Sustainability Report 2024

Table of Contents

Letter to Stakeholders

Dear Stakeholders,
The CMO Group has always based its activities on strong values: responsibility, innovation and respect. These principles guide our daily decisions and have led us, over the years, to systematically and concretely integrate environmental, social and governance sustainability into our business methods.

We are proud to present our Sustainability Report for the 2024 financial year. In these pages, you will find not only data and results, but also our vision the objectives that inspire us, and the actions undertaken to generate a positive impact on the territory, on people and on the environment.

In an ever-evolving context, where environmental and social challenges are increasingly central, we have chosen to take a decisive step towards the responsible and transparent management of our activities. This journey involves continuous monitoring of ESG performance, with the aim of establishing an authentic and meaningful dialogue with all our Stakeholders.

The Sustainability Report represents for us much more than simple compliance: it is a strategic tool that allows us to reflect on who we are today and who we aim to become tomorrow. Looking towards the future, we are committed to progressively expanding the scope of our reporting, integrating an ever-increasing number of indicators in line with the GRI Standards, and preparing ourselves to align with the new European regulations on non-financial reporting. With a long-term outlook, we aim to continue setting ambitious environmental and social objectives, contributing - through our commitment and expertise - to building a more equitable, sustainable and shared future.

Because we believe that every responsible action today is a step towards a better tomorrow, to be passed on to future generations.

CLAUDIO ONGIS
Chairman of CMO Group S.r.l.

Methodological note

This document constitutes the first **Sustainability Report** (hereinafter also referred to as "Report") of **CMO Group S.r.l.** (hereinafter also referred to s "the Group" or "CMO Group") and it has been drawn up with reference to the "Global Reporting Initiative Sustainability Reporting Standards", applied under the "*with reference*" option defined by the **Global Reporting Initiative** (GRI), as indicated in the "GRI Content Index". With regard to the Universal Standards GRI 1 (Foundation) and GRI 2 (General Disclosures), the latest 2021 version has been adopted.

The scope of the data and information included in this document refers to the holding company CMO Group S.r.l.[1] and all operating companies within the Group, namely: CMO S.p.A., Masperotech S.r.l., Tunitek Industry S.a.r.l., A&T Fluid Solutions S.r.l. It should be noted that during 2024 the merger between Airwork Pneumatic Equipment S.r.l. and Tecnofluid S.r.l. into A&T Fluid Solutions S.r.l. was completed.
Within this document, for clarity, any data and information related to "the Group" or "CMO Group" refer to the

companies included in the above-defined scope. Any limitations in scope are appropriately indicated in the document. Where data and information relate to a single entity, the specific company name will be indicated (e.g. "CMO S.p.A.").

The information contained in this Report refers to the year 2024 (from 1 January to 31 December 2024) and, where possible, comparative figures for the previous year are provided, in order to allow for the data to be compared over time and the Group's performance trends to be assessed. The use of estimates has been reduced as far as possible and, where used, is based on the best available methodologies and have been appropriately disclosed.
In addition to this, for further details on quantitative data, reference should be made to the individual tables included in the document.

Moreover, this Report is not subject to external Assurance.

The Board of Directors of CMO Group reviewed the Sustainability Report on 15.10.2025.

The CMO Group Sustainability Report is published on an annual basis. This document is also publicly available at: www.cmogroup.it

For any information concerning the Sustainability Report, please send an email to: info@cmogroup.it

[1] *This Sustainability Report also includes human resources data of the parent company CMO Group S.r.l. for both 2023 and 2024.*

CMO Group

1

1.1 About us

Founded in 1985, the CMO Group is today a European leader in the production of machined components in copper, aluminium and other non-ferrous metals. Initially specialised in mechanical machining for the electromechanical sector (low-, medium- and high-voltage applications), the Group has progressively expanded its scope, building a strong reputation in global subcontracting and acquiring important customers in more than 20 countries all over the world and across 19 different industries.

Since its foundation, the CMO Group has followed and anticipated the evolution of the mechanical and forged components market, investing in increasingly advanced processes and operating in sectors with a high growth potential. Thanks to the use of cutting-edge technologies, resource optimisation and a continuous pursuit of the highest quality standards, today the Group is among the top three players in Europe in the field of machining and forging of non-ferrous materials. The CMO Group provides highly reliable solutions which are developed, manufactured and processed in conditions of maximum robustness and repeatability, thanks to its 5 production plants, over 300 employees, and continuous investment in technologies, innovative processes and new production facilities.
Thanks to its extensive experience and commitment to delivering high-quality results, the CMO Group has become a trusted partner and a top performer for customers operating in various sectors:

- **Mobility**
- **Marine Applications**
- **High Voltage**
- **Medium and Low Voltage**
- **Automotive/Racing**
- **Mechanical Engineering**
- **Medical Sector**

The Group's ability to serve different industries has proved highly advantageous, allowing it to offer its customers a wide range of products in terms of size and type. Moreover, its presence in multiple sectors allows the Group to leverage synergies on a daily basis and to strengthen its innovative capabilities and skills.
Thanks to the continuous improvement of its production processes, engineering skills and business management, also made possible thanks to collaborations with leading Italian universities for the study of new conductive materials and their potential applications, the Group is now able to offer its customers technical solutions based on a range of innovative technologies, managing the entire production cycle from raw materials to surface treatment, all the way to the supply of finished and *custom-based* products.

The CMO Group offers its partners a 360° service and the convenience of a single point of reference for multiple services and needs.

1.2 Our history

1909
First forged components

1985
The CMO Group was founded

1995
Launch of expansion strategy in Europe. Tecnofluid Engineering S.r.l. was established

1996
Acquisition of Airwork Pneumatic Equipment S.r.l

2000

Acquisition of 2 subsidiaries of the ABB Group: Sebèc S.r.l. was established

2004

Inauguration of the new production facility in Cesano Maderno

2005

Tunitek Industry S.a.r.l. was established

2018

Acquisition of a hot forging company, Masperotech S.r.l.

2022

Sebèc became a division of CMO S.p.A.

2023

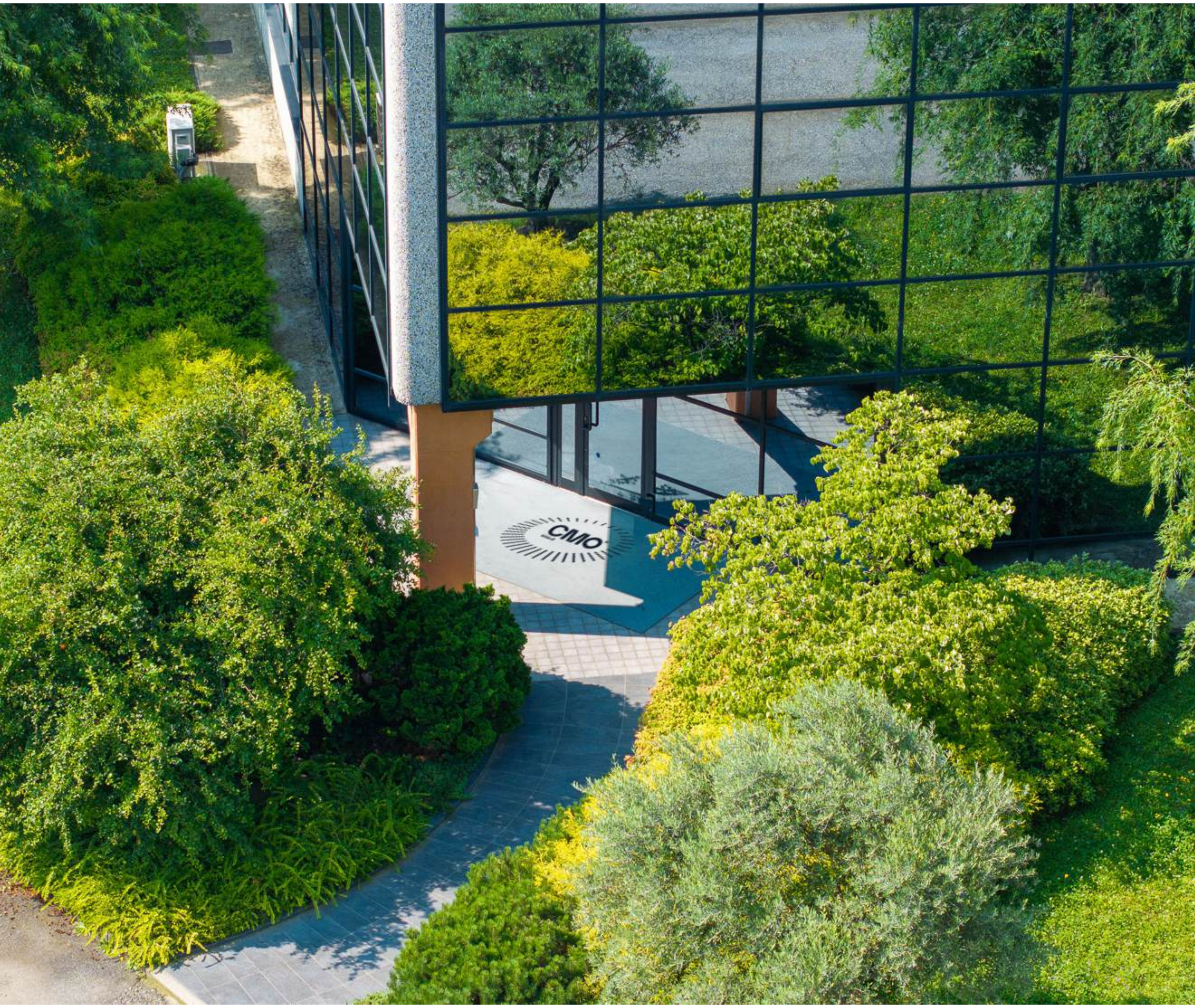
Start of ESG reporting activities

2024

Merger of Airwork S.r.l. and Tecnofluid S.r.l.

The history of the CMO Group began in 1909 with the start of production of the first forged components: over 100 years of experience in forging means extensive and highly valuable know-how in the sector.
10 years after its official foundation, in 1995, the Group secured a major multinational company as its main customer and began pursuing an expansion strategy outside Italy, taking part in leading industry trade fairs with the aim to broaden its customer base across Europe.
In the same year, **Tecnofluid Engineering S.r.l.** was established, a new company specialising in fluid power systems and hydraulic systems within the Group.

In 1996, the CMO Group decided to diversify its business and enter the pneumatic and industrial automation sector with the acquisition of **Airwork S.r.l.**



In 2000, the Group also acquired two subsidiaries of the ABB Group, in the Bergamo area, further strengthening its presence in the sector. This led to the establishment of Sebèc S.r.l., based in Stezzano (BG), operating in the general mechanical engineering sector - subcontract machining.

The year 2004 marked a turning point: with the inauguration of the new 8,000 m2 production facility in Cesano Maderno, the CMO industrial group was officially established, becoming one of the leading European players in the electromechanical sector.

In 2005, the Group decided to invest in mechanical construction activities by opening a new production facility in Tunisia. This facility employs a highly skilled workforce and benefits from competitive labour costs. Despite international expansion, the company's management and personnel remains entirely Italian.

In 2018, the CMO Group acquired one of its long-standing hot forging suppliers to strengthen its technological portfolio and integrate more specialised expertise: this led to the creation of Masperotech S.r.l., based in Monza. By controlling the hot forging process, the Group was able to meet customer requirements more effectively and be more competitive in the market.

In 2022, Sebèc S.r.l. became a division of CMO Bergamo, further consolidating the Group's activities and ensuring continuity in its development path, characterised by a constant focus on expansion, technological innovation and customer satisfaction in the electromechanical sector.

During 2023, as a Group, CMO initiated its first consolidated sustainability reporting activities, by means of a structured data collection and monitoring process that will progressively support compliance with the European Corporate Sustainability Reporting Directive (CSRD).

The merger between Airwork Pneumatic Equipment S.r.l. and Tecnofluid S.r.l. into A&T Fluid Solutions S.r.l. created a synergy of expertise and values, allowing the Group to offer increasingly comprehensive and integrated solutions in the field of pneumatics and hydraulics, while further strengthening its core focus on Research and Development.
At the same time, the Group completed the relocation of the second CMO S.p.A. site from Stezzano to Urgnano (BG), a new 10,000 m^2 production facility. A modern site, the result of targeted investments, which represents a significant step forward for the electromechanical division and opens up new growth opportunities.

Also at Masperotech, in the Monza facility, the CMO Group has taken a forward-looking approach, expanding the site by over 4,000 m^2 of covered space dedicated to forged components and mechanical machining. This is the first step in a development path that will continue to grow over the years, driven by the ambition to build the future.

Today more than ever, the Group continues to grow, innovate and look ahead with confidence.

1.3 Group structure

The Group currently consists of **5 production plants**, each equipped with advanced technologies for the production of copper and aluminium components. Each company has its own operational autonomy, customer base and strong financial solidity across the various sectors in which it operates.

CMO Group

CMO S.p.A.
Cesano Maderno (MB)
Urgnano (BG)

PRECISION MECHANICAL MACHINING

It specialises in general mechanical machining such as turning and milling. In 2022, the company Sebèc S.r.l., acquired in 2000 and operating in the general mechanical engineering sector - subcontract machining, became a division of CMO S.p.A. During 2024, the plant was relocated to Urgnano, where the expertise and professionalism of highly skilled technicians allow the Group to provide unique and customised solutions to meet the requirements of any customer.

Masperotech
Monza (MB)

METALLURGY

With over 100 years of experience, it specialises in the metallurgy of non-ferrous metals and hot forging of aluminium alloys, copper (brass, aluminium-bronze, CuNi) and titanium. It became part of the CMO Group in 2018.

A&T Fluid Solutions
Carate Brianza (MB)

PNEUMATIC AND HYDRAULIC COMPONENTS

A cutting-edge company specialising in the production of special pneumatic and hydraulic components. Its flagship asset is a state-of-the-art technical department capable of developing effective customised solutions based on specific customer requirements.

Tunitek Industry
Tunis

MECHANICAL CONSTRUCTION

The most recently established company within the CMO Group. Its main activities include mechanical assembly with inspection and testing of electromechanical, pneumatic and hydraulic units, as well as machining of assembled components such as small turning and milling operations, nickel plating and anodising treatments on site.

1.4 Mission and Values

The **CMO Group** creates value by transforming innovation into concrete solutions for its customers. Through advanced engineering expertise and a continuous pursuit of excellence, we support companies and designers in overcoming the most complex industrial challenges.

Our aim is to be a trusted partner, capable of building - together with our customers - a more efficient, intelligent and sustainable industrial future.

People

The CMO Group is a community of people driven by continuous improvement in technical skills, production processes and business management, promoting passion, enthusiasm and involvement.

Responsibility

The CMO Group promotes environmental responsibility and social commitment through investments and initiatives focused on sustainable innovation, support for start-ups, and the development of solutions aimed at reducing environmental impact.

Ethics and integrity

The Group is committed to defining a Code of Ethics that will formalise the principles of responsibility, transparency and integrity, providing clear guidelines for ethical and sustainable behaviour in all corporate activities.

Reliability and partnership

The Group proactively interprets customer needs, offering innovative solutions and building long-term relationships based on trust, with the aim of growing together across the entire value chain.

Custom-based approach

Thanks to a flexible and integrated model, the Group is able to offer tailor-made solutions and complementary services, ensuring responsiveness, proximity and an effective and satisfactory customer experience.

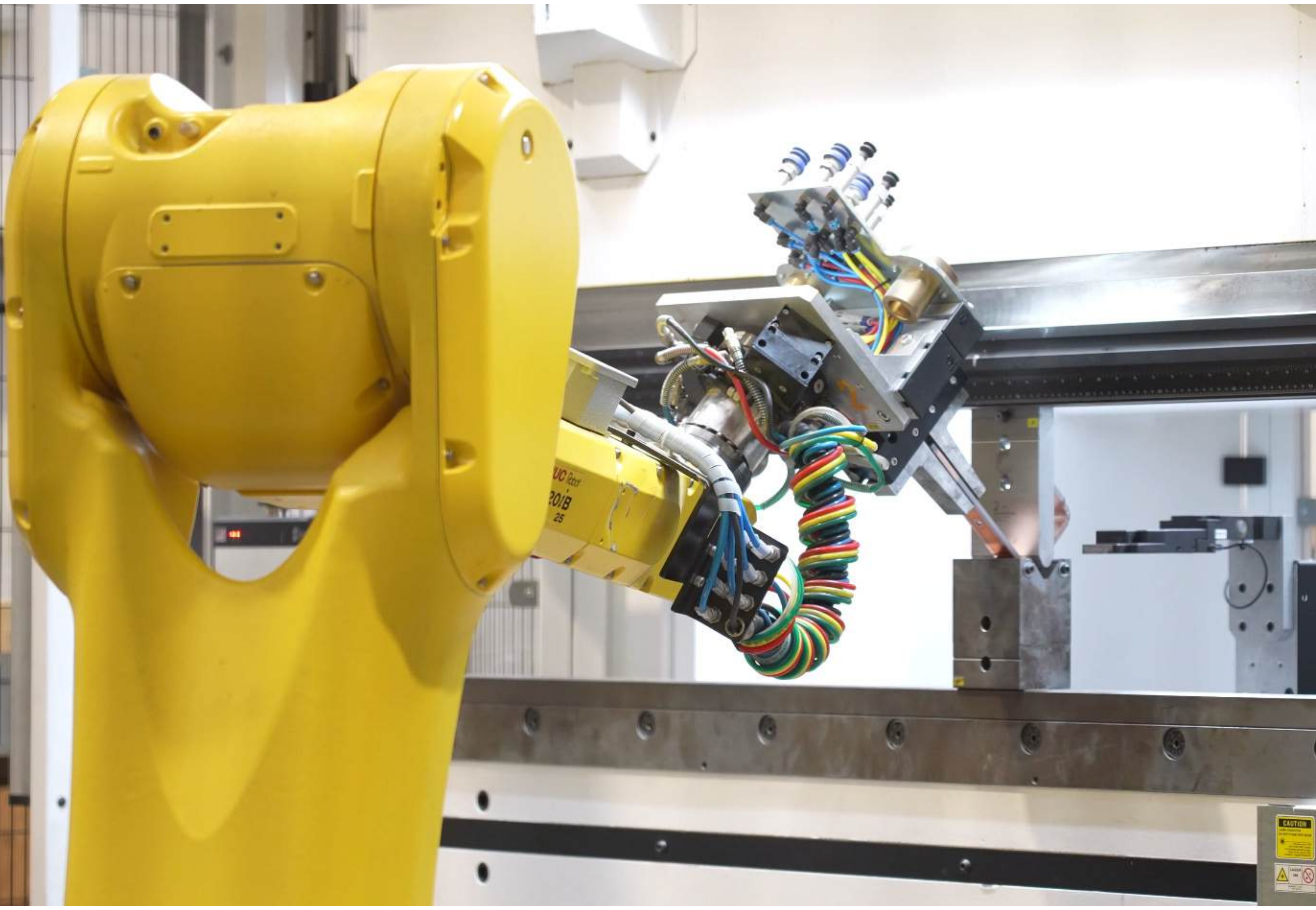
Human-lean approach

Technology is enhanced through people. The Group believes that enthusiasm, motivation and a sense of responsibility are key elements in creating lasting and sustainable value.

Expertise and excellence

CMO invests constantly in research and innovation to guarantee high quality standards in its main production processes, including milling, turning, stamping, brazing, coating and advanced cutting technologies.

1.5 Our technologies



Over the past twenty years, the CMO Group has been a pioneer in the use of advanced simulation technologies for the development of equipment and products, making a significant contribution to the technological progress of its customers. Specialised in the precision mechanical machining of non-ferrous materials, the Group offers a wide range of customised small and medium-sized components, meeting the specific mechanical and aesthetic requirements of customers across various sectors.

Thanks to access to a wide selection of raw materials and *the expertise* of its technical department, the CMO Group is able to process a variety of alloys such as aluminium, copper, aluminium-bronze, titanium, brass, cupronickel and Monel, using optimised *high-tech* processes and a wide range of cutting-edge technologies, which all translates into the technological excellence and diversity that lie at the heart of the Group's competitive advantage.

Technologies		Products	Application sectors
MILLING	Automated CNC[2] machining operations starting from raw materials such as profiles, stampings, bars and tubes.	Copper and aluminium components	- Low/medium voltage power distribution and transmission - High voltage power distribution and transmission - Renewable energy - Circuit breakers - Connections
TURNING	Automated CNC machining operations starting from raw materials such as hot forgings, bars and tubes.		
HOT FORGING	Metal forming and reshaping process carried out in dies to obtain precise geometries in a wide range of sizes, from 40 mm to 3 metres.	Non-ferrous metal components (aluminium, copper, brass, titanium, CuNi, Monel, aluminium-bronze)	- Low/medium voltage power distribution and transmission - High voltage power distribution and transmission - Circuit breakers - Rail transport - Aerospace and defence - Automotive – racing - Energy - Oil separation - Design - Sports - Mechanical engineering
PUNCHING AND BENDING	Production of bars and connecting busbars, as well as complex 3D components, using flat or round bars and tubes.	Copper and aluminium bars and connecting busbars for the electromechanical industry	- Electromechanical sector - Rail transport - Automated systems
BRAZING	Manufacturing of components for the electromechanical industry using automatic and manual brazing equipment.	Copper electrical Contacts and silver alloy plates	- Electromechanical sector - Rail transport - Automated systems - Automotive - racing
ELECTRICAL INSULATION	Production of insulating components using heat-shrink sleeves or epoxy resins.	Aluminium and copper components coated with insulating materials	- Electromechanical sector - Rail transport - Automated systems - Automotive - racing
ASSEMBLY	Production of mechanical components built on assembly lines. Customers can also request testing and certification of assembled components prior to shipment.	Mechanical components of various complexity	- Electromechanical sector - Rail transport - Automated systems - Automotive - racing
WATERJET AND LASER CUTTING	Technologies used to produce busbars with complex geometries. Waterjet cutting is a cold cutting process that uses a high-pressure water jet combined with abrasive material to erode the material.	Busbars produced from copper or aluminium sheets with a maximum thickness of 7 mm for laser cutting and between 4 and 25 mm for waterjet cutting.	All sectors

[2] CNC machines are automated milling devices that produce industrial components without direct human intervention. They use coded instructions sent to a computer, allowing factories to produce parts quickly and accurately.

Our sustainability journey

2

2.1 Our stakeholders

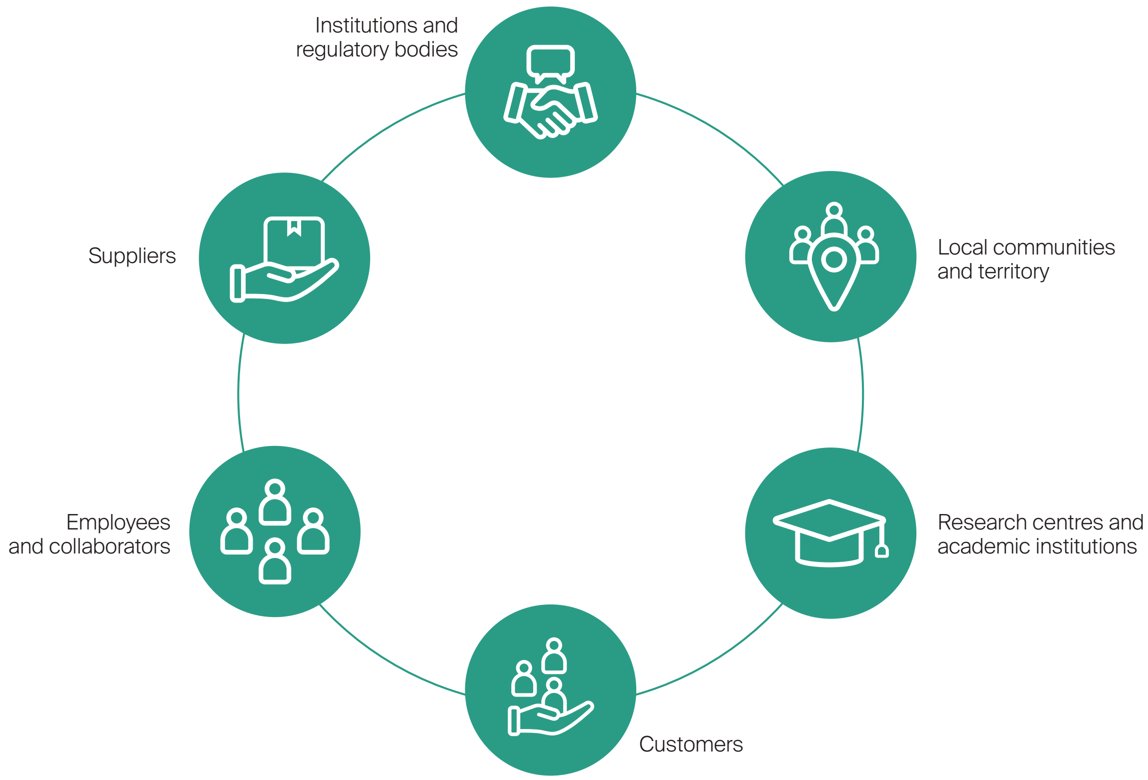
The process of identifying stakeholders, together with their expectations and interests, represents one of the most important phases in defining the content of the Sustainability Report, a tool that illustrates the main dynamics and initiatives promoted by the Group during the year in the ESG field (environmental, social and governance).

Stakeholder

An entity or individual that can reasonably be significantly affected by the activities, products and services of the organisation, or whose actions can reasonably affect the organisation's ability to successfully implement its strategies and achieve its objectives.

GRI 1: Foundation 2021

Through an in-depth analysis of the Group and the context in which it operates, the **main stakeholders** directly and/or indirectly affected by the Group's activities have been mapped, as well as those capable of influencing its operations. The stakeholder categories identified as most relevant for the CMO Group were subsequently shared and confirmed during a dedicated **Workshop**, which involved all members of Top Management.



2.2 Materiality analysis and ESG topics

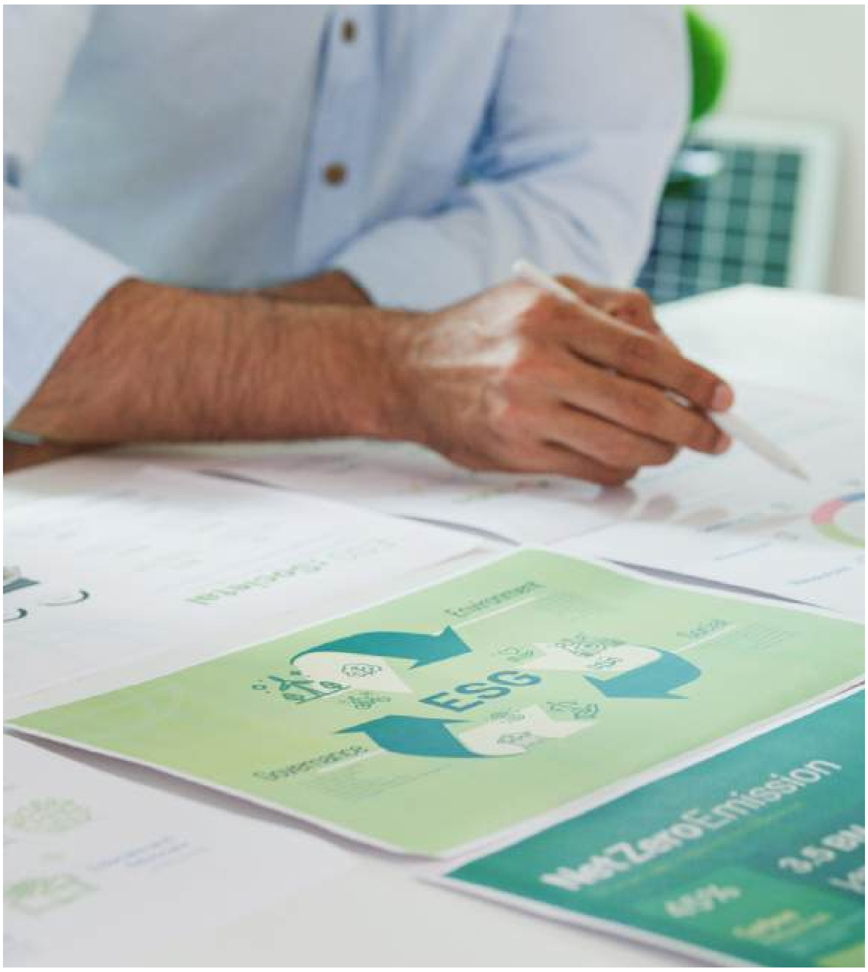
The materiality analysis process, aimed at identifying the most relevant sustainability topics for the Group, was developed in accordance with the latest guidelines defined by the non-profit organisation **Global Reporting Initiative** (GRI) in its 2021 version.

In line with what is defined in the **"GRI 3: Material Topics 2021"** standard, the analysis made it possible to identify the aspects that reflect the most significant economic, environmental and social impacts (positive or negative, potential or actual) for the Group and which may substantially influence the assessments and decisions of its Stakeholders.

The materiality analysis initially focused on **a benchmarking assessment** conducted on a panel of companies operating in the sectors to which the Group's companies belong in the field of sustainability. This led to the identification of a range of aspects potentially relevant to the Group, which can be divided into three macro-areas: **Environment**, **Social** and **Governance**. Then, the main positive and negative impacts generated or potentially generated by the Group through its business activities and relationships were considered and mapped.

Indeed, following the update of the GRI Standards, the relevant topics on which reporting should be based are those reflecting the most significant positive and negative impacts, actual and potential, generated by the Group on the economy, the environment and people, including in relation to human rights.

The list of **relevant ESG topics** and their associated **impacts** for the CMO Group is presented below and was approved by the members of Top Management during the Workshop. It should be noted that the results of the impact materiality analysis conducted for the 2022 financial year were also confirmed for the 2023 and 2024 financial years.



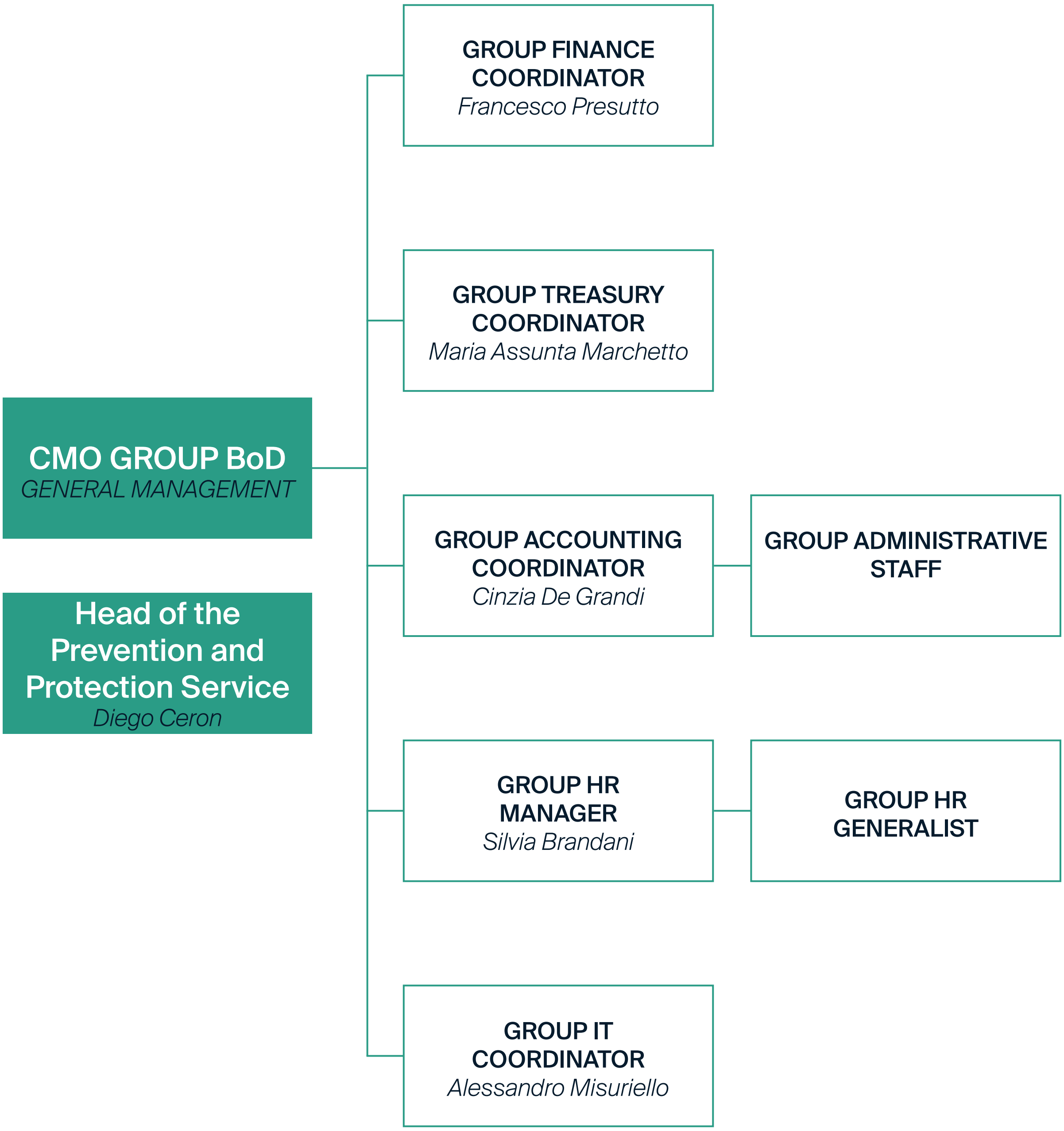
Area	Topic	Impacts generated by CMO
ENVIRONMENT	Circular economy and materials and waste management	- Promotion of waste recovery operations from a circular point of view, through reuse, recycling or other recovery practices - Environmental impact due to improper waste management and disposal - Depletion of natural resources resulting from intensive production processes/ business processes
	Product innovation and sustainable design	- Promotion of sustainable product design, also through investments in research and development - Introduction and/or creation of technological solutions aimed at reducing the environmental impact of production processes
	Energy efficiency and reduction of emissions	- High energy consumption (within the organisation) from non-renewable sources - GHG emissions (direct and indirect) and other emissions mainly arising from production activities
	Water resource management	- Contamination of wastewater discharges with consequent impact on biodiversity and human health - High water withdrawals and/or consumption with consequent impact on the environment and local communities
GOVERNANCE	Governance, business ethics and compliance	- Awareness and dissemination of a culture of ethics and respect for human rights among management, employees, business partners and other stakeholders - Incidents of corruption, anti-competitive behaviour and non-compliance with sector regulations, laws, rules and standards
	Responsible management of the supply chain	- Sharing of ESG best practices along the value chain, resulting in improved sustainability performance of suppliers - Negative impacts on local communities and the environment due to failure to assess the suppliers' ESG criteria
	Creation of shared economic value	- Creation and distribution of economic and financial value to all stakeholders, with the aim of ensuring their economic sustainability - Erosion of shareholder dividends due to low and unstable financial performance
SOCIAL	Human resources management, development and wellbeing	- Development of employees' skills and support for career progression - A healthy and stimulating working environment promoting welfare and wellbeing programs for employees - Loss of corporate know-how due to inadequate resource management and retention (e.g. lack of collaboration and communication)
	Occupational health and safety	- Prevention and mitigation of impacts on occupational health and safety - Accidents at work and occupational diseases
	Human rights and workers' rights	- Respect for workers' rights by promoting fair and inclusive policies and practices (e.g. remuneration, maternity leave, etc.) - Human rights violations along the value chain (e.g. freedom of association and collective bargaining, child labour, forced or compulsory labour, also related to conflict minerals)
	Equal opportunities, non-discrimination, diversity and inclusion	- Promotion of an inclusive culture that fosters diversity, equity and inclusion at all levels within the Group, facilitating the expression of individual talent and uniqueness - Episodes of discrimination/abuse within business operations
	Product quality and safety, and customer satisfaction	- Production of safe, high-quality products that meet customer standards and requirements - Poor product quality leading to customer and end-user dissatisfaction

Our governance and economic performance

3

3.1 Responsible governance, business ethics and compliance

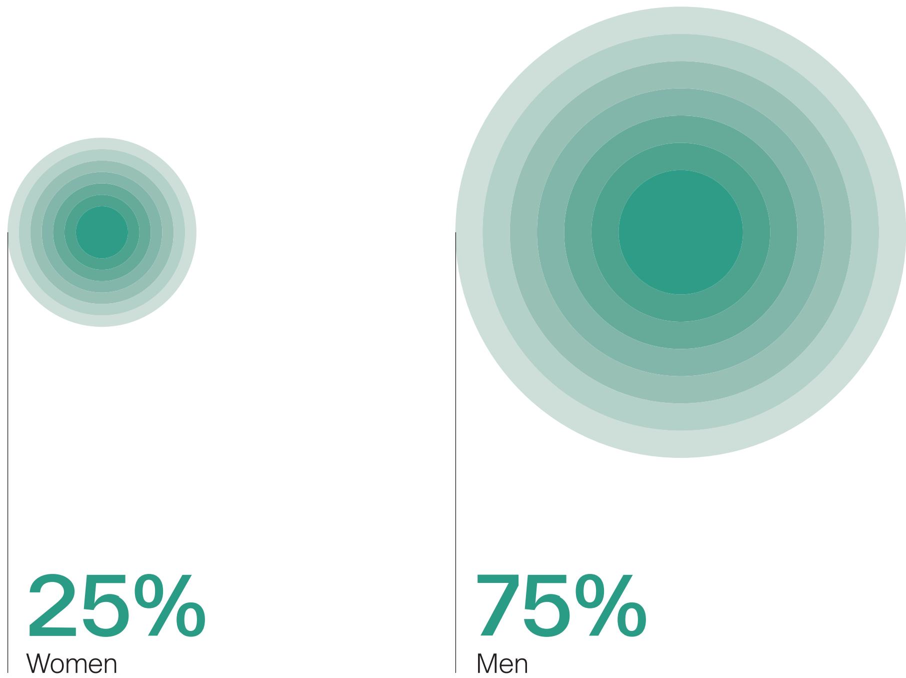
Below is a graphical representation of the governance structure of CMO Group S.r.l.



Since its foundation and to the present day, the CMO Group has undergone a significant organisational evolution, marked by various acquisitions, which has led to the implementation of a well-defined governance structure, while maintaining a family-type ownership model.

The holding company, CMO Group S.r.l., adopts a traditional governance model in accordance with the provisions of the Italian Civil Code, with a collegiate Board of Directors.

The administrative and management responsibility of the Group is entrusted to the Board of Directors (“BoD”), which, as at 31 December 2024, in line with 2023, consisted of four members: Chairman Claudio Ongis, two Chief Executive Officers and one Director, with **women** accounting for **75%** of the Board and **men** for the remaining **25%**. As at 31 December 2024, 75% of the members of the BoD were between thirty and fifty years of age, while the remaining 25% were over fifty.



GRI 405-1a: Diversity within governance bodies

Total number of employees (headcount) divided by job category and age group								
NUMBER OF PEOPLE	AS AT 31 DECEMBER 2023				AS AT 31 DECEMBER 2024			
	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
Men	-	-	25%	25%	-	-	25%	25%
Women	-	75%	-	75%	-	75%	-	75%
TOTAL	**-**	**75%**	**25%**	**100%**	**-**	**75%**	**25%**	**100%**

The Board of Directors is responsible for managing the Group's business affairs. It holds all powers relating to both **ordinary administration and extraordinary administration**, and has authority over all matters expressly reserved to it by law and by the Articles of Association. The Board of Directors meets:

- **quarterly**, when summoned by the Chairman or any person authorised by law **to review the economic and financial performance** of the activities, based on the reports provided by the CFO, who collects the necessary information from the various operating sites;
- **every four months with the sales managers**, to receive periodic updates on the performance and objectives of the sales department.

In addition to the formal meetings of the BoD, **the Chairman and the Chief Executive Officers meet on a monthly basis** to discuss and monitor the business activities under their respective responsibility, ensuring the effective and efficient management of the Group's facilities located throughout the territory.

Since it is a family-owned and family-managed Group, the members of the BoD maintain ongoing dialogue and daily interaction with management, ensuring constant communication among the various companies. The direct and continuous contact between top management and the individual facilities makes it possible to promptly identify any requirements and needs. This operational and widespread governance approach allows the Board of Directors to make informed and strategic decisions, promptly responding to the changing market conditions.

At the beginning of 2023, a **2023-2027 Strategic Plan was adopted to promote the economic and industrial development** of the two companies specialised in precision mechanical machining and metallurgy, CMO S.p.A. and Masperotech S.r.l. The primary objective of the respective plans is to increase corporate value through planning activities aimed at improving profitability and reducing risks.

To ensure the effectiveness of the Plan, a Management Control Committee was established with the task of systematically monitoring its proper implementation, both in terms of overall business results and in terms of individual business functions. This assessment is based on a series of Key Performance Indicators (KPI) defined for each area, in line with the objectives established by the Plan.

From an organisational point of view, the managers of the individual business functions are involved in the monitoring and periodic review phases in order to assess the results achieved, make any necessary adjustments and adapt the Plan to new challenges or opportunities that may arise during the year.

Overall, the industrial Plan provides clear and structured guidance for company management and promotes effective involvement and coordination within the management team, encouraging motivation and the active participation of all team members.

During all its activities, the Group is committed to complying with applicable regulations and to creating relationships based on transparency, ethics and respect towards all its Stakeholders, both current and future.

In 2024, as in the previous year, **there were no recorded cases of corruption**, legal actions relating to anti-competitive behaviour, antitrust or monopolistic practices, or non-compliance with environmental, social and economic laws and regulations.

3.2 Creation of shared economic value

In line with 2023, during 2024 the CMO Group continued prove its commitment to pursuing sustainable economic growth, not only for its own benefit, but also for the wellbeing of its stakeholders, the community and the environment in which the Group operates. CMO indeed confirms its **role as the holding company of a diversified group** owning the brand (CMO GROUP), which for many years has represented a benchmark and a synonym for quality and excellence in the production of copper and aluminium components for the electrical equipment sector, as well as the Masperotech brand, recognised as a leading player in the forging of components primarily made of aluminium.

In 2024, **CMO S.p.A.** recorded an **increase in the value of production**, although operating profitability was negatively affected by an increase in raw material costs and a decline in EBIT. Despite these challenges, the company continued its growth and renewal path with determination, inaugurating a new production facility in Urgnano (BG) and closing the Stezzano site. The year was therefore characterised by an intensive relocation process, the installation of new technologies and a constant commitment to improving business processes, with a strong focus on digital transformation.

At the same time, **Masperotech S.r.l.** recorded **significant growth**, with an increase in EBITDA and an EBIT more than three times higher than the previous year, consolidating its position as one of the Group's main growth drivers. **The expansion of the production plant** and the enhancement of mechanical machining operations and the metallographic laboratory contributed to this success. Moreover, the company invested in environmental sustainability by **installing a photovoltaic system** in Monza and strengthened its Research & Development structure to innovate materials and processes.

During the year, the **merger by incorporation of Tecnofluid Engineering S.r.l.** into **A&T Fluid Solutions** was completed, as part of a broader reorganisation plan aimed at integrating activities in the hydraulics and pneumatics sectors. The merger resulted in management integration effects and some temporary inefficiencies, contributing to a reduction in operating margins. Despite the decline in revenues and the increase in raw material costs, **the merger is expected to generated significant economic and organisational benefits**, including the integration of expertise, expansion of the product offering, risk diversification, cost reduction, greater bargaining power with suppliers, improved organisational efficiency and attractiveness to new talents, as well as stronger capitalisation and improved access to credit.

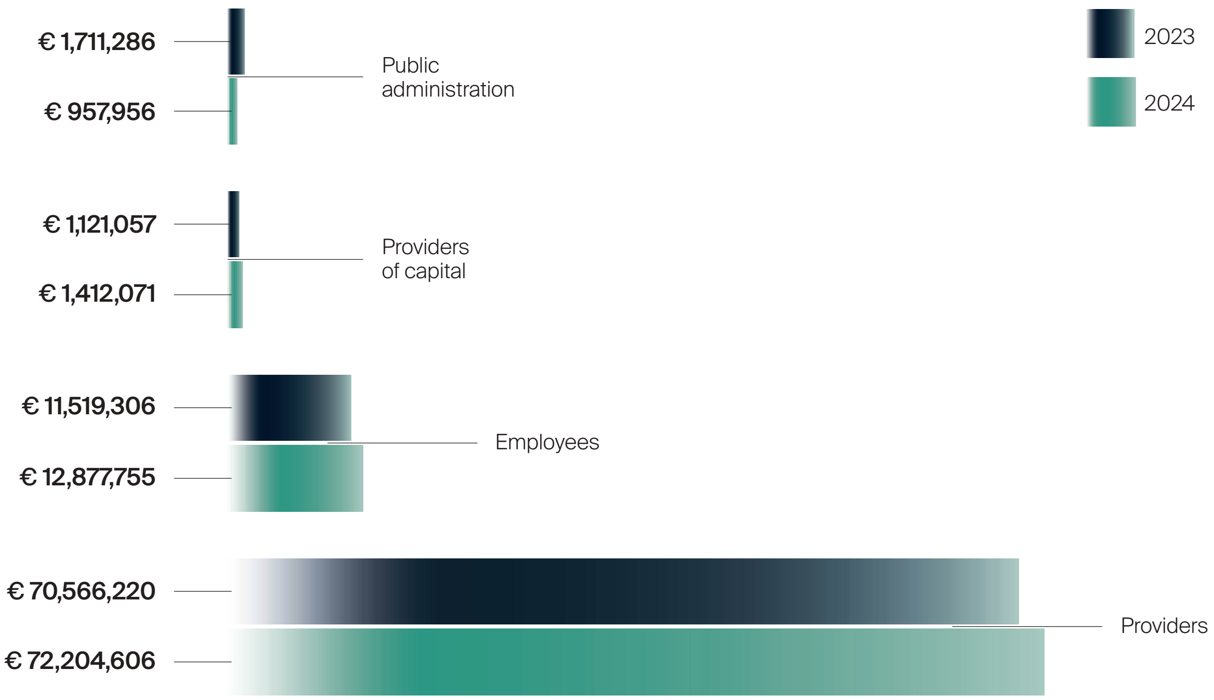
Finally, **Tunitek S.a.r.l.** focused its business management activities on **strengthening human capital** and **expanding production capacity** in Tunisia. These initiatives improved the company structure and process quality, supporting the strategy of positioning the business in higher value-added markets. The expansion of the Tunisian production site increased the company's operational capacity and responsiveness, confirming Tunisia as a strategic area for the Group.

The data shown in the following table, obtained by reclassifying the items of the consolidated Income Statement as at 31 December 2024, show that the CMO Group distributes 83% of the value generated, with suppliers (82%) and employees (15%) being the categories that benefit most from this distribution.

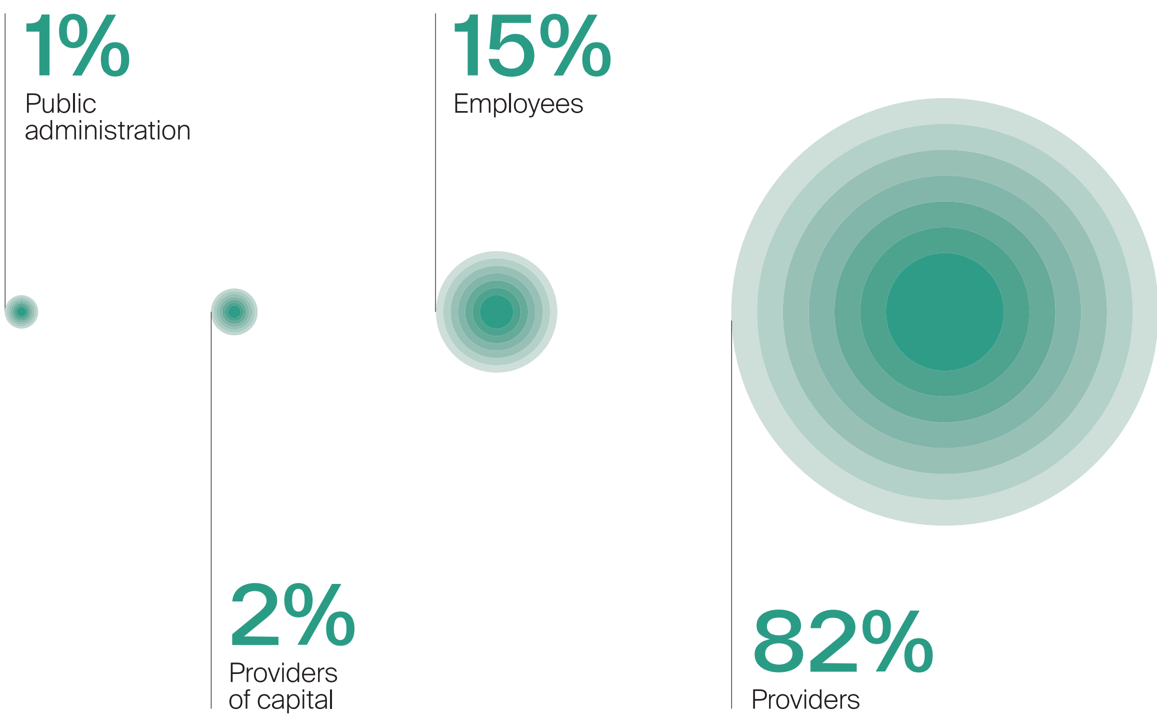
GRI 405-1a: Diversity within governance bodies

Economic value (thousands of €)	as at 31 December 2023	as at 31 December 2024
DIRECT ECONOMIC VALUE GENERATED	**102,896**	**107,254**
ECONOMIC VALUE DISTRIBUTED	**84,917**	**87,452**
Operating costs	70,566	72,204
Remuneration of collaborators	11,519	12,878
Remuneration of providers of capital	1,121	1,412
Payments to public administration	1,711	958
ECONOMIC VALUE RETAINED	**17,979**	**19,802**
of which depreciation and amortisation	10,454	11,493
of which impairment losses	227	130

Economic value distributed - 2023 and 2024



Economic value distributed - 2024



Our environmental responsibility

4

As a leading Group in the field of precision mechanical machining, the CMO Group recognises the importance of addressing environmental challenges and playing a proactive role in the transition towards a more sustainable future. With the aim of balancing operational excellence with reduced environmental impact, in line with the principles of sustainable development and the Group's expectations, CMO S.p.A. and Masperotech S.r.l. have implemented an integrated **Quality and Environmental Management System**, obtaining certification of their Environmental Management System in accordance with Standard **ISO 14001:2015**, as well as certification of their Quality Management System in accordance with Standard **ISO 9001:2015**[3]; in addition to this, Masperotech S.r.l. possesses **ISO 9100:2018** certification, which defines Quality Management System requirements for organisations in the Aviation, Space and Defence sectors, and **ISO 22163:2023** (IRIS) certification for the railway sector. The other companies of the Group, on the other hand, although not in possession of a certified environmental management system, comply with applicable environmental laws, regulations and standards.

Within the Integrated Management System, and in line with business needs and corporate policy, the top management of CMO S.p.A. and Masperotech S.r.l. has defined **Environmental Policies** which, while tailored to each company's specific context, share a set of common sustainability commitments, including:
- Full compliance with all applicable environmental, health and safety laws, regulations and standards relevant to the sector.
- Continuous monitoring of the most significant environmental impacts and minimisation of operational impacts, by verifying the use of energy and raw materials, and attempting to reduce pollution, optimise energy consumption and promote waste recovery and reuse.
- Development of appropriate environmental indicators and procedures to assess performance, with the aim of continuously improving the environmental performance of their activities.
- Identification of opportunities to improve the environmental aspects of products and services across their entire life cycle, from design to production, use and disposal.
- Preference for suppliers that adopt practices aimed at the continuous improvement of quality and environmental aspects.
- Promotion of personnel training in order to develop skills and awareness in environmental, quality and safety matters, actively involving employees in the pursuit of corporate objectives.

CMO S.p.A. and Masperotech S.r.l. are committed to periodically reviewing their policies, objectives, targets and implementation programs, and to communicating them appropriately both internally and externally.

Both companies of the Group, within the framework of Standard ISO 14001:2015, carry out **periodic environmental analyses** to assess significant environmental impacts deriving from their processes and activities. This analysis provides management with relevant information for defining improvement objectives and for the implementation and continuous development of the Environmental Management System.

Within the periodic update of the environmental analysis, no new environmental risks and/or impacts were identified in 2024 compared to those identified in previous years.

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[3] *With reference to CMO S.p.A., in 2024 the environmental and quality management systems for the Cesano Maderno and Stezzano sites were unified (during the same year, the Stezzano site was relocated to Urgnano, BG).*

4.1 Energy efficiency and reduction of emissions

The Group has implemented a system for tracking and monitoring energy consumption deriving from its operations, with the aim of optimising energy efficiency and identifying improvement opportunities that can reduce the environmental impact associated with energy use. The results of these periodic monitoring activities are reviewed and analysed by management in order to assess performance and, in the case of CMO S.p.A. and Masperotech S.r.l., to verify the effectiveness of the implemented management system. Based on the data collected during the monitoring period, where necessary, management plans actions and measures aimed at continuous improvement. Over the years, the main activities implemented include the installation of **photovoltaic systems**[4] , the replacement of lighting systems with **LED technology, the replacement of fume** abatement filters to limit emissions, and the introduction of automated sensor-based lighting control systems. In addition to this, specifically, Masperotech S.r.l. has replaced several obsolete presses and furnaces with next-generation equipment and introduced a 3rd shift in the stamping department **to optimise furnace operating times** and, consequently, reduce the impact of increased gas and electricity consumption. For the coming years, the company plans to expand its photovoltaic system by 500 KhW and introduce a briquetting machine capable of compacting copper and aluminium chips, reducing the volume of transported material.

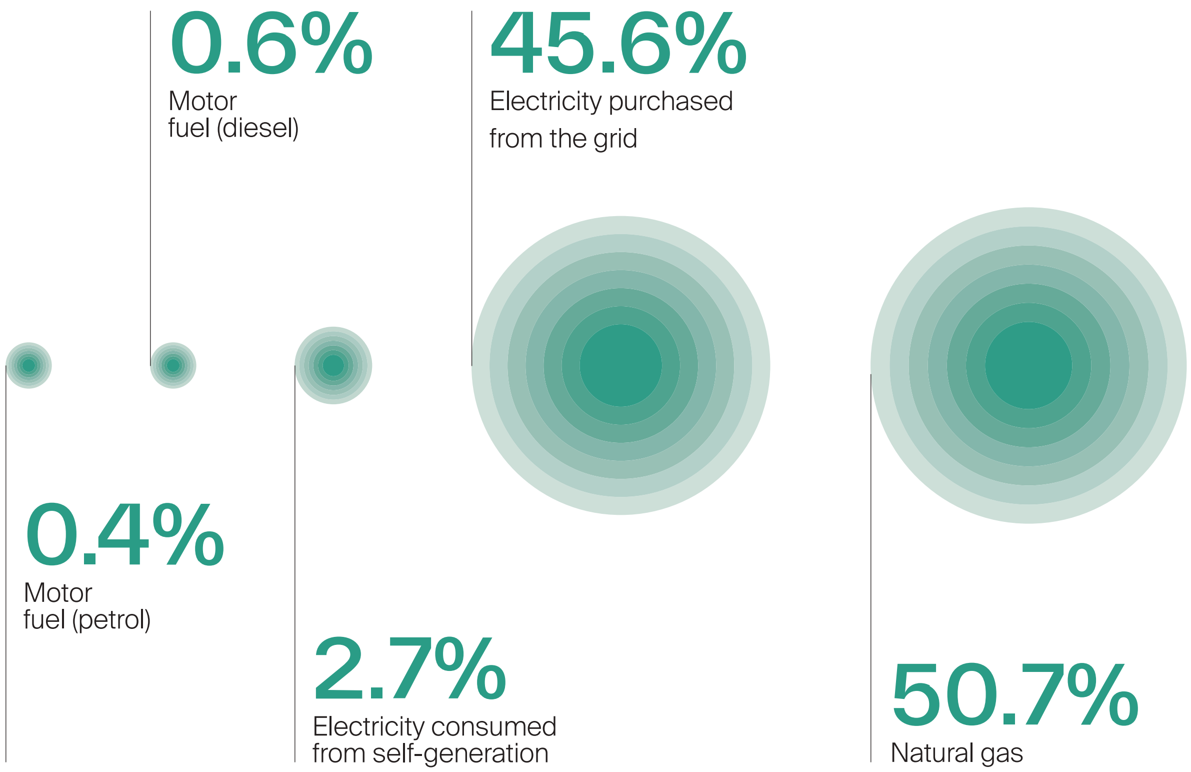
Within the companies of the Group, electricity is used as the primary energy source in the production process, while **natural gas** is mainly used for non-production purposes such as heating the offices and production departments. In fact, the CMO Group also has several boilers that comply with current regulations, and their maintenance activities are recorded in dedicated logbooks in accordance with legal requirements. In addition to this, at Masperotech S.r.l., natural gas consumption is also linked to the furnaces used for production; however, in an efficiency-oriented approach, part of the generated heat is also used for office heating.

Energy consumption is measured using centralised meters, the readings of which form the basis for billing by the utility providers. Within the context of industrial activities, **electricity** is mainly used to power process machinery, machining centres and machine tools, as well as for environmental conditioning systems, lighting and heating.

Moreover, with regard to CMO S.p.A., the relocation of production from the Stezzano site to Urgnano is expected to lead to **improved energy efficiency in the coming years**. In fact, in addition to the existing LED lighting systems, further investments are planned, including the installation of photovoltaic panels to contribute to the reduction of emissions. Also, the relocation of recently upgraded exhaust stacks and the installation of electric heat pumps for space heating will allow the new operating site to further reduce its environmental impact.

In 2024, the Group consumed a **total of 59,912 GJ of energy** (+15.8% compared to 2023), distributed as follows:

Economic value distributed - 2024



[4] *Photovoltaic panels at present at CMO S.p.A. (Cesano Maderno and Urgnano) and at Masperotech S.r.l.*

The increase in energy consumption is mainly attributable to an increased consumption of electricity purchased from the national grid (+23.8% compared to 2023) and an increased consumption of natural gas (+12.4%). The share of electricity consumed from self-generation accounts for 2.7% of the total energy consumption and is fully derived from **renewable energy sources**, specifically photovoltaic systems, which, in 2024, produced approximately 532,578 kWh of electricity (599,245 kWh in 2023). It is worth noting that part of the energy generated by the photovoltaic systems is fed back into the grid (approximately 16% of the energy produced in 2024). With **a significant surface area of solar panels** installed at CMO S.p.A. (Cesano Maderno and Urgnano sites) and at Masperotech S.r.l., solar energy represents a sustainable energy source for the Group, contributing to the partial coverage of its energy needs.

Fuel **consumption**, including petrol and diesel, is primarily associated with the operation of the company vehicle fleet, which is subject to regular monitoring. In 2024, diesel consumption decreased (-17.3%) compared to the previous period, while petrol consumption remained quite stable (+1.8% compared to 2023). In 2024, The Group's vehicle fleet was expanded with the addition of one electric vehicle replacing a diesel vehicle; therefore, the fleet includes **15 vehicles**: 10 diesel, 1 petrol, 2 electric and 2 hybrid.

Fuel consumption in 2023 and 2024 (litres)

GRI 302-1: Energy consumed within the organisation

Energy consumption (GJ)[5]	2023[6]	2024
FUEL CONSUMPTION		
Natural gas	27,006	30,349
Diesel	446	369
Petrol	243	247
Total fuel consumption	***27,694***	***30,965***
ELECTRICITY CONSUMPTION		
Self-generated electricity	2,157	1,917
of which from renewable sources	2,157	1,917
Electricity sold	170	298
of which from renewable sources	170	298
Electricity purchased from the grid	22,076	27,328
of which from renewable sources (certified)	-	-
Total electricity consumption	***24,063***	***28,948***
TOTAL CONSUMPTION	**51,758**	**59,912**

Energy intensity is a normalised environmental indicator that measures energy consumption in relation to a specific organisational metric. In the case of the CMO Group, the revenue, expressed in thousands of euros, has been chosen as the most representative reference value for energy consumption. This information helps contextualise the organisation's energy efficiency, also compared to other organisations.

GRI 302-3: Energy intensity

Energy intensity[7]	2023	2024
Revenue €	98,642	103,658
Energy consumption GJ	51,758	59,912
RATIO GJ/€	**0.52**	**0.58**

[5] *Energy consumption (converted into GJ):*
(i) for all fuels used by all Group companies, except the Tunisian site, the conversion factors used are the ones published by the ISPRA in the National Inventory Report (NIR) 2023, 2024. For Tunitek Industry S.a.r.l., on the other hand, the conversion factors published by the UK Government - GHG Conversion Factors for Company Reporting-DEFRA have been used.
(ii) for electricity, a conversion factor of 0.0036 GJ/kWh has been used.
[6] *As a result of improvements in the reporting system, the data relating to natural gas and electricity consumption in 2023 have been restated compared to the values indicated in the previous Sustainability Report. Consequently, the relative emission data has also changed.*
[7] *To calculate energy intensity, the energy consumption (GJ) was divided by consolidated Group revenue, expressed in thousands of euros.*

Climate change represents an increasingly relevant topic for all industrial sectors, including the one in which the CMO Group operates. **Greenhouse gas emissions** generated by the organisation's activities are primarily associated with direct energy consumption and the operation of production facilities. The main emission sources of the Group's two main operating companies, which are the most significant in terms of energy use and emissions, are described below.

The atmospheric emissions generated by CMO S.p.A. include:

- Oil mist emissions generated during cutting operations, which are kept within regulatory limits thanks to the use of dedicated fume abatement filters;
- Emissions generated in the turning and milling departments, where two extraction systems are used: one for machining centres and the other for the extraction of dust generated during finishing operations. Both systems have obtained the required atmospheric emissions permits, ensuring full compliance with current regulations;
- Emissions associated with boilers used for heating offices, production departments and water.

For CMO S.p.A., the responsible management of these emissions is a priority. Within its production activities, CMO S.p.A. complies with the requirements set by the Lombardy Regional Regulation, which consists in the biennial verification of atmospheric emissions. This verification involves sampling at three different emission points. In addition to this, boiler emissions are regularly inspected by an external third-party provider.

The maintenance of the fume extraction and abatement devices is carried out both by trained internal personnel and by specialised external contractors, in full compliance with current regulations. Maintenance operations are planned, managed and recorded in a dedicated internal logbook, ensuring traceability and adherence to the intervals defined for each machine.
Atmospheric emissions generated by the activities carried out by Masperotech S.r.l., on the other hand, derive mainly from:

- Operation of thermal systems, consisting of boilers;
- Production department including bar pre-heating furnaces and heat treatment furnaces;
- Production department dedicated to hot stamping;

- Metallographic laboratory;
- Inspection systems using fluorescent penetrant testing;
- Machining operations, including turning and milling for finishing processes.

The emissions generated are regularly verified and analysed by appointed specialised third-party companies on a periodic basis.

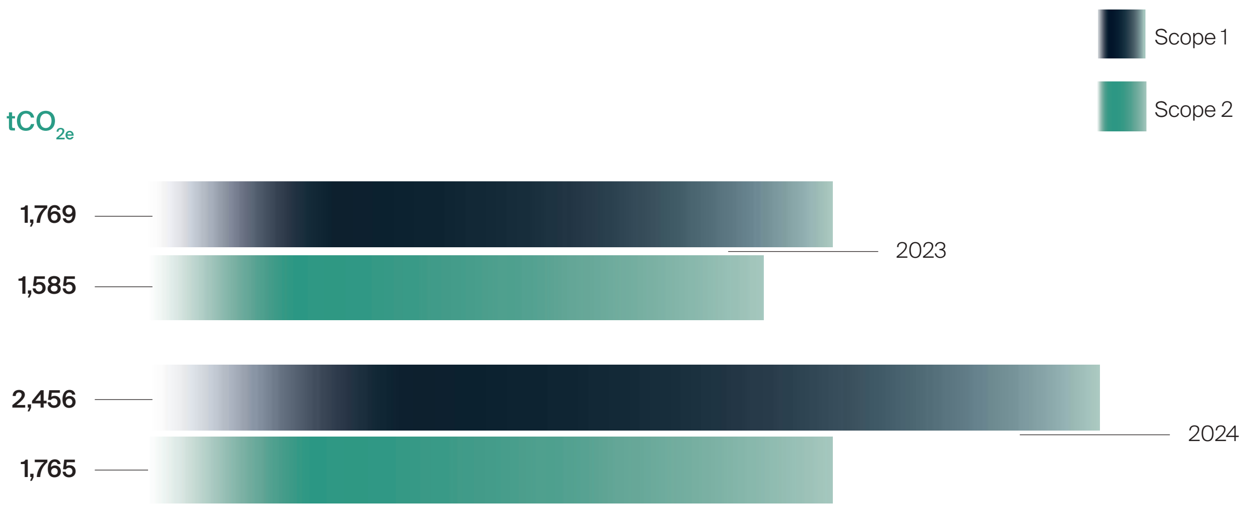
Greenhouse gas emissions are classified into three categories, in accordance with the *GreenHouse Gases (GHG) Protocol Corporate Standard:* Scope 1 direct emissions, Scope 2 indirect emissions and Scope 3 indirect emissions. Scope 1 **direct emissions** derive from sources directly owned or controlled by the organisation. Scope 2 **indirect emissions** are instead associated with the generation of electricity, heat or steam purchased and used by the organisation. Scope 3 **indirect emissions** include all other indirect emissions deriving from assets not directly owned or controlled by the organisation, but occurring within its value chain, both upstream and downstream.

To calculate Scope 2 emissions, two different calculation methods are used. The first is based on location (so-called "Location-Based") and uses average emission factors associated with electricity generation within a defined geographic boundary, such as local, regional or national grids. The second approach, based on the market (so-called "Market-Based"), considers total electricity procurement, including renewable energy purchased through the use of Guarantees of Origin certificates.

These approaches allow the organisation to assess and manage its greenhouse gas emissions in a more comprehensive and transparent manner, thereby contributing to global efforts to mitigate climate change.

In **2024**, the Group generated **1,765 tCO_{2e} of Scope 1** direct greenhouse gas emissions (+12.1% compared to 2023) and **2,456 tCO2 of Scope 2 Location-Based greenhouse gas emissions** (+38.8% compared to 2023), equal to 3,822 tCO2 if calculated according to the Market-Based approach (+34.4% compared to 2023).

Scope 1 and 2 (Location-Based)



GRI 305-1: Direct GHG emissions (Scope 1)
GRI 305-2: Indirect GHG emissions from energy consumption (Scope 2)

GHG emissions in tCO_{2e}	2023	2024
DIRECT GHG EMISSIONS – Scope 1 (tCO_{2e})[8]		
Natural gas	1,525	1,720
Diesel for company vehicles	33	27
Petrol for company vehicles	17	18
Emissions due to refrigerant gas leakages	10	-
TOTAL Scope 1 emissions	**1,585**	**1,765**
INDIRECT GHG EMISSIONS FROM ENERGY CONSUMPTION – Scope 2 (tCO_{2e})[9]		
Purchased electricity (Location-Based)	1,769	2,456
Purchased electricity (Market-Based)	2,845	3,822
Total Scope 2 emissions (Location-Based)	*1,769*	*2,456*
Total Scope 2 emissions (Market-Based)	*2,845*	*3,822*
Scope 1 and Scope 2 (Location-Based)	**3,354**	**4,221**
Scope 1 and Scope 2 (Market-Based)	**4,430**	**5,587**

[8] For the calculation of Scope 1 emissions for all Group companies, except for the Tunisian site, the emission factors published by the Italian Ministry for the Environment - National Standard Parameters Table 2023-2024 were applied. For Tunitek Industry S.a.r.l., on the other hand, the conversion factors published by the UK Government - GHG Conversion Factors for Company Reporting-DEFRA have been used.

[9] For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both the Market-Based (MB) and Location-Based (LB) methods were applied.

The MB method is based on CO2 emissions associated with the energy suppliers from which the organisation purchases electricity under contractual arrangements and may take into account Guarantees of Origin certificates, direct contracts with suppliers, specific emission factors for the supplier, and the "residual mix" emission factor. Since no specific contractual agreements are currently in place between the Group companies and the electricity provider (for example, the purchase of Guarantees of Origin certificates), the national "residual mix" emission factor was applied for this approach. The source used was AIB - Residual Mixes 2023, 2024 for all Group companies, except for Tunitek Industry S.a.r.l., for which the IGES emission factor (version 11.6, February 2025) was used, as it is more up to date than the Terna factor (2019) used in the previous Sustainability Report.

The LB method, on the other hand, is based on average emission factors associated with electricity generation within defined geographical boundaries, including local, subnational or national grids. For Italy, the source used was ISPRA, while for Tunisia the IGES database (version 11.6, February 2025) was used.

For the calculation **of emissions intensity**, revenue was also used as the reference value, as it was used for energy intensity. Being a normalised environmental impact value, the greenhouse gas emissions intensity expresses the quantity of greenhouse gas emissions per thousand euros of revenue.

GRI 305-4: Greenhouse gas (GHG) emissions intensity

Emissions intensity[10]	2023	2024
Revenue €	98,642	98,642
Emissions (Scope 1 + Scope 2 Location-Based) tCO_{2e}	51,758	51,758
Emissions (Scope 1 + Scope 2 Market-Based) tCO_{2e}	51,758	51,758
Emissions intensity (Scope 1 + Scope 2 Location-Based) tCO_{2e}/ €	**0.03**	**0.04**
Emissions intensity (Scope 1 + Scope 2 Market-Based) tCO_{2e}/ €	**0.04**	**0.05**

	2023	2024
Scope 1 + Scope 2 Location-Based	0.03 tCO_{2e}/ €	0.04 tCO_{2e}/€
Scope 1 + Scope 2 Market-Based	0.04 tCO_{2e}/ €	0.05 tCO_{2e}/ €

[10] *For the calculation of emissions intensity, the emissions (tCO_{2e}) were measured against the Group's consolidated revenue expressed in thousands of euros.*

4.2 Circular economy and waste management

Circularity and responsible waste management have always been priorities for the Group, in line with its strategic sustainability objectives and the growing attention paid by customers to these issues.

Over the years, the Group's two main manufacturing companies, CMO S.p.A. and Masperotech S.r.l., have developed internal processes and adopted a range of practices aimed at promoting the **recycling of materials used** and, consequently, the circularity of these resources.

In the case of CMO S.p.A., for example:

- Production waste deriving from **copper** and **aluminium**, being completely recyclable, is carefully collected and sold to a third-party foundry. Then, after being reprocessed, this waste is repurchased and reintroduced into CMO S.p.A.'s production and processing cycle in the form of billets, thereby reducing the need for virgin raw materials;
- When selecting suppliers, preference is given to suppliers that guarantee the sourcing of recycled copper. This choice highlights the company's commitment to supporting the recycling chain and contributing to the reduction of the environmental impact associated with the extraction of virgin raw materials;
- As for **packaging**, pallets are used until the end of their useful life, while wooden crates, where possible, are returned to suppliers for reuse. Any residual waste is temporarily stored in designated areas and subsequently transferred to authorised waste disposal operators.

Similarly to CMO S.p.A., Masperotech S.r.l. also manages waste deriving from raw materials responsibly. In particular, steel and copper are resold, where possible, to allow for their recovery.

In 2024, the Group generated a total of 2,025.5 tonnes of waste, of which 84% consisted of non-hazardous waste and the remaining 16% of hazardous waste (mainly oily emulsions and aqueous liquid waste containing hazardous substances), which was nevertheless sent for recovery treatment.

With regard to waste management, **iron**, **copper** and **aluminium** are transferred externally and, due to their intrinsic properties, are directly reused or recycled.

GRI 306-3: Waste generated

Waste generated (tonnes)	2023[11]	2024
Hazardous waste	365.5	333.7
Non-hazardous waste	1,326.2	1,691.8
TOTAL	**1,691.7**	**2,025.5**

Also for the **oily emulsions** used during production, CMO S.p.A. ensures careful management, through an accurate filtering and storage process. Once used, the oily emulsion is recovered by means of a suction pump system that conveys it to a dedicated filtration plant. After the removal of any impurities and substances harmful to the environment, which are stored separately in a dedicated container, the emulsion is reintroduced into the production cycle.

Used emulsions (waste oils), and any other chemical substances or liquid waste, are stored in tanks and containers provided with suitable labelling and containment basins, in order to prevent any leaks or spills that could be harmful to the environment. Once properly stored, the oils and impurities are sent for disposal through authorised waste management companies, with full traceability.

During 2024, **Masperotech S.r.l.** also inaugurated and launched a **new production facility**, designed according to **sustainability and resource optimisation criteria**. The new building integrates advanced technologies aimed at reducing environmental impact and improving process efficiency, introducing two key systems:

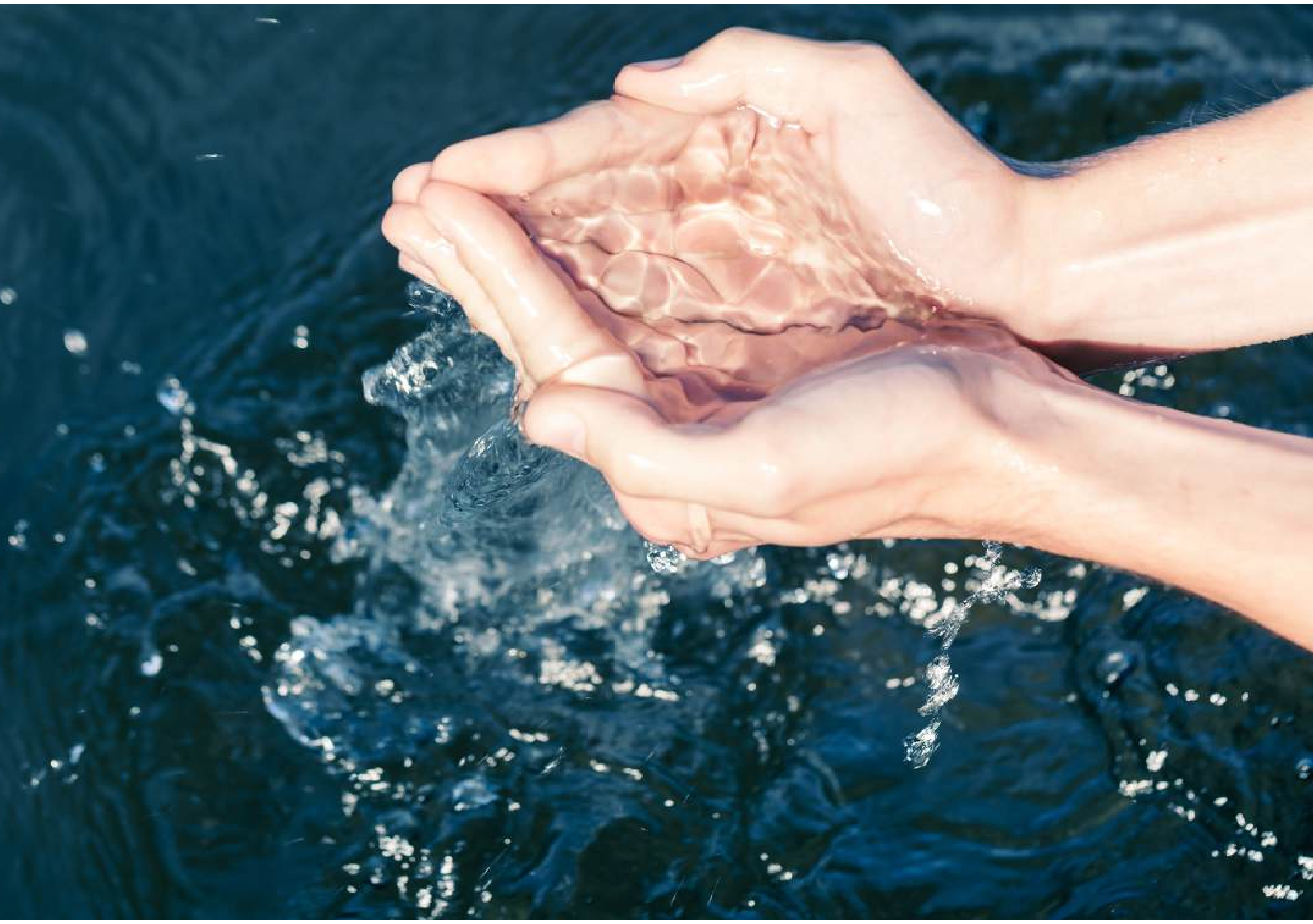
1. **Recovery and regeneration of emulsified water:** a dedicated plant will be implemented for the treatment and reuse of **emulsified water** generated by production processes. This system will **reduce overall water consumption** and **minimise the generation of liquid waste**, promoting a virtuous cycle of internal resource reuse.
2. **Oil mist recovery system: mechanical extraction systems** equipped with advanced filters will be installed to capture and recover the **oil mists** generated during machining operations. This will not only help **improve air quality within the workplace**, ensuring healthier conditions for employees, but will also **reduce the dispersion of oily substances**, with a positive impact on the environment.

The opening of this new production facility represents a **strategic step towards the continuous optimisation** of Masperotech's activities, with the aim of combining **production growth with environmental responsibility**, in line with the Group's sustainability standards.

As for **waste** disposal management, CMO S.p.A. and Masperotech S.r.l. operate in accordance with Standard ISO 14001, ensuring the continuous monitoring of waste generation and disposal processes. Although no specific Key Performance Indicators (KPIs) have been defined, the companies continue to closely monitor the waste generated and, in the event of significant increases, carry out analyses to identify the causes and implement any necessary corrective measures.

[11] *The 2023 data differs from the data reported in the previous Sustainability Report, as it was subject to review and updating. Consequently, the tables below relating to waste also reflect these changes.*

4.3 Water resource management



Water supply across all Group companies is managed through the municipal water network. This supply system is used both to meet civil requirements, such as drinking water for changing rooms, canteens and sanitary services, and for production activities.

Below is a comparison of water withdrawal data for the two-year period, showing that, with 19 ML withdrawn in 2024, water consumption decreased by 9.5% compared to 2023.

GRI 303-3: Water withdrawal[12]

Water withdrawal (megalitres)				
SOURCE OF WITHDRAWAL	2023		2024	
	All areas	Water-stressed areas	All areas	Water-stressed areas
Third-party potable water	21	-	19	-
TOTAL	**21**	-	**19**	-

In the specific case of CMO S.p.A., water for **civil use** is supplied directly by the public water network, thus ensuring direct and continuous access. For **production purposes,** water is used to feed a system dedicated to the production of new emulsion: the water withdrawn and fed into the system is also mixed with previously used water, recovered and filtered by means of a dedicated automatic process. The production departments draw from this system to use the new mixture for the various production requirements and activities.

Thanks to its responsible approach to water use, CMO S.p.A. is able to ensure the efficient and sustainable use of water resources, thereby helping to reduce waste. It should be noted that water consumption at CMO S.p.A. remains at relatively moderate levels, as the nature of the business requires water resources mainly for emulsions. To further reduce water consumption, the company is considering the introduction of a system capable of filtering water in order to recover and reuse it for the same process, thereby reducing withdrawals.

Wastewater **discharge** at all Group companies, with the exception of Tunitek, takes place through the duly authorised municipal sewerage system, which receives, depending on the case:

- domestic wastewater from sanitary facilities;
- rainwater runoff from the roofs of the facilities and/or external parking areas. This runoff water does not contain significant pollutant loads and therefore does not require treatment.

Among the wastewater streams generated by CMO S.p.A. are also those used in the production of emulsions, which are subsequently separated and recovered through a treatment and osmosis plant[13].
In general, in order to ensure control over any potential discharge pollution, regular testing is carried out on sewer water.

In the specific case of Masperotech S.r.l., the withdrawn water used in production activities is mainly used for furnace cooling tanks and fire-fighting systems. The company also generates wastewater from the penetrant testing system and from product rinsing activities carried out in the laboratory. Over the coming years, the company also plans to introduce a recovery system for the water used to wash machined parts. In fact, at present, this type of water undergoes a treatment process before being disposed of.

Tunitek, on the other hand, is the only company whose wastewater is managed by a specialised external contractor. In fact, the discharged water is first stored in a dedicated tank and then transferred externally for treatment and disposal.

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[12] *This table does not include the water withdrawal data for Tunitek Industry S.a.r.l., as the values are considered negligible compared to the values recorded by the other Group companies.*
[13] *Plant in which water is treated through reverse osmosis: a purification and filtration technology that uses semi-permeable membranes to separate water from the substances dissolved in it.*

4.4 Process innovation and digitalisation

The CMO Group places continuous commitment to **technological upgrading** and **process optimisation** at the core of its sustainability approach, by carefully planning investments in new machinery and product improvement, which represent key elements of the Group's innovation strategy.

For example, at **CMO S.p.A.,** two new robotic cells, which will become operational from 2025, and a **water recycling system for the water-jet machine** are currently being installed. In 2024, the company's management system was further optimised by updating the MRP (Material Requirements Planning) parameters, improving data quality, connecting systems and launching evaluations relating to new production data scheduling tools.

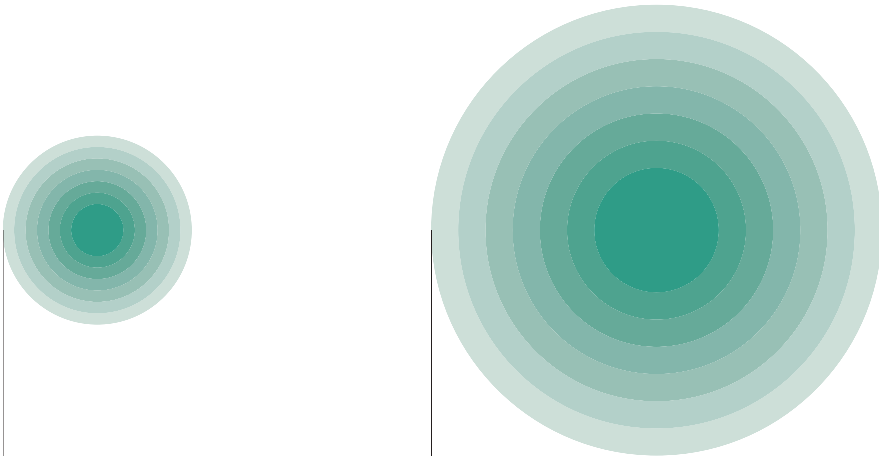
At the Monza facility, **Masperotech** invested in environmental sustainability by installing a new photovoltaic system. At the same time, the company strengthened its Research & Development division in order to innovate materials and production processes. Moreover, the company continues to invest in the digitalisation and automation of its processes, constantly upgrading its IT systems to improve operational efficiency.

Following the merger between **Airwork** and **Tecnofluid**, the adoption of a new management system and the alignment of the operational procedures improved efficiency and performance monitoring. The resulting company is now stronger and more competitive, with sustainable growth prospects based on greater operational efficiency. These elements promote the consolidation of the company's leadership and the development of new opportunities, with a focus on innovation, quality and customer satisfaction.

Finally, **Tunitek** completed the expansion of its production facility, strengthening company infrastructure and increasing its operational capacity. The expansion of the machinery fleet at the Tunisian site allowed for a significant enhancement of the production capacity, improving the company's responsiveness to market demands. These developments allow Tunitek to address the challenges of the industry more effectively and seize new growth opportunities.

These efforts reflect the Group's constant interest in process innovation, contributing to the production of higher-quality final products with reduced impact.

Percentage of employees by contract type as at 31 December 2024



22%
Fixed-term contracts

78%
Permanent contracts

5

Our social responsibility

5.1 Focus on our people[14]

The Group places the wellbeing of its employees at the centre of its day-to-day operations, with the aim of creating a **safe and inclusive workplace capable of ensuring both personal and professional growth for everyone.** As evidence of this commitment, Masperotech S.r.l., for example, underwent an audit conducted by an external body in 2021, aimed at assessing workplace conditions within the company *(Workplace Conditions Assessment)*. Following the inspection, which focused on aspects such as working hours, procedures and safeguards relating to occupational health and safety, as well as environmental compliance, Masperotech S.r.l. achieved a final score of 98%.
During 2024, in line with the initiatives undertaken in 2023, the Group worked hard to strengthen its brand identify, both by reinforcing the distinctive features that characterise CMO within the market and by consolidating its role in promoting the development, wellbeing and sense of community of its people. To this end, an **internal workplace climate survey** was conducted, involving all companies within the CMO Group, with the aim of gathering direct feedback from employees and gaining a deeper understanding of internal dynamics and perceptions. The results of this survey represent an important starting point for defining further actions aimed at improving the working environment and strengthening the employees' sense of belonging to the organisation.

[14] The 2023 data relating to human resources indicators differs from the data of the 2023 Sustainability Report, as the reporting scope was extended to include the holding company CMO Group S.r.l.

5.1.1 Human resources management, development and wellbeing

The Group's success comes from the constant commitment of its people and collaborators.

As at 31 December 2024, the CMO Group had **309 employees**, showing a slight increase compared to the previous year (299 employees). Of these, 78% were employed under permanent contracts, while part-time employees accounted for approximately 4% of the workforce. In addition to this, as shown in the table below, 65% of employees are Italian, while 35% are workers of foreign origin (non-UE), which proves the **diversity of the Group's workforce**. This data is collected and managed both by filling out internal Excel files and by means of the Zucchetti management system, which allows for the accurate and up-to-date monitoring of the company population.

GRI 2-7: Employees

Total number of employees by gender and geographical origin						
GEOGRAPHICAL ORIGIN	AS AT 31 DECEMBER 2023			AS AT 31 DECEMBER 2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Italy	154	34	188	167	34	201
EU (excluding Italians)	1	1	2	-	-	-
Non-EU	68	41	109	79	29	108
TOTAL	**223**	**76**	**299**	**246**	**63**	**309**

Total number of employees by type of contract and gender						
TYPE OF CONTACT	AS AT 31 DECEMBER 2023			AS AT 31 DECEMBER 2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Fixed-term contracts	30	38	68	42	25	67
Permanent contracts	193	38	231	204	38	242
TOTAL	**223**	**76**	**299**	**246**	**63**	**309**

Total number of employees by full-time/part-time status and gender						
FULL/PART-TIME	AS AT 31 DECEMBER 2023			AS AT 31 DECEMBER 2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Full-time	221	65	286	244	53	297
Part-time	2	11	13	2	10	12
TOTAL	**223**	**76**	**299**	**246**	**63**	**309**

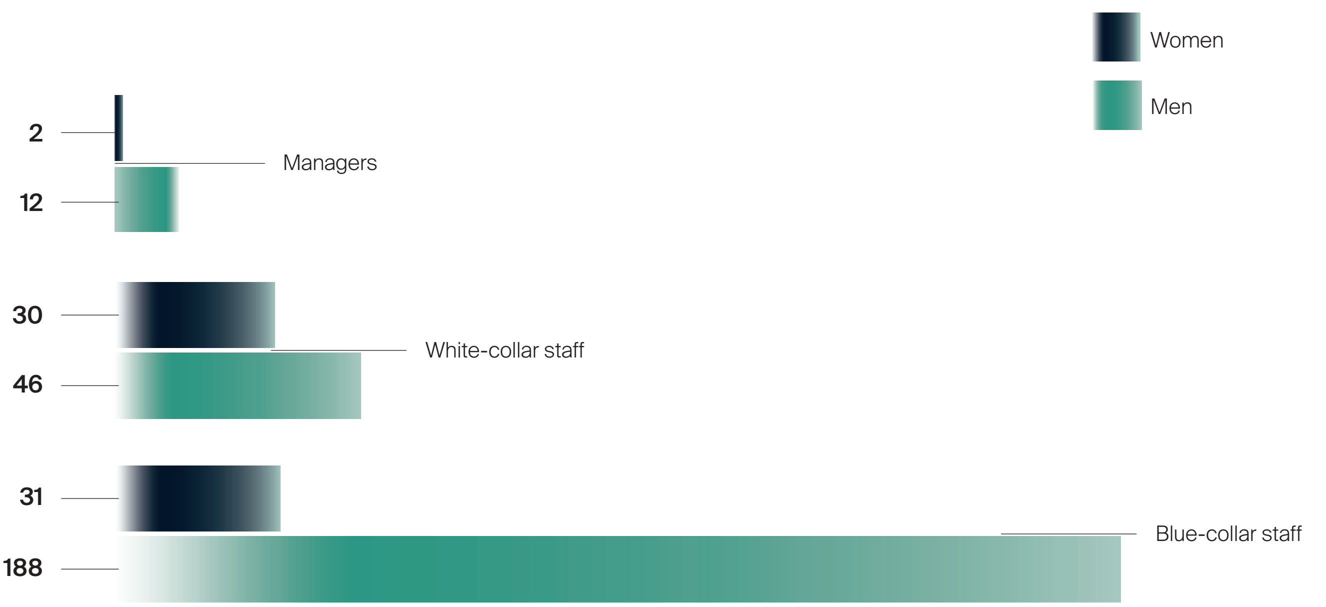
In 2024, the number of new hires amounted to 49, marking a 22% decrease compared to 2023. Instead, the number of employees leaving the Group amounted to 39, also down compared to the previous year (44). No major changes were recorded compared to previous years: employees leaving the company were mainly balanced by new hires related to retirements, internal role changes or resignations. Also, 100% of the Group's employees are covered by National Collective Bargaining Agreements.

GRI 401-1: New employee hires and employee turnover

Number and rate of new hires										
NUMBER OF PEOPLE	2023 (1 JANUARY - 31 DECEMBER)					2024 (1 JANUARY - 31 DECEMBER)				
	AGE			TOTAL	RATE %	AGE			TOTAL	RATE %
	<30	30-50	>50			<30	30-50	>50		
Men	18	18	2	38	17%	29	13	1	43	17%
Women	13	11	1	25	33%	3	2	1	6	10%
TOTAL	**31**	**29**	**3**	**63**	**21%**	**32**	**15**	**2**	**49**	**16%**
TOTAL %	**58%**	**17%**	**4%**	**21%**	**-**	**53%**	**9%**	**3%**	**16%**	**-**

Number and turnover rate										
NUMBER OF PEOPLE	2023 (1 JANUARY - 31 DECEMBER)					2024 (1 JANUARY - 31 DECEMBER)				
	AGE			TOTAL	RATE %	AGE			TOTAL	RATE %
	<30	30-50	>50			<30	30-50	>50		
Men	13	16	6	35	16%	8	9	3	20	8%
Women	4	4	1	9	12%	13	5	1	19	30%
TOTAL	**17**	**20**	**7**	**44**	**15%**	**21**	**14**	**4**	**39**	**13%**
TOTAL %	**32%**	**12%**	**10%**	**15%**	**-**	**35%**	**8%**	**5%**	**13%**	**-**

Employees by job category and gender as at 31 December 2024



With regard to job category, 71% of the workforce consists of blue-collar workers, with a male predominance reflecting the strong gender imbalance typically found in this sector. Instead, white-collar staff account for 25%, where a higher proportion of female employees can be observed.

The CMO Group can also count on the valuable contribution of **25 external resources**, slightly down compared to 2023. Of these, 16 are temporary agency workers, while the remainder includes self-employed workers, interns and other categories. In fact, to promote training and professional integration, the Group has implemented cross-functional PCTO (Pathways for Transversal Skills and Career Guidance) programs in collaboration with local technical institutes, as well as internships for students of local Higher Technical Institutes (ITS) undertaking post-secondary technical education. In the coming years, the Group also plans to establish new collaborations with local universities, to further expand training and employment opportunities.

GRI 2-8: Non-employee workers

Number of external workers (HC) by professional category and gender						
PROFESSIONAL CATEGORY	**2023**			**2024**		
	MEN	**WOMEN**	**TOTAL**	**MEN**	**WOMEN**	**TOTAL**
Temporary agency workers	23	-	23	16	-	16
Self-employed workers	1	2	3	1	1	2
Trainees	2	1	3	-	2	2
Interns	-	1	1	-	-	-
Other (seconded workers and other collaborators)	4	-	4	4	1	5
TOTAL	**30**	**4**	**34**	**21**	**4**	**25**

The presence over the years of trainees and interns, among others, highlights the attention placed on **young talent**, to whom the Group offers internship opportunities also through work-based learning programs carried out in partnership with local Higher Technical Institutes. In the future, the Group is considering the introduction of extra-curricular internships as part of a number of research and development projects planned in collaboration with local universities. The underlying objective is to recruit highly specialised professionals capable of supporting the Group in its development towards an increasingly innovative future.

With regard to talent acquisition, the Group adopts a **fair and transparent recruitment process** based on the use of both internal and external channels. During 2024, specific internal procedures were introduced for staff search and selection activities, as well as for the *onboarding* and *pre-onboarding* phases. Thanks to these new procedures, the Group aims to ensure greater consistency and effectiveness in the recruitment and integration processes for new hires.

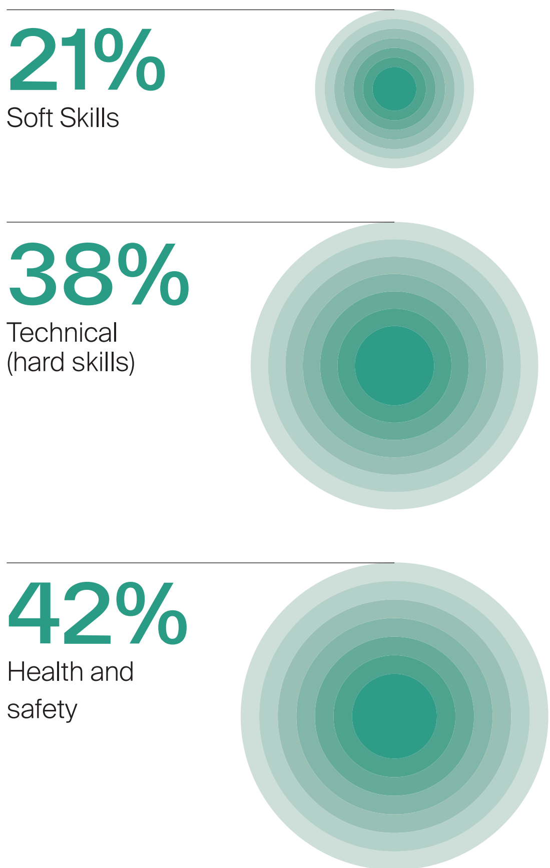
With regard to **training**, in 2024, the Group activated targeted training programs to support the introduction of new technologies and the development of internal skills. Many initiatives involved employees, including training courses and coaching activities with management consultants aimed at developing department managers and improving their individual performance. During the year, a procedure to track training activities was also developed and will be implemented starting from 2025. In fact, to date, the Group relies on a *Skill Matrix* and ongoing dialogue with Managers, HR Department and Company Management to identify and monitor the training needs of the workforce. While training remains primarily on-the-job and closely linked to the activities carried out at the individual sites, the Group is committed to meeting employees' needs by also offering specific courses aimed at strengthening *soft skills*. For example, during 2024, CMO delivered a training program focused on communication (the so-called Brainbow), as well as specific courses on *leadership* and *lean management*, initiatives aimed at improving quality and efficiency in production processes. In addition to this, English language and occupational health and safety courses were organised to support the development of employees' transversal and technical skills.

In 2024, the total training hours amounted to **2,464**, showing a moderate decrease compared to 2023 (-30%).

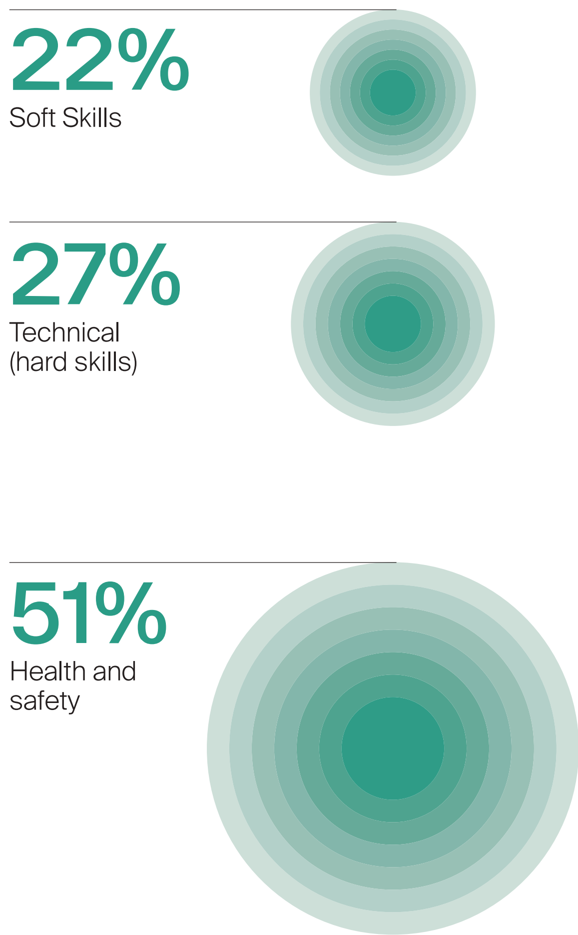
In addition to mandatory occupational health and safety training, which accounted for the majority of training hours (27%), employees also received **technical training and *soft skills*** development courses, including language, communication and leadership training, demonstrating particular attention to employee development beyond purely technical competencies.

Below is a breakdown of the training hours delivered to employees by training category.

Training hours by type - 2023



Training hours by type - 2024



GRI 404-1: Average number of training hours per employee per year

Average training hours by professional category[15]	2023	2024
Executives	-	-
Managers	8.2	9.8
White-collar staff	11.5	16.8
Blue-collar staff	12.1	4.8
TOTAL	**1,691.7**	**2,025.5**

Average training hours by professional category[15]	2023	2024
Men	12.7	8.1
Women	9.1	7.6
TOTAL	**11.8**	**8.0**

With regard to the **average number of training hours** delivered per employee during 2024, this amounted to **8** hours. Finally, in 2024, the Group introduced a **performance evaluation system**, including, for certain functions, the application of the **MBO** (Management by Objectives) method, in order to ensure better alignment between individual and corporate objectives.

[15] *It should be noted that the 2024 data does not include Tunitek S.a.r.l.*
[16] *Refer to the previous note.*

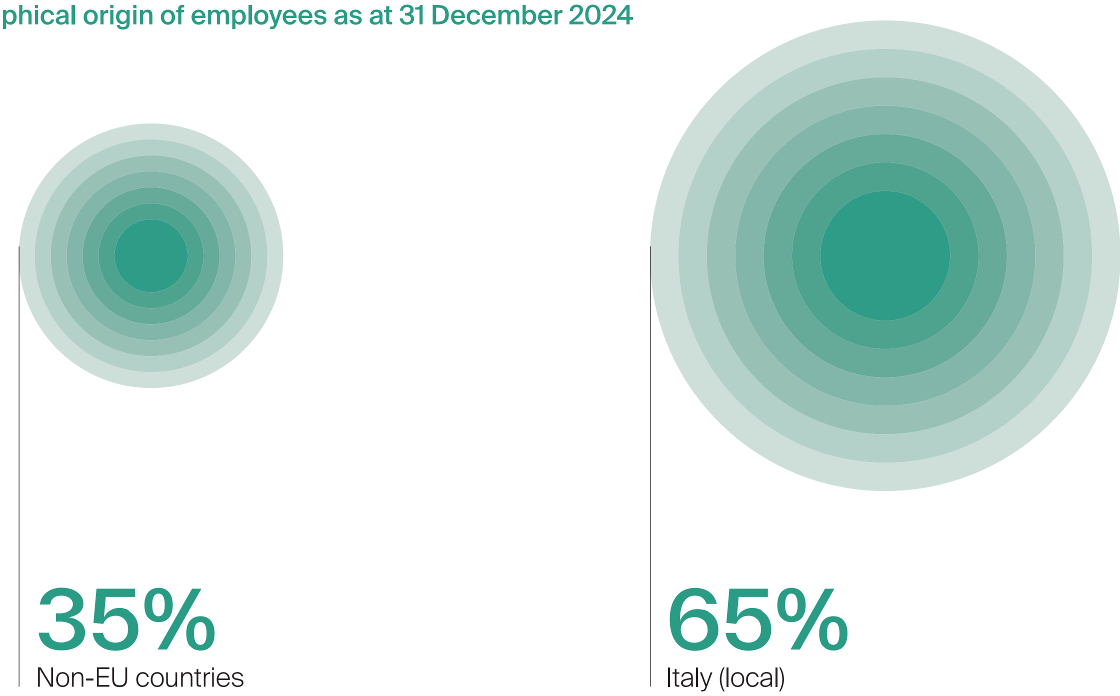
5.1.2 Equal opportunities, non-discrimination, diversity and inclusion

The proper management of the resources of the CMO Group is based on the belief that **diversity** is a **value that fosters growth**, while ensuring respect for workers and human rights. For this reason, the Group is committed to safeguarding diversity and equal opportunities: under no circumstances should differences in gender, age, background, culture, sexual orientation, nationality, religion, opinions and beliefs, disability, family situation, education or trade union membership influence decisions regarding recruitment, training, career management or career development.

The whistleblowing channel introduced in 2023 for employees to report unlawful activities or violations potentially harmful to the organisation remains active within the Group, in compliance with the new Italian regulations set out in **Legislative Decree no. 24/2023**. In accordance with the legislation, the channel guarantees the confidentiality of the *whistleblower*, who then communicates their content directly to the BoD. To date, no reports of discrimination and/or harassment by employees have been recorded.

In 2024, women accounted for 21% of the workforce, in line with previous years; this figure reflects the characteristics of the sector in which the Group operates, where significant physical effort is often required and is generally considered more suited to male employees.

Geographical origin of employees as at 31 December 2024



GRI 405-1b: Diversity among employees (gender and professional category)

Total number of employees (headcount) by job category and gender						
NUMBER OF PEOPLE	AS AT 31 DECEMBER 2023			AS AT 31 DECEMBER 2024		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Managers	3%	1%	4%	3%	1%	4%
White-collar staff	15%	10%	25%	15%	10%	25%
Blue-collar staff	57%	14%	72%	61%	10%	71%
TOTAL	**75%**	**25%**	**100%**	**79%**	**21%**	**100%**

As previously mentioned, diversity within the Group is reflected not only in terms of gender and age, but also in terms of geographical origin. In fact, the Group has a great variety of employee backgrounds, with 35% coming from non-European countries.
In particular, the CMO Group is characterised by a high level of diversity in terms of ethnicity and spoken languages. Although no formal policy has yet been defined to codify the Group's commitments in this regard, the needs of all employees are listened to and respected. For example, the company canteen, present in almost all Group companies, offers a range of meal options that take into account ethnic backgrounds, ethical choices and religious principles.
Finally, considering age distribution, as at 31 December 2024, **56%** of employees are between 30 and 50 years old, **25%** are over 50, and the remaining **19%** are under 30.

GRI 405-1b: Diversity among employees (age group and professional category)

Total number of employees (headcount) divided by job category and age group								
NUMBER OF PEOPLE	AS AT 31 DECEMBER 2023				AS AT 31 DECEMBER 2024			
	AGE			TOTAL	AGE			TOTAL
	<30	30-50	>50		<30	30-50	>50	
Managers	-	2%	1%	3%	-	3%	2%	5%
White-collar staff	3%	14%	8%	25%	3%	15%	7%	25%
Blue-collar staff	15%	42%	15%	72%	16%	38%	16%	70%
TOTAL	**18%**	**58%**	**24%**	**100%**	**19%**	**56%**	**25%**	**100%**

GRI 405-1b: Employees with disabilities (gender and professional category)

Employees with disabilities[17]								
NUMBER OF PEOPLE	AS AT 31 DECEMBER 2023				AS AT 31 DECEMBER 2024			
	AGE			TOTAL	AGE			TOTAL
	<30	30-50	>50		<30	30-50	>50	
Managers	-	-	-	-	-	-	2%	5%
White-collar staff	-	-	-	-	-	-	7%	25%
Blue-collar staff	6%	2%	5%	5%	3%	5%	16%	70%
TOTAL	**4%**	**1%**	**4%**	**4%**	**2%**	**4%**	**25%**	**100%**

[17] The percentages shown in this table correspond to the ratio between the number of employees with disabilities and the total number of employees by gender and professional category.

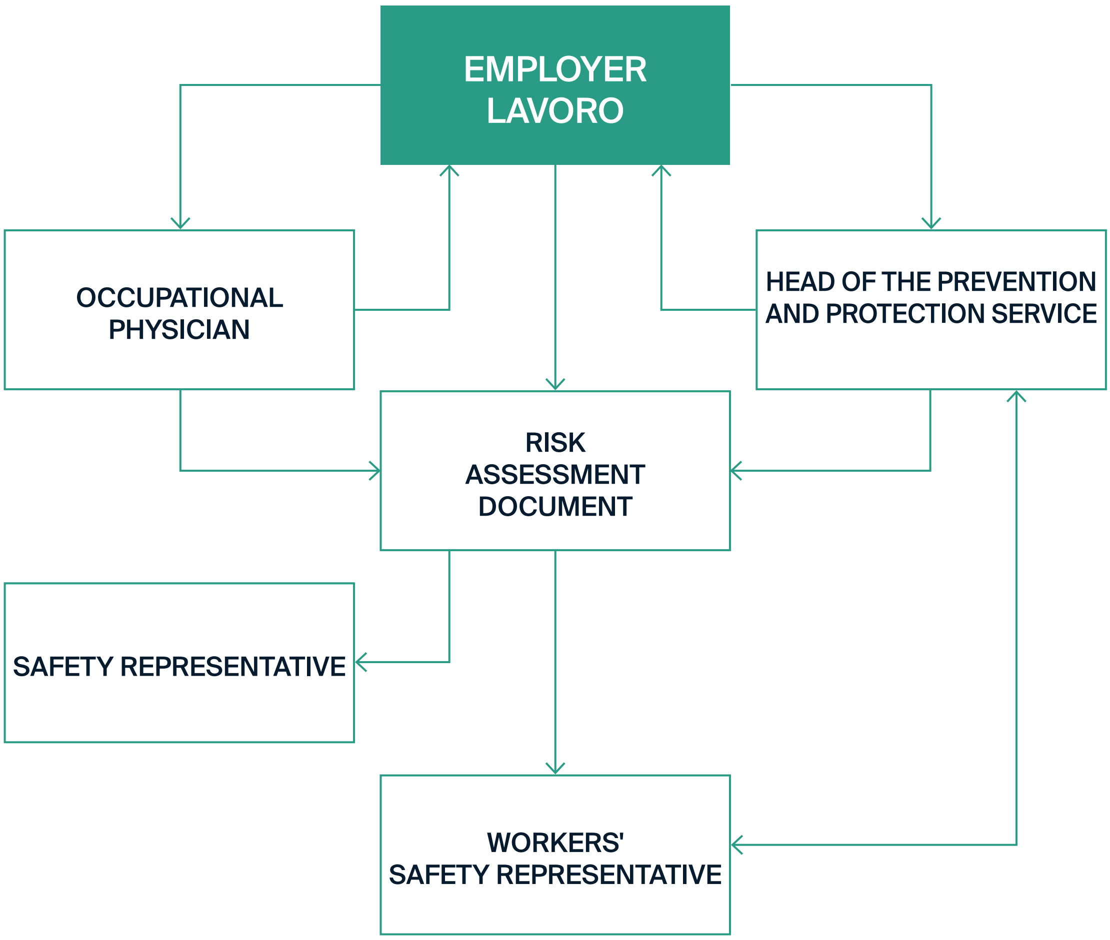
5.1.3 Occupational health and safety

The CMO Group is committed to ensuring a safe working environment for employees and for all individuals involved in the activities carried out by its companies. The Group operates in accordance with Italian Legislative Decree 81/2008 on occupational health and safety and implements a robust health and safety management system within each company, covering all employees.

In all companies, a regular risk assessment is carried out to identify and mitigate potential hazards in the workplace. This assessment is carried out by the employer in collaboration with the Head of the Prevention and Protection Service, the occupational physician, the Workers' Safety Representative and the external service provider specialised in occupational health and safety consultancy, by means of inspections and site visits in the workplace to assess the condition of the working environments and the activities carried out[18]. This assessment, documented in the Risk Assessment Document (DVR), includes a review of machinery, production processes and employee behaviour that could pose a risk to safety.

Moreover, following the relocation of CMO S.p.A. activities from Stezzano to Urgnano, the opening of the new plant required compliance with all regulatory obligations, the installation of new measuring equipment, and various interventions to ensure machine safety, including the preparation of a new company Risk Assessment Document. The Cesano site verified compliance with all required standards, working closely with the Group safety manager.

Functional organisational chart for health and safety management



[17] The percentages shown in this table correspond to the ratio between the number of employees with disabilities and the total number of employees by gender and professional category.

[18] At A&T Fluid Solutions, the functional organisational structure for health and safety management was revised following the merger between Airwork Pneumatic Equipment and Tecnofluid. Changes involved the Workers' Safety Representatives and the first aid and fire safety officers, while the other roles remained unchanged. At the same time, the Risk Assessment Document will be updated in January 2025, in accordance with Italian Leg. Decree 81/2008, to reflect the new requirements and organisational structure resulting from the merger.

The main risks identified during the assessment phase depend on the specific business sector in which the company operates. In particular, Masperotech S.r.l., which operates in the non-ferrous metal engineering and hot forging sector, presents risks related to stamping operations, including the handling of large components, thermal risks, and risks associated with maintenance activities. The first two risks are also mitigated thanks to the installation of more modern and automated machinery. The other companies mainly present the typical risks associated with machining centres, tool rooms and warehouses.

The main risks identified are also recorded in the form of job-specific risk sheets. These job sheets also include instructions on the Personal Protective Equipment (PPE) to be used for each processing phase/activity.

The collection and analysis of data during the risk assessment process make it possible to monitor individual situations and plan appropriate prevention and protection measures to reduce/eliminate the risks present. The CMO Group has adopted the following preventive measures:

- a health surveillance program has been introduced to monitor workers' health, based on the risks identified in the Risk Assessment Document;
- each employee is provided with Personal Protective Equipment (PPE), allocated according to criteria of efficiency, functionality and comfort, and assigned in collaboration with the occupational physician;
- an adequate number of employees have been identified, appointed and trained to meet regulatory requirements and ensure effective response if necessary. Emergency procedures have also been developed for specific urgent situations.

In addition to this, the Group ensures that each worker receives sufficient and appropriate training in occupational health and safety, also considering language skills, with particular reference to their specific job role. For this reason, information and training courses are provided on relevant legislation, workplace health and safety risks associated with the activities carried out, preventive measures to minimise such risks, and the procedures to be followed in the event of an emergency. The Group has set the objective of providing specific training in the coming years for supervisors, launching a training plan aimed at strengthening their role and responsibilities.

The Group carefully monitors, with the constant support of the Head of the Prevention and Protection Service, the number of workplace accidents, with the aim of continuously reducing them. As in 2023, seven accidents involving employees were recorded in 2024. Among non-employee workers, the number of accidents was one in 2023 and zero in 2024. With reference to occupational diseases, no cases were recorded over the reporting period.

Below is the ratio between the number of recorded accidents and the hours worked by employees during 2023 and 2024.

GRI 403-9: Workplace accidents

Workplace accidents (employees)	2023	2024
Recordable number of accidents	7	7
Hours worked	476,044	487,570
Recordable injury rate[19]	2.9	2.9

[19] *The injury rate is calculated as follows: (number of injuries per category/total hours worked) x 200,000).*

In the event of an accident, the Group conducts a targeted investigation involving all relevant functions in order to understand the causes and implement **corrective measures**.

The CMO Group will continue to operate with a view to the ongoing improvement of employee health and safety. Future objectives include the **minimisation of workplace accidents**, the implementation of **new safety** technologies and the **strengthening of employee awareness**. The Group will also focus on enhancing **training** activities and promoting **greater active involvement of employees**. These commitments are essential to promote a strong culture of safety within the workplace, while maintaining the high standards that have always characterised the Group.

5.1.4 Welfare, human rights and workers' rights

The CMO Group **is committed to protecting human rights and the rights of workers** and all its people, in accordance with current legislation. The Group not only guarantees the fundamental rights of its employees, but also promotes initiatives aimed at improving working conditions and, more generally, the **wellbeing** of each individual.

In the specific case of Masperotech S.r.l., employees with a lower gross annual salary are granted a quarterly bonus in the form of welfare benefits and services by means of a dedicated platform. In all Group companies, a reward system is in place for the entire workforce based on the achievement of predefined productivity targets, as well as an extended welfare scheme providing goods and services for senior management positions. In particular, all Group companies allow welfare benefits to be used for the purchase of subscriptions and services related to sport, nutrition and support services such as psychological counselling.

In addition to this, to support employees during difficult times, the Group provides loans based on specific needs, for example to help cover their children's school fees. Both Masperotech and CMO S.p.A. have a **company canteen** (except for A&T S.r.l., where meal vouchers are currently provided), as well as shared leisure and relaxation areas that offer opportunities for social interaction in a protected environment. Thanks to a dedicated meal-booking App, the companies also contribute to reducing food waste in the company canteens.

With a view to fostering inclusion and social interaction, the CMO Group organises an annual **Family Day**, an event dedicated to employees and their families aimed at encouraging conviviality and socialisation outside the usual working environment. While it was not possible to organise the event in 2022 due to the continuing effects of the COVID-19 pandemic, the initiative resumed in 2023. In fact, employees and their families were able to attend a theatre performance, the proceeds of which were donated to an association supporting disadvantaged young people through employment inclusion initiatives. The initiative continued successfully in 2024 too.

The Group also promotes corporate volunteering and **community support activities**. For example, CMO S.p.A. and Masperotech S.r.l. organise annual charity raffles during the Christmas and Easter holidays, with proceeds donated to support humanitarian missions, mainly in Africa. In particular, the proceeds from the Christmas raffle are donated to major non-profit organisations, including the San Giuseppe nutritional centre in Bukavu and the San Giovanni Paolo centre in Kavumu, which work to combat malnutrition in the Democratic Republic of the Congo. In addition to this, the Group contributed to the construction of a mini-volleyball court for children attending the Asteria Urafiki school in Cimpunda, promoting sports and social activities for younger generations. At the same time, the Group supports local education by providing scholarships to the Hensemberger Institute and the STEM High School in Monza, investing in the future of young people in the local area.

Finally, Masperotech S.r.l. is a member of the "Compagnia delle Opere di Monza e Brianza", a business association that promotes freedom and responsibility as drivers of personal development and authentic social life, as well as relationships as a source of personal, professional and entrepreneurial growth. The association is involved in various social initiatives, including support for the most vulnerable segments of the population.

5.2 Our commitment to customers

5.2.1 Product quality and safety and customer satisfaction

The CMO Group ensures the supply of products meeting the highest quality standards by implementing a Quality Management System certified in accordance with the **ISO 9001:2015** Standard across all Group companies. This Management System allows for the continuous monitoring of the quality of the business processes and risks associated with compliance with both internal and external quality requirements throughout the entire value chain. In addition to this, Masperotech S.r.l. is certified according to **ISO 9100:2018**, which specifically applies to Quality Management Systems for organisations operating in the Aviation, Space and Defence sectors.

At CMO S.p.A. (Cesano Maderno) and at Masperotech S.r.l., the entire quality control process is managed using dedicated software designed to ensure traceability, precision and data security.
This system makes it possible to:
- record and monitor all information relating to the inspection cycles of incoming materials and outgoing products;
- identify and document any non-conformities, including those reported by customers;
- provide employees and Management with reliable

and up-to-date information, useful for making rapid and targeted decisions and for implementing corrective actions when necessary.

Thanks to this approach, the Group is able to guarantee that each production phase is verified and controlled, strengthening the safety, quality and compliance of the products supplied to its customers. The system also contributes to continuous improvement, ensuring that any deviations are promptly identified and managed effectively.

As for the quality and safety of the production process, the operators, based on the production order, check that the quality parameters defined internally and those defined by the management system are complied with, also carrying out checks though sampling activities, agreed with the production managers.
With regard to customer complaints, each company prepares specific **reports** containing a detailed analysis of the issue identified, as well as all the corrective actions implemented to resolve it.

All the data and information collected through the quality control process is summarised and presented during the **annual Management Review**, which includes a critical analysis of the results achieved against the predefined objectives, the identification of potential areas for improvement, and the updating of quality strategies and plans. This represents a key moment to assess the effectiveness of the management systems and to ensure their continuous improvement.

Reliability is a fundamental pillar of the CMO Group's corporate philosophy. The Group is committed to fully understanding customer needs and providing innovative solutions that remain at the forefront of an ever-evolving market. The Group's objective is to go beyond the traditional role of a supplier and become a **reliable partner** throughout the entire supply chain, promoting product quality and safety in order to fully meet customer expectations.

5.2.2 Reliability and quality as pillars of the CMO Group

Reliability is a central element of the **CMO Group**'s corporate philosophy. The company is continuously committed to understanding customer needs and offering innovative solutions, remaining at the forefront of an ever-evolving market. The Group's objective is to go beyond the traditional role of a supplier and become a **reliable partner** throughout the entire supply chain, promoting product quality and safety in order to full meet customer expectations.

The Group maintains a strict focus on ensuring that production fully complies with current safety regulations and the highest quality standards. These efforts are applied consistently across all Group companies, but are particularly **reinforced at CMO S.p.A. e Masperotech S.r.l.**, which operate in the automotive, defence and railway sectors, where quality and performance requirements are more stringent.

At **Masperotech S.r.l.**, for example, before it is delivered to the customer, each product is subjected to a **complete series of inspections** and is accompanied by a **detailed documentation dossier** certifying compliance with the advanced quality and safety specifications required by customers. Moreover, the company has undertaken the process of obtaining two important **international certifications**:

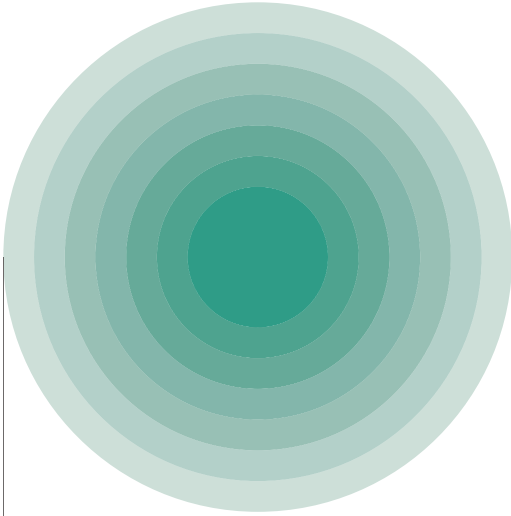
In 2024, it obtained **IRIS (International Railway Industry Standard)**: based on ISO 22163 and internationally recognised, it ensures, for the railway sector, a common system for the evaluation of the quality of suppliers of rolling stock and relative equipment and components.

In 2025, it began the process of obtaining **IATF 16949:2016 (International Automotive Task Force)**: a recognised quality standard in the automotive sector, aimed at ensuring excellence in production processes and products intended for automotive customers.

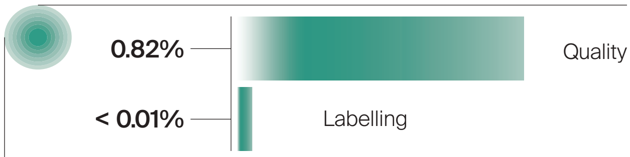
These results confirm the Group's commitment to maintaining **high quality and safety standards**, consolidating its role as a reliable and innovative partner for its customers.
On the one hand, **training activities** contribute to increasing employees' skills and awareness regarding product quality and the use of machinery; on the other hand, continuous **collaboration with customers** in defining increasingly detailed and clearly specified quality requirements allows the Group to overcome the frequent difficulties encountered in obtaining clear technical specifications for contracts.

Transparency in communication also plays a central role in managing customer relationships: most customers regularly provide, via platforms or reporting tools, a summary of contract outcomes containing information and indicators relating to supply quality, concerning both products and delivery. CMO S.p.A. continuously analyses customer satisfaction through this feedback, with particular focus on the **PPM** (parts per million) parameter — the ratio between rejected parts and delivered parts — which represents a key indicator for assessing perceived customer quality. This value is defined as a target threshold, and CMO S.p.A. is committed to **consistently keeping it below the set limits**. The company is proud to say that, also in 2024, the positive trend recorded in 2023 has been confirmed, with a PPM value still **below the thresholds required by key customers.**

Complaints - CMO and Masperotech - 2023

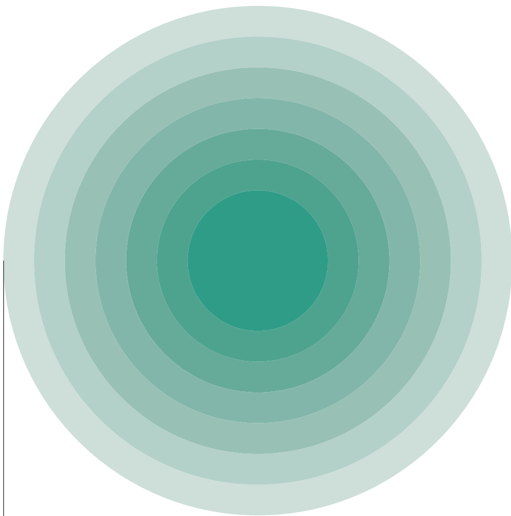


99.17%
Conforming batches

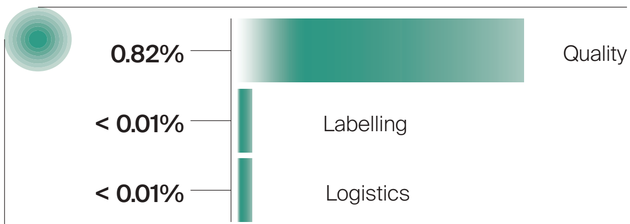


0.83%
Batches with reported non-conforming parts

Complaints - CMO and Masperotech - 2024



99.17%
Conforming batches



0.83%
Batches with reported non-conforming parts

5.3 Responsible procurement

5.3.1 Responsible supply chain management

The CMO Group is committed to the careful selection of its suppliers and to establishing strong relationships based on **responsible procurement management** across its entire supply chain. This commitment has led to the development of long-standing commercial relationships, mainly with Italian suppliers. All information concerning suppliers is collected and continuously updated in the company management system, ensuring good visibility and traceability of direct suppliers.

Given the different sectors in which the Group companies operate, each production site has a dedicated Procurement contact person. At present, suppliers are selected according to a structured process. After initial contact, a site visit is carried out at the supplier's premises in order to understand the organisation's operational structure and its ability to meet the requirements of the individual companies. Suppliers are also required to complete screening questionnaires to verify compliance with corporate and technical-operational requirements, such as service level and quality level. In these questionnaires, suppliers are required to indicate whether they have any certifications, including ISO 9001:2015 and ISO 14001:2015, to assess the presence of structured management systems relating to internal operations. Then, if the audit has a positive outcome, the qualification phase is completed with supplier coding and, following further checks, the issuance of a purchase order. Once the contract has been signed and the business relationship is established, the Group continues to monitor suppliers through **quality audits** and ongoing performance assessments.

In general, during the *supplier sourcing* phase, **local suppliers** are preferred, both for logistical reasons and due to their lower environmental impact.
An update of internal procedures relating to procurement management and supplier base management is currently underway, with the aim of harmonising procurement processes and sourcing activities across companies as much as possible.

Since 2022, CMO S.p.A. and Masperotech S.r.l. have adopted a new ERP software for the daily management of procurement activities. Instead, the other Group companies use different management systems, aligned with their specific operational needs and the diversity of their purchasing and supplier base.

To promote the uniformity of the management systems used, a corporate-level software tool has been developed for data monitoring and analysis. This tool allows for procurement processes to be optimised at Group level, resulting in greater efficiency and synergies between the various companies.

Masperotech and A&T have also introduced a management system designed to monitor specific supply chain performance indicators (e.g. on-time delivery). In this case too, the Group aims to implement a unified system across all other companies in order to standardise the supplier performance monitoring process.

In addition to this, a **Supplier Code of Conduct** is currently being prepared; this document will be given to suppliers and will contain a series of ethical, social and environmental principles and rules to be respected. The purpose is to communicate to business partners the principles and values on which the Group's operations are based, to make sure that they are shared and respected. In this regard, a plan is currently being pre-

pared to submit the document for approval. The document will be published in its English version in 2025, in order to ensure a clear and consistent understanding of the principles by all partners.

The Group purchases various types of materials and packaging. **The main raw materials** used are: **aluminium, copper, plastic, chrome-plated steel** and **stainless steel, rubber, oils** and **emulsions**. The suppliers of these materials are located across Italy, Europe and outside Europe. In fact, given the volume of materials required, the Group also relies on international suppliers to ensure a secure and continuous supply.

As mentioned above, the Group companies operate in different business areas. For this reason, this section will focus on the main materials purchased and the geographical origin of the corresponding suppliers for each company.

CMO				
MATERIALS PURCHASED	CESANO MADERNO PLANT		STEZZANO - URGNANO PLANT	
	2023	2024	2023 (Stezzano)	2024[20] (Urgnano)
Copper	97.28%	96.23%	98.38%	97.39%
Aluminium	2.72%	3.77%	1.62%	2.61%

Masperotech		
MATERIALS PURCHASED	2023	2024
Aluminium	83.03%	81.54%
Other (e.g. brass, titanium)	16.97%	18.46%

A&T Fluid Solutions			
MATERIALS PURCHASED	2023 (Airwork)	2023 (Tecnofluid)	2024 [21] (A&T Fluid Solutions)
Aluminium	64.41%	22.00%	51.61%
Steel	35.59%	31.97%	48.39%
Other (e.g. oil/emulsions, plastic, rubber)	-	46.03%	-

Tunitek		
MATERIALS PURCHASED	2023	2024
Aluminium	91.73%	24.65%
Steel	7.67%	56.90%
Other (e.g. oil/emulsions, plastic, rubber)	0.60%	18.45%

[20] In 2024, the offices and production activities of the Stezzano site were relocated to Urgnano, also in the province of Bergamo. To allow it to be compared with previous reporting periods, the data on materials purchased for 2023 refer to the Stezzano site, while the data on materials purchased for 2024 refer to the Urgnano site.
[21] A&T Fluid Solutions S.r.l. was established in 2024 following the merger between Airwork Pneumatic Equipment S.r.l. and Tecnofluid S.r.l. To allow it to be compared with previous reporting periods, the data on materials purchased for 2023 refer to Airwork Pneumatic Equipment S.r.l. and Technofluid S.r.l.

For packaging, the CMO Group companies mainly use paper and cardboard, partly recycled, and plastic and wood. In particular, thanks to the increasing number of innovative products on the market and increasingly demanding customer requirements, the Group is not only reducing the use of plastic and increasing the use of recycled cardboard, but is also evaluating and testing **the replacement of plastic packaging with paper-based solutions** capable of ensuring lower environmental impact. The aim is to protect products no longer using plastic packaging, but using paper nets with the same functionality and performance. In general, the Group is committed to proposing solutions that optimise transport and simplify packaging processes, while recognising that the implementation of some of these solutions requires the approval of the end customer. Moreover, following a specific customer request, Masperotech S.r.l., as well as the Stezzano site of CMO S.p.A., are currently conducting a feasibility study on the possible replacement of wooden packaging with recycled packaging. In addition to this, Tunitek carries out daily activities aimed at recovering and reusing plastic materials used internally.

Finally, in the canteens of all Group companies, plastic bottles have been replaced with centralised beverage dispensing systems.

Below is a breakdown of packaging purchase percentages by company and/or production site.

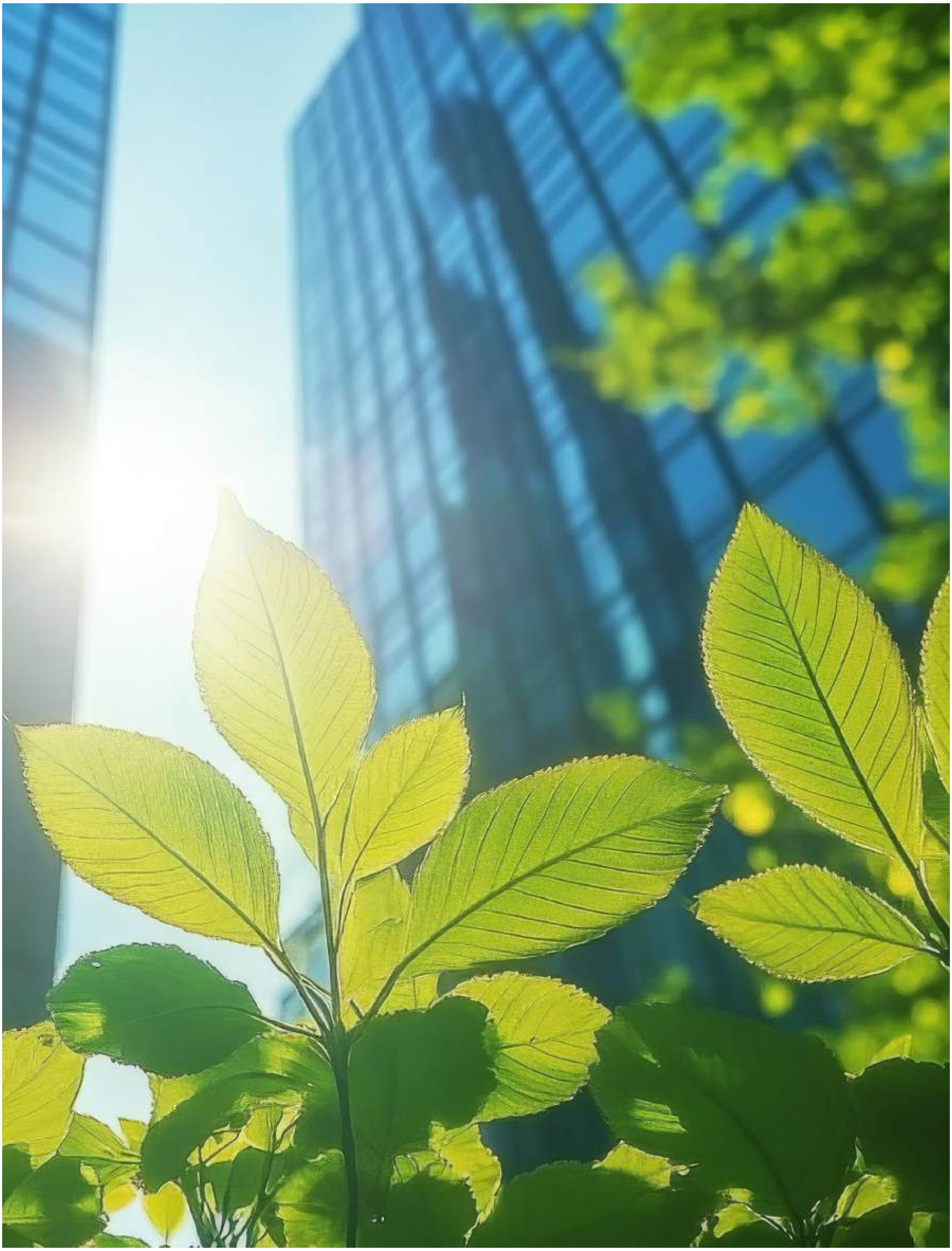
PACKAGING PURCHASE PERCENTAGES						
PACKAGING FOR COMPANY/PLANT[22]	PAPER AND CARDBOARD		PLASTIC		WOOD	
	2023	2024	2023	2024	2023	2024
CMO Cesano Maderno	76.98%	49.39%	6.04%	6.66%	16.97%	43.95%
CMO Urgnano	47.94%	59.06%	1.14%	4.61%	50.92%	36.33%
Masperotech	76.98%	49.39%	6.04%	6.66%	16.97%	43.95%
A&T Fluid Solutions	47.94%	6%	1.14%	4.61%	50.92%	36.33%
	76.98%	39%	6.04%	6.66%	16.97%	43.95%
Tunitek	47.94%	59.06%	1.14%	4.61%	50.92%	36.33%

In line with 2023, in 2024 the Group companies based in Italy primarily sourced packaging materials from Italian and European suppliers, accounting for almost 100% of total packaging purchases. Only Tunitek Industry S.a.r.l. sourced 100% of its packaging from non-EU suppliers over the same period. This data highlights the Group's preference for suppliers located in the same geographical areas as its production sites, a choice that contributes to the **development of local communities** and the **enhancement of the surrounding territories**.

[22] A&T Fluid Solutions S.r.l. was established in 2024 following the merger between Airwork Pneumatic Equipment S.r.l. and Tecnofluid S.r.l. In order to ensure comparability with previous reporting periods, the packaging data for 2023 is reported separately for the two companies. Therefore, in the table, the first row of A&T Fluid Solutions S.r.l. contains 2023 data relating to Airwork Pneumatic Equipment S.r.l., while the second row contains 2023 data relating Tecnofluid S.r.l.; finally, the 2024 column refers to the newly established company A&T Fluid Solutions S.r.l.

Sustainability plan

6



CMO Group and its commitments to a more sustainable future

The CMO Group, in order to formalise its commitment to contributing to sustainable development in the coming years using the tools and resources at its disposal, has defined a **Sustainability Plan**. The Group's aim is to communicate to its stakeholders its strategic ESG guidelines, objectives, corresponding targets and timelines, thereby strengthening the sustainability journey already undertaken. Therefore, within this Plan, the Group is committed to promoting and adopting multi-year objectives aligned with the **United Nations Sustainable Development Goals (SDGs),** in order to ensure the creation of long-term and shared value for its stakeholders.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITAION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 CONSUMTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

GRI content index

GRI STANDARD DISCLOSURE		Section
UNIVERSAL STANDARDS		
GRI 2: GENERAL DISCLOSURES 2021		
The organisation and its reporting practices		
2-1	Organisational details	1.3 Group structure 3.1 Responsible governance, business ethics and compliance
2-2	Entities included in the organisation's sustainability reporting	Methodological note
2-3	Reporting period, frequency and contact point	Methodological note
2-4	Restatements of information	Methodological note
2-5	External assurance	Methodological note
Activities and workers		
2-6	Activities, value chain and other business relationships	1.1 About us 5.3.1 Responsible supply chain management
2-7	Employees	5.1.1 Human resources management, development and wellbeing
2-8	Non-employee workers	5.1.1 Human resources management, development and wellbeing
Governance		
2-9	Governance structure and composition	3.1 Responsible governance, business ethics and compliance
2-11	Chair of the highest governance body	3.1 Responsible governance, business ethics and compliance
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Letter to Stakeholders
2-27	Compliance with laws and regulations	3.1 Responsible governance, business ethics and compliance
2-28	Membership in associations	5.1.4 Welfare, human rights and workers' rights
Stakeholder engagement		
2-29	Approach to stakeholder engagement	2.1 Our stakeholders
2-30	Collective bargaining agreements	5.1.1 Human resources management, development and wellbeing
GRI 3: MATERIAL TOPICS 2021		
3-1	Process to determine material topics	2.2 Materiality analysis and ESG topics
3-2	List of material topics	2.2 Materiality analysis and ESG topics
SPECIFIC STANDARDS		
GOVERNANCE AND ECONOMIC PERFORMANCE		
Creation of shared economic value		
GRI 3: Material topics 2021		
3-3	Management of material topics	3.2 Creation of shared economic value
GRI 201: Economic performance 2016		
201-1	Direct economic value generated and distributed	3.2 Creation of shared economic value
Responsible governance, business ethics and compliance		
GRI 3: Material topics 2021		
3-3	Management of material topics	3.1 Responsible governance, business ethics and compliance

GRI STANDARD DISCLOSURE		Section
SPECIFIC STANDARDS		
GRI 205: Anti-corruption		
205-3	Confirmed incidents of corruption and actions taken	3.1 Responsible governance, business ethics and compliance
GRI 206: Anti-competitive behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	3.1 Responsible governance, business ethics and compliance
ENVIRONMENTAL RESPONSIBILITY		
Energy efficiency and reduction of emissions		
GRI 3: Material topics 2021		
3-3	Management of material topics	4.1 Energy efficiency and reduction of emissions
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	4.1 Energy efficiency and reduction of emissions
302-3	Energy intensity	4.1 Energy efficiency and reduction of emissions
GRI 305: Emissions 2016		
305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	4.1 Energy efficiency and reduction of emissions
305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	4.1 Energy efficiency and reduction of emissions
305-4	Greenhouse gas (GHG) emissions intensity	4.1 Energy efficiency and reduction of emissions
Circular economy and materials and waste management		
GRI 3: Material topics 2021		
3-3	Management of material topics	4.2 Circular economy and waste management 5.3.1 Responsible supply chain management
GRI 306: Waste 2020		
306-3	Waste generated	4.2 Circular economy and waste management
Water resource management		
GRI 3: Material topics 2021		
3-3	Management of material topics	4.3 Water resource management
GRI 303: Water and effluents 2018		
303-3	Water withdrawal	4.3 Water resource management
Innovation and sustainable product design		
GRI 3: Material topics 2021		
3-3	Management of material topics	4.4 Process innovation and digitalisation
SOCIAL RESPONSIBILITY		
Occupational health and safety		
GRI 3: Material topics 2021		
3-3	Management of material topics	5.1.3 Occupational health and safety
GRI 403: Occupational health and safety - 2018		
403-1	Occupational health and safety management system	5.1.3 Occupational health and safety
403-2	Hazard identification, risk assessment and incident investigation	5.1.3 Occupational health and safety
403-3	Occupational health services	5.1.3 Occupational health and safety
403-5	Worker training on occupational health and safety	5.1.3 Occupational health and safety

GRI STANDARD DISCLOSURE		Section
SOCIAL RESPONSIBILITY		
Occupational health and safety		
GRI 403: Occupational health and safety - 2018		
403-8	Workers covered by an occupational health and safety management system	5.1.3 Occupational health and safety
403-9	Workplace accidents	5.1.3 Occupational health and safety
403-10	Work-related ill health	5.1.3 Occupational health and safety
Human resources management, development and wellbeing		
GRI 3: Material topics 2021		
3-3	Management of material topics	5.1.1 Human resources management, development and wellbeing
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	5.1.1 Human resources management, development and wellbeing
GRI 404: Training and education 2016		
404-1	Average number of training hours per employee per year	5.1.1 Human resources management, development and wellbeing
Equal opportunities, non-discrimination, diversity and inclusion		
GRI 3: Material topics 2021		
3-3	Management of material topics	5.1.2 Equal opportunities, non-discrimination, diversity and inclusion
GRI 405: Diversity and equal opportunities 2016		
405-1/a	Diversity within governance bodies	3.1 Responsible governance, business ethics and compliance
405-1/b	Diversity among employees	5.1.2 Equal opportunities, non-discrimination, diversity and inclusion
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	5.1.2 Equal opportunities, non-discrimination, diversity and inclusion
Human rights and workers' rights		
GRI 3: Material topics 2021		
3-3	Management of material topics	5.1.4 Welfare, human rights and workers' rights
Product quality and safety and customer satisfaction		
GRI 3: Material topics 2021		
3-3	Management of material topics	5.2.1 Product quality and safety and customer satisfaction
Responsible supply chain management		
GRI 3: Material topics 2021		
3-3	Management of material topics	5.3.1 Responsible supply chain management

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