

SUSTAINABILITY REPORT 2022



www.cmdengine.com



SUSTAINABILITY REPORT 2022

INDEX

1. INTRODUCTION	4
1.1 Letter to stakeholders	6
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 SPA 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 SPA (2030 agenda and SDGs)	31
4. RESPONSIBLE MANAGEMENT OF BUSINESS	34
4.1 Code of ethics	35
4.2 Governance and internal organization	36
4.3 Legal compliance	39
4.4 Supply Chain	40
5. CARE FOR CMD EMPLOYEES	44
5.1 People	45
5.2 Health and safety staff	52
6. INNOVATION, QUALITY AND SAFETY OF PRODUCTS AND SERVICES	56
6.1 Products quality and safety	57
6.2 Innovation for continuous improving	58
7. ENVIROMENTAL SUSTAINABILITY	68
7.1 Environmental performances	69
8. COMMITMENT TO THE LOCAL COMMUNITY	76
8.1 The relation with the local community	77
9. ANNEX (index of GRI)	81





1. Introduction

There are basic concepts for humans of which common language abuses, indicating lightly them to good intentions that everyone should have. Ethical code is essential because studies principles that allow to assign to human behaviors a deontological and regulatory status namely distinguish them in good and lawful ones respect to behaviors considered unjust, unlawful, improper or bad according to ideal behavior pattern.

What really Ethic is? Its role over the years

Part of the philosophy that studies the ethical conduct of people and its judgement criteria; set of rules of public and private conduct.

Its etymology comes from the Latin *ethica* and from Greek *ethikè* "relating to the behavior".

Encountering this word, to many it comes naturally wonder: «Well, ethic...what an obsolete word, now!». This is not only a typically modern reaction: any civilization felt – and stigmatized a certain moral decadence than a past more or less idealized.

Actually, the feeling for ethical issues is more alive than ever. Suffice to say about massive presence in public debate of issues as euthanasia, animal rights, political corruption, social inequalities, gender equality, environmental respect and more, some of which even faced them in the past, and today elicit heated discussions as well. In fact, recently there are soccer players and coaches that considering work ethic essential for their victories.

But ethic and moral are the same thing? Yes, etymologically yes: the Latin *moralis* (comes from *mos*, *moris* 'custom, behavior') follows the similar Greek *ethikós*. Even in philosophy, generally, are both equivalent, with some exceptions, such as Hegel that believed moral has a subjective and individual nature, while ethic is objectively expressed, by embodying socially and institutionally. It's very interesting as this difference also comes across in daily use as well: I can talk about my ethic or moral regardless, but I'd never hardly call one individual as "ethical winner" of a race, neither I'd say to have received an 'ethical slap'; and talking about ethical obligation regarding something than usual 'moral obligation', will give the impression of a more social imposition than interior need.

Ethic probably is old as the mankind. However, over time the conduct of rules held to the religious field, taking the form of rulings to place without question. Everything changed with sophists who affirmed the conventional nature of any value or human norm. Rejecting sophistic relativism instead, Plato even united ontology on ethic: the ideas are a vital part of reality, but the highest idea is that of Good that underlies the everything.

Ethic for CMD

Today, transparent, ethical and conform behaviors are essential for the business activities management as described in the Code of Business Ethics that define a code of ethics behavior.

CMD needs a change of point of view, building a set of shared values focused on the individual rather than the production. A company can be defined leaded by values if it can find a convergence among values mentioned by the organization and shared personal values of each member of the organization. The current business challenge is managing change process to a shared values system and ethical behaviors into interpersonal relationships and business. The service culture, customer focus outside company and person focus inside company, will play an increasingly central role for company success.

In a wider dimension that takes into account principles as equality, privacy, protection of the person and environment, honesty, impartiality and transparence - Code of Business Ethics build on shared values, defines quality and competitiveness as a growth catalyst.

Anyway, according to the experts, in order to embark on a change and business growth path, the factors which focus on are 3: ethic, sustainability and innovation.



1.1 Letter to stakeholders



1.1 Letter to stakeholders

Dear Stakeholders,

2021 has been closed with the awareness that the sustainability path undertaken by our company represented the right way even in front of unpredictable challenges of COVID19.

In our opinion, all people want to remain in any business for long time have to give their contribution to a sustainable economy, putting employees, health and safety at first in their working method, acting in ethics both in choices and to all interlocutors, making structures more attractive for a collaboration towards all stakeholders.

In this topic we have always been inspired by Pope Francesco's words, that described the business and the company as the most suitable vehicle, as well as the most humane, through which employees can execute their talents. Company, in this way, becomes important for the common good construction and the entrepreneur's work almost becomes a vocation whose objective is to pursue this common good and improve the living conditions of all through tools such as development, solidarity, subsidiarity, the universal destination of goods.

Homo oeconomicus for us has to reveal his ethic behaviour for living with other people on our only home, the Earth, developing a new "green world" through the promotion of sustainability in environmental, social and economic fields using the digitalization.

In 2022 this awareness has been more strengthened. We have noticed that there has been a growth in attention to sustainability issues around us.

The achieved results satisfy us: being evaluated by 2 Rating companies with excellent results (including the Ecovadis Silver Medal and the A classification of the Supplier Assurance platform) tells us that we are heading in the right direction.

All this reflects the ethical approach of our company and its acting in a sustainable and socially responsible way towards the stakeholders and the ecosystem in which it operates.

These awards promote CMD's actions and dedication towards ethical principles and social responsibility that have always distinguished us.

And if today sustainability may seem like a fashionable phenomenon linked to current trends, I like to remind you that for CMD SPA it represents a path of responsibility.

So, we want to introduce you the 2nd sustainability report, for the year 2022: it will show not only CMD know-how but also CMD ethics behaviors.

Mariano Negri
CEO CMD Spa



1.2 Sustainable report decision and reference

VOLUNTARY DECISION OF SUSTAINABILITY REPORT

The current economic context is affected by risks and uncertainties related to climate change and epidemic emergency, and by a digital transformation that penetrates very extensively our customs and a slower demographic development. It is also important, for companies and financial field, considering all different climate factors.

An increasingly aggressive and frequent natural phenomena, a more difficult access to resources, increasing demographic pressure among Countries, democratic balances made insecure due to management of natural areas and many others factors are affecting markets and generally increasing the risk that weigh on companies.

The reasons that have led us to enestablish these assessments are different. First, a greater focus on social and environmental issues.

The Corporate Social Responsibility is the integration of environmental and social topics. Moreover, it's also important the ONU Agenda 2030 implementation. This last establishes a series of 17 interlinked objectives that it is necessary to pursue within the 2030. These include goals in terms of sustainability, environmental safety, defeating poverty and hunger, reduction of inequalities, clean energy production and fight against climate change. It's very important the sustainability issue in order to make our planet a safe place to live.

Environmental sustainability aims to meet the current generation needs without compromising those of future generations. In particular it means make decisions and actions for the natural world safeguard with special focus on environment's ability to sustain human life.

Environmental sustainability is a goal to be reached urgently. Human actions as deforestation of forests, air and water pollution, plundering seas and soils are destroying our planet and our future to live in. In particular CO2 emission, deriving from combustion of fossil fuel, is the main cause of environmental pollution and consequently global warming.

It generates more frequently natural phenomena as floods, fires, melting glaciers and spread of disease and the extinction of different species, the consequences of which are disastrous for the planet.

Although the situation is extremely alarming, people not seem to notice what is happening in the world. Among the main reasons there is a reality distortion often related to unawareness prompting us to develop a wrong impression on reality. Some examples:

- **Distortion of perception:** usually we perceive as main things only all those situations that exclusively concerns us from a special or temporal point of view whereas we tend to ignore the others. This mental process leads us to not prioritize the global warming issues and not acting today so that the future might be better.
- **Distortion of optimism:** usually we believe that catastrophic predictions will not come true because we always hope that a technical invention can solve our problems.
- **Distortion of willingness:** we entrust that the government has to solve this kind of problems, in this way, we are not responsible about this change process to others without playing a leading role.

This problem concerns all people and it needs a concrete, collective and fast effort. This effort can be an important factor for the business field. Overtime, companies have acted not caring about negative effects on environmental conditions and focusing on short-term profit. However, there are companies that are making efforts to review this negative effect by reducing dangerous effects related to their production and use and consumption of resources they are producing. The effort for sustainability occurs in two ways: the first one, thinking as consumers and so reflecting about our buying decisions; the second one, thinking as partners by choosing to work for those companies who join the cause and environmental value, going to evaluate not only economic impact but also the impact of that company on the world.

We cannot ignore the environmental issue anymore: also if it's not true that people inherit the Earth from their ancestors, it's true that people are borrowing it from their children.

In today's society the value created by company not considering only the economic and financial factors: infact this includes the evaluation of company's ability of reducing risks exposure and generating new opportunities for the context in which it emerged.

What is the new possible starting point? A new humanism for economic field.

"We need to create a new humanism otherwise our planet will not be saved."
These are Albert Einstein words, the creator of general theory of relativity.
CMD believes in these words and make them its own, in fact there is the necessity of saving a conception of economy that is founded on the recognition of the absolute value of every human being, on the value of sociality.

The need for sociality, which is at basis of this choice, is the one that shows how much the satisfaction of dedicating oneself to the construction of the common home can be greater than thinking about one's own backyard.

Putting man at the center of everything, both as subject and as receiving of value creation, does not only mean enhancing the moral component or the solidarity need, for example, contrasting "business" with "non-profit". For us it means coming back to look at how value creation takes place, how creativity is expressed, how the skills useful for this purpose are formed and where the ideals that help people achieve it live.

CMD looks at a concept of adhocracy as an organizational model of the future.
Adhocracy represents the only solution for a working mode with more democracy and less bureaucracy, promoting communication and knowledge transfer, allowing in this way more adaptation and people valorization.

It involves both managerial working and the strategy formation process, as well social problems (from a historical point of view, the organizational form can be considered as an evolution which, starting from a simple structure and passing through the phases from the rigidly regulated bureaucracy and the divisional model, arrives at the adhocracy).
So, the way for a truly more sustainable economy is not a utopia, but a reality.

1.3 Methods and Reference

The Sustainable Report 2022 prepared by CMD S.p.A. regards the period from January 1st 2022 to December 31st 2022 as range of time and represents the second non-financial Declaration - NFD - voluntarily produced by company.

Also if financial and sustainability report are reported in two different documents, basically it is only one declaration that we could define as "integrated" because all company operations are the result of the interconnection of these two elements.

In fact, for CMD, sustainability purposes are closely connected with business purposes and the respect for ESG values is present throughout the industrial action. Do not act as separate entities is the key element of our corporate strategy that allows us to deliver a report sustainability concept and thus contributes to long-term success.

The indicators of non-financial performance have been defined on the basis of International GRI Sustainability Reporting Standards of 2021, issued by Global Reporting Initiative – GRI (entered into force in 2023), who establishes reporting method aimed to drawing up the Sustainability Reports. In 2021 the report was issued according to GRI Standards (following the Core option), while for the creation of the second Sustainability Report our company has followed the option "with reference to" defined according to the reporting principles here below relative to contents and quality of the report:

- Stakeholders inclusion through their identification and involvement;
- Sustainability context, including information about economic, social and environmental performances;
- Materiality and relevance of the main issues, decided on the basis of economic, social and environmental impacts and stakeholders evaluation;
- Completeness and accuracy of information submitted;
- Balance and comparability;
- Clarity and reliability;
- Timeliness after having defined since the first Sustainability Report (year 2021) an annual update of policies.

For the drawing up of this Report has been realized the materiality analysis, for identifying relevant issues of the company, through the involvement of internal and external stakeholders, identified with the CMD SPA Management before.

The organisational units considered location of this reporting that include in CMD SPA are the following:

- Legal and operational office of Caserta, and so headquarter of activities;
- Head office of Atella (PZ);

For information about Sustainability Report of CMD SPA, you can contact the following address: info@cmdengine.com.



2. C.M.D. Costruzione Motori Diesel SPA



2.1 CMD History

For over 90 years CMD has been involved in **cutting-edge innovative solutions**

For over 30 years C.M.D. (Costruzioni Motori Diesel) SPA has been involved in design, prototyping and development of engines and solutions for automotive, marine and aeronautical field. The company was founded by Negri's family in 1971 as FNM ("Fratelli Negri Motori"); it became CMD in 1989.

CMD core business is developed through 5 business units: Avio, Marine, Machining, Energy and Electronic.

Historical stages of CMD SPA

1930



Corrado Negri and Italo Balbo's transoceanic flight

30's: CMD history begins in 30's when Corrado Negri, an eminent member of Italian Air Force, took part in the transoceanic flight of Italo Balbo.

1971



Launching Fratelli Negri Macchine Diesel Sud



The company was founded in 1971 as Fratelli Negri Macchine Diesel Sud (FNM), by Negri's family. Originally, the company business activity was focused on earth-moving machines overhaul and it has increased in the mid 70's into diesel engines installation on used vehicles. However, by the end of the decade, starts the first partnership with FIAT that still today represents a meaningful part of the company's business.

1979



CMD starts a collaboration with FIAT

CMD starts a first partnership with FIAT (now STELLANTIS), becoming supplier of precision milling for automotive components.

After few years CMD has developed its own high precision parts and components production, becoming leading supplier of the biggest international groups in the automotive field such as ALFA ROMEO, AUDI-VW and FORD, in addition to the collaboration with FIAT, which still represents a meaningful part of the company's business.

1984



First FNM marine diesel engine on the market

FNM, under FNM marine brand, launches the first diesel engine for the marine market.

1991 From FNM to CMD (Costruzioni Motori Diesel) S.p.A

C.M.D. Costruzioni Motori Diesel Spa is formally set up, including also FNM division and its know-how. It has been the turning point for the company expansion and production activities diversification.

2000 Business diversification and development

Over the years our team has grown and our skills have increased, as the sectors in which we operate. In the 2000s CMD expands its production and technology field opening 2 plants in Atella (PZ).

During these years CMD starts some new important projects:

- new range of JTD marine engines implementation (increasingly competitive);
- two engines for General Aviation and ultralight aircrafts design;
- Micro-CHP systems fed by wooden biomass development (ECO20x); it has allowed to CMD to enter on international markets, sparking the interest of the most big players in motors fields.

2012 Elite Program



CMD has been selected by Italian Stock Exchange to join the Elite Program, ending two years later with the ELITE Certificate release.

Our company has been awarded at presence of the Italian and European financial world, becoming the only company in Basilicata region to obtain such a prestigious result.

ELITE program has been fundamental for our history because it has strongly supported us in our business growth by facilitating and accelerating our access to private and public capital markets.

2014 "Bruno Negri" collaborative robots line starts to work for Machining

Over the years, mechanical components orders from important customers such as FIAT, VM motori, MASERATI become numerous. A fully automated line of collaborative robots has been installed in Atella1 plant that allows the production of cylinder heads for diesel engines for Maserati "Ghibli" and "Quattroporte", Jeep model "Grand Cherokee".

2017 CMD SPA and Loncin Motor co LTD become business partners



Loncin Motor Co Ltd, a Chinese multinational company listed on the Shanghai Stock Exchange, specialized in research, development, production and distribution of motor-cycles, general products and power machineries, become business partner.



2019 DOA and POA, two important achievements for Avio department

In these years Avio department obtains two important certifications. Thanks to this achievement, CMD becomes leader company in aeronautical field, positioning itself among the few companies in Italy and in Europe to have obtained this important result.

- In 2019 the DOA (Design Organisation Approval, EASA 21J.709). It is a certification required in aeronautical field for any product design organization for which a type certificate, major modification approval or a supplementary type certificate have required.
- In 2021 the POA (Production Organisation Approval). It is an approval of the Production Organization of aeronautical engines in accordance with Part 21 - Chapter G.

Thanks to the DOA and POA achievement, CMD can officially operate in the General Aviation field and on certified aircrafts.

2020 CMD supports World Health Organization against COVID19

During the COVID19 emergency, political authorities in Basilicata and Campania regions called up CMD for a contribution to the Italian Health Organization in difficult situations. CMD develops in record time its own CPAP and the first two projects have donated to the San Carlo hospital in Potenza and to the Madonna delle Grazie hospital in Matera. We are proud to have been a valid help and to have helped save lives.

2021 FADEC for General Aviation

After a long period of research and design, our Electronic department presents the FADEC (Full Authority Digital Engine Control), the electronic control unit fully designed by CMD. It manages aeronautical engines, qualified in accordance with the standards and guidelines in force in the aeronautical field (RTCA/DO-178C, RTCA/DO-254 and RTCA/DO-160G), approved by EASA.

2022 CMD, a sustainable company: our efforts for energy transition

CMD's goal in 2022 has been to promote the "Green Revolution": sustainability and energy transition are important topics for our company (even if they have always been), focusing the skills of each BU on the solutions design for environmental safeguard.

CMD focuses its activities on hybridization and hydrogen.

2.2 CMD today

CMD TODAY – A Sustainable Company

CONSTANTLY EVOLVING

Today we are involved into cutting-edge innovation, design, development and production of internal combustion engines and related technological application. And more. We are applying our skills into new electric and heat production solutions research, into mechanical components and new products and solutions development. Over the years our team has grown and in parallel has increased expertise and areas of interest.

WHAT WE BELIEVE

"We innovate to improve the world we live in: it is the most important source we have and we'll leave it for generations to come."

HEADQUARTERS

Headquarters and administrative office are located in San Nicola La Strada (CE)

PRODUCTION PLANT

Italian Production Plants are located in Atella (PZ) Z.I. Valle di Vitalba



CMD AVIO

AVIO projects are strictly related to the design and production of three aeronautical engines: CMD22, GF56 and CMD18.

For many years CMD has also been involved in aeronautical hybrid-electric engines development, according to the SIMPA project program (Sistemi Innovativi per I Motori a Pistoni Aeronautici). One of the SIMPA's goals, infact, has been the design and production of a hybrid-electric system deriving from a CMD piston engine. The project focuses its attention on a mild-hybrid configuration that includes an electric system (engine/generator) on the endothermic engine cam shaft. The project will end in 2022 with demonstration in the test bench.

A second project in the aeronautical propulsion electrification field is the DIPROVEL project (Dimostratore Tecnologico di un Sistema di Propulsione Ibrida Aeronautico per applicazioni su Velivoli Leggeri). The goal of this project is to realize a hybrid configuration using a CMD aeronautical engine as baseline.



CMD MACHINING

CMD SpA is specialized in high engineering development process as prototyping, production and assembly of powertrain components in automotive field. Our company is able to provide small, medium and big series for the most important players of the sector.

It is a leading company in components production for engines and driveline: engine blocks, cylinder heads, exhaust/inlet manifolds, gearboxes, flywheels, camshafts, injection pumps is just a part of the wide range offered by our company.

CMD can control the entire working process of each component: the typical product manufacturing operations are obtained by the latest technology of milling, turning, testing, washing and control.

CMD has over 53 CNC machines of several sizes that allow a high level production and quality for each mechanical component. Among our main customers: AUDI, STELLANTIS, MAGNA, LAMBORGHINI, BUKH, BONFIGLIOLI, IVECO, FONDUM, SIRPRESS.



CHP SYSTEM EFFICIENT ENERGY USE

Electric and thermal energy are usually produced separately. For producing electric energy infact thermal power plants are often used: they release thermal energy at low temperature in the environment. For producing only thermal energy are used boilers that convert the primary energy (fuel), with high thermodynamics value into thermal energy of reduced thermodynamics value.

CMD SPA has **realized a CHP system, for producing electric energy and thermal energy**. It's intuitive how this system can produce **an energy saving determined from lower consumption of fuel**.

OIL RECOVERING

CMD SPA uses for its processes an oil separator, namely under-vacuum evaporators needed for the purification of polluting residues of water from industrial waste. Infact it's an equipment aimed to hold very polluted waste water. It causes evaporation and the next recondensation of water contained, from mixture of organically chemical and the achievement of condensed liquid with high cleanliness and concentrating solution containing polluting elements. This involves oil recovering with drastic reduce consumption of emulsified water.



CMD MARINE - FNM MARINE ENGINE / HYBRID SYSTEM

CMD SPA is involved in marine engines design and production. A wide range of In/Outboard/Jet/hybrid system are distributed worldwide under FNM Marine Diesel Engines brand. High quality materials and cutting-edge technologies ensure low fuel consumption thanks to certified ECUs and a high powerful/weight ratio with ultracompact dimensions compared to other engines.

FNM Green Future Vision

FNM has always focused its attention on environmental issues. The future has always been designed according to fuel economy and optimization of performances. It has been the first manufacturer to believe in the downsizing and to convert an automotive engine into a marine one at the end of 80's.

FNM engineers' team, in fact, dedicates more than 30% of its activities finding valid solutions for the emissions reduction and they have already developed systems which allow to further reduce gas emissions produced, aligning with the most restrictive values provided for automotive field. In 2011 we were the first company to present and produce a marine hybrid engine fully designed and developed in its R&S department: FNM HYBRID SYSTEM.

For over a year the HPE series complies with European and American emissions standards issued in 2017. The range MY2017 is enriched by "Green four-leaf clover" versions which focus on the respect of the environment not only for low emissions but also for using 100% recyclable components and materials.

100% recyclable components.



CMD ENERGY – ECO20X

The ECO line (ECO20x, ECOburner) uses the pyrogassification process and it has been developed according to Circular Economy, sustainability and environmental safeguard requirements. ECO20x is a microCHP system transforming wooden scraps (biomass) through a thermo-chemical process obtained at high temperatures and in absence of oxygen. The high technological and cutting-edge equipment, produces electric and thermal energy at the same time. The energy box, with its innovative design, can include both hopper and equipment in only one space, making it more efficient and compact. Thanks to ECO20x CHP system our efforts for the environment are embodied into a system able to produce green energy for everyone, now and in the future. With this technology, we allow to people, companies and communities to exploit its potential without concerning to cause a negative environmental impact or to reduce next generations opportunities.

CMD ECU – ELECTRONIC CONTROL UNIT

CMD provides solutions for electronic control of internal combustion engines (diesel and gasoline). An engineers team with over 15 years experience has developed ECU models (Electronic Control Unit) used for both diesel and gasoline engines. The strong partnership with leader companies in semiconductor devices production as Infineon, STMicroelectronics etc. allows to show on the market innovative and competitive solutions.



CERTIFICATION OBTAINED BY CMD

CMD SPA has always been committed to preserve high standards in products and processes through application and maintenance of Management and Organizational Systems in compliance with specific regulations of reference, internationally valid, obtaining in this way the corresponding Company Certifications.

Adopting a Management and Organizational Systems means defining achievable goals at first, so orienting the company towards achievement of them, defining criteria and working methods, namely applying procedures, working regulations and management software compatible with company purpose that has decided to pursue.

CMD CERTIFICATIONS

CERTIFICATION FIELD	CERTIFICATION AND REFERENCE RULE
QUALITY	ISO 9001:2015
ENVIRONMENT	ISO 14001:2015
AUTOMOTIVE	IATF 16949:2016
AVIO COMPONENTS DESIGN AND PRODUCTION	AS9100
AVIO ENGINES	DOA
AVIO ENGINES	PO



ELITE PROGRAM

In 2012 CMD, in cooperation with Borsa Italiana, began ELITE PROGRAM path ended in 2014 with the Certification emission. CMD, has become the only Basilicata company to receive this prestigious award. ELITE Certificate is the result of a two years path which CMD was involved into a special process of cultural and organization change and involved into depth analysis of its own industrial, financial and organizational skills.



WORLD CLASS MANUFACTURING

During 2014, in cooperation with FIAT (now STELLANTIS) was launched, in our plants, the World Class Manufacturing system, a structured and integrated production system that embraces all processes of the plant, from safety to the environment, from maintenance to logistics and quality, through elimination of workplace injuries by improving and implementing safety standards.

RATING AND ESG INDEXES

CMD is constantly committed in management and reporting of all ESG aspects, considering the rating agency assessments an important opportunity to improve its performance in terms of sustainability and defining specific action plans. In 2022 CMD obtained the Ecovadis silver medal and the A classification of the Supplier Assurance platform.

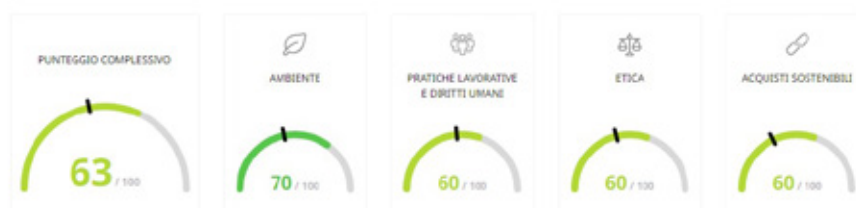
Scorecard

Data di pubblicazione: 14 apr 2022

[Visualizzare la scorecard](#)

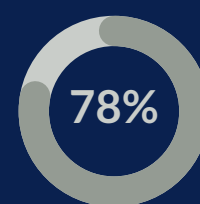


Congratulazioni, la Vostra azienda ha ottenuto una medaglia Argento come riconoscimento dei risultati ottenuti nella sostenibilità!



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 località	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 support a process for the implementation of a management system about gender equality as indicated in the UNI/PdR125:2022 standard. Over the years CMD increased the number of women in the company.

Due to difficult degree, it's important considering that our working operations require men more than women.

Our program is to return to the UNI/PdR125:2022 parameters by 2024, first of all transmitting what is our policy and developing and disseminating the theme of gender equality.

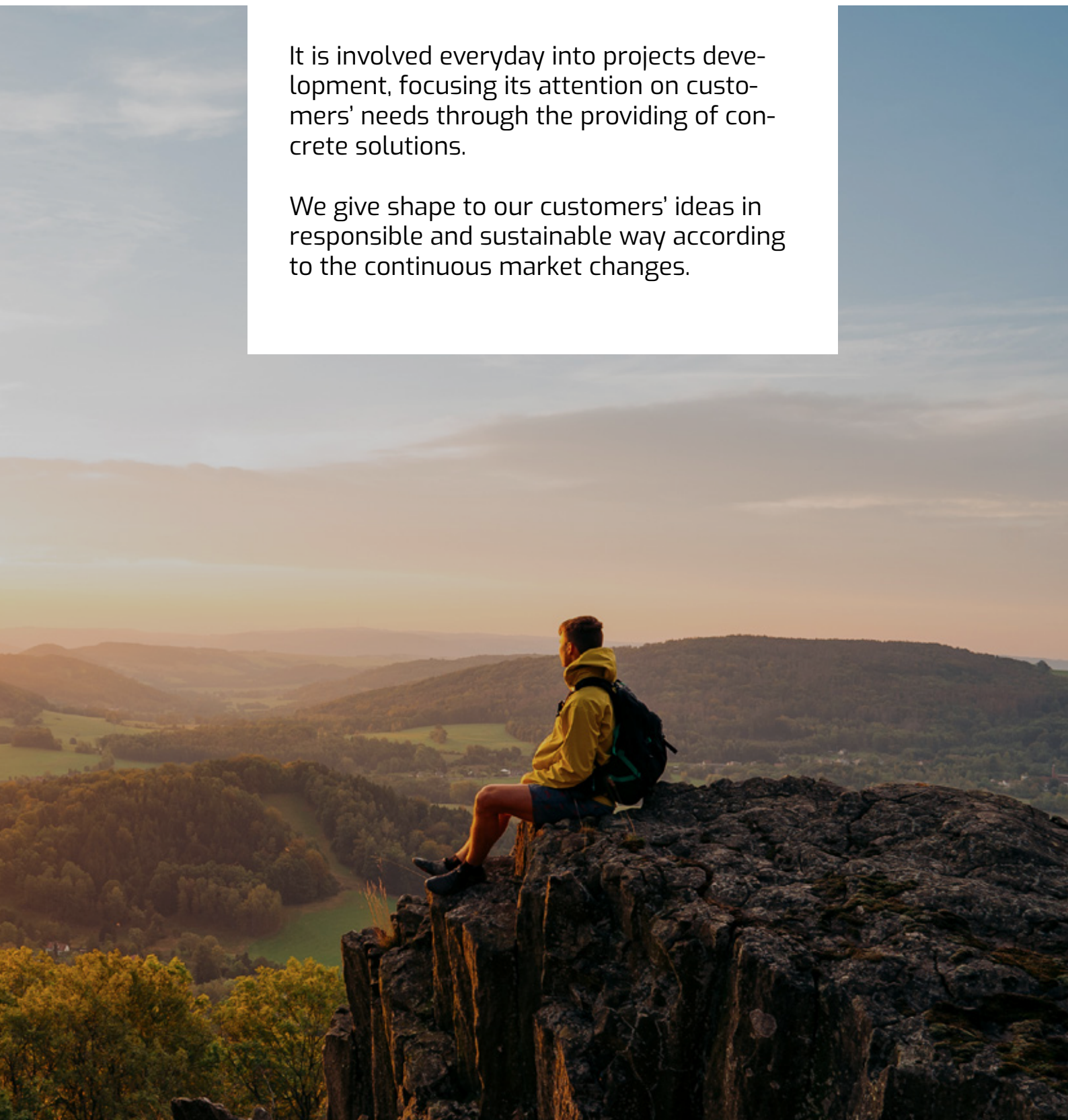
2.3 Our values

We look beyond.

CMD SPA BELIEVES IN CONSTRUCTIVE EXCHANGE OF VIEWS, IN THE SHARING AND IN THE PROMOTING OF PEOPLE GROWTH, RESPECTING THEIR FEATURES. OUR COMPANY GRANTS NEW IDEAS, SERCHING THEM WITH PERSEVERANCE.

It is involved everyday into projects development, focusing its attention on customers' needs through the providing of concrete solutions.

We give shape to our customers' ideas in responsible and sustainable way according to the continuous market changes.





Our values

EXPERTISE

We ensure appropriate responses to anyone needs. We have full knowledge of our products, for always being able to meet and surprise our customers.

INTEGRITY

We always act with fairness and integrity in compliance with the rules, environment and people. We honestly and consistently work to respect its commitments to the company and customers.

PASSION

We always put enthusiasm and energy in our activities. Our work is well done everyday thanks to our dedication.

DEVELOPMENT

We promote people growth in compliance with its attitudes within a safe and satisfying working place. We believe in the importance of well-being in a company, feeling part of a team.

INNOVATION

We optimize processes for improving products or making any positive change that can produce well-being inside and outside of the company.

Innovation always passes through tradition: experience and 90 years of history teaching are the basis on which planning the future.

TEAMWORK

We believe in exchange of views, in the sharing and transparency, important elements for increasing success and for achieving ambitious results. A welcoming company is synonymous with a company promoting collaboration.



3. Sustainability for CMD SPA



3.1 Our stakeholders

(list, choosing methods and involvement)

CMD SPA believe is important pursuit of its business goals considering its expectations stakeholders, identified as subjects able to affect Company activities and/or maybe affected by them.

Stakeholders involvement meet the requirements of:

- **Materiality**: to identify priority stakeholders and to know anyone expectations
- **Completeness**: ability to precisely and punctually understand stakeholders expectations than concrete issues
- **Compliance**: concretely meet expectations and worries expressed by stakeholders

In this regard, here below there is the mapping of main stakeholders categories:

Stakeholder	Objectives, instruments and communication channels
EMPLOYEES	<ul style="list-style-type: none"> • Training courses • Performance evaluation • Internal communication • Regular meetings • Meetings • Business initiatives
CUSTOMERS	<ul style="list-style-type: none"> • After sales support • Press releases • Web site
TRADE/EMPLOYERS UNIONS	<ul style="list-style-type: none"> • Regular meetings and union meetings • Participation in joint commissions
SUPPLIERS	<ul style="list-style-type: none"> • Qualification process and suppliers evaluation • Press releases • Web site
GROUP, SHAREHOLDERS AND INVESTORS	<ul style="list-style-type: none"> • Regular meetings and union meetings • Shareholders meeting • Investor Relations Activity
PUBLIC AUTHORITIES, INSTITUTIONS AND REGULATORY BODIES	<ul style="list-style-type: none"> • Meeting with Local Institutions and Public Administration • Audits • Press releases
RESEARCH AND DEVELOPMENT PARTNERS	<ul style="list-style-type: none"> • Collaborations and partnerships • Event and initiatives
LOCAL COMMUNITY	<ul style="list-style-type: none"> • Event and initiatives • Press releases • Web site

This approach allows to the Company to identify all stakeholders considered as priorities and to establish a strong and long relationship with them thanks to appropriate involvement activities that represent valuable moments of listening and dialogue for CMD by which gathering their needs and priorities.

3.2 Materiality Analysis

Materiality analysis is the main process underlying the Sustainability Report and its purpose is to identify and prioritize the material issues for CMD SPA. They represent all relevant issues to be object of reporting, because:

- reflect significant economic, environmental and social impacts of the Company, as well as policies and/or initiatives that Company introduced to reduced them (internal relevance);
- significantly affect decisions and evaluations of its stakeholders (external relevance).

In particular, materiality analysis has been realized through two main stages:

- identification of topics, aimed to identify potentially relevant sustainability issues;
- issues prioritize, through the evaluation of their internal and external relevance.

All potentially relevant issues to be submitted to an analysis have been established starting from the issues identified by CMD SPA, namely challenges that it has set for its growth and sustainable development, respecting people and environment, on the basis of following analysis:

- benchmark analysis: main issues analysis in sustainability field included in competitors and customer public reports;
- analysis trends of worldwide sustainability: mapping of main sustainability aspects considered by main stock exchanges that have issued guidelines for sustainability report, from sustainability rating, international institutions and government;
- pressure of sector analysis: mapping of sustainability aspects identified as important.

Concerning internal relevance, filling of forms to main company figures has been required in order to evaluate the importance of each issue, considering the Company impact related to issue and implementation of initiatives or specific actions for those impact management.

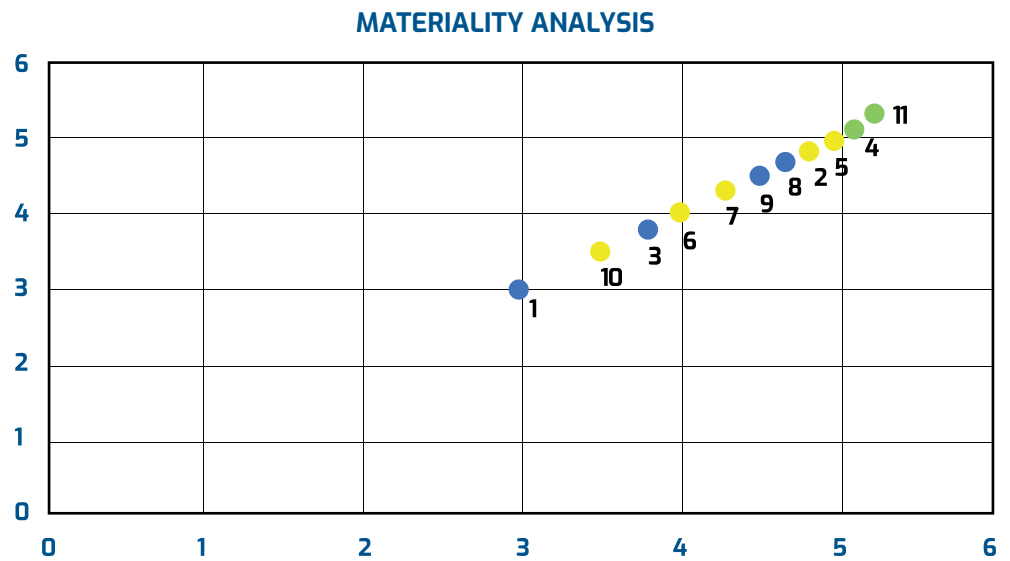
Moreover, internal relevance of identified sustainability issues considers the Company's will to enhance areas with wider scope for improvement and on which the Company may exercise direct control.

External relevance has been compared to internal relevance thanks to the exchange of information and feedback deriving from the daily strong relationship between company and its stakeholders, as well as sharing of values, vision and mission that characterize all CMD SPA operating.

The joint consideration of internal and external relevance has led to the materiality matrix building and to the identification of related material issues, on which the Sustainability Report 2022 has been focused.

The analysis led following results:

- the relevant issues both for Stakeholders and Company are "Workplace Health and Safety" "Quality and safety of products and services" "Environmental impacts reduction" "climate change fighting" consistently with production company in which it operates CMD SPA;



PEOPLE

- 2 ethic, integrity into business and compliance
- 5 health and safety on workplace
- 6 training and skills development
- 7 workers rights and gender equality
- 10 local communities support

PROFIT

- 11 generated economic value creation and distribution
- 3 esg factors integration in risk assessment
- 8 care of the service and customer satisfaction
- 9 Innovation and technological development

PLANET

- 4 environmental impacts reduction
- 11 climate change fighting

SUSTAINABLE DEVELOPMENT



3.3 Sustainability for CMD (2030 Agenda and SDGs)

In 2015 United Nations have approved the historical document **“Transforming our world: 2030 Agenda for Sustainable Development”** ratified by all UN 193 Member States; through it has been defined a guideline for a development strategy oriented towards sustainability, recognizing the connection between human well-being, natural systems health and common challenges for an intra-generational and intergenerational equity.

Within ONU resolution, better known as 2030 Agenda, have been defined the 17 Sustainable Development Goals, with relative 169 sub-targets.

The targets are interconnected because the three factors of development (Environmental, Economic and Social) cannot be separately considered but they must be faced with a systemic approach able to ensure an efficient management of complexity.

CMD is aware of influence, even indirect, that its activities can have on economic and social development and on general well-being of community, as well as the importance of social acceptance of communities which operate in. For this reason, the company want to lead its investments in a sustainability way, for environmental point of view, respecting local and national communities, supporting cultural and social initiatives in order to obtain an improvement of its reputation and social acceptance.



According with these principles and making special reference to achieved results from materiality matrix, here below there are Sustainable Development Goals that, in compliance with Ethical Code and by referring to document “Linking the SDGs and the GRI Standards”, are considered relevant for CMD SPA.

Sustainable Development Goals – Relevant SDGs for CMD SPA

CMD is committed to contribute to the achievement relevant SDGs with:

- reinforce supply chain of small and medium companies;
- partnerships in technological field;
- innovation processes;
- continuous improvement of products and solutions for society and environment.

OBJECTIVE SUSTAINABLE DEVELOPMENT	SDG DESCRIPTION	SDGS APPLICATION BY CMD SPA
 HEALTH AND WELL-BEING	ENSURING HEALTH AND WELLNESS FOR ANYBODY AT ALL AGES	The activities carried out by CMD SPA are managed in accordance with current legislation on the safeguard workplace conditions and the company is committed to ensure an appropriate workplace, both for safety and health of employees, using all those measures important to contribute at community development and wellness, reducing environmental impact of its activities.
 GENDER EQUALITY	REACH GENDER EQUALITY	CMD is committed to avoid all discrimination based on age, sex, sexuality, state of health, race, nationality, political views and religious beliefs of its interlocutors as well as any behavior aimed at propagating ideas based on superiority or racial or ethnic hatred, namely to instigate to commit discriminatory, national or religious ethical acts. Moreover, concerning resources management, during the recruiting process the company, not commit any direct or indirect discrimination based on trade union, political, religious, racial, language or sex reasons.
 INEQUALITIES REDUCTION	INEQUALITIES REDUCTION IN AND BETWEEN COUNTRIES	
 DIGNITY AT WORK AND ECONOMIC GROWTH	PROMOTING A DURABLE, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL PRODUCTION EMPLOYMENT AND A RESPECTABLE WORK FOR EVERYONE, ACHIEVING GENDER EQUALITY	CMD SPA ensures working conditions that respect the individual dignity and safety workplace. The relation with its interlocutors at all levels, must be marked by criteria and faithful, honest, collaborative and mutual respect behaviors through a constant and transparent dialogue. Only in this way is possible guaranteeing relationships continuity and cooperation for mutual benefit and sustainable growth from created value.

OBJECTIVE SUSTAINABLE DEVELOPMENT	SDG DESCRIPTION	SDGS APPLICATION BY CMD SPA
 RESPONSIBLE CONSUMPTION AND PRODUCTION	ENSURING CONSUMPTION PATTERNS AND SUSTAINABLE PRODUCTION	<p>CMD SPA puts great attention, commitment and dedication into its products manufacturing according to its Policy for quality, safety and sustainability. Company goal is to improve what already exists, to research innovation, to aim for the sustainable growth.</p>
 FIGHT AGAINST CLIMATE CHANGE	TAKING URGENT ACTIONS TO COMBAT CLIMATE CHANGE AND ITS CONSEQUENCES	<p>CMD SPA is committed to improve environmental impact of its activities and to prevent risks for population and environment not only in compliance with the current regulation but also considering scientific research development and best practices in the field.</p>

Sustainability Goals

In the way of making business, the sustainability of CMD SPA is an enabling factor for its long term strategy full integrated in the Business Plan.

Development guidelines, cross-over business, have been declined in specific operational commitments and goals.

DEVELOPMENT GUIDELINES		COMMITMENTS
GROWTH	Providing solutions focused on customer	Reinforcing the customer intimacy
COMPETITIVITY AND INNOVATION	Building strong and reliable supply chain	Reinforcing collaboration with suppliers as long-term partnership
		Sensitizing employees towards ESG issues in the supply chain
		Increasing responsible management of supply chain
	Increasing of collaborative innovation processes	Developing the innovation culture and balancing internal practices
		Promoting collaborative innovation
	Promoting eco-efficiency of processes	Increasing the commitment for fighting climate change
		Extending certified environmental management systems
		Improving natural resources management
PEOPLE AND PROCESSES	Being a company able to attract and promote the people talent	Investing on development programs and training
		Identifying and promoting present and future skills
		Helping generational change, ensuring the excellence in terms of expertise and competence
		Creating an inclusive workplace
	Promoting a responsible business model	Promoting responsible business practices
		Training consultants and commercial promoters
		Sensitizing employees on responsible management
		Reinforcing company perception towards investors and ESG rating companies

The Management, composed by first organizational levels, has responsibility to determine the goals about sustainability and to define related actions to implement. Business Unit Managers and all business roles help the implementation and the monitoring of specific initiatives.



4. A responsible Business Management

4.1 Code of Ethics

CMD SPA adopts a Business Ethical Code in compliance with Model of Organization ex D.Lgs 231/2001 that contains and defines all ethical principles and reference values that have to be the basis of activities of all people that work in the company, considering the importance of the roles, work complexity and responsibility entrusted them to pursue Company goals.

The addressees of this Code are members of Board of Directors, CEO and individual managers, employees, commercial and operative partners, consultants and collaborators with different title.

Values underlying the CMD SPA Ethical Code are:

- **health, safety and environment safeguard;**
- **clearness towards all related stakeholders;**
- **moral integrity, personal honesty and correctness in internal and external relations;**
- **social commitment;**
- **Rejection of any behaviour that, even if aimed to pursue a result that is consistent with Company goal, contain non-compliance with legislations and rules of conduct within the company**

The Ethical Code represents the business reference even in anticorruption subject and it has reported to all commercial partners and employees.

The knowledge and the severe observance of the Ethical Code by all professional figures that operate and/or work in CMD SPA, are primary and essential conditions for company clearness and reputation.

All activities that CMD SPA includes are carried out in the full moral and social responsibility awareness that company has towards its members, employees, consultants, commercial partners, PA and generally all figures connected by a cooperation relationship with the company, believing that the achievement of company goals must be in compliance not only with respect of specific company values but also with current legislation and general duties of honesty, integrity, fair competition, correctness and good faith.

4.2 Governance and internal organization

The material topic is wide because includes Corporate Governance and the CMD SPA focus on management performances and risk management through an accurate identification, evaluation and control of potential economical, social and environmental critical issues.

The topic also involves the responsibility for ethical business maintenance, for which CMD SPA, thanks to Ethical Code, aspires to higher compliance with integrity, conformity and ethical into company management.

At last, the personnel role is a key factor for CMD SPA that is committed to invest in the growth and training of its employees, in the implementation and development of initiatives for the company welfare and in a workplace guarantee which complies with regulations concerning health and safety for its workers.

CORPORATE GOVERNANCE

CMD SPA **Corporate Governance** system, consisting in all principles and instruments that control the Government of the Company by social authorities in charge, is governed by the following principles:

- **correctness;**
- **transparency;**
- **compliance with laws and with internal and external regulations of Company;**
- **separation of activities.**

CMD SPA **Corporate Governance** adopted system is in compliance with the provisions of laws, mainly directed to:

- **ensuring regularity of management operations;**
- **monitoring risks;**
- **full transparency towards Company Addressees;**
- **meeting the legitimate principles of Business Partners;**
- **avoiding all operation in prejudice of the creditors and other Addressees;**
- **respecting with labor laws and workplace safety laws, enhancing the human resources behaviour.**

The first institution of governance is the **Board of Directors (BoD)** that has delegated to the **Chief Executive Officer (CEO)** the strategic and business operational management.

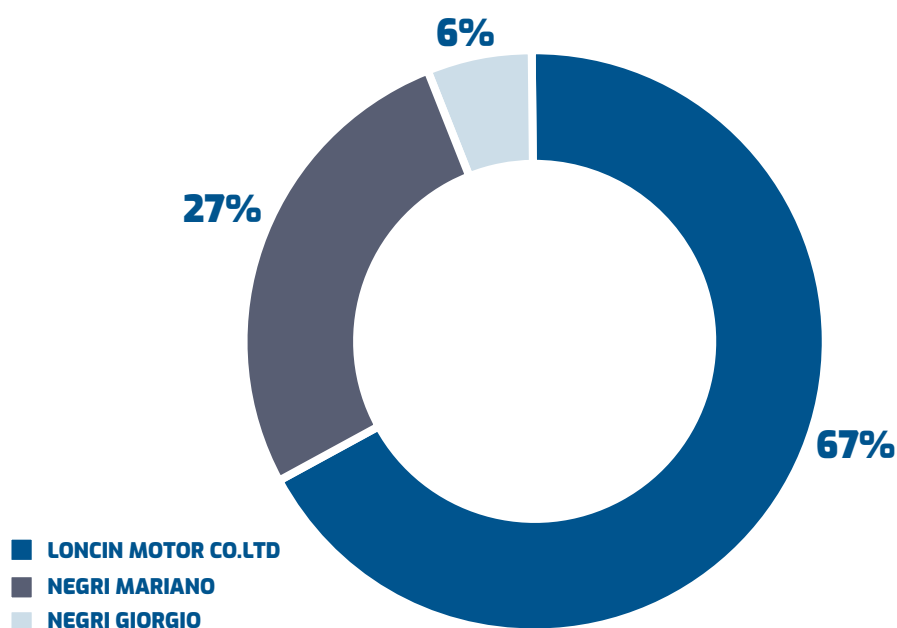
The **Chief Executive Officer** operates through the top management that carry out all business functions. Thanks to Management support CEO chooses and implements business and policies strategies. The Board of Directors is composed by non-executive members and a CEO that carries out all business management.

The Chairman of the Board of Directors has not executive roles and the appointment process of main governing institution is based on representation of shareholders related to its company share. CEO has chosen by shareholders based on its experience. The Board of Directors defines guidelines while CEO and Top Management enforces all that has been defined by BoD.

BOARD OF DIRECTORS MEMBERS

Name	Status
Huang Jingyu	Chairman of the Board of Directors
Negri Mariano	Chief Executive Officer (CEO)
Negri Giorgio	Board Member
Chen Jinwen	Board Member
Xin Sun	Board Member

DISTRIBUTION OF COMPANY SHARES OF CMD SPA



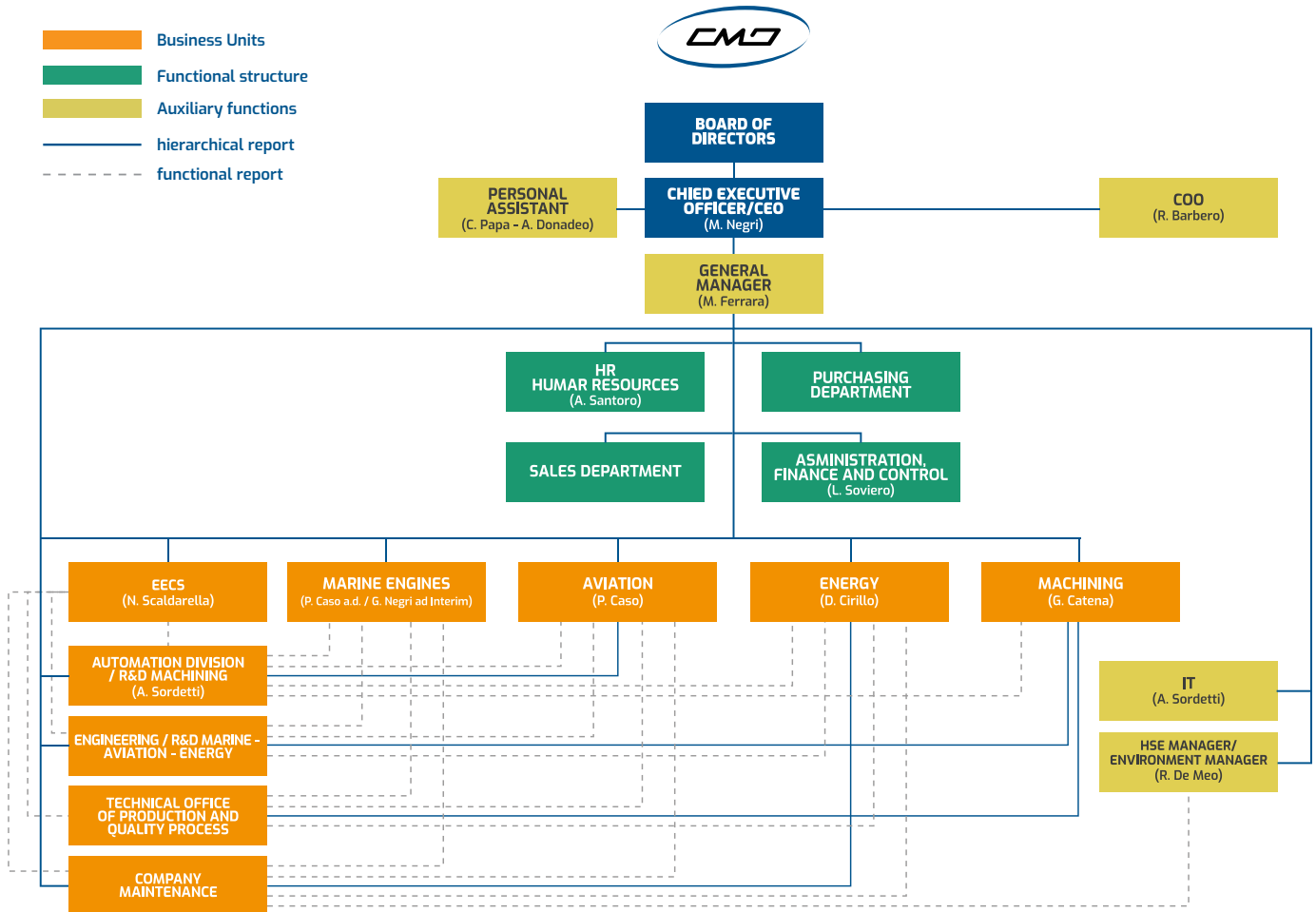
CMD SPA is a joint stock company, participated for **67% by Loncin Motor CO.LTD**, for **27% by Negri Mariano**, for **6% by Negri Giorgio**. The registered capital is € 16.829.887.00 and it is fully paid.

Corporate governance bodies of CMD SPA are:

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

The functional organizational structure is defined on the basis of operating functions, by which company carries out its activities as stated in the organizational chart.

ORGANIZATIONAL CHART



At the end of executive chain, anyone directly reported to the CEO.

CMD SPA is associated to the following organizations, strictly connected to our territory and company's products:

- **Confindustria Basilicata;**
- **A. N. F. I. A. Associazione Nazionale Filiera Industria Automobilistica;**
- **Assonime Associazione fra le Società italiane per azioni.**

4.3 Legal Compliance (anticorruption, privacy policy)

ANTICORRUPTION STRATEGY

Concerning the anticorruption topic, the main internal reference in regulation field is "Organisational and Management models (Legislative Decree 231)". In compliance with principles of legality, integrity, honesty and correctness reported in the Ethical Code, CMD SPA considers the respect of laws as fundamental principle, aspiring to higher integrity principles set out by professional ethics.

CMD SPA has identified potential risks areas, for violations against PA and corporate violations, and the strategies to anticipate any corruption with specific protocols.

100% of Board of Directors, executive staff, employees and workers have received a communication concerning CMD SPA policies and feasible procedures about anticorruption through publishing on the company portal and posting on a board reference document. Moreover, Company has also provided specific training about anticorruption and policies under Model 231 for executive personnel and employees depending on its role within organization.

ing in policy and anticorruption procedures

	MEN	WOMEN	TOTAL
MANAGERS	0	0	0
EXECUTIVES	8	1	9
EMPLOYEES	14	7	21
WORKERS	0	0	0

PRIVACY POLICY

CMD SPA adopts the most important precautions and safety measures concerning Personal Data Protection field, in compliance with applicable law.

Thanks to specific Privacy Policies use and internal documentation, information privacy, data held by CMD SPA and the regulations respect about personal data protection have ensured. The Company is committed into information protection related to its employees and third parties, generated or acquired into the company and into the business relations, in order to avoid any use of these information. CMD SPA has developed internal protocols for defining measures suitable to guarantee personal data privacy, constantly ensuring compliance with GDPR and Privacy Code (even through regular periodic internal audit), identifying Managers and subjects authorized to Data Processing. CMD SPA has completed compliance activities with the provisions related to EU Regulation of European Parliament and the Council of April 27 2016 n. 679 ("GDPR") related to protection of individuals with the respect of personal data and processing and free movement of those data and repeals directive 95/46/CE and Privacy Code referred to D.Lgs. 196/03 as amended by recent D.Lgs. 101/18. During reporting, data and information concerning customers have not been lost.

4.4 Supply chain

SUSTAINABLE MANAGEMENT OF SUPPLY CHAIN

Supply chain sustainability integrates competitiveness evaluation, analysing and considering the property's realization modalities and of the service support both in social and environmental field, and its global impact during the entire life cycle.

According to this theory and in line with sustainability principles used by CMD SPA a policy that regulates the relationships with suppliers structured in three chapters has been defined:

- **Business Ethics;**
- **Commitment towards sustainability and Control System;**
- **Green Procurement Policy that provides guidelines by which to define environmental standards of products/services provided.**

Green Procurement Policy

CMD SPA is aware of the positive contribution that a sustainable management of supply chain can provide for maintaining the environmental balance, and for this reason is committed to define purchase modalities that include intrinsic features of products and processes' aspects that limit the environmental impact and ensure initiatives aimed to waste reduction, re-use of resources and social aspects defence involved in procurement of goods, services and defined and used works to facing its needs.

Tackling this path, in green procurement field, for several years CMD SPA has used current Minimum Environmental Criteria, considering within its tendering procedures rewarding aspects as well, no mandatory but often crucial to guarantee maximum achievement of set goals.

CMD SPA is committed in its resources training in order that buying decisions are aimed to goods or services with sustainable features, encouraging in this way the development of specific sensitivity to those aspects. This gives value to companies of supply chain that have chosen to certificate them into quality, environment, safety and energy patterns, and reinforces contractual obligations to promote companies that prove to use sustainable criteria which investing in training about its employees safety and with ecological instruments for carrying activities in the belief that supplier reliability is essential for efficient supply chain.

Sustainability Commitmen

The intrinsic risk about some activities of the various sectors in which CMD SPA is involved, increased by recourse to outsourcing, has suggested instruments use of supply chain sustainability evaluation, in order to measure and to improve social and environmental sustainability level and the adherence to the principles made by CMD SPA. This evaluation is integrated into various assessments steps of the suppliers. For this purpose a method for Purchase Market classification has been defined, according to potential social and environmental risk related to them and most at risk ones, the selection of suppliers mostly significant as spending.

Through auto assessment survey, a first evaluation of suppliers has involved about 12 suppliers in the years 2020-2021. From March 2022, during Qualification phase company requires to its suppliers that operate in purchasing markets at risk sustainability to fill a form: its evaluation is used to enable registration in the Register of suppliers. The suppliers that do not pass the electoral threshold are not admitted to the Register. On site inspections campaigns to the suppliers identified with method described above and aimed to reducing the "no compliance" in relation to Social responsibility principles required by CMD SPA.

For this reason, a method for production plants inspection has been developed, through on site audits, use of a checklist based on international requirements and standards. The method provides the involved suppliers and sub-suppliers classification into 4 progressive rating ranges, from D (poor) to A (excellent). The detected non-compliance during the audit have been subject of a corrective action plan that defines the actions and time for their arrangement. The inspections areas are 10: child labor, forced labor, safety and health, freedom of association, discriminations, disciplinary practices, working time, payroll, workplace and ethic.

During this audit have been detected 9 non-compliance and all have been finished after successful outcome of corrective action plans agreed with the suppliers.

Business Ethics

During the definition of a responsible management system always more structured and widespread in its organization, CMD SPA believes that commercial relationship based on transparency and on business ethics can contribute to increase the efficiency of company processes and competitiveness.

In this perspective and in a natural connection with our Ethical Code is evident the need to define minimal ethical behaviors to which suppliers and partners must respect, as a part of contract terms.

Appropriate and simple guidelines have been drafted in order to formalize the expectations about issues of interest (child labor, forced labor, working time, payroll).

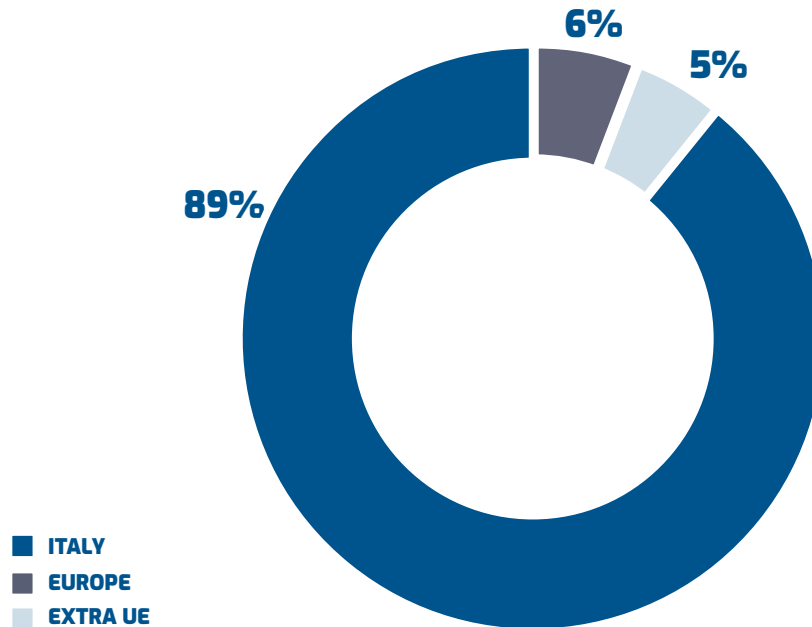
The presence of activities and/or suppliers at significant risk for child labour, forced or mandatory, are excluded, or its freedom of association and collective contractual can be considered at risk.

FEATURES OF SUPPLY CHAIN

Operative plants: ATELLA - CASERTA

Year	Number of suppliers	Origin	Distribution % of the origin
2021	63	56 IT	89% ITALY
		3 DE 1 SK	6% EUROPE
		1 CH 1 GB 1 TR	5% EXTRA-UE
2022	82	73 IT	89% ITALY
		4 DE 1 SK	6% EUROPE
		1 CH 2 GB 1 TR	5% EXTRA-UE

SUPPLIERS' ORIGIN



The number of suppliers in 2021 was 63, in 2022 this value increases of 30% thanks to the new projects and processes carried out by CMD.

Sub-division by Supply category

Year	Supply	Number of suppliers	% of total
2021	Raw materials	36	57%
	Services	1	2%
	Packaging	17	27%
	Transports	9	14%
2022	Raw materials (semifinished)	5	6%
	Raw materials (commercial materials)	30	37%
	Raw materials	15	18%
	Packaging (commercial materials)	13	16%
	Packaging (box)	9	11%
	Services	1	1%
	Transports	9	11%

For 2022 we have more information about data relating to raw materials divided into semi-finished products, commercial and raw material and on packaging divided into consumer packaging and containers. In this way we are able to provide more accurate data on our supply chain.

Conflict Minerals Policy

CMD support the fight against violence, human rights violation, environmental damage in mining and sales of some minerals (cassiterite, columbite-tantalite and wolframite from which derives gold, tin, tantalum and tungsten) coming from African area of the Great Lakes as called "Conflict Region".

The region includes Democratic Republic of Congo (DRC) and neighbouring countries. The profit from mining and sales of these minerals finance armed groups and contribute to inhuman treatment, as trafficking in human beings, slavery, forced labour, child labor, tortures and war crimes in the "Conflict Region". The U.S. Securities and Exchange Commissions (SEC) has prepared a norm about requirements detection and publication related to "Conflict Minerals" as indicated in "Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502" of 2010. The regulations require that manufactures have to communicate if their products contain "conflict minerals" that are "necessary to functionality or production" of those products.

CMD is committed to:

- Don't intentionally supply materials and products containing specified metals coming from mines and foundries of "Conflict Region" that are not certified as "Conflict Free".
- ensuring compliance with this requirement, requiring to its suppliers to undertake an appropriate evaluation process with their supply chains aimed to ensure that specified metals coming from only by:
 - or mines or foundries outside of "Conflict Region"
 - or mines or foundries that have been certified by independent third party as "Conflict Free", if they are located inside of the "Conflict Region".

CMD SPA updates every year information about its suppliers regarding the origin of minerals used into gold, tin, tantalum and tungsten production used for the manufacturing of components and products that use in its own production cycle. The goal is to ensure that within the products and processes acquired are used only materials and components "Conflict Free".

If presence of minerals extracted or treated has been noticed within structures NOT considered "Conflict Free" in any material, part or component acquired by CMD SPA, actions to make the product "Conflict Free" will be defined.

CMD SPA works to protect environmental balance in its sustainable management of supply chain.



5. Care for CMD Employees

5.1 Individuals

Human resources represent fundamental and essential ingredient for CMD SPA and its activities. CMD SPA promotes and ensures respect for the physical, moral and cultural integrity of the person. The company also guarantees working conditions that respect individual dignity and safe workplace, in which the fundamental pillars are trust and respect for the achievement of shared results.

As regards the composition of human resources, to 31 December 2022, CMD SPA has **246** employees, divided as shown in the Table.

Employment contract type	Men (n.)	Women (n.)	Total (n.)
Permanent contract	149	16	165
Fixed-term contract	0	0	0
TOTAL TO CONTRACT	149	16	165
Full-time	149	13	162
Part-time	0	3	3
TOTAL EMPLOYEES	149	16	165
Managers	0	0	0
Employees	42	12	54
Workers	107	4	111
TOTALE PEOPLE EMPLOYED	149	16	165
Contracts or other contracts type	74	2	76
Trainees	3	2	5
TOTAL STAFF	226	20	246

*In addition to the gender division (Man - Woman), CMD did not find "Other" gender specified by the employees themselves. Furthermore, 100% of the employees work in Italy.

As regards the composition of human resources, to 30 November 2021, CMD SPA counts **228 employees**, divided as shown in the Table.

Employment contract type	Men (n.)	Women (n.)	Total (n.)
Permanent contract	146	16	162
Fixed-term contract	0	0	0
TOTAL TO CONTRACT	146	16	162
Full-time	146	15	161
Part-time	0	1	1
TOTAL EMPLOYEES	146	16	162
Managers	0	0	0
Employees	42	12	54
Workers	104	4	108
TOTALE PEOPLE EMPLOYED	146	16	162
Contracts or other contracts type	59	2	61
Trainees	5	0	5
TOTAL STAFF	209	19	228

In 2022, 100% of employees has got a permanent contract (100% in 2021) and 98,18% work at full time (99,3% in 2021). Company also provides the opportunity of part-time job which affects the 1,81% of employees.

The composition for gender reflects the predominance of male labor force, due to job features in engineering field, but the commitment towards diversity has been translated into a constant increase in the female staff employed.

The evolution of turnover and new hiring is reported below (2022)

CATEGORY	GENDER	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
New hires	Men Women TOTAL	0	8	0	8
Entry turnover rate	Men Women TOTAL	0	4,85	0	4,85
Outgoing	Men Women TOTAL	0	4	0	4
Outgoing turnover rate	Men Women TOTAL	0	2,42	0	2,42

The evolution of turnover and new hiring is reported below (2021)

CATEGORIA	GENDER	<30 YEARS	30-50 YEARS	>50 YEARS	TOTAL
New hires	Men	1	11	2	14
	Women				
	TOTAL				
Entry turnover rate	Men	0	0	0	8,64
	Women				
	TOTAL				
Outgoing	Men	0	2	1	3
	Women				
	TOTAL				
Outgoing turnover rate	Men	0	0	0	1,85
	Women				
	TOTAL				

As regards the parental leave for employees, please refer to the following information (2022):

PARAMETERS	MEN	WOMEN	TOTAL
Total number employees that have received the right to parental leave	149	16	165
Total number employees that have used the parental leave	1	0	1
Total number employees that came back to work after the parental leave	1	0	1
Total number employees that are still employees after 12 months from the returning to the office after parental leave	1	0	1

Regarding the parental leave by employers, please refer to the following information (2022):

PARAMETERS	MEN	WOMEN	TOTAL
Total number employees that have received the right to parental leave	146	16	162
Total number employees that have used the parental leave	2	0	2
Total number employees that came back to work after the parental leave	2	0	2
Total number employees that are still employees after 12 months from the returning to the office after parental leave	2	0	2

Among the benefits recognized by the companies for their employees are mentioned:

- **Supplementary health insurance;**
- **Welfare plan;**
- **Lunch voucher;**
- **Threshold Bonus;**
- **Hourly flexibility in entry / exit of work;**
- **Granting of permits for medical examinations (regardless of the contractual ROL);**
- **Benefits for new parents, such as the granting of renewable part-time to new mothers for a maximum of three years from returning to office and an additional day of leave to fathers for the birth of a child.**

EXTRAORDINARY BONUS

In particular, in 2022 CMD decided to make an extraordinary contribution of 480 euros to an audience of 100% of workers. This has helped to expand and integrate the corporate welfare services already available and is intended to represent recognition for the results achieved in this complex period.

Attracting Talent People

In CMD SPA, all the activities related to the research and selection of human resources, in all different articulations, are managed in full compliance with the values of the Company, always guaranteeing equal treatment and opportunities and applying exclusively merit-based criteria in the evaluation of CV, avoiding any kind of discrimination. These principles are the basis of the "Recruitment Policy" that the Company applies during selection of new people and during internal mobility operations starting.

Always in search of the best talents, CMD SPA also participates in the main Career Days, collaborating in particular with the Universities of Naples and Basilicata.

Skills Development – Training

Training and continuous updating are two essential pillars that have allowed to CMD SPA to grow over the years. They represent essential values, important to acquire an autonomy of choice and to increase awareness of one's role and abilities. CMD SPA has always given great space to training, in all fields, and gives everyone the opportunity to attend seminars and courses, to participate in exhibitions, conferences and any other opportunity for discussion. For CMD SPA, people are the center of every activity.

The development of a company passes necessarily through the individual growth of the people who make it up and this has always been a fundamental point of CMD SPA. Today, more than ever, in a historically and economically difficult period such as this one we are living, it is necessary to go over: it is not enough to research and create the conditions for development, we must be the first promoters, to disseminate and share the paths undertaken and accomplished results. Development is an important value of CMD SPA and for this reason the growth of people respect of their attitudes becomes fundamental, while at the same time a safe, stimulating and rewarding work environment.

In this direction, in the company there are many and different sharing and training moments. The programs for updating team are compared with the different tasks and according to the different needs expressed by department managers for competence area. On the basis of the courses deemed suitable to satisfy the requests, training needs and the available budget, the company training plan is then elaborated.

The SARS-CoV-2 pandemic has resulted in a drastic reduction in the provision of training, in relation to the increase in smart working by employers and the difficulty of converting the actions envisaged into online mode.

Average hours of annually training per employee 2022

WORKER CATEGORY	HOURS MEN	AVERAGE HOURS MEN	HOURS WOMEN	AVERAGE HOURS WOMEN	TOTAL HOURS	AVERAGE TOTAL HOURS
Managers	0	0	0	0	0	0
Employers	1.114	26,52	2.340	195	3.454	23,18
Workers	4.480	41,89	214	53,4	4.694	293,3
TOTAL	5.594	37,54	2.554	159,62	8.148	49,38

The 2022 training plan provided for a total of **8,148** hours of training

Average hours of annually training per employee 2021

WORKER CATEGORY	HOURS MEN	AVERAGE HOURS MEN	HOURS WOMEN	AVERAGE HOURS WOMEN	TOTAL HOURS	AVERAGE TOTAL HOURS
Managers	0	0	0	0	0	0
Employers	534	12,71	681	56,75	1.215	22,5
Workers	12.394	119,17	675	168,75	13.069	121
TOTAL	12.928	131,88	1.356	225,5	14.284	143,5

In addition, an e-learning training platform has been created that allows fast and easy access to information, overcoming the concept of the classroom but also to respond to the pandemic still in progress, avoiding aggregations and guaranteeing in this way the health and safety of personnel. This platform, now focused on the Cyber Security GDPR development, can become for CMD SPA the basis of growth and dissemination of technological knowledge.

CMD SPA spends lots of time for training in e-learning mode, focused on dissemination and application of the Code of Ethics and the Organization Model, Management and Control ex D. Lgs. 231/01, which also contains elements on the subject of anti-corruption.

Ideas Factory

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

For years now CMD SPA has been promoting and implementing innovative activities that aim to improve the workplace and consequently the daily life of its employees.

Among the different initiatives, in 2019 it was introduced "THE FLOW OF IDEAS", a beautiful project that allowed all the staff, the most important part of the company, to give voice to their ideas in order to improve the quality of life within the company. All suggestions have been awarded, an important factor that made participation even more engaging.

CEO'S SUGGESTIONS FOR THE ENVIRONMENTAL SAFETY

A sustainable company is respectful of the environment at first. For this reason, CMD pursues virtuous activities and behaviors aimed at:

- **reduce polluting emissions;**
- **use renewable energies;**
- **reduce the environmental impact;**
- **contain the consumption of water and other resources;**
- **carefully dispose of waste;**
- **adopt circular economy solutions.**

The transmission of these values within the company is very important.

For this reason our CEO wants through meetings, training and information activities provide all CMD employees with the tools and behaviors to follow in order to always perform their activities more sustainable. We often forget how real change can come "from below", putting into practice small but precious daily actions that can, over time, protect the environment and the planet that hosts us.

10 small actions for saving the planet

1. Reduce water consumption
2. Walk in the city, or use bikes and public transport
3. Do not waste electric energy
4. Eat less meat and fish
5. Recycle more for producing less: respect the waste disposal applied by your company
6. Use less paper, do not print e-mail and documents if it is not necessary
7. Optimize the heating/cooling systems. Check the temperature in the working place and do not leave the windows open uselessly
8. Turn off and/or do not leave electronic devices, personal computers and monitors in stand-by
9. Turn off all lights in rooms and in bathrooms when there is the natural sun light and when the in the working place there aren't colleagues
10. Buy smart



5.2 Staff Health and Safety

CMD SPA gives great importance to the physical and moral integrity of its employees and collaborators as working conditions that respect individual dignity and safe and healthy work environments; the Company, therefore, ensures the dissemination and consolidation of a culture of safety of workers in the workplace, developing awareness of risks and promoting responsible behaviors on the part of all personnel.

All employees, in their activities' field, participate in this process of risk prevention and protection of health and safety towards themselves, colleagues and third parties. In particular, the Risk Assessment Document is available within the terms and in the modalities provides by current law.

The employer and company figures with hierarchical and functional powers must ensure, or arrange for third parties acting on behalf of the Company, to comply with the provisions in force and in general the provisions contained in D.Lgs. n. 81/2008.

The corporate bodies and the Employer must ensure that the Company has an organizational structure such as to ensure a clear subdivision of tasks and obligations regarding health and safety in the workplace, formally defined in accordance with CMD SPA Code of Ethics organizational and functional of the Company and with the regulatory and legal prescriptions, starting from the Employee and the Managers up to the single worker. All addressees of the obligations regarding health and safety in the workplace must comply with the company procedure and general protection measures provided by the company.

In case of entrusting, by the Company, of work contract to third parties, the Employer and Managers promote cooperation and coordination developing a single risk assessment document that indicate the measures adopted to eliminate or reduce the interference risks.

The guiding principles on health and safety for all its Companies

CMD SPA articulates these principles on the "Policy for the environment, health and safety" that, for each site, it specifies the "Mission" of the Company in health and safety field and the guidelines to follow, as well as commitments and goals to be achieved. To pursue these goals, towards continuous improvement.

Since 2014 the Company is involved in WCM system (World Class Manufacturing), a method of 10 Operational Pillars and 10 Managerial Pillars, which aims to integrate management of all production aspects of a company organization, with the aim of waste reduction, non-value-added activities, reduce waste, increase efficiency and reduce or even eliminate ACCIDENTS AT WORK and OCCUPATIONAL DISEASES.

The application of the WCM in safety at work field has its main goals:

- **Reduction/elimination of workplace injuries and occupational diseases**
- **Reduction/elimination of absenteeism**
- **Improvement of work areas and spaces**
- **Improvement of the relationship with employees**
- **Greater company involvement of management and employees**
- **Process of integration and sharing of goals**

To encourage a continuous monitoring of possible workplace dangers, in line with current regulations (specifically with 50 del D.Lgs. 81/08 e s.m.i.), the Workers' Health and Safety Representative (in Italian RLS) carries on periodical inspections to detect and then report the relief to the Head of the Prevention and Protection Service (HPPS).

During the general and specific training, workers are informed that in case of danger or serious situations they can leave the workplace and notify the person in charge of the dangerous situation (State-Regions Agreement of 21/12/2011). The person in charge is aware of the fact that he cannot work if the dangerous situation persists (training for supervisors, State-Regions Agreement of 21/12/2011). The policies for removing employees from the workplace are contained in the Emergency Plan, which provides for the non-return to normal activity in the event of the persistence of dangerous conditions.

For person in charge is available a form to fill in case of accident, near- injury and injury: it allows the analysis of the causes, the proposal of solutions for avoiding the recurrence of the damage and the actions to implement solution proposals. This form is shared with the HPPS and Security Manager. The physician in charge, in his role of responsible in occupational health services, carries out the annual inspection to check the environments and work activities, in order to collaborate with the employer and HPPS in the identification of dangers and in the risk assessment. Furthermore, health surveillance is proposed as a method of acknowledging workers' reports of any dangers present.

Suitability judgments delivery to the employer becomes the moment of communication of any indications of present dangers. The periodic meeting is the moment in which the physician in charge contributes to the minimization of risks. The organization sends all workers that are subject to health surveillance and annually plans the inspection of the physician in charge. Workers can also request supplementary visits in case of a health conditions changes or working conditions, a request that is always granted.

From March 2020 there is also a formal committee composed by management and Trade Unions representatives for the management of anti-infection protocol provided by DPCM of 14/03/2020, 24/04/2020. This committee has the purpose of indicate the adoption of measures to minimize infection in the workplace and verify the application of the measures adopted; committee meets on a weekly time.

To promote the development of a safety culture both in 2020 and 2021, a campaign was conducted aimed a training and informing all workers according to the tasks and equipment used, any critical issues and reports from workers.

Smarter dispensers for a safer workplace

In collaboration with a DPI supplier company, Atella plant has installed different automatic distributors, configured and connected according to a 4.0 Industry logic, in all production departments. Each distributor contains devices necessary for the department (such as gloves, goggles and masks). Workers can pick up materials, in quantity and type, by reading the personal badge. The system allows to manage the consumption and the product flow, thanks to an interface with the supplier that guarantees the re-supplying.

Work injuries – Employees Category 2021

PARAMETER	ATELLA		CASERTA	
	2021	2022	2021	2022
NUMBER OF RECORDABLE WORK INJURIES	1	2	0	0
OF WHICH, NUMBER OF DEATHS FOLLOWING ACCIDENTS AT WORK	0	0	0	0
OF WHICH INJURIES AT WORK WITH SERIOUS CONSEQUENCES (EXCLUSION OF DEATHS)	0	0	0	0
HOURS WORKED	126.650	183.696	67.930	74.645
RATE OF RECORDABLE WORK INJURIES	7,90%	10,8%	0%	0%
RATE OF DEATH DUE TO ACCIDENTS AT WORK	0%	0%	0%	0%
RATE OF SERIOUS INJURIES AT WORK	0%	0%	0%	0%
IDENTIFY MAIN TYPES OF ACCIDENTS AT WORK	Distraction	Missed respect of the procedures		

The company also notes that there is no evidence of occupational diseases.

COVID-19 EMERGENCY

From 2020, starting year of the pandemic, CMD has adopted all anti-infection measures provided by national and regional current regulations.

The company has adopted specific measures aimed to:

- To prevent risk and infection for workers in order to allow the continuation of activities but in compliance with their safety;
- To act promptly on possible cases of infection.

CMD, for this purpose, has made effective the measures of the shared Protocol for updating the measures to combat and contain the spread of the SARS-CoV-2 / COVID-19 virus in the workplace issued by the government. The 13 points that constitute the protocol have been managed as follows:

1 - Information

The information on the provisions issued by company has been ensured through the drafting of different Documentations (Covid operating procedures, employees information, external supplier information) disseminated via email and posted on the notice board of all business units. At every update of the reference regulations, CMD informs the workers in a precise and timely way. This information also takes shape through the signs spread throughout the company.

2 - Company access modalities

The company through reception staff, regulates access to the company in the modalities provided through:

- Display and validity check of green pass via App Verification C19;
- Temperature control through the use of a thermoscanner placed at the entrance;
- Use of mask requirement;
- Social distance at least 1 m;
- Hands sanitification by the use of different dispensers.

3 - External suppliers access modalities

For the access of external suppliers, CMD uses the same access criteria of employees already informed through specific company documentation sent by email.

4 - Cleaning and sanitizing

CMD provides for the cleaning and disinfection of all company environments at the end of each working turn, thus allowing a high standard of workplace hygiene especially in the common working areas. Sanitization is carried out periodically by specialized cleaning personnel.

5 - Personal hygiene measures

The personal hygiene measures adopted by CMD are those defined by the Ministry of Health to prevent infection and limit the risk of spreading the virus. The collaboration and commitment of everyone to observe these rules is essential.

6 - Individual protection devices

Company provides personal devices of protection to its employees (medical masks, FFP2, gloves) and defines correct modalities of disposal of the same.

7 - Management of common working areas

In the management of the common spaces, the risk of infection is mainly due to the aggregations, therefore CMD has adopted a series of preventive measures such as: evaluation of the work environments, staggered entrances, reduced parking time, sanitization, regulation of entrances and exits through the installation of a traffic light.

8 - Business organization

As required by national legislation, where possible, company adopts smart working according to the type of job.

9 - Employee incoming and outgoing management

Employee entry and exit management is regulated by following points 2 and 7 of the protocol.

10 - Travels, meetings, internal events and training

CMD manages the movements of personnel for business trips (national and foreign) following the national directives of reference and adopting specific measures (nasal swabs, quarantines etc.) where required, always considering the state of emergency of the nations involved in the transfer. Meetings and training are managed according to the participants and the epidemiological emergency remotely or in presence, respecting all anti-contagion measures (masks, social distancing 1m, hand sanitation).

11 - Management of a symptomatic person in the company

CMD has adopted guidelines about what to do in case of a symptomatic person in the company.

12 - Health surveillance / doctor in charge / RLS

CMD is constantly in contact with company doctor in charge and RLS for integrating and proposing all regulatory measures related to COVID-19.

13 - Update of the regulatory protocol

CMD has provided for the establishment of a Committee for the application, verification and updating of the reference corporate documentation. This Committee is composed by Management, HPPS, doctor in charge and RLS with the participation of the company trade union representatives. The group communicates through IT tools, is aimed to analyzing the evolution of the epidemiological situation in order to evaluate the measures to be implemented.

The company has been object of verification by the LHA (Local Health Authority) inspection staff and Labor Inspectorate concerning the adoption of the measures described above. The inspection has given positive result, an important factor that indicates how CMD efficiently and effectively knows face an emergency that is still ongoing today.



**6. Innovation, Quality and
Safety of products**

6.1 Quality and safety of products

Ever since it was established, CMD SPA has always nurtured an important culture of quality in its plants. For this reason CMD SPA, through a centralized governance model, defines the policies, procedures and guidelines about quality of the products and services that every Nation must adopt.

In this context, CMD SPA articulates these instructions in its activities field. In every plant there is a quality manager that manages the activities of the dedicated teams and ensures that all the provisions defined for the company have been implemented, always considering all features of the places in which it operates and the specific needs of its customers. Managers of quality field are also responsible about the final validation of new products to be placed on the market and the possible discarding of products that are not in compliance with all defined quality standards.

For giving demonstration of the high quality standards achieved, CMD SPA has a certified quality management system ISO 9001:2015 in all plants. As response to requests of automotive industry, Company has adopted a certified management system IATF 16949:2016 for its production plants, a standard developed and managed by International Automotive Task Force (IATF) which provides for specific related requirements to the automotive field, with the aim of creating common processes and procedures in all sector. For the avio field, the company is certified AS9100 relating to the specific requirements required by Authorities and manufactures of the aerospace field. These certifications, through periodic checks by an independent third authority, allow to activate a process of continuous quality improvement in its activities context.

6.2 Innovation for continuous improvement

INNOVATION

For CMD SPA the innovation is a priority that has always been characterizing the company since its establishment, an important process that starts in the offices and takes shape in production. As already mentioned, Company's goal is committed to improve the already available, seek innovation, aim to sustainable growth. CMD SPA production is able to gather inspirations and suggestions, taking the good in every idea, giving shape to everyone of them and capitalizing on the value of the entire team. Every activity has always been performed considering the quality factor, an important element that the company ensures with cutting-edge processes and systems, able to guarantee product safety also thanks to a high level of automation. But in CMD there is no innovation without tradition: the experience gained in over 90 years of history is a solid root on which push for planning the future. An important heritage on which deduce continuous ideas for improving, but also to satisfy and anticipate all requests of tomorrow. For increasing value, a continuous dialogue between innovation and tradition is necessary, often anticipating the changing. CMD SPA goal has always been to be competitive on the market, taking advantage of the transformations taking place.

In CMD we are careful observers, we analyze the trends and the evolution of the world by focusing on the man-environment relationship. The decarbonization in transport field is a topic very important for us, it has long time and will require an enormous effort in Italy. CMD is ready to contribute, it will be there our next challenge.

Our intent is to push on innovation and promote the sustainable mobility: all advantages that can be achieved by switching from the use of fossil fuels to fuels from natural renewable sources are great and countless. CMD is working on developing high-performance green solutions, investing in the development of a hybrid power unit to match both with diesel and gas engines for the Industrial market, for urban and marine mobility. Thanks to the partnership with the Italian Ngv Powertrain a mobility project is being carried out which will be important in reducing emissions immediately.

"We want to be at the service of the market with innovative ideas and more, waiting for the actions of big companies to join with them. Our intent is to create innovative projects to allow large OEMs to find a partner that can help them in growth and production. The time to wait is over: in Italy needs ideas and entrepreneurs ready to follow them".

The extreme urgency of the energy transition

In this context, we cannot ignore the energy transition, which is in a necessary acceleration caused by the geopolitical dynamics underway. As long-term strategic direction period (by 2030), the energy transition and the lower use of fossil fuels are becoming increasingly stringent requirements. Also for this in CMD we have decided to help companies, but also territories and PA, in this difficult but necessary situation path of decarbonisation and energy transition. We do this by proposing ourselves as a long-term strategic partner, thanks to a platform of services, technologies and skills unique on the market.

Each of CMD 5 Business Units, Machining, Avio, Energy, Marine, Electronic has - in its own field but connected with the others - the specific skills to promote the transition from non-renewable to renewable energy sources. Skills, that all together, pursue the same goal: change mobility and the world of energy for the environment safeguard.

Innovative Projects

INNOVARE

INNOVARE project aims to provide an innovative cogeneration system that converts biomass into energy, which can be directly used near the points for wooden waste disposal or production sites. This is an important solution for problems of disposal and agro-industrial residues.

Every year local administrations have to pay for the biomass disposal: thanks to INNOVARE project, biomass can become value for combined production energy, heat and refrigeration for decentralized users, often site of obsolete energy systems, responsible for high emissions of greenhouse gases in the atmosphere.

CMD has a "pilot" project in Laurino city (Salerno, Campania) in collaboration with the Company EPM, Institute for Research on Engines and Consiglio Nazionale Ricerche (CNR).

PROMETEO

PROMETEO project goal is to create an innovative micro-polygeneration unit characterized by high energy efficiency and a low environmental impact, flexible and reliable, which could potentially be powered by residual waste from different sectors.

The system that derive from the project has all features to become a renewal model for the management and reuse of process by-products, at the same time obtaining a reduction in costs associated with disposal. CMD carried out this project at the disposal site of Mugnano (Naples, Campania) in collaboration with EPM company, Consiglio Nazionale Ricerche (CNR) and Parthenope University.

SIMPA

SIMPA project is aimed to develop innovative technologies to expand the CMD engine offer on piston aircraft engines based on CMD22 and GF56 prototypes. The program provides for the development of systems that contribute to varying degrees to increasing the efficiency of propulsion systems based on piston engines in aeronautical and or making them more "smart". In particular, 5 realization goals are envisaged: (find the table on the company profile, please see SIMPA project). In addition to the mentioned activities, CMD has inaugurated following research lines relating to the following development guidelines and failing within the scope of the PON Grandi Progetti del Ministero dello Sviluppo Economico, whose applications have already passed the negotiation phase and are waiting to be definitively approved by means of the related concession decrees, the issue of which took place in February 2018, the total costs of which ere approximately € 6.8 million financially supported by public subsidies equal to € 4.2 million.

IMARE

The project consists in development of an hybrid marine propulsion system that allows boats to sail with zero emissions, in protected areas, including those of tourist interest, or dedicated to organic fish farms. The presence of an electric engine and on-board energy storage system allows an impact reduction on the surrounding environment and an increase in propulsion efficiency compared to traditional engines. The project pursues business development goals that can be realized through the proposal of an hybrid thermal-electric propulsion system with the creation of a demonstrator based on a boat up to 10 meters long. The technological solution proposed in this project will be characterized by low costs, reduced consumption and low polluting emissions. The projects can be of various kinds and therefore include development of new products, new references or the variation of recipes to meet the needs of consumers or respond to market suggestions, make the production system more efficient by reducing the consumption of raw materials, modify recipes to optimize production.

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

DIPROVEL

DIPROVEL (Dimostratore Tecnologico di un Sistema di Propulsione Ibrida Aeronautico per applicazioni su Velivoli Leggeri) aims to create an hybrid configuration always assuming a CMD aircraft engine as its baseline. The project involves construction on an innovative high-power density electric machine that can deliver a significant torque compared to the heat engine one. The hybrid-electric system will have a total power over 130 KW of which about 40 will be supplied by the electric machine. This configuration, for missions with repeated descent and ascent phases (parachuting, fire extinguishing, flight schools, etc.) allows considerable savings (up to 20%). The goal of the project is testing and validating the electric system in flight on the Cessna twin-engine aircraft.

In particular, 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.

CMD EVENTS 2022

CMD actively participates in exhibitions and events for sustainable mobility and energy efficiency.

Only some of our participations:



KEY ENERGY 2021: CMD attended the international exhibition about renewable energy, energy efficiency, urban regeneration and sustainable mobility, to show the latest version of ECO20x, our CHP system powered by biomass in the soundproof version, and ECO burner, the only gasification boiler powered by residual wooden biomass and ECOH2O, the new system for the production of green hydrogen.



Cannes Yachting Festival FNM in collaboration with SALPA shipyard and AS Labruna (our exclusive distributor for Italy) has shown our 42HPE BHS Hybrid powertrain on a boat in the water.



IAA Transportation 2022. CMD has shown at exhibition of Hannover, systems and technologies for green and sustainable mobility. At the center of attention: hybrid (endothermic-electric) propulsion systems in the fields of propulsion for pleasure boats and general civil aviation, hydrogen powertrains and new digital solutions to make more connected vehicles and operations of more productive and efficient logistics.



NeaPolis Innovation Technology Day. CMD has shown the prototype of BMS (Battery Management System). The BMS estimates SoC (state of charge) and SoH (state of health) of the battery pack, to increase battery life and efficiency. Among the features of this technology there are modularity and the accuracy of the SoC and SoH estimation of the battery pack.



Aeromart Toulouse 2022. CMD Avio at the 14th edition of Aeromart Toulouse to show the CMD18 engine, suitable for ultralight aircraft for the VLA, LSA, CS-22 range. This type of engine is highly innovative, with a low environmental impact and a high operating time.



Genoa International Boat Show. FNM has shown its brand as the only one offering a complete range of diesel/hybrid engines with powers ranging from 13 to 25 kW in electric mode.



SNIM boat show. CMD in Puglia with AS Labruna to show the innovative powertrain FNM hybrid. During the entire period of exhibition an exciting test on the boat (Salpa shipyard) equipped with FNM hybrid system wait for visitors on board.



METSTRADE di Amsterdam FNM has shown the 13HPE BHS 48V engine, a powertrain with successful features: our engine, infact, has the best weight/power ratio, in addition to very low fuel consumption; thanks to the electric system it is suitable for navigation in the canals and protected areas.



VENICE BOAT SHOW. FNM at important exhibition in Venice for showing the hybrid system entirely designed and developed by FNM.

The visitors have seen the excellent performance, the "zero emissions" and the low noise levels of the FNM Hybrid installed on different boats present at the exhibition, both private and institutional, such as:

- GdF patrol boat
- Veritas boat
- Carabinieri taxi
- ECO 850 Hybrid taxi
- DP7 CASANOVA taxi



Nautic Sud in Naples. FNM with AS Labruna at Mostra d'Oltremare in Naples for showing the 13HPEP ready to fit to Mercruiser AlphaOne and all range of FNM marine engines.



Athens International Boat Show. FNM attended the exhibition thanks to FNM official Greek dealer (FNM Greece) for showing the range of diesel marine engines, also available in the Hybrid version.



CNR Eurasia Boat Show. Thanks to our official dealer for Turkey "MCI Propulsion & Energy", FNM attended the second largest boat show in the world, presenting the complete range with FNM Diesel marine engines, also available in a hybrid version.



Electric and Hybrid Marine Expo. FNM Hybrid system at one of the most important international exhibitions about marine electric and hybrid technologies. The appointment with the Electric and Hybrid Marine Expo in Amsterdam is also planned for the year 2023.

Research

CMD, in collaboration with **STEMS (Istituto di Scienze e Tecnologie per l'Energia e la Mobilità Sostenibili)** and the **Department of Industrial Engineering of University of Naples Federico II** has written a new scientific paper on the design and management of an innovative hybrid thermoelectric propulsion system for the nautical field.

It will be published in **"Energy Conversion and Management"**, edited by Elsevier, one of the most important international scientific publishing houses.

The paper, entitled **"Model based optimal management of a hybrid propulsion system for leisure boats"**, describes through the case study of a leisure boat, which is used for passenger transportation in touristic areas, how the introduction of innovative hybrid solutions has been revolutionary for the sailing and how it has been indispensable for the reduction of greenhouse gas emissions.



7. Environmental sustainability

7.1 Environmental performance

(water resources, energy, atmospheric emissions, waste)

We are on the side of the environment.

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

At the basis of its work, CMD SPA puts the respect for current environmental legislation and, in particular, what is reported in D.lgs. 152/2006.

In full accord with the commitment of pursuing continuous improvement, the environmental performance of CMD SPA have reached levels of excellence in recent years, also thanks to the application of organizational models based on the application of certified management systems as required by UNI EN ISO 14001, the use of best available technologies and continuous use of training and raising awareness of employers and external companies.

Since 2013, a process had been launched with the aim to improving data processing and information necessary for the annual Sustainable Reports. To date, Company continues on this path, collecting continuous improvements.

From an environmental point of view, CMD SPA, in order to to decide to progressively limit the impact on the environment, acts on:

- **Atmospheric emissions**
- **Waste**
- **Energy**
- **Water resources**

All identified environmental impacts are managed through:

- **Clean technologies, namely with a reduced environmental impact compared to those annually used for the same purpose;**
- **Energy saving;**
- **Energy supply from renewable sources;**
- **The recovery of production waste;**
- **Changes to packaging (packaging material) to make it less impactful, for example by reducing the weight of packaging and using reusable ones.**

All this communicating not only externally, highlighting the environmental interventions carried out and the improvements obtained, but also within the company.

In fact, a policy is carried out aimed at raising awareness workers about environmental issues, so that they can become aware of the usefulness that many objects still have in a common perspective of shared eco-sustainable choices.

To this end, the Company:

- Defines plans and operational programs that respect the environment in all the activities it carries out;
- Manages its plants through the effective use of energy, materials and natural resources, pursuing the reduction of environmental impact, waste and where possible, the use of renewable resources;
- Is aware of the fact that preserving the quantity and quality of water is not just an environmental problem but a challenge that embraces the entire economic and social system and, therefore, is committed to responsible management of water resources;
- It sets environmental goals and monitors the progress made;
- Is engaged in educational actions for its collaborators as long as the above principles are pursued everywhere and by all levels of its structure.

Finally, in order to guarantee all above described in a structured way, an Environmental Management System compliant with ISO 14001 has been implemented.

The passing of the verification of the integrated environment and safety management system in accordance with UNI EN ISO 14001 standards with the RINA institution is confirmed also for 2022.

WATER RESOURCES

The water consumption of CMD SPA is mainly attributable to the heat exchange processes that take place in the production chain. The water comes 100% from the public network.

In 2022, water consumption of Atella plant decreased by 6% while in Caserta headquarters it remained constant.

WATER CONSUMPTION PER OPERATING UNITS

SOURCE WITHDRAWAL	UNIT OF MEASURE	2022		2021	
		ATELLA	CASERTA	ATELLA	CASERTA
WATER CONSUMPTION	m ³	6.929	442	7.392	440
TOTAL WATER CONSUMPTION	m³	6.929	442	7.536	440

Our plants are all equipped with a waste water collection system which domestic and industrial waste water to a single outlet pipe. Consistent with the provisions of the AUA Single Environmental Authorization, the company monitors the discharges which. With reference to the various parameters measured, occur continuously or at different intervals.

ATMOSPHERIC EMISSIONS

Concentrations of atmospheric emissions

The atmospheric emissions of CMD SPA are generated by present chimneys of them. Precisely they concern Particulate (PM) which translates the set of TSP (Total Suspended Particles) total powders. There are also Nox, SOx, SOV and COT. All parameters are checked periodically and in the reporting year fall within the limit values established by law.

CATEGORY OF ATMOSPHERIC EMISSIONS	UNIT OF MEASURE	REFERENCE VALUE
NOx	mg/m ³	33,1
SOx	mg/m ³	8,3
Particulate (PM)	mg/m ³	1,34
SOV	mg/m ³	1,34
COT	mg/m ³	12,6

WASTE

The waste produced in CMD plants is classified as urban waste (similar), special toxic waste and special non-toxic waste according to the type and origin. The type of disposal for the waste generated in the plant has chosen in compliance with current legislation and in order to minimize potential environmental impacts.

We continue using electronic waste traceability control system (SISTRI) as required by the Ministry of the Environmental and Land and Sea Protection.

Since 2017, particular attention has been paid to separate the waste through a careful selection of them produced by the company.

WASTE PRODUCED BY OPERATING UNITS

TYPE OF WASTE	UNIT OF MEASURE	2022		2021	
		ATELLA	CASERTA	ATELLA	CASERTA
NOT TOXIC	t	971,41	4,1	922,48	14,77
TOXIC	t	119,78	1	163,53	0,55
TOTAL WASTE PRODUCED	t	1091,19	5,1	1086,01	15,32

As can be seen from the results reported, most of the waste are mostly made up of no-toxic waste. In particular, in 2022, no toxic waste are 89%, while toxic waste are 11%.

TOXIC AND NO-TOXIC WASTE FROM ATELLA-CASERTA DESTINATION

TYPE OF WASTE	UNIT OF MEASURE	2022	2021
NO TOXIC	t	975,51	937,25
RECOVERY	t	975,51	937,2
INCINERATION	t	0	0,05
DISPOSAL	t	0	0
TOXIC	t	120,78	164,08
RECOVERY	t	113,63	5,08
INCINERATION	t	3,43	159
DISPOSAL	t	3,72	0
TOTAL WASTE	t	1.096,29	1.101,33

As can be seen from the results reported, most of the waste are used for the recovery so they take value (92% in 2022). The remaining part are used for the incineration after specific treatment and dump (8% in 2022).

ENERGY

ENERGY CONSUMPTION

The energy consumption of CMD SPA can be divided in two macro-areas: the direct ones with the use of fuels and the "indirect" ones determined by the need of electric energy externally purchased. Atella plant is equipped by a mCHP system fed by natural gas and managed by itself which, in 2022, produced approximately 34,78GJ of electric energy.

The energy consumed by CMD SPA production plants in 2022 has been 20,086 GJ.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

TYPE OF FUEL	UNIT OF MEASURE	2022		2021	
		ATELLA	CASERTA	ATELLA	CASERTA
NATURAL GAS	GJ	2.876,20	0	4.369,93	0
PURCHASED AND CONSUMED ELECTRIC ENERGY	GJ	19.332	754	17.319,53	819,26
SELF PRODUCED ELECTRIC ENERGY	GJ	0	34,78	2,06	0
TOTAL ENERGY CONSUMPTION	GJ	22.208,2	789,18	21.691,52	819,26

TYPE OF FUEL	UNIT OF MEASURE	2022	2021
DIESEL FOR VEHICLES	GJ	1.095,11	1.079,10
GASOLINE	GJ	134,39	139,91

ENERGY CONSUMPTION DIVIDED BY SOURCE TYPE

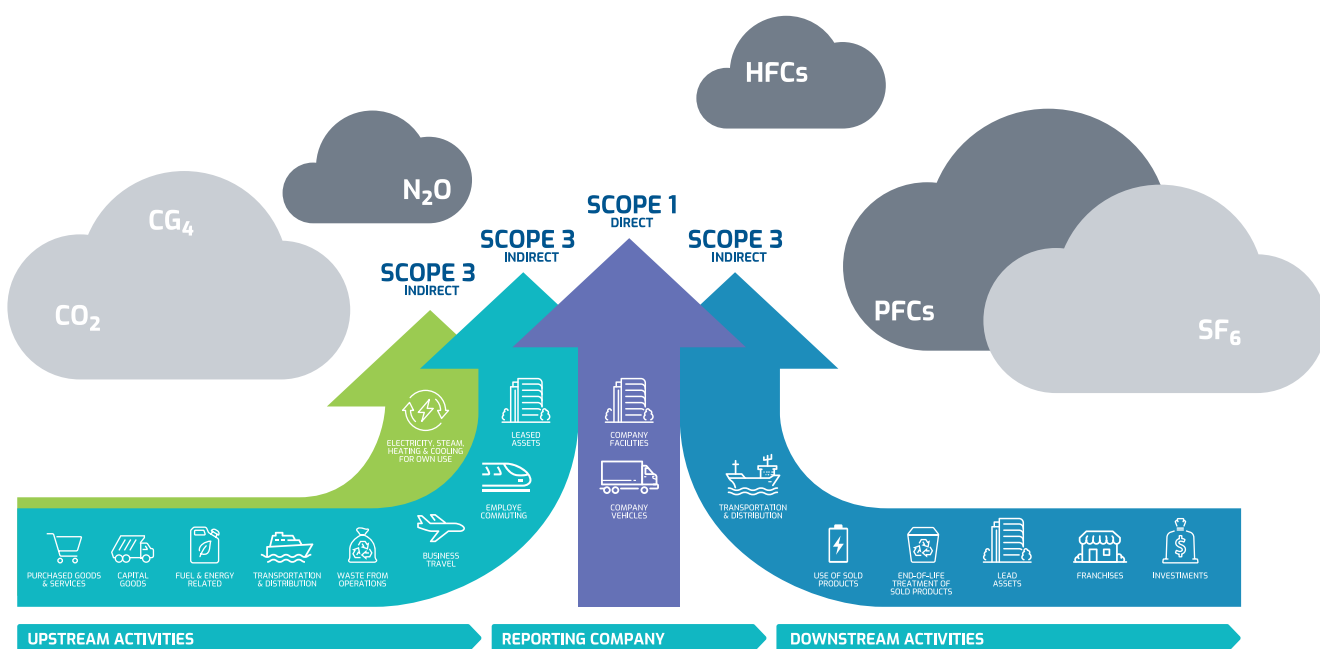
TOTAL CONSUMPTION	UNIT OF MEASURE	2022	2021
FUEL FROM NO-RENEWABLE SOURCES	GJ	0	0
PURCHASED ELECTRIC ENERGY	GJ	20.086	18.138,79
SELF PRODUCED ELECTRIC ENERGY FROM RENEWABLE SOURCES	GJ	0	0
TOTAL	GJ	20.086	18.138,79

DIRECT AND INDIRECT EMISSIONS PRODUCED BY OPERATING UNITS

GHG EMISSIONS

CMD GHG emissions (greenhouse gas) mainly derive from the direct consumption of the fuels used in the refrigeration and air conditioning systems (Scope 1 direct emissions) and from the indirect consumption from the purchased electric energy (Scope 2 indirect 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 MEASURE	2022	2021
NATURAL GAS	teqCO ₂	144,83	220,05
DIESEL FOR VEHICLES	teqCO ₂	70,21	68,9
GAS FOR VEHICLES	teqCO ₂	7,28	7,3
ELECTRIC ENERGY	teqCO ₂	1.394,87	1.159,85
TOTAL DIRECT AND INDIRECT	teqCO₂	1.617,19	1.456,1



The energy consumption of the company determines the generation of different categories of greenhouse gas emissions (GHG):

- **Direct emissions (Scope 1)**, as they are directly generated by the company as a result of its activities;
- **Indirect emissions (Scope 2)**, namely not generated directly by the company, but resulting for example from the consumption of electricity produced by third parties.

TYPE OF EMISSION	UNIT OF MEASURE	2022	2021
DIRECT EMISSIONS – SCOPE 1	TeqCo2	222,32	296,25
INDIRECT EMISSIONS – SCOPE 2	TeqCo2	1.394,87	1.159,85



8. Commitment to the local community

8.1 The relation with the local community

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

ENVIRONMENTAL PROTECTION AND SUSTAINABILITY

ECO20x for energy efficiency of Italian schools

Reliable both in terms of duration and performance, renewable sources now dominate the energy market, obtaining great results.

Also schools are gradually converting to the "green", as happened for "Aldo Moro" primary school and its kindergarten in Vallo della Lucania (Salerno), in the heart of Cilento park. This school has chosen ECO20x for the supply of electric energy and heat for its buildings through the energetic enhancement of residual biomass from the maintenance of Cilento park. The use of biomass will replace or reduce the consumption of diesel and natural gas, currently the only source is use for heating the structures.

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

CMD SPA in collaboration with Iccrea Cooperative Banking Group, during the World Environment Day, promoted events and activities aimed to raising awareness of the protection of our planet, promoting sustainable development, enhancing separate waste collection. The initiative involved the Castellabate Comprehensive Institute.

Children and school structure have dedicated great efforts to the creation of class workshops focused on eco-sustainability and have put into practice some effective actions to support environmental education: the use in the dining hall of plastic knives and forks that are reused after washing, or cleaning the beaches of Cilento coast in collaboration with Legambiente, just to name one.

The involvement of 870 children belonging to 60 classes of 16 different buildings between kindergartens, primary and middle schools in a project based on the integration and sharing of such an important goals was extraordinary and resulted into an event called "Our School is Differentiated", during which containers for separate waste collection were distributed.

The awareness campaign implemented by I.C. Castellabate is closely linked to the Project "Water yes...but Plastic Free", which saw the signing of a memorandum of understanding between the Campania Region, Consac SPA, Cilento National Park, Vallo di Diano and Alburni and Legambiente Campania to sponsor the correct use of drinking water and the reduction of plastic consumption. Children are our future: teaching them to respect the environment is our main duty.

SOLIDARITY

A CPAP ventilator, from Basilicata to support the Italian health system in the COVID-19 emergency.

In a difficult moment for Italy, committed to fight against the COVID-19, Italian companies came to support the entire health system, joining their forces in the difficult emergency.

Solidarity, aids and donations came from all Italy: among the companies of Basilicata region, CMD SPA of Atella (PZ), a company involved in design and production of engines and complex solutions for automotive, marine and aeronautical field, wanted to give its contribution in the fight against Coronavirus by creating an innovative prototype of a CPAP ventilator for sub-intensive therapy, the **EASY VENT CF01**.

In less than 21 days, between lockdown and lots difficulties, the engineers of CMD worked hard and only via web with high moral motivation, carrying out scrupulous studies and research and arriving at the realization of the device with only company resources, in record time and "in house".

The **EASY VENT CF01** was shown at Prefecture of Potenza headquarters at presence of the prefects of Potenza and Matera and Rocco Leone, the council member of Basilicata Region for Health system.

After obtaining necessary approvals, CMD SPA donated two ventilators, one to San Carlo hospital in Potenza and the other to the Madonna delle Grazie in Matera.

The Production Manager of CMD against COVID-19.

In the COVID-19 global emergency the medical equipment need has grown day by day: a diving mask can save a life if transformed into an oxygen mask.

Mr. Sergio Lo Sardo, Production Manager of CMD and CEO of PL3DART in Basilicata region, has promptly accepted the call of a company from the North Italy and has produced the 3D printing fittings for transforming a snorkel mask into an emergency respiratory mask for sub-intensive therapy.

Mr. Sergio has both printed numerous kits and offered himself as a collection point for all those people had a 3D printer and wanted to participate in the initiative.

CMD provides to companies in need all the know-how and technical staff for the 3D development and the realization of valves for emergency CPAP.

Donation of Atella thermo scanner temperature.

CMD SPA donated thermo scanners necessary for measuring body temperature to the municipality of Atella, schools and the Church.

Distance adoptions and donations.

CMD SPA with responsibility and attention wants to give a first-person answer to a world that runs and forgets the defenseless who pay the consequences of an unfair growth. For this reason, thanks to "Mother Teresa of Calcutta" Foundation in Potenza, our company has provided for the distance adoption of 4 children (Honduras), guaranteeing them good nutrition, adequate health care and the opportunity to attend school.

CMD SPA commitment in Caritas support.

CMD SPA supports through different donations, especially during holiday, the most needy people of local communities. In particular, the Church of "Santa Maria ad Nives" of Atella.



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

regala emozioni



Cari sostenitori,
dall'Honduras ci comunicano che per i nostri piccoli amici è giunto il tempo delle agognate vacanze.
Anche per loro, come per i nostri bambini, è questo un periodo di gioia e attesa e nonostante le difficoltà del vivere quotidiano, i bambini, coraggiosi e fiduciosi, manifestano la straordinaria capacità di sognare tipica della loro età.
Rivivendo un pensiero a loro, compiamo un atto di amore, di carità cristiana che ci porre nella giusta dimensione dello spirito natalizio.
Concediamoci anche solo pochi istanti per fare silenzio dentro di noi e pensiamoci tutti all'accoglienza, in vigilante attesa della venuta di Gesù... potrebbe 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 Madre Teresa di Calcutta - Onlus

*«Nascere mille volte Gesù a Betlemme, se non nasce in te... tutto è inutile»
(Angelo Silvestro, missionario del XVI)*

Fondazione Madre Teresa di Calcutta - Onlus
Via delle Industrie, 14 - 80138 Napoli
Tel. 081 540001 - Fax 081 540002
www.fondazione.it - info@fondazione.it
Fondazione Madre Teresa di Calcutta - Onlus

TRAINING AND INVOLVMENT OF YOUNG PEOPLE

School-Work Alternating – students visiting CMD SPA.

Also this year, CMD SPA welcomed a large group of students from the "A. Diaz", section of San Nicola La Strada (CE) for the School-Work Alternating project, the topic was "Electronics for automation and energy saving".

Students had the opportunity to get in touch with one of the most important industrial realities in the South of Italy in terms of diesel and gasoline engine design, as well as mCHP systems.

Our engineers, in fact, have explained in a detailed and, at the same time, engaging way, the history of our projects and the steps forward made by team over decades as regards the exploitation of clean energy and various applications of the electronic field.

Our company wishes to the students of Liceo "A. Diaz" school a big good luck for their professional future, perhaps in CMD SPA.

Career day: an important opportunity of meeting between CMD and University's students

There are many young Engineering students that every year, during the Career Day organized by Federico II of Naples, hold a job interview with our engineers.

Career Day, in fact, allowed students (undergraduates and just graduates) to get in touch with different companies as national level, including ours.

Often, it is taken for granted that a young graduate, once they have completed his/her studies, has the right approach to the working mode and is fully aware of the role that deal according to their skills; actually it's not easy to move in this complex system.

During interviews, the students, in addition to have had the opportunity to introduce their academic profile, asked many questions to those who, before them, started and consolidate their career, to receive valuable suggestions.

CMD engineers have always demonstrate their availability, carefully examining each curriculum vitae and giving the interlocutors a wide vision of CMD and the activities it carries out.



9. Annex (index of GRI)

GRI 2- GENERAL INFORMATION ORGANIZATION PROFILE AND REPORTING PROCEDURE

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-1 COMPANY INFORMATION	Letter to stakeholders	6	-
	- Method and reference	10	
	- A responsible business management	34	
GRI 2-2 ENTITIES INCLUDED IN THE COMPANY'S SUSTAINABILITY REPORT	Method and reference	10	-
GRI 2-3 REPORTING TIME, FREQUENCY AND CONTACTS	Method and reference	10	-
GRI 2-4 INFORMATION AUDITING	-	-	-
GRI 2-5 EXTERNAL ASSURANCE	Governance and internal organization	36	-

ACTIVITIES AND EMPLOYEES

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-6 ACTIVITIES, VALUE CHAIN, AND OTHER BUSINESS RELATIONSHIPS	CMD SPA today	15	-
	- A responsible business management	34	
	- Supply chain	40	
	- CMD history	12	
	Care for CMD employees	44	
GRI 2-7 EMPLOYEES	Care for CMD employees	44	
GRI 2-8 NON-EMPLOYEE WORKERS	Care for CMD employees	44	

GOVERNANCE

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-9 GOVERNANCE STRUCTURE AND ORGANIZATION	A responsible business management	34	-
GRI 2-10 APPOINTMENT AND CHOICE OF THE HIGHEST GOVERNING BODY	A responsible business management	36	-
GRI 2-11 PRESIDENT OF THE HIGHEST GOVERNING BODY	A responsible business management	-	-
GRI 2-12 ROLE OF THE HIGHEST GOVERNING BODY IN THE SUPERVISION OF IMPACT MANAGEMENT	-	34	-
GRI 2-13 CMD MANDATE OF RESPONSIBILITIES FOR IMPACT MANAGEMENT	-	-	
GRI 2-135 CONFLICTS OF INTEREST	A responsible business management	34	

STRATEGY, POLICIES AND DOCUMENTS

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-22 DECLARATION ABOUT SUSTAINABLE DEVELOPMENT STRATEGY	Letter to stakeholders	6	-
GRI 2-23 ENGAGEMENT POLICY	A responsible business management	34	-
	Values	22	
	Ethics Code	35	
GRI 2-28 MEMBERSHIPS AND ASSOCIATIONS	A responsible business management	34	-

STAKEHOLDER ENGAGEMENT

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 2-29 APPROACH IN THE STAKEHOLDERS INVOLVEMENT	Our stakeholders	26	-
	Materiality Analysis	28	
GRI 2-30 COLLECTIVE BARGAINING AGREEMENT	Care for CMD employees	44	-

GRI 200, 300, 400 – SPECIFIC STANDARDS

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 3-1 PROCESS FOR MATERIAL ISSUES IDENTIFICATION	A responsible business management	34	-
	-		
	Legal Compliance	39	
	-		
	Products quality and safety	57	
	-		
GRI 3-2 MATERIAL ISSUES LIST	Environmental sustainability	68	-
	-		
	Environmental Performances	69	
	-		
	Relationship with local community	76	
	-		
GRI 3-3 MATERIAL ISSUES MANAGEMENT	A responsible business management	34	-
	-		
	Legal Compliance	39	
	-		
	Products quality and safety	57	
	-		
GRI 401-1 NEW HIRING AND TURNOVER	Environmental sustainability	68	SDG 5 - 8 - 10
	-		
	Environmental Performances	69	
	-		
	Care for CMD employees	44	
	-		
GRI 401-3 PARENTAL LEAVE	A responsible business management	34	SDG 5 - 8
	-		
	Legal Compliance	39	
	-		
	Products quality and safety	57	
	-		
GRI 403-1 HEALTH AND SAFETY MANAGEMENT SYSTEM	Environmental sustainability	68	SDG 8
	-		
	Environmental Performances	69	
	-		
	Care for CMD employees	44	
	-		
GRI 403-2 DANGERS IDENTIFICATION, RISK ASSESSMENT AND INVESTIGATIONS ABOUT ACCIDENTS	Salute e sicurezza del personale	52	SDG 8
	-		
	L'attenzione verso le persone CMD	44	
	-		
	Employees health and safety	52	
	-		

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 403-3 OCCUPATIONAL MEDICINE SERVICES	Care for CMD employees	44	SDG 8
	Employees health and safety	52	
GRI 403-4 PARTICIPATION AND CONSULTING OF EMPLOYEES; COMMUNICATION ABOUT HEALTH AND SAFETY AT WORK	Care for CMD employees	44	SDG 8
	Employees health and safety	52	
GRI 403-5 EMPLOYEES' TRAINING ABOUT HEALTH AND SAFETY AT WORK	Care for CMD employees	44	SDG 8
	Employees health and safety	52	
GRI 403-6 EMPLOYEES HEALTH PROMOTION	Care for CMD employees	44	SDG 3
	Employees health and safety	52	
GRI 403-9 ON-THE-JOB INJURIES	Care for CMD employees	44	SDG 3 - 8
	Employees health and safety	52	
GRI 403-10 OCCUPATIONAL DISEASES	Care for CMD employees	44	-
	Employees health and safety	52	
GRI 404-1 AVERAGE HOURS OF ANNUAL TRAINING PER EMPLOYER	Care for CMD employees	44	SDG5-8-10
	Employees health and safety	52	
GRI 405-1 DIVERSITY OF GOVERNMENT BODIES AND AMONG EMPLOYEES	Care for CMD employees	44	
GRI 418-1 PROVEN COMPLAINTS CONCERNING VIOLATION OF CUSTOMER PRIVACY AND LOSS OF CUTOMER DATA			
GRI 416-1 IMPACT ASSESSMENT ON HEALTH AND SAFETY BY PRODUCT CATEGORIES E SERVICES			

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 302-1 ENERGY CONSUMPTION IN THE COMPANY	Environmental sustainability	68	SDG 8-10-12
	- Environmental Performances	69	
	- Energy and atmospheric emissions	71 - 75	
GRI 303-3 WATER WITHDRAWAL	Environmental sustainability	68	
	- Environmental Performances	69	
	- Energy and atmospheric emissions	70	
GRI 305-1 DIRECT GHG EMISSIONS (SCOPE 1)	Environmental sustainability	68	SDG 3-12
	- Environmental Performance	69	
	- Energy and atmospheric emissions	71 - 75	
GRI 305-2 INDIRECT GHG EMISSIONS FROM ENERGY CONSUMPTION (SCOPE 2)	Environmental sustainability	68	SDG 3-12
	- Environmental Performance	69	
	- Energy and atmospheric emissions	71 - 75	
GRI 305-7 EMISSIONS NITROGEN OXIDES (NOx) SULFUR OXIDES (SOx) AND OTHER	Environmental sustainability	68	
	- Environmental Performance	69	
	- Energy and atmospheric emissions	71 - 75	
GRI 306-3 WASTE PRODUCTS	Environmental sustainability	68	SDG 3-12
	- Environmental Performance	69	
	- Waste	71	

GRI STANDARD	SECTION OF REFERENCE	PAGE	SDG REFERENCE WHERE APPLICABLE
GRI 407-1 ACTIVITIES AND SUPPLIERS WHERE THE RIGHT FREEDOM OF ASSOCIATION AND BARGAINING MAY BE AT RISK	Supply chain	40	SDG 8
GRI 408-1 ACTIVITIES AND SUPPLIERS AT SIGNIFICANT RISK FOR CHILD LABOR ACCIDENTS	Supply chain	40	
GRI 409-1 ACTIVITIES AND SUPPLIERS AT SIGNIFICANT RISK FOR FORCED OR MANDATORY LABOR ACCIDENTS	Supply chain	40	SDG 8



Via Pacinotti, 2
S. Nicola la Strada
81020 (CE) - Italy
Phone +39 0823 424055
Fax +39 0823 452103

Nucleo Industriale
Valle di Vitalba
85020 (Atella PZ) - Italy
Phone +39 0972 715757
Fax +39 0972 715696

C.M.D. Costruzioni Motori Diesel S.p.A.
info@cmdengine.com
www.cmdengine.com