



# SUSTAINABILITY REPORT

2019

# Statement

All human activities contribute in one way or another to the degeneration of our environment.

One recent essay on the subject puts it as follows: “The Earth is being harmed by human activity: once its resources finish, life on it will finish too”.

But whether we like it or not, modern life is consumption oriented. If consumption ended, the economy that creates the resources for our way of living would do the same. An unquestioning condemnation of consumption together with all activities performed to improve it is wrong: without them, we actually wouldn't know the wellness that has involved many more people compared to the past.

It's up to the human intelligence being able to develop new technologies and operating modes that will enable us not to abuse of the resources we were given, thus sustaining consumption in an ethical way and with the maximum environment protection.

From our side, and with our industrial presence we have to commit ourselves not to be contributing to more harm upon the Earth. Our market importance has to grow through a continuous improvement of our environmental and social impact.

This is our way to contribute to creating a more sustainable and responsible economic world and to ensure a prosperous future to next generations.



Ing. Antonio Falchetti, CEO

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# Company overview

## MTA history has a name: Antonio Falchetti

Sixtyfive years ago, this captain of industry started out with the production of fuse valves and flexible connections for contactors, thereby laying the foundation for what would become a major supplier in the world vehicle market.

Presently, MTA S.p.A. is a leader in the development and production of a wide range of electric and electronic products developed internally for the primary manufacturers of cars, motorcycles, on and off-highway vehicles.



### 1954

MTA (then known as Meccanotecnica Codognese s.n.c.) is established by Antonio Falchetti in Codogno. Production of fuse valves and flexible connectors for contactors starts.

### 1969

MTA registers its trademark nationally and internationally. During the same year, OE supply begins.

### 1983

Production and offices are transferred to the current Headquarters. The total area of 160,000 m<sup>2</sup> allowed the subsequent expansion of the manufacturing departments, offices and R&D departments.

### 2008

MTA acquires and incorporates Digitek S.p.A., a company established in 1983 in Modena, Italy, for the design and manufacturing of electronic systems.

### 2012

In Codogno, at the company's Headquarters, an area of 1,600 m<sup>2</sup> is dedicated to research: the new laboratory is a functional space created to carry out all electronic and electric tests in-house.



MTA employees in the 50's





*MTA Laboratory in Codogno (LO)*



*MTA Headquarters in Codogno (LO)*



*MTA Electronics in Rolo (RE)*



*MTA production department in Rolo (RE)*

## The Headquarters of Codogno: core center of electrical manufacturing and advanced R&D center

Founded in 1954, MTA Headquarters are located in Codogno (60 km south of Milan) in a prestigious design building, situated in a total private area of approximately 160,000 m<sup>2</sup>.

The Italian site includes a highly specialized Research Centre for the electric and electronic products, the production area with plastic injection, metal stamping and assembling departments. In this site, there are also a tool department, where all molds and stamps are produced and a laboratory, where every product is subjected to a qualification phase during which a number of extenuating quality tests are performed to arrive to the certainty that the product will fully satisfy the original specifications and the customer's need.

In Codogno plant work more than 600 people at present.

## The plant in Rolo: electronics excellence

MTA Rolo is considered a top-notch centre focused on automotive electronic applications, working with forefront modelling, simulation and graphic generation systems. This department, made up of around 60 young engineers, is divided in different divisions focused on dashboards, displays and control systems design and product quality. In MTA Rolo, production too has reached very high process standards with latest generation assembly machines, and highly advanced tracking system. Cutting edge hardware and software systems like those used by world leading electronic manufacturers, ensure traceability for each individual installed component in each product.

The whole manufacturing area is an Electrostatic Protected Area (EPA) and is equipped with special devices that prevent electrostatic charge build-up on people.

Today, about 190 people work in MTA Electronics.

# Sustainability in MTA: ambitions and goals

MTA commitment towards an ethical and sustainable development of its activities, in order to create value for its stakeholders and build a long-term competitive advantage, expresses itself through three different strategic approaches, all strongly connected one to the other.

## 1 Contributing to a productive world

Thanks to the close attention we pay to the innovation of what we manufacture and all different processes, in order to always improve their quality while exploring the opportunities of a market requiring more and more “sustainable products” on one side, and to our ethical business approach, that brings us to always maintain a high attention to contrast any form of abuse and corruption on the other side, we are strongly committed to enforce our market presence and position. And after celebrating our 65th anniversary in 2019, we want to ensure our success for many more years to come.

## 2 Protecting the environment

Thanks to manufacturing processes and to their environmental impact constant control, as stated in our Environmental Policy, that is since long our main guideline deeply instilled in our approach to ecological themes, we’ve been for several years now committed to operate as most efficiently as possible in order to reduce our green-house gas emissions, improve our energetic efficiency, encourage the use of energy from renewable sources and reduce our water consumption.

## 3 Shaping a better future for people

Thanks to the focus on health and safety topics, strongly instilled in our company culture, we are constantly searching for new improvement opportunities in these areas: the company must be a safe workplace. But not only: we also want that working in MTA satisfying for all employees, we are therefore committed to encourage personal and professional talents’ growth already in our company and to attract new talents, sustaining social and ethical responsible behaviors in order to create an inclusive workplace, where differences are valued and not discriminated; and all this, not only within MTA, but all along its supply chain.

In a nutshell, our approach to customer social responsibility can be defined as the equilibrium research between economic growth and consolidation finalized to ensure a **prosperous future** for our company on one side and, on the other side, a **sustainable development**. All of this through environment and people safeguard, intended in the broadest and most general sense of the terms and, particularly, starting from the environment and the social fabric surrounding our plants, which we support by means of projects and initiatives actively connected to our territory.

The foundations of our actions in the corporate social responsibility field are based on a constant, proactive and constructive dialogue with our main stakeholders, built during the years. Thanks to this open exchange MTA gains the most important information about its reference context and receives the necessary feedback about its operations, and is therefore able to promptly and properly act aiming to the continuous improvement of the impact of company’s actions on environment and society.

The following table identifies who the main stakeholders are, their expectations and the major interests they have in MTA, and shows a synthesis of our commitment towards them (i.e.: our approach, how we communicate and the primary instruments we use to manage and monitor the activities).

Stakeholders	Expectations and interests	MTA commitment: activities and instruments
Customers	<ul style="list-style-type: none"> <li>➤ Reliable and safe products</li> <li>➤ Reliable and flexible manufacturing process to ensure the business</li> <li>➤ Guarantees of business continuity and on-time deliveries</li> <li>➤ Ethical business</li> </ul>	<ul style="list-style-type: none"> <li>➤ Sales people daily activities</li> <li>➤ Customer audits and visits to MTA plants</li> <li>➤ Attendance to main sector exhibitions and events</li> <li>➤ MTA newsletter</li> <li>➤ Social media</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>➤ Respect of contractual conditions</li> <li>➤ Continuity in the supply requests</li> <li>➤ Respect of laws and standards</li> </ul>	<ul style="list-style-type: none"> <li>➤ Self-assessment questionnaire that includes the approach to sustainability issues</li> <li>➤ Periodic inquiry about responsible sourcing of minerals in the supply chain</li> <li>➤ Audits carried out to assess the respect of MTA standards (GTC and Supplier Quality Manual)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>➤ Safety in the workplace</li> <li>➤ Solidity of the workplace</li> <li>➤ Respect of human rights</li> <li>➤ Personal and professional growth opportunities</li> <li>➤ Transparent economic incentives system, based on targets that are reachable and shared among the parts</li> </ul>	<ul style="list-style-type: none"> <li>➤ Internal communication</li> <li>➤ Safety meetings held on a regular basis for manufacturing employees that are more exposed to risks while working</li> <li>➤ Communication channel in place to receive anonymous warnings about violations of the company Code of Conduct</li> <li>➤ Communication tools in place to report near misses and to suggest improvement opportunities</li> <li>➤ Internal system of Job Posting</li> <li>➤ Performance review system formalized and periodically held</li> </ul>
Local community	<ul style="list-style-type: none"> <li>➤ Solidity of the workplaces</li> <li>➤ Economic development</li> <li>➤ Ability to attract talents</li> <li>➤ Respect of the environment</li> <li>➤ Support to local initiatives</li> </ul>	<ul style="list-style-type: none"> <li>➤ School-work alternation projects in collaboration with secondary schools</li> <li>➤ Sponsorship of university masters</li> <li>➤ Guided tours inside the company dedicated to students of engineering faculties particularly</li> <li>➤ Attendance to local Job Days to present the company and the working opportunities it offers</li> <li>➤ “Work with us” page always updated on our website</li> <li>➤ “Family day” to give to the employees’ families the possibility to visit and actually know the company</li> </ul>

# 1 Contributing to a productive world

Thanks to the close attention we pay to the innovation of what we manufacture and all different processes, in order to always improve their quality while exploring the opportunities of a market requiring more and more “sustainable products” on one side, and to our ethical business approach, that brings us to always maintain a high attention to contrast any form of abuse and corruption on the other side, we are strongly committed to enforce our market presence and position. And after celebrating our 65th anniversary in 2019, we want to ensure our success for many more years to come.

In 2019 the total turnover of the two divisions – electrical and electronic – was over 120 million Euros, registering a slight decrease compared to previous period. This result was anyway expected: in fact, it was mostly caused by some projects that had reached their natural end of life and by a progressive change in the mix of sold products. However, MTA projections for 2020 was already expecting a progressive sales recover, driven, in particular, by new electronic projects acquired and in their starting phase.



The **Covid-19 pandemic** outbreak in the whole world, that hit so unexpectedly and heavily our territory and our community too – Codogno is where our Headquarters are located and the center of the first Italian “red zone” which was established already at the end of February –, has unfortunately shuffled any previsions: all plans of economic growth must necessarily take a step back compared to the protection of people health and life.

## Product quality and safety

The global legal sceneries and the market trends emphasize the need of companies like MTA, i.e companies active in a sector as “delicate” as the automotive one, to pay ever more attention to products’ quality and safety, further to a concrete and effective commitment to risks management, that must be strict in general, and especially when safety characteristics of the product may have a direct impact on the safety of the vehicle mounting MTA product.

Founding its approach on the Plan-Do-Check-Act (PDCA) cycle and on the risk-based thinking, MTA manufactures products through operating processes responding to the strictest standards of the sector in which it operates.

The product safety management plans the involvement, in some cases also the direct coordination, of the Product Safety Officer (PSO), that guarantees that all necessary standards are taken into consideration, both in the product and the process design and in manufacturing process. All modes adopted by MTA to guarantee the product safety are completely integrated in the company procedures.

MTA is member of ISO committees and boasts numerous OEM approvals of its products. From the quality point of view, both plants of Codogno and Rolo are certified ISO 9001 and IATF 16949, this last is the reference quality standard in the automotive sector.



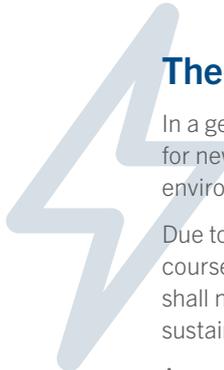
**MTA Headquarters  
Codogno**

{ ISO 9001  
IATF 16949



**MTA Electronics  
Rolo**

{ ISO 9001  
IATF 16949



## The challenges of the “electrification”

In a general global market ever more careful and sensitive to the “green” topic, the research for new technologies able to limit as much as possible the exploitation and pollution of the environment it’s a fact.

Due to the direct link vehicles have with emissions in the atmosphere the automotive market, of course, represents no exception and it perfectly fits in the trend being one of the main players: cars shall necessarily become ever more environmentally friendly, the mobility shall become ever more sustainable. And this will be possible by means of cars ever more electrical.

Among the targets set by MTA for the next years, the study of solutions suitable to meet this increasing need of the market will have a primary role. And from this perspective, in the next years, the research & development activities of MTA will aim in particular to continue to explore the potential applications of the battery sensor (**Intelligent Battery Sensor**) on different types of vehicles in order to contribute to the reduction of their CO<sub>2</sub> emissions on one side, and to continue to study new products and to increase the range of existing products from a vehicle electrification point of view (**48 V**) on the other side.

## 231/2001 Organizational Model and the anti-corruption efforts

MTA requires to all employees to always show integrity, sense of responsibility and observance of the rules in order to ensure that all company activities are always compliant to the present legislation and to avoid any corruption episodes.

For this reason the company, adhering to the prescriptions of the **231/2001 Italian legislative decree**, has adopted an Organizational Model that maps all main company processes and defines for each one of them an internal management and control system, which scope is to avoid and to contrast violations expressly listed in the decree (such as, for example, those against the workers’ safety, the environment, the company, or against the public administration).

The observance of prohibitions and prescriptions included in the *ad hoc* protocols adopted by the company is granted by a Supervisory Board, that periodically audits all the involved company processes.

The company expects every employee to respect the behavioral principles stated by 231 protocols, that are available to everyone in a public folder in the company intranet.

As a further proof of the particular importance MTA pays to 231 Organizational Model and to the fight against corruption, amongst the different topics of the new employee mandatory initial training these two are treated with great emphasis.

Moreover, as additional demonstration of the company sensitiveness towards the fight against corruption, the MTA Code of Conduct too– i.e. the “tool” used by the company to declare and share its fundamental ethical values – prohibits and explicitly condemns any form of corruption, in the relationships with Institutions and Public Administration, as well as in the relationships with customers and suppliers.

 Last year MTA was subjected to no alert or investigation connected to any violation prescribed in the 231/2001 legislative decree.

## The Code of Conduct and the respect of human and workers’ rights

In line with the attention to an ethical way of working, MTA drafted its own Code of Conduct aimed to build the basis of an inclusive and shared company culture and to promote a working environment where people are treated with respect and dignity, without favoritisms and prejudices.

Wanted and approved by the company top management, the Code of Conduct defines the politics and procedures to help any subject to maintain MTA **ethical commitment**; it is the main reference for any MTA employee and partner and includes politics that are not referred to the singular operating contest, but supplies the general guidelines to be followed in any company activity.

MTA Code of Conduct touches some fundamental topics, whose respect and support are demanded as essential for any employee and partner, including of course the whole supply chain.

The respect of human rights and the respect of the working conditions stated by the conventions of International Labour Organization (ILO) are the grounding pillars. All workers must contribute to MTA commitment in promoting them all along the structure.

MTA Code of Conduct includes, but it's not limited to, the following policies regarding human rights and workers' rights:



- ▶ Fight against illegal immigration and forced labour;
- ▶ Non discrimination of any kind;
- ▶ Equal and dignified treatment for all;
- ▶ Freedom of association and safeguard of individual rights;
- ▶ Social dialogue on working conditions;
- ▶ Respect of confidentiality and whistle blowing.

Work must be a free choice, any form of involuntary work – intended in all forms of forced and compulsory labour – is firmly banned. Of course, child labour too is strongly banned and condemned.

MTA commitment is aimed to ensure working conditions equal and respectful of legality in terms of time, wage and treatment. Any discrimination form – of gender, age, race, nationality, marital status, sexual orientation, political opinion, physical/health condition, etc. – is condemned; and freedom of association is granted to all company employees: they are free to adhere to trade unions in order to be represented and can reunite in workers councils.

By means of its Code of Conduct MTA also promotes instruments finalized to a general improvement of working relationships and conditions, making as its own one the ILO fundamental principles that states that work is not a commodity and acknowledging the social dialogue as a privileged way to achieve working conditions able to safeguard the concurrent and reciprocal interests of both company and workers.

MTA has nominated an implementation officer for its Code of Conduct, to whom anyone can report any (real or presumed) violation to the Code itself, always anonymously. How to contact the Code of Conduct Implementation Officer is clearly stated in the Code itself (whistle blowing).

The Code of Conduct is supplied to any new employee through the human resources portal, that requires a flag to confirm its reading. Then the document is also always available for the employees' in the section "My documents" of the portal, in addition to being published on the MTA website.



Last year no (real or presumed) violation to human rights have been reported, and MTA hasn't been subjected to any concerning investigation.

## **Requests to the supply chain**

MTA asks to its suppliers the same respect of ethical principles and politics of its Code of Conduct required to employees and collaborators.

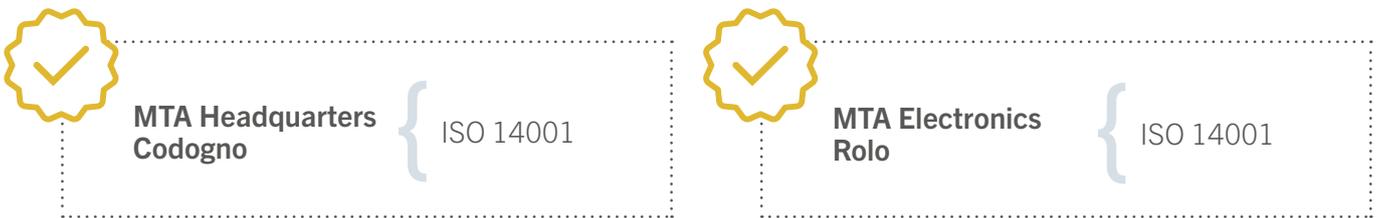
Through subscription of MTA General Terms & Conditions, suppliers are explicitly committed to acknowledge and to respect the prescriptions of MTA Code of Conduct, conforming themselves to the principles it contains and verifying, on their side, that these principles are understood, acknowledged and applied by the companies under their direct or indirect control, and also upstream their own supply chain.

The final scope is to widespread, alongside the whole supply chain, the principles embraced by MTA.

# 2 Protecting the environment

Thanks to manufacturing processes and to their environmental impact constant control, as stated in our Environmental Policy, that is since long our main guideline deeply instilled in our approach to ecological themes, we've been for several years now committed to operate as most efficiently as possible in order to reduce our green-house gas emissions, improve our energetic efficiency, encourage the use of energy from renewable sources and reduce our water consumption.

Our strategic scope, in this field, is to give a real and effective contribution to the environment protection and to the restriction of natural resources exploitation. To obtain it we have developed an Environment Management System that is unique for both our premises in Codogno and Rolo and is certified according to ISO 14001:2015 standard.



Beyond the strict respect of the present legislation on environmental topics, MTA Environmental Management System is based on the guidelines formalized in our Environmental Policy as well as on the application of the environmental principles contained in the Code of Conduct and, in the end, on the behavioral principles and controls on environmental violations contained in the 231 Organizational Model.

## The pillars of our Environmental Policy

Our concern and our commitment are aimed, through an organic plan, to prevent the pollution by adopting the proper preventive measures, by vigorously applying existing laws and by further committing ourselves to:



- Keeping in MTA an environmental management system in compliance with the ISO 14001 standard;
- Involving all company sectors in this effort;
- Involving in this effort all companies that work together with MTA too;
- Promoting training courses for management and staff;
- Monitoring results, especially as regards:
  - energy and drinking water consumption reduction,
  - discharges reduction,
  - packaging reduction;
- Choosing recyclable materials to pack the products;
- Waste sorting (plastic, glass, paper, etc.);
- Improving special waste items supervision;
- Monitoring air and water discharges and purifying them where necessary;
- Increasing plants and shrubberies in green areas;
- Monitoring environmental needs and community/territory expectations.

## Requests to the supply chain

MTA asks to all suppliers its own same attention to environmental themes and the same ethical and sustainable approach to the involved issues.

Through subscription of MTA General Terms & Conditions, suppliers are explicitly and formally committed to the respect of the existing laws on environmental protection and to make the effort of minimizing the negative effects of their own activities on the environment, they're also asked to verify that the same indications are transmitted, acknowledged and applied by the companies under their direct or indirect control, and also upstream their own supply chain.

Final scope is to widespread, alongside the whole supply chain, the principles embraced by MTA.

Moreover MTA verifies and monitors the company environmental "sensitivity" of its supply chain and has thus instituted a periodical assessment mechanism for its suppliers that, assigning the rating through performance evaluation and risk level attribution, gives a better score to those suppliers that have the environmental certification (ISO 14001).

## Environmental safeguard: the indicators

Within the guidelines defined by its own policy and linked to contingent aspects, MTA annually defines a set of environmental targets and periodically verifies their achievement level, detecting corrective measures if the results should not be as expected.

Below you can find some data on the main environmental indicators used and constantly monitored by MTA to assess its own impact on the environment.



### Electricity production from photovoltaic system

The data are divided by premises of Codogno and Rolo.

#### MTA Headquarters Codogno

	2018	2019
Produced energy [MWh]	750	775
Avoided CO <sub>2</sub> emissions [t]	335	346
Equal value in trees number	33,500	34,600

Compared to the previous year there has been a moderate increase in the photovoltaic energy production, determined by favorable irradiation conditions in the first months of the year; as cascade effect the avoided CO<sub>2</sub> emissions have increased too and so has the quantity of CO<sub>2</sub> not released in the atmosphere, that in 2019 has been equal to the quantity that would have been absorbed by almost 35,000 trees.

#### MTA Electronics Rolo

	2018	2019
Produced energy [MWh]	1,200	1,200
Avoided CO <sub>2</sub> emissions [t]	535	535
Equal value in trees number	53,500	53,500

Equipped with a photovoltaic system able to produce a higher energy quantity than the one consumed, the Rolo plant can self-sustaining for most of the year.

As is evident from the scheme above, last years data represent a stable situation.



### Electrical energy consumption

This indicator shows the electricity consumption from the grid (kWh).

	2018	2019
<b>MTA Headquarters Codogno</b>	12,000,000 kWh	10,800,000 kWh
<b>MTA Electronics Rolo</b>	1,650,000 kWh	1,550,000 kWh

Both plants have registered a sensitive reduction in the energy consumption compared to the previous year: for Codogno this depends on a different product mix, while for Rolo it is due to the use of new recasting furnaces.

To represent our “energy footprint” in a different way, i.e. by translating our energy performance from tonnes of oil equivalent into tonnes of CO<sub>2</sub> equivalent, the cumulative data of our plants are as follows.

	2018	2019
<b>MTA Headquarters Codogno &amp; MTA Electronics Rolo</b>		
TOE/year (t)	3,000	2,700
CO <sub>2</sub> equivalent/year (t)	5,600	5,800

And these data above clearly show how MTA is not an “energy-intensive” company.



### Emissions to air

Based on our processes, the CO<sub>2</sub> production originates from the heating systems; excluding this quota, MTA does not have any further relevant direct contribute of pollutant emissions to air.

The annual analysis performed by MTA to monitor the authorized points of emission to air, the processes responsible for the pollutants emission and the type of polluting substances, highlights how some processes enter dust and oil mist into the air, but with irrelevant numbers compared to the actual capacity of the emission points and always lower than the required legal limit values.



### Water consumption

The index represents the daily average consumption (expressed in liters per employee) and considers the sole consumptions due to hygienical-sanitary use and food use.

MTA Headquarters Codogno	2018	2019
	76	58

MTA Electronics Rolo	2018	2019
	31	38

While the data of Codogno is noticeably diminished, the increase in Rolo is due to a refinement of our traceability.



### Waste production

The data are referred to all waste codes we disposed in the year (expressed in tonnes).

MTA Headquarters Codogno	2018	2019
	445	430

MTA Electronics Rolo	2018	2019
	110	100

Both Codogno and Rolo plant can be defined as “virtuous”: we produce few wastes and the diminishing data show our attention to the topic and how we aim to continuously improve our related performances.

## Further concrete actions to sustain the environment: MTA supports FAI



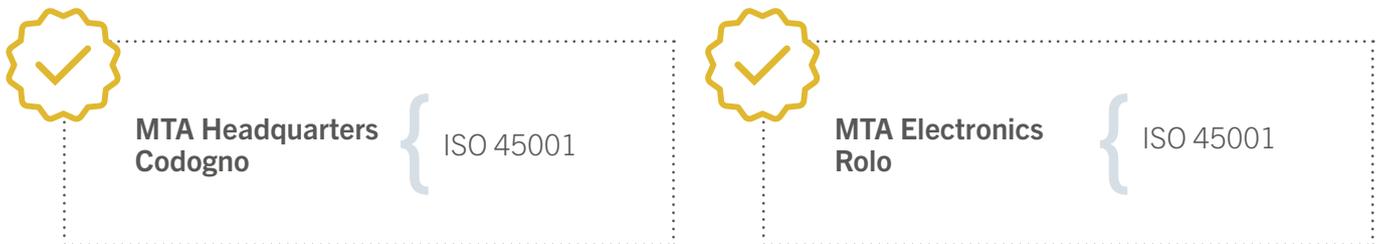
MTA is **Corporate Golden Donor of FAI** – Italian Environment Fund – thus contributing to support a great safeguard project that is also an ambitious cultural challenge: to make Italy a nicer place to live, work and grow your children.

Non-profit foundation born in 1975, since more than 40 years FAI safeguards and manages over 60 assets on the whole national territory. The heritage of history, art and landscape, that FAI protects and promotes, represents a unique capital in the world and a fundamental resource on which we deem as highly important to invest in order to make re-born, develop and value our Country, for the present and next generations.

# 3 Shaping a better future for people

Thanks to the focus on health and safety topics, strongly instilled in our company culture, we are constantly searching for new improvement opportunities in these areas: the company must be a safe workplace. But not only: we also want that working in MTA satisfying for all employees, we are therefore committed to encourage personal and professional talents' growth already in our company and to attract new talents, sustaining social and ethical responsible behaviors in order to create an inclusive workplace, where differences are valued and not discriminated; and all this, not only within MTA, but all along its supply chain.

MTA final scope is to be, further than the necessary working place, a pleasant place for all employees too: they have to feel not only safe, but also valued and satisfied. And to achieve this, the first pillar on which we rely on is an Occupational Health & Safety Management System, that is unique for both our premises in Codogno and Rolo and is certified according to ISO 45001:2015 standard.



Besides the due respect of the actual laws, our Occupational Health & Safety Management System is based on the set of guidelines formalized in our Health & Safety Policy, and also on the implementation of the indications contained in our Code of Conduct and in the 231 Organizational Model with reference to the main behavioral principles and to the controls on health and safety topics.

But, as we said, besides a safe place, MTA aspires to be an appealing place, meaning a place able to attract, cultivate and keep talents, through projects carried out with secondary institutes and universities on one side and of career development plans for the employees on the other one.

## Safety Policy

The company top management looks at Health & Safety Policy as the formal and public commitment for the safeguard of the employees in the workplace. In fact, it points out the following priorities:



- Application of the principles of health and safety management acknowledging a defined hierarchy in the interventions: removal of risk factors, their substitution, their technical control, adoption of specific working procedures, use of personal protection equipment;
- Analysis and – sustainable – management of risks for the health and safety generated by MTA activities, independently from their nature: physical, chemical and mental;
- Understanding and management of the opportunities for the health and safety;
- Clear definition of the obligations for workers in order to make them follow all safe practices and subsequent check on the effective adoption of these practices;

- ▶ Availability of all the necessary resources to prevent the risks and manage the emergencies;
- ▶ Recording and analyzing of all incidents and of all real/potential issues concerning workers' health and safety;
- ▶ Specific treatment of the risks that may impact on some particularly vulnerable workers' categories (such as disabled people, pregnant women, newly hired personnel, temporary or external workers);
- ▶ Adequate training and promotion of the consultation and participation of workers' and of their representatives on health and safety topics.

## Requests to the supply chain

MTA requires to all suppliers its same commitment to the issues of working relationships and conditions (health & safety) and its same ethical approach to the involved topics.

Through subscription of MTA General Terms & Conditions, suppliers are explicitly and formally committed to conform themselves to its Code of Conduct concerning the ethical principles to apply as well as to the prescriptions of the 231/01 Italian Legislative Decree adopted by MTA; any possible violation of the Code of Conduct and of the 231 Organizational Model are deemed as a violation of the general conditions and can cause the annulment of the agreement by MTA.

In the General Terms & Conditions, MTA also requires to its own suppliers a specific commitment to trace, alongside their supply chain, the so-called **Conflict Minerals**, i.e. the minerals (more specifically: tin, tantalum, tungsten and gold – 3TG) extracted in mines located in conflicted areas (mainly in Democratic Republic of Congo and neighboring countries) and whose sale, directly or indirectly, finances armed groups responsible of serious brutalities and human rights abuses. To the suppliers that provide material or products containing tin, tantalum, tungsten and gold, MTA requires to be registered on iPoint Conflict Minerals Platforms and to fill in and to submit their own CMRT – Conflict Minerals Report Template – including all the information acquired from their supply chain. In order to have information the most updated as possible, an annual survey to suppliers has been scheduled to ask for their CMRTs.

Moreover, MTA Purchasing Department preliminarily asks to each new supplier/potential supplier to answer to a self-assessment questionnaire (**Supplier Information Survey**), that displays a mandatory section expressly dedicated to Social Responsibility/Sustainability themes. The scope of this questionnaire is to immediately detect possible critical areas about the potential supplier "sensitivity" towards the respect of human and workers' rights and about the tools he has in place to sustain them. The questionnaire gives an immediate feedback about the company positioning compared to MTA standards.

MTA also verifies and monitors the company "sensitivity" of its supply chain having introduced a periodical assessment mechanism of suppliers. They receive a rating based on their performances and risk attribution; and those that are certified according to some safety standards (OHSAS 18001/ISO 45001) receive a higher score.

## Workers' safety: the indicators

MTA has always considered its workers' safety as a priority. Already certified according to OHSAS 18001 standard, at the beginning of 2020 MTA completed the transition of its system towards the ISO 45001 standard.

Within the guidelines defined by its own Health & Safety Policy and strongly connected to the contingent aspects, MTA annually defines a set of targets on specific aspects of occupational health and safety and constantly monitors their achievement level, rapidly detecting corrective measures when the results don't meet the expectations.



### On the job injuries

Here below is a summary of the *on the job injuries* happened in our plants during the last few years, constantly monitored according to frequency and gravity indexes, calculated on the basis of definitions given by UNI standards.

MTA Headquarters Codogno	2018	2019
	1	3

MTA Electronics Rolo	2018	2019
	0	0

### Frequency Index and Gravity Index

The Frequency Index (IF) correlates the number of injuries to the total number of worked hours in the year, multiplying the result per one million (10<sup>6</sup>).

MTA Headquarters Codogno	2018	2019
	0.05	0.12

MTA Electronics Rolo	2018	2019
	0	0

While the Gravity Index (IG) expresses their seriousness correlating the total number of days of absence due to injuries to the total number of worked hours in the year, multiplying the result per one thousand (10<sup>3</sup>).

MTA Headquarters Codogno	2018	2019
	1.3	3.7

MTA Electronics Rolo		
	<b>2018</b>	<b>2019</b>
	0	0

The analysis of the descending performance of Codogno, that mainly impacts on the gravity index, pointed out how it was due to a high generational turnover in the manufacturing departments. Thus, in view of this, the company has made a further intensification of its meetings programme aimed to train and sensitize the personnel more exposed to occupational risks about safety topics.

### Near misses and the importance of workers’ participation

The awareness of potentially dangerous situations is fundamental to promptly act in order to avoid their occurrence.

For this reason, the company is since long committed to a sensitizing campaign amongst its employees – especially those in the manufacturing departments, that are for definition more “at risk” of incurring in *on the job injuries* – by means of periodical meeting led by HSE Managers. Scope of the campaign is to increase the workers’ perception about potentially risky situations, and to also stimulate them to give suggestions about possible improvements to safety in the activities.

Data about near misses and alerts from employees are collected and analyzed, providing an important input to define new safety actions.

### The training on safety

The average hours per employee of safety training were as follows in the last years.

MTA Headquarters Codogno		
	<b>2018</b>	<b>2019</b>
	6.2	6.5
MTA Electronics Rolo		
	<b>2018</b>	<b>2019</b>
	6.5	8.9

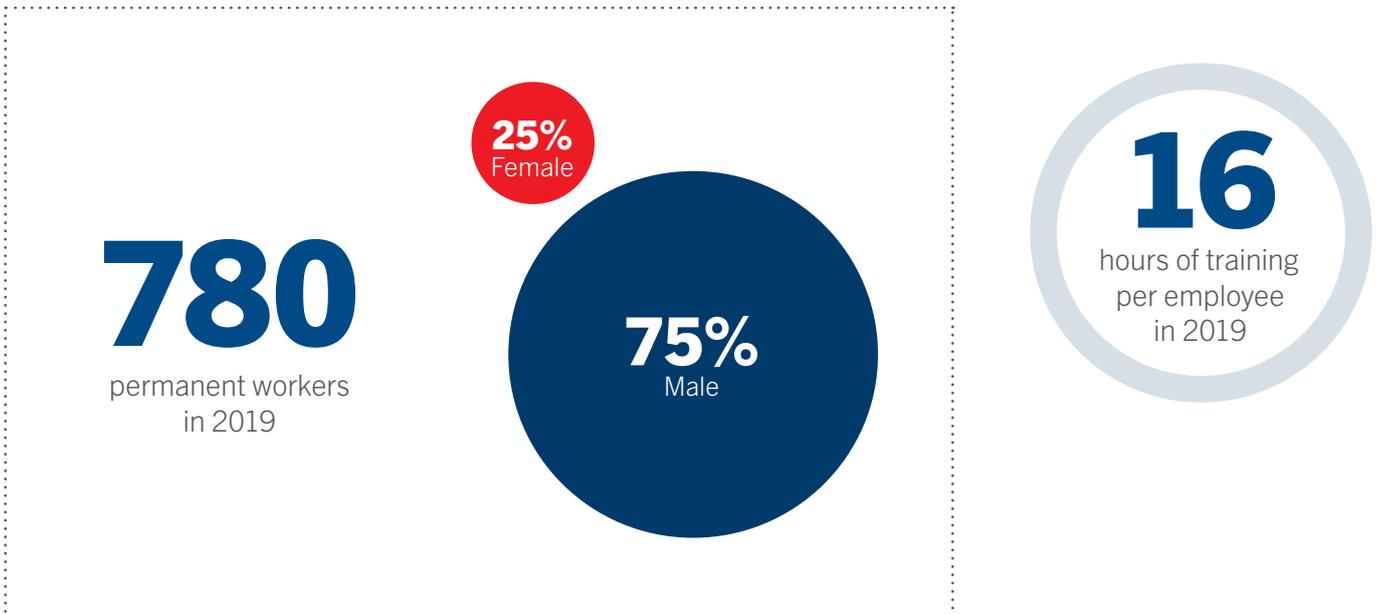
## People in MTA

A company is made by people: if the company is able to **motivate, support** and give them a **constructive surrounding**, they are likely going to be more loyal towards the company and towards their commitment in doing their own duties.

The total number of the employees – considering both the permanent and temporary workers at the end of the period under analysis – in 2019 is slightly increasing (+1%) respect to the previous year. The increase is of about 2.5% considering the personnel directly hired by the company only (over 700 people).

Considering the comparison in numbers between male and female, 2019 data vs 2018 data are steady around the following proportions and reflect the personnel composition of both plants.

In 2019 the company supplied an average of about 16 hours of training per employee, with an increase of over 10% compared to the previous year; in 2018 in fact, the average was around 14 hours of training per employee.



## Working in MTA

The concept of human resources valorization is one of the main pillars of our company philosophy, together with the utmost attention to customers and with the constant research of product excellence.

To reach excellence, every person needs to focus on his own professional growth, the continuous development of his talents and the increase of his knowledges: from this derives a high level of personal satisfaction too.

MTA is determined to become an always more interesting and appealing place where to work, aiming to talents cultivation by sustaining the internal mobility when there are positions available (Job Posting project) and by sustaining projects with secondary schools and universities in order to make the company known.

The **Job Posting project** allows the internal personnel, by means of the Human Resources management software, to receive priority information about the newly open positions in the company, i.e. positions for which the company is searching for candidates. All employees receive an alert in the HR portal that informs about a new open position and everyone in the company, who



think to meet the needed requirements, can submit his/her candidacy following the instructions in the manual available in the HR portal.

Besides the internal Job Posting tool, the personnel research is carried out using the external communication too. MTA website is always updated and used as a way to reach a wide number of people. The **“Work with us”** section is in fact clearly visible in the home page, displays all the open positions and gives the possibility to submit a spontaneous candidacy.

The talents research and cultivation go in the end also through other initiatives supported by MTA, that are all aimed to make the company and its potentialities known:

- **School-work alternance project**, that involves students of some technical secondary schools of the territory, enabling them to make a working experience with MTA manufacturing departments as a part of their learning programme;
- **Guided visits** to MTA plants destined both to secondary school students and, particularly, to students of engineering faculties (such as Politecnico of Milan) with in-depth interventions each time on a different company activity (eg. R&D, Logistics, etc.) presented by the responsible manager;
- Possibility given to students to make an **internship** in MTA with the scope of writing their thesis, in collaboration with engineering and economics faculties (such as Politecnico of Milan, University of Pavia, University of Trento);
- Participation to **events of great relevance in the territory**, such as the participation as speakers to the workshop “The Cars of Tomorrow will be Electronic” held by the University of Modena and Reggio Emilia within the first edition of the Motor Valley Fest, festival of the so-called Motors Land organized in Modena with the involvement of several great player in the sector;
- Participation to days organized by local institutions to favor the meeting between demand and potential supply of work in the territory (such as the **Job Day** sponsored by the municipality of Lodi).

## Other concrete gestures: MTA supports Cooperativa Amicizia and Progetti del Cuore

Strongly immersed in its local background, MTA financially contributed to the purchase of a vehicle for the transportation of disabled people to be donated to the municipality of Codogno.



# UN Global Compact 10 Principles Index

Although we do not formally adhere to UN Global Compact Principle Index, to draft this document we have been inspired by its grounding principles, considering that they derive from

- Universal Declaration of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Rio Declaration on Environment and Development
- United Nations Convention against Corruption

thus benefitting of universal acknowledgment and consensus.

The below table gives an index of the UN Global Compact principles, listing the documents and the activities that implement them into MTA company system and indicating the page that presents the topic in this document:



**United Nations  
Global Compact**

United Nation Global Compact 10 principles		Implementation by MTA	Reference page in this document	
Human rights	1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Code of Conduct (page 6-7) Survey on Conflict Minerals	9, 17
	2	make sure that they are not complicit in human rights abuses.	Code of Conduct (page 6-7) General Terms & Conditions (page 7-8)	9
Labour	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Code of Conduct (page 7)	9
	4	the elimination of all forms of forced and compulsory labor;	Code of Conduct (page 6)	9
	5	the effective abolition of child labor; and	Code of Conduct (page 6)	9
	6	the elimination of discrimination in respect of employment and occupation.	Code of Conduct (page 7)	9
Environment	7	Businesses should support a precautionary approach to environmental challenges;	ISO 14001 Environmental Policy General Terms & Conditions (page 7-8)	12
	8	undertake initiatives to promote greater environmental responsibility; and	Annual targets on environmental KPIs	13
	9	encourage the development and diffusion of environmentally friendly technologies.	Projects aimed to develop green technologies	9
Anti-corruption	10	Businesses should work against corruption in all its forms, including extortion and bribery.	231 Organizational Model General Terms & Conditions (page 7-8) Code of Conduct (page 3-5, 7-9)	9





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