the underlying contracts, which may involve both internal staff and external contractors, may provide for the application of penalties for failure to meet agreed deadlines and quality standards. The application of such penalties could have negative effects on the Group's economic and financial results and reputation. However, the Group has taken out insurance policies, deemed adequate, to protect itself against risks arising from professional liability for an aggregate annual maximum amount deemed adequate in relation to the underlying risk. However, if the insurance coverage is inadequate and the Group is required to pay damages in excess of the maximum amount provided, the Group's financial position, results of operations and cash flows could be materially adversely affected.

Risks related to key partnerships

In order to offer the most suitable solutions to differing customer needs, the Group has established important partnerships with leading global vendors.

The business that the Group conducts through these partnerships may decline or not grow for a number of reasons, as the priorities and objectives of technology partners may differ from those of the Group and they are not prohibited from competing with the Group or entering into closer agreements with its competitors. Decisions the Group makes with respect to a technology partner may affect the ongoing relationship. In addition, technology partners may experience reduced demand for their technology or software, which could decrease the related demand for the Group's services and solutions.

The risk of failing to adequately manage and successfully develop relationships with key partners, or of failing to foresee and establish effective alliances in relation to new technologies, could adversely affect the ability to differentiate services, offer cutting-edge solutions to customers or compete effectively in the market, with possible consequent repercussions on the business and on the economic and financial situation.

Risks related to the protection of intellectual property rights

The Group's success depends, in part, on its ability to obtain intellectual property protection for its proprietary platforms, methodologies, processes, software and other solutions.

The Group relies on a combination of confidentiality, non-disclosure and other contractual agreements, and patent, trade secret, copyright and trademark laws and procedures to protect its intellectual property rights. Even where we obtain intellectual property protection, the Group's intellectual property rights cannot prevent or discourage competitors, former employees or other third parties from reverse engineering their own solutions or proprietary methodologies and processes or independently developing similar or duplicate services or solutions.

In addition, the Group may unwittingly infringe the rights of others and be liable for damages as a result. Any claims or litigation in this area could cost time and money and lead to damage the Group's reputation and/or require it to incur additional costs to obtain the right to continue offering a service or solution to its customers.

The occurrence of such risks could adversely affect the Group's competitive advantage and market positioning, its economic, financial and capital position, as well as its reputation and prospects for future business development.

Cyber security, data management and dissemination risks

The Group's business relies on IT networks and systems to process, transmit and store electronic information securely and to communicate with its employees, customers, technology partners and suppliers. As the scale and complexity of this infrastructure continues to grow, not least due to the increasing reliance on and use of mobile technologies, social media, cloud-based services and artificial intelligence, the risk of security incidents and cyber-attacks increases. Such breaches could result in the shutdown

or disruption of the Group's systems and those of our customers, technology partners and suppliers, and the potential unauthorised disclosure of sensitive or confidential information, including personal data.
In the event of such actions, the Group could be exposed to potential liability, litigation and regulatory or other actions, as well as loss of existing or potential customers, damage to brand and reputation, and other financial losses. In addition, the costs and operational consequences of responding to violations and implementing corrective measures could be significant.
To date, there hasn't been a cybersecurity attack that has had a material effect on the Group, although there is no guarantee that there won't be a material impact in the future. Aware that the business and cyber security landscape evolves, the Group is continuing on a path of unceasing strengthening of risk controls, reserving the right, if deemed necessary, to make significant additional investments to protect data and infrastructure.
However, if the insurance coverage, which includes IT insurance, is inadequate and the Group is required to pay damages in excess of the maximum amount provided, the Group's financial position, results of operations and cash flows could be materially adversely affected.

Risks in terms of social and environmental responsibility and business ethics
In the context of social, environmental, and business ethics responsibility, Reply describes its material impacts, risks, and opportunities—identified through the double materiality analysis—within the chapter *[SBM-3] Material impacts, risks and opportunities and their interaction with the business strategy and model* of the consolidated sustainability report.

Financial risks

Credit risk
For business purposes, specific policies are adopted to assure its clients' solvency.
With regards to financial counterparty risk, the Group does not present significant risk in credit-worthiness or solvency.

The Group's exposure to credit risk is the potential losses that could result from non-fulfilment of the obligations assumed by both commercial and financial counterparties.
In order to measure this risk over time, as part of the impairment of its financial assets (including trade receivables), the Group has applied a model based on expected credit losses pursuant to IFRS 9.
This exposure is mainly due to general economic and financial items, the possibility of specific insolvency situations of some debtor counterparties and more strictly technical-commercial or administrative elements.
The maximum theoretical exposure to credit risk for the Group is the book value of financial assets and trade receivables. The risk related to trade receivables is managed through the application of specific policies aimed to ensure the solvency of customers.
Provisions to the allowance for doubtful accounts are made specifically on creditor positions with specific risk elements. On creditor positions which do not have such characteristics, provisions are made on the basis of the average default estimated on the basis of statistical indicators.

Liquidity risk
The group is exposed to funding risk if there is difficulty in obtaining finance for operations at any given point in time.
The cash flows, funding requirements and liquidity of the Group's companies are monitored or centrally managed under the control of the Group Treasury, with the objective of guaranteeing effective and efficient management of capital resources (maintaining an adequate level of liquid assets and funds obtainable via an appropriate committed credit line amount).
The difficult economic and financial context of the markets requires specific attention as regards the management of liquidity risk and in such a way that particular attention is given to shares tending to generate financial resources with operational management and to maintaining an adequate level of liquid assets. The Group therefore plans to meet its requirements to settle financial liabilities as they fall due and to cover expected capital expenditures by using cash flows from operations and available liquidity, renewing or refinancing bank loans.

Exchange rate and interest rate risk

The Group entered into most of its financial instruments in Euros, which is its functional and presentation currency. Although it operates in an international environment, it has a limited exposure to fluctuations in the exchange rates.

The exposure to interest rate risk arises from the need to fund operating activities and M&A investments, as well as the necessity to deploy available liquidity. Changes in market interest rates may have the effect of either increasing or decreasing the Group's net profit/(loss), thereby indirectly affecting the costs and returns of financing and investing transactions.

The interest rate risk to which the Group is exposed mainly derives from bank loans; to mitigate such risks, the Group, when necessary, has used derivative financial instruments designated as "cash flow hedges".

The use of such instruments is disciplined by written procedures in line with the Group's risk management strategies that do not contemplate derivative financial instruments for trading purposes.

Tax risk

The risk of any changes in tax law and its application or interpretation could have a negative or positive impact on the Group's results of operations, affecting the effective tax rate.

The Company adheres to the National Tax Consolidation scheme pursuant to articles 117/129 of the Consolidated Income Tax Act (TUIR). Reply S.p.A., the Parent Company, acts as consolidating company and determines a single taxable income for the Group of companies participating in the Tax Consolidation, benefiting from the possibility of offsetting taxable income with tax losses in a single declaration. The tax risk limitation measures put in place by Management, in terms of verifying the adequacy and correctness of tax compliance, obviously cannot completely exclude the risk of tax audits.

Review of the Group's economic and financial position

Foreword

The financial statements commented on and illustrated in the following pages have been prepared on the basis of the Consolidated financial statements as at 31 December 2024 to which reference should be made, prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union, as well as with the provisions implementing Article 9 of Legislative Decree No. 38/2005.

Trend of the period

The Reply Group closed 2024 with a consolidated turnover of €2,295.9 million an increase of 8.4% compared to €2,118.0 million in 2023.
All indicators are positive for the period. Consolidated EBITDA was €410.6 million, an increase of 16.6% compared to €352.1 million at December 2023.
EBIT, from January to December, was at €330.4 million, which is an increase of 12.9% compared to €292.7 million at December 2023.
The Group net profit was at €211.1 million. In 2023, the corresponding value was €186.7 million.
Following the results achieved in 2024, the Reply Board of Directors decided to propose a dividend distribution of €1.15 per share to the next Shareholders' Meeting, which will be payable on 21 May 2025, with the dividend date set on 19 May 2025 (record date 20 May 2025).
As at 31 December 2024, the Group's net financial position was positive at €349.1 million (204.9 million at 31 December 2023). As at 30 September 2024, the net financial position was positive at €312.6 million.

2024 closed with very positive results for Reply, confirming once again Reply's ability to interpret market needs and develop cutting-edge digital solutions in an increasingly dynamic and complex global context. In a macroeconomic scenario characterised by uncertainties and deep transformations, Reply has continued to grow, supported by the solidity of its model based on a network of highly specialised companies.

This positioning, has allowed Reply to be among the first on the market to offer innovative, integrated and competitive solutions able to make the most of the ever-increasing spread of artificial intelligence within corporate systems, strengthening its leadership position in the fields of digital creativity, system integration and consulting.

In the last twelve months artificial intelligence has crossed the threshold of innovation to become an essential pillar of industrial and social transformation. Reply's clients are asking for applications that no longer merely improve existing processes, but support the introduction of new operational methods, new business models, and enable the development of entire categories of products and services that were previously unthinkable.

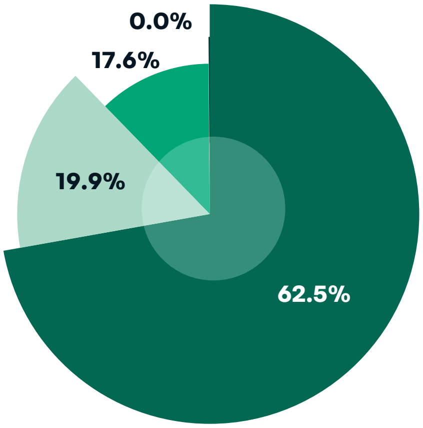
Reclassified consolidated income statement

Reply's performance is shown in the following reclassified consolidated statement of income and is compared to corresponding figures of the previous year:

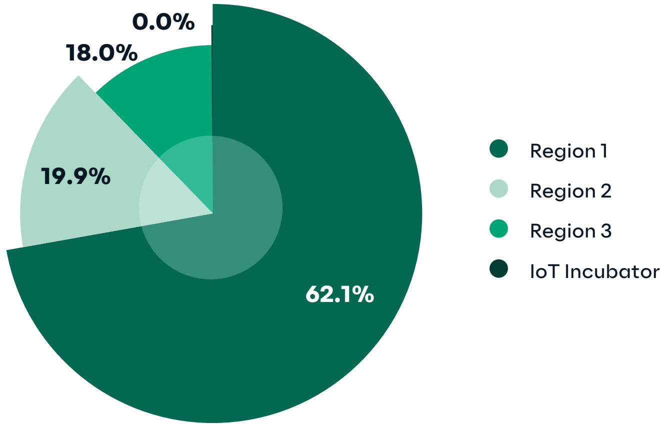
(THOUSAND EUROS)	2024	%	2023	%
Revenues	**2,295,938**	**100.0**	**2,117,983**	**100.0**
Purchases	(46,350)	(2.0)	(29,364)	(1.4)
Personnel	(1,237,370)	(53.9)	(1,139,331)	(53.8)
Services and other costs	(570,461)	(24.8)	(595,710)	(28.1)
Other operating (costs)/income	(31,147)	(1.4)	(1,485)	(0.1)
Operating costs	**(1,885,327)**	**(82.1)**	**(1,765,890)**	**(83.4)**
Gross operating income (EBITDA)	**410,611**	**17.9**	**352,093**	**16.6**
Amortization, depreciation and write-downs	(84,933)	(3.7)	(75,205)	(3.6)
Fair value adjustments to deferred consideration	4,743	0.2	15,858	0.7
Operating income (EBIT)	**330,421**	**14.4**	**292,745**	**13.8**
(Loss)/gain on investments	(20,000)	(0.9)	(13,877)	(0.7)
Financial income/(expenses)	2,812	0.1	(7,287)	(0.3)
Income before taxes	**313,232**	**13.6**	**271,581**	**12.8**
Income taxes	(99,464)	(4.3)	(83,122)	(3.9)
Net income	**213,768**	**9.3**	**188,459**	**8.9**
Non-controlling interests	(2,630)	(0.1)	(1,760)	(0.1)
Group net income	**211,139**	**9.2**	**186,699**	**8.8**

REVENUES BY REGION (*)

2024



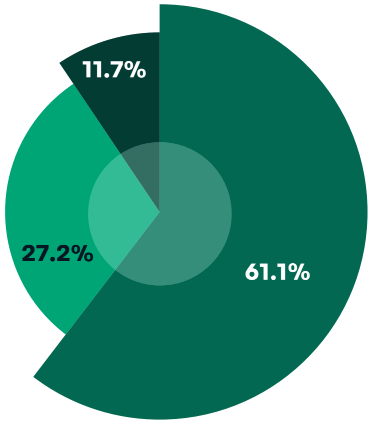
2023



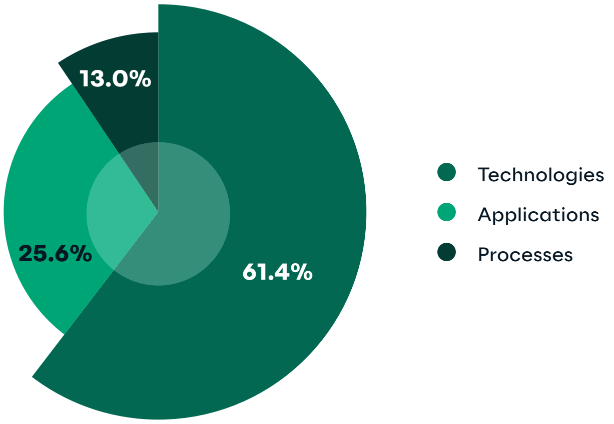
(*)
Region 1: ITA, USA, BRA, POL, ROU, CHN (Nanjing)
Region 2: DEU, CHE, CHN (Bejing), HRV, POL
Region 3: GBR, LUX, BEL, NLD, FRA, HKG

REVENUES BY BUSINESS LINES

2024



2023



TREND IN KEY ECONOMIC INDICATORS

Analysis of the financial structure

The Group's financial structure as at 31 December 2024 is set forth below, compared to 31 December 2023:

(THOUSAND EUROS)	31/12/2024	%	31/12/2023	%	CHANGE
Current assets	969,502		910,908		58,595
Current liabilities	(916,792)		(827,090)		(89,702)
Working capital, net (A)	**52,711**		**83,818**		**(31,108)**
Non-current assets	1,123,832		1,046,457		77,375
Non-current liabilities	(222,666)		(218,450)		(4,216)
Fixed capital (B)	**901,165**		**828,007**		**73,158**
Invested capital, net (A+B)	**953,876**	**100.0**	**911,826**	**100.0**	**42,050**
Shareholders' equity (C)	1,302,960	136.6	1,116,723	122.5	186,237
NET FINANCIAL POSITION (A+B-C)	**(349,084)**	**(36.6)**	**(204,898)**	**(22.5)**	**(144,187)**

Net invested capital on 31 December 2024, amounting to 953,876 thousand Euros, was funded by Shareholders' equity for 1,302,960 thousand Euros and by available overall funds of 349,084 thousand Euros.

It is to be noted that net invested capital includes Due to minority shareholders and Earn-out for a total of 109,600 thousand Euros (114,368 thousand Euros at 31 December 2023); this item is not included in the net financial managerial position included instead in the ESMA net financial indebtedness, disclosed in note 30.

The following table provides a breakdown of net working capital:

(THOUSAND EUROS)	31/12/2024	31/12/2023	CHANGE
Work in progress	68,369	47,061	21,308
Trade receivables	757,558	739,474	18,084
Other assets	143,576	124,373	19,203
Current operating assets (A)	**969,502**	**910,908**	**58,595**
Trade payables	183,233	191,001	(7,768)
Other liabilities	733,559	636,089	97,470
Current operating liabilities (B)	**916,792**	**827,090**	**89,702**
Working capital, net (A-B)	**52,711**	**83,818**	**(31,108)**
% return on revenue	*2.3%*	*4.0%*	

With reference to working capital related to business operations, which would therefore include only trade receivables, work in progress and trade payables, return on revenue would be equal to approximately 13.7% compared to 14.1% of the previous year.

Net managerial financial position and cash flows statement

(THOUSAND EUROS)	31/12/2024	31/12/2023	CHANGE
Cash and cash equivalents, net	491,713	383,608	108,105
Current financial assets	45,767	32,872	12,894
Due to banks	(19,564)	(32,285)	12,721
Due to other providers of finance	(64)	(236)	172
Financial liabilities IFRS 16	(35,163)	(31,670)	(3,493)
Short-term financial position	**482,689**	**352,290**	**130,399**
Due to banks	(48,910)	(52,291)	3,381
Financial liabilities IFRS 16	(84,695)	(95,101)	10,406
M/L term financial position	**(133,604)**	**(147,392)**	**13,787**
Total net managerial financial position	**349,084**	**204,898**	**144,186**

Change in the item cash and cash equivalents during 2024 is summarized in the table below:

(THOUSAND EUROS) 2024	2024
Cash flows from operating activities (A) 349,438	349.438
Cash flows from investment activities (B) (150,575)	(150.575)
Cash flows from financial activities (C) (90,757)	(90.757)
Change in cash and cash equivalents (D) = (A) + (B) + (C) 108,105	**108.105**
Cash and cash equivalents at the beginning of the period (*) 383,608	383.608
Cash and cash equivalents at year end (*) 491,713	491.713
Total change in cash and cash equivalents (D) 108,105	**108.105**

(*) Liquid assets and cash equivalents net are net of current account overdrafts

The complete consolidated cash flow statement and the details of cash and other cash equivalents net are set forth below in the financial statements.

Alternative performance indicators

In addition to conventional financial indicators required by IFRS, presented herein are some alternative performance measures, in order to allow a better understanding of the trend of economic and financial management.

These indicators, that are also presented in the periodical Interim management reports must not, however, be considered as replacements to the conventional indicators required by IFRS.

Set forth below are the alternative performance indicators used by the Group with relevant definition and basis of calculation:

- **EBIT**: corresponds to the "Operating margin"
- **EBITDA**: Earnings before interest, taxes, depreciation and amortization and is calculated by adding to the Operating margin the following captions:
  - Amortization and depreciation
  - Write-downs
  - Other unusual costs/(income)

Other non-recurring (costs)/revenues are related to events and transactions that due to their nature do not occur continuously in normal operations.

- **EBT**: corresponds to the Income before taxes
- **Net financial managerial position**: represents the financial structure indicator and is calculated by adding the following balance sheet captions:
  - Cash and cash equivalents
  - Financial assets (short-term)
  - Financial liabilities (long-term) including those referable to the adoption of IFRS 16
  - Financial liabilities (short-term) including those referable to the adoption of IFRS 16

Significant operations in 2024

Acquisition of Solirius Ltd

In October 2024 Reply Ltd acquired 100% of the share capital of Solirius Ltd., a UK company leader in digital transformation for the public sector.

Established in 2007 in London, Solirius offers consultancy services that focus on redefining work practices and business processes to become more customer-centric and sustainable, combining expertise that ranges from data architecture design to the development and implementation of new digital services.

With a strong focus on software development, agile delivery, artificial intelligence and data management, Solirius works with leading UK government agencies in the process of digital transformation and the adoption of new technologies to support citizen services.
Among Solirius' clients are HMCTS (HM Courts & Tribunals Service), FCDOS (Foreign, Commonwealth & Development Office Services), DfE (Department for Education), and BDUK (Building Digital UK).

The investment in Solirius is part of Reply's international growth strategy, particularly in the UK, where Reply, with offices in London and Manchester, counts most of the leading groups in the retail, financial services, and transportation sectors among its clients.

Reply on the stock market

Reply share performance

After a volatile year on the stock markets in 2023, the capital markets also had to overcome a number of challenges in 2024. However, although geopolitical tensions, wars, natural disasters and increasing political polarisation dominated the news, the capital markets were little impressed. The cause of these developments was the almost ideal mix of falling interest rates and the prospect of further interest rate cuts, rising GDP figures and corporate profits, as well as deregulation and tax cuts in the US.

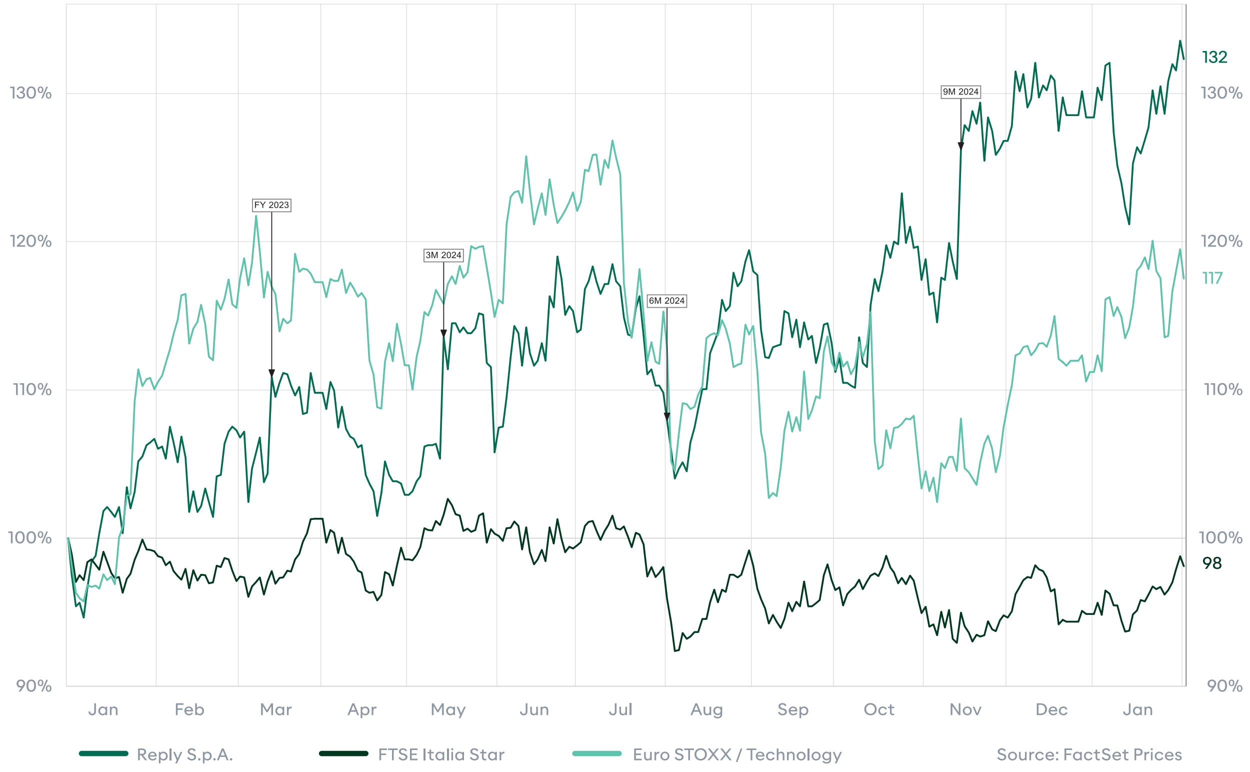
In a first step, central banks worldwide, and particularly in the US and Europe, began to cut interest rates in line with falling inflation. Liquidity and favourable refinancing costs for private individuals and companies are key drivers of a positive stock market performance. Furthermore, corporate earnings have risen for the major companies that are relevant to the stock markets, despite recessionary trends in Europe. This is particularly true in the tech sector in connection with the boom in artificial intelligence, but also in many other areas, such as the banking sector or the defence sector.

Although there were occasional corrections on the stock markets over the course of the year, the old highs were often reached again or even exceeded as a result. As a result, several stock indices reached record levels in 2024. In a long-term comparison since the turn of the millennium, the 2024 stock market year is in the top third.

Similar to the turn of the millennium, the stock market year 2024 also rewarded those who bet everything on tech stocks. Once again, stocks with a high correlation to the hot topic of artificial intelligence were the main drivers. Artificial intelligence remains the dominant topic in the technology sector. While in 2023 it was mainly manufacturers of AI chips such as NVIDIA and Broadcom that benefited from developments, large cloud providers such as AWS (Amazon), Microsoft and Google Cloud are now investing billions in the expansion of high-speed data centres. AI is also a top priority for corporate customers in their IT budgets, and the investment surge is likely to increase significantly by 2025.

So far, AI is not widely used and only a fraction of its possible applications have been developed. However, progress in AI shows that these models could develop faster than expected and that AI could therefore enter the utilisation phase earlier. All this suggests that the AI narrative and market reactions are likely to remain dynamic in the future. Even with more efficient AI models, high levels of spending may still be needed to drive further innovation, such as general artificial intelligence.

The financial year 2024 started well for Reply with the share price steadily closing the gap to the performance of the EuroSTOXX Technology and since mid of July 2024 faring better than this index. One of the main reasons for this was Reply's continuous outperformance compared to most of its competitors in terms of revenue growth and margin development. Since October 2024 the share entered an upward corridor, with the share price rising to its 2024 maximum of EUR 157.80 on 17 December 2024 and closing the year at EUR 153.40. Reply's market capitalisation increased to EUR 5.7 billion. In January 2025, the upward development of the Reply share continued. At the time of writing this chapter, the Reply share was trading at EUR 159.60, with a market capitalisation of EUR 5.9 billion.
In 2024, Reply's performance was clearly better than the various country and sector indices and most of the peer group companies. More and more investors perceived the impact of artificial intelligence is as well positive for IT services companies and not only for hardware and software vendors. In parallel the hopes of many players in the market for an improving business in the 2nd half of 2024 not materialized, leading to several business plan revisions. Accordingly, the Tech indices like the EuroSTOXX Technology (+11%) and S&P 500/IT (36%) indices developed less strong than the year before.



Taking December 6, 2000, the date of the Reply IPO, as a reference, the Italian main index MIB gained 12.6% in 2024 and stood at 74.8% of its starting value. In the same period Reply increased its IPO value by 3,735%. The outperformance of the Reply share versus the MIB increased significantly in 2024 and amounted to 3,760%.

Share liquidity

2024 showed that Artificial Intelligence is not a threat, but a big opportunity – also for IT Services companies, and not only for the hardware and software vendors. The reduced uncertainty and volatility led to a significant reduction of the trading activities in the Reply share. The number of traded shares reduced by 23% to 9.5 million shares (12.7 million shares in 2023). On the other hand, the trading volume remained stable amounting unchanged to EUR 1.32 billion. The strong increase of the share price compensated the reduction in the number of shares traded.
The improvement of the Reply share price – especially the strong performance of the 4th quarter where nearly 50% of the increase took place, had a substantial impact on the valuation multiples seen in Reply. While most of the Reply peers – defined as a group of digital native companies, diversified IT Service companies and agencies – declined in valuations, Reply belonged to the few companies who were able to raise their valuations. Reply is now trading between 33% (Enterprise Value/EBITDA) and 57% (Price/Earnings Ratio) above the peer valuations.

Dividend

Performance-related remuneration is an essential pillar of Reply's partnership-based business model. Like employees, Reply's shareholders should participate in the Group's sustainable operational performance in the form of dividends. Every year this principle is balanced with the need for internal financing to finance Reply's investments (in new start-up companies, new technologies and potential acquisitions to further elaborate Reply's offering portfolio in Germany, UK, US, France as Reply's strategic regions). In 2024 Reply achieved earnings per share of EUR 5.65, an increase of 13% compared to 2023. For the financial year 2024 the corporate bodies of Reply propose to the shareholders' meeting to approve the payment of a dividend of EUR 1.15 (dividend 2023: EUR 1.00). Referred to the share price of Reply at the end of 2024 this corresponds to a dividend yield of 0.75%. Assuming the approval of the shareholders' meeting, Reply will pay to its share-holders a dividend amount of EUR 43.0 million. For financial year 2023 EUR 37.3 million were distributed. In total this equates to a pay-out ratio of 20% of the net profit of the financial year 2024.

The subsequent table gives an overview on the main parameters of the Reply share and their substantial developments during the last 5 years.

		2024	2023	2022	2021	2020
Share price						
Year-end	Euro	153.40	119.50	107.00	178.70	95.30
High for the year	Euro	157.80	127.30	178.70	185.50	105.50
Low for the year	Euro	104.2	82.40	101.60	92.50	43.30
Trading						
Number of shares traded (year)	# thousand	9,846.2	12,722.5	10,164.3	13,005.5	15,669.5
Number of shares traded (day)	# thousand	38.2	49.3	39.7	50.4	59.9
Trading volume (year)	Euro million	1,321.1	1,321.4	1,313.9	1,834.2	1,203.4
Trading volume (day)	Euro million	5.121	5.122	5.156	7.109	4.611
Capital structure						
Number of shares	# thousand	37,411.4	37,411.4	37,411.4	37,411.4	37,411.4
Share capital	Euro million	4.864	4.864	4.864	4.864	4.864
Free Float	%	56.0	56.0	53.4	53.4	53.4
Market capitalization	Euro million	5,718.5	4,454.7	3,980.4	6,660.1	3,565.3
Allocation of net income						
Earnings per share	Euro	5.65	5.01	5.13	4.03	3.30
Dividend [1]	Euro	1.15	1.00	1.00	0.80	0.56
Dividend payment	Euro million	43.023	37.278	37.278	29.872	20.911
Dividend yield [2]	%	0,75	0,84	0,93	0,45	0,59

1 Amount proposed for shareholder approval for 2024
2 Related to year-end closing price

The shareholders base

At the end of 2024, 41.9% of Reply's shares were owned by Reply's founders. Institutional shareholders owned 48% of the shares, while retail shareholders owned 9.8% of the shares. Reply's institutional share-holder base has undergone some significant changes. US investors, the main investor country in Reply, showed a quite stable ownership in Reply, their share rose to 27% of the institutional shareholding com-pared to 26% in the previous year. Italian investors continued to increase their positions and are now the second largest investors, holding approximately 24% (same as 2022: 22%). UK investors increased their position to 12% of institutional holdings. French investors were stable at 10% of the shares.

According to the Shareholders' Ledger, on the date of this report the shareholders that directly or indirectly, also through an intermediary person, trust companies and subsidiaries, hold stakes greater than 3% of the share capital having the right to vote are the following:

DECLARANT	DIRECT SHAREHOLDER	OWNERSHIP % OVER SHARE CAPITAL	OWNERSHIP % OVER VOTING CAPITAL
Rizzante Mario	Alika S.r.l.	37.082%	54.101%

As of December 31, 2024, Mr. Mario Rizzante controls 100% of the company Iceberg S.r.l., a limited liability company based in C.so Francia 110, Turin.
Iceberg S.r.l. controls 51% of the company Alika S.r.l., which in turn directly holds, as of today, 13,872,740 shares of Reply S.p.A. (with increased voting rights as of 21 February 2020) equal to 37.082% of the Company's share capital.

Analysts

In 2024, the number of analysts regularly covering the Reply share rose by 25%. Reply welcomed 2 new UK analysts among its group of analysts. Despite of the strong development of the Reply share, the analyst mood improved slightly. In 2024 4 ratings out of 10 ratings were on “outperform”. In the year before 5 analysts of out 8 ratings took a “neutral” stance on the share. The average price target for Reply shares by analysts in January 2025 was 152.6 euros.

Dialog with the capital markets

An active and open communication policy, which ensures the timely and continuous dissemination of information, is an essential part of Reply's IR strategy. In 2024 Reply further increased its already high level of activity with the capital markets significantly. During 18 conferences and 13 road shows, Reply actively explained its equity story. The number of virtual meetings with investors remained stable. In parallel Reply increased the number of physical investor meetings by 22%. In 2024 Reply also added earnings calls to its communication strategy. Since the H1 2024 results the CEO and the CFO of Reply are on a quarterly base commenting the operational and financial performance of Reply.
The majority of communication contacts were with French, Italian and UK investors. The highest increases were seen with US and UK investors where the contacts grew more than 40% in 2024. Also, French and Italian investors increased their contacts with Reply at a double-digit rate. The number of brokers involved in Reply's IR activities fell from 13 to 12.

The parent Company Reply S.p.A.

Introduction

The tables presented and disclosed below were prepared on the basis of the financial statements as at 31 December 2024 to which reference should be made, and prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union, as well as with the regulations implementing Article 9 of Legislative Decree No. 38/2005.

Reclassified income statement

The Parent Company Reply S.p.A. mainly carries out the operational co-ordination and the technical and quality management services for the Group companies as well as the administration, finance and marketing activities.
As at 31 December 2024 the Parent Company had 264 employees (108 employees in 2023).
Reply S.p.A. also carries out commercial fronting activities (pass-through revenues) for some major customers, whereas delivery is carried out by the operational companies. The economic results achieved by the Company are therefore not representative of the Group's overall economic trend and the performances of the markets in which it operates. Such activity is instead reflected in the item Pass-through revenues of the Income Statement set forth below.

The Parent Company's income statement is summarized as follows:

(THOUSAND EUROS)	2024	2023	CHANGE
Revenues from operating activities	162,197	137,251	24,946
Pass-through revenues	732,127	677,804	54,323
Purchases, services and other expenses	(819,664)	(761,727)	(57,937)
Personnel and related expenses	(48,423)	(33,309)	(15,114)
Other operating (expenses)/income	(28,872)	(6,483)	(22,390)
Amortization, depreciation and write-downs	(4,188)	(4,445)	257
Operating income	**(6,823)**	**9,091**	**(15,914)**
Financial income/(expenses)	41,925	20,835	21,090
Gain on equity investments	50,058	164,087	(114,029)
Loss on equity investments	(24,300)	(23,540)	(760)
Income before taxes	**60,860**	**170,473**	**(109,613)**
Income taxes	(10,216)	(9,343)	(873)
NET INCOME	**50,644**	**161,130**	**(110,485)**

Revenues from operating activities mainly refer to:
- royalties on the Reply trademark for 62,394 thousand Euros (58,424 thousand Euros in the financial year 2023);
- shared service activities in favour of its subsidiaries for 63,590 thousand Euros (60,154 thousand Euros in the financial year 2023);
- management services for 31,907 thousand Euros (15,634 thousand Euros in the financial year 2023).

Operating income 2024 marked a negative result of 6,823 thousand Euros after having deducted amortization expenses of 4,188 thousand Euros (of which 371 thousand Euros referred to tangible assets, 2,560 thousand Euros to intangible assets and 1,256 thousand Euros related to RoU assets arising from the adoption of IFRS 16).
Financial income amounted to 41,925 thousand Euros and included interest income on bank accounts for 39,919 thousand Euros, interest expenses for 16,695 thousand Euros mainly relating to financing for the M&A operations and interest expenses on bank accounts. Such result also includes net positive exchange rate differences amounting to 16,494 thousand Euros.
Income from equity investments which amounted to 50,058 thousand Euros refers to dividends received from subsidiary companies in 2024.
Losses on equity investments referred to write-downs and losses reported in the year by some subsidiary companies that were considered to be unrecoverable.
Net income for the year ended 2024, amounted to 50,644 thousand Euros after income taxes of 10,216 thousand Euros.

Financial structure

Reply S.p.A.'s financial structure as at 31 December 2024, compared to 31 December 2023, is provided below:

(THOUSAND EUROS)	31/12/2024	31/12/2023	CHANGE
Tangible assets	588	546	41
Intangible assets	5,189	5,652	(463)
RoU assets	4,514	1,263	3,251
Equity investments	239,167	208,916	30,251
Other fixed assets	13,948	10,213	3,735
Non-current liabilities	(48,104)	(14,023)	(34,082)
Fixed capital	**215,301**	**212,569**	**2,733**
Net working capital	**54,635**	**64,158**	**(9,523)**
INVESTED CAPITAL	**269,936**	**276,727**	**(6,790)**
Shareholders' equity	743,596	731,290	12,306
Net financial position	**(473,659)**	**(454,563)**	**(19,096)**
TOTAL SOURCES	**269,936**	**276,727**	**(6,790)**

The net invested capital on 31 December 2024, amounting to 269,936 thousand Euros, was funded by Shareholders' equity for 743,596 thousand Euros and by available overall funds of 473,659 thousand Euros.

Changes in balance sheet items are fully analysed and detailed in the explanatory notes to the financial statements.

Net financial managerial position

The Parent Company's net financial managerial position as at 31 December 2024, compared to 31 December 2023, is detailed as follows:

(THOUSAND EUROS)	31/12/2024	31/12/2023	CHANGE
Cash and cash equivalents, net	328,234	233,203	95,031
Financial loans to subsidiaries	50,015	55,113	(5,098)
Financial current receivables	43,551	30,868	12,683
Loans to third party	116	116	-
Due to banks	(17,256)	(28,647)	11,391
Due to subsidiaries	(392,844)	(249,938)	(142,905)
Financial liabilities IFRS 16	(1,777)	(524)	(1,253)
Net financial position short term	**10,040**	**40,192**	**(30,152)**
Long term financial assets	513,611	463,287	50,324
Due to banks	(47,218)	(48,174)	957
Financial liabilities IFRS 16	(2,774)	(741)	(2,033)
Net financial position long term	**463,620**	**414,371**	**49,248**
Total net financial position	**473,659**	**454,563**	**19,096**

Change in the net financial managerial position is analysed and illustrated in the explanatory notes to the financial position.

Reconciliation of equity and profit for the year of the parent company

In accordance with Consob Communication no. DEM/6064293 dated 28 July 2006, Shareholders' equity and the Parent Company's result are reconciled below with the related consolidated amounts.

	31/12/2024		31/12/2023	
(THOUSAND EUROS)	**NET EQUITY**	**NET INCOME**	**NET EQUITY**	**NET INCOME**
Reply S.p.A.'s separate financial statements	**743,596**	**50,644**	**731,291**	**161,130**
Results of the subsidiary companies, net of minority interest	800,933	227,832	602,246	186,886
Cancellation of the carrying value of investments in consolidated companies net of any write-offs	(154,257)	-	(192,080)	-
Cancellation of dividends from subsidiary companies	-	(52,437)	-	(166,005)
Consolidated adjustments included those to accounting principles and elimination of unrealized intercompany gains and losses, net of related tax effect	(84,539)	(12,271)	(22,921)	8,208
Non-controlling interests	(2,773)	(2,630)	(1,883)	(1,760)
Net Group consolidated financial statement	**1,302,960**	**211,139**	**1,116,723**	**188,460**

Corporate Governance

The Corporate Governance system adopted by Reply – issuer listed at Euronext Star Milan - adheres to the Corporate Governance Code for Italian Listed Companies issued by Borsa Italiana S.p.A..

In compliance with regulatory obligations the annually drafted “Report on Corporate Governance and Ownership Structures” contains a general description of the corporate governance system adopted by the Group, reporting information on ownership structures and compliance with the Code, including the main governance practices applied and the characteristics of the risk management and internal control system also with respect to the financial reporting process.
The aforementioned Report, related to 2024, is available on the website www.reply.com.
The Corporate Governance Code is available on the website of Borsa Italiana S.p.A. https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf.

Other information

Research and development activities

Reply offers high technology services and solutions in a market where innovation is of primary importance.

Reply considers research and continuous innovation a fundamental asset in supporting clients with the adoption of new technology.
Reply dedicates resources to Research and Development activities in order to project and define highly innovative products and services as well as possible applications of evolving technologies. In this context, Reply has developed of its own platforms.
Reply has important partnerships with major global vendors so as to offer the most suitable solutions to different company needs. Specifically, Reply boasts the highest level of certification amongst the technology leaders in the Enterprise sector.

Human resources

Human resources constitute a primary asset for Reply which bases its strategy on the quality of products and services and places continuous attention on the growth of personnel and in-depth examination of professional necessities with consequent definitions of needs and training courses.
The Reply Group is comprised of professionals originating from the best universities and polytechnics. The Group intends to continue investing in human resources by bonding special relations and collaboration with major universities with the scope of attracting highly qualified personnel.
The people who work at Reply are characterized by enthusiasm, expertise, methodology, team spirit, initiative, the capability of understanding the context they work in and of clearly communicating the solutions proposed. The capability of imagining, experimenting and studying new solutions enables more rapid and efficient innovation.
The group intends to maintain these distinctive features by increasing investments in training and collaboration with universities.
At the end of 2024 the Group had 15,667 employees compared to 14,798 in 2023.

General Data Protection Regulation (GDPR)

The governance model of the Group privacy policy reflects what is required by the existing code for the protection of personal data and the European Regulation 679/16 (GDPR).
Privacy fulfilments are managed uniformly at the Reply Group level in order to maintain adequate levels of internal coherence and to facilitate external relations, in particular with authorities, customers and suppliers.
To ensure compliance the Group has adopted a GDPR program which provides several activities including:

- updating the Group privacy organizational model;
- designation for each Region of a Data Protection Officer;
- reorganization of the central Privacy & Security Team;
- preparation of contact link with the DPO and the Privacy & Security Team through a central ticketing system;
- updating of e-learning and induction material related to data protection content and safeguard of information;
- mandatory GDPR and ICT Security training at all business levels;
- assessment of privacy and security of IT central services;
- drafting of Records of the treatment activities;
- development and dissemination of new fundamental processes for GDPR, updating of existing data protection policies, development and dissemination of guidelines and contractual templates for GDPR;

- periodic internal audits on the Companies for the correct application of the GDPR requirements in the work for Customers and in the engagements of Suppliers.

Transactions with related parties and group companies

During the period, there were no transactions with related parties, including intergroup transactions, which qualified as unusual or atypical. Any related party transactions formed part of the normal business activities of companies in the Group. Such transactions are concluded at standard market terms for the nature of goods and/or services offered, these transactions took place in accordance with the internal procedures containing the rules aimed at ensuring transparency and fairness, under Consob Regulation 17221/2010.

The company in the notes to the financial statements and consolidated financial statements provides the information required pursuant to Art. 154-ter of the TUF [Consolidated Financial Act] as indicated by Consob Reg. no. 17221 of 12 March 2010 and subsequent Consob Resolution no. 17389 of June 23, 2010, indicating that there were no significant transactions concluded during the period as defined by Art. 4, paragraph 1, let a) of the aforementioned regulation that have significantly affected the Group's financial or economic position. The information pursuant to Consob communication of 28 July 2006 are presented in the annexed tables herein.

Treasury shares

At the balance sheet date, the Parent Company holds 133,192 treasury shares amounting to 17,122,489 Euros, nominal value equal to 17,315 Euros; at the balance sheet item net equity, the company has posted an unavailable reserve for the same amount.
At the balance sheet date, the Company does not hold shares of other holding companies.

Financial instruments

In relation to the use of financial instruments, the company has adopted a policy for risk management through the use of financial derivatives, with the scope of reducing the exposure to interest rate risks on financial loans.
Such financial instruments are considered as hedging instruments as they can be traced to the object being hedged (in terms of amount and expiry date).

In the notes to the financial statements more detail is provided to the above operations.

Secondary Offices

The Group operates in 16 countries through a total of 57 offices, ensuring a strategic presence in the main reference markets. The geographical distribution of the locations reflects the Group's commitment to offering efficient services tailored to local needs.

Pillar 2

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the document "Tax Challenges Arising from the Digitalisation of the Economy – Administrative Guidance on the Global Anti-Base Erosion Model Rules (Pillar Two)".

In this context, the European Commission has adopted EU Directive no. 2022/2523 on global minimum taxation for multinational groups of companies, with an obligation for Member States to transpose EU provisions into their national law by 31 December 2023 and to apply them from tax periods starting from that date.

The Pillar Two rules aim to ensure, through a system of common rules, a minimum level of effective taxation of not less than 15% in each jurisdiction in which a multinational group operates.

In transposition of Directive no. 2022/2523, Italy issued Legislative Decree 209/2023, which were followed by subsequent implementing decrees. The national provisions apply with reference to tax periods starting from 31 December 2023 and, therefore, for Reply from 2024.

In order to regulate, in terms of financial statements, the radical changes deriving from the introduction of the Global Minimum Tax, the IASB subsequently published an update of IAS 12. In particular, the amendments made to the accounting standard introduce a mandatory temporary exception that provides for the deferred taxation that would result from the implementation of Pillar Two in the relevant countries not to be recognised. This exception, which the Group also uses for the purposes of this policy, is immediately applicable and with retroactive effect.

In the face of these complex regulatory changes, the Group (which falls within the subjective scope of application of the GMT) is currently engaged in the implementation of the internal procedures necessary to manage the obligations imposed by the Pillar Two regulations in the most effective and efficient way, with reference to both Italian and foreign activities. In this context, careful analyses have been carried out to estimate the probability that, in the jurisdictions in which the Group is present, the requirements for the application of the simplified transitional regime known as “Safe Harbour” (governed in our legal system by the Ministerial Decree of 20 May 2024) will be met, which – if complied with – would make it possible not to apply the more complex regulatory system envisaged under the regime. In addition, analyses were carried out in order to estimate whether, in some of those jurisdictions, a GMT was due in relation to the results achieved in the tax period ended 31 December 2024.

These checks showed that in 2024 the requirements for the application of the simplified transitional regime are met in all the jurisdictions in which the Group operates and that, therefore, no Global Minimum Tax would be due in the same jurisdictions.

Consolidated Sustainability Statement

General information

ESRS 2 General disclosures

BP-1: General basis for preparation of sustainability statements

Reply Group's 2024 consolidated sustainability statement has been prepared on a consolidated basis, in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The scope of consolidation is aligned with that of Reply Group's consolidated financial statements.

The consolidated sustainability statement is based on the results of the Group's double materiality assessment, considering relevant impacts, risks and opportunities. The assessment encompasses all stages of the Reply Group's value chain, both upstream and downstream. Specifically, Reply's value chain includes not only the activities and services directly provided by the Group, but also the upstream stages related to sourcing, and the downstream stages concerning the use of the Group's services and solutions by clients and end users. A detailed description of the Group's value chain and the outcomes of the double materiality assessment can be found in the following sections *[SBM-1] Strategy, business model and value chain and [sbm-3] material impacts, risks and opportunities and their interaction with strategy and business model.*

For the purpose of sustainability indicators, the reporting aggregates operating locations by Region, based on the countries where the Group operates, as follows:

- Region 1: Italy, Brazil, India, Romania, Poland[1], USA, China (Nanjing);
- Region 2: Germany, Poland, China (Beijing), Croatia, Austria;
- Region 3: United Kingdom, Belgium, Netherlands, France, Luxembourg, Morocco.

In the 2024 reporting year, Reply did not make use of the option to omit specific information related to intellectual property, know-how or innovation outcomes, nor did it apply

1 With reference to Nexi Digital Polska Sp. z o.o.

the exemption for disclosing information on upcoming developments or matters under negotiation. Unless otherwise stated, no metric included in this document has been verified by an external party other than the statutory auditor.

BP-2: Disclosures in relation to specific circumstances

In preparing the consolidated sustainability statement and in analysing information related to material sustainability impacts, risks and opportunities, Reply has adopted time horizons in line with the provisions of ESRS 1:

- the short-term horizon is defined as a period of one year from the current reporting date;
- the medium-term horizon covers a period from one to five years from the current reporting period;
- the long-term horizon starts five years after the current reporting period.

The use of estimates, the level of accuracy achieved, and, where applicable, any actions planned to improve accuracy in the future are detailed within the report. For each quantitative amount, whether metric or monetary, the report provides information on the sources of measurement uncertainty, as well as the assumptions, estimates, approximations and judgements applied. For the purpose of reporting forward-looking information in accordance with the ESRS, the Directors are required to prepare such information based on assumptions—outlined in the consolidated sustainability statement—regarding events that may occur in the future and possible future actions by the Group. Due to the uncertainty inherent in the occurrence of any future event, both in terms of whether it will actually happen and the extent and timing of its manifestation, actual results may differ significantly from the forward-looking information. It is not possible to make a comparison in the presentation of sustainability information with the previous reporting period, as up to the 2023 reporting year, Reply was subject to the publication of the Reply Group's Non-Financial Statement in accordance with the requirements of the GRI Standard of the Global Reporting Initiative.

For the 2024 reporting year, no specific events or circumstances have been identified that significantly affected the Group's sustainability performance.

Lastly, no material reporting errors have been identified in previous reporting periods.

This consolidated sustainability statement reporting includes information related to environmentally sustainable investments pursuant to Regulation (EU) 2020/852. In addition, the Group has chosen to include certain disclosure requirements by reference, which are explicitly indicated in the relevant chapters of this document.

Governance

This chapter provides an overview of the processes, controls and governance procedures established to monitor, manage and oversee the material impacts, risks and opportunities relevant to the Group.

[GOV-1] The role of the administrative, management and supervisory bodies

The administrative, management and supervisory bodies follow a clear hierarchical structure, led by the Board of Directors. This structure includes operational oversight bodies such as the Board of Statutory Auditors and several operational committees, including the Sustainability (ESG) Committee and the Control and Risks Committee.
The Board of Directors is the collective management body, vested with all powers related to both ordinary and extraordinary administration. It performs a guiding and supervisory role over the Group's overall activities, aiming to achieve sustainable success and create medium- to long-term value for shareholders. The Board of Directors assesses management performance by comparing actual results with planned targets, and evaluates risks in line with strategic objectives, taking into account factors that may affect the Company's sustainable success.
The Board also reviews and evaluates, on a regular basis and in conjunction with the approval of the annual and semi-annual financial reports, the adequacy of the Group's organizational, administrative and accounting structure, with specific reference to the internal control and risk management system. This evaluation is also based on the preliminary work conducted by the Control and Risks Committee, which relies in turn on audits carried out by the Internal Audit function.
he Board of Directors of Reply S.p.A. consists of a variable number of members, ranging from 3 to a maximum of 11, as determined by the Shareholders' Meeting. The number, expertise, authority, and time availability of the non-executive directors ensure that their judgement carries significant weight in board decision-making and that effective oversight of management is maintained.
Currently, the Company's Board of Directors is composed of 10 members, of which: 5 are executive directors (2 women and 3 men), 1 is a non-executive director (male), and 4 are non-executive and independent directors (2 women and 2 men). For further details, please refer to the chapter *[GOV-1] The role of the administrative, management and supervisory bodies.*
There are no employee representatives or trade union delegates present within the Board of Directors or, more generally, within the organizational structure of Reply.
The current gender composition of the Board of Directors is 60% male and 40% female.
With regard to diversity policies in the composition of the Board of Directors and the Board of Statutory Auditors, the Board has not deemed it necessary to formalize a dedicated

diversity policy, as such principles are already applied within the company's organizational framework. Moreover, national regulations provide adequate provisions to ensure gender balance, which the Company has complied with during the most recent appointments of the administrative and supervisory bodies.
The Company applies diversity criteria, including gender diversity, in the composition of both the Board of Directors and the Board of Statutory Auditors, in line with the primary objective of ensuring the appropriate competence and professionalism of their members. The composition of the Board of Directors and the control body is also adequately diversified in terms of age, educational background, and professional experience of the members in office.
The Board of Directors of Reply S.p.A. includes 4 Independent Directors out of a total of 10, representing 40% of the entire board, in accordance with the independence criteria established by applicable regulations. The appointment of directors is governed by the Company's Articles of Association, specifically Article 16 "Appointment of Directors," which takes into account gender balance requirements under national legislation.
For further information on the experience of the Board of Directors, please refer to the section *[GOV-1] The role of the administrative, management and supervisory bodies.*
Among the supervisory and control bodies, the **Board of Statutory Auditors** monitors compliance with the law and the Articles of Association, oversees corporate management, the adequacy of the organizational structure, and the implementation of the Corporate Governance Code. It also performs internal control and audit functions, monitoring financial reporting, the effectiveness of the internal control and risk management systems, the statutory audit of the accounts, and the independence of the external auditor. The statutory audit is not carried out by the Board itself but is entrusted to an audit firm appointed by the Shareholders' Meeting.
As part of the oversight activities carried out during the year, the Board of Statutory Auditors coordinates with the Internal Audit function, the Control and Risks Committee, and the Supervisory Body through periodic information exchanges during the quarterly meetings of the Board, as well as through the participation of its Chairperson, and occasionally the Standing Auditors, in meetings of the Control and Risks Committee.
The Board of Statutory Auditors is composed of three Standing Auditors and two Alternate Auditors, specifically: Dr. Ciro Di Carluccio (Chair), Prof. Donatella Busso (Standing Auditor), Prof. Piergiorgio Re (Standing Auditor), Dr. Gabriella Chersicla (Alternate Auditor), and Dr. Stefano Barletta (Alternate Auditor).
In 2021, the Board of Directors established the **Sustainability (ESG) Committee**, supported operationally by the **ESG team**. The Committee is composed of CEO Eng. Tatiana Rizzante and Independent Directors Prof. Domenico Giovanni Siniscalco and Eng. Secondina Ravera. They are responsible for defining the overall strategic approach to sustainability, with a particular focus on the material impacts, risks, and opportunities relevant to the Group. The Committee defines objectives and monitoring methods, aiming to clearly communicate Reply's commitment to sustainability issues to all stakeholders.

The CEO, Eng. Tatiana Rizzante, periodically reports to the full Board of Directors on the topics addressed by the Committee and the related proposals.
The **Board of Directors** has established the Control and Risks Committee, currently composed of Non-Executive and Independent Director Prof. Federico Ferro-Luzzi, Non-Executive Director Daniele Angelucci, and chaired by Lawyer Patrizia Polliotto (Lead Independent Director). The members possess adequate knowledge and experience in risk management, based on their professional backgrounds and expertise in the industry in which the Company operates.
The **Control and Risks Committee** meetings are attended, upon invitation by the Committee Chair, by the CFO—responsible for the internal control and risk management system—the Head of the Internal Audit function, the Chair of the Board of Statutory Auditors, and, on occasion, the Standing Auditors. At the end of each meeting, a specific report is drawn up, summarising the Committee's proposals.
In the meeting held on 23 April 2024, the Board of Directors appointed Eng. Marco Cusinato as the Director in charge of the internal control and risk management system, entrusting him with the responsibility of ensuring its effectiveness and compliance with the provisions of the Corporate Governance Code. He is also responsible for ensuring that the Head of Internal Audit is provided with the necessary conditions to carry out their duties in accordance with regulatory requirements.
In the meeting held on 14 November 2024, the Board of Directors confirmed Mr. Edoardo Dezani as Head of the Internal Audit function, based on the proposal of the Director in charge of the internal control system, following the favourable opinion of the Control and Risks Committee and after consulting the Board of Statutory Auditors. He is responsible for verifying the functioning and adequacy of the internal control and risk management system.
The Head of Internal Audit reports hierarchically to the Lead Independent Director and operates based on the mandate and audit plan approved by the Board of Directors.
He prepares periodic reports assessing the adequacy of the internal control and risk management system and the reliability of the information systems, including accounting systems, and reports on his work to the members of the Board of Directors, Senior Management, the Control and Risks Committee, and the Board of Statutory Auditors. The methodological approach adopted for the assessment of the internal control and risk management system, including sustainability-related risks, is based on the principles of the CoSO Framework, one of the main internationally recognized standards. For further details, please refer to paragraph *[GOV-5] Risk management and internal controls over consolidated sustainability statement*.
The effectiveness of the Board of Directors and its Committees—as well as their size and composition—is evaluated periodically in accordance with the Corporate Governance Code. The most recent evaluation was conducted on 13 March 2024, during which the Board concluded that the current structure of the Board and its Committees complies with the provisions of the Code.

[GOV-2] Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Sustainability (ESG) Committee is responsible for monitoring the implementation and effectiveness of the Group's sustainability policies, actions, metrics, and targets. The Committee meets at least twice a year to discuss and make decisions on sustainability matters and performs preparatory, advisory, and support functions for the Board of Directors in relation to sustainable development.
The Committee also supports the Board of Directors in the preparation of the consolidated sustainability statement. In this context, an operational ESG team is in place. This team, working in close coordination with the Sustainability Committee, manages and oversees sustainability matters in collaboration with all key internal functions. In particular, it is responsible for preparing and drafting the Group's consolidated sustainability statement on a regular basis. The ESG team reports directly to the CEO, confirming that sustainability is a core component of Reply's strategy.
The CEO informs the Board of Directors, from time to time, of the matters discussed and approved by the Sustainability Committee. The ESG-related topics and sub-topics identified through the double materiality analysis, as defined by the Sustainability Committee, were shared with and submitted for validation by the Board of Directors. The Sustainability Committee and the ESG Team therefore play a crucial role in overseeing the company's strategy, in decisions related to significant operations, and in the risk management process. The approved relevant sustainability topics and sub-topics, along with the associated impacts, risks, and opportunities, are presented in paragraph *[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model.*

[GOV-3] Integration of sustainability-related performance in incentive schemes

The Board of Directors, based on the proposal of the Remuneration Committee, adopts resolutions regarding the fixed remuneration of Executive Directors and defines the procedures for determining the variable component of their remuneration. The variable component is structured through the allocation of a profit-sharing scheme pursuant to Article 22 of the Company's Articles of Association, with annual resolutions for the short-term component and resolutions at the beginning of the reference period for the medium-to long-term component.
The Shareholders' Meeting approves, through a binding vote, the first section of the Remuneration Report, which contains the Remuneration Policy, with the frequency required by the duration of the policy as defined, and in any case at least every three years or whenever the policy is amended.

The current incentive plan was approved by the Shareholders' Meeting on 23 April 2024.
The incentive plan currently in force was approved by the Shareholders' Meeting on April 23, 2024, and covers the period 2023–2026
The Remuneration Committee assesses performance as follows:

- annually, with respect to the short-term variable component;
- at the end of the reference period, for the medium- to long-term variable component.

Based on information and analyses provided by internal departments, the Committee formulates and shares with the Board of Directors the proposal for profit-sharing allocations to be submitted to the Shareholders' Meeting, along with the related distribution. The Shareholders' Meeting is then called upon to approve the proposed allocation of the variable remuneration component.
With specific regard to incentive systems linked to sustainability matters, for the medium- and long-term variable component (valid through 31 December 2026), performance targets are set over a four-year period and are tied to the following indicators: EBIT (Earnings Before Interest and Taxes), TSR (Total Shareholder Return), CFO (Operating Cash Flow), and ESG. For the ESG indicator, the only defined target is the achievement of Carbon Neutrality by 2025. Performance indicators are weighted based on their alignment with the corporate strategy and the level of operational responsibility of Executive Directors and Executives with strategic responsibilities, as follows: 58% EBIT, 26% TSR, 8% CFO, and 8% ESG target of Carbon Neutrality.

[GOV-4] Statement on due diligence

Currently, the Reply Group has not yet defined a formalised procedure for the sustainability due diligence process. However, key elements of due diligence are in place and are presented in the following table, with references to the specific chapters and sections where they are addressed in detail.

DUE DILIGENCE	DUE DILIGENCE ELEMENT	DUE DILIGENCE ELEMENT
a) Integrating due diligence into governance, strategy, and business model	▸ [MDR-P] Policies Adopted to Manage Material Sustainability Matters, "General Information" chapter	The Group adopts various policies and procedures that reflect its commitment to integrating due diligence into its corporate strategy. Specifically: ▸ Code of Ethics ▸ Supplier Code of Conduct ▸ Whistleblowing Policy These policies are shared not only with all Group employees, but also with suppliers and clients. Administrative and supervisory bodies are responsible for the correct implementation of these policies and for managing any breaches.
b) Stakeholder engagement throughout the due diligence process	▸ [SBM-2] Stakeholders' Interests and Views, "General Information" chapter	Stakeholder engagement is carried out through various channels and methods to understand their opinions and expectations, including regular moments of dialogue and sharing—particularly on ESG-related matters.
c) Identifying and assessing negative impacts	▸ [SBM-3] Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model ▸ [IRO-1] Process for Identifying and Assessing Material Impacts, Risks and Opportunities ▸ [MDR-P] Policies Adopted to Manage Material Sustainability Matters, "General Information" chapter	Key activities through which the Group identifies and assesses potential negative impacts from its operations include: ▸ The double materiality assessment, which allows for identifying and prioritising impacts—both upstream and downstream in the value chain ▸ The Whistleblowing Channel, a key tool for receiving alerts from any stakeholder regarding actual or potential negative impacts ▸ The annual employee survey, to assess working conditions and surface potential issues ▸ The annual self-assessment with strategic suppliers ▸ The annual customer satisfaction survey
d) Acting to prevent or mitigate negative impacts	▸ [S1-1] Policies Related to Own Workforce ▸ [S1-3] Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns ▸ [S2-1] Policies Related to Workers in the Value Chain ▸ [S2-3] Processes to Remediate Negative Impacts and Channels for Workers in the Value Chain to Raise Concerns ▸ [S4-1] Policies Related to Consumers and End-users ▸ [S4-3] Processes to Remediate Negative Impacts and Channels for Consumers and End-users to Raise Concerns	The Group's Whistleblowing Procedure defines the case-handling method to be applied following a report, in order to remediate negative impacts. Additionally, through ongoing dialogue with employees, suppliers, and clients, the Group implements case-by-case action plans to address issues related to its activities and services.
e) Monitoring effectiveness and communication		The Group's Whistleblowing Procedure includes periodic reporting of received alerts and actions taken to the Supervisory Body, to enable continuous monitoring.

[GOV–5] Risk management and internal controls over consolidated sustainability statement

The Board of Directors has established the Control and Risks Committee within its structure, with preparatory, advisory, and consultative functions, for the operational management of the internal control and risk management system. This Committee evaluates the effectiveness of the internal control system on a semi-annual basis and ensures that the information disclosed in this annual report is accurate and transparent. However, ultimate responsibility for the system lies with the Board of Directors, which defines its strategic guidelines and work plan, based on the Committee's assessment, and monitors its adequacy.

The methodological approach adopted for evaluating the internal control and risk management system—including sustainability-related risks—is based on the principles of the CoSO Framework, one of the internationally recognised standards. Using this model, the Group has mapped and carried out a qualitative assessment of the most significant risks (including those relevant to sustainability), both in terms of potential risk and associated first- and second-level controls, resulting in a measurement of residual risk.

The Internal Audit function is responsible for monitoring the sustainability reporting process through control testing activities and identifying any weaknesses in the internal control system. Internal Audit reports the outcomes of these control activities semi-annually to the Board of Directors and the Control and Risks Committee. Based on the findings reported, action plans are subsequently defined and integrated into operational processes through a systematic and structured approach.

The ESG team is responsible for drafting detailed procedures that define roles and responsibilities, ensuring full traceability of the entire reporting process. Furthermore, the ESG team ensures continuous training for staff involved in sustainability reporting, making sure they are always up to date on applicable regulations. Data collection is managed through an annual work plan, with periodic checks in place to ensure the accuracy and completeness of the information.

Strategy

The following sections analyse the elements of Reply's strategy related to sustainability, its business model and value chain, highlighting how the Group integrates stakeholder interests and how the impacts, risks and opportunities identified through the double materiality assessment influence its overall strategy.

[SBM-1] Strategy, business model and value chain

The Reply Group offers a wide range of services, as detailed in the "Reply" section of the Financial Report. These include strategic consulting, communication, design, processes and technology, as well as system integration services that combine business consulting with innovative, high value-added technological solutions. In addition, Reply provides cutting-edge digital services by leveraging new communication channels and emerging digital trends. The main markets in which Reply operates are also described in the "Reply" section of the Financial Report.

The Group's services extend across several geographic areas, divided into regions, as described in paragraph *BP-1: General basis for preparation of sustainability statements*. The number of employees active in each region is presented in the following paragraph *ESRS S1 Own workforce.*

In 2024, there were no significant changes in the services offered or in the markets where the Group operates. It should be noted that Reply does not provide prohibited services in restricted markets and is not active in the fossil fuel sector, chemical manufacturing, controversial weapons, or the cultivation and production of tobacco.

Through its first double materiality assessment, Reply identified the material impacts, risks and opportunities relevant to the Group, which guide the strategy and the business model with the goal of mitigating negative impacts and financial risks, while capturing opportunities and maximising positive impacts on key material topics. In general, the strategy is built around key pillars aimed at ensuring well-being and fairness for the workforce throughout the value chain, promoting energy efficiency and reducing greenhouse gas emissions through the implementation of low-consumption technologies and responsible energy management practices.

Lastly, the Group aims to expand its offering of sustainability-oriented solutions for its clients by developing consulting services that support companies in their transition toward more sustainable operating models. These strategic elements not only reinforce Reply's commitment to sustainability but also help generate positive impacts on communities and the environment, creating value and building stakeholder trust.

For further details, please refer to paragraph *[SBM-2] Interests and views of stakeholders.*

Currently, Reply has not set specific sustainability-related targets in terms of significant product and service groups, customer categories, geographic areas, or stakeholder

relationships. However, the Group has committed to achieving Carbon Neutrality by 2025 and Net Zero by 2030, as part of its transition towards a more sustainable and environmentally responsible business model. For further details, please refer to paragraph *[E1-4] Targets related to climate change mitigation and adaptation.*
Reply has not made use of the exemption from disclosure provided under Article 18(1)(a) of Directive 2013/34/EU.
For a description of Reply's business model, main activities, and principal customer segments, please refer to the paragraph "Reply" in this "Annual Financial Report."
For information on the cost and revenue structure, in accordance with the disclosure requirements under IFRS 8, please refer to NOTE 36 – Segment Reporting in the Financial Report.
he main resources used by the Group to carry out its business operations are:

- Human capital, which is crucial to delivering and ensuring the quality of the services offered by the Group. In this regard, Reply invests in the training and professional development of its employees, ensuring they have the necessary skills to perform their duties, and in welfare systems to attract and retain top talent. For more information, please refer to the chapter "Social Information – Own Workforce."
- IT and technological systems: Reply invests in advanced technologies and adopts an innovative approach to develop and implement technological solutions that support its business activities.

Reply's value chain

Reply operates through a network structure composed of specialised companies focused on processes, applications, and technologies, which act as centres of excellence in their respective areas:

- **Processes** – For Reply, understanding and applying technology means introducing an enabling factor for business processes, thanks to in-depth knowledge of the market and specific industrial contexts.
- **Applications** – Reply designs and develops application solutions tailored to the core business needs of clients across various industry sectors.
- **Technologies** – Reply optimises the use of innovative technologies, delivering solutions that ensure maximum efficiency and operational flexibility for its clients.

Reply's services include:

- **Consulting** – strategic, communication, design, process and technology consulting;
- **System Integration** – to fully leverage technological potential by combining business consulting with innovative, high value-added technology solutions;
- **Digital Services** – innovative services based on new communication channels and emerging digital trends.

Reply's value chain includes not only the above-mentioned services delivered directly by the Group, but also upstream phases relating to direct and indirect procurement, as well as downstream phases concerning the use of the Group's solutions by its clients, as illustrated in the table below.

Upstream		Business operations	Downstream
Indirect Suppliers	Direct Suppliers		
‣ Indirect suppliers involved in the extraction of raw materials and natural resources natural resources (water, gas, etc.) ‣ Indirect service providers involved in the production, assembly and marketing of hardware and IT products	‣ Hardware Suppliers (Licensee) ‣ Service Providers › IT consultancy services (strategic suppliers) › Real Estate ‣ Utilities Providers ‣ Human Resources Providers (staffing agencies)	‣ Recruitment and Training ‣ Research and Development ‣ Business Operations ‣ Outbound Logistics ‣ Waste Management	‣ Using the solutions offered by the Group

[SBM-2] Interests and views of stakeholders

Stakeholder engagement activities aim to integrate stakeholder expectations and views into the Group's strategy and business model. These activities foster continuous and transparent dialogue throughout the entire value chain, with the goal of building long-lasting trust-based relationships.

Below are the main categories of stakeholders identified by Reply.

Figure 1: Stakeholder categories identified as relevant for the Reply Group.

Reply Group adopts a continuous dialogue and engagement approach with its stakeholders through targeted initiatives, structured moments of interaction, and the regular sharing of information. The table below outlines the main stakeholder categories identified by the Group, along with the commonly used engagement channels.
Stakeholder engagement activities have provided valuable input for conducting the double materiality assessment and informing its outcomes. Specific internal stakeholder categories—including key corporate functions, top management, and members of the Board of Directors—were directly involved in evaluating the relevance of sustainability topics through dedicated meetings or interviews. This demonstrates that the interests of stakeholders are carefully considered in the development of Reply's sustainability strategy. Moreover, the administrative, management and supervisory bodies of Reply receive regular updates on stakeholder views and interests, including the outcomes of the double materiality assessment.
No additional stakeholder engagement measures are currently planned beyond those conducted on an annual basis.

STAKEHOLDER	COMMUNICATION AND ENGAGEMENT CHANNELS
Employees and Collaborators	▸ Training and knowledge-sharing activities and events both in physical spaces and through Group channels and platforms ▸ Annual Employee Survey ▸ Annual performance appraisal interviews ▸ Direct interactions with relevant partners
Universities	▸ Organisation of training and idea generation events for students and young professionals
Customers	▸ Website, social media, newsletter ▸ Seminars, events, workshops ▸ Customer Surveys ▸ Participation in working groups
Human rights and environmental associations	▸ United Nations Global Compact ▸ Carbon Disclosure Project (CDP)
Shareholders / investors and the financial community	▸ Company Meetings ▸ Roadshows
Media and public opinion	▸ Press releases ▸ Social media
Suppliers	▸ Periodic meetings ▸ Qualification and assessment process ▸ Self-assessment against the Code of Conduct
Local community	▸ Organisation of training and idea generation events for students and young professionals
Public administrations	▸ Institutional documentation
Competitors	▸ Industry conferences ▸ Participation in working groups

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

This section outlines the material impacts, risks, and opportunities identified by the Group through the double materiality assessment, which guides the preparation of this consolidated sustainability statement. It highlights how these elements interact with the Group's strategy and business model.

The table below provides a summary of the actual and potential impacts—both negative and positive—as well as the material risks and opportunities for the Group. It includes a description of where these impacts risks and opportunities arise and are concentrated across the Group's operations and value chain, both upstream and downstream. For further details, please refer to the corresponding thematic sections within the document.

With regard to the Group's material impacts, the description explains how these impacts affect people and the environment along the value chain, particularly in the context of business relationships. The current and expected effects of the relevant impacts, risks, and opportunities on the business model, value chain, strategy, and decision-making process are detailed in the table below and in the corresponding thematic sections of the document.

Furthermore, the document outlines how the Group responds or intends to respond to these effects, ensuring a proactive and strategic management of emerging challenges and opportunities. Finally material impact, risk and opportunity, the reasonably expected time horizons are indicated, as defined in paragraph *BP-2: Disclosures in relation to specific circumstances.*

It should be noted that no impact, risk or opportunity is reported through additional, Group-specific disclosures.

Reply has not identified any risks or opportunities that are expected to have a material economic or financial impact in the short term. In addition, the Group considers that none of them pose a significant risk of material adjustments to assets or liabilities in the next financial year.

To ensure the ability to address material impacts and risks and to seize relevant opportunities in the area of sustainability, Reply has developed its own corporate strategy, as described in paragraph *[SBM-1] Strategy, business model and value chain* and in detail in the following chapters.

Topical ESRS	Sub-Topic	Sub-Sub-Topics	IRO	IRO Description	Time Horizons			Value Chain		
					Short Term	Medium Term	Long Term	Own Operations	Upstream	Downstream
ESRS E1 - Climate Change	Climate Change Mitigation	N/A	Current negative impact	Greenhouse gas emissions at upstream and downstream stages of the value chain associated with: use of IT services, production of electronic components and use of solutions by customers.	x	x	x		x	x
ESRS E1 - Climate Change	Climate Change Mitigation	N/A	Current negative impact	Greenhouse gas emissions associated with own business operations and outbound logistics.	x	x	x	x		
ESRS E1 - Climate Change	Energy	N/A	Current negative impact	Energy consumption in the upstream and downstream stages of the value chain associated with the use of IT services, production of electronic components and use of solutions by customers.	x	x	x		x	x
ESRS E1 - Climate Change	Energy	N/A	Current negative impact	Energy consumption associated with own business activities.	x	x	x	x		
ESRS E1 - Climate Change	Climate Change Mitigation	N/A	Potential positive impact	Reduction of energy consumption and/or GHG emissions through the use of green and sustainability-related solutions offered by the Reply Group.	x	x	x	x	x	x
ESRS E1 - Climate Change	Climate Change Adaptation	N/A	Economic Risk	Effect of climate change on the productivity of human resources (e.g. heat waves) and consequent adaptation actions (e.g. upgrading of cooling systems in offices).	x	x	x	x	x	
ESRS E1 - Climate Change	Climate Change Adaptation	N/A	Economic Risk	Increased insurance costs related to extreme events caused by climate change.		x	x	x		
ESRS E1 - Climate Change	Climate Change Adaptation	N/A	Economic and Reputational Risk	Failure to adopt a climate change adaptation plan as required by the EU Taxonomy Regulation or any ESG ratings (e.g. CDP).		x	x	x		
ESRS E1 - Climate Change	Climate Change Mitigation	N/A	Economic and Reputational Risk	Increase in the cost of electric vehicles, which would increase the cost of achieving the target of 30% hybrid/electric vehicles in 2025.		x		x	x	x
ESRS E1 - Climate Change	Climate Change Mitigation	N/A	Economic Risk	Increased cost of carbon credits for voluntary Scope 1 and 2 offsetting, as per the Carbon Neutrality target defined by Reply for 2025.		x	x	x		
ESRS E1 - Climate Change	Energy	N/A	Economic Risk	Volatility of energy prices, considering the energy consumption required for business operations.		x	x	x	x	
ESRS E1 - Climate Change	Energy	N/A	Economic Risk	Higher costs for the adoption and installation of energy efficiency solutions in company-owned offices (e.g. relamping activities, installation of photovoltaic panels, introduction of PIR presence detectors for efficient use of electricity).		x	x	x		

Topical ESRS	Sub-Topic	Sub-Sub-Topics	IRO	IRO Description	Time Horizons			Value Chain		
					Short Term	Medium Term	Long Term	Own Operations	Upstream	Downstream
ESRS E1 - Climate Change	Energy	N/A	Economic Risk	Failure to adopt energy-efficient solutions in (non-owned) offices and thus the consequent need to cover higher energy costs.	x	x	x	x		
ESRS S1 - Own workforce	Working conditions	Work-life balance	Current positive impact	Promotion of well-being (physical and psychological) in the workplace, through initiatives aimed at a better work-life balance and corporate welfare systems, and by the focus on the personal and professional growth of employees.	x	x	x	x		
ESRS S1 - Own workforce	Working conditions	Health and safety	Current negative impact	Lack of health and safety management in the organisation that may lead to the occurrence of work-related stress and/or occupational diseases.	x	x	x	x		
ESRS S1 - Own workforce	Fair treatment and equal opportunities	Training and skills development	Current positive impact	Provision of training courses to develop and update technical skills in the sector.	x	x	x	x		
ESRS S1 - Own Workforce	Fair treatment and equal opportunities	Gender equality and equal pay for work of equal value	Potential negative impact	Possible cases of discrimination and unequal pay for work of equal value, which may negatively affect the professional development and well-being of employees.		x	x	x		
ESRS S1 - Own Workforce	Working Conditions	Adequate wages	Economic risk	Need to increase salaries due to high competitiveness in the IT sector.	x	x	x	x		
ESRS S1 - Own workforce	Working conditions	Work-life balance	Economic and reputational opportunity	Offer of a corporate welfare plan and the promotion of a working environment based on diversity & inclusion and wellbeing principles that make the Group more attractive.	x	x	x	x		
ESRS S1 - Own workforce	Working conditions	Work-life balance	Economic Opportunity	Growing use and development of Artificial Intelligence systems capable of optimising the efficiency of human resources and expanding Reply's range of services.		x	x	x		
ESRS S1 - Own workforce	Working conditions	Work-life balance	Economic risk	Lack of attractiveness and retention of highly qualified staff and loss of key figures within its workforce.	x	x	x	x	x	
ESRS S1 - Own Workforce	Fair treatment and equal opportunities	Gender equality and equal pay for work of equal value	Economic and reputational risk	Low presence of qualified female IT human resources in the market, leading to a low diversity & inclusion rate in the Group and a gender gap in career development.	x	x		x		
ESRS S1 - Own Workforce	Fair Treatment and Equal Opportunities	Gender equality and equal pay for work of equal value	Economic and reputational risk	Occurrence of discrimination in the workplace.	x	x	x	x	x	
ESRS S1 - Own workforce	Fair Treatment and Equal Opportunities	Training and skills development	Economic and reputational opportunity	Provision of training for employees to develop and update technical and soft skills required in the sector.	x	x	x	x		
ESRS S2 - Workers in the value chain	Fair treatment and equal opportunities	Gender equality and equal pay for work of equal value	Potential negative impact	Lack of policies to promote gender equality and ensure equal pay for workers in the value chain		x	x		x	

Topical ESRS	Sub-Topic	Sub-Sub-Topics	IRO	IRO Description	Time Horizons			Value Chain		
					Short Term	Medium Term	Long Term	Own Operations	Upstream	Downstream
ESRS S2 - Workers in the value chain	Other workers' rights	Child labour	Potential negative impact	Poor supervision of the workforce by suppliers, which can lead to the occurrence of child labour violations, especially in countries at risk (China, India, Morocco, Brazil)		x	x		x	
ESRS S2 - Workers in the value chain	Working conditions	Work-life balance	Economic Risk	Difficulties in finding highly qualified personnel and the loss of key figures within the workforce of their suppliers.	x	x	x		x	
ESRS S4 - Consumers and end-users	Impact of information on consumers and/or end users	Privacy	Potential negative impact	Lack of controls and preventive measures by the company, which can lead to the occurrence of cyber attacks and data breaches. Such attacks can lead to the violation of the privacy of customers and business partners, the loss of their sensitive data, the misuse of data and the interruption of the operation of some of the solutions offered by the Group.		x	x	x		x
ESRS S4 - Consumers and end-users	Impact of information on consumers and/or end-users	Access to (quality) information	Economic Opportunity	Growing customer demand for IT solutions that improve performance in terms of sustainability (e.g. contributing to the circular economy and reducing: greenhouse gas emissions, air or water pollutants).	x	x	x	x		
ESRS S4 - Consumers and end-users	Impact of information on consumers and/or end-users	Access to (quality) information	Economic Opportunity	Growing customer awareness of the importance of IT security and evolution of relevant regulations (e.g. European Directive NIS 1 and 2) resulting in increased demand for IT security services.	x	x	x	x		
ESRS S4 - Consumers and end-users	Impact of information on consumers and/or end-users	Access to (quality) information	Economic and reputational risk	Development of software and IT solutions that do not guarantee the security (e.g. privacy and robustness/ robustness of infrastructure) of customers/end users	x	x	x	x		x
ESRS S4 - Consumers and end-users	Social inclusion of consumers and/or end-users	Non-discrimination	Economic and reputational risk	Incidents of discrimination and violation of the human rights of customers and end-users due to the misuse of artificial intelligence systems that are still poorly regulated.	x	x		x		x
ESRS S4 - Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Economic Opportunity	Development of IT and IoT solutions that respect the principles of digital ethics and accessibility as required by current legislation	x	x	x	x		x
ESRS G1 - Conduct of Businesses	Bribery and corruption	Incidents	Potential negative impact	Potential negative impact on the integrity of the business and the economic and social fabric in which the Group operates due to cases of corruption or lack of transparency.	x	x	x	x	x	
ESRS G1 - Business Conduct	Management of relations with suppliers, including payment practices	N/A	Economic and Reputational Risk	Economic and reputational risk due to the failure to adopt a procurement policy based on ESG criteria.	x	x	x	x		

Material impacts, risks and opportunities

This section aims to illustrate the process of identifying impacts, risks and opportunities, as well as the information that, following the double materiality assessment, Reply has included in this consolidated sustainability statement.

[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities

The process for identifying the material impacts, risks and opportunities for the Reply Group is based on a double materiality assessment, the methodology of which is detailed below. In particular, a sustainability topic may be considered material if it is associated with an impact, risk and/or opportunity deemed relevant through one or both of the following analyses:

- **Impact materiality**: A sustainability topic is considered material from an impact perspective if it results in actual or potential, positive or negative, significant impacts for the Group—either under the company's direct control or across its value chain, both upstream and downstream. This includes the effects of its products and services and business relationships on people and the environment over the short, medium and long term.
- **Financial materiality**: A sustainability topic is considered material from a financial perspective if it generates or may generate significant financial effects for the Group, either negative (risks) or positive (opportunities). These effects have, or are reasonably expected to have, a material influence on the company's development, financial position, performance, cash flows, access to capital or cost of capital in the short, medium or long term. Such risks and opportunities may arise from activities carried out under the direct control of the company or across its value chain, both upstream and downstream.

The double materiality assessment process was structured into the following main phases:

1. **Context analysis, definition of the value chain, and identification of material impacts, risks and opportunities:**
   In this initial phase, Reply's operating context was analysed with the objective of clearly outlining its value chain. This included identifying the main stakeholders, suppliers and clients involved across the various stages of the value chain, as described in paragraph *[SBM-1] Strategy, business model and value chain.*
   To support this analysis, a structured document review was carried out, complemented by sector and benchmark analysis. In addition, interviews were conducted with managers of key business functions, providing a detailed overview of the Group's activities.

This approach enabled a thorough mapping of impacts, risks and opportunities for Reply, taking into account the entire value chain, as well as all geographies, activities, and sectors in which the Group operates. The functions involved in the process were:

- ESG;
- Finance;
- HR;
- Internal Audit;
- Investor relations;
- Operations;
- Purchasing;
- Risk Management;
- Sourcing.

The interviews made it possible to gather crucial information for understanding the Group's internal dynamics, identifying key sustainability-related impacts, risks and opportunities, and obtaining relevant insights for their evaluation.

2. **Assessment of impacts, risks and opportunities:**
   Finally, a thorough assessment was carried out on the impacts, risks and opportunities identified in the previous phase. This evaluation also included a review of internal documents, applicable regulations, and validation by the functions involved in the process. To validate the results obtained, meetings were held with the Group's top management. The senior management involved included all heads of the relevant functions, the Sustainability Committee, and subsequently the Board of Directors.
   The following section provides a detailed explanation of how the assessment process for impacts, risks and opportunities was conducted.

Impact Materiality

In defining the Group's material impacts on people and the environment, the following elements were considered:

- all the Group's activities and most significant business relationships;
- all the geographies in which Reply operates

as described in paragraph *[SBM-1] Strategy, business model and value chain.*

Negative impacts were assessed based on their likelihood of occurrence and their severity, determined by the combination of scale, scope, and irremediability. Specifically:

- Scale refers to how serious an impact is;
- Scope refers to the extent of the impact in terms of the stages and geographies of the value chain where it occurs;
- Irremediability refers to how difficult it is to remediate the negative impact.

Positive impacts were assessed based on their likelihood of occurrence, as well as their scale and the scope in which they occur.

Both negative and positive, potential and actual impacts were also evaluated with respect to the time horizon in which they may occur (short, medium, or long term).

The process for prioritising impacts was carried out using predefined materiality quantitative thresholds.
The monitoring of potential and actual impacts on the environment and people is carried out through continuous analysis of the effects of the actions implemented. These actions aim to mitigate negative impacts and promote positive ones. For further details, please refer to the corresponding thematic sections of the report.

Financial Materiality

Reply has identified and assessed the sustainability-related risks and opportunities that generate—or may generate—financial effects in the short, medium, and long term, based on the impacts identified as material through the impact materiality assessment. The monitoring of risks and opportunities is carried out through continuous analysis of the effects of the external context on the Group's business, with the aim of promptly identifying potential threats and emerging opportunities. This evaluation also considers dependencies, i.e., external factors the Group relies on to carry out its activities, such as strategic suppliers, skilled personnel, clients, and energy sources. In addition, it takes into account the actions implemented by the Group—such as investments in energy efficiency—to mitigate negative impacts and/or maximise positive impacts on sustainability.
The relevance of risks and opportunities was assessed based on their likelihood of occurrence and the magnitude of their financial effects, and then prioritised using predefined materiality quantitative thresholds.
As previously mentioned, the double materiality assessment involved the Risk Management function to ensure alignment with the Group's overall risk evaluation and management system. The double materiality analysis is presented to and validated by the Sustainability Committee and approved by the Board of Directors, as it is part of the consolidated sustainability statement.
Furthermore, as described in paragraph *[GOV-5] Risk management and internal controls over consolidated sustainability statement* the Group has begun to define the internal control measures performed by the Internal Audit function in relation to the reporting process and key ESG topics. Similarly, the process of identifying, assessing and managing opportunities is integrated into the Group's overall risk and opportunity management framework.
It is not possible to compare the current materiality assessment process and results with the previous reporting period, as up to the 2023 reporting year, Reply was subject to the publication of the Non-Financial Statement in accordance with the GRI Standards issued by the Global Reporting Initiative. Reply internally conducted the assessment and validation of the double materiality process with the support of an external consulting firm for methodological aspects. Moreover, no predefined assumptions were applied as a basis for this process.
The double materiality process and the results obtained will be reviewed, upon corporate decision, in the event of changes to the company's scope or in response to regulatory developments.

[IRO-2] Disclosure requirements in ESRS covered by the undertaking's consolidated sustainability statement

This section outlines the disclosure requirements included in this consolidated sustainability statement, along with the topics that have been omitted as they were deemed "not material" based on the results of the double materiality assessment.
Below is the list of disclosure requirements that Reply has addressed in this consolidated sustainability statement, based on the outcomes of the double materiality assessment.

DISCLOSURE REQUIREMENTS	PAGES
GOVERNANCE INFORMATION	
G1 – BUSINESS CONDUCT	
ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	195
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	198
G1-1– Business conduct policies and corporate culture	199
G1-2 – Management of relationships with suppliers	201
G1-3 – Prevention and detection of corruption and bribery	201
G1-4 – Incidents of corruption or bribery	203
G1-6 – Payment Practices	203

The information requirements stemming from other EU legislative acts have been assessed as not material.

Based on the results of the double materiality assessment, Reply concluded that the following topical ESRS are not material for the Group: Pollution (ESRS E2), Water and Marine Resources (ESRS E3), Biodiversity and Ecosystems (ESRS E4), Resource Use and Circular Economy (ESRS E5), and Affected Communities (ESRS S3).

Specifically, environmental topics related to pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy will not be reported by the Group, as they are not considered material to the business, the value chain, or the Group's commercial relationships. This assessment is consistent with the nature of Reply's activities, which operate in the IT services and technology consulting sector—an area generally characterised by limited and non-significant indirect environmental impacts.

In particular, the impacts associated with the aforementioned topics mainly occur along the value chain, during the extraction of raw materials and the manufacturing of hardware and IT equipment used in the Group's operations. These impacts could potentially affect pollution, water consumption, biodiversity, resource use, and waste management. However, they have been deemed not material, given the low volumes of purchased equipment, the limited involvement of the supply chain, and the low likelihood of occurrence.

Similarly, due to the nature of the Group's business, no material impacts have been identified with respect to affected communities, intended as impacts on economic, social, and cultural rights, political and civil rights, or specific rights of Indigenous Peoples.

Reply adopts a structured approach to identify the relevant information to be disclosed regarding the impacts, risks and opportunities assessed as material. This approach is based on the principles outlined in ESRS 1, section 3.2, and involves the categorisation of its impacts, risks and opportunities through the application of materiality thresholds, as described in paragraph *[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities* to which reference is made for further details.

[MDR-P] Policies adopted to manage material sustainability matters

The Reply Group has developed policies for each material topic, with the aim of managing the relevant impacts, risks and opportunities.
Primary responsibility for the implementation of these policies lies with a senior-level figure within the Group, who continuously monitors their effectiveness.
The specific policies related to the various aspects of sustainability are described in detail in the following sections, providing a clear and comprehensive overview of Reply Group's commitment to sustainability.

POLICY	MATERIAL ESRS	MAIN CONTENTS	SCOPE OF APPLICATION	POLICY MAKER	REFERENCE STANDARDS/ INITIATIVES	SHARING CHANNELS
Code of Ethics	S1, S2, S4, G1	The Code of Ethics has been drafted to ensure that the fundamental ethical values of the Reply Group are clearly defined and serve as the foundation of the Group's corporate culture, as well as the standard of conduct for all Group collaborators in the performance of their activities. The Group's core ethical principles include: professionalism and trust, legality and honesty in all activities, in full compliance with applicable laws, impartiality, respect for diversity and non-discrimination, prevention of potential conflicts of interest, and fairness and transparency in all actions undertaken by recipients of the Code. The Code of Ethics also sets out the rules of conduct that define Reply's relationships with its stakeholders. It includes provisions governing relations with public authorities and institutions, which are based on principles of legality, transparency, clarity, and fairness, in full compliance with applicable legislation.	All Group stakeholders	Board of Directors	-	▸ Group website ▸ Intranet
Whistleblowing Policy	S1, S2, S4, G1	The Group has an active whistleblowing system in place in all countries where it operates, allowing for the reporting of unlawful conduct or behaviour that violates the Code of Ethics and/or Group Policies. The Whistleblowing Policy, introduced to ensure the timely and secure reporting of misconduct, accepts reports from both employees and external stakeholders, guaranteeing anonymity and confidentiality. Reports can be submitted through the following channels: Via the platform: https://reply-whistleblowing.integrityline.com/ By post: Reply S.p.A. – Via Nizza no. 250 – 10126 Turin – Italy, addressed to the Supervisory Body of Reply S.p.A. By telephone: +39 011 7711594, requesting to speak with the Supervisory Body During the verification process, the Supervisory Body may contact the Whistleblower to request additional information, if necessary, to assess the validity of the report.	All Group stakeholders	Supervisory Body, Board of Directors	Directive EU 2019/1937	▸ Group website ▸ Intranet

POLICY	MATERIAL ESRS	MAIN CONTENTS	SCOPE OF APPLICATION	POLICY MAKER	REFERENCE STANDARDS/ INITIATIVES	SHARING CHANNELS
Human Rights & Labour Policy	S1, S2	The Human Rights & Labour Policy, repudiates child and forced labour and protects freedom of association and collective bargaining. This policy confirms, the commitment to the protection of human rights, favouring diversity, inclusion, avoiding all forms of discrimination, guaranteeing the physical and mental wellbeing of employees and their professional growth.	Entire Group	CEO	▸ Universal Declaration of Human Rights ▸ Guiding Principles on Business and Human Rights ▸ International Labour Organisation (ILO) Conventions	Intranet
Modern Slavery Policy	S1, S2	The Modern Slavery Policy describes the commitment to ensure that forced labour and child labour practices do not occur at any point in Reply's business operations or in its supply chain.	Entire Group, All suppliers	Board of Directors	Modern Slavery Act	▸ Group website ▸ Intranet
Health and Safety Policy	S1, S2	The policy describes the implementing rules that ensure the highest levels of health and safety protection in the workplace, in accordance with local regulations. It is addressed to Reply's workers, suppliers and contractors, and customers who request it.	Employees and suppliers (Regions 1, 2, 3)	COO	▸ Legislative Decree 81/08 ▸ ISO 45001	Intranet
Supplier Code of Conduct	E1, S2	The Suppliers' Code of Conduct brings together all the provisions that define the standards that Suppliers must comply with in the areas of labour law and human rights, worker safety and environmental sustainability, governance for which specific monitoring activities are foreseen.	All strategic suppliers	CEO	▸ Universal Declaration of Human Rights ▸ Guiding Principles on Business and Human Rights ▸ International Labour Organisation (ILO) Conventions	▸ Acknowledgement and acceptance by all suppliers when signing the contract ▸ Intranet
ICT Security Policy	S4	The ICT Security Policy sets out the security requirements to be followed in internal and customer activities. The main topics are: ▸ Definition of responsibilities ▸ Asset management ▸ Logical access control ▸ Physical security ▸ Operational management of systems, networks and telecommunications ▸ Systems development and maintenance ▸ Relations with third parties ▸ Security incident management ▸ Operational continuity ▸ Compliance	Entire Group	COO	▸ ISO 27001 ▸ ISO 27002 ▸ GDPR ▸ TISAX ▸ VDA ISA ▸ UK Data Protection Act	Intranet
ICT Security Incident Management	S4	The ICT security incident management procedure is integrated with the Personal data breach notification process, which provides for how incidents are contained, classified and managed.	Entire Group	COO	▸ ISO 27001 ▸ ISO 27002 ▸ GDPR ▸ TISAX ▸ VDA ISA ▸ UK Data Protection Act	Intranet
Employee Privacy Policy	S4	The policy outlines the basic privacy principles that apply when personal data is collected, stored, exchanged or otherwise processed.	Entire Group	DPO	GDPR	Intranet
Client DPA Policy	S4	The policy outlines the process for managing Data Protection Agreements	Entire Group	DPO	GDPR	Intranet
AI Policy	S4	The Artificial Intelligence (AI) Policy provides general guidance on how to ensure compliance in the purchase, use and development of AI systems, applications and technologies, while respecting contractual constraints, legal requirements, compliance best practices and ethical principles.	Entire Group	Ethical AI Committee	▸ AI ACT ▸ GDPR	Intranet

POLICY	MATERIAL ESRS	MAIN CONTENTS	SCOPE OF APPLICATION	POLICY MAKER	REFERENCE STANDARDS/ INITIATIVES	SHARING CHANNELS
Anti-Bribery Policy	G1	This policy covers: ▸ the main areas of responsibility under the Act; ▸ the responsibilities of employees and associated persons acting on behalf of the Group; ▸ the consequences of violating this policy.	Employees, Suppliers, and Partners (Regions 2, 3)	CEO	Bribery Act	Intranet
Envinronmental Policy	E1	The environmental policy outlines guidelines for monitoring and reducing the impacts that the company's activities generate on the environment, including aspects related to consumption and emissions.	Entire Group	CEO	▸ GHG Protocol ▸ ISO 14001	Intranet

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	REFERENCE PARAGRAPH	NOT RELEVANT / NOT APPLICABLE / PHASE IN
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (27), Annex II		General Information - ESRS 2 GOV-1	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		General Information - ESRS 2 GOV-1	
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				General Information - ESRS 2 GOV-4	
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		-	Not applicable
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		-	Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		-	Not applicable
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		-	Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Environmental Information - ESRS E1-1	
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		-	Not applicable

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	REFERENCE PARAGRAPH	NOT RELEVANT / NOT APPLICABLE / PHASE IN
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Environmental Information - ESRS E1-4	
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Environmental Information - ESRS E1-5	
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Environmental Information - ESRS E1-5	
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				-	Not applicable
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Environmental Information - ESRS E1-6	
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Environmental information - ESRS E1-6	
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Environmental Information - ESRS E1-7	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		-	Phase-in

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	REFERENCE PARAGRAPH	NOT RELEVANT / NOT APPLICABLE / PHASE IN
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			-	Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			-	Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		-	Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				-	Not relevant
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				-	Not relevant
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				-	Not relevant
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				-	Not relevant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				-	Not relevant
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				-	Not relevant
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				-	Not relevant
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				-	Not relevant
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				-	Not relevant

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	REFERENCE PARAGRAPH	NOT RELEVANT / NOT APPLICABLE / PHASE IN
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				-	Not relevant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				-	Not relevant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				-	Not relevant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				-	Not relevant
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				-	Not relevant
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Social Information - SBM3 - S1	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Social Information - SBM3 - S1	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				General Information - MDR-P Social Information - S1 -1	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		General Information - MDR-P Social Information - S1 -1	
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				General Information - MDR-P Social Information - S1 -1	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				General Information - MDR-P Social Information - S1 -3	
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Informazioni Generali – MDR-P Informazioni Sociali - S1 -3	
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Social Information - S1 -14	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Social Information - S1 -14	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	REFERENCE PARAGRAPH	NOT RELEVANT / NOT APPLICABLE / PHASE IN
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Social Information - S1 -16	
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Social Information - S1 -16	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Social Information - S1 -17	
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Social Information - S1 -17	
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Social Information - SBM-3 -S2	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				General Information - MDR-P Social Information - S2 -1	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				General Information - MDR-P Social Information - S2 -1	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Social Information - S2 -1	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		General Information - MDR-P Social Information - S2 -1	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Social Information - S2 -4	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				-	Not relevant
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		-	Not relevant

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	REFERENCE PARAGRAPH	NOT RELEVANT / NOT APPLICABLE / PHASE IN
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				-	Not relevant
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				General Information - MDR-P Social Information - S4 -1	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Social Information - S4 -1	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Social Information - S4 -4	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				General Information - MDR-P Governance Information - G1-1	
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				General Information - MDR-P Governance Information - G1-1	
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Governance Information - G1-4	
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Governance Information - G1-4	

Environmental information

Disclosures pursuant to article 8 of regulation (EU) 2020/852 (taxonomy regulation)

The year 2025 marks the fourth year of application—within the scope of consolidated sustainability statement for the 2024 financial year—of the provisions introduced by the European Taxonomy, adopted through **Regulation (EU) 2020/852**[2] (hereinafter also referred to as the "Regulation"), which forms part of the EU Sustainable Finance Action Plan launched by the European Commission[3] in 2018. The objective of the Regulation is to determine the "environmental sustainability degree" of an investment[4], enhancing market transparency for the benefit of consumers and investors.
The Regulation establishes a **unified EU-wide classification system** for identifying environmentally sustainable economic activities. Specifically, to determine whether an activity qualifies as environmentally sustainable, it must contribute to the achievement of one or more of the following **six environmental objectives**:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to a circular economy, including waste prevention and recycling (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

In 2021, the European Commission adopted the *Climate Delegated Act*[5], which governs **the first two climate-related objectives** (mitigation and adaptation) by establishing technical screening criteria for economic activities that can substantially contribute to these goals without causing significant harm to the other environmental objectives.

2 Official Journal of the European Union, Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088. The Regulation is implemented through the progressive adoption of Delegated Acts.
3 See the Action Plan on Financing Sustainable Growth, European Commission, COM (2018) 97 final, and subsequently the Strategy for Financing the Transition to a Sustainable Economy, European Commission, COM (2021) 390 final.
4 See Article 1 of Regulation (EU) 852/2020 and Assonime Circular No. 1 of 19 January 2022, The European Regulation on the Taxonomy of Environmentally Sustainable Activities: Disclosure Obligations for Companies.
5 Commission Delegated Regulation (EU) 2021/2139.

During 2023, the Commission published two major updates to the Taxonomy, in particular:

- Publication of Delegated Regulation (EU) 2023/2485 (June 2023), which amends the *Climate Delegated Act*. This regulation introduced new activities and established additional technical screening criteria for the first two existing objectives: "climate change mitigation and climate change adaptation".
- Adoption of the *Environmental Delegated Act*[6] (November 2023), which sets out in Annexes I, II, III and IV the eligible activities related to the four non-climate environmental objectives of the Taxonomy:
  i) sustainable use and protection of water and marine resources, ii) transition to a circular economy, iii) pollution prevention and control, and iv) protection and restoration of biodiversity and ecosystems, along with the related technical screening criteria.
  Furthermore, Annex V includes a number of amendments to Delegated Regulation (EU) 2021/2178—also known as the "Disclosure Delegated Act", including updates to the templates to be used for reporting.

For the 2024 financial year, non-financial undertakings subject to the Regulation, such as Reply, are required to disclose information[7] regarding both **eligible and aligned economic activities**, with reference to the six environmental objectives and the relevant **quantitative performance indicators (KPIs)**—namely, the shares of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) **attributable to those activities**.
With regard to operating expenditure (OpEx), in accordance with point 1.1.3.2 of the **Disclosure Delegated Act**, the Group will not report the numerator associated with eligible activities, since the denominator of the KPI is considered not material in relation to the Group's overall operating costs, also taking into account the nature of Reply's business. However, the denominator has been calculated as outlined in the section "KPI Calculation Methodology."
Lastly, Delegated Regulation (EU) 2022/1214 extended the scope of eligible activities to include those related to nuclear energy and natural gas in the energy sector. However, the Group has not classified any such activities as eligible, as indicated in the table below.

6 Commission Delegated Regulation (EU) 2023/2486, divided into Annexes I, II, III, IV, and V.
7 Commission Delegated Regulation (EU) 2021/2178, also known as the "Disclosure Delegated Act," which defines the reporting methods to be adopted by entities falling within the scope of the Regulation.

Row	Activities related to nuclear energy	
1	The undertaking carries out, finances, or has exposures to the research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal fuel cycle waste.	NO
2	The undertaking carries out, finances, or has exposures to the construction and safe operation of new nuclear installations for electricity or process heat generation, including for district heating or industrial processes such as hydrogen production, and improvements to their safety using the best available technologies.	NO
3	The undertaking carries out, finances, or has exposures to the safe operation of existing nuclear installations generating electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements to their safety.	NO
	Activities related to fossil gas	
4	The undertaking carries out, finances, or has exposures to the construction or operation of electricity generation facilities that use fossil gaseous fuels.	NO
5	The undertaking carries out, finances, or has exposures to the construction, upgrade or operation of combined heat/cool and power generation facilities that use fossil gaseous fuels.	NO
6	The undertaking carries out, finances, or has exposures to the construction, upgrade or operation of heat generation facilities producing heat/cool using fossil gaseous fuels.	NO

Eligibility and alignment analysis

For the 2024 financial year, Reply updated its **eligibility analysis** to identify the Group's activities that correspond to those listed and described in *Annexes I and II of the Climate Delegated Act, Annexes I, II, III, and IV of the Environmental Delegated Act, and within Delegated Regulation (EU) 2023/2485.*
Additionally, the Group analysed potentially eligible activities related to **CapEx**, in line with **Annex 1 of Delegated Regulation (EU) 2021/2178, paragraph 1.1.2.2, point (c)**, concerning the acquisition of products derived from economic activities that are both eligible and aligned with the taxonomy, as well as individual measures that enable target activities to reduce their emissions profile.
This analysis led to the identification of the following **eligible activities**.

Objective: Climate Change Mitigation
With regard to the activities linked to the Group's revenue streams:

- **8.1 Data processing, hosting and related activities:** refers to activities carried out directly by certain Group companies, comparable to the storage, handling, management, movement, control, visualisation, switching, exchange, transmission or processing of data through data centres, including edge computing.
- **8.2 Data-driven solutions for GHG emissions reduction:** development or use of solutions for the collection, transmission, storage and modelling of data, and their use with the primary objective of providing information and analysis to reduce greenhouse gas emissions. These solutions may include the use of decentralised technologies, IoT solutions, 5G, and artificial intelligence.

With reference to CapEx associated with outputs of eligible activities or individual measures:

- **6.5 Transport by motorbikes, passenger cars and light commercial vehicles:** refers to CapEx related to the leasing of vehicles falling under category M1 (i.e. passenger cars).
- **7.2 Renovation of existing buildings:** refers to CapEx related to activities aimed at refurbishing and restoring buildings owned by the Group.
- **7.3 Installation, maintenance and repair of energy efficiency equipment:** refers to CapEx related to the installation of relamping systems and lighting systems for offices and common areas.
- **7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings:** refers to CapEx related to the installation of electric charging stations for cars.
- **7.7 Acquisition and ownership of buildings:** refers to CapEx related to long-term leases of Group office spaces, accounted for under IFRS 16.

Objective: Circular Economy (CE)

With regard to the activities linked to the Group's revenue streams:

- **4.1 Provision of data-driven IT/OT solutions (Information and Operational Technologies):** refers to activities carried out by certain Group companies, involving the design, development, installation, deployment, maintenance, repair or provision of professional services—including technical consulting—for the design or monitoring of information technology (IT) or operational technology (OT) software and systems. This includes artificial intelligence (AI)-based solutions, as well as IT/OT software and systems developed for the identification, traceability and tracking of materials, products and assets, life cycle assessment software, etc.

With regard to CapEx associated with outputs of eligible activities or individual measures:

- **3.2 Renovation of existing buildings:** refers to CapEx related to activities aimed at refurbishing and restoring owned buildings.
- **1.2 Manufacture of electrical and electronic equipment:** refers to CapEx related to the acquisition of electrical and electronic equipment (e.g. PCs, phones, etc.) used in the execution of activities by certain Group companies, such as IT consulting, planning and design of computer systems that integrate hardware, software and communication technologies, on-site management of clients' IT systems or data processing facilities, and other computer-related technical and professional services.

Objective: Sustainable Use and Protection of Water and Marine Resources (WTR)

With regard to the activities linked to the Group's revenue streams:

- **4.1 Provision of data-driven IT/OT (Information and Operational Technologies) solutions for leakage reduction:** refers to activities carried out by certain Group companies involving the design, development, installation and deployment of data-based IT or OT solutions, or the provision of related maintenance, repair and professional services—including technical consulting for design or monitoring—aimed at controlling, managing, reducing, and mitigating leakages in water supply systems.

Objective: Climate Change Adaptation (CCA)

In relation to the **climate change adaptation objective (CCA)**, the European Commission Communication C/2023/305 of 20 October 2023 clarified [8] that for adapted activities—i.e. non-enabling activities—eligibility requires that the reporting undertaking has performed a *climate risk assessment* and should implement adaptation solutions that enhance the activity's resilience to climate change.

Currently, the Group does not conduct such analysis as defined under the Regulation, nor has it incurred expenditures related to adaptation measures, i.e., actions aimed at reducing climate-related risks. Therefore, the Group does not consider any of its activities to be eligible under the *Climate Change Adaptation* objective of the EU Taxonomy.

In compliance with the provisions of the Regulation, each eligible activity identified was also assessed for **alignment** with the following criteria:

- **Substantial contribution [9] criteria:** for each eligible activity, compliance with the technical screening thresholds was verified to determine its substantial contribution to the objective of climate change mitigation and/or adaptation;
- **Do No Significant Harm (DNSH) [10] criteria:** assessment of technical and regulatory requirements to ensure that the activity, in addition to contributing to at least one of the environmental objectives of the Regulation, does not cause significant harm to any of the other environmental objectives;
- **Minimum safeguards [11]:** verification that the activity is carried out in accordance with the minimum social safeguards outlined in the Regulation, particularly in relation to human rights and labour standards.

8 C/2023/305, FAQ 18 and 19 of 20.10.2023
9 Articles 10, 11, 12, 13, 14, 15, 16, and 19 of Regulation (EU) 852/2020.
10 Article 17 of Regulation (EU) 852/2020.
11 Article 18, point 1 of Regulation (EU) 852/2020, in particular the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and in the International Bill of Human Rights.

Substantial contribution criteria

For the purpose of alignment assessment, each of the economic activities identified as eligible was evaluated for compliance with the substantial contribution criteria, as defined in Annex I of the Climate Delegated Act and Annexes I, II, III, and IV of the Environmental Delegated Act, in order to determine their substantial contribution to the achievement of the environmental objectives.

Activity 8.1 Data processing, hosting and related activities (CCM)
Adopting a conservative and precautionary approach, the Group considers this activity **not aligned** with the substantial contribution criteria, as the data centres used are under the responsibility of third parties (e.g., clients or service providers) and are therefore not directly managed by the Group.

Activity 8.2 Data-driven solutions for the reduction of greenhouse gas emissions (CCM)
The solutions offered by the Group comply with one of the two applicable criteria, as they are mainly used to provide data and analysis aimed at reducing greenhouse gas emissions. However, since these solutions are part of broader projects and contexts implemented by clients, no analysis is available to verify whether they demonstrate a significant reduction in life-cycle greenhouse gas emissions compared to the best available alternatives or technologies on the market. Such comparisons should be conducted using Recommendation 2013/179/EU, or alternatively ETSI ES 203 199, ISO 14067:2018, or ISO 14064-2:2019. Therefore, the Group considers this activity not aligned with the substantial contribution criteria.

Activity 4.1 Provision of data-based IT/OT (Information and Operational Technology) solutions (CE)
The Group considers the criteria not met, as for the current solutions offered to clients under this activity—being part of broader projects and use cases—the analyses required by the Regulation for software are not available. As a result, the activity is **not aligned** with the substantial contribution criteria.

Activity 4.1 Provision of data-based IT/OT (Information and Operational Technology) solutions for leakage reduction (WTR)
The solutions offered by the Group comply with one of the two defined criteria, as they provide IT/OT solutions that enable the control, management and mitigation of water losses. However, the Group does not have sufficient information to verify whether, in client implementations, the environmental degradation risks related to water quantity conservation and the prevention of water stress have been identified and addressed, with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852, in accordance with Directive 2000/60/EC and in line with a water

use and protection management plan. Therefore, the Group considers this activity **not aligned** with the substantial contribution criteria.

Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM)
The substantial contribution criteria require that vehicles in categories M1 and N1 fall within a specific emissions class. With reference to M1 category vehicles, the Group's vehicle fleet in the Italy and Germany regions includes electric and plug-in hybrid cars, which meet the requirement of emitting less than 50 gCO_2/km. Therefore, the portion of CapEx associated with the leasing of these electric vehicles—amounting to €4.674 thousand—is considered **aligned**.

Activity 7.2 Renovation of existing buildings (CCM)
The substantial contribution criteria require that the renovation of buildings meets the applicable standards for major[12] renovations, or alternatively, results in a reduction of at least 30% in primary energy demand. Due to the lack of sufficient evidence to conduct a full assessment of compliance with this criterion, and adopting a conservative approach, the Group considers this activity **not aligned** with the substantial contribution criteria.

Activity 7.3 Installation, maintenance and repair of energy efficiency equipment (CCM)
The substantial contribution criteria require that the activity consists of individual measures to improve the energy efficiency of buildings, in accordance with Directive 2010/31/EU. These measures include the installation, replacement, maintenance and repair of energy-efficient lighting sources, which must meet the minimum requirements and energy efficiency classifications set by relevant national and European regulations. However, the Group considers the activity **not aligned**, as it lacks the supplier documentation required to verify compliance with the criteria for the relamping measures carried out during the year.

Activity 7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (CCM)
The Group has installed electric vehicle charging stations at the offices of Reply Services S.r.l. (R1) and Business Elements Belgium (R3), in compliance with the substantial contribution criteria. Therefore, the activity is considered **aligned**.

Activity 7.7 Acquisition and ownership of buildings (CCM)
The substantial contribution criteria require that buildings constructed before 31 December 2020 must either hold at least an Energy Performance Certificate (EPC) of class A, or belong to the top 15% most energy-efficient buildings in the national or regional building stock, demonstrated through adequate benchmarking, distinguishing at minimum between residential and non-residential buildings. For large non-residential buildings (i.e. with a

12 As established in the national and regional building regulations applicable to "major renovations" implementing Directive 2010/31/EU.

combined heating/ventilation/cooling system power output above 290 kW), criteria also require efficient operation through performance monitoring and evaluation. Since the Group does not have access to this information—given that the offices are leased—it is not able to fully assess compliance. Therefore, the activity is considered **not aligned**.

Activity 3.2 Renovation of existing buildings (CE)
The substantial contribution criteria include specific requirements related to the circular economy principles applied to materials and waste. Due to insufficient data to fully assess compliance, and adopting a conservative and precautionary approach, the Group considers this activity **not aligned**.

Activity 1.2 Manufacture of electrical and electronic equipment (CE)
The Group adopts a precautionary approach and considers the criteria **not met** for the purchase of electrical and electronic equipment, due to the complexity of the requirements that must be verified for each investment. These purchases must comply with a set of criteria defined by the Regulation, covering durability, design, product safety, consumer communication, and producer responsibility. However, verification of these criteria requires access to specific supplier documentation, which the Group currently does not possess.

Do No Significant Harm (DNSH)

Do No Significant Harm (DNSH) criteria define the conditions under which activities must be carried out without causing significant harm to the other environmental objectives. The Group assessed each eligible activity for compliance with these criteria.

Activity 8.1 Data processing, hosting and related activities (CCM)
Annex I of the Climate Delegated Act establishes DNSH criteria in relation to three other environmental objectives: climate change adaptation, sustainable use and protection of water and marine resources, and transition to a circular economy.
As the Group's data processing activities are carried out via third-party data centres, and due to the lack of sufficient information from clients and providers to enable a full assessment of compliance, the Group "applying a conservative and precautionary approach" considers this activity **not aligned** with the DNSH criteria.

Activity 8.2 Data-driven solutions for the reduction of greenhouse gas emissions (CCM)
Annex I of the Climate Delegated Act sets out DNSH criteria in relation to two environmental objectives: climate change adaptation and transition to a circular economy. With regard to the Group's solutions for data collection, transmission, storage and modelling used to reduce greenhouse gas emissions, in the absence of sufficient information from clients and end users of the service to allow for a complete assessment, the Group—

applying a conservative and precautionary approach—considers the activity **not aligned** with the DNSH criteria.

Activity 4.1 Provision of data-based IT/OT (Information and Operational Technology) solutions (CE)

Annex II of the Environmental Delegated Act defines DNSH criteria in relation to three other environmental objectives: climate change adaptation, sustainable use and protection of water and marine resources, and pollution prevention and control.

Regarding the solutions offered by the Group under this activity, due to the absence of sufficient information from service users to allow a complete assessment of compliance, the Group—adopting a conservative and precautionary approach—considers the activity **not aligned** with the DNSH criteria.

Activity 4.1 Provision of data-based IT/OT (Information and Operational Technology) solutions for leakage reduction (WTR)

Annex I of the Environmental Delegated Act sets out DNSH criteria in relation to three environmental objectives: climate change adaptation, transition to a circular economy, and pollution prevention and control.

With regard to the Group's solutions that enable the control, management and mitigation of water losses, in the absence of sufficient information from service users to conduct a full assessment of compliance, the Group—applying a conservative and precautionary approach—considers this activity **not aligned** with the DNSH criteria.

Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM)

For CapEx related to activity 6.5, Annex I of the Climate Delegated Act defines DNSH criteria for three environmental objectives: climate change adaptation, transition to a circular economy, and pollution prevention and control.

With regard to investments made during the year in electric and hybrid vehicles, due to the lack of sufficient information from vehicle manufacturers to fully assess compliance with the criteria, the Group—adopting a conservative and precautionary approach—considers this activity **not aligned.**

Activity 7.2 Renovation of existing buildings (CCM)

For activity 7.2, Annex I of the Climate Delegated Act provides DNSH criteria relating to the objectives of climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, and pollution prevention and control.

Regarding the renovation work carried out in 2024 on owned or leased buildings, and in the absence of sufficient documentation from suppliers to fully assess compliance with the criteria, the Group—adopting a conservative and precautionary approach—considers the activity **not aligned**.

Activity 7.3 Installation, maintenance and repair of energy efficiency equipment (CCM)
For CapEx related to activity 7.3, Annex I of the Climate Delegated Act sets DNSH criteria with respect to the environmental objectives of climate change adaptation and pollution prevention and control. With regard to the investments made during the year for the installation of lighting systems, and in the absence of sufficient supplier information to assess compliance with the criteria, the Group—applying a conservative and precautionary approach—considers the activity **not aligned**.

Activity 7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings (CCM)
For CapEx related to activity 7.4, Annex I of the Climate Delegated Act sets a single DNSH criterion concerning the climate change adaptation objective.
With regard to the installation of electric vehicle charging stations, and in the absence of sufficient information from suppliers to fully assess compliance with the criterion, the Group—adopting a conservative and precautionary approach—considers this activity **not aligned**.

Activity 7.7 Acquisition and ownership of buildings (CCM)
For CapEx related to activity 7.7, Annex I of the Climate Delegated Act provides a single DNSH criterion in relation to the climate change adaptation objective.
With reference to long-term leases of office buildings used by Group companies, and in the absence of sufficient documentation from suppliers to assess compliance, the Group—applying a conservative and precautionary approach—considers this activity **not aligned**.

Activity 3.2 Renovation of existing buildings (CE)
For CapEx related to activity 3.2, Annex II of the Environmental Delegated Act sets DNSH criteria for the objectives of climate change mitigation and adaptation, sustainable use and protection of water and marine resources, and pollution prevention and control.
With reference to investments carried out in 2024 for the renovation of owned or leased buildings, and in the absence of sufficient information from suppliers to verify compliance, the Group—adopting a conservative and precautionary approach—considers the activity **not aligned**.

Activity 1.2 Manufacture of electrical and electronic equipment (CE)
For CapEx related to activity 1.2, Annex II of the Environmental Delegated Act sets DNSH criteria for the objectives of climate change mitigation and adaptation, sustainable use and protection of water and marine resources, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.
With reference to investments in electrical and electronic equipment, and due to the lack of sufficient documentation from suppliers to fully assess compliance with the criteria, the Group—applying a conservative and precautionary approach—considers this activity **not aligned**.

Minimum safeguards

Finally, the Group has assessed its level of adherence to the principles outlined in Article 18 of the Regulation, which defines the minimum safeguards to ensure that an economic activity is carried out in compliance with human rights and labour standards. These include the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as the eight fundamental conventions of the International Labour Organization (ILO) and the International Bill of Human Rights.
Accordingly, the Group analysed the elements referenced in the documents listed in Article 18, taking into account the guidance provided by the Platform on Sustainable Finance [13] and the clarifications issued by the European Commission in Communication (2023/C 211/01) [14]. Based on these references, Reply verified the adequacy of its governance in areas such as human rights, consumer interests, anti-corruption, fair competition, and taxation.

Italian legislation governing human and labour rights covers several aspects cited in Article 18, such as privacy protection, health and safety, anti-corruption, fair competition, and fiscal compliance. In addition to complying with national regulations in the countries where it operates, Reply Group conducts its activities in pursuit of sustainable and inclusive growth, aligning with the Universal Declaration of Human Rights, the ILO Conventions, and the United Nations Global Compact, which the Group has joined.

Among the tools the Group adopts to promote compliance with the minimum safeguards—both internally and externally—is the full regulatory framework described in the section *[MDR-P] Policies adopted to manage material sustainability matters*. Furthermore, the Group demonstrates its adherence to the "do no significant harm" principle, as defined by Article 2, point 17 [15] of the Sustainable Finance Disclosure Regulation (SFDR), by addressing issues such as the **gender pay gap** and gender diversity in governance bodies, and reporting the corresponding indicators in this consolidated sustainability statement.

As evidence of the Group's commitment to promoting ethical and responsible behaviour, no cases of non-compliance related to human rights, consumer interests, anti-corruption, fair competition or taxation were recorded during the 2024 reporting year.

However, in light of the European Commission's [16] clarifications—which specify that minimum safeguards require the existence of due diligence and remediation procedures implemented by

13 Final Report on Minimum Safeguards, October 2022.
14 Communication from the Commission on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and on the links with the Regulation on sustainability-related disclosures in the financial services sector (2023/C 211/01), June 2023.
15 Communication 2023/C 211/01, FAQ 2.
16 Comunication 2023/C 211/01

a company carrying out an economic activity—and considering ongoing developments related to the Corporate Sustainability Due Diligence Directive[17] (CSDDD), the Group, having identified areas for improvement and further formalisation within its scope, adopts a conservative and precautionary approach and considers its activities **not aligned** with the minimum safeguards. Similarly, Reply, following a conservative and precautionary approach, does not consider its current supply chain practices sufficient to deem the activities related to the procurement of products derived from eligible and aligned economic activities, or from individual measures contributing to one or more of the six environmental objectives of the Taxonomy (activities 6.5, 7.2, 7.3, 7.4, 7.7, and 1.2), as aligned with the minimum safeguards criteria.

KPI calculation methodology

The annexes to the Disclosure Delegated Act (EU) 2021/2178 (hereinafter "Disclosure Delegated Act") require the calculation of the percentage of Turnover, CapEx, and OpEx associated with eligible and aligned activities. In order to meet this regulatory requirement, as outlined in the previous sections, the Group identified its eligible activities and, after assessing which of these met the alignment criteria, calculated the three KPIs required by the Regulation.

The following paragraphs provide a detailed presentation of the analyses carried out to comply with the disclosure requirements of the Disclosure Delegated Act, including the methodologies applied, the accounting items considered for the calculation of the three KPIs, and the reporting templates updated by Annex V of the *Environmental Delegated Act*, issued in November 2023.

Turnover

In line with the Disclosure Delegated Act, the Group has calculated the **Turnover KPI** based on the following values:

- **Denominator**: net turnover derived from the provision of services, net of sales discounts and value-added taxes directly linked to turnover. To avoid any potential *double counting*, intercompany transactions have been eliminated and are not included in the KPI calculation. As a result, the denominator (€2,295,938 thousand) corresponds to the "Revenue" line item presented in Note 5 – Revenues of the Group's consolidated financial statements, and is consistent with the requirements of IAS 1, paragraph 82(a).
- **Numerator for eligible activities**: the portion of net turnover (included in the denominator) that is associated with eligible activities. For this assessment, the approach

17 Directive of the European Parliament and of the Council on corporate sustainability due diligence and amending Directive (EU) 2019/1937.

Report on operations

adopted involved identifying all legal entities within the consolidation scope that generate turnover from eligible economic activities. Specifically, for the calculation of the numerator, the Group considered only the net turnover associated with companies engaged in the following activities:

- 8.1 Data processing, hosting and related activities
- 8.2 Data-driven solutions for the reduction of greenhouse gas emissions
- 4.1 Provision of data-based IT/OT solutions
- 4.1 Provision of data-based IT/OT solutions for leakage reduction

- **Numerator for aligned activities**: the portion of net turnover (included in the denominator) associated with aligned activities is equal to €0, as the company (or its suppliers or clients, where applicable) does not meet the technical screening criteria and the minimum safeguards.

In conclusion, it is specified that, for the calculation of the eligible numerator, the Group determined the relevant figures based on the contribution of each subsidiary to the above-mentioned activities

CAPEX

For the calculation of the CapEx KPI denominator, the Group considered capital increases incurred during the reporting period related to tangible assets (business development and renovation), intangible assets (patents, software, and capitalised research and development costs), and right-of-use assets (long-term leases). The approach used to extract these figures involved an analysis of accounting data reflecting the investments made during the financial year by all companies within the consolidation scope.

In line with the Disclosure Delegated Act, the following values were considered for the calculation of the CapEx KPI:

- **Denominator**:
  The Group included:
  - Tangible assets accounted for in accordance with IAS 16 – as disclosed in Note 17 of the Annual Financial Report,
  - Intangible assets (excluding goodwill) accounted for under IAS 38 – Note 19 of the Annual Financial Report,
  - Lease assets recognised under IFRS 16 – Note 20 of the Annual Financial Report.

This analysis resulted in a total value for the 2024 financial year of €105,422 thousand

- **Numerator for eligible activities:**
  For the determination of the numerator, the Group considered CapEx related to assets or processes associated with eligible activities, as well as the purchase of products derived from economic activities eligible under the Taxonomy. Accordingly, the Group included the following values in the KPI numerator:
  For the activities:

8.1 Data processing, hosting and related activities: investments of €3,888 thousand
8.2 Data-driven solutions for the reduction of greenhouse gas emissions: investments of €224 thousand
4.1 Provision of data-based IT/OT solutions: investments of €180 thousand
4.1 Provision of data-based IT/OT solutions for leakage reduction: investments of €15 thousand

- **For the additional eligible activities**:
  6.5 Transport by motorbikes, passenger cars and light commercial vehicles: investments of €18,772 thousand, of which €10,164 thousand relate to electric vehicles
  7.2 Renovation of existing buildings: investments of €27,051 thousand
  7.3 Installation, maintenance and repair of energy efficiency equipment: investments of €587 thousand
  7.4 Installation, maintenance and repair of electric vehicle charging stations in buildings: investments of €53 thousand
  7.7 Acquisition and ownership of buildings: investments of €7,370 thousand
  1.2 Manufacture of electrical and electronic equipment: investments of €2,568 thousand
  These investments refer to asset categories including property, leasehold improvements, and right-of-use assets in accordance with the IFRS 16 accounting standard.

Additionally, it is specified that, where possible, data extraction related to the above-mentioned eligible categories was performed directly using the information available in the accounting systems currently in use within the legal entities included in the consolidation scope. Where detailed data were not available, CapEx associated with activities 8.1 and 4.1 (CE and WTR) was estimated using an allocation driver, based on the percentage weight of revenues attributable to those activities relative to the total revenues of each legal entity.

- **Numerator for aligned activities**:
  The portion of capital increases, as defined in the denominator, that is associated with Taxonomy-aligned activities is equal to €0, as the company (or its suppliers or clients, where applicable) does not meet the technical screening criteria for the aforementioned activities.

OPEX

In line with the *Disclosure Delegated Act*, the Group has considered the following values for the calculation of the OpEx KPI:

- **Denominator:** To determine the denominator, a detailed analysis was conducted of the Group's chart of accounts and management accounting project records, in order to identify the cost items that can be mapped to the categories explicitly listed in the Disclosure Delegated Act.
  Specifically, the following were included:
  - **Non-capitalised R&D costs** related to internal and external projects, excluding cost components associated with the **"management"** of R&D projects, in line with the recommendations of the **European Commission**[18];
  - **Short-term leases**, for which all chart of accounts items related to leases expensed in the income statement were considered, as they relate to contracts with a duration of less than 12 months and are therefore exempt from recognition under **IFRS 16**;
  - **Maintenance and repair costs** incurred during the financial year on buildings and IT equipment. For this category, costs incurred for maintenance and repairs outsourced to third-party companies were included;
  - The cost category associated with the **"day-to-day servicing of assets[19]"** was considered with reference to cleaning services for facilities.

As a result of this analysis, the Group identified a total amount of €21,688 thousand, representing 1.2% of total operating expenses. This low percentage reflects the limited materiality of the Taxonomy-defined cost categories (which focus primarily on asset maintenance and are designed for asset-intensive industries) in relation to a business model in which personnel costs represent the core of operational expenditure.
As provided for by the Disclosure Delegated Act, the OpEx KPI is therefore considered **non-material.**

18 Clarification provided in the answer to question 12 of the FAQs published by the European Commission on 02.02.2022.
19 Clarification provided in the answer to question 12 of the FAQs published by the European Commission on 02.02.2022.

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Codes**	**Turnover (€ thousand)**	**Proportion of Turnover, 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation climatici**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year2023**	**Category enabling activity**	**Category transitional activity**
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which enabling		0	0%														0%	A	
Of which transitional		0	0%														0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data processing, hosting and related activities	CCM 8.1	432,186	18.8%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								12.2%		T
Data-driven solutions for the reduction of greenhouse gas emissions	CCM 8.2	24,552	1.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0%	A	
rovision of data-based IT/OT solutions	CE 4.1	24,114	1.1%	N/AM	N/AM	N/AM	N/AM	AM	N/AM								1.6%	A	
Provision of data-based IT/OT solutions for leakage reduction	WTR 4.1	2,311	0.1%	N/AM	N/AM	AM	N/AM	N/AM	N/AM								0.1%	A	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**483,162**	**21.0%**	**19.9%**	**0%**	**0.1%**	**0.0%**	**1.1%**	**0%**								**13.9%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**483,162**	21.0%	20%	0%	0%	0%	1%	0%								**13.9%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**1,812,776**	79%																
Total (A+B)		2,295,938	100%																

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Codes	CapEx (€ thousand)	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation climatici	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%														0%		
Of which enabling		0	0%														0%	A	
Of which transitional		0	0%														0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data processing, hosting and related activities	CCM 8.1	3,888	3.7%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								3.7%		T
Data-driven solutions for the reduction of greenhouse gas emissions	CCM 8.2	224	0.2%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0%	A	
rovision of data-based IT/OT solutions	CE 4.1	180	0.2%	N/AM	N/AM	N/AM	N/AM	AM	N/AM								0.5%	A	
Provision of data-based IT/OT solutions for leakage reduction	WTR 4.1	15	0.0%	N/AM	N/AM	AM	N/AM	N/AM	N/AM								0%	A	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	18,772	17.8%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								18.8%		T
Renovation of existing buildings	**CCM7.2/** CE 3.2	27,051	25.7%	AM	N/AM	N/AM	N/AM	AM	N/AM								25.8%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	587	0.6%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0%	A	
Installation, maintenance and repair of electric vehicle charging stations in buildings	CCM 7.4	53	0.0%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								0.1%	A	
Acquisition and ownership of buildings	CCM 7.7	7,370	7.0%	AM	N/AM	N/AM	N/AM	N/AM	N/AM								29.1%		
Manufacture of electrical and electronic equipment	CE 1.2	2,568	2.4%	N/AM	N/AM	N/AM	N/AM	AM	N/AM								11%		

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	**Codes**	**CapEx (€ thousand)**	**Proportion of CapEx, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation climatici**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023**	**Category enabling activity**	**Category transitional activity**
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**60,708**	**57.6%**	**55.0%**	**0.0%**	**0.0%**	**0.0%**	**2.6%**	**0.0%**								**89.1%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**60,708**	57.6%	55.0%	0.0%	0.0%	0.0%	2.6%	0.0%								**89.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**44,714**	**42.4%**																
Total (A+B)		105,422	100%																

	Proportion of Capex/Total Capex	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	55%
CCA	0%	0%
WTR	0%	0%
CE	0%	28%
PPC	0%	0%
BIO	0%	0%

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Codes	OpEx (€ thousand)	Proportion of OpEx, year 2024	Climate Change Mitigation	Climate Change Adaptation climatici	Water	Pollution	Circular Economy	Biodiversity	Mitigazione dei cambiamenti climatici	Adattamento ai cambiamenti climatici	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%										
Of which enabling		0	0	0	0	0	0	0	0									A	
Of which transitional		0	0																T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0%**	0%	0%	0%	0%	0%	0%										
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**0**	**0%**	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**21,668**	**100%**																
Total (A+B)		21,668	100%																

ESRS E1 Climate change

[ESRS 2 GOV-3] Integration of sustainability-related performance in incentive schemes

The requirements related to the integration of sustainability performance in incentive schemes are addressed in the chapter *[GOV-3] Integration of sustainability-related performance in incentive schemes.*

[ESRS 2 IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The process of identifying and assessing climate-related impacts, risks and opportunities has been carried out by Reply through the double materiality assessment, as described in paragraph *[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities* of the "General Information" chapter.
In addition, to identify climate-related impacts, the Group annually conducts a GHG emissions inventory to measure and manage the effects that its activities and operations across the value chain may have on climate change. As described in paragraph *[E1-6] Gross scopes 1, 2, 3 and total ghg emissions*, Reply calculates Scope 1, Scope 2 and Scope 3 emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard. In particular, the Group's main greenhouse gas emissions are generated along its value chain. As will be detailed in chapter *[E1-6] Gross scopes 1, 2, 3 and total ghg emissions*, for Reply the most significant category relates to Scope 3 emissions associated with employee business travel.
The Group has also identified a potential positive impact on climate change resulting from the sale of sustainable IT solutions, which may contribute to reducing energy consumption and GHG emissions for its clients. However, such solutions do not currently represent a significant share of the Group's total revenue, as indicated in the Taxonomy section.
As part of the double materiality assessment, the Group has preliminarily identified certain physical and transition risks related to climate change that could affect its operations and reputation. However, climate scenarios were not taken into consideration.
Among the physical risks, the Group highlights:

- the economic risk of reduced workforce productivity due to heatwaves, which may require adaptation measures such as enhanced office cooling systems;
- the economic risk from extreme weather events caused by climate change that could affect Group assets in high-risk areas, potentially leading to increased insurance costs.

With regard to transition risks, the Group has identified both economic and reputational risks related to the absence of a climate adaptation plan, as required by the EU Taxonomy

Regulation and ESG rating frameworks. Additionally, the rising cost of electric vehicles may lead to increased expenses associated with the expansion of the Group's electric/hybrid vehicle fleet.
Other transition risks include:
- increasing carbon credit costs for the voluntary offsetting of Scope 1 and 2 emissions;
- energy price volatility affecting business operations;
- the need for greater investment in energy efficiency solutions for Group-owned facilities;
- and, lastly, the lack of energy efficiency improvements in leased office spaces, which could result in higher energy expenses.

The Group monitors and manages these impacts and risks through the implementation of targeted actions aimed at reducing negative effects, supported by the adoption of environmental policies.

[ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

With reference to the physical and transition climate risks described in *[ESRS 2 IRO-1] Description of the processes to identify and assess material climate-related impacts*, risks and opportunitiesparagraph, the Group has not yet implemented a climate scenario-based resilience analysis but plans to carry it out in the coming years.

[E1-1] Transition plan for climate change mitigation

Currently, the Group has not yet defined a climate transition plan aimed at aligning its strategy and business model with the transition to a sustainable economy and with the objective of limiting global warming to 1.5°C, in line with the Paris Agreement. However, the Group is committed to developing and implementing such a plan over the coming years.
At present, as described in paragraph *[E1-4] Targets related to climate change mitigation and adaptation*, Reply has already set ambitious targets of achieving Carbon Neutrality by 2025 and Net Zero by 2030.

[E1-2] Policies related to climate change mitigation and adaptation

The Group has adopted environmental policies to manage the impacts and risks related to climate change that were identified as material through the double materiality assessment. The adopted policies outline the guidelines for monitoring and reducing the environmental impacts generated by business activities, including aspects related to energy consumption

and emissions. Reply also defines the roles, responsibilities, tools and actions to be implemented for monitoring impacts, raising awareness on environmental issues, communication and reporting, ensuring compliance with all applicable environmental laws and regulations at local and national levels, and contributing to the dissemination of sustainable development principles.
The Environmental Policy, approved by the CEO, addresses topics such as:

- climate change mitigation,
- responsible resource use and material recycling,
- energy saving and energy efficiency,
- use of renewable energy,
- transport optimisation, and
- consumption reporting.

For each of these topics, behavioural guidelines are defined to guide day-to-day decisions at both individual and corporate levels (e.g., use of public transportation, purchase of high-efficiency equipment).
At present, the policy does not cover climate change adaptation or the promotion of renewable energy deployment.
In addition, the Group's Environmental Policy is aligned with the environmental regulations and strategies set by the European Union, which aim to ensure the sustainable management of resources and promote the reduction of polluting emissions. Through the adoption of these guidelines, the Group not only commits to compliance with current laws, but also actively contributes to global efforts to address climate change and promote environmental sustainability. The principles of the policy are included in the Supplier Code of Conduct, which is shared with suppliers who, by signing it, commit to complying with its contents.
This integrated approach helps ensure that business operations are in harmony with the EU's environmental protection objectives.
For further information, refer to the Policy overview in the "General Information" chapter, paragraph *[MDR-P] Policies adopted to manage material sustainability matters.*

[E1-3] Actions and resources in relation to climate change policies

The actions implemented by the Group aim to manage the impacts and risks identified through the double materiality assessment, and, together with the proper implementation of the Group's Environmental Policy, contribute to the achievement of the Carbon Neutrality target by 2025 and Net Zero by 2030.
The main actions undertaken by Reply to reduce emissions and optimise energy consumption include:

- Introduction of energy efficiency improvements at certain office locations, such as the installation of **LED lighting**;
- Adoption of the Environmental Policy guidelines to reduce and monitor the Group's environmental impact, including in leased office spaces;

- Establishment of the Reply Forest at Group level to absorb CO_2 and support reforestation efforts;
- Continuation of the **carbon offsetting programme** to achieve **Carbon Neutrality by 2025** and **Net Zero by 2030** in terms of CO_2 equivalent emissions;
- Implementation of a **Mobility Management programme** to minimise the impact of vehicular traffic at the Group's main Italian offices.

The above-mentioned actions without a defined end date are designed to be **ongoing over time**, reflecting a continuous commitment to achieving the stated targets. These actions are implemented by the Group, which provides all the necessary resources to address the identified needs. Currently, the Group does not quantify the extent of the emission reductions achieved or expected in connection with the various actions described.

In 2024, the Group made significant progress in implementing its environmental initiatives:

- In 2024,57% of the Group's total electricity consumption came from renewable sources.
- As of 2024, 38% of Reply's fleet consists of hybrid/electric vehicles, supported by the availability of dedicated charging stations—both publicly accessible near offices and, in some major locations, installed for use by Reply employees. This marks a clear increase compared to 2023, when the share of hybrid/electric vehicles was 29%, thereby reaching the target previously set.
- In 2024, continuing the efforts initiated in 2023, a number of measures were implemented to improve energy efficiency in office buildings, focusing particularly on lighting systems and thermal insulation. At several locations, LED relamping continued for both indoor and outdoor areas, and window sealing interventions were carried out (including the use of insulating fabrics for curtains). In 2023, energy audits were conducted for buildings subject to mandatory assessments under Italian law. As a result, actions such as the installation of photovoltaic panels and PIR motion detectors to optimise electricity consumption were planned.
- As part of office renovation projects, the Group is evaluating the adoption of voluntary certifications for energy efficiency and environmental impact (e.g. LEED, BREEAM), which are already in place for some buildings used by the Group across various regions.
- By the end of 2024, all Reply companies collectively own more than 1,800 trees through Treedom. The Reply Forest, together with the forests of the individual Reply companies, is currently capable of absorbing over 500 tonnes of CO_2 per year.
- In addition, the Group has initiated the purchase of carbon credits for the voluntary offsetting of Scope 1 and Scope 2 emissions through certified offsetting projects, in line with the Carbon Neutrality target set for 2025.

As reported in the **EU Taxonomy** section, **€587,000** was invested during the year in **energy efficiency measures**.

The Group, having not yet defined a **decarbonisation plan**, has **not allocated specific financial resources** for the implementation of future actions aimed at reducing GHG emissions.

[E1-4] Targets related to climate change mitigation and adaptation

Reply has defined the following targets to support its transition toward a more sustainable business model. The targets are closely linked to the Group Environmental Policy, as the policy mentions certain actions that support the achievement of the defined objectives. The responsibility for implementing the Group Environmental Policy is shared across multiple functions, which contribute to the aggregation and analysis of environmental data and, based on the impacts identified, define the initiatives to be proposed.
The Group has set the goals of achieving Carbon Neutrality by 2025 and Net Zero by 2030, based on the Group-wide GHG emissions inventory, which covers the entire scope of Reply's operations.

- The Carbon Neutrality target for 2025 refers to the full offsetting of the Group's Scope 1 and Scope 2 emissions by 2025.
- The Net Zero target refers to the objective of reducing Scope 1, 2, and 3 greenhouse gas emissions across the Group by 2030, and offsetting any remaining residual emissions, in order to achieve a net-zero emissions balance.

These internal targets, which are voluntary in nature, are aligned with international climate goals relevant to the Group's operational context. They are based on internal calculations and have not been revised since their initial definition.
These actions are considered essential to reduce greenhouse gas emissions, with the initial goal of offsetting the Group's emissions, and the ultimate goal of eliminating climate-altering emissions across the entire value chain.
In addition, in support of the above-mentioned objectives, the Group has set the following intermediate targets as levers for the decarbonisation of its operations:

- Achieve 50% of electricity consumption from renewable sources in all countries by 2025, in line with the Environmental Policy's objective of promoting the use of renewable energy;
- Ensure that 30% of the vehicle fleet consists of hybrid/electric vehicles by 2025, in accordance with the Environmental Policy's goal of reducing transport-related emissions.

The Net Zero target was defined based on 2021 emissions data, and the Group plans to revise its definition in the future to reflect recent regulatory developments and the evolution of its business scope.

[E1-5] Energy consumption and mix

This paragraph aims to provide an overview of the **Group's total energy consumption and energy mix**.
Reply Group's energy consumption refers to:

- **Electricity drawn from the grid**, used to power lighting systems and technological and IT equipment (e.g., computers, printers, servers, data centres);

- **Natural gas**, used to operate heating systems installed in Reply offices, with consumption closely linked to the scale of operations and office space;
- **Diesel, petrol and LPG**, used to fuel the corporate vehicle fleet;
- **Diesel** used for heating purposes;
- **District heating**, used for space heating and/or hot water production, offering a lower environmental impact;
- **Cooling and heating powered by electricity** (e.g., fan coil units or air conditioners), which is often not directly quantifiable as it is included in the total electricity consumption of office buildings.

The table below presents the Group's **total energy consumption in MWh** across its operations.

ENERGY CONSUMPTION AND ENERGY MIX	2024
Total energy consumption from fossil sources (MWh)	31,256
Share of fossil sources in total energy consumption (%)	81%
Consumption from nuclear sources (MWh)	428
Share of nuclear sources in total energy consumption (%)	1%
Consumption of fuels from renewable sources, including biomass (also includes biological industrial and municipal waste, biogas, renewable hydrogen, etc.) (MWh)	0
Consumption of electricity, heat, steam and cooling from renewable sources, purchased or procured (MWh)	6,695
Self-produced renewable energy consumption without the use of fuels (MWh)	0
Total energy consumption from renewable sources (MWh)	6,695
Share of renewable sources in total energy consumption (%)	17%
Total energy consumption (MWh)	38,379

In relation to its activities, Reply does not use fuels derived from renewable sources and does not generate energy for resale.

[E1-6] Gross Scopes 1, 2, 3 and total GHG emissions

The Group's greenhouse gas (GHG) emissions reflect those of an office-based organisation and are primarily attributable to the use of fossil fuels for heating, business travel, and the purchase of electricity produced by third parties. Emissions resulting from Reply's activities are therefore very limited and mainly associated with traditional assets such as electrical and heating systems.

To report its emissions, Reply Group has followed the five principles outlined in the GHG Protocol Corporate Accounting and Reporting Standard—relevance, completeness, consistency, transparency and accuracy—balancing them according to the Group's objectives.

The following paragraphs present the Group's greenhouse gas (GHG) emissions for:

- Scope 1, i.e. direct emissions resulting from the consumption of natural gas, diesel, petrol, and LPG;
- Scope 2, i.e. indirect emissions resulting from the consumption of electricity and district heating.
  Scope 2 emissions have been calculated using two different methodologies:
  - Market-based: reports emissions associated with electricity and district heating backed by Guarantees of Origin to demonstrate the energy's source;
  - Location-based: reflects the average emissions intensity of the grids from which the energy is supplied.
- Scope 3, i.e. other indirect emissions related to the purchase of goods and services, business travel and employee commuting, upstream emissions from fuel and electricity consumption, water consumption, and waste disposal.

Reply does not consider greenhouse gas (GHG) emissions from affiliated companies, joint ventures, and other entities within its upstream and downstream value chain, following the reporting principle of operational control in accordance with the requirements set out in ESRS 1, paragraphs 62 to 67.

Any future significant changes in the definition of what constitutes the Reply Group and its upstream and downstream value chain will be disclosed, along with explanations of the impact on the comparability of the reported GHG emissions.

The identification of emission sources has been guided in particular by the Group's corporate strategy, which aims to identify and understand the risks and opportunities associated with emissions across its value chain. This serves to support the definition of reduction targets, monitor performance, and enhance the quality of information provided to stakeholders—thus increasing reporting transparency.

For the calculation of all emissions, the reporting boundary considered includes the entire Group, consistent with the consolidation perimeter of the Group's consolidated financial statement. Where primary data was not available, the estimate was made using data from previous years or defined allocation criteria (e.g., space, occupancy, etc.).

Moreover, for the calculation of greenhouse gas emissions (CO_2, N_2O, CH_4), biogenic CO_2 emissions were excluded, as they are not applicable in the context of Reply. The following emission factors and methodological approaches were applied:

- **Direct emissions (Scope 1):**
  - For emissions from office heating using natural gas and fuel consumption from owned and leased company vehicles, emission factors provided by the UK Department for Energy Security and Net Zero and the Department for Environment, Food & Rural Affairs (DEFRA) for 2024 were used.
  - The operational control approach was applied for the consolidation of emissions. Specifically, emissions from leased vehicles are reported under Scope 1, following the "operational control" principle, whereby emissions from assets over which Reply exercises control are considered direct emissions.

    - Potential emissions from F-gas leaks due to the use of air conditioning and cooling systems were excluded from the direct emissions calculation, as they are considered negligible.
- **Indirect emissions (Scope 2 – Location-based):**
    - For emissions from electricity purchased from the national grid and electric vehicle energy consumption, the following emission factors were used: ISPRA (2023) for Italy, UK Department for Energy Security and Net Zero and DEFRA (2024) for the United Kingdom, Carbon Footprint Ltd (2024) for all other countries.
    - For district heating emissions, the emission factor provided by the UK Department for Energy Security and Net Zero and DEFRA was used.
    - The gas considered for emission calculation is CO_2 equivalent for all countries except Italy, where CO_2 only is used.
    - The operational control approach was applied for consolidation.
- **Indirect emissions (Scope 2 – Market-based):**
    - For residual mix emission factors, the sources used were:
        - AIB (Association of Issuing Bodies – 2023) for European countries;
        - U.S. Environmental Protection Agency for the United States;
        - Carbon Footprint Ltd (2024) for all other countries.
    - Where renewable energy supply contracts are in place, the associated emission factors were applied.
    - The gas used for emission calculations is CO_2 equivalent, except in countries where AIB factors are used, in which case the gas considered is CO_2 only.
- **Indirect emissions (Scope 3):**
    - For the calculation of emissions across various categories, emission factors provided by the UK Department for Energy Security and Net Zero and DEFRA (2024) were applied for all countries.
    - Where quantitative data was not available, the economic value in euros associated with the purchase of the product/service was used as a proxy.
    - For the calculation of the above categories, emission factors from the Agence de la transition écologique (ADEME) and the U.S. Environmental Protection Agency (EPA) were also used. For the latter, the emission factor based on expenditure in U.S. dollars was converted using the USD/EUR exchange rate as of 31 December of the reference year for the factor.
    - For the calculation of emissions related to employee commuting and homeworking, data on office occupancy and the results of a survey distributed to a sample of employees regarding commuting habits were used.
    - For all emissions calculations, emission factors from the UK Department for Energy Security and Net Zero and DEFRA (2024) were used across all countries.
    - For emissions from business travel by car or taxi, where mileage data was unavailable, estimates were made based on total travel expenditure and the average cost per kilometre.
    - In cases where only the expenditure data was available for air, train, and hotel travel, estimates were calculated using emission averages from comparable trips by category.

No Scope 3 emissions are measured using activity-specific data from upstream or downstream value chain operations.
The emission categories identified in accordance with the **GHG Protocol** are as follows:

- **Category 1 –** Purchased goods and services: emissions from purchase of services (e.g., postal services, cleaning services, cloud computing services, financial services) and from water consumption drawn from the public water supply;
- **Category 2** – Capital goods: emissions associated with the purchase of laptops and smartphones;
- **Category 3** – Fuel- and energy-related activities (not included in Scope 1 or Scope 2): emissions associated with the extraction, refining and transportation of fuels (natural gas and diesel for heating; diesel and petrol for company cars) prior to combustion (well-to-tank); upstream emissions from electricity consumption and district heating (included since 2022);
- **Category 5** – Waste generated in operations: emissions from the treatment of wastewater and, as of 2023, from waste disposal;
- **Category 6** – Business travel: emissions from air and train travel, hotel stays, taxi use, and other travel-related activities, including reimbursed travel by personal car and fuel used for rental vehicles;
- **Category 7** – Employee commuting: emissions related to the transport of employees between their homes, their workplaces and emissions from remote work.

The Scope 3 categories excluded from the inventory are:

- **Category 4** – Upstream transportation and distribution: not explicitly calculated as it is already included under Category 1 and Category 2, due to the emission factors selected;
- **Category 8** – Upstream leased assets: excluded because, under the operational control approach used for emissions consolidation, these emissions are already included in Scope 1 and Scope 2;
- **Category 9** – Downstream transportation and distribution: excluded as it is not applicable to the nature of Reply Group's business;
- **Category 10** – Processing of sold products: excluded as it is not applicable to the nature of Reply Group's business;
- **Category 11** – Use of sold products: excluded as it is not applicable to the nature of Reply Group's business.
- **Category 12** – End-of-life treatment of sold products: excluded as it is not applicable to the nature of Reply Group's business;
- **Category 13** – Downstream leased assets: excluded as it is not applicable to the nature of Reply Group's business;
- **Category 14** – Franchises: excluded as it is not applicable to the nature of Reply Group's business;
- **Category 15** – Investments: excluded as it is not applicable to the nature of Reply Group's business.

The following table shows CO_{2eq} emissions for the year 2024.

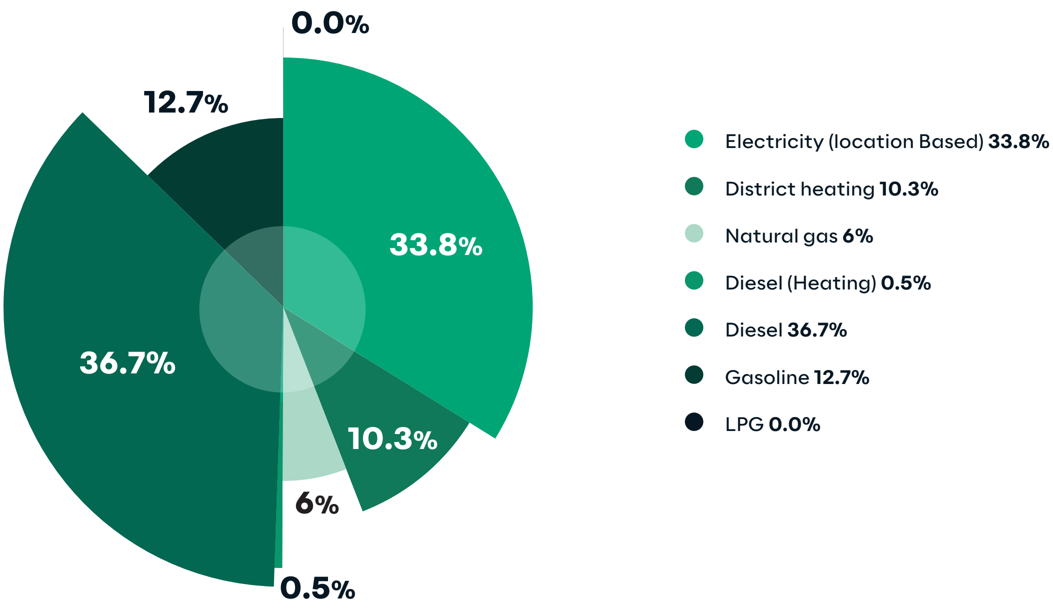
SCOPE	UNIT OF MEASURE	TOTAL
Direct emissions (Scope 1)	ton CO_{2eq}	5,562
Indirect emissions (Scope 2) – LOCATION-BASED	ton CO_{2eq}	4,384
Indirect emissions (Scope 2) – MARKET-BASED	ton CO_{2eq}	4,162
Indirect emissions (Scope 3)	ton CO_{2eq}	24,622

The value of "Indirect emissions (Scope 2) MARKET-BASED," equal to 4,162 tons CO_{2eq}, was calculated taking into account the guarantees of origin related to energy consumption in Italy and Romania. These contractual instruments are not yet available as of the publication date of this document, but they are part of the energy suppliers' contractual obligations, and their purchase is included in the cost of energy.

Scope 1 and Scope 2

The chart below shows a breakdown of total greenhouse gas emissions for Scope 1 and Scope 2 (Location-Based) by source.

CO_{2eq} EMISSIONS (Scope 1 + Scope 2 Location-Based) BY SOURCE IN 2024

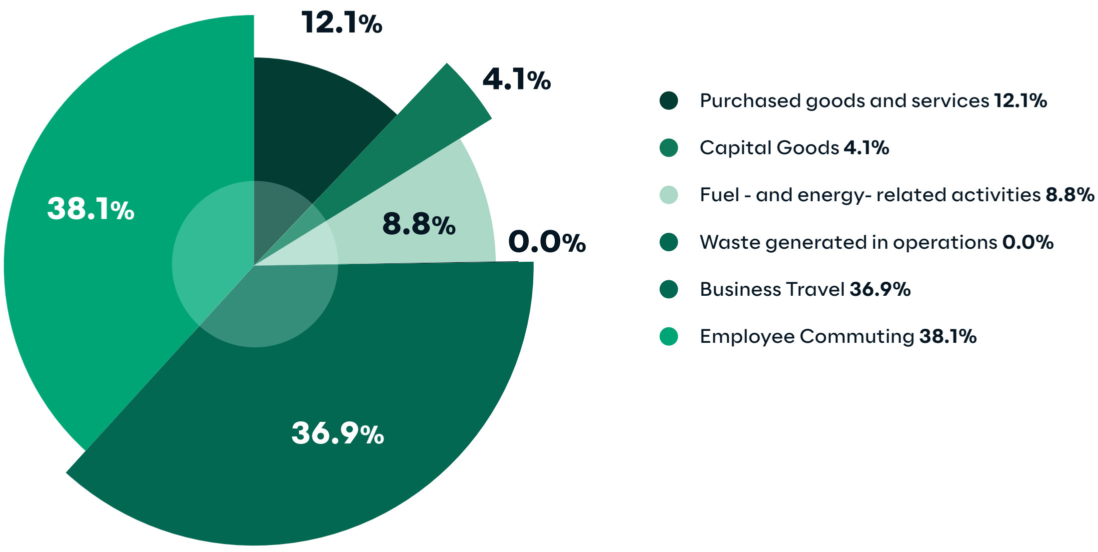


Scope 3

The calculation of Scope 3 emissions includes greenhouse gas emissions that are not under the direct control of the company, but are indirectly linked to Reply's value chain, particularly upstream activities.

The disclosure provided regarding Scope 3 emissions is subject to greater inherent limitations compared to Scope 1 and 2, due to the limited availability and relative accuracy of the information used to define Scope 3 emissions data—both quantitative and qualitative—related to the value chain.

CO_{2eq} INDIRECT EMISSIONS (SCOPE 3) BY CATEGORY – 2024



Below is the breakdown of indirect emissions.

CO_{2eq} INDIRECT EMISSIONS (SCOPE 3) IN 2024

EMISSIONS - SCOPE 3		
CATEGORY	**SOURCE**	**EMISSIONS**
1. Purchased goods and services	Consumption of water drawn from the aqueduct	8.3
	Purchase of paper	9.0
	Purchase of Cloud Services	1,936.0
	Purchased services	1,019.7
	Total Purchased goods and services	**2,973.0**
2. Capital Goods	Purchased physical goods	1,006.0
	Total Capital Goods	**1,006.0**
3. Fuel -and energy- related activities	Extraction, refining and transport of fossil fuels used	1,359.6
	Upstream electricity consumption	623.6
	T&D losses	180.6
	Total Fuel -and energy- related activities	**2,163.8**
5. Waste generated in operations	Wastewater treatment	10.1
	Waste	0.1
	Total Waste generated in operations	**10.2**
6. Business Travel	Air travel	5,835.2
	Rail travel	358.5
	Hotel stays	737.7
	Taxis	39.6
	Other Business Travel	2,107.0
	Total Business Travel	**9,078.0**
7. Employee Commuting	Commuting	2,299.5
	Homeworking	7,090.9
	Total Employee Commuting	**9,390.5**
	Total	**24,621.5**

With reference to Category 5 – Waste generated in operations, for the reporting year the countries that recorded significant disposal of devices and other materials were Italy, Germany, Belgium, Brazil, the United Kingdom, and France.

Below are the emissions intensity data based on net revenue. (Refer to Note 5 – Revenue of the Group's consolidated financial statements).

EMISSIONS INTENSITY IN RELATION TO NET REVENUE	2024
Total GHG emissions (location based) (tCO_{2eq})	34,567.24
Total GHG emissions (market based) (tCO_{2eq})	34,346.14
Net revenue (thousand €)	2,295,938.00 €
Total GHG emissions (location-based) per net revenue (tCO_{2eq}/ thousand €)	0.015
Total GHG emissions (market-based) per net revenue (tCO_{2eq}/ thousand €)	0.015

[E1-7] GHG removals and GHG mitigation projects financed through carbon credits

This paragraph provides an overview of the quantity and quality of carbon credits that the company has purchased or intends to purchase on the voluntary carbon market, potentially in support of its greenhouse gas (GHG) neutrality claims.
Reply has not developed any GHG removal or storage projects within its own operations, nor has it contributed to such projects along its upstream or downstream value chain.
In 2024, Reply purchased carbon credits outside of its value chain. These carbon credits were not cancelled during the reporting year, but will be cancelled during the next reporting year. Specifically, the cancellation of these credits is planned for the purpose of offsetting Scope 1 and Scope 2 emissions for the 2025 reporting year, in order to achieve the Group's Carbon Neutrality target by the end of 2025.
The following table indicates the total volume of carbon credits purchased to offset the greenhouse gas emissions generated, expressed in metric tons of CO_{2eq}, that are expected to be cancelled in the future. The table also provides details on the type of project and the certification standard. The credits in question relate to GHG emissions reduction projects developed outside the European Union. These figures are based on existing contracts.

CARBON CREDITS PLANNED TO BE CANCELLED IN THE FUTURE	REMOVALS	STANDARD
800 tCO_{2eq}	Agriculture Forestry and Other Land Use	VCS
800 tCO_{2eq}	Energy industries	VCS
6,538 tCO_{2eq}	Energy Efficiency - Domestic	GS VER

Social information

ESRS S1 Own workforce

[ESRS 2 SBM-2] Interests and views of stakeholders

Reply Group recognises the importance of considering the expectations of its stakeholders throughout the entire value chain, in order to build long-lasting trust-based relationships. For this reason, Reply has established a continuous dialogue and engagement approach with its employees and collaborators, through dedicated initiatives, structured moments of exchange, and regular information sharing.
Further details can be found in the chapter *[SBM-2] Interests and views of stakeholders*.

[ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Reply's strategy and business model are intrinsically linked to the actual and potential impacts on its own workforce, as outlined in the assessment of risks and opportunities described in section *ESRS 2 IRO-1.*

Impacts
Reply's strategic approach and business model focus on managing and enhancing the wellbeing—both physical and mental—of its employees, generating tangible positive impacts on its workforce. Initiatives aimed at improving work-life balance, along with corporate welfare systems, reflect a continuous commitment to fostering a stimulating, healthy, and motivating work environment.
A key element of the Group's human capital development strategy is the investment in **continuous learning**. Providing employees with access to training and opportunities to develop technical skills not only enhances individual capability but also strengthens the Group's competitiveness within the industry.
Due to the nature of its business, potential **negative impacts** may arise in relation to occupational **health and safety**, particularly due to work-related stress, which could increase the risk of occupational illnesses. The Group addresses and mitigates these risks through the implementation of dedicated policies and specific mitigation actions.
Additionally, the Group considers potential negative impacts related to discrimination, such as pay gaps stemming from gender bias. These issues are actively addressed through measures aimed at promoting equal opportunities for growth and development, with the

objective of fostering diversity and inclusion within the organisation.
Further details are available in sections *S1-1 and S1-4*.

Risks and opportunities

The Group's strategy and business model are strongly dependent on the availability of highly skilled personnel. The continuous support for the **professional development of employees** through training in both technical skills and soft skills represents a strategic economic and reputational opportunity for Reply. Investing in training not only enhances employees' competencies but also strengthens the Group's competitive positioning in the sector, creating a virtuous cycle of growth and innovation.
However, the increasing competition in the IT services sector presents an economic risk linked to the need to **raise salaries** in order to attract and retain talent. In this context, the ability to offer corporate welfare programmes and a work environment based on diversity, inclusion and wellbeing constitutes an additional economic and reputational opportunity for the Group in support of its growth. These initiatives not only make the Group more attractive to prospective employees but also contribute to higher employee satisfaction and productivity.
Nonetheless, the underrepresentation of qualified female professionals in the IT labour market results in lower diversity within the Group, potentially creating **gender-related risks**, such as discrimination or unequal career progression. This represents a reputational and economic risk that may affect Reply's ability to attract talent. Instances of non-inclusion or unequal treatment may lead to decreased employee motivation and productivity.
Finally, in light of the technological innovation to which Reply contributes, new opportunities are emerging to optimise human resource efficiency and expand the range of services offered through the use and development of artificial intelligence systems, representing a further economic opportunity for the Group.
All workers at Reply, including collaborators, are considered within the scope of the disclosure in accordance with ESRS 2. Specifically, the workforce—both in Italy and abroad—is composed of: direct employees, self-employed workers under flexible contracts, temporary agency staff, contracted personnel through service providers, and interns recruited through educational institutions.
The Group's workforce is defined as comprising:

- individuals who have an employment relationship with the undertaking ("employees"), and
- non-employee workers who are integrated into project teams and contribute specific expertise to the company ("self-employed workers"), or who may be provided by third parties primarily engaged in "employment placement, selection and staffing services" (NACE Code N78), including interns under formal internship contracts.

In particular, based on the contractual relationship with external collaborators—and in accordance with the specific regulations of each country in which the Group operates—the following types of relationships are mapped:

- Direct collaboration agreements, such as partnerships with VAT holders (freelancers),

occasional collaborations, and other forms of engagement (e.g., Zero Hour Contracts);
- Indirect/third-party collaboration agreements, including all other forms of labour intermediation, such as temporary staffing agencies, recruiting agencies, or outsourcing companies (typically classified under NACE Code N78).

The impacts, risks and opportunities described are applicable to all countries in which Reply operates and extend to all types of workers, except for the risk associated with the underrepresentation of women, which specifically concerns women within the Group's workforce. As a result, women are considered an at-risk group due to the characteristics of the industry in which the Group operates.

Reply has not identified any material impacts on the workforce resulting from actions taken to reduce environmental impacts. Furthermore, Reply has verified the absence of risks related to forced labour or child labour within its workforce across all countries in which it operates.

Reply adopts policies that comply with national regulations on vulnerable groups in all its countries of operation, promoting social and workplace inclusion. This includes women—identified as a risk category within the sector—whose rights are protected by the Code of Ethics and the Human Rights Policy, which govern matters relating to equal opportunities.

[S1-1] Policies related to own workforce

The policies implemented by the Group are clearly defined to address the material impacts on its own workforce and also take into account the relevant risks and opportunities. These policies include:

- Code of Ethics
- Whistleblowing Policy
- Human Rights & Labour Policy
- Health and Safety at Work Policy

Reply is committed to respecting and promoting human rights within its workforce. The policies adopted are aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The effectiveness of the whistleblowing systems/channels is assessed directly by the Supervisory Body through an analysis of how reports are received and handled, the protection provided to whistleblowers, and the effectiveness of the measures adopted to prevent and detect improper practices, in compliance with applicable regulations.

Reply's Code of Ethics defines the fundamental principles that guide the company, serving as a cornerstone of its corporate culture and providing a framework of conduct for all stakeholders. It establishes the rules governing Reply's relationships with its shareholders, employees, collaborators, suppliers, clients, and business partners, including interactions with public authorities and institutions, which are entrusted exclusively to authorised personnel. These

relationships are based on legality, transparency, clarity, and fairness, in full compliance with applicable legislation. Through the acknowledgement and acceptance of the Code of Ethics, Reply ensures that its workforce is actively engaged with the values and principles it promotes.
The **Whistleblowing Policy** is designed to encourage employees and stakeholders to report misconduct in a timely manner, while ensuring they can do so without fear of retaliation in their professional activities. "Misconduct" refers to violations of applicable laws, the Code of Ethics, and/or Group Policies, as well as actions that may cause economic, environmental or safety-related harm to workers, Group companies or their stakeholders. This policy is a key tool through which Reply mitigates and addresses potential negative impacts on human rights. Upon receiving a report, the Supervisory Body evaluates the case and determines the most appropriate response, in full compliance with applicable labour laws across the countries in which the Group operates. In the most serious cases, termination of the employment contract may be considered.
The **Human Rights & Labour Policy** explicitly condemns child labour, forced labour, and human trafficking, while safeguarding the freedom of association and collective bargaining. Together with the Code of Ethics, this policy directly addresses the Group's commitment to the protection of human rights and labour rights, ensuring equal opportunities as well as the physical and mental wellbeing of employees.
Furthermore, the policy promotes human rights, diversity and inclusion, and prohibits any form of discrimination based on race, ethnic origin, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national ancestry or social background, as well as any other grounds covered by EU and national legislation.
This policy is aligned with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization (ILO) conventions.
Through these policies, Reply ensures that vulnerable groups are not subject to discrimination, while complying with all relevant national legal requirements. This approach not only supports the prevention and effective management of discrimination, but also promotes an inclusive and diversity-respecting work environment.
For more information, refer to the Policy overview in the "General Information" chapter, paragraph MDR-P.
In Italy, Germany, and the United Kingdom, the Group has adopted a **Health and Safety at Work Policy** focused on the prevention of occupational accidents, which, in line with local legislation, outlines the applicable procedures to ensure the highest standards of health and safety protection. In other countries where the Group operates, Reply complies with the respective national health and safety regulations.
In Italy, for example, health and safety in the workplace is regulated by Legislative Decree 81/2008, which sets out the required protection and prevention measures to safeguard worker wellbeing. This legislation mandates risk assessments, employee training, and the implementation of appropriate preventive measures, thereby ensuring a safe and compliant work environment.

Additionally, Reply S.p.A. is certified under ISO 45001 for its occupational health and safety management system, through which it provides these services to the Group's companies.

[S1-2] Processes for engaging with own workforce and workers' representatives about impacts

Reply is committed to actively engaging with its own workforce to discuss material impacts—whether actual or potential, positive or negative—that may affect their working experience. The views of employees and other workers help guide business decisions and activities aimed at managing those impacts.
Engagement takes place directly with workers, fostering open and direct dialogue, as described in greater detail in *ESRS 2 SBM-2*.
This approach ensures that employee opinions and needs are heard and integrated into company decision-making processes as needed—without a fixed frequency, but rather whenever necessary, whether initiated by the employee or by the relevant partner—thus promoting a collaborative and inclusive work environment.
The Group's enterprise social networking platform further supports engagement by offering additional internal communication channels (e.g. posts, events, and groups) for employees to connect with colleagues, Managers, Executives, and internal functions.
Reply manages effective workforce engagement to inform its organisational approach through employee surveys and regular performance evaluations. These activities help measure employee participation, compare results with the previous year, and assess overall trends.
In particular, once a year, the Group launches the Employee Survey, a questionnaire designed to assess employee satisfaction, engagement, and sentiment, excluding executive-level staff. The survey focuses on topics aligned with Reply's values, teamwork, and personal expectations. The initiative is conducted simultaneously across all countries where the Group operates and is addressed to all employees with at least two months of service.
Participation is voluntary and anonymous, allowing respondents to express their views and contribute to workplace improvement by indicating their level of agreement with predefined statements and providing general or specific comments.
Since 2023, the survey has also included questions to assess aspects related to diversity and inclusion.
The results achieved by each company are shared with the respective Partners, as they also contribute to performance evaluations. Partners are expected to analyse the results, share them with employees, and propose an action plan to address areas for improvement. Comparing current outcomes with those from previous years helps monitor trends and ensures ongoing attention to continuous improvement.
It is important to highlight that this responsibility is shared by Managers and Executives

across the Group's companies, who play a crucial role in day-to-day interactions with employees.
To assess the effectiveness of workforce engagement, Reply adopts a method based on two key indicators: the response rate and the average survey scores, which are used to compare outcomes against previous years. This analytical process provides a clear view of employee engagement trends and workplace climate over time.
Furthermore, the Group is committed to ensuring that newly acquired companies are fully integrated into these engagement initiatives, thereby maintaining continuity in monitoring and evaluating the organisational climate.
This holistic approach allows Reply to adapt its strategies and initiatives based on the insights obtained, fostering a more collaborative and motivating work environment.
The initiatives described are specifically targeted at the Group's direct employees, including vulnerable workers and individuals belonging to protected categories, in order to ensure a fair and fulfilling work experience for all.

[S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

Reply adopts a structured approach to address and remediate material negative impacts on its own workers, in cases where the company has caused or contributed to such impacts. In particular, to manage negative effects on **employee health and safety**, such as work-related stress and occupational illnesses, the Group has implemented targeted corrective measures to reduce stress and prevent such conditions. For example, Reply has introduced a psychological support programme, known as the Employee Assistance Program (EAP), which is currently available in Italy, the UK, and France. Additionally, in Italy, an annual work-related stress risk assessment is conducted in line with national regulations.
Regarding **equal treatment** of the workforce, Reply has defined a Career Path framework that ensures consistent career planning and progression for all employees. Recruitment and selection are of strategic importance to the Group and are carried out in full compliance with applicable legislation. The selection process follows a formalised and transparent procedure, which is communicated to candidates and designed to ensure non-discrimination and an objective assessment of skills, capabilities, and professionalism. Upon joining the company, each employee is integrated into a career development path based on a Group-wide framework defined by the Human Resources department and shared with the employee.
In many countries where the Group operates (e.g. Italy), there are mandatory gender pay gap reporting obligations, which contribute to greater transparency. In addition, an increasing number of companies within the Group in Italy are obtaining Gender Equality Certification, which recognises and certifies the Group's commitment to reducing gender disparities across corporate processes.

Finally, the company promotes a speak-up culture through whistleblowing mechanisms, informing employees of the existence of such channels during the onboarding process and via the corporate intranet. Through specific channels—such as the whistleblowing platform and the reporting systems provided by relevant national authorities—workers can report concerns or needs, as well as unlawful behaviour or violations of the Code of Ethics and Group Policies, directly to the company in all countries where the Group operates.
These mechanisms are regularly monitored to assess their effectiveness and to ensure a fair and safe working environment. As required by law, **whistleblowers** can choose to use either the Group's internal channels or the official channels provided by national authorities.
The Whistleblowing Policy accepts reports from both employees and external stakeholders and ensures anonymity and confidentiality through a multilingual platform compliant with EU Directive 2019/1937. The system ensures that each report is subject to a prompt, independent, and objective investigation. Acknowledgements are sent to the whistleblower within 7 days, with a detailed response provided within 3 months. The Supervisory Body reviews the reports and informs the Board of Directors and relevant Supervisory Authorities, who may implement appropriate response plans. The Whistleblowing Policy outlines and guarantees the protection of workers against retaliation should they choose to use these reporting channels.
Further details on this policy are available in the section ESRS G1-1.

[S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The undertaking implements a range of initiatives to manage its material impacts, both positive and negative, as well as to optimise opportunities and reduce risks related to its own workforce, while continuously assessing their effectiveness.
To address the most material sustainability matters, concrete measures are adopted to prevent, mitigate, and remedy potential impacts through the implementation of the aforementioned policies, as well as targeted actions and initiatives.
Below is a detailed overview of the actions undertaken by Reply to prevent and mitigate negative impacts on its own workforce, enhance positive impacts, and manage the risks and opportunities identified through the double materiality assessment.

TOPIC	IRO	ACTION
Health and safety	Current negative impact on employees resulting from a lack of health and safety management in the organisation that may lead to the occurrence of work-related stress and/or occupational diseases.	**Health and safety management model** **Employee Assistant Program (EAP)**
Work-life balance	Current positive impact on employees deriving from the promotion of well-being (physical and psychological) in the workplace, through initiatives aimed at a better work-life balance and corporate welfare systems, and from attention to the personal and professional growth of employees.	**Hybrid Work Programme** **Benefit** **Employee Assistant Program (EAP)** **Furniture and workplace design for staff well-being**
	Economic and reputational opportunities arising from the offer of a corporate welfare plan and the promotion of a work environment based on diversity & inclusion and wellbeing principles that make the Group more attractive.	
	Economic opportunity deriving from the increasing use and development of Artificial Intelligence systems able to optimise the efficiency of human resources and expand Reply's range of services.	
	Economic risk resulting from the lack of attractiveness and retention of highly qualified personnel and the loss of key figures within its workforce.	
Gender equality and equal pay for work of equal value	Potential negative impact on employees resulting from possible instances of gender inequality and discrimination and unequal pay for work of equal value in the workplace, which may negatively affect the professional development and well-being of employees.	**Reply All - Uniquely Diverse Program** **Gender Equality Certification (PdR 125)** **Diversity & Inclusion Training (DEI)**
	Economic and reputational risk arising from a low market presence of qualified female IT human resources, leading to a low diversity & inclusion rate in the Group and a gender gap in career development.	
	Economic and reputational risk arising from the occurrence of discrimination in the workplace.	
Training and skills development	Economic and reputational risk arising from the occurrence of discrimination in the workplace.	**Learn.Share.Remix Program** **Reply Management Program** **Reply Challenges** **Xchange** **PM Academy** **Training (Soft Skills e Language Training)** **Booster Program** **Communities of Practices** **Knowledge Sharing Platform** **Technical Training** **Workshops**
	Current positive impact on employees resulting from the provision of training courses to develop and update technical skills.	
Adequate wages	Economic risk arising from the need to increase salaries due to the high competitiveness in the IT sector.	**Skydive Program** **Performance Management** **Reply Challenge** **Student Tech Clash** **Reply Ambassador Programme** **Reply U** **External Collaborations (Girls@Polimi)**

Health and safety

For all companies operating in Italy, health and safety aspects are ensured through the implementation of a **health and safety management system**, formalised by the parent company Reply S.p.A., which is ISO 45001 certified. The model is regularly updated and reviewed to reflect changes in regulations or standards, and to meet certification, recertification, and ongoing compliance requirements.
Employees based in Italy represent approximately 60% of Reply's total workforce, and the application of the system is managed centrally by the parent company, which provides services to all Group companies, ensuring a comprehensive view of the system's

implementation. The safety management model:

- identifies applicable laws and related compliance requirements,
- ensures access to regulatory document archives,
- tracks deadlines and plans related activities,
- disseminates the necessary information, and
- documents decisions regarding applicability assessments.

A dedicated Health and Safety Policy is available to all employees via the corporate intranet.

In Italy, the risk assessment process is outlined in the Risk Assessment Document (Documento di Valutazione dei Rischi – DVR) and is conducted by the employer, the workers' safety representative, the head of the Health and Safety Service, and the occupational physician.

Reply employees, who primarily work with video display terminals, are subject to medical surveillance if they work more than 20 hours per week at a screen. No serious injuries have occurred due to the identified risks. A medical surveillance protocol is in place for both employees and long-term external collaborators, including pre-employment and periodic medical examinations. All incidents, including near misses, are recorded and managed in order to eliminate hazards and reduce associated risks.

To reduce the risk of workplace accidents, the Group implements training and awareness activities aimed at preventing and effectively managing occupational risks associated with its business operations. These initiatives are delivered through the company's Learning Management System (LMS) platform.

With regard to work-related stress, a European-level checklist is adopted to monitor risks, and the assessment process is carried out in compliance with national regulations. To date, the results have not indicated any levels of significant risk. In this area, the Group has also implemented a psychological support programme, known as the **Employee Assistance Program (EAP)**, which is active in Italy, the UK, and France. This programme is designed to promote the psychological wellbeing of personnel, helping to prevent and mitigate cases of work-related stress. Additionally, in Italy, an annual work-related stress assessment is carried out in accordance with national legislation.

Work-life balance

Reply offers a wide range of programmes and initiatives—both physical and digital—designed to meet employee needs in relation to their wellbeing.

The Group provides employees with the opportunity to work remotely through a structured **Hybrid Work Programme**, aimed at enabling more efficient time management and offering greater flexibility in terms of workspaces and schedules. This practice, which has been well-established for several years, is intended to reduce commuting-related stress and improve work-life balance.

To further support employee wellbeing, Reply offers **benefits** tailored to each country, in accordance with local legislation. For example, in Italy, employees have access—via the

corporate welfare platform and corporate benefit programmes—to a variety of services related to health, wellbeing, personal care, and mobility. These include: booking specialist medical visits, purchasing gym memberships, subscribing to public transport services, receiving reimbursements for educational and care-related expenses for family members.
In all Regions where Reply operates, there are no significant differences in the provision of benefits based on contract type (e.g., permanent, fixed-term, or part-time).
Employee and collaborator wellbeing is also taken into account through the **design and furnishing of office spaces**, with dedicated renovation projects that may include:

- terraces with plants and flowers or outdoor lounge areas,
- gyms or multifunctional rooms for activities such as yoga,
- kitchens equipped with microwaves and refrigerators to support meal consumption using reusable dishware,
- water stations to encourage the use of reusable bottles and cups, reducing reliance on single-use plastic water bottles.

Gender equality and equal pay for work of equal value

The **Reply All – Uniquely Diverse** programme aims to build a community that gives space and voice to diversity, inclusion, and accessibility, leveraging the intrinsic nature of Reply as a network of companies committed to embracing differences.
Implemented and expanded year after year, the programme is designed to foster ongoing dialogue and reflection on topics related to inclusion and diversity, with the objective of encouraging continuous improvement.
Having diverse teams—with people of different genders, ages, ethnicities, cultures, backgrounds, education, experiences, and preferences—is considered a valuable asset for the Group. Guided by principles of transparency, fairness, and openness to dialogue, new ways of collaborating and learning from one another are promoted, based on the belief that the best solutions and most innovative ideas come from diversity.
Since 2019, one of the key pillars of the programme has been Women in Tech, which continues to provide a platform for discussing the role of women in IT & Business, and for identifying initiatives to further increase female representation in Reply's sector.
To promote broader engagement, topics to be discussed are selected via the Group's enterprise social networking platform. Events are held both in person and via global live-streaming on the Group's knowledge sharing platform, ensuring participation from offices across all countries. The panels allow employees at various levels to share personal experiences, alongside the perspectives of clients and external partners.
To support the programme, several initiatives have been launched focusing on inclusion and equity. One of the success stories in 2024 was the strong participation in the London Pride Parade, demonstrating Reply's support for the LGBTQIA+ community.
To understand the impact of its actions on workers and assess their effectiveness, the Group monitors the number of participants and their diversity year over year. This approach allows the company to analyse how many workers have taken part in the various initiatives and to

ensure that these reach a broad and diverse audience.
The **Management System for Gender Equality**, based on the **UNI/PdR 125:2022** guidelines, aims to promote the adoption of corporate policies that support gender equality and women's empowerment. The standard is intended to improve opportunities for women to access the labour market, take on leadership roles, and better reconcile professional and personal life.
During 2024, numerous Italian companies within the Group obtained the certification, demonstrating the ongoing efforts in this area. This recognition also supports engagement with national public administrations.
A **Diversity & Inclusion Training** programme is currently under development and will be gradually made available to all employees in 2025. Its objective is to promote awareness of diversity, equity, and inclusion. The course will also provide tools to recognize and prevent possible bullying and harassment situations, along with information on procedures to follow and internal communication channels for requesting support. In doing so, it will contribute to fostering a more respectful and inclusive work environment.

Training and skills development
Employees are Reply's most valuable asset. Their motivation to imagine, experiment, and explore new solutions fuels the Group's business development and drives its ability to continuously improve and tackle new challenges. This statement holds especially true within the competitive and fast-evolving context in which the Group operates.
The core values of agility, innovation, excellence, and customer orientation, along with a strong ethical foundation, are central to the development of Reply's human capital. For this reason, the Group consistently invests in the growth and development of its people, offering structured career paths and creating the conditions for a collaborative and motivating work environment.
Reply's **Learn.Share.Remix Programme** serves as an enabler for internal learning. Powered by user-generated content from across the Group, it offers skills development courses and allows employees to act as trainers or speakers on trending topics of interest to the business, through interactive sessions and workshops.
Employees who organise and lead training sessions are rewarded with training credits, which can be used for additional learning activities such as purchasing books or attending industry events and conferences. This incentive model encourages employees to share knowledge on emerging technologies. The more they share, the greater their access to further learning opportunities—ranging from online courses to external events and conferences.
Over the years, Learn.Share.Remix has continued to generate a wide range of learning content accessible to all employees, helping to maintain a focus on high-priority topics, with particular emphasis on Artificial Intelligence. The programme also offers visibility to presenters and contributes to enhancing their public speaking skills. The events vary in format and interactivity, including seminars and workshops that showcase the best client

projects and research and innovation experiences.
In 2024, Reply continued to build thematic learning tracks around key trending topics, creating engaging learning experiences to further strengthen employee competencies. These tracks are developed in collaboration with experts from across the network and aim to consolidate the latest knowledge on topics of interest. The key performance indicator (KPI) used by the Group to monitor the effectiveness of the training programme is the number of participants throughout the year.
As part of its commitment to continuous learning, Reply organises dedicated internal training programmes for new Managers and Executives through the **Reply Management Programme**. This includes training on team and people management, business development, internal processes relevant to managerial roles, and additional learning opportunities delivered in collaboration with internationally recognised business schools. The programme is ongoing, with several editions held throughout the year, tailored to the number of new appointments.
The **Reply Challenges** are a key component of the Group's broader initiatives to promote a culture of innovation, with a specific focus on younger generations. Organised throughout the year, each Challenge brings together groups of experienced employees, students, and young professionals from around the world to sharpen their skills, innovate, and solve a proposed problem. These challenges are part of Reply's broader commitment to encouraging fully digital learning experiences for young people.
The Challenges are designed by employees and open to anyone passionate about technology and digital competitions. They are organised along four thematic tracks: coding, cybersecurity, investments (with a focus on sustainability), and digital creativity. Each Challenge includes learning sections and sandbox environments, allowing participants to explore the topics and practice before the competition.
Since 2019, Reply has also launched the Teen Edition, a special category designed to engage younger audiences and introduce them to coding.
Employees are encouraged to leverage their innovation skills to climb the leaderboard, win prizes, and showcase their work during internal company events.
To assess the effectiveness of this initiative, the Group monitors the number of programme participants annually.
Each year, knowledge-sharing culminates in the **Reply Xchange**, a multi-day event open to employees and clients. It provides a space for colleagues and creative thinkers to explore how technology and innovation are shaping the world. The event showcases the most innovative projects and content from the year and aims to inspire new ideas across areas such as technology trends, digital experience, and business applications.
To measure the impact of the initiative, the Group uses the number and diversity of participants year over year as a KPI.
The **PM Academy** offers annual training in project management and the opportunity for employees in Italy and Germany to obtain professional certifications, granting them access to a broad project management community. These courses are aligned with internally

developed project frameworks used for managing initiatives across the Group.
Among these, the **Matcha Reply** methodology stands out as a key approach for guiding the design and development of software projects, ensuring that the product lifecycle and end results are measurably green and sustainability-oriented. A cornerstone of Matcha is its adherence to Green Coding principles, with the goal of reducing emissions generated during software execution and defining architectures and solutions that support sustainable processes.
The primary KPI used to evaluate the effectiveness of training opportunities and employee engagement is the number of participants throughout the year.
Reply has implemented a Training Programme focused on **Soft Skills and Language Training**, designed to offer employees development opportunities and support their professional growth.
In particular, for optional, open-access training available to all staff, the Group offers:

- Language courses and related certifications for employees based in Italy;
- Soft skills training, covering topics such as communication, sales, negotiation, people management, and other areas aimed at enhancing personal capabilities.

As with other initiatives, the main KPI used to assess the effectiveness of this programme is the number of course participants.
The **Booster Programme** is a key initiative aimed at enhancing interaction and engagement within the Reply community. The programme's objective is to involve employees in both formal and informal activities, offering access to digital channels and events.
To support growth, knowledge sharing, and internal networking, Reply ensures access to various services and opportunities for all employees. At each location, a group of volunteers represents the needs of the local community by organising events throughout the year, ranging from recreational to cultural activities.
These events, open to all members of the Reply community, help foster a more cohesive and collaborative work environment. Ideas for events emerge organically and are formalised through a proposal form that allows for budget evaluation for each initiative. The variety of activities reflects the needs of each local community, strengthening the sense of belonging and collaboration among employees.
Once approved, activities are promoted via the Group's enterprise social networking platform, where employees can register and participate. This approach not only strengthens the sense of community but also enables flexible and timely responses to employee needs, making the Booster Programme a key component of Reply's sustainability and inclusion strategy.
In 2024, the Boosters organised numerous activities, including informational and training events on topics such as inclusive language, mental and physical wellbeing, and recreational and team-building initiatives. The very nature of the programme allows for a wide variety of events, from celebrating local traditions to hosting large-scale events across multiple Reply offices.
This international network of Employee Resource Groups (ERGs) aims to engage the employee community across all Group locations by fostering knowledge sharing and

encouraging participation in #LifeAtReply events, offering opportunities for interaction and training regardless of office size.
The initiatives of the Booster Club are monitored and supported by the internal communications team, which assists in the planning and execution of events.
To evaluate the effectiveness of the programme, the following indicators are monitored: the number of participants involved, the diversity of those participants, and the number of events organised throughout the year.
At Reply, various cross-functional **Communities of Practice** (CoPs) operate globally, focusing on studying technology trends and identifying the best ways to integrate them into existing products and services. This approach enables the development of highly innovative projects year-round, ensuring that solutions remain cutting-edge and aligned with market evolution.
Through these initiatives, the Group offers employees the opportunity to acquire new knowledge and skills in a highly innovative environment, characterised by technologically advanced services and solutions. In a market where innovation is a key differentiator, continuous research and development is a strategic asset that not only supports Clients and Partners in adopting new technologies but also ensures that all collaborators have the opportunity to grow professionally and actively contribute to creating industry-leading solutions.
To achieve these objectives, Reply allocates annual resources and funding to Research and Development activities, including the evolution of proprietary platforms.
The effectiveness of each Community of Practice is monitored based on: the number of participants, and the results achieved against predefined goals, such as the number of white papers produced, articles published in industry media, and webinars organised.
Reply's **knowledge-sharing platform** is designed to host video content and live-streamed events, ensuring that employees have year-round access to thousands of videos created by subject matter experts across the organisation. The platform hosts a wide range of content on trending topics from Reply initiatives, including: the Learn.Share.Remix programme, Life at Reply activities, contributions from the Communities of Practice and central functions.
It also hosts all Reply live events, helping foster a sense of community and belonging.
The videos celebrate and promote the Reply culture, teamwork, group activities, and community spirit.
In the ESG domain, Reply has also committed to engaging employees with content that enables them to explore sustainability-related topics, such as: learning shots on the UN 2030 SDG Agenda, circular economy, IT waste management (Environment pillar), as well as training courses on digital accessibility and inclusive language.
As with other initiatives, the effectiveness of the programme is assessed based on the number of participants and the number of events organised during the year.

Finally, regarding **technical training** in employees' specific business areas (e.g. industry or product certifications), management is not centralised but delegated to individual companies within the Group. This approach ensures better alignment with specific training

needs, and serves as a guarantee of quality, excellence, and responsiveness to actual requirements within the year.
The Group also provides access to dedicated innovation **laboratories** at select locations, offering employees, collaborators, and clients the opportunity to transform creative ideas into real-world solutions. By leveraging cutting-edge technologies in fields such as robotics, advanced mobility, and virtual reality, employees can expand their skills, explore new applications, and actively contribute to innovation—developing their growth path in a dynamic and future-facing environment.
The following labs are currently active:

- Area42 (Turin, Italy)
- Cyber Security Lab (Cologne, Germany)
- Test Automation Centre (Turin, Italy)
- Immersive Experience Lab (Munich, Germany)
- IoT Validation Lab (Turin, Italy)
- Area360 (Milan, Italy)

Area42 is a technology experimentation lab where employees can develop new skills and enhance their professional growth. The lab uses cutting-edge technologies in the fields of **robotics, advanced mobility, and virtual reality** to turn creative ideas into tangible solutions, offering employees the opportunity to work on innovative projects and gain hands-on experience in applying emerging technologies.
Within Area42, Co-Design Workshops bring together clients and Reply experts to co-create innovative prototypes and apply them to real-world use cases, combining design thinking methodologies with advanced technological tools. The lab also offers the opportunity to explore digital factory and additive manufacturing projects, developed in collaboration with **Competence Industry Manufacturing 4.0 (CIM4.0)**—one of Italy's most advanced national competence centres. Through these experiences, Reply employees can strengthen both technical and methodological skills, actively contributing to the digital and sustainable transformation of businesses and advancing their own professional development in a highly innovative environment.

The **Cyber Security Lab** is a centre of excellence for cybersecurity. Here, our experts have access to the most advanced security tools and solutions, allowing them to test and simulate attack vectors, model threats, and analyse the security of hardware and software components. In an increasingly digital world, where business models are evolving rapidly, cyber risk management is becoming ever more critical. The lab enables professionals to experiment with adaptive cloud security, secure software development, security-oriented network infrastructures, and protection of applications and data. Through this hands-on experience, employees can expand their competencies, enhance their threat response capabilities, and support businesses in adopting agile development, cloud computing, and remote working, while maintaining high cybersecurity standards.
In the context of electric vehicle (EV) charging technology, the **Test Automation Center**

Lab plays a key role in optimising EV charging tests and provides a significant professional development opportunity for employees. Through experimentation with a comprehensive Test Automation Framework, professionals can acquire and refine advanced test automation skills, directly contributing to ensuring the reliability and efficiency of charging stations. This innovative environment enables employees to work with state-of-the-art technologies, build strategic expertise, and actively engage in the evolution of the sustainable mobility sector.

Adequate wages

Reply believes in and invests in the development of talent and skills. This commitment is promoted and applied not only within the employee community, but also externally—through initiatives aimed at engaging students and professionals. Reply recruits top talent through long-standing relationships with various Italian and European universities and research centres, in order to strengthen its workforce with high-profile professionals. Reply promotes continuous learning and skill development as an integral part of each employee's career path.

The Group has launched Skydive, a horizontal internal mobility program with the objective of offering new growth opportunities beyond the boundaries of the individual company. For the companies, it also represents the possibility of recruiting personnel who are already trained and integrated within the corporate context.

The Companies publish job opportunities on the dedicated page of the company's enterprise social networking platform during three annual sessions, and employees can apply without any kind of restriction.

It is important to underline that, should the application be unsuccessful or support be requested, the Skydive team operates throughout the entire year, guiding all participants in the search for other opportunities.

Reallocation within the Group indeed represents an opportunity available to everyone, at any time of the year, even beyond the standard sessions offered by the program, as proof of the company's commitment to creating a working environment focused on motivation and attraction, as well as on consideration and respect for the individual's will and interests.

In addition, employees periodically undergo a **Performance Management** process, which takes place at least once a year. Its purpose is to provide each employee with the opportunity to reflect and receive feedback on performance, contribution, and alignment with company values, as well as to discuss personal development, including compensation and incentives linked to agreed business objectives

The Group invests in people development and transparency by adopting dedicated tools to support the Performance Management process, making user interactions simpler and more efficient and improving the clarity and effectiveness of communication. Reply continuously evaluates individual contributions to company results by comparing predefined goals with achieved outcomes, observed behaviours, and completed tasks over a specific period. The process also values employees' knowledge, skills, and overall quality.

As already mentioned in the section on training and development initiatives, the **Reply Challenges** are designed to promote a culture of innovation, with a particular focus on younger generations.

The **Student Tech Clash** is an idea generation challenge organised by Reply, focused on innovation and targeted at students from top European universities. In 2024, Student Tech Clash involved several institutions, including: Politecnico di Torino, Politecnico di Milano, Università degli Studi di Milano-Bicocca, Sapienza University of Rome, INP Grenoble, INSA Lyon, and students from the University of Cambridge.

The **Reply Ambassador Programme**, launched in 2015, is designed for university students who wish to start collaborating with Reply while completing their studies. The programme offers a range of opportunities to help build a strong link between universities and Reply, involving students in both digital and in-person activities. In return for their involvement, students gain hands-on experience on real projects and receive exclusive access to the Learn.Share.Remix programme, allowing them to join Reply-led webinars, seminars, workshops and events specifically organised for them.

ReplyU—where "U" stands for university—is the Group's employer branding social media initiative aimed at introducing Reply and #LifeAtReply to university students around the world. The programme promotes events and initiatives open to students via all major social platforms, including Instagram and Facebook, and is driven by organic content shared by the Reply community using the #LifeAtReply hashtag. Digital touchpoints also include employer branding platforms, where Reply companies maintain profiles that collect reviews and feedback from current and former employees.

Reply also engages in **external partnerships** that support female participation in STEM fields, with the goal of broadening the talent pool and increasing the representation of key roles within the workforce, ensuring continuity and long-term competitiveness.

Since 2022, Reply—aligned with its commitment to promoting gender equality—has participated in the **Girls@PoliMI** initiative, launched by Politecnico di Milano. The Group sponsors scholarships for female high school students who choose to enrol in engineering programmes, starting from the academic year 2023/2024. In 2023, the scholarships funded by Reply were awarded, helping to support women in STEM education. Reply has renewed its commitment for 2025 by funding two new scholarships, with the goal of promoting inclusive education, breaking stereotypes, and reducing the gender gap.

In the current year, the Group has not allocated significant resources to the above-mentioned actions, and no future action plans have yet been defined. However, Reply adopts a collaborative process to identify necessary and appropriate actions in response to actual or potential negative impacts on its own workforce.

This process is based on bilateral interactions between local Partners and employees, creating an environment in which every idea is valued and every voice is heard. Through regular meetings, employee surveys, and direct feedback, the company gathers valuable insights into the experiences and concerns of employees and collaborators.

Initiatives are therefore shaped by these interactions, allowing Reply to develop targeted and relevant solutions that address the specific needs of its workforce. This approach not only fosters a sense of belonging and engagement among employees but also ensures that the actions taken are genuinely effective in mitigating identified negative impacts.

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The company addresses material impacts on its own workforce through targeted initiatives and actions, although it has not defined specific targets. The adopted approach focuses on the ongoing management of risks and opportunities, with periodic monitoring to ensure continuous improvement over time.
At this stage, setting targets for the Group's own workforce has not been considered a priority or strategic.

[S1-6] Characteristics of the undertaking's employees

This paragraph aims to provide an overview of Reply's approach to employment, including the scope and nature of the impacts arising from its employment practices. It also provides contextual information to support the understanding of data reported in other sections and serves as a basis for calculating the quantitative metrics disclosed in the consolidated sustainability statement.
As of December 31, 2024, the Reply Group has a total of 16,007[20] employees.

The workforce count includes the Group's direct employees, as well as individuals in training internships and all those with non-guaranteed working hours contracts, such as casual workers, zero-hour contract employees, and on-call employees.

The tables below provide a breakdown of the number of employees by gender and country, for countries where the undertaking employs 50 or more individuals, representing at least 10% of the total workforce.

20 The value includes the Group's 15,667 direct employees, as reported in the Group's highlights

NUMBER OF EMPLOYEES BY GENDER

GENDER	NUMBER OF EMPLOYEES (HEAD COUNT)
Male	11,454
Female	4,557
Other	0
Not reported	0
Total Employees	16,007

NUMBER OF EMPLOYEES BY COUNTRY

COUNTRY	NUMBER OF EMPLOYEES (HEAD COUNT)
Belgium	166
Brazil	322
France	419
Germany	2,670
India	223
Italy	9,372
Luxembourg	70
Poland	344
United Kingdom	1,612
USA	642
Others	167

Below is the total number of employees with permanent, fixed-term, variable-hour, full-time, and part-time contracts, along with their gender breakdown. Interns are included under the category of fixed-term employees.

2024					
Number of employees (head count)	**FEMALE**	**MALE**	**OTHER**	**NOT DISCLOSED**	**TOTAL**
Number of employees	4,553	11,454	0	0	16,007
Number of permanent employees	4,452	11,106	0	0	15,558
Number of temporary employees	58	159	0	0	217
Number of non-guaranteed hours employees	43	189	0	0	232
Number of full-time employees	4,125	10,906	0	0	15,031
Number of part-time employees	350	286	0	0	636

The number of employees in the Group is also reported in the section "Group Results at a Glance" of the Report on operations.
In 2024, 2,373 people left Reply voluntarily or due to incentivized departure, retirement, or death. The global turnover rate was 15.57% and includes all exits, whether voluntary or involuntary.
The total number of employees who left the Group is calculated as the total number of leavers over the average headcount at the beginning and end of the period, aggregating data from the entire consolidation perimeter.
The use of part-time employment contracts is based on employee requests (e.g., combining work with academic studies, parenting needs, etc.), and is typically temporary in nature.
Reply complies with all applicable working time regulations: all overtime is fairly managed, properly compensated, and in line with applicable labour laws.

The following table presents the total number of permanent, fixed-term, variable-hour, full-time, and part-time employees, broken down by region:

	2024			
Number of employees (head count)	**REGION 1**	**REGION 2**	**REGION 3**	**TOTAL**
Number of employees [21]	10,611	3,074	2,322	16,007
Number of permanent employees	10,495	3,004	2,059	15,558
Number of temporary employees	116	70	31	217
Number of non-guaranteed hours employees	0	0	232	232
Number of full-time employees	10,240	2,765	2,026	15,031
Number of part-time employees	276	300	60	636

[S1-7] Characteristics of non-employees in the undertaking's own workforce

This paragraph provides an overview of the main characteristics of non-employee workers who are part of Reply's own workforce. It also helps to assess the extent to which Reply relies on non-employee workers within its workforce.
In 2024, the total number of non-employee workers in Reply's own workforce was 778.
It is not yet possible to provide disaggregated data for the Wemanity group and for the following countries: Brazil, China, India, USA, Croatia, the Netherlands, and Morocco.
The total number of non-employee workers is reported as headcount and as an average over the reporting period.
In accordance with the specific contractual frameworks of each country, non-employee relationships are mapped as follows:

- Individual contractors (self-employed workers), such as freelance professionals;
- Workers provided by companies primarily engaged in "employee placement services," including temporary staffing agencies, recruiting agencies, or staffing firms (NACE Code N78).

These non-employee collaborators are involved in IT consulting activities and contribute their professional expertise to the Group, working in collaboration with Reply employees in the execution of business activities, in line with the terms of the agreements in place.

21 The total number of employees includes interns and employees with non-guaranteed hours contracts

[S1-9] Diversity metrics

This paragraph aims to provide an overview of gender diversity at senior management level and the age distribution of the company's employees.
The following table shows the gender distribution, both in absolute numbers and as a percentage, at senior management level[22].

EMPLOYEES	MALE	FEMALE	OTHER	NOT DISCLOSED
number at top management level (head count)	406	50	0	0
percentage at top management level	89%	11%	0%	0%

Below are the data on the distribution of employees by age group.

EMPLOYEES	< 30 YEARS OLD	30 ≤ X ≤ 50	> 50 YEARS OLD
Number of employees (head count)	6,959	7,800	1,254

[S1-10] Adequate wages

The Group provides all its employees with adequate remuneration, in line with the applicable benchmark parameters (e.g. national collective labour agreements, local minimum wage regulations), and taking into account market competitiveness.

[S1-13] Training and skills development metrics

This paragraph is intended to describe the training and skills development activities offered to employees as part of a continuous professional development strategy, aimed at enhancing competencies and supporting ongoing employability.
Below are the percentages of employees who participated in performance and career development reviews, disaggregated by gender. These indicators refer to the entire Group, excluding China (Region 2), the Netherlands, and Morocco, and are calculated as the ratio between the number of employees who underwent a performance review and the number of employees for whom a review was required.

22 Senior management refers to roles within the Group that hold managerial responsibilities and are positioned at the first and second levels below the administrative and supervisory bodies, in relation to internal functions and business activities.

CAREER DEVELOPMENT REVIEWS	FEMALE	MALE	OTHER	NOT DISCLOSED
percentage of employees that participated in regular performance and career development reviews	97%	97%	-	-

Below are the percentages of employees who participated in periodic performance and career development reviews, broken down by role.

CAREER DEVELOPMENT REVIEWS	STAFF	MANAGER	EXECUTIVE
percentage of employees that participated in regular performance and career development reviews	96%	98%	100%

The Group does not provide performance evaluation or training activities for non-employee workers.

[S1-14] Health and safety metrics

This paragraph aims to describe the extent to which the own workforce is covered by the company's occupational health and safety management system, and to provide data on the number of work-related injuries, illnesses, and fatalities involving the own workforce.
In 2024, 76.7% [23] of Reply's workers were covered by an occupational health and safety management system that complies with legal requirements and/or recognised standards and guidelines. The distribution is not uniform across all countries; in particular, it reaches 100% of workers in Italy and Germany.
During 2024, no work-related fatalities due to injuries or illnesses were reported among Reply employees or other workers operating in the Group's offices. This also applies to value chain workers performing tasks on-site.
The total number of recordable work-related injuries in 2024 was 6, resulting in a recordable injury rate of 0.23 [24].
Moreover, no cases of work-related illnesses were reported, in accordance with applicable laws on data collection and reporting.
The total number of workdays lost due to work-related injuries, illnesses, and fatalities among employees was 200 days.

23 Interns and employees with non-guaranteed working hours are not included.
24 The injury rate is calculated as the number of injuries (on-site, during remote work, or during commuting with transportation organized by Reply) divided by the total hours worked, multiplied by 1,000,000. Interns and employees with non-guaranteed working hours are not included.

[S1-15] Work-life balance metrics

This paragraph aims to provide an overview of the rights and actual practices related to family leave among employees, with a particular focus on ensuring gender-equitable access, as this is one of the key dimensions of work-life balance.
All Reply employees are entitled to family-related leave, in accordance with the company's social policy and/or applicable collective labour agreements.
In 2024, 5.2% of eligible employees made use of family-related leave. The gender breakdown is as follows:

FAMILY-RELATED LEAVE	MALE	FEMALE	OTHER	NOT DISCLOSED
percentage of employees entitled to take family-related leave [25]	4.1%	7.8%	0.0%	0.0%

[S1-16] Remuneration metrics (pay gap and total remuneration)

This paragraph serves a dual purpose: on one hand, it provides information on the extent of any gender pay gap among the company's employees; on the other, it offers insights into the level of pay inequality within the company and the possible presence of significant pay disparities.
The gender pay gap at Reply is 10.87%, calculated as the difference between the average remuneration levels of female and male employees, expressed as a percentage of the average remuneration level of male employees.
The main factor leading to the determination of this percentage is the lower availability on the market of female profiles, as confirmed by official data on the attendance of women in STEM faculties.
The management of professional roles in Reply is based solely on meritocratic factors, as demonstrated by the internal career path which defines the parameters characterizing entry levels and career development.
The ratio between the total annual compensation of the highest-paid individual and the median total annual compensation of all other employees (excluding the highest-paid individual) is 32.95. Both metrics include all employees, including non-guaranteed hour workers, who were active as of 31/12/2024 excluding internships.

25 The ratio between the number of employees who took family-related leave, and the total number of employees (100%) includes all countries considered, excluding interns and employees with non-guaranteed working hour contracts.

[S1-17] Incidents, complaints and severe human rights impacts

This paragraph aims to illustrate the extent to which work-related incidents and serious human rights impacts affect the company's own workforce.

During the reporting period, Reply did not record any significant incidents of discrimination in the workplace based on gender, race or ethnic origin, nationality, religion or personal beliefs, disability, age, sexual orientation, or any other relevant grounds, including harassment, reported through the company's grievance and reporting mechanisms.

Furthermore, no complaints were submitted through official channels, including internal grievance mechanisms and OECD National Contact Points.

No costs were incurred related to fines, penalties, or compensation resulting from discrimination incidents.

During the reporting period, no serious human rights incidents—such as forced labour, human trafficking, or child labour—were identified, in line with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

As a result, no costs were incurred related to fines, penalties, or damages associated with serious human rights incidents during the reporting period.

ESRS S2 Workers in the value chain

[ESRS 2 SBM-2] Interests and views of stakeholders

The Reply Group recognises the importance of protecting the interests and rights of workers throughout its entire value chain, being fully aware of the significant impact that business practices can have on them.
As such, Reply is committed to ensuring that the views and concerns of workers are heard, through ongoing dialogue with suppliers, supported by regular meetings. This open and constructive engagement enables the Group to better understand and respond to supplier needs, contributing to the continuous improvement of working conditions for workers across the value chain. Further details can be found in the "General Information" chapter, section *[SBM-2] Interests and views of stakeholders.*

[ESRS 2 SBM-3] Material impacts, risks and relevant opportunities and their interaction with strategy and business model

Reply's strategic approach and business model place particular emphasis on working conditions and the protection of workers' rights throughout the value chain, as well as on the management of potential impacts and risks (see *[SBM-3] material impacts, risks and opportunities and their interaction with strategy and business model).* The Group integrates social responsibility into its commercial practices by building strong relationships with direct suppliers. These elements help guide Reply's strategy, either as feedback from business relationships or as concerns raised through the whistleblowing system (see section *[S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns).*
In this context, the suppliers taken into consideration in the analysis of relevant risks and impacts for workers along the value chain are: Small and medium-sized IT service providers, i.e. strategic partners involved in service delivery; Hardware and IT service providers (Licensees); Labour providers (temporary staffing agencies); Real estate and utility suppliers, and Auxiliary service providers (as outlined in paragraph *[SBM-1] Strategy, business model and value chain.*
As part of the double materiality assessment, Reply considered all geographic areas and industry sectors where there is a significant risk of child labour and forced labour in the value chain—particularly among non-strategic and indirect procurement suppliers.
This assessment enables Reply to proactively address issues related to workers' rights and to promote ethical practices throughout its supply chain.

In such contexts, insufficient oversight of supplier practices concerning their workforce can result in negative impacts related to child labour and/or forced labour. These may occur as widespread issues or be linked to isolated incidents or specific business relationships in certain countries.
To address these risks, Reply implements tools designed to ensure respect for human rights across the entire value chain, including the adoption of a Whistleblowing Policy, the acceptance of the Code of Ethics and the Supplier Code of Conduct by suppliers and the evaluation of the latter based on social criteria, tailored to the specific conditions of the countries in which the Group operates. This supports the Group's strategic alignment with enhanced social responsibility.
Beyond these concerns, another key issue is the ability to ensure gender equality and fair remuneration. Women may be more vulnerable to discrimination and pay gaps, particularly in cultural or sector-specific contexts where gender inequality persists, and where attitudes and practices hinder their full inclusion and professional development.
Special attention is given to strategic suppliers in the IT sector, on whom the Group relies and whose wellbeing and expertise are essential to ensuring the quality of services offered in a highly competitive environment.
The Group's strategy and business model are significantly influenced by its dependence on such strategic suppliers, which presents an economic risk linked to the scarcity of qualified talent and the potential loss of key personnel within the value chain—factors that may impact business operations and the quality of services provided by the Group.

[S2-1] Policies related to value chain workers

Reply manages impacts on workers in the value chain through its **Supplier Code of Conduct**, a document that defines the standards that must be respected and encompasses all the topics that Reply considers essential in its relationship with suppliers, thereby ensuring a responsible and respectful working environment.
The Code aims to guarantee safe, dignified, and fair working conditions, promote the respect of human rights, ensure health and safety protections, and encourage the adoption of increasingly responsible and sustainable business practices. It also defines core principles for supplier relationships, including integrity and transparency, environmental stewardship, people protection, and improvement of working conditions.
Since 2022, all strategic suppliers are required to review and accept the Supplier Code of Conduct at the acceptance of the Code of Ethics and the Supplier Code of Conduct by suppliers and the evaluation of the latter the time of contract signing. This document, developed by Reply, is signed alongside the Group's Code of Ethics (in Italy also accompanied by Model 231). The **Code of Ethics** specifically promotes best practices and encourages responsible behaviour, ensuring that the Group's fundamental ethical values form the foundation of its corporate culture and represent the standard of conduct for all collaborators. It also explicitly prohibits unfair competition and active or passive corruption.

In addition, the **Human Rights & Labour Policy** denounces child labour, human trafficking, and forced labour, and upholds the freedom of association and collective bargaining throughout the Group. Together with the Code of Ethics, this policy reaffirms Reply's commitment to human rights protection, promoting diversity and inclusion, and rejecting any form of discrimination based on ethnicity, gender, sexual orientation, physical or health condition, disability, age, nationality, religion, or personal beliefs—while ensuring employees' physical and mental wellbeing and professional development.
The policy aligns with the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization's (ILO) Conventions. In conclusion, the **Modern Slavery Policy** outlines the Group's commitment to ensuring that modern slavery, human trafficking, and child labour do not occur within Reply's business operations or supply chain.
For further details, see paragraph *[MDR-P] Policies adopted to manage material sustainability matters,* which outlines the Group's policies for managing potential material impacts on workers in the value chain.
The Supplier Code of Conduct includes periodic monitoring activities to verify compliance with environmental, social, and governance (ESG) principles, and administrative processes ensure rigorous oversight of strategic suppliers. Please also refer to the following paragraph *[S2-2] Processes for engaging with value chain workers about impacts.*
As evidence of this commitment, no cases of non-compliance with the UN Guiding Principles or the ILO Declaration on fundamental rights at work have been reported upstream or downstream in the value chain to date.

[S2-2] Processes for engaging with value chain workers about impacts

Currently, Reply does not implement a single, generalised process to engage all workers in the value chain regarding the potential negative impacts to which they may be exposed. Engagement with strategic suppliers is carried out through open and direct dialogue between the relevant managers, executives, and the Sourcing function for the service provided. This approach ensures that the views and needs of strategic suppliers are heard and integrated directly into business decisions. Such engagement does not follow a fixed schedule but occurs as needed, supporting a collaborative and inclusive working environment.
Concerns and views from workers across the entire value chain may also be expressed via the whistleblowing platform and are taken into consideration in the management of potential impacts, and therefore integrated into the Group's strategy.
Reply conducts annual *self-assessment* activities to ensure that strategic suppliers are aligned with Reply's ESG criteria and the values stated in the Reply Code of Ethics. In particular, since 2022, in countries such as Germany and Italy, annual self-assessment campaigns have been launched for suppliers with more than 15 employees. These are

managed via a **self-assessment questionnaire** focused on the following areas:

- Labour: protection of working conditions;
- Protecting People: respect for employee dignity and their physical and moral wellbeing, avoiding all forms of discrimination;
- Environment, Safety and Health: attention to environmental and safety issues, and the promotion of employee awareness;
- Integrity and Transparency: commitment to ethical integrity and transparency in business practices, in compliance with applicable laws and in the interest of stakeholders.

This process therefore focuses on environmental and health & safety matters, as well as the Group's commitment to integrity and transparency in corporate practices, serving as a key tool for ensuring compliance with ethical and regulatory standards. It also strengthens the Group's social responsibility and helps generate shared value across the supply chain.
At the beginning of each new business relationship, the Sourcing function or the partners of individual companies organise meetings with suppliers to ask targeted questions aimed at verifying their focus on relevant issues such as training and ESG practices. This process helps assess the supplier's alignment with Reply's business model and enables ongoing dialogue, particularly with strategic suppliers. In Italy, collaborations are primarily with small enterprises, whereas abroad, relationships are often established with freelancers or sole proprietorships.
Although Reply does not directly engage supplier employees to gather their opinions on the impacts they may be exposed to, nor does it evaluate the effectiveness of such engagement or maintain global framework agreements with international trade unions to guarantee human rights protections, ongoing contact and dialogue with suppliers is maintained through the measures described above.

[S2-3] Processes to remediate negative impacts and channels for value chain workers to raise concerns

To remediate potential negative impacts on workers in the value chain, where the company has caused or contributed to such impacts, the Group relies on the policies detailed in the previous paragraph *[S2-1] Policies related to value chain workers.* These include, among others, the requirement to acknowledge the Group's Code of Ethics and the Supplier Code of Conduct, which outlines specific requirements aimed at preventing labour rights violations within suppliers' workforces.
Reply has also implemented a **Whistleblowing Policy** to ensure that all stakeholders—including employees and workers in the value chain—can report inappropriate labour practices that are not in line with the Group's policies in a safe and confidential manner. This system provides an additional reporting channel beyond those required by applicable legislation.
Each report is handled through formal measures designed to address the concerns raised. The Code of Ethics, which is shared with suppliers at the time of contract signing, includes

a direct link to this policy, thus providing access to an effective communication channel. It also ensures protection against retaliation for the whistleblower, as already described in [S1-3] Processes to Provide for or Cooperate in Remediation and Channels for Own Workers to Raise Concerns, to which reference is made for further details.
Specifically, reports—which may also be submitted anonymously thanks to the multilingual platform compliant with EU Directive 2019/1937—are monitored and managed by the Supervisory Body. This body is responsible for verifying the validity of the reports on behalf of the Reply Group companies and for conducting prompt and thorough investigations. The Supervisory Body prepares a summary report of the investigations, which is shared with the Board of Directors, enabling the development of corrective action plans to resolve the identified issues and implement appropriate measures to protect Reply Group, as well as the whistleblower or the person concerned.

[S2-4] Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

Reply currently does not implement specific initiatives aimed at managing material negative impacts or addressing risks related to workers in the value chain. As a result, no specific financial or human resources are currently allocated for the management of such potential impacts.
However, it should be noted that in 2024 and in previous years, no human rights incidents have been reported in the upstream segment of the value chain. At this stage, in fact, setting actions linked to specific targets for workers along the value chain has not been considered a priority or strategic. However, the Group complies with national regulations in its operations by providing a whistleblowing channel designed to ensure a process for addressing reports/impacts in this area.
In general, the respect for and protection of workers' human rights in the value chain is indirectly monitored through adherence to the Supplier Code of Conduct, which addresses a range of topics including labour rights. The Group conducts annual self-assessment campaigns with the objective of identifying any non-compliance. For further details, refer to the previous paragraph *[S2-2] Processes for engaging with value chain workers about impacts.*
The selection of suppliers and the definition of purchasing conditions for goods and services by Group companies are guided by values and criteria such as: legality, competition, objectivity, fairness, impartiality, pricing equity, and quality of goods and/or services, while also carefully evaluating service guarantees and the range of available offerings.

[S2-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Reply has not identified specific targets for the management of material negative impacts and risks in the value chain. Currently, the Group adopts targeted policies and initiatives, monitoring their effectiveness without a structured tracking system based on defined targets. Refer to the whistleblowing systems/channels, the policies described in paragraph *[S2-1] Policies related to workers in the value chain*, and the engagement processes outlined in paragraph *[S2-2] Processes for engaging with value chain workers about impacts*, in accordance with the ESRS.

ESRS S4 Consumers and end-users

[ESRS 2 SBM-2] Interests and views of stakeholders

The Reply Group serves a wide range of clients, operating in the business-to-business (B2B) sector. Its B2B clients include companies of various sizes and industries—both public and private—who rely on the Group for innovative and customised technology solutions.
The end-users of the applications and services developed by the Group do not have a direct relationship with Reply, as they are clients of the Group's Clients. Therefore, responsibility for service delivery and end-user relationship management lies entirely with the clients.
In the public sector, the Group also operates through a consortium of companies, which allows it to meet the specific requirements needed to operate in that domain.
Cybersecurity is a key priority, as the Group is exposed to potential cyberattacks that could result in data breaches. For this reason, collaborating with clients to protect their infrastructure is essential.
Reply also places strong emphasis on human rights in relation to consumers and end-users, particularly for services that integrate Artificial Intelligence components.
The Reply Group's strategy is significantly influenced by the interests and feedback of its clients. Maintaining an ongoing dialogue—through Customer Surveys, dedicated events, and social media channels—allows the Group to tailor its solutions to specific needs and anticipate emerging market trends.

[ESRS 2 SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The process of identifying and assessing impacts, risks and opportunities related to consumers and end-users was conducted by Reply through its double materiality assessment, as described in *[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities* in the "General Information" chapter.

The potential impacts on consumers and end-users stem directly from the Group's strategy and business model. The corporate strategy, which includes **data protection and information security**, is designed to ensure that the services provided are reliable, effective, and efficient. This approach is closely linked to the business model, which integrates **cybersecurity** as a core element in the protection of handled information.

These potential impacts on consumers and end-users actively influence and shape the company's strategy and business model, contributing to their ongoing evolution. The need to ensure confidentiality, integrity, and availability of data drives the company to continuously improve its cybersecurity practices. This commitment is explicitly stated in Reply's Code of Ethics, which highlights the importance of protecting both data and corporate assets.

Reply's strategy and business model are designed to address the identified risks and to leverage emerging opportunities (see the "Reply" chapter in the Financial Report). For instance, to mitigate cybersecurity-related risks, Reply has implemented a comprehensive framework for data protection and information security.

At the same time, the company leverages opportunities arising from the growing demand for sustainable **IT solutions and cybersecurity services** to expand its offerings and strengthen its market competitiveness. This integrated approach enables Reply to continuously adapt to the needs of consumers and end-users, while ensuring compliance with applicable regulations and adherence to ethical principles.

The Group has identified clients and end-users of its services as the parties most exposed to privacy violations and loss of sensitive data, particularly in the event of cyber incidents. More precisely, the end-users of the services implemented by the Group are the clients of Reply's clients (see the "Reply" chapter in the Financial Report). This negative impact—loss of sensitive data and, more generally, breaches of consumer and end-user privacy—may occur as a result of both widespread cyberattacks and specific events, such as IT system malfunctions.

Reply faces both opportunities and risks linked to its impacts on and dependencies from consumers and end-users. On the one hand, the growing demand for sustainable IT solutions and cybersecurity services presents a significant economic opportunity for the company, which can develop and offer innovative solutions to meet these emerging needs.

On the other hand, the Group is aware of potential risks associated with legal expenses and reputational damage that may arise from IT products or solutions that fail to ensure data security. In cases where quality issues emerge, the company could face legal challenges,

resulting in financial costs and loss of client trust.
Moreover, incidents of discrimination or human rights violations caused by the misuse of Artificial Intelligence systems could damage the Group's reputation and lead to negative economic consequences.
Client groups that are most exposed to risks related to infrastructure robustness include financial institutions, the manufacturing sector, healthcare, and telecommunications, due to the sensitive nature and value of the data processed—making them particularly vulnerable to data breaches and privacy violations.

[S4-1] Policies related to consumers and end-users

The Reply Group has implemented a set of corporate policies and procedures aimed at ensuring a responsible and transparent approach toward its clients. These measures help mitigate impacts related to privacy violations and the loss of data belonging to clients and business partners, by ensuring preventive measures and appropriate controls are in place to **prevent cybersecurity incidents**.
At the same time, these measures support the mitigation of risks associated with **data loss** and **potential discrimination resulting from AI usage**, while also enabling the Group to seize business opportunities, such as the growing market demand for IT and cybersecurity solutions.
For details on the processes and mechanisms used to monitor compliance with the UN Guiding Principles, please refer to paragraph *[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns*, and to the public whistleblowing system made available to all Group stakeholders.
Policies and procedures are not developed through direct engagement with customers and end-users, but are instead designed to ensure that operations are compliant with applicable regulations and aimed at providing secure and high-quality services.
Below is an overview of the Group's policies applicable to all consumers and end-users.

ICT Security Policy
Reply's ICT Security Policy, applicable in all countries where the Group operates, sets out the security requirements to be followed in both internal activities and client engagements, drawing on international best practices such as ISO/IEC 27001.
The policy outlines the responsibilities of personnel involved in service delivery and defines procedures for asset management, ensuring that resources such as servers and laptops are identified and classified to provide proper visibility and protection.
It includes logical access controls to prevent unauthorised access, ensuring proper access management protocols are in place. Physical protection of information is also addressed, with safeguards to prevent unauthorised entry to company facilities and to protect physical assets.
The operational management of systems, networks, and telecommunications is structured

to maintain high levels of logical security for processed information. The policy also defines criteria for the development, maintenance, and acquisition of IT systems, ensuring that applications and operating systems uphold confidentiality, integrity, and availability.
With regard to third parties and outsourcing, the policy ensures that corporate assets are protected, by monitoring access to information and workspaces.
It also includes procedures for security incident management, enabling the detection and handling of anomalies and maintaining appropriate levels of business continuity in case of unexpected events.
Finally, the policy sets out business continuity guidelines, ensuring ICT services remain available during emergencies, and establishes compliance criteria to ensure that business operations and information security are managed in accordance with applicable laws and contractual obligations.
These measures are fundamental to ensuring a secure and protected environment for the Group's information and business assets.

ICT Security Incident Management Procedure
The ICT Security Incident Management Procedure is integrated with the personal data breach notification process and outlines the procedures for containing, classifying, and managing incidents that may compromise one or more information security requirements, such as confidentiality, integrity, and availability, potentially resulting in violations of applicable legislation, including the GDPR. The procedure provides a detailed description of the incident management process stages, which include:

- Identification and classification of the incident,
- Response activities, and
- Post-incident analysis and lessons learned.

Additionally, the policy clearly defines the roles and responsibilities for each stage of the process, ensuring a structured and effective approach to managing ICT security incidents.

Client DPA Policy
This policy applies during the contract negotiation phase with clients and is used to ensure compliance with data protection regulations through the establishment of a Data Processing Agreement (DPA). It also applies during service delivery, providing operational instructions for Group employees, who are required to acknowledge and adhere to the policy in order to ensure Reply's compliance and the adequate protection of processed data.

AI Policy
The Reply Group AI Policy is designed to ensure the ethical and compliant use of Artificial Intelligence (AI) within the organisation and in the delivery of services to clients. The policy highlights the potential of AI technologies, both generative and non-generative, and stresses the need to strike a balance between innovation and the mitigation of risks related

to ethics, compliance, and security.
The policy is addressed to all Group employees and provides guidelines on how to procure, use, and develop AI systems in compliance with relevant regulations. Key elements include practices for:

- the sustainable use of AI,
- data protection and confidentiality, and
- intellectual property rights.

The policy places strong emphasis on transparency, accountability, and explainability, requiring that AI-driven decisions be understandable and interpretable, and that users be informed of the system's limitations.
Moreover, the use of AI must respect human rights and comply with applicable national and international laws, with a focus on bias mitigation and data security.
Violations of the policy may result in disciplinary or legal consequences. It is essential to adopt robust privacy protection practices, ensuring that the use of personal data is always subject to appropriate consent. The policy also includes guidelines for addressing the misuse of AI, and underscores the importance of staying up to date with regulatory and technological developments. It is reviewed periodically to align with evolving requirements and to ensure a responsible approach to AI governance.
As of 2024, no violations have been reported concerning the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises in relation to consumers and/or end-users.

[S4-2] Processes for engaging with consumers and end-users about impacts

The Group has established procedures and processes to address potential negative impacts arising from cyberattacks. End-user engagement is not handled directly by Reply, but rather through the clients to whom the Group provides services. Clients, depending on their specific sectors, interact with and involve end-users according to their operational needs. Similarly, end-users contact the client company directly in the event of issues or specific requirements. If necessary, the client will escalate the issue to Reply in order to jointly assess the most appropriate course of action for resolution. A customer satisfaction survey monitoring process is also in place, which involves periodically gathering client feedback. The results of these assessments are shared internally within Reply. Any identified issues are addressed based on the context and level of severity, with ad hoc remediation actions being defined. The most appropriate internal representative (e.g., manager, client partner, top management) is involved depending on the specific case.

[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Reply adopts a structured approach to remediating material negative impacts on consumers and end-users, where the company has caused or contributed to such impacts. The top priority is ensuring data security and protection, by implementing both proactive and reactive measures in the event of security incidents.

In situations where Reply is affected by an attack compromising a critical asset used for business service delivery, the involved company within the network is responsible for identifying the most appropriate function to manage the incident. All applicable legal guidelines are strictly followed to ensure an appropriate and compliant response, and all necessary communication channels are activated to manage the incident effectively.

If the attack impacts a client rather than Reply directly, the Group collaborates promptly to resolve the incident as it relates to the services provided, taking into account the client's specific context, the industry, and the nature of the affected services, and in line with applicable regulations.

To assess the effectiveness of remediation measures, a system of continuous monitoring and review is in place. This includes incident response analysis, feedback collection from clients and end-users, and revision of operational practices based on outcomes. Through this approach, the Group continuously improves its policies and procedures, ensuring that the actions taken are effective in mitigating negative impacts and protecting the rights of consumers and end-users.

Reply's **Whistleblowing** Channel, accessible via the Group's website, is a key tool that allows consumers and end-users to directly express concerns or requests to the company. This channel offers a safe and confidential way to report any issues, misconduct, or situations that may compromise the security and quality of the services provided.

Through the whistleblowing channel, consumers and end-users can raise their concerns without fear of retaliation, helping to foster an environment of trust and transparency. Reports may cover a wide range of topics, including data protection, service quality, and compliance with applicable regulations.

Once a report is received, Reply is committed to thoroughly reviewing each case and ensuring that appropriate measures are taken to address the reported issues. Personnel assigned to handling reports are trained to treat all information with confidentiality and professionalism, ensuring that the needs and concerns of consumers and end-users are properly addressed.

In this way, the whistleblowing channel serves not only as a means for raising concerns, but also as an opportunity to continuously improve business processes and practices. Reply is committed to using the feedback received to implement improvements and to ensure services increasingly align with client expectations and needs.

Finally, the Supervisory Body prepares a summary report on the investigations conducted, which is shared with the Board of Directors, enabling the development of remedial action plans to address identified issues and undertake actions to protect the Reply Group, as well as the whistleblower or the person concerned.

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

Reply has implemented a range of actions to address material sustainability matters related to consumers and end-users. These actions are aimed at preventing, mitigating, and remedying impacts identified through the double materiality assessment, and at responding to related risks and opportunities. The measures described below are ongoing initiatives, designed to ensure a well-structured cybersecurity governance framework. The actions apply to the entire Group; any limitations in scope are indicated in the disclosures of the specific initiatives. In addition to the list of actions presented below, the Group has not disclosed any significant future actions already planned. Moreover, the Group's related policies do not define specific targets to which the actions may directly contribute. At this stage, setting specific targets for consumers and end users has not been considered a priority or strategic.

To prevent and mitigate the material negative impact on consumers and end-users identified in the double materiality analysis—namely, the "loss of sensitive data and privacy breaches affecting consumers and end-users"—and to address risks related to the development of IT solutions and software that do not guarantee end-user security, Reply has adopted, in addition to the policies already mentioned, a comprehensive framework to ensure compliance with applicable regulations:

- **Business Continuity Plan**: defines the strategies, procedures, and activities to be implemented in the event of critical incidents (e.g. caused by extreme weather events such as floods) that may compromise the normal operation of business-critical processes supporting service delivery across the Group.
- **GDPR Compliance Programme**: standardises data protection and privacy practices across all Group companies through the development of a Privacy Management System, which includes:
  - Regular creation and updates of GDPR Registers (inventory of personal data processing activities);
  - Privacy by Design process, which assesses the privacy risk of project-related activities and applies appropriate technical and organisational safeguards;
  - Personal Data Breach Notification process, ensuring the correct identification and, where required, external reporting of personal data breaches to the Data Protection Authority and, if necessary, to the affected individuals;
  - Data Protection Impact Assessment (DPIA) process, which identifies and mitigates

privacy risks for high-risk processing activities (e.g. involving special categories of data or large-scale profiling), in compliance with GDPR criteria;
  - Handling of Privacy Requests, which manages requests by data subjects to exercise their GDPR rights (e.g. right to data portability, access, erasure, etc.);
  - Internal documentation templates covering privacy-related sections and contractual clauses;
  - Published documents on Group websites such as Privacy and Cookie Policies, as well as notices for Clients, Suppliers, Candidates, and Employees;
  - Procedure for issuing Data Processing Agreements (DPA) to suppliers;
  - On-demand support procedure for internal requests related to privacy and data security via the Group's ticketing system;
  - Support procedure for audits requested by clients and for incident/personal data breach response, also managed via the ticketing system;
  - Appointment of Data Protection Officers (DPOs) in Italy, Germany, and the United Kingdom;
  - Establishment of a Privacy & Security Team;
  - Designation of Company Privacy Focal Points within each Group company to assist Partners in fulfilling company-specific GDPR responsibilities (e.g. GDPR Registers)
- Use of a **Multi-Factor Authentication (MFA) system** to secure access to the Group's core systems (e.g., remote connections, email). This system is required for authorising personal access using a second authentication factor (e.g., push notifications for approval, SMS codes).
- Launch of a **mandatory e-learning programme on GDPR and data security**, targeted at all Group employees, along with in-person induction training sessions for Partners and Managers. These courses have been updated to reflect new corporate policies and processes, including recommendations for incident prevention, and complement the existing awareness initiatives such as the GDPR Framework course, specifically designed for Partners and Managers, covering personal data protection and IT security.
- Development of a **new information security awareness course**, valid across the entire Group, featuring mandatory content based on the employee's organisational level, along with additional voluntary content. In addition, new internal phishing campaigns have been launched across all Group companies. These initiatives are aimed at enhancing awareness and sensitivity to cybersecurity issues, which remain highly relevant. The phishing campaigns are designed to strengthen employee vigilance against email-based attack vectors.
- The **Chief Operating Officer (COO)**, who oversees the Group's IT systems, periodically **reports to the Board of Directors**, which includes experts in Information Technology.
- Implementation of a procedure for the **reuse or disposal of hardware** containing processed data. The aim of this procedure is to prevent any unauthorised access, use, or disclosure of data stored on hardware that is being reused, resold, returned after leasing, decommissioned, or otherwise repurposed or reassigned.

- The effectiveness of the actions undertaken is monitored through periodic audits and internal assessments, aimed at evaluating the efficiency of data protection measures and identifying potential vulnerabilities. These include:
- Scheduled audits of Group companies to verify the acceptance and implementation of the Client Data Processing Agreement (DPA) policy;
- Monitoring employee acceptance of internal policies and completion of mandatory training on privacy and data security;
- Cybersecurity audits, whose findings are brought to the attention of Top Management and contribute to defining remediation actions, aligned with the Group's strategy of continuous improvement in cybersecurity posture

The actions implemented have proven to be effective, as no serious human rights issues or incidents involving clients and/or end-users have been reported.
Below is an overview of the ongoing or planned actions aimed at pursuing material opportunities for Reply in relation to consumers:

DESCRIPTION OF OPPORTUNITIES	ACTIONS TO PURSUE OPPORTUNITIES
Increased demand for cybersecurity services	Structuring of specialised companies within the Group
Increased customer demand for IT sustainability solutions	Enrichment of the business offer with services related to IT sustainability Innovation activities in the field of IT sustainability
Development of IT and IoT solutions that respect the principles of digital ethics and accessibility	Definition of a framework for AI Ethics and its committee for appropriate monitoring of the issue

[S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Reply Group has not currently set specific targets for the management of material impacts, risks, and opportunities related to consumers and end-users. However, through its actions, the Group aims to continuously improve its practices and ensure the responsible use of technology.
The company recognises the importance of addressing emerging challenges in the fields of artificial intelligence and data security, and is committed to developing strategies that promote ethics, transparency, and the protection of consumer and end-user rights.
Moreover, Reply aims to regularly monitor and evaluate the impact of its technologies and policies, adjusting its strategies based on received feedback and regulatory developments. This proactive approach will not only help strengthen consumer trust, but also ensure that the company remains at the forefront of innovation.

Governance information

ESRS G1 Business conduct

[ESRS 2 GOV-1] The role of the administrative, supervisory and management bodies

Reply's **Corporate Governance** system complies with the provisions of the Corporate Governance Code for listed companies in Italy, published by Borsa Italiana S.p.A., version of January 2020, with appropriate adjustments based on the characteristics of the Group.
In accordance with regulatory requirements, Reply publishes an annual Corporate Governance and Ownership Structure Report, which provides an overview of the adopted governance model, the risk management and control structures, and the governance practices in place. More detailed information can be found in the "General Information" chapter, specifically in sections: GOV-1 – Role of the Administrative, Management and Supervisory Bodies, and GOV-2 – Information Provided to the Administrative, Management and Supervisory Bodies and Sustainability Matters Addressed, with reference to the governance framework for sustainability.
The Board of Directors consists of a variable number of members, ranging from a minimum of 3 to a maximum of 11, as determined by the Shareholders' Meeting.

Currently, the Company's Board of Directors is composed of 10 members, of which:

5 Executive Directors:

Mr. Mario Rizzante	Chairman and Chief Executive Officer
Ms. Tatiana Rizzante	Chief Executive Officer
Mr. Marco Cusinato	Chief Financial Officer
Mr. Filippo Rizzante	Executive Director
Ms. Elena Maria Previtera	Executive Director

1 Non-Executive Director:

Mr. Daniele Angelucci	Non-Executive Director

4 Independent Non-Executive Directors:

Ms. Patrizia Polliotto	Lead Independent Director
Ms. Secondina Giulia Ravera	Independent Director
Mr. Federico Ferro-Luzzi	Independent Director
Mr. Domenico Giovanni Siniscalco	Independent Director

The Non-Executive and Independent Directors contribute their specific expertise to board discussions, supporting the adoption of decisions that align with the best interest of the company.

The Operational Supervisory and Control Bodies of Reply include the Board of Statutory Auditors, the Sustainability Committee, and the Control and Risks Committee.

The **Board of Statutory Auditors** is composed of three Standing Auditors and two Alternate Auditors:

- Mr. Ciro Di Carluccio (Chair)
- Ms. Donatella Busso (Standing Auditor)
- Mr. Piergiorgio Re (Standing Auditor)
- Ms. Gabriella Chersicla (Alternate Auditor)
- Mr. Stefano Barletta (Alternate Auditor)

The **ESG Committee** is composed of:

- Ms. Tatiana Rizzante, CEO
- Mr. Domenico Giovanni Siniscalco, Independent Director
- Ms. Secondina Giulia Ravera, Independent Director

The **Control and Risks Committee** currently includes:

- Mr. Federico Ferro-Luzzi (Non-Executive and Independent Director)
- Mr. Daniele Angelucci (Non-Executive Director)
- Chaired by Ms. Patrizia Polliotto (Non-Executive and Independent Director, Lead Independent Director)

The responsibilities of the members of the Board of Directors and of the operational supervisory and control bodies are set out below:

Mario Rizzante (Chairman, CEO and Founder of Reply S.p.A.):
Graduated in Computer Science, he has over 30 years of experience in technology and innovation. He founded Reply in 1996 and led it to become a leader in the ICT sector, with international expansion and a focus on AI and cloud computing.
Tatiana Rizzante (CEO, Reply S.p.A.):
Computer Engineering graduate and co-founder of Reply. She is responsible for the Group's development strategy across various international markets and has solid expertise in innovation management. She is also a member of the Sustainability Committee.
Marco Cusinato (CFO, Reply S.p.A.):
Computer Engineering graduate, former Project Manager at Cluster Reply with experience in IoT and cloud computing. Currently manages the Group's financial operations.
Filippo Rizzante (Executive Director, Reply S.p.A.):
Computer Engineering graduate, joined Reply in 1999. Currently CTO, responsible for developing technology offerings and managing strategic partnerships.
Elena Maria Previtera (Executive Director, Reply S.p.A.):
Graduate in Computer Science with extensive experience in IT system management and the development of innovative technologies. As Executive Partner, she oversees the Group's tech companies and manages CRM and Customer Experience.
Daniele Angelucci (Non-Executive Director, Reply S.p.A.):
Graduate in Computer Science, with a long-standing career in the sector, including leadership roles at Mesarteam and Reply.
Patrizia Polliotto (Independent Director and Lead Independent Director, Reply S.p.A.):
Lawyer specialised in corporate law with extensive experience in extraordinary transactions and legal advisory for large enterprises. Holds leadership roles in various committees, including the Control and Risks Committee and supervisory bodies.
Secondina Giulia Ravera (Independent Director, Reply S.p.A.):
Graduate in Electronic Engineering and MBA holder, with a background at McKinsey & Co and leadership roles in telecoms. Currently serves as Independent Director at Reply and other major companies and is a member of both the Sustainability and the Control and Risks Committees.
Federico Ferro-Luzzi (Independent Director, Reply S.p.A.):
Full Professor of Private Law and lawyer. He holds a Law degree from La Sapienza University, Rome. Formerly involved in regulatory bodies at Consob and the Bank of Italy, and a member of the scientific committee of the "Privacy and Innovation" series. He collaborates with several leading legal journals.
Domenico Giovanni Siniscalco (Independent Director, Reply S.p.A.):
Law graduate (University of Turin) with a PhD in Economics from the University of Cambridge. Vice Chairman of Morgan Stanley since 2006. Former Director General of the Treasury (2001–2004) and Minister of Economy and Finance (2004–2005). Long-time economics professor and former Director of the Eni Enrico Mattei Foundation. Independent Director at Reply since April 2024 and member of the Sustainability Committee.

Ciro Di Carluccio (Chair of the Board of Statutory Auditors):
Entrepreneur and senior consultant, Founder and CEO of Archangel AdVenture, Italian Ambassador of Globalize Accelerator. Chair of the Board of Statutory Auditors at Reply S.p.A. and Alternate Member at UniCredit. Mentor at PoliHub (Milan) and the MIT Entrepreneurship Center (Boston). Former Senior Partner at Deloitte. Has served on national accounting and anti-mafia commissions.
Donatella Busso (Standing Auditor):
Full Professor at the Department of Management, University of Turin, and Affiliate Professor at ESCP Europe. Holds a degree with honours in Economics and Business, Chartered Accountant and statutory auditor, with experience in governance roles in listed and non-listed companies.
Piergiorgio Re (Standing Auditor):
Chartered Accountant since 1972, Registered Auditor since 1979. Has served in advisory roles and as board member in various companies. Former Full Professor at the University of Turin, author of multiple academic publications.

This governance model enables Reply to ensure a robust system of management, oversight and control, while supporting a structured approach to sustainability and risk management.

[ESRS 2 IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

The process of identifying and assessing impacts, risks, and opportunities related to business conduct was carried out by Reply through the double materiality assessment, as described in paragraph *[IRO-1] Description of the process to identify and assess material impacts, risks and opportunities* in the "General Information" chapter.
The Group recognises that a lack of corporate integrity and transparency can have a negative impact on the economic and social fabric in which it operates. In particular, potential cases of corruption may erode stakeholder trust and damage the Group's reputation, negatively affecting business relationships and the long-term sustainability of its operations.
Within the context of business conduct, the Group has identified an economic and reputational risk associated with the lack of development and implementation of a **procurement policy based on Environmental, Social, and Governance (ESG) criteria**.
The absence of a sustainable approach to procurement could undermine the company's attractiveness in the eyes of investors and business partners, who are increasingly focused on engaging with organisations that adopt responsible and sustainable practices.
To address these impacts and risks, the Group promotes actions aimed at ensuring transparency and integrity in procurement practices. These include the distribution of the Code of Ethics to all suppliers and the Supplier Code of Conduct to strategic suppliers. Additionally, the Group submits an ESG self-assessment questionnaire to strategic suppliers with more than 15 employees, in order to define and monitor their commitments in ESG areas.

These initiatives not only aim to mitigate the identified risks, but also represent an opportunity to enhance the Group's reputation, build stronger relationships with stakeholders, and contribute to a more sustainable and responsible business environment.

[G1-1] Business conduct policies and corporate culture

The oversight of ethics and compliance matters is ensured through the implementation of prescriptive instruments (such as Group policies), as well as organisational and operational tools (such as dedicated structures, procedures, and management and control systems). The dissemination and alignment of corporate culture within the Group is assessed through the sharing and acceptance of the Code of Ethics.
The Group has developed, adopted, and disseminated a set of policies designed to promote a culture of responsible conduct across the organisation. Globally uniform policies, such as the Code of Ethics, are in force throughout the Group, alongside country-specific policies designed to ensure alignment with local legislation and address issues relevant to each geographic area.
The Board of Directors reviews and evaluates updates to the Code of Ethics and the Group's main policies in response to changes in applicable local and international regulations, as well as to address material topics that have emerged from the double materiality assessment. Where applicable, Group policies are aligned with internationally recognised ethical standards, including relevant guidelines and conventions, while ensuring full compliance with local legislation. At this stage, setting targets and related actions for business conduct has not been considered a priority or strategic.
These policies are communicated to employees via the intranet and internal communication channels, and some are also publicly available on the Group's website.

The most significant policies are summarised below:

- **Code of Ethics:**
  Establishes the obligation to comply with applicable laws and outlines the ethical standards and values that the Group is committed to upholding and promoting. The Code sets out principles and rules of conduct and is addressed to all Group stakeholders—shareholders, employees, collaborators, suppliers, clients, and business partners—and also covers relationships with authorities and public institutions.
  The fundamental ethical principles for the Group include: professionalism and trust, legality and honesty, compliance with laws and regulations, impartiality, respect for diversity and non-discrimination, prevention of conflicts of interest, and fairness and transparency in all actions performed by the recipients of the Code. These values also apply to tax governance.
  The Code of Ethics is specifically shared with collaborators and suppliers to encourage adherence to Reply's ethical and sustainability standards. Its effectiveness is monitored

through stakeholder awareness and acknowledgement. The Code is approved by the Board of Directors.

- **Organisation, Management and Control Model (Model 231):**
  Describes the Group's internal compliance management system (pursuant to Legislative Decree 231/2001 in Italy) and outlines the procedures developed to mitigate the risk of criminal offences being committed by directors, managers, or employees in the interest or for the benefit of the Group.
- **Whistleblowing Policy:**
  To encourage the timely reporting of misconduct that may violate laws, the Code of Ethics or Group Policies, Reply has implemented a whistleblowing system in accordance with EU Directive 2019/1937. A dedicated platform is made available to both employees and external parties, ensuring they can report concerns without fear of retaliation.
  In Italy, whistleblowing training is incorporated into training on Model 231, while in other countries, the policy is available on the corporate intranet and on the Reply website.
  Members of the Supervisory Body have proven expertise in assessing reports of potential violations. The Whistleblowing Policy is approved by the CEO.
- **Anti-Bribery Policy:**
  Defines the system of rules intended to prevent and penalise corruption, both in the public and private sectors. The Group applies anti-corruption policies that comply with the local laws of the countries in which it operates, thereby ensuring a responsible and compliant approach. The policy outlines key areas of responsibility under local legislation, the duties of employees and associated persons acting on behalf of the company, and the consequences of violating the policy. The principles included in the policy are aligned with those of the United Nations Convention against Corruption.

The monitoring and evaluation of reports and emerging risks through the systems associated with Model 231, whistleblowing, and anti-bribery policies are carried out by the Supervisory Body.

In the area of training, both in Italy and abroad, specific onboarding and regulatory update courses are delivered, covering the topic of anti-corruption. In Italy, the training focuses on Model 231, while abroad, it is based on the content of the various anti-corruption and anti-bribery policies adopted by the respective Group companies.
For more information on anti-corruption training, please refer to the following section *[G1-3] Prevention and detection of corruption and bribery.*
Lastly, the Group has implemented a risk identification process to detect functions most exposed to corruption risks, such as Partners of companies operating in the public sector. This process enables proactive monitoring and management of the most exposed operations and processes, helping to ensure an ethical and responsible working environment.
For further details on Group policies, refer to the section *[MDR-P] Policies adopted to manage material sustainability matters* within the 'General Information' chapter.

[G1-2] Management of relationships with suppliers

Reply manages its procurement activities through direct suppliers, whose selection and contractual terms for the purchase of goods and services are guided by principles and values such as legality, fair competition, objectivity, fairness, impartiality, price equity, and quality of the good and/or service—along with a careful assessment of support guarantees and the range of available offerings.
Risks and impacts associated with the supply chain are detailed in chapter *[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model.*
Reply has established standard payment terms, with predefined options regarding timing. If a deviation from the standard is required, approval by the requestor's manager is mandatory. This structure allows the Group to respond promptly to supplier requests, with the possibility of expediting payment approval processes, ensuring that payments are made on time and in accordance with agreed terms.
Suppliers are required to accept both Reply's Code of Ethics and the Supplier Code of Conduct, which outline the Group's values and guidelines. Through this approach, the Group not only manages risks within its supply chain, but also promotes sustainable practices that reflect its commitment to social and environmental responsibility.
The Group currently conducts ESG-based self-assessment campaigns for suppliers with more than 15 employees. These campaigns are managed through a questionnaire that evaluates aspects related to the environment, health and safety, and commitment to ethical integrity and transparency in business practices.
Although strict environmental and social criteria are not currently applied in the supplier selection process, the self-assessment campaigns enable the Group to evaluate supplier ESG commitments and identify any critical issues, which are reviewed on a case-by-case basis.
For further details, refer to the 'Workers in the Value Chain' chapter, section *[S2-2] Processes for engaging with value chain workers about impacts.*

[G1-3] Prevention and detection of corruption and bribery

In Italy, for Reply S.p.A., the management of corruption is integrated into the Organisational, Management and Control Model 231, as required by applicable legislation. This model sets out the guidelines for preventing unlawful conduct within the organisation.
As mentioned in the previous section *[G1-1] Business conduct policies and corporate culture,* the Group has implemented various anti-bribery policies across the countries in which it operates, thereby ensuring compliance with local regulations and promoting ethical behaviour through the Code of Ethics and other policies that define expectations for business conduct in this area.
These policies are communicated to employees via the Group's internal communication

channels, the corporate intranet, and, in some cases, through dedicated training courses.
Corruption-related matters are effectively overseen by the Group. The whistleblowing system also allows for the reporting of potential corruption cases. In the event of a report or the detection of anomalies, a preliminary analysis process is triggered, which may involve consultation and, if necessary, the implementation of internal controls.
Ongoing and semi-annual controls over accounting records are carried out to ensure continuous monitoring of transactions.
The Supervisory Body is independent from the management line involved in the matter being reported. This ensures that investigations are conducted in an impartial and objective manner, in accordance with principles of fairness and confidentiality for all parties involved.
The Supervisory Body is responsible for verifying the validity of reports on behalf of Reply Group companies, conducting timely and thorough investigations. During these investigations, the Supervisory Body may request assistance from relevant internal functions or, where appropriate, from external consultants specialised in managing whistleblowing reports, provided that their involvement is necessary to ascertain the facts and ensure the confidentiality of the information.
At the conclusion of investigations, the Supervisory Body prepares a summary report detailing the investigations carried out and the evidence reviewed. This report is shared with the Board of Directors and the Supervisory Authorities. This communication enables the Board to develop any necessary remediation plans to address identified issues and take appropriate protective actions for the Group.
Additionally, the Supervisory Body periodically reports to the supervisory authorities on the types of reports received and the outcomes of its investigative activities, thereby ensuring transparency and appropriate reporting. In the event of substantiated reports involving criminal offences, the supervisory bodies are promptly informed.
Reply provides training programmes on the prevention of active and passive corruption. In Italy, training is delivered on Model 231, while in other countries, employees are required to review informational materials, including practical examples, provided in the Group's anti-bribery policies.
Training activities involve 100% of the functions identified as being most exposed to corruption risks, such as Partners of companies operating in the public sector, who receive additional training on this topic.
Training is provided directly to executive members of the Board of Directors, while non-executive members are kept aligned with the policies as part of the approval process. At this stage, setting targets and related actions for the prevention and detection of active and passive corruption has not been considered a priority or strategic.

[G1-4] Incidents of corruption or bribery

In 2024, Reply did not record any convictions for violations of laws relating to active or passive corruption.

[G1-6] Payment practices

In 2024, the average time taken by Reply to pay an invoice was 51 days. This figure was calculated using the standard DPO (Days Payable Outstanding) formula, by comparing trade payables with the costs reported in the consolidated financial statements and multiplying the result by 365 days. The standard payment terms, considering all third-party suppliers, range between 30 and 60 days. Reply's suppliers are divided into two main categories: external collaborators and suppliers of other goods and services, with no differences in payment terms between the two groups. 100% of payments were made within the standard payment terms. In 2024, there were no legal proceedings initiated due to delayed payments.

Business Outlook and Allocation of net result

Events subsequent to 31 December 2024

No significant events were reported after 31 December 2024.

Business Outlook for the year 2025

In 2024, in a macroeconomic scenario characterized by uncertainties and profound transformations, we continued to grow, supported by the solidity of our model based on a network of highly specialized companies. In recent months, we have further strengthened our leadership position in the fields of digital creativity, system integration and artificial intelligence. We have leveraged the uniqueness of our Group, capable of combining high-level skills in strategic consulting with a very deep technological know-how, covering the entire innovation life cycle.

At the end of 2022, with the spread of tools such as ChatGPT, the world became aware of the revolutionary scope of algorithms and Large Language Models. Today, artificial intelligence has crossed the threshold of innovation to become an essential pillar of industrial and social transformation. In the coming months, its applications will no longer be limited to improving what already exists, but will give rise to new ways of operating, new business models and entire categories of products and services that were previously unthinkable.

In this scenario, the directions of evolution of technology are well defined and touch all the sectors where we are active, with artificial intelligence, AR/VR, cloud robotics and cybersecurity positioning themselves as the new competitive levers on which most of companies' ICT investments will focus in the coming months.

At the same time, in 2024 Reply further strengthened its commitment to a sustainable future, with initiatives aimed at integrating sustainability aspects into our operating activities and business models. Innovation and responsibility have long guided all our strategic choices. We believe that digital ethics must be a central element of technological evolution, to ensure the creation of value in a sustainable way for society and the market.

Sustainability is a constantly evolving path. This is why we will continue to invest in innovative technologies, sustainable business models and initiatives with a positive impact, with the aim of generating shared value for all our stakeholders.

Looking to the future, we are aware that the transformation we are experiencing is only the beginning. AI will continue to redefine our industry and the global economy. The challenge is great, but so are the opportunities connected to it: we must be not only users of these technologies, but architects of their development, in a responsible way in order to guide the change and not suffer it.

Motion for the approval of the financial statements and allocation of the result for the financial year

The financial statements at year end 2024 of Reply S.p.A. prepared in accordance with International Financial Reporting Standards (IFRS), recorded a net income amounting to 50,644,327 Euros and net shareholders' equity on 31 December 2024 amounted to 743,595,624 Euros thus formed:

(euros)	**31/12/2024**
Share Capital	4,863,486
Legal reserve	972,697
Reserve for treasury shares on hand	17,122,489
Other reserves	669,992,624
Total share capital and reserves	**692,951,296**
Net income	50,644,327
Total	**743,595,624**

The Board of Directors in submitting to the Shareholders the approval of the financial statements (Separate Statements) as at 31 December 2024 showing a net result of 50,644,327 Euros, proposes that the shareholders resolve:

- to approve the financial statement (Separate Statements) of Reply S.p.A. which records net profit for the financial year of 50,644,327 Euros;
- to approve the motion to allocate the net result of 50,644,327 as follows:
    - a unit dividend to shareholders amounting to 1.15 Euros for each ordinary share with a right, therefore excluding treasury shares, with payment date fixed on 21 May 2025, coupon cut-off date 19 May 2025 and record date, determined in accordance with Article 83-terdecies of Legislative Decree no. 58/1998 set on 20 May 2025;
    - having the Legal reserve reached the limit of one fifth of the share capital pursuant to article 2430 of the Italian Civil Code, the residual amount to be allocated to the Retained earnings reserve;
- to approve, pursuant to Article 22 of the Articles of association, the proposal of the Remuneration Committee to distribute to Directors entrusted with operational powers, a shareholding of the profits of the Parent Company, to be established in the amount of 3,400,000 Euros.

Turin, 13 March 2025
/s/ Mario Rizzante
For the Board of Directors
The Chairman
Mario Rizzante