

**MTD**

Medical Technology and Devices

**MTD**

**SUSTAINABILITY  
REPORT**

2021

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# MESSAGE FROM THE GROUP CEO

## Dear Stakeholders,

*This is the MTD Group's third Sustainability Report, which covers our achievements in 2021.*

*The document is meant to be a narrative of the actions and the added value we have brought to society over the past year. Commitment to the environmental, social and governance priorities is at the center of our Group's strategy. For me personally, more important than setting ambitious goals is to achieve them and, I am pleased to report, that we succeeded in achieving them all.*

*Our ESG journey, which we intend to continuously enrich with novel initiatives, follows a clear direction. In coherence with the United Nations Sustainable Development Goals (UN SDGs), we work on four essential pillars which you'll discover throughout this Sustainability Report.*

- 1. Our primary goal is to substantially **increase and improve access to care for patients**, especially those with chronic diseases (and particularly the ones with diabetes), through easy-to-use, highly innovative products that can foster therapy adherence and better outcomes.*
- 2. On the other hand, as a leading player in the safety medical sharps, we work closely with hospitals, labs and clinics to **ensure the full safety of healthcare professionals**, reducing the risk of accidental injuries to zero, with innovative and affordable safety needles, safety syringes and other safety products.*
- 3 **People** focus is and will always be a central element of MTD's ESG strategy. As for patients and healthcare professionals, MTD invests significantly in the development and well-being of its employees.*
- 4. Fourth, but equally important, MTD manufacturing processes are continuously improved in order to **minimize the environmental externalities** and the Group pays great attention to the development of new and increasingly sustainable products.*

*Thank you for your interest in our ESG commitment.*

**Micol Fornaroli**  
Group CEO



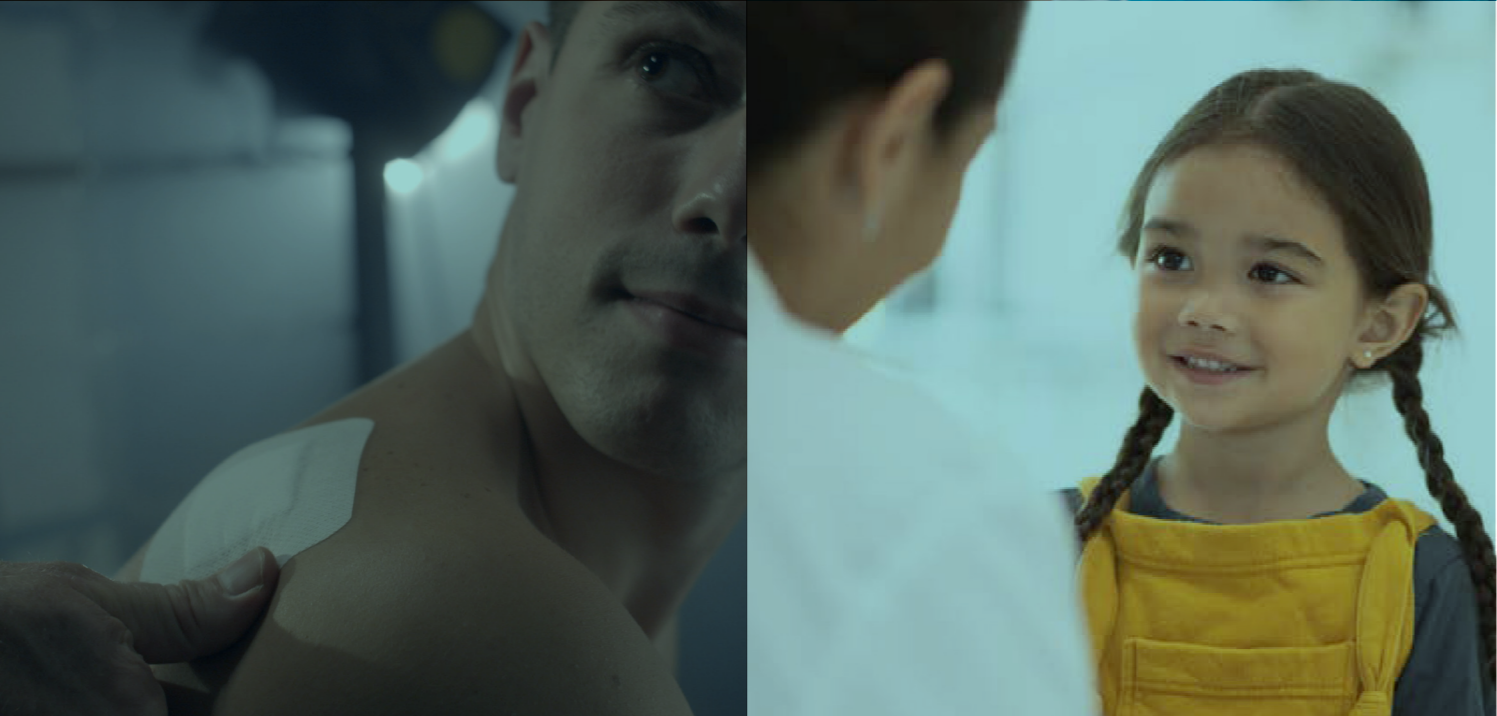
“Through knowledge, innovation and effectiveness, we enhance and simplify healthcare in everyday life.”



1. WE ARE MTD

MTD’s mission is to offer both patients and caregivers a broad spectrum of medical devices for home and professional care and to continuously improve the future of healthcare by making it **accessible, safe, reliable, and simple for all**. More specifically, MTD aims at improving the safety, quality and comfort of products, while lower-

ing the costs of healthcare solutions globally. MTD has the courage and willingness to place itself **at the center of the health and well-being market** to address the challenges affecting the healthcare sector with human and technological progress as its tools. By doing so, it aims at creating value not only for the market, but also for the society as a whole.



# OUR VALUES



## INNOVATION & QUALITY

Constant quality improvement, innovation and new technologies are the core of HTL-Strefa's and Pikdare's heritage. The company continuously invests in research and development to offer cutting-edge solutions.



## LIFELONG LEARNING

The understanding of different local needs, thanks to our global presence, the successful innovations over the years, the continuous fine-tunings on existing products, as well as numerous lessons learned during the process, build MTD's unique know-how, the company's main assets, that is reinforced daily by the desire to continue doing and learning.



## PASSION

MTD's "engine" is constantly fueled by the passion for excellence and the desire to improve our talented people, who are constantly engaged in a creative and innovative work process.



## RELIABILITY

Meeting and exceeding expectations, while fulfilling the promise of quality, safety, innovation, and integrity every day, is the goal that MTD sets itself before customers, markets, partners, and all the other stakeholders.



## SUSTAINABILITY

Environmental, social and governance matters are deeply embedded in our corporate culture, and sustainability is a key element of the Group's business model. Ethical management is at the heart of every business decision.

# 1.1 OUR IDENTITY

**M**TD (Medical Technology and Devices) is a **leading med-tech group** based in Switzerland which designs, manufactures, and globally sells a **full range of medical devices**, both for the professional sector and for use at home. Its focus is on diabetes management devices, standard and safety sharp devices, electro-medical devices, wound care

products, and many other solutions for minor health problems.

MTD was founded in 2018 from the combination of **two historic leaders** in the health-care sector: Pikdare and HTL-Strefa. Together, these two companies have **over 80 years of experience** in the market.



With its main brand Pic, Pikdare is one of the main designers, manufacturers, and distributors of medical self-care products, with particular reference to diabetes products, such as pen needles and glucometers, but also more generally to needles and syringes, up to medication products, blood pressure monitoring devices, nebulizers, thermometers, and other daily healthcare devices. The company is based in Italy, offering tailor-made solutions made locally in its state-of-the-art production plant and that are now available in almost 100 countries.



HTL-Strefa is a world leader in designing, developing, and producing diabetes products for drug delivery and capillary blood sampling, with core expertise in safety sharps. It is widely recognized as the inventor of the "safety lancet" product category. With its high-technology production facilities in Poland, HTL-Strefa is the global point of reference for diabetes and safety medical sharps.



Both areas of MTD's excellence, diabetes and safety sharps on one side and self-care medical devices on the other, are equally built on

the long-standing heritage and expertise of Pikdare and HTL, and steadily enhance the Group's globally recognized leadership.

## 1.1.1. OUR STORY

Pic develops the first **“painless needle”** and expands into the self-medication sector

1960

Launch of the **Pic brand** and entry into the self-medication sector. Huge success for end consumers within the Italian pharmacy channel; with an **85%** brand awareness

Pic begins its **international expansion** (directly in France, Spain)

1990

The **Pic Professionals** brand is born, directed towards the hospital and professional world

Foundation of HTL and invention and distribution of the first **safety lancet**

1994

Pic develops its first **product line** dedicated to **wound care**

1999

Pic develops a line of **innovative solutions** dedicated to the treatment of **diabetes**

2000

Opening of HTL first **manufacturing plant** in Ozorków (Poland)

Pic renews the **sharps** category (32G and 33G needles), establishing its **leadership** in the field of **insulin pen needles**

2004

HTL launches **personal lancets**

Pic establishes its representation in the **Middle East**

2007

Opening of HTL manufacturing plant in **Łęczycza** (Poland) and establishment of HTL direct presence in the **US** to directly supply major American customers

Pic **enters the market with new distributors** in the United Kingdom, Greece, the Nordic countries, and Serbia

2010

HTL launches the **Safety Pen Needle**, while Pic further establishes its leadership in the sharps sector, with the launch of the 34G x 3.5 mm, **the thinnest and shortest pen needle in the world**

2016

**MTD is born** from the merger between **Pikdare** and **HTL**

2018

MTD continues its **innovation** path in the sharps sector, while **integrating the expertise** of Pic and HTL

MTD launches **Micron** 34G x 3.5 mm **pen needle** in the **US** under the **Droplet brand**

2020

MTD inaugurates its **fourth production site**, located in **Bydgoszcz**. It also launches **MTD Exchange**, a platform for **knowledge sharing**

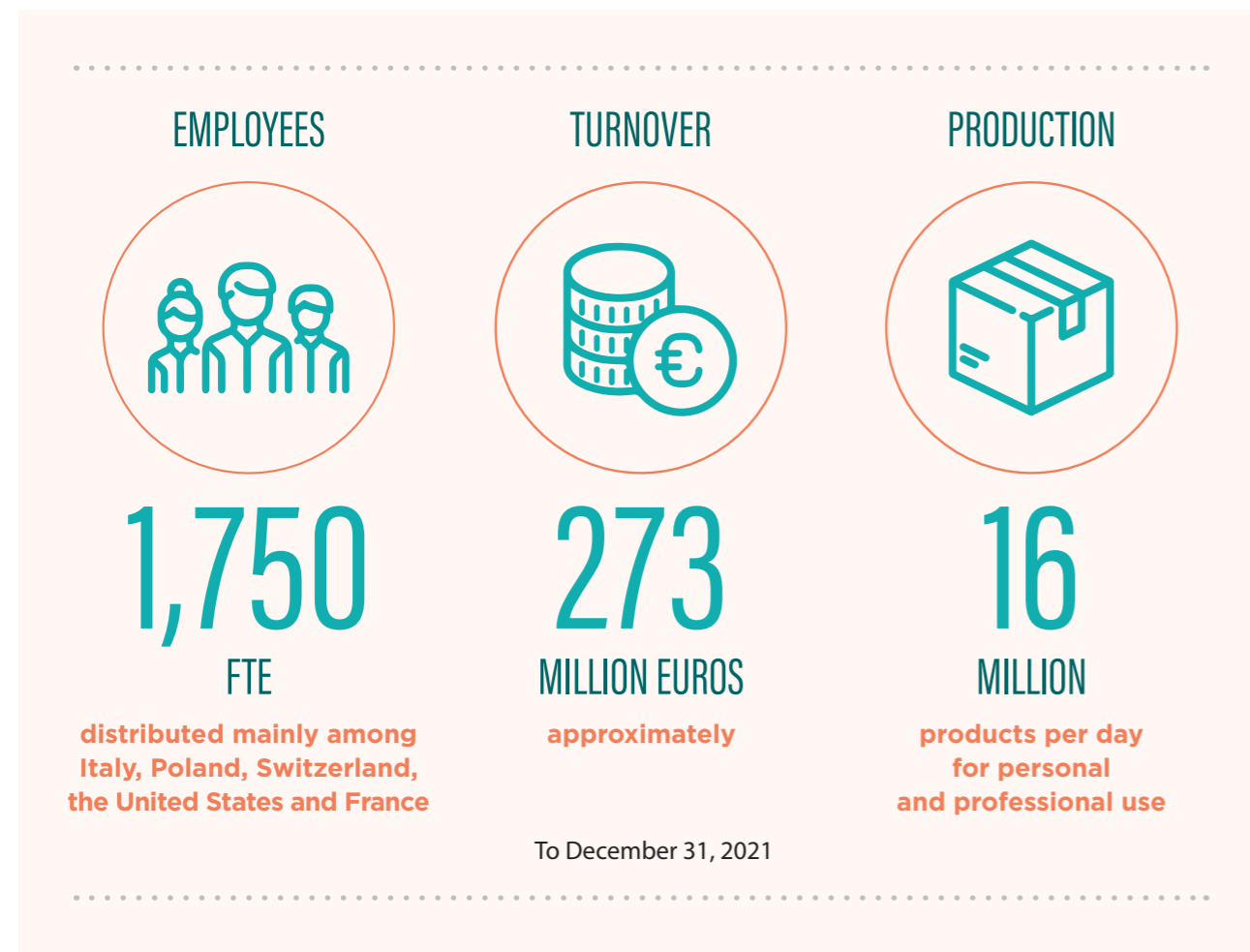
2021

MTD in response to the needs that emerged with the COVID-19 pandemic outbreak creates a **COVID Portfolio** and develops Low Dead Space syringes to **support the vaccination campaign**

## 1.1.2. OUR GROUP

The MTD group consists of Pikdare S.p.A., which was spun off from Artsana S.p.A. in 2017, and HTL-Strefa, which was acquired in

2018. The MTD Group is currently owned by a fund managed by Investindustrial, a leading independent investment group.

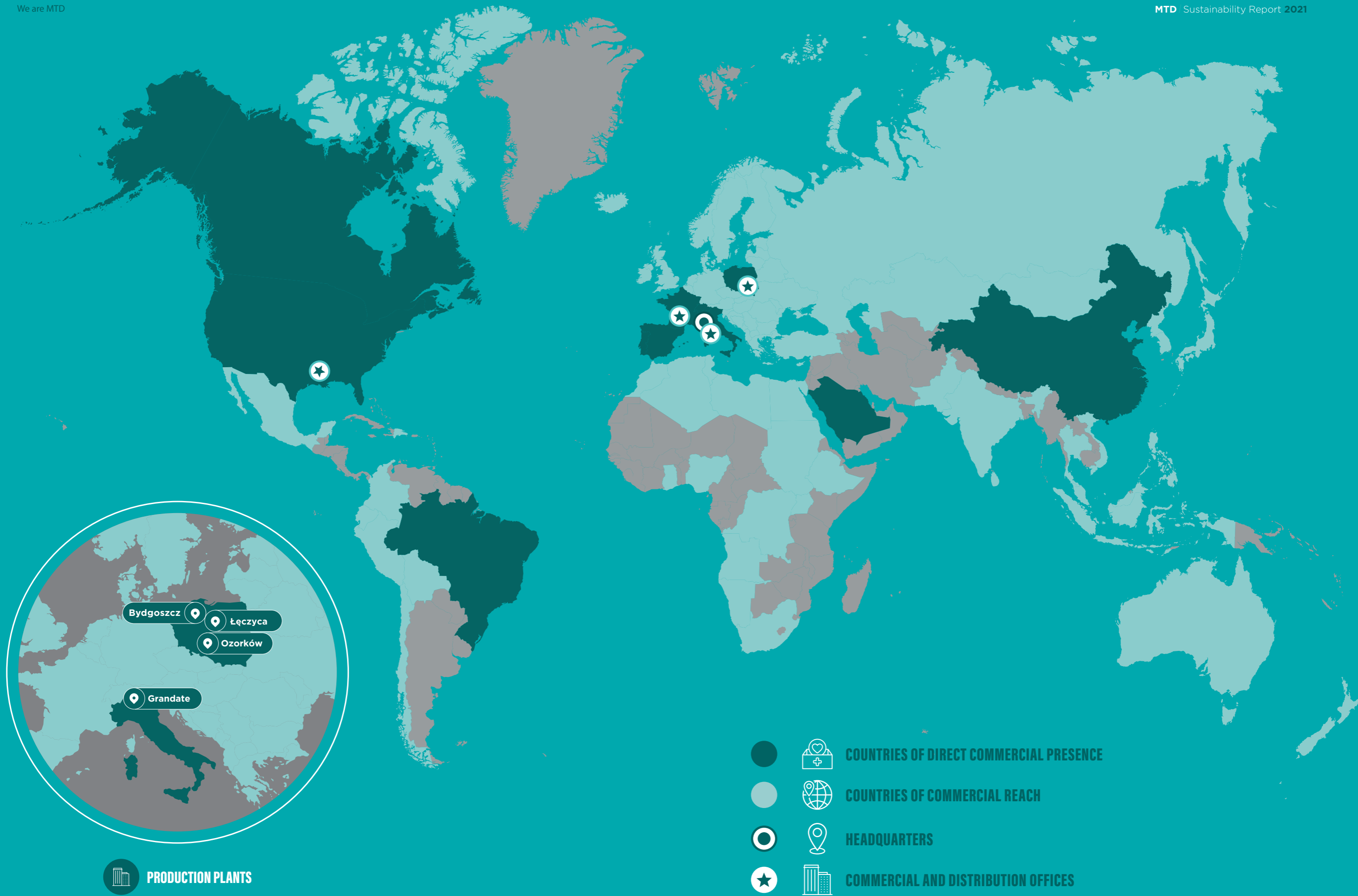


MTD's headquarter is in Lugano (Switzerland); commercial and distribution offices are in Chiasso (Switzerland), Italy, Poland, USA and France. The Group has four production plants which cover a total area of 135,500 m<sup>2</sup>: three in Poland (run by HTL Strefa) that manufacture lancing devices, lancets (personal and safety) and pen needles mainly used in diabetes field and one in Italy (owned by Pikdare) dedicated to the production of pen needles and sharps. The fourth production site, located in the new industrial district of Bydgoszcz (Poland), was

inaugurated in 2021; thanks to its advanced molding technologies it will guarantee versatility and support to the quality and innovation of MTD's products.

The production sites are home to **best-in-class R&D capabilities**, which – since 2020 – are cultivated and developed by a dedicated structure, **MTD Engineering**, an **innovation hub** which generates innovative designs for MTD's product pipeline and serves other industries through its product development skills and services.







## 1.1.3. OUR PORTFOLIO

MTD produces a **wide range of medical devices** under the PIC solution and Droplet brands, with a focus on **highly specialized devices for diabetes management**, and other products that are of great value in **ensuring people's health in their daily lives**.

The Group promotes its products based on the development and management motto "Think Sharp and Think Simple", focusing on the core

characteristics of the products. As a matter of fact, MTD's products are categorized into two areas: **sharps** (referring exactly to "Think sharp") and **consumer health** (corresponding to "Think simple"). These two areas identify the support that, through a wide range of products, MTD can provide to both the patient and the consumer as well as the health professional. Besides these two product lines, a **new COVID portfolio** has been developed from COVID-19.

### THINK SHARP DIABETES AND SHARPS

Innovative devices, designed to improve the comfort and safety of treatments for both healthcare professionals and patients.

**The products are divided into:**

**Drug delivery sharps:**

- standard and safety pen needles;
- different types of syringes.

**Sharps for diagnostics:**

- safety and standard needles;
- different types of standard and safety lancet.



### THINK SIMPLE SELF-CARE MEDICAL DEVICES

A full range of medical devices and solutions for self-medication, wound care, and daily health.

**The products including:**

- wound care;
- thermometers;
- nebulizers;
- blood pressure monitoring;
- thermal bandages;
- self-diagnosis tests;
- food supplements.



### COVID-19 PORTFOLIO

A line designed to help people, especially healthcare professionals, in their fight against the spread of the virus and in the vaccination campaigns.

**The COVID portfolio consists of:**

- syringes and needles;
- rapid COVID-19 IGG/IGM test;
- safety lancets for COVID-19 rapid test;
- rapid antigen test;
- surgical masks;
- disinfectant;
- infra-red thermometer.



The products in the Think Sharp area are mainly designed for diabetes care, dedicated to which the Group has a broad range of medical devices aimed at supporting consumers

and healthcare professionals in diagnostics and drug delivery. Both HTL and Pikdare are operating in this category, with HTL being a **pioneer in safety sharps**.

### THINK SHARP DIABETES AND SHARPS



**Pen Needles**

Pen needles are intended to be used with a pen injector device for the subcutaneous injection of drugs. They are commonly used by people with diabetes.



**Safety pen needles**

Safety pen needles are single-use needles intended for use with pen injector devices for the injection of drugs, provided with a shield that reduces the risk of infections or injuries. Safety pen needles are mainly addressed to professional health care users.



**Personal lancets**

Personal lancets are intended to be used with a lancing device by lay users for capillary blood sampling. Pricking the fingers is an integral part of self-monitoring of blood glucose and part of everyday life for millions of people with diabetes.



**Lancing devices**

The lancing device is a medical device for multiple use with single-use lancets intended for capillary blood sampling by a lay person. It is a convenient and effortless device for home diagnostic and treatment, specially designed for the highest comfort in daily diabetes management.



**Safety lancets**

Safety lancets are single-use devices intended for capillary blood sampling, provided with a mechanism that ensure the needle is hidden before and after use to prevent sharps injuries.



**Insulin Syringes**

Insulin syringes are high quality solutions for insulin delivery during diabetes management, designed to be used by consumers.



**Pen injector**

Pen injectors are automated and reusable solutions for insulin injection intended to be used with pen needles or safety pen needles.

Through its well-recognized Pic brand, MTD offers the Think Simple products, a full range of Italian-designed thermometers, nebulizers,

thermal bandages, self-diagnostic tests, food supplements, blood pressure monitors and wound care products.

## THINK SIMPLE: SELF-CARE MEDICAL DEVICES



### Wound care

Comprehensive range of easy-to-use, safe and painless products for self-medication and professional use, including a wide selection of **pads, plasters, bandages, cotton wool** and **disinfectants**.



### Thermometers

Complete range of **digital** and **infrared** non-contact thermometers.



### Nebulizers

Medical instruments for both home and professional **treatment of respiratory diseases**.



### Blood pressure monitoring

Line of pressure monitors of different types, **simple, manual** or **connected** to the PIC app for day-to-day pressure monitoring also for professional use.



### Thermal bandages

Line of products for contractures or **muscular tensions** that release heat or cold to the body according to the type of application you need. They are also suitable for children.



### Self-diagnosis tests

Self-diagnosis tests such as pregnancy test, also produced in digital version.



### Food supplements

A large range of supplements that keep your immune system strong and healthy.

Since the outbreak of the COVID-19 pandemic, MTD has increased its efforts to ensure a continuous supply of protective products needed by **both people and healthcare professionals**.

Therefore, it created an entire line designed to help them in their fight against the spread of the virus and in vaccination campaigns. We discuss this in detail in Chapter 3.

## COVID-19 PORTFOLIO



### SYRINGES AND NEEDLES

Standard and safety hypodermic needles, luer slip or luer lock syringes without needle, syringes with needle, low dead space syringes, with or without needle



### COVID-19 IGG/IGM RAPID TEST

For the detection of antibodies in human whole blood, serum or plasma specimens (professional use only)



### SAFETY LANCETS FOR COVID-19 RAPID TEST

Sample size sufficient for a rapid test (10-20uL of whole blood sample required)



### RAPID ANTIGENIC TESTS

Rapid Sars-Cov-2 test for the identification of antigens  
Rapid test FIA (Fluorescent ImmunoAssay) Sars-Cov-2 for the identification of antigens



### SURGICAL MASKS

Non-woven, disposable, 3 PLY, high filtration (BFE ≥98%) masks



### DISINFECTANT

Rapid action against Gram-positive and Gram-negative bacteria, mycobacteria and fungi



### INFRA-RED THERMOMETER

No-contact device for measuring body, environmental and liquids temperature

## 1.1.4. OUR VALUE CHAIN

As of December 31st 2021, the MTD Group had generated direct economic value **equal almost to € 275 million** (12% more than 2020), of which around 237 million were distributed between oper-

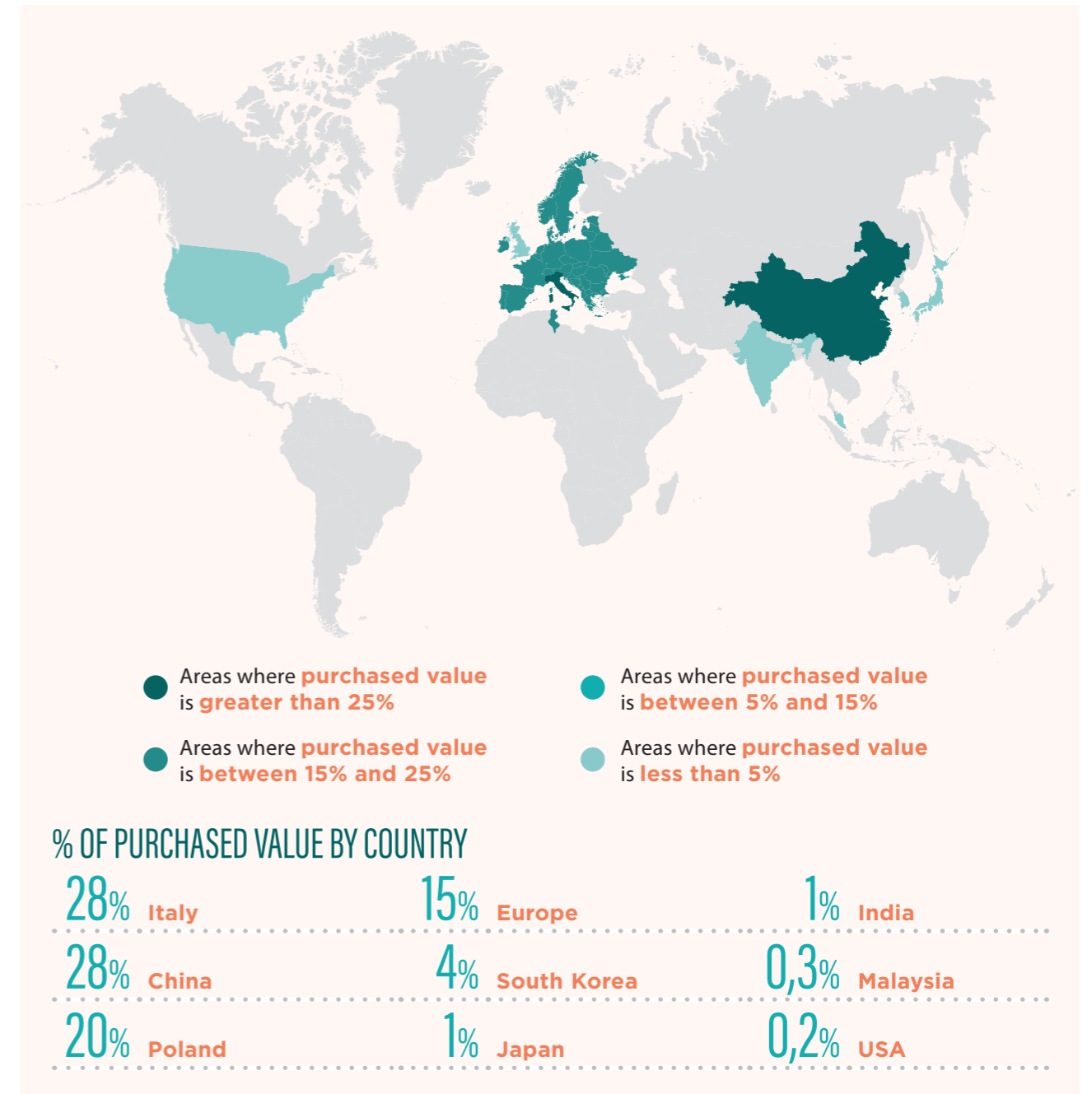
ating cost, Employees, providers of capital, Government Authorities, Community. Redistribution enables the Group to generate new value. The economic value retained is nearly 37.5 this year.



In 2021, the MTD Group spent more than € 150 million on **around 1,800 suppliers**. The pandemic has had major consequences on the supply chain both in terms of potential supply breakdowns and in terms of a new composition of the suppliers portfolio. Despite the global shortages of raw materials, the Group has always been able to avoid interruptions to its productions cycle and thus to ensure the **continuity of supply** thanks to its double sourcing policy applied to strategic raw materials. This policy implies purchasing the same product

from two different suppliers: by doing so, MTD was able to increase and maximize the opportunities for purchase even in times of scarcity.

As a result of the expansion of the revenues of the Group the total purchased value **increased by 10%** if compared to 2020. In terms of the composition, the biggest share of the purchased value was directed to suppliers in China (28%), where the Group purchases mainly finished products, and Italy (28%), followed by Poland (20%).



In Pikdare, the purchased value was mostly attributed to finished products (60%), raw materials used for daily production and packaging (12%) and logistics suppliers (10%). In HTL, the purchased value was mostly related to suppliers of raw materials and packaging (40%), production equipment (9%) and building services associated with the renovation and expansion of the production sites (9%).

Pikdare and HTL are committed to constant-

ly engaging with their suppliers in ethical and fair practices: for example, they are all required to sign the **Code of Ethics**. The Group is also committed to enhancing suppliers' performance by adopting selection and evaluation procedures that account for quality criteria, and compliance with human rights.

However, it should be noted that in 2021 no suppliers were screened using environmental or social criteria.

## 1.1.5. OUR CORPORATE GOVERNANCE

MTD's Corporate Governance principles highlights **accountability and reliability** to shareholders and stakeholders. The **Board of Directors** and first line of management are the guarantors of these pillars. This implies that MTD can **ensure strategic and succession planning, director qualifications, independence, fair compensation and fairness as well as absence of discrimination**.

Openness and communication are key ingredients of MTD internal management: the CEO and management team are fully accessible to all employees in order to ensure quickness in decision-making. Likewise, the management team can directly access the Board members.

### MTD BOARD COMPOSITION AND LOCAL SUBSIDIARIES

According to the **Corporate Governance**, MTD Group is driven by its holding company, while the subsidiaries are independent and autonomous in any decision, provided the holding company sets the **strategic guidelines** to be followed.

The Board consists of representatives of all shareholders, a co-appointed Group CEO and independent members. The Board defines the mid long term strategy, the industrial plan and annual budget of MTD Group. The solid governance is the founding element which guarantees responsible and fair practices based on **transparency and reliability**.

The Board is comprised of nine members, two of which are female. The variety of MTD's board members' backgrounds reflects the **continuous efforts to achieve diversity of viewpoints**, experiences and knowledge.

The operation of MTD Group is carried on by an experienced and fully fledged Global Management Team (the "GMT").

The GMT and, broadly, MTD Group is led by the Group's CEO, Mrs. Micol Fornaroli, who has 25+ experience in the healthcare business that ensures the high competence and reliability of the Group.

GMT members are sitted in the board of directors of the subsidiaries so to ensure that each company is managed in line with overall Group's strategy.

### ANTIBRIBERY AND ANTICORRUPTION

MTD is strongly committed to preventing bribery and corruption episodes. To such end MTD requires every subsidiary to implement tight procedures in compliance with national laws and inspired to best practices. The outcome of these procedures is that in 2021, as in the year before, there were no episodes of corruption within the Group.

## GMT'S MEMBERS



**MICOL FORNAROLI**  
Group Chief Executive Officer



**ARRIGO BENDI**  
Group Chief Corporate Officer & Group HR



**ANSELMO PALUMBO**  
Group Chief Financial Officer & IT



**MATTEO BARCHI**  
Group Head of Controlling, Strategic Initiatives and M&A



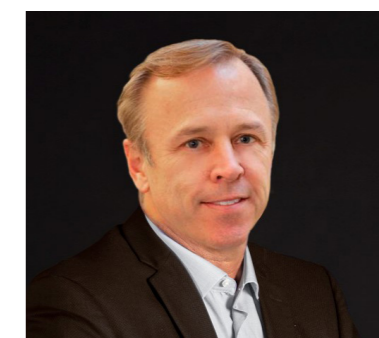
**CARLO ROMEO**  
Group Chief Marketing Officer



**LUIGI BINELLI**  
Group Supply Chain Officer & Manufacturing Director Italy



**STEFANO PETRONI**  
General Manager Operations Poland



**CARL WARD**  
General Manager North America



**ALBERTO MUNZONE**  
Group Chief Technology Officer



**MICHELA PORTA**  
Group Chief Communication Officer

# 1.2 HOW WE CARE FOR SUSTAINABILITY

MTD's commitment to sustainability originates in the long history of HTL and Pikdare, two companies that have always integrated the concept of sustainability into their activities, while maintaining **ethics and integrity** as the basis for the conduction of their internal activities and along their value chains.

In 2020, the Group decided to further develop

its sustainability identity by building a strong **sustainability strategy** and establishing a specific **ESG Committee** (see 'Sustainability governance' paragraph). In addition, MTD has confirmed its ongoing commitment and willingness to respond to stakeholders' need for transparency with this third edition of the Sustainability Report, which includes a mapping of the stakeholders and a materiality matrix, as well as key non-financial information and data.

## 1.2.1. SUSTAINABILITY STRATEGY

In 2021, MTD decided to formalize a **coherent sustainability strategy** that evolves with the Group's identity and the business in which the Group operates.

For this reason, MTD has formulated its sustainability strategy as constructed on **four pillars, establishing specific goals for each one**. As a result, this has made it possible to develop concrete and measurable metrics and assign dedicated resources and expected impact. Furthermore, each pillar is aligned with **selected United Nations Sustainable Development Goals (UN SDGs)**.

The adopted strategy aims to enhance the role of MTD in taking care of people, listening to their unmet needs, and ensuring the safety and easy use of their products, especially for healthcare professionals.

The primary goal of the strategy is, on the one hand, to **facilitate access to care for patients**, especially those with chronic diseases (such as patients with diabetes), through easy-to-use and simple products; and, on the other hand, to

**ensure the safety of healthcare professionals**, with the intention of reducing the risk of accidental stings to zero. These important goals in fact consider the impact that products have on all consumers (see Chapters 2 and 3).

In order to achieve such challenging goals, people have always been an essential element of MTD's strategy. For this reason, as for patients and healthcare professionals, MTD addresses care and attention to its own employees driven by people care and development of internal know-how. These aspects are a priority for the Group, insofar as they maintain and enhance the skills and competencies that allow MTD products to stand out (cf. Cap. 4).

Moreover, MTD is aware of the impact that some raw materials - fundamental for the manufacture of its products - have on the environment. Being constantly committed to **minimizing the environmental externalities** arising from its operations, the Group pays great attention especially to innovation and the development of increasingly sustainable products. (cf. Cap. 5).

## ESG STRATEGY 2022

### 1. IMPROVE HEALTHCARE FOCUSING ON ACCESS TO CARE AND ADHERENCE TO TREATMENTS FOR PATIENTS AND SAFETY FOR HCPs

- **PATIENTS**  
Create and develop innovative, simple and affordable solutions to remove any physiological barrier that prevent people from taking care of themselves and accompany patients with chronic diseases, like people with diabetes.
- **HEALTHCARE PROFESSIONALS**  
Develop safety medical devices to protect HCPs in hospitals, clinics, laboratories, medical practices, and wherever patients and professionals need to feel safe and protected.
- **EMERGING NEEDS**  
Detect and respond quickly to the emerging needs in healthcare, to stay close to healthcare systems and patients by innovating and expanding the product portfolio.
- **EDUCATION**  
Education/awareness raising for HCPs, pharmacists and, ultimately, patients to improve treatment experiences.



### 2. PEOPLE: SAFETY, INCLUSION AND EMPOWERMENT

- **HEALTH AND SAFETY IN THE WORKPLACE.**  
Continuously improve and ensure safety standards for those who work with us and develop a Group Culture upon the importance of health and safety in the group premises (offices and plants).
- **EMPOWERING PEOPLE, ACCOUNTABILITY, DIVERSITY&INCLUSION**
- **WELFARE AND WELLBEING**



### 3. INNOVATION AND DEVELOPMENT OF PRODUCTS LOOKING AT SUSTAINABILITY

- **INNOVATION AND PRODUCT DEVELOPMENT**  
Develop innovative products and processes in order to guarantee the health and safety of consumers and HCPs, supporting and strengthening the culture of sustainability in MTD.
- **ENVIRONMENTAL IMPACT**  
Continuously improve the environmental impact of industrial operations in terms of energy consumption, air emissions, waste management, responsible use of materials, and sustainable packaging.



### 4. ETHICS AND INTEGRITY

- **CORPORATE CULTURE**



## UNITED NATION GLOBAL COMPACT

The Global Compact is one of the world's largest corporate sustainability initiatives. It provides a universal language for corporate responsibility and a framework to guide all companies and organizations regardless of their size, complexity or location, aligning their strategies and operations with the Ten Principles listed below. Launched in 2000, the initiative numbers today more than 13,000 companies around the world and relies on a platform characterized by a global reach and multi-stakeholder connections to help businesses cooperate in shaping the sustainability agenda and becoming a force for good.

### THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS	LABOUR	ENVIRONMENT	ANTI CORRUPTION
<p><b>1</b> Business should support and respect the protection of internationality proclaimed human rights: and</p>	<p><b>3</b> Business Should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p>	<p><b>7</b> Business should support a precautionary approach to environmental responsibility: and</p>	<p><b>10</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>
<p><b>2</b> Make sure that they are not complicit in human rights abuses.</p>	<p><b>4</b> The elimination of all forms of forced and compulsory labour;</p>	<p><b>8</b> Undertake initiatives to promote greater environmental responsibility: and</p>	<p>The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declarations on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.</p>
	<p><b>5</b> The effective abolition of child labour: and</p>	<p><b>9</b> Encourage the development and diffusion of environmentally friendly technologies</p>	
	<p><b>6</b> The elimination of discrimination in respect of employment and occupation.</p>		

In 2022, MTD will join the United Nations (UN) Global Compact, formally confirming its commitment to the Ten Principles on human rights, labor rights, the environment and anti-corruption.

## 1.2.2. SUSTAINABILITY GOVERNANCE

MTD considers fundamental a process of **continuous improvement** of its sustainability performance based on the dissemination of a culture of sustainability and

the implementation of a consistent sustainability strategy. With this in mind, in 2020 MTD established the ESG Committee (Environmental Social and Governance Committee).

The ESG Committee is a cross-functional advisory committee wherein there is a more executive core group whose purpose is to assist the CEO and the MTD Board of Directors in:

- setting the general **strategy on ESG matters**;
- **developing, implementing and monitoring** initiatives and policies based on such strategy;
- **overseeing communications** with employees, investors and stakeholders with respect to ESG issues;
- **monitoring and assessing** developments relating to ESG matters, improving the MTD Group's understanding of ESG matters and guaranteeing an efficient and timely disclosure of ESG matters to internal and external stakeholders.



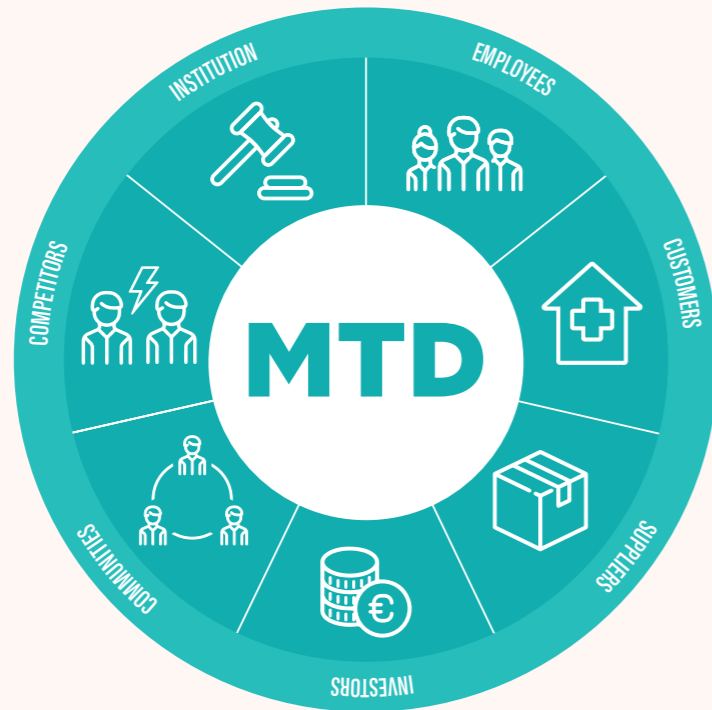
# 1.2.3. MATERIALITY

## OUR STAKEHOLDERS

Stakeholders' identification is an important step in the creation of a sustainability strategy. Stakeholders can be defined as the entities or individuals that are significantly influenced by corporate activities, products and services or those parties whose actions could influence company's ability to successfully imple-

ment its strategies and achieve its objectives.

In 2020, the MTD Group updated its stakeholder map, by taking into consideration their influence and their dependency on the MTD Group to identify the correct engagement channels to understand and collaborate with them.



<b>EMPLOYEES</b>	Office employees, plant workers, product specialists and sales agents
<b>CUSTOMERS</b>	Consumers, caregivers and distributors: Patients, hospitals, pharmacies, private clinics, laboratories, distributors, healthcare professionals, caregivers
<b>SUPPLIERS</b>	Raw materials and components suppliers, medical products suppliers, packaging materials suppliers, transport and logistic operators, external agencies and services
<b>COMMUNITIES</b>	Medical community, local communities, trade unions, NGOs: Medical associations, healthcare professional's associations, local communities, trade unions and NGO's
<b>INVESTORS</b>	Shareholders, investment group, banks, financial institutions
<b>COMPETITORS</b>	Med-Tech companies
<b>INSTITUTIONS</b>	Institutions & Regulator: Governments, local regulatory authorities, UE Commission, national health institutions, notified bodies

## MATERIALITY ANALYSIS

Pursuant to the GRI Standards ("Core Option"), MTD has updated its materiality analysis to define report contents. Material topics are those that can reasonably be

considered important to reflect the economic, environmental and social impacts of the company or thought to influence stakeholders' decisions.

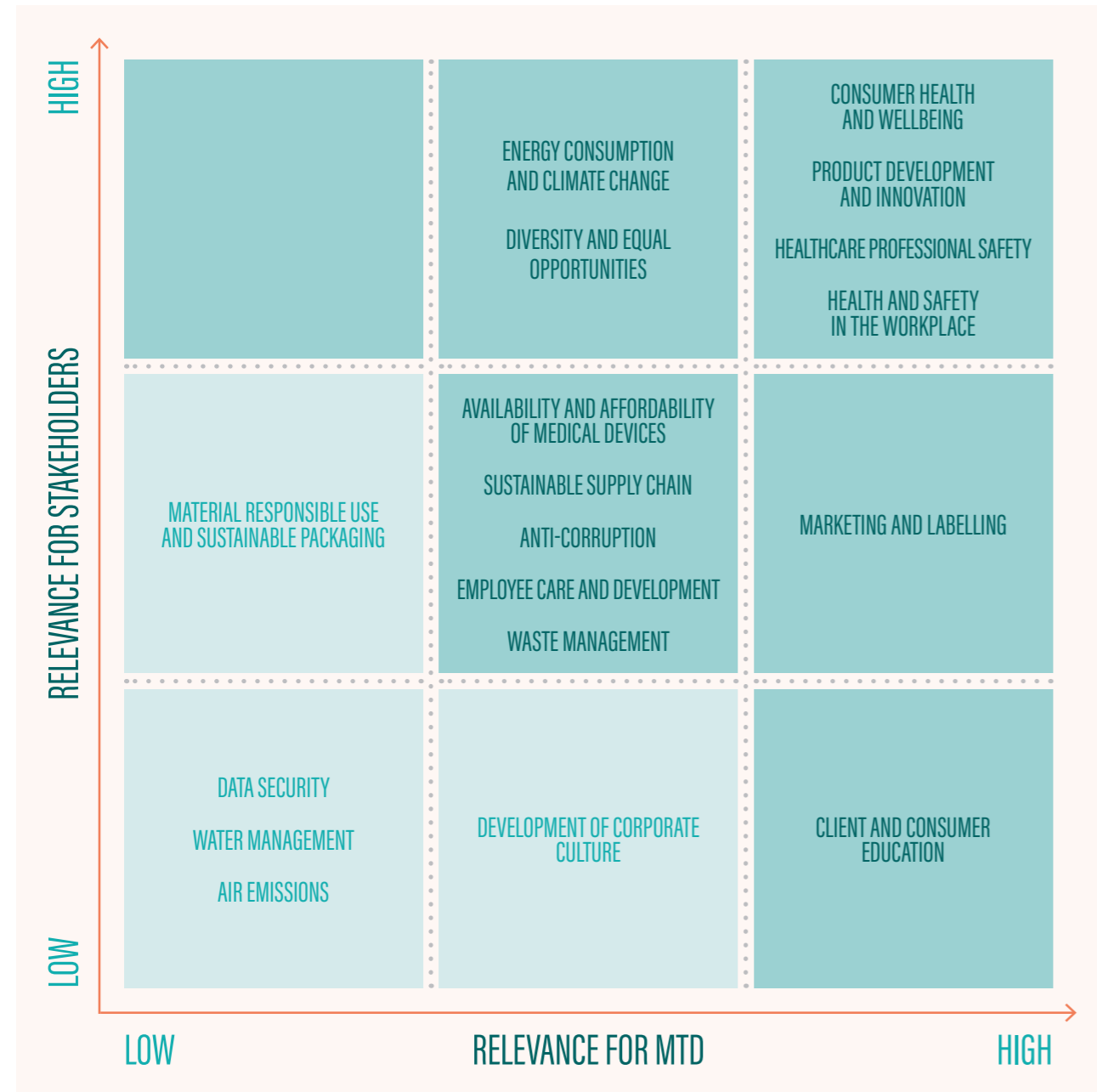
To identify the top priorities of external stakeholders, the following activities were carried out:

- **Benchmarking analysis:** analysis of the sustainability topics reported by other companies that operate in the medical device sector;
- **Sector trends analysis:** analysis of the main documents produced by associations, NGOs and organizations of the medical device sector with the aim of identifying their sustainability topics;
- **Macro-trend analysis:** analysis of the documents and reports of the most relevant government organizations, policy makers and major stock exchanges, in order to identify the main sustainability trends at the global level (e.g., World Economic Forum, United Nations, European Union, Dow Jones Sustainability Index, etc.);
- **Media analysis:** analysis of the main press articles related to the Group, with the aim of assessing the perception of public opinion.



Compared to the results of the 2020 materiality analysis, the material topics remain the same, although the relevance of some issues within the matrix has changed. It should be noted that in the universe of considered sus-

tainability topics, data security emerged as a new topic, referring to the protection of sensitive consumer medical data shared through connected medical devices, although this topic is not currently material for the MTD Group.





A list of material and non-material topics with a short description is given below:

MATERIAL TOPIC	DEFINITION
CONSUMER HEALTH AND WELLBEING	Ability to guarantee patients' health and safety and to meet their needs, especially by favoring adherence to medical treatment and by developing easy-to-use products that relieve pain.
HEALTHCARE PROFESSIONALS' SAFETY	Protection of healthcare workers through innovative and safe product design and the promotion of the correct management and disposal of medical waste.
PRODUCT DEVELOPMENT AND INNOVATION	Supply of innovative products and processes to guarantee the health and safety of consumers and healthcare workers, as well as to reduce their environmental impact through the development of eco-friendly solutions.
HEALTH AND SAFETY IN THE WORKPLACE	Adoption of processes and management systems to safeguard workers health and safety, including employees and other workers.
MARKETING AND LABELING	Provision of accurate and adequate information to consumers to ensure a correct and effective use of products.
CLIENT AND CONSUMER EDUCATION	Enhancement of client education through training courses at pharmacies and/or hospitals and development of consumer awareness through the spread of informative materials, with the aim of teaching the correct use of products and promoting a healthy lifestyle.
ENERGY CONSUMPTION AND CLIMATE CHANGE	Reduction of energy consumption and related GHG emissions.
AVAILABILITY AND AFFORDABILITY OF MEDICAL DEVICES	Supply of medical devices that meet the needs of the society and have transparent and fair pricing aimed at increasing the affordability of medical devices.
SUSTAINABLE SUPPLY CHAIN	Ability to ensure the responsible behavior of suppliers along the supply chain, by assessing suppliers based also on sustainability criteria.
WASTE MANAGEMENT	Efficient management of waste and scraps in compliance with law requirements, with a particular focus on disposal methods based on a circular approach.

MATERIAL TOPIC	DEFINITION
ANTI-CORRUPTION	Effective management of corruption episodes and remediation actions taken.
EMPLOYEE CARE AND DEVELOPMENT	Enhancement of welfare initiatives focused on employees' wellbeing and training courses to attract and retain highly qualified employees.
DIVERSITY AND EQUAL OPPORTUNITIES	Equal opportunities for all employees and protection of diversity (in terms of religion, culture, origin, gender and age).
AIR EMISSIONS	Reduction of air pollutants connected to the organization's activities (e.g.: Nitrogen oxides and sulfur oxides), which decrease air quality in the areas where the company operates.
MATERIALS RESPONSIBLE USE AND SUSTAINABLE PACKAGING	Adoption of environmental criteria in the purchasing of raw materials and packaging. Promotion of different sustainable solutions to reduce the use of packaging.
WATER MANAGEMENT	Efficient management of the water resources employed in the production process with the aim of reducing the total amount consumed and improving the quality of water effluents.
DEVELOPMENT OF CORPORATE CULTURE	Development of a strong MTD Group corporate culture which embraces sustainability topics and where employees can identify themselves.
DATA SECURITY	Safeguard data and consumer privacy, with particular reference to the medical data shared through connected medical devices.



## 2. WE TAKE CARE OF PEOPLE

**“We accompany patients in their healthcare journey as a trusted partner by developing innovative products to reduce potential psychological and physiological barriers that may prevent them from achieving optimal health benefits.”**

**Caring for people**, as health professionals, patients and consumers, has always been what drives MTD's actions. A care that arises from MTD's constant commitment to listen to the emotions and unmet needs of consumers, and the willingness to design products, services and educational projects that seek to fulfill these needs. This listening experience is the reason why over the years MTD has developed innovative design products that are **simple and easy to use** within the sphere of diabetes and self-medication. Indeed, the aim of these portfolios is to **ensure access to care** across disease states, with the ultimate objective of **improving comfort** and thus potentially increasing **adherence to medical treatments**.

A better therapeutic adherence means greater wellness for both the patient and the entire health care system, a forward-looking goal that MTD aims to achieve through its innovative products. The Group's portfolio of diabetes products, in particular, walks the consumer through their journey, like a trusted partner who takes care of them every step of the way, from diagnosis to therapy management, via

blood glucose self-monitoring, the use of personal and safety lancets, and diabetes medication administration devices, such as pen needles and safety pen needles.

Access to care is not only promoted through a wide range of product offering, but also by providing access to **education** and engagement activities which play an essential role in supporting consumers through their care pathway.

MTD's objective is to guarantee products that are both suitable to consumers' needs and aligned with best practices in the healthcare sector. To achieve this goal, MTD has always focused on **continuous innovation** through the generation of new concepts, patents, and solutions, which are then tested and engineered, also thanks to the creation of **MTD Engineering**, the new innovation hub established in 2020.

Finally, at the core of all the Group's choices lies the commitment to **full compliance and safety** of products and business process, as well as the transparency of its brands in order to guarantee long-lasting reliability for patients and for the whole healthcare sector.

## 2.1 LISTENING TO PEOPLE'S NEEDS

The outbreak of the pandemic brought out the vulnerability of people with diabetes but also of the healthcare professionals. The contribution which MTD was able to provide during the pandemic arises from the importance of its capacity to listen people's needs, which allowed the Group to deploy prompt responses and to continue to stand for people and professionals.

Their objective of being constantly receptive of patients' needs in fact has a twofold goal: on the one hand, it is aimed at creating a channel for patients to express their needs and expectations; on the other, their purpose is to inform them about the correct use of medical devices. The importance of these initiatives grew especially during COVID-19 because of the increased vulnerability of diabetic people.

MTD wanted to underscore the importance of this activity also through an advertising campaign of its brand **Pic Solution**: "**Come ti senti?**" ("**How do you feel?**"), broadcast in 2021, when the pandemic was still raging and thus the risk of isolation for vulnerable groups such as diabetics was a reality as much as in 2020. As a brand, Pic Solution is extremely conscious of its social role: in particular, it knows that in such a peculiar historical time, when people are feeling disoriented and scared, it needs to play a **positive societal role** and act as a civil servant of the community.

This is why the campaign centers around a question that is simple but, at the same time, full of meaning because it can embody values such as empathy and listening, demonstrating once again the importance of deep concern and closeness for the Group. "Come ti senti?" is synonymous with attention, commitment, care. With this campaign, Pic asked an intimate and

authentic question to the audience and highlighted the importance of taking care of ourselves and the people around us. This is the question by which Pic, through this campaign, reclaims a fundamental role in the daily lives of so many people who have chosen it.

The commercial was filmed during lockdown by nine directors of seven different nationalities who chose to offer their interpretation of the **idea of caring** for other people. In 2021, the multi-channel advertising campaign was very successful and highly appreciated with 7 million web views and over 29 million people reached on national TV. More than 30 articles published on national newspapers were dedicated to the campaign, which was also awarded with an award by Mediastars. Listening and closeness to people have prompted MTD to start educational activities about the proper use of medical devices throughout 2021.

In particular, an **education activity** was implemented in the US to promote awareness on the use of the Droplet Micron (34Gx-3.5mm pen needle). This education activity was undertaken through an **educator kit** addressed to doctors and educators. Its aim was for them to develop empathy by understanding the experience of the injection and insulin therapy from the patients' perspective. The project focuses on all stages of the injection experience, including anticipation, the moment preceding the injection that can be **characterized by anxiety, and preparation before the injection**. The kit also attempts to raise awareness on the importance of proper injection techniques, with a focus on the "little things" that make the biggest difference.

This ambitious project is fully aligned with MTD's mission to ensure adherence of treatment by



### How do you feel?

There is only one, simple question in the world that can help us feel heard, comforted, taken care of.

A question that can instantly lift our spirits.

Every time you ask, «How do you feel?» you make everything better for someone close to you.

We just help make it all a little easier.

It's Pic

And you?

How do you feel?



breaking down barriers, especially psychological ones. The Group is planning to extend this project also to other countries where G34 is marketed.

In Italy, MTD's commitment to being **close to consumers is pursued by the Pic brand**, a cross category self-care brand that has always stood out for its closeness to consumers and empathy. Throughout the year 2021, Pikdare specialists carried out educational courses for patients with diabetes in hospital on how to properly use medication devices. Courses on the use of SI Silicon were also delivered to nurses and dermatologists, to en-

sure that their patients get the greatest benefit of the products' innovative technology. Finally, Pikdare provided educational materials and products' samplings (such as needles for education on proper injection techniques, glucometers for screening and blood pressure monitors), to independent consumers' associations which organized public screenings and summer camps for diabetic children.

MTD is also committed to raising people's awareness on health issues through the promotion and dissemination of good practices to end consumers: to do this the group has created a platform called **Pic it easy**.

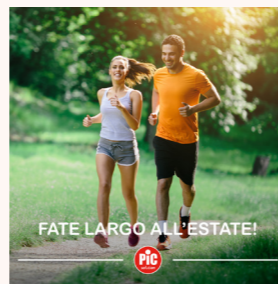
## PIC IT EASY

Pic it easy is an **online multi-channel educational platform** which provides people with free practical tips to help them deal with minor health problems. It has been developed to meet people's need for reliable online healthcare information. Pikdare's goal is to be regarded as an authoritative source of health information which at the same time is capable of creating empathy by delivering simple and well-mediated information.

The initiative has been very successful: the Facebook page has **almost 90,000 followers**, with posts containing health tips reaching **over 20.5 million impressions** and **20 thousand interactions**. The YouTube tutorial videos have reached 5.1 million views.



**90,000**  
followers  
**20.5 MILLION**  
impressions  
**5.1 MILLION**  
views



## 2.2 OVERCOMING PSYCHOLOGICAL BARRIERS

The drive for innovation led MTD to engineer a series of products that perfectly embodied the Group's dedication to making treatment as less invasive and as easy as possible. This approach is applied not only to products for people with diabetes, who have to take care of themselves every day, but it also results in ingenious de-

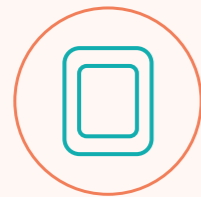
signs for products related to self-medication.

Among MTD's most successful products in this area, there is the **"Si-Silicon" dressing**, a line of patches which guarantee safe and painless removal. This product was awarded with the **"Product of the year" award in 2021**, precisely for its revolutionary features.

## “SI SILICON”: PRODUCT OF THE YEAR

Pic’s technological evolution has always been the result of a deep and careful listening to the people’s needs which is then translated into simpler, more comfortable, and safer solutions. In line with this objective, Pic launched the “SI Silicon” dressing, a line of patches that uses silicon technology to ensure a safe and painless removal. Indeed, dealing with a surgical wound is not easy, because it is necessary to find an appropriate dressing that respects the hypersensitivity of the skin, avoiding irritation, redness and discomfort that can naturally occur on these occasions, especially at the moment of dressing changes.

SI Silicon is the only complete range of patches **dedicated to delicate skin, ensuring wound protection** while providing pain-free and redness-free removal. This line presents three specific solutions for different types of hypersensitive skin, designed for any type of dressing:



**POST-OPERATIVE PATCH**  
**For wound medication**  
**Sizes** 5x7 cm  
 10x8 cm  
 10x15 cm



**BOBBIN PATCH**  
**For fixing primary medications**  
**Sizes** 2,5 cm x 3 m  
 5 cm x 3 m



**STRIP PATCH**  
**For small wound medication**  
**Sizes** 2,5 x 7,2 cm  
 4 x 8,6 cm

Due to its capacity to eliminate the problems of redness and pain caused by dressing, the SI Silicon line of patches won the “**Product of the Year**” 2021 award for post-operator and strip formats. The award was assigned based on the evaluation carried out by 12,000 consumers, aged 15 to 65, who were asked to vote for their favorite products. Among the main categories assessed, there were innovation and satisfaction. In 2021, the “Product of the year” label was placed on all packaging in the line.



MTD’s innovative force goes on and on; in fact, in 2021, there is another notable product: the **AIREasy On**, a revolutionary aerosol which can

be worn and used without the need to hold it with hands, thus changing the aerosol experience at its roots.

## AEROSOL – AIREASY ON: THE REVOLUTIONARY AEROSOL EXPERIENCE

The pandemic changed people’s work and personal habits and raised awareness on the importance of healthy breathing. Listening to the needs and observing the massive global changes in everyone’s daily life, Pic has been able to act as a reliable ally in the world of breathing medication. In fact, in 2021, Pkdare launched **AIREasy On, the first wearable, lightweight aerosol**, whose revolutionary design makes it possible to undergo medication while carrying out other activities. As a result, this allows the product to adapt perfectly not only to consolidated needs (a silent and comfortable to use product) but also to intercept emerging needs determined by global changes. Indeed, AIREasy On is extremely compact and can be plugged to any USB device, be it a smartphone or a tablet, thus allowing the user to freely move during the therapy. Compared to traditional aerosols, which are noisy, AIREasy On is fast and silent, a feature that significantly improves the comfort of the therapy, especially for children, who often experience aerosol therapy as something unpleasant. Moreover, the technology at the core of this device is extremely advanced: it optimizes the performance of existing aerosols by atomizing the particles to such an extent that they reach deep into the airways. It also minimizes the residual of non-nebulized drugs thus improving the efficiency of the therapy. Finally, it should be noted that AIREasy On, being extremely compact, is produced by **employing less quantities of raw materials** if compared to traditional aerosols, thus representing a more environmentally friendly solution. With this product, the Group furthermore demonstrates its ability to “listen” to the present, to look at the future and to **renovate an entire market category** by pushing the limits of technology.



## PIC HEALTH STATION APP

The Pic health station app is a platform created with the aim of **supporting patients in collecting and storing their medical data**.

It allows the patient to measure and correlate different indicators such as temperature, weight and pressure. The use of the app is important as the monitoring of these indicators could shed a light on the presence of diabetes. Not only does this app allow patients to create a digital medical diary, but it also lets them share it with their physician. Moreover, starting from 2022, the Pic Health Station app will be integrated with Apple's function Health, which allows users to collect data about their wellbeing. The main benefit of this integration is that it will make it possible for users to collect and check both data about their wellbeing and their health on the same app.

According to Apple's collection systems, the App was **downloaded 42,663 times** as of 31<sup>st</sup> December 2021. While, according to Google's collection systems, the **active users** as of 31<sup>st</sup> December 2021 were about **7,520**.



## 2.3 CONTINUOUS CARE FOR DIABETES

A brilliant example of MTD's drive for innovation comes not only from ingenious products for self-medication or personal care, but also from diabetes products designed to support people in their daily lives, making their lives and the management of the disease easier.

By **employing unmet needs of consumers** as starting point for its activities, MTD has always committed to offering a wide range of simple and comfortable products which can provide a solid and reliable answer to the demands of people, while **contributing to the enhancement of their everyday lives' quality**. This is particularly true for people with diabetes, whose needs MTD takes special care. Indeed, poor adherence to therapy is notably problematic for those who live with this condition, as it can cause them severe health concerns. As argued by the authors of several peer reviewed articles in renowned

academic journals, needle fear is indeed an extremely **common obstacle to adherence to therapy** for children with type 1 diabetes<sup>1</sup>. Also, a significant percentage of type 2 diabetic patients avoid starting their insulin therapy at the appropriate time because of their fear of injections and the associated pain<sup>2</sup>.

Moreover, it is important to point out that diabetes care has become highly relevant within the context of the COVID-19 pandemic, which has determined an **increase in the barriers to treatment** as a result of resource shortages, impacts on mental health and reduced opportunities to receive support<sup>3</sup>. In addition, the pandemic has introduced new health risks for diabetic patients, who are more vulnerable to the consequences of a COVID-19 infection: the treatment of viral infections is made more complex by fluctuations in blood glucose levels<sup>4</sup>.



1. Cemeroglu AP, Can A, Davis AT, et al. Fear of needles in children with type 1 diabetes mellitus on multiple daily injections and continuous subcutaneous insulin infusion. *Endocr Pract* 2015; 21:46-53
2. Benroubi M. Fear, guilt feelings and misconceptions: barriers to effective insulin treatment in type 2 diabetes. *Diabetes Res Clin Pract* 2011; 93 (Suppl1):S97-S9
3. Shi C, Zhu H, Zhou J, Liu J, Tang W. Barriers to Self-Management of Type 2 Diabetes During COVID-19 Medical Isolation: A Qualitative Study. *Diabetes, Metabolic Syndrome and Obesity: Targets and Therapy* 2020;13 3713-3725
4. <https://www.idf.org/aboutdiabetes/what-is-diabetes/COVID-19-and-diabetes/1-COVID-19-and-diabetes.html>

## DIABETES: A GLOBAL DISEASE

According to the definition given by the World Health Organization (WHO), diabetes is a chronic disease related to insulin, the hormone that regulates blood sugar. It occurs when the pancreas does not produce enough insulin or when the body cannot effectively use the insulin it produces. As defined by WHO, there are **two main types of diabetes**:



**TYPE 1 DIABETES** is characterized by **deficient insulin production** and requires **daily administration of insulin**.

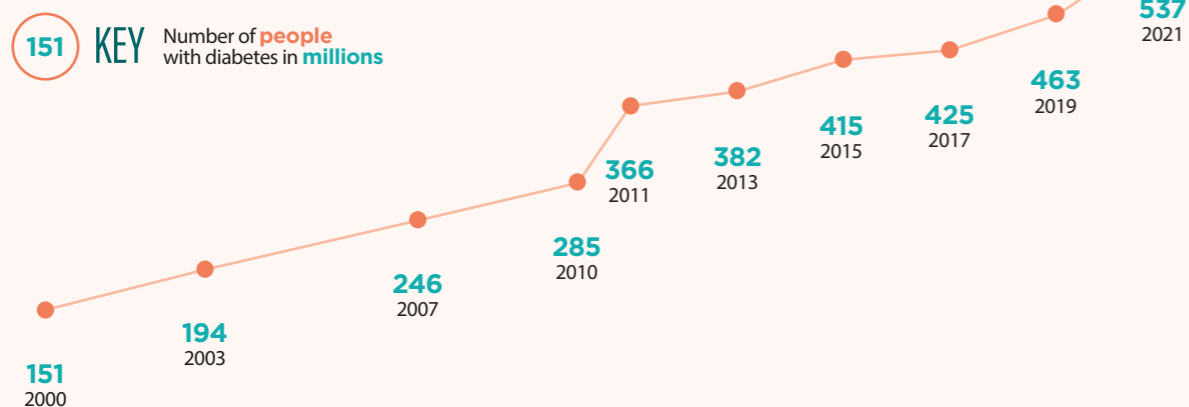


**TYPE 2 DIABETES** is the most common type of diabetes and results from the **body's ineffective use of insulin**. It is mainly related to lifestyle (e.g. excess body weight or lack of physical activity) and requires daily monitoring of blood glucose levels, and, **if the condition deteriorated, daily insulin injections**.

According to the last updated data of the International Diabetes Federation (IDF) it is estimated that in 2021 **537 million adults** (20-79) worldwide live with diabetes (1 in 10), and more than **1.2 million children and adolescents** (0-19) are living with type 1 diabetes. The total number of people with diabetes is projected to rise to 643 million by 2030, and 783 million by 2045. Moreover, 541 million adults have impaired Glucose Tolerance (IGT), which puts them at high risk of developing type 2 diabetes.

Globally, therefore, the number of deaths resulting from diabetes and its complications in 2021 is estimated to be 6.7 million, 1 every 5 seconds, confirming as diabetes is among the **top 10 causes of death around the world**<sup>5</sup>.

### ESTIMATES OF THE GLOBAL PREVALENCE OF DIABETES IN THE 20-79 YEARS AGE GROUP (MILLIONS)



5. IDF Diabetes Atlas - 10th Edition 2021

## PSYCHOLOGICAL BARRIERS TO DIABETES MANAGEMENT

According to the International Diabetes Federation, about **150-200 million people** require insulin therapy worldwide to date, and, according to the most recent studies, insulin use is estimated to increase.

Conventional insulin administration consists in subcutaneous injections with syringes or pen needles with pen injectors, which are marked in insulin units. Since insulin was first discovered in the early 1920s, vials and syringes have remained for over 50 years the only delivery option available for routine clinical use.

The first manufactured insulin pen was introduced in 1985, and today several pen-like devices that deliver insulin for subcutaneously through a needle are available. The original needles for subcutaneous injections had a larger diameter (25G) and were significantly longer than they are today, thus increasing the pain of the injection. Even though hypodermic needles are effective, they can bring pain, anxiety, and needle fear to the patient, thus negatively affecting the user's experience. The consequence of this increased discomfort is often poor compliance in initiating and adhering to needle-dependent therapies, such as insulin administration<sup>6</sup>.

For this reason, most of manufacturers around the world responded by **introducing thinner, shorter, and more accurate pen needles**, therefore leading to a reduction in necessary injection force, skin trauma and pain<sup>7</sup>. For many patients, such as those who are neurologically impaired and those who follow multiple daily injection regimens, these devices have been proved to enhance the accuracy of insulin administration and adherence<sup>8</sup>.

Considering the **psychological and physiological barrier** represented by the discomfort that insulin injection can cause to the patient, MTD has always committed to designing innovative products aimed at reducing pain and thus at promoting greater compliance with diabetes self-management. This is extremely important as a rigorous adherence to care can prevent acute and chronic complications and may consequently optimize the quality of day-by-day life. Sup-

porting people in this way can have important consequences for the individual's life but also an impact on the entire health care system.

With its portfolio of products, the Group walks consumers through the various treatments: pen needle and safety pen needles can **improve the experience of the therapy**, while personal and safety lancets and lancing devices may **facilitate blood glucose self-monitoring**.

6. Gill HS, Prausnitz MR. Does Needle Size Matter? J Diabetes Sci Technol. 2007; 1(5):725-729  
 7. Magwire ML. Addressing Barriers to Insulin Therapy: The Role of Insulin Pens. Am J Ther. 2011; 18(5): 392-402  
 8. American Diabetes Association. Insulin administration. Diabetes Care. 2003; 26(Suppl1): S121-S124.

## PERSONAL LANCET

Pricking the finger is an integral part of self-monitoring blood glucose and a part of everyday life for millions of people with diabetes. Testing blood sugar levels helps people with diabetes to make proper decisions about diet, activity and treatment requirements.

HTL, through **safe, comfortable** and **easy-to-use** personal lancets provided by its brand Droplet, tries to make this daily routine safe and more comfortable, with a silicon coated needle created specifically to cause less pain and a user-friendly design which makes it easy to handle. A study conducted on 60 diabetic patients, indeed, showed how Droplet® personal lancets provide sufficient blood sample for personal blood glucose level measurements with minimal pain perception<sup>9</sup>.

### ..... DROPLET® PERSONAL LANCETS .....



33G  
NEEDLE

30G  
NEEDLE

28G  
NEEDLE

#### COMFORTABLE

electro-polished, silicone coated needle **designed to cause less pain.** 3-beveled needle tip designed for **greater comfort of users**

#### EASY TO USE

user-friendly design, **easy to handle**

#### SAFE

needles are equipped with a **protective needle cap.** **Needles are sterilized** with Gamma radiation

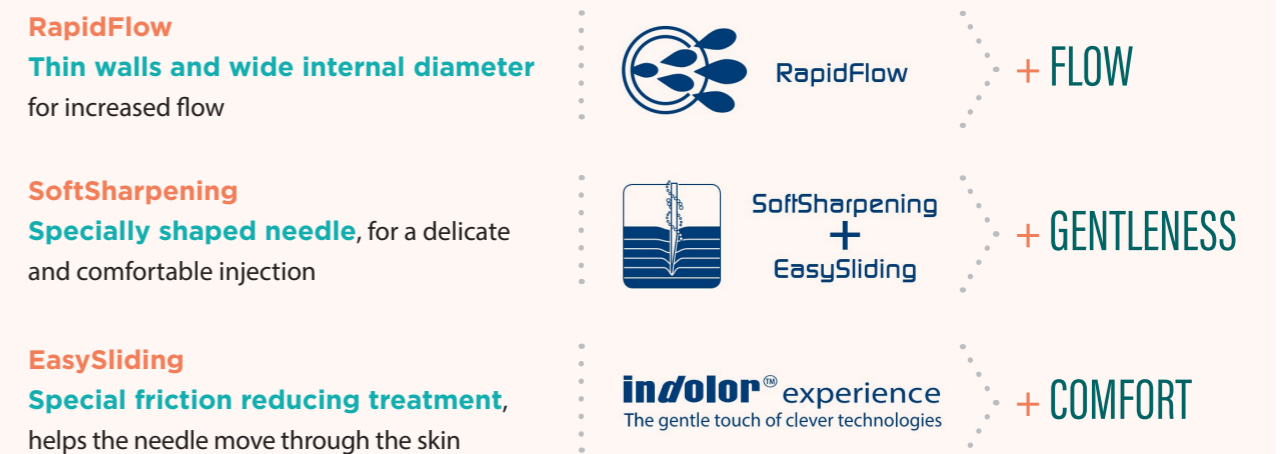
The most relevant innovations in the diabetes treatment area are the **34Gx 3.5mm pen needle**, the shortest and thinnest pen needle in the world and the **DropSafe safety pen needle 31Gx 5 mm**, that not only reduces the risk

of needlestick injury, but also allows for comfortable injections to final consumers. All these products aim to improve comfort related to diabetes management and to dismantle the psychological and physiological barriers.

## 34GX3.5MM: THE THINNEST AND SHORTEST PEN NEEDLE OF THE PIC RANGE

In its Pic-branded "**Insupen Advanced**" line, Pikdare includes all the most innovative technological features which can contribute to reduce pain and discomfort of the treatment. Indeed, the large internal diameter of the needle, which is made possible by extremely thin walls, ensures the rapidity of blood flow. On the other hand, the peculiar triple sharpening of the needle allows for a gentle and effective injections. Finally, the anti-friction treatment facilitates the sliding of the needle into the skin.

The last innovation in the line is represented by the **34G needle - the thinnest and the shortest pen needle in the PIC range** by diameter and length, whose ingenious design is aimed at reducing the psychological and physiological discomfort experienced by the patient during the treatment.



9. Zurawska G. Single-blind, Randomized, Singlecentre Study to investigate the Characteristics of Different Personal Lancets on Blood Volume and Perceived Pain in Patients with Diabetes Mellitus. Diabetes Manag. (2016) 6(3). 066-070.



To test the performance of the 34G, Pikdare carried out a scientific study entitled “Penetration force and cannula sliding profiles of different pen needles: The PICASSO study”<sup>10</sup>, published in an international peer-reviewed medical-devices scientific magazine, “Medical Devices: Evidence and Research” in 2019. The results of the study show that, when compared to needles with a larger outer diameter, the 34G reduces the amount of force required to penetrate tissues by up to 50%. Considering that it is generally recognized that by reducing needle penetration force, the patient will experience less pain, it can be argued that the 34G is likely to decrease the discomfort caused by injection.

In its intent to develop synergies between its two companies, HTL and Pikdare, MTD introduced in 2020 the 34Gx3.5mm pen needle in the North American market. The **Droplet Micron** is specifically indicated for use with pen injector devices employed for the subcutaneous injection of drugs.



### THE THINNEST

External diameter of **0.18 mm**.

The thin external diameter allows for maximum delicacy and considerably **reduce the invasiveness**.

### THE SHORTEST

Just **3,5 mm** in length.

The needle length allows for more effective ingress to the subcutaneous area and a **less painful injection experience**.



## DROPSAFE: SAFETY PEN NEEDLE 5MM LENGTH

Dropsafe safety pen needles are **sterile, single-use** safety needles intended for use with pen injector devices for the subcutaneous injection of drugs.

This product has been designed for a **comfortable injection** thanks to a needle that is so thin and short that it is almost invisible. The product has gained the healthcare professionals' trust through its efficacy, accuracy and safety. Safety is indeed ensured by a covered tip that prevents needlestick injuries before, during and after injections.

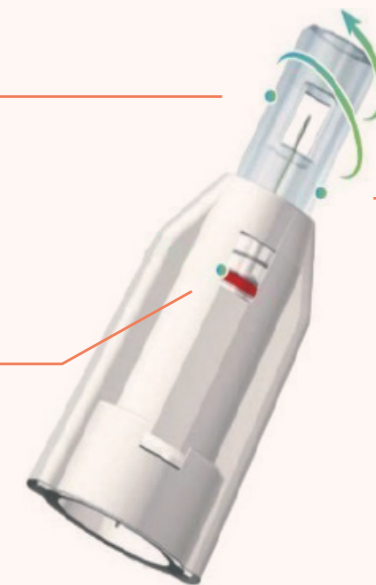
Moreover, there is a **lock-out** confirmation signaled by a red stripe that appears as soon as the needle has been used. This feature further increases the safety of healthcare professionals by reducing the number of injuries and blood contamination. The product is also compatible with the majority of pen injectors on the market, making it even more accessible for both healthcare professional and lay users.

### 100% SAFETY

**Needle safely contained behind shield, preventing accidental exposure.**

### LOCK-OUT CONFIRMATION

**Red stripes appears when needle is locked out.**



### NEEDLE LOCKING SYSTEM

**Needle is automatically locked after use.**

10. Leonardi et al., Penetration force and cannula sliding profiles of different pen needles: the PICASSO study. Medical Devices: Evidence and Research, 2019 Aug 28;12:311-317

## 2.4 INNOVATION FOR A SIMPLER LIFE

MTD's desire to foster innovation is embodied by the activity of its **R&D centers**, that are constantly working on vertically integrating innovation in manufacturing facilities with the aim of providing solutions to unmet needs.

Within the area of diabetes care, in which MTD has specialised throughout the years,

both Pikdare and HTL-Strefa have built their heritage on the development of increasingly innovative medical sharps. Pikdare has been pioneering diabetes care with the manufacturing of syringes and cannulas since the 60s/70s and in the 80s it successfully designed and launched the single-use **"no pain" syringe**. As for HTL-Strefa, it was the first company in the world to deliver a safety lancet in 1994.



Among the breakthrough innovations brought onto the market, there are the launch of a new thinner safety pen needle in 2014, the advanced dressing "MySkin" for speeding up the healing process of cuts in 2011, and the new thinner 33G personal lancet which allows an individual to perform a comfortable and pain-free injection, launched in 2014.

A person with diabetes has to practice multiple injections several times a day, both to monitor blood sugar diagnosis and to deliver insulin. MTD aims to stand by patients with diabetes every step of the way, trying to make a concrete contribution with every innovative product it provides (from lancets to the finest needles). Indeed, MTD is at the side of the patient in these daily moments, making this experience easy and less painful.

To date, MTD owns **two R&D centers** with over **100 active R&D projects**, with one center located in Pikdare and one in HTL, with a headcount of 7 people in Italy (mostly R&D technicians), and 21 people in Poland (11 R&D technicians and 10 project managers). The R&D activity of the Group has been characterised in recent years by the development of stronger synergies between its two brands.

Indeed, the R&D teams of Pikdare and HTL-Strefa often collaborate and share knowledge and expertise with one another, so as to maximise the opportunities for innovation. The benefits of this partnership are reflected in the continuous growth of the Group's portfolio, which counts **more than 280 patents** as of 31st December 2021.

Moreover, MTD's strong commitment to innovation allows MTD to maintain long-lasting collaborations and partnerships with leading pharma corporates, innovative start-ups and talented professionals. These partnerships create opportuni-

ties to jointly develop innovative medical device solutions by leveraging mutual capabilities and experiences. Finally, the MTD's commitment to innovation is demonstrated by the launch of **MTD Engineering** in 2020, the Group innovation hub.

### MTD ENGINEERING: BOOSTING THE RESEARCH

With the aim of boosting significant growth in the research and development area, in 2020 **MTD established MTD Engineering, an innovation hub**. MTD Engineering is an innovation & development hub for the in-house generation of new concepts, patents and solutions, continuously tested and immediately engineered. It is the technology core unit that generates innovative designs for MTD's product pipeline and, at the same time, serves as a reliable partner of other industries in every stage of new product development, providing its skills and services. Indeed, by building up on MTD's knowledge and expertise, MTD Engineering operates within three main focus areas:

- **development of new and highly competitive concepts** and designs, engineered to minimize costs and maximize performance;
- **consultancy** around various topics, such as tool and machine building and maintenance, or production set-up and optimization;
- **production** of components or final products based on partners' needs.

MTD Engineering's activity benefits many other sectors, such as veterinary, watchmaking, home appliance, cosmetics and laboratory, thus contributing to foster innovation through different markets. This is done thanks to MTD's deep expertise in the production of key technologies, namely steel processing, fabric processing, sterilization, automation and molding. By providing consultancy and products or products' components which build on MTD's expertise, MTD Engineering makes the most of its experience, know-how and infrastructure. **MTD Engineering provides technology, know-how and innovation** to create medical devices that help people every day, combining what is small with what is great.



## 2.5 FOR COMPLIANCE AND TRANSPARENCY

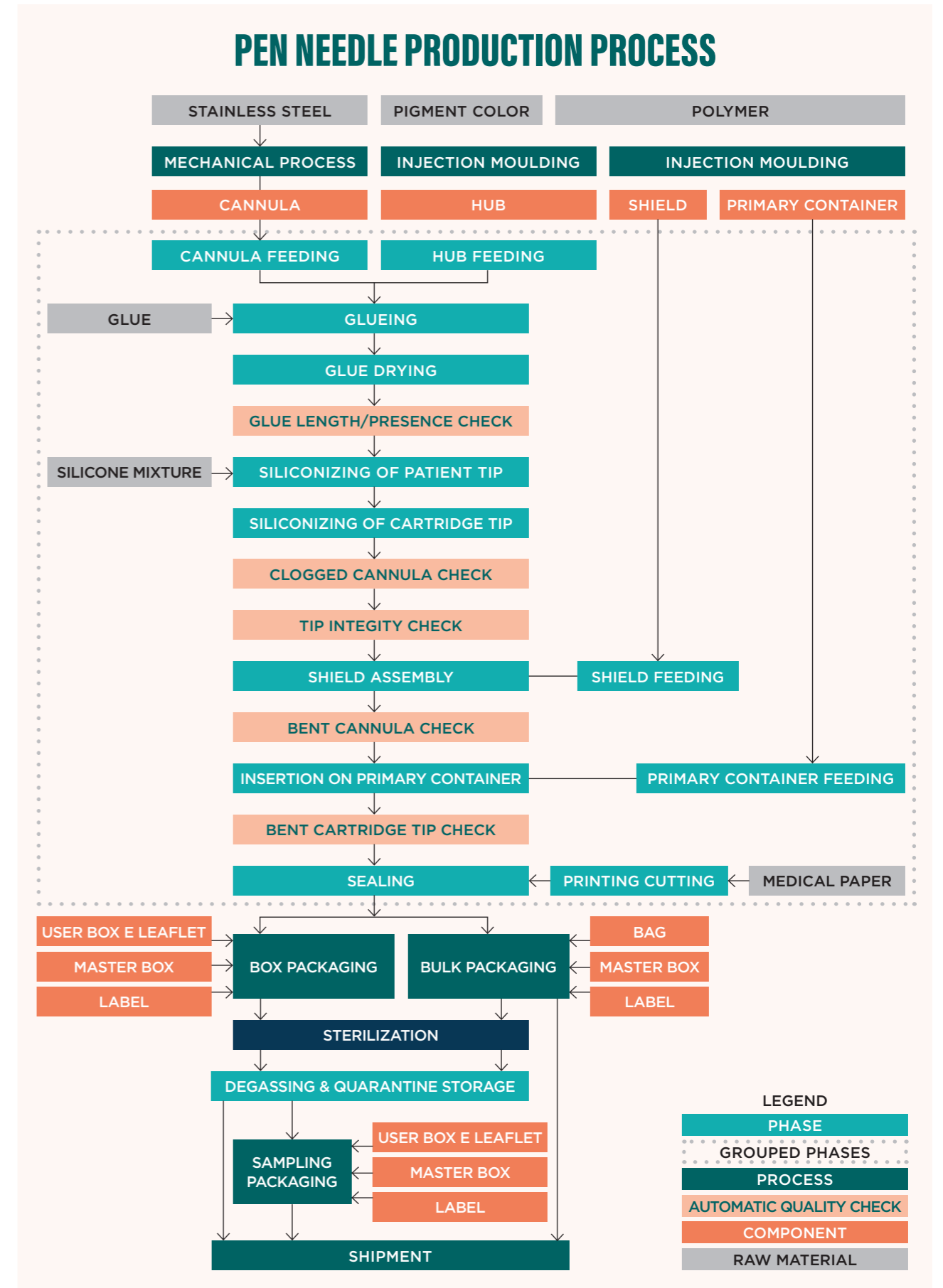
Safety, **quality and innovation** are extremely important to MTD, that is why they have always been at the core of the Group's activities and processes.

MTD does not limit itself to a mere compliance with the standards of product quality. On the contrary, it makes quality a core element of the Group's value proposition and acknowledges that the highest standards can only be achieved with the involvement and participation of every employee, who is held accountable for compliance with quality standards. Indeed, all MTD products are designed, developed, and tested to meet and potentially exceed the most stringent safety and quality standards.

All this is done not only to comply with stan-

dards, but also to stand with patients and professionals, ensuring that the products they use are **safe and easy to use**, helping the patient in the continuity of care and preventing the risk of infections in healthcare professionals every day.

Both Pikdare and HTL-Strefa demonstrate this pledge within their own **Quality Policy**, which defines internal and external commitments, especially towards customers and suppliers, in order to fulfil regulatory and quality management system requirements. Moreover, to guarantee full compliance in terms of quality products requirements, all MTD production processes include several automatic quality checks, as in the case of the Pen needle reported aside.



To monitor and oversee product quality and safety issues, both HTL and Pikdare have an **ISO 13485:2016** certified management system, specifically related to the medical devices sector. Pikdare is also certified according to **ISO 9001:2015**, a standard intended to be applicable to any organization, regardless of its type, size, or the products and services it provides. Finally,

MTD Group has also signed up to the “Medical device single audit program” (**MDSAP**), a program that enables an organization to satisfy the requirements of multiple regulatory jurisdictions with a single audit on the medical device manufacturer’s quality management system. To date, MTD has obtained this certification for Brazil, Japan, Australia, Canada and USA.

the other hand, received 25 audits, 3 of which were conducted by corporate customers.

MTD is aware of the impact of its products on the health of people and is therefore committed to responsible communication and labelling practices, as to ensure maximum transparency to final consumers. As proof of this commitment, in the last three

years there have been no cases of non-compliance with the legislation on product marketing and labelling. Furthermore, it should be noted that the Group is committed to and has begun to comply with the new environmental regulations in the field of marketing and labelling (**EU Directive 2018/851**), which include the obligation to provide information on product disposal.

## ISO 13485: 2016 - MEDICAL DEVICES - QUALITY MANAGEMENT SYSTEMS

The ISO 13485 is an International Organization for Standardization’s (ISO) standard that sets out comprehensive quality management system requirements for the design and production of medical devices. The standard was updated in 2016 to meet the latest quality management system practices, including changes in technology and regulatory requirements. In particular, the new version has a greater emphasis on risk management and risk-based decision-making, as well as changes related to the increased regulatory requirements for organizations along the supply chain.



MTD guarantees the fulfilment of the highest quality standards by continuously monitoring quality objectives, thus making it possible for Quality Policy goals to be measured. In particular, as a demonstration of the MTD Group’s commitment to this issue, in the last three years there were no incidents of non-compliance concerning the health and safety impacts of MTD’s products. There was one case of product recall in 2021, which involved a product purchased from a third party (MTD was therefore not the manufacturer). The recall was carried out on a voluntary basis by Pikdare following the ministerial note concerning the falsification of data carried out by an external company, which was responsible for ethylene oxide sterilization. The recall involved a total of 4 batches.

The Group continuously supervises quality and safety aspects through both periodical internal audits, in order to evaluate the adherence to the certified quality management system in all company departments, and through audits of suppliers, in order to ensure compliance to quality standards along the supply chain. In terms of numbers, in 2021, HTL-Strefa carried out **40 audits** to suppliers and Pikdare **carried out 25**.

Moreover, MTD is also externally assessed by either customers or notified bodies, which examine both Quality and H&S aspects. In this regard, HTL-Strefa underwent 8 audits, of which 3 were performed by corporate customers and 5 by notified bodies. Pikdare, on



# 3. TRUSTED PARTNER FOR SAFETY IN HEALTHCARE SYSTEM

**“We design, develop and supply safety products specifically designed to reduce or eliminate the risk of exposure to blood-borne pathogens among healthcare workers: state-of-the-art devices, designed to improve the comfort and safety of treatments both for healthcare professional and individuals.”**

**M**TD is aware of its potential role in supporting the development of a safe and efficient healthcare, in order to continue to stand by people: not only does the Group improve patients' lives by guaranteeing access to better care, but it also strives to protect the health of professional workers in the healthcare sector.

**MTD aspires to be a point of reference in healthcare delivery**, and particularly in diabetes field. Indeed, millions of people worldwide with diabetes require a constant support, assistance that is not only medical, but also psychological, to completely adhere to treatment.

The full adherence to treatment enables the reduction of the serious consequences of the disease, which could naturally occur, thus minimizing the impact that this chronic disease could have on the entire healthcare system. It is a responsibility in which MTD actively tries to do its part.

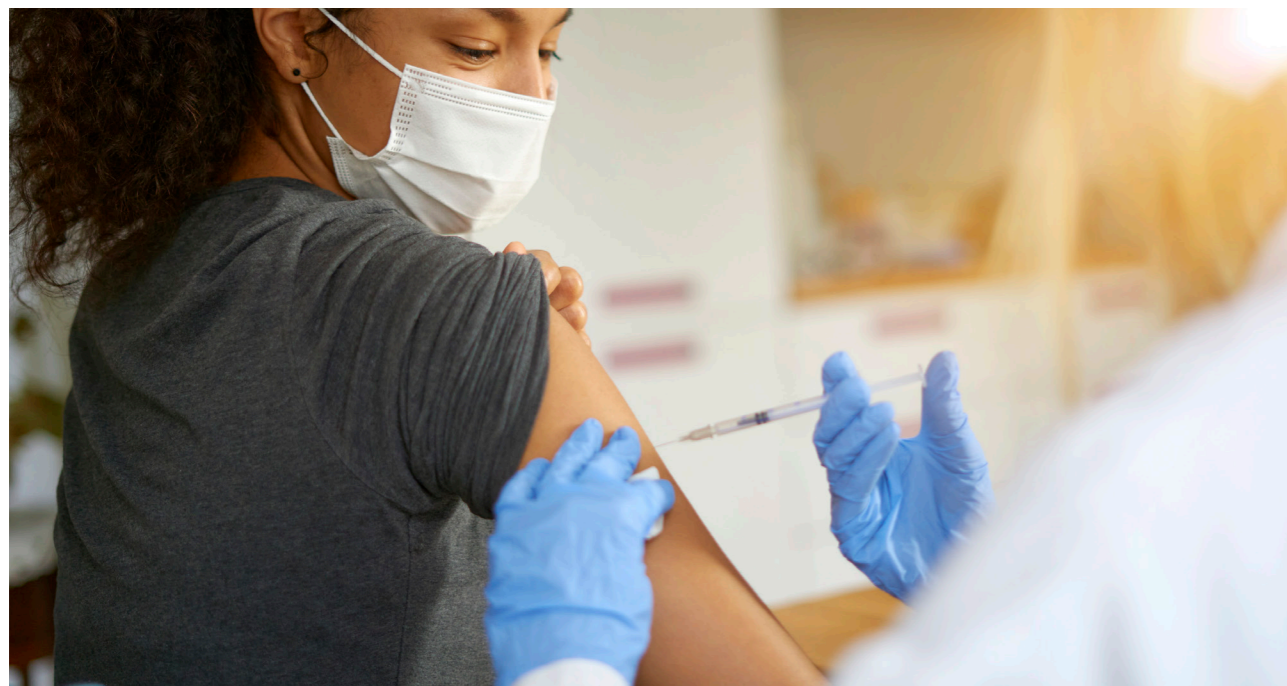
Therefore, the Group carries out **educational activities** addressed to healthcare workers, customers, and patients with the ultimate objective of **disseminating knowledge and good practices in the medical field**. In light of this objective, in 2021, MTD launched **MTD Exchange**, a platform aimed at sharing knowledge by bringing together leaders, healthcare professionals and various stakeholders to discuss and share experience around key topics in the management of diabetes and medical self-care.

Moreover, the importance the Group places on safety was also evident during the outbreak of the Covid-19 pandemic. The Group distinguished itself by offering products and devices aimed at the protection against the infection and by supporting diagnostic screening and vaccination campaigns. In response to the increased pressure that was put on healthcare workers throughout the pandemic, **MTD reinforced its link with these frontline professionals**, with the goal of ensuring their safety and wellbeing through innovative products and dedicated training sessions.

# 3.1 CARING FOR THE SAFETY OF HEALTHCARE PROFESSIONALS

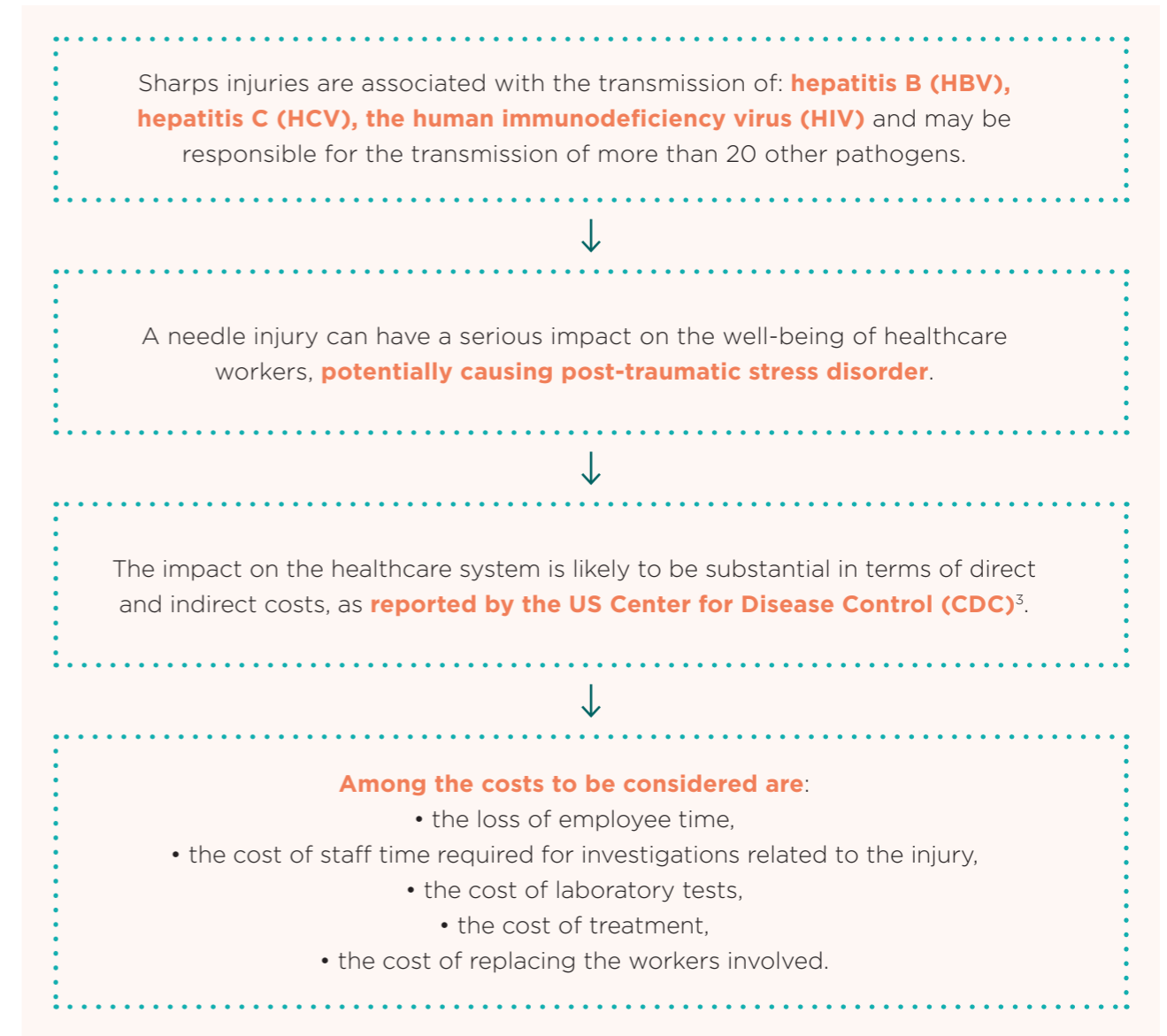
The protection of healthcare professionals has always been at the core of MTD's values and actions, because these professionals face an increased risk of infection from blood-borne pathogens simply because of their exposure to blood and other body fluids.

It is estimated that around the world **more than 2 million** occupational needlestick injuries are suffered by healthcare workers annually<sup>1</sup>. **Needlestick injuries** are typically the result of the employment of sharp equipment in a fast-paced, stressful, and potentially understaffed environment. In particular, the most frequent cause of needlestick injuries is represented by hypodermic injections, which are responsible for around one third of the cases<sup>2</sup>.



Safety is not only MTD's core business, it is also the heart of the Group's sustainability strategy. The accidental injuries can have significant consequences for the health of those who care for

others. In fact, injuries from contaminated needles put healthcare workers at risk of becoming infected with a blood-borne virus and suffering serious short and long-term medical consequences.



This is also compounded by less attention to chronic patients, including diabetics. The absenteeism and reduced productivity of healthcare professionals can have an impact on therapeutic adherence to treatment for diabetics. As mentioned earlier, MTD is very committed to

improving therapeutic compliance. If ignored, in fact, it leads to disability and premature death due to diabetes, serious consequences that are associated with a negative and important economic impact; these costs are often called the "indirect costs" of diabetes.

1. Bouya et al., Global Prevalence and Device Related Causes of Needle Stick Injuries among Health Care Workers: A Systematic Review and Meta-Analysis. Annals of Global health 2020 April 6  
 2. Cooke et al., Clinical, economic, and humanistic burden of needlestick injuries in healthcare workers. Medical devices: Evidence and Research Volume 10:225-235, 2017

3. <https://www.cdc.gov/sharpsafety/index.html>

Therefore, protecting healthcare professionals from the risks associated with their work becomes of primary importance, not only in terms of fulfilling workplace safety regulations, but also when it comes to the impact on the quality of life of the professional, patients and the entire social system. By reducing these accidents, the Group contributes to **lowering the costs sustained by hospitals** and consequently by the national healthcare systems, the Group also reduces the impact that someone with these diseases, caused by an accidental injection could have on the healthcare system and in general. In fact, blood-borne diseases can have real consequences for those affected.

For these reasons, it is impossible not to consider safety in the professional environment as a crucial issue. **The tiniest instrument, such as a needle, can have a great impact and make a big difference.** That is why MTD designs, develops, and supplies safety products specifically designed to minimize associated health risks or eliminate the risk of exposure to blood-borne pathogens among healthcare professionals: cutting-edge devices designed to be simple to use, to improve comfort and safety of treatment for both professionals and people. In particular, according to research, the use of safety devices that cover the needle-tip after hypodermic injection lowers the risk of injuries up to 100% compared to conventional devices<sup>4</sup>.

## A LEADERSHIP BASED ON KNOW-HOW, HISTORY AND INNOVATION

The leadership of MTD in the present relies greatly on the long experience and history of its two companies, HTL-Strefa and Pkdare. In particular, HTL-Strefa is recognized as a pioneer in the development and manufacturing of safety sharps. These devices are specifically designed to minimize the risk of a needlestick injury and, as a result, to also minimize the consequent risk of exposure to blood borne pathogens.

With over 20 years of experience in the global market, HTL-STREFA is the world's leading provider of blood micro-sampling medical devices, with **almost 50% of the global market share in safety lancets**. It also produces a wide range of products that successfully ensure safety and comfort, such as pen needles, safety pen needles, personal lancets and lancing devices.

**Safety lancets** are single-use devices for capillary blood sampling. They represent a fundamental component of sharps-injury prevention programs in places where patients and professionals require safety to be granted, such as hospitals, clinics, laboratories and doctor's offices. By using safety lancets, needle-stick injuries and infections can be minimized. Indeed, these devices ensure that the needle is fully covered before and after its use, thus reducing as much as possible the amount of time that it remains exposed.

4. Cooke et al., Clinical, economic, and humanistic burden of needlestick injuries in healthcare workers. Medical devices: Evidence and Research Volume 10:225-235

## SAFETY LANCET PORTFOLIO



## KEY FEATURES FOR HTL-STREFA SAFETY LANCETS

### SAFE

- All needles are **gamma-sterilized** and protected with a sterility tab.
- **Fully enclosed needle** housing ensuring that needle is hidden before and after use to prevent sharps injuries.
- **Self-destructing mechanism** preventing reuse of the device.

### COMFORTABLE

- **Silicone-coated**, ultra-sharp needles, ideally positioned during skin penetration.
- **Various, color-coded product versions** to meet specific blood sample applications and address the variety of patient skin types.
- **Wide range of designs** providing simple, comfortable and secure puncture.

### SIMPLE

- **Easy to handle**, intuitive activation in 2 steps only with no pre-loading, for both push button and contact activations.
- **Wide and long safety cap** for easy removal- simply twist and pull to remove the needle cover.
- **Precise designs** for convenient finger positioning and ideal blood sample collection.

HTL also promotes safety in the healthcare sector by providing **safety pen needles**, single-use needles for use with pen injector devices for the injection of drugs by professional healthcare users and lay users. The safety of the device is ensured by the full enclosure of the needle and by the self-destructing mechanism which prevents accidental reuses of the device.

The Dropsafe portfolio has expanded this year with a new **5mm length version** that is shorter than its predecessors. A shorter needle causes less pain to the user, thus improving the quality of the injection experience (as already explained in Chapter 2).

The studies carried out on Dropsafe have demonstrated its effectiveness: according to research, no device failures were observed during use, and all manipulations were performed without a needlestick or without contact with the needle after injection. The effectiveness of the device is also perceived by patients: the satisfaction rate was 93%, when considering parameters such as easiness of the injection and safety feature activation, clarity of the instructions, and visibility of the needle<sup>5</sup>.



5. Malinowki et al., DropSafe safety pen needle helps to prevent accidental needlesticks after injections: results of a simulated clinical study. 2020 Journal of infection prevention 1-9

## SAFETY PEN NEEDLE



### 100% SAFETY

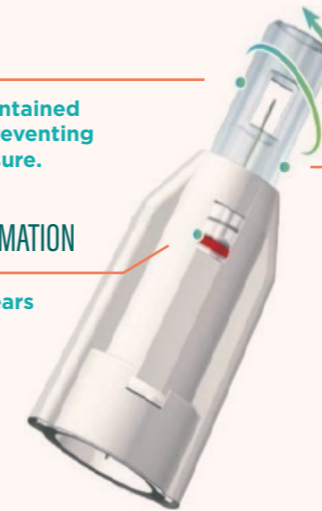
Needle safely contained behind shield, preventing accidental exposure.

### NEEDLE LOCKING SYSTEM

Needle is automatically locked after use.

### LOCK-OUT CONFIRMATION

Red stripes appears when needle is locked out.



**31G X 1/4"**  
0,25mm x 6mm

**31G X 5/16"**  
0,25mm x 8mm

## KEY FEATURES FOR HTL-STREFA SAFETY PEN NEEDLES

### SAFE

- **100% safety:** needle safely contained behind shield, preventing accidental exposure.
- **Lock-out confirmation:** red stripe appears when needle is locked out.
- **Needle locking system:** needle is automatically locked after use.

### SOFT

- **Gentle touch:** table sliding shield surface may disperse and reduce pressure on the injection site.
- **Comfort of use:** special and unique «in-house» lubrication method Droplicon™ designed to cause smooth and less painful injection.
- **Hidden Needle:** the needle remains hidden from view, which can increase patient comfort.

### SIMPLE

- **Easy attachment:** DropSafe® safety pen needles work with most pen injectors available on the market.
- **Intuitive use:** just twist on, inject and dispose
- **Needle lengths:** two needle sizes to meet your individual needs (31Gx6mm, 31Gx8mm)

### SMART

- **Needle viewing window:** for easy confirmation of drug flow (priming)
- **High quality:** thin wall allows easy & optimal drug delivery
- **Ergonomy:** DropSafe® safety pen needles has a special wing-shaped design for a comfortable and secure grip.



## 3.2 SIDE BY SIDE TO SHARE KNOWLEDGE

Informing and listening are the two pillars MTD's efforts are based on in establishing effective communication channels with healthcare professionals that go in two directions. On the one hand, MTD wishes to spread **good practices around the correct use of its products**; on the other, through listening, it aims at collecting experiences and opinions from healthcare professionals, to better understand their needs and expectations. This sharing of knowledge is essential not only to provide an all-round support to the people using the Group's products, but also to improve and build a distinctive know-how that characterizes MTD, driven by the desire to continue doing and learning.

These fundamental pillars are supported by all the companies in the Group.

Pikdare over the years has launched several projects aimed at the creation and dissemination of medical knowledge. In 2021, following up on an activity already begun in 2020, Pikdare delivered training to different groups of nurses and health professionals in hospitals and at permanent and semi-permanent testing points to train them in the use of the new analyzer for automatic readings of COVID-19 antigen test results. The same training has been organized also for the widespread network of pharmacies.

Pikdare has also created a board comprised of figures operating in the sector, representatives of the nursing category and regional

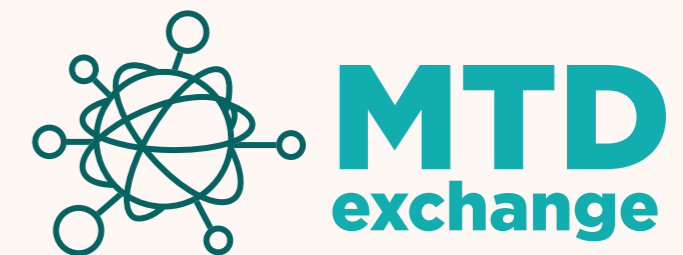
delegates of Federfarma<sup>6</sup> with the objective of analyzing the state of the art in service delivery, analyzing the current pathway for the allocation of pen needles and the role of various stakeholders, and developing an organization mode for post-tender delivery. The outcomes of the advisory board were then drafted by a medical writer and resulted in a publication of the outcomes addressed both to diabetologists and to private pharmacists.

HTL-Strefa periodically organizes **focus groups with nurses** with the goal of collecting their experiences and listening to their expectations and needs regarding products and solutions. This type of activity is extremely important as it can help MTD to identify and understand what are the most relevant product safety issues that should be addressed. Nurses' feedback is indeed used to guide product development towards solutions that meet the needs of healthcare professionals and patients. The last focus group was held in 2019 with seven experienced nurses working mainly in public hospitals. The results of the focus group highlighted the importance attached by nurses to professional safety: the consideration of safety as a rule that cannot be overlooked drives **the adoption of proper internal procedures**, which are applied to every stage of their work, especially when the activity involves physical contact with a potentially contagious patient and thus the biological risk is higher. Nowadays all these listening and sharing activities are gathered in MTD Exchange.

### MTD EXCHANGE: SHARING KNOWLEDGE WITH HEALTHCARE PROFESSIONALS

MTD aims at consolidating its position as one of the market leaders by raising its voice and **becoming a key opinion leader**. Leveraging its reputation as a trusted partner, it wants to share its information and knowledge, as an expert in the industry, through offering educational resources to healthcare professionals. For this reason, MTD has launched **MTD Exchange**, an online platform aimed at sharing knowledge among healthcare professionals. Initially the platform focused on diabetes, but to date it has expanded topics to all areas of interest of the Group (such as hypertension, breath, safety).

MTD Exchange is a **grassroots community program** born with the objective to share knowledge by bringing together leaders, healthcare professionals and various stakeholders, such as patients and their caregivers, to discuss and share experience around key topics in the management of diabetes, self-care, and all those topics which emerge as relevant in each MTD area of interest. By joining the MTD Exchange community, healthcare professionals have access to comprehensive and relevant knowledge to address unmet needs, technological innovation, and patient care. Indeed, the platform provides a virtual space to gather and share information through debates, discussions and events, but it also provides easy access to medical and scientific resources to help physicians to both **improve their knowledge** and become familiar with MTD's products and projects.



Experts exchanging knowledge to advance healthcare

MTD Exchange embodies the Group's commitment to offering both people and healthcare professionals a broad spectrum of innovative medical devices and personal care solutions, combined with **practical education and experience**. This educational project creates a virtuous circle from which patients also benefit. Physicians increase their awareness and experience, and this will inevitably improve healthcare, gradually making it more accessible, safe, reliable, and simple.

In 2021, MTD Exchange promoted two main events on the topic of diabetes, a roundtable and a workshop. The **roundtable**, entitled "What's so tough about taking insulin?" was held on October 25<sup>th</sup>. It saw an Italian endocrinologist and a diabetes psychologist from the US sharing key learnings about a **new injection experience** and technological solutions that can overcome psychological insulin resistance, thus contributing towards higher therapy adherence. The discussion included the intervention of diabetic patients, who shared their testimonies.

6. Federfarma is the national federation representing more than 18,000 private pharmacies affiliated with the National Health Service.

The fifth **International Diabetes Workshop** was held on December 2nd and hosted an Italian endocrinologist and diabetes educator from the US trying to answer the question “Can therapeutic inertia in diabetes be affected by overcoming injection barriers?”. The panelists examined the subject of overcoming **injection barriers** that may contribute to **therapeutic inertia** in a patient-centric manner. Other topics were also discussed, such as lipodystrophy, adherence to medical treatments and COVID-19 induced hyperglycemia requiring insulin.



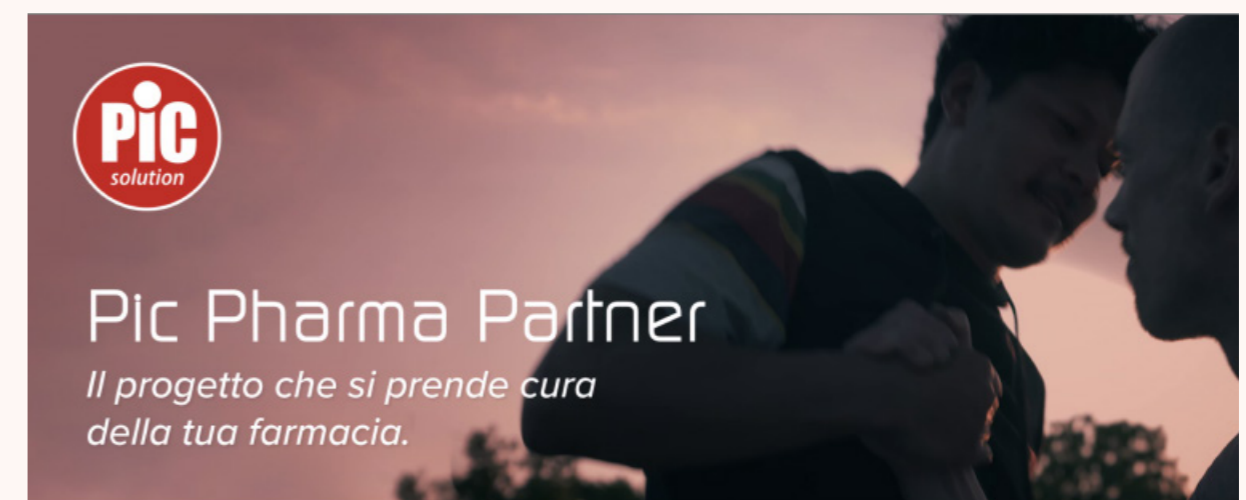
The listening process, as explained in the previous chapter, guides MTD to develop products that concretely fulfill the needs of people, patients and healthcare professionals. The focus groups highlighted what was already a priority for the Group: the safety of nurses, and all professionals in general, while doing their work.

For this reason, HTL-Strefa has developed **clinically proven lancing procedures** that have been distributed to healthcare workers; these procedures describe the steps that should be followed to ensure proper use of safety sharps (e.g., lancing procedures for capillary blood sampling).

Moreover, HTL-Strefa has prepared further educational materials for healthcare professionals and patients, such as Injection Technique Recommendations and Injection Techniques Practical guidelines. All these training materials aim to reduce sharps injuries and increase treatment efficacy, by increasing expected blood volumes and minimizing the pain of the patient receiving treatment.

Finally, MTD has launched **DropSafe.info**, a web platform addressing healthcare professionals and aimed at sharing knowledge around the correct use of products in three main areas: drug delivery, immunization and capillary blood sampling. By thoroughly describing products, their functions and innovational technologies, the website informs users on how to correctly use the products, thus contributing to increasing levels of safety and comfort.

In addition to the above mentioned educational activities, MTD organized **training sessions for pharmacists and distributors** to educate them on the correct use of MTD products. The training offered to distributors is mostly commercial, and it helps them to optimally place the product on the market. On the other hand, the training for pharmacists aims to ensure that the consumer buys products targeted to their needs and that they receive the correct information regarding the use of the products to guarantee continued safety. Training sessions for pharmacists are part of the **Partnership program** with pharmacies, which was launched in 2020 in Italy and which continued throughout 2021.



## 3.3 TOGETHER AGAINST COVID-19

The outbreak of the COVID-19 pandemic has brought new global challenges. MTD, in this phase, accelerated on investment, growth and value creation. At a time of great discontinuity, the Group has given speed and flexibility to its organization by choosing a **radically cross-functional model**. By listening to people' and professionals' requests, it found immediate and effective solutions to respond to emerging needs.

**MTD responded promptly to meet people's needs** by setting up a model that can be replicated to other emergent circumstances, which is to choose an expansive and forward-looking approach: if the world is changing, corporations must also change. This prompt response

to emerging needs is a key focus for the Group. In doing so, MTD has demonstrated once again how, through an innovation and future-oriented thinking, it is possible to successfully fulfill people's unmet needs and to respond to society's changing dynamics, even in times of emergency. The simplification of business processes and traditional organizational procedures enabled the creation of task forces to cope with change, ensuring the absolute collaboration of different and complementary departments and skills. With this approach, MTD has succeeded in ensuring the continuity of its core business and, at the same time, it fully embraced the new needs of healthcare systems, **reinventing its product portfolio** and entering new segments of the market.



The new "task forces" achieved great results. These are, for example, the COVID task force, focused on the immediate introduction of safety devices and tests for mass screening into the portfolio; **the "Vaccination Campaigns task force"**, committed to the industrialization of new low dead space syringes to accelerate vaccination campaigns around the world; and ultimately MTD Engineering, a new organization which looks at the future on the technological innovation front.

MTD, by leveraging its extensive heritage of expertise and strong international relationships, intercepted the new needs brought by the pandemic and rapidly identified new op-

portunities. In fact, through the **first COVID task force**, MTD has developed a portfolio of specific solutions designed to contain the Sars-Cov-2 virus.

Initially, MTD took action to provide medical devices that, in view of the surge in global demand, resulted in being crucial to contain all the phases of the pandemic. The Group supplied **surgical masks** that are specifically designed to protect individuals from the virus and thus to contain contagion. Surely, among the most important PPE provided by PIC there were surgical masks and **infrared thermometers**, which allow for remote non-contact temperature measurement.

### SYRINGES AND NEEDLES

Standard and safety hypodermic needles, luer slip or luer lock syringes without needle, syringes with needle, low dead space syringes, with or without needle

### COVID-19 IGG/IGM RAPID TEST

For the detection of antibodies in human whole blood, serum or plasma specimens (professional use only)

### SAFETY LANCETS FOR COVID-19 RAPID TEST

Sample size sufficient for a rapid test (10-20uL of whole blood sample required)

### RAPID ANTIGENIC TESTS

Rapid Sars-Cov-2 test for the identification of antigens  
Rapid test FIA (Fluorescent ImmunoAssay) Sars-Cov-2 for the identification of antigens

### SURGICAL MASKS

Non-woven, disposable, 3 PLY, high filtration (BFE ≥98%) masks

### DISINFECTANT

Rapid action against Gram-positive and Gram-negative bacteria, mycobacteria and fungi

### INFRA-RED THERMOMETER

No-contact device for measuring body, environmental and liquids temperature

When the infections from COVID-19 started to grow, it became necessary to ensure proper detection of the virus. For this reason, MTD procured and made available COVID-19 tests, which are classified according to the following types: molecular test, antigen test and serological test. In particular, MTD provided **antigen and serological tests**.

There are two types of antigen tests: the **rapid test and the FIA (Fluorescent Immunoassay Antigen)** one, both of which have been validated for the nasal swab. This modality of testing is much more comfortable, less invasive, and more easily repeatable than the nasopharynx/oropharynx one. These tests detect the **presence of a viral antigen**, a structural feature located on the outside of the virus and are extremely accurate both in terms of speci-

ficity and sensitivity, thus making it possible to identify whether tested individuals are positive or negative to the infection.

Moreover, MTD has also supplied rapid serological tests, a product intended for the exclusive use by professional personnel and used to detect the **presence of antibodies** generated by the immune system in response to the virus. The test is extremely easy-to-use and provides a quick result in 10-15 minutes.

In one year, from April 2020 to March 2021, MTD contributed several million COVID-19 tests, from rapid antibody and antigen tests to FIA Antigen Test (Fluorescent ImmunoAssay) and SARS-CoV-2/flu A/flu B Ag 3-1 Combo Test, **to mass screening campaigns** in all countries in which it was present.



## COVID-19 DETECTION TEST

Different methods can be classified according to the type of markers detected: components of the virus (viral RNA, viral antigen) or antibodies



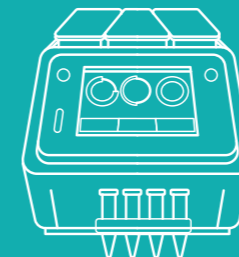
### VIRUS COMPONENT DETECTION



### ANTIBODY DETECTION

#### MOLECULAR TEST

##### RT-PCR



It reveals the presence of viral RNA by checking for the presence of the virus' genetic material. It shows whether the infection is currently in progress.

It is the most reliable method, but there are a limited number of tests that can be performed and it can only be done in a laboratory or hospital. It requires high-quality nasopharyngeal swabs for these reasons; alone it cannot cover the increasing need for diagnostic tests.

#### ANTIGENIC TEST

##### RAPID

##### FIA



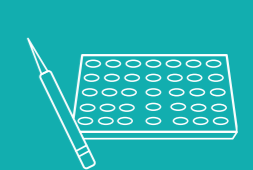
It shows the presence of a viral antigen, which is the protein that allows corona-virus to bind to cells. They diagnose infection when COVID-19 is active.

These are the most popular tests: they can be done anywhere, and require at most a portable device. They are less sensitive than RT-PCR but can be performed frequently. Useful as initial screening of asymptomatic patients and where urgent investigations are needed.

#### SEROLOGICAL TEST

##### RAPID

##### ELISA



They detect the possible presence of antibodies to COVID-19. They do not detect the virus but show whether the patient has been infected before.

They are useful as a screening, to understand how many people have come in contact with the virus. They can be done quickly with small samples or with a lancing device. However, they have lower reliability and sensitivity than other tests.

Finally, MTD contributed to the global effort to accelerate the diffusion of COVID-19 vaccinations. Through the **Vaccination Campaigns**

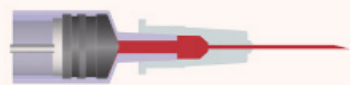
**task force**, it has developed Low Dead Space syringes to maximize vaccine extraction from multidose vials.

## SYRINGES WITH LOW DEAD SPACE: A PARTNERSHIP WITH PFIZER FOR COVID VACCINATION

The maximization of the number of individuals benefitting from the available vaccine vials is crucial to an efficient vaccination campaign. The achievement of this maximization requires the use of low dead space (LDS) syringes, which make it possible for health workers to draw more vaccine per vial than it was originally planned, thus **minimizing the waste of vaccine**.

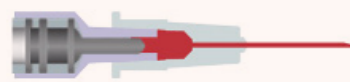
The innovative design of MTD supported vaccination with the vaccine produced by Pfizer. The pharmaceutical company reported that it was possible to extract 6 doses from each vial of its vaccine, thus minimizing vaccine waste. However, to extract these doses, appropriate syringes with a low dead space of no more than 35 microliters (0.035 mL) were required.

## FROM STANDARD TO FIXED-NEEDLE SYRINGES: THE MAIN CHARACTERISTICS



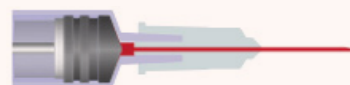
### STANDARD SYRINGES

Due to dead-volume needle and syringe it is unlikely that six doses can be obtained.



### LDV SYRINGES

LDV syringes are equipped with special plungers to extract fluid from the syringe tip.



### LDV NEEDLE

LDV needles make it possible to reduce dead space as they have a needle that fits through the opening of some standard syringes.



### FIXED-NEEDLE SYRINGES

Have low dead volumes fixing all in one needle and syringe and will, in most cases, achieve 6 doses of Comirnaty.

MTD Group invested in its Research Center in Como, Italy, which has decades of experience in needle and syringe design and manufacturing, to participate in the global effort to provide products that minimize vaccine waste and help accelerate the COVID-19 vaccination effort.

So MTD, applying its know-how, has been able to manufacture and offer improved syringes, with and without needles to ensure flexibility of use, with a total dead space of less than 35 microliters. This product innovation was of major importance in early 2021, when demand for vaccines exceeded supply. The Vaccination Campaigns task force also achieved another major success: it was commissioned by the **U.S. Department of Defense** to supply safety syringes and needles for the **U.S. vaccination campaign**.

Low-dead space syringes, used for COVID-19 vaccination, can be used for the delivery of any other medication. In fact, they are a product designed during the pandemic, but which can be employed in the future for drug delivery in an increasingly sustainable way, thanks to the reduced waste of medicine. In addition, this unique feature of the syringe will ensure the proper administration of the medicine and consequently a better adherence to therapy. A victory in many ways, so important to MTD.

These developments were all conducted without ever losing sight of one of the founding elements of MTD's mission, the focus on the safety of healthcare professionals and patients. Therefore, the solutions brought to the markets are designed to prevent accidental punctures during the procedure and include kits containing the necessary elements for an easy and safe vaccination experience (not only needles and syringes but also dressing and devices for safe disposal).



MTD, in addition to providing health care providers with protective dispositions, has decided to focus its product development on designing solutions to increase their safety in the COVID-fighting scenario. In addition to providing security dispositive to health-

care professionals, MTD has decided to focus its product development on the design of solutions to increase their safety within the scenario of the fight against COVID-19. In particular, the Group has launched a vaccination safety suite in the US market.

## VACCINATION SUITE FOR HEALTHCARE WORKERS

As a global leader and innovator in safety medical sharps, HTL-Strefa created DropSafe® Immunization Safety Suite, a unique portfolio of products specifically created for front-line clinicians administering vaccinations, ensuring a safe vaccination experience from start to finish. This DropSafe® Immunization Safety Suite is comprised of four high-quality products essential to caregivers on the front-line:



**DropSafe Inject-Safe™ Barrier Bandage:** a pre-procedural bandage that self-seals to contain post injection bleeding. It limits contact with bloodborne pathogens and allows health-care professionals to use both hands to dispose of the needle and the syringe.



**DropSafe Safety Syringe LD:** a high quality hinged-cap safety hypodermic needle and syringe used in conjunction with vial medications.



**DropSafe Safety Needle LD:** a high quality hinged-cap hypodermic needle used in conjunction with standard Luer Lock syringes.



**DropSafe Isolyser® Sharps Disposal:** a unique container of sharps approved in 39 states for self-disposal in the traditional waste with stream. It encapsulates sharps, making them unrecognizable and unusable.

This vaccination suite is designed to improve the vaccination experience and to prevent potential injuries, thus contributing to the improvement of health workers' wellbeing.





# 4. OUR PEOPLE, OUR CARE

**“The people of MTD represent a key pillar of the Group, which is committed to protect their safety, to foster their personal development and to increase their welfare.”**

The Group is committed to fulfilling two important goals in relation to healthcare professionals and people who use MTD's products every day. As discussed extensively in previous chapters, these goals are the **safety of products**, especially for healthcare practitioners and **listening to unmet needs**.

MTD addresses the same care and attention, devoted to the users of its products to its in-house employees. In fact, the Group is really focused on ensuring the safety and the wellbeing of MTD workers, both blue and white collars. These efforts have been dramatically stretched during COVID-19 pandemic whereby MTD put extraordinary actions to ensure the health and safety of all workers, by preserving business continuity, whose disruption would have caused material impacts to public and private customers (and, at the end, to consumers). Since the beginning of the pandemic in 2020 and throughout 2021, MTD distinguished itself with a proactive approach aimed at **minimizing the risk of infections** and heavily promoted vaccination as the final tool

to win over the crisis. The challenge faced by MTD was twofold: to ensure a wellbeing state within the company, the safety of its people and to guarantee that its final end users, mainly affected by diseases, were able to receive MTD medical devices. The Group, as previously mentioned, succeeded in overcoming these challenges through a revolution in its strategy which involved all levels of the company. MTD applied a pioneering approach based on the mutual trust; in fact, MTD has been one of the first groups which applied smart working and reviewed completely the way to work in the production plants.

MTD regards its employees as the driving force of the Group's success, and it is therefore committed to creating a healthy as well as inspiring work environment to guarantee their wellbeing. MTD, in fact, pledges to invest on its people's development, by offering a wide range of educational activities, welfare initiatives, proximity and listening to its employees throughout internal communications, inclusion, and surveys. All this promotes personal growth and contribute to talent retention.

## 4.1 SHARING THE CULTURE OF HEALTH AND SAFETY

**H**ealth and safety of all employees are two significant pillars that guide the activities of the Group. Relying on these pillars, when the COVID-19 pandemic began, MTD immediately and proactively implemented procedures and protocols to min-

imize the risk of infection within the Group, conscious of the need to **preserve the continuity of production** and to guarantee the delivery of medical devices to its customers, both private (pharmacies, medical wholesalers, etc.,) and public (hospitals, clinics, etc.,).

### HEALTH AND SAFETY MANAGEMENT DURING THE COVID-19 PANDEMIC

For a Group that has always focused on safety, the COVID-19 pandemic immediately turned out to be an important challenge for improvement. Indeed, the Group's activities in 2021 were still significantly affected by COVID-19. The Group was successfully able to implement a plan to guarantee the continuity of production and, at the same time, the health and safety of its employees.

Among the main activities implemented to pursue these important goals, smart working was encouraged, where and when possible, as the preferred working modality, as a way to minimize direct contact and, as a result, the spread of infections. For those workers who could not work from home, as they are employed at the production sites and are directly involved in the manufacturing process, HTL organized extra transportation services to support them before and after work, by trying to reduce the risk of contagion which would have been higher on public transports. **Safety measures** implemented in 2020, such as measurement of the temperature, distribution of personal protective equipment, contact tracing, and respect of safety distances, continued throughout 2021 in both Pikdare and HTL. Moreover, the two companies provided their employees with the opportunity to get freely tested, thus making it possible to effectively keep track of potential infections. The initiative was a success: at Pikdare, no positive case was found, as a demonstration of the efficacy of the safety measures that were put in place; at HTL, more than 3,300 tests were made to the employees who requested it.

As soon as the first doses of the vaccine became available, MTD decided to apply as a vaccination entity and, as a result, Casnate, Ozorkow and Leczyca production plants were qualified by the Italian and Polish government as vaccination hotspots. From June 2021, HTL-Strefa started a **vaccination campaign for its employees**: the vaccination program began in early June 2021 and they had fully vaccinated around 400 people by mid-July. Vaccinations were made on a voluntary basis and carried out on different dates as to fit the work schedules of the production plants. The program was widely appreciated by staff members.

Before the outbreak of the pandemic, health and safety were always crucial. Beyond Covid-19, MTD is committed daily to ensuring the highest standards of health and safety within its production facilities to all the workers. To oversee such issues, both HTL-Strefa and Pikdare have an EHS (Environment, Health & Safety) manager responsible for health and safety and, while Pikdare has a formalized HSE policy, HTL-Strefa has drafted a comprehensive EHS manual with guidelines and responsibilities. Being able to rely on policies and personnel dedicated to workplace safety and health allows MTD to be immediately aware of any critical issue, thus demonstrating once again how listening and closeness to people are key aspects in directing the Group's activities both externally and internally.

MTD's health and safety management approach is based on two principles: **monitoring and education**. Regarding monitoring, both HTL-Strefa and Pikdare regularly organize internal health and safety audits to ensure compliance with good health and safety practices

in production facilities. In particular, HTL-Strefa organizes **"Cross-audits"**: these audits consist in cross-visits between different departments, which follow a specific checklist aimed at evaluating health and safety compliance and performance. Monitoring activities are prodromal to direct investments in the plants either in terms of new infrastructural works either in people training. In 2021, HTL significantly invested on the improvement of certain infrastructures to align fire preventing systems in the plants to the needs of the industrial sites. In extreme summary, several new fire walls have been construed and fire alarms systems have been replaced. In parallel a constant training of the workers is implemented improving skills so to create also first aid intervention teams. Particular focus is devoted to implement periodical workshop and evacuation simulations so to keep people trained and skilled and ready to react in case of emergency.

On the other hand, since 2017, Pikdare has been implementing the **B.O.S.S. project**, a peer-to-peer assessment of compliance with health and safety requirements.

### THE B.O.S.S. PROJECT

The B.O.S.S. (Behavior Observation Safety System) project is a behavioral safety project started in 2017 and **based on a peer-to-peer assessment** of adherence to health and safety best-practices. Not only does the project aim to incentivize safe behavior and consequently reduce injuries, but also to involve the whole organization, thereby strengthening the safety culture. In particular, the project involves almost 30 nominated "observers" every year among the employees, who are offered specific training with the final objective of helping their colleagues to improve their performance in health and safety matters. The "observers" are required to observe for six months the health and safety behaviors of their colleagues at work, by using a checklist specific to each department. The number of observations made is monitored (each observer must perform at least 75% of the observations) and these observations are employed by the health and safety department to promote improvements. A reward system has been implemented to stimulate the participation of employees appointed as "observers" (e.g., coffee keys or vouchers for e-commerce).

Since 2020, the project B.O.S.S. has been extended also to environmental issues, as a manifestation company of the Company's commitment to environmental sustainability



Regarding education, both HTL-Strefa and Pikdare are committed to deliver comprehensive **training on health and safety issues**. HTL-Strefa, in 2021, conducted 290 hours of training, while Pikdare delivered 787 hours. “Field” education is also carried out in addition to the formal training hours that are monitored: for example, during daily production meetings, HTL-Strefa usually dedicates 3 minutes to reinforcing health and safety practices, although those meetings were suspended in 2020 and 2021 due to COVID-19 restrictions, HTL plans to restore them as soon as it will be possible according to safety regulations.

MTD has also implemented other health and safety initiatives, such as **HTL-Strefa Safety**

**Day:** a day-long event, organized once a year to raise awareness on health and safety issues among personnel, including employees based in the headquarters. In addition to that, periodical dedicated evacuation trainings are implemented so to keep all the employees duly trained in case of emergency.

By focusing on safety, the Group has been able to reduce the number of annual accidents from 2019 to date. In 2021, there were 22 injuries, the same number as in 2020, with a significant decrease compared to 2019 (-33%), while the number of total hours worked have remained stable. It should be noted that in the last three years there were no fatalities and only 1 injury quite material but with no permanent consequences.

WORK RELATED INJURIES	UNIT	2019	2020	2021
Total number of work-related injuries	n	33	22	22
<i>of which high-consequences injuries (&gt; 6 months of absence)</i>	n	1	0	0
<i>of which fatalities</i>	n	0	0	0
Total hours worked by employees <sup>1</sup>	h	3,325,707	3,268,371	3,233,217
<b>Frequency injury rate</b>		<b>1.98</b>	<b>1.35</b>	<b>1.36</b>

MTD also monitors health and safety data related to external workers employed in its production facilities; in particular, in 2021 there was 1 injury, with no high consequences.

Most accidents involved mechanical risk, which sometimes cannot be eliminated (e.g., bumps, slips, stumbles), and is not attributable to the company and the employer. A frequent cause of injury for employees who work at the production facilities is needlestick injury. As outlined in the previous chapters,

MTD is committed to training and developing innovative solutions that increasingly reduce accidental puncture wounds especially in healthcare professionals. This focus, inherent to MTD’s DNA, is also addressed to its collaborators. As a result, listening to their people allows the Group to learn, improve and bring about concrete solutions that satisfy internal needs. For this reason, HTL-Strefa launched in 2019 the **“Needle project”** with the goal of mapping risks related to needle cutting and identifying possible measures to reduce these

risks to their staff members. The project made it possible to reduce needle injuries in HTL’s production sites by 54% compared to 2020 and by 77% compared to 2019.

In 2020, likewise, HTL-Strefa launched the **“near misses project”** which provides the workforce with the opportunity to report near

misses (incidents in which a worker might have been hurt if the circumstances had been slightly different) via e-mail. The employee can also propose corrective actions to be implemented and based of these notifications, HTL-Strefa holds frequent meetings to correct and analyze potential misconducts, with the aim of reducing workplace incidents.



1. Total hours worked by employees include regular time and overtime.

## 4.2 WELLBEING FOR A WELL CARE

The “engine” of MTD is its **talented workforce**, committed to a creative and innovative process leading to the achievement of the goals that have been set as a Group.

To achieve these strategic goals, MTD focuses on **developing people’s skills and capabilities** and fostering talent, ensuring their safety, **promoting inclusion and diversity**. All this guarantees the differentiation of MTD’s products in the long-term.

There are many people in the workforce, everyone with specific needs and expectations. MTD, besides periodic listening activities to

collect needs and feedback from its staff, has launched welfare initiatives, enabling employees to be able to better experience work life and work-life balance.

As of 31<sup>st</sup> December 2021, MTD employed a total of almost 1,760 FTE employees (4% less than in 2020). In addition to that, the workforce was composed also by interns (5), agency workers (7) and other workers (54). In particular, the latter are represented in Italy by the workers of the cooperatives that take care of the warehouse and cleaning, while in Poland by white collars workers contracted through service agreement contracts, mostly coming from Ukraine.

TOTAL WORKFORCE	UNIT	2019	2020	2021
Employees	FTEs	1,928.0	1,835.5	1,759.6
Agency workers	FTEs	3.0	10.0	7.0
Internship	FTEs	4.0	4.0	5.0
Other	FTEs	92.0	92.0	54.0
<b>Total workforce</b>	<b>FTEs</b>	<b>2,027.0</b>	<b>1,941.5</b>	<b>1,825.6</b>
<i>of which men</i>	FTEs	918.1	879.9	842.5
<i>of which women</i>	FTEs	1,108.9	1,061.7	983.1

More than half of MTD’s employees are women (54% of the total), a percentage which has remained aligned with the 2020 data (54%). Regarding the age composition of MTD’s employees, most of them are between 30 and 50

years old (64%), while 14% is under 30 and 22% is over 50. Finally, when looking at the category composition, white collars and blue collars comprise 23% and 71% of the total employee population respectively.

EMPLOYEES BY EMPLOYMENT CATEGORY, GENDER AND AGE GROUP, 2019-2021		UNIT	2019	2020	2021
<b>Executives - Total</b>		<b>FTE</b>	<b>23.0</b>	<b>26.0</b>	<b>31.0</b>
Man	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	9.0	10.0	14.0
	>50 years	FTE	10.0	9.0	10.0
Woman	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	3.0	6.0	6.0
	>50 years	FTE	1.0	1.0	1.0
<b>Middle Management - Total</b>		<b>FTE</b>	<b>87.5</b>	<b>85.8</b>	<b>78.0</b>
Man	<30 years	FTE	2.0	0.0	0.0
	30 < x < 50 years	FTE	34.0	35.3	27.5
	>50 years	FTE	19.0	19.0	19.5
Woman	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	28.5	26.5	26.5
	>50 years	FTE	4.0	5.0	4.5
<b>White Collars - Total</b>		<b>FTE</b>	<b>394.0</b>	<b>378.0</b>	<b>405.3</b>
Man	<30 years	FTE	25.0	16.0	20.0
	30 < x < 50 years	FTE	100.8	102.8	115.8
	>50 years	FTE	53.3	51.1	50.5
Woman	<30 years	FTE	44.0	37.0	44.8
	30 < x < 50 years	FTE	142.4	143.4	143.1
	>50 years	FTE	28.5	27.8	31.2
<b>Blue Collars - Total</b>		<b>FTE</b>	<b>1,423.5</b>	<b>1,345.8</b>	<b>1,246.3</b>
Man	<30 years	FTE	140.0	129.0	92.0
	30 < x < 50 years	FTE	362.8	339.5	332.8
	>50 years	FTE	121.3	127.3	123.5
Woman	<30 years	FTE	158.0	135.0	93.0
	30 < x < 50 years	FTE	515.3	475.8	453.8
	>50 years	FTE	126.3	139.3	151.3

Most of employees work in Poland (75%) and in Italy (21%) where the manufacturing plants are located; other employees are based in the local commercial subsidiaries, in France and

in the USA, and in the Group headquarter based in Switzerland, distributed between the office in Lugano and the newly opened office in Chiasso.

EMPLOYEES BY REGION	UNIT	2019	2020	2021
Italy	FTEs	376.7	373.2	371.7
Poland	FTEs	1,497.3	1,411.4	1,325.9
France	FTEs	25.0	24.0	27.0
USA	FTEs	27.0	20.0	26.0
Switzerland	FTEs	2.0	7.0	9.0
<b>Total employees</b>	<b>FTEs</b>	<b>1,928.0</b>	<b>1,835.5</b>	<b>1,759.6</b>

With respect to the type of contract, in 2021, almost 85% of MTD's employees had a permanent contract, compared to the 78% of 2020.

EMPLOYEES BY CONTRACT AND BY GENDER	UNIT	2019	2020	2021
Permanent male	FTEs	645.3	673.0	687.5
Permanent female	FTEs	742.9	758.7	804.1
<b>Total permanent employees</b>	<b>FTEs</b>	<b>1,388.2</b>	<b>1,431.7</b>	<b>1,491.6</b>
Temporary male	FTEs	232.8	164.9	118.0
Temporary female	FTEs	307.0	239.0	150.0
<b>Total temporary employees</b>	<b>FTEs</b>	<b>539.8</b>	<b>403.9</b>	<b>268.0</b>
<b>Total employees</b>	<b>FTEs</b>	<b>1,928.0</b>	<b>1,835.5</b>	<b>1,759.6</b>

With regard to the employment type, around 2% of employees had a part-time contract in 2021, 90% of which are women.

EMPLOYEES BY EMPLOYMENT TYPE	UNIT	2019	2020	2021
Full-time male	n°	874	832	803
Full-time female	n°	1027	977	936
<b>Total Full-time</b>	<b>n°</b>	<b>1,901</b>	<b>1,809</b>	<b>1,739</b>
Part-time male	n°	6	8	4
Part-time female	n°	36	33	28
<b>Total Part-time</b>	<b>n°</b>	<b>42</b>	<b>41</b>	<b>31</b>
<b>Total employees</b>	<b>n°</b>	<b>1,943</b>	<b>1,850</b>	<b>1,771</b>

In 2021, **MTD demonstrated to be a reliable employer**. By **listening to the needs** of our employees, the Group seeks to meet their expectations and needs. Indeed, the overall turnover, calculated as the ratio between

the outgoing staff on the previous years' total number of employees, decreased by 3%, a positive sign of stability despite a year of uncertainty which was still characterized by the COVID-19 pandemic.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER, BY GENDER AND AGE GROUP	GENDER	AGE GROUP	UNIT	2019	2020	2021
Number of new employee hires	Men	< 30 years old	FTEs	103.0	77.0	29.0
		30 ≤ x ≤ 50	FTEs	89.0	48.3	61.0
		> 50 years old	FTEs	15.0	13.0	9.0
	<b>Total men</b>	<b>FTEs</b>	<b>207.0</b>	<b>138.3</b>	<b>99.0</b>	
	Women	< 30 years old	FTEs	77.0	49.0	29.0
		30 ≤ x ≤ 50	FTEs	109.0	61.0	35.0
		> 50 years old	FTEs	10.0	7.0	8.0
	<b>Total women</b>	<b>FTEs</b>	<b>196.0</b>	<b>117.0</b>	<b>72.0</b>	
	<b>Total number of new employee hires</b>	<b>FTEs</b>	<b>403.0</b>	<b>255.3</b>	<b>342.0</b>	
	<b>Hiring rate<sup>2</sup></b>			<b>FTEs</b>	<b>21%</b>	<b>13%</b>
Number of employee terminations	Men	< 30 years old	FTEs	88.0	71.0	35.0
		30 ≤ x ≤ 50	FTEs	69.5	74.0	67.3
		> 50 years old	FTEs	29.0	24.0	28.4
	<b>Total men</b>	<b>FTEs</b>	<b>186.5</b>	<b>169.0</b>	<b>130.6</b>	
	Women	< 30 years old	FTEs	61.0	43.0	37.0
		30 ≤ x ≤ 50	FTEs	113.0	104.5	58.3
		> 50 years old	FTEs	39.0	18.0	23.8
	<b>Total women</b>	<b>FTEs</b>	<b>213.0</b>	<b>166</b>	<b>119.0</b>	
	<b>Total number of employee terminations</b>	<b>FTEs</b>	<b>400</b>	<b>334.5</b>	<b>249.6</b>	
	<b>Turnover rate<sup>3</sup></b>			<b>FTEs</b>	<b>21%</b>	<b>17%</b>

2. FTE Hirings / FTE employees of the previous year

3. FTE terminations / FTE employees of the previous year.

MTD is committed to communication with its employees with the aim of being receptive to their needs and requests. To this end, it organizes Group level meetings, called “**town halls**”, with all the employees: the objective is to update the employees concerning results, strategies, and goals of the Company, but also to provide them with the opportunity to ask questions and express their opinions. The CEO, the CFO and the head of the HR take part to these four meetings (one per country), which are aimed at strengthening the relationship with the employees. The newsletter, available in four different languages, is another important instrument of communication.

Moreover, HTL has conducted its **yearly engagement survey**, addressed to all its employees, and aimed at gathering information about their satisfaction level in regard to their experience in the Company. The engagement rate increased compared to 2020 (15%), and the satisfaction rate is aligned with last year’s results: 64% the respondents considered themselves satisfied. The growth in the response rate was achieved by digitalizing the survey, thus making it easier and quicker for employees to fill it in. Finally, MTD is planning to create and share new employee surveys to gather information and opinions about three different topics: diversity, digital skills and managerial skills.

The Group works to **improve the wellbeing** of its employees through the implementation of **welfare initiatives**. For example, Pikdare offers employees in Italy reduced-price access to the company canteen (€0.50 for blue collars, €1 white collars, €1.5 for middle managers and €3 for executives); it also offers reduced-price access to the company kindergarten, thus providing employees with children with the opportunity to improve their work-life balance. On the other hand, HTL-Strefa has a set of benefits to complement salaries, such as the funding of sports activities and private medical care.

During the pandemic MTD decided to entirely build the employment relation on **mutual trust**: since the very beginning, MTD invented a new way to deal with employees whose presence at the office was not strictly necessary. All these workers were required to work from home: no badges, no meetings in person, no controls from the employer. The smart working experiment was extremely successful, as all employees took up the challenge and put extraordinary effort into their work. It also became clear that smart working is and can be a valid working modality, with the potential of **enhancing workers’ work-life balance** and hence wellbeing. This is why throughout 2021, both Pikdare and HTL worked towards a formalization of a smart-working policy, with the aim of regulating this new working modality.

## 4.3 UPSKILLING FOR PERSONAL GROWTH

MTD promotes **people’ development**, believing that personal growth brings benefits both to the individual itself and to the entire team of work, and consequently to the entire Group. Aiming at this goal, MTD promotes the development of its employees by offering **training activities** to encourage their personal and professional growth, aware that such growth also allows the Group to remain competitive in the market. In general, training is organized through a bottom-up approach that makes it possible to deliver training according to employees’ training needs.

At the moment, there is no centralized training plan at Group level; instead, provision is managed independently by Pikdare and HTL-Strefa. However, some progress has recently been achieved in this regard. Indeed, in 2021, both Pikdare and HTL-Strefa delivered language courses focused on the improvement of En-

glish skills. The objective of the course is not limited to fostering language skills, but also to improve and promote communication and synergies between the two companies, with offices and production sites in different countries around the world. Exchanging knowledge, understanding, and listening are crucial for the growth and the competitive improvement of individuals and the whole Group.

Moreover, Pikdare launched a course to improve leadership and relationship skills, addressing employees with strong technical skills who however need to work on their relationship abilities; it involved around 25-50 department heads and was delivered in person. Finally, HTL-Strefa delivered an onboarding program for its new blue collars with the aim of improving the quality of the onboarding experience and the employees’ wellbeing on their first days at the job.



In 2021, 4,608 hours of training were carried out for MTD employees, an increasing value if compared to 2020.

AVERAGE TRAINING FOR EMPLOYEES	UNIT	2019	2020	2021
Training provided to men	h	3,051	2,258	2,390
Training provided to women	h	1,567	2,022	2,218
<b>Total training hours provided to Employees</b>	<b>h</b>	<b>4,618</b>	<b>4,281</b>	<b>4,608</b>
<b>Average training hours</b>	<b>h/n° employees</b>	<b>2.4</b>	<b>2.2</b>	<b>2.6</b>

ANNUAL TRAINING HOURS BY TOPICS	UNIT	2019	2020	2021
Training on HSE topics	h	1,117	1,397	1,077
Training on professional development (e.g., management training, soft skills, language training, etc.)	h	864	609	1,078
Training on required job skills (e.g., technical topics, machinery operation, IT training)	h	1,066	842	1,124
Training on Cyber / data security	h	0	0	16
Training on anti-corruption	h	1,572	1,434	1,313
<b>Total training hours</b>	<b>h</b>	<b>4,618</b>	<b>4,282</b>	<b>4,608</b>

The courses organized were mainly related to anti-corruption training (28%), job skills (24%), HSE (23%) and professional develop-

ment (23%). The main beneficiaries of the training offer are white-collars (49%) and blue-collars (36%).

ANNUAL TRAINING HOURS BY EMPLOYEE CATEGORY AND GENDER	UNIT	2019	2020	2021
Training provided to EXECUTIVES	h	67	32	55
Training provided to MANAGER	h	591	462	608
Training provided to WHITE COLLARS	h	2,227	2,902	2,280
Training provided to BLUE COLLARS	h	1,733	885	1,665
<b>Total training hours provided to Employees</b>	<b>h</b>	<b>4,618</b>	<b>4,281</b>	<b>4,608</b>





# 5. WE CARE FOR PLANET'S HEALTH

**“We are aware of our environmental impact and we are committed to address the challenges that affect our planet, with special attention to climate change.”**

**E**nvironmental issues are deeply embedded in MTD's corporate culture. **The ethical management** is the foundation of every relationship the Group forges with people and partners, and it guides corporate decisions. The Group believes that ethics cannot ignore the attention to the environment as well.

The Group is well aware that the health of the environment has a fundamental impact on the health of people. Therefore, within the limits of its business, MTD is committed to reducing its impact on the environment by implementing two strategies: **reducing CO<sub>2</sub> emissions and reducing materials and waste.**



## 5.1 THE WAY WE CARE, THE WAY WE ACT

In the same way that it take care of people, MTD is also committed to **ensuring the well-being of the environment** and therefore of future generations.

Protecting and safeguarding the environment are important values for both Pikdare and HTL-Strefa. The Group analyzed the differences in sustainability approaches and standards applied by the two entities, by conducting an in-depth assessment of their strategies, policies and environmental impacts. The aim was to successfully develop a unique group environmental strategy that embodies the best

practices of local and autonomous policies, in order to have a unified vision of the impact the company has and can have on the surrounding environment. Thus, MTD aims for a **common environmental strategy**, which nevertheless accounts for the peculiarities and the needs of its business entities.

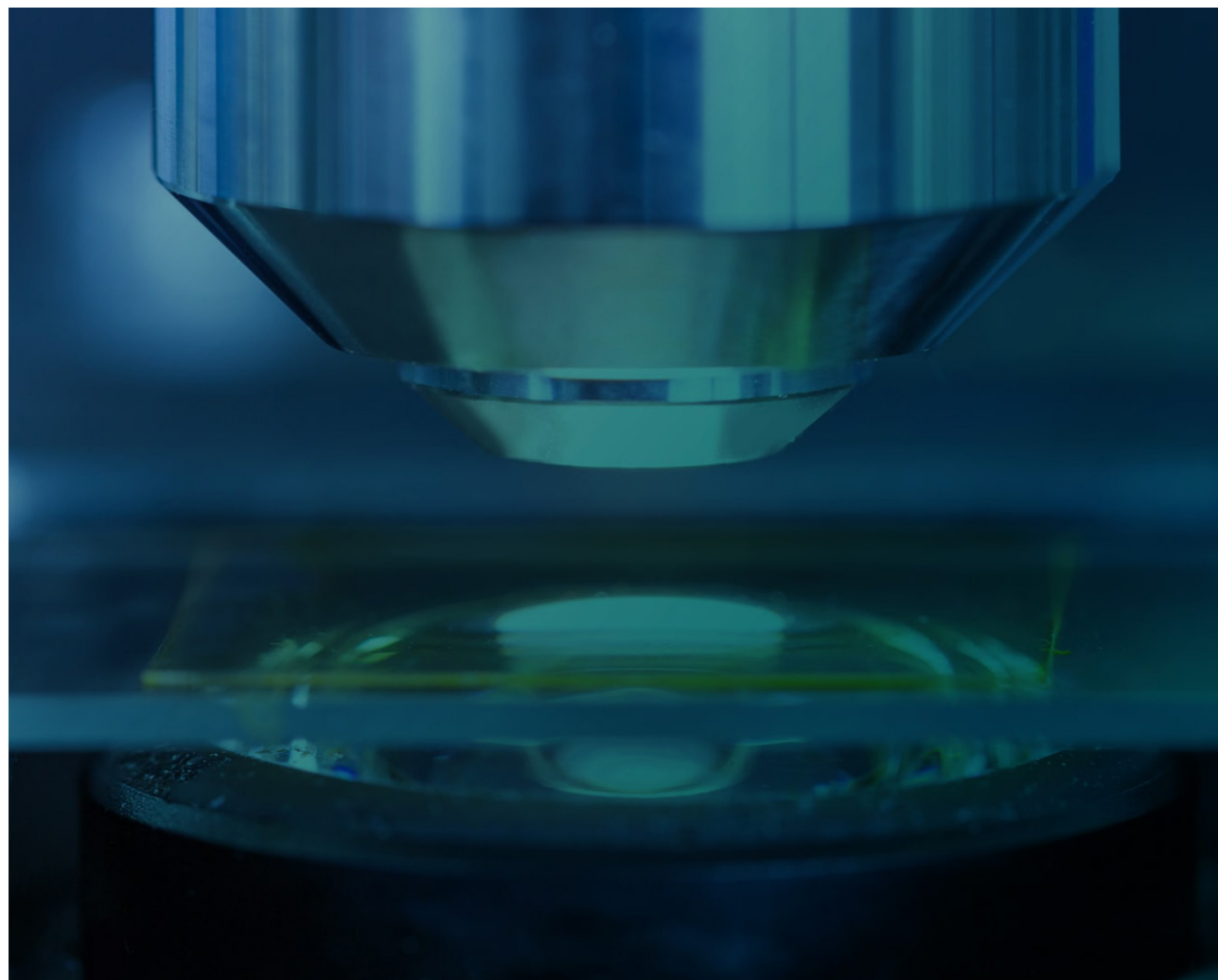
Indeed, within the framework of guidelines set at the Group level, Pikdare and HTL-Strefa have both instituted a governance system dedicated to **environmental management** and have therefore nominated an environmental manager. In addition, they have expressed

their commitment towards the reduction of their environmental impacts in two documents: **Pikdare's Environmental Policy** and **HTL-Strefa's Quality Policy**. Pikdare has also shared its Environmental Policy with all its Italian and foreign suppliers to promote good environmental management practices through the entire value chain.

In 2020, Pikdare structured a management system consistent with the **UNI EN 14001:2015** standard, achieving the **ISO 14001:2015** certification for its environmental management system. This certification covers Pikdare's production site and triggers continuous improvement of processes and their related environmental impact.

That the required certification involves a production site is no coincidence. In fact, MTD Group's analysis of the policies, standards and environmental elements of the two entities revealed that production facilities have the greatest environmental impact, especially in terms of energy consumption and related greenhouse gas (GHG) emissions, raw materials usage, and waste management.

As MTD considers the compliance with environmental regulations as an essential condition for carrying out its production activities both in Italy and in Poland, it has developed strategies to reduce and manage the environmental aspects of its production plants in the best way possible.



### ISO 14001: 2015 - ENVIRONMENTAL MANAGEMENT SYSTEMS

ISO 14001 is an internationally agreed standard that sets out the criteria for a certified environmental management system. The certification is designed for any type of organization, regardless of its activity or sector, and helps an organization to achieve the intended outcomes of its environmental management system. These outcomes deliver value for the environment, the organization itself and interested parties.

The intended outcomes of an environmental management system include:

- **Enhancement** of environmental performance;
- **Fulfilment of compliance obligations;**
- **Achievement** of environmental objectives.



After obtaining the **ISO 14001** certification, with the aim of sharing best practices and engaging all employees in the promotion of environmental sustainability, Pikdare organized a mandatory training course on its environmental management system, which also included topics related to the quality

management system. Finally, the assessment checklist part of the B.O.S.S. project (described in Chapter 4) was integrated with environmental aspects in order to increase the degree of attention and raise awareness of good practices among the company's population.

## 5.2 COMMITTED TO CLIMATE CHANGE MITIGATION

Being **aware of our own impact** on the environment is the first step for continuous improvement. Therefore, in 2020, MTD prepared its first GHG emissions inventory, called the **Group's carbon footprint**, which covered the years 2019-2020. The inventory was conducted in 2021 as well, including the emis-

sions directly related to the company's activities (Scope 1 and Scope 2), and those generated by the activities upstream and downstream the value chain (Scope 3). By monitoring its emission, the Group was able to understand how to structure its actions to be both less impactful on the environment and more efficient.

### FOR RESOURCES AND ENERGY

As it is well known, one of the main contributors to greenhouse gas emissions is energy consumption. In particular, MTD's energy consumption is mainly related to the electricity purchased from the national grid (82%) and to the consumption of natural gas (17%); the former is employed for lighting in production units and offices and for operating the industrial machines in Poland. The latter is used for heating purposes in production units and offices and for the operation of industrial machines in Italy. Energy consumption from the company's fleet accounts for around 2% of the total and is main-

ly related to business travel of sales personnel.

In 2021, the total energy consumption has slightly increased (+7%) with respect to 2020. This growth is mainly driven by the increase in electricity consumption in Poland and is related to the inauguration of the new industrial district of Bydgoszcz. Furthermore, it should be noted that energy consumption related to the company car fleet increased by 34%, returning to the same pre-pandemic values, although the impact of the corporate fleet is very limited when considering MTD's overall energy consumption.

ENERGY CONSUMPTION	UNIT	2019	2020	2021
<b>Energy consumption for buildings and operations</b>	<b>GJ</b>	<b>246,684</b>	<b>243,170</b>	<b>258,580</b>
Of which electricity	GJ	196,441	198,152	214,851
Of which from natural gas	GJ	49,699	44,602	43,316
Of which from GPL	GJ	543	416	413
<b>Energy consumption for company car fleet</b>	<b>GJ</b>	<b>4,826</b>	<b>3,318</b>	<b>4,395</b>
Of which gasoline vehicles	GJ	1,462	928	1,490
Of which diesel vehicles	GJ	3,365	2,390	2,905
<b>Total</b>	<b>GJ</b>	<b>251,510</b>	<b>246,488</b>	<b>262,975</b>

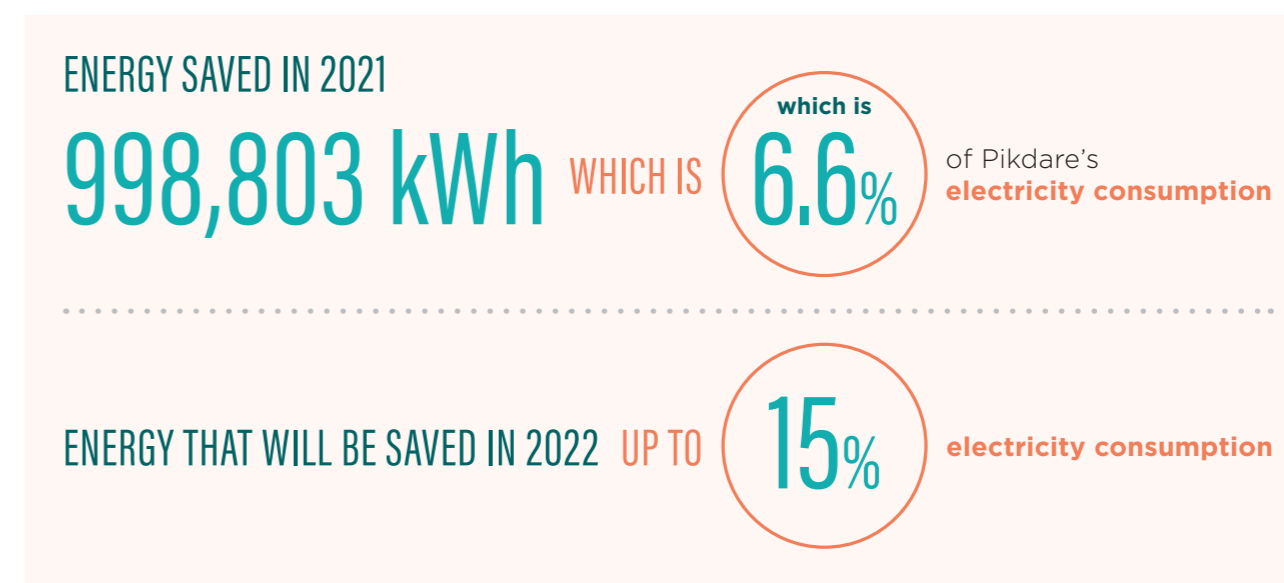
The energy is essential to running production, but it is important for the Group to continually consider new solutions to reduce this consumption in order to lower its environmental footprint. To **reduce energy consumption**, in recent years both Pikdare and HTL-Strefa have invested in the substitution of the lighting systems with LED lighting. In particular, since 2016, Pikdare has been able to install LED lighting on over 45% of its production plant's surface area. At the same time also HTL-Strefa is carrying out renovation work aimed at replacing LED lighting lamps at the production plant in Łęczycza: according to the plan, interventions will be conducted in five areas by replacing 690 old bulbs with 696 new LED lights, reducing energy consumption by 676 MWh/year.

The initiative, in spite of being dictated by ecological needs and reduced energy consumption, has also reduced the company's housing costs. In addition, the new LED lighting system

has a positive impact on the employees' working environment and makes working safer.

Reflecting the importance that HTL-Strefa and Pikdare assign to the protection of the planet, the Group has been investing in energy efficiency in order to achieve increasingly significant results in the long-term.

Among the main energy efficiency initiatives is the **replacement of hydraulic presses with electric presses** in production facilities. In particular, electric presses allow for a significant benefit on electricity consumption. Electric presses are not only more efficient in terms of energy consumption, but they are also cleaner in terms of waste oils which need to be disposed of. Moreover, other efficiency measures were implemented within the Pikdare production plant, including the use of less energy-intensive machinery and the optimisation of production lines by switching off energy-intensive machineries when not directly in use.



In addition, HTL-Strefa has initiated a new energy-saving project: the aim is to equip 87 injection molding machines located in Plant Łęczycza and Plant Ozorków with molding thermal covers. This activity will have a par-

allel impact on reducing heat emissions and decreasing work area cooling requirements. The plan is to intervene in three production areas to reduce electricity consumption by 297 MWh/year.



MTD, always future-oriented, is planning a structural intervention in the Italian plant, namely the replacement of the post-combustion system for the treatment of Ethylene oxide (ETO) gas residues, used for sterilization. It currently consists of a "burner" with a thermal oxidation system, which will be substituted with a new system that will reduce methane gas consumption used for this activity by **more than 50%**. On the other hand, MTD is planning to insulate 156 moulding

machines used by HTL-Strefa: this process would allow for a reduction in electricity consumption, as a result of a decreased need for cooling.

As proof of the Group's commitment to reduce consumption of energy which occurs through its operations, in the second half of 2019, MTD planned the installation of a trigeneration plant in the Pikdare production site that was installed in 2021.

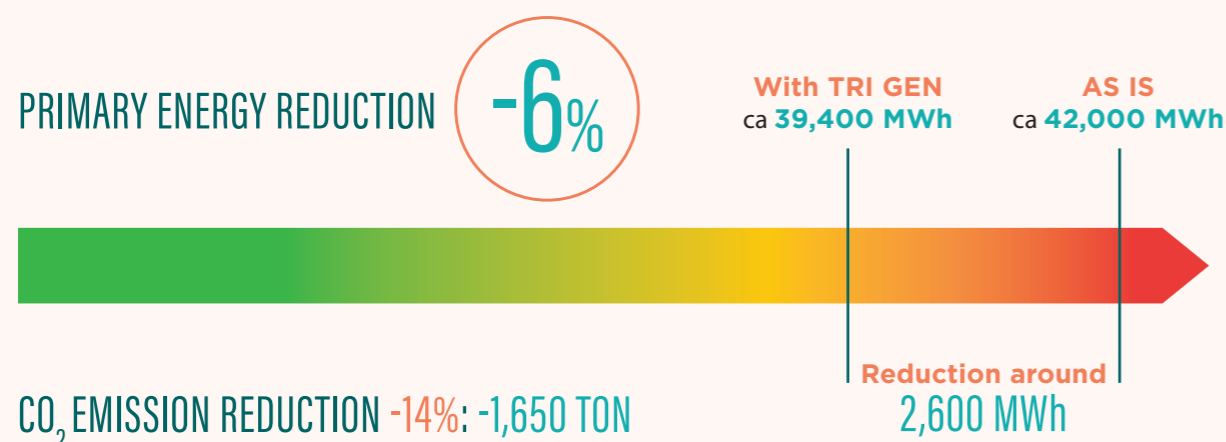
## TRIGENERATION PLANT

The trigeneration plant jointly produces electricity, thermal energy (hot water for heating) and cooling energy (chilled water for air conditioning or refrigeration). This makes it possible to have **high savings of primary energy**, as well as greenhouse gas emissions. In particular, the thermal waste will be used throughout the year to produce high temperature water for winter heating and for feeding the absorption of the refrigeration unit for summer air conditioning / cooling molding process.

Thus, the main benefits of the trigeneration plant are:

- a **reduction in the amount of electricity** that is purchased from the national grid to feed the electricity cabin;
- in winter, a **reduction in the usage of natural gas** for activating heating boilers, as the hot water coming from the plant is used to pre-heat the water entering the boilers;
- in summer, a reduction in the amount of electricity used for activating the chillers. Indeed, the hot water coming from the plant feeds a lithium bromide absorber that produces cold water which pre-cools the water entering chillers.

Based on the preliminary studies, the trigeneration plant will make it possible to reduce the primary energy by **around 2,600 MWh** and therefore the related GHG emissions.



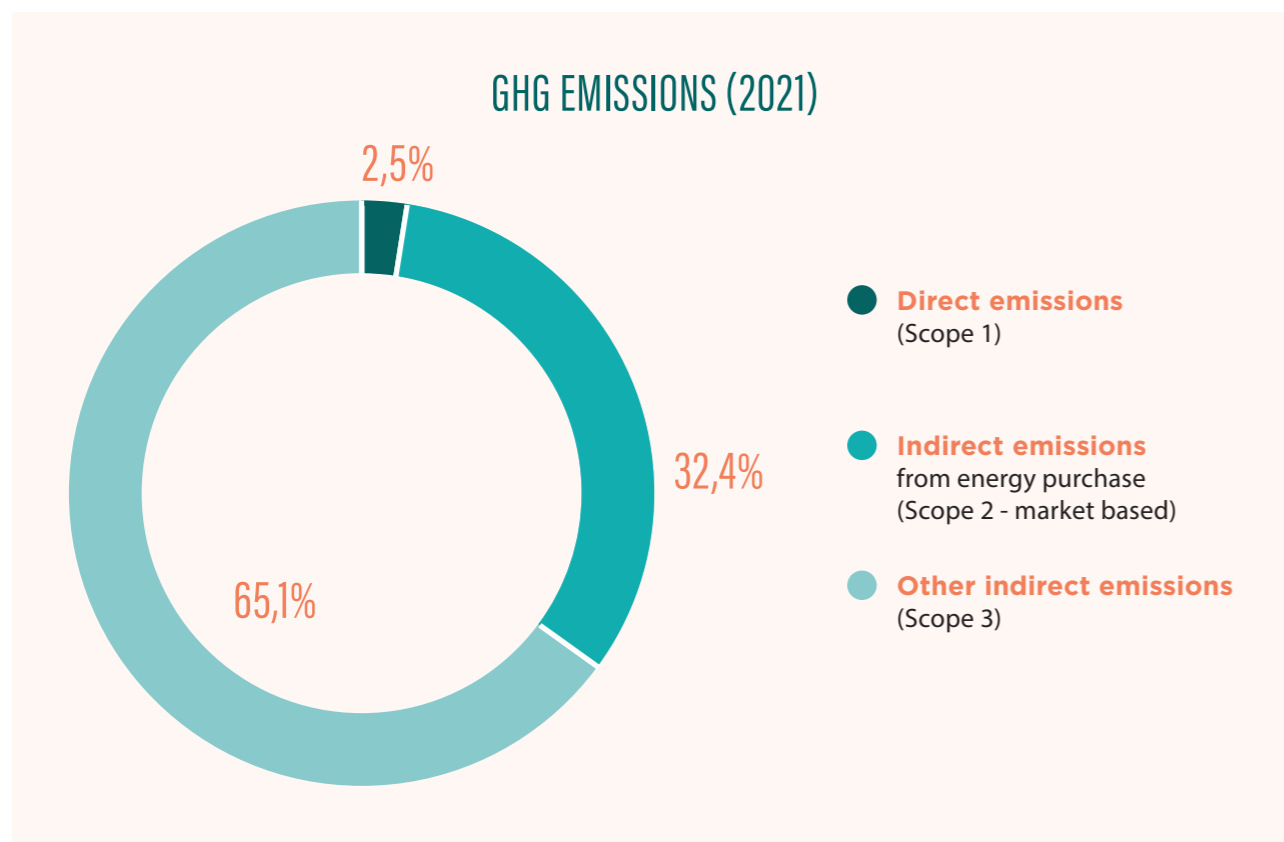
## MANAGING AND REDUCING EMISSIONS

MTD's focus on reducing energy consumption is not only aimed at making production more efficient, thus reducing costs, but also at reducing related GHG emissions. The Group is committed to monitoring its GHG emissions at least on a yearly basis. The MTD' GHG emissions inventory covers all relevant direct GHG emis-

sions (Scope 1) from sources that are owned or controlled by the company (e.g., emission from combustion of natural gas for boilers), indirect emissions resulting from electricity purchased (Scope 2) and indirect emissions occurring outside the group perimeter but that are related to the Group value chain (Scope 3).

GHG EMISSIONS	UNIT	2019	2020	2021
<b>Direct emissions (Scope 1)</b>	<b>tCO<sub>2</sub>e</b>	<b>2,976</b>	<b>2,669</b>	<b>2,743</b>
emission from fuels for heating and other purposes	tCO <sub>2</sub> e	2,309	2,294	2,221
emission from fuels used for Company's car fleet	tCO <sub>2</sub> e	518	347	445
emissions from refrigerant gases refilling of air-conditioning systems	tCO <sub>2</sub> e	149	29	78
<b>Indirect Emissions from energy purchase (Scope 2 - location-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>35,348</b>	<b>36,067</b>	<b>38,476</b>
<b>Indirect Emissions from energy purchase (Scope 2 - market-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>35,980</b>	<b>33,002</b>	<b>35,573</b>
<b>Other indirect Emissions (Scope 3)</b>	<b>tCO<sub>2</sub>e</b>	<b>68,535</b>	<b>73,484</b>	<b>71,513</b>
3.1 Purchased goods and services	tCO <sub>2</sub> e	53,797	60,971	52,867
3.2 Capital goods	tCO <sub>2</sub> e	90	163	247
3.3 Fuel and energy related activities	tCO <sub>2</sub> e	5,262	4,891	8,404
3.4 Upstream transportation and distribution <sup>1</sup>	tCO <sub>2</sub> e	4,592	5,074	8,053
3.5 Waste generated in operations	tCO <sub>2</sub> e	330	557	551
3.6 Business travels	tCO <sub>2</sub> e	371	59	41
3.7 Employee commuting	tCO <sub>2</sub> e	1,094	803	835
3.9 Downstream transportation and distribution	tCO <sub>2</sub> e	2,998	967	516
<b>Total (with Location-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>106,859</b>	<b>112,220</b>	<b>112,733</b>
<b>Total (with Market-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>107,491</b>	<b>109,156</b>	<b>109,830</b>

1. Outbound logistics related to HTL USA is not included in the calculation.



The GHG emissions resulting from the electricity purchased from the national grid, have been calculated by adopting two alternative methods: the location-based method, which reflects the average emission intensity of grids from which electricity is purchased, and market-based method, which takes into account the share of certified electricity purchased from **renewable and zero emissions sources**.

It should be noted that MTD market-based Scope 2 emissions are slightly lower than the location-based Scope 2 emissions, due to the electricity purchased from renewable sources (15% of the total). In particular, the renewable electricity is purchased by HTL-Strefa in Poland equal to 20% in 2021 (in compliance with Polish law).

In 2021, around 35% of GHG emissions were related to the internal perimeter of the Group (Scope 1 and 2) considering the type

of energy-intensive production processes that characterize mainly HTL-Strefa. On the other hand, GHG emissions related to the value chain (Scope 3) is equal to around 65%, of which the majority is related to purchased goods and services (48%), fuels and related activities (8%) and upstream logistics and distribution (7%). Overall, the total GHG emissions of the MTD Group are in line with those of 2020, with a slight increase (+0.6%).

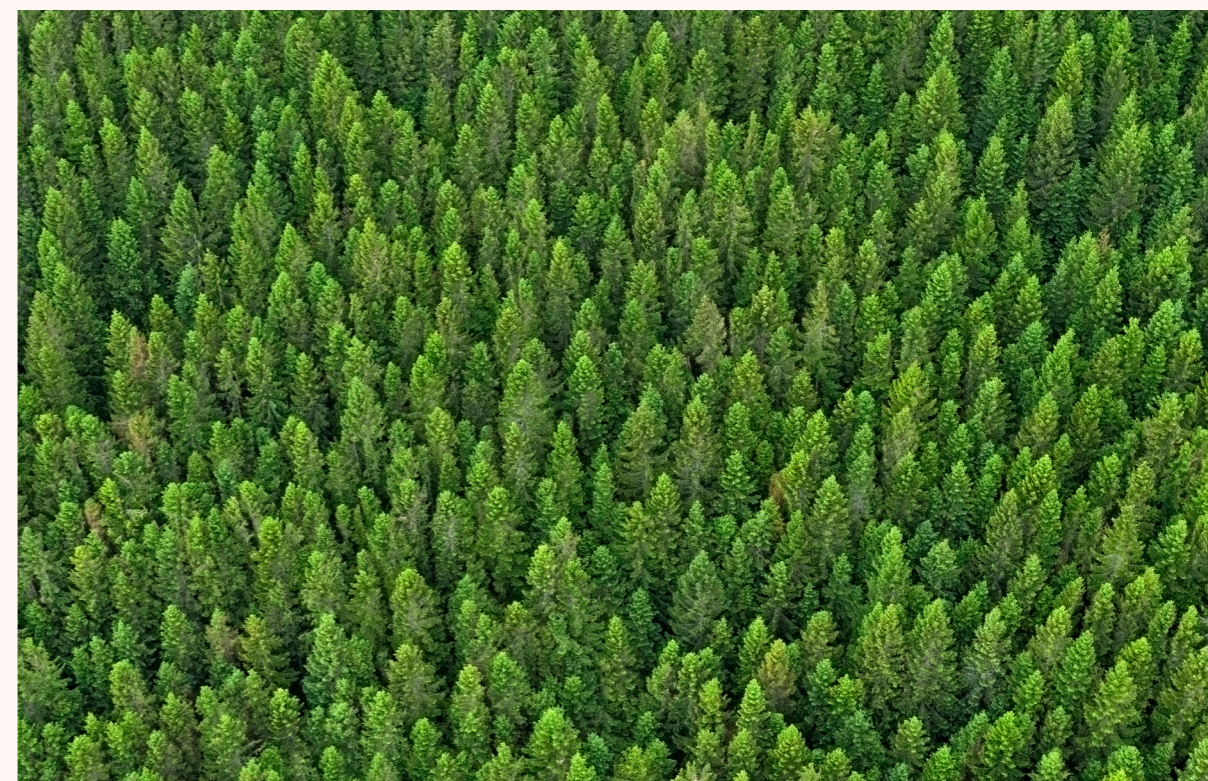
As a further commitment in the realm of environmental sustainability, MTD has decided to purchase carbon credits to compensate its overall GHG Scope 1 and Scope 2 - Market based emissions, starting from 2020 reporting year. This initiative has allowed MTD **to become carbon neutral in relation to the activities falling within the internal perimeter**. This project is designed as a transition tool to mitigate the impacts of the Group on the road to a more effective reduction of carbon emissions.

## CARBON OFFSETTING PROJECTS

MTD's efforts to reduce its carbon footprint have supported projects that are important to the Group, to the environment, and to people in general. Indeed, MTD's carbon neutrality is achieved by balancing carbon emissions with offsetting, thus **using carbon credits** coming from positive impact projects. Each credit is certified according to international standards and corresponds to the reduction (or removal) of one ton of CO2 equivalent from the atmosphere. In particular, the two projects MTD bought the credits from are the "Great bear forest carbon" and the "Guatemalan conservation coast".

**The Great Bear Forest Carbon project** aims at improving forest management in the British Columbia (BC), the westernmost province of Canada, generating emission reductions through the protection of forest areas that were previously designated, sanctioned or approved for commercial logging. The project activities include changes in land-use legislation and regulation that result in the protection of forest areas and reduction of harvest levels.

The second project is developed in the **Guatemalan Conservation Coast region** by addressing the drivers of deforestation through effective law enforcement, land-use planning, education, economic opportunities, and sustainable agroforestry initiatives. Some of the most important project achievements to date are: the protection of 30 threatened species including the Baird's tapir and West Indian manatee, the protection of 54,157 hectares of threatened forest in the Mesoamerican Biological Corridor and the creation or support of 487 jobs for indigenous and local communities."



## 5.3 RESPONSIBLE WASTE AND RAW MATERIALS MANAGEMENT

MTD is convinced that the wellbeing of the environment is essential to ensure people's health. Therefore, the Group has conducted an internal assessment to understand its production activities in order to develop initiatives to reduce their effects on the planet. Furthermore, MTD is committed to ensuring compliance with environmental regulations and best practices in order to reduce its impact.

MTD is aware of the environmental impact of its two sterilization systems, the Ethylene oxide (ETO) sterilization system, mainly used by Pikdare, and the Gamma-Ray system, employed by HTL-Strefa. In particular, the ETO sterilization process can have potential negative effects on environmental media such as air, soil or water, due to ETO emis-

sions or accidental spills. As part of a continuous improvement of its processes and related environmental performance, during the first quarter of 2021, Pikdare reduced the amount of ETO within its production facility. Moreover, HTL-Strefa obtained the certification to use an alternative sterilization system based on X-Ray technology, which has a lower environmental impact.

Based on analysis and awareness, the Group recognizes that the greatest impact produced by MTD's business is related to the use of **raw materials** - which are often essential to carry on the company's business - as well as packaging and **waste management**. For this reason, within the limits of its operational activities, MTD puts its best efforts to keep these issues under control and reduce their impact.

### RAW MATERIALS

The main materials used by MTD in its production facilities are:

- **plastic:** mainly used for final products, such as safety sharps, and primary packaging;
- **paper/carton:** used for packaging and warehousing;
- **wood:** mainly in pallets for logistics activities;
- **steel:** for components in final products such as needles and lancets;
- **textile:** for components in final products such as patches and bandages produced by Pikdare.
- **chemicals:** for components in final products mainly consisting in glues, silicones and pigments.

MATERIAL USED	UNIT	2019	2020	2021
Plastics	ton	9,065	10,230	8,507
Chemicals	ton	170	167	141
Steel	ton	888	1,203	1,044
Textiles	ton	251	180	204
Paper/Carton	ton	11,247	10,943	7,443
Wood	ton	1,889	1,914	998
Other	ton	205	120	135
<b>Total</b>	<b>ton</b>	<b>23,717</b>	<b>24,757</b>	<b>18,472</b>

Thanks to the activities implemented by the Group, **the raw materials consumption has decreased by 25% from 2020**. The main materials used by MTD in its operations are plastic (46% of the total) and paper/carton (40%), followed by steel (6%). It should be noted that for secondary packaging made by paper/carton MTD group favors paper/carton covered by FSC certification: raw materials coming from responsibly managed forests. The Group is aware of the global pressure to reduce the use of plastic. Howev-

er, within the medical device sector the use of plastic remains crucial for primary packaging and products, as it ensures the quality and safety of products, especially of sterilized ones. For this reason, MTD currently applies as many actions as possible to reduce its use, even though these are limited. The Group is committed to reducing plastic from secondary packaging and to decreasing the size of the packaging, as it was done, for example, on the Silvergen Plus product, which was launched by Pikdare in 2021.

### PACKAGING REDUCTION SILVERGEN PLUS AND AIREASY ON

Pikdare constantly carries out research and development to reduce packaging volumes in its products. In 2021, the company launched a new cicatrizing spray, Silvergen Plus, for which Pikdare has decided to eliminate the secondary packaging of cardboard by inserting the instructions and information on the canister itself, rather than printing them on paper. Moreover, this change also allows the reduction of packaging volumes and by lowering the weight it also **reduces GHG emissions** related to logistics



Pikdare also launched AIREasy On in 2021, the first wearable, lightweight aerosol, whose revolutionary design enables people to get their medication delivered while conducting other activities. AIREasy On is extremely compact, so its design offers benefits from an environmental impact standpoint as well: it is produced using fewer raw materials than traditional aerosols, thus representing a more environmentally friendly solution. Due to its smaller size, there is also **less paper used for packaging**.



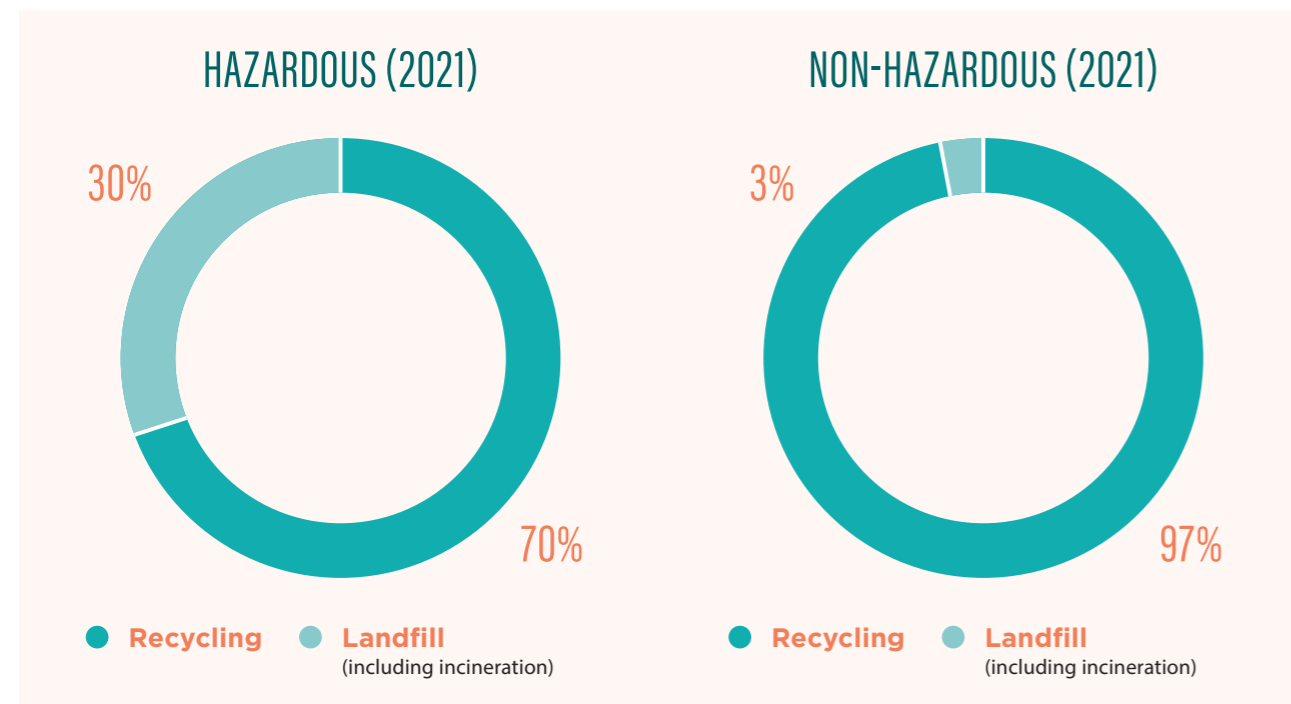
## WASTE MANAGEMENT

MTD puts a lot of effort into limiting the environmental impacts related to waste management, despite the scope of its efforts being limited by the need to employ specific materials in its production. The Group's waste management practices include the correct management of the waste produced (reuse, separate collection and recycling) and efficiency actions aimed at

reducing waste linked related to production.

MTD's waste produced by the industrial processes is mainly non-hazardous (88%). The total amount of produced waste has slightly decreased since 2020 (-2%). In terms of disposal methods, **70% of hazardous** waste and **97% of non-hazardous** waste were recycled in 2021.

WASTE PRODUCED	UNIT	2019	2020	2021
<b>Hazardous waste</b>	<b>ton</b>	<b>37</b>	<b>281</b>	<b>297</b>
Recycling	ton	14	249	207
Landfill (including incineration)	ton	23	32	89
<b>Non-hazardous waste</b>	<b>ton</b>	<b>1,806</b>	<b>2,168</b>	<b>2,111</b>
Recycling	ton	1,768	2,144	2,048
Landfill (including incineration)	ton	38	24	63
<b>Total</b>	<b>ton</b>	<b>1,843</b>	<b>2,449</b>	<b>2,408</b>



Aiming to minimize its impact on the environment, Not only does MTD apply better waste management practices within its internal perimeter, but it also extends them to suppliers involved in waste management. In fact, as required by its ISO 14001 management system, Pikdare conducted two supplier audits in 2021, in order to verify the suppliers' compliance with waste disposal standards and regulations. Even though no non-conformities were found, some observations for improvement were made, in particular in relation to safety measures, the stocking of hazardous waste, the adequacy of signage and waste separation. All this enables MTD not only to **select reliable partners and suppliers**, but also to **disseminate a knowledge about waste management** within the entire value chain.

Finally, on the subject of waste, it should be noted that at the HTL-Strefa sites a system is being implemented which allows for the separation of chrome, a harmful chemical used in product sterilisation processes, from wastewater. The new sewage treatment solution

will make it possible to increasingly ensure the highest standards of environmental protection.

Finally, MTD Group has implemented an operational excellence project both in Italy and in Poland with the aim of reducing manufacturing scraps at the production sites. Even though certain level of scrap is unavoidable in most manufacturing processes, the MTD Group is committed to limit scrap levels as much as possible. To do so, the project is aimed at reducing plastic waste in the following production phases: needle over molding, assembling, molding, grinding and packaging.

It should be noted that a significant quantity of scraps is caused by defects arising from activities of molding and over molding. Indeed, molds are composed by many cavities, which get deteriorated and can consequently cause product defects. To minimize the production of defected products, MTD has set up a plan to internalize the maintenance activities of the molds ensuring punctual and continuous maintenance.

# 6. METHODOLOGICAL NOTE

**M**TD's Sustainability Report has been prepared in accordance with the GRI Standards ("Core option") and its content reflects the results of the materiality analysis, which identified the material topics to be reported on.

The economic performance and the data related to the personnel are related to the whole MTD Group, including the holding, while the environmental information include both Pik-dare and HTL Strefa, and in particular:

- production sites located in Italy and Poland;
- commercial subsidiaries in Italy, Poland, France, and USA.

Data and information included in the MTD's Sustainability Report refer to initiatives and implemented between January 1st to December 31st 2021; in addition, information about the three-year period 2019-2021 is reported for the key performance indicators. Within the document, where necessary, some chang-

es have been made in 2019 and 2020 performance data as a result of a fine tuning of the calculation methodology.

Moreover, it should be noted that the classification of training by topics has changed compared to the previous years. Indeed, the hours that were previously classified as "Training on IT and languages" were split between the two categories "Training on professional development" (which includes management training, language training and soft skills), and "Training on required job skills" (which includes IT training, technical topics, and machine operation). A new category, "Training on Cyber and Data Security", has also been introduced.

Finally, data about employees' category, type of contract, gender, age group, as well as the hiring and turnover rates have been expressed as FTEs (Full-Time Equivalent) and not in headcount (FTE is a unit to measure employed persons in a way that makes them comparable although they may work a different number of hours per week).

The following table links the identified material topics related GRI standard topics with the corresponding reporting the boundaries.

MATERIAL TOPIC	GRI STANDARD TOPIC	TOPICS BOUNDARIES	
		WITHIN THE ORGANIZATION	OUTSIDE THE ORGANIZATION
Consumer health and wellbeing	GRI 416: Customer Health and Safety	MTD Group	-
Healthcare professionals' safety	GRI 416: Customer Health and Safety	MTD Group	-
Product development and innovation	-	MTD Group	-
Health and safety in the workplace	GRI 403: Occupational Health and Safety	MTD Group	-
Marketing and labeling	GRI 417: Marketing and Labeling	MTD Group	-
Client and consumer education	-	MTD Group	-
Energy consumption and climate change	GRI 302: Energy	MTD Group	-
	GRI 305: Emissions	MTD Group	Suppliers
Access and affordability of medical devices	-	MTD Group	-
Sustainable supply chain	GRI 308: Supplier Environmental Assessment	MTD Group	-
	GRI 414: Supplier Social Assessment	MTD Group	-
Anti-corruption	GRI 205: Anti-corruption	MTD Group	-
Employee care and development	GRI: 401 Employment	MTD Group	-
	GRI 404: Training and Education	MTD Group	-
Diversity and equal opportunities	GRI 405: Diversity and equal opportunities	MTD Group	-
Waste management	GRI 306: Waste	MTD Group	-

# 6.1 GHG CALCULATION METHODOLOGIES

Greenhouse Gas emissions' calculations are carried out based on the principles outlined in the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 GHG emissions are direct emissions which occur from sources that are owned or

controlled by the company and are related to emissions from fuel combustion (e.g. natural gas used for heating). It should be noted that natural gas consumption for Pikdare's Italian commercial office is not reported, considering that the asset is in leasing and natural gas is not directly purchased by MTD.

GHG EMISSIONS SCOPE 1			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Diesel, natural gas and LPG for heating and other purposes	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	CO <sub>2</sub> equivalent emissions were considered
Company's car fleet	Fuel consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	CO <sub>2</sub> equivalent emissions were considered
Leakages from air-conditioning systems of refrigerant gases	Leakage	-	Global Warming Potentials (GWPs) are taken from IPCC Fourth Assessment Report (AR5)

Scope 2 GHG emissions are related to the consumption of electricity purchased from the national grid. For this category as well of Pikdare's Italian commercial office have not been included in the calculation.

GHG EMISSIONS SCOPE 2			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Electricity purchased from national grid - location-based method	Electricity consumption	Terna, Confronti Internazionali, 2019 2020 and 2021	Only CO <sub>2</sub> emissions were considered
Electricity purchased from national grid - market-based method	Electricity consumption	For Poland, Italy and France: AIB - European Residual Mixes, 2019 and 2020	CO <sub>2</sub> equivalent emissions were considered

Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly produces throughout its value chain. The categories reported by MTD are described below.

- **CAT. 1 - PURCHASED GOODS & SERVICES:** upstream emissions from the production of raw materials and final products purchased.
- **CAT. 2 - CAPITAL GOODS:** upstream emissions from the production of capital goods purchased or acquired.
- **CAT. 3 - FUEL AND ENERGY-RELATED ACTIVITIES:** emissions related to the production of fuels and energy purchased and consumed.
- **CAT. 4 - UPSTREAM TRANSPORTATION AND DISTRIBUTION:**
  - Emissions associated with the transportation and distribution of products purchased in the reporting year, between a company's tier 1 suppliers and its own operations in vehicles not owned or operated by the reporting company.
  - Emissions related to the transportation and distribution services purchased by the reporting company in the reporting year, including outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities.
- **CAT. 5 - WASTE GENERATED IN OPERATIONS:** emissions from third-party disposal and treatment of waste generated by the company's owner or controlled operations.
- **CAT. 6 - BUSINESS TRAVEL:** emissions from the transportation of employees for business-related activities by external means of transport not controlled or owned by the company.
- **CAT. 7 - COMMUTING:** emissions from the transportation of employees between their homes and their worksites.
- **CAT. 9 - DOWNSTREAM TRANSPORTATION AND DISTRIBUTION:** transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company).

It should be noted that in the calculation is not included the outbound logistics of HTL US (HTL US sales account for approximately 10 % of group sales).

GHG EMISSIONS SCOPE 3 (2019-2020)			
SOURCE	ACTIVITY DATA	EMISSION FACTOR	GWP
Materials procured (Cat. 1)	Weight of raw materials, process and packaging materials procured	Ecoinvent, v.3.7.1	CO <sub>2</sub> equivalent emissions were considered
Capital goods (Cat. 2)	Weight of raw materials making up the capital goods	Ecoinvent, v.3.7.1	CO <sub>2</sub> equivalent emissions were considered
Fuel and energy related activities (Cat. 3)	Fuel and electricity consumption	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	CO <sub>2</sub> equivalent emissions were considered
Upstream logistics (Cat. 4)	Kilometers covered by air, truck or ship multiplied by shipped weight (ton*km)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	CO <sub>2</sub> equivalent emissions were considered
Waste disposal (Cat. 5)	Weight of waste disposed	Ecoinvent, v.3.7.1	CO <sub>2</sub> equivalent emissions were considered
Business travel by air, train and car (Cat. 6)	Distance per passenger	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	CO <sub>2</sub> equivalent emissions were considered
Employees commuting (Cat. 7)	Kilometers covered by car, bus, rail	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	CO <sub>2</sub> equivalent emissions were considered
Downstream transportation (Cat. 9)	Kilometers covered by air, truck or ship multiplied by shipped weight (ton*km)	DEFRA (Department of Environment, Food & Rural Affairs), Conversion factors - Full set, 2019, 2020 and 2021	CO <sub>2</sub> equivalent emissions were considered

## 6.2 CONTACTS

For further information about this Sustainability Report, please contact:

### MTD Medical Technology and Devices S.A

Via Nassa, 5  
6900 Lugano (CH)

**Email:** arrigo.bendi@mtdgroup.ch

# 7. GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION/NOTE
GRI 102: GENERAL DISCLOSURES 2016			
102-1	Name of the organization	1.1.2 Our Group	
102-2	Activities, brands, products, and services	1.1. Our identity 1.1.3 Our portfolio	
102-3	Location of headquarters	1.1.2 Our Group	
102-4	Location of operations	1.1.2 Our Group	
102-5	Ownership and legal form	1.1.2 Our Group	
102-6	Markets served	1.1.2 Our Group	
102-7	Scale of the organization	1.1.2 Our Group	
102-8	Information on employees and other workers	4.2 Guaranteeing wellbeing of MTD employees	
102-9	Supply chain	1.1.4 Our value chain	
102-10	Significant changes to the organization and its supply chain	1.1.2 Our Group 1.1.2 Our value chain	
102-11	Precautionary Principle or approach	1.2 How we care for sustainability	
102-12	External initiatives	3.2 Side by side to share knowledge	
102-13	Membership of associations		<i>There are no memberships of association</i>
102-14	Statement from senior decision-maker	Message from the Group CEO	
102-16	Values, principles, standards, and norms of behavior	1.1.5 Our Corporate Governance 1.2.2 Sustainability Governance	
102-18	Governance structure	1.1.5 Our Corporate Governance 1.2.2 Sustainability Governance	
102-40	List of stakeholder groups	1.2.3 Materiality	
102-41	Collective bargaining agreements		<i>23.2% of the employees are covered by collective bargaining agreements</i>
102-42	Identifying and selecting stakeholders	1.2.3 Our Materiality	
102-43	Approach to stakeholder engagement	1.2.3 Our Materiality	
102-44	Key topics and concerns raised	1.2.3 Our Materiality	
102-45	Entities included in the consolidated financial statements	6. Methodological note	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION/NOTE
102-46	Defining report content and topic Boundaries	6. Methodological note	
102-47	List of material topics	1.2.3 Our Materiality 6. Methodological note	
102-48	Restatements of information	6. Methodological note	
102-49	Changes in reporting	6. Methodological note	
102-50	Reporting period	6. Methodological note	
102-51	Date of most recent report	2020 Sustainability Report	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	6. Methodological Note	
102-54	Claims of reporting in accordance with the GRI Standards	6. Methodological note	
102-55	GRI content index	6. Methodological Note	
102-56	External assurance	-	<i>This report is not subject to external assurance.</i>
<b>GRI 200 ECONOMIC STANDARDS</b>			
<b>GRI 205: ANTI-CORRUPTION 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality 6. Methodological Note	
103-2	The management approach and its components	1.1.5 Our Corporate Governance	
103-3	Evaluation of the management approach	1.1.5 Our Corporate Governance	
205-3	Confirmed incidents of corruption and actions taken	1.1.5 Our Corporate Governance	
<b>GRI 300 ENVIRONMENTAL STANDARDS</b>			
<b>GRI 302: ENERGY 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	5.2 Committed to climate change mitigation	
103-3	Evaluation of the management approach	5.2 Committed to climate change mitigation	
302-1	Energy consumption within the organization	5.2 Committed to climate change mitigation	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION/NOTE
<b>GRI 305: EMISSIONS 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	5.2 Our commitment to climate change mitigation	
103-3	Evaluation of the management approach	5.2 Our commitment to climate change mitigation	
305-1	Direct (Scope 1) GHG emissions	5.2 Our commitment to climate change mitigation	
305-2	Energy indirect (Scope 2) GHG emissions	5.2 Our commitment to climate change mitigation	
305-3	Other indirect (Scope 3) GHG emissions	5.2 Our commitment to climate change mitigation	
<b>GRI 306: WASTE 2020</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	5.3 Responsible waste and raw materials management	
103-3	Evaluation of the management approach	5.3 Responsible waste and raw materials management	
306-1	Waste generation and significant waste-related impacts	5.3 Responsible waste and raw materials management	
306-2	Management of significant waste-related impacts	5.3 Responsible waste and raw materials management	
306-3	Waste generated	5.3 Responsible waste and raw materials management	
306-4	Waste diverted from disposal	5.3 Responsible waste and raw materials management	
306-5	Waste directed to disposal	5.3 Responsible waste and raw materials management	
<b>GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	1.1.4 Our value chain	
103-3	Evaluation of the management approach	1.1.4 Our value chain	
308-1	New suppliers that were screened using environmental criteria	1.1.4 Our value chain	



GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION/NOTE
<b>GRI 400 SOCIAL STANDARDS SERIES</b>			
<b>GRI 401: EMPLOYMENT 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality 6. Methodological Note	
103-2	The management approach and its components	4.2 Wellbeing for a well care	
103-3	Evaluation of the management approach	4.2 Wellbeing for a well care	
401-1	New employee hires and employee turnover	4.2 Wellbeing for a well care	
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	4.1 Sharing the culture of health and safety	
103-3	Evaluation of the management approach	4.1 Sharing the culture of health and safety	
403-1	Occupational health and safety management system	4.1 Sharing the culture of health and safety	
403-2	Hazard identification, risk assessment, and incident investigation	4.1 Sharing the culture of health and safety	
403-3	Occupational health services	4.1 Sharing the culture of health and safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.1 Sharing the culture of health and safety	
403-5	Worker training on occupational health and safety	4.1 Sharing the culture of health and safety	
403-6	Promotion of worker health	4.1 Sharing the culture of health and safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.1 Sharing the culture of health and safety	
403-9	Work-related injuries	4.1 Sharing the culture of health and safety	
<b>GRI 404: TRAINING AND EDUCATION 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological note	
103-2	The management approach and its components	4.3 Upskilling for personal growth	
103-3	Evaluation of the management approach	4.3 Upskilling for personal growth	
404-1	Average hours of training per year per employee	4.3 Upskilling for personal growth	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION/NOTE
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	4.2 Wellbeing for a well care	
103-3	Evaluation of the management approach	4.2 Wellbeing for a well care	
405-1	Diversity of governance bodies and employees	1.1.5 Our Corporate Governance 4.2 Wellbeing for a well care	
<b>GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	1.1.4 Our value chain	
103-3	Evaluation of the management approach	1.1.4 Our value chain	
414-1	New suppliers that were screened using social criteria	1.1.4 Our value chain	
<b>GRI 416: CUSTOMER HEALTH AND SAFETY 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	2.5 For compliance and transparency 3.1 Caring for the safety of healthcare 3.3 Together against COVID-19	
103-3	Evaluation of the management approach	2.5 For compliance and transparency 3.1 Caring for the safety of healthcare professionals 3.3 Together against COVID-19	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.5 For compliance and transparency	
<b>GRI 417: MARKETING AND LABELING 2016</b>			
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological Note	
103-2	The management approach and its components	2.5 For compliance and transparency	
103-3	Evaluation of the management approach	2.5 For compliance and transparency	
417-2	Incidents of non-compliance concerning product and service information and labeling	2.5 For compliance and transparency	

OTHER NON-GRI TOPICS			
DISCLOSURE		PARAGRAPH	
PRODUCT DEVELOPMENT AND INNOVATION			NOTES
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological note	
103-2	The management approach and its components	2.4 Innovation for a simpler life	
103-3	Evaluation of the management approach	2.4 Innovation for a simpler life	
CLIENT AND CONSUMER EDUCATION			NOTES
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological note	
103-2	The management approach and its components	2.1 Listening to people's needs 3.2 Side by side to share knowledge	
103-3	Evaluation of the management approach	2.1 Listening to people's needs 3.2 Side by side to share knowledge	
ACCESS AND AFFORDABILITY OF MEDICAL DEVICES			NOTES
103-1	Explanation of the material topic and its Boundary	1.2.3 Materiality analysis 6. Methodological note	
103-2	The management approach and its components	2.3 Continuous care for diabetes 3.3 Together against COVID-19	
103-3	Evaluation of the management approach	2.3 Continuous care for diabetes 3.3 Together against COVID-19	

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