



SUSTAINABILITY REPORT 2025



CEO'S FOREWORD



Sustainability, for CMC, is not a narrative exercise.

It is a set of decisions, tested against evidence, that shape how we design and build our systems, and how our customers strengthen their own supply chains.

This year, that discipline shows in the numbers just to mention a few:

- a 51% reduction in the Group's GHG emissions against our 2022 baseline
- an EcoVadis Silver medal placing CMC in the 85th percentile of all assessed companies and the top 5% within its sector
- 147.895 tons of cardboard that our clients spared thanks to CMC solutions.

These are the result of choices made years earlier, not of this year's reporting effort.

While we are proud of the progress achieved, we remain focused on the work still to be done. We believe that meaningful progress is built on openness, learning and a commitment to continuous improvement.

This mindset will continue to guide our decisions as we work to create sustainable value for all our stakeholders.



FRANCESCO PONTI, CEO & Chairman

INDEX



2 CEO'S FOREWORD

4 CMC business overview

8 Market leadership

11 Material topics and implications

14 Market access and compliance

18 Responsible design

23 Resource Use

Energy use

Scope 1 and 2 emissions

Value chain emissions and decarbonization

Waste and resource use

30 Value chain responsibility

Turning ESG priorities into operational routines

Management systems and governance

People, culture and capability-building

Health and safety as operational discipline

Supplier intelligence and responsible procurement

Advancing Market Access and Compliance

40 2025 Highlights:

2025 performance evidence at a glance

Opportunities for decarbonization

Workforce evolution and inclusion

Health & Safety performance

Supplier and customer intelligence

External validation and system proof

Closing Perspective: 2026 and Beyond

1 | CMC BUSINESS OVERVIEW: WHERE VALUE STARTS



CMC is an **international group** headquartered in Città di Castello, Italy. Founded in 1980, the Group is majority-owned by **KKR** through its Global Impact Fund, with a minority stake held by **Amazon's Climate Pledge Fund**.

CMC specializes in the design, engineering, manufacturing and servicing of automated packaging and mailing solutions for customers across e-commerce, retail, logistics, Third-Party Logistics (3PL), fashion, consumer goods and consumer electronics.

As robotic storage and retrieval systems become a standard feature of fulfilment centres, CMC's role has been evolving also into **engineering where these systems land**, ensuring packaging keeps pace with what upstream automation delivers, as shown by CMC's integration with AutoStore™ (cf. Box 5.2, Section 5).

HOW **CMC'S BUSINESS MODEL**
TURNS PACKAGING AUTOMATION
INTO OPERATIONAL EFFICIENCY,
PRODUCT RELEVANCE AND
CUSTOMER-SIDE VALUE

Further ahead, CMC is building toward a broader role in this space, with part of its 2025 R&D efforts already exploring opportunities to **grow its automation capabilities upstream** of packaging itself.

Its value proposition is centered on high-speed, right-sized and configurable automation systems that improve outbound mailing and packaging processes, reduce avoidable material use and help clients manage increasing operational complexity.

*"CMC's history is not only a story of machines.
It is a way of working: understanding the
customer challenge, engineering the answer
and improving it over time."*

GIUSEPPE PONTI, Founder

Packaging is not a secondary process for CMC's customers, but a critical operational function: in high-volume fulfilment environments, it directly affects throughput, warehouse utilization, material consumption, transportation efficiency, product protection and regulatory compliance.

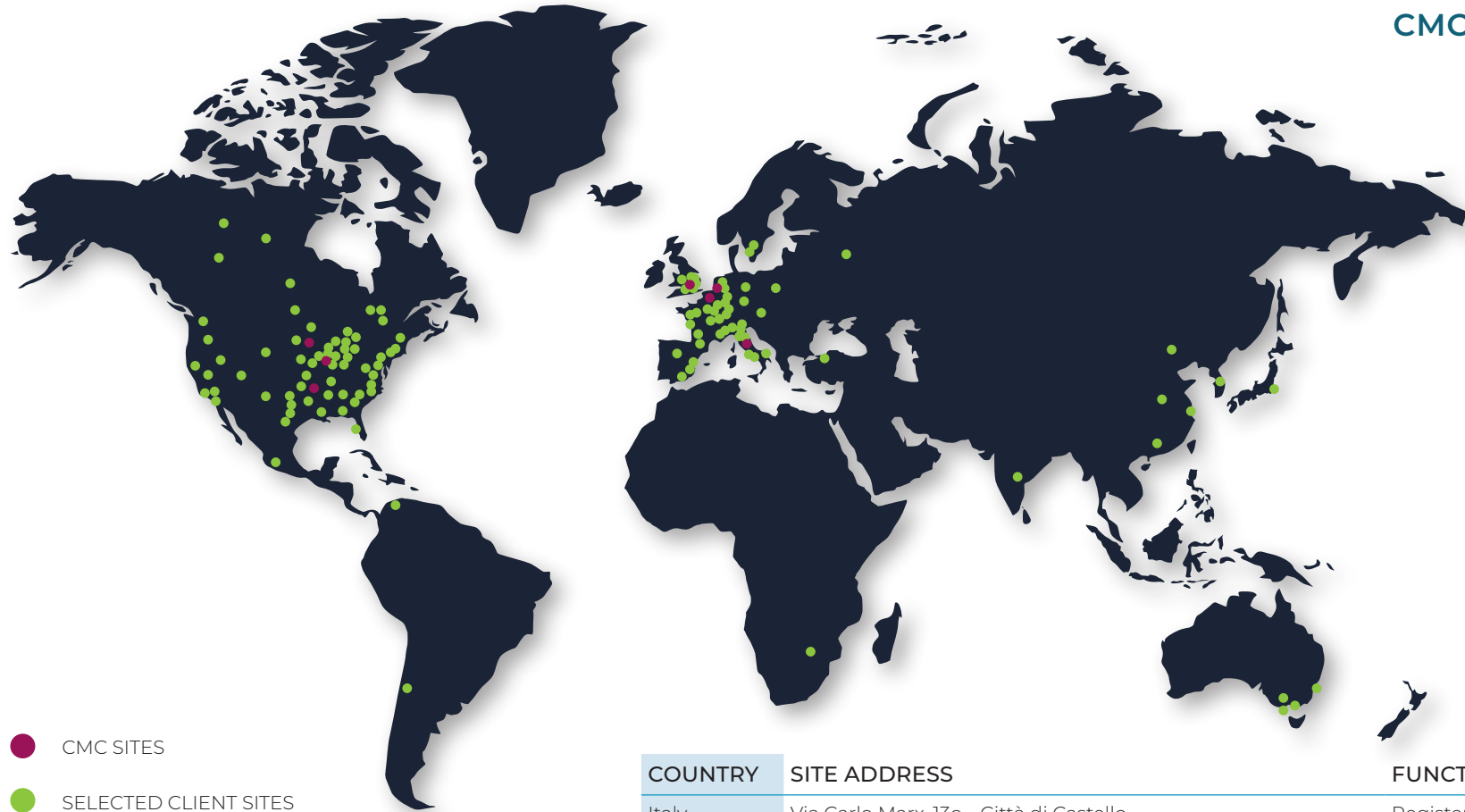
At scale, even small inefficiencies at packaging stage can quickly translate into higher operational costs, material waste, transport inefficiencies and operational bottlenecks.

CMC's business model extends beyond machinery supply, combining proprietary engineering, modular automation platforms, software integration, vertically integrated production, installation, aftersales services, selected retrofit activities, consumable-related solutions and customer co-development.

This integrated approach allows CMC to **support customers across the full solution lifecycle**, from initial design and configuration to deployment, performance monitoring and optimization, service and system upgrades.



CMC Group operating footprint



COUNTRY	SITE ADDRESS	FUNCTION	FOOTPRINT
Italy	Via Carlo Marx, 13c – Città di Castello	Registered office, Office & Production	7.047 m ²
Italy	Via Morandi, 24 – Città di Castello	Office & Production	12.500 m ²
Italy	Via Kant, 28 – Città di Castello	Office & Production	2.453 m ²
Italy	Via Spinoza, 4 – Città di Castello	Office & Production	815 m ²
Italy	Via Kollontai, 2 – Città di Castello	Office & Production	3.800 m ²
USA	101 Woodwinds Industrial Ct Ste T – Cary, NC	Registered office	233 m ²
USA	3645 Southside Industrial Pkwy – Atlanta, GA	Office & Production	2.304 m ²
USA	1311 Llyord – Wickliffe, OH	Production	2.824 m ²
Netherlands	Keizersgracht 391A – Amsterdam	Registered office	NA
UK	Pinnacle Building A, 150-170 Midsummer Blvd – Milton Keynes	Registered office	NA
Germany	Salzstraße 45 – Neuss	Registered office	NA

From machine supply to system control: how value is captured

The value chain overview below shows how this **integrated business model** is structured, illustrating the main stages through which CMC designs, sources, assembles, integrates and supports its mailing and packaging automation solutions across their lifecycle.



2 | MARKET LEADERSHIP AND COMPETITIVE DIFFERENTIATION



CMC's **product portfolio** includes automated packaging and mailing systems, as well as consumable-related solutions.



Packaging systems focus on on-demand, right-sized formats tailored to different product categories and operational contexts.



Mailing systems support high-volume and modular mail finishing needs.



Consumable-related developments, incl. paper and cardboard solutions, complement the broader automation model, enhancing compatibility and business continuity.

The relevance of CMC's solutions is grounded in concrete operating mechanisms that directly impact customers' performance.

These include **package right sizing, material efficiency, volume reduction and automation driven process integration**.

Through continuous innovation, CMC connects packaging automation with clients' priorities, which span from logistics performance to information requirements and operational efficiency.

Looking ahead, CMC intends to further strengthen this value-capture model by **deepening the integration** between machine design, software interoperability, customer-side data visibility and service-related monitoring, **while continuing to improve reliability, machine efficiency and compact configurations** (more on this in Section 5).

HOW **CMC ADAPTS SOLUTIONS** TO CUSTOMER-SPECIFIC NEEDS TO WIN AND RETAIN MARKET POSITION ACROSS DIFFERENT CONTEXTS

"Our edge is industrializing automation across markets at different maturity levels, a capability that drives customer value."

RICCARDO DE ANTONI, Chief BD, Marketing & Sales

Commercial differentiators in CMC's core markets

CMC's organizational structure ensures **proximity to operational contexts**, strengthening the Company's ability to serve customers **across different markets**.

In 2025, CMC's commercial positioning was supported primarily by the **combination of technical and commercial expertise**, the ability to **adapt solutions to customer-specific fulfilment requirements**, **reliability** of execution and **integration** with warehouse systems. These core differentiators were also supported by the Company's **operational flexibility**, **continuity of service** and a **collaborative customer relationship model**.

In 2025, performance across **key markets in Europe and North America** reflected the continued adoption of fulfilment automation solutions and customers' focus on operational efficiency, innovation, and sustainability.

Demand remained supported across regions, highlighting the **broad and evolving opportunities for automation technologies** worldwide.

CMC's value proposition is strongest where these factors align, as the Company not only provides equipment but also enables customers to **convert constraints into integrated, right-sized, and operationally viable processes**.

In this context, **sustainability benefits matter most when tied to measurable outcomes**, such as material efficiency, optimized transport, improved output, and reduced complexity, as demonstrated by Musictoday (see Box 2.1).



BOX 2.1 – MARKET PROOF POINT: MUSICTODAY



Musictoday, a music merchandise and fulfilment company, implemented **CMC's Genesys Compact** packaging system to support its fulfilment operations for music-related orders, including **small and fragile items** such as vinyl records and collectibles. The system scans, measures, sizes, cuts, folds, fills, seals and labels each order automatically, creating custom-fit boxes in real time.

In Musictoday's application, this supported a shift from standard hand-packing processes to right-sized automated packaging, improving the fit between product, package and shipment.

Musictoday recorded:

- a **20%–25%** monthly reduction in supply costs
- an average **8%–10%** reduction in transportation costs, and
- an **80%–90%** increase in output using the same team within the hand-pack shipping lane.

This case illustrates **how CMC's technology can create value at the intersection of automation, packaging efficiency and customer operating performance**. It also reinforces a broader commercial point: the value of right-sized packaging is strongest when the customer is ready to integrate the technology into its fulfilment model, product mix and workflow.

3 | MATERIAL TOPICS AND IMPLICATIONS: WHAT SHAPES PRIORITIES



CMC uses **materiality as a strategic business lens** to identify the sustainability related topics that are most relevant to its operations, products, customers, and market interactions. The objective is to focus management attention on areas where sustainability and impact related considerations have the greatest operational, commercial and stakeholder relevance.

The results of a formal Double Materiality Assessment (see Box 3.1) conducted in 2024 were translated into **six ESG value-creation levers** designed to reflect CMC's business model, operational priorities and long-term value creation objectives. An overview of these levers, and the associated material topics and business implications is presented in the following page (Table 3.1).

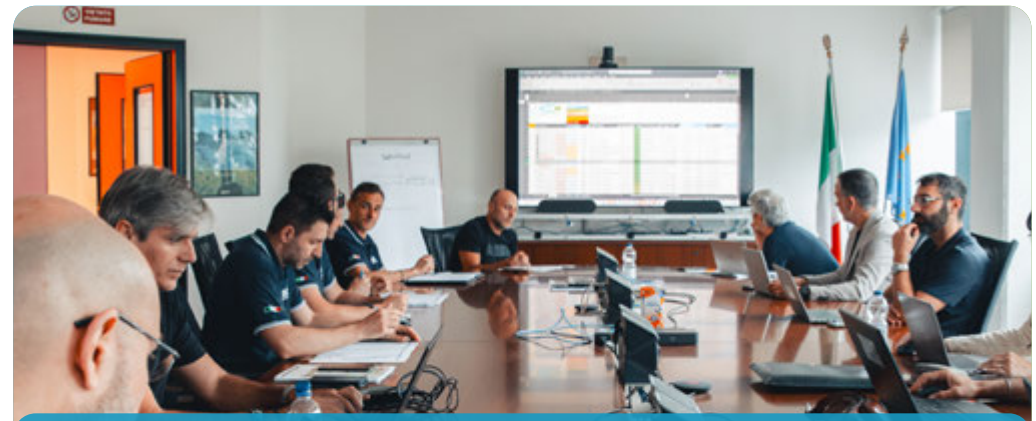
This approach and structure support both CMC's internal **prioritization and external communication, while preserving traceability** to the underlying materiality assessment.

"Materiality has value when it sharpens choices. It helps CMC focus on the sustainability topics that affect the business, the customer and the quality of execution."

CHIARA SIGNORIA, ESG Director

HOW **CMC TRANSLATES MATERIAL** SUSTAINABILITY TOPICS INTO BUSINESS RELEVANCE, OPERATIONAL FOCUS AND EXECUTION PRIORITIES

BOX 3.1 – DOUBLE MATERIALITY ASSESSMENT



CMC carried out a **Double Materiality Assessment (DMA)** with reference to the **European Sustainability Reporting Standards (ESRS)** in 2024, identifying a set of topics that are material to the organization from an impact and/or financial perspective. Topics continued supporting CMC's ESG levers throughout 2025.

The DMA was informed by internal workshops with key functions, sector benchmarks, value chain mapping and available stakeholder-related inputs, including previous client feedback and public sustainability trends.

TABLE 3.1 – CMC'S ESG VALUE-CREATION LEVERS AND BUSINESS IMPLICATIONS

ESG VALUE-CREATION LEVER	RELATED MATERIAL TOPICS	BUSINESS IMPLICATION
 PRODUCT RESPONSIBILITY AND SUSTAINABILITY	(i) Climate change adaptation and mitigation, where linked to product-related impacts; (ii) Resource inflows and (iii) Resource outflows related to products and services; (iv) Waste; (v) Consumers and end-users, Health and Safety; (vi) Consumers and end-users, privacy	Product design, reliability, safety, performance, adaptability and environmental performance are central to CMC's market positioning and customer requirements . This priority connects product innovation with operational efficiency, packaging performance and customer information needs. It also reflects CMC's contribution to decarbonization-related objectives via product design, material efficiency and portfolio evolution.
 HUMAN CAPITAL: EQUAL TREATMENT AND OPPORTUNITIES	(i) Own workforce, working conditions; (ii) Own workforce, equal treatment and opportunities for all	Fair treatment, inclusion and equal opportunities support workforce engagement, internal cohesion and CMC's ability to attract and retain talent in an industrial and innovation-driven environment.
 HUMAN CAPITAL: TALENT ATTRACTION AND RETENTION	(i) Own workforce, working conditions; (ii) Own workforce, equal treatment and opportunities for all	Skills, training, professional development, retention and employee engagement support CMC's execution capability, service quality and long-term organizational resilience .
 COMPANY CULTURE	(i) Business conduct, corporate culture	Ethics, accountability, shared values, structured communication and governance formalization through policies and procedures support decision-making, trust and consistent behaviors across the organization and toward key stakeholders.
 RESPONSIBLE SUPPLY CHAIN MANAGEMENT	(i) Value chain workers, working conditions; (ii) Business conduct, management of relations with suppliers; (iii) Resource inflows, including resource use	Supplier qualification, requalification, due diligence, quality, continuity and ESG engagement support procurement resilience, material compliance, Scope 3-related decarbonization actions and customer expectations .
 CYBERSECURITY	(i) Consumers and end-users, privacy; (ii) Business conduct, corporate culture	Information security, data protection and digital resilience are business-critical controls that protect customer trust, employee data, operational continuity and compliance readiness in a digital-first operating environment.

The six ESG value-creation levers provide the **bridge between materiality and execution**: in 2025, they informed workstreams across supplier engagement, customer engagement, Health and Safety (H&S), governance, reporting, policy formalization and product development.

The lever **“Product Responsibility and Sustainability”** remains **the most direct connection between materiality and CMC’s business model**: in 2025, Research and Development (R&D) priorities centred on the development of new solutions, alongside the optimisation and consolidation of the existing portfolio, with emphasis on **modularity, reliability, adaptability** to different customer contexts **and stronger integration** between mechanical, electrical and software design. Continuous improvement activities, supported by cross-team collaboration and field feedback, contributed to new developments as well as to the evolution of existing machines and solutions.

This product-focused approach is **directly linked to customer value creation**. CMC’s solutions support production process optimization, operational continuity, reduced machine downtime, lower operational inefficiencies, easier operator use, more accessible maintenance and customization over time, including throughout extended operational lifecycles.

Materiality also contributes to CMC’s commercial readiness: customer and procurement requirements increasingly call for reliable information on packaging efficiency, material use, climate-related performance, supplier due diligence, cybersecurity and product compliance. As a result, CMC’s sustainability-related workstreams also support tender responses, strategic customer partnerships, supplier dialogue and validated product-related communication.

This 2025 Sustainability Report therefore presents materiality through business implications rather than abstract disclosure categories. Quantitative indicators are included where data are available and sufficiently robust; where a topic is better represented through processes, controls, responsibilities or ongoing workstreams, the Report provides narrative disclosure supported by operational evidence.

This approach keeps materiality and sustainability practical: it helps CMC **prioritize the topics that matter most**, while avoiding unnecessary volume, unsupported claims or disclosure disconnected from operational reality.



4 | MARKET ACCESS AND COMPLIANCE: READINESS TO COMPETE



HOW **CMC USES STANDARDS**,
CUSTOMER REQUIREMENTS AND
REGULATORY DEVELOPMENTS
TO SUPPORT COMMERCIAL
READINESS

CMC operates in markets where sustainability, product integrity and compliance information increasingly influences customer selection and procurement outcomes.

Regulatory readiness is therefore treated as a commercial priority, with focused monitoring of frameworks impacting customer requirements, product compliance and market access.

This readiness is supported by structured management systems, including **ISO 9001** (quality), **ISO 27001** (information security), **Legislative Decree 231/2001** (Model 231) and, in 2025, **ISO 45001** (occupational health and safety). These frameworks strengthen documentation, accountability, risk control and the formalization of processes relevant to customers and regulators.

CMC adopts a targeted approach, **concentrating on areas with the highest business impact**.

In 2025, this included supplier and customer engagement, EcoVadis preparation, climate data collection, product communication, material compliance, policy development and stronger tender evidence.

In parallel, **regulatory readiness is leveraged as a competitive differentiator**, enabling faster response times in procurement processes and greater alignment with evolving customer due diligence practices.

This contributes to reduced friction in commercial negotiations, improved qualification rates and stronger positioning in sustainability-driven tenders.

Product readiness remains central, with **increasing focus on packaging regulation, material efficiency, recyclability, waste reduction, traceability and safety**. CMC solutions support customers in optimizing materials and adapting packaging formats to sustainability and operational needs.

Emerging regulations were addressed pragmatically, based on relevance to products, suppliers and processes, without overstating maturity. This approach enhances CMC's ability to provide consistent, verifiable information aligned with actual process maturity.

"Market access increasingly depends on evidence. For CMC, regulatory readiness is a way to protect value before it is questioned."

GIAN MATTEO STELLA, General Counsel

CMC's main market-access and regulatory readiness focus areas in 2025

In this and following pages are summarized CMC's main focus areas in 2025 in relation to market access and regulatory readiness.

REPORTING, EXTERNAL COMMUNICATIONS AND ASSESSMENTS

Preserves credibility of CMC's disclosures, customer-facing materials, procurement responses and external assessments.

Frameworks, standards and regulations:

- GRI Standards
- selected European reporting expectations
- EcoVadis and customer assessments

CMC uses GRI as its disclosure backbone, selectively monitors European reporting expectations, and applies an evidence-based approach to sustainability and product-related communication, in line with Directive (EU) 2024/825. This approach was independently validated: in 2026, CMC achieved an **EcoVadis score of 72/100**, corresponding to an Advanced/Silver rating and placing the Company in the 85th percentile of assessed companies and the **top 5%** within its sector. This marks a +12 points increase since the previous assessment.

2025 APPROACH

CLIMATE STRATEGY AND CARBON-RELATED REQUIREMENTS

Supports climate credibility, customer requests, internal decarbonization discipline and supplier engagement.

Frameworks, standards and regulations:

- Science Based Targets initiative (SBTi) & Greenhouse Gas (GHG) Protocol
- Carbon Border Adjustment Mechanism (CBAM), where relevant
- Customer requests

CMC regularly monitors climate performance. In 2025, total emissions amounted to ~51,3 K tCO₂e (market-based), **a reduction of ca. 51%** versus the 2022 baseline. Scope 2 performance benefited from renewable electricity procurement, with 93% of electricity sourced from renewables. Also SBTi target monitoring continued, with Scope 2 tracking below the 2025 pathway level; Scope 1 remains the primary operational decarbonization focus, while Scope 3 data granularity and supplier decarbonization readiness were progressively strengthened.

2025 APPROACH

MACHINERY COMPLIANCE AND READINESS

Relevant to product safety, engineering documentation, regulatory continuity and customer confidence.

Frameworks, standards and regulations:

- Machinery Directive 2006/42/EC
- Machinery Regulation (EU) 2023/1230
- Selected requirements on PFAS and heavy metals

CMC monitors the transition from the EU Machinery Directive to Regulation (EU) 2023/1230 as a **product compliance and engineering-readiness** topic. In 2025, this meant tracking implications for machine safety, technical documentation, conformity processes and customer-facing requirements.

At CMC, machinery compliance is not only a regulatory obligation, but also a **market-access condition**: it supports safe product design, reliable installation and continued alignment with customer and EU requirements.

2025 APPROACH

PACKAGING, MATERIALS AND PRODUCT COMPLIANCE

Relevant to packaging efficiency, recyclability, material restrictions, product documentation and customer market access

Frameworks, standards and regulations:

- PPWR
- REACH
- RoHS
- Product and material compliance requirements in relevant non-EU markets

CMC monitors product and material compliance requirements, with Packaging and Packaging Waste Regulation (PPWR) treated mainly as a preparatory product and market-access topic.

REACH/RoHS and related declarations are managed through formal requirements and case-by-case evidence collection, while controls are being strengthened.

2025 APPROACH

SUPPLY CHAIN COMPLIANCE AND SUPPLIER READINESS

Relevant to paper and cardboard consumables, supplier transparency, material sourcing, customer requirements and procurement resilience

Frameworks, standards and regulations:

- EU Deforestation Regulation (EUDR)
- Supplier due diligence expectations
- Material traceability requirements
- Qualification and requalification requirements

CMC treated **EUDR** mainly as a preparatory topic in 2025, with selected operational relevance linked to paper and cardboard sourcing.

Supplier engagement, qualification and evidence collection support progressive **integration of compliance and sustainability expectations** into procurement processes.

2025 APPROACH

DIGITAL, DATA AND ARTIFICIAL INTELLIGENCE GOVERNANCE

Relevant to privacy, cybersecurity, digital resilience, AI-enabled processes, software-enabled solutions and customer confidence

Frameworks, standards and regulations:

- GDPR
- NIS2
- AI Act
- ISO 27001 and CIS18

General Data Protection Regulation (GDPR) is treated as a baseline data protection requirement. **Network and Information Security Directive 2** (NIS2) and the **Artificial Intelligence Act** (AI Act) are monitored as evolving digital regulatory developments.

CMC's **ISO 27001 certification and CIS18 framework** provide a structured foundation, without implying full compliance with NIS2 or the AI Act.

2025 APPROACH

5 | RESPONSIBLE DESIGN: IMPACT THROUGH ENGINEERING



Product responsibility is central to CMC's business model because its solutions operate inside customers' operations.

Packaging automation is deployed inside fulfilment environments where **reliability, integration and process** stability directly affect throughput, continuity and cost exposure.

Packaging automation is therefore increasingly evaluated not as a standalone machine investment, but as a key component of fulfilment performance, operational resilience and packaging discipline.

For this reason, product design is inseparable from operational performance.

In 2025, CMC's product responsibility and innovation agenda was shaped by the interaction of four dimensions:

- System integration
- Engineering performance
- Customer-side operational value
- Sustainability-related market expectations.

This reflects the way in which **CMC's value proposition is evolving**, from the supply of packaging automation equipment to the design of integrated solutions that support customers in improving fulfilment execution, process resilience and packaging efficiency.

HOW **CMC CONNECTS**
SUSTAINABLE INNOVATION,
ENGINEERING PERFORMANCE
AND CUSTOMER-SIDE
INTEGRATION

"For us, innovation starts from a practical question: how can each machine deliver measurable packaging performance with less material?"

FABIO PORROZZI, R&D Director

Integration with customer fulfilment systems

A second development concerned the role of packaging automation within fulfilment systems.

In 2025, customers increasingly evaluated solutions based on **how they interact with upstream processes** such as storage, sequencing and order preparation.

This effectively shifted packaging from an isolated end-of-line activity to **part of a wider execution flow**, moving CMC closer to the core fulfilment decision-making process, and reinforcing its positioning as a technology partner and solution designer, rather than a transactional machinery supplier. The integration of CMC Genesys with AutoStore™ provides a concrete illustration.

These dynamics are reinforced by external pressures:

- Regulatory developments, particularly in Europe, including the **Packaging and Packaging Waste Regulation** (PPWR) and the upcoming new **Machinery Regulation**, are increasing the relevance of material control, traceability and system reliability.
- In parallel, **connectivity, IoT functionalities and cyber-related requirements** are being treated as integral elements of machine design rather than optional add-ons.

As a result, packaging systems are subject to the same expectations of control, data integrity and compliance as other industrial assets.

BOX 5.2 – SYSTEM INTEGRATION FOR VALUE AMPLIFICATION



Integration of CMC Genesys solution with AutoStore™ within a box-last packaging approach.

System Roles:

- **AutoStore™:** Compact cube/grid-based AS/RS enabling dense storage and robotic bin retrieval
- **Upstream Automation:** Buffering, sequencing and transport optimisation
- **CMC Genesys:** Downstream packaging based on a stabilised, optimised order flow

Key Takeaway: The value does not lie in the interface itself, but in the system logic: CMC solutions deliver greater performance when embedded within an intelligently orchestrated fulfilment ecosystem.

The combination enables customers to improve packaging consistency, space utilization and operational flow continuity within high-density fulfilment environments.

Product development and engineering priorities

From an engineering perspective, in 2025 CMC's R&D activities focused on improving **reliability, modularity and coordination between mechanical, electrical and software components**, while developing configurations suited to existing facilities.

This reflects one of the most practical constraints affecting automation projects: space. Today a significant share of automation demand is driven by **brownfield applications**, where systems must integrate into pre-existing layouts rather than be designed from scratch. For this reason, CMC's product development introduced **more compact, entry-level configurations**.

At the same time, **consumables and packaging formats** were developed in parallel with machine architecture. Packaging performance increasingly depends on the coordinated interaction between materials, packaging design and automation configuration. These elements jointly influence process stability, operational flexibility and material usage.

Technical and commercial engagement activities

In 2025, commercial engagement increasingly reflected the shift **from product discussion to system integration and application design**.

Customer interactions – through Innovation Days, targeted roadshows and industry events – were used primarily to address specific fulfilment use cases, rather than to present standalone technologies.

This translated into **growing demand for consultative engagement**, with customers focusing on how packaging automation integrates with upstream processes, operational constraints and medium-term fulfilment strategies. Commercial engagement increasingly involved operations, automation and fulfilment strategy functions alongside procurement teams.

As a result, commercial activity has progressively aligned with solution design and performance validation, rather than transactional equipment supply.

From CMC's perspective, this convergence is reflected in how automation investments are assessed. Purchasing decisions increasingly incorporate not only machine-level specifications, but also integration capabilities, expected operational stability and the ability to manage packaging performance in a structured way over time.

In this context, **product responsibility becomes a practical decision factor** for CMC's customers, influencing both adoption and the role of packaging automation within fulfilment system design.

Sustainability, packaging efficiency and compliance relevance

In 2025, sustainability discussions became more closely tied to **regulatory developments and cost pressures**, particularly in Europe with the expected impact of PPWR and the upcoming Machinery Regulation.

Packaging is therefore increasingly assessed not only in terms of sustainability targets, but also through material discipline, process reliability and compliance exposure.

In this context, CMC's technologies address a specific need: **improving the execution discipline of packaging** within fulfilment operations. Functional elements such as right-sizing and reduction of unnecessary void fillers should be understood within this operational framework rather than as standalone features. This reflects a broader structural market shift.

What was previously considered incremental optimization is becoming a baseline requirement, driven by converging pressures. Within this framework, automation plays a role primarily as an execution layer, ensuring that packaging choices can be applied reliably and at scale.

To support the evaluation of packaging performance, CMC uses an internal impact model based on Life Cycle Assessment (LCA) methodologies. The model indicates that packaging configurations enabled by CMC technologies are associated with **measurable reductions in material input and void space per parcel**, with cascading positive effects on **logistics efficiency and related emissions**.

BOX 5.3 – PACKAGING PERFORMANCE SCENARIO BASED EVIDENCE

The model is based on standardized assumptions relating to product characteristics, packaging formats and operating conditions. Results provide an analytical reference framework rather than direct measurement of customer-specific outcomes.

Model inputs

- LCA-based comparison vs conventional packaging
- Defined product scenarios and packaging formats
- Standardised operating and utilisation assumptions

Per-parcel impact (indicative ranges)¹

- Material reduction: ~0,15–0,30 kg
- Void space reduction: ~0,01–0,02 m³
- Associated emissions: ~0,2–0,5 kg CO₂e

Interpretation

- Reflects packaging execution improvements (not theoretical potential)
- Scales with volume and system utilisation
- Links packaging design with logistics efficiency

¹ Estimates based on LCA-derived scenarios and standardised assumptions (including product mix, usage rates and operating conditions). Results are model-based and do not represent measured outcomes in specific customer environments.

In parallel, as connectivity, IoT features and cyber measures become integral to machine architecture, CMC extends the same data integrity, control and compliance discipline it applies at organizational level to the packaging systems it deploys in the field.

As a result, CMC's technologies actively contribute to how packaging performance is managed and controlled, while outcomes remain dependent on customer-specific operating conditions.

A strong focus on per-parcel impact is essential in an environment of increasing regulatory scrutiny, and underpins a credible link between packaging execution, operational and sustainability performance for CMC's clients and partners.



6 | RESOURCE USE: FOOTPRINT AND CONTROL



CMC's environmental footprint is primarily driven by its value chain, including:

- The materials and components used in production
- The energy consumption associated with the use of CMC machines
- The operational requirements of customers who rely on CMC solutions

Climate and resource management therefore play an important role in supporting operational efficiency, supplier engagement, product development and customer dialogue on sustainability-related topics.

In 2025, CMC continued to monitor its Greenhouse Gas (GHG) emissions and Science Based Targets initiative (SBTi) target progress through a consolidated inventory¹ covering the 2022-2025 reporting period.

¹ The GHG inventory is prepared using an operational control approach and includes Scope 1, Scope 2 and relevant Scope 3 categories. Detailed boundary criteria, assumptions and methodological limitations are provided in the Methodological Notes.

HOW **CMC MONITORS ENERGY USE**, EMISSIONS, WASTE AND DECARBONIZATION PROGRESS ACROSS ITS OPERATIONAL AND VALUE CHAIN FOOTPRINT

Energy use, emissions and other footprint related data are reviewed annually to **support operational priorities, product engineering decisions and engagement with suppliers and customers** on climate related topics.

Consistent with CMC's materiality assessment, this section focuses on energy, emissions and operational waste².

Detailed methodology, assumptions and historical data considerations are provided in the Methodological Notes of this Report.

"Environmental data only matters if it changes priorities. In operations, the footprint tells us where efficiency, resources and execution must meet."

DOMENICO GALLOZZI, CDOO

² While other environmental indicators are monitored internally and may be expanded over time as reporting maturity evolves.

6.1 - Energy use

In 2025, CMC's total **energy consumption** amounted to approximately **5.195 MWh**, including natural gas, electricity and fuels used for stationary and mobile combustion. Electricity consumption accounted for **1.746 MWh**, while natural gas accounted for **2.653 MWh**; fuel consumption for company-controlled mobility and back-up generators accounted for the remaining yearly energy use.

TABLE 6.1.1 - TOTAL ENERGY CONSUMPTION BY SOURCE, 23-25

METRIC	UNIT	2023	2024	2025	YoY 23-24	YoY 24-25
TOTAL ELECTRICITY CONSUMPTION	MWh	1.854,1	1.605,4	1.746,3	-13,4%	8,8% ³
NON-RENEWABLE ELECTRICITY	MWh	73,2	13,5	125,8	-81,5%	830,2%
RENEWABLE ELECTRICITY	MWh	1.780,9	1.591,9	1.620,6	-10,6%	1,8%
RENEWABLE ELECTRICITY, PRODUCED ON-SITE	MWh	124,1	111,6	125,8	-10,1%	12,7%
RENEWABLE ELECTRICITY, PURCHASED	MWh	1.656,8	1.480,2	1.494,7	-10,7%	1%
SHARE OF RENEWABLE ELECTRICITY CONSUMPTION	%	96,1%	99,2%	92,8%	3,2%	-6,4%
RENEWABLE SHARE PURCHASED	%	93%	93%	92,2%	0%	-0,8%
RENEWABLE SHARE PRODUCED ON-SITE	%	7%	7%	7,8%	0,6%	10,7%
NATURAL GAS	MWh	2.644,8	2.232,6	2.653,3	-15,6%	18,8%
DIESEL	MWh	297,7	440,3	323,8	47,9%	-26,5%
PETROL	MWh	975,2	621,7	472,1	-36,2%	-24,1%
GASOIL	MWh	186,1	182,9	0	-1,7%	-100%
TOTAL ENERGY CONSUMPTION	MWh	5.957,9	5.082,9	5.195,5	-14,7%	2,2%
RENEWABLE ENERGY CONSUMPTION	MWh	1.780,9	1.591,9	1.620,6	-10,6%	1,8%
NON-RENEWABLE ENERGY CONSUMPTION	MWh	4.177	3.491,1	3.575	-16,4%	2,4%
SHARE OF RENEWABLE ENERGY CONSUMPTION	%	29,9%	31,3%	31,2%	4,8%	-0,4%
ENERGY INTENSITY	MWh/M€	42,2	32,5	30,2	-23%	-6,9%

92,8
% in 2025

electricity from
renewables

+12,7
% YoY

PV on-site
production

³ The increase in total energy consumption in 2025 (+2,2% vs 2024) was primarily driven by higher natural gas demand at Italian production sites, linked to heating requirements during an unusually cold winter, and by expanded US operations. This was partially offset by reductions in mobile fuel consumption across the fleet.

6.2 - Scope 1 and 2 emissions

Scope 1 and Scope 2 emissions represented a limited share of CMC's total estimated GHG emissions: in 2025, Scope 1 emissions amounted to **742 tCO₂e**, increasing by about 4% compared with 2024. This increase was mainly linked to CMC's stationary combustion, with direct emissions from this source increasing by approximately 19% due to higher natural gas consumption throughout the year. By contrast, mobile combustion emissions decreased, reflecting an approximately 24% reduction in fuel consumption.

Scope 2 emissions amounted to **54 tCO₂e** under the market-based method and **460 tCO₂e** under the location-based method⁴.

Compared with 2024, market-based Scope 2 emissions increased significantly, mainly due to electricity consumption associated with U.S. facilities not covered by renewable electricity procurement instruments, while location-based Scope 2 emissions decreased by approximately 9%.

CMC's combined Scope 1 and Scope 2 market-based emissions amounted to 796 tCO₂e in 2025, compared with 697 tCO₂e in the 2022 baseline year⁵. While Scope 1 and 2 emissions are not the main drivers of CMC's overall footprint, they remain critical areas for operational discipline and direct decarbonization actions.

In 2025, in line with the Organization's decarbonization strategy, action areas included **energy efficiency, power quality systems, electric vehicle charging infrastructure, high-efficiency electric engines and progressive fleet transition** where technically and financially feasible.

Looking ahead, in 2026 CMC will implement site-level Building Management Systems (BMS) at its Italian manufacturing sites, continue the progressive electrification of its fleet (where feasible) and evaluate the procurement of certified renewable energy sources for manufacturing sites across the Group.

+1,8

% YoY variation

electricity from
renewables

-19,8

% YoY Scope 3

intensity
target

⁴ Location-based Scope 2 emissions reflect average grid emission factors, while market-based Scope 2 emissions reflect available electricity procurement instruments and site-specific energy attributes. Both figures are reported to support transparency.

⁵ The comparison is based on total market-based GHG emissions 104.290 tCO₂e in 2022, 60.889 tCO₂e in 2023, 54.361 tCO₂e in 2024 and 51.331 tCO₂e in 2025.

6.3 - Value chain emissions and decarbonization

CMC's total emissions in 2025 amounted to **51.331 tCO₂e** under the market-based method (51.737 tCO₂e under the location-based one⁶).

The emissions profile was dominated by Scope 3⁷, which accounted for **50.535 tCO₂e** – approximately **98%** of total emissions.

CMC tracks Scope 3 performance against its **SBTi intensity-based target**, measured in tCO₂e per ton of machine sold across purchased goods and services, downstream transportation and use of sold products.

After two years of increase, this intensity metric **declined to 48,97 tCO₂e/ton in 2025**, down **19,8%** year on year and **13,3%** versus the 2022 baseline – equivalent to approximately 14% of the total reduction required by 2050.

CMC's decarbonization strategy continues to focus on the structural levers needed to sustain this trajectory, including operational energy management, product efficiency and supplier engagement.

⁶ Location-based Scope 2 emissions reflect average grid emission factors, while market-based Scope 2 emissions reflect available electricity procurement instruments and site-specific energy attributes. Both figures are reported to support transparency.

⁷ In 2025, CMC further improved the granularity of its Scope 3 inventory, sharpening visibility into its main emission drivers. Scope 3 calculations rely on physical data where available, and financial or estimated data otherwise; supplier-specific emission factors were applied where available for Purchased Goods and Services. A category breakdown appears in Table 9.2, p. 60 of the Appendix; year-on-year variances arising from these methodological refinements – including the change in downstream transportation data – are explained in the restatement note in the Appendix. Further details on calculation methods and assumptions are also provided in the Appendix's Methodological Notes.



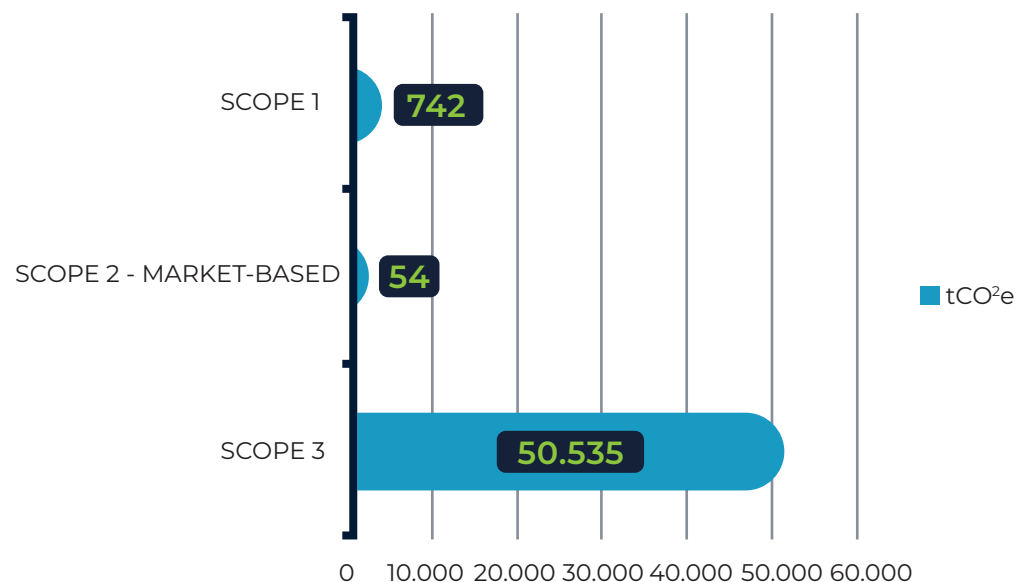
The largest Scope 3 category – representing approximately **71%** of total emissions – is Use of Sold Products (36.344 tCO₂e in 2025) that reflects the electricity consumption of CMC machines during their expected use phase. The second largest category – **ca. 24%** of total emissions in 2025 – is Purchased Goods and Services (12.308 tCO₂e), which is mainly associated with materials and components purchased for CMC production. This category decreased by approximately 14% compared with 2024, supported by improved categorization of spending categories and the use of supplier-specific emission factors where available.

Other Scope 3 movements in 2025 also reflect both **operational trends and methodological improvements**: business travel emissions decreased by **ca. 67%** compared with 2024, largely due to methodological refinements using more accurate activity data; downstream Transportation decreased by approximately **28%**, mainly linked to the location of client deliveries, while Employee Commuting increased by **~12%** following broader coverage of commuting data gathering efforts across CMC subsidiaries.

This profile shows why **CMC's climate work extends beyond its own sites**: product efficiency, engineering choices, supplier practices, sourcing activities and assumptions related to machine use all influence the overall footprint.

As a result, climate considerations are addressed primarily through **product engineering, supplier engagement and customer collaboration** initiatives.

TABLE 6.3.1 – GHG EMISSIONS BY SCOPE (tCO₂e), 2025⁸



⁸ Assessed on the combined Scope 1 and Scope 2 basis that underpins CMC's SBTi near-term target, 2025 performance of 796 tCO₂e is 14% above the 2022 baseline of 697 tCO₂e. The two scopes move in opposite directions: Scope 2 market-based emissions of 54 tCO₂e remain below the 2025 pathway level of 80 tCO₂e, supported by renewable electricity procurement that cut Scope 2 by 42% versus baseline; Scope 1 emissions (742 tCO₂e in 2025), which sit, together with Scope 2, within a category that represents ca. 2% of CMC's total footprint, remained above the 2025 pathway level (of 515 tCO₂e), with efficiency, fleet and BMS measures already underway to progressively close the gap. At value chain level, Scope 3 emissions – 98% of CMC's total footprint – decreased by approximately 51% in absolute terms versus baseline; as this target is intensity-based, progress against the SBTi pathway is addressed in Section 6.2 and Section 8.

SBTi target monitoring remains a key part of CMC's climate governance: in 2025, data confirmed that Scope 1 is the main operational decarbonization priority⁹, while Scope 2 performance¹⁰ continued to benefit from renewable electricity procurement. Scope 3 is monitored through an intensity-based target, that reflects the structure of CMC's business model, where value chain emissions are closely linked to production volumes and machine use phase assumptions. Detailed SBTi pathway data are presented in Section 8 and in the Methodological Notes of the Report.

For Scope 3, starting from 2026 and beyond, CMC's decarbonization priorities will increasingly focus on **product energy efficiency, customer energy alignment and supplier-related data improvement**. Further supplier engagement actions, including targeted dialogue with top-emitting suppliers and potential integration of climate-related expectations into supplier documentation, are addressed in Section 7 as part of CMC's execution capability and supply chain management approach.

In 2025, CMC strengthened the data foundation supporting its Scope 3 inventory through a targeted ERP review of selected procurement categories relevant to the Carbon Footprint database, including cardboard purchases, materials used for machine testing, raw materials and production materials.

⁹ Scope 1 emissions amounted to 742 tCO₂e, compared with the expected 2025 SBTi pathway level of 515 tCO₂e.

¹⁰ Scope 2 market-based emissions amounted to 54 tCO₂e, below the 2025 SBTi pathway level of 80 tCO₂e.

The review confirmed the availability of physical quantity data across several ERP-managed categories, laying the groundwork for greater granularity in future Purchased Goods and Services calculations.

At the same time, it allowed to identify areas for future improvement – around consistency of units of measure, the consolidation of item classification practices, and minimization of manual interpretation of non-stock-managed purchases. These findings will inform further methodological refinement, to be reflected in future updates.



6.4 - Waste and resource use

CMC reports waste-related information that is material to its environmental footprint and operational activities. In 2025, reporting primarily covers operational waste generated at Company sites, while more granular resource inflow indicators and broader value-chain resource metrics are not yet reported as standalone disclosures.

CMC tracks operational waste by hazard class and by destination: in 2025, total operational waste amounted to approximately **325 tons**, the vast majority of which was classified as non-hazardous, while hazardous waste represented approximately **1%** of total waste generated. Overall, around **88%** of waste was directed to recycling or recovery (up from 82% in 2024), with the remainder sent to disposal¹¹.

Waste management remains important from an operational and governance perspective, reflecting compliance with waste classification and disposal requirements, as well as the reliability of environmental monitoring processes.

Looking ahead, CMC will continue to strengthen waste and resource use management through **efficiency initiatives at site level** and through the rollout and certification of an **ISO 14001 aligned environmental management system**.

This framework is expected to enhance operational controls, data reliability and consistency, while enabling a phased expansion of waste and resource use metrics as reporting maturity evolves.

~9**% in 2025 vs 2024****Total waste
reduction****+88****% in 2025****Share of waste
recycled/recovered****-38****% in 2025 vs 2023****Reduction in total
waste generated**

¹¹ Resource inflow and water data are monitored internally where relevant. They are not presented as standalone indicators in this section because they were not identified as material for the 2025 Report and because Section 6 focuses on resource-related information supported by decision-useful data.

7 | VALUE CHAIN RESPONSIBILITY: BEYOND DIRECT OPERATIONS



In 2025, CMC continued to **embed sustainability priorities into day-to-day operations**, strengthening the structures and practices that make ESG considerations actionable across the organization.

This took shape through recurring structured ESG governance meetings, Board information flows, shareholder engagement and reporting, and a formalized framework of policies and procedures – complemented by the **achievement of ISO 45001** certification, staff, client and supplier surveys, and customer-facing support processes designed to make sustainability-related information more usable across functions.

This section describes the operating capabilities developed during the year, while more granular performance, ratings and recognitions are presented in Section 8 and in the Appendix.

“A supply chain becomes a business risk when evidence is weak. Our work is to make expectations, controls and supplier accountability visible before they are tested.”

ILARIA BILLERI, Quality Manager

HOW **CMC STRENGTHENS THE PROCESSES**, SYSTEMS AND CROSS-FUNCTIONAL CAPABILITIES NEEDED TO SUCCESSFULLY EXECUTE ITS SUSTAINABILITY PRIORITIES



7.1 - Turning ESG priorities into operational routines

During 2025, ESG activities moved into a more regular and integrated operating cadence:

CMC governance of sustainability

CMC continued to leverage the **ESG Committee** as its primary cross-functional forum for sustainability coordination.

Building on the governance structure already in place, the Committee supported the **ESG Director** and relevant operational functions in **reviewing ESG priorities, monitoring KPI trends, coordinating reporting inputs and escalating topics** requiring management attention.

During the year, this routine provided a **structured and recurring channel** through which the Committee monitored progress and supported the development of workstreams spanning climate, health and safety, human capital, supplier engagement, product-related impact, compliance, governance and customer management. In doing so, it ensured that operational activities remained connected with both management oversight and Board reporting.

Overall, 2025 ESG performance remained in line with the monitored objectives, with no major deviations identified at year end; the related quantitative results and year-on-year trends are presented in Section 8 and the Appendix.

Board-level information flows

Board information flows were also further formalized during the year through **ESG Information Reports**, structured around two recurring moments: one at financial year-end, in connection with the presentation and approval of the annual financial statements, and one at year-end, focused on ESG performance, trends, key highlights and forward-looking plans. This process was complemented in 2025 by a **Board ESG induction session**, structured as an interactive discussion with the ESG Committee Chairwoman and the ESG Director, covering ESG and business performance, sustainability culture, risk management and case studies.

Non-financial reporting of Sustainability & Impact

Reporting routines were further formalized during the year, reflecting the Company's progressive build-out of in-house ESG reporting capacity. **Annual non-financial reporting**, previously developed with external support, was **fully internalized** – a transition that strengthens continuity, institutional knowledge and responsiveness to evolving disclosure requirements. In parallel, an additional **highlights-focused report** was introduced to support more frequent Board dialogue and shareholder engagement, providing a concise complement to the full Sustainability Report for value-creation discussions throughout the year.

7.2 - Management systems and governance

In 2025, CMC strengthened the policy, procedure and management-system framework supporting ESG execution. The work was directly connected to material topics such as corporate culture, management of supplier relationships, working conditions, health and safety, privacy and environmental management.

The purpose of this effort was practical: to make sustainability, compliance and operational requirements **easier to document, apply, review and evidence across functions**, in a context where customers, investors, certification bodies, EcoVadis, SMETA and other due diligence processes increasingly require current and traceable information.

This work was built on the governance framework established in previous years: since 2024, CMC activated a cross-functional Working Group on Policies and Procedures, coordinated by the ESG Director, to prioritize policy needs, assign document owners and support cross-functional review and validation. The workstream was integrated into the ISO 9001-certified quality management system, with a master register of policies and procedures centrally maintained and updated.

In 2025, the initiative evolved from set-up to execution through a **broader documentation schedule and regular monthly follow-up**:

- In procurement, the **Global Procurement Policy** was approved and published on the Company Intranet, while the **Supplier Code of Conduct** was updated and formally integrated into supplier qualification as binding onboarding requirement for new suppliers and into requalification processes. Supplier **qualification and periodic requalification procedures** were also mapped and consolidated into a more coherent governance framework. This **reinforced the governance of supplier relationships** without presenting supplier engagement as a uniform ESG audit or a binding scorecard system yet reinforcing a risk-based engagement approach.
- **Data governance was also strengthened:** the Data Retention Policy and Email Retention Procedure were implemented during the year and supported by training through dedicated online sessions. In parallel, also additional selected operating procedures were rolled out, including payments and credit card management.
- In relation to workforce management, CMC focused on formalizing the governance around **business travel and recruiting and hiring practices** across the Group.

Certified management systems continued providing the control architecture for this reinforced governance framework:

- **ISO 9001** continued to support quality management, supplier qualification and procedural control;
- **ISO 27001** supported information security governance, including incident monitoring, responsible information management and third-party data protection;
- **ISO 45001**, achieved in 2025, formalized the Company's health and safety management system, and introduced a more structured framework for risk assessment, training, consultation, contractor management and audit evidence.

The specific H&S management-system developments are addressed in Section 7.4 below.

Overall, the work completed in 2025 strengthened the reliability and consistency of CMC's execution base in relation to sustainability.

Rather than establishing a separate ESG control structure, the Company strengthened its existing business systems and operational procedures, so that sustainability-related requirements could be documented, reviewed, monitored and followed up through operational channels already used by the business.

This evidence base also supports CMC's 2026 maturity agenda, including further standardization of operation-related, monitoring and reporting processes.

Worth mentioning in this regard, is the foundational work to establish an **ISO 14001-certified management system** and the development of a **Group-wide Enterprise Risk Management (ERM) system** to integrate risk management practices internal to the Company into a comprehensive and coherent governance structure.



7.3 - People, culture and capability-building

In 2025, CMC strengthened its approach to people-related priorities by turning employee listening, training and talent development and retention into more structured recurring management routines. The focus extended beyond measuring employee sentiment, using instead feedback, capability needs and development priorities as actionable inputs for HR, ESG and Leadership follow-up activities.

A key development was the formalization of the employee satisfaction survey as an **annual employee voice process** starting in 2025. The survey provides CMC with a recurring management insight into culture, communication, development and engagement, combining quantitative indicators, including a Net Promoter Score (NPS), with qualitative feedback on perceived staff priorities.

The 2025 survey results confirmed a **positive employee advocacy profile** including retention intent, trust in senior leadership and clarity of role expectations. ESG and HR reviewed the 2025 outcomes to define priority areas for Leadership follow-up, positioning the survey as part of a recurring employee listening and action-planning process, rather than as a standalone engagement exercise.

The review informed the definition of 2026 people-related priorities; follow-up actions are being structured through existing HR, ESG and Leadership routines, with the objective of improving the consistency of people development, communication and engagement practices over time.

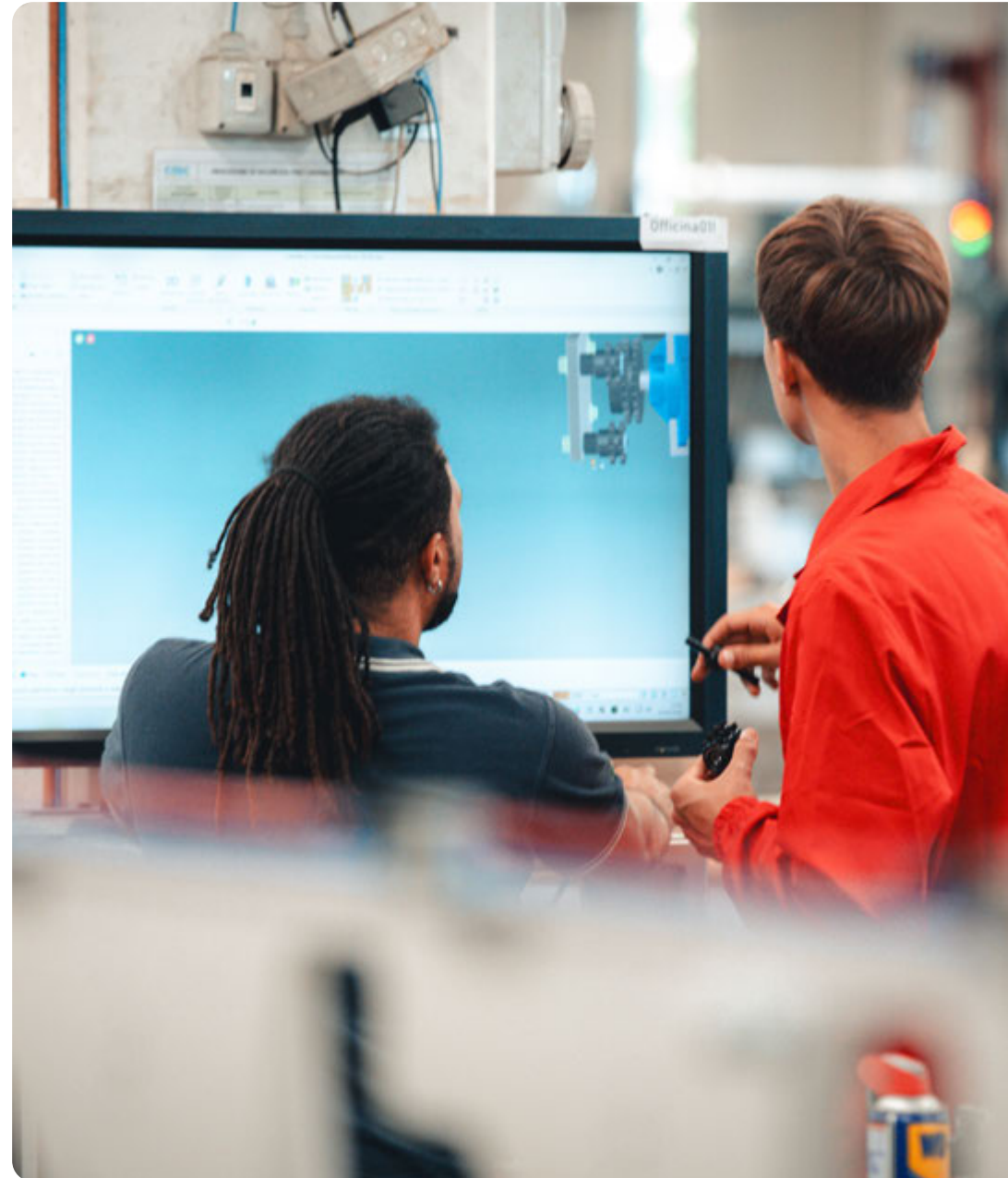
Capability-building was supported through targeted training and awareness initiatives: in 2025, CMC delivered **17.539 hours** of formal training across the Group, complemented by **2.510 hours** of structured on-the-job training and onboarding support, focusing training priorities on internal capabilities needed for sustainability reporting, customer and investor requests, product-related evidence, procurement practices, information security and management-system implementation. ISO 45001-related training also supported the implementation of the new H&S management system (see Section 7.4).

During the year, CMC also started consolidating its approach to capability-building: ESG and HR developed the basis for a **corporate Training Plan** to identify, map and prioritize training needs across the Company, combining bottom-up requests from functions with top-down indications from Leadership. The resulting priorities included English language training for roles requiring stronger client-facing or cross-border communication, technical training linked to machinery, regulatory and product requirements, and knowledge-transfer initiatives aimed at enabling experienced technicians to support the development of younger resources and, where relevant, client technicians.

This 2025 work created the basis for a more coordinated capability-building agenda in 2026. The next stage is expected to focus on **skills that are directly relevant to business execution**, including commercial readiness, product compliance, LCA and Environmental Product Declaration (EPD) related capabilities, digital and ERP tools, information security, HR governance and technical skills development.

CMC also continued to advance its **Talent Program** as part of a broader interpretation of diversity, equity and inclusion, which is focused on enhancing **intergenerational development** and access to **technical career opportunities** for young talents. In 2025, three graduate engineers joined the program with a focus on automation and robotics under the supervision of the R&D department; two participants were subsequently hired, providing early evidence of the program's potential as a **technical talent development pipeline**.

Overall, the 2025 people and capability-building workstream established a more structured basis for employee voice, management follow-up, skills development and intergenerational talent development. The related workforce indicators, training data and staff survey results are presented in greater detail in Section 8.



7.4 - Health and safety as operational discipline

In 2025, CMC further strengthened its Health and Safety (H&S) management approach by moving **toward a certified management approach**. The achievement of the **ISO 45001** certification formalized a more structured framework for H&S governance, risk assessment, training, consultation, contractor management and audit evidence. This development was directly linked to the Company's material topic related to its own workforce (working conditions), with Health and Safety identified as a **core component of CMC's operational responsibility**.

The ISO 45001 certification audit was conducted by DNV in September 2025 and confirmed the achievement of certification, with only minor nonconformities (not blocking for certification) identified. The audit findings provided CMC with a **practical roadmap for further improvement**, particularly in relation to further digitalization of HSE records, deadline management and selected operational controls.

Employee consultation and awareness were also further strengthened during the year: in preparation for ISO 45001 certification, CMC conducted a company-wide anonymous H&S consultation survey, involving both operations and office personnel. The survey covered the perceived effectiveness of safety roles, H&S training, risk-minimization measures and reporting channels. Together with **monthly HSE meetings and internal training**, this supported a structured approach to employee involvement in health and safety management.

At management-system level, the 2025 data indicate that the strengthened H&S approach was accompanied by **improved reporting behavior and lower accident frequency**: near-miss reporting increased during the year, the incident rate nearly halved compared with 2024, and no severe incidents were recorded. The full-year H&S performance results are presented in Section 8.



7.5 - Supplier intelligence and responsible procurement

In 2025, CMC also strengthened its approach to the supplier side of its value chain.

The procurement and management-system controls underpinning supplier governance – including qualification and requalification routines, supplier segmentation, and the procedural controls embedded in the ISO 9001 and ISO 27001-certified systems – were reinforced during the year through the actions described in Sections 7.2 and 7.4.

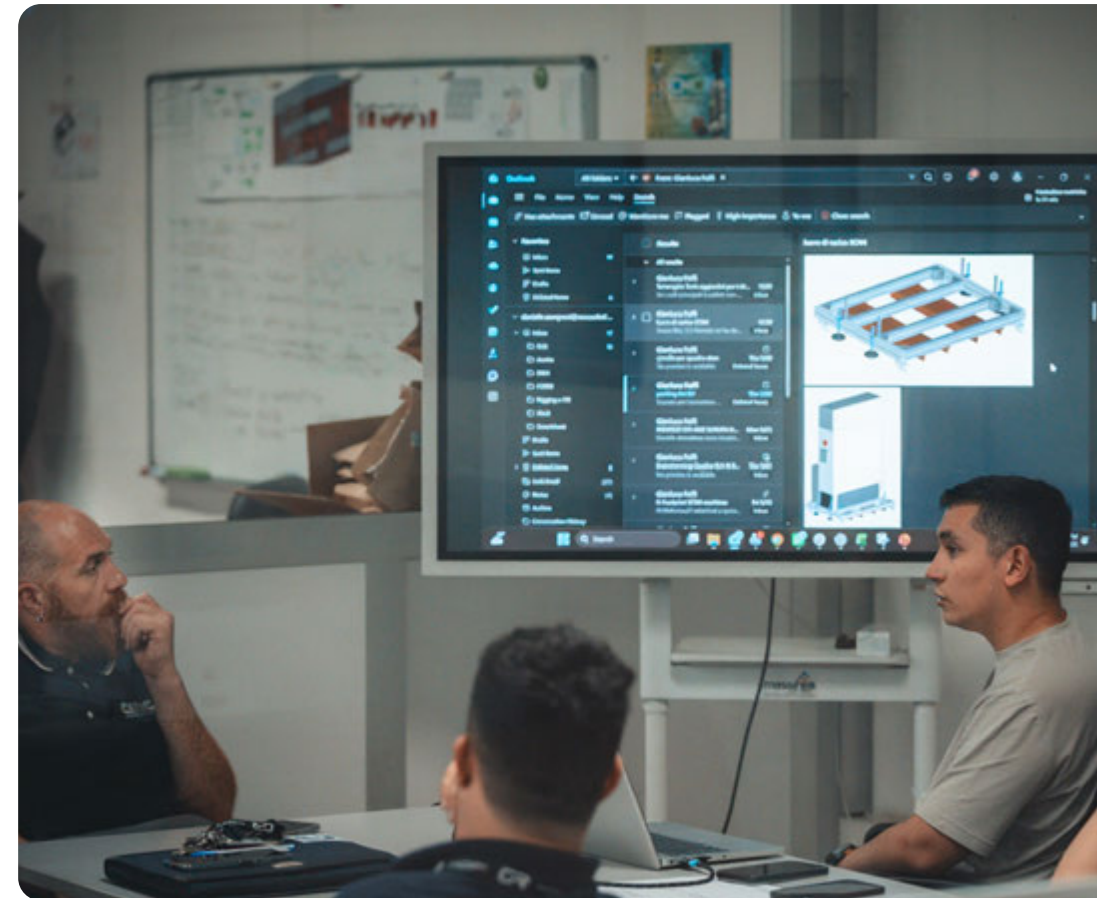
The specific development introduced within this area was the expansion of supplier intelligence capabilities through a **dedicated ESG self-assessment process**, directly connected to CMC's material topic on the management of supplier relationships and to the increasing relevance of Scope 3 data, supplier transparency and responsible procurement expectations.

The 2025 assessment perimeter covered **97%** of yearly procurement spend¹ and achieved a **96,4%** response rate.

¹ The 2025 supplier self-assessment covered organizational profile, ESG governance, environmental management, energy use, GHG emissions and decarbonization, pollution prevention and control, hazardous substances and waste, workforce management, local communities, health and safety, supply chain management, quality management, cybersecurity, business conduct and privacy. It should not be interpreted, by itself, as a full environmental or social supplier screening process under GRI 308 or GRI 414.

Results were analyzed by ESG, Procurement and Quality and shared internally with relevant departments and senior management, providing a spend-relevant and cross-functional evidence base for understanding supplier maturity, identifying data gaps and prioritizing follow-up.

The key assessment outcomes are synthetically presented in the following page, alongside a forward-looking snapshot on CMC's 2026 supplier intelligence activities.



Supplier governance & certification maturity

Almost 70% of respondents shared evidence of certified management systems or governance-related frameworks.

Quality certifications were the most common (reported by ca. 53% of respondents), followed by environmental management systems (~29%), governance-related systems/documents (~20%), H&S certifications (16%), cybersecurity management systems (7,5%) and human capital or social certifications (4,7%). Nine suppliers (8,5% of respondents) reported having adopted a formal Dlg. 231/2001 Organizational Model.

These results provided CMC with a clearer view of where supplier controls are already formalized and where further documentation or dialogue may be needed.

Supplier base

CMC's supplier base is heterogeneous in size, role and management-system maturity, requiring a differentiated engagement approach.

Ca. 57% of respondents had fewer than 50 employees, while suppliers of mechanical and electrical parts together represented 50% of the sample.

This confirmed the need to calibrate future supplier dialogue according to supplier relevance, maturity and available resources, rather than applying a one-size-fits-all model.

Supplier climate readiness

The climate-related results also strengthened supplier intelligence for Scope 3 and decarbonization readiness: in 2025, ~44% of respondents had conducted or were conducting a GHG footprint assessment, ~49% had adopted or were adopting decarbonization targets, and ~42% reported total or partial procurement of green energy. Conversely, 42,5% of suppliers reported no decarbonization targets (51% if "NAs" are considered). Suppliers with a carbon footprint in place were significantly more likely to have set or be developing targets, confirming the role of measurement as an enabler of climate-related supplier engagement.

2026 Outlook: strengthening supplier intelligence and compliance

In 2026, CMC plans to build on this work through focused engagement with selected suppliers and the evaluation of a supplier-management platform designed to centralize qualification, requalification and cross-functional compliance requirements. This approach will also support CMC's broader sustainability roadmap, including the planned ISO 14001 certification, further strengthening the role of supplier intelligence in managing environmental and compliance performance across the value chain.

7.6 - Advancing Market Access and Compliance

Building on the foundations established through CMC's ESG program to date, the next stage of maturity will focus on **embedding sustainability further into core business systems, governance practices and operational decision-making**.

Priorities include continuing to increase automation and efficiency in data collection, further strengthening risk and change management processes, broadening the consistency of supporting evidence, and expanding how information is used across procurement, customer engagement, compliance, product development and management reporting.

In the area of risk management, the continued development of a **corporate ERM framework** will further strengthen CMC's structured and consistent approach to identifying, assessing and monitoring business-relevant risks across the organization. For sustainability-related topics, this is expected to reinforce the connection between sustainability information, operational risk visibility and management decision-making, while further embedding the sustainability risk management process into the Company's broader governance model.

Within supplier engagement, CMC will continue to **enhance the processes and tools supporting qualification, requalification and compliance** information, reinforcing alignment across ESG, Quality, EHS, IT and Finance.

In relation to people and culture, the focus will be on **consolidating the employee listening process**, including the continuation of the annual employee survey, the definition of follow-up priorities with HR and Leadership, and the ongoing evolution of CMC's training approach, alongside a stronger onboarding experience and reinforced internal communication routines.

In relation to customer and commercial execution, CMC will build on the 2025 customer survey with more targeted qualitative discussions with selected strategic partners, and progressive improvements in how customer insight is captured, shared and used across client-facing workflows, **strengthening the flow of insight** across Marketing, Sales, Project Management, Quality and Aftersales and CMC's ability to convert technical performance into long-term commercial relationships.

Together, these priorities mark the next stage of CMC's Sustainability & Impact operating maturity, integrating sustainability execution further into core business systems, governance practices and operational decision making.

8 | 2025 HIGHLIGHTS: EVIDENCE OF PROGRESS



The previous sections of the Report described how sustainability-related matters are embedded into CMC's business model, product development, operational footprint, workforce capability, supply chain management and customer relationships. This section brings those elements together through key examples of **2025 performance and value creation**.

The objective is not to provide a full KPI inventory; detailed data tables and methodology notes are reported in the Appendix where appropriate.

The focus here is on the **results and evidence** most relevant to key stakeholders: where CMC's sustainability-related work enhances product performance, customer value, operational discipline, supplier and customer intelligence, external validation and future execution capability.

HOW **CMC'S 2025 SUSTAINABILITY PERFORMANCE** TRANSLATES INTO MEASURABLE PROGRESS, OPERATIONAL DISCIPLINE, BUSINESS VALUE AND STAKEHOLDER-RELEVANT EVIDENCE

The evidence presented follows CMC's value-chain logic: customer need and solution design, engineering and R&D, sourcing and production, installation and system integration, and service, optimization and customer impact.

In 2025, CMC continued to position **sustainability as a business enabler and a source of competitive advantage** rather than a reporting obligation.

The strongest evidence of this approach emerges across five interconnected areas: customer-side product impact and product value creation, climate performance and resource efficiency, people development and safety, supplier and customer intelligence, governance maturity and external validation.

These Impact areas are explored in greater detail in following pages.

"2025 gave CMC something more useful than a sustainability narrative: evidence of product relevance, operating discipline and market readiness."

FRANCESCO PONTI, CEO & Chairman

8.1 - 2025 performance evidence at a glance

Customer impact at scale

CMC's customer-side impact data show a clear value-creation pattern: the company's sustainability relevance is embedded in the performance of its installed base. In **2025** alone, and cumulatively since both the **2021** investment perimeter and the first CartonWrap installation in **2014**, CMC's right-sizing technologies enabled **measurable reductions in packaging-related emissions, cardboard consumption and void space / filler**.

This demonstrates that at CMC impact is **not a separate ESG narrative, but a product-driven efficiency lever** that scales over time with deployment: lower material intensity, reduced logistics burden, stronger packaging discipline and greater readiness for tightening packaging regulation.

For CMC's investors and customers, the same evidence strengthens the link between product adoption, **measurable value creation and market-access relevance**.

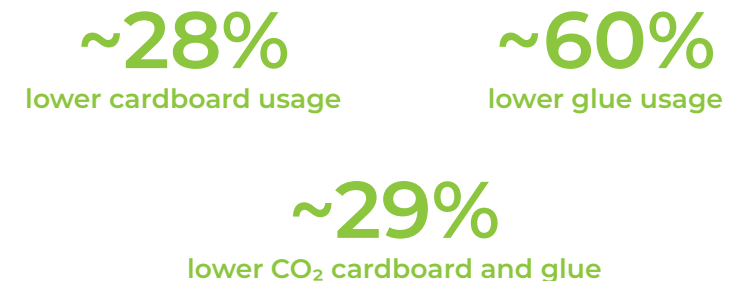
TABLE 8.1.1 - IMPACT GENERATED BY CMC TECHNOLOGIES

METRIC	2025	SINCE 2021	SINCE 2014
AVOIDED GHG EMISSION (tCO ₂ e)	306.245	736.498	1.130.970
SPARED CARDBOARD (tons)	147.895	356.299	546.016
SPARED FILLER / SPACE (million m ³)	11,8	28,5	43,7

Hybrid Advance proof of concept

Confidential Client

Building on CMC's proven right-sized packaging technology, which has shown a **~40–70% lower packaging-related footprint** versus standard manual boxing, Hybrid Advance tests the next layer of **efficiency through retrofit-driven R&D** within customer-specific packaging flows.



External validation

Independent **EcoVadis rating** confirms CMC's advanced sustainability management profile.

72/100
Silver medal

85
th percentile

GHG emissions & Decarbonization

CMC's 2025 GHG inventory confirms a highly concentrated emissions profile, with total emissions of **51.331 tCO₂e** (market-based Scope 2), driven by indirect sources.

Scope 1 and Scope 2 combined account for approximately **2% of total emissions**, while Scope 3 represents **~98%**, with two categories dominating: Use of sold products (**~71% of total emissions**), and Purchased goods and services (**~24%**).

This structural profile reinforces the central role of product design and deployment in CMC's climate strategy, with customer-side performance representing both the main source of emissions and the primary lever for their reduction.

In 2025, emissions intensity amounted to approximately **298,4 tCO₂e** per million euro of revenue, **96,9 tCO₂e per full-time equivalent (FTE)** and **58,6 tCO₂e per ton of sold product**. Together, these indicators provide an additional lens through which to assess the relationship between emissions, growth, workforce scale and production activity.

TABLE 8.1.2 – TOTAL GHG EMISSIONS (TCO₂E), 2022-2025



Energy

Total energy consumption amounted to approximately **5.195 MWh**.

The Company continues to advance its decarbonization pathway through a strong reliance on renewable electricity.

Within this, approximately **8% was generated on-site** via the photovoltaic (PV) plant, representing a **+10,7% year-on-year increase** compared to 2024, and highlighting ongoing investments in expanding self-generation capacity and energy resilience.

~93%
electricity from renewables

Waste

Waste management shows a high recovery orientation within the Italian operational perimeter.

~325
t total waste generated

~88%
directed to recycling or
recovery

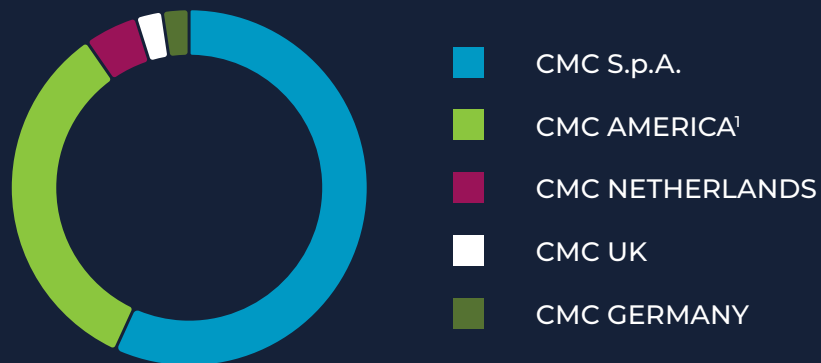
Workforce

CMC's workforce of **535 employees** remains concentrated where its core production and engineering capabilities sit: CMC S.p.A. (**304 employees, 56,8%**) and CMC America (**179 employees, 33,5%**) together account for **over 90%** of total headcount, with EU subsidiaries contributing smaller yet relevant commercial and operational teams.

Approximately **73%** of the workforce is technical or production-based, underpinning CMC's ability to design, install and service complex automation solutions at scale.

Workforce stability remains high, with **97,6%** of employees full-time and **ca. 99%** on permanent contracts.

TABLE 8.1.3 – 2025 WORKFORCE BREAKDOWN BY ENTITY (%)



¹ Includes the U.S.A. and Canada

Training and young talent

Capability-building remained material, combining Group training data with **targeted talent-development initiatives** linked to technical capability and retention.

20.049

total hours of formal training
and on-the-job learning

2.201

total hours of ESG
training

CMC invests in future technical talent through a dedicated **mentorship program** supporting the transition from education to employment. In 2025, **66% of participants were retained** through contract formalization, a strong indicator of the program's effectiveness in building and securing the technical talent pipeline.





Client Intelligence

In CMC customer intelligence is used to systematically **translate customer input into actionable priorities** for product development, service delivery and commercial effectiveness.

The 2025 customer satisfaction cycle provided directional insight into CMC's performance across key touchpoints: feedback remained **positive**, confirming solid execution in critical phases such as project scoping, negotiation and Factory Acceptance Testing.

In parallel, sustainability-related information **increasingly supported commercial interactions** in 2025, with growing customer focus on product impact, material efficiency, compliance and supply-chain transparency.

~260

end-customer organizations

38

countries worldwide

Supplier intelligence

In 2025, CMC strengthened its visibility into supplier risk and maturity, building on a supplier-control model that begins at onboarding and sets baseline compliance and integrity expectations across the supply chain.

The **2025 ESG supplier self-assessment** expanded CMC's visibility on supplier maturity, covering **97%** of procurement spend. The survey provided structured information on environmental management, GHG emissions and decarbonization readiness, hazardous substances and waste, workforce management, H&S, quality, cybersecurity, business conduct and privacy.

8.2 - Opportunities for decarbonization

CMC's 2025 GHG inventory confirms a sustained multi-year decline in total emissions, **from 104.290 tCO₂e in 2022 to 51.331 tCO₂e in 2025** (market-based) – a reduction of approximately **51%** over the period².

This trajectory is driven primarily by Scope 3, which continues to represent the large majority of CMC's footprint, reflecting volume, product use-phase and procurement dynamics rather than a shift in operational scale.

This pattern reinforces the **central role of product design and deployment** in CMC's climate strategy: the same Scope 3 categories that dominate the footprint – Use of sold products and Purchased goods and services – are also where CMC's product efficiency work and supplier engagement generate the greatest reduction potential. The full 2025 breakdown by scope and Scope 3 category is presented in Section 6.

Operational indicators – energy consumption, renewable electricity share and waste management – remain stable contributors to baseline control rather than primary drivers of the trend; full detail is provided in Section 6 and the Appendix.

² Calculated against the SBTi-approved 2022 baseline. See Methodological Notes to the GHG emissions' Table for a known limitation affecting comparability of this baseline.



8.3 - Workforce evolution and inclusion

CMC's workforce dynamics in 2025 combine the **stability of its core employment model with a targeted transformation** underway in specific geographies, requiring careful interpretation of turnover alongside continued progress on Diversity, Equity and Inclusion (DE&I).

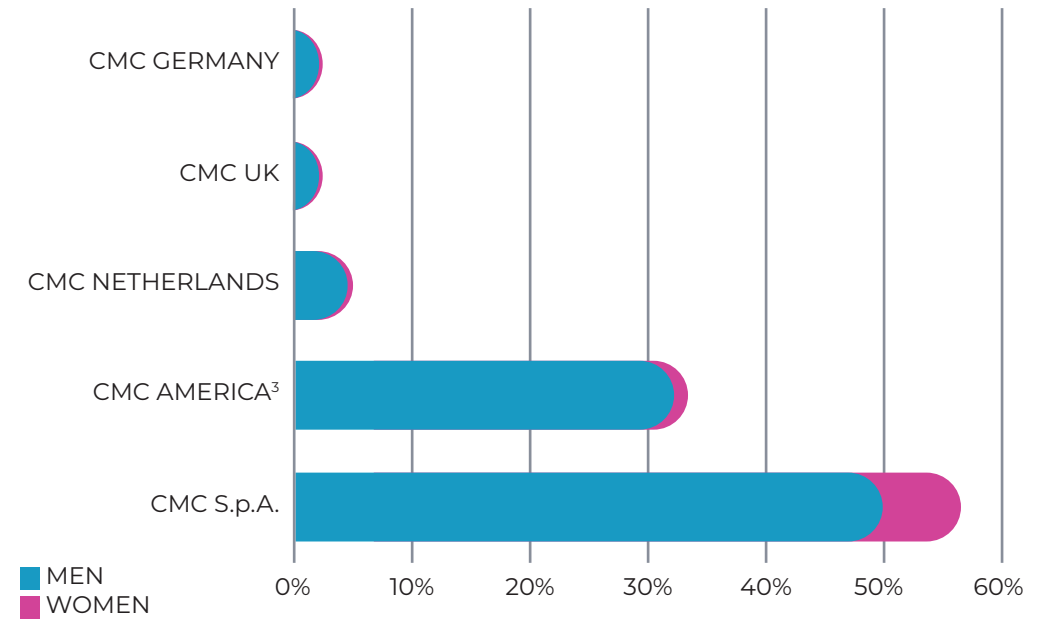
The Group's employment structure remains **highly stable**: **97,6%** of employees were full-time and approximately **99%** held permanent contracts in 2025, underscoring the long-term nature of employment relationships.

In 2025, CMC initiated a **strategic shift toward a digitally enabled, remote-service operating model**, increasing service efficiency and customer responsiveness while elevating the overall workforce skill profile. The transition supports a **leaner cost structure, greater scalability and higher-value service delivery**, positioning the Company to capture growth opportunities with enhanced operational leverage and margin potential.

Going forward, HR priorities are to continue consolidating the new structure, and support reskilling aligned with the evolving operating model.

CMC also continues to advance its **DE&I agenda as a key enabler of long-term value creation**. Female representation increased year-on-year to **8,2%** of the workforce in 2025; women now account for approximately **17,5%** of management positions across the Group.

TABLE 8.3.1 – WORKFORCE BY GENDER BY SUBSIDIARY (% OF GROUP TOTAL), 2025



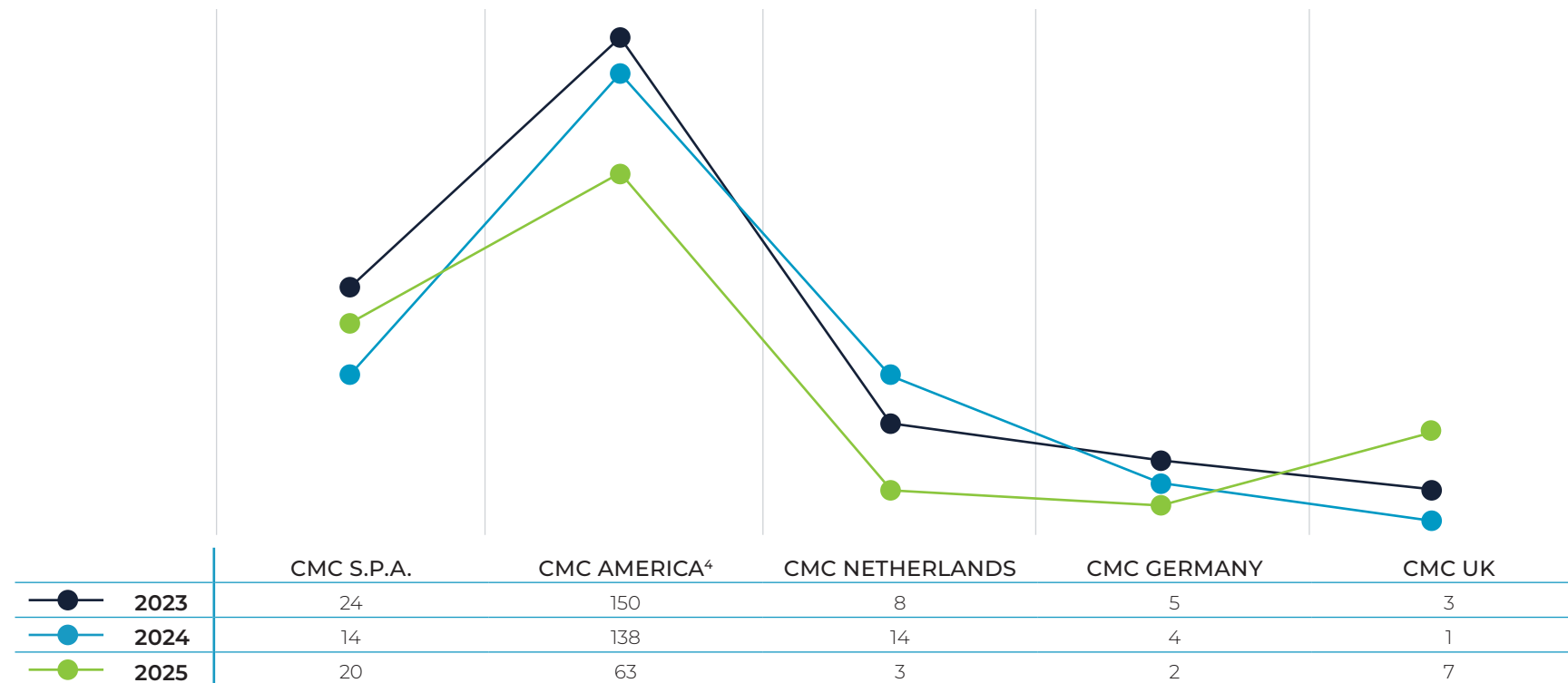
³ Includes the U.S.A. and Canada

The Group's age profile is also evolving: at year-end 2025, employees under 30 represented **14,8%** of the workforce, those between 30 and 50 represented **59,1%**, and employees over 50 represented **26,2%** – gradually shifting toward greater seniority, with the over-50 cohort up from 22,7% in 2024.

Against this backdrop, 2025 hiring activity – **95** new hires – continued to prioritize younger talent: **approximately 29% of new hires were under 30**, nearly double their share of the existing workforce, while **57%** were 30–50 and **14%** over 50. **Even amid contraction, this points to continued investment in generational renewal and early-career capability.**

DE&I remains an integral part of CMC's people strategy and a critical factor in attracting and retaining talent. Full HR data are presented in the Appendix.

TABLE 8.3.2 – NEW HIRES BY SUBSIDIARY (HEADCOUNT AND %), 2023-2025



⁴ Includes the U.S.A. and Canada

8.4 - Health & Safety performance

The safety and wellbeing of CMC's people is a foundational commitment, not a compliance outcome. As operations have expanded across five countries, maintaining a consistent standard of protection for every colleague has become a defining measure of organizational maturity.

A consistent, comparable safety record across jurisdictions with different regulatory regimes is also **a measure of how well the Group's management systems scale** – a relevant consideration for both workforce stability and CMC's broader risk profile.

Direct- and contracted-worker exposure hours and recordable injury rates are **tracked across all Group entities** – CMC S.p.A. (Italy), CMC America (U.S.A. and Canada), CMC Netherlands, CMC UK and CMC Deutschland – giving management, the Board and investors a single, comparable basis for monitoring performance as the Company grows.

CMC UK entered the consolidated H&S perimeter from 2024 onwards, following the formalization of its reporting lines; 2023 Group-level figures therefore reflect the remaining four entities. This discipline was independently confirmed in 2025 through ISO 45001 certification (Section 7.4), with the certified management system underpinning the year's quantitative outcomes set out in Table 8.4.1 in the next page.

Injury rate trend

CMC S.p.A., the Group's largest workforce, recorded a TRIR of 7,54 in 2025 – its lowest level across the 23-25 reporting window, down 45% from 13,74 in 2024 and below the 23-24 average of 12,28. Four recordable injuries were recorded against 530.153 employee-hours, a meaningful improvement on a comparable exposure base.

TRIR 7.54 best in series, 2023-2025

7,54

TRIR – CMC S.p.A.
three-year low,
-45% YoY

0

Fatalities
all entities – all years

0

High-consequence
injuries
all entities – 2025

Safety record

CMC Group recorded zero fatalities and zero high-consequence injuries across all five entities in 2025. This extends a clean record across the Group's 23-25 reporting window: zero fatalities and zero high-consequence injuries have been recorded in every entity-year tracked, with CMC UK joining the consolidated perimeter from 2024.

Zero fatalities · zero high-consequence injuries, 2023-2025



TABLE 8.4.1 – HEALTH AND SAFETY INDICATORS, 2025

H&S INDICATOR	2023 ⁵	2024	2025
DIRECT WORKERS			
TOTAL HOURS WORKED ⁶	936.093	1.006.185	1.068.250
RECORDABLE WORK-RELATED INJURIES (#)	14	10	7
TRIR (PER 1.000.000 HOURS)	14,96	9,94	6,55
CONTRACTED WORKERS			
TOTAL HOURS WORKED	61.762	17.205	43.603
RECORDABLE WORK-RELATED INJURIES (#) ⁷	2	0	1
TRIR (PER 1.000.000 HOURS)	32,38	0,00	22,93
GROUP TOTAL			
TOTAL HOURS WORKED	997.855	1.023.390	1.111.853
RECORDABLE WORK-RELATED INJURIES (#)	16	10	8
TRIR (PER 1.000.000 HOURS)	16,03	9,77	7,20

⁵ Excludes CMC UK (H&S tracking began 2024).

⁶ CMC DE direct-worker hours and the 2024 injury count reflect the restated 2025 values, which supersede the figures published in the Addendum to the FY2024 Sustainability Report.

⁷ CMC S.p.A. recorded one recordable injury among contracted workers in 2025 (TRIR 23,88) on 41.871 hours of third-party labor, an increase in contracted scope from 2024, where zero incidents were recorded. The rate reflects the inherently higher exposure intensity of contracted work on active production and installation sites.

8.5 - Supplier and customer intelligence as market-access infrastructure

In 2025, CMC **strengthened its supplier and customer evidence base**. This work supports market access because customers, investors and procurement functions increasingly require information on product impact, material efficiency, compliance, supplier maturity and climate-related data.

On the supplier side, CMC's supplier-control model starts at onboarding. Newly registered suppliers are required to complete supplier data registration, undergo an initial compliance and reputational screening and formally accept CMC's Code of Ethics and Supplier Code of Conduct. This onboarding process establishes baseline expectations on sustainable business conduct and practices. This first-level onboarding is complemented by risk-specific qualification and monitoring under CMC's certified management systems.

In parallel, the **2025 ESG supplier self-assessment**, which serves as internal supplier engagement and intelligence tool, expanded CMC's visibility on supplier maturity. The primary value of this screening – performed every other year – lies in supplier segmentation, data-gap identification and prioritization of follow-up; outputs are shared with relevant functions as well as to the Leadership and the Board, among updates of the ESG Committee.

TABLE 8.6.1 – SUPPLIER-CONTROL EVIDENCE, 2025

SUPPLIER-CONTROL LAYER	2025 EVIDENCE
NEWLY REGISTERED SUPPLIER ONBOARDING	323 suppliers
ISO 9001 SUPPLIER PERIMETER	139 suppliers
ISO 9001 PERIODIC REQUALIFICATION	100%
CRITICAL SUPPLIERS UNDER ISO 9001 PERIMETER	32
ISO 9001 ON-SITE AUDITS	2
ISO 9001 IMPROVEMENT PLANS	2
ISO 27001 SUPPLIER PERIMETER	56 suppliers
ISO 27001 REASSESSMENT	100%
ISO 27001 HIGH-RISK FINDINGS	0
ISO 45001 SUPPLIER PERIMETER	25 suppliers
ISO 45001 H&S QUESTIONNAIRE / REQUALIFICATION	100%
ISO 45001 H&S FINDINGS	0

97%

ESG self-assessment
spend coverage

2x+

Supplier reach in
2025 vs 2023

Customer intelligence follows the same strategic logic. The 2025 engagement cycle returned a positive NPS of +42,1, with the Neudorff case (see Box 8.6.1 on the right) illustrating how this customer-centric approach translates into measurable outcomes on the ground. The main value of this yearly exercise lies in **translating customer feedback into actionable priorities** for product development, service excellence and commercial effectiveness. Furthermore, in 2025, **sustainability-related information** increasingly supported commercial interactions, including customer requests on product impact, material efficiency, compliance and supply-chain transparency.

BOX 8.6.1 – CUSTOMER SUCCESS STORY: NEUDORFF



Neudorff, a German plant care and garden products manufacturer sold in 31 countries, scaled e-commerce fulfilment from one manual workstation (2021) to direct online sales across the EU, the UK and the US (2025). Packing was the bottleneck: **120–180 shipments/hour per packer vs. up to 400 units/hour** for picking, making packing cost per parcel far higher than any other step.

Neudorff deployed the **CMC CartonWrap XS**: fully automated, fit-to-size, scan-to-label, no manual handling, sized for its smaller-format shipments. One year after deployment, Neudorff reported:

- **76% → 97%** of orders packed fully automatically, vs. an original 75% target
- **Smaller, specialized technical team** replacing a larger manual-packing workforce
- **Lower outbound shipping costs** from reduced parcel volume
- **Zero void-fill**, via Z-fold fanfold board replacing standard cartons
- 2026 outlook: **1 million parcels**

The case shows that **fit-to-size automation delivers the strongest returns** where manual packing costs scale fastest with volume, with **PPWR** readiness emerging as a growing driver of customer adoption.

8.6 - External validation and system proof

In March 2026¹¹, CMC achieved an EcoVadis score of **72/100**, corresponding to **Advanced** performance and a **Silver Medal**.

The score placed CMC in the **85th percentile** of assessed companies and in the **top 5%** of companies rated by EcoVadis in the manufacture of general-purpose machinery industry.

For CMC, this result is not a standalone recognition, but external evidence of a progressively more structured sustainability governance. The assessment reflects the quality of CMC's documented policies, actions, reporting practices and management controls across environment, labor and human rights, ethics and sustainable procurement.

In 2025, this evidence base was further supported by the achievement of **ISO 45001 certification** for occupational health and safety, alongside the existing **ISO 9001** and **ISO 27001** frameworks. Together with **CMC's Organizational, Management and Control Model** pursuant to Legislative Decree 231/2001, these systems support quality, information security, health and safety, supplier qualification, accountability and internal control.

¹¹ While this report covers the 2025 reporting period, the reference to the EcoVadis score updated in March 2026 is included to provide the most recent available external benchmark of CMC's sustainability management system. Given its relevance for customer qualification and ongoing procurement processes, this forward-looking datapoint enhances the timeliness and decision-usefulness of the disclosure for investors and market participants.



8.7 - Closing Perspective: 2026 and Beyond

2025 marked a year of meaningful consolidation and continued organizational maturation.

CMC not only maintained its strong ESG performance – it invested in the systems, capabilities and governance structures that make this **performance durable, auditable and commercially relevant** beyond this reporting cycle. These priorities are not separate from business execution; they are linked to product competitiveness, data quality, supplier readiness and customer dialogue.

Decarbonization remains a Company priority going forward, alongside continued efforts to deepen the evidentiary basis for CMC's impact claims through **LCA** assessments, strengthen the institutional quality of the organization through its people, performance and compliance systems, and develop a formal **Enterprise Risk Management** approach that would bring ESG risks into the enterprise risk register alongside operational, regulatory and financial risks. CMC's EcoVadis Advanced score continues to provide independent validation of its ESG management quality.

CMC enters 2026 with **a stronger foundation for scalable, evidence-based sustainability performance and long-term value creation**. As the Company continues to grow, the focus will increasingly shift from establishing sustainability capabilities to embedding them throughout the organization, ensuring that sustainability remains a driver of competitiveness, innovation and durable value creation.





SUSTAINABILITY
REPORT 2025

cmcsolutions.com