



SUSTAINABILITY REPORT

2022

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STATEMENT

Dear readers,

2022 was undoubtedly a busy and very challenging year: supply chains became increasingly tense, shortages of raw materials (especially semiconductors, but not only) prolonged over time, erratic prices and constantly growing energy costs. Despite these challenges MTA has grown and has strengthened its commitment to achieving greater sustainability.

The objective of this document – now in its third edition - is to illustrate to all interested parties the actions and concrete results that MTA has achieved in the ESG (Environment, Social, Governance) areas in its Codogno and Rolo sites and to anticipate objectives and initiatives for the future.

Over the last year we have further intensified our commitment to making our contribution to mobility that becomes increasingly sustainable, through the development and production of high voltage power systems and chargers for both hybrid and electric vehicles.

Alongside the development of new products, we have further expanded the photovoltaic system serving the Codogno plant, to make us more independent from non-renewable energy sources. And we are studying further possible increases in the number of solar panels installed in areas free from other uses – both in Codogno and Rolo – and solutions for greater energy efficiency of our sites.

And given that the absorption of CO₂ is also important, in MTA we care a lot about our “green lungs”: the large gardens are a distinctive character of our offices and in 2022 we further enriched the one in Codogno with dozens of new plants.

The future is full of changes and challenges but it will always remain defined and focused on our history as a “family” company on the market for 70 years, on the territory where we were born and in which we developed, on human capital, the real added value of MTA. It is in fact thanks to professionalism, competence and perseverance of our cooperators, many of whom in MTA from decades, that we have been able to obtain very positive results.



For them, and for all new talents who will join the company, we have launched various initiatives during 2022 aimed at increasing their well-being, improving work-life balance and launching projects to further improve the working environment, so that everyone can consider the work environment a place to feel good, also on a psychological and relational level.

Our future plans - both for the products we design and manufacture, and for ESG initiatives – are much more complex when compared to the past, even the most recent one. But we will certainly never stop using all our commitment and passion to achieve them.

With kind regards,

Ing. Antonio Falchetti
CEO

WHO WE ARE

MTA S.p.A. is a global leading company in the production of a wide range of electrical and electronic components for major producers of cars, motorcycles, trucks, agricultural and earthmoving machinery. Founded in 1954 in Codogno (LO) by the Falchetti family, who still owns it today, MTA has its headquarters in Italy made up of the two sites in Codogno and Rolo.

The headquarters is in Codogno (60 km south of Milan) in a modern building located on a property area of 160,000 m². This site boasts a highly specialized Research & Development Center for the design of electrical and electronic products, the production area which includes the plastic molding, metal stamping and assembly departments. The headquarters also houses the tooling department for the creation of injection and stamping molds and the laboratory where each product is subjected to a qualification phase, which requires tests that simulate the most demanding conditions of use of each component. Approximately 600 people are currently employed in Codogno.

The electronics headquarters of MTA is in Rolo (Reggio Emilia). MTA Rolo is considered a top-notch centre focused on automotive electronic applications, working with forefront modelling, simulation and graphic generation systems. This department 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. Around 230 people are currently employed in Rolo.

7 STEPS OF MTA HISTORY



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.



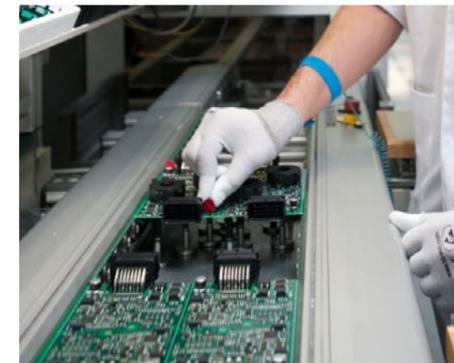
1969

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 m² 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 m² is dedicated to research: the new laboratory is a functional space created to carry out all electronic and electric tests in-house.

2014

MTA inaugurates its new electronic component manufacturing site in Rolo designed and built in order to meet the highest standards of the automotive industry.



2021

MTA acquires an 80% stake in EDN, an Italian company leader in the design and manufacturing of power electronics for electric and hybrid vehicles.



OUR MISSION

Through the complete cycle from design to production, we create electrical and electronic components for the automotive world, offering our expertise and collaboration to customers looking for a reliable and flexible partner.

MTA's main business comes from partnerships with the most important vehicle manufacturers in the world, a business that is constantly growing thanks to our approach that brings us into close contact with customers, putting our know-how at their disposal in order to satisfy their needs: whether it is giving life to a new idea or responding to an unexpected production request, our customers know they can count on MTA.

SUSTAINABILITY IN MTA

MTA has been engaged for several years in projects dedicated to reducing its environmental impact, through the increase in energy from renewable sources, the reduction of energy waste, the use of recyclable materials and the increase in green areas in its sites.

The company offers products, such as its high voltage solutions for hybrid and electric vehicles, which contribute to the development of transport electrification, reducing CO₂ emissions.

MTA is also active in ensuring an inclusive working environment for its employees, improving their well-being through welfare initiatives dedicated to work-life balance, and offering them both incentive and internal career growth programs.

THE POLICIES

MTA's strategy in the field of sustainability is expressed through its Code of Conduct, through the policies that regulate the management systems implemented by the company (Quality, Environment and Safety) as well as through its policy on responsible purchasing, which regulates the so-called conflict minerals.

The Code of Conduct, which was requested and approved by the MTA top management, defines the company's rights, duties and responsibilities towards employees, suppliers, customers, institutions and the "community" in general, requiring commitment to respect and disseminate these ethical principles.

The objective is to lay the foundations of an inclusive and shared business culture, promoting a work environment where people are placed at the center of attention, always treated with respect and dignity.

The Conflict Minerals Policy released by the company also pertains to respecting human rights. In this Policy MTA expresses its commitment to responsible purchasing of materials that contain those minerals (in particular: tin, tungsten, tantalum and gold) which can be utilized in areas of conflict or risk to support armed groups, illegal work and other forms of human rights abuse in general.

Since many years ago MTA Management has also defined and approved its own Health and Safety Policy, Environmental Policy and Quality Policy which record the objectives and commitments undertaken, based on the company strategies towards workers, customers, market and environment, to implement, maintain and improve the performance of the Management System and guarantee the regulatory requirements and voluntary agreements signed by the company with the interested parties.

OUR STAKEHOLDERS AND THE TOPICS OF MATERIALITY

The themes explored in this report, which represent the foundations of our actions in the field of corporate social responsibility, derive and are based on a constant and proactive dialogue with our main stakeholders, built over the years. This open exchange allowed us to refine our understanding of each other's expectations and interests and to engage them in a dedicated way, with specific activities and communications.

Customers ask us to be a reliable partner, able to provide safe products, compliant with their specific request and with applicable regulations and laws, and to guarantee the continuity of supplies in compliance with their production needs. They require compliance with the agreed delivery times. They expect our business to be conducted ethically and with respect for the environment.

Interaction mode:

- daily activities of our salespeople;
- customers' audits and visits to our offices;
- participation in trade fairs events;
- website;
- newsletters;
- social media.

Employees need a solid workplace. And they expect it to be safe, respectful of human rights, fair in the treatment and in the opportunities for personal and professional growth offered, with a transparent incentive system, based on achievable objectives shared between the parties.

Interaction modes:

- internal communication;
- training;
- consultation methods;
- events dedicated to employees;
- dedicated people development programs;
- workers' safety representatives;
- workers' representatives.



Suppliers are expected by MTA to be compliant with the established contractual conditions and with the applicable laws and regulations. Likewise, suppliers need MTA to respect contractual agreements and continuity in supply requests.

Interaction modes:

- qualification processes;
- audits;
- visits;
- self-assessment questionnaires/periodic surveys on sustainability and responsible purchasing topics;
- code of conduct.

Local communities, for the prosperity and well-being of the area, expect financial solidity, economic development, and the ability to attract talents. Furthermore, they expect MTA to take care of the environment and to comply with the necessary health and safety measures in the event of a dangerous situation (e.g. pandemic). They also appreciate the company's commitment to supporting local initiatives.

Interaction modes:

- participation and support in projects and initiatives in the area;
- collaboration with local secondary schools (school-work alternation projects);
- media relations;
- dialogue with local institutions;
- compliance with all necessary measures to avoid endangering the health and safety of the inhabitants of the area.

MTA's commitment in terms of sustainability mainly focuses on the issues that emerged as most relevant during the materiality assessment conducted in 2021, with the support of a cross-functional team of employees representative of the stakeholders' point of view.

Among the economic and governance issues, the pursuit of the expected economic result must, nowadays, bring benefits to all the stakeholders involved in the activities of the company itself, not only in purely financial terms, but also through an innovative drive towards a qualitative improvement of products and processes that is increasingly sustainable. It is essential to focus on a business model and behavior that must guarantee ethical integrity, in an extension of the applied principles, including sustainability, which must involve the entire supply chain.

Among environmental issues, the need to improve energy efficiency and increase the use of renewable energy sources, to reduce greenhouse gas emissions, is of particular importance; as well as the need to limit waste production, encouraging the recovery/recycling of materials where possible, and making the consumption of water resources more efficient.

Among the social issues, respect for human rights and attention in maintaining high standards of health and safety at work are essential. The company must also commit to managing and encouraging the personal and professional growth of its employees; and must maintain and strengthen, with its own

support activities, the strong bond with the local communities of which it is part and where it operates.

In summary, the main issues for the company are the following:

ECONOMIC

- Economic performance
- Quality & Innovation
- Business Ethic
- Sustainable Supply Chain

ENVIRONMENT

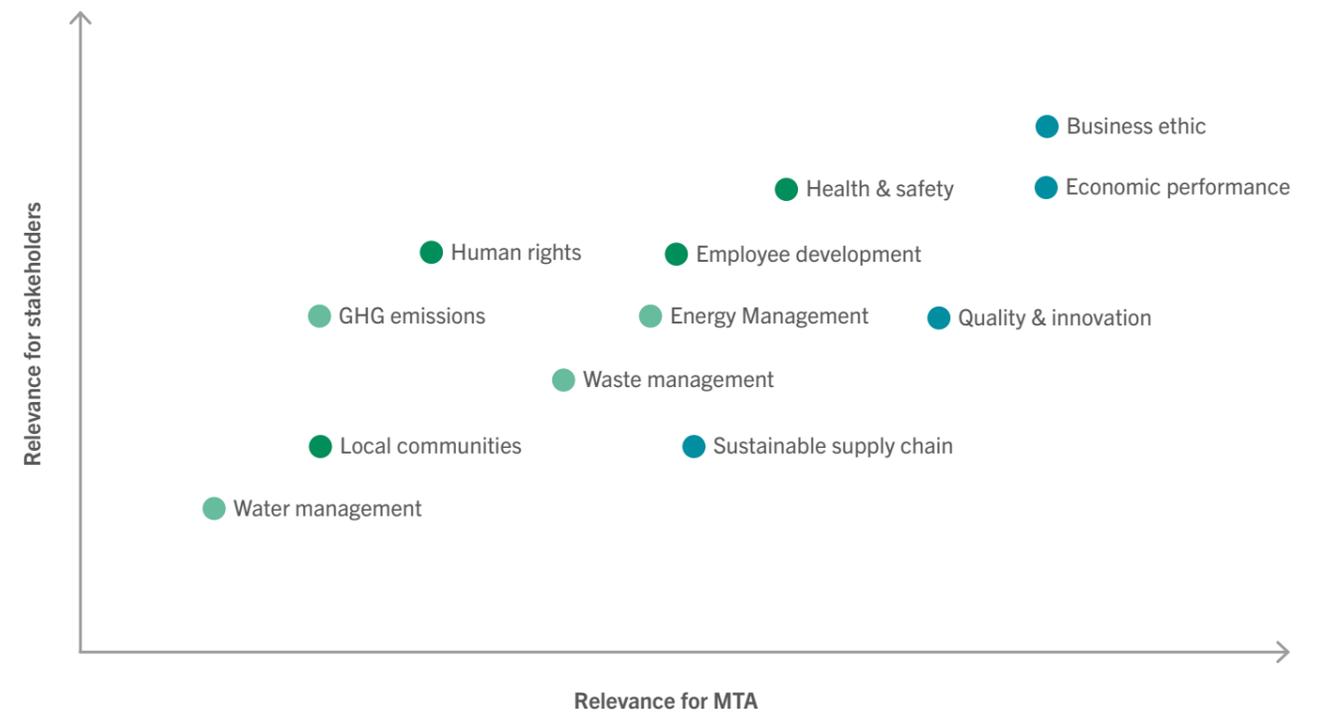
- Energy Management & Renewable energy sources
- Waste Management
- Water Management
- GHG emissions

SOCIAL

- Respect of human rights
- Health & Safety in the workplace
- Employee development
- Actions for local communities

The importance of each issue for our stakeholders and for the company is shown in the matrix here below.

MATERIALITY ASSESSMENT



GROW IN A SUSTAINABLE WAY

In 2022 the revenues of the two divisions of which MTA S.p.A. is made up – electrical and electronics – were €169 million, recording an increase of over 15% compared to the previous year. If we take into consideration the turnover data of the two units in 2019 – last pre-Covid economic year – the increase is over 40%, and this despite the fact that 2022 was also a year of great complexity, characterized by the shortage of materials, heavy and prolonged especially in the field of electronic components with the “chipageddon”. In order to grow, the company has adapted to an evolving context compared to the past, characterized by much more erratic demand.

INNOVATION, QUALITY AND PRODUCT SAFETY

In a “delicate” sector such as the automotive one, global legal scenarios and market trends emphasize the need to pay ever greater attention to the quality and safety of products, which are rapidly evolving towards increasingly pervasive electronic content. The concrete, effective and efficient commitment to risk management can never be lacking, with assessments that must be punctual and rigorous, especially in cases where the safety features of the product can have a direct impact on the safety of the vehicle where MTA product is mounted. Basing its approach on the Plan-Do-Check-Act cycle and risk-based thinking, MTA manufactures products that are the result

of operational processes that meet the most stringent requirements of the sector in which we operate. Product safety management involves the engagement, sometimes even the direct coordination, of the Product Safety Officer (PSO), a figure who guarantees due consideration of the relevant regulations, applicable both to the design of the product and to its production. All the methods adopted by MTA to guarantee product safety are completely integrated into company procedures.

MTA is a member of ISO committees and boasts numerous OEM approvals for its products.

Alongside its range of products for “traditional” propulsion vehicles, MTA develops and manufactures fuses, fuse holders, junction boxes, power distribution units and connectors for high voltage and 48 V architectures. Starting from 2021, thanks to the acquisition of 80% of EDN, a company that designs and produces power electronics – OBC (On-Board Battery Charger) and DC/DC converters for electric vehicles – MTA has been able to expand the range of products for electric vehicle with a portfolio capable of covering the entire high voltage distribution: from electrical components to power electronics.

Both MTA S.p.A. plants are ISO 9001 and IATF 16949 certified, the reference quality standard in the automotive sector.

OUR BUSINESS ETHICS

THE ORGANIZATIONAL MODEL

MTA requires its employees to demonstrate integrity, responsibility and respect for the rules, to ensure compliance of company activities with current legislation and avoid cases of corruption.

For this reason, the company, adhering to the provisions of Legislative Decree 231/2001, has decided to equip itself with an Organizational Model which, by mapping the main company processes, defines for each of them an internal management and control system suitable for preventing crimes expressly provided for by the decree (including, for example, crimes against the safety of workers and the environment, corporate crimes, or crimes against the public administration).

Compliance with the prohibitions and provisions set out in the ad hoc protocols adopted by the company is guaranteed by the presence of a Supervisory Board, which carries out periodic audits on the company processes involved.

The company expects all employees to respect the principles of behavior set out in the 231 Protocols, available and consultable by all in a public folder on the company's internal computer network and included in the topics covered during the mandatory initial training provided to new hires.

To further support the fight against corruption, the MTA Code of Conduct, which represents the “tool” used by the company to declare and

share its fundamental ethical values, also prohibits and explicitly condemns any form of corruption in relations with institutions, and Public Administration, as well as in relations with customers and suppliers (for details on the MTA ethical code, please refer to the next paragraph).

Confirming the trend of previous years, also in 2022 MTA was not the subject of reports or investigations related to crimes envisaged by Legislative Decree 231/2001.

MTA S.p.A. has been awarded a legality rating with a score of ★★++ by the AGCM (the Italian Competition and Market Authority). The legality rating is a synthetic indicator of a company's compliance with high standards of legality and thorough attention paid to lawful business management. The purpose of the rating is to reward companies that comply with the law, are transparent and operate according to sound ethical principles, allowing access to specific advantages and benefits regarding reputation, granting of loans by Public Administrations and access to credit.





THE ETHICAL CODE

In line with its strong ethical sensitivity, MTA has drawn up its own Code of Conduct to build the foundations of an inclusive and shared corporate culture and to promote a work environment in which people are always treated with respect and dignity, without favoritism and prejudices.

The Code of Conduct touches on fundamental issues, which must be respected and supported by every employee and partner, including the entire supply chain.

Respect for human rights and working conditions established by the conventions of the International Labor Organization (ILO) are the fundamental pillars. All workers must contribute to MTA's commitment to promoting them.

The MTA Code of Conduct includes, but is not limited to, the following human rights and employee rights policies:

- Fight against illegal immigration and forced labor;

- Fight against child labour;
- Non-discrimination of any kind;
- Equal and dignified treatment for all;
- Freedom of association and protection of individual rights;
- Social dialogue on working conditions;
- Fight against all forms of corruption;
- Respect for confidentiality and reporting of irregularities.

MTA's commitment is dedicated to ensuring fair and legal working conditions in terms of hours, wages, and treatment. Any form of discrimination – gender, age, race, nationality, marital status, sexual orientation, political opinion, physical/health condition, etc. – is strongly condemned. Freedom of association is guaranteed to all company employees, who are free to join trade unions to be represented and can meet in workers' councils.

Through its Code of Conduct, MTA also promotes tools aimed at a general improvement of working relationships and conditions, adopting the fundamental principles of the ILO which state that work is not a commodity and recognize social

Confirming the trend of previous years, there has been no report of real or alleged violations of human rights or, more generally, of the provisions of the Code of Conduct and MTA was not the subject of any investigation in this regard.

dialogue as a privileged way to create working conditions suitable for safeguarding the competing and mutual interests of the company and workers.

The Code of Conduct is always available and consultable by employees on the company intranet, as well as on the MTA website. It is sent to all new hires through the human resources portal and is included in the topics covered during the mandatory initial training provided to new hires.

MTA has appointed a person responsible for implementing its Code of Conduct, to whom anyone can report any real or perceived violations. The references and methods are clearly indicated within the code itself (whistleblowing).

THE INVOLVEMENT OF THE SUPPLY CHAIN

MTA demands to all its suppliers the same respect of the ethical principles and policies contained in the Code of Conduct it requires from all its employees and collaborators.

By signing the MTA General Terms & Conditions, suppliers are explicitly called upon to recognize and fully respect the provisions defined by MTA in the Code of Conduct, conforming to the principles contained therein and verifying, in turn, that they are implemented and also applied by the companies they control, directly or indirectly: the final aim is to spread, along the entire supply chain, the principles embraced by MTA.

Suppliers are also required to comply with the Conflict Minerals policy issued by MTA, in which the company undertakes to responsibly source materials containing those minerals (such as tin, tungsten, tantalum, gold) that can be used in risk areas or in conflict zones, to finance armed groups, to fuel forced labor and other forms of human rights violations. Suppliers are required to declare the presence and origin of the minerals in question in the products supplied, which must be obtained from environmentally and socially responsible

and conflict-free sources.

All suppliers are invited to adopt the principles of the policy, encouraging and raising awareness of their suppliers in this regard. MTA verifies and monitors the “sensitivity” of its suppliers to sustainable purchasing through an annual survey on Conflict Minerals.

In the preliminary phase, each new or potential supplier is invited by MTA purchasing function to respond to a self-assessment questionnaire (Supplier Information Survey), which includes a mandatory section expressly dedicated to the topics of Corporate Social Responsibility/Sustainability. The purpose of the questionnaire is to promptly detect any critical issues of the supplier, providing immediate feedback on the company's positioning with respect to the MTA standards.

According to the existing evaluation mechanism, suppliers finally receive a rating from MTA based on their performance and risk attribution: the certifications according to the ISO 14001 (environment) and ISO 45001 (health and safety) standards represent a plus for the supplier, who receives a higher score thanks to them.



OUR ENVIRONMENTAL IMPACT



MTA S.p.A., designing and manufacturing electrical and electronic products intended for the main manufacturers of cars, motorcycles, trucks, agricultural and earth-moving machinery, considers environmental protection as an integral part of its corporate strategy, as expressed in its Environmental Policy.

The company's objective is to conduct its activities in an environmentally responsible manner, reducing its negative impacts on the environment to a minimum, respecting and – if and where possible – improving the constraints imposed by current legislation.

For this purpose, it has implemented and maintains its own Environmental Management System compliant with the ISO 14001 standard and common to the two sites, Codogno and Rolo.



Management of energy sources and use of renewable sources

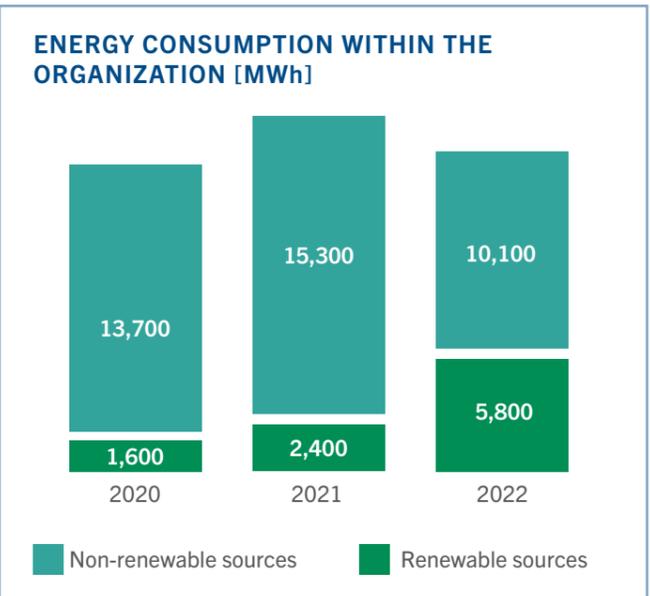
from non-renewable sources (purchased from external suppliers) and energy coming from renewable sources (which is partly self-produced, via an installed photovoltaic park, and partly obtained on the basis of the declaration of the energy mix used by the electricity suppliers):

Monitoring energy consumption to evaluate efficiency opportunities is a critical part of the company strategy.

Internal energy consumption within the organization includes:

- Electricity for the operation of the systems (production lines , production equipment, compressors, lighting, air conditioning systems), partly powered through the medium voltage network and partly through the self-production of solar panels that both plants have installed;
- Methane gas for managing the heating system;
- Fuel for cars belonging to the company fleet (data available starting from 2021).

Below is the detail of the overall energy consumption of the two plants in the last three years, divided between energy coming



Electricity consumption represents 90% of the organization's total internal energy consumption.

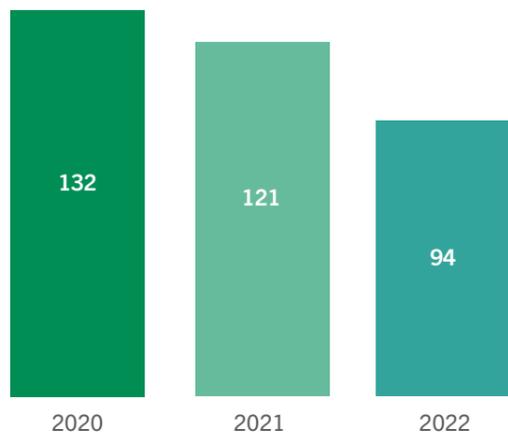
In 2022 MTA set the objective of increasing the use of electricity from renewable sources in terms of self-production and/or use of external electricity suppliers capable of offering a more “sustainable” energy mix. The different typology of production processes has in fact made it necessary to diversify the company strategy: the Codogno plant, specialized in the production of electrical components

and equipped with plastic molding, metal stamping and assembly departments, is in fact considerably more "energy-intensive" than the Rolo plant, that is specialized in the production of electronic components. Because of this:

- In Codogno the Management has focused on a significant investment for the expansion of the existing photovoltaic system, adding power for a further 600 kW.
- In Rolo, where photovoltaic production (when season and weather make it possible) is already higher than demand, allowing the company to transfer the surplus produced to the grid, the Management focused on the identification of a new, more “sustainable”, electricity supplier.

The results of the strategy are reflected in the clear increase, recorded over the three-year period, in the consumption of energy from

ENERGY INTENSITY [MWh/M€ TURNOVER]



renewable sources out of total consumption: in fact, it went from 10% in 2020 to almost 37% in 2022.

The strong focus on efficiency is evident from the energy intensity index – given by the ratio between energy consumed and turnover – which shows a constant improvement: in 2022, with a turnover grown by 15% compared to the previous year, the index dropped by 22%.

There are several targeted actions that the company intends to carry out also from 2023, the aim of which is to further improve its energy efficiency. Starting from the Codogno headquarters, to allow finer and more regular analyses, useful for focusing on areas of possible improvement, MTA set the objective of installing an energy consumption monitoring system. For the Rolo headquarters, however, an increase in efficiency in lighting consumption has been envisaged, replacing the current lighting with LED lighting in the production areas of the plant.

GHG emissions

Starting in 2020, MTA began using GHG protocols to:

- Measure and manage greenhouse gas (GHG) emissions from its operations.
- Report and reduce GHG emissions.
- Analyze possible mitigation actions.

The reporting takes into consideration the data available on:

- Scope 1 → direct emissions from the company
- Scope 2 → emissions from others due to company consumption

During 2021, an initial refinement of the data collected for Scope 1 was carried out including – starting from that year – the data relating to emissions deriving from the cars in the company fleet too. For 2022 the objective was to further refine the accounting by adding emissions resulting from leaks in equipment containing refrigerant gases.

The current Scope 1 reporting considers these progressive improvements, which however distort the emissions trend over the period,

making the years not "homogeneous" and comparable with each other.

The Scope 2 data – in line and homogeneous with the data realigned last year on the previous one – maintain location-based accounting for 2022 too, consistent with the methodology created by the European Environment Agency (EEA, 2015).

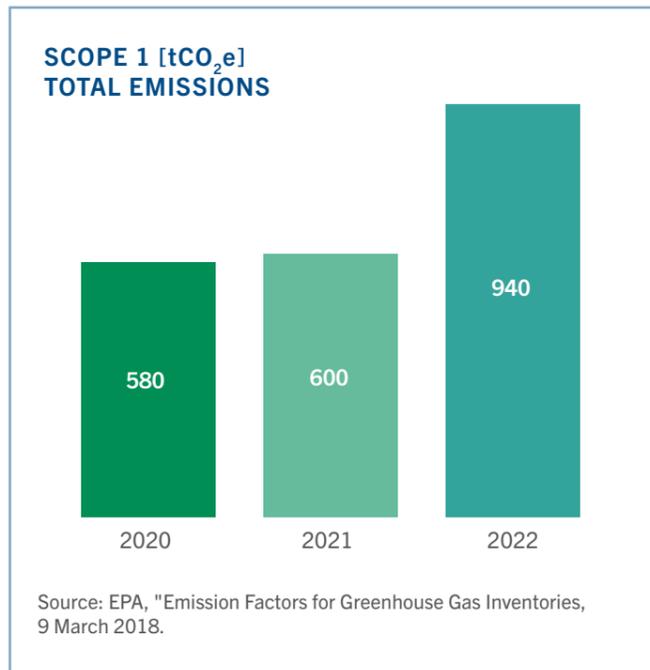
Scope 3 is still “work in progress”, given the complexity of reporting: including the emissions of the entire supply chain, both upstream and downstream of the company's activities (i.e.: the emissions of suppliers for the production of the items delivered to MTA, the emissions caused by employees' home-work transfers, emissions due to the use of products, their disposal, etc.), requires an in-depth analysis and a complex action plan to be implemented in the coming years.



SCOPE 1: It deals with the greenhouse gas emissions generated directly by the Organization, which are divided into:

- Stationary combustion: deriving from fossil fuels used for the operation of the systems (in our case: natural gas for the operation of the heating system) and from any recorded losses of refrigerant gases.
- Mobile combustion: deriving from the company car fleet.

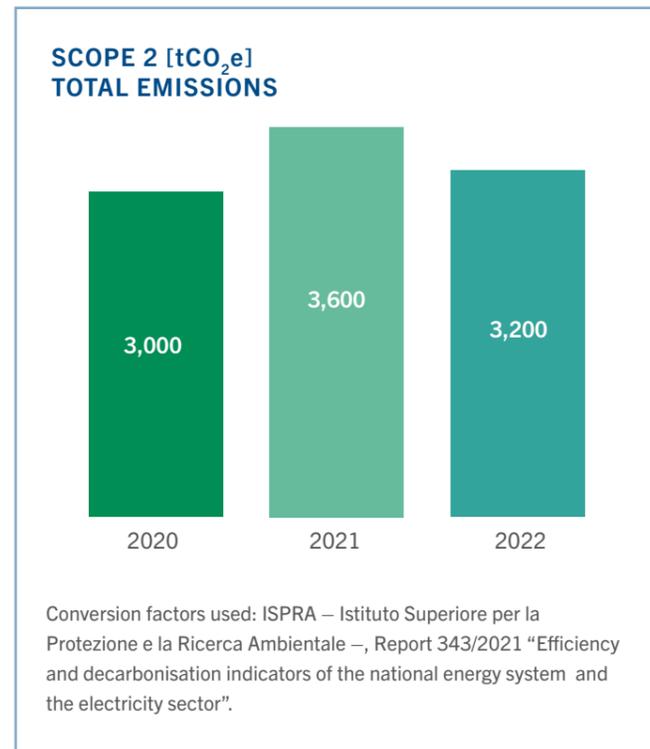
The trend over the three-year period is presented here below:



As explained above, the apparent increase in Scope 1 emissions over the three-year period depends on the progressive refinement of emissions reporting: the emissions of the year 2020 concern the conversion of natural gas consumption only, while 2021 saw the addition of emissions relating to the conversion of company car consumption and the year 2022 was completed with the addition of the conversion of emissions deriving from refrigerant gas losses (from company air conditioning units / refrigeration units).

SCOPE 2: it deals with the indirect emissions of greenhouse gases deriving from energy supply external to the organization, accounted according to the location-based method.

The trend over the three-year period is presented here below:



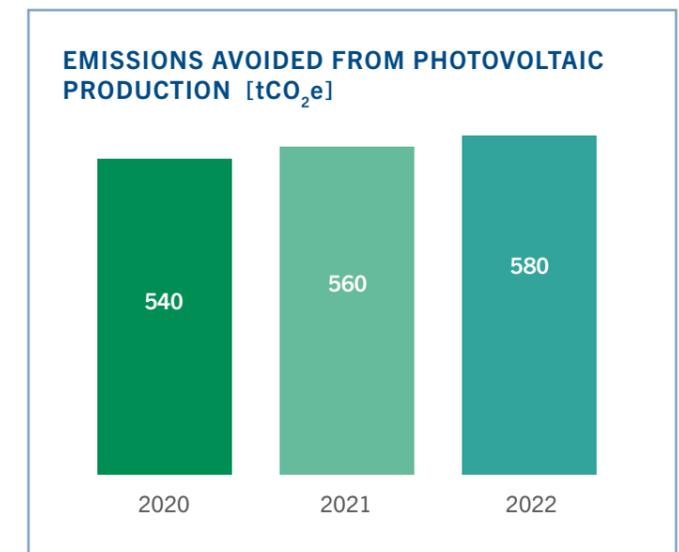
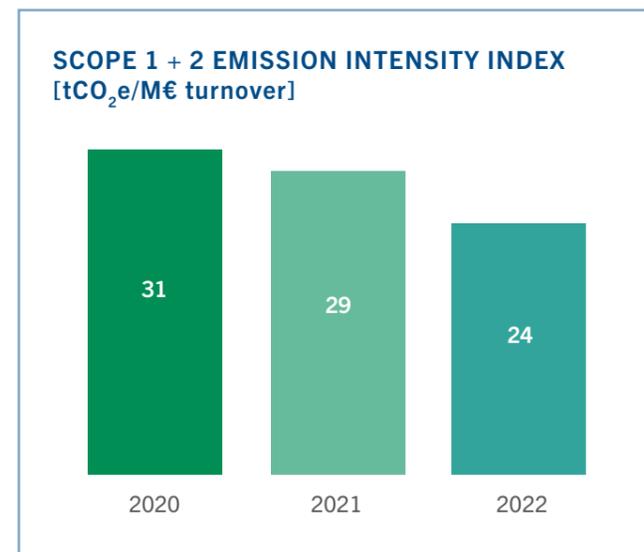
Leaving aside the well-known considerations on 2020, when the Covid-19 pandemic has made the comparison with other years difficult, the investments made by MTA in 2021 for the renovation of the canteen area and part of the "older" office building in the Codogno plant have allowed a notable reduction in the CO₂ emitted visible in the graph for the year 2022. In the areas concerned by the renovation, the external concrete panels walls have been replaced by insulated sandwich panels and for the canteen, toilets and changing rooms for workers, solar thermal panels and geothermal heat pumps have been adopted to guaranteeing temperature conditioning and supplying hot water to the environment.



By indexing the intensity of emissions (expressed in tons of CO₂ emitted to generate €1 million in turnover), we see a progressive improvement in the company's performance on Scope 1 & 2 over the three-year period, despite the refinement of Scope 1 calculations as detailed above.

AVOIDED EMISSIONS

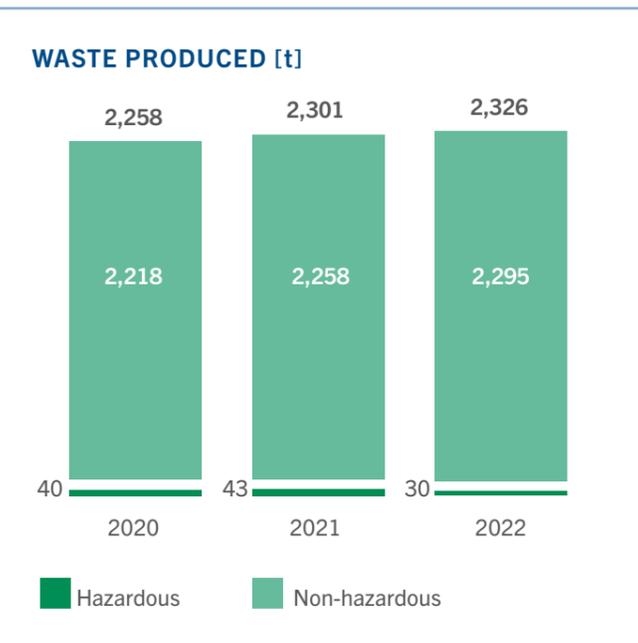
The installation of photovoltaic panels in both locations has allowed the company to avoid, overall, the following greenhouse gas emissions:



The methodology adopted for the calculation of avoided emissions, consistent with the methodology created by the EEA European Energy Agency (2015), consists in calculating emissions in the hypothesis that the equivalent electricity from renewable sources is created with the “fossil” mix used for ordinary energy production (references year 2019). The result of avoided emissions comes from the electricity generated from renewable sources multiplied per the average annual emission factor from fossil sources: the underlying hypothesis is that, in the absence of “renewable” production, the same quantity of electricity would be produced exclusively from the fossil mix of the moment (references: ISPRA – Istituto Superiore per la Protezione e la Ricerca Ambientale –, Report 343/2021 “Efficiency and decarbonisation indicators of the national energy system and the electricity sector”).

Waste production

The data below refers to the quantity – expressed in tons – of waste generated by the company, distinguishing between hazardous and non-hazardous waste and identifying the total by reporting year:



Again, on the basis of the different typology of production processes, the Codogno plant is the main “producer” of waste, with a share of over 92% of the total waste generated by MTA.

Thanks to specific agreements with dedicated companies, the Codogno plant manages to “recover” a large part of the metal processing waste as a by-product and, albeit to a much lesser extent, also part of the plastic waste, allowing them to continue in their life cycle. In 2022, the percentage of metal and plastic waste from the production processes of the Codogno plant that were “recovered” through these agreements was 73% of the total waste generated by MTA.

The remaining waste generated by the organization – and all of the hazardous waste – is given to companies specialized in waste treatment and disposal.



Most of the waste given to treatment and disposal service providers is subject to recovery, based on the categorization of the waste itself. According to the indications of these waste management companies, they are able to recover/recycle over 90% of the mix of waste generated by the Codogno plant (the rest is destined for storage in landfill). For Rolo, the percentage of waste recovered/recycled is greater than 80% of the total waste produced by the plant.

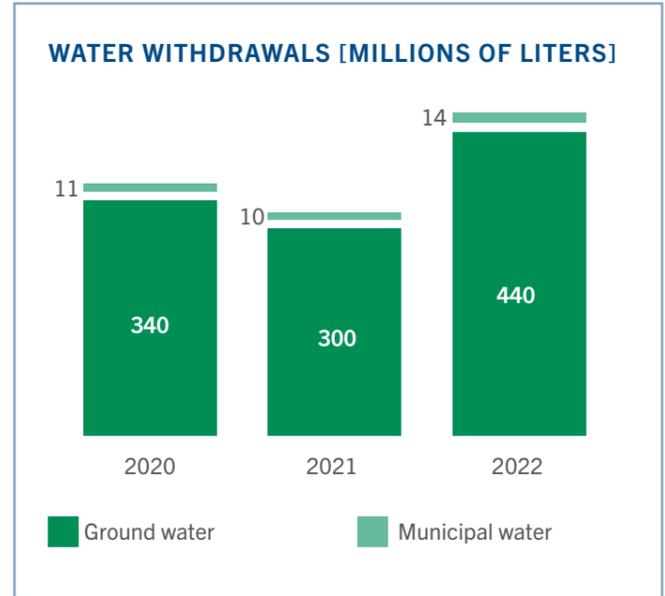
The use of water

Despite our production processes do not involve intensive use of water, one of our objectives is still to monitor water consumption to ensure a responsible use of water.

MTA's water withdrawals consist of both drinking water supplied by municipal companies and water taken from aquifers through wells.

The purchase of water from municipal companies represents 3% of the total, of which only a small part is exploited for industrial use (under 10% in the Codogno site, around 15% in the Rolo site), the rest is used for hygienic-sanitary purposes (toilets) and food (kitchen/canteen).

The most significant withdrawal is represented by the withdrawal from wells (97% of total water withdrawals), that almost entirely carried out by the Codogno site, since the Rolo site affects the overall groundwater withdrawals by only 0.2%. This is because at the Rolo site water from wells is used exclusively for the irrigation of the green areas, while the main purpose of the withdrawal from the groundwater at the Codogno site is the heat exchange of the heat pumps, for the air conditioning of part of the production plant.

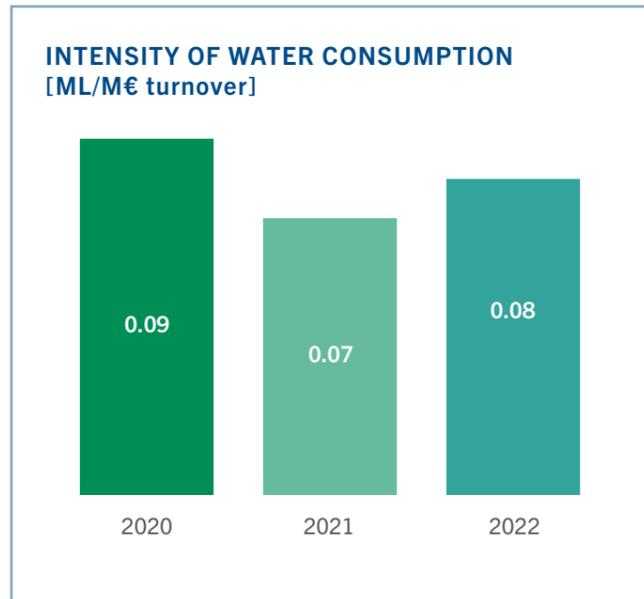


The increase recorded in 2022 in groundwater withdrawals compared to previous years is partly due to an improvement in the detection system adopted (there had been data losses in the past), but is above all linked to the particular climatic conditions of 2022: the intense and prolonged heat increased the need to cool the production area to ensure the



comfort of workers, consequently impacting the withdrawal of water from the groundwater for this purpose.

However, it is important to keep in mind that all the water taken from the well is subsequently discharged into water basins without a quantitative or qualitative decrease: the use of water for the operation of heat pumps therefore does not imply a real consumption of resource (a situation which instead characterizes the use of water for sanitary and food purposes). In fact, as mentioned before, MTA production processes require extremely limited use of water in the process. This condition can be clearly seen from the intensity index of our water consumption, represented in the graph below, which relates the millions of water liters (Megaliters) actually consumed to the company turnover (in millions of euros).



Other actions for the environment

MTA's contribution to the environment is not only expressed through reporting its impact on the most relevant aspects and does not aim to limit itself to reducing emissions alone, but it aims to increase the absorption capacity of CO₂ too. Since, as we all know, this is a typical property of trees, MTA has decided to increase the quantity of plants to have further green lungs in its sites, already equipped with large gardens.

In 2022, another 70 new trees were planted at the Codogno headquarters.

Moreover, MTA has renewed its partnership with the FAI – Fondo Ambiente Italiano – as Corporate Golden Donor.

FAI is a non-profit foundation established in 1975, using the National Trust as a model, with the aim of protecting and enhancing Italy's historical, artistic and landscape heritage.

It takes care of special places in Italy for the benefit of present and future generations; promotes education, appreciation, awareness and enjoyment of Italy's environmental, natural, historical and artistic heritage and monitors the protection of Italy's natural and cultural assets, as per article 9 of the Italian constitution.

PLANS FOR THE FUTURE

The company has decided to promote studies and assessments on the energy efficiency of its sites, to be carried out during 2023 to establish feasibility and implementation time. Particular attention will be paid to the heating/air conditioning of buildings, the optimization of electricity consumption and compressed air consumption. The company is also evaluating the possibility of a further extension of the photovoltaic systems already existing in both locations, with the installation of new modules also on the ground, in areas free from other uses.



ATTENTION TO PEOPLE

Present on the market for almost 70 years and still owned by the founder's family, MTA is deeply aware of its responsibilities towards those who most closely support it: these include, first, its employees. In fact, people are the true and indispensable source of the company's success, and MTA has always placed them at the center, committing itself to guaranteeing them the best standards of health and safety in the workplace.

To this end, MTA has implemented and maintains its own Occupational Health and Safety Management System compliant with the ISO 45001 standard and common to the two sites of Codogno and Rolo.

Moreover, the company's commitment is also expressed in guaranteeing adequate professional training and employment stability, within a company climate based on listening to and enhancing each talent. This is because MTA aspires to be, as well as a safe workplace, also an attractive place to work, capable of attracting, cultivating and retaining talent, through projects carried out with secondary schools and universities on the one hand and training and development career plans for employees on the other.

The management system for health and safety at work

The Health and Safety Management System adopted by MTA, i.e. the set of rules and responsibilities established by the company to reduce and manage safety and health risks, taking into account the context of the organization, constitutes the main tool of Company management to pursue the prevention of accidents and occupational diseases and also to pursue the continuous and sustainable improvement of working conditions. The public and formal commitment to the protection of employees in the workplace is expressed by the top management through the Health and Safety Policy: also available on the MTA website, it is known and shared both with employees and with the supply chain, and with all other company stakeholders.

The application of the policy and the maintenance of the Health and Safety management system, according to the ISO 45001 standard and in consideration of the laws in force on the subject, are guaranteed by the HSE Managers, who are responsible for the analysis of occupational accidents, whether they actually happened or near misses, to identify their causes and prevent them from happening again, as well as the fundamental task of making workers – in particular production workers, who are exposed to the greatest risks – responsible for respecting safety in the workplace. For this reason, the HSE Managers hold regular training meetings in each plant that involve the production staff: to raise their awareness



– also and above all – about the so-called “unsafe conditions”. The aim of the awareness campaign is to give workers the necessary perception of potentially risky situations, making them more attentive and encouraging them not only to report every time they identify one, but also to make suggestions on possible safety improvements in their daily activities. All employee reports are collected and analyzed, providing important input to define new safety actions.

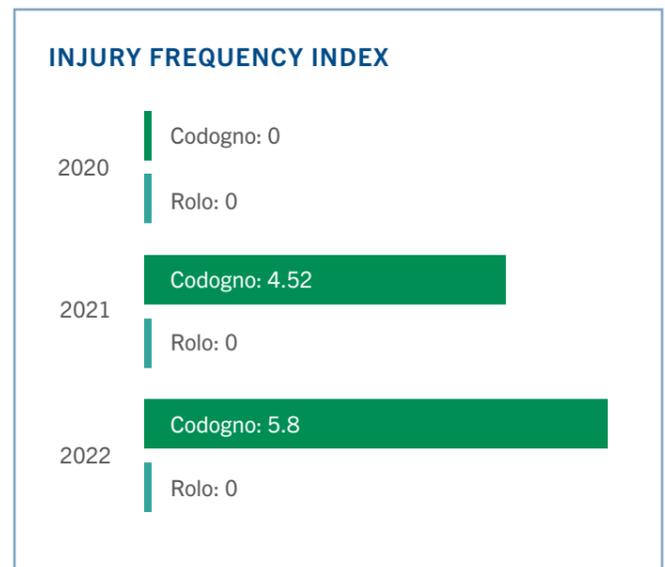
The frequency index takes into consideration all work-related injuries reported to the Italian national body responsible for their management (INAIL), with the exclusion of accidents during commuting and those not recognized by INAIL itself, and correlates them – according to UNI standards – to the total hours worked in the year, multiplying the result by one million.

The performance of the Health & Safety Management System

INJURY INDEXES

The main indicators – constantly monitored in each site level, not only by the HSE Managers, but also by company Top Management – are the injury indexes of frequency and severity.

They too are correlated, in their trends, to the different types of work carried out in the plants, where the electrical production of the Codogno site is more prone to accidents than the electronic production of the Rolo site.



The severity index transforms the above work-related injuries into the relative days of absence of people, correlating them – again according to UNI standards – to the total hours worked in the year, multiplying the result by a thousand.

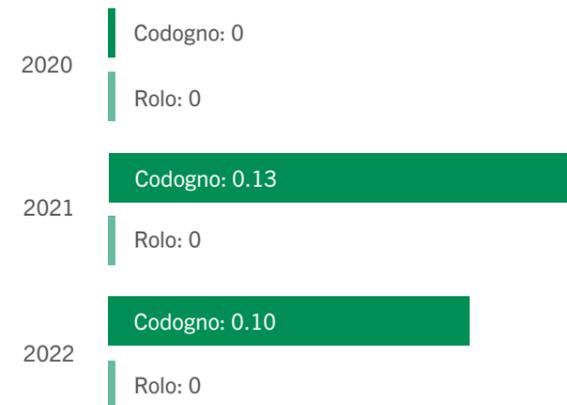
NEAR MISSES AND UNSAFE CONDITIONS

MTA also collects and records the so-called near misses, i.e. those accidents which have occurred but which fortunately have not resulted in injuries to the people involved. The aim of the activity is to have evidence of all dangerous situations, analyzed one by one by the HSE Managers, who take the appropriate countermeasures by coordinating the application of the necessary corrective actions to avoid their possible recurrence. Below is the detail of the near misses managed:

	Codogno	Rolo
2020	2	1
2021	1	2
2022	1	2

As already mentioned, to continuously improve the company's workplace safety culture, especially among the operators most at risk, in 2022 both in Codogno and Rolo the HSE managers continued to propose dedicated meetings (called: "safety meeting" in Codogno and "stand-up meeting" in Rolo) aimed at all production/warehouse staff and laboratory function workers (where present). The dissemination of knowledge and the incentive to use the company tool aimed at reporting the so-called "unsafe conditions" are among the main topics. Reporting all behavioral and environmental situations

INJURY SEVERITY INDEX



As can be seen from the graphs, the year 2022 confirms the excellent performance in terms of injury indexes of Rolo which still recorded 0 (zero) work-related injuries. In Codogno, in 2022, 5 injuries were recorded for a total of 87 working days lost, while the previous year there were fewer injuries (4), but with a higher total of working days lost (115), as shown by the improvement of the severity index despite the increase in frequency.

assumed to be dangerous and/or provide ideas for possible improvements, are considered as "best practices".

SAFETY TRAINING

In addition to raising awareness, specific training events dedicated to safety cannot be missing. In 2022 in Codogno 332 workers were involved in training/updating activities related to safety issues with an average of 7 hours of training per capita (in 2021: 250 workers for an average of 8.9 hours of training; in 2020: 210 workers for an average of 8.6 hours of training). In Rolo in 2022, the workers involved in specific training dedicated to safety were 53, with an average of 6 hours of training per capita (in 2021: 74 workers for 9.1 average hours of training; in 2020: 29 workers per 7.6 hours of training on average).

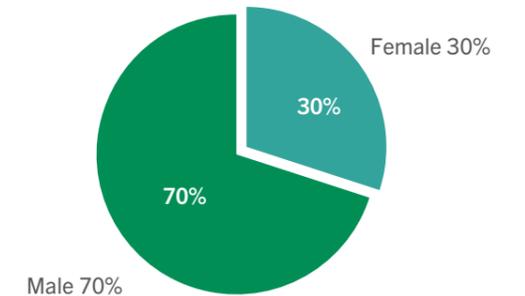
People in MTA: management and development

According to one of the key principles of its Code of Conduct, MTA supports equal opportunities, without exception, in all its activities. As evidenced by the transparency of the selection processes, all positions are clearly open to those who meet the competence requirements for the role, regardless of gender, race, religion, age, sexual orientation.

In substantial parity with the previous year, at the end of 2022 the company had 829 employees, of which 89% were direct employees of the organization and 11% were temporary workers.

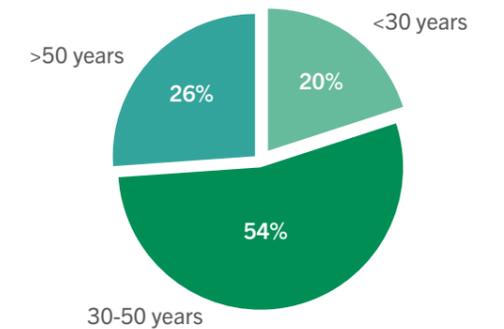
Also in terms of gender composition, the data confirms the same as in 2021, with male representation at 70% and female representation at 30%.

GENDER BALANCE 2022



Checking the composition of the staff in terms of age groups, this is the situation at the end of 2022:

AGE GROUPS



The new hires that took place during the year (101 new hires in absolute numbers), essentially confirm the split by gender (69% men – 31% women), while the distribution by age group sees a minimal incidence of the "over 50" (4%) and almost parity between the "under 30" (46.5%) and "between 30 and 50" (49.5%) classes.

The turnover rate, (i.e. the percentage ratio between the sum of hirings and terminations that occurred during the year and the average number of employees in the period), stood at approximately 23%, in line with the data





released by Assolombarda in report 6/22 “Numbers for Human Resources” used by internal Human Resources as a positioning benchmark, which, based on a dedicated survey, cites a turnover of 24% for industrial companies with a number of employees greater than 100.

TRAINING

MTA expresses the valorization of its employees also through the training activities provided. They are planned and implemented every year with different priorities and focuses, according to a process of identification of training needs clearly explained in a company procedure which is available to all employees for the consultation. The training plan approved for each company sector is then shared by all managers with their collaborators and applied throughout the year.

In 2022 the company provided approximately 7,400 hours of training to its direct employees,

for an average of approximately 7 hours of training per capita. There obviously are no gender disparities in training: the average number of training hours provided is in fact identical between men and women. While, referring to the categories of employees, the office staff benefited from an average of 9 hours of training per capita, compared to the 5 hours on average benefited by the production staff.

The activity of the MTA Academy for Project Engineers also continued in 2022: inaugurated in the last quarter of 2021, it is a specific training course aimed at expanding and developing skills in the design of MTA components and allowing a structured know-how sharing within the R&D department.

TALENT MANAGEMENT

In a process aimed not only at performance measurement but, also and above all, at valorizing people as well as the success

and growth of the company, in 2022 MTA concluded the implementation of an internal performance evaluation software system. The purpose of the tool is on the one hand to enhance, motivate and develop human resources by combining company objectives with those of individuals, allowing the latter to apply their skills, competences and interests; on the other hand, it is useful for managers and Human Resources to identify training needs and development possibilities. The objectives assigned to individuals are determined partly by company objectives and partly by personal objectives and by assessments of compliance with the behavioral values considered fundamental by MTA. The concept of performance evaluation was obviously not a new concept for MTA, which until now had always managed it using a paper-based tool: however, the development of the internal software allows, in addition to saving on paper exchanges, also an easier analysis of the results and their average distribution.

Furthermore, to enhance the experience, passion and know-how of its people, for some time now MTA has been offering interesting growth opportunities to those who are already part of the company, giving people the opportunity to set themselves new challenges through targeted growth (Career Path) and establishing the internal Job Posting tool. With the Career Path project, the company has set up structured internal growth paths aimed at providing selected talents with a vision of different and strategic company positions; this multidisciplinary approach allows them to diversify their knowledge, offering them more points of view and, ultimately, helping them acquire problem solving skills and resilience. While the Job Posting project allows internal staff, through the Human Resources management software, to receive priority information on new positions open in the company, i.e. the positions for which the company is looking for candidates. All employees receive an alert in the HR portal informing them of a new open position and, who believe to meet the requirements can submit their application, following the instructions in the manual available in the HR portal.

In addition to the internal Job Posting tool, the search for personnel is also carried out through external communication. The MTA website is always updated and used to reach a large number of people. The “Work with us” section, directly linked from the home page, displays all open positions and gives the opportunity to submit a spontaneous application.

Other initiatives supported by MTA also in 2022 to search for and cultivate talent are:

- School-work alternation project, which involves students from local technical institutes, allowing them to carry out work experience, as part of their training course, in the MTA production departments;
- Opportunity given to students to carry out an internship in MTA with the aim of writing their thesis, in collaboration with engineering and economics faculties (such as the Politecnico of Milan and the University of Pavia).

Other concrete actions for employees and the community

MTA has always been strongly committed to protecting the health and well-being of its employees. Here are some of the most relevant initiatives present in both locations:

- Additional health insurance available for all workers (Metasalute);
- Possibility of increasing, by using (in whole or in part) the personal bonus, the share of welfare benefits provided for by the national contract, thus allowing employees to benefit from lower taxation on this part;
- A canteen service in both plants offering a wide choice of healthy options for everyone.

In October, a climate survey was conducted, filled in by 86% of MTA staff, through which employees provided very useful ideas for activating improvement actions both with regards to the well-being of workers and in

relation to policies for people and therefore to career and development possibilities. Among the suggestions to facilitate work-life balance, but also to promote more sustainable mobility through a reduction in home-work-home travel, the company accepted the request to review the management methods of smart working (for the job positions for which it is applicable). Therefore, today employees have up to 8 days/month of smart working available to use freely during the month.

During 2022, the company also approved an important investment involving the Codogno plant and for the benefit of its employees and more generally of the city community: the car park outside the plant owned by the Municipality of Codogno has been in fact entirely renovated and expanded by the company.

PLANS FOR THE FUTURE

Always with a view to professional development and improvement of employee well-being through welfare initiatives dedicated to better work-life balance, also following the suggestions gathered through the climate survey conducted in 2022, during 2023 MTA intends to establish a Management Academy, for the development of managerial skills and collaborators management. MTA is also evaluating different possibilities of using company spaces under renovation to be used by employees for recreational activities: for example, creating a gym and/or a multifunctional recreational space, etc. In the next report we will be able to better detail the outcome of the evaluations and the initiatives that will be implemented.



ABOUT THIS REPORT

This report aims to provide information regarding the approach of MTA S.p.A. to sustainability issues and includes, as reporting perimeter, the two Italian sites of Codogno and Rolo.

The information contained covers the reporting period from 1 January to 31 December 2022. Where available, comparative data from previous years has also been provided.

Although we do not formally adhere to the UN Global Compact Principle Index, in drafting this document we were inspired by its founding 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 benefiting from universal recognition and consensus.



United Nation Global Compact 10 principles			Implementation by MTA	Reference page in this document
Human rights	principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Code of Conduct (page 6-7) Conflict Minerals Policy	8 14-15
	principle 2	make sure that they are not complicit in human rights abuses.	Code of Conduct (page 6-7) General Terms & Conditions (page 7-8) Conflict Minerals Survey Supplier Information Survey	8 14-15
Labour	principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Code of Conduct (page 7)	14-15
	principle 4	the elimination of all forms of forced and compulsory labor;	Code of Conduct (page 6)	14-15
	principle 5	the effective abolition of child labor; and	Code of Conduct (page 6)	14-15
	principle 6	the elimination of discrimination in respect of employment and occupation.	Code of Conduct (page 7)	14-15 29
Environment	principle 7	Businesses should support a precautionary approach to environmental challenges;	Certification ISO 14001 Environment Policy General Terms & Conditions (page 7-8)	8-10 14-15 16
	principle 8	undertake initiatives to promote greater environmental responsibility; and	Constant monitoring of environmental KPIs and target setting	16-24
	principle 9	encourage the development and diffusion of environmentally friendly technologies.	Projects aimed to develop "green" technologies (products dedicated to electric vehicles - energy from renewable sources)	12 17-19
Anti-corruption	principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	Legislative Decree 231/01 Organizational Model General Terms & Conditions (page 7-8) Code of Conduct (page 3-5, 7-9)	13-15

For the presentation of the performance indicators on the topics addressed, we also took indications from the GRI (Global Reporting Initiative) Standards.

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