



2023 Sustainability Report



Contents

Letter to Stakeholders 03

About Us 05

The manifesto of C.M.S. 06

Corporate structure and organisation 10

National Collective Bargaining Agreement 15

Our locations 19

Certifications 20

Our approach to Sustainability 25

Our Stakeholder Engagement activities 31

Associations 32

C.M.S.' commitments for the Sustainable Development Goals 36

Reporting tools 40

Material Topics 46

Our priorities in sustainability action 48

Economic Responsibility 51

Economic Sustainability 52

2022-2023 Economic performance 54

Value created and shared 56

Customer relations 62

Environmental Responsibility 65

Energy consumption 66

Materials used 68

Waste 70

Water consumption 72

Emissions 73

Social Responsibility 77

Breakdown of employees 78

Employment and employee turnover 82

Welfare services activated by category 90

Injuries and occupational health and safety 92

Contributions to the community 96

Our Sustainability Commitments - ESG 2024 104

Methodological Note 108

GRI Standard Indicators Index 110

Letter to Stakeholders

I am extremely excited to present this document to you: this emotion stems from the satisfaction of telling the story of an important step in the journey of C.M.S. as well as the joy of seeing our company take on new challenges and opportunities.

In the pages below you will find clear, timely and comprehensive reporting on our ESG performance: the content, with in-depth insights into our initiatives, describes who we are; the figures, data and tables make our commitment tangible and measurable. Transparency is crucial to generate awareness and culture, to create engagement and to be worthy of trust.

In reading this Sustainability Report, what stands out are the values that guide our way of doing business, values that I learnt from my father: **ethics, responsibility, respect for others** and **for the local areas, inclusion, engagement of people** and **kindness**, an attitude that is dear to my heart.

C.M.S. is a cutting-edge company that sees its business as a driving force in the society in which it operates, that pays attention when defining its strategies by assessing the impacts and interests of its stakeholders, and that resolutely pursues the 17 Goals of the United Nations 2030 Agenda.

The results that you will read are concrete examples of the support provided by C.M.S. to the local areas and the community, to workers and the environment, moving towards a model of sustainable development, because **we believe that pursuing interests of economic, social and environmental sustainability is crucial and urgent for the future**. Sustainability is the fundamental driver to create value that lasts over time.

Reporting is also essential for us to assess the quality of our work and to continuously improve, to ensure that people working with us are aware of our achievements and, I hope, also provide readers with useful insights for building a sustainable future.

As Aristotle said, "**We are what we repeatedly do. Excellence is not an act, but a habit.**"

I am honoured to guide a group of people that strive for excellence every day: sustainable excellence.

Enjoy!

Elena



Our experience has strong roots; our gaze is focused on the future; our passion is work done well.

About Us

C.M.S. S.p.A. was established in 1975 and operates in the field of mechanical engineering for third parties.

From the customer's idea to the product: in brief, this is the formula of a company that views customisation as its added value and an effective instrument for gaining a competitive edge. From **engineering** to **production**, moving through **assembly** to **final testing**, C.M.S. can offer its customers a complete cycle, with a high degree of innovation.

The company works on commission: it produces **individual mechanical components** and **complete automatic machines** according to the technical specifications dictated by its customer. Specifically, the latter produces the detail and assembly drawings and defines the functional requirements so it can outsource production without losing control over design, know-how and intellectual property, while ensuring that the final product meets the requirements exactly.

<< Elena and Luciano Salda



Food
Processing & Packaging



Filling
Beverage
Packaging



Pharma
& Life Science Packaging

C.M.S. S.p.A. mainly operates in the sectors of **food processing** and **food and pharma packaging**, always with a view to new markets, both domestic and foreign. The share of **exports** of C.M.S. S.p.A. currently amounts to **55%**: not just Germany, Sweden and Denmark, but also Switzerland, where the demand for recyclable and compostable packaging is soaring, and France, which ranks third in the industrial sector of green packaging. Its exports also extend beyond European borders, reaching Japan and the USA, where the 'consumables' market is vivacious and growing at global level.

Who are we?
How do we work?
What do we believe in?

Here are our answers in 10 statements: to understand the heart of C.M.S.

In 2021, C.M.S. defined its own **company manifesto** to describe to the world inside and outside the company who we are, what we do, and how we do it. A statement, using words and images, of our values, goals and aspirations. A project that is highly important to the company, which was first shared with our workers, then disseminated externally also using C.M.S.' social media channels. These ten short statements, which express the company's specifics and characteristics, are associated with just as many photos to trigger your emotions, taken with the aid of several colleagues.



- We are technicians, engineers and problem solvers.
- Listening to our customers' needs is our mission, satisfying them is our purpose.
- We are structured and organised to transform the customer's idea into a finished product, from the purchase of the raw materials, to processing, to assembly and final testing.
- We are courageous and love challenges.
- We pursue innovation in all phases of our process.
- We act ethically, transparently and faithfully.
- The idea of leaving behind a legacy fascinates us: we safeguard the environment and work together to develop our local areas.
- We believe in young people and give credence to those with experience: we invest in talents and never stop working to be better.
- We are highly capable in the field of precision mechanics and are reliable partners.



Your partner.
From your idea
to the product.

C.M.S. MANIFESTO

Corporate structure and organisation

C.M.S. S.p.A. is the Group's leading operating company, 54.5%-controlled by the holding company Gruppo C.M.S. S.r.l. and 45.5%-controlled by Luciano Salda. In turn, Gruppo C.M.S. S.r.l. is 100%-owned by Luciano Salda, and therefore, 100% of C.M.S. S.p.A. shares are held by a single natural person. There are an additional two companies in the Gruppo C.M.S. S.r.l. – associated companies of C.M.S. S.p.A.: Poppi S.r.l., which specialises in laser sheet metal processing, and CO.MA.RI S.r.l., whose corporate purpose is to produce compacting machinery for the treatment of plastic waste.



C.M.S. S.p.A.



POPPI S.r.l.



CO.MA.RI S.r.l.

From father to daughter: C.M.S.' history through two generations. In 2004, the Chairman Luciano Salda welcomed his daughter Elena into the company, who entered the corporate shareholding structure as Director and CEO. Following in her father's footsteps and with his support, Elena has consolidated the projects already started, and introduced several innovative changes: her entrepreneurial philosophy focuses on corporate social responsibility and on incorporating new strategies and goals relating to sustainable development into company policy.

Together, Luciano and Elena Salda form the **BOD**, which ensures that the business plan is followed, establishing the company's strategic guidelines and a code of ethics that summarises essential principles. In addition to the usual executive management, the Board of Directors is specifically responsible for defining, implementing and

subsequently monitoring the charter of values, analysing and proposing actions to improve the company climate. It supports a multi-ethnic environment, promoting intercultural integration and sharing, convinced that differences can be a strength and an opportunity for mutual learning and growth. It also coordinates design and planning of partnerships with companies and local areas, taking on the role of spokesperson for all internal and external stakeholders.

Then, in turn, the BOD assigns roles, powers and responsibilities to the General Manager and Area Managers, who hold management autonomy in continuing the operational plan, always in full compliance with corporate ethics. To prevent and mitigate any conflicts of interest, the BOD incentivises and prompts its managers to apply a style of working focused on continuous improvement and full participation in the company's goals. It does this by offering them training programmes on management and on Sustainable Development topics, to improve the company's medium/long-term production structure.

C.M.S. has several specific committees, above all the **Management Team**, which is the main decision-making body. This is composed of the CEO, the General Manager and the Area Managers. It meets every week but, depending on specific company needs and when requested by one of its members, committee meetings can also be called more frequently. Meetings are convened with a defined, communicated agenda. The Committee deals with and takes decisions on topics that strategically concern all company areas and which have an inter-functional impact, or which exceed the limits of powers of individual managers. Based on his or her areas of responsibility, each manager shares opportunities or critical issues with the other members of the team, and proposes investments or improvement actions. Each month, the indicators identified as fundamental for monitoring company performance are analysed: from economic performance to operations and quality, up to social and environmental performance and gender equality.

C.M.S. promotes a culture of safety in the workplace and takes action every day to make its areas respectful, safe and healthy. For this reason, a **Safety Committee** has also been established, responsible for ensuring that the company adopts and maintains effective safety standards to protect employees and company resources. The Safety Committee shares best practices to protect workers: not just actions



Management Team of C.M.S. S.p.A.

Marco Marinoni,
General Manager and Sales Director

Massimo Catalano,
Deputy GM and Operations Director

Elena Salda,
CEO, HR and Communication Director

Alberto Gerri,
Total Quality Manager

Giovanni Ferrari,
AFC Director

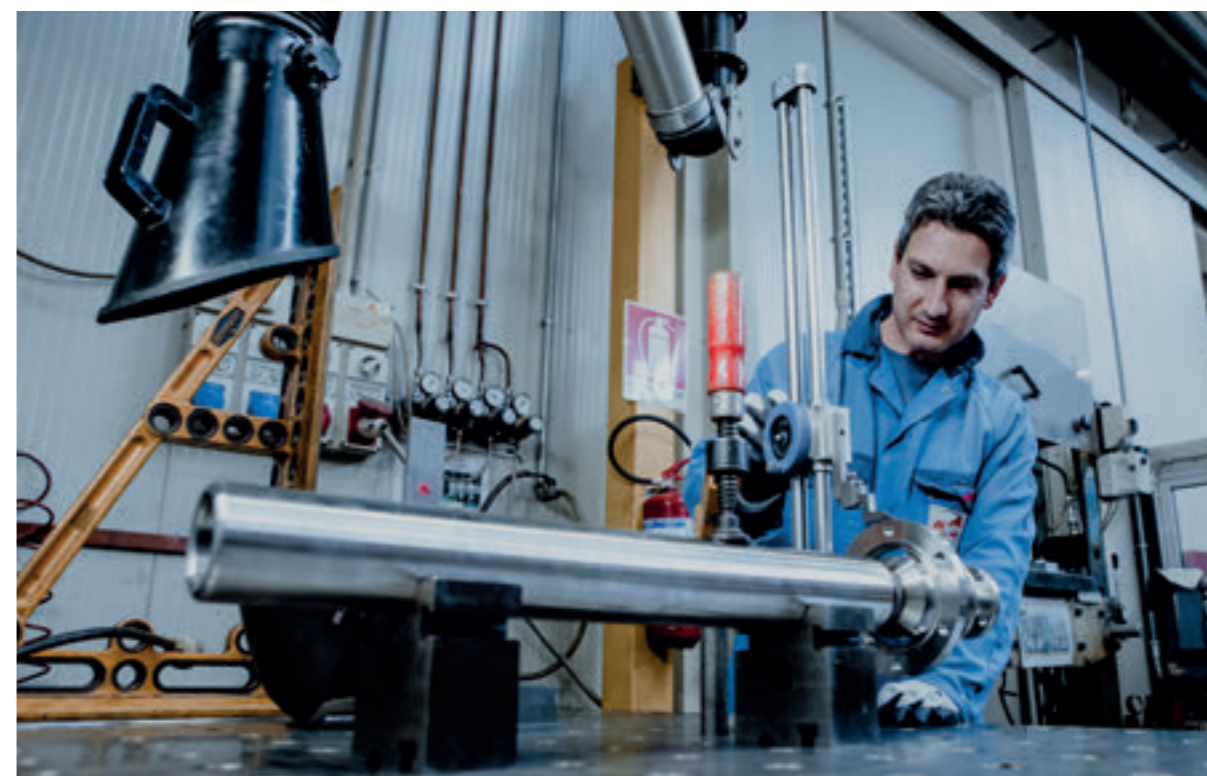
Sergio Lamandini,
Business Development Director

to reduce risks, injuries or occupational diseases in the workplace, but also to improve workers' health and well-being.

The Committee also conducts periodic reviews of the policies and objectives of the management system, carefully verifying its implementation. This commitment takes concrete form in an Improvement Plan, renewed year-to-year with new goals.

Lastly, in 2023 the **D&I Committee** (Diversity & Inclusion) was established, tasked with promoting and supporting an inclusive working environment on all fronts, so that all workers, irrespective of their ethnic background, gender, sexual orientation, religion, sex, ability or other aspects of their identity, are treated equally and have the same opportunities for success.

C.M.S. collects in a management dashboard all the indicators that best summarise the activities and performance of the various company areas. The breadth of the distribution is linked to the stability of the data: some of the data varies over the year and reaches the value established at the time the financial statements are deposited. The indicators monitor the company's economic, environmental and social impacts.



National Collective Bargaining Agreement

The **Mechanical Engineering-Industry National Collective Bargaining Agreement** is applied. There is a production bonus given to all workers, irrespective of the company results, in proportion to the level of their role.

The internal procedure entails annual planning of any salary increases, which are assigned based on available budget, considering individual professional results, company seniority and the strategic nature of the position. Annual target-based bonuses, linked to the quality of performance, the consolidation of professionalism over time, and the achievement of individual targets, are envisaged for management positions and for the first line reporting to top management. Instead, the compensation of the Chairman and CEO is resolved annually, considering the company's results. To ensure that the remuneration policies are not discriminatory and that there are no remunerative inequalities between employees with the same roles and skills, control mechanisms have been set up using a dedicated KPI.





Company
headquarters



Our locations

C.M.S. S.p.A. currently has **five plants**, located in the towns of Marano Sul Panaro and Vignola, in the province of Modena, Italy. These are joined by Co.Ma.Ri. S.r.L., an associated company specialising in the design and production of waste compacting machines, Casa Bonettina, used for guest quarters, training courses and events, and 'Il Paese dei Colori', a company nursery school operating since 2007, created to meet the needs of employees and the community.

CMS1 Via P. Miani, 254/258 - Marano sul Panaro, Italy

CMS2 Via P. Miani, 488 - Marano sul Panaro, Italy

CMS3 Via P. Barberi, 19 - Marano sul Panaro, Italy

CMS4 Via Paraviana, 205 - Vignola, Italy

CMS5 Via Fondovalle, 3020 - Marano sul Panaro, Italy

Co.Ma.Ri. S.r.L., Via Fondovalle, 3020 - Marano sul Panaro, Italy

Casa Bonettina Via Traversa, 136 - Marano sul Panaro, Italy

Company Nursery School Via del Commercio, 130 - Marano sul Panaro, Italy



In the photo, CMS4

Certifications



C.M.S.' commitment is based on complying with the highest international standards.

Over the years, it has obtained important **certifications** that demonstrate the high level of innovation and specialisation.



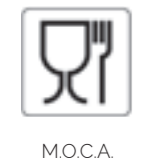
Organisational efficiency is a cornerstone of our company philosophy, guaranteed by **ISO 9001** for quality management systems. Then, **UNI EN ISO 3834-2** certifies compliance of the **metal welding processes**, requiring accurate control over all the fusion-welded manufacturing processes and ensuring correct process management.



C.M.S.' goal is an economy that generates growth and employment, safeguarding natural capital, on which the survival of the planet rests. A commitment that the company has been working on for years, with the **ISO 14001** certification, a technical standard that sets **environmental management requirements**.



Another important focus is **safety**: based on its **ISO 22000** certification, C.M.S. operates in the food sector with seriousness and reliability, in accordance with criteria established by the **MOCA (Materials and Objects in Contact with Food)** legislation. As a result of elements permanently integrated into its corporate structure, such as the traceability procedure, documentation collection and quality control process, C.M.S. is capable of meeting the needs of its customers in the food sector, who demand an ever-increasing commitment in the area of food contact, always putting consumer health first.



Safety, above all, refers to that **of workers**: due to **ISO 45001**, C.M.S. guarantees standards of good practice to safeguard its workers.

Last but not least is the **Uni/PdR 125:2022** certification, which handles the delicate issue of **gender equality**: an instrument which can be used to concretely combat discrimination and reduce the gender pay gap, promoting equal duties and occupational stability.



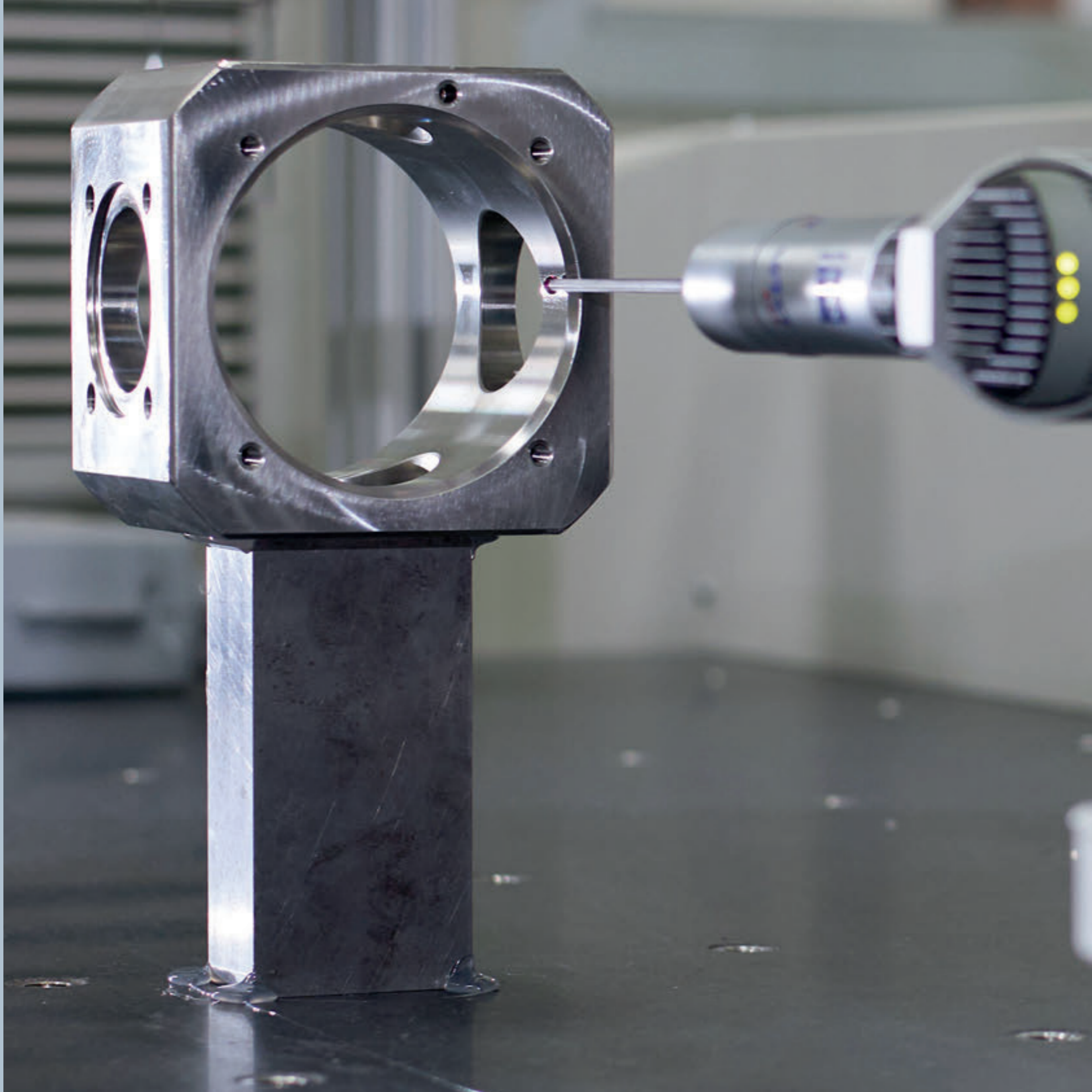
On 16 November 2023, C.M.S filed its application to obtain a **Legality Rating**, which was accepted with a good score. The Legality Rating is an innovative instrument developed by the Italian Competition Authority (AGCM) in agreement with the Ministry of the Interior and the Ministry of Justice, which rewards companies that operate in line with the principles of legality, transparency and social responsibility.

C.M.S. BEST PRACTICES



UNI/PdR 125:2022 Certification

On **15 December 2023** C.M.S. obtained UNI/PdR 125:2022 certification on Gender Equality, joining the only 813 certified companies in Italy up to that time. The idea to launch the process of certification was developed in a company context that recognises Equal Opportunities as an extraordinary driver of growth and one of the most important and urgent pillars of the UN Agenda 2030 for Sustainable Development.



In the photo, the metrology room at CMS2



Our approach to Sustainability

The central nature of people and focus on corporate social responsibility have characterised C.M.S.' business philosophy for almost 20 years.

In 2007 the company gave life to a project with an ambitious name and goals: **"Better Factory Better Life"**. This is a welfare package specifically designed for workers, which took shape with the placing of the first brick of the **company nursery school "Il Paese dei Colori"**. Made entirely of wood following modern green building guidelines, with a particular attention to energy saving, the building covers an area of 530 square metres, on a green area of 1400 square metres. For furnishings and toys, natural materials were exclusively used. It can host up to 49 children from 12 to 36 months, with priority access reserved for the children and grandchildren of C.M.S. employees. However, it is also open to children in the community due to an agreement with Unione Terre di Castelli (Union of Local Municipalities). This virtuous operation also results in many other benefits dedicated to families, and support to parents: **family day** and **corporate events**, **working hour bank** and **flexible entry and exit times** for employees, to contribute to a greater work-life balance.

These were followed by a small **company library**, **company volunteering**, **rental homes** for employees **with rent control**, special prices in the **company canteen**, **internal climate analysis**, **focus groups on ESG issues**, and **specific training** on stereotypes and prejudices and **on gender equality**. Over time, these were joined by informational campaigns about **protecting health**: guiding employees in a process of health education focused on prevention, specific day-long workshops on the issue are organised or free screenings at the company.

But that's not all: Better Factory Better Life also focuses specific attention on **training** and on the **new generations**. The project aims to develop skills and fuel talent, promoting professional growth and teamworking of all company workers, providing them with specific training and professional development courses, to ensure they can always react to the continuous challenges on the market.



In the photo, Il Paese dei Colori, company nursery school

Over the years, this programme has evolved, gradually enriched with new initiatives: Better Factory Better Life comprises many different but complementary activities, all aiming to improve the quality of life of our workers. Human capital beats economic capital. Actually, it multiplies it exponentially.

A winning choice, which helped us win numerous **awards** over time, starting with the **Bellisario Award**: an important award which has been assigned every year since 1989 to iconic Italian and international women, in memory of Marisa Bellisario, the first woman manager that Italy remembers. In 2012, Elena Salda was nominated by Fondazione Bellisario as a "Germoglio d'oro", a young entrepreneur in the category "Le donne che vogliamo" (Women that Inspire Us).

This was followed, in 2014, by the **Ernst & Young Award** in the Family Business category: a prestigious award reserved for entrepreneurs who significantly contribute to Italian economic growth by demonstrating unrivalled resourcefulness, creativity and commitment.

In 2015, for the "Large Family Businesses" category, C.M.S. then won the **Assiteca Award**: promoted and established by the Italian insurance brokerage group of the same name, this award celebrates excellent risk management in Italian companies.



In the same year, C.M.S. received the **Aretè Award** for the best Sustainability Report, in the "SME" category, due to the comprehensive nature of the information contained in the document, demonstrating the openness to dialogue and exchanging views with all stakeholders.

In the photo, the Ernst & Young Award



Internal meetings

Involving our workers in company projects, making them aware of the value and purpose of their work, showing them that they are doing something great. In **December 2022**, a meeting was held with the people working in production, to highlight the importance of the production phases that are handled within the production chain. The Sales Managers Mauro Costi and Andrea Pini guided our workers in a virtual tour to discover the end markets of C.M.S., offering a small glimpse of the world of packaging where we have actively operated for years.

OUR
1
COMMITMENTS
TO BE
A LEADER

C.M.S.' ten commitments

What are an organisation's success and future linked to? In our opinion, to the quality of the values expressed by the people experiencing and working in the company. The excellence of a company is based on its people: their way of thinking, interacting, integrating; on their actions and on their commitments. We have defined ten values, all with the same common denominator: the desire to improve as a philosophy driving the company's entire business. We summarised these values in the C.M.S. 2023 calendar, delivered to all workers, and suitably displayed in the company plants.

WE COMMUNICATE A DECISION AND/OR TARGET <i>clearly</i>	WE HOLD MEETINGS <i>effectively</i>	WE SPEAK IN PUBLIC <i>skillfully</i>	WE DEAL WITH CONFLICTS <i>to solve them</i>	WE ASSIGN DUTIES <i>knowingly</i>
WE WORK IN A TEAM, <i>cooperating with each other</i>	WE ASSESS ALL DATA <i>carefully</i>	WE SUPPORT OUR TEAM <i>accurately</i>	WE CELEBRATE RESULTS <i>together</i>	WE REPRESENT THE COMPANY, ITS VALUES AND ITS GOALS <i>consistently</i>



Our Stakeholder Engagement activities

STAKEHOLDERS	ENGAGEMENT METHODS
Employees	<ul style="list-style-type: none"> • Periodic plenary meetings • Training meetings • Company climate surveys • Notice board for internal communications, Intranet and Social Media • Company website • Questionnaire on the priority of ESG material topics, gender equality and D&I. • Networking initiatives • Company trips
Shareholders	<ul style="list-style-type: none"> • Shareholders' meetings
Suppliers	<ul style="list-style-type: none"> • Questionnaire on the Sustainability Profile • Focus Groups on ESG material topics • Ongoing dialogue through Area Managers
Customers	<ul style="list-style-type: none"> • Direct contacts with customers, dedicated meetings
Local communities	<ul style="list-style-type: none"> • Cultural events open to the community • Collaborations with Schools and Universities • Company website • Focus Groups on ESG material topics
Institutions	<ul style="list-style-type: none"> • Cultural events open to the community • Focus Groups on ESG material topics
Non-Profit Organisations	<ul style="list-style-type: none"> • Cultural events open to the community • Focus Groups on ESG material topics • Collaborations with Non-Profit Organisations • Sponsorships • Company Volunteering

Associations

C.M.S. S.p.A. is a member of several prominent associations that reflect its commitment to innovation, social responsibility and corporate culture.



**CONFINDUSTRIA EMILIA
AREA CENTRO**
Le imprese di Bologna,
Ferrara e Modena

Among these, C.M.S. is a member of the **Confindustria Emilia Area Centro**, the trade association of Emilia-based companies created by the integration of the associations

Unindustria Bologna, Unindustria Ferrara and Confindustria Modena. A single association to support and safeguard an area positioning itself as the leading Italian manufacturing hub.

Confindustria Emilia Area Centro is a fundamental reference point for C.M.S. as a channel for receiving a wide range of information, services and subsidies, as well as for trade representation and a drive for innovation. It also enables businesses to actively participate in the life of the association, to be a leading player in the economic fabric of their territories and to contribute to creating important projects for their businesses and for the local economy.



**Italian Packaging
Machinery
Manufacturers
Association**

The company is also a member of **UCIMA**, the Italian National Trade Association that brings together, represents and assists Italian manufacturers of wrapping and packaging machines, comprising around 200 companies, among the leading companies in the sector,

located throughout Italy. Being a member of UCIMA means having the opportunity to receive a wide range of high-quality services that support the management of daily business in the company and the resolution of the main problems in the sector and manufacturing chain that can be encountered inside and outside the factory.



C.M.S. is also one of the founding members of the **Associazione per la RSI** (CSR Association), an active group of companies that disseminate the principles of Corporate and Social Responsibility in the Modena area and beyond. This association comprises around fifty

companies, which, directly or through their associated companies, employ a total of more than 30 thousand workers.

The Association's goal is to disseminate the culture of sustainability in the world of

economics, to favour not only economic development, but also ethical development of businesses and communities. The Association is politically neutral, non-partisan and does not pursue any commercial or for-profit ends.

Being one of the founding members of this association has enabled C.M.S. S.p.A., over the past ten years, to increase its awareness and knowledge of sustainability issues, creating countless opportunities for dialogue with other local and national companies, non-profit organisations and institutions, which in most cases have turned into concrete projects with an impact on stakeholders.



C.M.S. is also affiliated with **Mutina Arborea**, a forestry consortium created as an offshoot of the CSR Association to safeguard urban green areas and more. By carrying out widespread reforestation projects, Mutina Arborea aims to improve air quality, mitigate the effects of climate change and generate well-being, taking on the challenge laid down by the European Union: planting at least 3 billion trees in Europe by 2030.

Specifically, with the support of Mutina Arborea, C.M.S. is planning to redevelop the outdoor spaces on permeable areas, which will contribute to reducing CO₂ emissions and pollution in general, improving the well-being of direct and indirect users, and thus paying due attention to materials and resources used. The goal is to develop the external areas to set up the production facilities in a pleasing context that is connected with the surrounding landscape, using vegetation also for bio-climatic purposes. The principles underpinning the choices made are safeguarding the environment, respecting environmental sustainability, and ensuring people's well-being.



Lastly, C.M.S. is a member of **Crit**, a private consulting firm created in 2000 on the initiative of 14 prestigious companies in the Emilia-Romagna region, with the dual purpose of creating a technology broker capable of scouting - in the international landscape - the best

solutions to specific problems, ideas and needs for innovation, and to set up a network for sharing technology solutions and best practices. For C.M.S. it is crucial to actively participate in the activities of working groups with other Technical Directors and Entrepreneurs, to have the opportunity to share technical-scientific information, analyses and research projects.



Entrepreneurs Club and CEO in C.M.S.

On **19 January 2023** C.M.S. welcomed at its headquarters a large contingent representing the Entrepreneurs Club and CEO of Confindustria Emilia, comprised of top managers, company executives and officers of the member companies.

Per C.M.S. this was an excellent opportunity for:

- **Sharing:** talking about our entrepreneurial experience, and giving the guests a tour of the production and assembly plants;
- **Enrichment:** as a result of the speech by Prof. Stefano Zamagni, an economist who is one of the greatest experts in sustainability and corporate social responsibility, who guided the audience in reflecting on the evolution of the model of doing business.



Chairmanship of the CSR Association (Associazione per la RSI)

In **November 2022**, the CEO of C.M.S., Elena Salda took the reins - for the next two years - of the CSR Association, of which C.M.S. is a founding member.

In line with the goals of the UN Agenda 2030, the Association for Corporate Social Responsibility works with universities, actively participates in special projects dedicated to social and environmental issues in companies and disseminates good practices through training meetings with specialists and visits on specific topics.



Mutina Arborea

In **October 2023**, C.M.S. joined the forestry consortium Mutina Arborea as an ordinary member. This project took shape based on the intentions of several companies in Modena which decided to create a network to improve their social and environmental impacts. The goal is to carry out widespread urban and extraurban reforestation projects to improve air quality, mitigate the effects of climate change and generate psychological and physical well-being, due to a renewed connection with nature.



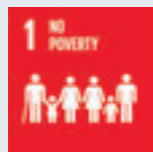
CRIT Technical-Scientific Committee at C.M.S.

On **Thursday, 6 July 2023**, the meeting of the Technical-Scientific Committee of CRIT, of which C.M.S. is a member, was held at C.M.S. The working group opened with the introductions of Elena Salda and Marco Marinoni, CEO and General Manager of C.M.S. respectively, followed by a tour of the company's manufacturing and assembly areas. Lastly, following a presentation by the CRIT team on current projects, Prof. Giulio Allesina from Unimore (University of Modena and Reggio Emilia) spoke about the processes of co-creation and the research on the technical-social transition to deal with the new challenges in local areas and in companies. His speech placed a spotlight on a highly-relevant topic from a specific perspective, the Multi-Level Perspective (MLP), and helped in understanding that "if innovation is the destination, sustainability is the journey".

C.M.S.' commitments for the Sustainable Development Goals

On **25 September 2015**, the United Nations approved the **Agenda 2030** and its **17 Sustainable Development Goals (SDGs)**. This is an action plan for the prosperity of the planet and therefore has global validity: it provides a strategic framework for tackling the most urgent challenges of our time, concerning and involving all countries and all members of society, from private companies to the public sector, from civil society to information and cultural operators. This plan definitively moves beyond the idea that sustainability is solely an environmental issue and affirms an integrated vision of the different aspects of development - not only ecological but also economic and social. The 17 Goals aim to tackle climate change, as well as end poverty, combatting inequality, and building peaceful societies that respect human rights.

"Be the change you want to see in the world". Borrowing these words of Mahatma Gandhi, C.M.S. is committed to playing an active and responsible role in contributing to this agenda. In this chapter, the company provides a detailed overview of its commitments, to demonstrate its constant dedication to inclusive, sustainable progress for everyone.



- Creation of **jobs** and **professional opportunities**, in accordance with the principles of a strict **code of ethics**, drawn up and prepared by the company.



- **Manifesto** and **ten commitments for conduct**.



- Focus on the **remuneration policies**: to ensure there are no remunerative inequalities between employees with the same roles and skills, control mechanisms have been set up using a dedicated KPI. The general average of the "differences in remuneration by gender, with the same area - level mix" met the target of less than 10%.



- Promotion in the company of free **screenings for employees** and projects to raise awareness about protecting their health, through **health education programmes** targeted to them, focused on prevention.



- Construction, in 2007, of the **company nursery school "Il Paese dei Colori"** (a world of colours), whose name was specifically chosen based on the values of inclusion and welcoming. This extremely modern structure can host up to 49 children from 12 to 36 months old, primarily employees' children and grandchildren, but it is also open to other children in the Union of Local Municipalities.

- Organisation of **training courses**.

- **School work experience** projects.

- Curricular and extracurricular **internships**.

- Founding members of the **ITS Foundation**.



- Implementation of an **internal policy focused on gender equality**, promoting talented women and supporting parenthood and work-life balance through the company nursery school, the use of **flexible working hours** and the **time bank**.



- **UNI/PdR 125:2022 Certification** obtained on 15 December 2023.

- Establishment of a **D&I Committee**, tasked with actively working to create and support the conditions necessary for the most inclusive working environment possible, and to provide people that employees can turn to in order to receive assistance in cases of difficulties. The D&I Committee is also mainly in charge of **developing and implementing the principles of Diversity and Inclusion and Gender Equality**, interfacing with all the parties involved.

- Organisation of **events and initiatives** to increase awareness on issues of Diversity and Inclusion and Gender Equality, such as the multi-ethnic dinner or debate on women's issues.



- Decrease in the production of oil emulsions and hazardous substances by **optimising production processes** and promoting within the company specific measures to avoid waste and leaks in public sewerage systems.



- Activation of company initiatives to reduce the environmental impact, specifically to **increase energy efficiency**, **reduce CO₂** and **optimise consumption**, also through redevelopment projects involving the use of renewable sources, the installation of photovoltaic systems, solar thermal systems and an electric car charging station.



- **Reduction of the production of paper and packaging**, waste collection and disposal in accordance with specific regulations and through **separate waste management** and recovery of metal offcuts and special waste.

Reporting tools

“Share your idea”

C.M.S. manages “Share your idea”, an initiative to fuel the culture of trust and transparency within the company, in name of that social responsibility that has made C.M.S.’ business philosophy stand out for years now.

It can be considered a “virtual suggestion box”, where all levels of personnel can send their **proposals,**

suggestions, criticisms, complaints or **reports,** provided they are founded, substantiated and not offensive, on all areas regarding their workplace. Personnel can send their completely anonymous communications to the link in the section “Condividi la tua idea” (Share your idea) on the company intranet, from their PC or, for operators without PCs, from the company PCs located in the Canteen. This is a secure and reliable reporting channel which, fully respecting privacy, safeguards the identity of the reporting party. The company’s hope is that this will help to quickly identify any critical issues and remedy them, as well as to optimally manage the flow of internal suggestions. The information received is investigated by the management and used as a starting point to launch new company programmes or corrective actions.

Knowing that more transparent and ethical organisations are also more pleasant environments to work and grow in, this is a commitment that C.M.S. S.p.A. makes to ensure its position as an increasingly modern and sustainable company.



Whistleblowing

C.M.S. has always focused on preventing risks that could compromise the responsible, sustainable management of its business. As a result, the company has set up a whistleblowing procedure.

In accordance with current legislative regulations, the concept of whistleblowing offers anyone in an organisation the option to report irregularities, anomalies or

conduct in conflict with company policies. Whistleblowing goes beyond the mere fulfilment of a legal obligation. It is **tangible commitment to company ethics and transparency.** It lets the company identify and promptly manage situations that could compromise the company’s integrity.

C.M.S. has implemented both a software platform and a voicemail system to let the interested parties make a report of alleged unlawful conduct and/or breaches which they have become aware of as a result of doing their work. Such reports of breaches and unlawful conduct are taken on by the Whistleblowing Manager, who carries out the related verifications and provides feedback to the interested party, based on the Whistleblowing Procedure.

External whistleblowers

As specified also in the Company Code of Ethics, anyone who is aware of problems or violations of C.M.S. or its suppliers, subcontractors or sub-suppliers, or who believes they have useful suggestions in this regard, can send timely notification to the following addresses:

Position	Name and Surname	Contact details
Management Representative	Elena Salda	elena.salda@gruppocms.it Tel. +39 059-7578911
Diversity & Inclusion Committee – Gender Equality	Massimo Catalano	comitatodi@gruppocms.it Tel. +39 059-7578911
Safety & Environment Manager	Alessandro Sole	alessandro.sole@gruppocms.it Tel. +39 059-7578911
Human Resources Area Manager	Michela Bettelli	michela.bettelli@gruppocms.it Tel. +39 059-7578911



The commitment to repair the negative impacts generated by C.M.S. addresses all stakeholders and the environment.

Customers have a dedicated email address to write to and send reports on the conformity of products and services. Each report generates a dedicated response to resolve the problem. The reports and internal data on delivery performance then flow into the monthly KPIs sent to the attention of the management and the organisation, and generate structural corrective actions. Indicators relating to the environment and occupational health and safety are treated the same. Employees are provided with a hotline they can use to report, also anonymously, issues and suggestions relating to work at the company, compliance with the code of ethics and all other issues. The reports are shown to the top management and internal specialists in HR, safety in the workplace and the environment. They are handled respecting the confidentiality of the issues covered. They generate assessments of measures that are shared within the Company Diversity & Inclusion Committee.

Suppliers and other stakeholders can report their issues directly to their company contacts, indicated in the Code of Ethics, who will ensure accurate, pertinent replies.



Material Topics

The Materiality Analysis is a process supporting corporate strategic choices, that assesses which areas of sustainability have the most material impact, on which the company should focus as a priority through commitments and targets to meet the needs of its stakeholders.

C.M.S. looked inward to carry out its materiality analysis. C.M.S.' Area Managers were involved to assess its main ESG (Environment, Social and Governance) impacts correlated with the company's operations. Once the positive (+) and negative (-) impacts were identified, the actual and currently potential impacts were classified. Lastly, they were assessed based on their materiality (severity and probability).

The results of this impact assessment made it possible to narrow the field of material topics for C.M.S. The complete list of the topics is shown below, with the associated impacts and related degree of materiality.

Material Topics	Main impacts	POS/NEG	Potential/Actual	Significance of impact
Energy management and reduction of greenhouse gas emissions	Mitigation of climate change	+	Actual	●●
	Contribution to climate change in terms of greenhouse gas	-	Actual	●
Management of resources using circular criteria	Reduced production and efficient management of waste	+	Actual	●●●
	Increase in waste production	-	Potential	●●
Purchases using ESG criteria (ESG Supply Chain Management)	Lower environmental impact over the supply chain	+	Actual	●●
	Procurement (imposed or not imposed) from suppliers or products that are not sustainable	-	Actual	●
Employee Engagement on ESG goals	Increase in employee' sense of belonging	+	Actual	●●●
	Decrease in company attractiveness for employees	-	Potential	●
Occupational health and safety	Prevention of injuries and diseases	+	Actual	●●●
	Increase in the seriousness of injuries in the workplace	-	Potential	●
Company Welfare	Promotion of conditions of integrated well-being of employees and increase in their satisfaction	+	Actual	●●●
	Stress and dissatisfaction of employees due to lack of listening to their needs	-	Actual	●
Diversity & Inclusion/ Equal Opportunities	Creation of an inclusive company culture that respects diversity	+	Actual	●●●
	Presence of discrimination in the workplace	-	Actual	●●
Skills development	Development of specific, transversal skills in the company	+	Actual	●●●
	Lack of new stimulation for employees and resulting loss of human resources	-	Actual	●
Partnerships with stakeholders in the community	Contribution to the social and cultural development of the local community	+	Actual	●●●
	Gap between the company and the social and cultural needs of the local areas	-	Potential	●
Economic performance	New solutions for management and product/ technology innovation	+	Potential	●●
	Lack of investments in company development and benefit for the community	-	Actual	●●●
Ethics, integrity and transparency	Strengthening transparency and respect with customers and suppliers	+	Actual	●●●
	Loss of credibility with stakeholders	-	Potential	●
ESG strategy	Achievement of pre-set ESG targets and improved company reputation	+	Actual	●●
	Ineffectiveness in reaching strategic goals	-	Potential	●
Customer satisfaction	Improvement in reputation and customer loyalty	+	Actual	●●●
	Loss of customers linked to quality or service problems	-	Potential	●
Dialogue with stakeholders	Satisfying stakeholder expectations	+	Actual	●●
	Disappointing stakeholder expectations	-	Potential	●

Our priorities in sustainability action

After determining the most material topics for C.M.S. in terms of their impacts, the analysis concentrated on listening to and exchanging ideas with internal and external stakeholders of C.M.S. to define which material topics have the highest priority. Stakeholders were consulted on material topics through two engagement methods: an online survey and a Multi-Stakeholder Focus Group.

Online survey

To obtain the quantitative opinions of a high number of stakeholders, C.M.S. sent an anonymous questionnaire to its stakeholders, asking them to rate the importance of the material topics proposed on a scale from 1 to 5. Around 90 stakeholders in different categories (employees, company management, suppliers, customers, public administration and non-profit entities) provided their contributions.

Multi-Stakeholder Focus Group

Subsequently, C.M.S. S.p.A. had an in-depth discussion of the results of the questionnaire in the Focus Group. The added value provided by this tool is a detailed qualitative analysis that provides subjective opinions and an opportunity for an open exchange of information with stakeholders. Seven people from the categories of suppliers, external consultants, training organisations, local public administration and employees participated in this focus group. Their replies and observations formed the basis of interesting ideas and suggestions from various points of view.

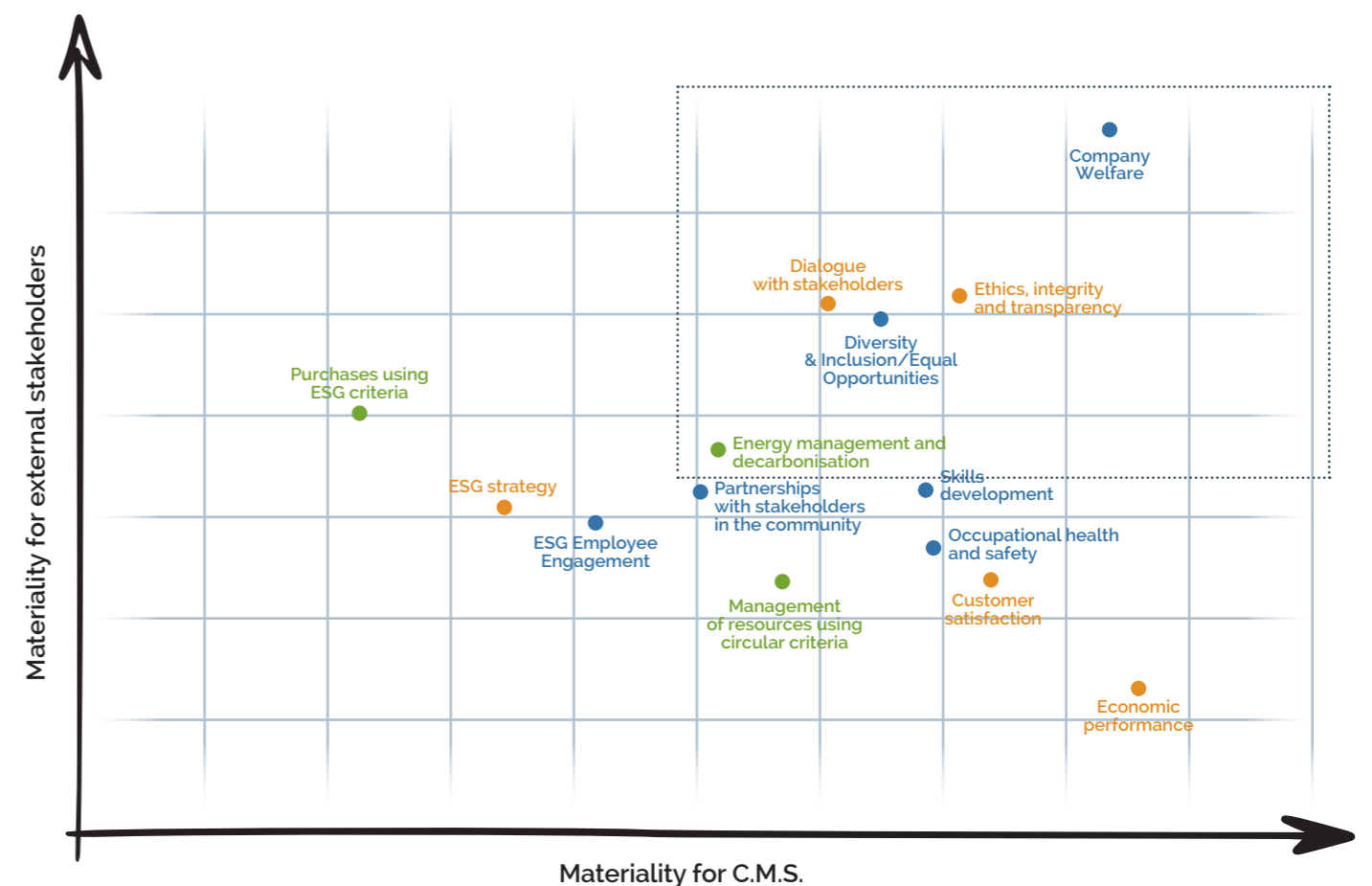
Preparation of the Materiality Matrix

The Materiality Matrix is the result of processing the output of the Materiality Analysis, which provides a graph describing the positions of material topics in relation to their importance for internal and external stakeholders. This graph is the fruit of the impact assessment conducted by C.M.S. and the consultation with stakeholders.

The results obtained from the Matrix show, in the top right quadrant, the topics that are the highest priority for C.M.S. and its stakeholders. Specifically, it can be seen that **Company Welfare** is a high priority topic for all parties involved. The company has been aware of the importance of this aspect for a long time now, and it is an area in which we will never stop improving.

Following this, we identify topics that are highly important, especially for external stakeholders: **Ethics, Integrity and Transparency, Diversity, Inclusion and Equal Opportunities** and **Dialogue** with stakeholders. The company has demonstrated its commitment to these topics by publishing its Sustainability Report, obtaining the PDR 125 Gender Equality certification and activating new methods of engaging its stakeholders.

The topic of good **Economic Performance** is also highly important for the company, as this is the necessary foundation to move forward with ESG improvement actions. The issue of **Purchases using ESG criteria** is highly important for our external stakeholders, as reiterated in the focus groups, linked to greater engagement and raising awareness of the supply chain.





ECONOMIC
RESPONSIBILITY

BUSINESS DEVELOPMENT

*Everything is both simpler
than you think
and more difficult
than you imagine.
Doubt grows with knowledge.*

Johann Wolfgang von Goethe

Economic Sustainability

The bankruptcy proceedings of C.M.S. S.p.A. begun in 2017 closed in 2023.

In the five years of restructuring, the BOD and management implemented and followed the final plan and concentrated their efforts to launch an important project of **diversifying the customer base**. The fundamental driver in this process was the expertise and know-how of C.M.S. S.p.A., characteristics that it has always maintained even in the years of negative economic trends. This is demonstrated by the fact that the company has never lost any accounts with its main customers, even during its years of financial difficulties.

The relaunch plan was always based on that aspect, i.e. **preserving, conserving and developing internal know-how**, both linked to the **mechanical production of components** (production processes, surface machining, industrialisation, co-design, document management, production of parts for applications in contact with food and/or to ensure sterile processes), as well as the **management of complex activities** required to develop complete systems (planning, supply chain, and logistics).

In October 2022, following authorisation from the Court of Modena, all the bankruptcy payables with all creditors were paid and, following the steps set out

in the proceedings, the company obtained the closing of the proceedings by the Modena court on 15 March 2023, and the resulting return to better fortunes.

2022-2023 Economic performance

The Financial Statements for the year ended as at 31/12/2023 reported a comprehensive loss of Euro 390.136.

Operating profit (loss), given as the difference between the value and cost of production, came to a profit of Euro 49,701, after being impacted by numerous organisational and production inefficiencies connected with the restart following the return to better fortunes. Comprehensive income (loss) was determined mainly by the financial and extraordinary charges from financial statement items attributable to the closing of the arrangement with creditors.

As at 31/12/2022, the company had no payables due to banks, as they had all been fully discharged through the arrangement with creditors. For most of 2023, the lack of self-liquidating credit lines required significant attention to correct working capital management, which was effectively self-financed for over 12 months (from July 2022 to September 2023). In the initial months of 2023 the company took action to open new accounts with credit institutions so that it would be able to finance ordinary operations through new self-liquidating credit lines, which amounted to Euro 1 million as at 31/12/2023, then increased to a total of Euro 3 million in the initial months of 2024. Now C.M.S. S.p.A. is working to consolidate the trust from credit institutions with the aim of obtaining medium/long-term financing to streamline and optimise the current operations and start the investment plan.



In the photo, CMS2 production facility



Basic Economic-Financial Indicators

The performance of sales revenues was substantially stable over the two years, with a decrease in EBITDA in 2023 linked to a product mix with higher industrial consumption. Financial charges for 2023 were essentially linked to the ordinary management of financial debt, while in 2022 they had a positive balance due to the total write-off of the debts under the arrangement with creditors. Net financial debt increased in 2023 due to the granting of new self-liquidating credit lines.

Services	Unit of meas.	2022	2023
Net revenue from sales	€	28,989,995	29,387,411
EBITDA	€	314,445	49,701
EBIT	€	256,770	49,701
Net financial charges	€	2,398,524	-482,349
Profit/(loss) before tax	€	2,655,294	-432,648
Net profit/(loss)	€	2,437,383	-390,137
Net financial debt	€	-3,007,127	-419,573
Shareholders' equity	€	6,796,434	6,406,298

Investments in innovation

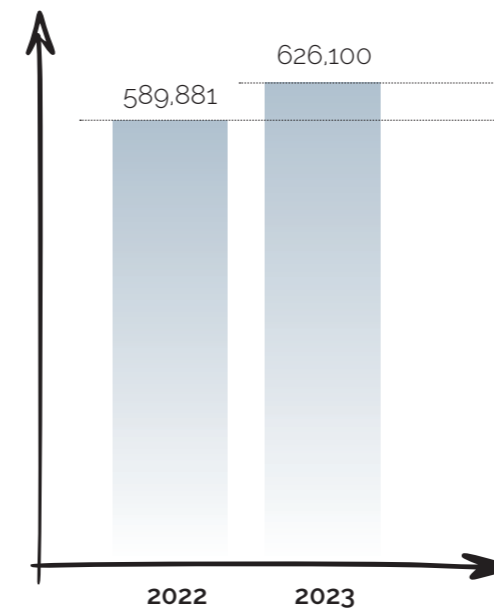
C.M.S.S.p.A. continues investing in technological innovation, focused on implementing the new business plan, which entails diversifying customers. Over the two years, C.M.S. S.p.A. made a larger investment in specialised technical personnel to innovate the processes of developing new processing and assembly cycles to satisfy customers' varying requests, while benefiting from the related tax credit.

	Unit of meas.	2022	2023
Investments in innovation	€	589,881	626,100



Between the Real and the Virtual

Two intertwined realities that outline the future that awaits us. The virtual world is an extraordinary opportunity to learn, work, innovate and, above all, to combine today's dreams with tomorrow's realities. How has the world of work changed in this context, and how will it change? This is the theme underpinning the event held on Tuesday, **14 March 2023** by the Carpi Host Lions Club: the CEO of C.M.S. Elena Salda participated in a round table with Fabio Ferrari from Ammagamma S.r.l. and Martina Po from Steel Cucine.



+6%
investments
in innovation
in 2023

Value created and shared

The value added produced by C.M.S. S.p.A. is distributed among various stakeholders, employees first of all, who receive around 25% of the global annual turnover, followed by credit institutions, chosen from among local banks with a focus on the way of working and the ethical aspects of doing business, and, lastly, the local communities, through membership fees and donations.

Statement of Value Added Generated

The company generated value added that was substantially stable over the two years, as there were similar cost-revenue structures.

Value added generated	Unit of meas.	2022	2023
A. Value of production	€	30,999,741.00	29,566,947.00
Revenues from sales and services	€	28,989,995.00	29,387,411.00
Change in inventories	€	137,495.00	-1,530,219.00
Other revenues and income	€	1,872,251.00	1,709,755.00
B. Costs	€	-22,645,667.00	-21,320,817.00
Costs for raw materials, consumables and goods	€	-15,275,875.00	-13,977,183.00
Costs for services	€	-5,292,608.00	-5,811,639.00
Provisions for risks	€	0.00	0.00
Value adjustments to tangible and intangible assets and trade receivables	€	-604,133.00	-91,679.00
Other operating costs	€	-1,473,051.00	-1,440,316.00
GLOBAL VALUE ADDED GENERATED (A+B)	€	8,354,074.00	8,246,130.00

Statement of Distribution of Value Added

The current human resources structure of C.M.S. S.p.A. distributes aggregated value added in terms of remuneration, amounting to around Euro 8 million, while, due to the loss for the year, for 2023, no taxes were paid to the public administration and no dividends were distributed to shareholders. The value added released to credit institutions in the form of financial charges increased compared to 2022, amounting to around Euro 317,000. Lastly, in 2023, C.M.S. S.p.A. distributed around Euro 86,000 to the community, in the form of membership fees, donations and charity.

Value added distributed	Unit of meas.	2022	2023
A. Personnel remuneration	€	8,039,629.00	8,196,429.00
Cost of personnel	€	8,039,629.00	8,196,429.00
B. Remuneration of the public administration	€	217,911.00	-42,511.00
Income taxes for the financial year, current, deferred and prepaid	€	217,911.00	-42,511.00
C. Remuneration of principal on credit	€	236,014.85	316,839.30
Charges for short and medium/ long-term capital	€	236,014.85	316,839.30
D. Remuneration of the community	€	65,947.29	85,781.52
Membership fees	€	23,658.29	26,234.52
Donations	€	42,289.00	59,547.00
GROSS GLOBAL VALUE ADDED (A+B+C+D)	€	8,559,502.14	8,556,538.82

C.M.S. BEST PRACTICES



Sponsor of SGRT

In **2023** C.M.S. sponsored the Sapienza Gladiators Racing Team, the official team of the La Sapienza University in Rome composed of students from the School of Engineering and Design. Due to support from the University, these students are given the opportunity to put their knowledge into practice, taking on the task of creating prototype motorcycles. By milling on the Mazak VTC-800/30SR, we supplied aluminium plates and brackets to be mounted on the 2023 prototype, which reached the podium at Motostudent, an international competition participated in by universities all over the world.

Suppliers and purchases

The value chain of C.M.S. S.p.A. breaks down into two macro-areas of products:

1. Commercial: products purchased from Italian and foreign companies.
2. Design: products purchased mainly from small and medium-sized enterprises with short supply chains.

The issue of Purchases using ESG criteria is highly important for external stakeholders, as reiterated in the focus groups, linked to greater engagement and raising awareness of the supply chain. 90% of our purchases are from domestic suppliers, with 40% from local suppliers and only 10% from abroad. In this complex, fragmented context, C.M.S. S.p.A. commits to selecting and forming a supply chain that respects the principles of promoting and protecting human rights, which have always guided the company's procurement policy. Specifically for that purpose, the company usually administers a questionnaire to new suppliers, at the first visit: this is a crucial tool to assess the suitability and quality of a potential working relationship. This document includes a series of questions to collect detailed information on the supplier company: not just its production capacities, product quality and certifications held, but also its focus on sustainability and innovation.

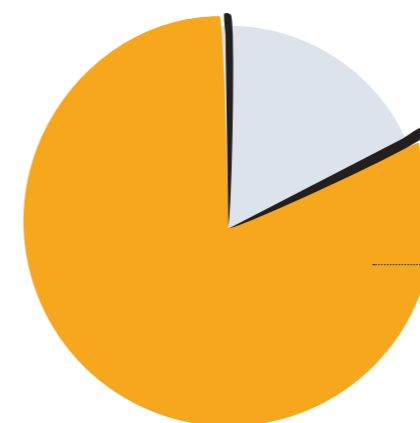
Types	Unit of meas.	2022	2023
Suppliers	no.	681	684
Suppliers with locations in the country where the ordering branch is located	no.	581	586
Local suppliers (max. 100 km away)	no.	281	298
Share of domestic suppliers	%	85.3%	85.67%
Share of local suppliers	%	41.3%	43.6%
Value of orders	€	18,099,091	16,911,541
Value of orders from suppliers with locations in the country where the ordering branch is located	€	16,946,141	15,449,259
Value of orders from local suppliers (max. 100 km away)	€	8,029,330	6,681,408
Share of domestic orders	%	93.6%	91.35%
Share of local orders	%	44.4%	39.5%

Confirmed incidents of corruption and actions taken

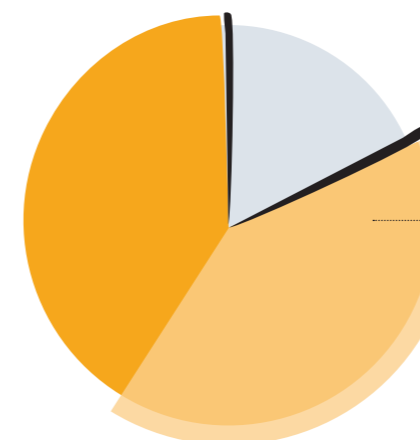
	Unit of meas.	2022	2023
Confirmed incidents of corruption*	no.	0	0

*Incidents of corruption confirmed by evidence.

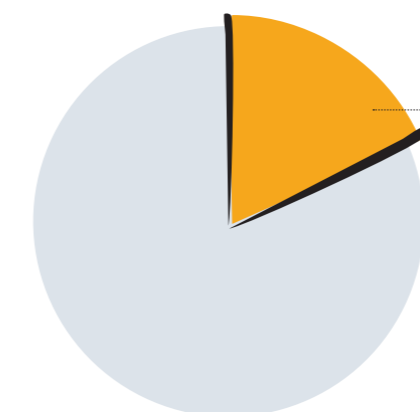
Note: Confirmed episodes of corruption do not include situations that were not investigated in the period of reference of the report.*



85.3%
domestic suppliers
91.3% of orders



of which
43.6%
local suppliers
39.5% of orders



14.7%
foreign suppliers
8.7% of orders



Customer relations

The main line of strategic development which has formed the basis of work in the last few years, and specifically since 2020, is **expanding the customer base** and decreasing our dependence on just one customer. Post-2020, target actions were implemented to reach this goal, specifically **reorganising the commercial area, creating technical-commercial contact people for each customer, organising production spaces** in line with the needs of new customers, etc. Since 2021, this line of development has led to the launch of commercial/industrial partnerships with **more than 15 new customers**, which generated a total volume of revenues of around Euro 9 million in 2023.

The new organisational chart highlights the importance of a **new sales area** and a **technical area**: a company strategy that entailed a substantial investment in terms of resources used to develop new technical solutions, process and work cycles to create machinery and systems for market areas completely different from previous ones. C.M.S. S.p.A.'s business is complex by nature; the company is entrusted with producing packaging units and machines that are objects made up of thousands of (mechanical, electrical, electronic and pneumatic) codes that must be studied, known and managed. Investments the company has made over the last two years specifically aim to start up relationships with new customers.

The satisfaction of these customers - some established and some new - is



investigated through informal meetings and interviews, both by sales managers and by the company management of C.M.S. S.p.A., but also and above all using the parameters and assessment questionnaires by which the customers measure the performance of C.M.S. S.p.A. and issue, following inspections, certificates of approval. Over the next few years, the scouting for and start up of new commercial relations will definitely continue, however, the focus will mainly move towards consolidating existing relationships.

Type of customers

Types	Unit of meas.	2022	2023
Food processing	no.	6	8
Pharma/Life science packaging	no.	5	6
Filling beverage packaging	no.	19	25
Other (specify)	no.	8	9
Total	no.	38	48

Geographic breakdown of customers

Area	2022		2023	
	no. of customers [no.]	Revenues [€]	no. of customers [no.]	Revenues [€]
Italy	27	26,847,279	36	22,558,759
Abroad	11	3,093,450	12	5,491,212
Total	38	29,940,729	48	28,049,971



**ENVIRONMENTAL
RESPONSIBILITY
OUR
COMMITMENTS
TO REDUCE
ENVIRONMENTAL
IMPACTS**

*The horrible habit
of complicating our lives
matches the marvellous ability
to transform limits into resources
and problems into solutions.*

Giorgio Nardone

Energy consumption by source

Over the years, we have reduced our use of energy materials. This reduction is due to the effectiveness of the measures to improve efficiency adopted, i.e.:

- monthly monitoring of consumption of each single metre, with the possibility to promptly detect any anomalies in consumption;
- consolidation of offices, giving up offices which have low numbers of personnel;
- reducing the lunch break from 1.5 hours to 1 hour;
- gradually replacing light bulbs with high energy efficiency bulbs;
- turning down the heating in the company facilities.

A portion of the company fleet is comprised of cars provided as fringe benefits and a portion is for common use. Most of the vehicles run on diesel fuel and have Euro 6 engines.

Consumption and efficiency of water fittings and faucets are monitored at least monthly. Water storage tanks are also present at the various locations.

Energy sources	Unit of meas.	2022	2023
Natural gas	GJ	4,529	3,528
Diesel (total)	GJ	0	0
Diesel fuel for vehicle fleet	GJ	610	649
Petrol for vehicle fleet	GJ	22	23
Methane for vehicle fleet	GJ	0	0
Electricity from grid	GJ	5,148	4,584
Self-generated electricity from renewable sources	GJ	878	830
Electricity purchased using GOs	GJ	0	0
Total	GJ	11,188	9,614
Energy intensity	GJ/t	42.745	38.538

Energy sources	Unit of meas.	2022	2023
Natural gas	Standard cubic metres	114,952	89,553
Diesel fuel for sundry uses (excluding vehicle fleet)	kg	0	0
Diesel fuel for vehicle fleet	litres	14,875	15,824
Petrol for vehicle fleet	l	621	633
Methane for vehicle fleet	m ³	0	0
Electricity from grid	kWh	1,430,074	1,273,400
Self-generated electricity from renewable sources	kWh	243,869	230,586
Electricity purchased using GOs	kWh	0	0

C.M.S. BEST PRACTICES



Electric car charging station

Though still a small percentage, electric mobility has grown significantly over the last few years, with a reduction in emissions of nitrogen oxides, CO₂ and fine particulate matter. Environmental Responsibility has always been a part of C.M.S.' DNA, and, through its partnership with CEE Consorzio Esperienza Energia, it provides its contribution to increasingly green mobility. Starting with the energy generated by the company photovoltaic plant, in **January 2022** an EnerHub charging station for electric cars was installed, available to employees.

Materials used - production, packaging, office

The organisation is making the effort to adopt solutions to reduce packaging materials made of plastic or unsustainable for the environment, giving priority, to the extent possible, to recycled or recyclable packaging, or that which can be given a second life. In 2023, over 900 kg of green plastic material was used.

Raw materials for production	Unit of meas.	2022			2023		
		total	from recycled materials	% from recycled materials	total	from recycled materials	% from recycled materials
Steel	kg	284,758	256,000	90%	260,800	182,500	70%
Aluminium	kg	9,000	5,400	60%	13,600	8,160	60%
Plastic	kg	470		0%	416		0%
Resins	kg						
Iron	kg	7,242		0%	10,197		0%
Total	kg	301,470	261,400	86.71%	285,013	190,660	66.90%

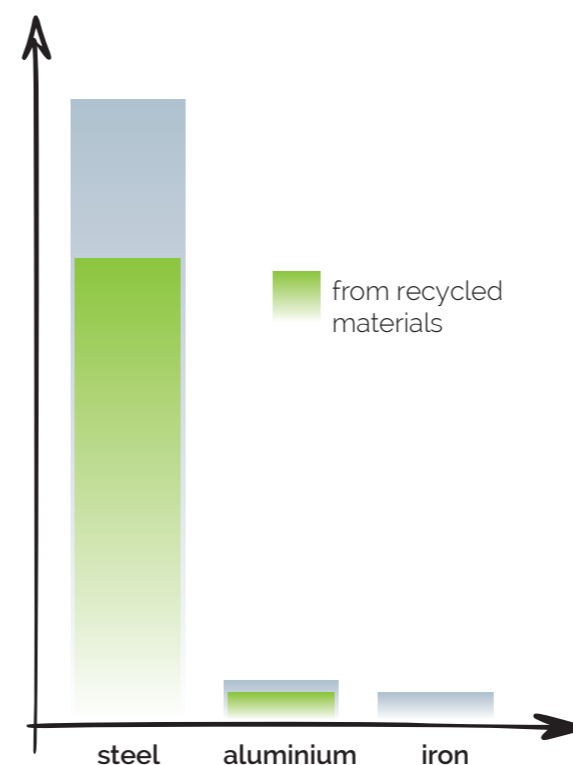
Packaging	Unit of meas.	2022			2023		
		total	of which Green	% Green	total	of which Green	% Green
Wood	kg	37,000		0%	36,200		0%
Metal	kg						
Plastic	kg	57,295		0%	49,564	907	2%
Cardboard	kg	19,386		0%	10,000		0%
Total	kg	113,681	0		95,764	907	

*Note: Natural and regenerative rubber

Office supplies	Unit of meas.	2022			2023		
		total	of which Green	% Green	total	of which Green	% Green
Paper	kg	1,836		0%	1,588		0%
Plastic	kg	31		0%	37		0%
Other	kg						
Total	kg	1,867	0	0%	1,625	0	0%

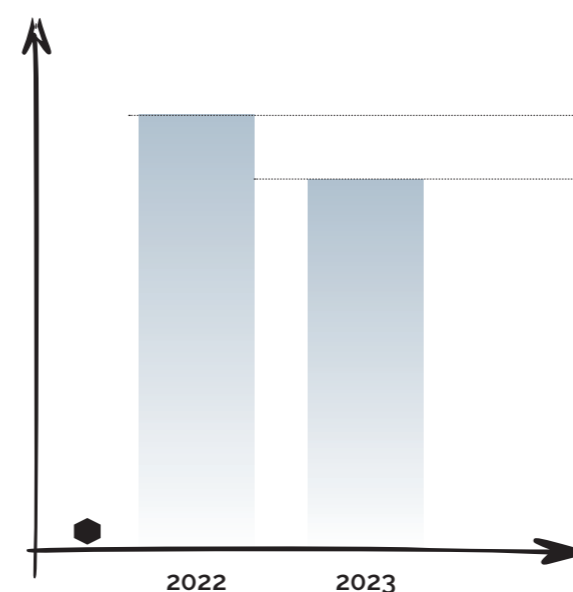
Quantity of products generated

Energy sources	Unit of meas.	2022	2023
Tonnes of materials produced	t	262	249



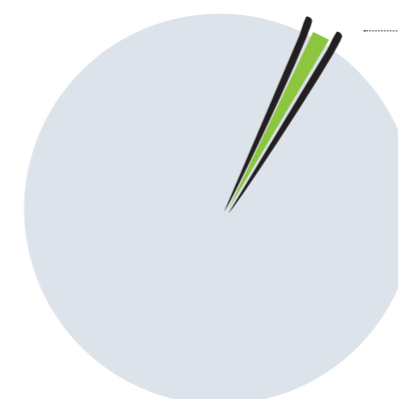
66.9%

of raw materials used by C.M.S. come from recycled materials



-7,731kg

of plastic for packaging in 2023



2%

of Green plastic

907 kg

Quantity of waste produced broken down by type

In our organisation, making employees aware of the economic and environmental value of separating waste is an important factor in achieving this goal, as is promoting separate waste collection by employees by placing small trash bins within easy reach or at collection points that are easily accessible or which employees pass by. For each group of workstations, units of trash bins for separate waste collection are set up, emptied on a daily basis, featuring different colours and logos that can be easily understood, to make the gesture of separating waste automatic, and to avoid mistakes.

Type of waste	Unit of meas.	2022			2023		
		Total	reused/ recycled for internal processes	hazardous	Total	reused/ recycled for internal processes	hazardous
Plastic	kg	*		*	*		*
Sludge (from wastewater treatment)	kg	5,151		5,151	7,297		7,297
Spent acid (from processes)	kg	4,480		4,480	5,720		5,720
Spent resins (from wastewater treatment)	kg						
Shavings of ferrous materials	kg	37,540		0	32,690		0
Shavings of non-ferrous materials	kg	1,725		0	2,430		0
Spent emulsions	kg	27,100		27,100	24,270		0
Metal scraps	kg	28,900		0	17,380		0
Rinse water	kg						
Paper packaging	kg	8,230		0	8,510		0
Wooden packaging	kg	23,920		0	27,660		0
Mixed packaging	kg	15,060		0	17,790		0
Contaminated packaging (containers, milk, etc.)	kg	238		238	709		709
Spent filters	kg	389		389	283		283
Equipment out of order	kg	27		0			
Electrical wires (sections)	kg	1,250		0	1,110		0
Sandblasting materials	kg	0		0	652		0
Total	kg	154,010	0	37,358	146,501	0	14,009

	Unit of meas.	2022	2023
Percentage of waste reused/recycled for internal processes	%	0%	0%
Hazardous waste as a percentage of total waste	%	24.257%	9.562%

	Unit of meas.	2022	2023
Total non-hazardous waste	kg	116,652	132,492
Total hazardous waste	kg	37,358	14,009
Total waste out of total tonnes of products	kg/t	588.42892	587.24897
Total non-hazardous waste out of total tonnes of products	kg/t	445.69404	531.09392
Total hazardous waste out of total tonnes of products	kg/t	142.73487946	56.15504870

Production of waste in relation to turnover	Unit of meas.	2022	2023
Turnover	€	28,989,995	29,897,255.78
Non-hazardous waste in relation to turnover	kg/€	0	0
Hazardous waste in relation to turnover	kg/€	0	0

Method of waste disposal by degree of hazardousness

Method	Unit of meas.	2022			2023		
		Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Recovery (R)	kg	32,878	116,652	149,530	32,559	107,560	140,119
Disposal (D)	kg	4,611	0	4,611	5,832	632	6,464
Total	kg	37,489	116,652	154,141	38,391	108,192	146,583

Water withdrawals by source

Source	Unit of meas.	2022	2023
Surface water	m ³	0	0
Groundwater	m ³	0	0
Rainwater	m ³	0	0
Water provided by public aqueducts	m ³	2,896	3,709
Total	m³	2,896	3,709

	Unit of meas.	2022	2023
Waste water treated and reused in the production process	%	0	0

Water discharge and consumption

Civil water consumption showed an increase only partially attributable to the increase in personnel and the number of hours worked.

Therefore, the efficiency measures will be improved, such as:

- increasing efficiency of water fittings and include water storage tanks at the various locations
- rationalising the use of water for irrigation
- increasing employee awareness of the rational use of this resource.

Use	Unit of meas.	2022	2023
Surface water	m ³	0	0
Groundwater	m ³	0	0
Public sewerage	m ³	89	90
Total	m³	89	90
	Unit of meas.	2022	2023
Civil water consumption	m ³	2,807	3,619

Non-compliance with environmental laws and regulations

Penalties and sanctions for non-compliance with environmental laws and/or regulations	Unit of meas.	2022	2023
Total monetary value of financial penalties	€	0	0
Total number of non-monetary sanctions	no.	0	0

Polluting atmospheric emissions

C.M.S. S.p.A. monitors the emissions it generates through periodic self-checks conducted by qualified technical personnel, in compliance with the regulations in force and the official UNI and NIOSH methods, with analyses conducted at ACCREDIA accredited labs, with the goal of protecting human health and the environment, guaranteeing the sustainable use of resources and the reduction of atmospheric pollutants.

Type	Unit of meas.	2022	2023
Sulphuric Acid	kg/year	50	32
Na ₂ O	kg/year	20	3
Phosphates	kg/year	30	3
Particulate matter (PM)	kg/year	90	61
Other emissions	kg/year		
Other standard emission categories identified in applicable regulations (boron)	kg/year		

Greenhouse Gas Emissions

A significant portion of the emissions released into the atmosphere is the result of the production and consumption of energy, especially when this is obtained from non-renewable and highly polluting sources.

No one can do without energy, but we can use it in a more efficient way in order to minimise our environmental impact. The first step to be able to plan for and monitor the decrease in greenhouse gas emissions of the organisation is to find out the current level of emissions. C.M.S. S.p.A. carried out this calculation, presented in the table below.

The results from the last year show a decrease on the previous year, also due to the reduction in energy consumption.

Greenhouse gas emissions	Unit of meas.	2022	2023
Direct (Scope 1*)	tCO ₂ eq/year	247.19	204.04
Indirect (Scope 2*)	tCO ₂ eq/year	542.16	477.64
Totals (Scope 1 and 2)	tCO₂eq/year	789.35	681.68
Carbon intensity of the organisation	tCO ₂ eq/t	3.0159	2.7325

* Direct emissions (Scope 1): from sources that are controlled or owned by the company: natural gas, fuel, cooling systems and emissions deriving from combustion in boilers or emissions from vehicles of the company fleet.

** Indirect emissions (Scope 2): indirect greenhouse gas emissions from energy acquired or purchased, such as electricity or cooling, generated offsite and consumed by the company.



Selection of suppliers using ESG criteria

Our main suppliers and those with the greatest environmental impact are assessed and classified using a questionnaire that takes into account the main environmental and safety factors, as well as others. Based on the answers and objective evidence provided, suppliers are classified as qualified - qualified with limits - not qualified.

	2022		2023	
	number of suppliers [no.]	Purchases of products/ services made [€]	number of suppliers [no.]	Purchases of products/ services made [€]
Suppliers selected using Green and Social (process/product) criteria	33	5,978,659	33	5,836,641
Total suppliers	633	17,777,554	633	16,890,843

	2022		2023	
	number of suppliers [no.]	Purchases of products/ services made [€]	number of suppliers [no.]	Purchases of products/ services made [€]
Suppliers selected using Green and Social criteria out of the total	5%	34%	5%	35%



SOCIAL
RESPONSIBILITY
**WORKING
IN C.M.S.**

*When you turn 'I'd like' into 'I want',
when you turn 'I should' into 'I must',
when you turn 'sooner or later'
into 'now', then and only then
will your dreams begin
to become reality.*

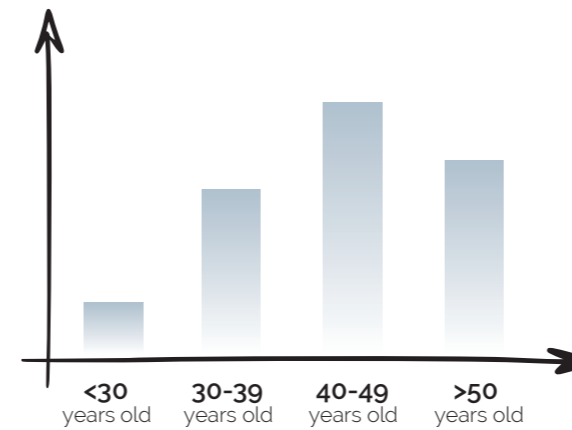
Coco Chanel

Employees by age

The average age of employees is 45. One of our values, stated in the company manifesto, is "We believe in young people and give credence to those with experience: we invest in talents and never stop working to be better."

Implementing this principle, we promote the hiring of new graduates from high school or university, designing a specific training programme to qualify them as professionals.

Age brackets	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
under 30 years old	no.	9	1	10	9	3	12
from 30 to 39 years old	no.	30	9	39	32	11	43
from 40 to 49 years old	no.	53	15	68	54	11	65
50 and over	no.	35	14	49	33	18	51
Total	no.	127	39	166	128	43	171

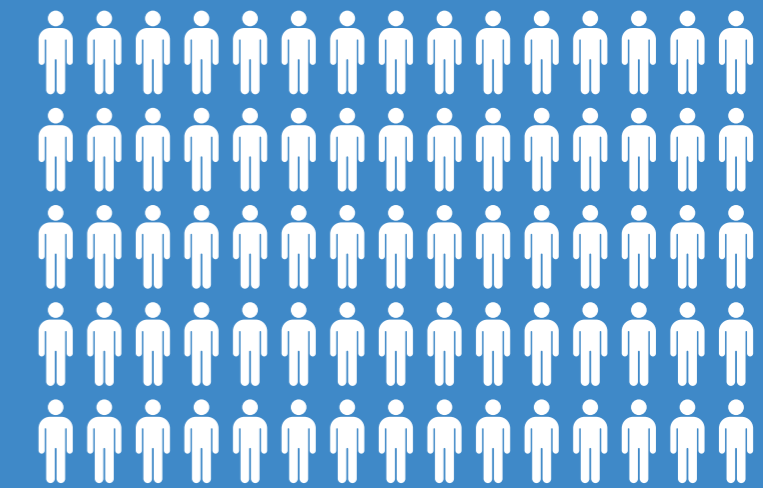
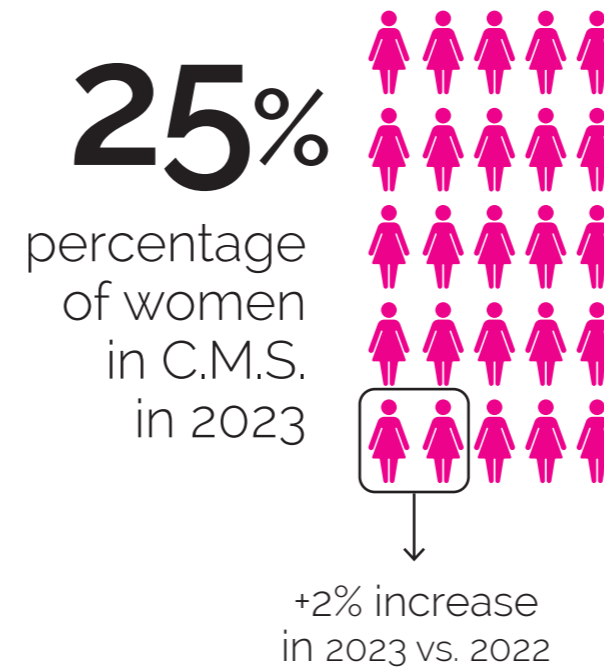


45 years old
average age
of C.M.S.
employees

Employees by professional category

The company's core business is purely technical in nature, so the majority of employees are technicians and machine tool operators. Despite the fact that the sector has historically been a primarily male occupation, in 2023 women accounted for 25% of workers, up on 2022, when women accounted for 23%. Women are mainly employed in office work, but there are also women in the production and logistics departments and holding positions of responsibility.

Category	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Executives	no.	2	1	3	3	1	4
Middle management	no.	3	1	4	3	1	4
Office workers	no.	28	24	52	31	24	55
Factory workers	no.	94	13	107	91	17	108
Total	no.	127	39	166	128	43	171





Employees by contract type and external contractors

Almost all employment relationships in the company are open-ended contracts, i.e. employment with no defined term when the contract is entered into, since it provides for the employee to work for the employer without any restrictions of duration. This type of contract provides various protections and rights, and generally ensures workers a more stable life. The stabilisation of workers' contracts is a benefit also for the company, which can thus rely on a set of loyal people who, through their professionalism and expertise acquired over time, can generate high value added. Around 10% of the company population has part-time contracts that are agreed on request by the individual workers, taking account of the need for the person's work life balance and, obviously, of the company's technical production needs. In the years 2022 and 2023 no temporary workers were used.

Contracts	Unit of meas.	2022			2023		
		Women	Total	Men	Women	Total	
Unlimited term	no.	121	38	159	119	37	156
Fixed-Term	no.	6	0	6	4	2	6
Apprenticeships	no.	0	1	1	1	1	2
Atypical workers (temporary/proj./interns)	no.	0	0	0	4	3	7
Total	no.	127	39	166	128	43	171

Contracts	Unit of meas.	2022			2023		
		Women	Total	Men	Women	Total	
Full-Time	no.	122	27	149	124	29	153
Part-Time	no.	5	12	17	4	14	18
Total	no.	127	39	166	128	43	171

Employees by education level

The level and type of education is in line with the mainly technical nature of the company and, thus, of its workers, as stated above. Specifically, over 60% of employees have a diploma from a technical/business vocational secondary school. 10% have a university degree. The company also incentivises workers who are interested in doing a master's degree, professional development courses or university courses towards a degree: in 2023 employees used almost 200 hours of leave for the purpose of education.

Levels	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Master's Degree, PhD	no.	0	0	0	0	1	1
Bachelor's Degree	no.	7	6	13	11	7	18
Secondary School Diploma	no.	85	24	109	83	23	106
Elem./Middle School	no.	35	9	44	34	12	46
Total	no.	127	39	166	128	43	171

Employment and employee turnover

The outgoing employee turnover rate, 5.8%, is low and significantly lower than the figure of 17.6% recorded by the annual survey of Confindustria on labour, conducted on a representative sample of companies. We believe that the low number of voluntary resignations is the fruit of the strategy and resulting policy that the company has pursued for years, with a focus on our people and their well-being.

Flows	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Number of new hires	no.	12	4	16	8	3	11
Employees leaving	no.	13	2	15	9	1	10
Total employees	no.	127	39	166	128	43	171

New employee hire rate	%	9.4%	10.3%	9.6%	6.3%	7.0%	6.4%
Employee turnover rate	%	10.2%	5.1%	9.0%	7.0%	2.3%	5.8%

Gender Equality

The company has an hourly average higher than the one set out in the National Collective Bargaining Agreement, irrespective of the levels or categories of workers, due to the production bonus for all workers and personal superminimi (extra allowances over minimum pay).

	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Executives - GAS/h	€	47.68	60.21	1.26	47.57	60.21	1.27
Executives - Global Annual Salary/h	€	48.28	61.35	1.27	49.71	61.28	1.23
Middle Management - GAS/h	€	43.20	29.80	0.69	34.41	30.55	0.89
Middle Management - Global Annual Salary/h	€	46.62	31.51	0.68	41.72	34.20	0.82
Office Workers - GAS/h	€	22.33	14.67	0.66	23.56	15.45	0.66
Office Workers - Global Annual Salary/h	€	22.92	15.11	0.66	28.78	19.23	0.67
Factory Workers - GAS/h	€	15.49	14.02	0.91	15.94	14.23	0.89
Factory Workers - Global Annual Salary/h	€	17.12	14.25	0.83	25.89	15.81	0.61

GAS/h = Average hourly Gross Annual Salary
Global Annual Salary/h = Average hourly Global Annual Salary

Parental leave and return rates by gender

Parental leave is used voluntarily by company employees, both men and women.

Levels	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Parental leave granted (maternity/paternity leave)	no.	1	1	2	1	1	2
Parental leave ended	no.	1	1	2	1	1	2
Workers who returned to work on conclusion of leave	no.	1	1	2	1	1	2
Return rate	%	100%	100%	100%	100%	100%	100%

Non-compliance with laws and regulations in the social and economic area

In 2023, C.M.S. S.p.A. dealt with a high absorption of working capital due to the lack of bank credit lines and, for a few months of the year, postponed the payment of personal income tax (IRPEF) withholdings to the following year, recognising the related penalty on an accrual basis in the financial statements.

	Unit of meas.	2022	2023
Significant financial penalties and non-monetary sanctions for non-compliance with laws and regulations in the social and economic area, in terms of:	no.	0	1
Total monetary value of financial penalties	no.	0	50,000
Total number of non-monetary sanctions	no.	0	0
Cases where dispute resolution systems were used	no.	0	0



Trekking Day

Team building has taken on strategic importance in companies, as it encourages a climate of interaction and discussion necessary to work together and achieve important work goals together. C.M.S. deeply believes in this, and for this reason, it periodically promotes recreational initiatives outside of work activities. For example, on Saturday **10 June 2023** the first company Trekking Day was organised: sportswear, natural landscapes, a ton of energy, and also a thunderstorm... these are the features of our hike around Sassi di Roccamalatina Park, along with the guide Gianni Genzale, without forgetting a more than deserved lunch break of gnocco and crescentine at Chiosco La Quiete. A fun opportunity to spend the morning outside with our colleagues and work on team building.



Company trips

C.M.S. periodically promotes 'off-premises' initiatives to discover the excellent industries in the local areas. For example, on Friday **25 March 2022** we made a stop at Ferrari. A few kilometres from us, the roar of engines that is envied by the entire world. A dream that began in Maranello in 1947, a story told in the Ferrari Museums. In a journey through the most famous, victorious Formula 1 races, we saw the legendary Sport Prototype and Granturismo models. The "Ferrari Citadel" is also one of the most advanced technological and engineering hubs in the world, and its architectural structures were designed by world famous architects. An afternoon focused on team building which was highly enjoyed by all colleagues, in which we were surrounded by the strong and sincere passion for precision mechanics, reliving the extraordinary story of the Prancing Horse.



Family Day

On **18 May 2023** C.M.S. organised Family Day: different from previous years, this invitation was not limited to children and teenagers, but was extended to the whole family. This event began with a company tour of the production and assembly plants, the work departments and workplaces, to show family members the work technologies and processes: a tour in which employees' families explored the various areas of C.M.S. and shared a moment of company life together with our working group.

After the tour, the guests were welcomed into the large Conference Room, where a party had been set up: they found a rich buffet, followed by entertainment, with music, games, materials for colouring and mountains of Legos to play with that filled the company for a few hours. A magic show, face painting and kids songs and dance caught the attention of both children and adults. The day then ended with a small toy gifted to the children, to make sure they remembered this event and to strengthen the friendship between the company and the families of all of our workers.



Time to eat!



Multi-ethnic company dinner

An evening to socialise together: the traditional end-of-summer party for all company workers was held on Friday, **29 September 2023**, at the company guest quarters. Almost 150 in all, along with colleagues of numerous nationalities, enthusiastically participated in a multi-ethnic company dinner! This idea perfectly aligns with the process launched some time ago at C.M.S. on the issue of diversity and inclusion, which took the form of a unique evening

spent discovering new tastes. Using a meal as a time to bring cultures together, this special banquet featured a perfect combination of aromas and colours, where foreign colleagues, with the help of their spouses and children, brought the traditional dishes of their home countries to the company: Morocco, Nigeria, Albania, Ghana, Argentina, Bangladesh and the Philippines. It was all exquisite! A wide variety of culinary delights, whose geographic origin was identified by descriptive panels specifying their origin and ingredients. As a result, this buffet provided a wonderful, interesting intercultural voyage of a few hours.



Welfare services activated by category

In 2007 a company welfare programme called "Better Factory Better Life" was activated, which has the ambitious goal of contributing to improving the quality of life of our workers. This programme includes numerous initiatives: a 60% contribution on the cost of meals consumed in the in-house canteen or external participating restaurants; a contribution for employee weddings calculated on the basis of the formula of one gross month's salary for every ten years of company seniority; a contribution for the birth of a child; company nursery school with priority and guaranteed access, with the company contributing part of the fee (for the remaining places available, the nursery school is available to children resident in the area); flexible entry and exit hours within set ranges for all employees, both office and factory workers; an extensive training programme; corporate volunteering in cooperation with the Association for Corporate Social Responsibility and numerous donations to non-profit organisations.

Types of services	2022		2023	
	No. of Init./ Agreements	Recipients	No. of Init./ Agreements	Recipients
Cost-Saving Agreements and Services [Canteen contribution/Wedding contribution]	2	ALL	2	ALL
Time Saving Services [Flexible Hours]	1	ALL	1	ALL
Remote Working	8.00%	OFFICE WORKERS	0.01%	OFFICE WORKERS
Supplementary Healthcare and Pension Services [Metasalute Supplementary Healthcare Fund for workers in the mechanical engineering industry/Fasi Open Supplementary Healthcare Fund for Executives]	2	ALL	2	ALL
People Care services for children and teenagers: [Nursery School Contribution/Contribution for birth of a child]	2	ALL	2	ALL
Care and well-being services for the elderly				
Training and skills development of employees, including 190 hours for the Equal Opportunities and Diversity & Inclusion PDR 125 course	4257	ALL	3.350	ALL
Welfare for local communities by the company/ services available to the community [Nursery school open to the community/"Invisibili" Company Volunteering/Charity; Donation to Ant; Futuro Non-Profit Organisation; Tutti insieme con gioia; Blà-Blà Festival; Manigolde; Donne nell'Islam (Women in Islam); Easy Riders; Gu.Pho Photography Exhibition; Porta Aperta; Rete del dono; Maria Letizia Verga Centre; C'è un sogno che... show]	4	ALL	4	ALL

Training for professional qualification

The company training programme is managed by the Human Resources Office which, at the beginning of each year, obtains the training needs from the various managers in order to close the gaps in workers' skills or develop other, necessary

skills. Based on these needs, and in line with the annual budget defined by the management, the training plan is designed and subsequently developed over the following months. All training hours are carried out during working hours, availing of qualified instructors depending on the course. During 2022, 4,257 hours of training were provided, while in 2023, 2,913 hours of training were provided, concerning the entire company population, on a rotating basis.

Levels	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Executives	no.	3	1	4	2	1	3
Middle management	no.	2	1	3	3	1	4
Office workers	no.	27	18	45	28	23	51
Factory workers	no.	82	13	95	84	14	98
Total	no.	114	33	147	117	39	156

Levels	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Executives	hours	76	241	317	34	69	103
Middle management	hours	95	25	120	5	2	7
Office workers	hours	651	296	947	389	216	604
Factory workers	hours	2.611	263	2.874	1.969	231	2.200
Total	hours	3.433	824	4,257	2,396	517	2,913

Subject area	Unit of meas.	2022	2023
IT	hours	64	484
Economic and financial	hours	22	52
Technical/operational	hours	2,946	1,785
Managerial	hours	246	72
Foreign languages	hours	160	88
Commercial	hours	16	6
Safety	hours	773	455
Quality/Environment	hours	30	122
Diversity & Inclusion	hours		286
Digital	hours	1	1
Total	hours	4,257	3,350

Total costs for training	€	115,592 €	109,793 €
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Training

C.M.S. believes in ongoing training: professional development of personnel enables the company to continue to gain new knowledge and internal skills, which are crucial for the company's success. As the world of work is constantly evolving, the methods workers use to approach their duties must also evolve. In **2023**, training provided to employees of C.M.S. ranged from Excel courses and English lessons to personnel management, equal opportunities, diversity & inclusion and welding techniques, up to the preferential selection of origin of goods and product safety procedures.

Number of injuries per year and per gender

C.M.S. S.p.A. is committed to increasing knowledge and awareness on Occupational Safety (safety regulations, prevention needs, instructions on correct conduct and causes of accidents) among workers, managers and doctors, by providing training and information beyond that required by law. It also draws up procedures, models of conduct and examples of good practices to favour the correct perception of risk and the adoption of healthy, safe behaviour, incentivising employee reports of problems regarding safety through monthly meetings with team leaders and officers.

C.M.S. S.p.A. has implemented and keeps track of various indicators for Occupational Safety, indicating a target to be reached for each of these at the date of the last update. Specifically, the following have been defined:

- pro-active indicators: training hours/employee, training compliance, near-miss frequency ratio, no. of reports/year, NC for safety
- reactive indicators: frequency ratio, accident ratio, severity ratio, no. of reprimands/year

Metrics	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Tot. injuries during the year	no.	3		3	2		2
Working days lost	no.	18		18	2		2
Injuries/tot. employees	%	2.36%	0.00%	1.81%	1.56%	0.00%	1.17%
Work-related injuries	no.	3		3	2		2
Injuries during travel	no.			0			0

Occupational health and safety ratios

Metrics	Unit of meas.	2022			2023		
		Men	Women	Total	Men	Women	Total
Number of days lost due to illness, injury (including first aid injuries), public offices, leave for blood donation and other leave, disability, assemblies/strikes	no.	1,679	585	2,264	1,218	343	1,561
Theoretical working days	no.	38,315			38,350		
Absentee rate	%	4.4%	1.5%	5.9%	3.2%	0.9%	4.1%
Injury rate	no.	9.79	0.00	9.79	6.52	0.00	6.52
Rate of working days lost (severity ratio)	no.	5.48	1.91	7.39	3.97	1.12	5.09
Workplace injury rate	no.	9.79	0.00	9.79	6.52	0.00	6.52
Rate of injuries during travel	no.	0.00	0.00	0.00	0.00	0.00	0.00

- The absentee rate is the percentage ratio of the number of days lost due to illness, injury (including first aid injuries), public offices, leave for blood donation and other leave, disability, assemblies/strikes to the theoretical number of working days.
- Injury rate = (total number of injuries during the year/total hours worked) x 1,000,000
- Rate of working days lost (or severity ratio) = (number of days lost/number of working hours) x 1,000.
- Workplace injury rate = (total number of injuries during the year/total hours worked) x 1,000,000.
- Rate of injuries during travel = (total number of injuries during travel in the year/total hours worked) x 1,000,000.



School work experience projects

We believe that work experience programmes with schools are a highly important tool for young people and for companies. C.M.S. is pleased to participate in school work experience projects: these are a long-term investment for companies which, in addition to being a tool for production, are also a tool for developing the educational projects of new generations. In **2022**, for example, we welcomed Nicolò, a student in his fourth year at the Istituto Primo Levi Secondary School of Vignola, for a three week training internship in the IT Area, supervised by Cosimo Scalzi. Several months later, we welcomed Sara, a student in her fourth year at the same school as Nicolò. In the Human Resources Area, Sara worked on a large project to expand our company library, cataloguing 234 new books. Numbered, reviewed, covered and labelled, the books were then registered in a database that can be accessed from the

intranet, broken down by author and genre. Now there are more than 500 titles available in our library, which employees can read on their lunch breaks or freely borrow to read at home.

Investing in the new generations means being curious and flexible, ready to teach and learn.

During **2023**, we hosted other students in internships, including Samuele in the IT Area, Lorenzo in the HR Area and Elettra in the Marketing & Communications Area. Elettra then graduated with a Degree in Marketing and Business Organisation from the University of Modena and Reggio Emilia on 12 October 2023. With her thesis entitled "Corporate Digital Strategies", Elettra recounted her work experience at C.M.S. and her initial approaches to corporate communication, using structured processes and both offline and online tools.



TEDx

The Modena version of Tedx, the prestigious "Ted" conference, a famous US brand of conferences that encourages the sharing of innovative ideas, was held on **13 May 2023**. Created in California in 1984 as a conference on Technology, Entertainment and Design - which forms its acronym - it now covers almost all topics, from science to business, from culture to art, and from social innovation to global transformations. "Sustainability" was the keyword that TedX Modena focused on for its 2023 conference. Important Italian and international speakers graced the stage of the Storchi Theatre who, leveraging their great experience, highlighted the complexities underpinning the issue of the environment, as well as the enormous potential that it could offer. These included the CEO of C.M.S. Elena Salda, which spoke about how, in her life, sustainability has taken the form of the ability to withstand shocks over time. Exploring the various aspects of the concept of Sustain-



Ability, Elena focused on the challenges that it has laid down, as well as the opportunities it offers. "Transforming Tears into Pearls": through her words that took the audience through a very close and personal journey, she transmitted the importance of several key concepts such as fear and pain, but also flexibility and strength.





Contributions to the community by type of commitment

The company considers the community and the local area in which it was created and has grown over the last fifty years to be fundamental stakeholders. It is thus actively involved in supporting cultural and social, as well as economic and environmental development initiatives. C.M.S. is a founding member of the CSR Association, and actively supports the Sustainable Development Festival (Festival dello Sviluppo Sostenibile), a yearly event with a strong public impact, held in Modena, at the time of the national initiative promoted by ASviS, the Italian Alliance for Sustainable Development. It is a member of the forestry consortium company Mutina Arborea, which aims to reforest and regenerate urban areas, promoting events to reflect on the issue of Gender Equality such as the photography exhibition "I Don't Wanna be a Princess When I Grow Up" or the Women in Islam convention. It sponsors the BLA BLA Festival, dedicated to children, the Gu-PHO festival of vernacular photography, held in Guiglia, and Easyrider, the association in Senigallia that promotes inclusive sports, as well as the Vignola Ski Club. Donations are also made to the Maria Letizia Verga Committee of Monza which supports the paediatric leukaemia treatment centre.

	Unit of meas.	2022	2023
Monetary donations	€	4,700	10,050
Value of goods and services donated	€	14,716	17,753
Contribution in terms of time volunteered	hours	50	50

Contributions to the community by stakeholder category

We have designed many initiatives for employees, the most important of which were: Family Day, Trekking Day, Multi-Ethnic Dinner and Christmas Dinner.

Organisation	Unit of meas.	2022	2023
Schools	€		
Municipalities	€		
Training Entities	€	15,927	5,101
Volunteer Organisations	€		27,803
Universities	€		
Foundations	€		
International organisations	€		
Employees*	€	13,512	18,310
Total	€	29,439	51,214

* 25 year anniversary gift to employees, International Women's Day, Visit to the Ferrari Museum, Christmas dinner, Family Day, Trekking Day, Intercultural Party, Christmas Gifts



Festival of Sustainable Development

C.M.S. was a protagonist of the 2023 yearly Festival of Sustainable Development promoted by ASviS. It was held at the Laboratorio Aperto in Modena **from 23 to 25 May 2023**. Following a focus on sustainability reporting, the spotlight was pointed at the delicate issues of disability and inclusion, to then conclude with a wide-ranging reflection on climate change. It was an important opportunity to dialogue with companies, institutions and representatives of civil society. In addition to the usual convention part, the Festival continued also in the city centre and from 19 to 26 May 2023. Piazza Grande was transformed into an actual maze: the "Maze of Sustainability". A process of gaining awareness of the 17 Goals established by the UN in the Agenda 2030, to use these as a guide to informed commitment. Among these, C.M.S. has sponsored no. 5 on gender equality. The initiative was targeted to households and the entire population, with the purpose of promoting the concepts of sustainability in a way that could be understood by everyone.





"I Don't Wanna be a Princess When I Grow Up" Photography Exhibition

At the 2022 Festival of Sustainable Development organised by the Corporate Social Responsibility Association, C.M.S. acted as the spokesperson for Goal no. 5 of the UN Agenda 2030: Gender Equality. To do this, it curated and set up the exhibition "I Don't Wanna be a Princess When I Grow Up": a photography exhibition that told stories of women from the Emilia region "who made it". **From 5 to 9 October 2022**, in the splendid location of the San Paolo Cultural Complex in Modena, the collective photography exhibition of C.M.S. collected images of women who concretely demonstrated Equal Opportunities through their experiences and daily life. Not celebrities, just normal women, with something important to share. In a circular itinerary under the porticoes of the ancient cloister, we reflected on the multiple



nature of women and their ability to create their place in the world, managing to fully play their social and professional roles without ever losing their personalities or individuality. Following its success at the Cortile del Leccio, the exhibition was then repeated in a new location. This initiative was part of



a calendar of activities organised in the month dedicated to combatting violence against women, and the second exhibition was set up **from 19 to 26 November 2022** at the Rulli Frulli Station of Finale Emilia, an inclusive socio-cultural space dedicated to activities for young people, a driver of attention, enthusiasm, resources and energy. Setting up this event in a location designed for the new generations intended to create an opportunity for raising awareness, growth and enrichment, especially for them. The two exhibitions in 2022 led to the repeat of the exhibition in a third location: for all of **July 2023** it was set up under the porticoes of Via Bonesi in Vignola, in the heart of the historical city centre, a short distance from the majestic "Rocca" fortress. Sponsored by the Municipality of Vignola, the initiative was part of the calendar of the now usual event "Summer in Vignola". Calling it an "exhibition" could be a bit

belittling: for C.M.S. it was an opportunity to promote women's self-determination and empowerment, and to favour a model of growth that is effectively inclusive and equal, as a promise of a better future for all of us.





#NONUNAPRINCESSA

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Women's words



Debate on gender equality

On the evening of Monday **17 July 2023** in Vignola, in cooperation with the La Quercia dell'Elfo bookshop, a debate was held on the gender gap, with some of the ten subjects of the C.M.S. photography exhibition. An issue which, despite the significant progress achieved on this matter, remains difficult to resolve in Italy. A transversal message to all women, but no desire for revenge: just the will to demonstrate, especially to the new generations, that today's world should not have borders dictated by one's gender, and that women can increasingly stand out, also in contexts usually dominated by men. The moderator of the round table was Eleonora Rovatti, better known as "Vonnicht", the creative director and digital strategist who directed the backstage interviews at the 2023 talks of the well-known Tedx Modena. This evening was full of energy and content,



in which the speakers and speeches from exemplary women moved the audience. We took home thoughts, inspirations and stories about life that gave us much to think about. This confirms the soundness of C.M.S.' process: a socially responsible company culture, based on promoting the equality of people. Because this is also part of "doing business".

Sustainability Goals 2024

Economic-Governance Sustainability

Goals	Actions
Enhance dialogue, sharing and transparency between colleagues and departments	<ul style="list-style-type: none"> Greater sharing of information on new projects, through dedicated meetings Restore the use of the Skill Matrices
Processes and sharing of responsibility	<ul style="list-style-type: none"> Introduce job rotation to increase employees' awareness of the various phases of work and projects
Improve knowledge of customers	<ul style="list-style-type: none"> Visits to customer premises Organise meetings to ensure employees understand the end destination of C.M.S.' products
Assessment of the company's results and performance	<ul style="list-style-type: none"> Constantly communicate about the company's performance during the year Quarterly or half-yearly meetings on performance and outlook
Prevention and Safety	<ul style="list-style-type: none"> Pursue raising awareness of individual safety Reduce the use of harmful substances
Promoting the Company Culture	<ul style="list-style-type: none"> Increase the awareness of C.M.S.' actions and initiatives among employees Exchange experiences with other companies on the initiatives carried out as a result of sustainability, welfare and local areas commitments Improve work apparel during visits by external persons

Environmental Responsibility

Goals	Actions
Reduction of waste and increase in separated waste collection	<ul style="list-style-type: none"> Reuse plastic bags for picking and assembly Increase the number of bins for separate waste collection in the production departments, using signs to indicate the type of materials to be disposed of
Reduction of paper consumption	<ul style="list-style-type: none"> Reuse paper through two-sided printing Use recycled paper
Promotion of sustainable development	<ul style="list-style-type: none"> Incentivise employees to commute by bike by offering prizes Increase the bike parking areas at the company Organise a "Bike to Work" day, with free breakfast for employees who bike to work Incentivise car-pooling
Enhance green areas	<ul style="list-style-type: none"> Plant species of trees around the company areas (e.g. car parks and garden) Set up a "Company Garden" Organise days for company volunteering to clean the surrounding areas of waste (e.g. river banks) Increase the number of gazebos in the courtyard area
Raising awareness of employees	<ul style="list-style-type: none"> Educate employees on how to correctly manage the heating and cooling systems (e.g. temperatures not too high in the winter or too low in the summer, and not using the air conditioning in areas with windows uselessly open) Teach employees to turn off machines and tools when they are not needed Inform employees of digital pollution (e.g. email emissions) and provide suggestions to reduce impacts Course on correct separate waste collection
Increase in energy efficiency and renewable energy	<ul style="list-style-type: none"> Promote turning off lights in bathrooms, changing rooms, offices and other company areas when they are not needed (e.g. timers, sensors) Gradual replacement of traditional neon bulbs with high energy efficient LED light bulbs
Management of the supply chain	<ul style="list-style-type: none"> Increase the percentage of suppliers with ESG certifications Prioritise procurement from local suppliers
Increase the offer of healthy food	<ul style="list-style-type: none"> Equip all vending machines with healthy snacks, in addition to the normal selection, to offer employees a healthy alternative

Social Responsibility - Employees

Goals	Actions
Expand ongoing training	<ul style="list-style-type: none"> • Technical training, training on Autocad, 3D, technical drawing, programming, courses on measuring tools, SAP training and training on Artificial Intelligence • English courses for everyone, with final tests
Job rotation and experiential visits	<ul style="list-style-type: none"> • Job rotation of several half days in the various departments • Team building between different departments, where people can explain their work • Visits to customers • Visits to specific tradeshow of our sector to keep up-to-date on new technologies
Strengthen employees' soft skills	<ul style="list-style-type: none"> • Courses on listening and communications to improve dialogue between departments • Courses in stress management
Team building/ bringing people together	<ul style="list-style-type: none"> • Organising days for sports: e-bike/trekking/sports competitions • Recreational events • Multi-ethnic dinner • Breakfast for end of Ramadan • Company cultural/training trips, for example, to other companies • Family Day
Enhancing and supplementing Company Welfare actions	<ul style="list-style-type: none"> • Place water coolers in the departments/offices/break areas • Set up agreements with bars/restaurants in the area, sports facilities for children of employees, petrol stations and merchants
Expand the Well-being actions	<ul style="list-style-type: none"> • Health check ups/specialist visits/collective health prevention plans • Company gym in the courtyard or in a dedicated room • Company yoga courses • Ping pong table in the courtyard • Courses on healthy lifestyles and nutrition • Personal defence courses • Courses for first aid/using defibrillators, not just for first aid officers

Social Responsibility - Community

Goals	Actions
Company Volunteering	<ul style="list-style-type: none"> • Cleaning the local areas or areas near the company's offices (river banks, parks, side of the roads) • Cooperation with Caritas or other local associations, Associazione Porta Aperta, Unità di strada Invisibili Homeless Assistance • Volunteering in animal shelters
Sponsorships	<ul style="list-style-type: none"> • Promoting and raising awareness of AVIS (blood donation) initiatives • Sponsoring amateur sports events for adults and teenagers • Sponsoring workshops for children and teenagers • Sponsoring cultural and musical events
Raising awareness on social issues	<ul style="list-style-type: none"> • Participation in conventions on important social issues

Methodological note

The Sustainability Report of C.M.S. S.p.A., which will be drawn up annually, intends to inform the company's stakeholders of the environmental, social, economic and governance -related sustainability by providing quantitative and qualitative information.

The scope of reporting of the data and information in the Report refers to C.M.S. S.p.A. Where not otherwise specified, this report refers to 2023. The information on the reference period is compared with that of the previous year, where available, to demonstrate information on the trend in performance over time. The previous Sustainability Report of C.M.S. S.p.A. dates back to 2015.

To draw up the Report, data and information directly taken from the company was used, based on indicators and reporting methods consistent with the International Sustainability Reporting Standards, and referring to the GRI Reporting Standards, using the With Reference approach.

To calculate the value added, reference is made to that indicated by the GBS (Sustainability Report Group).

The document refers to the United Nations Sustainable Development Goals (SDGs) as an international sustainability framework in relation to the actions taken and the commitments undertaken by the Group.

The Sustainability Report was approved by the Board of Directors in June 2024.

For information on this Report, you can contact

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The following participated in drawing up this Sustainability Report:

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GRI Standard Indicators Index

GRI		PAGE
GRI 2-1	Organisational details	19
GRI 2-2	Entities included in the organisation's sustainability reporting	108
GRI 2-3	Reporting period, frequency and contact point	108
GRI 2-4	Restatements of information	108
GRI 2-5	External assurance	109
GRI 2-6	Activities, value chain and other business relationships	10/58
GRI 2-7	Employees	81
GRI 2-8	Workers who are not employees	81
GRI 2-9	Governance structure and composition	10
GRI 2-10	Nomination and selection of the highest governance body	11
GRI 2-11	Chair of the highest governance body	10
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	10
GRI 2-13	Delegation of responsibility for managing impacts	11
GRI 2-14	Role of the highest governance body in sustainability reporting	108
GRI 2-15	Conflicts of interest	11
GRI 2-16	Communication of critical concerns	52
GRI 2-17	Collective knowledge of the highest governance body	11
GRI 2-18	Evaluation of the performance of the highest governance body	14
GRI 2-19	Remuneration policies	15
GRI 2-20	Process to determine remuneration	15
GRI 2-21	Annual total compensation ratio	83
GRI 2-22	Statement on sustainable development strategy	3
GRI 2-23	Policy commitments	25
GRI 2-24	Embedding policy commitments	25
GRI 2-25	Processes to remediate negative impacts	43
GRI 2-26	Mechanisms for seeking advice and raising concerns	40
GRI 2-27	Compliance with laws and regulations	83

GRI		PAGE
GRI 2-28	Membership associations	32
GRI 2-29	Approach to stakeholder engagement	31
GRI 2-30	Collective bargaining agreements	*
GRI 3-1	Process to determine material topics	48
GRI 3-2	List of material topics	47
GRI 3-3	Management of material topics	**
GRI 301-1	Materials used by weight or volume	68
GRI 302-1	Energy consumption within the organisation	66
GRI 303-2	Management of water discharge-related impacts	66
GRI 306-2	Management of significant waste-related impacts	70
GRI 308-1	New suppliers that were screened using environmental criteria	58
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	75
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	90
GRI 403-1	Occupational health and safety management system	92
GRI 404-2	Programmes for upgrading employee skills and transition assistance programmes	90
GRI 405	Diversity and Equal Opportunity	21/98/103
GRI 413-1	Operations with local community engagement, impact assessments, and development programmes	55/57/94 95/97/98 103
GRI 414-1	New suppliers that were screened using social criteria	58

* 100% of employees are covered by National Collective Bargaining Agreements.
 ** Information provided in the sections dedicated to single topics.



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