Sustainability Report 2022

SMART SOLUTIONS
FOR SUSTAINABLE PACKAGING
LEADING THE CHANGE
FOR A NET-ZERO FUTURE
# Contents

1. **Letter from the CEO** 04

2. **About CMC** 06
   - 2022 in Brief 08
   - Impact 10
   - The Essence of CMC 12
   - From Local to Global 16
   - Products 17
   - Innovation 19

3. **Sustainability Culture** 20
   - Sustainability Strategy 24
   - ESG Committee 25

4. **Environmental Footprint** 26
   - Climate Change 27
   - Measuring LCA 30
   - Energy 32
   - Waste Management 34

5. **Social Impact** 36
   - Human Capital 37
   - Health and Safety 42
   - Stakeholder Engagement 45
   - Supply Chain Responsibility 46
   - Strategic Partnership 49
   - Community Engagement 50
   - Awards and Accolades 51

6. **Corporate Governance** 52
   - Governance Model 53
   - Code of Ethics and Policies 54
   - Data Privacy and Cybersecurity 55
   - CMC’s Approach to Tax 55

7. **Looking Ahead** 56

8. **About this Report** 60
   - GRI Global Reporting Principles 61
   - Report Scope 61
GRI 2-22
SMART SOLUTIONS FOR SUSTAINABLE PACKAGING - LEADING THE CHANGE FOR A NET-ZERO FUTURE
This year, I am pleased to share the first annual CMC Sustainability Report, which reinforces our company’s commitment to this vital topic. The information presented here reiterates our commitment to sustainability, an inherent part of our business model, with an emphasis on the actions and projects undertaken in 2022.

As we all know, macroeconomic and geopolitical factors – such as the recent global pandemic and runaway climate change – are accelerating environmental, social and governance (ESG) trends. Stakeholders are increasing their demands for transparency and accountability from companies. There is an emerging work culture based on elevating human capital and guaranteeing fundamental rights. And companies are being asked to enable sustainable production and consumption. At CMC, we believe that we can play our part in solving the common challenges we face, contributing to sustainability in our sector.

In addition to these global trends, some topics specific to the packaging industry are becoming increasingly important.

The accelerated growth of the e-commerce sector and associated increase in packaging are causing all of us, from suppliers to consumers, to reflect on the responsibility we all have to mitigate and minimize the impact of our industry.

Other trends include innovation in eliminating excess and/or unnecessary materials, flexibility, and material circulation and reuse. Clients are also increasingly demanding low-emissions technology, as well as forward-thinking solutions to increase energy efficiency.

We are well-prepared to help our customers address these challenges (and opportunities) and meet their expectations by doing so.

CMC is committed to finding ancillary solutions for our products, materials and components, in line with our ESG values and targets. In standard e-commerce packaging, 40% of shipped volume is empty space. This creates unnecessary waste and emissions. CMC’s revolutionary right-sized packaging tailors every bag or box to each individual order, eliminating unnecessary cardboard, fillers and plastics. Smaller boxes mean higher truck density, and thus fewer emissions during the last mile. By using raw corrugated fanfold rather than pre-glued folding cartons in different sizes and from different brands, CMC is also optimizing inbound supply chain emissions, reducing the need for truck transport.

Being more efficient and sustainable has always been part of our DNA. At CMC, we are a people-first company. We strive to create a safe, inclusive and diverse workplace where everyone can fulfill their potential. Together, we think outside the box when it comes to packaging and mailing, always with people and our planet in mind. We have been creating sustainable packaging solutions for a worldwide network of customers from our headquarters in Umbria for more than 40 years. We have a long history of exceptional performance and constant innovation that prioritizes people and the planet. Today, as a proud partner of KKR’s Global Impact team, backed by Amazon’s Climate Pledge Fund, CMC is inspiring the future of packaging and e-commerce.

Sustainability is at the heart of what we do: led from the top, rooted in our business strategy and culture, and integrated in our ways of working. Sustainability culture, climate, responsible products and human capital are the foundations of CMC’s ESG strategy.

As a consequence, in 2022 we proudly completed our company rebranding including sustainability as one of the key pillars of our brand identity. We also defined our sustainability strategy with a detailed short-, medium- and long-term roadmap, as this report further describes. To track progress towards our targets, CMC set up a dedicated ESG Committee reporting to the Board. CMC has also appointed an ESG Manager to drive its sustainability agenda and develop and improve on the best practices that can increase our contribution to sector sustainability.

Sustainable innovations, supply chain collaboration and promoting decarbonization are also our key priorities for the coming years. We want to be an inspiring partner to our clients, who are striving to improve their own environmental performance. By collaborating with industry peers and suppliers, and maintaining an open dialogue with industry associations, CMC aims to share common solutions and influence the definition of international standards in right-size packaging. As the global leader in automated packaging, CMC is helping the industry progress towards a net-zero carbon future.

Francesco Ponti,
CEO of CMC SpA
About CMC

2022 in Brief 08
Impact 10
The Essence of CMC 12
From Local to Global 16
Products 17
Innovation 19
CMC specializes in providing automated packaging and mailing solutions for multinational e-commerce, retail and 3PL companies. Our primary objective is to help businesses optimize their outbound and packaging processes, in particular those looking to efficiently ship products worldwide.

Whether our client is an e-commerce, logistics, or retail company, CMC can deliver customized solutions that meet their unique needs and help them stay ahead of the competition.

By leveraging our expertise and cutting-edge technology, we enable our clients to streamline their operations and achieve cost savings while maintaining the highest level of quality and reliability.

As a family business founded by Giuseppe Ponti in 1980, CMC has a legacy of exceptional performance and constant innovation that prioritize people and our planet. Today, as a partner of KKR’s Global Impact team, and backed by Amazon’s Climate Pledge Fund, CMC is driving change in the industry. Francesco Ponti, CEO of CMC Packaging Automation is the person that leads this company, which is a reference in the sector for its innovative approach and continuous improvement.
2022 IN BRIEF

Environmental Social Governance

2022 PERFORMANCE HIGHLIGHTS

- **€7.1m** in investment (of which **€1.1m** in R&D)
- **€151m** in turnover
- **600+** clients and partners around the world so far
- **500+** person team
- **93%** Italian suppliers

- Life-Cycle Assessment for CMC CartonWrap completed
- Installation of first photovoltaic system at the main production site
- CMC ESG Committee established and reporting to the Board
- ESG strategy and roadmap for short, medium and long term defined
- Company rebranding completed, including ESG as one of key pillars
2022 KPIs

GHG EMISSIONS (tCO₂)

603 Scope 1
532 Scope 2
81,889 Scope 3

9,383 kWh of clean energy produced
1,702.58 MWh of renewable energy consumed
43 m³ in millions of void fillers saved in 2022
200 trees planted in 5 countries

1,702.58 MWh of renewable energy consumed
The LCAs results for both CartonWrap and Genesys allow CMC to estimate the impact of its business activities, taking as reference the UN Sustainable Development Goals (SDGs).

CMC installs and operates 3D packaging machines which scan products to produce packaging that fits to product size, supporting retail and logistics clients in their efforts to reduce corrugate and filler materials on millions of packages shipped. The estimated reduction in paperboard and associated emissions is based on the two LCAs conducted, which compare the paperboard and void fillers used by a traditional packaging system with CartonWrap and Genesys systems across a selection of household items.
HIGHLIGHTS OF CMC’S CONTRIBUTIONS TO THE SDGS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12.2.1 Material footprint, material footprint per capita and material footprint per GDP

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

9.4.1. CO₂ emission per unit of value added

Paperboard reduced:

2022

194,000 metric tonnes

2021

124,000 metric tonnes

GHG emissions saved:

2022

340,000 metric tonnes of CO₂eq

2021

192,000 metric tonnes of CO₂eq
THE ESSENCE OF CMC
GRI 2-6

“Developing packaging and mailing solutions since 1980, with innovation and sustainability at the heart of our approach.”

With a global presence, CMC offers a comprehensive suite of packaging, printing and sourcing services to an array of industries worldwide. As a leading high-quality manufacturer, we cater to multiple industries including the media, electronics, retail, cosmetics, food, liquor, toys and publishing.

Our focus on quality and customer satisfaction is at the forefront of everything we do. With state-of-the-art technology and a team of experienced professionals, we ensure that our clients receive top-notch service and high-quality products every time. Our commitment to excellence has earned us a reputation as a trusted partner for businesses seeking customized and reliable packaging, printing and sourcing solutions.

At CMC, we understand that each client has unique needs and requirements. We work closely with our clients to develop customized solutions that meet their specific needs. Our expertise and resources enable us to deliver the best value to our clients while ensuring that their products are of the highest quality and delivered on time.

Overall, CMC’s dedication to quality and customer satisfaction has positioned us as a go-to partner for businesses looking for exceptional packaging, printing and sourcing solutions.
“Ever since we started collaborating with CMC during the installation of the CartonWrap machines, we could appreciate their huge potential in terms of sustainability as well as productivity and return on investment.

This experience gave us confidence in moving forward with the implementation of new technologies such as CMC Genesys. At Kering we are proud to be clients and an innovation partner of CMC.”

Alessandro Vincenzi, Managing Director at Luxury Goods Logistics (Kering Group)

CMC understands sustainability as a key factor driving progress in the packaging sector.

The organization puts a lot of effort and resources into working closely with clients, striving to develop better solutions to help them achieve their sustainability and commercial goals.

In 2022, CMC recorded a turnover of €151 million, of which 97% was in international markets and the remaining part in Italy, driven by the sale of 115 machines in 2022. CMC leads the sector as one of the most innovative companies in packaging automation.

The company specializes in construction, maintenance, technical assistance and trade in industrial machines, machine parts and spare parts, including their design and engineering. CMC designs, assembles and tests high-speed automatic packaging systems for e-commerce and logistics industries, as well as paper and film wrapping machines, collection systems and ancillary equipment for the mailing industry.
Timeline - CMC’s Packaging Innovation Journey

2013
CMC CartonWrap 500
Pioneer in the first Box on Demand machine for e-commerce fulfilment and POD (print-on-demand) companies

2014
CMC CartonWrap 1000
Input from fanfold and improved performances to 1,000 boxes/hour.

2015
CMC SmartMailer
The easiest way to fulfil orders, with rigid mailers and bubble envelopes.

2016
CMC CartonPack
On-demand packaging machine for multi-item orders based on CMC Vary-Tote consolidating and feeding technology.
CMC Packvertizing
On-demand packaging with 1:1 colour printing; box presentation with branding, logos, messages, QR codes and augmented reality.

2017
CMC Bubblewrapper
Wrapping machine to fill items in dynamic bubble/poly bags. Ideal for fashion items.
CMC CartonWrap XL
Wide-body CMC CartonWrap: big and small boxes in a single machine; this is our most flexible solution.

2018
CMC Smartstore
On-demand packaging Automatic intermediate storage and picking solution for single and multi-items.
2021
Amazon Sustainability
Amazon Climate Pledge Fund invests in CMC.

2022
Sustainability Strategy
Definition of ESG Strategy and Roadmap for the short, medium and long term. CMC hires an ESG Manager.

2020
CMC Paper-PRO
Automatic cut-to-size paper wrapping machine for e-commerce.

CMC Genesys
 Automated 3D-packaging solution for multi-line orders with no pre-consolidation.

KKR Global Impact Fund
CMC becomes a KKR Global Impact Fund Portfolio Company.

Industries

“There’s nothing ordinary about our award-winning technology.”
CMC brings innovative packaging and mailing solutions to clients across a wide range of industries.

Pure e-commerce
Apparel and shoes
Consumer electronics
Healthcare and cosmetics
Books and PODs
Toys and games
Manufacturing
Third-party logistics
Mailing and printing
Automotive
CMC is a global company headquartered in Città di Castello in the Umbria region of Italy. We manage all of our operations, both domestic and international, from this central location.

We currently have a team of 573 employees worldwide, with 64% based at our headquarters. That team is comprised of experts in the packaging, printing and sourcing industries who work tirelessly to deliver high-quality and sustainable solutions to our clients.

At CMC, we take pride in our extensive network of clients, which spans 25 countries and includes over 600 companies. We have achieved this success through our commitment to quality, efficiency and sustainability, which are core values of our business.

These are the main locations of the organization:
CMC seeks to continuously provide its clients with the best products on the market. The organization seeks to satisfy its client's requirements and develop products that break new ground in the sector.

CMC’s product categories encompass packaging on demand, mailing and graphics:

- **Packaging CMC** offers on-demand packaging solutions such as autopackers, bagging solutions, and rigid mailers. These fully automated machines provide innovation and flexibility for scaling up operations without compromising on quality.

- **Mailing CMC’s** expertise in mail finishing includes envelope inserting and paper wrapping solutions, which cater to the diverse needs of our clients. Their heavy-duty machines are designed to deliver high-quality outputs in demanding environments, making them a reliable choice for businesses that handle large volumes of mail.

- **Graphic CMC** provides polywrappers and collating machines as part of its product categories.
**Responsible products**

“CMC’s automated packaging solutions can be customized to fit any product.”

CMC’s machines are designed to integrate smoothly into clients’ existing systems, enabling them to scale their operations, improve efficiency and minimize waste. The company is committed to driving sustainability and transformation in 3 key areas where it believes it can have the most significant impact and create opportunities:

- **Innovative packaging**
- **Concept and material**
- **Climate and energy footprint**

**KEY FOCUS AREAS FOR CMC AND ITS PRODUCTS:**

- **Meeting and exceeding customer requirements:** CMC is dedicated to delivering high-quality products and services to its clients and is constantly exploring new ways to meet and exceed customer requirements by developing innovative and cutting-edge products.

- **Providing personalized solutions:** CMC offers packaging solutions that are tailored to meet the unique requirements of each customer, with POD systems that enable quick and easy printing on CMC’s right-sized boxes for efficient, customized packaging.

- **Improving efficiency and reducing waste:** CMC’s machines integrate seamlessly into existing environments, allowing clients to scale, improve efficiency and reduce waste.

- **CMC creates a box that perfectly fits the item to be shipped,** thus reducing shipping volumes, waste and CO₂ emissions.

- **Contributing to sustainability:** CMC contributes to the transformation of the material system and product sustainability in areas where it has the biggest impact and opportunities. This includes reducing the environmental impact of packaging, promoting the use of sustainable materials and adopting sustainable practices throughout the organization.

**Product quality and safety**

CMC places a high priority on quality and safety, dedicating significant resources to developing best practices in these areas. The company has held a Quality Management System Certificate (ISO 9001) since 2009, and its Quality department has implemented a series of supplier audits to evaluate the quality of processes and materials used throughout the supply chain. Each year, CMC undergoes external quality audits carried out by an engineering company which assesses compliance with Climate Pledge requirements, as well as audits by other key clients. This rigorous approach to quality management ensures that CMC delivers to its clients products and services that meet the highest quality and safety standards.

The organization has implemented an “Improvement Plan” to promote continuous development. This plan includes specific objectives to be achieved, the processes involved, assigned managers, Key Performance Indicators (KPIs), timing, strategies for achieving the objective and assessment of risks and opportunities. By following this plan, CMC aims to constantly improve its operations, products and services to better meet the needs and expectations of its clients.
INNOVATION

CMC is continuously looking to help its clients to reduce their environmental impact. The company has right-sized automation technology that reduces the volume shipped per order, cutting CO₂ emissions and waste. Its packaging can also be used for returns; it is ideal for retailers and e-commerce companies; and further reduces the use of unnecessary materials.

CMC encourages a culture of innovation, learning and collaboration that yields breakthrough solutions in a matter of months. The company became a world leader in 3D packaging in 2013, developing solutions for the growing e-commerce market.

The organization works to understand and manage the impact of its systems. A range of CMC models provide an energy consumption dashboard, helping clients to track their efficiency, a feature that the organization wants to roll out more widely in new models. This allows clients to understand their impact so that they can increase their efficiency and focus efforts on their sustainability performance, contributing jointly to common goals.
Sustainability Culture

Sustainability Strategy 24
ESG Committee 25
Approach to sustainability

“Sustainability and responsible business practices are integrated into the company’s strategy and DNA.”

CMC has made sustainability a priority on its agenda, launching an ESG Roadmap in 2022 to proactively contribute to tackling sustainability challenges and deliver value to stakeholders.

In 2022, CMC conducted an ESG assessment that considered global trends in sustainability, regulatory pressures, customer priorities, benchmarking and best practices. The assessment was aligned with KKR’s ESG framework and analysed CMC’s global value chain.

KKR Global Impact framework

**CLIMATE**
Climate impacts are minimized and climate-related opportunities are pursued

**DATA RESPONSIBILITY**
Systems and information are protected from digital attacks/misuse and data privacy is managed

**HUMAN CAPITAL**
The workforce is engaged, diverse and highly productive

**SUPPLY CHAIN**
Supply chain partners are evaluated and engaged on ESG-related dimensions
CMC has a clear vision of the role that the company can play in contributing to the United Nations’ Sustainable Development Goals, especially SDGs 9 & 12:

In 2022, CMC established targets and ambitions that are part of a new sustainability framework aimed at promoting responsible business practices within the company.

**Climate and energy footprint:** CMC is committed to reducing its climate impact and becoming an enabler of a net-zero carbon future across its global value chain. The company assesses, monitors and reports on climate impacts throughout its value chain and sets science-based decarbonization targets. It also has an energy management system in place to support this net-zero carbon commitment.

**Responsible products:** CMC is recognized as a partnership enabler for innovative and sustainable packaging solutions across the lifecycle. The company’s products and services are designed to minimize clients’ lifecycle impacts.

**Human capital:** CMC is an active promoter of a positive, safe and diverse working environment that ensures employees can enjoy the experience of working there. CMC is interested in identifying and developing its employees’ talents.

**Data security:** CMC retains and manages its own and clients’ data in a responsible and trustworthy manner.
CMC conducted a materiality assessment that considered KKR’s ESG Dimensions, international standards, ESG trends, best practices among peers, and client priorities to identify the ESG issues that are most important to the company and its stakeholders.

The following matrix summarizes the material ESG topics that were identified as relevant to CMC based on a detailed analysis and subsequent discussions with upper management.

- **Community impacts**
  - Product sustainability: sustainable sourcing of materials and components

- **Diversity, equity and inclusion**
  - Product packaging
  - Stakeholder & customer engagement
  - Carbon emissions & energy (from CMC’s production and logistics)

- **Product sustainability**
  - Innovative packaging concept / materials / climate / energy footprint / talent retention & management

- **Water and other environmental impacts**
  - Product sustainability: end-of-life management

- **Human resources management & labour rights**
  - Supply chain management
  - Waste

- **Data security**
  - Product quality & safety
  - Health & safety

<table>
<thead>
<tr>
<th>DRIVER</th>
<th>Strategic attractiveness</th>
<th>Risk mitigation / compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOW</td>
<td>Community impacts</td>
<td>Water and other environmental impacts</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>Product sustainability: sustainable sourcing of materials and components</td>
<td>Product sustainability: end-of-life management</td>
</tr>
<tr>
<td>HIGH</td>
<td>Diversity, equity and inclusion</td>
<td>Human resources management &amp; labour rights</td>
</tr>
</tbody>
</table>

The high-priority ESG topics in terms of their strategic attractiveness include product sustainability (with a focus on innovative packaging and concept materials), climate and energy footprint, and talent retention and management.

From a risk mitigation and compliance perspective, the relevant ESG topics include data security, product quality and safety, and health and safety.
SUSTAINABILITY STRATEGY

“ESG is in our DNA, and we have developed a target strategy to address the material topics identified.”

CMC has also taken important steps to advance its sustainability goals, including:

**MARCH 2022**
- LCA for CartonWrap completed

**JULY 2022**
- ESG Roadmap and Strategy defined
- Action plan progress reported monthly during the ESG Committee

**SEPTEMBER 2022**
- Diversity, Equity and Inclusion report drafted and presented quarterly during the ESG Committee
- Quarterly safety report developed

**DECEMBER 2022**
- ESG Manager onboarded
- Data responsibility action plan developed

**MARCH 2023**
- LCA for Genesys completed

**JUNE 2023**
- 2022 Sustainability Report published

**MARCH 2023**
- ESG Taskforce appointed and responsibilities defined

**NOVEMBER 2022**
- Company rebranding: ESG as a core element
- New website launched, including dedicated sections on Impact and Sustainability

CMC is fully committed to accelerating its sustainability agenda to achieve its targets for the four pillars ahead of schedule. The company has launched specific initiatives and defined KPIs to monitor and achieve these targets.
ESG COMMITTEE

“A collective effort towards CMC’s success”

To ensure strong internal sustainability culture and ESG excellence, CMC’s ESG Committee convenes monthly to discuss sustainability activities, projects and progress towards sustainability targets.

The team recognizes the importance of developing a continuous learning process that internalizes the best sustainability practices, as well as making bold decisions to keep the organization at the forefront of the sector’s sustainability efforts.
Environmental Footprint

Climate Change  27
Measuring LCA  30
Energy  32
Waste Management  34
“Tackling climate change to contribute to a low-carbon economy.”

To support its net-zero carbon ambition, CMC has developed a mature energy management approach:

- Energy audits are performed on all of CMC’s production sites at least every 4 years.
- CMC annually assesses its scope 1, 2 and 3 GHGs emissions.

In this sphere, the organization has the following plans for the coming years:

**2023**
- Evaluate and disclose scope 1, 2, 3 on yearly basis
- Report on climate KPIs and action plan internally and externally on a yearly basis
- Develop a detailed decarbonization Roadmap for Scope 1, 2 and 3 emissions
- Simulate science-based targets using the SBTi (Science Based Targets Initiative) Net Zero Standard

**2024**
- Sign-off for scientific-based targets

**2050**
- Reach net-zero carbon emissions for Scope 1 and 2 and as far as possible for Scope 3.

The company is committed to assessing, monitoring, reporting and reducing climate impacts across its value chain, as well as setting science-based decarbonization plans to reach net-zero carbon by 2050 at the latest.
CMC’s carbon footprint 2022–2021

Emissions are quite stable despite the increase in production volume.

**GHG EMISSIONS (tCO₂eq)**

<table>
<thead>
<tr>
<th>Scope 1: Direct emissions from CMC’s operations¹</th>
<th>2022</th>
<th>2021</th>
<th>Variation 2021–2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>603.00</td>
<td>602.00</td>
<td></td>
<td>0.17%</td>
</tr>
<tr>
<td>532.00</td>
<td>524.00</td>
<td></td>
<td>1.53%</td>
</tr>
<tr>
<td>81,889.00</td>
<td>78,832.00</td>
<td></td>
<td>3.88%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82,594.00</strong></td>
<td><strong>79,958.00</strong></td>
<td><strong>3.83%</strong></td>
</tr>
</tbody>
</table>

Note: The reporting scope of the calculation is the fiscal year 2022 and includes the following companies: CMC SpA and CMC America. Small subsidiaries in Europe were not assessed.

The Inventory was developed in accordance with GHG Protocol Corporate Standard.

---

¹ Covers CMC product units.

² CO₂ factors used for purchased energy (Scope 2) largely follow the market-based methodology, which means that almost all CMC’s units apply CO₂ factors provided by their energy suppliers.
GHG Footprint Benchmark:
Decrease in all carbon intensity KPIs

FLIGHT EQUIVALENT

2022
36,725
Rome – New York round trips in 2022

2021
35,365
Rome – New York round trips in 2021

Variation 2021–2022
3.85%

CARBON INTENSITY

2022 Scope 1 & 2
7.48
tCO₂ / €m in revenues

2021 Scope 1 & 2
10.6
tCO₂ / €m in revenues

Variation 2021–2022
29.43%

2022 Scope 1, 2 & 3
547.1
tCO₂ / €m in revenues

2021 Scope 1, 2 & 3
754
tCO₂ / €m in revenues

Variation 2021–2022
27.44%

MEASURING LCA
GRI 2-25

To assess the environmental performance of its products, CMC conducted life-cycle assessment for its core machines: CMC CartonWrap and CMC Genesys.

LCA results for CMC CartonWrap revealed the strong environmental performance of CMC’s machinery compared to traditional packaging methods:

- **53%** Carbon footprint
- **41%** Cardboard usage
- **58%** Package volume
- **100%** Void fillers eliminated

Based on LCA results, CMC developed a tool which is available on the Sustainability and Impact section of its website: My Impact Calculator. This calculator allows clients to estimate the impact of using CMC CartonWrap technology by simply typing in the number of packages shipped per year and the average dimensions of the boxes. In one click a client can easily discover how much CO₂, cardboard, filling materials and volume they can save.
LCA data for CMC Genesys pointed out that:

- **Carbon footprint**: 41 – 58%
- **Cardboard saving**: 27.3 – 43.1%
- **Package volume**: 45.8 – 57.5%
- **Void fillers eliminated**: 100%
Efficient energy management is a key topic in organizations. In this respect, and due to CMC’s increased commercial activity and presence in new markets, the company has been making some investments in this area in recent years.

In November 2022, CMC installed a photovoltaic system at its production site in Città di Castello at Kollontai Street as part of its commitment to renewable energy. The system is composed of 840 crystalline silicon photovoltaic panels and 3 inverters, covering a total area of 1,670 square meters and with a global installed power of 344.4 kWp.

In 2022, the system produced 9,383 kWh, of which 5,970 kWh were self-consumed.

Moreover, CMC is actively working to improve energy efficiency at its facilities by implementing measures such as replacing traditional lighting with LEDs and upgrading forklifts to electric models. CMC also established a charging station at its headquarters for hybrid and electric cars.

Energy consumption

**Energy consumption by source (GJ)**

<table>
<thead>
<tr>
<th>Source</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RENEWABLE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>6,129.28</td>
<td>0</td>
</tr>
<tr>
<td>Natural gas</td>
<td>10,059.50</td>
<td>9,662.32</td>
</tr>
<tr>
<td><strong>NON-RENEWABLE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>548.49</td>
<td>5,809.46</td>
</tr>
</tbody>
</table>

Note: The reporting scope of the calculation is the fiscal year 2022 and includes the following companies: CMC SpA

**TOTAL ENERGY CONSUMPTION:**

- 16,737.27 GJ of consumption in 2022
- 15,471.78 GJ of consumption in 2021

^8.27% Variation 2021–2022
### Energy intensity ratio

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ENERGY CONSUMPTION (GJ)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variation 2021–2022</td>
<td>8.18%</td>
<td></td>
</tr>
<tr>
<td>Ratio</td>
<td>0.02%</td>
<td></td>
</tr>
<tr>
<td><strong>PRODUCTION (TN/INVOICING DURING THE YEAR)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variation 2021–2022</td>
<td>60.09%</td>
<td></td>
</tr>
<tr>
<td>Ratio</td>
<td>0.03077%</td>
<td></td>
</tr>
</tbody>
</table>

Despite total energy consumption increasing by 8% in 2022, the energy intensity ratio decreased by 32% due to higher production volume. The energy ratio is the energy consumption/production volume.

~32.43%  
Variation 2021–2022 ratio
CMC follows a waste management policy that aims to prevent, recycle and reuse waste. The company strives to generate as little waste as possible during its product development, testing activities and manufacturing processes. Any unavoidable waste is recycled or disposed of properly in compliance with local regulations.

CMC aims to ensure that all waste generated from its testing activities is reused or further reduced by late 2023. The company is also exploring innovative and circular solutions to increase operational efficiency and minimize waste.

Note: The reporting scope of the calculation is the fiscal year 2022 and includes the following companies: CMC SpA.
While non-hazardous waste remained reasonably stable between 2021 and 2022, CMC registered a slight increase in hazardous waste. That 18.7% increase of hazardous waste (caused by a +18.75% of hazardous solutions and a +125% of solid hazardous waste) can mainly be attributed to the higher production volume in 2022.

In 2022 CMC registered a 40.28% increase of non-hazardous waste sent to landfill, mainly connected to its production volume. Regarding hazardous waste, the recovery volume decreased by 75% due to a recovery of old devices realized in 2021. The 125% increase in incineration was mainly driven by a higher volume of solid hazardous waste, while the 18.75% increase of other elimination was due to the hazardous solutions required during the bluing phase.

Note: The reporting scope of the calculation is the fiscal year 2022 and includes the following companies: CMC SpA.
Social Impact

Human Capital 37
Health & Safety 32
Stakeholder Engagement 45
Supply Chain Responsibility 46
Strategic Partnership 49
Community Engagement 50
Awards and Accolades 51
HUMAN CAPITAL

A people-first company

CMC is dedicated to building and maintaining relationships of trust with its employees, customers, suppliers and the communities in which it operates. The company recognizes that its engineers, technicians and innovators are the heart and soul of the organization and critical to its success. Many of these employees come from the local communities, reinforcing the connection between CMC and the society in which it operates.

CMC has implemented several HR policies to ensure the welfare and good conduct of its employees, including the Code of Ethics, DEI (Diversity, Equity, and Inclusion) and the 231 Policy (based on Italian Legislative Decree No. 231/2001).

In addition to these policies, CMC has a welfare programme that provides travel bonuses, wage incentives, supplementary insurance and meal coupons. In 2022, CMC introduced an attendance bonus to reward employees that have excellent attendance rates.

Furthermore, CMC maintains a positive dialogue with trade unions, with the common goal of improving the working conditions of its workforce.

CMC has also hired a new Head of HR, who joined the Group in March and will lead all projects linked to human capital.

CMC has experienced rapid growth in its workforce over the past two years, and the company recognizes the increasing importance of providing a safe, diverse and inclusive workplace to support employees.
Employment
GRI 2-7

CMC has increased its production capacity in recent years. This has translated into a need for people with new skills and organizational talent.

By the end of December 2022, CMC had experienced a significant increase in its workforce to a total of 573 employees, which includes 513 direct employees and 60 external employees. This represents a 23% increase from the previous year, when CMC had a total of 418 employees. The new employees are distributed across various roles, such as technicians, assemblers, electricians, designers, warehouse workers, project managers, purchasing staff and administration.

Number of employees, by gender

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>28 (7%)</td>
<td>390 (93%)</td>
<td>0</td>
</tr>
<tr>
<td>2022</td>
<td>37 (7%)</td>
<td>475 (92.5%)</td>
<td>1 (0.19%)</td>
</tr>
</tbody>
</table>

Number of employees, by country

<table>
<thead>
<tr>
<th>Year</th>
<th>Italy</th>
<th>USA</th>
<th>Netherlands</th>
<th>UK</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>289</td>
<td>118</td>
<td>9</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2022</td>
<td>325</td>
<td>155</td>
<td>14</td>
<td>12</td>
<td>7</td>
</tr>
</tbody>
</table>

Note: The reporting scope of the calculation is the fiscal year 2022 and covers the CMC Group including all subsidiaries.
### Total number and distribution of contract types according to gender (at year-end)

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Men</th>
<th>Women</th>
<th>Other (gender as specified by the employee)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PERMANENT CONTRACT:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>31</td>
<td>456</td>
<td>1</td>
</tr>
<tr>
<td>2021</td>
<td>26</td>
<td>376</td>
<td>0</td>
</tr>
<tr>
<td><strong>Variation 2021–2022 (%)</strong></td>
<td>19%</td>
<td>21%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>FULL-TIME:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>33</td>
<td>471</td>
<td>1</td>
</tr>
<tr>
<td>2021</td>
<td>24</td>
<td>384</td>
<td>0</td>
</tr>
<tr>
<td><strong>Variation 2021–2022 (%)</strong></td>
<td>38%</td>
<td>23%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>TEMPORARY CONTRACT:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>6</td>
<td>19</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>2</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td><strong>Variation 2021–2022 (%)</strong></td>
<td>200%</td>
<td>58%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>PART-TIME:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>4</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td><strong>Variation 2021–2022 (%)</strong></td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Total number of employees:**
- **Total permanent employees:**
  - 2022: 488
  - 2021: 402
  - Variation: 19%

- **Total full-time employees:**
  - 2022: 505
  - 2021: 408
  - Variation: 38%

- **Total temporary employees:**
  - 2022: 25
  - 2021: 14
  - Variation: 200%
Talent retention and management

CMC recognizes the importance of talent management in promoting its innovative culture. That is why the company is establishing internal procedures for the periodic evaluation and promotion of its employees. Additionally, CMC has its own internal training centre. The company offers professional and personal development programmes to its employees and creates opportunities for the next generation of talent.

CMC maintains close working relationships with local schools and universities, providing training during or after graduation, as well as internships and scholarships to help nurture the skills and talent of future employees.

Diversity, Equity and Inclusion

CMC provides a safe, diverse and inclusive workplace. CMC is proud of the cultural diversity of its people, with 13 different nationalities currently in the team.

As part of its efforts, in 2021 CMC adopted its Diversity, Equity and Inclusion Policy, which set out the general principles that should guide the performance of CMC’s activities and defines management and employee-level responsibilities, reporting channels and disciplinary actions. This policy is applicable to all CMC employees, consultants, agents, representatives and contractors (when acting on behalf of CMC). It reflects the values, beliefs and priorities of CMC’s founders, leaders and the broader CMC community. With the Diversity, Equity and Inclusion Policy, CMC seeks to:

- Attract, retain and promote a diverse workforce – at all levels.
- Commit to equity in opportunity, access and decision-making.
- Celebrate individuality and ensure that every employee feels heard, supported and positioned for success.
In 2022, CMC started a process to redefine the organization chart and review salaries. These revisions were carried out to respond to the new tasks and responsibilities that have emerged with CMC’s growth, based on a performance evaluation and career advancement system.

In 2022, CMC created specific targets on DEI to be reached by 2024 and which are monitored on a quarterly basis by the Board of Directors at the ESG Committee meetings. These KPIs are related to:

**Employees by professional category and by age group (at year-end)**

- **Upper Management (CEO + Managers reporting directly to CEO)**
  - **2022**
    - Total number: 13
    - Under 30 years: 0 (0%)
    - Between 30 and 50 years: 12
    - Over 50 years: 6 (50%)
  - **2021**
    - Total number: 13
    - Under 30 years: 2 (15.4%)
    - Between 30 and 50 years: 11 (84.6%)
    - Over 50 years: 0 (0%)

- **Middle Management**
  - **2022**
    - Total number: 41
    - Under 30 years: 2 (3.6%)
    - Between 30 and 50 years: 28
    - Over 50 years: 14 (34.1%)
  - **2021**
    - Total number: 41
    - Under 30 years: 4 (92.9%)
    - Between 30 and 50 years: 37
    - Over 50 years: 26 (9.8%)

- **Rest of the Company**
  - **2022**
    - Total number: 459
    - Under 30 years: 30 (6.5%)
    - Between 30 and 50 years: 37 (8.1%)
    - Over 50 years: 351 (77.4%)
  - **2021**
    - Total number: 459
    - Under 30 years: 25 (5.5%)
    - Between 30 and 50 years: 251 (55.2%)
    - Over 50 years: 233 (50.3%)

**Employees by professional category and gender (at year-end)**

- **Upper Management (CEO + Managers reporting directly to CEO)**
  - **2022**
    - Men: 13
    - Women: 8 (61.5%)
    - Other (gender as specified by the employee): 5 (38.5%)
  - **2021**
    - Men: 13
    - Women: 9 (69.2%)
    - Other (gender as specified by the employee): 5 (38.5%)

- **Middle Management**
  - **2022**
    - Men: 41
    - Women: 2 (4.8%)
    - Other (gender as specified by the employee): 23 (56.1%)
  - **2021**
    - Men: 41
    - Women: 3 (7.3%)
    - Other (gender as specified by the employee): 38 (92.7%)

- **Rest of the Company**
  - **2022**
    - Men: 459
    - Women: 69 (15%)
    - Other (gender as specified by the employee): 299 (65.1%)
  - **2021**
    - Men: 459
    - Women: 70 (15.3%)
    - Other (gender as specified by the employee): 389 (84.7%)

**Year 2022**

- Total employees: 513

**Year 2021**

- Total employees: 416
During 2022, gender pay levels have been carefully analysed and CMC is exploring tools to adjust them.

CMC is committed to making further progress towards effective workplace integration, through support to reduce and eliminate barriers for people with disabilities and ensure that they can participate in the work environment on equal terms. In 2022, some 23 people with disabilities worked in the organization.

### Number of employees with disabilities by professional classification (at year-end)

<table>
<thead>
<tr>
<th>Professional Classification</th>
<th>Women 2022</th>
<th>Women 2021</th>
<th>Men 2022</th>
<th>Men 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGEMENT POSITIONS:</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MIDDLE MANAGEMENT:</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>REST OF THE COMPANY:</td>
<td>3</td>
<td>11</td>
<td>3</td>
<td>11</td>
</tr>
</tbody>
</table>

**Total employees with disabilities in 2022:** 23

**Total employees with disabilities in 2021:** 14

**Total variation 2021-2022:** 64.29%

**Variation 2021-2022:**

<table>
<thead>
<tr>
<th>Professional Classification</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGEMENT POSITIONS:</td>
<td>0%</td>
</tr>
<tr>
<td>MIDDLE MANAGEMENT:</td>
<td>0%</td>
</tr>
<tr>
<td>REST OF THE COMPANY:</td>
<td>81.82%</td>
</tr>
</tbody>
</table>

### HEALTH & SAFETY

GRI 403-1

“After performing a complete risk assessment (by analysing operational procedures and dangers inherent to specific machines and activities) we created a safety protocol which specifies the procedures and relevant protective equipment which must be implemented for that activity”.

CMC has made efforts to strengthen its health and safety (H&S) culture and procedures to minimize the risk of incidents in its operations. The company has assessed the severity and frequency of incidents and has reported them to the Board of Directors on a quarterly basis. In 2022, the company updated the risk assessment for each of its plants located in Italy.

In 2022, weekly safety meetings were held by the H&S Manager, plant managers, warehouse managers, foremen and supervisors, in which any problems detected (i.e., near misses, accidents) were discussed, and corrective actions/plans for improvement were outlined and subsequently implemented.

The Health Committee, composed of the H&S Manager, the CEO, the Company Doctor and 2 workers’ representatives for safety (one office and one production worker), meets once a year, unless exceptional circumstances require additional meetings.

**Note:** The reporting scope of the calculation is the fiscal year 2022 and includes the following companies: CMC SpA

**Note:** Recordable occupational accident / Number of hours worked × [1,000,000 hours worked]
### Occupational accident injuries (for all employees) at year-end

<table>
<thead>
<tr>
<th>Year</th>
<th>Deaths resulting from an occupational accident injury</th>
<th>Occupational accident injuries with serious consequences (not including deaths)</th>
<th>Recordable occupational accident injuries</th>
<th>Variation 2021–2022 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>0</td>
<td>0</td>
<td>3.19</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>6.52</td>
<td>32%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>17</td>
<td>39%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of hours worked</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>533,450</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>383,504</td>
<td></td>
</tr>
</tbody>
</table>

### Work accident injuries (external employees) at year-end

<table>
<thead>
<tr>
<th>Year</th>
<th>Deaths resulting from an occupational accident injury</th>
<th>Occupational accident injuries with serious consequences (not including deaths)</th>
<th>Recordable occupational accident injuries</th>
<th>Variation 2021–2022 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>0</td>
<td>0</td>
<td>27.89</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0</td>
<td>76.64</td>
<td>63.61%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>5</td>
<td>10.68%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of hours worked</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>77,249.30</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>69,795</td>
<td></td>
</tr>
</tbody>
</table>

### Deaths resulting from an occupational accident injury

- 2021: 0
- 2022: 0

### Recordable occupational accident injuries

- 2021: 25
- 2022: 17

### Variation 2021–2022 (%)

- 2021: 0%
- 2022: 0%
After performing a complete risk assessment (analysing operational procedures and dangers inherent to specific machines and activities), CMC created a safety protocol which specifies procedures and relevant protective equipment which must be implemented.

For 2023–2024, the company has established the following objectives:

- **Implement a Health and Safety Management System**, a structured set of policies, procedures and plans to systematically manage health and safety at work and help to minimize the risk of injury and illness from workplace operations.

- **Reduce accidents to a minimum.**

- **If an accident does occur, reduce the possibility of severe injury** by implementing the correct protocol.

- **Carry out regular sampling and checking** of air quality, noise pollution and other relevant factors.

Whenever an accident happens, CMC investigates the causes and discusses it during its daily meetings. Depending on the conclusions reached during this procedure, the company defines actions to be implemented immediately and improvement plans which specify, in each case, the person responsible.

In 2022, CMC’s H&S performance was better than the Italian average: in fact, the severity and frequency of accident rates were below the national average for a mechanical industry with over 250 employees:

<table>
<thead>
<tr>
<th>Frequency rate</th>
<th>Severity rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.5</td>
<td>0.27</td>
</tr>
<tr>
<td>23.04³</td>
<td>0.52⁴</td>
</tr>
</tbody>
</table>

³ Data source: INAIL https://internetws.inail.it/BDSbi/saw.dll?Dashboard&NQUser=PUBLIC2&PortalPath=shared/RIRICS_F_IR/portal/TT_Temporanea&Page=RIRICS_F_IR_TT_TEMP_MPL_02

CMC’s corporate volunteering programme is a part of the company’s social responsibility approach. It encourages employees to give back to the community by offering their skills and time to non-profit or charitable organizations. This programme not only enhances teamwork among employees but also helps them learn soft skills while contributing to society.

In addition to the volunteering programme, CMC engages with its stakeholders through structured and ad hoc interactions, and regular surveys on topics such as customer and employee satisfaction, and investor expectations. The company also receives feedback via formal channels of complaints. CMC also uses social media to engage with stakeholders and understand their opinions and concerns, particularly at the local level in the vicinity of CMC’s units.

CMC’s stakeholders include:

- Employees
- Customers
- Shareholders
- Policy makers
- Local communities
- NGOs
- Trade unions
- Partners and suppliers
- Media
- Partners and suppliers
“Business relationships: CMC collaborates with the biggest suppliers and players in the packaging industry, who share the same values and sustainability ambitions.”

CMC categorizes and classifies suppliers as: large multinational groups, medium-size European entities and local SME (small and medium-sized enterprises) for tailor-made projects. Historically, suppliers were selected based on cost, quality and lead time, while recently CMC is also introducing sustainability criteria.

CMC’s suppliers are based in:

- The province of Arezzo and Perugia, near CMC’s production sites: 21%
- Rest of Italy: 72%
- France: 2%
- Germany: 2%
- Ireland: 1%
- USA: 1%

CMC certifies suppliers based on an ABC scoring on risk, dimension and financial stability. The Company primarily audits suppliers based on documented evidence and, as a second step for suppliers with a higher risk, through an on-site audit. CMC has supported some strategic local suppliers to implement strategies and solutions to strengthen their ABC scoring.
“Collaborative supply chain. The road to sustainable development should not be mapped out alone: it is a question of collaboration and transparency.”

The organization is working on a holistic programme to assess the ESG maturity and ambitions of its supplier network. In line with its approach to sustainability, CMC is partnering with suppliers to promote sustainable standards and practices to achieve common ESG objectives – such as social compliance and fair labour practices – throughout its supply chain.

In 2022, CMC started an initial assessment within its supply chain to understand the maturity level of its key suppliers. A questionnaire on the 3 dimensions of sustainability was sent to all strategic suppliers, which will serve as a starting point for a collaborative journey on common sustainability values and targets.

The questionnaire had to automatically assign a score to each supplier’s ESG performance with the aim of identifying best practices and activating any eventual alerts in the supply chain, as well as sharing improvement plans.
“CMC encourages its clients to use cardboard from sustainable sources and guarantees that its machines can process the lowest impact consumables, including glues, labels, and corrugated cardboard. CMC Genesys and CMC CartonWrap can replace end-of-line plastic strapping with paper-based materials for certain products.”

CMC is dedicated to sustainable sourcing and is collaborating with its suppliers to encourage sustainable standards and practices, with the ultimate aim of meeting their shared ESG objectives.

In 2022, CMC spent €67.5 million on raw materials. The procurement of materials, goods and services is one of the highest cost items for CMC. As such, integrating ESG in supply chain management is an integral part of our sustainability vision and strategy.

The company is also exploring ways to introduce more sustainable materials when it comes to packaging and delivering CMC’s own machines to clients. In the last 2 years, due to the pandemic, CMC experienced raw material shortages – especially for electronics components. To overcome this situation, CMC developed alternative sourcing by implementing more local platforms in parallel to other sources, and/or placing orders with a defined lead time and scheduled deliveries throughout the year.

Raw materials

CMC works mainly with Italian and local suppliers to source raw materials for its production process.

In terms of supply type, it is possible to classify CMC’s strategic suppliers into:

- Mechanical components: 25%
- Other commercial components: 20%
- Electronic components: 21%
- Accessories: 21%
- Machines modules: 11%
- Carton: 2%

5. Tier 1 and Tier 2 suppliers of CMC SpA. All percentages are based on the number of suppliers.
STRATEGIC PARTNERSHIP

KKR Global Impact

KKR Global Impact has invested in CMC Packaging Automation to drive innovation in sustainable packaging. Sharing a vision to inspire the future of packaging and e-commerce.

Since November 2020, CMC is a proud partner of KKR’s Global Impact team. With KKR’s support, CMC is continuing its journey, expanding its operations, and working to create leading-edge, sustainable packaging solutions for the world's leading companies.

KKR Global Impact has supported CMC in developing key impact and ESG initiatives, integrating SDG indicators and ESG monitoring across the organization, and conducting LCAs with CMC machines.

The Climate Pledge

Amazon backs new companies focused on low-carbon technology.

In October 2021 the Climate Pledge Fund, a $2 billion investment programme, announced a minority investment in CMC to support the development of sustainable technologies and services for Amazon to meet its net-zero carbon goal.

“CMC’s innovative packaging solutions reduce the amount of plastic contained in Amazon's shipments. Amazon is proud to be both an investor in and customer of CMC.”

Matt Peterson, Director at Amazon's Climate Pledge Fund
COMMUNITY ENGAGEMENT

“Giving back to the community and having a positive social impact is a key part of our approach to sustainability.”

(GRI 413)
Relationships with local communities are crucial to CMC since it is based in a small town (Città di Castello, Umbria). CMC works closely with local organizations to positively influence the communities where the company is located through corporate volunteering, which is a pillar of the organization’s social responsibility approach. These activities include collaboration with local charity groups (such as Caritas) or with local schools and universities, promoting internships, thesis and research projects for PhD programmes.

The company offers employees the opportunity to engage in meaningful volunteer work with their peers as part of the “International Charity Day” initiative. These volunteering opportunities allow employees to give their time and skills to non-profit or charitable organizations while simultaneously fostering teamwork among employees and encouraging them to learn and develop interpersonal skills.

From 2023 on, CMC will be reinforcing its local community engagement programme with a new project aimed at spreading awareness on relevant ESG topics among students. Since CMC is well aware that introducing a child to sustainability helps foster an adult who will reduce GHGs emissions during their lifetime, the Group is planning to start an education programme in early 2023. In particular, the programme is aimed at training children and youths on topics relevant to them, such as paper recycling, sustainable shopping, reducing shipping and compulsive shopping online, proper reading of labels, etc. More advanced level training will be organized on ESG dimensions and specific sustainability projects for universities students.

Christmas Project

Bees are considered a symbol of industriousness. They live in communities, and none would survive alone. Above all, bees are guardians of biodiversity. They play a key role in the survival of the human species and the balance of the various ecosystems.

With the aim of protecting biodiversity and being aware of the importance of bees as a fundamental link in the food chain as a whole, CMC celebrated Christmas 2022 by offering to its clients a donation to 3bees. CMC clients received a personal code to access their personal Beehive within CMC and Friends Oasis.

Product Circularity Project

CMC recognizes the importance of collaborating and establishing partnerships with other companies, whether they are suppliers or clients.

CMC uses thousands of products and materials to test its machines during the R&D phase and Factory Acceptance Tests (FAT) with clients. This means buying additional resources to be used only for testing. The company introduced this project with some of its clients to reduce the environmental impact of CMC’s testing phase and promote the circular economy. They offer CMC their unsold, damaged products or samples instead of wasting them. In this way, CMC can give these materials a second life at its production sites. This project is a good example of a collaborative approach among companies to foster circularity, keeping in mind the common target of reducing waste and producing a minimum of necessary materials. To acknowledge this collaboration, CMC has pledged to participate in charitable projects in the name of the companies offering these materials. Other notable charitable initiatives in which CMC has been involved include tree planting and adopting beehives.

In 2022, CMC planted 200 trees in 5 different countries, saving around 70 tonnes of CO₂.
AWARDS AND ACCOLADES

CMC is proud to have achieved a range of certifications and awards for its products as the company strives to improve its footprint, processes and the products themselves. In 2022, CMC was delighted to receive the following awards:

**Best Packaging - “Oscar dell’imballaggio” (“Packaging Oscar”):** for CMC Genesys as an eco-sustainable packaging solution

**World Packaging Award:**
for CMC Cartonwrap

**Agora Awards France:**
CMC Cartonwrap for GXO - Best Intra-Logistic Solution

**SITL France:**
CMC Genesys as Best Innovation

**CONAI Prize for Eco-design:**
for its Box on Demand with CartonWrap for Rotomail Spa

**Accolades for CMC’s work to date:**
# Corporate Governance

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance Model</td>
<td>53</td>
</tr>
<tr>
<td>Code of Ethics and Policies</td>
<td>54</td>
</tr>
<tr>
<td>Data Privacy and Cybersecurity</td>
<td>55</td>
</tr>
<tr>
<td>CMC’s Approach to Tax</td>
<td>55</td>
</tr>
</tbody>
</table>
CMC is committed to striving for the highest standards of corporate governance and ethical business conduct. Undertaking challenging work with a passion is a building block of CMC’s success. As the company grows, CMC recognizes the importance of effective governance structures to achieve its ESG goals and lead the sector. The organization commits to solid corporate governance through policies and practices that guarantee CMC’s long-term value.

CMC is committed to always acting in accordance with its core value: undertaking challenging work with honesty and passion. The organization has at its disposal a unique and exceptional group of leading professionals that make this happen. The Board of Directors is composed of three directors; they are entrusted with the broadest powers for the ordinary and extraordinary management of the Company, including the power to take all actions considered appropriate to achieve the corporate purpose, excluding only those actions that according to the law and regulations fall to the Shareholders’ Meeting.

The Board of Directors may delegate its powers to one or more of its members or to an executive committee, determining the limits of such delegation. The members of the Board of Directors are:

- Mr Francesco Ponti, Chairman of the Board of Directors and Managing Director
- Mr Lorenzo Ponti, Vice Chairman of the Board of Directors
- Mr Alessandro Dubini, Director
CODE OF ETHICS AND POLICIES

CMC has a compliance structure which includes antibribery, anticorruption and child labour policies and enhanced procedures with a strong emphasis on US standards. The Code of Ethics is the document that contains the set of principles, commitments and ethical responsibilities which govern CMC’s activities and the corresponding conduct required of those subject to the Code.

In addition to the Code of Ethics, CMC also drafted a Diversity, Equity, and Inclusion Policy as part of the procedures adopted by the Company to inspire the activities and conduct of its team in adhering to the principles of respect for diversity, inclusion, collaboration and innovation.

A third-party Due Diligence process is in place for assessing compliance among CMC’s suppliers, and the Code of Ethics is also shared with suppliers, who must formally adhere to that Code. The Due Diligence process has the following objectives:

- Prepare a prevention and control system aimed at reducing the risk of committing offences in the course of the company’s activities.

- Ensure that all those who work in the name and on behalf of the Company, and those involved in the “areas of activity at risk”, are aware that they may incur disciplinary sanctions, up to dismissal, in the event of any violation of the provisions contained therein.

- Confirm that the Company does not tolerate unlawful conduct of any kind or for any purpose whatsoever and that such conduct – even if it were advantageous to the Company – is entirely contrary to the principles that inspire the Company’s business activities.

- Confirm that the Company does not tolerate unlawful conduct of any kind or for any purpose whatsoever and that such conduct – even if it were advantageous to the Company – is entirely contrary to the principles that inspire the Company’s business activities.
DATA PRIVACY AND CYBERSECURITY

CMC retains and manages its clients’ and own IP and data in a responsible and trustworthy manner. CMC aims for zero material cyber breaches and to guarantee data privacy and safety. The Company is highly structured regarding data security, and has clear policies regarding passwords and IT device usage by employees. The IT team assesses cybersecurity on an annual basis, and also performs external data security tests, in which it achieves a high rating.

CMC is planning to achieve ISO 27001 (information security management) certification by the end of 2023. An external audit for information security, cybersecurity and business risk factors is planned for the third quarter of 2023, and the IT department will conduct an international password assessment, including examining password expiration and security. All these planned actions are designed to elevate the organization to the highest standards regarding data privacy and information security.

CMC’S APPROACH TO TAX

GRI 201-1

CMC operates worldwide and is acutely aware of its responsibilities concerning corporate citizenship. This includes managing and maintaining the correct level of tax contributions. CMC business activities generate a significant amount and variety of taxes, including corporate income taxes, value-added taxes, employment taxes, wealth taxes and other taxes on transactions. CMC is committed to complying with tax laws in a fair and responsible manner and to having open and constructive relationships with tax authorities, promoting greater transparency and certainty whilst also incentivizing investment and growth in countries.
Looking Ahead
CMC’s objectives for the coming years

CMC has defined a clear roadmap for its ESG journey. Sustainability culture, climate, responsible product and human capital will continue to be our key priorities for the coming years. For all strategic topics, CMC is defining quantitative targets to monitor its progress.

As its main next steps, CMC is committed to:

- **Report annually as an exercise of transparency and create an ESG communications channel** with external stakeholders in the form of a biannual newsletter, seminars and workshops.

- **Promote a solid culture of sustainability** in the organization.

- **Develop a decarbonization strategy with science-based targets** with the aim of becoming net zero by 2050 or sooner.

- **Advance sustainable innovation** with a focus on energy, packaging and waste.

- **Contribute to a sustainable supply chain development**, collaborating with strategic suppliers and creating partnerships.

- **Further develop a DEI and talent strategy** to create an inclusive workplace and attract and retain the best talent and innovators.
<table>
<thead>
<tr>
<th>ESG dimension</th>
<th>Priorities</th>
<th>Targets</th>
<th>Target timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>MANAGEMENT AND GOVERNANCE</td>
<td></td>
<td>Sustainability report published annually</td>
<td>From 2023 onwards</td>
</tr>
<tr>
<td></td>
<td>ESG Reporting and external communications</td>
<td>Biannual Sustainability Newsletter launched</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>ESG Seminars and workshop at local schools and universities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ESG Governance</td>
<td>~15% of executive bonus compensation is tied to ESG outcomes</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td>Internal ESG culture</td>
<td>2 internal sustainability awareness-raising initiatives per year</td>
<td></td>
</tr>
<tr>
<td>CLIMATE</td>
<td>Energy management</td>
<td>Conduct regular energy audits</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Detailed energy action plans developed for 100% of production sites &amp; main offices</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GHGs and decarbonization</td>
<td>Launch a detailed decarbonization strategy with a related Roadmap for Scope 1, 2 and 3 emissions</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sign up for SBTi</td>
<td>2024</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Net-zero carbon emissions reached for Scope 1, 2 and to the extent possible Scope 3</td>
<td>2050</td>
</tr>
<tr>
<td>RESPONSIBLE PRODUCT</td>
<td>Waste</td>
<td>Further reduce waste in testing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustainable packaging</td>
<td>Introduce sustainable packaging for CMC machinery &amp; spare parts</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td>Energy efficiency</td>
<td>Innovate to further reduce the energy consumption of machinery</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Client engagement</td>
<td>Promote systematic client engagement</td>
<td></td>
</tr>
<tr>
<td>ESG dimension</td>
<td>Priorities</td>
<td>Targets</td>
<td>Target timeframe</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-----------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td><strong>MATERIAL SOURCING AND SUPPLY CHAIN</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply chain responsibility</td>
<td></td>
<td>Supplier ESG questionnaire filled in by 100% of Tier 1 and 2 suppliers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>100% of Tier 1 and 2 suppliers with insufficient ESG score received</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>action plan</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Roll-out of Supplier Code of Conduct</td>
<td></td>
</tr>
<tr>
<td>Responsible sourcing</td>
<td></td>
<td>Further implement responsible sourcing procedure</td>
<td></td>
</tr>
<tr>
<td>Partnership and coalition</td>
<td></td>
<td>Set up relevant partnership and coalition</td>
<td>2024</td>
</tr>
<tr>
<td><strong>HUMAN CAPITAL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Talent management</td>
<td></td>
<td>Launch the first global employees survey</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Launch a Talent Management Strategy</td>
<td></td>
</tr>
<tr>
<td>Diversity, Equity and Inclusion</td>
<td></td>
<td>Develop a DEI Strategy</td>
<td>2023</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase gender diversity in the workforce overall</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase reports to the CEO on diversity</td>
<td>2024</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Close gender pay gap</td>
<td></td>
</tr>
<tr>
<td>Health and safety</td>
<td></td>
<td>Further mature Health &amp; Safety programme</td>
<td>2023</td>
</tr>
<tr>
<td><strong>DATA RESPONSIBILITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data, information security and</td>
<td></td>
<td>Data privacy and information security management programme rolled out</td>
<td>2023</td>
</tr>
<tr>
<td>cybersecurity</td>
<td></td>
<td>Cyber assessment completed</td>
<td></td>
</tr>
</tbody>
</table>
About this report

GRI Global Reporting Principles 61
Report Scope 61
In this first Sustainability Report, we present detailed information on the economic, environmental and social performance of the CMC Group, covering the financial year 2022 (January 1–December 31). The report adheres to the Universal Standards revised in 2021 by the Global Reporting Initiative (GRI), an authoritative body that sets global standards for sustainability reporting. These standards assist companies in comprehending and communicating the business-related economic, environmental, and social impacts, thus establishing a new benchmark for sustainability reporting.

**GRI GLOBAL REPORTING PRINCIPLES**

In preparing this report, we have adhered to the following principles aligned with GRI 1-Fundamentals 2021:

**Comparability:** To facilitate the analysis of changes in the organization's impacts over time and in comparison, with other organizations, we have systematically selected, compiled and presented relevant information.

**Timeliness:** We have made the information available on a regular schedule and in a timely manner, enabling users to make informed decisions.

**Reliability:** The information presented is accurate and detailed enough to assess the organization's impacts. We have ensured completeness by providing sufficient information to evaluate the organization's impacts during the reporting period. The data has been collected, recorded, compiled, and analysed in a manner that allows for examination of its quality.

**Relevance:** In accordance with GRI 1-Fundamentals 2021, we have presented information without bias, striving to provide a fair representation of both positive and negative impacts. Furthermore, the information has been presented in a clear and accessible manner to enhance understanding.

**Materiality:** We have contextualized the organization's impacts within the broader context of sustainable development, presenting information that is material to our stakeholders.

**REPORT SCOPE**

The information presented in this report encompasses all activities undertaken by the CMC Group, including both the parent company and its subsidiaries. The scope reflects the financial consolidation perimeter:

- CMC Deutschland GmbH
- CMC Machinery France s.a.s
- CMC Netherlands B.V.
- CMC Machinery UK Ltd
- CMC America LCC
# GRI CONTENT INDEX

## Statement of use
CMC has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022, with reference to the GRI Standards.

## GRI 1 used
GRI 1: Foundation 2021

<table>
<thead>
<tr>
<th>GRI STANDARD</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 2: General Disclosures 2021</td>
<td></td>
</tr>
<tr>
<td>2-1 Organizational details</td>
<td>16</td>
</tr>
<tr>
<td>2-2 Entities included in the organization’s sustainability reporting</td>
<td>62</td>
</tr>
<tr>
<td>2-3 Reporting period, frequency and contact point</td>
<td>2-22</td>
</tr>
<tr>
<td>2-6 Activities, value chain and other business relationships</td>
<td>12, 46</td>
</tr>
<tr>
<td>2-7 Employees</td>
<td>38-39</td>
</tr>
<tr>
<td>2-8 Workers who are not employees</td>
<td>38</td>
</tr>
<tr>
<td>2-9 Governance structure and composition</td>
<td>53</td>
</tr>
<tr>
<td>2-11 Chair of the highest governance body</td>
<td>53</td>
</tr>
<tr>
<td>2-12 Role of the highest governance body in overseeing the management of impacts</td>
<td>53</td>
</tr>
<tr>
<td>2-14 Role of the highest governance body in sustainability reporting</td>
<td>23, 25, 53</td>
</tr>
<tr>
<td>2-19 Remuneration policies</td>
<td>41</td>
</tr>
<tr>
<td>2-22 Statement on sustainable development strategy</td>
<td>4, 21-25</td>
</tr>
<tr>
<td>GRI STANDARD</td>
<td>Disclosure</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>2-23 Policy commitments</td>
<td>37, 44, 54</td>
</tr>
<tr>
<td>2-24 Embedding policy commitments</td>
<td>27, 37, 54</td>
</tr>
<tr>
<td>2-25 Processes to remediate negative impacts</td>
<td>27, 37, 54</td>
</tr>
<tr>
<td>2-28 Membership associations</td>
<td>49</td>
</tr>
<tr>
<td>2-29 Approach to stakeholder engagement</td>
<td>45</td>
</tr>
<tr>
<td><strong>GRI 3: Material Topics 2021</strong></td>
<td></td>
</tr>
<tr>
<td>3-1 Process to determine material topics</td>
<td>22-23</td>
</tr>
<tr>
<td>3-2 List of material topics</td>
<td>22</td>
</tr>
<tr>
<td><strong>GRI 204: Procurement Practices 2016</strong></td>
<td></td>
</tr>
<tr>
<td>3-3 Management of material topics</td>
<td>46-47</td>
</tr>
<tr>
<td>204-1 Proportion of spending on local suppliers</td>
<td>47</td>
</tr>
<tr>
<td><strong>GRI 301: Materials 2016</strong></td>
<td></td>
</tr>
<tr>
<td>3-3 Management of material topics</td>
<td>48</td>
</tr>
<tr>
<td>301-1 Materials used by weight or volume</td>
<td></td>
</tr>
<tr>
<td>In 2022 CMC started obtaining &amp; reporting on this data requirement</td>
<td></td>
</tr>
<tr>
<td>301-2 Recycled input materials used</td>
<td>50</td>
</tr>
<tr>
<td><strong>GRI 302: Energy 2016</strong></td>
<td></td>
</tr>
<tr>
<td>3-3 Management of material topics</td>
<td>32-33</td>
</tr>
<tr>
<td>302-1 Energy consumption within the organization</td>
<td>32-33</td>
</tr>
<tr>
<td>Own indicator Energy intensity</td>
<td>33</td>
</tr>
<tr>
<td>302-4 Reduction of energy consumption</td>
<td>32-33</td>
</tr>
<tr>
<td>GRI STANDARD</td>
<td>Disclosure</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>GRI 305: Emissions 2016</strong></td>
<td>27-29</td>
</tr>
<tr>
<td>305-1 Direct (Scope 1) GHG emissions</td>
<td>28-29</td>
</tr>
<tr>
<td>305-2 Energy indirect (Scope 2) GHG emissions</td>
<td>28-29</td>
</tr>
<tr>
<td>305-3 Other indirect (Scope 3) GHG emissions</td>
<td>28-29</td>
</tr>
<tr>
<td>305-4 GHG emissions intensity</td>
<td>29</td>
</tr>
<tr>
<td>305-5 Reduction of GHG emissions</td>
<td>28-29</td>
</tr>
<tr>
<td><strong>GRI 306: Waste 2020</strong></td>
<td>34-35</td>
</tr>
<tr>
<td>306-1 Waste generation and significant waste-related impacts</td>
<td>34-35</td>
</tr>
<tr>
<td>306-2 Management of significant waste-related impacts</td>
<td>18, 50</td>
</tr>
<tr>
<td>306-3 Waste generated</td>
<td>34</td>
</tr>
<tr>
<td>306-4 Waste diverted from disposal</td>
<td>35</td>
</tr>
<tr>
<td>306-5 Waste directed to disposal</td>
<td>35</td>
</tr>
<tr>
<td><strong>GRI 308: Supplier Environmental Assessment 2016</strong></td>
<td>46-47</td>
</tr>
</tbody>
</table>
| 308-1 New suppliers that were screened using environmental criteria | 47         | In 2022 CMC started obtaining & reporting on this data requirement
<table>
<thead>
<tr>
<th>GRI STANDARD</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 401: Employment 2016</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td></td>
<td>401-1 New employee hires and employee turnover</td>
</tr>
<tr>
<td></td>
<td>38-39 In 2022 CMC started obtaining &amp; reporting on this data requirement</td>
</tr>
<tr>
<td>GRI 403: Occupational Health and Safety 2018</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td></td>
<td>403-1 Occupational health and safety management system</td>
</tr>
<tr>
<td></td>
<td>403-2 Hazard identification, risk assessment, and incident investigation</td>
</tr>
<tr>
<td></td>
<td>403-3 Occupational health services</td>
</tr>
<tr>
<td></td>
<td>403-4 Worker participation, consultation, and communication on occupational health and safety</td>
</tr>
<tr>
<td></td>
<td>403-5 Worker training on occupational health and safety</td>
</tr>
<tr>
<td></td>
<td>403-6 Promotion of worker health</td>
</tr>
<tr>
<td></td>
<td>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</td>
</tr>
<tr>
<td></td>
<td>403-8 Workers covered by an occupational health and safety management system</td>
</tr>
<tr>
<td></td>
<td>403-9 Work-related injuries</td>
</tr>
<tr>
<td></td>
<td>403-10 Work-related ill health</td>
</tr>
<tr>
<td>GRI 404: Training and Education 2016</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td></td>
<td>404-1 Average hours of training per year per employee</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>GRI STANDARD</th>
<th>Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI 405: Diversity and Equal Opportunity 2016</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td></td>
<td>405-1 Diversity of governance bodies and employees</td>
</tr>
<tr>
<td></td>
<td>405-2 Ratio of basic salary and remuneration of women to men</td>
</tr>
<tr>
<td></td>
<td>In 2022 CMC started obtaining &amp; reporting on this data requirement</td>
</tr>
<tr>
<td>GRI 414: Supplier Social Assessment 2016</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td></td>
<td>414-1 New suppliers that were screened using social criteria</td>
</tr>
<tr>
<td></td>
<td>In 2022 CMC started obtaining &amp; reporting on this data requirement</td>
</tr>
<tr>
<td>GRI 416: Customer Health and Safety 2016</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td></td>
<td>416-1 Assessment of the health and safety impacts of product and service categories</td>
</tr>
<tr>
<td>GRI 418: Customer Privacy 2016</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td></td>
<td>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</td>
</tr>
<tr>
<td>Own indicator: Product packaging</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td>Own indicator: Stakeholder &amp; customer engagement</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td>Own indicator: Product quality &amp; safety</td>
<td>3-3 Management of material topics</td>
</tr>
<tr>
<td>GRI STANDARD</td>
<td>Disclosure</td>
</tr>
<tr>
<td>--------------</td>
<td>------------</td>
</tr>
<tr>
<td>Own indicator: Product sustainability: innovative packaging concept</td>
<td>3-3 Management of material topics</td>
</tr>
</tbody>
</table>