

MTD SUSTAINABILITY REPORT 2023

MTD

Medical Technology and Devices

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MTD
SUSTAINABILITY
REPORT
2023

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MESSAGE FROM THE CEO

Dear Stakeholders,

I am pleased to present our latest Environmental, Social, and Governance (ESG) Report, showcasing our steadfast commitment to sustainability and responsibility. As a company dedicated to health, we are constantly alongside patients and individuals in their daily health management, as well as we are daily engaged to support healthcare professionals in their vital work.

We are aware of the significant impact our industry has on the world, and this awareness shapes our priorities. Our primary goal is to empower individuals to overcome all barriers to health management. We achieve this by developing solutions that are increasingly easy, intuitive, and comfortable, thereby improving adherence to therapies, treatments, and minor care interventions.

For healthcare professionals, our mission is to minimize the risk of infections and accidents within hospital settings, particularly accidental needlesticks. By providing safer, more reliable tools, we help make their daily practices less stressful and more efficient.

Furthermore, our research and development is committed to invent and scout products more green and more sustainable so to reduce the impact for the planet.

This commitment not only benefits patients and healthcare professionals but also supports healthcare systems by alleviating the economic and operational burdens associated with these challenges.

Moreover, we believe that strong, transparent governance aligned with our values is essential for ensuring a cohesive and sustainable approach across our operations. MTD's corporate governance principles emphasize responsibility and reliability towards shareholders and stakeholders. The Board of Directors and top management are the custodians of these core values.

Our achievements are made possible by the extraordinary people within our organization. We strive to foster an environment where each team member can thrive, recognizing the intrinsic value of their contributions to improving health outcomes.

Together, we are not just enhancing health and safety; we are building a healthier, more sustainable future for all.

Charles Bouaziz
CEO MTD Group

1. WE ARE MTD

Simplifying Healthcare.
Through our expertise
in Painless solutions,
Innovation, and Care for
the future, we enhance
and simplify healthcare
in everyday life.

MTD mission is to provide a wide range of medical devices to patients and caregivers, both for professional and home care, while continuously enhancing healthcare accessibility, safety, reliability, and simplicity. MTD is

committed to positioning itself as a leader in the med-tech industry by leveraging technological advancements and human progress to address the challenges faced by the healthcare sector. In doing so, the company strives to create value not only for the market but also for society as a whole.

OUR VALUES



Innovation & quality

Constant quality improvement, innovation and new technologies are the core of HTL-Strefa's and Pikdare's heritage. The company continuously invests in research and development to offer cutting-edge solutions.



Lifelong learning

The understanding of different local needs, thanks to our global presence, the successful innovations over the years, the continuous fine-tunings on existing products, as well as numerous lessons learned during the process, build MTD's unique know-how, the company's main assets, that is reinforced daily by the desire to continue doing and learning.



Passion

MTD's "engine" is constantly fueled by the passion for excellence and the desire to improve our talented people, who are constantly engaged in a creative and innovative work process.



Reliability

Meeting and exceeding expectations, while fulfilling the promise of quality, safety, innovation, and integrity every day, is the goal that MTD sets itself before customers, markets, partners, and all the other stakeholders.



Sustainability

Environmental, social and governance matters are deeply embedded in our corporate culture, and sustainability is a key element of the Group's business model. Ethical management is at the heart of every business decision.

1.1. OUR IDENTITY

MTD stands as a prominent group within the medical technology and devices manufacturing sector. Headquartered in Italy, we offer an extensive selection of medical devices useful to both professional healthcare providers and patients. We mainly concentrate on diabetes management devices, electro-medical equipment, products for wound care, as well as solutions for medical self-care.

The foundation of MTD dates to the year 2018, following the merge of two well-established entities in the medical sector, Pikdare and HTL-Strefa. With a collective experience spanning over 80 years, these companies have developed experience in the sector that has enabled them to become one of industry leaders. The strategic union of these two entities joined their individual strengths, thus creating a stronger organization which leads progress in the healthcare technology industry.



Pikdare is a major designer, manufacturer, and distributor of medical self-care products, specializing in diabetes products such as pen needles and glucometers, as well as

other products such as needles, syringes, woundcare devices, blood pressure monitors, nebulizers, thermometers, and various healthcare devices. Its primary brand, Pic, is widely recognized in the market. The company is based in Italy and provides custom solutions through its cutting-edge manufacturing facility; its products are now accessible in nearly 100 countries worldwide.

droplet®



HTL-Strefa is a global leader in the development, design, and manufacture of diabetes products for drug delivery and capillary blood sampling, with a primary focus on safety sharps. The company is widely known as the pioneer of the "safety lancet" product category. With advanced production facilities located in Poland, HTL-Strefa is a major global player in the diabetes and safety medical sharps industry. The integration of Pikdare and HTL-Strefa has brought together their complementary product portfolios and expertise, enabling MTD to offer a wide range of products that cater to the diverse needs of its clients worldwide.

Both areas of MTD's excellence, diabetes, and safety sharps on one side and self-care medical devices on the other, rely on the long-standing heritage and expertise of Pikdare and HTL, and steadily enhance the globally recognized leadership of the Group.

1.1.1. OUR STORY

1963

The first disposable syringe with a **painless needle** is launched on the market;

1982

Launch of the **Pic brand** and entry into the self-medication sector. The launch is a great success with end consumers in the Italian pharmacy channel;

1990

Pic begins its **international expansion** (with a direct presence in France and Spain);

1992

The **Pic Professional** brand is born, aimed at the hospital and professional world;

1994

Foundation of HTL and invention and distribution of the first **safety lancet**;

2000

Pic develops a line of innovative solutions dedicated to the treatment of **diabetes**;

Opening of HTL's first manufacturing plant in **Ozorków** (Poland);

2004

Pic updates the **needle** category (32G and 33G needles), establishing its leadership in the insulin pen needle sector;

HTL creates a **full range of lancets**;

2007

Opening of the HTL production plant in **Łęczyca** (Poland) and establishment of a direct HTL presence in the US to directly supply major US customers;

2010

Pic enters the market in the **UK, Greece**, Nordic countries and **Serbia** with new distributors;

2016

HTL launches the **safety pen needle**, while Pic further consolidates its leadership in the sharps sector with the launch of the 34G x 3.5 mm pen needle, the thinnest and shortest pen needle in the world;

2018

MTD established from the merger of Pikdare and HTL;

2020

MTD launches Micron 34G x 3.5 mm in the US under the **Droplet brand**;

2021

MTD opens its fourth production site, located in **Bydgoszcz**, Poland. **MTD Exchange**, a platform for knowledge sharing in the medical-scientific field, is also unveiled;

MTD builds a **COVID portfolio** and develops a **low-dead space** syringe to support the vaccination campaign and meet the needs that arise during the COVID-19 outbreak;

2022

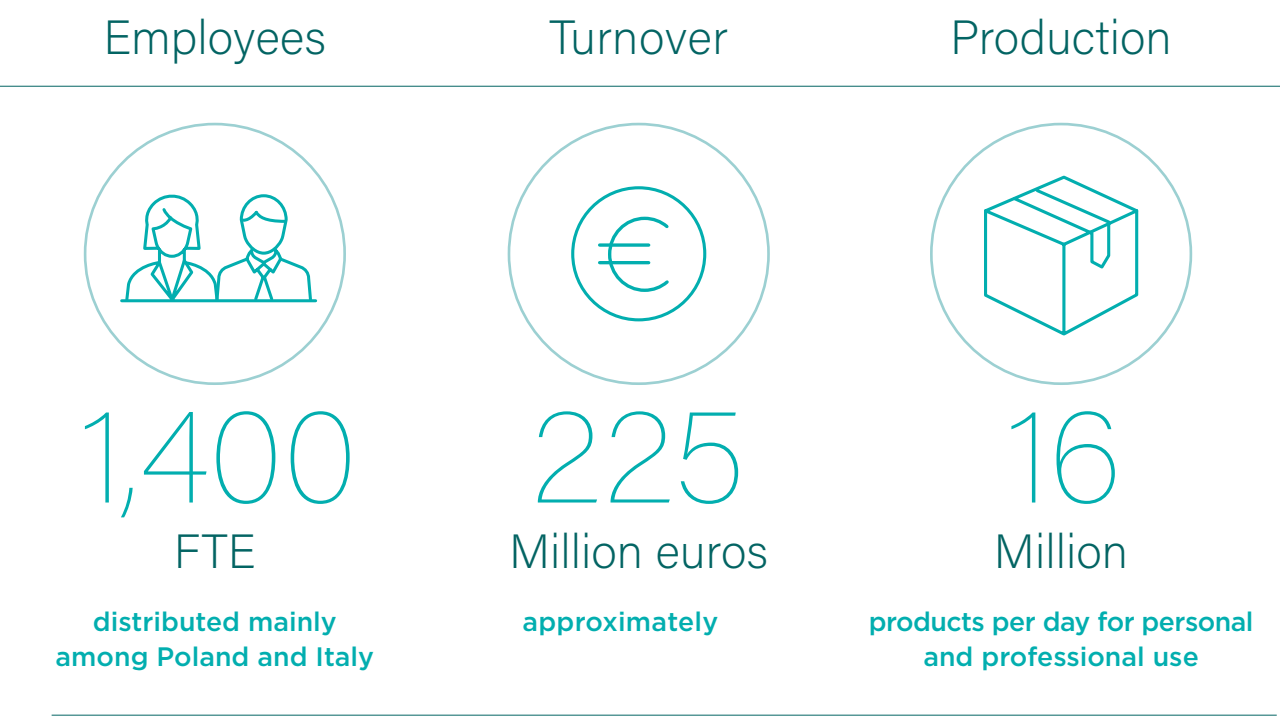
MTD launches the **passive safety needle**, a fully passive injection device designed to eliminate the risk of needlestick injuries;

2023

MTD joins the **United Nations Global Compact**.

1.1.2. OUR GROUP

The MTD Group is composed of Pikdare., a company spun off from Artsana S.p.A. in 2017, and HTL-Strefa, acquired in 2018. MTD Group is owned by two private equity funds: a fund overseen by Investindustrial, holding the majority stake, and a fund managed by QuattroR SGR.



To December 31, 2023

The headquarters of MTD are located in Northern Italy, with sales and distribution centers spread throughout Italy, Poland, the United States, and France. The Group oversees four manufacturing sites covering a total area of 135,500 square meters. Three of these facilities are in Poland, managed by HTL-Strefa, and focus on producing personal and safety lancets, as well as pen needles primarily for diabetes care. The Italian facility, operated by Pikdare, mainly manufactures pen needles and other medical sharps.

A third Polish production plant, located in the newly established industrial area of Bydgoszcz, was officially opened in 2021. This site features advanced molding technologies designed to enhance flexibility and uphold MTD's high standards of quality and innovation. All manufacturing locations are equipped with state-of-the-art research and development capabilities, advanced and managed by a specialized unit, MTD Engineering. This innovation center is responsible for designing MTD's product range and extends its expertise in product and service development to various other sectors.









Headquarters

**Commercial and
distribution offices**

1.1.3. OUR PORTFOLIO

MTD manufactures a wide range of medical devices designed to meet the healthcare needs of individuals globally. Our products are distributed under the **PIC solution**, **Drop-let**, and **Dropsafe** brands, with a focus on the production of specialized diabetes care equipment and other essential products that significantly contribute to maintaining peoples’ daily health.

MTD’s product range is mainly divided into three product groups: medical sharp devices, consumer electronics and pharmaceutical

self-care. The “**Medical Sharp**” category includes both conventional and safety sharps instruments for medical personnel and patients. The “**Consumer electro-medicals**” category corresponds to consumer health products, presenting user friendly solutions for everyday health issues. The “**Pharma self-care**” category includes products that do not involve healthcare professionals in their use. These three product lines highlight MTD’s commitment to delivering support to both patients and healthcare professionals.

Medical Sharp

droplet®

DropSafe™

State-of-the-art medical instruments, crafted to enhance the safety and ease of treatments for both healthcare providers and patients, include safety lancets, insulin pen needles, injection syringes, and other sharps.

Products within the Medical Sharp segment are primarily designed for diabetes management;

they equip both end-users and healthcare providers with an extensive suite of medical tools for the accurate diagnosis and effective drug delivery. Both HTL and Pikdare serve this category, with HTL taking the lead on devices designed with safety in mind. These innovative products aim to improve safety and efficiency within the scope of diabetes care management.

Passive safety needle



Syringes kit



Mesotherapy needle



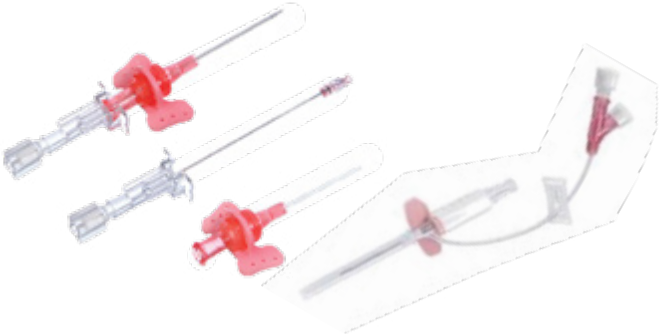
Standard and safety scalp vein sets



Standard and safety I.V. Catheters



Safety catheter blood control and closed system



Spinal needles



Complementary products



Barrier bandage



Catheter fixation plasters



Post blood sample plasters

Standard and safety needles



Syringes and syringes with standard or safety needles



Safety lancets



Lancing device and lancets



Standard and safety pen needles



Digital & Glass Thermometers



IR connected thermometers



Blood glucose measurement kit



Standard and safety insulin syringes



Digital BPM



Connected BPM



Consumer electro-medicals

An extensive array of cross-disciplinary medical instruments and self-treatment medical solutions: thermometers, band-aids, patches, nebulizers, blood pressure monitors and others, all designed for straightforward and user-friendly application to simplify everyday routines.

Through its renowned Pic brand, MTD pre-



sents the Consumer electro-medicals line of products, which includes a broad variety of thermometers, nebulizers, thermal bandages, self-diagnostic instruments, nutritional supplements, blood pressure devices and wound care solutions. Designed in Italy with attention to detail, these items address diverse health requirements and foster enhanced overall health.

Piston nebulizers



Mesh nebulizers



Pharma self-care |

A wide range of healthcare products for individual health and well-being which do not require healthcare professionals’ assistance and help patients to self-medicate: pain relievers, wound care, eye care, foot care, oral care, cold and flu remedies, and more.

This category includes a wide range of over-the-counter (OTC) medicines, food supplements, personal care products and health articles that can be easily purchased and used by consumers without a prescription. Engineered to facilitate the seamless management of common health

concerns, these products empower individuals to address everyday health issues autonomously, thereby promoting self-reliance and well-being. Within this array of self-care products, “Green plasters” emerge as a targeted and highly effective solution for the management of surgical wounds. Their formulation has been carefully designed to prioritize the use of naturally sourced materials and be responsive to consumers’ need of being able to self-medicate post-operative wounds, delivering a level of expertise and care that reflects the MTD brand’s commitment to wound protection.

Fixing bandages



Footcare



Nasal products



Pregnancy tests



Hot&cold therapy



Sanitary mix



Tech woundcare



Green woundcare



Classic woundcare



1.1.4. OUR VALUE CHAIN

In 2023, the MTD Group reported a direct economic value of more than €225 million. This value was allocated across multiple stakeholders, including operating costs, workforce compensation, capital providers, governmental bodies, and local communities. The

Group’s strategy for reallocating economic output allows it to create additional value and support ongoing socioeconomic development. In this year, the economic value distributed by the Group was nearly €217 million.

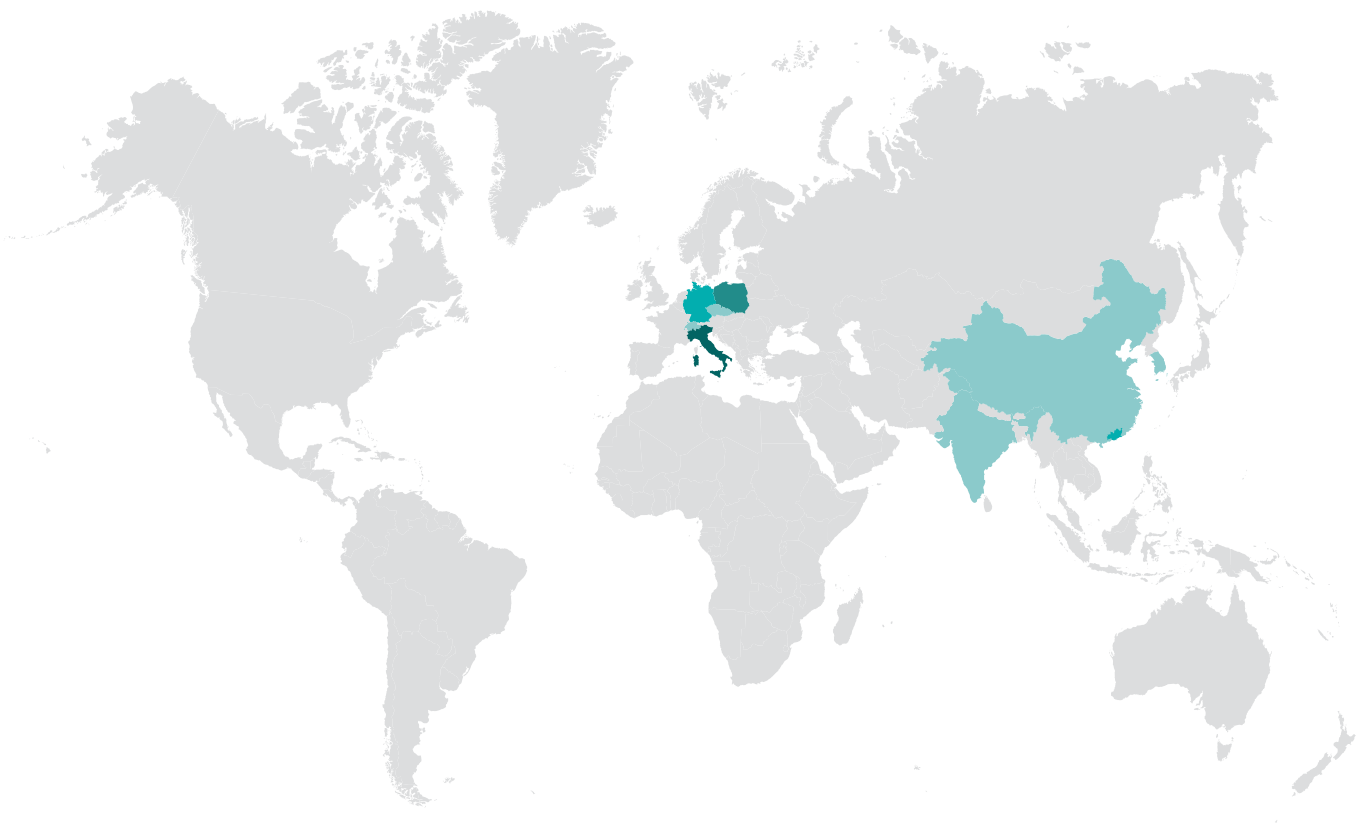
	2020	2021	2022	2023
Direct economic value generated [k€]	244,688	274,839	251,217	225,430
Direct economic value distributed [k€]	205,300	237,419	238,318	217,173
Operating costs	127,788	155,939	150,417	121,395
Employee wages and benefits	53,772	55,347	55,506	56,499
Payments to providers of capital	21,311	21,841	31,813	36,039
Payments to government	2,266	4,155	459	3,090
Community investments	163	138	124	150
Economic value retained [k€]	39,388	37,420	12,899	8,257

Throughout the year, the MTD Group engaged with nearly 1,200 vendors for its procurement needs. Despite the worldwide shortage of raw materials, the Group successfully sustained its manufacturing processes and guaranteed the uninterrupted supply of its products by adopting a dual sourcing strategy for critical raw materials. This approach entails procuring identical materials from two disparate sources, which allows the Group to enhance its procurement options, even during periods of limited availability.

Total procurement spending has decreased by 36% compared to the year 2022, primarily due to market conditions and measures implement-

ed by the Group to reduce stock levels. Regarding the distribution of spending, the most significant share was allocated to vendors in Italy (50%), with Hong Kong (14%) and Poland (12%) trailing behind. It is noteworthy that around 80% of the purchasing expenditure is attributed to suppliers located within Europe.

In Pikdare, most of the procurement expenditure was designated for finished products (45%), raw materials for daily production and packaging (13%), and logistics providers (9%). In HTL, the main procurement costs were related to suppliers of raw materials and packaging (71%), maintenance and repair services (6%), and other external services (5%).



- Areas where purchased value is more than 30%
- Areas where purchased value is more than 20%
- Areas where purchased value is more than 5%
- Areas where purchased value is less than 5%

% OF PURCHASED VALUE BY COUNTRY

36% Italy	5% Germany	3% South Korea
21% Poland	4% Belgium	2% India
15% Hong Kong	3% Switzerland	1% Czech Republic

Pikdare and HTL are committed to fostering ethical and fair partnerships with their supply network, as demonstrated by the endorsement of the Code of Ethics by 44% of MTD’s suppliers. Furthermore, suppliers undergo evaluation to confirm the ISO 13485 certification ownership, which represents the globally recognized standard that a medical device company must adopt to show adherence to MedTech regulatory requirements.

The Group strives to elevate vendor performance through the adoption of selection and evaluation processes that account for quality criteria and compliance with human rights principles. With this objective, the Group is examining new methodologies for incorporating environmental and social criteria into their supplier selection and evaluation procedures. However, in the year 2023, the Group did not execute any evaluations of vendors based on environmental or social criteria.

1.1.5. OUR CORPORATE GOVERNANCE

MTD's corporate governance principles emphasize the significance of accountability and reliability to both shareholders and stakeholders. The responsibility of these fundamental principles is in the hands of the company's leadership, including the Board of Directors and top management. As a result, MTD guarantees the implementation of strategies and actions, including effective strategic planning, succession planning, skill qualifications for directors, independence, equitable remuneration, and non-discriminatory employment practices; notably, there were no recorded incidents of discrimination during the reporting year. Although MTD has not introduced an Executive Committee, it has instituted an internal ESG Committee tasked with formulating proposal and strategic directions to be presented to the Board. Transparency and an efficient dialogue are key components of MTD's management structure. The CEO and the management team engage in transparent communication with the entire workforce to promote prompt decision-making. Similarly, the management team benefits from direct contact with the Board of Directors members, fostering effective collaboration and information sharing.

MTD Board composition and local subsidiaries

In accordance with the principles of Corporate Governance, MTD Group is administered by its holding entity's directives, whilst its affiliate companies maintain independence and autonomy in their decision-making process, complying with the strategic guidelines set by the holding company.

The Board of Directors is composed by delegates from each of the shareholder groups, a jointly appointed Group CEO, and an independent Chairman mutually appointed. The Board is responsible for determining the medium to long strategy, developing the industrial plan, allocating MTD Group's yearly financial budget, deciding on major issues and annually assessing the CSR performance. This robust governance framework ensures the company's commitment to responsible and equitable operations, underpinned by transparency and dependability.

The Board is composed of seven all-male members, 43% of whom are between 30 and 50 years old, while the others are over 50 years old. The varied insights of MTD's board enhance the company's drive for a broad spectrum of perspectives, experiences, and expertise. During the year, the Board did not participate in any educational sessions on sustainability subjects, although such sessions will be delivered in forthcoming years.

As described above, the Board holds final authority over decision-making; its mandatory approval is required for any topic, decision, or matter that may pose a conflict of interest or impact the interests of key stakeholders. To ensure promptness, efficacy, and reliability in decision-making, the Group CEO has comprehensive authority to oversee both significant decisions and the day-by-day business operations of the Group.

The holding company outlines the overall guidelines and the strategic trajectory, which are then disseminated throughout the subsidiary entities accordingly.

MTD is dedicated to managing direction and coordinating management (direzione e coordinamento) as stipulated in Articles 2497 et seq. of the Italian Civil Code over its Subsidiaries, in



accordance with the applicable laws and the provisions of their respective by-laws, along with the principles of (a) proper and sound corporate and entrepreneurial management, and (b) legal and management autonomy of the Group's entities.

Considering the above-mentioned structure, MTD has established a governance model that holds the distinct interests of each affiliate under its direction and coordination activity. This guarantees MTD and its directors to fulfil their duties in accordance with applicable laws and regulations, to carry out a single commercial and strategic project and to enhance synergies within the Group.

Consequently, MTD has approved a comprehensive set of regulations that detail (I) the procedures through which MTD performs its managerial direction and coordination of the Subsidiaries, (II) the obligations of the Subsidiaries arising from being subject to MTD's direction and coordination, (III) the strategic direction and external management role of MTD, and (IV) the communication dynamics between MTD's board and the management bodies of the Subsidiaries (the "Regulation"). This Regulation maintains the autonomy of the governance structures of each Subsidiary.

The daily operations of the MTD Group are

monitored by a proficient and structured Global Management Team (GMT). Under the direction of the Group CEO, Charles Bouaziz, who has over 35 years of experience in different businesses worldwide, the GMT and the entire MTD Group assure a high standard of competence and reliability.

The GMT members also hold positions on the boards of the Subsidiaries, guaranteeing that each entity's managerial approach is in line with the overall strategic goals of the Group.

Ethics and transparency

MTD is strongly committed to the prevention of bribery and corruption episodes. To achieve this goal, MTD mandates that each subsidiary enforces strict protocols in compliance with the local legislation and inspired by best practices. Over the course of the year, there were no verified episodes of corruption.

MTD has a whistleblowing policy as well as a Code of Conduct and a "Diversity and Inclusion" policy, thereby setting up a specific mechanism for employees to flag any violations of these directives. All individuals engaging with MTD are required to adhere to these guidelines.

1.2. HOW WE CARE FOR SUSTAINABILITY

MTD Group’s commitment to sustainable practices comes from the rich heritage of HTL and Pik-dare, that integrate sustainability principles into their business operations. Throughout their history, they have adopted an ethical approach and have consistently stressed that integrity is a fundamental aspect of their internal operations as well as within their value chains. In 2020, the Group took a decisive step to amplify its dedication to sustainability by elab-

orating an extensive strategy for sustainable development. In accordance with this goal, by publishing this fifth edition of Sustainability Report, we reiterate our commitment to transparency to address the expectations of stakeholders. Within this report, readers will find a detailed stakeholder analysis and a materiality matrix, as well as significant non-financial information and data highlighting the company’s evolutions and impact in the realm of sustainability.

1.2.1. SUSTAINABILITY STRATEGY

In 2021, MTD defined a sustainability strategy that aligns with the Group’s identity and sector of engagement. The goal was to develop an integrated framework built upon four main pillars, each with specific targets. This approach allows for the formulation of materials and measurable data the use of specific resources, and the evaluation of foreseeable impacts. In addition, each pillar of the sustainability strategy is closely linked to specific United Nations Sustainable Development Goals (SDGs).

The strategy has twofold objective:

- 1. aims to enhance accessibility to medical care for patients – especially those living with chronic diseases, such as diabetes – by developing intuitive, easy-to-handle products.

- 2. underlines the commitment to protecting healthcare workers with initiatives aimed at eliminating the risk of accidental needle-stick injuries.

These important goals consider the impact that products have on all users, as described in Chapters 2 and 3.

To fulfill these striving goals, MTD puts people first in its strategic vision. This encompasses our customers, healthcare professionals, and employees. That is why we firmly invest in caring for our workforce, their career development, and the promotion of internal skills. These factors are crucial for the Group, as they encourage and strengthen the expertise and abilities that distinguish

MTD’s offerings, as elaborated in Chapter 4.

Moreover, MTD is mindful of the environmental impact of raw materials essential for its product manufacturing. The Group, commit-

ted to reducing the environmental impact of its activities, emphasizes the importance of innovation and continuous improvement in creating environmentally sustainable products, as explained in Chapter 5.



ESG MTD STRATEGY

1. Improve healthcare focusing on access to care and adherence To treatments for patients and safety for HCPs



- **PATIENTS**
Create and develop innovative, simple and affordable solutions to remove any physiological barrier that prevent people from taking care of themselves and accompany patients with chronic diseases, like people with diabetes.
- **HEALTHCARE PROFESSIONALS**
Develop safety medical devices to protect HCPs in hospitals, clinics, laboratories, medical practices, and wherever patients and professionals need to feel safe and protected.
- **EMERGING NEEDS**
Detect and respond quickly to the emerging needs in healthcare, to stay close to healthcare systems and patients by innovating and expanding the product portfolio.
- **EDUCATION**
Education/awareness raising for HCPs, pharmacists and, ultimately, patients to improve treatment experiences.

2. People: safety, inclusion and empowerment



- **HEALTH AND SAFETY IN THE WORKPLACE.**
Continuously improve and ensure safety standards for those who work with us and develop a Group Culture upon the importance of health and safety in the group premises (offices and plants).
- **EMPOWERING PEOPLE, ACCOUNTABILITY, DIVERSITY&INCLUSION**
- **WELFARE AND WELLBEING**

3. Innovation and development of products looking at sustainability



- **INNOVATION AND PRODUCT DEVELOPMENT**
Develop innovative products and processes in order to guarantee the health and safety of consumers and HCPs, supporting and strengthening the culture of sustainability in MTD.
- **ENVIRONMENTAL IMPACT**
Continuously improve the environmental impact of industrial operations in terms of energy consumption, air emissions, waste management, responsible use of materials, and sustainable packaging.

4. Ethics and integrity

- **CORPORATE CULTURE**



UNITED NATION GLOBAL COMPACT

As one of the world’s largest corporate sustainability initiatives, the UN Global Compact provides a universal language for corporate responsibility and a framework to guide all companies and organizations regardless of size, complexity, or location, aligning their strategies and operations with the Ten Principles listed below, related to **human rights, labor conditions, environmental protection, and anti-corruption efforts**.
The initiative was first launched in 2000 and has grown to include over 13,000 companies worldwide. It relies on a platform with a global reach and multi-stakeholder connections to help businesses cooperate in shaping the sustainability agenda and become a force for good.

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

Human rights	Labour	Environment	Anti Corruption
1. Business should support and respect the protection of internationality proclaimed human rights	3. Business Should uphold the freedom of association and the effective recognition of the right to collective bargaining	7. Business should support a precautionary approach to environmental responsibility	10. Businesses should work against corruption in all its forms, including extortion and bribery
2. Make sure that they are not complicit in human rights abuses	4. The elimination of all forms of forced and compulsory labour	8. Undertake initiatives to promote greater environmental responsibility	The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
	5. The effective abolition of child labour	9. Encourage the development and diffusion of environmentally friendly technologies	
	6. The elimination of discrimination in respect of employment and occupation		

In 2023, MTD signed on to the UN Global Compact, officially affirming its adherence to the initiative. The Group dedication has evolved into a tangible roadmap underpinned by a sus-

tainability strategy structured around UNGC **four pillars**. Each pillar is defined by a set of specific objectives aligned with the United Nations Sustainable Development Goals (SDGs).



1

Improve healthcare focusing on access to care and adherence to treatments for patients and safety for HCPs.

MTD is committed to developing innovative solutions that empower patients to overcome the obstacles preventing them from self-medicating. The core objective is to enhance access to healthcare, particularly for individuals managing chronic conditions such as diabetes, by offering easy-to-use, innovative products that promote therapy adherence and drive superior outcomes. Furthermore, the Group works closely with healthcare facilities to develop medical safety devices designed to protect healthcare professionals. Additionally, MTD aims to provide educational opportunities and raise awareness among healthcare workers, thereby enhancing the overall care experience for all involved.



2

People: safety, inclusion and empowerment

MTD upholds rigorous safety standards for all its associates worldwide, by implementing targeted initiatives to foster a culture of health. The Group is deeply committed to empowering individuals by fostering skill development, enhancing well-being, and promoting diversity and inclusion through educational initiatives. In line with this commitment, MTD has developed a Diversity and Inclusion Policy, which sets out the Group's mission, strategy and practices aimed at creating a work environment that values diversity.



3

Innovation and development of products looking at sustainability

The Group places significant emphasis on managing and reducing the environmental footprint of its industrial operations. This commitment extends across various aspects, including energy consumption, air emissions, waste management, responsible material usage, and sustainable packaging. As a result, MTD is dedicated to advancing and innovating its product line, striving to develop cutting-edge devices that not only prioritize the health and safety of consumers and healthcare professionals but also uphold environmental sustainability, by incorporating eco-friendly practices and materials into product development and manufacturing processes.



4

Ethics and integrity

The concept of sustainability is merged with ethics and integrity, creating the basis that guides business practices both internally and throughout the entire value chain. In alignment with this commitment, the Group has instituted its Code of Ethics, delineating the fundamental principles that every member of the organization must adhere to. Indeed, interactions and conduct at all levels must be based on the values of legality, honesty, fairness, integrity, confidentiality, transparency, and mutual respect. Furthermore, the operations of MTD and its employees must align with these principles, even when conducting business in foreign territories. All parties are also obliged to adhere to the laws and regulations of the respective countries.

MTD endorses the UN Global Compact's mission to initiate a global movement of sustainable companies and stakeholders, with the goal of creating a future that everyone can as-

pire to. The Group is dedicated to integrating the ten principles of the UN Global Compact into its business strategy, daily operations, and organizational structure.

1.2.2. SUSTAINABILITY GOVERNANCE

MTD places great value on the continuous improvement of its sustainable performances, fostering a sustainability corporate culture and following an established strategy towards this end. With this goal in mind, MTD took decisive action in 2020 to establish the Environmental Social and Governance (ESG) Committee. This committee was composed of key senior managers from different Group

entities, representing all the most relevant departments. Its critical function is to ensure the effective integration of sustainability practices across the company's operations. Additionally, the implementation of the ESG Policy has been entrusted to the Chief Corporate Officer and HR, in combination with the Chief Communication Officer, who work collaboratively with a dedicated team.

The committee's role is to support the CEO, who has a broad ESG power of attorney, and the MTD Board of Directors in specific tasks. These tasks include:

- setting the general **strategy on ESG matters**;
- **developing, implementing and monitoring** initiatives and policies derived from this strategy;
- **overseeing communications** related to ESG topics with employees, investors, and stakeholders;
- **monitoring and assessing** developments concerning ESG themes, improving MTD Group's comprehension of ESG matters, and ensuring prompt and effective disclosure of ESG-related information to both internal and external stakeholders.

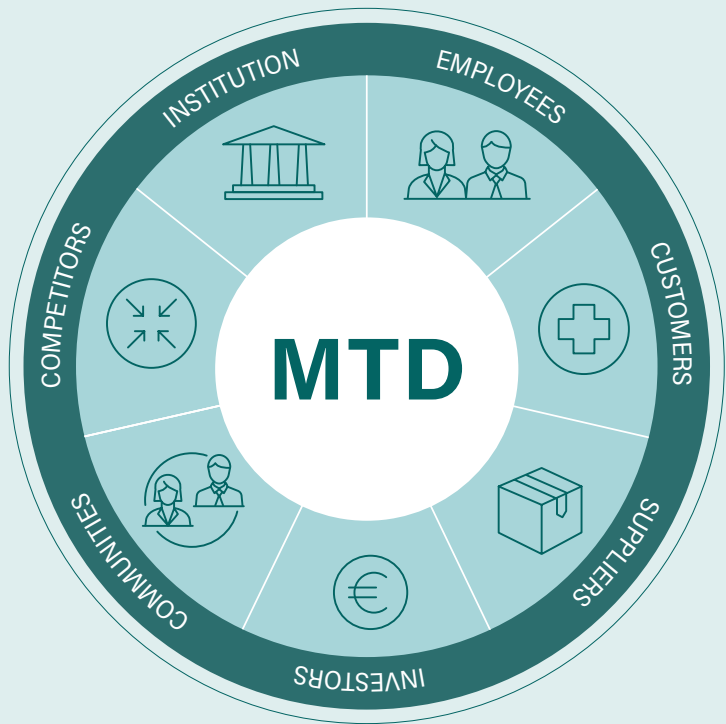


1.2.3. MATERIALITY

Our stakeholders

The process of identifying key stakeholders is an essential part of a comprehensive approach to sustainability. Stakeholders refer to entities or individuals that are substantially impacted by a company’s operations, products, and services or have the capacity to influence the company’s successful execution of strategies and achievement of goals.

At MTD Group we undertook the task of revising stakeholder mapping by accurately evaluating their influence and dependency on the company. The goal of this activity is to identify the appropriate channels of engagement, thus allowing MTD to effectively understand and work with its stakeholders.



EMPLOYEES	Office employees, plants workers, product specialists and sales agents.
CUSTOMERS	Customers: Patients, hospitals, pharmacies, private clinics, laboratories, distributors, healthcare professionals, caregivers
SUPPLIERS	Raw materials and components suppliers, medical products suppliers, packaging materials suppliers, transport and logistic operators, external agencies and services
COMMUNITIES	Medical associations, healthcare professional's associations, local communities, trade unions and NGO's
INVESTORS	Shareholders, investment group, banks, financial institutions
COMPETITORS	Med-Tech companies
REGULATOR & INSTITUTIONS	Governments, local regulatory authorities, UE Commission, national health institutions, notified bodies

Materiality analysis

In 2022, in accordance with the updated GRI Standards published in 2021 and mandatory for reports released from January 1, 2023, the materiality assessment was revised through a multistep analysis that considered the organization’s impacts:

- Analysis of the context in which the Group operates to determine both existing or potential, and positive and negative impacts that the organization’s activities and business connections have on economic, environmental, and social factors (including human rights) throughout the value chain.
- Evaluation of the significance of impacts based on two dimensions: the severity of the produced impact and the likelihood (only considered for potential impacts). This step involved attributing a numerical value to each dimension. The multiplicity of these values provided an estimate of the company’s impact in ESG terms, allowing for a ranking of priorities.
- Each impact was then linked to its corresponding material topic, and with the assigned scores, it became possible to establish a relevance threshold for each topic.

During 2023, the methodology for identifying and prioritizing impacts, along with their association with material topics, has mirrored the approach implemented in 2022: the material topics identified for this reporting year show no significant differences compared to

those identified in 2022. The examination of impacts and their subsequent prioritization still relied on a structured framework that assesses both the severity and the likelihood of these impacts, thus ensuring a consistent and objective approach year over year.



In the table below, are described for each material topics the related impacts.

	MATERIAL TOPIC	DESCRIPTION OF THE IMPACT	NATURE OF THE IMPACT	GRI STANDARD TOPIC
ENVIRONMENT	ENERGY CONSUMPTION AND CLIMATE CHANGE	All stages of the Group's value chain contribute to climate change by generating greenhouse gas emissions, mainly caused by the use of fossil fuels and energy consumption in production processes. The greatest impacts concern: the upstream stages of raw material extraction and transformation, manufacturing processes, and transport. The Group is committed to reduce its carbon footprint mainly through the implementation of energy efficiency measures aimed at reducing energy consumption.	Negative	GRI 302: Energy GRI 305: Emissions 2016
	WASTE MANAGEMENT	Waste generated during the different stages of the company's value chain, if managed improperly, can have negative impacts on ecosystems and human health, which can extend beyond the places where the waste is generated and disposed of. In this regard, proper waste management is of particular importance.	Negative	GRI 306: Waste
	RAW MATERIALS	Manufacturing processes require the use of large quantities of raw materials such as plastics, cardboard and steel, the use of which reduces their availability. The Group is committed to increase the percentage of recycled raw materials, when is feasible.	Negative	GRI 301: Materials
PEOPLE	CONSUMER HEALTH AND WELLBEING	Companies in the sector can invest in developing safer and less invasive medical products in the treatment of consumers, leading to an improvement in their health and quality of life. The Group's mission is to develop products that lead to a significant improvement in health and consumer well-being.	Positive	GRI 416: Customer Health and Safety
	HEALTH CARE PROFESSIONALS' SAFETY	MTD invests in developing safer medical products for the healthcare professionals who operate them, leading to a positive impact on their health, but also reducing the costs to the system in the occurrence of accidents.	Positive	GRI 416: Customer Health and Safety
	HEALTH AND SAFETY IN THE WORKPLACE	Production activities throughout the value chain can cause harm to workers' safety. They can be caused either by negligent behavior of workers or by unsuitable working conditions. The Group invests significant resources in health and safety training for its employees and in making workplaces safer and more secure.	Negative	GRI 403: Occupational Health and Safety
	CLIENT AND CONSUMER EDUCATION	MTD actively contributes to enhancing the level of education of professionals and consumers.	Positive	-
	HUMAN RIGHTS	Companies operating in the sector must ensure respect for the human and civil rights of workers, as well as their wellbeing and work-life balance, along the entire value chain, which can be very heterogeneous and geographically extensive. The Group is committed to respecting these rights through its Code of Ethics and is committed in including ethical and human rights in its supply chain management.	Negative	GRI 401: Employment GRI 414: Supplier Social Assessment 2016

	MATERIAL TOPIC	DESCRIPTION OF THE IMPACT	NATURE OF THE IMPACT	GRI STANDARD TOPIC
PEOPLE	EMPLOYEE DEVELOPMENT	MTD offers dedicated training courses with the aim of ensuring adequate human capital development and increasing the competence level of its resources. The Group considers that is important to implement specific programs for the development of professional and personal skills, as well as to enable the preparation of specialized and up-to-date figures on recent trends.	Positive	GRI 404: Training and Education
	DIVERSITY AND EQUAL OPPORTUNITIES	Failure to respect diversity due to factors such as gender, sexual orientation, religion, and ethnicity can have a negative impact on human capital and equal opportunities. The Group is committed to ensure gender equality within the Group, also considering that the majority of employees are women.	Negative	GRI 405: Diversity and equal opportunities
ECONOMY	PRODUCT DEVELOPMENT AND INNOVATION	MTD, through investment in R&D, develops medical products that are more effective in consumers care and safer for healthcare workers. This can also spur other companies in the sector to invest in research, leading to a progressive improvement in products quality.	Positive	GRI 301: Materials
	MARKETING AND LABELING	Companies in the sector have a duty to provide accurate and sufficient information to ensure the correct use of products by people, avoiding unfair marketing practices that could harm the health of consumers. The Group is fully compliant with the regulations on marketing practices of the industry, registering no cases of noncompliance in the last three years.	Negative	GRI 417: Marketing and Labelling
	AVAILABILITY OF MEDICAL DEVICES	Companies in the sector can deliver a benefit to the community by making their products more accessible, in terms of ease of use and breadth of product range, thus expanding the pool of possible beneficiaries. MTD strives for this by developing products to meet the widest possible range of consumer needs.	Positive	-
	ANTI-CORRUPTION	The medical device sector is characterized by the presence of stringent laws and regulations, but it is possible that episodes of unfair business practices arise, linked, for example, to corruption, anti-competitive behavior, and inappropriate tax strategies, which cause damage to the entire economic and social system. The Group's governance and control systems have proven to be effective and have enabled it to receive no sanctions in this respect.	Negative	GRI 205: Anti-corruption
	ECONOMIC VALUE CREATION	MTD contributes to the development of the communities in which it operates, for example, by providing job opportunities and economic growth, as well as paying taxes.	Positive	GRI 201: Economic Performance

2.

WE TAKE CARE OF PEOPLE

“As a healthcare company, we prioritize both physical and psychological well-being. Our devices are designed to integrate self-care and essential medical care with less invasive, pain-free solutions, ensuring a more comfortable experience and maximizing treatment effectiveness.”

MTD’s initiatives stem from a profound sense of duty to care for individuals, including healthcare professionals, patients, and everyday consumers. Our approach is built on genuine empathy for individuals, actively listening to their feelings and unmet needs. By striving to understand these needs, we develop solutions and educational programs that are well-suited to them. This commitment has resulted in products known for their simplicity and ease of use, especially in diabetes management and self-care medication. **MTD’s product lines are intentionally designed to enhance usability and the overall user experience**, thereby promoting better adherence to medical treatments.

Through this strategic approach, we significantly contribute to the well-being of those we serve. MTD recognizes the critical role of improving adherence to treatment regimens for the benefit of patients and the healthcare system as a whole. This forward-thinking vision propels our innovation efforts.

MTD’s range of diabetes care products is specifically designed to support patients throughout their treatment journey. Our

product lineup includes devices for self-monitoring blood glucose levels, personal and safety lancets, and administration tools like pen needles and safety pen needles, serving as reliable aids from initial diagnosis to ongoing therapy management.

We also understand the importance of education and engagement in making healthcare more accessible, therefore supporting consumers throughout their healthcare journey. Our dedication to providing products tailored to consumer needs, while upholding the highest health standards, is realized through continuous innovation. We are constantly developing new ideas, securing patents, and creating solutions that undergo extensive testing and thoughtful engineering. In 2020, MTD established **MTD Engineering**, a dedicated innovation hub as part of this effort.

Our focus on innovation ensures that consumers have access to top-tier healthcare products and solutions, prioritizing **compliance, safety, and transparency**, which are core principles of MTD. This commitment underpins every decision we make, aiming to provide enduring reliability to both individual patients and the healthcare industry.

2.1. LISTENING TO PEOPLE'S NEEDS

We are committed to maintaining a transparent conversation with patients to understand needs and provide helpful advice for their daily self-care routines. Therefore, the Group strives to establish various communication channels for gathering customer and patient feedback.

MTD engages in such listening practices but also strives to foster a culture of openness and regard for health and well-being among its customers. We actively seek to understand consumer needs through interactive activities, such as **customer surveys**, to explore user perspectives on product quality and features and gain valuable insights, that are fed into the product innovation process to enhance product performance, according to patient expectations.

For example, in 2023 **HTL** conducted a Customer Satisfaction Survey on the overall reliability and quality of its products. According to the results, HTL is perceived as a professional partner with a high quality portfolio.

In 2023 and 2022, **Pikdare** conducted a consumer survey to compare the use of the new G34 needle with the standard needle focusing on pain levels and overall satisfaction. Results are presented on page 27.

Moreover, in early 2023 a survey was carried

out by Eumetra among Pic's consumers in order to measure the awareness of the Pikdare brand before and after the launch of the "Come ti senti?" campaign. The survey involved over 3,000 participants, a representative sample of the Italian population. The results highlighted Pic's perception as the leader for brand knowledge in Italy, with an impressive **95% of respondents recognizing Pic as a brand of health products and solutions**. This significant figure underscores brand's rapidly expanding visibility, which is most commonly associated with syringes and injection kits, thermometers and a range of wound care supplies, such as bandages, gauzes, and patches. The brand is increasingly becoming the go-to name in the healthcare sector; a trend that is greatly reinforced by each advertising campaign, as evidenced by a 33% increase in top-of-mind awareness; the data also reveals a growing interest in Pic among young people. Additionally, consumer preference for Pic has experienced a substantial uptick, with one in two individuals preferring to choose Pic Solution when purchasing medical devices for daily health management.

The **"Come ti senti?"** campaign or **"How do you feel?"**, started in 2020. The campaign's objective was to raise awareness on the value of caring for one another's health and well-being, as well as mutual listening to needs and emotions. The commercial, creat-



ed amid the lockdown, was headed by nine directors from seven different countries, each bringing their unique take on the theme of caring for others. The multi-channel advertising campaign in 2021 achieved remarkable success with 7 million online views and **over 29 million viewers on national television**. Its impact was further highlighted by more than 30 articles in national newspapers and was recognized with a Media Stars Award.

MTD continues to prioritize listening, care, and concern for people's well-being. With the launch of new communication phases in 2022, the campaign was extended through television, which helped spread this con-

cept across various media. In 2023, the campaign continued with a digital strategy that achieved 8 million impressions in January, **30 million views in June, and around 20 million views in November and December**.

MTD's commitment to listening to customer feedback is reflected in its product innovations, focusing on user requirements encompassing both healthcare features and user comfort. The **AIREasy On** nebulizer exemplifies Pic's consumer-centric approach by addressing common usage issues and enhancing user comfort especially by making it easier for children to move around while continuing their respiratory treatments.

1. Pic's communication pre and post ad-campaign, as reported by Eumetra, March 2023.



AIREASY ON: THE REVOLUTIONARY NEBULIZER EXPERIENCE

The pandemic has made everyone conscious about the **importance of respiratory health**. Observing significant shifts around the globe and tuning into changing consumer needs inspired Pic to position itself as a steadfast supporter in respiratory healthcare.

In 2021, Pic launched AIREasy On, a pioneering wearable and compact nebulizer that allows users to receive their medication while engaging in other day-to-day activities. The ingenious design of **AIREasy On** meets the demand for a quiet, user-friendly device, adapting to new requirements arising from global developments. This process also reduces the amount of medication that doesn't get nebulized, thereby increasing the efficiency of treatments. From an environmental point of view, AIREasy On stands out for its compact size, which means it uses less material in its creation and packaging, thus representing an environmentally friendly alternative.

It is convenient to carry and can be powered by any USB-connected device, such as smartphones or tablets, allowing users to move freely during treatment sessions. Combining cutting-edge technology, **AIREasy On** operates quietly and enhances performance by finely atomizing medication particles for deeper respiratory penetration. This product is a demonstration of the Group's ability to remain attentive to current trends, proactively anticipating the future and leading the way in innovation within the market for respiratory care products. Given that nebulizers and saline solutions are top-selling items in the nasal health sector and considering AIREasy On's notable success and importance in respiratory and aerosol treatments, according to the success of the "Come ti senti?" campaign, which garnered a media coverage of **1,213,222 views** in the month of June alone, the product has emerged as one of the key flagship products of 2023.

2.2. CONTINUOUS CARE FOR DIABETES

MTD's commitment to innovation is evident in its wide range of **self-medication and personal care** items, as well as in its suite of diabetes management products designed to make daily life easier for patients. Grounded in a strategy that seeks to capture and address patients' unmet needs, MTD is dedi-

cated to supplying a broad collection of simple and comfortable products designed to offer reliable solutions that meet consumers' needs and improve their quality of life. **The Group pays special attention to the needs of diabetics**, who often face lengthy treatments with serious implications for their health.



DIABETES: A GLOBAL DISEASE

The **World Health Organization (WHO)** describes diabetes as a chronic condition related to insulin, the essential for controlling blood glucose levels. Diabetes arises when either the pancreas falls short in insulin production, or the body cannot efficiently utilize it. The WHO distinguishes two main types of diabetes:

- **Type 1 diabetes** is the rarest and most serious form of the disease. With Type 1 diabetes, the immune system doesn't recognize the cells that release insulin and destroys them, mistakenly eliminating this hormone that is so vital to the human body. Onset of Type 1 diabetes is more common in adolescence and young people, although it can happen at any age. It can also occur after a viral infection, and it is characterized by the need of daily insulin's administration.
- **Type 2 diabetes** is the most common type of diabetes. It is generally characterized by insulin resistance, whereby the body does not fully respond to insulin. Type 2 diabetes is most diagnosed in older adults, but it is increasingly seen in children, adolescents, and younger adults due to rising levels of obesity, physical inactivity, and poor diet. The cornerstone of type 2 diabetes management is a healthy diet, increased physical activity and maintaining a healthy body weight; oral medication and insulin are also frequently prescribed to help control blood glucose levels.

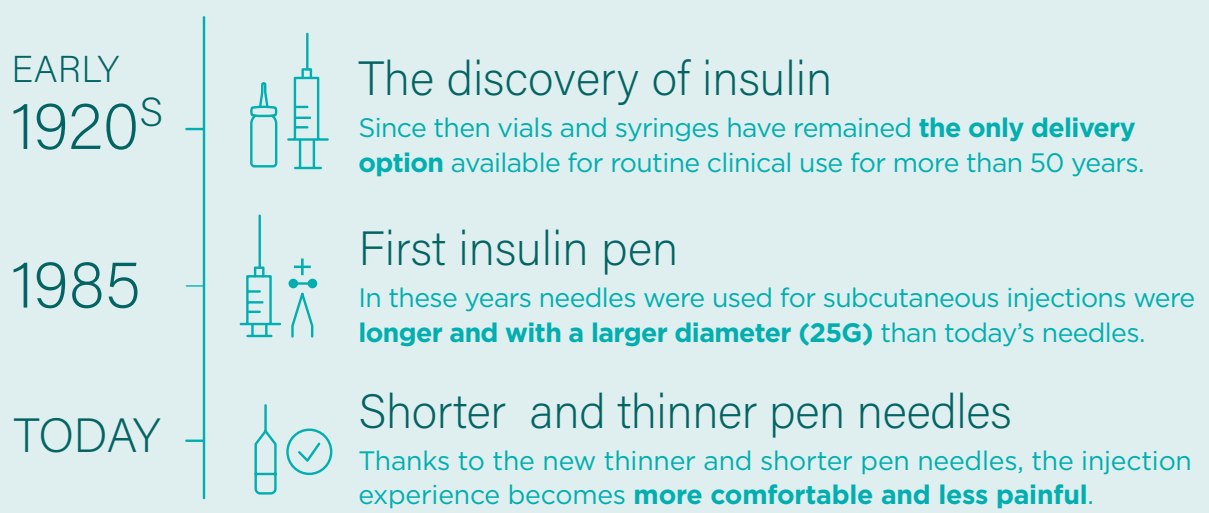
According to the last available data of the **International Diabetes Federation (IDF)** it is estimated that in 2022, the global population living with Type 1 diabetes reached 8.75 million individuals, out of which 1.52 million were under the age of 20. In the same year 530,000 new cases of Type 1 diabetes were diagnosed at all ages, with 201,000 under the age of 20 years². Whereas chronic kidney disease due to type 2 diabetes saw an approximate increase of 74% from 1990 to 2017. Meanwhile, the incidence of CKD among individuals with type 1 diabetes has been on the decline³. Therefore, it is estimated that globally in 2022 there were about 182,000 deaths associated with type 1 diabetes (T1D). Notably, around 35,000 of these deaths occurred in individuals under the age of 25 who had not been diagnosed and passed away within 12 months of showing symptoms⁴.



Several peer-reviewed articles published in leading academic journals have emphasized that needle phobia is a major obstacle to sticking with treatment, especially for young patients with type 1 diabetes⁵. Additionally, a notable proportion of patients with type 2 diabetes delay the initiation of their insulin therapy at the recommended stage, due to their apprehension about injections and the pain they associate with them⁶.

2. IDF Diabetes Atlas Report 2022 – “Type 1 diabetes estimated in children and adults”
3. IDF Diabetes Atlas Report 2023 – “Diabetes and Kidney Disease”
4. IDF Diabetes Atlas Report 2022 – “Type 1 diabetes estimated in children and adults”.
5. Cemeroglu AP, Can A, Davis AT, et al. Fear of needles in children with type 1 diabetes mellitus on multiple daily injections and continuous subcutaneous insulin infusion. Endocr Pract 2015; 21:46-53
6. Benroubi M. Fear, guilt feelings and misconceptions: barriers to effective insulin treatment in type 2 diabetes. Diabetes Res Clin Pract 2011; 93 (Suppl1):S97-S9

PSYCHOLOGICAL BARRIERS TO DIABETES MANAGEMENT



Hypodermic needles, while effective, can lead to discomfort for patients, inducing pain, anxiety, and a fear of needles that can adversely affect their overall experience. This increased discomfort often results in poor adherence to therapies that depend on needle use, such as insulin injections⁷.

To alleviate the discomfort associated with traditional insulin injection needles, manufacturers worldwide have introduced thinner, shorter, and more precise pen needles. Modern needles in use today need less force for injections, which decreases skin trauma and associated pain from insulin.

MTD is aware of the mental and physical barriers that the discomfort associated with insulin injections can pose for patients and is dedicated to creating innovative products that minimize pain and encourage better self-management of diabetes. Ensuring strict treatment adherence is crucial, as it can prevent both acute and chronic complications, enhancing the patient's quality of life and, by extension, positively affecting the health-care system as a whole. With its range of products, the Group guides consumers through their various treatments: pen needles and safety pen needles are designed to improve the therapy experience, while personal and safety lancets, along with lancing devices, aim to simplify the process of blood glucose self-monitoring.

7. Gill HS, Prausnitz MR. Does Needle Size Matter? J Diabetes Sci Technol. 2007; 1(5):725-7293. IDF Diabetes Atlas Report 2023 – “Diabetes and Kidney Disease”
8. Magwire ML. Addressing Barriers to Insulin Therapy: The Role of Insulin Pens. Am J Ther. 2011; 18(5): 392-402

PERSONAL LANCET

Blood glucose monitoring is a critical component of diabetes care, with finger-pricking for blood samples being a daily task for countless individuals with diabetes. HTL, under its Droplet brand, has innovated personal lancets to render this procedure both safer and more tolerable. These lancets boast a **safety-oriented, comfortable, and user-friendly design**, incorporating a silicone-coated needle that inflicts minimal discomfort; their ergonomic structure also enhances ease of use. In a research involving 60 diabetic patients, it was revealed that Droplet personal lancets supply an adequate blood sample for glucose measurement and are associated with only slight pain sensations⁹.

Droplet® personal lancets



33G
NEEDLE

33G
NEEDLE

33G
NEEDLE



Comfortable

electro-polished, silicone coated needle **designed to cause less pain**.
3-beveled needle tip designed for **greater comfort of users**



Easy to use

user-friendly design, **easy to handle**



Safe

needles are equipped with a **protective needle cap**.
Needles are sterilized with Gamma radiation

The **34Gx 3.5mm pen needle** stands out as the **most relevant innovations** in the realm of diabetes care. As the world’s shortest and thinnest pen needle, it reduces the pain and unease experienced during insulin injections. Innovations like this demonstrate MTD’s commitment to improving the **comfort and safety of diabetes management**, which can contribute to better adherence to therapy and ultimately improve patients’ quality of life.

9. Zurawska G. Single-blind, Randomized, Singlecentre Study to investigate the Characteristics of Different Personal Lancets on Blood Volume and Perceived Pain in Patients with Diabetes Mellitus. Diabetes Manag. (2016) 6(3). 066-070.

A THINNER INSULIN NEEDLE: A 34-GAUGE NEEDLE AVAILABE IN EUROPE AND NORTH AMERICA

Pikdare has incorporated the latest technological advancements in its **“Insupen Advanced”** series under the Pic brand, focusing on features that can alleviate the treatment’s pain and discomfort. Such innovations are designed to positively transform the experiences of those with diabetes who depend on daily insulin injections to managing their condition.



RapidFlow

Thin walls and wide internal diameter for increased flow



RapidFlow

+ FLOW

SoftSharpening

Specially shaped needle, for a delicate and comfortable injection



SoftSharpening
+
EasySliding

+ GENTLENESS

EasySliding

Special friction reducing treatment, helps the needle move through the skin



indolor® experience
The gentle touch of clever technologies

+ COMFORT

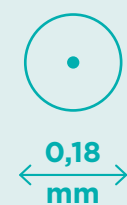
The Insupen Advanced needle line is characterized by a wide internal diameter, ultra-thin walls that promote rapid blood flow, a triple-beveled needle tip that ensures smooth and effective injections, and an anti-friction coating that further facilitates the entry into the skin. Furthermore, the Insupen Advanced series now offers a **34G needle** - the finest and most compact option in the PIC lineup - engineered to lessen both the psychological and physical unease that patients might feel during their treatment.

According to the study “Penetration force and cannula sliding profiles of different pen needles: The PICASSO study”, published in **Medical Devices: Evidence and Research** in 2019, 34G has been shown to have high performance: it requires up to 50% less force to penetrate tissues than needles with a larger outer diameter, significantly reducing the pain patients experience. Consequently, the 34G needle holds the potential to alleviate the discomfort that often accompanies injections.



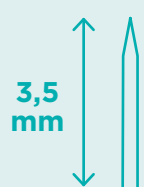
For these reasons, the G34 needle was awarded in the “**Best Innovative Device-Technology of the Year**” category at the prestigious **Life Science Excellence Awards** in 2022 (LSEA), the most prestigious prize assigned to biomed technologies, molecules, and prevention projects of European companies in the Life Science sector. The award, run by Popular Science, is supported by its numerous medical magazines and partners such as “Quotidiano Sanità” and “Health Industry”.

In 2023, there have been advances in the technical features of pen needles, thanks to studies on the addition of a **new shape** for the needle hub, which became flat and had a 5-bevel sharpening. This innovation has resulted in a reduction of cutting edges and friction points, a slimmer profile, and longer, more gradually angled bevels.



THE TINNEST

External diameter of 0.18 mm.
The thin external diameter allows for maximum delicacy and considerably **reduce the invasiveness**.



THE SHORTEST

Just 3,5 mm in length.
The needle length allows for more effective ingress to the subcutaneous area and a **less painful injection experience**.



Throughout the year, Pikdare has concentrated its efforts on promoting the new features of the G34 needle by hosting a series of **educational events**, such as:

- **150 hospital staff** meeting focused on healthcare professionals and patients, whose objective was to raise awareness of the G34 pen needle and educate on the proper injection technique.
- Participation to both **regional and national congresses** with the purpose of showcasing the product and strengthening relationships with key opinion leaders.
- Online learning focus on insulin therapy aimed at increasing understanding of the **G34 pen needle**.

In addition to such events, Pikdare conducted a **survey** aimed at comparing the pain levels and satisfaction associated with the Insupen G34 pen needle versus the conventional needle. The results demonstrate that consumers greatly appreciate the innovative features of the Insupen G34 and provide useful feedback for future product developments, namely:

- The **Insupen G34** pen needle never bent during use for 94.34% of the participants, a 30-percentage point improvement over the needles commonly used by the respondents.
- **66% of patients** judged the injection with the pen needle to be totally painless. The feature of 'less pain' also turned out to be the most important need when choosing a needle over its competitor. Therefore, the Insupen Pic G34 pen needle fully meets the needs of the patients surveyed.
- **83% of patients** found the pen needle very easy to use and 80% did not experience any episodes of hypo/hyperglycemia.
- Cases of **irritation, erythema, redness, or bruising at the injection** site did not occur in 90.57% of the interviewed sample.
- Screwing the needle onto the pen was also considered very easy by most patients (71,7%).



DROPSAFE SAFETY PEN NEEDLE 5MM LENGTH AND PIC SAFE BLOCK: SAFE INJECTIONS FOR ALL

100% safety

Needle safely contained behind shield, preventing accidental exposure.



Needle locking system

Needle is automatically locked after use.

Lock-out confirmation

Red stripes appears when needle is locked out.

Dropsafe safety pen needles are single-use, sterile devices designed to work with pen injectors for delivering subcutaneous medications. This product has been crafted to provide a comfortable injection experience, thanks to an **ultra-thin and short needle** that is barely visible. Healthcare professionals have come to rely on this product for its effectiveness, precision, and safety features. Notably, **the safety of users** is enhanced by a tip cover that prevents needlestick injuries before, during, and after use. Additionally, a visual lock-out indication marked by a red stripe affirms when the needle has been utilized, adding an extra layer of safety by minimizing the risk of injuries and blood contamination. These pen needles are also designed for widespread compatibility with most pen injectors available, further facilitating their use among healthcare providers as well as patients managing their own injections.



Safe Block pen safety needles are sterile, disposable safety needles made for use with pen injector devices for drug injection. Suitable for both healthcare professionals and lay users, they are designed for secure, straightforward, and precise medication delivery; these needles enhance comfort and prevents sharps injuries both before and after the injection process thanks to the passive safety mechanism that automatically covers the needle, eliminating the risk of needlestick injuries during drug medication administration. Post use, the needle is engineered to automatically lock, preventing reuse. The ergonomic design, with its special wing shape, ensures a stable and comfortable grip for the injector. Addressing patient concerns, the needle is also designed to stay out of sight, which can be psychologically reassuring and reduce anxiety for those receiving the injection, thus improving their overall experience.

2.3. SHARING IS CARING: MTD'S ENGAGEMENT OF CONSUMERS

Access to **high-quality information on health and wellbeing** is important not only for prevention but can also be crucial when dealing with everyday health issues. MTD is deeply committed to sharing knowledge, not only with healthcare professionals and experts of the sector, but also with consumers. Indeed, **a study revealed that one in two EU citizens (55%) sought health information online in 2021¹⁰**. This data underscores the crucial need for online sources to provide clear and accurate medical information that users can trust to make well-informed decisions about their health.

In order to achieve this goal, we consistently carry out initiatives to share knowledge with customers and patients while also raising awareness about the significance of prevention and the adoption of healthy lifestyles. For example, MTD continued the **hypertension campaign**, launched

in 2022, by establishing 144 partnerships with a group of pharmacies in order to increase the engagement in blood pressure measurement practices. With each purchase of a set of blood pressure monitors, pharmacies received a gadget and guideline materials. Additionally, customers that have their blood pressure measured receive a device with a guide to proper monitoring.

To achieve the goal of improving **health and wellness by making its health products more affordable and accessible** to a large segment of patients, MTD runs consumer-oriented promotions, such as offering cashback rewards on Easy-On products and launched a unique campaign called **Pic Friday** for the first time: in the three weeks leading up to Black Friday, consumers were given the opportunity to claim a full refund on their purchases, up to a maximum of € 60. The offer was extended to 300 consumers each week.



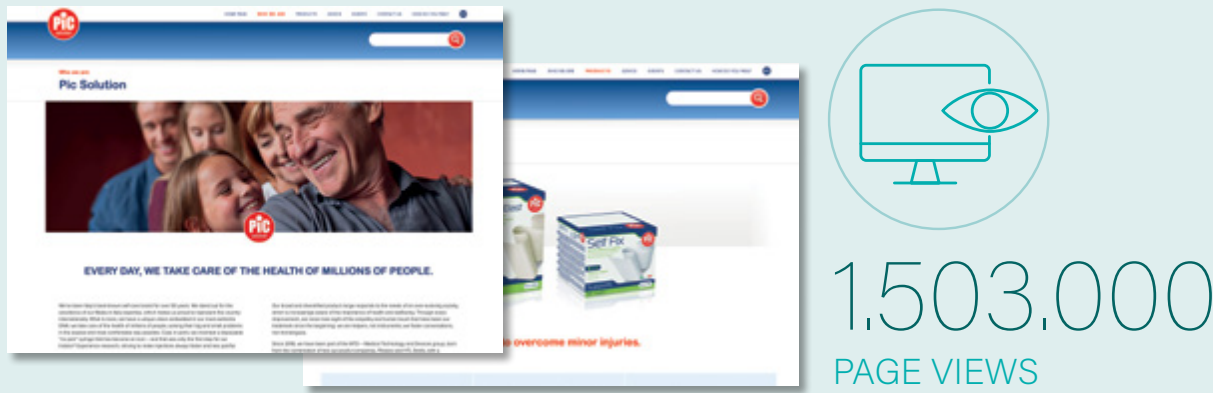
10. Eurostat (2022), "EU Citizens: over half seek health information online"

PIC SOLUTION – THE POWER OF KNOWLEDGE

Pic Solution offers a comprehensive **multi-channel educational platform**, an online resource meant to equip individuals with practical, free advice for managing common health issues. This platform addresses the demand for reliable online health resources, reducing the gap between complex academic sources and online accessible yet less credible information. Pic Solution thus seeks to be the middle ground for **accurate, reliable, and simple** health information, with Pikdare aspiring to be seen as an authoritative source that is also capable of creating clear and approachable content for users by delivering simple and well mediated information. The website features three main categories of content:

- **Practical tips** such as “How to treat a distortion” and “How to treat cuts and grazes”.
- **Medical-scientific articles** covering an array of topics such as hypertension, diabetes, pregnancy, asthma, and more, providing in-depth insights.
- **Guidance on the choice of the products** according to different consumers’ needs, such as “Arnica, how to choose the right product”, or “All the nebulizer accessories you need for breathing better”.

It’s important to emphasize that the articles guiding product selection are intended to offer neutral advice on the features that best meet diverse patient needs. References to Pic’s product range are relegated to the bottom of the page, specifically in the section labeled “You might also be interested in”. Ultimately, Pic Solution’s principal objective is to present dependable scientific knowledge that can steer consumers toward well-informed choices. The effectiveness of the website is demonstrated by metrics monitoring visits and sessions. Specifically, in 2023, the site attracted over 1 million visitors, with total traffic ranging between 1.214k and 1.503k sessions.



Currently in development, there’s an initiative to create a more efficient and simplified version of the institutional website. This **lighter version** is designed for use by select brand-affiliated distributors, empowering them to locally manage the site with guidance from Pic to boost brand awareness; the site’s multi-lingual capabilities are expected to sustain the brand’s international footprint. Additionally, the website is structured to support online sales and support social media marketing initiatives, with the site redirecting users to the main corporate website.

2.4. INNOVATION FOR A SIMPLER LIFE

MTD is committed to innovation and has established research and development centers that are working to integrate innovative practices into manufacturing processes to create solutions that address unmet needs. Diabetes care is one of our priority areas, thanks to **Pikdare’s and HTL-Strefa’s** substantial heritage in creating innovative medical sharps. Since the 1960s and 1970s, Pikdare has been a pioneer in the medical self-care industry, starting with the produc-

tion of syringes and cannulas. It went on to develop and introduce a single-use “no pain” syringe in the 1980s. HTL-Strefa, for its part, achieved a milestone by launching the first safety lancet in 1994 and introduced a new 33G personal lancet designed for painless injections in 2014. Throughout our history, we have focused our innovation activities into developing cutting-edge self-care medical devices, crafted according to an **exclusive Design Language System** that prioritizes both ease and comfort for the user.

Our most recent innovations include:

AIREasy On, the first wearable, lightweight nebulizer, whose revolutionary design allows you to undergo drug therapy while doing other activities. In June 2023, Pikdare achieved market leadership in aerosol products, having climbed from third place in 2022.



The **Pic Health Station app** allows the patient to measure and correlate different indicators such as temperature, weight and pressure. This app not only allows patients to create a digital medical diary, but it also lets them share it with their physician.



Currently, **Pikdare** is conducting research and development to launch **OneRapid**, a new connected product, to broaden their service range. This sustainable device is **FSC certified** and features USB recharging, eliminating the need for batteries. Reflecting the compactness of **Easy On**, OneRapid is a new blood pressure monitor designed to simplify blood pressure monitoring, facilitate continuous monitoring and enable easy data sharing with caregivers by connecting to the cuff used during measurement.



Green Plasters is a new range of green plasters, made with products of natural origin (bamboo fibers, aloe vera, sugar cane and cotton) to be gentle, breathable, soft, and water-resistant. In addition to the benefits for people, it is also an eco-friendly product. **Pikdare** is particularly concentrating its efforts on creating environmentally friendly products that equal the performance of conventional plasters; this sustainable initiative stands out as one of the prominent trends of the year.



From Pic's unwavering focus on consumer needs comes, in 2023, the new seasonal line tailored for **insect protection**: a range featuring products designed to prevent insect bites and provide relief after insect stings or contact with irritating substances.



The line includes four **mosquito repellent sprays** and two **post-bite pens**, also offering plant-based alternatives.



Furthermore, MTD has developed a **new gallium thermometer** with an accompanying cradle, a plastic component design to aid in the thermometer's cooling process. This type of thermometer requires a "shaking" motion in one direction to lower its temperature reading and the newly designed cradle simplifies this action.

MTD owns two **Research and Development (R&D)** centers that are currently leading **over 100 active projects**, one housed within Pikdare and one in HTL: in recent years, our R&D efforts have increasingly focused on building strong synergies between the two entities. The success of this collaborative approach is evidenced by the continued expansion of the Group's portfolio, which now includes **over 300 patents**.

Our relentless pursuit of innovation has led to strategic alliances with various pharmaceutical companies, start-ups and industry experts, that leverage combined expertise and capabilities to create cutting-edge medical device solutions. The focus on innovation was further reinforced by the establishment of MTD Engineering in 2020, that serves as the Group's **dedicated hub for pioneering new solutions**.

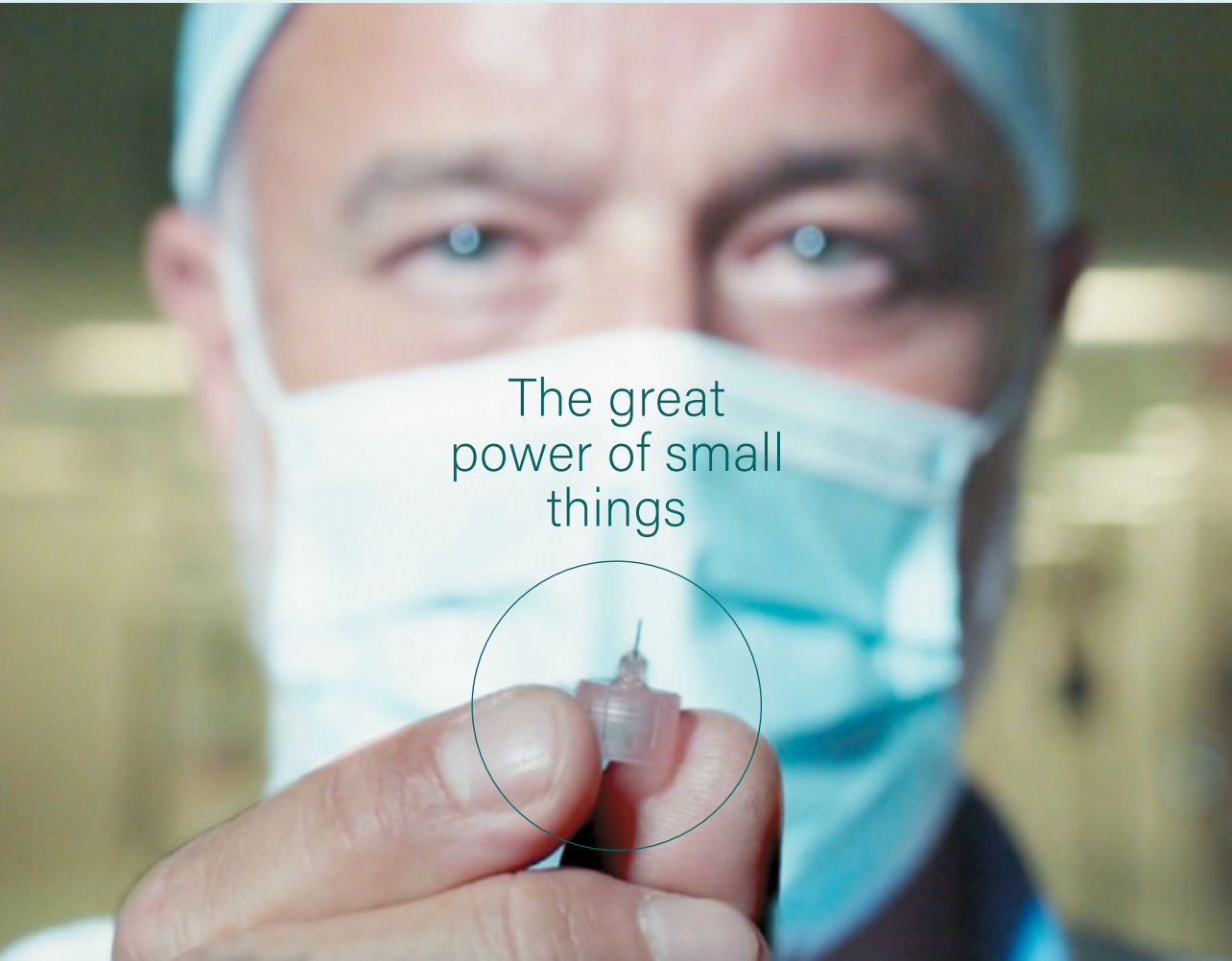


MTD ENGINEERING: BOOSTING THE RESEARCH

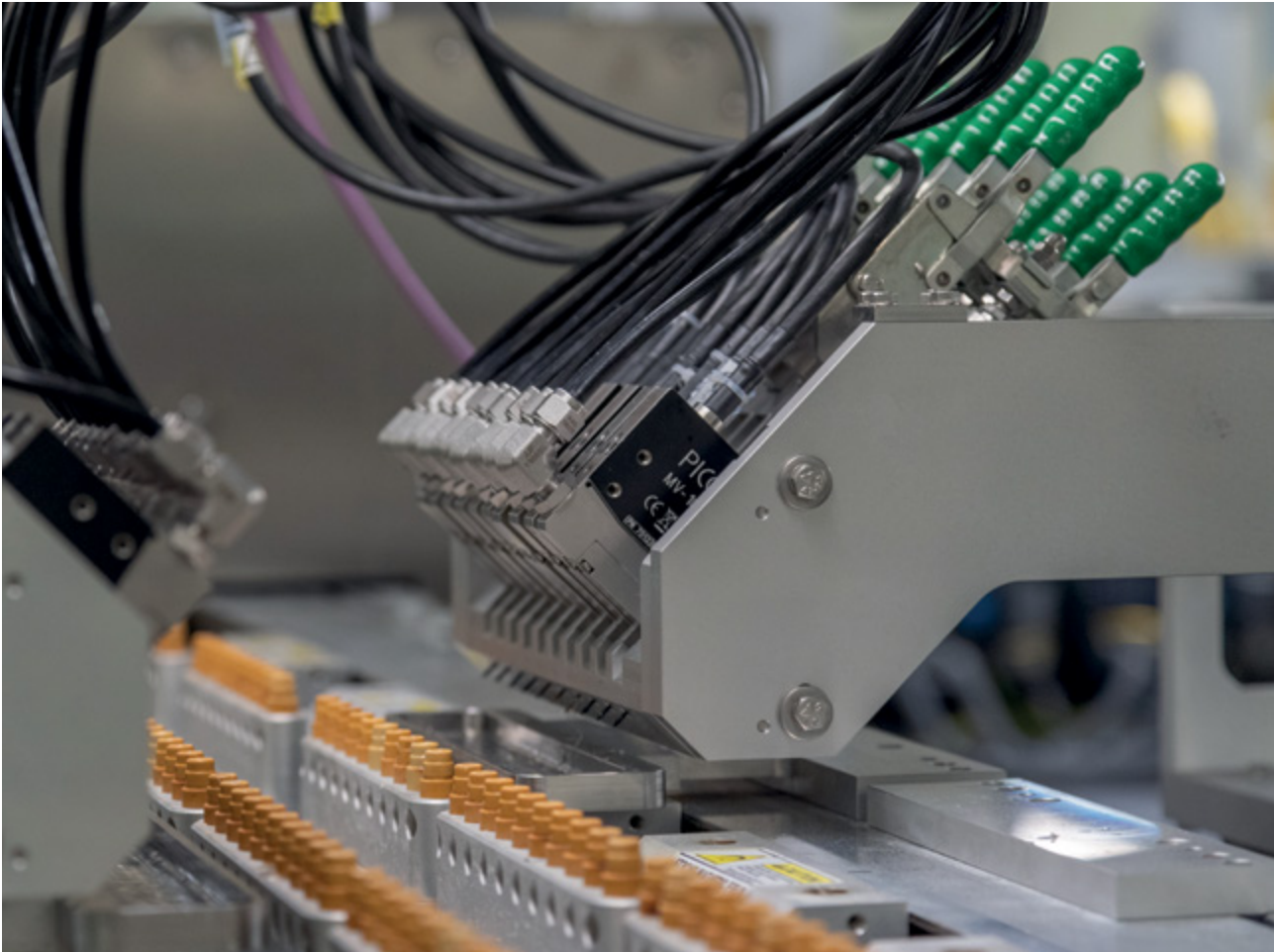
Established in 2020, **MTD Engineering** operates as a center for innovation and development, with the goal of driving progress in research and development. The hub generates new ideas, patents and solutions, through rigorous testing and rapid in-house development.

It is, therefore, instrumental in crafting pioneering designs that feed into **MTD’s product pipeline and functions** as a reliable collaborator across various industries, supporting them through every phase of new product development, by:

- Crafting **new and highly competitive concepts and designs** aimed at reducing costs while enhancing performance;
- Providing **consultancy services covering a range of topics**, including tool and machine construction and maintenance, as well as establishing and fine-tuning production processes;
- Producing **components or complete products tailored** to fulfill the specific requirements of partner entities.



The great
power of small
things



Harnessing its vast experience, know-how, and infrastructural resources, MTD Engineering creates state-of-the-art medical devices that improve daily living, merging small-scale technological solutions with wider applications. MTD Engineering’s team brings its specialized skills and knowledge of pivotal technologies, like steel processing, fabric processing, sterilization, automation, and molding, to a range of other sectors such as veterinary medicine, watchmaking, home appliances, cosmetics, and laboratory. Activities also include providing expert consultancy and supplying products or components based on the hub’s advanced knowledge.

MTD is committed to innovating their existing **pen needle**. To this end, the Group is exploring new initiatives to create more environmentally friendly pen needles by studying alternative raw materials and components to make a more sustainable devices with an initial particular focus on plastic primary container.

MTD Engineering maintained its commitment to keeping abreast of the latest industry developments by attending several **key conferences** in 2023. These include “Medica,” the global trade fair for medical devices; “ATTD,” the international conference focused on advancing diabetes technology and treatment; “ADA,” the premier American diabetes congress; and “EASD,” the foremost European diabetes congress.

2.5. FOR COMPLIANCE AND TRANSPARENCY

Safety, quality, and innovation are the **key principles deeply integrated** into MTD's operations and company culture. Not only do we comply with the quality standards of our products, but we also emphasize them as a main feature of our offer. We understand that higher quality can be achieved only with the collective commitment and proactive involvement of every employee, who is responsible for quality assurance. To this end, every product undergoes a rigorous design, development, and testing process. These protocols are designed to ensure that they meet and potentially exceed the most stringent safety and quality standards.

MTD's dedication to product **safety and quality** is directed towards providing patients and medical professionals with reliable and efficient medical devices. These devices are not only designed for ease of use but are also meant to promote continuity of patient care. This commitment contributes significantly to reducing infection risks and other health-related complications, ultimately improving the overall patient health and care experiences.

To uphold the **highest quality standards**, we rigorously enforce automatic quality inspections during various stages of the production process. This is a particularly crucial aspect in the manufacturing of **Pen needles** and such vigilance aligns perfectly with the **Quality Policy** of both Pikdare and HTL-Strefa, focused on maintaining quality

management systems and adhering to regulatory requirements, as well as to customers and suppliers. On an annual basis, Pikdare reviews and updates its Quality Policy setting out objectives and, taking into account the operating environment.

By following these policies and establishing **rigorous quality control protocols**, MTD strives to deliver safe and effective medical devices that meet the needs of patients and healthcare professionals.

MTD also ensures that the objectives outlined in the Quality Policy are met and assessable: there have been no incidents of non-compliance relating to the health and safety impacts of MTD products in the last three years. There was one case of product recall in 2021, involving an item sourced from an external supplier; however, MTD was not the manufacturer of this product. Pikdare proactively conducted the recall in response to an allegation of data falsification by a subcontracted company responsible for ethylene oxide sterilization. In the following year and in 2023, there were no further recalls.

The Group consistently **monitors quality and safety** through an internal and on supplier audit routine to assess each business unit's compliance with the established management system throughout the supply chain. In 2023, HTL-Strefa conducted **26 audits to suppliers and Pikdare carried out 4**.

Furthermore, MTD undergoes external assessments conducted by customers or certified regulatory bodies that review both Quality and Health & Safety factors. In this regard, **HTL-Strefa** underwent 11 audits, of which 7 were performed by corporate customers and 4 by notified bodies. Pikdare, on the other hand, received 14 audits, 2 of which were conducted by corporate customers.

To monitor and oversee product quality and safety issues, both HTL and Pikdare have an **ISO 13485:2016 certified management system** for the design and manufacture of medical devices, harmonized with other management systems such as **ISO 9001**:

- In 2023, HTL-Strefa underwent the audit to renew the **ISO 13485 certification**.
- **Pikdare** is also certified according to **ISO 9001:2015**, a standard that sets requirements for a strong Quality Management System applicable to any organization, regardless of type, size, or products and services provided.

Additionally, the MTD Group is part of the

“Medical device single audit program” (MDSAP), allowing the company to meet regulatory requirements of various jurisdictions through a single audit. MTD has obtained MDSAP certification for Brazil, Japan, Australia, Canada, and the USA.

We recognize the crucial role our products play in people's health and emphasize ethical communication and accurate labeling to guarantee consumer clarity: the Group has maintained **full compliance with all product marketing and labeling laws**, with no instances of non-compliance with relevant regulations in the last three years.

In addition, MTD has started to comply with the new environmental regulations set out in **EU Directive 2018/851**, which requires information on product disposal to be provided.

Finally, in order to keep up to date with the evolution of the regulatory landscape, Pikdare's **Quality and Compliance** team has introduced a new professional whose role is to monitor the evolution of sustainability legislation.

ISO 13485: 2016 – MEDICAL DEVICES – QUALITY MANAGEMENT SYSTEMS

The **ISO 13485 standard**, established by the **International Organization for Standardization (ISO)**, defines broad quality criteria for the development and production of medical devices. Its latest revision, **in 2016 incorporated current quality management system approaches**, accounting for advancements in technology and regulatory standards. The updated version places a higher emphasis on risk management and making decisions based on its assessment, taking into account increased regulatory requirements for organizations throughout the supply chain.



3.

TRUSTED
PARTNER FOR
SAFETY IN THE
HEALTHCARE
SYSTEM

“Through our innovation, we design, develop, and provide safety solutions that minimize or eliminate the risk of exposure to bloodborne pathogens for healthcare professionals. By actively listening to feedback, we continually push ourselves to deliver cutting-edge devices for those dedicated to caring for others.”

The aim of MTD has always been to **support the healthcare system by contributing to making it safer and more efficient**. To pursue this goal, the Group adopts two synergetic strategies:

- Provide access to a better care and ensure the **health and safety of healthcare professionals**.
- Spread medical knowledge and best practices through **educational initiatives directed at healthcare workers, clients, and patients**.

In this regard, MTD annually places on the market a wide range of products that are available to healthcare workers and patients aimed at addressing a variety of needs; in addition, it invests each year in new technologies to develop new products and to be ready to respond to new **needs of the healthcare system**. Furthermore, in 2023, the Group extended the **MTD Exchange** initiative, launched in 2021 and focused on the exchange and cultivation of new insights. This programme convenes experts, industry practitioners, and influential parties to engage in discussions on critical topics within the realm of self-medication, with a special focus on diabetes management.

3.1. CARING FOR THE SAFETY OF HEALTHCARE PROFESSIONALS

Individuals' health and safety are MTD's top priority.

Our commitment is a core value that permeates every aspect of our sustainability strategy and all business operations of our Group.

MTD identifies the inherent need to protect healthcare workers, recognizing their vulnerability to exposure to blood-borne pathogens during regular interactions with blood and other biofluids. For MTD, safety is not only a commercial target: it is the cornerstone of the Group's commitment to sustainable practices. The health of healthcare workers, who are on the front line of patient care, is compromised when they are injured by contaminated needles, thus creating a channel for the transmission of infections and leading to various health complications, both immediately and in the long-term.

The importance of this issue is supported

by statistics: it is estimated that, worldwide, healthcare workers suffer more than two million needlestick injuries every year¹, while the European Agency for Safety and Health at Work (EU-OSHA) reports that Europe alone experiences over 1 million NSI cases annually among HCWs². These accidents are often related to working conditions, being prevalently in fast-paced, high-pressure, understaffed work environments. Among these accidents, injections with hypodermic needles are the leading cause and account for about one third of cases³.

It is estimated that 41% of these accidents occur after the injection, when the needle is contaminated, and the risk of suffering severe



physical consequences is higher⁴. In fact, according to the WHO, needlestick injuries are responsible for the spread of more than 20 pathogens, including HBV (36.7%), HCV (39%) and HIV/AIDS (4.4%)⁵. At physical level, when healthcare workers are injured by contaminated needles, a channel for infection transmission is created and in the long term, even chronic complications can occur. However, the consequences of such injuries goes beyond physical aspect. Needlestick injuries can cause significant psychological trauma, with potential outcomes including anxiety, fear and post-traumatic stress disorder (PTSD), which can have lasting effects on their mental health and can affect their work capacity and their quality of life. The ripple effects are felt within the health care system. Injuries sustained by healthcare workers result in costs related to lost working time, diagnostic examinations, medical treatment. Additionally, the need to replace workers affects the budget of healthcare facilities. This, in turn, has an impact on quality of patient care: when a healthcare worker is injured, their ability to provide high-quality care may

be compromised. This has several implications particularly for recipients of routine care, such as those with chronic conditions or diabetes. Inadequate attention to patients can lead to poor adherence to their medical regimes and subsequent negative health impacts.

Given the importance of these issues, **MTD invests and commits itself massively in the protection of healthcare workers and the strengthening of adherence to treatment; non-adherence to treatment** can indeed lead to disability or premature death from diseases such as diabetes. These aspects go beyond mere compliance: it is imperative to improve the collective wellbeing of professionals, patients and society at large as negligence in this regard can result in indirect consequential costs with far-reaching economic ramifications.

Accordingly, MTD actively strives to reduce occupational injuries, which in turn aligns with the goal of reducing the financial burden of healthcare facilities and the healthcare system as a whole.

1. Bouya et al., Global Prevalence and Device Related Causes of Needle Stick Injuries among Health Care Workers: A Systematic Review and Meta-Analysis. Annals of Global health 2020 April 6

2. Global Prevalence and Device Related Causes of Needle Stick Injuries among Health Care Workers: A Systematic Review and Meta-Analysis.

3. Cooke et al., Clinical, economic, and humanistic burden of needlestick injuries in healthcare workers. Medical devices: Evidence and Research Volume 10:225-235, 2017

4. A. Serafin, A. Ryk and W. Fendler, Safe and effective use of a passive safety needle by healthcare professionals in a simulated environment, including perceptions and preferences. EXPERT REVIEW OF MEDICAL DEVICES 2023, VOL. 20, NO. 11, 963-971

5. Z. Hosseinipalangi et al., Global, regional and national incidence and causes of needlestick injuries: a systematic review and meta-analysis. EMHJ - Vol. 28 No. 3 - 2022

A LEADERSHIP BASED ON KNOW-HOW, HISTORY AND INNOVATION

At the heart of the MTD Group’s activities are two of its renowned companies: **HTL-Strefa** and **Pikdare**, recognized for their significant contributions to health safety. With 30 years in the market, HTL-Strefa is appreciated as an innovator in the creation and production of the first safety lancets, specifically designed to reduce the prevalence of needlestick injuries. In fact, the International **Sharps Injury Prevention Society (ISIPS)** notes that these types of injuries are largely preventable when safety tools are used in conjunction with thorough training and adjustment of work habits, potentially reducing such incidents by a whopping 90%⁶.

The innovation and quality embodied in the HTL-Strefa product line underlines MTD Group’s commitment **to raising medical safety standards**, ensuring that both healthcare professionals and patients benefit from advances in medical device technology.

Specifically designed to minimize the incidence of sharps injuries, HTL-Strefa safety lancets also aim **to reduce the risk of contact with blood-borne infections** and the subsequent health-care costs associated with such exposures. In particular, HTL-Strefa’s safety lancets have proven to be a key resource for sharps injury prevention in a wide range of medical environments, including, hospitals, clinics, testing laboratories and private practices. Providing one-time use, these lancets offer a greater sense of safety to both healthcare workers and their patients.

HTL-Strefa’s commitment to excellence in safety has earned it global leadership status in the field of medical devices for blood microsampling, and it currently holds a dominant share of the international safety lancet market. HTL-Strefa’s safety lancets are diverse, with six distinct models offering different features to suit healthcare needs. For example, the **Medlance Plus** stands out for its user-friendly features:

- **Immediate activation upon contact**, without the need for any pre-loading action;
- **Needle retraction mechanism** designed to prevent accidental puncture before and after use;
- **Double spinning mechanism** to eliminate needle vibrations;
- **Reliable protective cap** that completely covers the needle.

The product is offered in a variety of versions,

- Special

● Extra

● Universal

● Lite

● Super Lite

differing in colour, to meet various consumer needs.



Another standout in MTD Group’s product range is the **ErgoLance**, known for its innovative pain perception management mechanism. This device is designed with features that aim to improve the patient experience during blood sampling:

- **Apply pressure** to the skin in the puncture area to alleviate discomfort;
- **Divert the patient’s attention** away from the sensation of needle penetration;
- **Improve overall comfort levels** for the patient during blood sampling;
- **Use a puncture** that initiates a mixed neural signal, leading to a less focused and therefore attenuated perception of pain by the patient.

Safety Lancet



As part of its commitment to improving safety in healthcare, HTL has developed **safety pen needles**, intended for use with pen injector devices by both medical professionals and self-administered patients. These single-use needles prioritize user safety by fully coating the needle after use and feature a unique self-destruct mechanism that effectively eliminates the risk of accidental reuse. The Dropsafe line includes models with different needle lengths (specifically, 5, 6 and 8 millimeters) to meet different injection requirements and optimise the overall injection process for users. Scientific research and user experience evaluating Dropsafe’s performance confirmed its reliability and effectiveness: no cases of device failure during use were reported and all procedures were performed without post-injection needles.

6. International Sharpe Injury Prevention Society (2022) “Needlestick overview” <https://isips.org/needlesticks/>

Safety Pen Needles

SAFETY

Safety before and after injection

Needle safety contained behind shield, preventing accidental exposure

Lock-out confirmation

Red stripes appears when the needle is used and locked out



COMFORT

Special and unique “in-house” lubrication method - Droplicon™ designed for smooth injection

Hidden needle

The needle remains hidden from the view, which may increase patient comfort



ACCURACY

Needle viewing window

For easy confirmation of drug flow (priming)

Thin wall (31G) may allow an easier and quicker injection of the insulin, which can be of clinical relevance

EASY OF USE

Dropsafe® safety pen needles

work with most pen injectors available on the market
Just twist on, inject and dispose



31G x 1/4"
0,25mm x 6mm



31G x 5/16"
0,25mm x 8mm



31G x 3/16"
0,25mm x 5mm

The products offered by HTL-Strefa have proven to be **consistently successful in the market**, as demonstrated by annual customer satisfaction surveys over the years. In fact, according to a survey conducted in 2023, more than 80 per cent of customers consider HTL products to be good or excellent, and the company is generally perceived as a reliable partner offering high quality and reliable products.

FROM OUR ACTIVE LISTENING,
THE PASSIVE SAFETY NEEDLE

The development of safe injection needles is of paramount importance for healthcare professionals (HCPs) to minimise the risk of needlestick injuries (NSIs) when administering drugs to patients. Indeed, despite the introduction of global safety standards over the past decades to prevent such injuries, it is estimated that workplace accidents still exceed 2 million each year. Dedicated to healthcare excellence and the safety of healthcare workers, MTD has proactively pursued to further reduce these risks, with the ambitious goal of completely eliminating NSIs. In 2022, MTD introduced **DropSafe™ Sicura™**, a pioneering passive safety needle designed for intramuscular and subcutaneous injections.

The product, which has the potential to revolutionize the industry, is based primarily on two technological innovations:

- **TripliSafe Shield**, provides consistent protection, covering the needle thoroughly except during skin penetration, shielding healthcare workers from accidental needle exposure at all stages of the injection process. The shield is engineered to retract within the device during an injection, permitting complete needle entry without undermining the treatment’s success.
- **Passive Safety Mechanism**, which allows the safety shield to automatically lock over the needle after use, without an additional or manual activation step being required.



Furthermore, an additional external cover is designed to prevent premature and inadvertent activation of the safety mechanism, which could compromise product integrity or cause accidents. The availability of eight different sizes ensures that healthcare professionals can choose the most suitable size according to the patient’s specific needs. Acknowledging the unique features and differences in use of this product compared to others currently available on the market, Pikdare offers detailed training sessions and information materials for medical professionals to ensure correct and optimal needle application, thus hopefully substantially reducing the occurrence of needle stick injuries.

During 2023, the new passive safety needle was tested in a scientific study to determine whether a healthcare worker could correctly and safely use the new device with minimal or no training⁷. The tests took place in the USA and involved four different study groups representing the three main target groups of the product: nurses, pharmacists and physicians. A total of 104 healthcare workers participated, performing 932 injections, 915 (98.18%) of which were successfully completed and **no NSIs occurred**. Although there were some minor errors during the trial, mainly due to the lack of training in the use of the product, the passive safety needle proved to be a success, with **over 98% of the participants being satisfied with the safety and usability of the product**, especially when compared to other similar technologies on the market. In conclusion, the passive safety needle, combined with adequate training of healthcare workers, can be a very useful tool to drastically reduce the number of NSIs, bringing great benefits to the entire healthcare system.

7. A. Serafin, A. Ryk and W. Fendler, Safe and effective use of a passive safety needle by healthcare professionals in a simulated environment, including perceptions and preferences. EXPERT REVIEW OF MEDICAL DEVICES 2023, VOL. 20, NO. 11, 963-971.

3.2. SIDE BY SIDE TO SHARE KNOWLEDGE

MTD operates in the medical products sector, which is extremely critical given the impact that its products have on people's health, as well as in constant evolution, given the large investments in research and development that affect the entire industry every year. In this context, MTD believes that **clear and transparent communication** is a fundamental element in spreading knowledge and fostering the development of the sector. To pursue this objective, the MTD Group adopts a strategy based on both outbound and inbound communication:

- **provide detailed information on the product portfolio** that is offered to both end consumers and medical professionals, instructing them in the correct use to minimise potential accidents and injuries.
- open a **channel of direct communication and dialogue with end consumers**, sector experts and healthcare professionals to collect feedback that can be invaluable in the creation of new knowledge. This feedback is instrumental in enhancing MTD's offerings and services, thereby perpetuating a cycle of continuous improvement.

MTD's outward communication efforts extend beyond hospital settings, proactively engaging with different channels. For example, Pikdare organizes annual **training activities for distributors** who are in charge of selling its products. They receive accurately designed promotional materials and in-depth product knowledge training, tailored to their

specific consumer base, enabling them to convey a solid and informed message about Pikdare's products. In addition, during 2023, MTD organized an **international meeting in Val d'Aosta**, which was attended by over 100 people from different distributors of the Group. During the event, training activities were organized to present MTD's products with a focus on some novelties, such as Green Plaster and the connected health portfolio; experts in the field were invited to give speeches, such as George Cremona from the San Raffaele Scientific Institute, who spoke about inhalation therapy in medicine. In addition to these dissemination activities, recreational and team-building activities were also organized to further strengthen the synergistic relationship with the distributors.



Moreover, during the year, MTD completed the implementation of the **DAM Portal** (Digital Asset Management system): a single repository for the entire Group where Group's resources are uploaded, such as promotional materials, presentations, brochures, which can be accessed and downloaded by both internal staff and authorized distributors. The system is designed to maximize the value of the Group's assets, to ensure constant alignment and consistency in their use and to increase partners' engagement. The portal is in fact designed to allow resources to be easily found and shared thanks to an advanced search system based on the use of different filters.

Regarding the Group's second communication pillar, based on the mutual exchange of knowledge with external stakeholders, Pikdare continued on the path towards strengthening internal communication by creating an advisory committee consisting of industry specialists, representatives of the nursing sector and delegates of the regional **Federfarma**⁸. The mandate of this committee is to review the effectiveness of existing service delivery models and to define the specific contribu-

tions of each stakeholder in the pen needle supply process. In addition, the committee meticulously developed a framework for the distribution of products after the tender. The results of these studies are also being used by the influential health care publishing house **EDRA** to produce dissemination documents for health care professionals, in particular diabetologists and pharmacists.

Furthermore, HTL-Strefa directly engages nurses through **focus group** discussions, with the intention of gathering their practical experiences and assessing their needs and expectations regarding safety standards of medical products and services. These sessions emphasised the critical nature of safety as an indispensable standard, driving the implementation of rigorous safety protocols at all stages of patient interaction, particularly when the risk of exposure to infectious diseases is high. The accumulated insights and constructive feedback from these engagement activities are now an integral part of the **MTD Exchange** platform, fueling a culture of continuous dialogue and collective advancement.

8. Federfarma is the national federation representing more than 18,000 private pharmacies affiliated with the National Health Service

MTD EXCHANGE: SHARING KNOWLDEGE WITH HEALTHCARE PROFESSIONALS

MTD Exchange is a pioneering initiative by the Group to create a digital ecosystem where leading specialists, healthcare professionals and stakeholders, including patients and their advocates, can converge with the goal of **advancing healthcare through peer-to-peer dialogue**. The platform demonstrates the Group’s commitment to fostering a fruitful exchange of expertise where MTD shares its specialist know-how and educational resources, while receiving constructive input and engaging in dialogues that inspire the creation of new insights. This initiative is in line with **MTD’s mission to improve the accessibility, safety, reliability and ease of use of medical devices**.

MTD Exchange enables access to a **virtual space** which provides access to a selection of **medical and scientific resources**, and where information addressing unmet needs, contemporary clinical topics, technological advances and patient management can be shared through **debates, discussions and events**. The platform features different educational formats, including **ROUNDTABLES** - virtual and live events organised periodically, where a moderator invites expert speakers from different specialties to express their opinions and discuss hot topics - and **SMART TALKS** - concise and informative educational clips in which an expert addresses intriguing health-related topics, while also providing some practical guidance.



In the course of 2023, 3 events were organized, covering different topics: on 13 April, the Roundtable **“Safety first: a holistic approach - needlestick injury prevention and the role of safety devices in healthcare”** was held, with the participation of experts Amber Hogan Mitchell, who sat on a team that integrated the Needlestick Safety and Prevention Act into the regulatory landscape; Gabriella De Carli, who conducted several research activities on epidemiology and prevention of occupational exposure and infection and moderator Francois Sarkozy. The event addressed the topic of needlestick injuries, which MTD considers a priority, analysing the various local approaches that are also used according to the different legislations; illustrating the importance of establishing a virtuous circle based on the use of safe and suitable devices, training and prevention; and, finally, examining the positive impact that new devices such as the passive technologies for medical sharps can bring. The second Roundtable **“Human motivation and connected health: a crucial synergy for a better health management”** was organized on 27 September, bringing together several experts

to discuss the impact that patient motivation can have on the effectiveness of medical-ly prescribed treatments. In particular, different behavioural and motivational models that characterise human beings were analysed, highlighting the importance of motivation for successful treatment and how connected health can support patients in this process. Finally, a Smart talk **“The role of the pharmacist in the advice of appropriate medications for different wounds and types of patients”** was also organised. With the participation of Maria Michela Garon (allergology and clinical immunology specialist) and Lorenza Lalli (Doctor of Pharmacy), the smart talk analysed the possible cases pharmacists may encounter when patients appear suffering from wounds. In particular, pharmacists are instructed on how to recognize the different case histories that can occur, both according to the type of wound and according to the patient, and how to use this information to intervene in the best possible way using the appropriate tools.

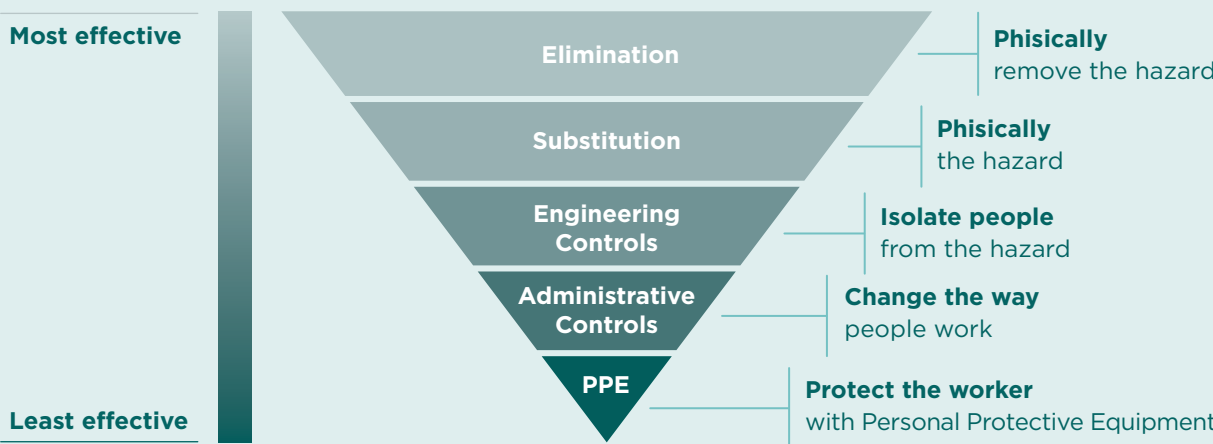


MISSION ZERO

MTD is proud to lead the initiative **Mission Zero** with the goal of **eliminating needlestick injuries for healthcare workers**. Mission Zero serves as a global call-to-action for the health-care industry and med-tech manufacturers to ensure the safest protocols and products are made available to healthcare professionals. Mission Zero strongly advocates for adherence to a **Hierarchy of Controls** which provides a means of determining ways to implement systems or controls (from most effective to least effective) that protect workers from injuries.

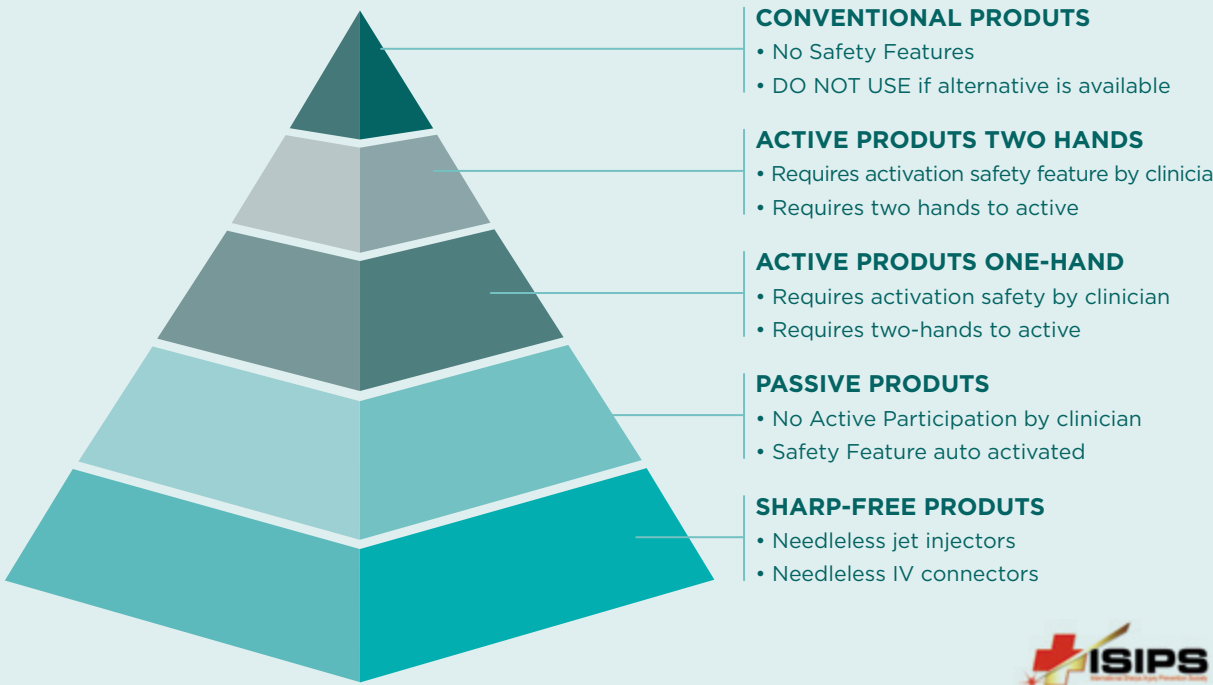
Mission Zero's focus on a Hierarchy of Controls aligns to the latest guidance from public health agencies as well as the research authored by non-profit organizations dedicated to worker safety, including the **International Sharps Injury Prevention Society** (<https://isips.org/>) and the **International Safety Center** (<https://internationalsafetycenter.org/>).

Hierarchy of Controls



Ron Stoker, founder of **International Sharps Injury Prevention Society**, advocates for the use of passive-safety and needle-free technologies based on the hierarchy he developed to aid healthcare facilities in selection of safe medical sharps. These types of technologies automate the safety feature, thereby offering a safer and more effective product. Needlesticks continue to occur with the less-effective “active” products due to an exposed hypodermic needle and the required manual activation of the safety feature by the healthcare professional.

Sharps Safety Pyramid



It is with this in mind, and based on research showing that passive-safety technologies offer a safer option, that **MTD** recently launched the first and only fully passive safety needle, **Sicura**. Designed to eliminate needlestick injuries, Sicura offers the highest levels of integrated engineering controls with automatic activation of the safety mechanism after the injection is delivered.

MTD poses an enduring commitment to delivering innovations to the healthcare industry in order to achieve the goal of Mission Zero: elimination of needlestick injuries for healthcare workers.



4.

OUR
PEOPLE,
OUR
CARE

“The people of MTD represent a key pillar of the Group, which is committed to protect their safety, to foster their personal development and to increase their welfare.”

The Group is committed to achieving two primary goals concerning healthcare professionals and consumers of MTD's products: as extensively discussed in preceding chapters, these objectives relate to **ensuring product safety**, especially for healthcare practitioners, based on their needs. Year after year, MTD confirms its commitment to ensure internal staff, the same level of care and consideration it adopts for customers. The Group places great emphasis on safeguarding the **well-being of MTD employees**, encompassing both blue-col-

lar and white-collar workers, because they represent the cornerstone of the Group's success. The decision to sustain and manage remote work, introduced as a safety measure during the pandemic, exemplifies MTD's efforts to promote work-life balance and prioritize the well-being of its employees. Furthermore, MTD is dedicated to nurturing employee growth through a range of educational opportunities, welfare programs, and internal communication initiatives aimed at listening to their needs. These efforts not only encourage personal development but also aid in talent retention.

4.1. SHARING THE CULTURE OF HEALTH AND SAFETY

As the health and safety of all employees is a milestone in the Group's sustainability strategy, MTD is firmly dedicated to ensuring the utmost standards of health and safety across its production facilities. Both HTL-Strefa and Pikdare are equipped with EHS (Environment, Health & Safety) managers tasked with overseeing these critical aspects. While Pikdare has a written HSE policy, HTL-Strefa has developed a comprehensive EHS manual outlining guidelines and responsibilities. With established policies and designated personnel overseeing workplace safety and health, MTD can promptly identify and report any significant concerns as they arise. The three basic principles followed in this area are: **monitoring, engagement, and education**.

In terms of **monitoring**, HTL-Strefa and Pikdare consistently conduct internal health and safety audits to ensure adherence to best practices within their manufacturing facilities. HTL-Strefa organizes "Cross-audits", which involve visits by top-level management between different departments based on a predetermined checklist. These audits are designed to evaluate performance and compliance with health and safety regulations.

As part of the 2023 safety management program, HTL also conducted **housekeeping audits**, aimed at assessing and enhancing the

orderliness and cleanliness of the work environment. This effort aligns with the company's commitment to upholding predefined standards that contribute to a secure, efficient, and healthy setting for all staff members. The findings from these audits have identified key improvements that need to be addressed to prevent potential hazards. Action items include upgrading to retractable compressed air hoses for better safety and convenience, ensuring proper placement of items and equipment in their respective areas to maintain organization, and providing comprehensive labeling and information for solvents and other materials in storage.

HTL's monitoring initiatives in 2023 extended beyond the physical safety of the workplace to encompass the conduct of its workforce. The company rolled out the **SMAT** (Safety Management Audit Tool or Safety Management Action Team) **Observation System**, an innovative approach to safety management designed to foster a more secure work environment. This was achieved through direct and regular observations and by actively involving employees in the safety process. The system's objective was to find potentially dangerous behaviors, providing immediate feedback to the observed workers, and instituting corrective measures to prevent accidents and injuries. The scope of SMAT observations was comprehensive, covering the use of personal protective equipment



(PPE), workers' body positioning, adherence to procedures and organization, as well as the utilization of tools and equipment, and the overall attitude of the workforce. Data gathered from these observations were evaluated to identify trends, develop preventive actions, and continuously improve safety practices within the organization.

Monitoring activities had also included direct investments in the plants, such as new infrastructure projects and human resource development initiatives, like the B.O.S.S project, launched by Pikdare in 2017. This project had provided peer-to-peer assessments

to check compliance with health and safety requirements, with the goal of preventing potential issues before they had occurred. It ended in 2022 because it was deemed to have achieved the expected results in terms of awareness.

Engagement plays a crucial role in preventing injuries and promoting best practices within the workplace. When employees feel engaged and valued, they are more inclined to adopt safe work behaviors and encourage their peers to do the same. This mutual respect and collaboration contribute to creating a safer and healthier work environment for everyone.

In this context, since 2020, HTL has conducted the “**near misses project**” enabling the workforce to report incidents where a worker could have been injured if circumstances had varied slightly, known as near misses. Employees can submit these reports via email and suggest corrective actions for implementation. By 2023, the system categorizes reports into three types: near miss calls, unsafe acts, and unsafe conditions. The distinction between types of near misses enables the prioritization of actions based on the risk level associated with each category and the consequent development of specific interventions tailored to each one. This proactive approach not only encourages employees to actively participate in identifying potential hazards but also facilitates the implementation of preventive measures to mitigate risks and enhance workplace safety.

Furthermore, in 2023, HTL organized a **Health Week** to promote health and safety best practices. The event included various activities such as a photo booth for trying on personal protective equipment (PPE), cooking sessions according to the Lean methodology, discussions with doctors, and improving activities for forklift drivers. These meetings aimed to facilitate discussions on enhancing workplace safety, sharing opinions on best practices, and determining appropriate corrective actions when improvement is necessary. Throughout

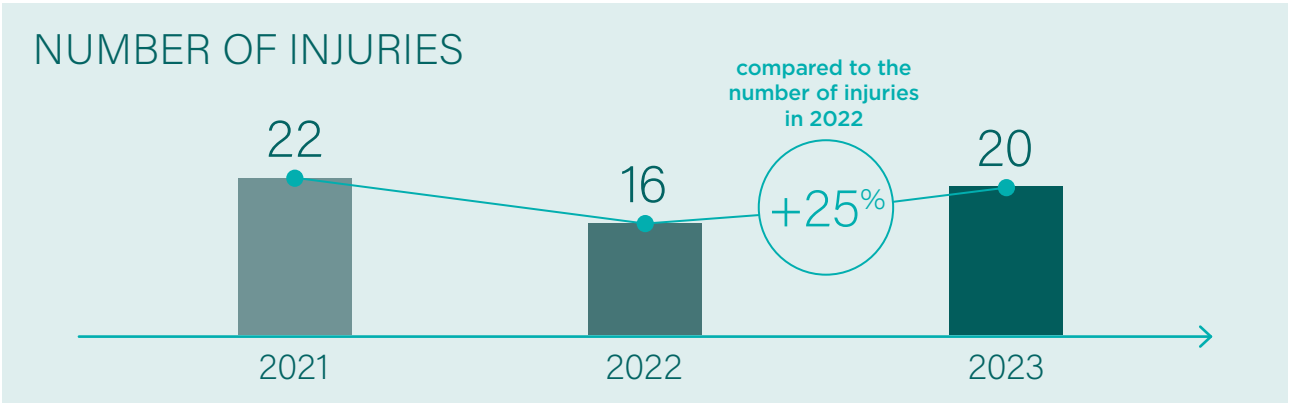
2023, HTL embraced the Lean management technique of **Gemba Walks**, which are conducted twice a week. This hands-on approach brings managers and company leaders directly to the production areas to observe operational processes in real-time, interact with the workforce, and collect valuable insights. The goal is to identify areas of improvement, reduce waste, address issues, and foster a culture of ongoing progress. Distinguished from traditional audits or inspections, Gemba Walks serve as an educational tool for leadership to understand the workforce’s perspective and encourage their support within the work environment.

Regarding **educational** initiatives, Pikdare and HTL-Strefa have demonstrated a strong commitment to providing comprehensive **training on health and safety** matters. In 2023, total training hours dedicated to Health and Safety (H&S) by MTD reached 3,894, marking an increase of 55% from the prior year. This substantial increase can be attributed to the lifting of restrictions related to Covid-19 and the reinstatement of mandatory H&S training in Poland. During the year, there were 20 injuries for MTD employees with a frequency injury rate of 1,68, and most of them were attributed to human error or to work areas being disorganized. Finally, in the last three years there were no fatalities at Group level.



Health and Safety Key Performance Indicators (KPIs) are continuously monitored and discussed using Data/dashboards. Moreover, HTL has further developed its “Safety Alert” program to quickly notify employees and relevant parties about any potential risks or unsafe situations that occurs, offering a detailed account of the occurrence, its causes, and outlining the

necessary preventive or corrective actions that should be implemented to ensure such events do not recur. Additionally, Pikdare has conducted a review of the DVR (“Documento di Valutazione dei Rischi”) document in 2023, which records all potential types of injuries and the corresponding Personal Protective Equipment (PPE) required for each scenario.



WORK RELATED INJURIES	Unit	2021	2022	2023
Total number of work-related injuries	n	22	16	20
of which high-consequences injuries (> 6 months of absence)	n	0	0	1
of which fatalities	n	0	0	0
Total hours worked by employees¹	h	3,233,217	2,799,804	2,374,326
Frequency injury rate		1.36	1.14	1.68

MTD tracks also health and safety metrics concerning external workers operating within its production sites. Specifically, in the year 2023, there was 1 injury without high-consequence involving these workers, while no near-miss events were reported.

Most recorded incidents involved mechanical risks, which can sometimes be part of the work

environment (such as bumps, slips, and falls) and may not necessarily fall under the responsibility of the employer or the company. A prevalent type of injury within the production facilities is needlestick injuries. As highlighted in previous sections, MTD is committed to **educating** and **innovating** to progressively reduce this type of injuries.

1. Total hours worked by employees include regular time and overtime.

4.2. WELLBEING FOR A WELL CARE

MTD’s driving force is its outstanding team: this is why the Group is committed to fostering a culture of innovation and creativity that contributes to achieving its strategic goals. To realize these ambitions, MTD prioritizes talent growth, individual skills and competencies development, employee safety, and the promotion of an inclusive and diverse work environment. These efforts are critical to maintaining the sustainability of MTD’s value creation model well into the future. With a diverse and extensive employee base, MTD recognizes that each team member has distinct needs and aspirations. Indeed, the company regularly engages in active listening sessions to collect feedback and understand the specific requirements of its workforce. Based on the results of these surveys, MTD has developed a tailored welfare program for its employees, aimed to enhance the **overall work experience and support a healthy work-life balance**.

As of 31st December 2023, MTD employed a total of 1,400.1 FTE employees (16% less than in 2022). The overall fluctuation in the count has

been driven by several program implemented by MTD Group: in Italy the Group applied the so called “contratto di espansione” which, on the one hand, gave employees who met certain requirements the opportunity to retire early and, on the other hand, committed the company to hiring a certain number of new employees to be in compliance with the requirements of the contract. The overall result has been extremely positive from many standpoints: a large number of persons (42 employees nearing retirement, within five years of the milestone) had the opportunity to benefit from early retirement on favorable conditions, and the company had the chance to hire young people, thus creating a significant number of new workplaces.

In Poland, the reduction of the FTEs has been driven by several transformation projects whose full implementation will take place in 2024 and 2025. These projects are part of the MTD Group’s industrial plan and will determine a large number of benefits in the next years, including in terms of sustainability. More details will be provided in the coming years.

TOTAL WORKFORCE	Unit	2021	2022	2023
Employees	FTEs	1,759.6	1,658.8	1,400.1
Agency workers	FTEs	7.0	19.0	1.0
Internship	FTEs	5.0	8.0	4.0
Other	FTEs	54.0	42.0	10.0
Total workforce	FTEs	1,825.6	1,727.8	1,415.1
...of which men	FTEs	842.5	817.5	653.5
...of which women	FTEs	983.1	910.3	761.6

MTD boasts a workforce where women constitute a significant majority, accounting for 54%² of total employee in 2023. The overall gender distribution within the company during the previous year has experienced a slight increase of 1% compared to 2022. Regarding the age composition at MTD, most employees

are between 30 and 50 years old, representing 66% of the workforce. Those under the age of 30 account for 11%, and employees over 50 make up 23%. Analyzing the breakdown by job category, white-collar and blue-collar workers constitute 26% and 67% of the total workforce, respectively.

Employees by employment category, gender and age group, 2019-2021		Unit	2021	2022	2023
Executives - Total		FTE	30.0	30.0	26.0
Man	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	14.0	9.0	8.0
	>50 years	FTE	10.0	15.0	8.0
Woman	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	5.0	3.0	4.0
	>50 years	FTE	1.0	3.0	6.0
Middle Management - Total		FTE	78.0	74.0	69.0
Man	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	27.5	28.0	25.0
	>50 years	FTE	19.5	18.0	16.0
Woman	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	26.5	22.0	26.0
	>50 years	FTE	4.5	6.0	2.0
White Collars - Total		FTE	405.3	392.3	360.9
Man	<30 years	FTE	20.0	26.5	24.0
	30< x <50 years	FTE	115.8	107.8	98.8
	>50 years	FTE	50.5	48.5	39.5
Woman	<30 years	FTE	44.8	32.0	35.7
	30< x <50 years	FTE	143.1	148.3	137.2
	>50 years	FTE	31.2	29.2	25.7
Blue Collars - Total		FTE	1,246.3	1,162.5	944.3
Man	<30 years	FTE	92.0	80.0	48.0
	30< x <50 years	FTE	332.8	321.8	279.8
	>50 years	FTE	123.5	120.0	94.5
Woman	<30 years	FTE	93.0	65.0	41.0
	30< x <50 years	FTE	453.8	430.3	344.5
	>50 years	FTE	151.3	145.5	136.5

2. Data is calculated in FTE (Full-Time Equivalent) and workers who are not employees have been excluded.

The majority of employees are located in Poland (72%) and Italy (24%), where the manufacturing plants are located; other employees are based in the local commercial subsidiaries in France and in the USA. During 2023, the company phased out its Swiss branch, which had been active in previous years, and moved the headquarter in Italy.

EMPLOYEES BY REGION	Unit	2021	2022	2023
Italy	FTEs	371.7	381.1	329.5
Poland	FTEs	1,325.9	1,216.3	1,013.6
France	FTEs	27.0	30.5	35.0
USA	FTEs	26.0	23.0	22.0
Switzerland	FTEs	9.0	8.0	0.0
Total employees	FTEs	1,759.6	1,658.8	1,400.1

With respect to the type of contract, 94% of MTD’s employees had a permanent contract in 2023, compared to 90% in 2022. The increase has been driven by new hires and by the conversion of some temporary contracts to permanent ones.

EMPLOYEES BY CONTRACT AND BY GENDER	Unit	2021	2022	2023
Permanent male	FTEs	687.5	686.5	592.0
Permanent female	FTEs	804.1	802.3	728.9
Total permanent employees (percentage on the total)	FTEs	1,491.6	1,488.8	1,320.9
Temporary male	FTEs	118.0	88.0	49.5
Temporary female	FTEs	150.0	82.0	29.7
Total temporary employees	FTEs	268.0	170.0	79.2
Total employees	FTEs	1,759.6	1658.8	1,400.1

Regarding the employment type, around 2% of employees had a part-time contract in 2023, 79% of which are women.

EMPLOYEES BY EMPLOYMENT TYPE	Unit	2021	2022	2023
Full-time male	FTEs	803.0	771.0	637.0
Full-time female	FTEs	936.0	868.0	742.0
Total Full-time	FTEs	1,739.0	1,639.0	1,379.0
Part-time male	FTEs	4.0	3.5	4.5
Part-time female	FTEs	28.0	16.3	16.6
Total Part-time	FTEs	32.0	19.8	21.1
Total employees	FTEs	1,771.0	1,658.8	1,400.1



Hires and terminations trends within the company in 2023 were indicative of the conditions shaped by previously mentioned events. Specifically, there was a 3% decline in the hiring rate compared to the prior year, while the turnover rate increased by 7% over the same year.

New employee hires and employee turnover, by gender and age group	Gender	Age group	Unit	2021	2022	2023
Number of new employee hires	Men	< 30 years old	FTEs	29.0	37.0	14.0
		30 ≤ x ≤ 50	FTEs	61.0	40.0	22.0
		> 50 years old	FTEs	9.0	14.0	9.0
	Total men		FTEs	99.0	91.0	45.0
	Women	< 30 years old	FTEs	29.0	13.0	17.0
		30 ≤ x ≤ 50	FTEs	35.0	26.1	10.0
		> 50 years old	FTEs	8,0	4.0	6.0
	Total women		FTEs	72.0	43.1	33.0
	Total number of new employee hires		FTEs	171.0	134.1	78.0
	Hiring rate ³	FTEs hirings/ FTEs employees		FTEs	10%	8%
Number of employee terminations	Men	< 30 years old	FTEs	35.0	29.0	25.0
		30 ≤ x ≤ 50	FTEs	67.3	63.0	118.5
		> 50 years old	FTEs	28.4	31.0	27.0
	Total men		FTEs	130.7	123.0	170.5
	Women	< 30 years old	FTEs	37.0	23.0	25.0
		30 ≤ x ≤ 50	FTEs	58.3	58.8	101.1
		> 50 years old	FTEs	23.8	28.8	34.5
	Total women		FTEs	119.1	110.5	160.6
Total number of employee terminations		FTEs	249.8	233.5	331.1	
Turnover rate ⁴	FTEs hirings/ FTEs employees		FTEs	14%	13%	20%

3. FTE hirings / FTE employees of the previous year
4. FTE terminations / FTE employees of the previous year

MTD Group uses surveys to capture the perspectives of their employees, engaging in dialogue and incorporating their needs. In 2023, HTL carried out its annual **engagement survey**, which reached out to all employees with the aim of collecting data on their satisfaction levels concerning their experiences at the company. The participation rate in the survey showed an improvement from the previous year, with a 10% increase bringing the engagement level to approximately 22%. The majority of the employees who joined the survey expressed satisfaction with their experience at HTL. In addition to that, MTD Group initiated three distinct experimental surveys in recent years with more focus on diversity, digital skills, and managerial skills. The attendance and the outcome of the surveys suggested the opportunity to introduce some targeted training courses to further enhance IT skills and enlarge people’s digital knowledge and know how.

The Group is dedicated to promoting the well-being of its employees through the implementation of comprehensive **welfare** programs by means of the introduction of flexible benefits schemes, allowing employees

to convert part of their bonus into a range of selectable benefits based on their individual needs and preferences. In particular, in the Italian site, MTD Group offers its employees subsidized rates for the kindergarten and canteen services, with varying discounts based on their role. Additionally, HTL-Strefa enriches its compensation packages with a range of benefits, such as private health insurance and subsidies for leisure activities, improving the overall job satisfaction and quality of life for its workforce.

Smart working has continued to be an opportunity to improve work-life balance, perceived as a benefit and highly requested after by new employees during the interview phase. Following the establishment of a specific policy in 2021 to govern this new way of working, smart working has been institutionalized and officially formalized within the Group since 2023 providing clarity and structure to this modern approach to work. Smart working has now become a well-established mode of operation, offering significant flexibility in application—free from restrictions on specific days, hours, or the proportion of work conducted remotely.



4.3. UPSKILLING FOR PERSONAL GROWTH

MTD is committed to fostering the development of its employees by offering **training programs** aimed at enhancing their personal and professional capabilities. The organization believes that personal development not only elevates the competitiveness of the Group in the market-place but also serves the collective interests of the workforce. Training initiatives are typically planned with a **bottom-up strategy**, ensuring they are delivered to meet the needs of the employees. Currently, there isn't a centralized training agenda across the Group; rather, training activities are independently managed by Pikdare and HTL-Strefa, allowing for a more customized approach to employee development. HTL's English course, initially introduced last year, was

made available again in 2023, obtaining positive responses. The course totaled 1620 hours, involving 88 participants of which 53 women and 35 men. Additionally, the training program for managers has been improved and widened to boost the leadership abilities of the company's middle and senior managers. Regarding the **Six Sigma Green Belt** course, completed in 2022, the nine participants obtained the corresponding certification within the same year, and the project has been concluded. This course gave attendees the opportunity to analyze business operations using a structured approach, teaching them to identify inefficiencies and apply data-driven decision making with Six Sigma methodology, based on reducing errors and increasing quality and efficiency.



Meanwhile, Pikdare has maintained a focus on soft skills through courses aimed at improving leadership and interpersonal skills, targeting nearly all department heads, along with the previously mentioned Excel courses. Language training also played a key role, especially considering the company's global presence, with an

increasing number of hours being allocated to English language learning in 2023, amounting to 1,440 hours.

During 2023, MTD employees received a total of 10,685 hours of training, marking a substantial increase of 72% from the previous year.

ANNUAL TRAINING HOURS BY TOPICS	Unit	2021	2022	2023
Training on HSE topics	h	1,077	1,913	3,894
Training on professional development (e.g., management training, soft skills, language training, etc.)	h	1,078	2,041	4,108
Training on required job skills (e.g., technical topics, machinery operation, IT training)	h	1,124	967	2,584
Training on diversity and inclusion / equal opportunities training	h	-	23	24
Training on Cyber / data security	h	16	24	23
Training on anti-corruption	h	1,313	51	1,240
Total training hours	h	4,608	6,207	10,685

ANNUAL TRAINING HOURS BY EMPLOYEE CATEGORY	Unit	2021	2022	2023
Training provided to EXECUTIVES	h	55	221	135
Training provided to MANAGER	h	608	446	855
Training provided to WHITE COLLARS	h	2,280	2,934	6,398
Training provided to BLUE COLLARS	h	1,665	2,607	3,298
Total training hours provided to Employees	h	4,608	6,207	10,685

Throughout 2023, a significant portion of the training provided to employees was dedicated to professional development, which represented 38% of all training hours. This was closely followed by training in Health, Safety, and Environment (HSE), which made up 36%, and training for essential job skills, which ac-

counted for 24%. Most of the training hours were allocated to white-collar employees, who received 60% of the total, compared to the 31% received by blue-collar workers. It is also worth mentioning that a majority of 69% of the training hours delivered were non mandatory.

5.

WE CARE
FOR PLANET'S
HEALTH

“Our commitment to sustainability is embedded within our culture, which guides us in addressing climate challenges. A commitment to ensuring the well-being of the environment and future generations.”

Historically, MTD has been deeply rooted in sustainable practices, encompassing both social and environmental dimensions. Social aspects are inherently integrated into the Group's primary activities, while environmental ones are held in high regard by

the management due to their profound effects on the planet's ecosystems and human well-being. MTD is dedicated to reducing its environmental impact by curtailing carbon footprint from its operations, minimizing the use of raw materials, and reducing the waste produced during its production processes.

5.1. THE WAY WE CARE, THE WAY WE ACT

MTD is not only committed to improving the well-being and living conditions of current generations, but also looks to future ones, striving to implement a sustainable business model by minimizing its environmental

impacts. This resulted in the creation of a Group-wide environmental strategy, which defines ambitious aims and requires a coordinated and synergetic approach by the entities that constitute the Group. To define this strategy, both the processes and policies of



HTL-Strefa and Pikdare were mapped and analyzed, based on which the two main aspects of the Group’s environmental sustainability were defined:

- **Process sustainability**, which concerns production activities at the plants.
- **Product sustainability**, which mainly concerns the raw materials used in the products.

With regard to the first aspect, both Pikdare and HTL-Strefa are actively committed to improving the environmental impact of their processes and have therefore implemented a governance structure for environmental management, appointing an environmental manager for each company. This dedication is reflected in the daily actions of the Group’s employees, and the commitment has been formalized by both companies

through specific policies: **Pikdare’s Environmental Policy** and **HTL-Strefa’s Sustainable Development Policy**. These policies represent the framework that directs employees’ operational decisions and the execution of operational processes. To remain effective, it is necessary that they are for them to always be properly updated to reflect the Group’s changes and requirements, which is precisely the reason why HTL-Strefa updated its policy during 2022. In addition to the policy, in 2020 Pikdare developed a management system in line with UNI EN 14001:2015 and obtained the **ISO 14001:2015** certification for its environmental management system. This certification includes Pikdare’s production site and promotes the continuous improvement of processes and their environmental performance.

ISO 14001: 2015 – ENVIRONMENTAL MANAGEMENT SYSTEM

ISO 14001 is a globally recognized standard that establishes the requirements for a **certified environmental management system**. This certification is applicable to organizations of any kind, regardless of their industry or field of operation, and assists an organization in achieving the goals of its environmental management system. The benefits of these outcomes extend to the environment, the organization, and stakeholders.

The goals of an environmental management system are to:

- Improve environmental performance;
- Meet regulatory and legal responsibilities;
- Attain environmental targets.



5.2. COMMITTED TO CLIMATE CHANGE MITIGATION

One of the crucial aspects of MTD’s environmental strategy is to minimize its negative impact on climate change. In this sense, it is crucial to obtain a comprehensive and measurable understanding of its environmental footprint. Therefore, MTD engages in annual initiatives that assess the Group’s environmental impact. This includes the **inventory of**

greenhouse gas (GHG) emissions, which has been compiled since 2020 onwards. In addition, during the year, MTD undertook an in-depth review of its production processes to identify key areas where action could significantly reduce the Group’s energy consumption. Based on these insights, MTD and its subsidiaries implemented several initiatives during the year.

Reduction of energy consumption

Regarding the activities directly carried out by the Group, **energy consumption** represents one of the main environmental impacts, being one of the primary sources of greenhouse gas emissions. Compared to the previous two-year period, in 2023 there was a significant change in the Group’s main energy source mix, mainly due to the activation of the Pikdare **trigenerator**. This produces electricity through the consumption of natural gas, significantly reducing the share of electricity purchased from the grid. Moreover, in 2023 the inventory management strategy was changed, reducing the amount of goods stocked, and consequently lowering production activities. Lastly, in 2023 the Group carried on with the im-

plementation of actions started in 2022 aimed at reducing its consumption through renovation of machineries used in industrial sites.

The primary source of energy consumption for MTD is the electricity purchased from the grid (57% compared to 81% in 2022), which is used for the lighting of all assets and the operation of production machinery in Poland; followed by natural gas (40%, which significantly increased from 17% in 2022), employed for the heating of all assets and the operation of industrial machines in Italy; lastly, the share related to the car fleet consumption, used mainly for business trips by Group employees, remained stable (3%).

ENERGY CONSUMPTION	UOM	2021	2022	2023
Energy consumption for buildings and operations	GJ	258,580	225,088	186,273
Of which electricity	GJ	214,851	185,998	108,806
Of which from natural gas	GJ	43,316	38,864	77,332
Of which from LPG	GJ	413	226	135
Energy consumption for company car fleet	GJ	4,395	5,827	5,179
Of which gasoline vehicles	GJ	1,490	1,575	2,828
Of which diesel vehicles	GJ	2,905	4,252	2,352
Total	GJ	262,975	230,915	191,453



STREAM	DESCRIPTION OF MAIN INTERVENTIONS	ENERGY SAVINGS
Relamping	Since 2016, both Pikdare and HTL-Strefa have launched a project to replace the lighting system with LED systems, characterised by much lower consumption (each lamp consumes 5 to 6 times less). The main interventions were carried out by Pikdare at the beginning of 2021 in some areas of its production site and headquarters and will continue with further investments at the end of 2024. While the main interventions at HTL's production sites were completed in Q3 2023.	-21 MWh Electricity saved yearly for the headquarter -14.4 MWh Electricity saved yearly for the headquarter -1100 MWh Electricity saved yearly
Education of personnel on the correct use of machinery	Pikdare has carried out to a training and sensibilization project to manage the switching on/off of machinery during the weekend or when not in production; devices have also been installed to allow them to manage the switching on and off remotely.	-165 MWh Electricity saved yearly for the production site
Replacement and optimization of outdated machinery	Among the most impactful processes for Pikdare are those using compressed air, especially the compressor cabin, which are also characterised by a lot of losses. For this reason, an extensive optimization and leakage reduction operation was launched in 2022 and has continued during 2023. Furthermore, at the beginning of 2023, Pikdare started a project to optimize some production machines by running them at a lower pressure , thus reducing the required electrical energy. Finally, Pikdare carried out interventions on the air-conditioning systems by replacing the refrigeration unit with a new, more efficient machine, which went into operation in May 2023, and, in the same month, optimizing the management of the chiller recirculation pumps, the management of which was automated, making it more efficient.	-469 MWh Electricity saved in 2023 for the production site

STREAM	DESCRIPTION OF MAIN INTERVENTIONS	ENERGY SAVINGS
Machinery thermal efficiency	In May 2022, Pikdare introduced an electronic system to control the temperature of the post-combustion system used for ethylene oxide (ETO) treatment. It became operational at the beginning of 2023 and enabled a reduction in the amount of natural gas consumed during production downtimes, particularly at weekends. In addition, in mid-2023, the post-combustion system itself was replaced with a more modern RTO model , featuring heat recovery towers made of refractory ceramic material and a modulating burner, ensuring greater efficiency and natural gas savings. In October 2022, HTL-Strefa launched a project to install thermal covers on injection moulding machines , which generate a lot of heat to run their production cycle, a significant portion of which is dissipated; therefore, the covers can reduce his effect by making the production cycle much more energy efficient. The project was completed in mid-2023.	-88,300 m³ Natural gas saved in 2023 -532 MWh Forecasted electricity saved from 2024
Trigeneration Plant	In 2021, Pikdare installed a trigeneration plant, which went into operation in January 2023. By producing electricity, thermal energy (hot water for heating) and cooling energy (chilled water for air conditioning or refrigeration) at the same time, the trigeneration plant saves a lot of primary energy and reduces greenhouse gas emissions, while increasing natural gas consumption. This has a positive impact, ensuring a significant reduction in CO2 equivalent emissions .	-6,714 MWh Electricity saved in 2023 -328 tCO₂e CO₂ equivalent saved in 2024

MTD

Medical Technology and Devices

ENERGY SAVED IN 2023

29,997 GJ

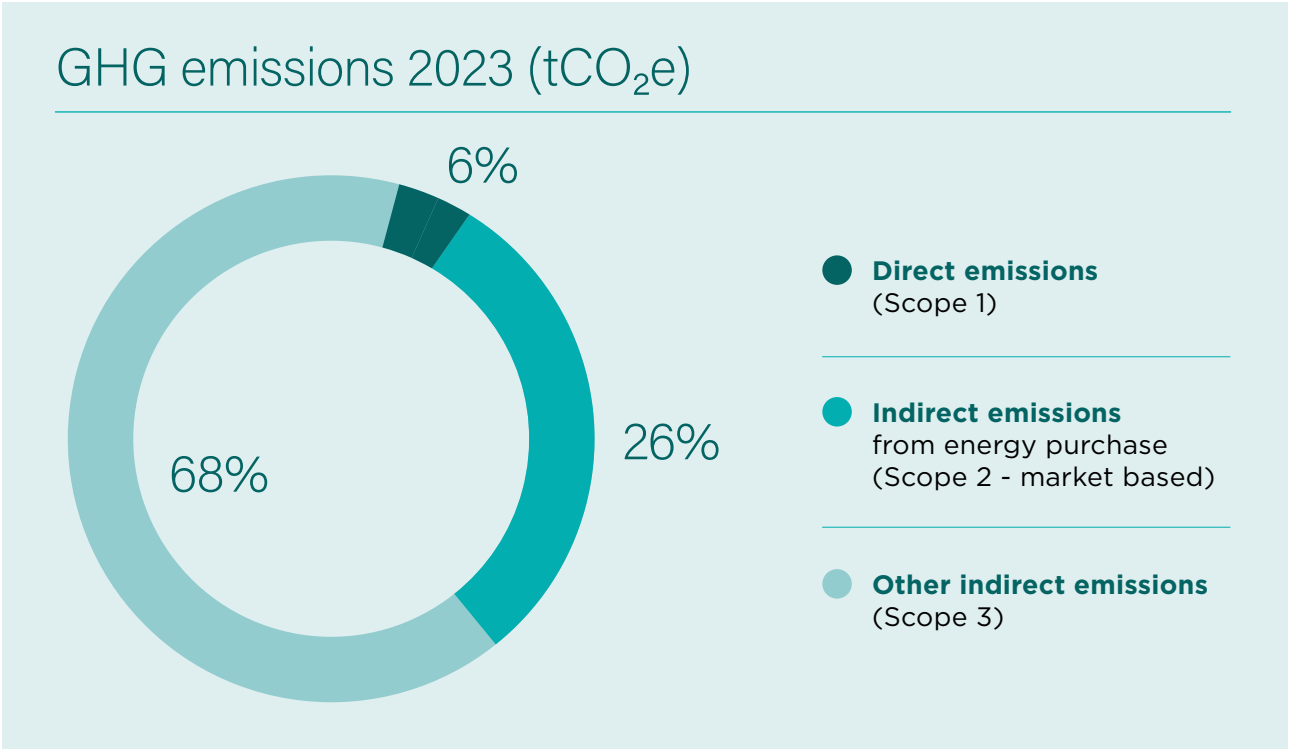
Ghg emissions accounting

MTD is committed to conducting annual assessments of its **greenhouse gas (GHG)** emissions by conducting GHG emission inventories. This includes all direct GHG emissions (Scope 1) from sources owned or controlled by the company (such as emissions from nat-

ural gas combustion in boilers), indirect emissions from purchased electricity (Scope 2), and indirect emissions that occur outside the company's boundaries but are associated with the Group's value chain (Scope 3).

GHG emissions ¹	Unit	2021	2022	2023
Direct emissions (Scope 1)	tCO₂e	2,743	2,565	4,483
Emission from fuels for heating and other purposes	tCO ₂ e	2,221	1,988	3,939
Emission from fuels used for Company's car fleet	tCO ₂ e	445	486	469
Emissions from refrigerant gases refilling of air-conditioning systems	tCO ₂ e	78	91	75
Indirect Emissions from energy purchase (Scope 2 - location-based)	tCO₂e	33,899	28,789	18,042
Indirect Emissions from energy purchase (Scope 2 - market-based)	tCO₂e	36,398¹	32,399	18,395
Other indirect Emissions (Scope 3)	tCO₂e	71,385	64,289	48,358
3.1 Purchased goods and services	tCO ₂ e	52,867	49,197	38,032
3.2 Capital goods	tCO ₂ e	247	215	510
3.3 Fuel and energy related activities	tCO ₂ e	8,729	7,338	4,630
3.4 Upstream transportation and distribution	tCO ₂ e	8,053	6,016	3,829
3.5 Waste generated in operations	tCO ₂ e	96	81	82
3.6 Business travels	tCO ₂ e	41	102	244
3.7 Employee commuting	tCO ₂ e	835	782	604
3.9 Downstream transportation and distribution	tCO ₂ e	516	558	428
TOTAL (with Location-based)	tCO₂e	108,027	95,643	70,884
TOTAL (with Market-based)	tCO₂e	110,527	99,252	71,236

1. The figures for 2021 and 2022 regarding Scope 2, Scope 3 - 3.3 Fuel and energy related activities, 3.5 Waste generated in operations GHG emissions differ from those published in the Sustainability Report 2022 as they have been modified due to further available information.



For the calculating GHG emissions from electricity purchased from the national grid, two alternative calculation methods were used:

- the **location-based method**, which reflects the average emission intensity of grids from which electricity is purchased;
- **market-based method**, which takes into account the share of certified electricity purchased from renewable and zero emissions sources.

This methodological difference is fully reflected in MTD's Scope 2 emissions. Indeed, the Group purchases approximately 29% of its electricity from certified renewable sources: in 2023, HTL-Strefa in Poland purchased Guarantees of Origin to cover 15% of its electricity consumption; while Pikdare Italy covers 100% of the electricity it purchases with **Guarantees of Origin (GOs) certificates**.

In 2023, around 31% of the Group's greenhouse gas (GHG) emissions originated from its internal operations (Scope 1 and 2), due to MTD's energy-intensive production activities, especially at HTL-Strefa. In contrast, emissions from the value chain (Scope 3) accounted for about 68% of the total, consistent with previous years, with the largest contributors being purchased of goods and services (53%), fuels and energy-related activities (6%), and upstream transportation and distribution (5%). Overall, the MTD Group's total GHG emissions saw a significant decrease compared to the previous year, amounting to a 28% reduction using the market-based method. This decrease was the result of several factors:

- The **energy efficiency initiatives** implemented by the Group, combined with a decrease in production volumes due to a change in inventory management policy,

led to a 35% reduction in direct Scope 1 and Scope 2 emissions compared to 2022. Furthermore, the start-up of the trigeneration plant by Pikdare reduced electricity consumption and increased natural gas usage, consequently reducing Scope 2 emissions and increasing Scope 1 emissions, with an overall GHG emissions reduction of about 328 tCO₂e.

- The categories of 3.1 **purchased goods and services** and 3.4 **upstream transportation and distribution** were affected both by the change in inventory management policy, which reduced the amount of raw ma-

terials and products used for production and consequently the volume of related transport; and by practices implemented by the Group for more environmentally friendly management along the entire value chain. These practices led, for example, to greater scrutiny of purchased raw materials and a consistent decrease in the use of air transport over recent years. Together, these factors caused a 23% reduction in GHG emissions related to category 3.1 and a 36% reduction for category 3.4 compared to 2022, representing the largest contribution to the decrease in the Group’s Scope 3 emissions.



CARBON OFFSETTING PROJECTS

As a complement to **MTD’s** initiatives to manage and reduce its absolute greenhouse gas (“GHG”) emissions, the Company has since (2020) purchased carbon credits **to neutralize (“offset”) its residual Scopes 1 and 2** operational emissions. The Company’s primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, **MTD** also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the removal of one ton of CO₂ equivalent (CO₂e), the Company can – under voluntary carbon market standards and guidance – claim to have achieved carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its residual emissions.

From the outset, the two projects from which **MTD** has purchased carbon credits are the **“Great Bear Forest Carbon”** and the **“Guatemalan Conservation Coast”** projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

Great Bear Forest Carbon project¹, Canada

The Great Bear Forest covers c. **6.4 million hectares** of north and central coast in British Colombia in Canada and is home to First Nations people who have inhabited this land for **up to 10,000 years**. This rare and rich ecosystem is also home to rare species of plants and animals (including the Kermode Bear). The aim of this project is to improve forest management in the region, generating emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that lead to the protection of forest areas and the reduction of harvest levels.

Guatemalan Conservation Coast project², Central America

The Guatemalan Conservation Coast program **works to address the drivers of deforestation** through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are the protection of **30 threatened tree species** including the Baird’s tapir and West Indian manatee, the protection of **54,157 hectares of threatened forest** in the Mesoamerican Biological Corridor and the creation or support of **487 jobs for indigenous and local communities**.

1. The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

2. The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra’s Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation representing c. 22 million tonnes of CO₂e.

5.3. RESPONSIBLE WASTE AND RAW MATERIALS MANAGEMENT

MTD is committed to complying with environmental laws and adopting best practices to reduce its ecological footprint. In line with its sustainability goals and commitments, the company has introduced measures for a decrease in waste production and more environmentally friendly **waste and raw material management**, with the aim of selectively sourcing the highest quality materials. In addition, MTD is aware of the environmental implications of its two sterilization methods: **ethylene oxide (ETO)**, primarily used by Pikdare, and the **gamma ray system**, employed by HTL-Strefa.

Recognizing that the ETO sterilization process poses risks of air, soil, or water contamination due to ETO emissions or accidental releases, Pikdare launched a project to switch to a more advanced and energy-efficient system. The new system became operational in 2023, leading to a reduction in natural gas use and mitigation of the environmental impact associated with the release of ETO by-products into the atmosphere. In addition, in 2022 HTL-Strefa received certification to adopt an alternative sterilization method using X-ray technology, which is considered less harmful to the environment.

Raw materials

The Group is aware that the most significant environmental footprint of MTD's operations stems from the consumption of raw materials, which are crucial to the company's core activities, along with the handling of packaging and waste management. Consequently, MTD is committed to diligently managing and minimizing these aspects within its business processes. The primary resources utilized in MTD's manufacturing sites include:

- **plastic**: mainly used for final products, such as safety sharps, and primary packaging;

- **paper/carton**: used for packaging and warehousing;
- **wood**: mainly in pallets for logistics activities;
- **steel**: for components in final products such as needles and lancets;
- **textile**: for components in final products such as patches and bandages produced by Pikdare;
- **chemicals**: for components in final products mainly consisting in glues, silicones, and pigments.



MATERIAL USED	Unit	2021	2022	2023
Plastic*	ton	8,507	8,611	5,627
Chemicals*	ton	141	141	64
Steel*	ton	1,044	1,029	544
Textiles**	ton	204	219	235
Paper/Carton**	ton	7,443	6,895	3,631
Wood**	ton	998	1,200	719
Other	ton	135	158	95
Total Materials used	ton	18,472	18,253	10,916

*Non-renewable materials **Renewable materials

Within the Group, **plastic** continues to be the most widely used material, comprising 52% of the total materials used, followed by paper/cardboard at 33%, and wood at 5%. Compared to 2022, there has been a significant decrease in the volume of raw materials purchased (~40%).

Entities like MTD, which operate in the medical device sector, are often restricted by stringent regulations that limit the introduction of innovative materials with lower environmental impacts. Nevertheless, MTD is committed to optimizing the sustainability of its material procurement within these regulatory boundaries. For instance, when it comes to secondary packaging materials such as paper/cardboard, MTD gives preference to items with FSC cer-

tification, which ensures the raw materials are sourced from responsibly managed forests. Furthermore, some of the materials employed are potentially harmful to the environment and human health, so the Group pays special attention to their management. For example, during 2023 HTL-Strefa completed the installation of a **new chemical storage** facility, which ensures safer and more efficient management of the chemicals used.

In addition to focusing on sustainable packaging solutions, the Group is devoting resources to the development of innovative products made of sustainable materials. This commitment is exemplified by the introduction of Green plasters in 2023 and the development of a new anti-mosquito spray in 2023.

GREEN PRODUCTS

With the goal of progressively reducing its environmental impact, in 2022 Pikdare launched the Green Pic line: an innovative range of plasters that combines the company’s focus on product quality with the choice of naturally sourced materials. The line includes three products, distinguished by the materials they are made of:

- **Bamboo**, a breathable and velvety plaster made from bamboo fibers, also containing vegetable charcoal and a gauze soaked in aloe vera, characterized by a black color;
- **Sugar Cane**, a water-resistant and breathable plaster made with a naturally derived sugar cane substrate and gauze soaked in aloe vera;
- **Cotton**, a soft and gentle plaster made from organic cotton, ideal for sensitive skin and approved by the Global Organic Textile Standard (GOTS), which certifies textile products made from natural organic cotton fibers.

As further evidence of Pikdare’s commitment to environmental sustainability in the development of these products, all three have been certified by the **Forest Stewardship Council (FSC)**, which guarantees the origin from responsibly managed forests for boxes, wrappers, and protective tabs; and certified by the Institute for Ethical and Environmental Certification (ICEA) for products made with natural fibers free from environmentally harmful substances. Moreover, as always, Pikdare places the safety of its customers at the forefront, which is why all three products have been dermatologically tested before being launched on the market.



Furthermore, during 2023, Pikdare has developed a new **mosquito repellent spray** composed **exclusively of essential oils** of plant origin, thus removing chemical components from the formula. The product, which will be launched in 2024, is completely plant-based and offers a green alternative to conventional products; moreover, its use has been tested under pediatric supervision and is suitable for use on children from the age of 6 months.



Waste management

A critical component of MTD’s environmental approach is **waste management**, with a focus on reducing its harmful effects on the environment and human health. In fact, the Group’s objective is not only to properly dispose of waste in order to minimize these impacts, but also to reduce waste generation relative to production levels by optimizing processes and adopting circular economy practices, while complying with strict industry regulations. In 2023, MTD recorded a 23% decrease in waste generation

compared to the previous year: most of the waste is non-hazardous (80%) and almost all of it is recycled (99.8%). The same applies to hazardous waste, 82% of which is recycled, a lower percentage compared to 2022 (91%), due to the need to dispose of some obsolete waste during the year. These values demonstrate the effects of MTD’s efforts to improve the management of its waste and to reduce the volume of waste generated, an outcome also favored by the reduction of production volumes in 2023.

WASTE PRODUCED	Unit	2021	2022	2023
Hazardous waste	ton	297	423	397
Recycling	ton	207	386	325
Landfill (including incineration)	ton	89	37	72
Non-hazardous waste	ton	2,111	2,185	1,615
Recycling	ton	2,048	2,180	1,611
Landfill (including incineration)	ton	63	5	4
Total	ton	2,408	2,608	2,012

MTD is committed to continuous improvement of its waste management practices. This commitment goes beyond improving workflows and management systems, but also includes **employee education and awareness**, which is essential for effective waste management. Specifically, in 2021 Pikdare launched an employee training program on proper waste separation. The program targets department supervisors and is maintained with annual updates, particularly for employees who handle waste. Likewise, HTL-Strefa organizes annual training sessions dedicated to waste management, exploiting the support and expertise of

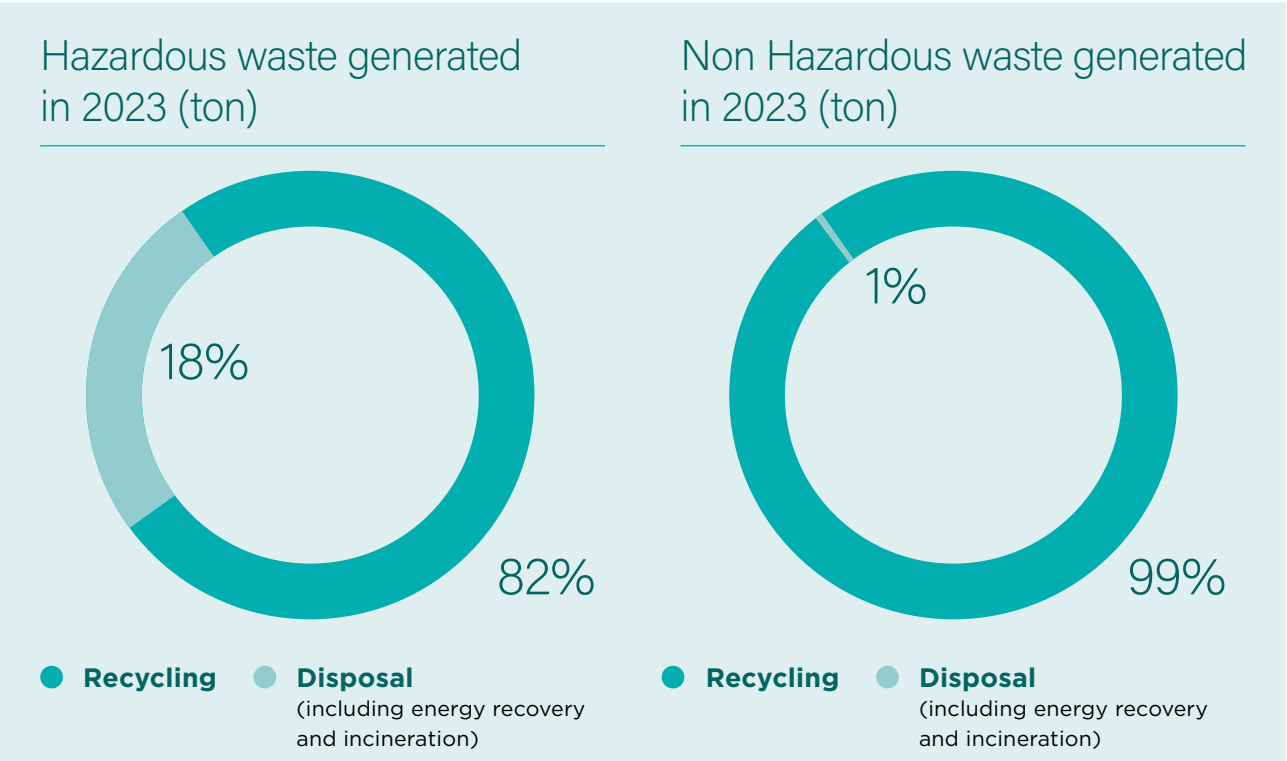
the external consultant who has been working with the company in the HSE field since 2022. In addition, HTL-Strefa has implemented initiatives to improve the monitoring and control of waste material flows: **indexes for waste monitoring and management have been defined**, which are entered directly into the company’s information systems and allow monitoring waste materials flow and current stock of all waste materials the warehouse. These indices are then continuously monitored both directly in the respective production areas and during monthly meetings where their performance is analyzed.

Regarding technical interventions, **HTL-Strefa** successfully installed a **new wastewater treatment system in late 2022**, designed to extract chromium and other toxic substances from wastewater generated during the grinding process, ensuring its safe disposal, and preventing further environmental damage. The system has proven highly effective in improving water quality, as confirmed by wastewater analysis.

Moreover, the **MTD Group has been investing for years to reduce the volume of scrap** generated during production processes in order to reduce the amount of waste generated, materials purchased, and production costs. In this regard, the company has implemented a strategic plan for operational excellence that includes the internalization of maintenance operations. This approach specifically aims to **minimize plastic waste** in processes such as needle over molding, assembly, grinding, and packaging. The initiative has been highly successful, leading to a **28 percent reduction**

in plastic scrap in 2023 compared to 2022, with both environmental and economic benefits. In addition, during 2023 HTL-Strefa developed a new project for the reuse of plastic scraps. Specifically, the scrap produced during the grinding process will be collected in a dedicated area and then re-molded and re-introduced into the production process. This project, which will be completed in 2024, will bring several benefits to the company: a reduction in the volume of plastic waste generated, a reduction in the volume of raw materials used, a reduction in noise pollution in production areas, and a reduction in fire risk.

Waste management is a key component of the Group's strategy, extending beyond internal processes to encompass the supply chain. MTD carefully selects suppliers based on the sustainability of their operations. In line with the **ISO 14001** management system, Pikdare carries out annual audits on suppliers tasked with waste management, ensuring compliance and sustainability in their practices.



6.

METHODOLOGICAL
NOTE

MTD's Sustainability Report has been prepared in accordance with the GRI Standards 2021 and its content reflects the results of the materiality analysis, which identified the material topics to be reported on.

The economic performance and the data related to the personnel are referred to the whole MTD Group, including the holding, while the environmental information includes both Pikdare and HTL Strefa, and in particular:

- production sites located in Italy and Poland;
- commercial subsidiaries in Italy, Poland, France, and USA.

Data and information included in the MTD's Sustainability Report refer to initiatives implemented between January 1st to December 31st, 2023; in addition, information about the three-year period 2021-2023 is reported for the key performance indicators. Within the document, where necessary, some changes have been made to 2021 and 2022 performance data as a result of a fine tuning of the calculation methodology. The Sustainability Report is published annually.

In accordance with the reporting principles defined by the GRI Standards 2021, MTD's Sustainability Report 2023 adheres to the criteria of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. Compliance with the requirements of the GRI Standards 2021 enables the Group to ensure the correct representation of information, with a high degree of detail and quality of the data reported, thus allowing readers to objectively assess the Group's performance and contributions towards sustainable development.

Below are described the methodology and assumptions employed to calculate the indicators of this Report:

- Data about employees' category, type of contract, gender, age group, as well as the hiring and turnover rates have been expressed as FTEs (Full-Time Equivalent) and not in headcount (FTE is a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week)
- Data related to injuries refer to the Group's employees and contractors. Commuting injuries where the employee/contractor used their own means of transportation, and first aid cases are not included, as per guidance from the GRI Standards;
- The frequency injury rate has been calculated as the total number of work-related injuries divided by the overall number of hours worked in the reporting period and multiplied by 200,000; it should be noted that the total hours worked by employees include regular time and overtime.
- The hiring rate has been calculated as the total number of hires occurred in 2023 divided by the total number of employees on 31st December 2022.
- The turnover rate has been calculated as the total number of terminations occurred in 2023 divided by the total number of employees on 31st December 2022.
- Energy consumption related to Pikdare France has been estimated for the three-year reporting period (2021-2023) based on the proportion of Pikdare's employees over the total number of employees working in Artsana's subsidiary in France.

- The tons used to calculate emissions associated to internal logistics in Poland (3.4 Upstream transportation and distribution) have been estimated based on the revenues.
- Emissions associated to Pikdare France’s outbound logistics (3.4 Upstream transportation and distribution) have been estimated based on the revenues for 2021 and 2022.

Greenhouse Gas emissions’ calculations are carried out based on the principles outlined in

the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 GHG emissions are direct emissions which occur from sources that are owned or controlled by the company and are related to emissions from fuel combustion (e.g., natural gas used for heating). It should be noted that natural gas consumption for Pikdare’s Italian commercial office is not reported, considering that the asset is in leasing and natural gas is not directly purchased by MTD.

GHG EMISSIONS SCOPE 1			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Diesel, natural gas and LPG for heating and other purposes	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent emissions were considered
Company’s car fleet	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent emissions were considered
Leakages from air-conditioning systems of refrigerant gases	Leakage	-	Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR5)

Scope 2 GHG emissions are related to the consumption of electricity purchased from the national grid. For this category as well, the emissions of Pikdare’s Italian commercial office have not been included in the calculation.

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid – location-based method	Electricity consumption	For Poland, Italy and France: EEA (European Environment Agency) emission factors 2022 For USA: Terna, Confronti Internazionali, 2019 2020 and 2021	Only CO ₂ emissions were considered
Electricity purchased from national grid – market-based method	Electricity consumption	For Poland, Italy and France: AIB - European Residual Mixes, 2020, 2021 and 2022 For USA: Green-e Energy Residual Mix emission factors 2020, 2021, 2022	Only CO ₂ emissions were considered

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly produces throughout its value chain. The categories reported by MTD are described below.

- **CAT. 1 – PURCHASED GOODS & SERVICES:**
upstream emissions from the production of raw materials and final products purchased.
- **CAT. 2 – CAPITAL GOODS:**
upstream emissions from the production of capital goods purchased or acquired.
- **CAT. 3 – FUEL AND ENERGY-RELATED ACTIVITIES:**
emissions related to the production of fuels and energy purchased and consumed.
- **CAT. 4 – UPSTREAM TRANSPORTATION AND DISTRIBUTION:**
 - Emissions associated with the transportation and distribution of products purchased in the reporting year, between a company’s tier 1 suppliers and its own operations in vehicles not owned or operated by the reporting company.
 - Emissions related to the transportation and distribution services purchased by the reporting company in the reporting year, including outbound logistics (e.g., of sold products), and transportation and distribution between a company’s own facilities.
- **CAT. 5 – WASTE GENERATED IN OPERATIONS:**
emissions from third-party disposal and treatment of waste generated by the company’s owner or controlled operations.
- **CAT. 6 – BUSINESS TRAVEL:**
emissions from the transportation of employees for business-related activities by external means of transport not controlled or owned by the company.
- **CAT. 7 – COMMUTING:**
emissions from the transportation of employees between their homes and their worksites.
- **CAT. 9 – DOWNSTREAM TRANSPORTATION AND DISTRIBUTION:**
transportation and distribution of products sold by the reporting company in the reporting year between the reporting company’s operations and the end consumer (if not paid for by the reporting company).

It should be noted that the calculation does not include outbound logistics of HTL US (HTL US sales account for approximately 10% of group sales).

GHG EMISSIONS SCOPE 3 (2019-2020)			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Materials procured (Cat. 1)	Weight of raw materials, process and packaging materials procured	Ecoinvent, v.3.10	CO ₂ equivalent emissions were considered
Capital goods (Cat. 2)	Weight of raw materials making up the capital goods	Ecoinvent, v.3.10	CO ₂ equivalent emissions were considered
Fuel and energy related activities (Cat. 3)	Fuel and electricity consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent emissions were considered
Upstream logistics (Cat. 4)	Kilometers covered by air, truck or ship multiplied by shipped weight (ton*km)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent emissions were considered
Waste disposal (Cat. 5)	Weight of waste disposed	Ecoinvent, v.3.10	CO ₂ equivalent emissions were considered
Business travel by air, train and car (Cat. 6)	Distance per passenger	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent emissions were considered
Employees commuting (Cat. 7)	Kilometers covered by car, bus, rail	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent emissions were considered
Downstream transportation (Cat. 9)	Kilometers covered by air, truck or ship multiplied by shipped weight (ton*km)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2021, 2022 and 2023	CO ₂ equivalent emissions were considered

6.1. CONTACT

For further information about this Sustainability Report, please contact:
MTD Medical Technology and Devices
Via Benigno Crespi 57,
20159 Milano, Italy
Email: arrigo.bendi@mtdgroup.ch

7. GRI CONTENT INDEX

Statement of use	MTD Group has reported in accordance with the GRI
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	1.1 Our identity 1.1.2 Our Group 1.1.3 Our Portfolio	
	2-2 Entities included in the organization's sustainability reporting	6. Methodological note	
	2-3 Reporting period, frequency and contact point	6. Methodological note	
	2-4 Restatement of information	6. Methodological note	
	2-5 External assurance	This report is not subject to external assurance	
	2-6 Activities, value chain and other business relationships	1.1 Our identity 1.1.2 Our Group 1.1.3 Our Portfolio 1.1.4 Our value chain	
	2-7 Employees	4.2 Wellbeing for a well care	
	2-8 Workers who are not employees	4.2 Wellbeing for a well care	
	2-9 Governance structure and composition	1.1.5 Our Corporate Governance Structure 1.2.2 Sustainability Governance	
	2-10 Nomination and selection of the highest governance body	1.1.5 Our Corporate Governance	

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	1.1.5 Our Corporate Governance	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2.2 Sustainability Governance	
	2-13 Delegation of responsibility for managing impacts	1.2.2 Sustainability Governance	
	2-14 Role of the highest governance body in sustainability reporting	1.2.2 Sustainability Governance	
	2-15 Conflict of interest	1.1.5 Our Corporate Governance	
	2-16 Communication of critical concerns	1.1.5 Our Corporate Governance	
	2-17 Collective knowledge of the highest governance body	1.1.5 Our Corporate Governance	
	2-18 Evaluation of the performance of the highest governance body	1.1.5 Our Corporate Governance	
	2-19 Remuneration policies	1.1.5 Our Corporate Governance	
	2-20 Process to determine remuneration	1.1.5 Our Corporate Governance	
	2-21 Annual total compensation ratio		Omission/ Confidentiality constraints/ The Group considered the information required to cover the indicator as confidential and therefore did not proceed with publication for this reporting year.
	2-22 Statement on sustainable development strategy	Message from the Group CEO	
	2-23 Policy Commitments	1.1.5 Our Corporate Governance 1.2 How we care for sustainability 1.2.2 Sustainability Governance	

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Message from the Group CEO	
	2-25 Processes to remediate negative impacts	5.2 Committed to climate change mitigation	
	2-26 Mechanisms for seeking advice and raising concerns	1.1.5 Our Corporate Governance	
	2-27 Compliance with laws and regulations	1.1.5 Our Corporate Governance	
	2-28 Membership associations	1.2.1 Sustainability Strategy	
	2-29 Approach to stakeholder engagement	1.2.3 Materiality	
	2-30 Collective bargaining agreements	26.4% of the employees are covered by collective bargaining agreements	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.2.3 Materiality	
	3-2 List of material topics	1.2.3 Materiality	
Economic Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 1.1.4 Our value chain 6. Methodological note	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.1.4 Our value chain	
Anti-Corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 1.1.5 Our Corporate Governance 6. Methodological note	
GRI 205: Anticorruption 2016	205-3 Confirmed incidents of corruption and actions taken	1.1.5 Our Corporate Governance	

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 5.3 Responsible waste and raw materials management 6. Methodological note	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	5.3 Responsible waste and raw materials management	
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 5.2 Committed to climate change mitigation 6. Methodological note	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.2 Committed to climate change mitigation	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 5.2 Committed to climate change mitigation 6. Methodological note	
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	5.2 Our commitment to climate change mitigation	
	305-2: Energy indirect (Scope 2) GHG emissions	5.2 Our commitment to climate change mitigation	
	305-3: Other indirect (Scope 3) GHG emissions	5.2 Our commitment to climate change mitigation	
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 5.3 Responsible waste and raw materials management 6. Methodological note	
GRI 306: Waste 2020	306-1: Waste generation and significant waste-related impacts	5.3 Responsible waste and raw materials management	
	306-2: Management of significant waste-related impacts	5.3 Responsible waste and raw materials management	

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
Waste			
	306-3: Waste generated	5.3 Responsible waste and raw materials management	
	306-4: Waste diverted from disposal	5.3 Responsible waste and raw materials management	
	306-5: Waste directed to disposal	5.3 Responsible waste and raw materials management	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 5.3 Wellbeing for a well care 6. Methodological note	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.2 Wellbeing for a well care	
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 4.1 Sharing the culture of health and safety 6. Methodological note	
GRI 403: Occupational Health and Safety 2018	403-1: Occupational health and safety management system	4.1 Sharing the culture of health and safety	
	403-2: Hazard identification, risk assessment, and incident investigation	4.1 Sharing the culture of health and safety	
	403-3: Occupational health services	4.1 Sharing the culture of health and safety	
	403-4: Worker participation, consultation, and communication on occupational health and safety	4.1 Sharing the culture of health and safety	
	403-5: Worker training on occupational health and safety	4.1 Sharing the culture of health and safety	
	403-6: Promotion of worker health	4.1 Sharing the culture of health and safety	

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.1 Sharing the culture of health and safety	
	403-9: Work-related injuries	4.1 Sharing the culture of health and safety	
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 4.3 Upskilling for personal growth 6. Methodological note	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	4.3 Upskilling for personal growth	
Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 4.2 Wellbeing for a well care 6. Methodological note	
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	1.1.5 Our Corporate Governance 4.2 Wellbeing for a well care	
Non-Discrimination			
3-3 Management of material topics	3-3 Management of material topics	1.2.3 Materiality 1.1.5 Our Corporate Governance 6. Methodological note	
GRI 406: Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	1.1.5 Our Corporate Governance	
Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 1.1.4 Our value chain 6. Methodological note	

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	1.1.4 Our value chain	
Customer Health and Wellbeing Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 2.5 For compliance and transparency 6. Methodological note	
GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.5 For compliance and transparency	
Marketing and Labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 2.5 For compliance and transparency 6. Methodological note	
GRI 417: Marketing and labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	2.5 For compliance and transparency	
Product Development and Innovation (not GRI topics)			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 2.4 Innovation for a simpler life 3.1 Caring for the safety of healthcare professionals 5.3 Responsible waste and raw materials management 6. Methodological note	

GRI STANDARDS	DISCLOSURES	LOCATION	OMISSION
			Requirement(s) Omitted/ Reason/ Explanation
General Disclosures			
Client and Consumer Education (not GRI topics)			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 2.1 Listening to people’s needs 3.2 Side by side to share knowledge 6. Methodological note	
Access and affordability of medical devices (not GRI topics)			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2.3 Materiality 2.2 Continuous care for diabetes 3.3 Readiness to help the healthcare system 6. Methodological note	

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