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H I G H L I G H T S

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This **Highlights' Report** summarizes main content and data of the **third edition of the CMC Group Sustainability Report** and outlines the reporting scope, boundaries, and standards applied. The information contained in this document refers to the **financial year 2024**, covering the period from 1 January to 31 December 2024.

The main Report from which the information of the present document was derived from has been prepared with reference to the GRI Standards (2021) and reflects an effort we made to initiate a progressive alignment with the European Sustainability Reporting Standards ("ESRS").

The reporting boundary corresponds to the financial consolidation perimeter of the CMC Group, and includes the following entities:

- CMC Packaging Automation S.p.A. (Italy) – parent company
- CMC America LLC (United States and Canada)
- CMC Packaging Automation Netherlands B.V. (Netherlands)
- CMC Machinery UK Ltd (United Kingdom)
- C.M.C. Deutschland GmbH (Germany).

No entities with material ESG relevance have been excluded from this perimeter. All data and narrative reflect the activities, impacts and governance of the Group's operations.

As part of our broader commitment to sustainable development, as CMC Group we strive to align our strategy as much as possible with the United Nations 2030 Agenda and recognize the relevance of the Sustainable Development Goals ("SDGs"). In particular, we identify strong thematic convergence with **SDG 9** (Industry, Innovation and Infrastructure), **SDG 12** (Responsible Consumption and Production) and **SDG 13** (Climate Action).

The Report is published on an annual basis, with the previous edition referring to FY2023. The full Sustainability Report and previous editions are available in digital format on our official website: www.cmcsolutions.com/index.php/sustainability-and-impact.

For any further enquiries, suggestions or clarifications, please contact: contact@cmcsolutions.com.

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INTRODUCTION

CEO'S FOREWORD

Dear Stakeholders,

The year 2024 marked a significant chapter in our journey toward responsible growth and long-term value creation at CMC. We believe that sustainability is not just an isolated goal but rather **the foundation for competitiveness, innovation, and market leadership**.

As a global leader in right-sized, automated packaging solutions, our mission is to transform the packaging industry from within. We aim to enable efficiency without compromise, automation without waste, and scalability while lowering emissions, thereby meeting the evolving needs of the world's most demanding sectors, including, only to name a few, e-commerce, retail, logistics, consumer electronics, and fashion.

Delivering Impact at Scale

Beyond our revenue, FY2024 was defined by deeper progress, which testifies to our concrete positive impact across our Group and our value chain:

- An **11% reduction in total GHG emissions**, driven in particular by a remarkable 72% year-on-year reduction in Scope 2 emissions, aligning with our newly approved Science-Based Targets initiative ("SBTi") goals.
- The full activation of the **CMC Tech Center in Atlanta** as a global hub for training, research and development, and co-engineering, reinforcing our position as the partner of choice for clients seeking both innovation and sustainability.
- By implementing CMC solutions, our clients have achieved significant environmental benefits. They **avoided more than 36 million cubic meters of plastic filler**, helping reduce plastic waste and pollution, and **preventing the release of more than 936 K tons of CO₂eq**, supporting climate change mitigation efforts and their ESG goals. The transition also **saved more than 451 K tons of cardboard**, showing a commitment to resource conservation and reducing deforestation.

Our strategic decisions are supported by a developing governance framework that includes monthly ESG Committee reviews and backing from our investor, KKR. With their support we are continuing strengthening accountability, data quality, and oversight by integrating ESG key performance indicators into performance management and decision-making across all functions and locations of our Group.

Looking Ahead: Scaling Innovation, Structuring Value

As we look to FY2025 and beyond, our focus is clear: to scale successful initiatives, create lasting structures, and commercialize our unique offerings. In a nutshell:

- **From Project to Platform:** We are preparing to launch CMC Super Vertical, our next-generation modular solution designed to meet high-volume, multi Stock Keeping Unit, low-waste packaging needs. This innovation has arisen from close collaboration across engineering, production, and sales, directly addressing client demands for operational agility and environmental accountability.
- **From ESG Oversight to Embedded Governance:** In FY2025, we will start reporting of ESG-related topics at Board level towards 2026 when we will define a regular schedule, integrate ESG training into leadership development, and enhance our data management systems to support traceability throughout the value chain.
- **From Supplier to Strategic Integrator:** We are reconfiguring our internal processes to foster cross-functional collaboration, particularly among Sales, Engineering, Aftersales, Quality, and Procurement. This ensures that every new solution not only embodies technological excellence but also market relevance and supply chain resilience.

Our ESG and Business Strategy roadmap is grounded in long-term thinking, shaped together with customers who seek value beyond the product, employees who demand purpose beyond their roles, and shareholders who recognize that sustainability is essential for future growth.

A Shared Commitment

I extend my deepest thanks to our teams across Italy, the US, the Netherlands, the UK, and Germany, as well as to our trusted clients, vendors and partners worldwide. Together, we are not just constructing machines; we are setting a new standard for responsible automation.

This Report reflects our progress, priorities, and commitments. We invite you to hold us accountable, partner with us, and grow with us.

Let us continue to lead - responsibly, boldly, and together.

Warm regards,


Francesco Ponti
 CEO and Chairman, CMC Packaging Automation

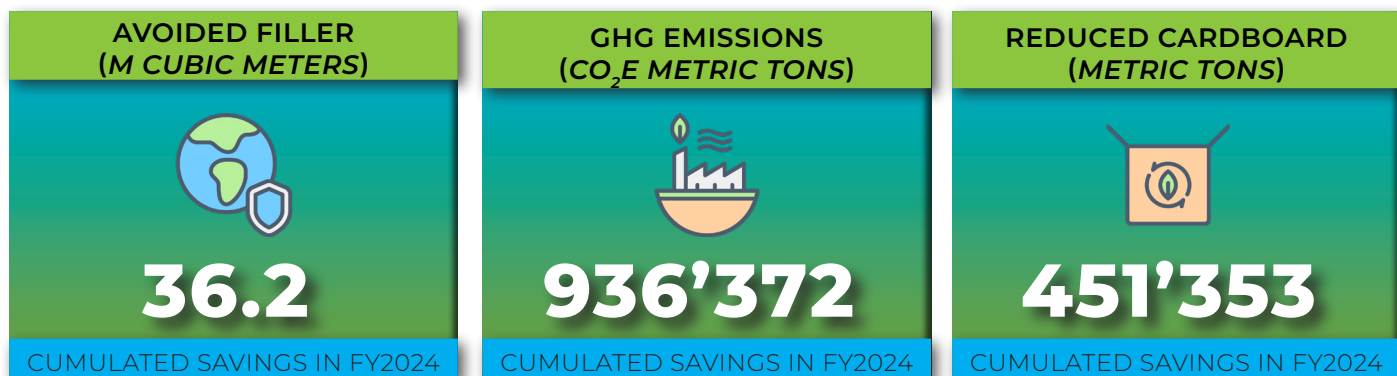
COMMITMENT TO SUSTAINABLE INNOVATION

CMC's commitment to sustainable innovation has long been rooted in the belief that technological advancement must translate into **value for our customers, operational resilience, and positive environmental and social outcomes.**

This approach has already led to externally recognized outcomes, ranking CMC as one of the leading organizations in the field of automation, with high-performance solutions.

Our forward-looking strategy will help us continue **shaping future innovation** as a key enabler of our company's broader sustainability objectives.

The three figures below provide a concrete demonstration of how our technologies are delivering measurable, positive outcomes, for our clients, and therefore for society and the planet.



INNOVATION THEMES AND USE CASES

CMC's innovation pipeline in FY2024 included both technical upgrades and forward-looking developments aimed at integrating sustainability across product families. Key initiatives include:

- **CMC Super Vertical**, a new automated solution currently in the design and prototyping phase, with launch planned for FY2025. The system is engineered for vertical scalability, reduced footprint ideal for brownfields, and small fulfillment centers, with embedded ESG principles.
- **ESG-integrated retrofit design** (e.g., Hybrid Advance), focused on upgrading existing platforms with energy- and material-efficiency features.
- **PaaS-oriented packaging automation**, enabling as-a-service deployment with built-in traceability and footprint monitoring.
- **CMC Wave-Line system and SF-320 Corrugator development** for internal production of packaging materials, including FSC-certified ones.
- **Sustainable materials testing**, developed in collaboration both with our clients and suppliers including sustainable consumables (paper and cardboard as well as glues).
- **Digital twin integration**, supporting life-cycle monitoring and predictive maintenance.

Each initiative is aligned with the strategic priorities outlined in our broader Value Creation Plan and will contribute to the long-term goal of embedding sustainability in the design, deployment and performance of all CMC technologies.






Transformation and progress, for us, are not just about performance, they are about purpose. By embedding sustainability at the core of our technologies, we are designing the future we want to deliver.

FRANCESCO PONTI - CMC CEO & CHAIRMAN

In 2025, we will advance our ESG-aligned innovation strategy by:

- Launching the **Hybrid Advance retrofit**, providing material and energy efficiency upgrades for CMC Cartonwrap legacy systems.
- Progressing on the **development and testing of the CMC Super Vertical**, with **market launch** also planned in FY2025.
- Exploring how to enhance the **integration between R&D processes and ESG impact measurement**, including further expanding our tracking of footprint-related metrics across platforms.
- Supporting the implementation of innovation components included in our company's **Value Creation Plan**, in coordination with cross-functional teams and client-facing projects.

TABLE 1.1 – CMC’S INNOVATION PIPELINE

 INITIATIVE	 FY2024 STATUS	 FY2025 MILESTONE
Hybrid Advance	Retrofit design finalized	First installation at Client’s site
CMC Super Vertical	In design/prototyping	Commercial launch
CMC SF-320 Corrugator	Technical development	Operational testing and launch
Materials testing	Client-side validation	Integration with reporting
Digital Twin	R&D phase	Pilot in selected platforms

DISCOVER THE FUTURE



2

CMC AT A GLANCE

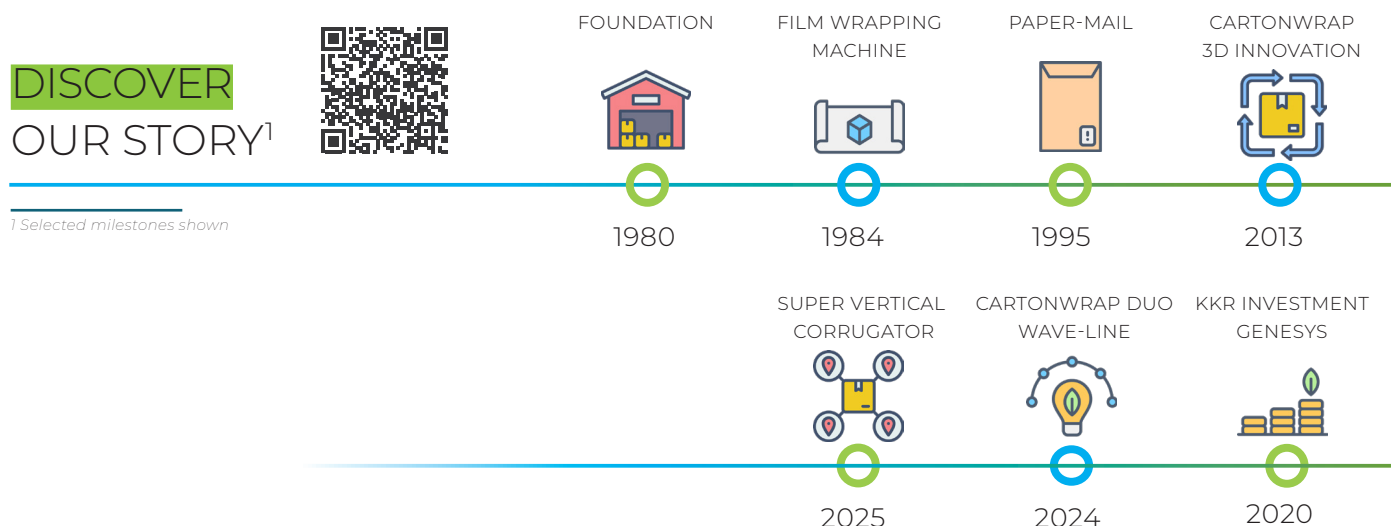
COMPANY PROFILE & GLOBAL FOOTPRINT

CMC S.p.A. is an international Group with the parent company CMC S.p.A. headquartered in Città di Castello (PG), Italy. The Group is controlled by the majority shareholder **KKR** through its **Global Impact Fund**; a minority share is held by **Amazon's Climate Pledge Fund**.

Founded in 1980, CMC specializes in the design, engineering and manufacturing of **automated packaging systems for high-performance industrial use**. We combine mechanical engineering, software development, and automation to offer sophisticated packaging solutions tailored to a range of industries, including e-commerce, logistics, fashion, and consumer goods.

Driven by purpose, CMC's technologies enable our clients to achieve **operational excellence through sustainable business solutions** that deliver measurable environmental benefits, cost efficiency, and value for all stakeholders.

In addition, we also provide a **robust set of Aftersales services**, ensuring reliable and long-lasting assistance world-wide, as well as supplying clients with **key consumables** (incl. glues, cardboard and paper materials) for their operations.



MARKETS AND CUSTOMERS

We serve a wide and diverse global customer base across over 25 countries, with top-line revenues in FY2024 primarily generated in the **United States, United Kingdom, Germany, and the Netherlands**.

Our Group's offering is tailored to various industry verticals, including pure e-commerce, fashion and luxury, healthcare, electronics, manufacturing, books and media, and toys and games. Clients are typically structured into strategic groups, such as **e-commerce giants** (e.g., Amazon, Bol), **retailers** with omnichannel models (e.g., Gucci, Decathlon), logistics and 3PL providers (e.g., UPS), **system integrators**, and selected industrial **manufacturers** (e.g., General Motors, FCA).

Our commercial model is primarily project-based, yet often in a context of long-term planning with our clients, and with a strong recurrence in aftersales services.

While machine sales follow multi-year investment cycles, we estimate that **more than 75%** of our business in FY2024 involved returning clients when combining new machine deployments and recurring aftersales services. In selected cases, such as long-term deployment programs with major clients, relationships span several product generations.

Client interest in sustainability performance is progressively increasing, with an **increasing share of customers requesting ESG-related data or environmental assurances** as part of procurement processes.

OUR OPERATIONAL FOOTPRINT

CMC's operations in Italy are structured around **five facilities**, all located in the municipality of Città di Castello (PG). We also maintain a **global presence in four countries** through our legally registered subsidiaries:

TABLE 2.1 – CMC SUBSIDIARIES' SITES



COUNTRY	SITE	ADDRESS	FUNCTION	SURFACE AREA
Italy	Carl Marx	Via Carlo Marx, 13 , Città di Castello	Office & Production	7'047 m ²
Italy	Morandi	Via Morandi, 24 , Città di Castello	Office & Production	12'500 m ²
Italy	Kollontai	Via Kollontai, 2 , Città di Castello	Production	3'800 m ²
Italy	Spinoza	Via Spinoza, 4 , Città di Castello	Production	815 m ²
Italy	Kant	Via Kant, 28 , Città di Castello	Warehouse	2'453 m ²
USA	Cary	101 Woodwinds Industrial Ct Ste T, Cary, NC 27511-6202	Registered office	233 m ²
USA	Atlanta	3645 Southside Industrial Pkwy, Atlanta, GA 30354	Office & Production	2'304 m ²
USA	Wickliffe	1311 Llyord, Wickliffe, OH 44092	Plant Corrugator	2'824 m ²
Netherlands	Amsterdam	Keizersgracht 391A, 1016EJ, Amsterdam	Registered office	NA
UK	Milton Keynes	The Pinnacle Building A, 150-170 Midsummer Boulevard, Milton Keynes, Buckinghamshire, MK9 1FD	Registered office	NA
Germany	Neuss	Salzstraße 45, 41460 Neuss	Registered office	NA

In FY2025, we aim to further strengthen our commercial presence by **exploring new market opportunities**, including in France, Japan, and Central America. At the same time, we are preparing to **expand CMC's offering** with next-generation packaging solutions, developed to **improve both operational efficiency and environmental performance**, optimizing resource use, reducing void fill, and enabling sustainable growth across markets.

This direction also reflects a growing awareness of evolving packaging-related regulations, including the upcoming **EU Packaging and Packaging Waste Regulation ("PPWR")**, and local legislation on Extended Producer Responsibility ("EPR") related matters, which will likely shape our client expectations and product requirements across global markets.

OUR SOLUTIONS FOR PACKAGING

As part of our commitment to sustainable innovation, we work closely with clients to develop **tailored packaging solutions that match both product specifications and environmental priorities**. The table below offers an illustrative overview of our **right-sized packaging portfolio**, outlining formats, materials, and example product categories as each solution can be further customized to meet specific needs of our customers. Next to our solutions, CMC has been developing a product line to supply our clients with key **consumables**, incl. among others the **CMC Wave-Line system** and the **CMC SF-320 Corrugator**.

TABLE 2.3 – CMC PACKAGING SOLUTIONS

TECHNOLOGY / FORMATS	MATERIALS	PRODUCT CATEGORIES									
											
CMC CARTONWRAP MIN. BOX: W 240 x L 150 x H 30 mm MAX. BOX: W 600 x L 350 x H 200 mm	Cardoboard (wave B, E)	◆	◆	◆	◆	◆	◆	◆	◆		◆
CMC CARTONWRAP XL MIN. BOX: W 250 x L 160 x H 35 mm MAX. BOX: W 800 x L 600 x H 215 mm MAX. HEIGHT: W 490 x L 600 x H 370 mm	Cardoboard (wave B, E)	◆	◆	◆	◆	◆	◆	◆	◆		◆
CMC CARTONWRAP DUO MIN. ENVELOPE: W 250 x L 160 x H 8 mm MAX. ENVELOPE: W 600 x L 380 x H 15 mm MIN. BOX: W 250 x L 160 x H 28 mm MAX. BOX: W 600 x L 380 x H 250 mm	Cardoboard (wave B, E)	◆	◆	◆	◆	◆	◆	◆	◆		◆
CMC GENESYS MIN. BOX: W 270 x L 210 x H 48 mm MAX. BOX: W 560 x L 380 x H 290 mm	Cardoboard (wave B, E, BB)	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
CMC GENESYS COMBO MIN. BOX: W 270 x L 210 x H 60 mm MAX. BOX: W 560 x L 380 x H 290 mm	Cardoboard (wave B, E, BB)	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
CMC GENESYS COMPACT MIN. BOX: W 270 x L 210 x H 60 mm MAX. BOX: W 560 x L 380 x H 290 mm	Cardoboard (wave B, E, BB)	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
CMC SUPER VERTICAL SMALL FORMAT : 100W x 200L x 50H mm (MIN) 300W x 470L x 120H mm (MAX) MEDIUM FORMAT : 100W x 200L x 80H mm (MIN) 300W x 470L x 200H mm (MAX) LARGE FORMAT : 100W x 200L x 120H mm (MIN) 300W x 470L x 300H mm (MAX)	Heat sealable kraft paper, Padded paper, Open flute	◆	◆	◆	◆	◆			◆		◆
CMC SMART MAILER MIN. ENVELOPE SIZE: W 280 x L 180 mm MAX. ENVELOPE SIZE: W 380 x L 260 mm (flap not included)	Pre-formed Cardoboard envelopes	◆									
CMC PAPER PRO MIN. BAG SIZE: L 250 x W 180 x H 5 mm MAX. BAG SIZE: W 850 x L 320 x H 180mm MAX. HEIGHT: W 850 x L 400 x H 100mm	Kraft/recycled paper, Padded paper, Open flute	◆	◆	◆	◆				◆		
CMC BUBBLE WRAPPER MIN. BAG SIZE: W 250 x L 270 x H 8 mm MAX. BAG SIZE: W 500 x L 750 x H 150 mm	Poly or bubble bags	◆		◆	◆						

The measurements provided may be subject to slight variations resulting from customization requirements, operational conditions, or other technical factors.

OUR SOLUTIONS FOR MAILING

Leveraging **decades of experience in automated mailing**, we offer modular and highly adaptable technologies designed to optimize **performance, precision, and sustainability**. The table below presents a representative snapshot of our mailing solutions, detailing key formats, compatible materials, and sample applications – each system can be configured to address specific operational and communication needs.

TABLE 2.4 – CMC MAILING SOLUTIONS

TECHNOLOGY / FORMATS	MATERIALS	PRODUCT CATEGORIES				
						
CMC PRATICA EVO MIN. SIZE: 100 x 200 mm MAX. SIZE: 250 x 350 mm PRODUCT THICKNESS: from 1 sheet to 30 mm	Film roll	◆	◆	◆	◆	
CMC 2000 MIN.: 100 x 120 mm MAX.: 300 x 430 mm MAX.: 430 x 430 mm (wide body) MAX. THICKNESS: 40 mm	Film roll	◆	◆	◆	◆	◆
CMC 2500 MIN.: 80 x 100 mm MAX.: 250 x 330 mm MAX. THICKNESS: 20 mm	Film roll	◆	◆		◆	
CMC 2800 & CMC 3200 MIN.: 100 x 120 mm MAX.: 300 x 430 mm MAX. THICKNESS: 40 - 80 mm	Film roll	◆	◆	◆	◆	◆
CMC 150 MIN. ENVELOPE: L 100 x W 180 mm MAX. ENVELOPE: L 235 x W 335 mm	Pre-formed envelope	◆			◆	
CMC 250 MIN. ENVELOPE: L 100 x W 160 mm MAX. ENVELOPE: L 330 x W 235 mm	Pre-formed envelope	◆			◆	
CMC 400 MIN. ENVELOPE: L 100 x W 180 mm MAX. ENVELOPE: L 160 x W 300 mm	Pre-formed envelope	◆			◆	
CMC 400 EVOLUTION MIN. ENVELOPE: L 100 x W 185 mm MAX. ENVELOPE: L 330 x W 235 mm MAX. COLLATION THICKNESS: 10 mm	Pre-formed envelope	◆			◆	
CMC 9000 MIN. ENVELOPE: L 100 x W 160) mm MAX. ENVELOPE: L 160 x W 250 mm	Pre-formed envelope	◆			◆	
CMC JWR MIN. SIZE: 80 x 100 mm MAX. SIZE: 250 x 330 mm MAX PACKAGE THICKNESS: 20mm	Paper roll	◆	◆		◆	

The measurements provided may be subject to slight variations resulting from customization requirements, operational conditions, or other technical factors.

DISCOVER OUR SOLUTIONS



PURPOSE, BUSINESS MODEL & VALUE CHAIN

Driven by the purpose of helping our clients ship their products in ever more sustainable and efficient ways, **CMC combines advanced logistics automation with a deep commitment to environmental impact reduction**. Guided by our vision to make global supply chains more sustainable and by our mission to deliver right-sized, high-performance packaging solutions through trusted partnerships and engineering excellence, we have built a **business model where innovation and ESG accountability go hand in hand**.

CMC's business model is grounded in the development of **modular, high-performance packaging systems**, supported by a vertically integrated value chain and a cohesive organizational structure. Our operational architecture – spanning design, engineering, manufacturing, assembly, logistics, and aftersales – is deliberately structured to align innovation, efficiency, and sustainability across all functions.

What makes CMC's solutions inherently sustainable is their ability to **combine on-demand production with material efficiency, energy optimization, and high Overall Equipment Effectiveness ("OEE")**. Our machines are engineered to **minimize packaging waste, reduce transport-related emissions, and support the use of recyclable or compostable materials**, while maintaining peak operational performance over time. These features are not add-ons: they are integral to the modularity, precision, and intelligence of our systems.

This sustainable edge is made possible by CMC's end-to-end control over the value chain. From in-house mechanical design to software development, from supply chain selection to testing and installation and maintenance, each phase is managed internally or through strategic partnerships with aligned values. Our organization is therefore not only structured for performance and adaptability, but also for ESG accountability.

In short, CMC's business model enables us to **deliver responsible innovation at scale** – ensuring that our technologies are both future-ready and ESG-aligned by design.

OUR BUSINESS MODEL & OPERATIONAL STRUCTURE

Our organization operates under an integrated model combining:

- **Technology development** (proprietary R&D, modular platforms).
- **Vertical production** (assembly and mechanical processing in Italy).
- **Consumable solutions** (supply of FSC-certified/recyclable packaging materials and glues through key partners and production of corrugated materials).
- **Installation and aftersales services worldwide**.
- **Strategic co-development and R&D jointly with key clients and partners** to continuously improve our solutions.

Our production flow encompasses the following macro-phases:



ESG CONSIDERATIONS ACROSS THE VALUE CHAIN

Our company's value chain is designed to support:



Material efficiency: through right-sized packaging, envelope capability (e.g., CMC Cartonwrap DUO), and integrated corrugation (CMC Wave-Line system and SF-320 Corrugator).



Energy optimization: via machine design (see Section 5) and future-oriented solutions (e.g., CMC Super Vertical).



Supplier engagement: mapped through ESG screening tools and thematic surveys.



Customer co-innovation: as demonstrated by projects with Mondi, Antalis, and Otrium.



Digital integration: data-driven systems enabling performance monitoring and future ESG footprint traceability.

These elements reflect how CMC embeds ESG drivers in both its operations and relationships across the chain.

Looking ahead to FY2025, we plan to **strengthen the ESG performance of our value chain** by advancing several strategic priorities.

We will place greater efforts on developing/strengthening **traceability frameworks** to improve visibility including on materials and emissions. We also intend to reinforce our ESG screening tools for suppliers, building on the groundwork initiated in 2024.

At the design level, efforts will continue to apply **retrofit principles** more systematically across product families, in line with the approach already outlined for **CMC Hybrid Advance**. In parallel, work will progress on aligning data streams from innovation processes with ESG performance metrics.

These developments are part of a broader effort to embed **sustainability** into our company's operational model – not as a parallel function, but as a core dimension of value creation.

WHAT IS “CMC HYBRID ADVANCE”?

CMC Hybrid Advance is one of our latest innovation in sustainable packaging, applying retrofit logic to existing machine families. The system automatically creates **perfect-sized boxes** or envelopes based on item dimensions, using fanfold corrugated material.

Thanks to a new structural design, the CMC Hybrid Advance **reduces corrugated use by up to 50% and glue consumption by 70%** compared to traditional right-sizing technologies — improving both ROI and environmental performance.

Smaller items can now be packed as envelopes, which lowers transport costs and emissions by enabling shipping via letter mail formats.

DISCOVER
CMC HYBRID ADVANCE



3

MILESTONES &
RECOGNITIONS

OUR MILESTONES AND STRATEGIC ACHIEVEMENTS FOR FY2024

FY2024 marked a pivotal year of strategic acceleration and operational consolidation for the CMC Group.

After a year of transition in 2023, in FY2024 we recorded **tangible achievements across international growth, climate governance, energy management and overall organizational maturity.**

These achievements provide a solid foundation for continued advancement in FY2025, in line with the broader Group strategy, with particular attention to **strengthening ESG integration, advancing operational and digital innovation, and enhancing employee development and stakeholder engagement.**

The highlights below and in the following page summarize **CMC's most relevant milestones** of the year under review:

- **TURNOVER RECOVERY AND GROWTH**

CMC recorded a turnover of ca. €157 million in FY2024, reflecting an **11% increase** over FY2023 (€141.3 million). This result marked the end of the temporary contraction experienced in the previous year and confirms the resilience of our company's industrial and commercial positioning.

- **STRENGTHENED SUSTAINABILITY GOVERNANCE**

Building on the governance structures formalized in FY2023, we confirmed the role of the **ESG Committee** during FY2024, ensuring continued monthly meetings with participation from Top Management, Board representatives, and our majority shareholder KKR, as well as continuing integrating **ESG performance** updates into Monthly Business Review materials and internal decision-making.

We also further consolidated our internal ESG governance through the systematic monitoring of a **broader set of ESG Key Performance Indicators** ("KPIs"). These KPIs – covering environmental impact, energy and resource use, health and safety, diversity, and ethics – are tracked regularly across business functions and form the backbone of our sustainability performance framework. This system supports evidence-based reporting and internal alignment with our materiality priorities.

- **VALIDATED STRATEGY FOR DECARBONIZATION**

In parallel, it is also worth mentioning that we reached a significant milestone in our climate strategy, which further strengthened our climate governance: in FY2024, **CMC's Science Based Targets** ("SBTi") were officially validated, confirming that our Scope 1, 2, and selected Scope 3 decarbonization targets are aligned with the 1.5°C trajectory under the Paris Agreement.

- **ENVIRONMENTAL PERFORMANCE AND RESOURCE OPTIMIZATION**

In FY2024, CMC advanced its environmental performance through both **operational upgrades and product innovation.**

Key energy efficiency measures included the installation of high-efficiency compressors and HVAC system upgrades, contributing to a reduction in energy intensity.

On the R&D side, we also scored some remarkable achievements as well as planning interesting developments ahead for 2025:

- In FY2024 we launched the **CMC Genesys Compact**, a more space- and energy-efficient machine, and the **CMC Cartonwrap Duo**, enabling up to 40% cardboard and 70% glue savings against other 3D packaging methods.
- Our company also began studying solutions for the development of **compact cardboard corrugators** for on-site use by our clients, further reducing transport needs for packaging consumables, a solution which will be fully developed in FY2025.
- **GROUP WORKFORCE EXPANSION**

As of 31 December 2024, CMC's total workforce reached **596 employees**. Headcount distribution included: Italy 298; United States and Canada 252; Germany, Netherlands, UK (combined) 46. The increase supports our strategic evolution as a **global provider** of packaging automation solutions with localized operational capabilities.

PUBLIC SIGNALS OF RESPONSIBLE INNOVATION

Following the strategic achievements outlined in the previous chapter, FY2024 also marked a year of **growing public recognition and formal validation** for the CMC Group. Across product innovation, governance evolution, and client collaborations, our company received broad recognition of our positioning at the intersection of industrial excellence and sustainability.

• AWARDS FOR INNOVATION, GROWTH AND CORPORATE LEADERSHIP

The following highlights summarize the most relevant milestones of the year under review. CMC was honored with four major recognitions during the year, each awarded by a distinct organization for innovation, growth or corporate leadership:



LogiMAT Best Product Award 2024: CMC Cartonwrap DUO was selected as the most disruptive innovation in intralogistics (Stuttgart, March 2024). Recognized for reducing cardboard usage by 40% and glue by 70%, while maintaining high-speed output (900 packages/hour)



100 Eccellenze Italiane – X Edizione: CMC was included among the 100 most distinguished Italian companies, with formal presentation at Palazzo Montecitorio, Rome



1000 Imprese Best Performer 2024 – Umbria: Awarded by ItalyPost for resilience and industrial competitiveness, with CMC's CEO participating as speaker at the regional event held in Perugia



Le Fonti Awards – CEO of the Year: Francesco Ponti was awarded Innovative Leader in Packaging Solutions, with a special mention for ESG-driven transformation.

• CERTIFICATIONS AND ESG REFERENCES

CMC maintains a set of internationally recognized certifications and governance frameworks that support operational quality, information security, and regulatory compliance:

- ISO 9001 – Quality Management
- ISO 27001 – Information Security
- GDPR Compliance – EU Regulation 2016/679
- Model 231 – Organizational and Control Model (updated FY2024)

We are also subject to an independent ESG assessment through **EcoVadis**, which annually evaluates corporate performance across environmental, social, and ethical dimensions. In FY2024, we ranked in **the top 14% of companies in our industry sector**.

Our organization also participates in **The Climate Pledge**, as part of Amazon's global partner ecosystem dedicated to net-zero commitments.

• MEMBERSHIPS

Lastly, as part of our continuous efforts to strengthen workplace health and safety, in FY2024 we launched internal assessments and a gap analysis to prepare for the adoption of the ISO 45001. Certification under this international standard is planned for completion in FY2025.

Starting in 2025, we plan to:

- Maintain our annual ESG evaluation cycle via EcoVadis
- Continue our formal commitments under the SBTi
- Develop internal alignment with selected standards, in particular with reference to H&S management frameworks.

In the area of product innovation, solutions such as the Hybrid Advanced Retrofit and the CMC Super Vertical – both planned for commercial rollout in FY2025 – are designed to enhance energy and space efficiency, reducing material usage and curbing associated emissions, while improving parcel protection.

4

FROM OVERSIGHT
TO IMPACT

ESG PRIORITIZATION AND BUSINESS INTEGRATION

At CMC, we believe that incorporating ESG principles into our business model goes beyond merely fulfilling disclosure requirements; it is about **creating long-term, measurable value**.

Our approach to integrating ESG reflects a growing realization that **sustainability priorities must be aligned with operational excellence, product innovation, stakeholder trust, and resilience**.

In 2024, following an internal review of our Double Materiality Assessment's results (more on this later in this Section), we re-elaborated the outcomes into **six key ESG drivers**:



PRODUCT
RESPONSIBILITY AND
SUSTAINABILITY



EQUAL TREATMENT &
OPPORTUNITIES FOR
ALL WORKERS



TALENT ATTRACTION
& RETENTION



COMPANY CULTURE



RESPONSIBLE SUPPLY
CHAIN MANAGEMENT



CYBERSECURITY

These six pillars are now linked to value creation levers across our company. This framework will increasingly support our strategic planning cycles in FY2025 and beyond.



Our long-term value depends on our ability to listen, understand, and integrate diverse expectations from across our ecosystem. This is why materiality is not just a compliance exercise – it is the foundation of our ESG and Business Strategy.

CHIARA SIGNORIA - ESG DIRECTOR

CORPORATE GOVERNANCE AND BUSINESS CONDUCT

GOVERNANCE MODELS, STRUCTURES AND SYSTEMS

CMC operates under a governance framework structured around a **clear separation of roles, formalized responsibilities, and structured oversight mechanisms**.

The **Board of Directors** retains responsibility and accountability, while operational activity is supported by CMC's **ESG Committee**, which meets monthly and includes representatives from Top Management and the majority shareholder.

In FY2024, CMC's governance of ESG was strengthened by appointing an **ESG Director**, who reports directly to the CFO and leads on-ground sustainability-related activities.

As already mentioned previously, CMC follows the principles outlined in our Organizational, Management and Control Model (also "Model 231"). We also ensure that each business unit adheres to applicable internal policies and procedures via a shared, **ISO 9001-compliant** policy registry.

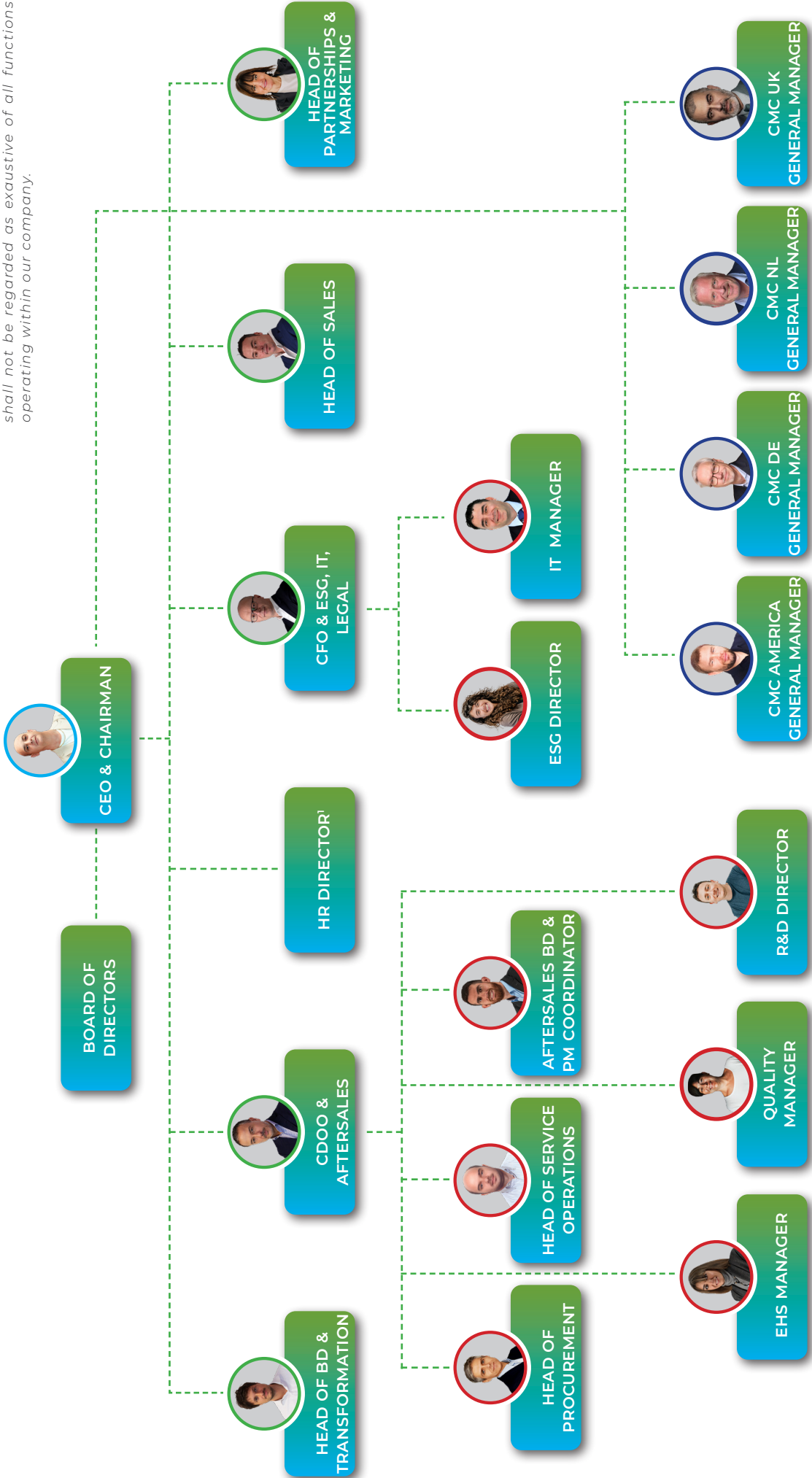
Relevant documents are shared with our staff via the company intranet, targeted communications and trainings.

Furthermore, we strengthened our internal data governance through the adoption of an **ISO 27001-compliant** Data Security management system, first established in 2023 and maintained throughout 2024, also complemented by our **CIS18 controls framework**, which provides CMC with defense in-dept best practices to help us mitigate common cyberattacks on our systems and networks (more on this later in this Section).

For a high-level organizational chart of CMC Group see the following page (GRPH 4.1).

CHART 4.1 – ORGANIZATIONAL CHART

This organizational chart shows relevant functions to the narrative of the present Report. Therefore, it shall not be regarded as exhaustive of all functions operating within our company.



¹ We are presently recruiting for this role.

OUR APPROACH TO ETHICAL BUSINESS CONDUCT

At CMC Packaging Automation we are committed to operating with **integrity, transparency, and accountability** across all areas of the business.

Our company maintains a **zero-tolerance stance on corruption, bribery, and any form of unethical conduct**, in alignment with our Model 231 pursuant to Italian Legislative Decree 231/2001. The Model, which was adopted in 2021, was last updated in June 2024 to reflect the latest legal developments and is supported by specific sections addressing a comprehensive set of risks such as corruption, tax fraud, money laundering, workplace safety violations, and data-related crimes.

Our **Code of Ethics**, which we formally adopted in 2021, as an annex to Model 231, defines binding principles for all our employees, collaborators, and partners across our value chain.

External oversight of CMC's ethical conduct is entrusted to the Italian Supervisory Body (in Italian "Organo di Vigilanza" or, abbreviated, "OdV"), which operates independently and monitors compliance with our Model 231, including paying periodic visits to our headquarters throughout the year.

In FY2024 **no violations of Model 231** and underlying principles were detected.

In FY2024, we further advanced our internal governance structure by establishing an internal cross-functional working group focused on the development of formal policies and procedures based on operational priorities.

• WHISTLEBLOWING AND RISK MONITORING

Our commitment to transparency is further reinforced by our **whistleblowing system**, which was already fully operational in FY2024.

The platform, which is accessible both internally and externally via a secure digital channel, complies with EU GDPR and Directive 2019/1937 as well as Italy's Legislative Decree 24/2023. It allows anonymous, multilingual reporting and is extended also to our subsidiaries outside Italy.

No reports were received through our whistleblowing channel in FY2024.

Furthermore, among our ESG KPIs, we **internally monitor a set of indicators** dedicated to risk monitoring and reporting in the field of Ethical Business Conduct, confirming our **preventive and proactive efforts** to ensure ethical compliance.



• DATA PRIVACY, SECURITY AND CYBERSECURITY

Ensuring the protection of key information assets is also a core element of CMC's business model. In FY2024, as part of our commitment to data security, we implemented a series of cybersecurity protocols aligned with best practices, including encrypted data storage, access control systems, and continuous employee awareness trainings on digital risks.

• RESPONSIBLE SOURCING

CMC's commitment to business integrity extends across our supply chain. In FY2024, we continued the mapping of our supplier base in alignment with ESG criteria and Italian Legislative Decree 231/2001.

A **due diligence framework** is progressively applied to our suppliers, in phase of qualification, which consists of a **multi-steps process, including also relevant ESG elements** whether the supplier operates in risk countries as well as reputational risks, its organizational capacity and internal competences, the presence of a Model 231 and Code of Ethics, overall product quality, internal risk management processes, the supplier's supply chain management practices, standing management, control and monitoring systems, ESG related investments and certifications.

5

BEYOND
EFFICIENCY

SUSTAINABLE PRODUCT AND PROCESS INNOVATION

At CMC Packaging Automation, **sustainability-driven innovation** is embedded in the DNA of our product development. Our R&D efforts are focused on enabling clients to reduce packaging waste, optimize logistics, and minimize carbon impacts through advanced automation technologies.



At CMC, innovation: it's about designing technologies that help our clients reduce packaging waste, lower emissions, and stay ahead of regulatory change. Every solution we deliver is built to make sustainability tangible.

FABIO PORROZZI - R&D DIRECTOR

Our commitment is twofold: to design high-efficiency packaging systems and to integrate ESG performance criteria directly into machine capabilities and customer experience.

The approach leverages Life Cycle Assessment ("LCA") and customer-specific impact modelling to **quantify the environmental benefits** of our packaging technologies – especially through material reduction, elimination of void fillers, and energy optimization. In parallel, our strategy includes **strategic partnerships**, such as the 2024 collaboration with **Mondi**, aimed at supporting recyclable, paper-based formats compatible with our technology (more in the box below).

SUSTAINABILITY IN ACTION: THE CMC-MONDI COLLABORATION

*In an exciting move towards sustainable packaging, in FY2024 we chose **Mondi** as our preferred kraft paper partner, marking a significant step in transforming eCommerce solutions.*

*This strategic partnership aims to **blend CMC's cutting-edge automated packaging technology with Mondi's sustainable paper products**, paving the way for more environmentally responsible and cost-effective packaging options.*

*Together, we are set to revolutionize the market with tailored solutions that not only enhance product quality but also actively support the circular economy. This collaboration reflects a **shared commitment to sustainability**, promising a brighter future for eCommerce packaging.*

IMPACT AND EVIDENCE¹• **REDUCED MATERIAL USE AND CIRCULAR DESIGN**

At CMC Packaging Automation, our approach to packaging innovation is rooted in minimizing environmental impacts through smarter, more resource-efficient design.

By enabling **packaging on demand**, our systems use only the material necessary for each shipment, enabling our clients to achieve **significant material input savings** – particularly cardboard – of up to 57% (depending on the technology adopted and parcel size), thereby significantly **reducing waste** and **eliminating the need for void fillers** (with volume savings of up to 74%).

This not only supports circular economy principles but also enhances **logistics efficiency** by reducing package volume and optimizing transportation loads.

Our technologies are engineered to adapt to diverse product types while maintaining structural integrity, contributing to **lower greenhouse gas emissions** (between 40 and 60% emission reduction per parcel) across the packaging value chain.

These solutions reflect our broader commitment to sustainability and are designed **in line with emerging regulatory frameworks**, such as the EU's Packaging and Packaging Waste Regulation ("PPWR"), which aims at preventing and reducing packaging waste by promoting fit-for-purpose and recyclable packaging solutions.

¹ Actual performance figures mentioned in this section, in terms of material inputs, volume savings and avoided CO2 emissions, depend on product, packaging format and specific application scenario, and are calculated in comparison to traditional packaging methods.

CLIENTS SERVED IN 2024



~240²

BUILT ON PERFORMANCE,
RELIABILITY, AND LONG-TERM

• CUSTOMERS' APPLICATIONS AND REAL-WORLD EFFICIENCIES

Throughout FY2024, CMC accelerated the deployment of its next-generation packaging technologies – including the Cartonwrap DUO and the Genesys Compact – enabling clients across Europe and North America to reduce packaging waste, streamline logistics, and achieve ESG-aligned performance gains.

In 2024, several clients, particularly across Europe and North America, adopted CMC technology to reduce packaging waste and increase efficiency.

Here are just a few remarkable success stories highlighting the effectiveness of our innovative solutions:

- **URBN (UK):** Implemented CMC Genesys Compact to right-size packaging for lifestyle SKUs, improving traceability and removing filler materials entirely.
- **BoI (NL):** Integrated Cartonwrap DUO to achieve fully automated, format-adaptive packaging, reducing operational footprint and eliminating warehouse stock of pre-formed boxes.
- **Best Buy (USA):** Featured CMC systems in its modernization of logistics operations, achieving increased throughput and ESG-aligned automation.

Looking ahead, at CMC we will continue to evolve our product innovation pipeline with a **clear focus on measurable environmental impacts and regulatory alignment**.

Building on the outcomes and progress achieved throughout 2024, we aim to:

- **Expand Life Cycle Assessments** to additional technologies, in line with our commitment to transparent Scope 3 accounting as well as many of our clients' ambitions of lowering their environmental footprint.
- **Enhance existing tools** and developing new ones to enable clients to estimate avoided emissions and packaging waste with greater accuracy, thereby supporting their own ESG disclosures.
- **Develop modular retrofit kits** for legacy CMC systems to improve energy and material

performance, ensuring circularity and climate resilience across our installed base.

- **Deepen strategic partnerships**, such as the collaboration with Mondi, to ensure material compatibility with upcoming EU rules on recyclability, mono-material packaging, and recycled content.

These actions are designed to reinforce CMC's role as an **enabler of low-carbon logistics and PPWR-compliant packaging systems**, while continuing to support our clients in meeting their own efficiency goals.

Furthermore, foundational steps were already made in FY2024 towards **further developing compact, modular systems** designed to fit into **space-constrained facilities** and integrate easily in **brownfield facilities**, making automation accessible for SMEs and logistics operators.

CMC KEY R&D DRIVERS:

- **Footprint reduction through more compact machine designs** (CMC Cartonwrap Duo, CMC Genesis Compact, CMC Super Vertical)
- **Progressive reduction in material consumption (cardboard/glue) in new machine models** (CMC Cartonwrap Duo, CMC Super Vertical, Hybrid)
- **Emission reduction** not only through the implementation of our low-impact automation technologies but also through **localized solutions close to the customer** (e.g., installation of on-site Wave-Line systems and SF-320 Corrugators).

6

FROM CONSUMPTION
TO REGENERATION

ENERGY CONSUMPTION AND EFFICIENCY

ENERGY USE IN FY2024

In line with our commitment to continuous improvement in energy management and climate impact mitigation, FY2024 recorded a **12.1% year-on-year decrease in total energy consumption (kWh)**, mainly enabled by reduced thermal demand and plant-level fine-tuning measures. In parallel, the **share of energy sourced from renewables reached 32%** of total consumption (see Chart 6.1), reflecting a **7.8% improvement** compared to FY2023 and contributing to the progressive decarbonisation of our operations.

Further actions implemented in FY2024 aimed at achieving a **more efficient and effective energy management** included:

- Enhanced thermal insulation in selected production areas.
- The integration of advanced power control logics at machine level.
- The progressive deployment of an energy performance monitoring system across production sites.
- Regular energy audits in all plants.

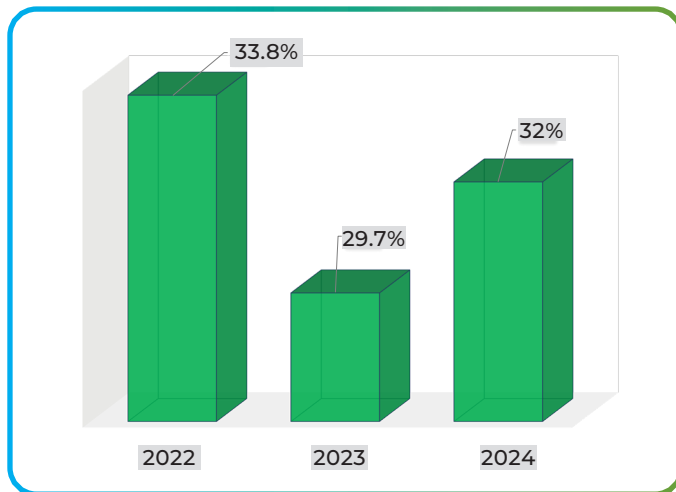
In FY2024 **almost 96%** of total electricity consumed was sourced **from renewable energy sources**, including GoO-backed supply (approx. 93%) and on-site PV system (approx. 7%). This scored a **5.7% increase in renewable electricity consumption** when compared to the previous year and in parallel almost a **56% decrease in non-renewable electricity consumption**, also thanks to the full switch to green procurement for all Italian sites.

YOY REDUCTION IN TOTAL
ENERGY USE (kWh)

-12.1%

FROM 2023 TO 2024, ENABLED
BY REDUCED THERMAL
DEMAND AND PLANT-LEVEL
FINE-TUNING

CHART 6.1 – YEARLY CONSUMPTION OF
RENEWABLE ENERGY
(% of total energy)



RENEWABLE

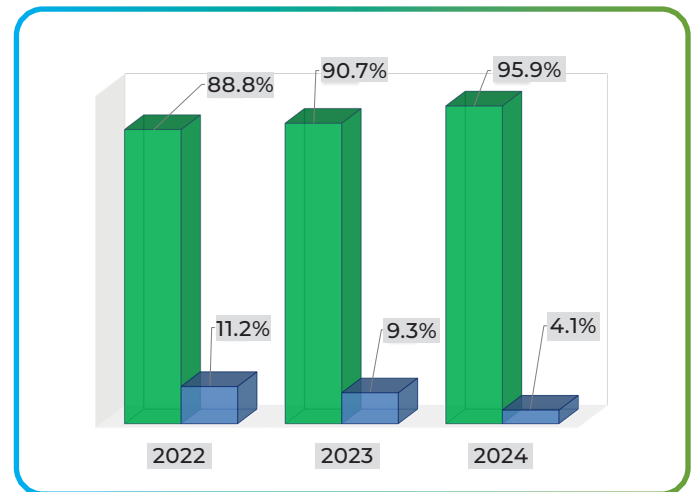
VARIATION 2022-23

▼ - 12.2 %

VARIATION 2023-24

▲ + 7.8 %

CHART 6.2 – ELECTRICITY CONSUMPTION BY
SOURCE
(share of total electricity consumption – FY2022-2024)



RENEWABLE

VARIATION 2022-23

▼ + 2.2%

VARIATION 2023-24

▼ + 5.7%

NON RENEWABLE

VARIATION 2022-23

▼ - 17%

VARIATION 2023-24

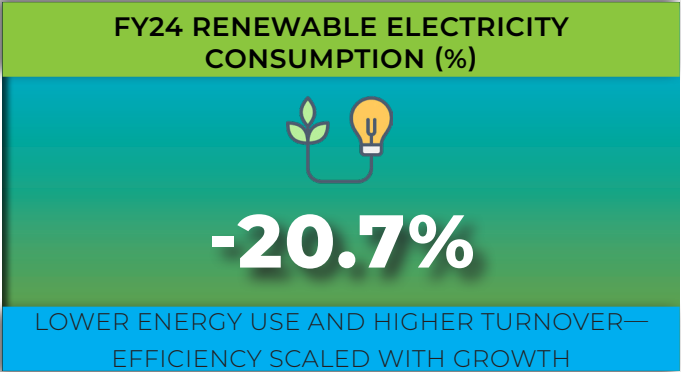
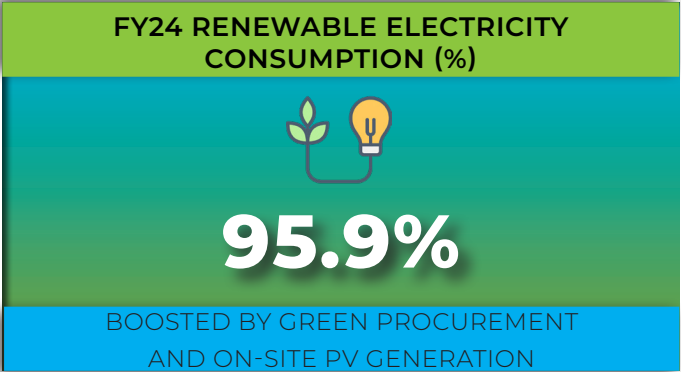
▼ - 55.8%

ENERGY INTENSITY

In FY2024, CMC achieved a **significant reduction (-20.7%) in energy intensity** relative to turnover. This result was supported by lower energy consumption and increased turnover.

TABLE 6.1 – ENERGY INTENSITY RELATIVE TO TURNOVER

YEAR	ENERGY (KWH)	ENERGY (J)	TURNOVER (K €)	J/€
FY2022	5'039'345	18'141.6	151'765 K €	0.00011954
FY2023	5'665'109	20'394.4	141'344 K €	0.00014429
FY2024	4'977'407	17'918.7	156'605 K €	0,00011442



In FY2025 CMC will continue to **strengthen its approach to energy management** by continuing to perform site-wide energy audits across all production plants and extending the deployment of power-saving software logics across our machine portfolio.

Furthermore, a set of measures enabling a more efficient and precise management of energy across Italian sites has been planned.



CLIMATE CHANGE AND NET ZERO COMMITMENTS

For CMC, climate change is not only a systemic risk but also, most importantly, a **key driver of innovation**.

As a provider of sustainable, automated packaging solutions, we are committed to reducing greenhouse gas ("GHG") emissions throughout our operations and value chain.

Our solutions have climate at their heart as they are **designed to support the reduction of cardboard use, minimize and/or eliminate the need for void fillers**, and overall enable the **optimization of logistics operations** of our clients and partners. By supporting them in streamlining packaging processes and minimizing material waste, we not only enhance efficiency but also **contribute significantly to CO₂ emission savings** across our value chain.

In line with this commitment, we decided to not only measure and monitor our emissions diligently but also to take this responsibility further by adopting a robust **decarbonization strategy driven by science-based targets**.

This strategic approach ensures that our sustainability initiatives are grounded in rigorous scientific data, allowing us to make meaningful progress toward reducing our carbon footprint.

Our commitment to environmental consciousness drives us not only to progressively reduce **unnecessary emissions across our operations** but also to **actively contribute to a more sustainable future** for our planet by delivering high-quality solutions to our customers.

That enable them to lower their overall environmental impact including **avoiding unnecessary emissions** associated with packaging and shipping.



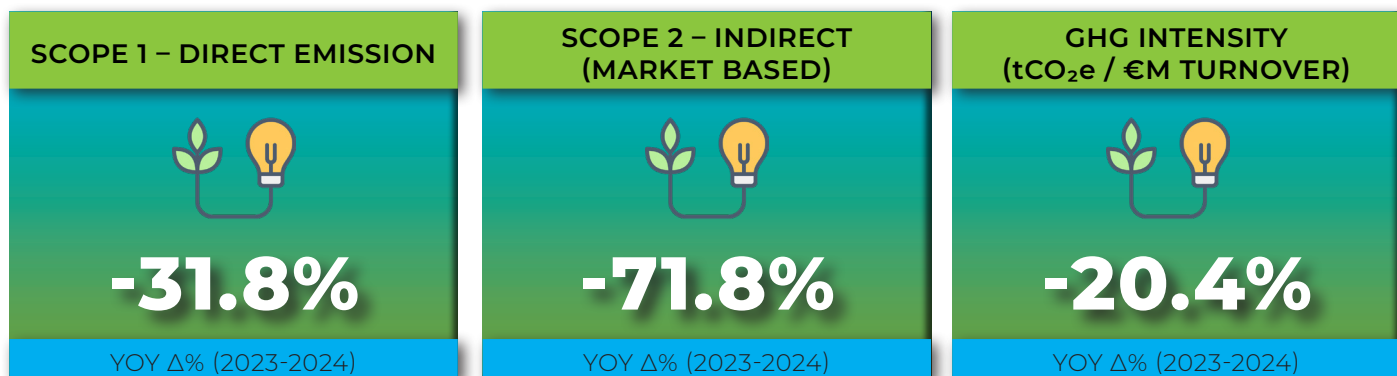
Climate action is not only a responsibility – it is a competitive advantage. By reducing our footprint and continuing innovating, we enhance our resilience, deliver value to our clients, and shape the sustainable supply chains of tomorrow, thus contributing to a worldwide sustainable transition.

FRANCESCO PONTI - CMC CEO & CHAIRMAN

FY2024 GHG EMISSIONS INVENTORY

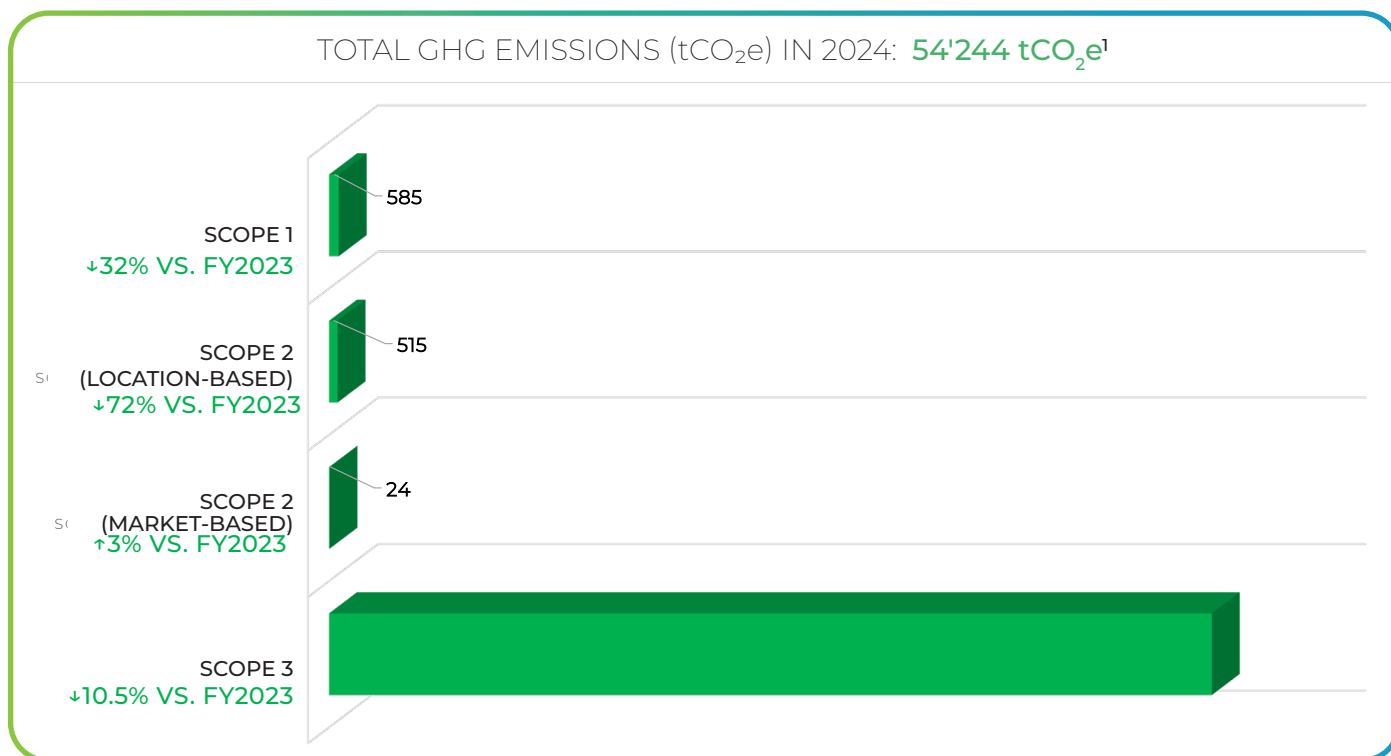
In FY2024, we reaffirmed our support for the goals of the Paris Agreement and continued to **advance our Science Based Targets initiative ("SBTi") approved net-zero roadmap** (more on this later).

CMC discloses emissions in alignment with the Greenhouse Gas ("GHG") Protocol, and with reference to GRI 305, and ESRS E1-4 standards. The FY2024 inventory covered Scope 1 and Scope 2 emissions using both the location-based and market-based approaches, as well as extended disclosure for Scope 3 categories.



A breakdown by scope of our total GHG emissions in FY2024 is shown in the Chart 6.3 below. The results we have achieved in comparison to FY2023 reflect CMC's evolving decarbonization efforts and underline key areas for targeted progress in FY2025.

CHART 6.3 – OUR GHG EMISSIONS IN A NUTSHELL



¹ Total calculated using market-based emissions for Scope 2

METHODOLOGICAL NOTE

Frameworks of reference: Emission factors based on DEFRA 2024, Exiobase database for sectoral financial emission factors adjusted to inflation, IEA 2024 as well as in line with GHG Protocol, GRI 305 and ESRS E1.

Organizational boundary: Operational control approach; perimeter consistent with financial reporting.

Data quality and verification: The GHG emissions inventory was developed in collaboration with the external advisor ERM, based on the GHG Protocol. While our SBTi targets are formally validated, the 2024 footprint has not been subject to third-party assurance.

Reasons behind the changes related to Scope 3 (2023 vs 2024):

- A reduction in purchases of goods and services, reflected in a 47% decrease in related emissions due to lower spend and improved categorisation of procurement data.
- Updated emission factors and data collection methods, particularly for business travel (+259%) and downstream transportation (+45%), which incorporated physical data from international subsidiaries and refined weight-based estimates for shipped machines.
- A methodological update in the 'Use of sold products' category, which now calculates energy consumption based on actual kWh per machine sold and region-specific emission factors, resulting in a 17% increase in associated emissions.
- A material decrease in emissions from waste and commuting, due to revised DEFRA emission factors and reduced commuting distances respectively.

DECARBONIZATION STRATEGY

CMC's **strategy oversight** is the responsibility of CMC's **Board of Directors** with the support of the **ESG Committee**. More on our Governance bodies and processes can be found in Section 3.

Our **climate strategy** integrates operational initiatives and product-level innovation across **four key levers**:



RENEWABLE ELECTRICITY
SOURCING



MACHINE AND SOFTWARE
OPTIMIZATION



SUPPLY CHAIN
ENGAGEMENT



ENERGY EFFICIENCY
(CHAPTER 5.1)

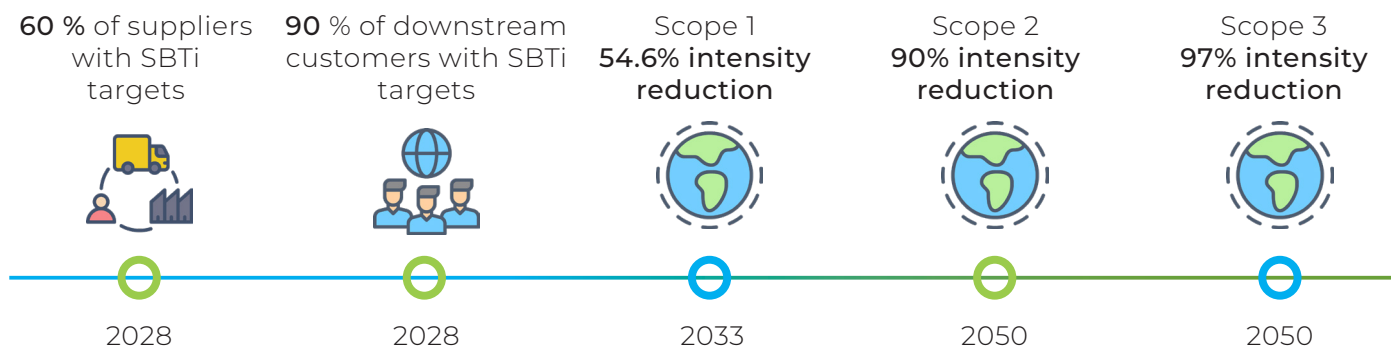
The key strategic initiatives we successfully implemented in 2024 include:

- Achieving **96%** renewable electricity.
- Developing a **vehicle electrification plan**.
- Keeping pursuing the implementation of **energy optimization** logics on key machines.
- Developing a **supplier decarbonization program**, to be launched in FY2025.

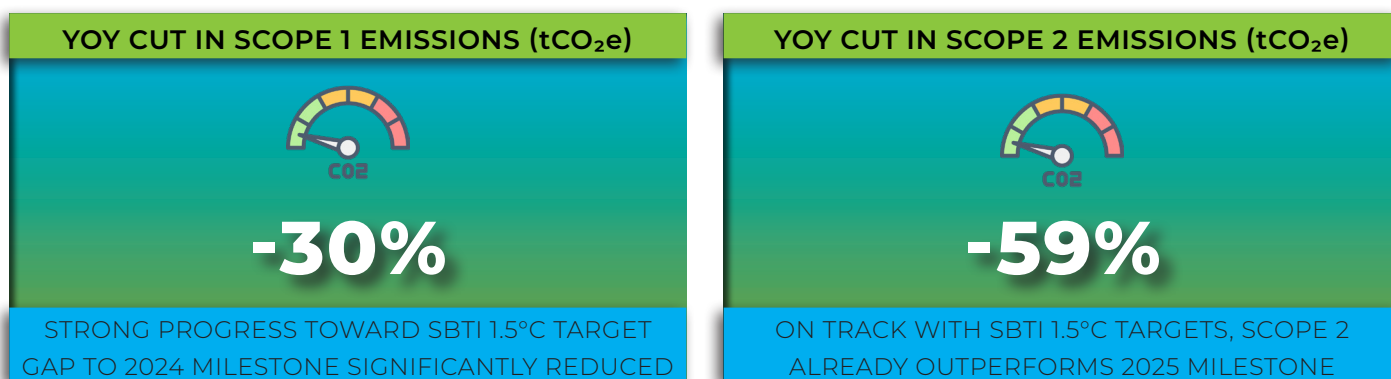
SBTi-APPROVED NET-ZERO COMMITMENT

In xDecember 2024, CMC S.p.A. received **formal approval from the SBTi** for both near-term and long-term science-based targets, which are consistent with a 1.5°C trajectory.

A high-level representation of CMC SBTi-approved Net-Zero Roadmap, including key targets, is shown here below, alongside two figures showing our progress in 2024 towards our decarbonization targets.



CLIMATE RISK MANAGEMENT



Understanding, managing and mitigating our climate risks as well as leveraging climate-related opportunities is essential to building a resilient, forward-looking business.

We recognize that climate-related risks and opportunities are a material factors influencing our long-term strategy, performance, and operational resilience.

We plan to initiate an **update of its context analysis** in early 2025, aiming to strengthen the **integration of climate change** as a structural risk/opportunity factor within the Group-wide risk management systems; we will build.

This effort builds upon FY2024 risk management foundations and stakeholder inputs gathered via ESG governance mechanisms.

To do so, we will run a **Climate Risk and Opportunity Assessment**, which will build on the existing ISO 9001- and ISO 27001-certified risk methodologies and will also address the requirements outlined by the ISO 45001 certification, also planned for FY2025. We will also consider the expectations outlined in ESRS E1-2 in line with our ambitions to progressively align with CSRD.

Additional actions for 2025 will include:

- Upgrading facility-level energy efficiency through the implementation of Building Management Systems and the **optimization of heating set points** at all Italian sites. This effort will also include the installation of **Power Quality Systems** and **high-efficiency electric engines** at four of our Italian production sites.
- Initiating our program to **transition to a low-emission vehicle fleet**, including the installation of additional EV charging stations at all Italian production sites.
- Expanding our **engagement program with value chain actors** to ensure alignment with science-based climate targets.

These initiatives are integral to building a climate-resilient business model and delivering against our validated Net-Zero targets.



WASTE MANAGEMENT AND CIRCULAR PRACTICES

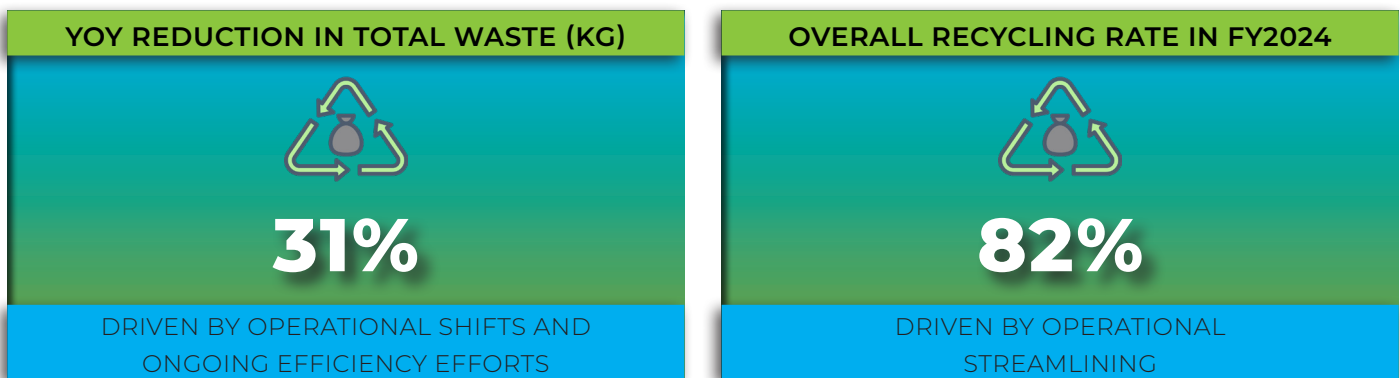
At CMC Packaging Automation we consider waste management an essential part of our environmental responsibility.

In FY2024, we **reinforced our approach to waste minimization, segregation, and traceability** across operations. These efforts are part of CMC's broader environmental strategy.

WASTE MANAGEMENT PERFORMANCE

In FY2024, total waste generated by CMC SpA amounted to 358.7 tons, representing a **31% reduction** compared to FY2023.

The overall recycling rate was approximately **82.1%**. The observed reduction in total waste generated in 2024 primarily resulted from the decommissioning of the burnishing department and a scaled-back painting function, which also led to a significant YoY decrease (by almost 97%) in the overall production of hazardous waste. These changes, alongside ongoing efforts to strengthen internal tracking and waste segregation in support of more efficient handling, and contextual operational adjustments, contributed to the overall decline.



Besides macro efforts, we believe that **also smaller actions can contribute** to the bigger goal of first and foremost producing a cultural shift:



We privilege the **purchase of reconditioned IT devices** for our staff as well as the **replacement of single components** instead of substituting a whole device. In line with this philosophy, in FY24 two thirds of all laptops purchased were reconditioned. Furthermore, we implement the rotation of IT devices across three user levels based on employees' specific requirements.



We continue partnering with ESO and through their program back to work®, **we recycle and recover all our staff's work shoes** in full compliance with the provisions of Directive 2008/98/EC and Italian Legislative Decree no. 152/2006, contributing to the sustainability and well-being of our community.

Looking ahead to FY2025, we will continue pursuing new product-side initiatives aimed at **reducing waste generation not only within our operations but also across the value chain** – starting from our customers' lines.

By **embedding prevention** into the way we conceive our solutions, rather than corrected post-production, we believe some materials might never become waste in the first place. A timely reflection, especially in view of the evolving EU Packaging and Packaging Waste Regulation.

7

HEALTH, INCLUSION
AND GROWTH

HUMANCAPITAL, INCLUSION AND DEVELOPMENT

At CMC, our people are at the heart of everything we do. Their expertise, commitment, and creativity are essential to our continued growth and innovation.

In line with our values and the expectations of clients and institutional stakeholders, we are strengthening our approach to human capital management by embedding principles of **transparency, equity, development** and **well-being** across our operations.

As we grow, we continue to invest in inclusive, safe, and empowering workplaces – fostering professional development, respect for human rights, and employee participation.

WORKFORCE OVERVIEW

298
EMPLOYEES



TOTAL EMPLOYEES
596
AS OF 31 DECEMBER 2024

252¹
EMPLOYEES



46
EMPLOYEES



¹ The figure refers to USA and Canada.

In the three-year period 2022–2024, CMC's workforce grew from 513 to 596 employees.

The most significant increase occurred in FY2023 (+12.1% vs. FY2022), primarily driven by expansions abroad (CMC Germany +42.9%, CMC America +40.6%, CMC Netherlands +28.6%).

Workforce distribution remained largely stable, with Italy and the USA jointly accounting for over 90% of total headcount, with a workforce growth in the USA balancing an almost specular contraction in Italy.

These dynamics reflect the continued **consolidation of CMC's global operating structure**.



Investing in people means investing in the future of our company. At CMC, we are committed to creating a workplace that grows with our people – where talent, safety, and inclusion shape not only our performance but leverage the legacy we leave behind.

DOMENICO GALLOZZI - CDOO & AFTERSALES, HR

TABLE 7.1 – CMC GROUP TOTAL EMPLOYEES – FY2022-2024
(headcount by subsidiary)

SUBSIDIARY	FY2022	FY2023	FY2024	YOY Δ% (2022-2023)	YOY Δ% (2023-2024)
CMC SPA	325	316	298	-2.8%	-5.7%
CMC AMERICA (USA + CANADA)	155	226	252	45.8%	11.5%
CMC NETHERLANDS	14	18	25	28.6%	38.9%
CMC UK	12	13	12	8.3%	-7.7%
CMC GERMANY	7	8	9	14.3%	12.5%
TOTAL	513	581	596	12.1%	2.6%

TRAINING, SKILLS AND CAREER

Training is increasingly becoming a strategic pillar of CMC's human capital strategy and a fundamental enabler of inclusion, growth and accountability across all roles and geographies. Furthermore, investing in skills is also a **critical lever to support generational balance and equitable development opportunities**.

In FY2024, the average number of training hours per employee across CMC S.p.A. and CMC America¹, where the highest workforce share is employed, was **30.2**, with significant variability by function and country.

Training formats included in-person sessions, digital modules (including through our e-learning platform CMC Academy), and task-based learning, delivered at different stages of the employee journey.

The training offered throughout the year covered a broad range of topics, **from compliance and operational efficiency to personal development and cross-functional collaboration**. Notably, contents included safety, data protection, behavioral standards, digital security and category-specific programs (e.g., and ESG induction training for procurement functions).

In FY2024 in Italy we also collected input from different functions/teams throughout the year to better understand skill gaps and potential areas for structured development. These internal exchanges are expected to support future improvements in **upskilling initiatives** and the **development of a broader Training & Skills Development Plan**.

Furthermore, CMC S.p.A. regularly hosts students from local schools through school-to-work transition programs, reaffirming our commitment to investing in the next generation. This initiative will continue as part of our broader effort to **support youth development and early talent exposure** to industry.

Building on the foundations established in FY2024, at CMC we aim to further strengthen our human capital framework by promoting inclusion, development and long-term workforce sustainability across all locations.

In FY2025, we plan to perform an internal evaluation of opportunities to:

- Explore how to develop our DE&I indicators with a **stronger focus on generational diversity**.
- Expand **onboarding and training access**, including across subsidiaries.

- Identify opportunities to enhance the **consistency of workforce data collection** and ESG KPI reporting.
- Assess potential for **strengthening participation channels** where applicable.
- Conduct a **staff satisfaction survey** for CMC S.p.A. employees, which we run every two years.
- Support intergenerational knowledge transfer through targeted **internships and mentoring programs**.

OCCUPATIONAL HEALTH & SAFETY

Occupational health and safety (“OHS”) is considered a priority in CMC Packaging Automation. In FY2024 we continued reinforcing our OHS governance framework across all operations, monitoring every month a **robust set of relevant KPIs**, which are also reported quarterly during the ESG Committee, running **regular internal audits** as well as holding **OHS training** courses for all staff of our manufacturing plants in line with applicable national regulations.

KEY HEALTH AND SAFETY DATA AND PROGRESS IN 2024

The Table below provides an overview of key 2024 indicators for CMC S.p.A. A more detailed overview of the Group's H&S statistics can be found in the Addendum (Section 9) to the full Report.

TABLE 7.2 – KEY FY2024 H&S FIGURES

INDICATOR	CMC SPA (ITALY)	SUBSIDIARIES
TOTAL RECORDABLE INJURIES ¹	7	4
DAYS LOST DUE TO INJURY	194.4	8
TRIR ²	13.7%	30.7% ³
AVERAGE SAFETY TRAINING HOURS / TOTAL WORKFORCE	988	112,7 ⁴

This year, once again, our total incident rates have been lower than the national averages¹ for companies of comparable sizes and operating in the mechanical industry.

When an incident occurs, we conduct thorough investigations and discuss them during the toolbox talks we hold daily. We then take immediate action and develop improvement plans, identifying and assigning clear responsibility in each case.

The actions and improvements we set forth in 2024 – in continuity with what done in previous years – focus on enhancing CMC’s overall performance and efficiency:

- **Regular health surveillance and risk assessments**, across all Italian facilities
- **Behavior-based safety (“BBS”) principles piloted** within professional development pathways of selected staff
- **Digitalization of internal processes** for incident reporting and documentation
- Preliminary criteria defined for future **supplier H&S performance monitoring**
- **Continued compliance** with Legislative Decree 81/2008.

Each action has been carefully designed to foster collaboration and maximize efficient use of internal resources, ultimately leading to a more streamlined operations that benefit all stakeholders involved.

Furthermore, in 2025, we planned the development of a **health and safety management system** for CMC S.p.A. that is aligned with and certified to the **ISO 45001:2018** standard.

As part of this effort, CMC will also implement an official **Group Health and Safety Policy**, thereby formalizing our long-standing strategic commitments in this domain.

Key principles, including legal compliance,

behavioral safety, progressive digitalization of processes, and progressive centralization of performance monitoring, will be set forth and formalized in the management system.

It will support and guide the **development of local procedures**, ensuring alignment with national legislation, operational risks, and stakeholder expectations. Furthermore, we plan to integrate specific **H&S indicators into CMC’s supplier assessment systems**.

1 In FY2024 all recorded injuries were classified as minor (according to Italian legislation minor incidents are those that did not lead to more than 40 working days lost).
2 TRIR considers all recordable injuries (including dressings). Since we had no significant dressings recorded in FY24, the number of injuries is equal to the total number of recorded injuries; therefore, our incident rate coincides with the TRIR. We calculated the TRIR as follows: (total recordable injuries/hours worked) x 1,000,000.
3 TRIR for our subsidiaries abroad is affected by a significantly lower number of hours worked. Nonetheless, we are working towards a towards a Group-wide H&S vision as well as to implement a ISO 45001-certified management system that includes a Group H&S Policy.
4 Average number of H&S training hours among all Group’s subsidiaries.

8

RESPONSIBLE
BY DESIGN

SUSTAINABLE PROCUREMENT & SUPPLIER SCREENING

At CMC Packaging Automation we adopt a centralized procurement model supported by a structured supplier qualification process, primarily governed by our ISO certified management systems.

While our company does not currently apply a formal ESG framework to supplier screening, elements of **environmental and ethical responsibility** are already integrated across our existing quality and risk control procedures.

As of FY2024:

- All active suppliers have been classified into **four risk-based clusters** (1 to 4), based on annual procurement value and criticality. The system covers 100% of CMC's suppliers of direct materials and production-related services, with Cluster 1 suppliers accounting for approximately 57% of total procurement spend.
- Since its first introduction in 2022, CMC's **Code of Ethics** is shared for acknowledgment and formal acceptance with all new suppliers.
- A structured **ESG engagement of selected strategic suppliers** carried out between late 2022 and mid-2023, which led to the development of an internal ESG Supplier Scoring. While no new ESG assessment was conducted in 2024, an **internal review** in December 2024 mapped the presence (or absence) of ESG certifications and/or public reporting on Sustainability matters across all our Cluster 1 and 2 suppliers.
- ESG-related elements – such as country risk, reputational exposure, adoption of compliance frameworks (e.g., Model 231), product quality, and supply chain risk management – are addressed **through CMC's quality management system**, which allows for the suspension or revocation of supplier qualification based on ethical or technical performance.
- **No supplier relationship** was terminated in FY2024 due to ESG concerns, the existing qualification system allows for supplier status to be “suspended” or “revoked” based on technical, ethical or delivery-related performance.
- As previously stated in this Report, our company's whistleblowing mechanism is open to both suppliers and contracted workers. In FY2024, **no grievances** or reports were filed through this channel.

CMC plans to progressively **integrate further ESG** criteria into its supplier qualification system starting from Q4 2025, subject to internal approval and resource alignment.

In 2025 we also plan to run a new **ESG supplier evaluation process**, with the objective of assessing our broader group of suppliers within Clusters 1 to 4, against a defined set of criteria, incl. overall ESG management, Environment (Energy,

Pollution, Climate, Hazardous substances, Waste), Workforce (Working conditions), Engagement of local communities, H&S, Quality, Supply chain, Business conduct incl. GDPR, Cybersecurity, and Corruption. This screening will also allow us to add granularity to our Group's Scope 3 emissions. The actual scope, methodology and timeline of this evaluation remain under discussion and are expected to be refined during 2025.

PRODUCT QUALITY, SAFETY & LIFECYCLE& SAFETY

At CMC Packaging Automation we maintain a strong commitment to **product quality, safety and lifecycle responsibility**. This commitment is embedded in a structured set of operational procedures that govern both preventive and corrective actions across the entire product lifecycle and guarantee systematic oversight of quality and information security. In line with our FY2024 double materiality assessment, the topic of Customer Health and Safety was confirmed as material due to its relevance for product integrity, regulatory compliance, and stakeholder expectations in key markets such as logistics and e-commerce.



In CMC quality is not about perfection – it's about continuous improvement. It is engineered into product design, validated through robust manufacturing practices, and upheld through proactive and responsive service operations.

ILARIA BILLERI - QUALITY MANAGER

Customer-centric safety is considered a material issue for our company: we address the functional safety of our machines throughout both the design and operational lifecycle, using risk assessments, technical verifications, and active customer engagement. Additionally, our systems include incident reporting tools, well-defined aftersales workflows, and mechanisms for integrating feedback to foster continuous improvement.

CMC monitors customer feedback through an **integrated Service structure** that includes ticket tracking, root-cause analysis and identification, prioritization and implementation of corrective actions.

Product safety and lifecycle reliability are further supported by:

- Structured installation and commissioning protocols
- Integration of lessons learned from field cases into design practices
- Development and update of maintenance documentation with clients
- Engagement with third parties (e.g., TUV) for certification, when required.

In 2025, CMC will focus on the following initiatives:

- Renewal of ISO 9001 and 27001 certifications.
- Reassessment of product-related risks across our installed base.
- Evaluation of further opportunities for standardization and update of documentation across product lines.
- Consideration of potential new tools to

track product safety events and feedback systematically.

- Identification of courses to upskill strategic staff, ensuring that the necessary capabilities and competencies related to the forthcoming EU Machine Regulation are acquired prior to its entry into force.



CUSTOMER SATISFACTION AND ENGAGEMENT

Rooted in a customer-centric philosophy, CMC's operating model ensures that **client needs are addressed throughout the full lifecycle of each solution** – from initial design and customization to installation and aftersales services.

Localized teams reporting to CMC's subsidiaries provide on-the-ground technical support, while a dedicated Aftersales unit at the Italian headquarters offers centralized remote assistance, ensuring continuity, responsiveness, and long-term relationship building.

We conduct annual **customer satisfaction surveys** to evaluate perceptions of product performance, service quality, and after-sale support.

At CMC we manage customer communications and support through **multiple channels**, including:

- **Salesforce CRM system**, which records all technical support requests, complaints, and service interventions.
- **Client service portal**, including form submissions directly linked to Salesforce.
- **Direct channels**: email, telephone, WhatsApp, Slack, and on-site meetings with the Sales / After-sales Teams.
- **Whistleblowing mechanism**, in compliance with our governance model (see Section 3 for more information).
- **Social media platforms**, used for proactive engagement.

All complaints are registered as tickets in Salesforce and classified by impact priority (Safety, Customer, Quality, System, Business). This process triggers the activation of a structured 8D methodology, managed by a cross-functional team led by the Quality Manager. The goal is to close each complaint triggering the 8D methodology within 30 days: in FY2024 CMC successfully achieved this goal.



Customer satisfaction is not a metric. It is a commitment. Our approach aims to systematically understand, respond to, and improve the experience of every client we serve.

FRANCESCO SERBOLI - AFTERSALES BD & PM COORDINATOR

Key Staff Satisfaction Survey results for FY2024 are summarized here below:

- **Net Promoter Score ("NPS") proxy: +60**
 - 70% of respondents were classified as Promoters (score 9–10), 20% as Passives (score 7–8), and only 10% as Detractors (score 0–6).
 - This result reflects a high level of trust and satisfaction, particularly in relation to product quality and the perceived environmental value of CMC solutions.
- **Customer perception:**
 - CMC is widely seen as a trustworthy partner in clients' decarbonization journeys, **with products perceived as sustainable and effective**.
 - The core offers and commercial interactions received high marks; additionally clients have also provided valuable feedback to further enhance aftersales responsiveness, particularly regarding assistance and spare parts logistics. These insights will guide our continuous service improvement.

Based on feedback from the 2024 campaign, in 2025 we intend to:

- Expand survey outreach to increase representation across geographic areas.
- Identify opportunities to further improve timing and responsiveness of our aftersales services.

- Evaluate opportunities to develop indirect indicators and deepen the qualitative dimension of satisfaction.
- Explore inclusion of DEI-related aspects in future assessments.

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H I G H L I G H T S

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