

SUSTAINABILITY REPORT 2023



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SUSTAINABILITY REPORT 2023

INDEX

1.	INTRODUCTION	4
1.1	Letter to Stakeholders	7
1.2	Sustainability Report decision and reference	8
1.3	Methods and reference	10
2.	C.M.D. COSTRUZIONI MOTORI DIESEL S.P.A.	11
2.1	CMD History	12
2.2	CMD S.p.A. Today	15
2.3	Our Values	22
3.	SUSTAINABILITY FOR CMD SPA	25
3.1	Our stakeholders	26
3.2	Materiality Analysis	28
3.3	Sustainability for CMD (2030 agenda and the SDGs)	32
4.	RESPONSIBLE MANAGEMENT OF BUSINESS	35
4.1	Code of Ethics	36
4.2	Governance and internal organization	37
4.3	Legal compliance	40
4.4	Supply chain	41
5.	CARE FOR CMD EMPLOYEES	45
5.1	People	46
5.2	Health and safety staff	54
6.	INNOVATION, QUALITY AND SAFETY OF PRODUCTS AND SERVICES	56
6.1	Product quality and safety	57
6.2	Innovation for continuous improvement	57
7.	ENVIRONMENTAL SUSTAINABILITY	64
7.1	Environmental performance	65
8.	COMMITMENT TO THE LOCAL COMMUNITY	72
8.1	The relationship with the local community	73
9.	APPENDIX (GRI INDEX)	76





1. Introduction

There are fundamental human concepts that common language abuses, superficially juxtaposing it with the good intentions that everyone should possess. Inescapable is the concept of ethics, which studies the fundamentals that allow human behavior to be assigned a deontological and normative status, that is, to distinguish it into good, just, lawful, versus behavior deemed unjust, illicit, improper or bad according to an ideal behavioral model.

What really is Ethics? Its role over the years

Part of philosophy that studies man's moral conduct and the criteria of his judgment; set of public and private standards of conduct.

Its etymology: learned voice retrieved from Latin ethica, borrowing from Greek ethiké "relating to character."

On coming across this word, many people are prompted to think, "Eh, ethics-an obsolete word now!" And this is not a typically modern reaction: every civilization has felt - and stigmatized - a certain moral decadence compared to a more or less idealized past. Yet, on closer inspection, nowadays sensitivity to ethical issues is more alive than ever. One need only think of the massive presence in public debate of issues such as euthanasia, animal rights, political corruption, social injustice, gender equality, respect for the environment and others, some of which in the past did not even arise, while today they provoke even heated discussions. Not to mention how often lately we hear players and coaches point to the root of a sports victory in their own ironclad work ethic.

But are ethics and morals the same thing? Etymologically, yes: the Latin moralis (derived from mos, moris 'custom, character') traces the Greek analogue ethikós. Even in philosophy, generally, the two are equivalent, with a few exceptions including Hegel, for whom morality had a subjective, individual nature, while ethics manifested itself objectively, embodied at the social and institutional level. It is interesting how this distinction also shines through in everyday usage: I can indifferently talk about my ethics or my morals, but I would never call Titius the "ethical winner" of a race, nor would I say that I had received an "ethical slap in the face"; and to speak of "ethical obligation" regarding something would give the impression, as opposed to the usual 'moral obligation,' of a social imposition rather than an inner requirement.

Ethics, arguably, is as old as humanity. For a long time, however, norms of behavior pertained to the religious sphere, taking the form of judgments to be introjected without discussion. Everything changed with the Sophists, who affirmed the conventional character of any human value or norm. Rejecting Sophistic relativism, on the other hand, Plato even pivoted ontology to ethics: ideas are the foundation of reality, but the supreme idea is that of the Good, which thus underlies everything.

Ethics for CMD

Today, transparent, ethical and compliant behaviors are essential for the management of business activities as described by the company's Code of Ethics, which defines a deontological code of behavior. For CMD, a change of perspective is necessary, building a set of shared values that place the individual, as opposed to production, at the center. A company can be said to be values-driven if it can find a convergence between the values made explicit by the organization and the personal values of each member of the organization.

Managing the process of change toward a system of shared values and ethical behavior in interpersonal relationships and business is the current corporate challenge. The culture of service, the centrality of the customer outside the company, and the centrality of the person within the company will increasingly take on the role of a central factor in a company's success.

In a broader dimension-which considers principles such as equality, fairness, confidentiality, personal and environmental protection, honesty, impartiality and transparency-the company's code of ethics built on shared values defines quality and competitiveness as a catalyst for growth. Therefore, in order to embark on a path of corporate change and growth, according to experts, there are 3 factors to focus on: ethics, sustainability and innovation.



1.1 Letter to Stakeholders



1.1 Letter to Stakeholders

Dear Stakeholders,

The year 2022 was the year of gradual exit from the pandemic, accompanied by geopolitical tensions caused by the Russian-Ukrainian conflict that resulted in high inflation, high energy prices, commodity price increases, and tight monetary policies. A picture that confirmed the need for action to meet the digital, climate and energy challenges. 2022 was also the year of the implementation of the National Recovery and Resilience Plan (NRP), which involved an extraordinary commitment of resources and activities. The allocation of financial resources is aimed not only at boosting the economy but also at providing answers to the needs of our main stakeholders, communities and citizens who share the same concerns about the need to innovate and strengthen prevention and land monitoring in order to reduce risks caused by natural events. The political-economic system also pays attention to the sustainability of production processes, energy efficiency and the reduction of the ecological and carbon footprint. The awareness that the sustainability path taken represents the only possible path for the economic and social development of the company, sets as a goal the need to adopt ethical and anti-corruption principles, equity and inclusion projects, according to the provisions from the United Nations 2030 Agenda for Sustainable Development with the definition of 17 goals - the Sustainable Development Goals (SDGs) - and the related 169 targets set for 2030. In our view, those who intend to remain within a business, in a long-term logic, must make their contribution toward a sustainable economy, putting people, resources, health and safety at the center of their work, acting ethically both in their choices and in their dealings with all other stakeholders, making their facilities increasingly attractive to all stakeholders, including in the local contexts in which they operate.

In this regard, Pope Francis describes enterprise as the most suitable vehicle, as well as the most humane, through which people can put their talents to good use. Thus, business becomes fundamental to the construction of the common good, and the work of the entrepreneur becomes almost a vocation that aims to pursue this common good and improve the living conditions of all through tools such as development, solidarity, subsidiarity, and the universal destination of goods. In 2023, this awareness of responsibility was further strengthened, and we observed around us a growth in attention to sustainability.

The results obtained are satisfactory. The evaluation by 2 rating companies (Ecovadis' silver medal and Supplier Assurance platform's B80 rating) suggest that we are working toward the right direction.

We therefore present the 3rd Sustainability Report 2023, which aims to demonstrate not the sustainability path taken but the path of responsibility that CMD SPA is taking towards its stakeholders and the ecosystem in which it operates.

Chief Executive Officer
Mariano Negri
CEO CMD SPA



1.2 Sustainability Report decision and reference

THE VOLUNTARY CHOICE OF THE SUSTAINABILITY REPORT

The current economic scenario is dominated by risks and uncertainties related to climate change and the epidemiological emergency, but also by a digital transformation that pervasively penetrates the way everything is done, and by the advance of profound demographic transformations. It is therefore important for businesses and the financial world to take climate-related factors into account.

Increasingly aggressive and frequent natural phenomena, increasingly complex access to resources, growing demographic pressures among countries, democratic balances also made precarious by the management of natural spaces, and many other factors are conditioning markets and increasing overall risks facing companies.

The motivations behind the establishment of these assessment methods are different. First and foremost, increased attention to social and environmental issues.

Corporate social responsibility is defined as the voluntary integration of environmental and social concerns. Also important is the adoption of the UN 2030 Agenda. This establishes a set of 17 interconnected goals that must be pursued by 2030. These include goals in sustainability, environmental protection, defeating poverty and hunger, reducing inequality, creating clean energy, and combating climate change. Important, then, is the issue of environmental sustainability—that is, being able to live and make progress on a planet that is generously hosting us is one of the most delicate games we are playing right now.

The concept of environmental sustainability refers to meeting the needs of the current generation without compromising the needs of future generations. Specifically, it concerns making decisions and taking actions in the interest of preserving the natural world with a focus on preserving the environment's ability to sustain human life. Environmental sustainability is a most urgent goal. Human actions such as deforestation of forests, air and water pollution, and depredation of seas and soils are bringing our planet to its knees and with it our future ability to live on it. In particular, the emission of CO₂, derived largely from the burning of fossil fuels, is the cause of one of the most worrisome phenomena of environmental pollution, namely global warming.

This phenomenon makes extreme natural phenomena such as flooding, fires, melting of glaciers as well as the spread of diseases and the extinction of some species with disastrous consequences for the planet more and more frequent.

Although the situation is extremely alarming people do not seem to realize what is happening. And among the reasons for this in-action are psychological biases—that is, mental errors, most of the time unconscious, which nonetheless lead us to develop misconceptions about reality.

Some examples:

the perception bias: we tend to perceive as things important to us only those situations that affect us closely from a spatial or temporal point of view while we tend to ignore others. This leads us to fail to give proper importance to issues such as global warming and does not push us above all to act today so that the future can be better.

the optimism bias: we tend to think that, in reality, catastrophic predictions will not come true because there will be some technical invention that will solve things for us.

the willpower bias: whereby we think that these issues should be taken care of by the government and not by us, consequently de-emphasizing us in this process of change that instead should see us all as protagonists.



The problem affects all of us and needs a concrete and collective effort and, above all, an immediate one. This effort can have a very important lever in the corporate world. Corporations for a long time have acted not giving a damn about what the negative impact of their actions might be on our environmental conditions and focusing on short-term gains.

Commitment to sustainability happens in 2 ways: first by reasoning as consumers then by making reflections on our purchasing choices and second by reasoning as collaborators by choosing to work for those companies that espouse environmental cause and value by going to assess not only the economic impact but also the impact that company has on the world.

That of environmental sustainability is a topic we can no longer ignore. Because it is not true that we inherit the earth from our ancestors, but it is true that we are borrowing it from our children.

In today's society, the value created by the company no longer takes into account only economic and financial factors: instead, this includes an assessment of the company's ability to reduce its exposure to risks and generate new opportunities for the context in which it emerged.

Where to start again? A new humanism for the economy.

"A new humanism must be built or the planet will not be saved." These are the words of Albert Einstein the father of the Theory of General Relativity.

CMD believes in these words and makes them its own, in fact a conception of economics must be recovered that is based on the recognition of the absolute value of every human being, on the value of sociality. The need for sociability, which underlies such a choice, is one that shows how much greater the satisfaction of devoting oneself to building the common home can be than thinking about one's own little garden. Putting people back at the center of everything, both as subjects and as recipients of value creation, does not mean simply exalting the moral aspect or the need for solidarity, for example, by pitting "business" against "nonprofit." Instead, for us, it means going back to looking at how value creation takes place, how creativity is expressed, how useful skills are formed for this purpose, and where the ideals that help people achieve it live.

CMD in this sense tends toward a concept of adhocracy as the organizational model of the future. The adhocracy represents the only solution for a mode of work with more democracy and less bureaucracy, fostering communication and knowledge transfer thus enabling greater adaptation and empowerment of people.

It concerns both the nature of managerial work and the process of strategy formation, as well as social issues (from a historical point of view, the organizational form can be seen as evolving from a simple structure and passing through the stages of rigidly regulated bureaucracy and the divisional model to adhocracy).

Then the road to a truly more sustainable economy is not a utopia, but a reality.

1.3 Methods and reference

The Sustainability Report 2023 prepared by CMD S.p.A. considers the period from January 1, 2023 to December 31, 2023 as the time interval and is the third Non-Financial Statement - DNF - voluntarily submitted by the company.

Although the corporate financial statement and the social balance sheet are contained in two different documents, essentially there is a single statement that we could call "integrated," since the reality of corporate operations is the result of the interconnection between these two aspects.

In fact, for CMD, sustainability goals are closely linked with business objectives, and respect for ESG values is present throughout all industrial action. Not acting compartmentalized is the key element of our business strategy that allows us to provide a mature sustainability report and thus contributes to long-term success.

On December 16, 2022, the Corporate Sustainability Reporting Directive (CSRD) was published in the Official Journal of the EU. The CSRD aims to harmonize corporate disclosure of sustainability information so that financial companies, investors, and the general public have transparent, comparable, and reliable information. The purpose of the Directive is to consolidate ESG reporting requirements in European law, expanding the scope of the Non-Financial Reporting Directive (NFRD). In doing so, the European Commission aspires to create a set of standards that over time will put sustainability reporting on the same level as financial reporting. The CSRD introduces a number of important changes from the previous Non-Financial Reporting Directive (NFRD), including expanding the scope of reporting requirements to include all large and listed companies (with the exception of micro-listed companies).

The directive, which came into force on January 5, 2023, must be transposed into member states' laws by the year 2024 and will be implemented in a phased manner according to a well-defined roadmap.

In view of the significant regulatory changes defined and soon to be implemented in sustainability reporting, CMD SPA decided to carry out a new analysis of material issues according to the dual materiality approach. Non-financial performance indicators have been defined based on the GRI Sustainability Reporting Standards 2021 international standards, issued by the Global Reporting Initiative (GRI) in 2016 (and subsequent additions and intervening amendments), which defines the reporting methodology aimed at preparing Sustainability Reports.

The report was prepared in accordance with the GRI Standards 2021, following the "with reference to" option defined on the basis of the following reporting principles regarding the content and quality of the report:

- Inclusiveness of stakeholders through their identification and involvement;
- Sustainability context, including information on economic, social and environmental performance;
- Relevance of the main issues according to the concept of dual materiality in Outside-In and Inside-Out perspective, established in the ESG framework and from the assessments of internal and external stakeholders; previously identified with the Management of CMD SPA;
- Completeness and accuracy of the information presented;
- Balance and comparability;
- Clarity and reliability;
- Timeliness, having defined, starting with the 2021 Sustainability Report, an annual cadence for updating disclosures.

The organizational units considered as the scope of this reporting and included in CMD S.p.A. are as follows:

- Caserta registered and operational office, i.e., principal place of business;
- Atella (PZ) field office.

To receive information about CMD SPA's Sustainability Report, you can contact the following dedicated address: info@cmdengine.com



2. C.M.D. Costruzioni Motori Diesel S.p.A.

2.1 CMD History

For more than 90 years we realize **innovative solutions** and **cutting-edge**.

C.M.D. (Costruzioni Motori Diesel) SPA is a company engaged for more than 30 years in the design and manufacture of engines and complex solutions for the automotive, marine and aeronautical industries. It was founded by the Negri family in 1971 under the name FNM ("Fratelli Negri Motori"); it became CMD in 1989.

The company's core business is developed through 5 departments: Avio, Marine, Machining, Energy and Research & Development.

CMD S.p.A.'s historical milestones



1990 CMD inaugurates Atella 1 plant in Basilicata, Italy

In the 1990s, CMD opened the Atella 1 plant and was able to expand its business by producing and marketing inboard diesel marine engines and offering increasingly advanced precision machining.

2000 CMD opens 2 plants: Atella 2 and Morra de Sanctis

In the new millennium the Company continues its growth process with the opening of two new production plants, Atella 2 in 2004 and Morra de Sanctis in 2005, and the implementation of a new range of increasingly competitive JTD marine engines. The process of production diversification through the industrialization of two aero engines for general aviation and ultralights, as well as the development of a small-scale cogenerator fueled by wood-derived biomass, has enabled CMD to enter various international markets and arouse the interest of very large players in the motoring world.

2012 Elite Program



CMD began the ELITE journey with the Italian Stock Exchange, which ended two years later with the award of the ELITE Certificate. This recognition was awarded in the presence of the financial world, both Italian and European, becoming the only Lucanian company to obtain such a prestigious result. The ELITE path has been fundamental to our history, strongly supporting us in our business growth by facilitating and accelerating our access to private and public capital markets.

2014 Inauguration of the Robotized Processing Line "Bruno Negri"

Over the years, orders for mechanical machining from important customers such as FIAT, VM motori, MASERATI become more and more numerous. A fully automated line is inaugurated at the Atella 1 plant that will enable the production of cylinder heads for diesel engines destined for Maserati "Ghibli" and "Quattroporte," Jeep model "Grand Cherokee."

2017 CMD joins the Loncin Group (China)

As of January 2017, CMD became part of the Loncin Group (China), which purchased a controlling interest in the company. This transaction will further expand CMD's opportunities to grow and research new solutions at the cutting edge of technology.

2019 DOA and POA, two important milestones for the Avio department

In these years, two important certifications are obtained by the Avio department, leading CMD to establish itself as a leading company in aeronautics, ranking among the few companies in Italy and Europe to have obtained this decidedly prestigious achievement. CMD in fact obtains:

- the DOA (Design Organization Approval, EASA 21J.709) in 2019, an aviation-related enterprise certification required for any product design organization for which a type certificate, major change approval or supplemental type certificate is required.
- the Production Organization Approval (POA) in 2021. approval of the Production Organization of aircraft engines in accordance with Part 21 - Subpart G.

By obtaining DOA and POA, CMD is officially licensed to operate in General Aviation and on certified aircraft.

2020 **CMD in support of WHO against COVID19**

During the COVID19 emergency period, CMD was summoned by the political authorities of the Basilicata and Campania regions to make a contribution to Italy's ailing health care system. CMD developed its own lung ventilator in record time; the first two units were donated to San Carlo Hospital in Potenza and Madonna delle Grazie Hospital in Matera. We are proud to have been a valuable aid and to have helped save lives.

2021 **FADEC for General Aviation**

Our Electronics department, after a long period of research and design, presents to the General Aviation market its FADEC (Full Authority Digital Engine Control), the electronic control unit that manages the aircraft engine, qualified according to current aviation standards and guidelines (RTCA/DO-178C, RTCA/DO-254 and RTCA/DO-160G), approved by EASA.

2022 **CMD, a sustainable company: our commitment to the energy transition**

CMD's Goal in 2022 was to push, with some speed, on the "green revolution": sustainability and energy transition become key topics for the company even though they have always been, focusing each BU's expertise in designing solutions to safeguard the environment.

CMD focuses its activities on hybridization and hydrogen.

2023 **We continue in our mission**

3 important steps forward for our business:

- CMD develops, for the Korean market, prototype EWBA brakes for an all-electric vertical take-off and landing (eVTOL) aircraft produced by Supernal (Hyundai).
- Become a Qualified Supplier for the Volkswagen Group: CMD signs a contract for the development, mass production and delivery of specific components commissioned by Lamborghini.
- CMD19 Engine Certification (AVIO) starts to provide a viable alternative in the ultralight aircraft market.

2.2 CMD S.p.A. Today

CMD TODAY - An environmentally sustainable company.

CONSTANTLY EVOLVING

Today we are at the forefront of innovation, design, development and production of internal combustion engines and related technology applications. But that's not all. We are also applying our expertise in researching new solutions for power and heat generation, precision mechanics, and the development of new products and solutions. Over the years, the team has grown and, along with it, the skills and areas of interest have also increased.

WHAT WE BELIEVE IN

"We innovate to improve the world we live in: the most important resource we have and will leave to those who will come after us."

CMD has 5 highly specialized Business Units: aviation engines, Machining, marine engines, biomass-fueled microcogeneration systems, and Research and Development.

HEADQUARTERS:

The company's headquarters and administrative offices are located in San Nicola La Strada (CE)

MANUFACTURING PLANT:

Italian production facilities are located in Atella (PZ)



CMD AVIO

AVIO projects are closely related to the design and production of three aircraft engines: the CMD22, GF56 and CMD19.

CMD has been engaged in the development of hybrid-electric aircraft engines for several years as part of the SIMPA (Innovative Systems for Aircraft Piston Engines) research program. In SIMPA, one of the objectives was to design and implement a hybrid-electric architecture from a CMD piston engine. The project focused on a so-called mild-hybrid configuration involving an electric machine (engine/generator) on the thermal engine axis.

A second initiative in the area of electrification of aeronautical propulsion is the DIPROVEL project (Dimostratore tecnologico di un sistema di PROPulsione ibrida aeronautica per applicazioni su VELivoli leggeri). In this initiative, the goal is to realize a hybrid configuration again assuming a CMD aircraft engine as the baseline.



CMD MACHINING

CMD SpA specializes in machining mechanical powertrain components for small, medium and large series for the largest players in the industry.

It is recognized as a leading company in the field of precision machining of engine and driveline components: engine blocks, cylinder heads, transmission cases, intake manifolds, oil pans are just part of the wide range of products the company offers.

CMD cares for and keeps the entire process of each component under control: all stages of the production cycle are carried out with the latest technologies in milling, turning, testing, washing and inspection. CMD has more than 53 CNC machines of different sizes that enable the production of technologically advanced mechanical components; the company is able to provide small, medium and large series production. Our main customers include: AUDI, STELLANTIS, MAGNA, LAMBORGHINI, BUKH, BONFIGLIOLI, IVECO, FONDUM, SIRPRESS.



COGENERATOR EFFICIENT ENERGY UTILIZATION

Traditionally, electrical and thermal energy are produced separately. In fact, to produce electrical energy, thermoelectric power plants are usually used, which disperse low-temperature thermal energy into the environment, while to produce thermal energy alone, boilers are used, which convert the primary energy represented by fuel, with high thermodynamic value, into thermal energy of reduced thermodynamic value.

CMD SPA thought of **implementing a system, the cogeneration plant, that produces both electricity and thermal energy**. It is intuitive how this system can produce **energy savings determined by lower fuel consumption**.

OIL RECOVERY.

CMD SPA uses for its processes a de-oiling unit i.e., a vacuum concentrator is used for the purification and reduction of polluting residues from water from industrial discharges. It is, in fact, an equipment designed to retain particularly polluted wastewater. It causes the evaporation and subsequent re-condensation of the contained water, from the chemical mixture, resulting in a condensed liquid with a high degree of cleanliness and a concentrated solution containing the polluting elements. This results in recovery of oils with a drastic reduction in emulsified water consumption.



CMD MARINE - FNM MARINE ENGINE / HYBRID SYSTEM

The entire ECO line (ECO20x, ECOBurner) uses the pyrogasification process and was developed according to the principles of Circular Economy, sustainability and environmental protection. ECO20x is a microcogeneration system that converts wood waste (biomass) into syngas through a combined process of thermochemical decomposition obtained under high temperature conditions in oxygen debt. The high-tech, state-of-the-art machinery simultaneously produces electrical and thermal energy. The innovatively designed energy box allows the entire system and the biomass loading hopper to be enclosed in a single space, making it even more functional and compact. With the ECO20x microcogenerator, our efforts for the environment are realized in a system that can produce green energy for everyone, now and in the future. With this technology we enable people, businesses and communities to tap their potential without having to worry about causing negative environmental impact or limiting the opportunities of future generations.

FNM GREEN FUTURE VISION

FNM has always been attentive to environmental issues. The future has always been designed with fuel economy and performance optimization in mind. It was the first manufacturer to believe in downsizing displacements and to make an automotive engine marine as early as the late 1980s. FNM engineers devote more than 30 percent of their activities looking for viable solutions to reduce emissions, and have already developed systems that will further reduce the gaseous emissions produced, aligning with the much more restrictive values set for the automotive sector. In 2011, it was the first company to introduce and mass produce a hybrid marine engine completely designed and developed in its own R&D department: the FNM HYBRID SYSTEM.

For more than a year, the HPE series has been complying with both European and American emissions regulations in effect since 2017. The MY2017 range is enriched with "green four-leaf clover" versions that aim to be environmentally friendly not only through reduced emissions, but through the use of materials that are fully recyclable.

100% recyclable components



CMD ENERGY – ECO20X

The entire ECO line (ECO20x, ECOBurner) uses the pyrogasification process and was developed according to the principles of Circular Economy, sustainability and environmental protection. ECO20x is a microgeneration system that converts wood waste (biomass) into syngas through a combined process of thermochemical decomposition obtained under high temperature conditions in oxygen debt. The high-tech, state-of-the-art machinery simultaneously produces electrical and thermal energy. The innovatively designed energy box allows the entire system and the biomass loading hopper to be enclosed in a single space, making it even more functional and compact. With the ECO20x microcogenerator, our efforts for the environment are realized in a system that can produce green energy for everyone, now and in the future. With this technology we enable people, businesses and communities to tap their potential without having to worry about causing negative environmental impact or limiting the opportunities of future generations.

CMD ECU – ELECTRONIC UNIT CONTROL

CMD provides solutions for the electronic control of internal combustion engines (diesel, gasoline, CNG, LPG). A team of engineers with more than 15 years of experience in the field has, in fact, implemented ECU (Electronic Control Unit) models applicable on diesel and gasoline engines. Close cooperation with leading companies in the production of semiconductor devices, such as Infineon, STMicroelectronics, etc., allows us to present innovative and competitive solutions to the market.

CMD 19 – Gasoline engine review and engineering process for ultralight applications

CMD19 is under development and awaiting certification by the end of 2024; it is a liquid-cooled, 4-cylinder Boxer aero engine running on Otto cycle with indirect electronic fuel injection system. The injectors are located in the cylinder head, and mixing takes place in the same pipes. The cylinders are horizontally opposed ("boxer" arrangement) and the engine consists of two half-brackets, joined in a vertical plane, each of which is connected to a single-cylinder cylinder head.

The goal of the CM19 engine is to provide a viable alternative in the ultralight aircraft market.

CERTIFICATIONS OBTAINED BY CMD

CMD has always been committed to maintaining high standards in products and processes through the application and maintenance of Management and Organizational Systems in accordance with specific reference standards, valid internationally, thus achieving the corresponding Company Certifications. Adopting a Management and Organizational System means primarily defining attainable goals, then directing one's company toward achieving them by defining criteria and ways of working, that is, preparing and applying procedures, work instructions and record-keeping systems that are consistent and compatible with the purpose the company has decided to pursue.

CMD CERTIFICATIONS

ENVIRONMENT CERTIFYING	CERTIFICATION AND REFERENCE STANDARD
QUALITY	ISO 9001:2015
ENVIRONMENT	ISO 14001:2015
AUTOMOTIVE	IATF 16949:2016
DESIGN AND PRODUCTION OF AVIATION COMPONENTS	AS9100
AVIO ENGINES	DOA
AVIO ENGINES	POA Reg. CE 748/2012



ELITE PROGRAM

In 2012, CMD in cooperation with Borsa Italiana, began the ELITE path that ended in 2014 with the issuance of the Certification. CMD, therefore, becomes the only company in Basilicata to receive the prestigious award.

The ELITE certificate is the result of a two-year journey during which CMD was involved in a special process of cultural and organizational change, involved in a deep analysis of the same business, financial and organizational competencies.



WORLD CLASS MANUFACTURING

During 2014, in cooperation with Fiat (now FCA), the World Class Manufacturing system took shape, a structured and integrated production system that encompasses all processes at the plant, from safety, environment, maintenance to logistics and quality, with the elimination of accidents through the improvement and enforcement of safety standards.

ESG RATINGS AND INDICES

CMD is continuously committed to the management and reporting of all ESG aspects, considering rating agency ratings an important opportunity to improve its sustainability performance and defining specific action plans. In 2023, CMD was awarded the Ecovadis silver medal and B80 rating from the Supplier Assurance platform.

Scheda segnapunti Data di pubblicazione: 13 lug 2023

[Visualizzare la scorecard](#)

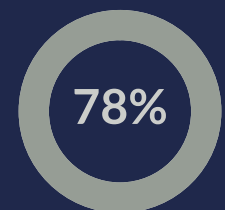


Congratulazioni, la Vostra azienda ha ottenuto una medaglia Argento come riconoscimento dei risultati ottenuti nella sostenibilità!



SAQ 4.0 Rapporto sui risultati di CSR/Sostenibilità

Nome organizzazione	C.M.D. COSTRUZIONI MOTORI DIESEL SPA
Settore industriale	Componenti e forniture di produzione
Nome localita	Costruzioni Motori Diesel SpA
Indirizzo	Nucleo Industriale Valle di Vitalba, Atella (PZ), Basilicata, 85020
Paese	Italia
Data conclusione SAQ	13/10/22



GENDER EQUALITY

CMD is committed to supporting a pathway on the adoption of a management system for gender equality as outlined in UNI/PdR125:2022.

Over the years, we have increased the number of women in our workforce. We must also consider the nature of our operations, which requires a larger male workforce than female.

Our program is to fall within the parameters of UNI/PdR125:2022 by the biennium 2024- 2025 by first transmitting what is our policy and developing and spreading the theme of gender equality.



2.3 Our Values

**We
let's look at
beyond**

CMD SPA BELIEVES IN CONSTRUCTIVE DISCUSSION, SHARING AND FOSTERING PEOPLE'S GROWTH WHILE RESPECTING THEIR CHARACTERISTICS.

IS OPEN TO NEW THINGS, WHICH SHE RESEARCHES WITH CONSTANCY AND CURIOSITY.



EVERY DAY OUR COMPANY IS ENGAGED IN PROJECT DEVELOPMENT, FOCUSING ON CUSTOMER NEEDS BY PUTTING AVAILABLE ALL THE RESOURCES TO PROVIDE CONCRETE SOLUTIONS.

WE HELP OUR CLIENTS BRING THEIR IDEAS TO LIFE IN A RESPONSIBLE AND SUSTAINABLE WAY BY FOLLOWING THE CONSTANT CHANGES IN THE MARKET.



Here are our Values

COMPETENCE

We ensure appropriate responses to everyone's needs. We have full knowledge of our products so that we are always able to satisfy and surprise our customers.

LOYALTY

We always act with fairness and integrity while respecting rules, the environment and people. We work consistently and honestly to fulfill our commitments to the company and customers.

PASSION

Enthusiasm and energy accompany us in everything we do. We do the little everyday things well and with commitment.

DEVELOPMENT

We foster people's growth while respecting their aptitudes in a safe, challenging and rewarding work environment. We believe in the importance of being comfortable in the company and feeling part of a team.

INNOVATION

We optimize processes to improve products or make any positive changes that will produce well-being inside and outside the company. Innovation always comes through tradition: the experiences and lessons of 90 years of history are solid foundations on which to design the future.

TEAM SPIRIT

We believe in discussion, sharing and transparency, which are necessary elements to multiply success and achieve ambitious results. An always open door is the image of a company that promotes collaboration.



3. Sustainability for CMD SPA



3.1 Our stakeholders

(list and how to choose and get involved)

CMD SPA has always considered Social Responsibility to be an integral part of its values and the organization's strategy, as well as the basic pillar on which to build trust and credibility with its stakeholders of reference. Stakeholders are people or groups whose interests are affected or could be affected by the Group's activities. Their involvement derives from a collaborative process that aims to create value for both the company and its stakeholders, enabling it to identify and manage the positive and negative impacts of its services both from an Outside-In and an Inside-Out perspective, embracing the concept of dual materiality.

For this reason, the Company has developed an engagement strategy for certain categories of stakeholders in order to build a relationship of mutual trust and collaboration; elements considered fundamental to achieving common goals. The criteria for engaging stakeholders are geared toward inclusion, transparency, fairness, attention of ethical, environmental and social aspects, and consistency with the Group's activities.

In this regard, the mapping of the main stakeholder categories is represented below:

Stakeholder	Objectives, tools and communication channels
EMPLOYEES	<ul style="list-style-type: none"> • Training courses • Performance evaluation • Internal communication • Periodic meetings and gatherings • Talks • Corporate initiatives
CUSTOMERS	<ul style="list-style-type: none"> • After-sales service • Press releases • Website
TRADE UNION/ EMPLOYER ORGANIZATIONS	<ul style="list-style-type: none"> • Periodic meetings and union assemblies • Participation in joint committees
SUPPLIERS	<ul style="list-style-type: none"> • Supplier qualification and evaluation process • Press releases • Website
GROUP, SHAREHOLDERS AND INVESTORS	<ul style="list-style-type: none"> • Periodic meetings and gatherings • Membership Assembly • Investor Relations Activities
PA, INSTITUTIONS AND REGULATORY BODIES	<ul style="list-style-type: none"> • Meetings with local institutions and public administration • Inspection audits • Press releases
PARTNER RESEARCH AND DEVELOPMENT	<ul style="list-style-type: none"> • Collaborations and partnerships • Events and initiative
LOCAL COMMUNITY	<ul style="list-style-type: none"> • Events and initiatives • Press releases • Website



With the aim of ensuring an understanding of its business activities, their performance, positive and negative impacts, risks and opportunities, current or potential in the ESG sphere, the organization has conducted some analyses to identify the issues considered to be key for itself and key stakeholders, identifying the main issues for the proper definition of dual materiality.

3.2 Materiality Analysis

In 2022, the Company carried out materiality analysis consistent with the GRI Standards methodological reference and, in particular "GRI 3: Material Topics 2021", which defines the process by which the organization defines its "material topics" for reporting, understanding as such the areas in which the organization generates the main actual and potential impacts on the economy, environment and people, including impacts on human rights, as part of its activities and business relations (so-called "impact materiality," focused on the "inside-out" dimension of the organization's relations with the external context).

In the face of the significant regulatory changes defined and soon to be implemented in the field of sustainability reporting, with the approval by EU institutions of the Corporate Reporting Directive (CSRD), the company has decided to integrate the view related to negative and positive impacts that are or could be generated by the organization (so-called "impact materiality") with that related to the risks and opportunities associated with sustainability issues that generate or may generate relevant effects for the company, because they affect (or could affect) in a relevant way the company's cash flows, development, performance, position, cost of capital or access to financing in a short, medium and long term time horizon.

Therefore, the assessment of impact materiality was coupled and integrated with the assessment of the c.d. "financial materiality," which takes into account the "outside-in" dimension of the organization's relations with the external context, thus carrying out a "double materiality" analysis as provided for by the "European Sustainability Reporting Standards" (and in particular by "ESRS 1 - General Requirements") prepared by EFRAG at the request of the European Commission and which will be adopted by it, becoming the reference standard on the basis of which companies falling within the scope of CSRD will have to carry out their sustainability reports.

The starting point of the process is the identification of sustainability issues to be considered and the declination of positive and negative impacts, risks and opportunities, current and potential, related to each.

To this end, a number of external sources were considered, both general (e.g., the reporting standards mentioned above and contributions from international initiatives UN Global Compact and IPCC) and sector-related (such as UN PRI commitments and papers, body of EU sustainability legislation, observatories on mega - sector trends). The analysis was further supplemented with sources produced internally through surveys and questionnaires.

The significance of impacts was assessed by considering a variety of perspectives and expertise:

- assessment by internal functions, which involved both group directorates and the ecosystem world and diversified companies;
- involvement of experts who, because of the organization they belong to and the role they hold, are familiar with and represent the concerns of key stakeholder categories.

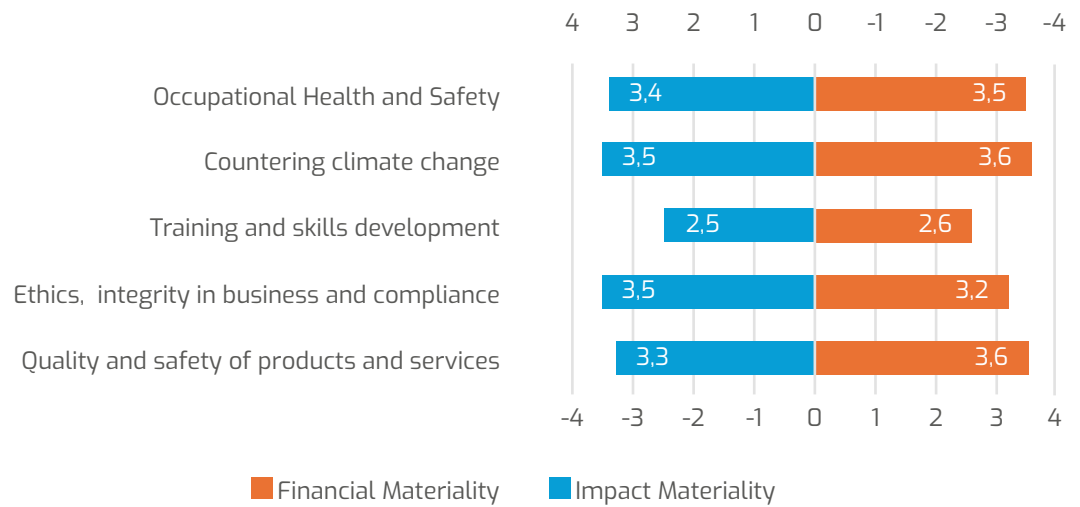
The significance of risks and opportunities was also determined by integrating an internal view and an external view; specifically:

- Evaluation by internal functions as indicated above;
- Results of the Emerging Risks Survey for the home market, involving experts in the field and the different issues considered;
- Analysis and synthesis of priorities indicated by key trend and risk observatories, both general and sectoral.





















For both dimensions, a significant role in determining priorities was assigned to companies that play the role of rating providers and sustainability index managers and represent an important point of contact between reporting organizations and users of the information. The view of these actors was integrated into the assessments through analysis of the rating methodologies and feedback returned to the organization in the rating processes, as well as through targeted interviews conducted with these companies engaged in the research activity.

The results of the analysis are represented graphically through a list of themes, sorted according to their overall relevance (impact and financial); for each of the themes a double histogram highlights the relevance of the theme from the point of view of the impacts generated or that can be generated, and from the point of view of the current or potential effects of the related risks and opportunities.

Double Materiality



For a more effective understanding of the analysis and results, a table is presented that, for each theme, presents the impacts, risks and opportunities analyzed and returns their evaluation in terms of impact materiality and financial materiality.

Material theme	Main impacts generated positive (+) and negative (-)	Degree of impact	Main financial effects opportunities (+) and risks	Degree of impact
Health and security	+	Improving the working conditions of Health and Safety of workers  Very high	+	Non-sanctions by SB in the area of health and safety  Very high
	-	Loss of production capacity efficiency related to Sickness demands  High	-	Loss of Production and Related Turnover  High
Contrast the change climatic	+	Contribution to the growth of society's awareness of climate change issues  Very high	+	Cost savings from reduced damage to property and infrastructure  Very high
	-	Generation of climate-altering emissions  High	-	Costs for damage to property and infrastructure caused by extreme weather events  High
Training and development skills	+	Improved work practices  Medium	+	Savings due to improvement Of efficiency and quality  Medium
	-	Loss of efficiency due to lack of skills  Medium	-	Loss of value on product/ service due to lack of expertise  Medium
Ethics, integrity in business and compliance	+	Improvement in the reputation of the company  Very high	+	Attracting new customers e talents  Very high
	-	Negative impact on reputation  Very high	-	Loss of turnover due to bad reputation  Very high
Quality and safety of products and services	+	Quality improvement of products/services  High	+	Attracting new customers and retaining existing ones  High
	-	Loss of customers  High	-	Loss of turnover due to poor quality of the product/service  High

SUSTAINABLE DEVELOPMENT



3.3 Sustainability for CMD (Agenda 2030 and the SDGs)

In 2015, the United Nations approved, with ratification by all 193 UN Member States, the historic document "Transforming Our World. The 2030 Agenda for Sustainable Development" by which the direction for a sustainability-oriented development strategy was outlined recognizing the inextricable link between human well-being, the health of natural systems and the common challenges for intra- and intergenerational equity. Within the U.N. resolution, better known as the 2030 Agenda, the 17 Sustainable Development Goals, with their 169 attached sub-goals, were defined.

The goals are interconnected in that the three dimensions of development (Environmental, Economic and Social) cannot be considered in an unrelated way but must be addressed with a systemic approach capable of ensuring effective management of complexity.

CMD SPA is aware of the influence, including indirect influence, that its activities can have on the conditions, economic and social development and general welfare of the community, as well as the importance of social acceptance of the communities in which it operates. For this reason, it intends to conduct its investments in an environmentally sustainable manner, respecting local and national communities, and supporting initiatives of cultural and social value, in order to achieve an improvement in its reputation and social acceptance.



In line with these principles and with particular reference to the results obtained from the materiality matrix, the Sustainable Development Goals that, in accordance with the Code of Ethics and referring to the document "Linking the SDGs and the GRI Standards" are considered relevant for CMD SPA are listed below.

Sustainable Development Goals -SDGs relevant to CMD

CMD strives to contribute to the achievement of the relevant SDGs through:

- **Strengthening the small and medium enterprise supply chain;**
- **Technology collaborations;**
- **innovation processes;**
- **Continuous improvement of products and solutions for society and the environment.**

GOAL OF DEVELOPE	DESCRIPTION OF SDG	APPLICATION OF SDG BY CMDT
 <p>HEALTH AND WELLNESS</p>	<p>ENSURING HEALTH AND WELL-BEING FOR ALL AND FOR ALL AGES</p>	<p>The activities carried out by CMD SPA are managed in compliance with current legislation protecting working conditions, and the company is committed to ensuring an adequate working environment, from the point of view of the safety and health of employees, adopting all the relevant measures necessary to contribute to the development and welfare of the communities in which it operates, reducing the environmental impact of its activities.</p>
 <p>GENDER EQUALITY</p>	<p>ACHIEVING GENDER EQUALITY</p>	<p>CMD SPA undertakes to avoid any discrimination on the basis of age, gender, sexuality, health status, race, nationality, political opinions, and religious beliefs of its interlocutors as well as any conduct aimed at propagating ideas based on superiority or hatred based on race or ethnicity or inciting to commit or commit acts of discrimination for racial, national ethical or religious grounds. In addition, from a personnel management perspective, the company, as part of its selection processes, does not performs any discrimination, direct or indirect, based on union, political, religious, racial grounds, Of language or gender.</p>
 <p>REDUCE THE INEQUALITIES</p>	<p>RIDURRE LE DISUGUAGLIANZE ALL'INTERNO E TRA I PAESI</p>	<p>CMD SPA guarantees working conditions respectful of dignity individual and working environments SAFE. Relationships with their own interlocutors, at all levels, must be marked by criteria and behavior of loyalty, honesty, cooperation and mutual respect Through constant and transparent dialogue. This is the only way to ensure the continuity of relationships of trust and cooperation for mutual benefit and a Sustainable growth of value created.</p>
 <p>DECENT WORK AND ECONOMIC GROWTH</p>	<p>PROMOTE ECONOMIC GROWTH DURABLE, INCLUSIVE AND SUSTAINABLE, FULL PRODUCTIVE EMPLOYMENT AND A DECENT WORK FOR ALL ACHIEVE EQUALITY OF GENDER</p>	<p>CMD SPA guarantees working conditions respectful of dignity individual and working environments SAFE. Relationships with their own interlocutors, at all levels, must be marked by criteria and behavior of loyalty, honesty, cooperation and mutual respect Through constant and transparent dialogue. This is the only way to ensure the continuity of relationships of trust and cooperation for mutual benefit and a Sustainable growth of value created.</p>

GOAL OF DEVELOPE	DESCRIPTION OF SDG	APPLICATION OF SDG BY CMDT
 <p>RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>GARANTIRE MODELLI DI CONSUMO E PRODUZIONE SOSTENIBILI</p>	<p>CMD SPA has great attention, commitment and dedication to production of its products, in compliance with its Policy for Quality, Safety and Sustainability; the company's goal is, in fact, to improve the existing, seek innovation, and aim for sustainable growth.</p>
 <p>FIGHT AGAINST CLIMATE CHANGE</p>	<p>TAKE URGENT MEASURES TO COMBAT CLIMATE CHANGE AND ITS CONSEQUENCES</p>	<p>CMD SPA is committed to improving the environmental impact of its activities, as well as preventing risks to people and the environment not only in compliance with current regulations but also taking into account the development of scientific research and the best experiences in the field.</p>

Sustainability goals

CMD's sustainability, in the way of doing business, is an enabling factor for its long-term strategy fully integrated in the Business Plan.

The development guidelines, which cut across the business, have been declined into specific operational commitments and goals.

Development Guidelines		Commitments
GROWTH	Providing customer-centered solutions	Strengthening customer intimacy
COMPETITIVENESS AND INNOVATION	Building a chain of solid and affidable supply	Strengthen collaboration with suppliers with a view to long-term partnership
		Raise employee awareness of ESG issues within the supply chain
		Strengthen responsible supply chain management
	Accelerating collaborative innovation processes	Develop a culture of innovation and harmonize internal practices
	Promoting the eco-efficiency of processes	Promoting open and collaborative innovation
		Increase efforts to combat climate change
Expand certified environmental management systems		
PEOPLE AND PROCESSES	Being a company capable of attracting and promoting talent	Efficient management of natural resources.
		Investing in development programs and training
		Identify and promote the skills of the present and future
		Fostering generational change, ensuring excellence in terms of skills and professionalism
	Promoting a responsible business model	Creating an inclusive work environment
		Promoting responsible business practices
		Train business consultants and promoters
		Raise employee awareness of responsible leadership
		Strengthen the perception of the company among investors and ESG rating companies

Management, consisting of the top organizational levels, is responsible for determining sustainability goals and defining the related actions to be implemented. Managers of business divisions and functions contribute to the implementation and monitoring of specific initiatives.



4. Responsible management of business

4.1 Code of Ethics

CMD SPA adopts a Code of Ethics in accordance with the Organizational Model pursuant to Legislative Decree 231/2001, which encompasses and describes the 'set of ethical principles and reference values that must inspire the activities of all those who work in the Company, taking into account the importance of the roles, the complexity of the functions and responsibilities entrusted to them for the pursuit of the purposes of the Company.

The addressees of this Code are therefore the members of the Board of Directors, the Chief Executive Officer and individual managers, employees, business and operating partners, consultants and collaborators in various capacities.

The values on which CMD's Code of Ethics is based are mainly:

- **The protection of health, safety and the environment;**
- **Transparency to all related stakeholders;**
- **moral integrity, personal honesty and fairness in internal and external relations;**
- **social engagement;**
- **the rejection of any conduct that, although aimed at achieving a result consistent with the Company's purpose, has aspects that are not compatible with the legal standards and rules of behavior in force within the company.**

The Code of Ethics is also the company's reference on anti-corruption issues and is therefore communicated to all business partners and employees.

The knowledge and observance of the Code of Ethics by all those who, in any capacity, operate and/or work in CMD are primary and indispensable conditions for the transparency and reputation of the company. All the activities implemented by CMD are, therefore, carried out in the awareness of the moral and social responsibility that the company has towards its shareholders, employees, consultants, business partners, the Public Administration and, more generally, all those linked by a collaborative relationship with the company, in the conviction that the achievement of the company's objectives must be accompanied not only by compliance with the specific corporate values but also with the regulations in force and the general duties of honesty, integrity, fair competition, fairness and good faith

4.2 Governance and internal organization

The material theme is broad, as it encompasses corporate governance and CMD SPA's focus on management performance and riskmanagement through careful identification, assessment, and control of potential critical economic, social, and environmental issues. The theme also includes responsibility for maintaining ethical business, so through its Code of Ethics, CMD SPA aspires to the highest standards of integrity, compliance and ethics in the management of the company.

Finally, the role of personnel is a key element for CMD SPA, which invests in the growth and training of its employees, the implementation and development of initiatives aimed at corporate welfare, and ensuring a workplace that complies with health and safety regulations for its workers.

CORPORATE GOVERNANCE

CMD's system of corporate governance, understood as the set of principles and tools that preside over the governance of the Company by the corporate bodies in charge, is governed by the following principles:

- **correctness;**
- **Transparency;**
- **Compliance with the law and the Company's internal and external regulations;**
- **Tegregation of activities.**

The corporate governance system adopted by CMD complies with the provisions of the law and is mainly aimed at:

- **Ensure the regularity of management operations;**
- **Controlling risks;**
- **Achieve maximum transparency to the Company's Recipients;**
- **Meeting the legitimate expectations of Members;**
- **Avoid any kind of transaction to the detriment of creditors and other Recipients;**
- **Comply with labor law and occupational safety regulations, valuing the work of human resources.**

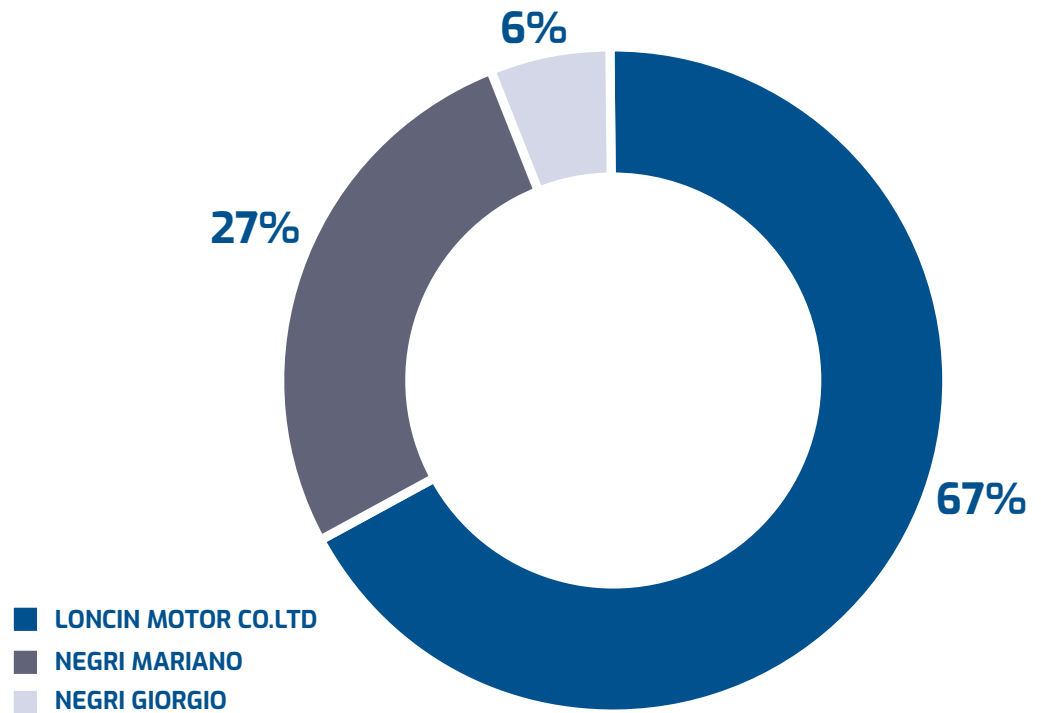
The highest governance body is the **Board of Directors** (BoD), which has delegated corporate strategic and operational management to the Chief Executive Officer (CEO). The CEO operates through top management, to which individual corporate functions report, with whom (management) corporate strategies and policies are discussed and implemented. The Board of Directors consists of nonexecutive members, a Managing Director to whom corporate management is delegated.

The Chairman of the Board of Directors does not have executive roles, and the appointment process of the highest governing body is based on the representation of shareholders in relation to their share of the company. The CEO is chosen, by the shareholders, on the basis of his or her proven track record. The Board of Directors sets the guidelines, while the CEO and top management implement what is defined by the BoD.

MEMBERS OF THE BOARD OF DIRECTORS

Name	Qualification
Huang Jingyu	Chairman of the Board of Directors Chief
Negri Mariano	Executive Officer
Negri Giorgio	Councilor
Chen Jinwen	Councilor
Sun Xin	Councilor

ALLOCATION OF CORPORATE SHARES OF CMD



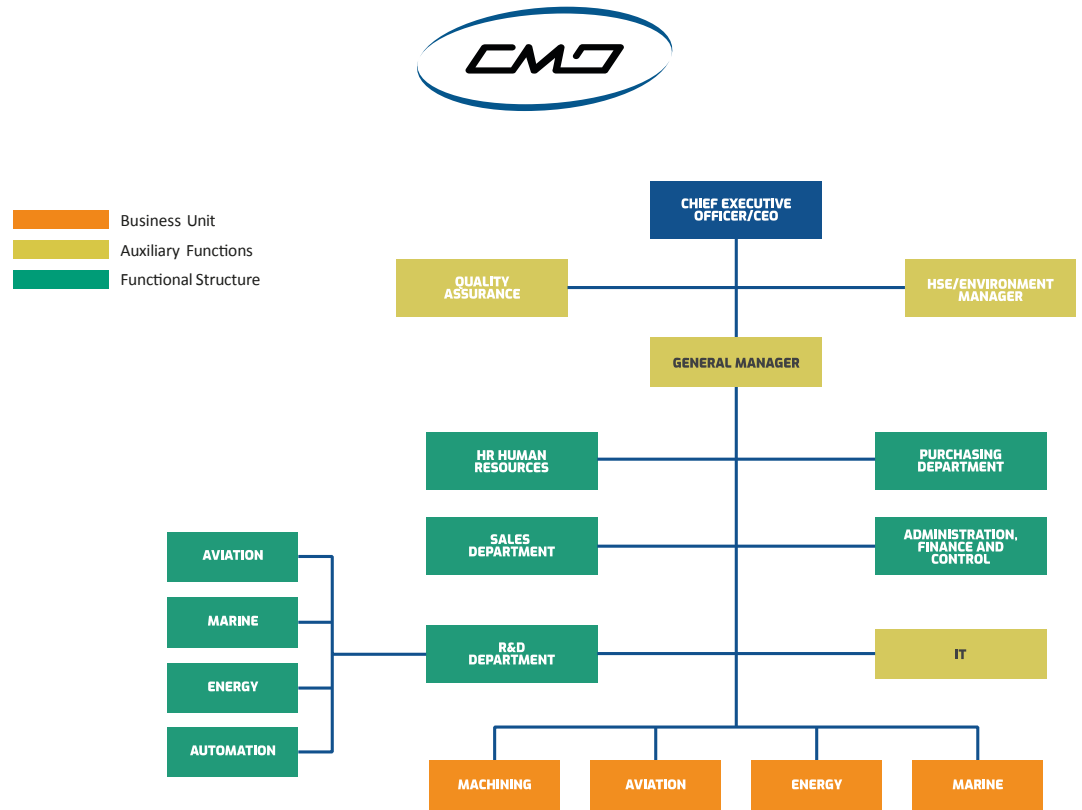
CMD SPA is a joint stock company, 67% owned by **LoncIn Motor Co. Ltd**, 27% by **Negri Mariano**, 6% by **Negri Giorgio**. The share capital is €16,829,887.00 is fully paid up.

The corporate governance bodies of CMD SPA are:

- **Members' Meeting;**
- **Board of Directors;**
- **Board of Auditors.**

The organizational structure, which is functional in nature, is defined on the basis of operational functions, through which the company carries out its activities as described in the corporate organizational chart.

THE CORPORATE ORGANIZATIONAL CHART



All report, at the end of the executive chain, directly to the CEO.

CMD SPA is also associated with the following organizations reconnected partly with the territory and partly with the company's products:

- **Confindustria Basilicata;**
- **A. N. F. I. A. National Automobile Industry Supply Chain Association;**
- **Assonime Association of Italian Joint Stock Companies.**

4.3 Legal Compliance

(anti-corruption, privacy protection, environmental, social and economic compliance)

ANTI-CORRUPTION STRATEGY

On the subject of anti-corruption, the main internal reference at the regulatory level is the "Model 231- Organization, Management and Control Model." In line with the principles of legality, integrity, honesty and fairness, made explicit in the Code of Ethics, CMD SPA recognizes compliance with the law as an indispensable principle, drawing inspiration from the highest principles of integrity set by professional ethics. CMD SPA has therefore identified potential areas of risk, for crimes against the Public Administration and Corporate offenses, and strategies to prevent any form of corruption, through special protocols.

100% of the Board of Directors, cadre staff, white collar and blue collar staff have received communication regarding what are CMD SPA's policies on the subject and implementable procedures regarding anti-corruption through publication on the company portal and posting on the bulletin board of the reference document. In addition, the company has provided specific training on anti-corruption and policies on Model 231 for managerial and clerical staff according to their roles within the organization.

Training in anti-corruption policies and procedures

	MEN	WOMEN	TOTAL
DIRECTORS	0	0	0
QUADRI	8	1	9
EMPLOYEES	36	11	47
WORKERS	114	3	117

PRIVACY PROTECTION

CMD SPA takes the most appropriate precautions and security measures regarding the processing of personal and/or sensitive data, in accordance with applicable legislation. Thanks to the adoption of appropriate Privacy Policies and internal documentation, the confidentiality of information and data in CMD SPA's possession is ensured and compliance with the legislation on the protection of personal data is complied with. The Company is also committed to protecting information about its employees and third parties, generated or acquired internally and in business relationships, and to avoid any misuse of this information. CMD SPA has drawn up internal protocols to define appropriate measures to ensure the protection of personal data by constantly taking care of and ensuring compliance with the GDPR and the Privacy Code, including through periodic internal audits, identifying Data Processors and authorized persons for data processing. CMD SPA has completed its compliance activities with the provisions related to Regulation (EU) of the European Parliament and the European Council of April 27, 2016 No. 679 ("GDPR") on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC; and the Privacy Code, as set forth in Legislative Decree 196/03, as amended by the recent Legislative Decree 101/18. No loss of data and information regarding customers occurred during the reporting period.

4.4 Supply chain

SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Supply Chain Sustainability complements competitiveness assessments by analyzing and evaluating how the good and service is produced from a social and environmental perspective and its overall impact throughout the life cycle.

In accordance with this assumption and consistent with the principles of sustainability adopted by CMD, a policy regulating relations with suppliers structured around three chapters has been defined:

- **Negotiating ethics;**
- **Commitment to Sustainability and Control System;**
- **Green Procurement Policy that provides guidelines through which to establish environmental requirements for products/services procure**

Green Procurement Policy

CMD SPA, aware of the positive contribution that sustainable supply chain management can make to the protection of environmental balance, is committed to defining purchasing methods that include intrinsic characteristics of products and process aspects that limit environmental impact and encourage the activation of initiatives aimed at minimizing waste, reusing resources and protecting the social aspects involved in the procurement of goods, services and works defined and used to meet its needs.

In dealing with this path, in terms of green procurement, CMD SPA has been making use of the current Minimum Environmental Criteria for several years, contemplating in its tenders also the rewarding aspects, which are not mandatory but are often decisive in ensuring the maximum achievement of the set objectives.

CMD SPA is committed to training its resources so that purchasing choices are directed towards goods or services with sustainable characteristics, thus stimulating the development of a specific sensitivity to these aspects. It recognizes value to companies in the supply chain that have chosen to certify themselves in the quality, environment, safety and energy schemes and strengthens contractual constraints to promote companies that demonstrate that they apply sustainability criteria, invest in safety training for their workers and equip themselves with environmentally friendly means for carrying out their activities, in the belief that supplier reliability is a fundamental component of an efficient supply chain.

Commitment to sustainability

The inherent riskiness of some activities in the various sectors in which CMD is involved, increased by the use of outsourcing, has suggested the adoption of supply chain sustainability assessment tools in order to measure and improve their degree of social and environmental sustainability and adherence to the principles adopted by the company. This assessment is integrated into the various phases of supplier assessment.

To this end, a methodology has been defined for the classification of Purchasing Markets according to the potential social and environmental risk related to them and the selection, within those most at risk, of the most significant suppliers in terms of spending.

An initial assessment of suppliers, through self-assessment surveys, involved about 11 suppliers in the 2022- 2023 biennium. As of March 2022, suppliers operating in sustainability-risk purchasing markets are required during the Qualification phase to complete a special questionnaire, the threshold assessment of which is used to qualify for inclusion in the Supplier Register. Suppliers who do not exceed the threshold are not admitted to the Register.

On-site audit campaigns at suppliers identified using the methodology described above and aimed at minimizing non-compliance with CMD's required social responsibility principles.

In this regard, a methodology was developed for audits of production facilities, through on-site audits, using a checklist defined on the basis of international requirements and standards. The methodology allows for the classification of suppliers and sub-suppliers involved, into four progressive rating bands, from D (poor) to A (excellent). Nonconformities detected in the audit, are the subject of a corrective action plan that defines the actions and timeframes for their remediation.

The areas of interest from the audits, are ten: child labor, forced labor, health and safety,

freedom of association, discrimination, disciplinary practices, working hours, payroll, environment and ethics.

During these audits, 7 nonconformities were detected and all were closed following the successful completion of corrective action plans agreed upon with suppliers.

Negotiating ethics

In the process of defining a system of responsible management that is increasingly structured and widespread within its organization, CMD believes that business relationships marked by transparency and ethical negotiation can help increase the effectiveness of business processes and competitiveness. With this in mind and in a logic of natural connection with our Code of Ethics, the need has matured to define minimum ethical behaviors to which suppliers and partners must adhere, making them part of the contractual conditions. Appropriate and simple guidelines have been drafted in order to formalize and detail expectations regarding issues of interest (child labor, forced labor, working hours, remuneration).

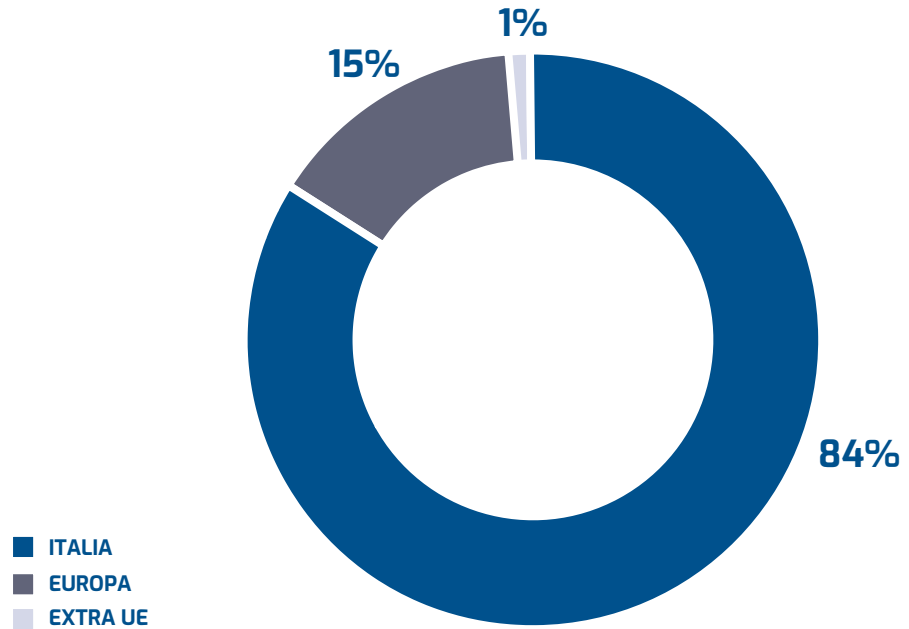
This excludes the presence of businesses and/or suppliers at significant risk for incidents of child, forced or compulsory labor, or whose freedoms of association and collective bargaining may be deemed at risk.

SUPPLY CHAIN CHARACTERISTICS

ATELLA Operating Unit - CASERTA

Year	Number of suppliers	Provenance	Breakdown % of provenance
2022	82	73 IT	89% Italy
		4 DE 1 SK	6% Europe
		1 CH 2 GB 1 TR	5% Extra-UE
2023	70	59 IT	84% Italy
		5 DE 1 PT 1 PL 1 LU	11% Europe
		1 CH 1 GB 1 BA	5% Extra-UE

SUPPLIER SOURCE



The 2022 number of providers was 82; in 2023 this figure dropped by 15 percent as a result of CMD's initiatives to evaluate them.
Breakdown by type of supply

Year	Supply	Number of suppliers	% of total
2022	Raw materials (semi-finished products)	5	6%
	Raw materials (commercial material)	30	37%
	Raw materials (crude)	15	18%
	Packaging (consumables)	13	16%
	Packaging (containers)	9	11%
	Servizces	1	1%
	Transportation	9	11%
2023	Raw materials (semi-finished products)	3	4%
	Raw materials (commercial material)	34	49%
	Raw materials (crude)	9	13%
	Packaging (consumables)	11	16%
	Packaging (containers)	3	4%
	Services	1	1%
	Transportation	9	13%

In 2023, it is possible to see in greater detail data on raw materials divided into semi-finished products, trading material and blanks, and on packaging divided into consumer packaging and containers. This enables us to provide more accurate data on our supply chain.

Policy on Conflict Minerals

CMD supports the fight against violence, human rights violations, and environmental degradation in the mining and marketing of certain minerals (cassiterite, columbite-tantalite, and wolframite from which gold, tin, tantalum, and tungsten are derived) from Africa's Great Lakes area referred to as the "Conflict Region." The region includes the Democratic Republic of Congo (DRC) and neighboring countries. Profits from the extraction and marketing of these minerals fund armed groups and contribute to the occurrence of inhumane treatment, such as human trafficking, slavery, forced labor, child labor, torture, and war crimes in the "Conflict Region." The U.S. Securities and Exchange Commission (SEC) has prepared regulations regarding detection and disclosure requirements related to "Conflict Minerals," as outlined by the 2010 "Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502." The rules require manufacturers to disclose whether their products contain "Conflict Minerals" that are "necessary for the functionality or production" of those products.

CMD is committed to:

- Not intentionally procuring materials and components containing the specified metals from mines and smelters in the "Conflict Region" that are not certified as "Conflict Free"
- ensure compliance with this requirement by requiring its suppliers to undertake an appropriate evaluation process with their supply chains for the purpose of ensuring that the specified metals are sourced only from:
 - Mines and smelters outside the "Conflict Region"
 - Mines and smelters that have been certified by an independent third party as "Conflict Free," if located within the "Conflict Region."

CMD annually updates information from its suppliers regarding the origin of minerals used in the production of gold, tin, tantalum and tungsten used in the manufacture of components and products it uses in its production cycle.

The goal is to ensure that only "Conflict Free" materials and components are used in purchased products and processes.

In the event that the presence of minerals mined or processed in facilities NOT considered "Conflict Free" is detected in any material, part or component purchased from CMD, appropriate actions will be arranged in order to make the product "Conflict Free."



5. Care for CMD Employees

5.1 People

Human resources are a fundamental and indispensable ingredient CMD SPA and its activities. CMD SPA promotes and ensures respect for the physical, moral and cultural integrity of the individual. In addition, the company guarantees working conditions that respect individual dignity and safe working environments in which the fundamental pillars are trust and respect for the achievement of shared results.

In terms of staff composition, as of December 31, 2023, CMD SPA has a total staff of **287**, divided as shown in Table.

Type of contract	Uomini (n.)	Donne (n.)	Totale (n.)
Open-ended	158	15	173
Fixed-term	0	0	0
TOTAL CONTRACTED	158	15	173
Of which full-time	158	14	172
Of which full-time	0	1	1
TOTAL EMPLOYEES	158	15	173
Of which executives	0	0	0
Of which employees	44	12	56
Of which workers	114	3	117
TOTAL PEOPLE DEPENDENT	158	15	173
Temporary employees or other types of contracts	108	4	112
Interns	2	0	2
TOTALE PERSONALE	268	19	287

Regarding the composition of the workforce, as of November 30, 2022, CMD SPA has a total workforce of **246**, divided as shown in Table.

Type of contract	Men (n.)	Women (n.)	Total (n.)
Open-ended	149	16	165
Fixed-term	0	0	0
TOTAL CONTRACTED	149	16	165
Of which full-time	149	13	162
Of which full-time	0	0	3
TOTAL EMPLOYEES	149	16	165
Of which executives	0	0	0
Of which employees	42	12	54
Of which workers	107	4	111
TOTAL PEOPLE DEPENDENT	149	16	165
Temporary employees or other types of contracts	74	2	76
Interns	3	2	5
TOTAL STAFF	226	20	246

In 2023, 100% of employees have a permanent contract (100% in 2022) and 99.41% work full-time (98.18% in 2022). The Company also offers the possibility of part-time employment, which affects 0.58 percent of employees. The gender composition reflects the prevalence of the male workforce, induced by the characteristics of work in this manufacturing sector, but the commitment to diversity is resulting in a steady increase in the rate of female employees.

Trends in turnover and new hires are shown next (2023).

CATEGORIA	GENRE	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
New Hires	Men	0	14	0	14
	Women	0	1	0	1
	TOTAL	0	15	0	15
Turnover rate incoming	Men	0	8,09	0	8,09
	Women	0	0,58	0	0,58
	TOTAL	0	8,67	0	8,67
Outputs	Men	0	2	2	4
	Women	1	0	0	1
	TOTAL	1	2	2	5
Turnover rate outgoing	Men	0	1,16	1,16	2,32
	Women	0,58	0	0	0,58
	TOTAL	0,58	1,16	1,16	2,90

trends in turnover and new hires are shown below (2022)

CATEGORIA	GENRE	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
New Hires	Men	0	8	0	8
	Women	0	0	0	0
	TOTAL	0	8	0	8
Turnover rate incoming	Men	0	4,85	0	4,85
	Women	0	0	0	0
	TOTAL	0	4,85	0	4,85
Outputs	Men	0	4	0	4
	Women	0	0	0	0
	TOTAL	0	4	0	4
Turnover rate outgoing	Men	0	2,42	0	2,42
	Women	0	0	0	0
	TOTAL	0	2,42	0	2,42

Regarding parental leave by employees, please refer to the information below (2023)

PARAMETER	MEN	WOMEN	TOTAL
Total number of employees who were entitled to parental leave	158	15	173
Total number of employees who have used parental leave	2	1	3
Total number of employees who returned to work after parental leave	2	1	3
Total number of employees who are still employed 12 months after returning from parental leave	2	1	3

Regarding parental leave by employees, please refer to the information below (2022)

PARAMETER	MEN	WOMEN	TOTAL
Total number of employees who were entitled to parental leave	149	16	165
Total number of employees who have used parental leave	1	0	1
Total number of employees who returned to work after parental leave	1	0	1
Total number of employees who are still employed 12 months after returning from parental leave	1	0	1

The company applies the National Collective Bargaining Agreement CCNL Metalmechanics - Industry for the categories of white collar, blue collar and management area. The average total annual salary for all employees turns out to be €30,000. The annual salary was calculated on the theoretical gross value of each employee with the parameters provided by the CCNL Metalmeccanici - Industria. In the case of blue-collar workers, the hourly wage was used for 13 months, for 173 hours per month (standard CCNL parameter). For employees, the monthly salary for 13 months was used.

Benefits granted by companies to their employees include:

- **supplementary health insurance,**
- **welfare plan**
- **meal vouchers**
- **production premium**
- **Hourly flexibility in/out of work,**
- **Granting leave for medical examinations (regardless of contractual ROLs)**
- **concessions to new parents, such as granting new mothers renewable part-time leave for up to three years after returning to work and an additional day of leave to fathers for the birth of a child.**

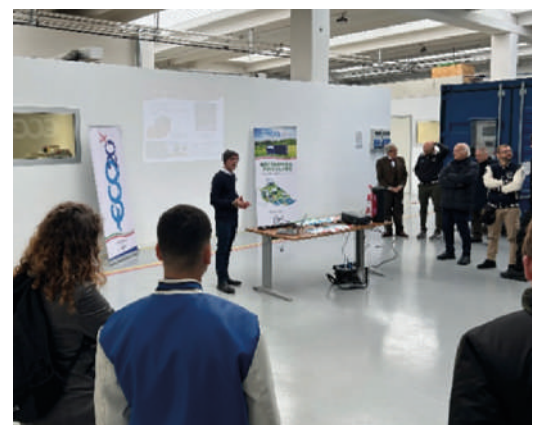
The attraction of talents

In CMD SPA, all activities related to personnel search and selection, in their various articulations, are managed in full compliance with the Company's values, always guaranteeing equal treatment and opportunities and applying exclusively meritocratic criteria in the evaluation of profiles, avoiding discrimination of any kind. These principles are the basis of the "Recruitment Policy" that the Company applies in the selection of new candidates and in internal mobility activation operations.

Always on the lookout for the best talent, CMD participates in major Career Days, collaborating in particular with the universities of Naples and Basilicata. In addition to participating in numerous fairs in different sectors, CMD during the year 2023 showed particular interest in conferences, student visits to the company and seminars, many organized by the company itself.

• **CMD at the conference organized by DAC-Distretto Aerospazio Campano:** The conference titled "The Aerospace Industry between Commercial Needs and Security: meeting point between the civilian and military worlds in the common understanding of the importance of certifications," organized by the Campania Aerospace District-DAC, at the headquarters of Confindustria Caserta featured experts from the aerospace industry, explaining how the CMD company aims to expand its presence in the general aviation, commercial aircraft and UAV applications markets. esperti del settore aerospaziale, spiegando come l'azienda CMD miri a espandere la sua presenza nei mercati della general aviation, dei velivoli commerciali e delle applicazioni UAV.

"Collaborative Robotics at the Service of Business" organized by the Cluster Automotive Lucano, with which CMD is associated. The event was held at CMD's headquarters in Atella (PZ) and is part of the cycle of "High Training Seminars" of the Lucanian Automotive Cluster, which aims to foster in the regional territory the "innovative contamination" between the world of research and industry in the Automotive and Intelligent Factory sectors, facilitating processes of technology transfer, internationalization and promoting the conditions



- **Best Practices** held in Salerno, Italy, the event for Innovation at which CMD presented FADEC (Full Authority Digital Engine Control), which represents a significant breakthrough in the field of electronic engine control. Established in 2006 at the suggestion of the Innovative and Technological Services Group of Confindustria Salerno, the Best Practices for Innovation Award has always aimed to spread the culture of innovation through the presentation and promotion of concrete projects - with measurable results - capable of involving the world of young people, research and business.



- **CMD ENERGY** also collaborates in 2023 with secondary educational institutions and universities: numerous visits by students to our company and the organization of conferences at schools and universities. Specifically, the following have collaborated with CMD this year: University of Basilicata, University of Studies "Luigi Vanvitelli" (Engineering Dept.), ITIS Giordani of Caserta, Scuola del Fare "Giulia Civita Franceschi" (Naples).

Skills development - training

Training and continuing education are two essential pillars that have enabled CMD SPA to grow over the years. They represent indispensable values, necessary to acquire autonomy of choice and to increase awareness of one's role and abilities. CMD SPA has always given great space to training, in all its forms, and gives everyone the opportunity to attend seminars and courses, to participate in fairs, conferences and any other occasion of comparison. For CMD SPA, people are at the center of every activity.

Average annual training hours per employee 2023

CATEGORY WORKER	HOURS MEN	AVERAGE MEN HOURS	HOURS WOMEN	AVERAGE WOMEN HOURS	HOURS TOTAL	AVERAGE TOTAL HOURS
Executives	0	0	0	0	0	0
Employees	1.238	28	1.562	130	2.800	50
Workers	8.142	41,89	513	53,4	8.655	73,9
TOTAL	9.380	37,54	2.075	159,62	11.455	66,2

The 2023 training plan provided a total of 11,455 hours of training

Average annual training hours per employee 2022

CATEGORY WORKER	HOURS MEN	AVERAGE MEN HOURS	HOURS WOMEN	AVERAGE WOMEN HOURS	HOURS TOTAL	AVERAGE TOTAL HOURS
Executives	0	0	0	0	0	0
Employees	1.114	26,52	2.340	195	3.454	63,9
Workers	4.480	41,89	214	53,4	4.694	42,2
TOTAL	5.594	37,54	2.554	159,62	8.148	49,3

Il piano formativo del 2022 ha previsto un totale di 8.148 ore di formazione

Compared with the year 2022, training saw a 29% increase from 8,148 hours to 11,455 hours.

In addition, an e-learning training platform has been created that allows rapid access to information by going beyond the classroom concept. This platform, now focused on GDPR Cyber Security training, can become the basis for CMD SPA to grow and disseminate technological knowledge

CMD SPA has also dedicated itself to e-learning training dedicated to the dissemination and application of the Code of Ethics and the Organization, Management and Control Model pursuant to Legislative Decree 231/01, which also contains elements on the subject of anti-corruption.

THE IDEA FACTORY

The flow of ideas," the CMD initiative that gives voice to the ideas of its employees

For years now, CMD has been promoting and implementing innovative activities aimed at improving the work environment and consequently the daily lives of its employees. Among the various initiatives in 2019 was the introduction of "THE FLOW OF IDEAS," a beautiful project that allowed all staff, the beating heart of the company, to voice their ideas for improving the quality of life within the company. All suggestions were rewarded, an important factor that made participation even more engaging

AD'S ADVICE FOR THE ENVIRONMENT

A sustainable company is first and foremost environmentally friendly. For this reason, CMD pursues virtuous activities and behaviors aimed at:

- **Reduce pollutant emissions;**
- **Use renewable energy;**
- **Decrease environmental impact;**
- **Contain the consumption of water and other resources;**
- **Dispose of waste carefully;**
- **Adopt circular economy solutions.**

Conveying these values within the company is very important for this reason the CEO himself wanted through meetings, training and information activities to provide all CMD employees with the tools and behaviors to follow to make their respective activities increasingly sustainable. We often forget how real change can come "from below," putting into practice small but valuable daily actions that can, over time, safeguard the environment and the planet that hosts us.

10 small gestures to save and protect the planet

1. Reduce water consumption;
2. Getting around on foot, by bike or by transport;
3. Do not waste electricity;
4. Consume less meat and fish;
5. Recycle more to produce less and comply with the company's enforced recycling collection;
6. Use less paper, do not print emails and/or documents if not necessary;
7. Optimize heating/cooling systems, control workplace temperature, and do not leave windows open unnecessarily;
8. Turn off and/or do not leave electronic devices, personal computers and monitors on standby;
9. Turn off lights in rooms and bathrooms when there is sufficient natural light and when there are no colleagues in the places to be lit;
10. Buying intelligently.



5.2 Health and safety staff

C.M.D. attaches great importance to the physical and moral integrity of its employees and collaborators to working conditions that respect individual dignity and to safe and healthy working environments; therefore, the Company cares for the dissemination and consolidation of a culture of safety and health of workers in the workplace, developing awareness of risks and promoting responsible behavior by all personnel.

All employees, within the scope of their activities, participate in this process of risk prevention and health and safety protection towards themselves, their colleagues and third parties. In particular, the Risk Assessment Document is available in the terms and manner required by current regulations. The Employer and company figures with hierarchical and functional powers must take care, or have third parties acting on behalf of the Company take care, of compliance with the provisions in force and in general with the requirements contained in Legislative Decree No. 81/2008.

The corporate bodies and the Employer must ensure that the Company has an organizational structure such as to ensure a clear division of duties and obligations regarding occupational health and safety, formally defined in accordance with the Company's organizational and functional C.M.D Costruzioni Motori Diesel S.p.A. Code of Ethics scheme and with regulatory and legal requirements, starting with the Employer and Managers down to the individual worker.

All persons subject to occupational health and safety obligations must comply with the Company's procedures and general protection measures provided in the Company. In the event that the Company entrusts contract work to third parties, the commissioning Employer and Managers shall promote cooperation and coordination by drawing up a single risk assessment document indicating the measures taken to eliminate or minimize interference risks.

Health and safety guiding principles for all its Companies.

CMD SPA declines these principles within the "Environment, Health and Safety Policy" which, for each site, specifies the Company's "mission" in terms of health and safety and the guidelines to be followed, as well as the commitments and objectives to be achieved. To pursue these objectives, with a view to continuous improvement.

The Company since 2013 adopts a WCM (World Class Manufacturing) system a methodology consisting of 10 Operational Pillars and 10 Managerial Pillars , which aims at the integrated management of all production aspects of a business organization, with after to eliminate waste, non-value-added activities, reduce waste , increase efficiency and reduce if not eliminate WORKPLACE ACCIDENTS and PROFESSIONAL DISEASES.

The application of WCM in Occupational Safety has as its main objectives:

- **Reduction/elimination of occupational injuries and illnesses**
- **Reducing/eliminating absenteeism**
- **Improved work areas and spaces**
- **Improving the relationship with workers**
- **Greater involvement of management and workers**
- **Integration process and goal sharing**

To promote continuous monitoring of any hazards, in line with current regulations and specifically to art. 50 of Legislative Decree 81/08 as amended, the Workers' Safety Representative (RLS), conducts periodic inspections to detect then reporting the relief to the Prevention and Protection Service Manager (RSPP). Workers are informed during general and specific training that in case of danger or serious situations they can leave the workplace and notify the supervisor of the dangerous situation (State-Regions Agreement of 21/12/2011). The supervisor is aware that he or she cannot have the work resumed if the dangerous situation persists (training for supervisors, State-Regions Agreement of 21/12/2011). Policies for removal from workplaces are also contained

in the Emergency Plan, which provides for no return to normal activity if the hazardous conditions persist. A form is available for the supervisors to fill out in case of accidents, near misses and injuries, which allows the analysis of the causes, the proposal of solutions to avoid the recurrence of the event, and the actions to implement the solution proposals. This form is shared with the RSPP and the Safety Manager. The competent physician, in his capacity as the head of occupational health services, performs the annual inspection of work environments and activities in order to cooperate with the employer and the RSPP in identifying hazards and assessing risks. In addition, health surveillance is proposed as a method of incorporating workers' reports of any hazards present. The delivery of fitness ratings to the employer becomes the time for communication of any indications of hazards present. The periodic meeting, on the other hand, is the time at which the competent physician provides input on risk minimization. The organization sends all workers who are subject to it to health surveillance and schedules the competent physician's inspection annually. Workers may also request supplementary visits in case of changes in health or working conditions, a request that is always granted.

To foster the development of a safety culture during 2020, a campaign was conducted to train and inform all workers according to the tasks and equipment used any critical issues and reports from workers.

Smart dispensers for a safer workplace

In collaboration with a PPE supplier company, the Cuneo site installed vending machines, configured and connected in logic 4.0, in all production departments. Each dispenser contains the devices needed by the department (such as gloves, goggles, and masks). Withdrawal is possible, in quantity and type, through personal badge reading. The system makes it possible to manage consumption and product flow, thanks to an interface with the supplier that ensures replenishment.

Occupational accidents

PARAMETER	ATELLA		CASERTA	
	2022	2023	2022	2023
NUMBER OF ACCIDENTS AT WORK	2	3	0	0
OF WHICH, NUMBER OF DEATHS AS A RESULT OF ACCIDENTS AT WORK	0	0	0	0
OF WHICH, ACCIDENTS AT WORK WITH SERIOUS CONSEQUENCES (EXCLUDING DEATHS)	0	0	0	0
RECORDABLE HOURS WORKED	183.696	198.164	74.645	74.599
RATE OF ACCIDENTS AT WORK AT WORK	10,80%	15%	0%	0%
RATE OF DEATHS DUE TO INJURIES	0%	0%	0%	0%
RATE OF SERIOUS ACCIDENTS AT WORK	0%	0%	0%	0%
IDENTIFY THE MAIN TYPES OF OCCUPATIONAL ACCIDENTS	Non-compliance With Procedures	Distraction		

There is also no evidence of occupational diseases at the company.



**6. Innovation, quality and safety
of products and services**

6.1 Product quality and safety

Since its inception, CMD SPA has always nurtured a deep culture of quality within its plants. For this reason, CMD SPA through a centralized governance model, defines the policies, procedures and guidelines on product and service quality that each country is required to adopt. In this context, CMD SPA declines these instructions within the scope of its activities. In each plant there is a quality manager who manages the activities of the dedicated teams and ensures that all the provisions defined at the company level are implemented, always taking into account the specificities of the places in which it operates and the specific needs of its consumers. The quality managers are also responsible for the final validation of new products to be placed on the market and the possible rejection of products that do not conform to the defined quality standards.

As a demonstration of the high quality standards achieved, CMD SPA has an ISO 9001:2015 certified quality management system in all of its plants. In response to requests from car manufacturers, the company has also adopted an IATF 16949:2016-certified management system for its tire plants, a standard developed and managed by the International Automotive Task Force (IATF) that includes specific requirements related to the automotive sector, with the goal of creating common processes and procedures across the industry. Pe the aviation sector the company is AS9100 certified related to the specific requirements requested by the Authorities and Manufacturers in the aerospace sector.

These certifications, through periodic audits by an independent third party, enable the company to activate a process of continuous quality improvement within its activities.

6.2 Innovation for continuous improvement

INNOVATION

For CMD SPA, innovation is a priority that has always distinguished the company since its inception, a creative process that is born in the offices and takes shape in production.

As explained above, the goal of the Company is to improve the existing, seek innovation, and aim for sustainable growth. Production in CMD SPA is a beating heart capable of gathering stimuli and suggestions, taking the good of each idea, shaping it and capitalizing on the value of the whole team. Every gesture is made without ever losing sight of quality, a true cornerstone that the company ensures with state-of-the-art processes and facilities, capable of guaranteeing product safety also thanks to a high level of automation. But at CMD there is no innovation without tradition: the experiences and lessons learned in over 90 years of history are solid roots on which to leverage to plan for the future. A heritage from which to draw continuous insights to improve, but also to meet and anticipate the demands of tomorrow. Adding value requires a continuous dialogue between innovation and tradition, often anticipating change.

CMD SPA's goal has always been to be competitive in the marketplace, capturing the best of the transformations taking place. At CMD, we are keen observers, analyzing the trend and evolution of the world by focusing on the human-environment relationship. Decarbonization of the transportation sector is a topic close to our hearts, it has been talked about for a long time and will require a huge effort in Italy. CMD is ready to contribute; it will be our next challenge.

Our intent is to push innovation and promote sustainable mobility: the benefits to be gained by switching from the use of fossil fuels to fuels from renewable sources are great and countless. CMD is working on the development of high-performance green solutions, investing in the development of a hybrid power unit to be combined with both diesel and gas engines for the Industrial market, for urban and marine mobility. Thanks to the Partnership finalized with the Italian Ngv Powertrain, a mobility project is being pursued that will be of paramount importance in lowering emissions as early as the immediate future. "We want to be at the service of the market with ideas and more, waiting for the moves of the biggroups to queue up. The intent is to create innovative projects so that large oem can find a partner who can help them with growth and production. The time for waiting is over: Italy needs ideas and, above all, it needs industrialists ready to follow them."

Energy transition increasingly urgent

In this context, we cannot overlook the energy transition, which is experiencing a necessary acceleration caused by the current geopolitical dynamics. From a long-term strategic direction (by 2030), the energy transition and the lesser use of fossil fuels have turned into increasingly stringent requirements. This is also why in CMD we have decided to help companies, but also territories and Public Administrations, in this difficult but necessary path of decarbonization and energy transition. We do this by presenting ourselves as a long-term strategic partner, thanks to a unique platform of services, technologies and expertise on the market.

Each of CMD's 5 business units: Machining, Avio, Energy, Marine, and Research & Development has.

- each in its own sphere, but intertwined with the others - specific competencies to facilitate the transition from nonrenewable to renewable energy sources. Skills that, together, all pursue the same goal: to revolutionize mobility and the world of energy in favor of the environment.

Innovative projects

INNOVATE

The "INNOVATE" project aims to provide an innovative cogeneration system that converts biomass into energy, which can be directly used near wood waste collection points or production sites. This is an important solution to the problems of forestry and agribusiness waste disposal.

Every year local governments have to pay for biomass disposal: thanks to the INNOVARE project, biomass can become value for the combined production of energy, heat and cooling to serve decentralized utilities, which are often home to obsolete energy systems responsible for high greenhouse gas emissions into the atmosphere.

CMD has a "pilot" project in the town of Laurino (Salerno, Campania, Italy) in collaboration with EPM, Istituto Motori and the National Research Council (NRC).

PROMETEO

The goal of the PROMETEO project is to build an innovative micro-polygeneration unit that is characterized by high energy efficiency and low environmental impact, flexible and reliable, which can potentially be fed by residual material from different compartments.

The system resulting from the project, has all the characteristics to become a model of renewal for the management and reuse of process by-products, while achieving a reduction in costs associated with disposal.

CMD carried out this project at the Mugnano di Napoli disposal site (Naples, Campania) in collaboration with EPM, the National Research Council (CNR) and Parthenope University.

SIMPA

The Simpa project is geared toward developing innovative technologies to expand CMD's engine offerings on aero piston engines based on the CMD22 and GF56 prototypes. The program involves the development of systems that contribute to varying degrees to increase the efficiency of piston engine-based propulsion systems in aviation and/or make them more "intelligent." In particular, 5 implementation goals are planned: (find the table on the company profile, see project simpa).

In addition to the above activities, CMD has inaugurated the following lines of research related to the following development guidelines and falling under the PON Major Projects of the Ministry of Economic Development whose applications have already passed the negotiation phase and are waiting to be finally approved through the relevant concession decrees whose issuance is expected during February 2018 for which total costs are estimated to be 6.8 million euros supported financially by public subsidies amounting to 4.2 million euros.

IMARE

iMARE (hybrid MARine for energy-efficient imbaRcations)

The project consists of the development of a hybrid marine propulsion system that enables boats to navigate with zero emissions, in protected areas, including those of tourist interest, or dedicated to organic fish farms. The presence of electric motorization and an on-board energy storage system allows for a reduced impact on the surrounding environment and increased propulsion

efficiency compared to traditional motorizations. The project pursues business development objectives that may be realized through the proposition of a hybrid thermal-electric propulsion system with realization of a demonstrator based on a boat up to 10 meters. The technological solution proposed in this project will be characterized by low costs, low fuel consumption and low pollutant emissions.

Projects can be of various kinds and thus involve developing new products, new references or changing recipes to meet consumer needs or respond to market stimuli, making the production system more efficient by reducing the consumption of raw materials, changing recipes to optimize production.

Continuous improvement is a cornerstone of CMD SPA's development and growth and involves all company sectors. Every product made by CMD is, in fact, at the center of daily activities and commitment of the Company and its staff, who with intensity and curiosity are committed to the search for continuous improvement always respecting the rules and the environment. Keeping up with the times is the fil rouge of CMD SPA's history, which today more than ever focuses its attention on topical issues such as sustainability, a pillar for the company's future growth and development.

DIPROVEL

DIPROVEL (Technological **Di**strator of an Aeronautical Hybrid **PRO**ulsion System for Application on Light VELIVES) aims to realize a hybrid configuration always assuming an aero engine from CMD as a baseline. The project involves the realization of an innovative electric machine with high power density that can deliver significant torque compared to that of the heat engine. The hybrid-electric system will have a total power output of more than 130 kW of which about 40 will be delivered by the electric machine. This configuration, for missions with repeated descent and ascent phases (skydiving, firefighting, flight schools, etc.) allows considerable fuel savings (up to 20 percent). The goal of the project is to test and validate the electrified system in flight on the twin-engine Cessna 337 aircraft. Specifically, it is planned to replace one of the two Continental IO 360-c engines with the new hybrid-electric architecture. The first flight is scheduled for 2024.

SOSPURI

The "SOSPURI" project involves the realization of a system for the production, storage and distribution of hydrogen, obtained by electrolysis, thus through the splitting of water into hydrogen and oxygen, as well as its mixing with methane to be made available for use. Another important aspect of the "SOSPURI" project is the realization of an internal combustion engine powered only by hydrogen. For this purpose, one of the marine engine models, available in the FNM division, the 30HPE, has been chosen, from which some components are being modified and/or redesigned to be able to be subservient to the combustion of hydrogen in the engine, as is already the case with other conventional fuels such as gasoline, diesel, methane, and LPG. On this basis, mathematical models of the engine, simulation algorithms are being developed in order to be able to program suitable electronic control systems (ECUs) for engine management aimed precisely at the use of hydrogen.

Events 2023

CMD actively participates in fairs and events with the theme of sustainable mobility and energy efficiency.

Just some of our holdings during the year 2023

CMD at AERO in Friedrichshafen, among the highest-rated and most up-to-date trade shows in aviation to interface with industry experts (remember that CMD is among the very few European companies holding DOA and POA) and to showcase the brand-new CMD19 gasoline engine. CMD also brought the FADEC, the Electronic Control Unit for aero engines, to the event.

63rd Genoa International Boat Show together with AS Labruna to present its innovative FNM Hybrid technology, a state-of-the-art hybrid powertrain that combines a traditional internal combustion marine engine with an electric motor with batteries and on-board units, offering a solution for sustainable shipping. The main goal of FNM Hybrid technology is to reduce the environmental impact of maritime operations, limiting harmful emissions as much as possible and contributing to the preservation of marine ecosystems. The main objective of FNM Hybrid technology is to reduce the environmental impact of maritime operations, limiting harmful emissions as much as possible and contributing to the preservation of marine ecosystems.



Venice Boat Show to introduce FNM Marine engines and the new "FNM Hybrid" technology - Powertrain Diesel" together with the exclusive distributor for Italy, AS Labruna.



Electric & Hybrid Marine World Expo 2023 in Amsterdam, a major event for all those looking for innovative and sustainable marine solutions, to present the 30HPE engine equipped with the new advanced FNM Hybrid technology, offering visitors the opportunity to discover the outstanding performance and all the advantages of this compact-sized hybrid diesel powerplant. The FNM 30HPE Hybrid engine and the full range of FNM Hybrid thrusters represent a major revolution for the marine industry: FNM is the only company to offer a full range of diesel/hybrid engines with power ratings from 13 kW up to 25 kW in electric mode.



Copenhagen Boat Show 2023 where as a highlight was the FNM 20HPE engine on board a customer's boat. FNM's powerful 4-cylinder 20HPE engine is based on a 2LT Multijet powerplant, which is widely used in small and medium-sized cars in Europe. The engine is distinguished by the use of a common-rail fuel injection system electronically controlled by an ECU (Electronic Control Unit), which provides superior efficiency and performance.

METSTRADE in Amsterdam to present the 30 HPE and the full range of diesel hybrid engines:

- 13HPE FNM Hybrid 48V
- 20HPE/P FNM Hybrid 96Vdc
- 30HPE/P FNM Hybrid 96Vdc
- 42HPE/P FNM Hybrid 96 Vdc



Boot Düsseldorf, in cooperation with dealer Drinkwaard, the famous German exhibition to present the full range of FNM marine engines.

FNM at the Athens Boat Show 2023, one of the most anticipated events in the maritime world, through its renowned official Greek dealer FNM Greece, to present FNM Marine's full range of Diesel marine engines, also available in Hybrid version.



Search

CMD, together with the **Institute of Science and Technology for Sustainable Energy and Mobility** and the **Federico II Faculty of Engineering in Naples**, has written a new scientific paper, this time on the design and management of an innovative thermoelectric hybrid propulsion system for the marine sector. The paper will be published in "**Energy Conversion and Management**," a journal published by Elsevier, one of the leading international scientific publishers.

Within the paper, titled "**Model based optimal management of a hybrid propulsion system for leisure boats**," it is explained, through the case study of a leisure boat used for passenger transport in tourist areas, how revolutionary the introduction of innovative hybrid solutions in navigation has been and how indispensable it is for the reduction of greenhouse gas emissions.



7. Environmental sustainability

7.1 Environmental performance

(Water resources,emissions,waste,energy)

We are on the side of the environment.

We include ecological, economic and social aspects in our conception of development.

At the basis of its actions, CMD SPA clearly places compliance with current environmental regulations and, in particular, with the provisions of Legislative Decree 152/2006.

Consistent with its commitment to continuous improvement, the environmental performance of CMD S.p.A. have achieved levels of excellence in recent years, thanks in part to the application of organizational models based on the application of certified management systems as required by UNI EN ISO 14001 standards, the use of the best available technologies and the continuous use of training and awareness-raising activities for employees and external companies.

Since 2013, a path had been initiated with the aim of improving the process of collecting the necessary data and information for Annual Sustainability Reports. To date, the Company continues on this path recording continuous improvements.

From the environmental point of view, the CMD, in order to decide to progressively minimize the impact on the environment by going on:

- **Atmospheric emissions**
- **Waste**
- **Energy**
- **Water Resources**

All identified environmental impacts are managed through:

- **clean technologies, that is, those with a reduced environmental impact compared to those usually used for the same purpose;**
- **energy conservation;**
- **Energy supply from renewable sources;**
- **The recovery of production waste;**
- **changes in packaging (packaging material) to make it less impactful, such as reducing the weight of packaging and using reusable packaging.**

All this by communicating it not only outward, highlighting the environmental interventions made and of the improvements achieved, but also within the company.

Indeed, a policy is carried out to raise workers' awareness of environmental issues, so that they can become aware of the usefulness that many items still have in a common view of shared eco-sustainable choices.

To this end, the Society:

- Defines environmentally friendly operational plans and programs in all its activities;
- manages its facilities through the effective use of energy, materials and natural resources, pursuing the reduction of environmental impact, waste and waste and, where possible, the use of renewable sources;
- is aware that the preservation of water quantity and quality is not only an environmental issue, but a challenge that encompasses the entire economic and social system and, therefore, is committed to responsible management of water resources;
- sets environmental goals and provides for monitoring progress;
- is committed to educational actions for its employees so that the above principles are pursued everywhere and by all levels of its structure.

Finally, an ISO 14001-compliant Environmental Management System has been implemented to ensure the above in a structured manner.

In fact, passing the verification of the integrated environment and safety management system in accordance with UNI EN ISO 14001 standards with RINA is confirmed for 2022 as well.

Water Resources

CMD SPA's water consumption is mainly attributable to heat exchange processes that take place along the production chain. Water is taken 100% from public mains.

Water consumption per operating unit

WATER SAMPLING SOURCE	UNIT OF MEASUREMENT	2023	
		ATELLA	CASERTA
WATER CONSUMPTION	m ³	8.026	1635
TOTAL WATER CONSUMPTION	m³	8.026	1635

All factories are equipped with a wastewater collection system that conveys domestic and industrial wastewater into a single outlet pipe. Consistent with the provisions of the AUA Single Environmental Authorization, the company performs discharge monitoring, which, with reference to the different parameters measured, takes place continuously or with different periodicity.

Atmospheric emissions

Air emission concentrations

CMD SPA's air emissions are generated from the emission smokestacks present. They mainly concern Particulate Matter (PM) which translates the total dust TSP (Total Suspended Particles). Nox,SOx,SOV and COT are also present. All parameters are monitored periodically and in the reporting year are within the limit values set by law. The highest value found in the measurement reports for the year 2023 is shown below.

AIR EMISSION CATEGORIES	UNIT OF MEASUREMENT	VALUE
Nox	mg/m ³	33,2
Sox	mg/m ³	7,6
Particulate (PM)	mg/m ³	27,1
SOV	mg/m ³	27,3
COT	mg/m ³	26,4

Waste

Waste generated at the CMD plant is classified as municipal (assimilable), special hazardous and special non-hazardous waste according to type and origin. The type of disposal to which the waste generated at the plant is allocated is chosen in accordance with current regulations and in order to minimize potential environmental impacts.

It continues with the use of the computerized waste traceability control system (SISTRI) as prescribed by the Ministry of Environment and Land and Sea Protection.

Since 2017, special attention has been paid to separate waste collection through careful sorting of waste produced by the company.

Waste generated per business unit 2023

TYPE OF WASTE	UNIT OF MEASUREMENT	2023		2022	
		ATELLA	CASERTA	ATELLA	CASERTA
NOT DANGEROUS	t	1.054	4,7	971,41	4,1
DANGEROUS	t	158	0,5	119,78	1
TOTAL WASTE PRODUCED	t	1212	5,2	1091,19	5,1

As the reported results show, the majority of waste, is mostly non-hazardous waste. Specifically, in 2023, non-hazardous waste accounts for 87%, while hazardous waste accounts for 13%.

Hazardous and non-hazardous waste by destination ATELLA - CASERTA

WATER SAMPLING SOURCE	UNIT OF MEASUREMENT	2023	2022
NOT DANGEROUS	t	1058,7	975,51
RECOVERY	t	1058,7	975,51
INCINERATION	t	0	0
DUMP	t	0	0
DANGEROUS	t	158,5	120,78
RECOVERY	t	87,1	113,63
INCINERATION	t	71,4	3,43
DUMP	t	0	3,72
TOTAL WASTE	t	1217,2	1.096,29

As the reported results show, the majority of both hazardous and nonhazardous wastes have recovery as their intended use and are therefore valorized (94% in 2023). The remaining part has incineration after specific treatment as its intended use (6% in 2023).

Energy

Energy consumption

CMD SPA's energy consumption can be divided into two macro-families: those "direct" with the use of fuels and those "indirect" determined by the need for externally purchased electricity. The Atella site is equipped with a cogeneration plant powered by natural gas and operated in-house, which produced about 44.98 GJ of electricity in 2023. The energy consumed by CMD SPA's production facilities in 2023 was 22,262 GJ.

Energy consumption within the organization.

TYPE OF FUEL	UNIT OF MEASUREMENT	2023		2022	
		ATELLA	CASERTA	ATELLA	CASERTA
NATURAL GAS	GJ	1.379,00	0	2.876,20	0
PURCHASED ELECTRICITY AND CONSUMED	GJ	21.600	662	19.332	754
SELF-GENERATED ELECTRICITY	GJ	0	44,98	0	34,78
TOTAL ENERGY CONSUMPTION	GJ	22.979	789,18	22.208,2	789,18

TYPE OF FUEL	UNIT OF MEASUREMENT	2023	2022
		ATELLA-CASERTA	ATELLA-CASERTA
DIESEL FUEL FOR VEHICLES	GJ	1.135,00	1.095,11
GASOLINE	GJ	107,79	134,39

Energy consumption divided by source type

TOTAL CONSUMPTION	UNIT OF MEASUREMENT	2023	2022
FUEL FROM SOURCES NON-RENEWABLE	GJ	0	0
PURCHASED ELECTRICITY	GJ	22.262	20.086
SELF-GENERATED ELECTRICITY FROM RENEWABLE SOURCES	GJ	0	0
TOTAL	GJ	22.262	20.086

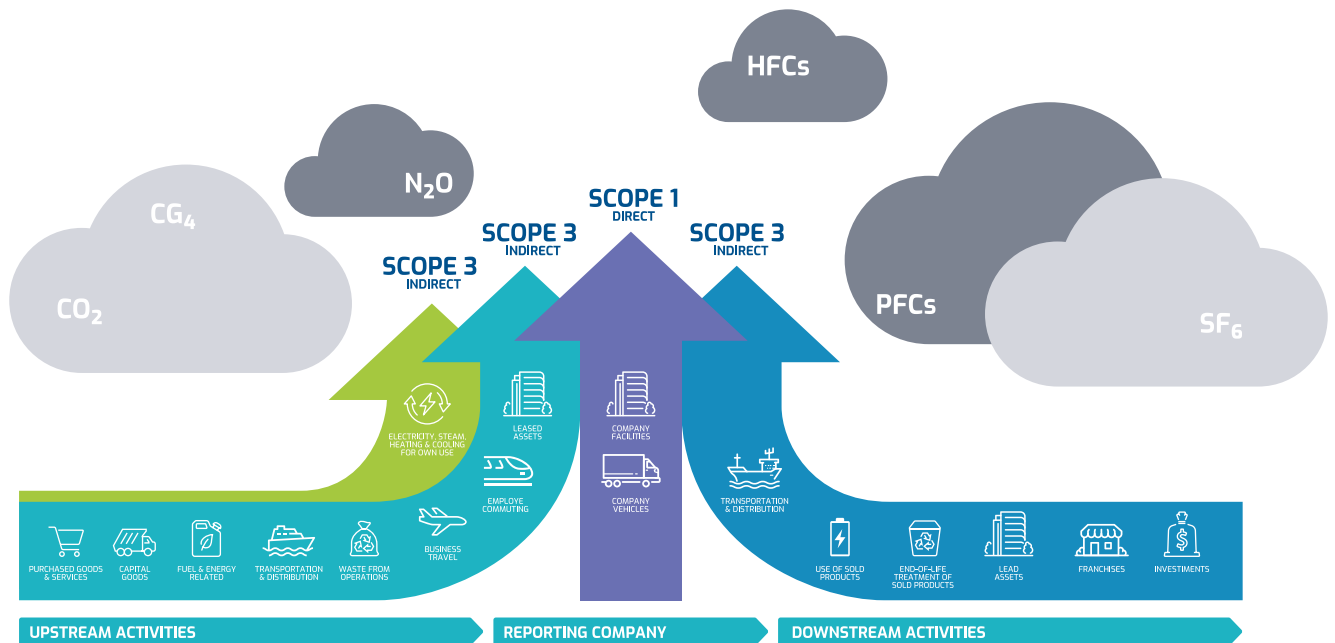
Direct and indirect emissions produced by business unit

GHG emissions

CMD's GHG (greenhouse gas) emissions come mainly from direct consumption of fuels used in refrigeration and air conditioning systems (direct Scope 1 emissions) and indirect consumption related to purchased electricity (indirect Scope 2 emissions).

In order to contribute to the fight against climate change CMD pursues the goal of reducing its GHG emissions by 2030.

TYPE OF FUEL	UNIT OF MEASUREMENT	2023 ATELLA-CASERTA	2022 ATELLA-CASERTA
NATURAL GAS	teqCO2	69,4	144,83
VEHICLE DIESEL FUEL	teqCO2	72,8	70,21
GASOLINE	teqCO2	6,4	7,28
ELECTRICITY	teqCO2	1.546	1.394,87
TOTAL DIRECT AND INDIRECT	teqCO2	1.694,6	1.617,19



The company's energy consumption results in the generation of several categories of greenhouse gas (GHG) emissions:

- **direct emissions (Scope 1), as they are directly generated by the company as a result of its activities;**
- **indirect emissions (Scope 2), i.e., not generated directly by the company, but arising, for example, from the consumption of electricity generated by third parties.**

TYPE OF ISSUE	UNIT OF MEASUREMENT	2023	2022
DIRECT EMISSIONS - SCOPE 1	TeqCo2	148,6	222,32
INDIRECT EMISSIONS - SCOPE 2	TeqCo2	1.546	1.394,87



8. Commitment to the local community

8.1 The relationship with the local community

CMD SPA, with the contribution of its employees, is committed to achieving three goals: to promote the development of the local economy, to promulgate the values of respect inherent in the corporate culture in the communities near which it operates, and to promote initiatives regarding the issues of environmental protection and sustainability, sharing of positive cultural and social values, solidarity, education and involvement of young people.

ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

ECO20x for energy efficiency in schools

Reliable in both durability and performance, renewable sources now dominate the energy market, achieving formidable results.

Even schools are gradually converting to "green," as was the case for the "Aldo Moro" elementary school and adjoining kindergarten in Vallo della Lucania (Salerno), in the heart of the Cilento park, which chose ECO20x to supply its buildings with electricity and thermal energy through the energy valorization of residual biomass from the maintenance of the Cilento park. The use of biomass will replace or reduce the consumption of diesel and natural gas, currently the only source in use for heating the facilities.

Children and the Environment: the experience of I.C. Castellabate

CMD SPA In collaboration with the Iccrea Cooperative Banking Group, on World Environment Day, promoted a series of events and activities aimed at awareness of the preservation of our planet, promotion of sustainable development, and enhancement of separate waste collection. The initiative involved the Castellabate Comprehensive Institute.

The children and the school structure have devoted great efforts to the creation of classroom workshops focused on eco-sustainability and have implemented some effective actions to support environmental education: the use in the cafeteria of hard plastic cutlery that is reused after washing, or the cleaning of the beaches of the Cilento coast in collaboration with Legambiente, just to name a few.

The involvement of the 870 children belonging to 60 classes from 16 different kindergarten, primary and middle school plexuses in a project based first and foremost on integrating and sharing such an important goal was extraordinary and culminated in a final event entitled: "Our School Differentiates," during which recycling containers were distributed.

The awareness-raising campaign implemented by I.C. Castellabate is closely linked to the "Acqua sì...ma Plastic free" Project, which saw the signing of a memorandum of understanding between the Campania Region, Consac SpA, Cilento, Vallo di Diano and Alburni National Park and Legambiente Campania to sponsor the proper use of drinking water and the reduction of plastic consumption.

Children are our future: teaching them to respect the Environment is first and foremost our duty.

SOLIDARITY

Adoption and distance and donations

CMD with responsibility and care wants to give a firsthand response to a world that runs and forgets the fragile and defenseless. That is why through local Foundations the company promotes donations to support widespread welcoming and integration projects, participating in paths of integration between men and women of different cultures and ethnicities, while respecting individual traditions and needs.

CMD pledges to support Caritas

CMD supports through various donations, especially during the holidays, those most in need in local communities. In particular, the "S.Maria ad Nives" Parish Church in Atella and the "Good Shepherd" Parish Church in Caserta.

CMD
A LONCIN COMPANY

regala emozioni

**Gioia a Bambini
in condizioni
di rischio sociale
e povertà**

Con i bambini,
dell'Inferno si comunica che per i nostri piccoli amici è giunto il tempo delle agnate serene.
Anche per loro, come per i nostri amici, è questo un periodo di gioia e attesa e nonostante le difficoltà del
vostro quotidiano, i bambini, conosciuti e fidati, manifestano la straordinaria capacità di sognare spinta
dalla loro età.
Invogliando un pensiero a loro, compiamo un atto di amore, di carità cristiana che si pone nelle giuste
dimensioni dello spirito natalizio.
Completiamo anche una parte vitale per loro stesso: dentro di loro e poniamoli tutti all'avvio, in
vigilanza attesa della venuta di Gesù... portatori essere davvero un regalo speciale che facciamo anche a noi
stessi.
Perché la Sua nascita, sia per tutti messaggio di speranza, promessa di pace e di vita piena.
Vi auguriamo un sereno e felice Natale.
I volontari della Fondazione Maria Teresa di Calcutta - Onlus.

«Riposare nelle vostre case e dormite, se non avete in te... tutto è inutile»
(Angelo Sabino maestro del XVI)

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Fondazione Maria Teresa di Calcutta - Onlus

YOUTH TRAINING AND INVOLVEMENT

Career day: a remarkable opportunity for CMDs to meet young talent

So many young people take cognitive interviews with CMD engineers every year at the Career Day organized by the Federico II University of Naples.

The event, titled "A Look to the Future," held at the Monte Sant'Angelo complex in Naples, was an opportunity to have company testimonials, one-on-one meetings and networking. For CMD, it was an opportunity to meet new talent and candidates.

Career Day each year allows students, undergraduates and recent graduates to come into direct contact with various companies nationwide, including ours.

Often, it is taken for granted that a young graduate, upon completion of his or her studies, has the right approach to the world of work and is fully aware of the role to be filled according to his or her skills; in reality, it is not easy to untangle this complex system.

During the interviews, the students, in addition to having had the opportunity to present their academic profiles, asked many questions to those who, before them, started and consolidated their career paths, to receive valuable advice.

In this regard, the CMD engineers were as helpful as ever, carefully viewing each curriculum and giving the interlocutors ample insight into CMD and the activities it is pursuing.





**9. Appendix
(index of GRI)**

GRI 2 - GENERAL INFORMATION THE ORGANIZATION AND ITS REPORTING PRACTICES

GRI STANDARD	SEZIONE DI RIFERIMENTO	PAGINA	RIFERIMENTO SDG OVE APPLICABILE
GRI 2-1 ORGANIZATION DETAILS	Letter to stakeholders	7	
	Methodology and references	10	-
	A management responsible for business	35	
GRI 2-2 ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY BUDGET	Methodology and references	10	-
GRI 2-3 REPORTING PERIOD, FREQUENCY AND CONTACTS	Methodology and references	10	-
GRI 2-4 REVIEW OF INFORMATION	-	-	-
GRI 2-5 EXTERNAL ASSURANCE	Governance and organization internal	37	-

ACTIVITIES AND WORKERS

GRI STANDARD	REFERENCE SECTION	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-6 ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS	CMD Today	15	
	A management responsible of the business	35	-
	Supply chain	41	
	History	12	
GRI 2-7 EMPLOYEES	The focus on people CMD	45	
GRI 2-8 EMPLOYEE WORKERS	The focus on CMD people	45	

GOVERNANCE

GRI STANDARD	REFERENCE SECTIONT	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-9 STRUCTURE AND COMPOSITION OF GOVERNANCE	A management responsible of the business	35	-
GRI 2-10 NOMINATION AND SELECTION OF THE HIGHEST GOVERNING BODY	Governance and organization internal	37	-
GRI 2-11 PRESIDENT OF THE HIGHEST GOVERNING BODY	A management responsible of the business	-	-
GRI 2-12 ROLE OF THE HIGHEST GOVERNING BODY IN OVERSEEING THE MANAGEMENT OF IMPACTS	A management responsible of the business	35	-
GRI 2-13 DELEGATION OF RESPONSIBILITIES FOR MANAGING IMPACTS	-	-	-
GRI 2-15 CONFLICTS OF INTEREST	A management responsible of the business	35	-

STRATEGIA, POLITICHE E PRATICHE

GRI STANDARD	REFERENCE SECTIONT	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-22 SUSTAINABLE DEVELOPMENT STRATEGY STATEMENT	Letter to stakeholders	7	-
GRI 2-23 COMMITMENT POLICY	A management responsible for business	35	-
	Values	22	-
	Code of Ethics	36	-
GRI 2-28 MEMBERSHIPS TO ASSOCIATIONS	A management responsible for business	35	-

STAKEHOLDER ENGAGEMENT

GRI STANDARD	REFERENCE SECTIONT	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-29 APPROACH TO STAKEHOLDER ENGAGEMENT	Our stakeholder	26	-
	The analysis of the materiality	28	-
GRI 2-30 COLLECTIVE BARGAINING AGREEMENTS	The focus on people CMD	45	-

GR13, 200, 300, 400 - SPECIFIC STANDARDS

GRI STANDARD	REFERENCE SECTIONT	PAGE	SDG REFERENCE WHERE APPLICABLE	
GRI 3-1 PROCESS FOR DETERMINING MATERIAL THEMES	A management responsible for business	35		
	-			
	Legal compliance	40		
	-			
	Quality and safety of products	57		
	-			
	Sustainability environmental	64	-	
	-			
	Performance environmental	65		
	-			
	The report with the community local	73		
	-			
	A management responsible for business	35		
	-			
	Compliance and legal	40		
GRI 3-2 LIST OF MATERIAL THEMES	-			
	Product quality and safety	57	-	
	-			
	Environmental sustainability	64		
	-			
	Environmental performance	65		
	-			
	Responsible management of the business	35		
	-			
GRI 3-3 MANAGEMENT OF MATERIAL ISSUES	Legal Compliance	40		
	-			
	Product quality and safety	57	-	
	-			
	Environmental sustainability	64		
	-			
	Environmental performance	65		
	-			
	GRI 401-1 NEW HIRES AND TURNOVER	The focus on people CMD	45	SDG5-8-10
	-			
GRI 401-3 PARENTAL LEAVE	The focus on people CMD	45	SDG5-8	
-				
GRI 403-1 HEALTH MANAGEMENT SYSTEM AND SAFETY AT WORK	The focus on CMD people	45		
	-			
	Health and safety staff	54	SDG 8	

GRI STANDARD	SEZIONE DI RIFERIMENTO	PAGINA	RIFERIMENTO SDG OVE APPLICABILE
GRI 403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT AND ACCIDENT INVESTIGATIONS	The focus on CMD people	45	SDG 8
	Health and safety staff	54	
GRI 403-3 OCCUPATIONAL HEALTH SERVICES	The focus on CMD people	45	SDG 8
	Health and safety staff	54	
GRI 403-4 PARTICIPATION AND WORKER CONSULTATION AND COMMUNICATION ON THE SUBJECT OF OCCUPATIONAL HEALTH AND	The focus on CMD people	45	SDG 8
	Health and safety staff	54	
GRI 403-5 WORKERS' HEALTH TRAINING AND SAFETY AT WORK	The focus on CMD people	45	SDG 8
	Health and safety staff	54	
GRI 403-6 WORKER HEALTH PROMOTION	The focus on CMD people	45	SDG 3
	Health and safety staff	54	
GRI 403-9 ACCIDENTS AT WORK	The focus on CMD people	45	SDG 3-8
	Health and safety staff	54	
GRI 403-10 OCCUPATIONAL DISEASES	The focus on CMD people	45	-
	Health and safety staff	54	
GRI 404-1 AVERAGE HOURS OF ANNUAL TRAINING PER EMPLOYEE	The focus on CMD people	45	SDG 5-8-10
	Health and safety staff	54	
GRI 404-2 EMPLOYEE SKILLS UPGRADING PROGRAMS AND ASSISTANCE PROGRAMS TO THE TRANSITION	The focus on CMD people	45	SDG 5-8
	Health and safety staff	45	
GRI 405-1 DIVERSITY OF ORGANS OF GOVERNMENT AND AMONG EMPLOYEES	The focus on CMD people	0	-

GRI STANDARD	SEZIONE DI RIFERIMENTO	PAGINA	RIFERIMENTO SDG OVE APPLICABILE
GRI 418-1 SUBSTANTIATED COMPLAINTS REGARDING VIOLATIONS OF CUSTOMER PRIVACY AND LOSS OF CUSTOMER DATA			
GRI 416-1 ASSESSMENT OF HEALTH IMPACTS AND SAFETY BY PRODUCT AND SERVICE CATEGORIES			
GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANIZATION	Environmental sustainability - Environmental performance - Energy and atmospheric emissions	64 65 67-71	SDG 8-10-12
GRI 303-3 WATER RELIEF	Environmental sustainability - Environmental performance - Water Resources	64 65 66	-
GRI 303-5 WATER CONSUMPTION	Environmental sustainability - Environmental performance - Water Resources	64 5 66	-
GRI 305-1 DIRECT EMISSIONS OF GHG (SCOPE 1)	Environmental sustainability - Environmental performance - Energy and atmospheric emissions	64 65 67-71	SDG 3-12
GRI 305-2 INDIRECT GHG EMISSIONS FROM ENERGY CONSUMPTION (SCOPE 2)	Environmental sustainability - Environmental performance - Energy and atmospheric emissions	64 65 67-71	SDG 3-12

GRI STANDARD	SEZIONE DI RIFERIMENTO	PAGINA	RIFERIMENTO SDG OVE APPLICABILE
GRI 305-7 EMISSIONS OXIDES OF NITROGEN(NOx) OXIDES OF SULPHUR(SOx) AND OTHER.	Environmental sustainability	64	
	- Environmental performance	65	
	- Energy and atmospheric emissions	67-71	
GRI 306-3 WASTE GENERATED	Environmental sustainability	64	
	- Environmental performance	65	SDG 3-12
	- Waste	67	
GRI 407-1 ACTIVITIES AND SUPPLIERS WHERE THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE AT RISK	Supply Chain	41	SDG 8
GRI 408-1 ACTIVITIES AND SUPPLIERS AT SIGNIFICANT RISK FOR ACCIDENTS OF CHILD LABOR	Supply Chain	41	
GRI 409-1 ACTIVITIES AND SUPPLIERS AT SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOR	Supply Chain	41	SDG 8



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