

**MTD**

Medical Technology and Devices

**MTD**  
**SUSTAINABILITY REPORT**

---

2022



# CONTENTS

- 1. WE ARE MTD** ..... 6
  - 1.1 OUR IDENTITY**
  - 1.2 HOW WE CARE FOR SUSTAINABILITY**
  
- 2. WE TAKE CARE OF PEOPLE** ..... 32
  - 2.1 LISTENING TO PEOPLE’S NEEDS**
  - 2.2 CONTINUOUS CARE FOR DIABETES**
  - 2.3 SHARING IS CARING: MTD’S ENGAGEMENT OF CONSUMERS**
  - 2.4 INNOVATION FOR A SIMPLER LIFE**
  - 2.5 FOR COMPLIANCE AND TRANSPARENCY**
  
- 3. TRUSTED PARTNER FOR SAFETY IN HEALTHCARE SYSTEM** ..... 50
  - 3.1 CARING FOR THE SAFETY OF HEALTH PROFESSIONAL**
  - 3.2 SIDE BY SIDE TO SHARE KNOWLEDGE**
  - 3.3 READINESS TO HELP THE HEALTHCARE SYSTEM**
  
- 4. OUR PEOPLE, OUR CARE** ..... 62
  - 4.1 SHARING THE CULTURE OF HEALTH AND SAFETY**
  - 4.2 WELLBEING FOR A WELL CARE**
  - 4.3 UPSKILLING FOR PERSONAL GROWTH**
  
- 5. WE CARE FOR PLANET’S HEALTH** ..... 76
  - 5.1 THE WAY WE CARE, THE WAY WE ACT**
  - 5.2 COMMITTED TO CLIMATE CHANGE MITIGATION**
  - 5.3 RESPONSIBLE WASTE AND RAW MATERIALS MANAGEMENT**
  
- 6. METHODOLOGICAL NOTE** ..... 92
  - 6.1 CONTACTS**
  
- 7. GRI CONTENT INDEX** ..... 97

## MESSAGE FROM THE CEO

### Dear Stakeholders,

*it is my pleasure to introduce you to MTD's sustainability report 2022, which highlights our achievements and the goals we want to pursue in the future. I hope that while reading these pages you will feel the passion, the tension to innovation and the care to the sustainability topics as I did when I first joined this Group. I saw professionals capable of great achievements and out of the box ideas as well as I witnessed their desire to listen and take care of others and the environment in which we all live in.*

*It is a commitment that shows in everyday work.*

*We take care of people, patients and consumers in more than 100 countries worldwide, by providing medical devices that support their adherence to treatment, especially while talking about chronic diseases like diabetes, but also helping people to manage their health in everyday life through small daily gestures, by making their actions easier, painless and less unpleasant from a physical and psychological point of view.*

*We take care of healthcare professionals, by partnering with the medical system, with the aim of ensuring their safety and preventing them from getting injured, investing in **innovation** and designing products which cater to their needs.*

*We take care of the environment designing smaller and more user-friendly and employing as much as possible ecofriendly materials, as we are aware of the impact we can have both as MTD and as a medical devices company. This is what drives us to do not only more, but also better.*

*We focus on improving these aspects, so as to contribute actively to the reduction of the impact of our industry, doing our part to make the world a better place for future generations.*

*Being a purpose driven organization, our mindset is focused on "how do we go about it". In fact, we are working on value-added products, such as the recently launched full range of "green" patches, made from naturally sourced materials. Our commitment to searching for sustainable solutions does not stop at the design of our products, but it extends to our industrial processes. Every year we also implement new initiatives to improve **energy efficiency** in our factories to lower our impact on Climate Change.*

*All the above would not be possible without our people, who are key in our strategy. We daily work to ensure all our teams operate in a safe and nice environment so to make them proud to work at MTD. We invest in trainings and in different activities to make them conscious that our people are our value.*

*We are ready to do our part, because we are among the leaders in the med-tech market, and we can have a significant role in the cultural transformation of this sector.*

*We understand that the path towards a more sustainable, healthy, and safe world is essential, and demands substantial efforts, but we are fully prepared and open to embracing the challenges that lie ahead.*

**Charles Bouaziz**  
CEO MTD Group



**“Through expertise, innovation and care for the future, we enhance and simplify healthcare in everyday life”**



**1. WE ARE MTD**

**M**TD's objective is to provide a wide range of medical devices to patients and caregivers, for both professional and home care, while also continuously improving healthcare accessibility, safety, reliability, and simplicity.

MTD is determined to position itself as a leader in the med-tech industry by utilizing technological advancements and human progress to tackle the challenges faced by the healthcare sector. In doing so, the company aims to generate value not only for the market but also for 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 is a prominent medical technology and devices group headquartered in Italy, which offers a comprehensive range of **medical devices** suitable for both healthcare professionals and consumers, with a special emphasis on diabetes management devices, electro-medical devices, wound care products, and various other minor health problem solutions.

The genesis of MTD can be traced back to the year 2018, when two established players in the

healthcare industry, **Pikdare and HTL-Strefa**, joined forces to form a new entity. The two companies have been in the market for more than eight decades, during which they have built up a portfolio of skills and knowledge that has enabled them to become among the leaders in the industry. The merger led to the formation of MTD, a medical technology company that combined the strengths of both companies and created an even stronger organization that continues to drive innovation and excellence in healthcare.

Pikdare is a prominent designer, manufacturer, and distributor of medical self-care products, specializing in diabetes products such as pen needles and glucometers, as well as other products such as needles, syringes, woundcare, blood pressure monitoring devices, nebulizers, thermometers, and various healthcare devices.



Its primary brand, Pic, is widely recognized in the market. The company is based in Italy and provides customized solutions through its cutting-edge production facility. These products are now accessible in nearly 100 countries worldwide.

## droplet®



HTL-Strefa is a global leader in the development, design, and manufacture of diabetes products for drug delivery and capillary blood sampling, with a primary focus on safety sharps. The company is widely known as the pioneer of the "safety lancet" product category. With advanced production facilities located in Poland, HTL-Strefa is a major global

player in the diabetes and safety medical sharps industry. The integration of Pikdare and HTL-Strefa brought together their complementary product portfolios and expertise, which allowed MTD to offer a broad range of products that cater to the diverse needs of its clients worldwide.

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

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**

2010

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

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

2016

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

2018

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

2020

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

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**

2021

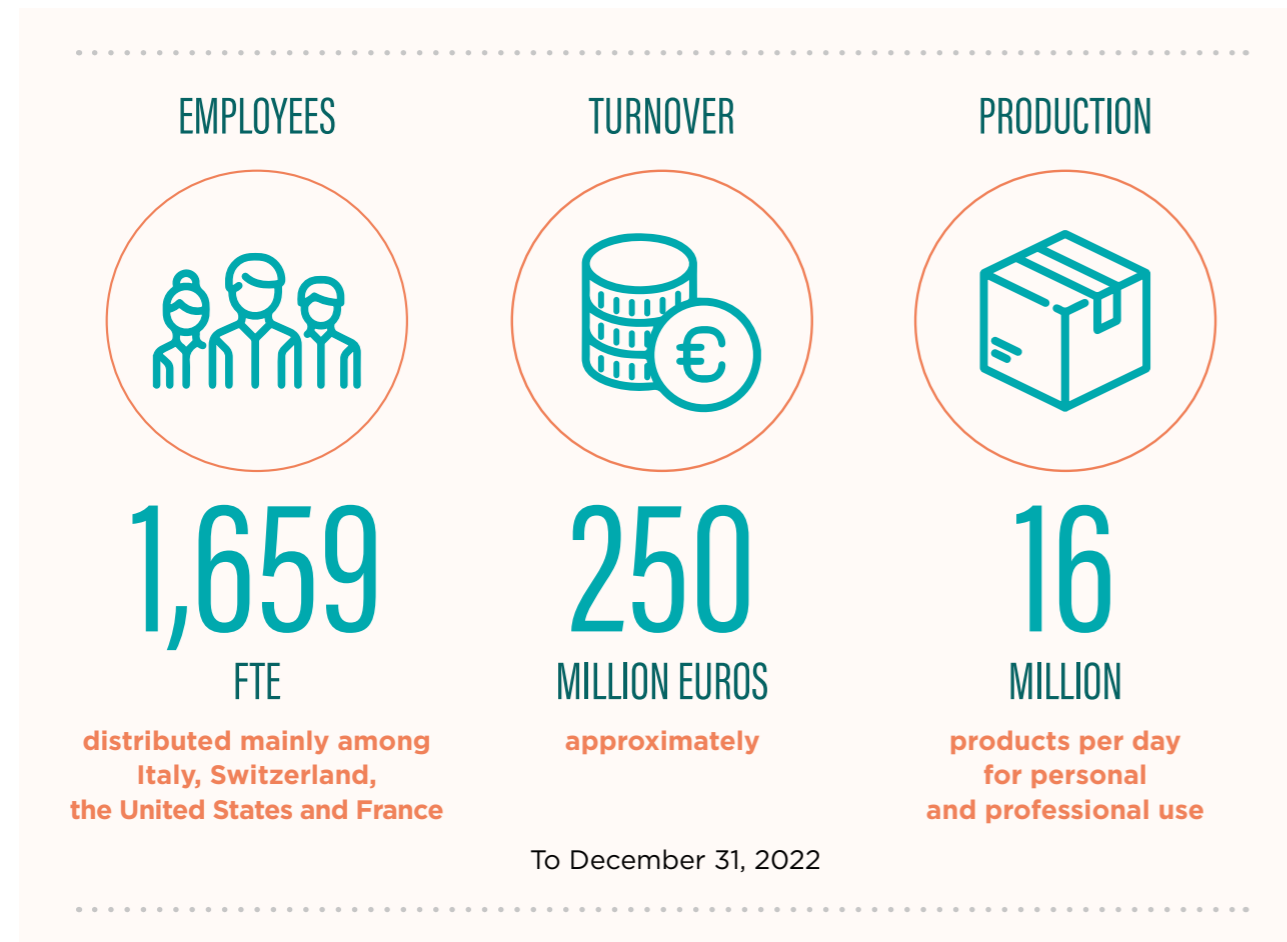
Pikdare launches **Dropsafe Sicura**, a fully **passive injection device** designed to eliminate needlestick injuries

2022

## 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. MTD Group is owned by two private equity funds: one

managed by Investindustrial, a leading European group of independently managed investment, holding, and advisory companies, as the majority shareholder, and another managed by QuattroR SGR.

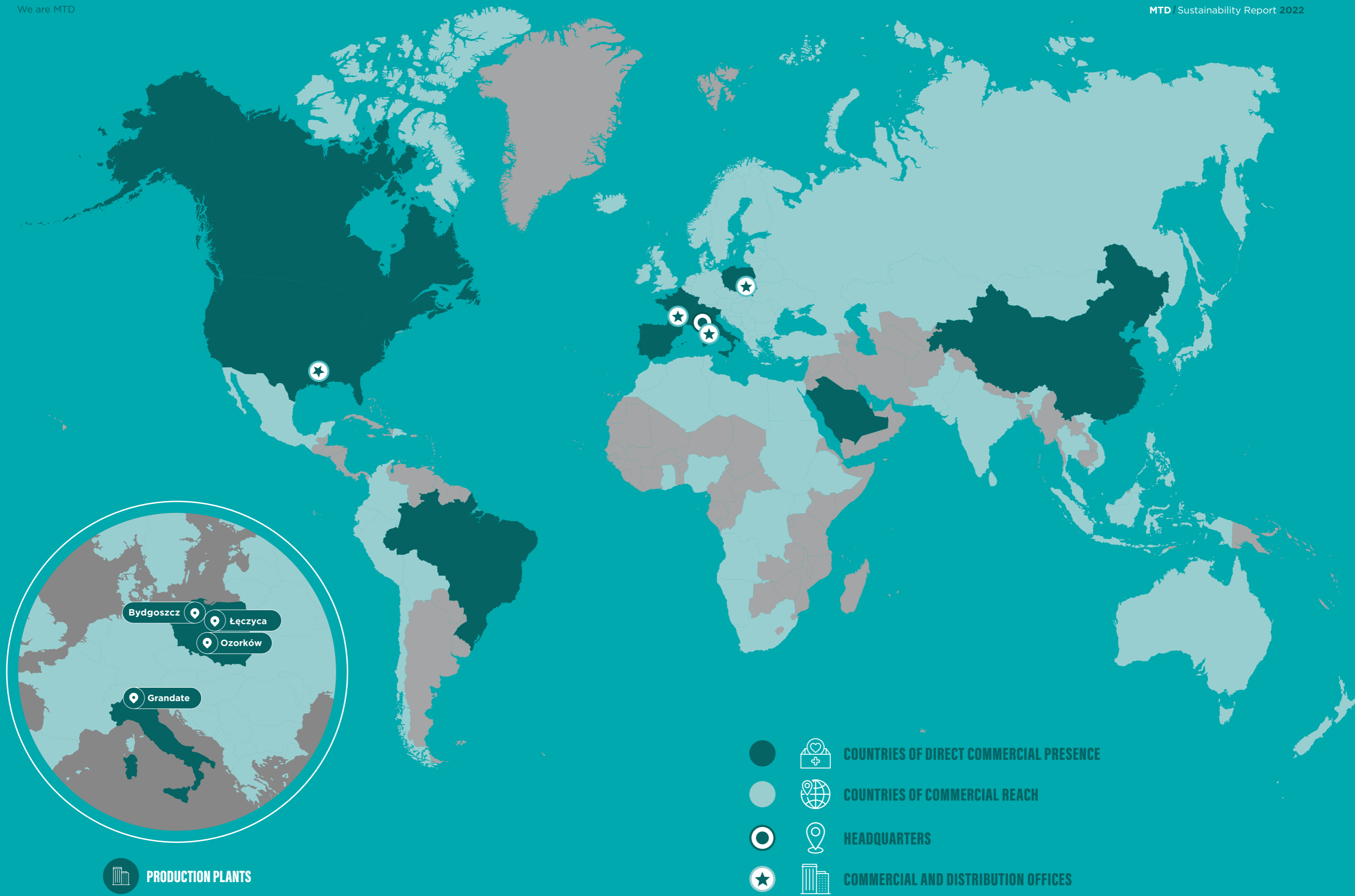


MTD's headquarters are located in Como, Italy, with commercial and distribution offices in Italy, Poland, USA, and France. The group operates four production plants, covering a total area of 135,500 square meters: three in Poland (run by HTL Strefa) that manufacture lancing devices, lancets (personal 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 that meet the health needs of people around the world. Its products are marketed under the PIC solution, Droplet and Dropsafe brands, with a focus on the production of specialized devices for diabetes management and other products that play a crucial role in maintaining people's health in their daily lives.

The group's development and management strategy revolves around the guiding principle 'Think Sharp and Think Simple'. This phi-

losophy reflects the fundamental attributes of MTD's products, which are broadly classified into two areas: sharps and consumer health. The 'Think Sharp' category includes standard and safety sharps devices for healthcare professionals and patients. The 'Think Simple' category, on the other hand, corresponds to consumer health products, which offer easy-to-use solutions for common health problems. These two product lines demonstrate MTD's ability to provide comprehensive support to both patients and healthcare professionals.



### THINK SHARP

#### SHARP DEVICES FOR HOME AND PROFESSIONAL USE

**Cutting-edge medical devices, designed to improve the safety and comfort of treatment for both professionals and people: safety lancets, pen needles, syringes and other sharps.**

Products within the Think Sharp segment are primarily intended for the diabetes care management, for which the Group offers a wide range of medical devices designed to assist both consumers and healthcare professionals in the diagnosis and administration of drugs. This category is served by both HTL and Pikdare, with HTL being at the forefront of safe sharps devices. These pioneering solutions aim to improve safety and efficacy in diabetes management.

#### THINK SHARP PRODUCTS



STANDARD AND SAFETY NEEDLES



SYRINGES AND SYRINGES WITH STANDARD OR SAFETY NEEDLES



SYRINGES KIT



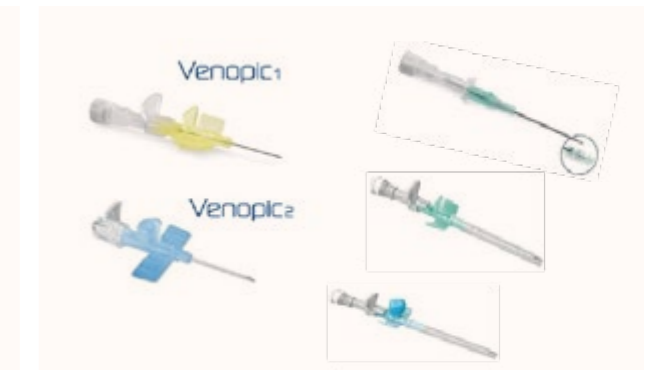
PASSIVE SAFETY NEEDLE



MESOTHERAPY NEEDLE



STANDARD AND SAFETY SCALP VEIN SETS



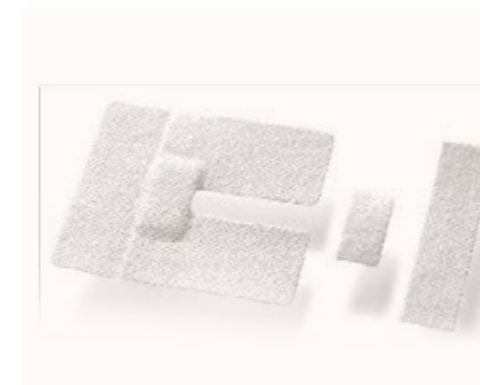
STANDARD AND SAFETY I.V. CATHETERS



SAFETY CATHETER BLOOD CONTROL AND CLOSED SYSTEM



SPINAL NEEDLES



CATHETER FIXATION PLASTERS



BARRIER BANDAGE

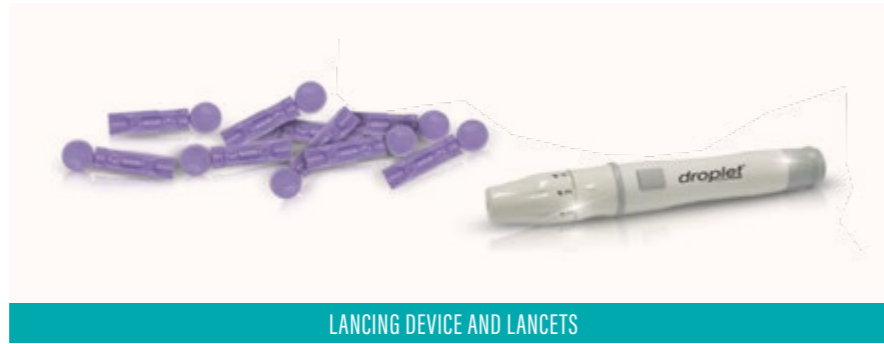


POST BLOOD SAMPLE PLASTERS

COMPLEMENTARY PRODUCTS



SAFETY LANCETS



LANCING DEVICE AND LANCETS



BLOOD GLUCOSE MEASUREMENT KIT



STANDARD AND SAFETY PEN NEEDLES



STANDARD AND SAFETY INSULIN SYRINGES

## THINK SIMPLE CONSUMER HEALTH PRODUCTS

A wide range of medical devices and cross-category selfcare medical solutions: thermometers, bandages, patches, nebulizers, blood pressure monitors and more, all intuitive and easy to use, to simplify people's daily lives

MTD, through its widely recognized Pic brand, offers the Think Simple product line, a wide selection of thermometers, nebulizers, thermal bandages, self-diagnostic instruments, nutritional supplements, blood pressure devices and wound care solutions. These products, meticulously designed in Italy, meet various health needs and promote optimal well-being.

## THINK SIMPLE PRODUCTS



TECH WOUND CARE



CLASSIC WOUND CARE



GREEN WOUND CARE



FIXING BANDAGES



GLASS THERMOMETERS



DIGITAL THERMOMETERS



IR CONNECTED THERMOMETERS



DIGITAL BPM



CONNECTED BPM



PISTON NEBULIZERS



MESH NEBULIZERS



NASAL PRODUCTS



HOT&COLD THERAPY



PREGNANCY TESTS



SANITARY MIX

## 1.1.4. OUR VALUE CHAIN

In 2022 the MTD Group recorded a direct economic value of around €250 million. This value was distributed among various stakeholders, including operating costs, employees, capital providers, government authorities, and

the community. The Group's approach to value redistribution enables it to generate new value and contribute to sustainable economic growth. This year, the economic value distributed by the Group was nearly €240 million.

	2020	2021	2022
<b>Direct economic value generated [k€]</b>	244,688	274,839	251,217
<b>Direct economic value distributed [k€]</b>	205,300	237,419	238,318
Operating costs	127,788	155,939	150,417
Employee wages and benefits	53,772	55,347	55,506
Payments to providers of capital	21,311	21,841	31,813
Payments to government	2,266	4,155	459
Community investments	163	138	124
<b>Economic value retained [k€]</b>	<b>39,388</b>	<b>37,420</b>	<b>12,899</b>

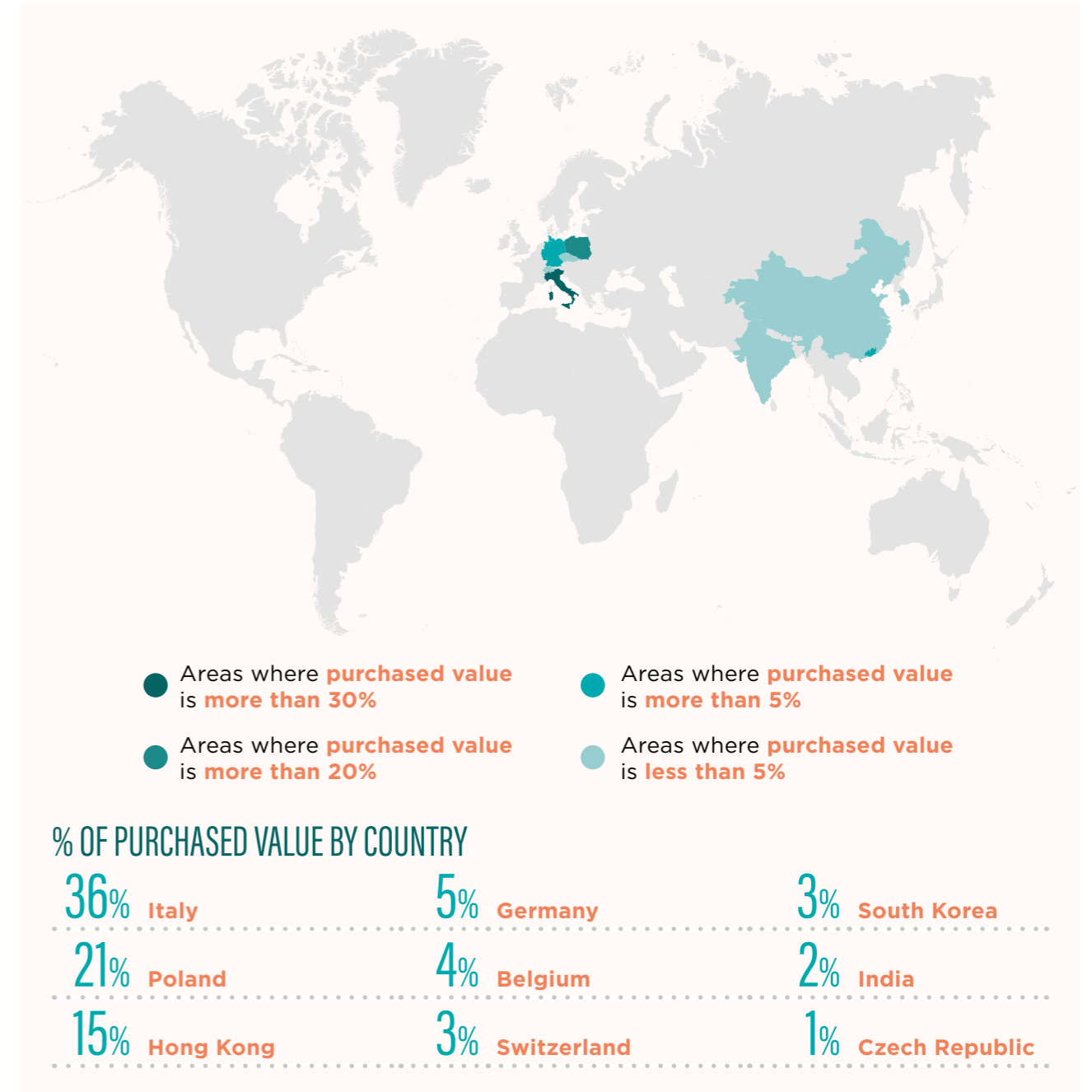
During the year, the MTD Group purchasing activity approximately 2,000 suppliers. Despite the global shortage of raw materials, the Group was able to maintain its production cycle and ensure a continuous supply of products

through its policy of dual sourcing of strategic raw materials. This policy involves purchasing the same product from two different suppliers, allowing the Group to increase purchasing opportunities even in times of scarcity.



The Group the total purchased value increased by 5% if compared to 2021. In terms of the composition, the biggest share of the purchased value was directed to suppliers in Italy (36%),

followed by Poland (21%) and Hong Kong (15%), where the Group purchases mainly finished products. It should be noted that more than 75% of purchased value comes from Europe.



In Pikdare, the purchased value was mostly attributed to finished products (53%), raw materials used for daily production and packaging (14%) and logistics suppliers (11%). In HTL, the purchased value was mostly related to suppliers of raw materials and packaging (47%), maintenance and repair services (9%) and logistic suppliers (7%).

Pikdare and HTL are dedicated to maintaining ethical and fair relationships with their suppliers, as evidenced by their requirement

for suppliers to sign the Code of Ethics. The Group also seeks to improve suppliers' performance by employing selection and evaluation procedures that consider quality criteria and compliance with human rights standards.

To this end, the Group is exploring new ways to integrate environmental and social criteria into its supplier selection and evaluation procedures, however, in 2022, the Group did not conduct any supplier screenings using environmental or social criteria.

## 1.1.5. OUR CORPORATE GOVERNANCE

**M**TD's corporate governance principles emphasize the importance of responsibility and reliability towards shareholders and stakeholders. The Board of Directors and the top management are the custodians of these core values. Accordingly, MTD is able to ensure effective strategic planning, succession planning, qualifications of directors, independence, fair remuneration and non-discriminatory practices; in particular, no incidents of discrimination were reported during the year. While MTD has not formed an Executive Committee, an internal ESG committee has been established with the purpose to elaborate proposals and strategic guidelines to be proposed to the Board.

Transparency and effective communication are integral components of MTD's internal management framework. The new CEO, appointed during 2022, and the management team maintain open lines of communication with all employees to facilitate swift decision-making processes. Likewise, the management team enjoys direct access to members of the Board of Directors, allowing for efficient collaboration and exchange of information.

### MTD BOARD COMPOSITION AND LOCAL SUBSIDIARIES

In accordance with the principles of Corporate Governance, MTD Group operates under the authority of its holding company, while its subsidiaries maintain independent and self-governing status in their decision-making processes, as long as they adhere to the strategic guidelines established by the holding company.

The Board of Directors comprises representatives from all shareholders, a jointly appointed Group CEO, and an independent Chairman mutually appointed. It is responsible for deter-

mining the medium to long-term strategy, formulating the industrial plan, setting the annual budget for MTD Group, deciding on most important matters and reviewing at least annually the CSR performance. The foundation of strong governance ensures that the company practices responsible and equitable measures, emphasizing transparency and dependability.

The Board is composed of seven members. The diverse backgrounds of MTD's board members reflect ongoing endeavors to foster a wide range of perspectives, experiences, and expertise. During the year, there were no training courses for the Board of Directors on sustainability topics, but it is planned that they will be provided in the upcoming years.

As described above, the Board is the ultimate decision maker on most crucial matters as well as its approval is required in respect to any topic, decision and/or matter that could embed a conflict of interest or simply an interest of the relevant stakeholders; in order to guarantee quickness, effectiveness and reliability, the Group CEO has a broad power of attorney to manage either key decisions and ordinary course of business of Group.

The holding company defines the overall guidelines and the strategic path which are cascaded through the subsidiaries accordingly.

MTD exercises the activity of direction and coordination (direzione e coordinamento) pursuant to Sections 2497 et seq. of the Italian Civil Code over its Subsidiaries, in accordance with the applicable laws and the provisions of their respective by-laws, as well as with the principles of (a) proper and sound corporate and entrepreneurial management, and (b) legal and management autonomy of the Group's entities. In light of the above framework, MTD adopt-

ed a governance system enabling, with proper regard for the individual interests of each Subsidiary subject to its direction and coordination activities, the compliance by MTD and its directors with their obligations under applicable laws and regulations, the achievement of one entrepreneurial and strategic project, and the optimization of synergies within the Group.

Therefore, MTD has approved a group wide regulation governing (i) the mechanics for the exercise by MTD of its direction and coordination vis-à-vis the Subsidiaries, (ii) the obligations of the Subsidiaries arising from the fact that they are subject to MTD's direction and coordination, (iii) the strategic direction and external management role of MTD and (iv) the information flows among the board of MTD and the management bodies of the Subsidiaries (the "Regulation"). The Regulation does not restrict the independency of the corporate bodies of each Subsidiary.

The daily operations of the MTD Group are supervised by a competent and structured Global Management Team (GMT). Under the leadership of the Group CEO, Charles Bouaziz, who has over 35 years of experience in different businesses worldwide, the GMT and the

MTD Group in general guarantee a high level of competence and reliability.

GMT members also serve on the boards of directors of the subsidiaries, ensuring that each company aligns its management practices with the overall strategic objectives of the Group.

### ETHICS AND TRANSPARENCY

#### New information.

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. During the year, there were no confirmed incidents of corruption, while the Italian tax agency issued to Pikdare a reminder notice ('avviso bonario'), which is only a communication concerning an audit for unpaid taxes and contributions.

MTD has both a whistleblowing policy and a code of conducts in place. Each person who deals with MTD must accept these policies. MTD has recently adopted a "Diversity and Inclusion" policy, therefore opening a point of contact in case employees want to denounce violations of such policy.



# 1.2 HOW WE CARE FOR SUSTAINABILITY

**M**TD Group's dedication to sustainability stems from the rich heritage of HTL and Pikdare, two companies that have consistently integrated sustainability principles into their operations. Throughout their history, these companies have maintained a strong ethical foundation and upheld integrity as guiding principles in their internal activities and across their value chains.

In 2020, the Group made a strategic decision to further enhance its commitment by developing a robust sustainability strategy. As part

of this endeavor, MTD established a dedicated ESG Committee (refer to the 'Sustainability governance' section) to ensure effective implementation of sustainability practices. Furthermore, MTD reaffirmed its unwavering dedication to meeting stakeholders' expectations for transparency by presenting this fourth edition of the Sustainability Report. This report encompasses a comprehensive analysis of stakeholders and a materiality matrix, alongside significant non-financial information and data that highlight the company's progress and impact.

## 1.2.1. SUSTAINABILITY STRATEGY

In 2021, MTD made a strategic decision to establish a comprehensive sustainability strategy that aligns with the Group's identity and the industries in which it operates. The aim was to create a cohesive framework that encompasses four key pillars, each with specific objectives. This approach allows for the formulation of tangible and measurable metrics, allocation of dedicated resources, and estimation of expected impacts. Furthermore, each pillar of the sustainability strategy is closely aligned with selected United Nations Sustainable Development Goals (SDGs).

The overall objective of the strategy adopted is twofold. Firstly, it seeks to facilitate access to healthcare for customers, particularly those with chronic conditions such as diabetes, through the development of simple, user-friendly products. Secondly, it prioritizes the safety of healthcare professionals by aiming to eliminate the risk of accidental needlesticks. These important goals take into account the impact the products have on all

consumers, as illustrated in Chapters 2 and 3.

To achieve these ambitious goals, people have always been placed at the center of MTD's strategy. This includes not only customers and healthcare professionals, but also MTD employees. The company places great emphasis on caring for its employees, their professional development and the promotion of internal competencies. These aspects are fundamental to the Group, as they support and enhance the skills and competencies that are the hallmark of MTD's products, as explained in Chapter 4.

Furthermore, MTD recognizes the environmental impact associated with certain raw materials, which are fundamental to the manufacture of its products. With an ongoing commitment to minimize the environmental externalities resulting from its activities, the Group places significant emphasis on innovation and the continuous development of increasingly sustainable products, as illustrated in Chapter 5.

## ESG MTD STRATEGY

### 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 2023, 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 places great importance on perpetually enhancing its sustainability performance through the cultivation of a sustainability-driven culture and the execution of a steadfast sustainability strategy. Keeping this objective in mind, MTD took the initiative in 2020 to establish the Environmental Social and Governance (ESG) Committee, which is composed by senior managers of the Group belonging to different entities and covering all

the most relevant departments. This committee plays a pivotal role in ensuring the effective implementation of sustainable practices across the organization; the ESG Committee reports on ESG matters to the Board biannually. Moreover, the implementation of the ESG Policy has been assigned to the Chief Corporate Officer and HR along with the Chief Communication Officer who act in cooperation with a dedicated teammate.

The ESG Committee is a cross-functional advisory committee wherein there is a more executive core group whose purpose is to assist the CEO, who holds ESG power of attorney, 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.

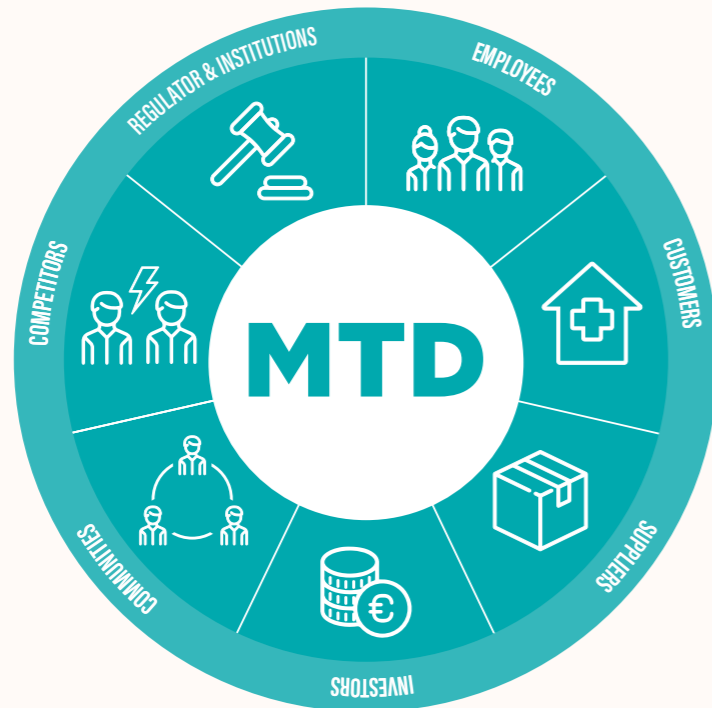


## 1.2.3. MATERIALITY

### OUR STAKEHOLDERS

The process of identifying stakeholders plays a crucial role in the formulation of a comprehensive sustainability strategy. Stakeholders refer to entities or individuals who are significantly impacted by a company's activities, products, and services, or whose actions can influence the company's ability to effectively implement its strategies and accomplish its

objectives. The MTD Group undertook the task of revising its stakeholder map by carefully assessing their influence and dependency on the company. This exercise aimed to determine the appropriate engagement channels through which MTD could effectively comprehend and collaborate with its stakeholders.



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

### MATERIALITY ANALYSIS

During 2022, according to the new GRI Standards, published in 2021 and of mandatory adoption for documents published from 1 January 2023, the materiality process was reviewed through an analysis of the impacts generated by the organization and conducted in several stages:

- Analysis of the context in which the Group operates in order to identify both actual or potential and positive or negative impacts generated by the organization's activities and its business relationships on the economy, the environment and people (including human rights), throughout the entire value chain;
- Evaluation of the significance of impacts according to two variables: severity of the impact generated and likelihood of the impact occurring (considered only for potential impacts). The process involved assigning a quantitative score to each variable. The product of the two variables yielded the impact generated by the company in ESG terms, on the basis of which they were prioritized.
- Finally, each impact was associated with its material topic and thanks to the scoring it was possible to define a relevance threshold for each topic.



In the table below, are described for each material topics the related impacts,

	MATERIAL TOPIC	DESCRIPTION OF THE IMPACT	NATURE OF THE IMPACT	GRI STANDARD TOPIC
ENVIRONMENT	ENERGY CONSUMPTION AND CLIMATE CHANGE	All stages of the Group's value chain contribute to climate change by generating greenhouse gas emissions, mainly caused by the use of fossil fuels and energy consumption in production processes. The greatest impacts concern: the upstream stages of raw material extraction and transformation, manufacturing processes, and transport. The Group is committed to reduce its carbon footprint mainly through the implementation of energy efficiency measures aimed at reducing energy consumption.	Negative	GRI 302: Energy GRI 305: Emissions 2016
	WASTE MANAGEMENT	Waste generated during the different stages of the company's value chain, if managed improperly, can have negative impacts on ecosystems and human health, which can extend beyond the places where the waste is generated and disposed of. In this regard, proper waste management is of particular importance.	Negative	GRI 306: Waste
	RAW MATERIALS	Manufacturing processes require the use of large quantities of raw materials such as plastics, cardboard and steel, the use of which reduces their availability. The Group is committed to increase the percentage of recycled raw materials, when is feasible.	Negative	GRI 301: Materials
PEOPLE	CONSUMER HEALTH AND WELLBEING	Companies in the sector can invest in developing safer and less invasive medical products in the treatment of consumers, leading to an improvement in their health and quality of life. The Group's mission is to develop products that lead to a significant improvement in health and consumer well-being.	Positive	GRI 416: Customer Health and Safety
	HEALTH CARE PROFESSIONALS' SAFETY	MTD invests in developing safer medical products for the healthcare professionals who operate them, leading to a positive impact on their health, but also reducing the costs to the system in the occurrence of accidents.	Positive	GRI 416: Customer Health and Safety
	HEALTH AND SAFETY IN THE WORKPLACE	Production activities throughout the value chain can cause harm to workers' safety. They can be caused either by negligent behavior of workers or by unsuitable working conditions. The Group invests significant resources in health and safety training for its employees and in making workplaces safer and more secure.	Negative	GRI 403: Occupational Health and Safety
	CLIENT AND CONSUMER EDUCATION	MTD actively contributes to enhancing the level of education of professionals and consumers.	Positive	-
	HUMAN RIGHTS	Companies operating in the sector must ensure respect for the human and civil rights of workers, as well as their wellbeing and work-life balance, along the entire value chain, which can be very heterogeneous and geographically extensive. The Group is committed to respecting these rights through its Code of Ethics and is committed in including ethical and human rights in its supply chain management.	Negative	GRI 401: Employment GRI 414: Supplier Social Assessment 2016

	MATERIAL TOPIC	DESCRIPTION OF THE IMPACT	NATURE OF THE IMPACT	GRI STANDARD TOPIC
PEOPLE	EMPLOYEE DEVELOPMENT	MTD offers dedicated training courses with the aim of ensuring adequate human capital development and increasing the competence level of its resources. The Group considers that is important to implement specific programmes for the development of professional and personal skills, as well as to enable the preparation of specialized and up-to-date figures on recent trends.	Positive	GRI 404: Training and Education
	DIVERSITY AND EQUAL OPPORTUNITIES	Failure to respect diversity due to factors such as gender, sexual orientation, religion and ethnicity can have a negative impact on human capital and equal opportunities. The Group is committed to ensure gender equality within the Group, also considering that the majority of employees are women.	Negative	GRI 405: Diversity and equal opportunities
ECONOMY	PRODUCT DEVELOPMENT AND INNOVATION	MTD, through investment in R&D, develops medical products that are more effective in consumers care and safer for healthcare workers. This can also spur other companies in the sector to invest in research, leading to a progressive improvement in products quality.	Positive	-
	MARKETING AND LABELING	Companies in the sector have a duty to provide accurate and sufficient information to ensure the correct use of products by people, avoiding unfair marketing practices that could harm the health of consumers. The Group is fully compliant with the regulations on marketing practices of the industry, registering no cases of noncompliance in the last three years.	Negative	GRI 417: Marketing and Labelling
	AVAILABILITY OF MEDICAL DEVICES	Companies in the sector can deliver a benefit to the community by making their products more accessible, in terms of ease of use and breadth of product range, thus expanding the pool of possible beneficiaries. MTD strives for this by developing products to meet the widest possible range of consumer needs.	Positive	-
	ANTI-CORRUPTION	The medical device sector is characterized by the presence of stringent laws and regulations, but it is possible that episodes of unfair business practices arise, linked, for example, to corruption, anti-competitive behavior and inappropriate tax strategies, which cause damage to the entire economic and social system. The Group's governance and control systems have proven to be effective and have enabled it to receive no sanctions in this respect.	Negative	GRI 205: Anti-corruption
	ECONOMIC VALUE CREATION	MTD contributes to the development of the communities in which it operates, for example, by providing job opportunities and economic growth, as well as paying taxes.	Positive	GRI 201: Economic Performance





## 2. WE TAKE CARE OF PEOPLE

**“As a healthcare company, we place not only people’s physical health at the center of our efforts, but also their psychological needs. Through our devices, we try to combine the need for self-care and access to required care, with solutions that are less invasive and pain-free, in order to make the experience more comfortable and achieve the maximum from treatment.”**

**M**TD’s actions are driven by a deep commitment to **cares for people**, whether they are health professionals, patients, or consumers. The company’s approach is rooted in attentive listening to the emotions and unmet needs of consumers. By taking the time to truly understand these needs, MTD is able to design products, services, and educational projects that are tailored to meet them. This commitment to listening has led to the development of innovative products that are **simple and easy to use**, particularly in the realm of diabetes and self-medication. MTD’s portfolios are designed to **enhance comfort of use and the overall experience**, with the ultimate goal of improving **adherence to medical treatments**. Through this empathetic approach, MTD is helping to make a meaningful difference in the lives of those it serves.

MTD recognizes that improved therapeutic adherence is key to promoting wellness for both patients and the healthcare system as a whole. This forward-looking goal guides the company’s efforts to develop innovative products that can help patients achieve better health outcomes. The company’s portfolio of diabetes products is especially noteworthy in this regard, as it is designed to support patients at every step of their journey. MTD’s products serve

as trusted partners that help patients manage their diabetes, from diagnosis to therapy management. This includes tools for blood glucose self-monitoring, personal and safety lancets, and diabetes medication administration devices, such as pen needles and safety pen needles.

In addition to offering a diverse range of products, MTD recognizes the importance of **education and engagement** in ensuring access to care. These activities play a crucial role in supporting consumers throughout their care journey. MTD’s commitment to providing products that meet the needs of consumers while aligning with best practices in healthcare is achieved through **continuous innovation**. MTD generates new concepts, patents, and solutions, which are rigorously tested and engineered. To further drive innovation, in 2020 MTD established the hub **MTD Engineering**. By prioritizing innovation, MTD aims to ensure that consumers have access to the best products and solutions available in the healthcare market.

The Group places great emphasis on the **compliance and safety of its products** and business processes, as well as the transparency of its brands. This commitment is at the heart of all of MTD’s decisions, and is aimed at ensuring long-lasting reliability not only for patients, but for the entire healthcare sector as well.

## 2.1 LISTENING TO PEOPLE'S NEEDS

MTD's objective is to have an open dialogue with patients to listen to their needs and expectations, as well as to give them practical advice to manage their daily medical self-care. This activity is deemed as fundamental by the Group, which attempts to build different types of channels to collect opinions, needs and expectations from customers and patients.

In particular, MTD's commitment to listening to consumers' needs is reflected in its engagement activities such as **customer surveys**, which investigate consumers' opinions on the quality and features of products: the aim is to collect useful information which can be later employed in the product development phase to better meet patients' needs and expectation concerning the good's performance. For example, in 2022, Pikdare conducted a survey aimed at comparing the use of the new Insupen G34 pen needle with the usual needle in terms of pain and satisfaction.

Moreover, MTD has emphasized the importance of listening initiatives through an advertising campaign for its brand Pic Solution, called **"Come ti senti?"** ("How do you feel?"). The aim of the advertisement is to spread awareness on the importance of taking an interest into each other's health and wellbeing, and reciprocally listening to needs and emotions: not only does MTD commit itself to listening activities, but it also attempts to create a culture of receptiveness and attention towards each other's health and wellbeing among its consumers.

The 2021 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 Italian TV. More than 30 articles published on national newspapers were dedicated to the campaign, which was also awarded by Mediastars.

The pandemic has determined a significant change in the way people conceive health and care for it: before, the patient was seen as a passive figure depending on physical and direct contact with experts and required to adapt to long waiting times and traditional steps of the healthcare system. However, the Covid-19 pandemic created the need for alternative ways to construct and manage the relationship between patients and the healthcare system whereby movement limitation could be overcome through the use of digital solutions. It is in this scenario that the development of e-health is inscribed: with a **predicted sector growth of +97% between 2022 and 2025<sup>1</sup> and an increasing number of people experimenting the use of e-health solutions** since the beginning of the pandemic, e-health is one of the most important future trends in the healthcare sector.

The importance of digital solutions in healthcare is not only related to its advantages in terms of logistics (e.g., being able to share useful information with healthcare personnel from a distance), but it also plays a crucial role in the empowerment of the patient, who is allowed to play a more active role in disease management.

To give continuity to the advertising campaign after the commercial proposed in 2021, Pikdare presented the 2022 version of the commercial which focused on the **Pic Health Station** app and the related **"Connected Products"**, contributing to the increasing trend of e-health. These e-products are connected to a special app, the **Pic**

**Health Station app**, which registers health data and makes it easier for consumers to monitor different types of parameters and share them with family and/or healthcare professionals if needed.

Pikdare's contribution to this important trend is represented by the Pic Health Station app and the related "Connected Products". The Connected portfolio comprises different types of products: a thermometer (head and ear), a blood pressure monitor (arm and wrist), a glucometer, a scale. The Pic Health Station app:

- Automatically saves all data and classifies them intuitively;
- Displays trends and parameters at any time;
- Makes it possible if needed to easily share the data.

Moreover, the Pic Health Station app has been

integrated with the Apple Health App, thus allowing the consumer to synergically track Pic products' health data and wellbeing parameters such as sleep and physical activity: health and wellbeing information are thus integrated to provide a comprehensive picture of the consumers' health status.

This continuous listening to consumers takes the form of products that meet their needs in terms not only of care, but also of comfort. A successful example is the **Aireasy on nebulizer**, introduced in 2021, whose design addresses the most common problematics related to the use of the nebulizer, by making it as comfortable as possible and allowing the children to move freely while taking care of their health.

### AIREASY ON: THE REVOLUTIONARY NEBULIZER EXPERIENCE

The pandemic has made everyone more aware of how critical healthy breathing is. Observing the massive global changes and listening to the evolving needs made Pic want to become a reliable ally in the world of breathing medicines.

In 2021, Pikdare introduced AIREasy On, the first wearable, lightweight nebulizer that allows users to undergo medication while performing other activities. AIREasy On's innovative design not only meets existing needs for a silent and easy-to-use product, but also responds to emerging needs resulting from global changes. AIREasy On is portable and can be connected to any USB device (smartphones and tablets), allowing users to move freely during therapy. Advanced technology makes AIREasy On silent and improves its effectiveness by atomization of particles to such an extent that they penetrate deep into the airways and minimize the amount of non-nebulized medication, thus improving the effectiveness of therapy. From an impact perspective, AIREasy On is exceptionally small, so fewer materials are used for manufacturing and packaging, making it a more environmentally friendly choice.



1. Statista Research Department (2023) "Digital health - Statistics & Facts"



## 2.2 CONTINUOUS CARE FOR DIABETES

**M**TD's pursuit of innovation is exemplified not only by its ingenious self-medication and personal care products, but also by its diabetes products intended to ease people's daily lives and facilitate disease management. With a focus on unmet consumer needs as the foundation for its initiatives, MTD is committed to provid-

ing a wide range of simple and comfortable products that offer reliable solutions to people's demands while enhancing their quality of life. MTD places special emphasis on the needs of individuals with diabetes, who often face significant challenges in adhering to their therapy, which can lead to severe health complications.

### DIABETES: A GLOBAL DISEASE

The World Health Organization (WHO) defines diabetes as a chronic condition associated with insulin, the hormone that regulates blood sugar levels. Diabetes develops when the pancreas does not produce enough insulin or when the body is unable to utilize the insulin effectively. WHO classifies diabetes into two primary types:

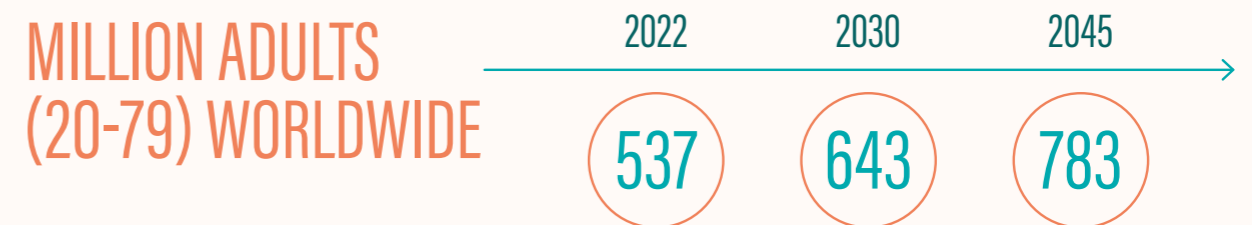
Type 1 is the rarest and most serious form of the condition. With Type 1 diabetes, the immune system doesn't recognize the cells that release insulin and destroys them, mistakenly eliminating this hormone that is so crucial to the human body. Onset of Type 1 diabetes is more common in adolescence and young people, although it can happen at any age. It can also occur after a viral infection. It is characterized by the need of daily insulin's administration.

Type 2 diabetes is the most common type of diabetes. It is generally characterized by insulin resistance, where the body does not fully respond to insulin. Type 2 diabetes is most commonly diagnosed in older adults, but is increasingly seen in children, adolescents and younger adults due to rising levels of obesity, physical inactivity and poor diet.

The cornerstone of type 2 diabetes management is a healthy diet, increased physical activity and maintaining a healthy body weight. Oral medication and insulin are also frequently prescribed to help control blood glucose levels.

According to the last updated data of the International Diabetes Federation (IDF) it is estimated that in 2022 537 million adults (20-79) worldwide live with diabetes (1 in 10). 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. Finally, in 2022, there were 530,000 new cases of Type 1 diabetes diagnoses at all ages, with 201,000 of these less than 20 years of age<sup>2</sup>.

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>3</sup>.



Several peer-reviewed articles published in prominent academic journals have highlighted needle phobia as a significant barrier to adherence to therapy, particularly for children with type 1 diabetes<sup>4</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>5</sup>.

2. IDF Diabetes Atlas Report 2022 - "Type 1 diabetes estimated in children and adults"  
 3. IDF Diabetes Atlas - 10th Edition 2021  
 4. 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  
 5. 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

## PSYCHOLOGICAL BARRIERS TO DIABETES MANAGEMENT



**150-200 MILLION PEOPLE WORLDWIDE REQUIRE INSULIN THERAPY**

Reference: International Diabetes Federation

### EARLY 1920s:

#### THE DISCOVERY OF INSULIN

Since then vials and syringes have remained the only delivery option available for routine clinical use for more than 50 years.

### 1985:

#### FIRST INSULIN PEN

In these years needles were used for subcutaneous injections were longer and with a larger diameter (25G) than today's needles.

### TODAY:

MTD and many manufacturers worldwide have introduced thinner, shorter and more accurate pen needles.

**Hypodermic needles are effective but they can also cause pain, anxiety, and needle fear in patients, negatively impacting their experience. As a result of this increased discomfort, patients often exhibit poor compliance in initiating and adhering to needle-dependent therapies, such as insulin administration<sup>6</sup>.**

The newer, thinner needles available on the market today require less injection force, thus reducing the skin trauma and pain associated with insulin injections<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>. Overcoming the psychological and physical barriers caused by injection helps patients take better care of themselves, having a positive effect on their health and the countries' entire healthcare system.

MTD recognizes the psychological and physiological barriers that the discomfort of insulin injections can create for patients, and is committed to developing innovative products that reduce pain and promote greater compliance with diabetes self-management. This is especially important, as strict adherence to treatment can prevent acute and chronic complications and ultimately improve the patient's

quality of life; this support can also have an impact on the entire healthcare 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.

## PERSONAL LANCET

Testing blood sugar levels is a crucial aspect of diabetes management, and pricking the finger to obtain a blood sample is a routine activity for millions of people with diabetes. To make this process safer and more comfortable, HTL has developed personal lancets under its brand Droplet. These lancets are designed to be safe, comfortable, and easy to use, featuring a silicon-coated needle that causes minimal pain and a user-friendly design that makes them easy to handle. In a study conducted on 60 diabetic patients, Droplet personal lancets were found to provide a sufficient blood sample for blood glucose level measurements with minimal pain perception<sup>9</sup>.

### DROPLET® PERSONAL LANCETS



### 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 34Gx 3.5mm pen needle is indeed one of the most relevant innovations in the diabetes treatment area. The 34Gx 3.5mm pen needle is the shortest and thinnest pen needle in the world, and it can significantly reduce pain and discomfort during insulin injection. Innovations like this demonstrate MTD's commitment to improving the comfort and safety of diabetes management, which can contribute to better adherence to therapy and ultimately improve patients' quality of life.

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.

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.

## A THINNER INSULIN NEEDLE: A 34-GAUGE NEEDLE AVAILABLE IN EUROPE AND NORTH AMERICA

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. These innovations are aimed at making a positive impact on the experience of people with diabetes who rely on insulin injections for their daily management.

### RapidFlow

**Thin walls and wide internal diameter** for increased flow



RapidFlow

+ FLOW

### SoftSharpening

**Specially shaped needle**, for a delicate and comfortable injection



SoftSharpening  
+  
EasySliding

+ GENTLENESS

### EasySliding

**Special friction reducing treatment**, helps the needle move through the skin

**in/olor® experience**  
The gentle touch of clever technologies

+ COMFORT



According to the study “Penetration force and cannula sliding profiles of different pen needles: The PICASSO study”, published in Medical Devices: Evidence and Research in 2019, 34G has been shown to have high performance: it requires up to 50% less force to penetrate tissues than needles with a larger outer diameter, thereby decreasing the pain experienced by patients. Thus, the 34G needle has the potential to reduce the discomfort associated with injections.

In 2022 Pikdare carried out a survey with the objective of comparing the pain levels and satisfaction associated with the new Insupen G34 pen needle versus the conventional needle. In addition to 66% of patients judging the injection with the pen needle to be totally painless, the “less painful” feature is considered to be the most important factor when choosing a pen needle between different competitors. The majority of patients found the pen needle very easy to use and did not experience any episodes of hypo/hyperglycemia or irritation, redness, bruises, or bending.

The screwing of the needle onto the pen was also considered very easy by the majority of patients (71,7%). These results both demonstrate that consumers greatly appreciate the innovative features of the Insupen G34 and they provide useful feedback for future product developments.



### 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.**

In 2022, the G34 was selected as an excellence in the category “Best Innovative Device-Technology of the Year” by the Life Science Excellence Awards 2022 (LSEA). The LSEA is the most prestigious prize which is assigned to biomedical technologies, molecules, and prevention projects every year, to award european companies and leaders which mostly contributed to excellence and innovation in the Life Science sector. The award is promoted by Popular Science, a journal which has been reporting on innovation for 150 years. The prize supported not only by Popular Science and its 28 Medical Magazines, but also by the partnership of their editorial assets such as “Quotidiano Sanità” and “Health Industry”.



The development of the 34G is important news for MTD because it is the result of joint synergy work between its two entities, HTL and Pikdare. In fact, the 34G (popularized in Europe as the Insupen 34G) had already been introduced to the North American market in 2020 as the 34Gx3.5 mm pen needle under the name Droplet-Micron. This needle, also in North America, was designed to be used with pen injector devices used for subcutaneous drug injection to make the insulin injection experience more comfortable. Droplet® pen needles are designed for easy and precise injections. Adapted to individual needs, Droplet® pen needles are compatible with most insulin pens available on the market.

## DROPSAFE SAFETY PEN NEEDLE 5MM LENGTH AND PIC SAFE BLOCK: SAFE INJECTIONS FOR ALL

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.



Safe Block pen safety needles are sterile, single-use safety needles intended for use with pen injector devices for drug injection. They can be used by healthcare professionals and non-professional users. It is designed for safe, easy and accurate drug administration, provides comfort and prevents sharps injuries before and after injection, in fact, the passive safety mechanism automatically covers the needle, eliminating needlestick injuries during drug administration.

The needle automatically locks after use. It is ergonomic, with a special wing-shaped design for a firm and comfortable grip. Finally, also considering the psychological aspect of the patient, the needle remains hidden from view, thus increasing the comfort of those receiving the injection.

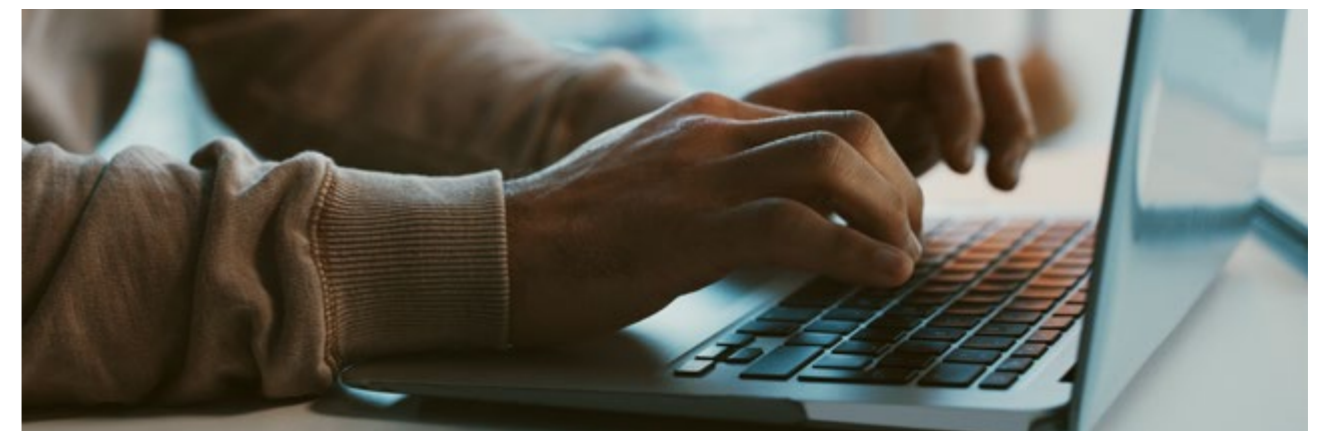
## 2.3 SHARING IS CARING: MTD'S ENGAGEMENT OF CONSUMERS

MTD truly believes in the importance of sharing knowledge, not only with healthcare professionals and experts of the sector, but also with consumers. Access to high quality information on health and wellbeing is important not only for prevention but can also be crucial when dealing with everyday health issues. Indeed, **a study conducted in 2021 revealed that one in two EU citizens (55%) seek health information online<sup>10</sup>**; this piece of data demonstrates how fundamental it is for online sources to deliver clear and accurate medical information which users can safely employ to make informed decisions concerned their health.

With this objective, MTD regularly delivers initiatives to share knowledge with customers and patients and to spread awareness on the importance of prevention and a healthy lifestyle. For example, in 2022, MTD organized a **campaign** in pharmacies aimed at spreading awareness on the topic of **hypertension**. The campaign consisted in the installation

of a measurement stand with informational material inviting visitors to regularly monitor their pressure not only at home, but also at the pharmacy. With a similar goal, Pikdare released an online infographic concerning rules for pressure measurement and two educational videos aimed at providing useful information for the use and maintenance of the AIREasy Onnebulizer.

In addition, throughout 2021, Pikdare specialists conducted **educational courses** in hospitals to teach patients with diabetes how to use medication devices properly. These efforts aimed to ensure that patients get the maximum benefit from the innovative technology of these products. The Group also provided educational materials and product samples, including needles for education on proper injection techniques, glucometers for screening, and blood pressure monitors to independent consumers' associations that organized public screenings and summer camps for diabetic children.



10. Eurostat (2022), "EU Citizens: over half seek health information online"

## PIC SOLUTION – THE POWER OF KNOWLEDGE

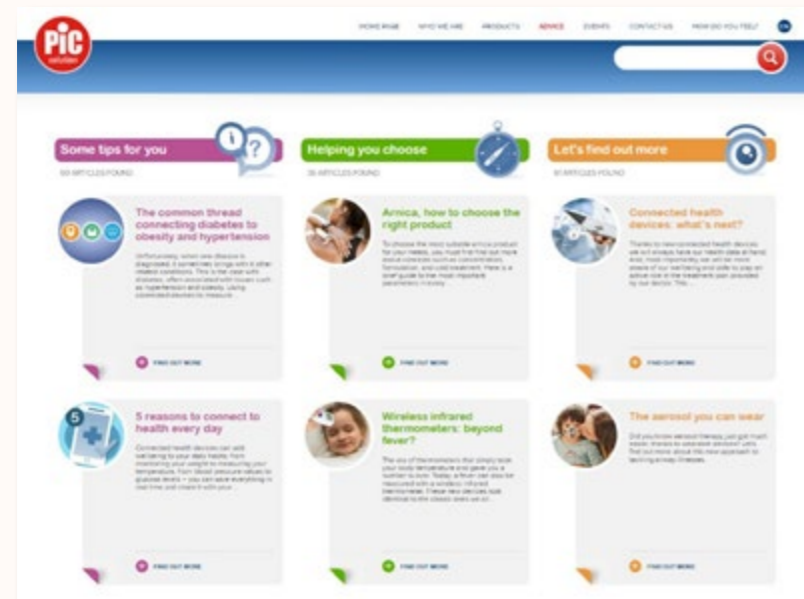
Pic Solution has an online **multi-channel educational platform** which provides people with free practical tips to help them deal with minor health problems. It has been developed to meet people’s need for reliable online healthcare information: indeed, health information which can be found online are often academic but excessively complex, or more accessible but less authoritative. Pic Solution thus attempts to fill in the gap for **safe, reliable, and simple** information concerning health: 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.

Three types of content can be found on the website:

- **Practical tips** such as “How to treat a distortion” and “How to treat cuts and grazes”
- **Medical-scientific articles** on topics such as hypertension, diabetes, pregnancy, asthma, etc.
- **Guidance on the choice of the products** according to different consumers’ needs, such as “Arnica, how to choose the right product”, or “All the nebulizer accessories you need for breathing better”.

It should be noted that the articles focusing on the choice of the products are aimed at providing a neutral guidance on which characteristics are better suited for different patients’ needs. Reference to Pic’s products is only made at the bottom of the page, in the “You might also be interested in” section. Indeed, Pic Solution’s main goal is to provide reliable scientific information to guide consumers’ choice.

The efficacy of the website is proved by the metric monitoring visits and accesses. In particular, in 2022, more than 1 million people visited the website, for a total of 1.542.880 page views. User demographics is quite wide, with users being on average between 25 and 54 years old, and with women representing the largest share of the public.



1.542.880  
PAGE VIEWS



25/54  
AGE

## 2.4 INNOVATION FOR A SIMPLER LIFE

**M**TD is committed to promoting innovation and has established R&D centers that are continuously working to integrate innovation into manufacturing facilities, with the goal of providing solutions to unmet needs.

Within the diabetes care field, which has been a focus for MTD, both Pikdare and HTL-Strefa have a rich history of developing innovative medical sharps. Pikdare has been at the forefront of medical self-care since the 1960s and 1970s, with the production of syringes and

cannulas. In the 1980s, it successfully created and launched a single use “no pain” syringe. HTL-Strefa, on the other hand, was the first company in the world to introduce a safety lancet in 1994 and the new 33G personal lancet for pain-free injections in 2014.

Over the years, MTD’s innovation efforts focused on bringing new, state-of-the-art self-care medical devices engineered on the basis of an exclusive Design Language System, while improving simplicity and comfort of use.

**Our most recent innovations include:**



**Si Silicon** wound dressing is a line of patches that uses silicon technology to ensure a safe and painless removal.

**AIREasy On**, the first wearable, lightweight nebulizer, whose revolutionary design allows you to undergo drug therapy while doing other activities.



The **Pic Health Station app** allows the patient to measure and correlate different indicators such as temperature, weight and pressure. Not only this app allows patients to create a digital medical diary, but it also lets them share it with their physician.



**Green Plasters** a new range of green plasters, made with products of natural origin (bamboo fibers, aloe vera, and cotton) to be gentle, breathable, soft, and water-resistant. In addition to the benefits for people, it is also an eco-friendly product.

To date, MTD owns two R&D centers with over 100 active R&D projects, with one center located in Piddare and one in HTL. The R&D activity of the Group has been characterised in recent years by the development of stronger synergies between its two companies. The benefits of this partnership are reflected in the continuous growth of the Group's portfolio, which counts more than 300 patents as of 31st December 2022.

MTD's dedication to innovation has led to the establishment of collaborations and partnerships with various pharma companies, start-ups, and professionals. These partnerships allow for the development of innovative medical device solutions by combining the strengths and experiences of all parties involved. MTD's commitment to innovation is further emphasized by the launch of MTD Engineering, the Group's innovation hub, in 2020.

## MTD ENGINEERING: BOOSTING THE RESEARCH

MTD Engineering, established in 2020, is an innovation and development hub that aims to drive significant growth in research and development. It generates new concepts, patents, and solutions that are continuously tested and immediately engineered in-house. The innovation hub serves as the technology core unit that creates innovative designs for MTD's product pipeline and also acts as a reliable partner for other industries in every stage of new product development:

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

MTD Engineering's expertise and knowledge in key technologies such as steel processing, fabric processing, sterilization, automation, and molding benefit various other sectors, including veterinary, watchmaking, home appliances, cosmetics, and laboratories. It fosters innovation in these sectors by providing consultancy, products, or components based on its expertise, and leverages its experience, know-how, and infrastructure to create innovative medical devices that assist people in their daily lives by combining small-scale technologies with larger ones.





## 2.5 FOR COMPLIANCE AND TRANSPARENCY

MTD places great emphasis on safety, quality, and innovation, which have always been fundamental elements of the group's activities and processes. Rather than simply complying with product quality standards, MTD considers quality to be a central aspect of its value proposition. It recognizes that the highest standards can only be achieved with the participation and involvement of every employee, who is responsible for meeting quality standards. As such, all MTD products undergo a rigorous design, development, and testing process to ensure that they meet and potentially exceed the most stringent safety and quality standards.

By ensuring the safety and quality of their products, MTD aims to provide patients and healthcare professionals with reliable and effective medical devices that are easy to use and promote continuity of care. This, in turn, helps to reduce the risk of infections and other complications, improving the overall health outcomes for patients.

To ensure that all products meet high quality standards, MTD performs automatic quality checks at various stages of production, including

for example in the case of the Pen needle. This is in line with the Quality Policy of both Pikdare and HTL-Strefa, which sets out the company's commitments to quality management and regulatory compliance, as well as to customers and suppliers. By adhering to these policies and implementing rigorous quality control measures, MTD aims to provide safe and effective medical devices that meet the needs of patients and healthcare professionals.

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. In 2022, HTL-Strefa underwent the audit to renew the certification. 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. Additionally, MTD Group is part of the "Medical device single audit program" (MDSAP), which allows the company to meet regulatory requirements of various jurisdictions through a single audit. MTD has obtained MDSAP certification for Brazil, Japan, Australia, Canada, and the USA.

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). However, no recall was made in 2022.

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 2022, HTL-Strefa carried out 34 audits to suppliers and Pikdare carried out 17.

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 10 audits, of which

3 were performed by corporate customers and 5 by notified bodies. Pikdare, on the other hand, received 11 audits, 1 of which was conducted by corporate customers.

MTD recognizes the crucial role its products play in people's health and thus prioritizes responsible communication and labeling practices to ensure transparency for consumers. It should be reported that the Group has had no instances of non-compliance with product marketing and labeling regulations over the past three years. In addition, MTD has started to comply with the new environmental regulations outlined in EU Directive 2018/851, which require information on product disposal to be provided.

Finally, to be always updated on the evolution of the regulative landscape, since 2022, a new professional figure has been introduced within the Quality and Compliance team of Pikdare: their responsibility is to **monitor the evolving regulation in the realm of sustainability, with the aim of ensuring that the Company is always updated** with the latest changes in the legislation. The choice of introducing this new role demonstrates Pikdare's commitment to keep up with the times in terms of sustainability trends and compliance.



### ISO 13845: 2016 – MEDICAL DEVICES – QUALITY MANAGEMENT SYSTEMS

The ISO 13485 standard, established by the International Organization for Standardization (ISO), defines extensive quality management system criteria for developing and manufacturing medical devices. Its most recent revision in 2016 incorporated current quality management system approaches, accounting for advancements in technology and regulatory standards. The updated version places a higher emphasis on risk management and making decisions based on risk assessment, and also accounts for increased regulatory requirements for organizations across the supply chain.





# 3. TRUSTED PARTNER FOR SAFETY IN THE HEALTHCARE SYSTEM

“Thanks to our innovation, we design, develop and supply safety solutions to reduce or eliminate the risk of exposure to blood borne pathogens among healthcare professionals. Through continuous listening we always challenge ourselves to provide state of the art devices for those who care for others.”

**M**TD recognizes its significant role in supporting the development of a **safe and efficient healthcare system**. The Group aims to:

- provide access to a better care and ensure the **health and safety of healthcare professionals**.
- disseminate knowledge and good practices in the medical field through **MTD conducts educational activities for healthcare workers**, customers, and patients.

In 2022, the Group has continued with the **MTD Exchange** initiative, the platform - launched in

2021 - aimed at sharing and generating new knowledge by bringing together experts, industry professionals and stakeholders to discuss the most relevant subjects related to self-medication, focusing mainly on the topic of diabetes.

Building upon Group's emphasis on safety applied during the Covid-19 pandemic, MTD has continued to distinguish itself by its ability to meet the needs that arose during the different phases of the pandemic, providing products and devices to protect against infection and to support diagnostic screening and vaccination campaigns.

# 3.1 CARING FOR THE SAFETY OF HEALTHCARE PROFESSIONALS

Ensuring safety is not only MTD’s core business but also the foundation of the Group’s sustainability strategy.

**M**TD’s core values and actions prioritize the protection of healthcare, recognizing that they are at increased risk of exposure to blood-borne pathogens due to their regular contact with blood and other body fluids. Also accidental injuries can have severe consequences for healthcare workers who provide care for others. Contaminated needles can result in the transmission of blood-borne viruses, leading to short and long-term medical complications.

Global estimates indicate that healthcare workers suffer more than two million needlestick injuries annually<sup>1</sup>, often due to the use of sharp equipment in a fast-paced, stressful and potentially unmanned work environment. Hypodermic injections account for about one third of cases<sup>2</sup>.

Sharps injuries can also transmit several diseases, including hepatitis B, hepatitis C, HIV, and more than 20 other pathogens.

Needle injuries can have a severe impact also on the well-being of healthcare workers, potentially causing post-traumatic stress disorder and substantially impacting on the healthcare system, including the cost of employee

time, laboratory tests, treatment, and replacing workers involved. For instance, patients who require daily need for care, such as chronic patients, particularly diabetics, receive less attention, and the absenteeism and reduced productivity of healthcare professionals can negatively impact the therapeutic adherence of diabetics. If chronic patients such as those with diabetes are not adequately attended to, they may not adhere to therapy, and this has enormous repercussions on their health status.

MTD is committed to improving therapeutic compliance, which, if ignored, leads to disability and premature death caused by diabetes. The indirect costs associated with these serious consequences are considerable and ignoring safety in the workplace can result in a substantial negative economic impact. Therefore, it is essential to **prioritize the safety of healthcare professionals not only to comply with safety regulations but also to improve the quality of life of professionals, patients, and society as a whole.**

By reducing accidents, MTD can reduce the costs sustained by hospitals and the national healthcare system.

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

The MTD Group relies heavily on the extensive experience and reputation of its two companies, HTL-Strefa and Pikdare. HTL-Strefa, with its 20 years of experience in the market, is recognised as a pioneer in the development and production of safety sharps devices, which are fundamental to prevent needlestick injuries. According to the International Sharpe Injury Prevention Society (ISIPS), most of these accidents can be avoided with the use of safety devices, which, in conjunction with worker education and training and work practice controls, can reduce injuries by over 90%<sup>3</sup>. Indeed, HTL’s safety sharps devices are specifically designed to reduce the risk of needlestick injuries and, consequently, the risk of exposure to blood-borne pathogens and related indirect costs to the healthcare system.

In particular, safety lancets are single-use devices used for capillary blood sampling and are a key component of sharps injury prevention programmes in places such as hospitals, clinics, laboratories and doctors’ offices, where patients and healthcare workers need guarantees of safety. By using quality these safety products such as those offered by HTL-Strefa, the risk of needlestick injuries and infections can be significantly reduced, as they are fully covered both before and after use, reducing exposure time and consequently the risk of injury to a minimum. The quality of its products has over time enabled the company to become the world’s leading supplier of medical devices for blood microsampling, with almost half of the global market share of safety lancets.

The Portfolio of safety lancets from HTL-Strefa offers 6 products with different features, among them are the **Medlance Plus**, characterised by:

- contact activation, no pre-loading required;
- two-step operation, which allows healthcare professionals to use them with minimal training and great time efficiency;
- needle retraction mechanism designed to prevent accidental punctures before and after use;
- product size makes it easy to handle.



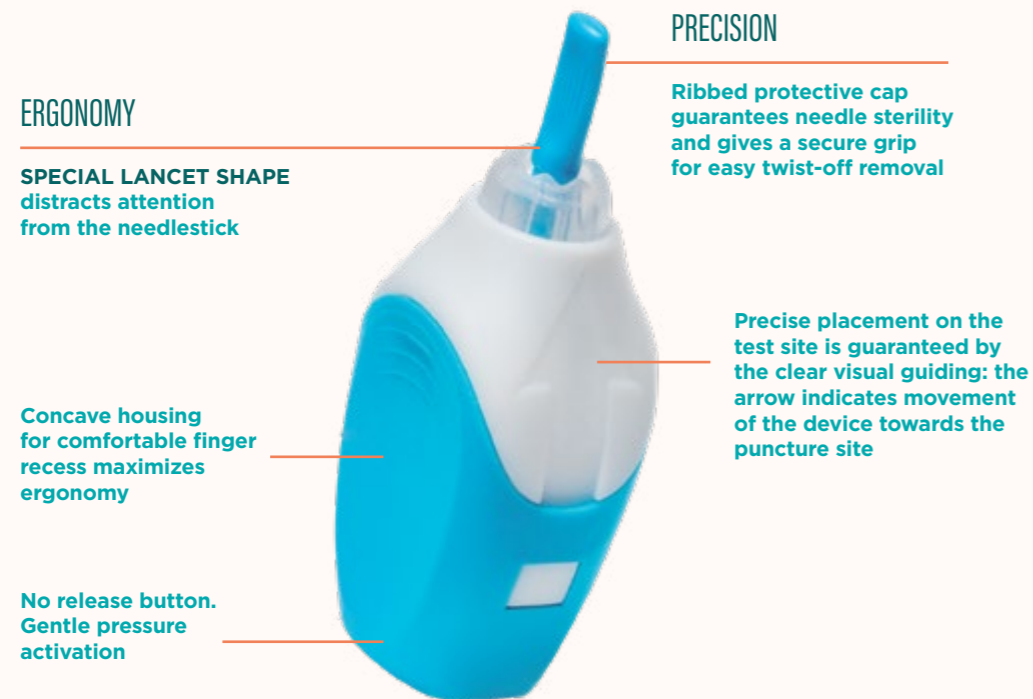
1. Bouya et al., Global Prevalence and Device Related Causes of Needle Stick Injuries among Health Care Workers: A Systematic Review and Meta-Analysis. Annals of Global health 2020 April 6  
 2. Cooke et al., Clinical, economic, and humanistic burden of needlestick injuries in healthcare workers. Medical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

3. International Sharpe Injury Prevention Society (2022) "Needlestick overview" <https://isips.org/needlesticks/>

Another top product in the line is ErgoLance, which is characterised by the pain perception mechanism, which is designed for:

- apply gentle pressure around puncture site
- distract brain's attention away from needlestick
- increase patient's comfort during blood sampling
- needlestick activates pain receptors and a mixed signal is passed to the brain so that the pain massage is perceived distractedly by the patient

### SAFETY LANCET



To promote safety in healthcare, HTL offers also **safety pen needles** designed for use with pen injector devices by healthcare professionals and lay users. These single-use needles ensure user safety by fully enclosing the needle and incorporating a self-destruct mechanism that prevents accidental reuse. The Dropsafe product line has versions in different lengths, 5, 6 and 8 millimeters. The different versions adapt to different uses, aiming to maximize the quality of the injection experience. Research conducted on Dropsafe demonstrated its effectiveness: no device failures were observed during use and all manipulations were performed without needle or needle contact after injection.

### SAFETY PEN NEEDLE

#### SAFETY

**Safety before and after injection**  
(Needle safety contained behind shield, preventing accidental exposure)

**Lock-out confirmation**  
(Red stripes appears when the needle is used and locked out)

#### EASY OF USE

**Dropsafe safety pen needles work with most pen injectors available on the market**

**Just twist on, inject and dispose**

#### COMFORT

**Special and unique "in-house" lubrication method - Droplicon™ designed for smooth injection**

**Hidden needle**  
(The needle remains hidden from the view, which may increase patient comfort)

#### ACCURACY

**Needle viewing window**  
(For easy confirmation of drug flow (priming))

**Thin wall (31G) may allow an easier and quicker injection of the insulin, which can be of clinical relevance**



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



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



**31G X 3/16"**  
0,25mm x 5mm

In general, the products offered by HTL-Strefa have always performed very well in the market, as demonstrated by the Customer Satisfaction Surveys that take place every year. In 2022, consumers again recognized the quality of HTL's products, with **82% of customers claiming that their products were able to satisfy their needs very well**, demonstrating that the company's broad and sophisticated product portfolio is able to fully satisfy a wide variety of different consumer needs.

## FROM OUR ACTIVE LISTENING, THE PASSIVE SAFETY NEEDLE

Safety injection needles are widely used by health care professionals (HCPs) to avoid the risk of needlestick injury (NSI) when injecting drugs to patients. In recent decades, various safety standards have been incorporated and adopted worldwide precisely to avoid these accidents. Despite this, even today, it is still estimated that more than 2 million needlestick injuries still occur at work each year.<sup>4</sup>

As a company committed to health care but also strongly oriented toward ensuring the safety of HCPs, we wondered how we could contribute to reducing this risk even more. Our goal, in fact, is to reduce the number of NSIs to zero.

That's how, after years of research, in 2022, MTD completed the development of the DropSafe™ Sicura™ the first and only fully passive safety needle, a highly innovative product for intramuscular and subcutaneous injections that may represent a breakthrough in the struggle to reduce the risk of needlestick injuries for medical professionals. DropSafe™ Sicura™ ha ottenuto il 510 K negli USA e, lo stesso prodotto ha ottenuto la certificazione CE in Europa con il nome Prolecto Smartsafe.

The product, which has the potential to revolutionize the industry, is based primarily on two technological innovations:

- **TripliSafe Shield**, which always covers the needle except when it penetrates the patient's skin, ensuring that health care professionals are protected from accidental needle contact before, during and after the injection. During injection, the safety shield retracts completely inside the device, allowing the needle to penetrate to its full length, thus avoiding compromising the outcome of the process.
- **Passive Safety Mechanism**, which allows the safety shield to automatically lock over the needle after use, without an additional or manual activation step being required.



In addition, the needle is equipped with an outer cover designed to prevent inadvertent premature activation, which could damage the product or lead to accidents. The product is available in eight different sizes, allowing the best solution to be selected according to the type of injection and technique to be used. Given the level of innovation of the product, which has different characteristics and different modalities of use compared to those currently on the market, Pikdare is providing medical professionals who will have to use it with training courses and educational material so that it can be used correctly, exploiting its full potential, leading to a significant reduction in needlestick injuries.

## 3.2 SIDE BY SIDE TO SHARE KNOWLEDGE

In a constantly evolving and delicate field such as that of medical products, effective communication is of fundamental importance. To succeed in this challenging environment, MTD adopts a two-way approach, based on both outbound and inbound communication to:

- **provide detailed information on the product portfolio** that is offered to both end consumers and medical professionals, to whom detailed training is also addressed to explain the correct way to use the products in order to minimize the risk of accidents and injuries.
- Open a channel of **direct communication and dialogue with end consumers, sector experts and healthcare professionals** in order to gather feedback that is useful for the development of new knowledge that can improve MTD's products and processes, thus creating a virtuous circle that leads to the continuous improvement of the Group's offer.

MTD's activities of outbound communication are not limited to hospitals, but also target the company's other major channel, pharmacies: during 2022, it was possible to launch **training activities for pharmacy staff** thanks to the decrease in demand for Covid tests that almost monopolized pharmacy activity during the peak phases of the pandemic and the progressive removal of restrictions. Held by the company's specialist team, these activities aim to present the solutions offered by the group for the different types of problems that pharmacists may face and train them so that

they are able to advise consumers on the best product and how best to use it. One of the main themes of the year was band aids, for which the courses focused on the advanced segment, which includes Silvergen and Quickgen, that, being innovative and non-traditional products, require detailed medical-scientific training so that their high potential can be exploited to the full. Similar **training activities are also organized for distributors** who have to deal with selling Pikdare products. They are provided with high quality display material and also adequately trained on the company's products, with activities differentiated according to the target they have to reach, providing detailed information on the products as well as complementary information necessary to reinforce the message to be conveyed to the interlocutor.

Regarding the second pillar of inbound communication, with the aim of assessing the current status of service delivery and determining the role of different stakeholders in the allocation of pen needles, Pikdare established an advisory board consisting of industry professionals, nursing category representatives, and **Federfarma**<sup>5</sup> regional delegates. The board also developed a mode of organization for post-tender delivery, which was carefully analyzed and evaluated. As a result of the committee's discussions, **EDRA**, one of the most important editors on the subject of healthcare, drafted a document which was then published and distributed to both diabetologists and private pharmacists. The publication contained valuable insights and recommenda-

4. Bouya S, Balouchi A et al. Global Prevalence and Device Related Causes of Needle Stick Injuries among Health Care Workers: A Systematic Review and Meta-Analysis. 2020; 86(1): 35

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

tions regarding the allocation of pen needles and the overall service delivery system. The results of the advisory board helped Pikdare to identify areas for improvement and implement changes that better meet the needs of patients and healthcare professionals. The publication contained valuable insights and recommendations regarding the allocation of pen needles and the overall service delivery system. The outcomes of the advisory board have helped Pikdare identify areas for improvement and implement changes that better meet the needs of patients and healthcare professionals.

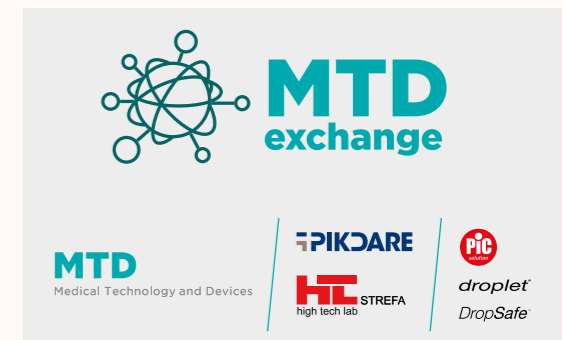
HTL-Strefa organized **focus groups with nurses** to collect their experiences and listen to their needs and expectations regarding the safety of products and solutions, with the last meeting taking place in 2019. Safety is considered a rule that cannot be overlooked, driving the adoption of proper internal procedures at every stage of their work, especially when physical contact with a potentially contagious patient involves a higher biological risk. To date, all these listening and sharing activities are currently collected in MTD Exchange.



## MTD EXCHANGE: SHARING KNOWLEDGE WITH HEALTHCARE PROFESSIONALS

MTD Exchange is an ambitious project launched by the Group with the aim of creating a **digital platform** to bring together key experts, healthcare professionals, and various stakeholders, such as patients and their caregivers in order to share the Group's knowledge and discuss hot topics related to diabetes, wound care, respiratory, safety and other areas. MTD Exchange embodies the Group's commitment to **create a virtuous circle of knowledge** in which MTD offers to both people and healthcare professionals its own **expertise** and **training** courses and receives in exchange **feedback** and **discussions** that can lead to the generation of new **knowledge**, contributing to **MTD's goal of improving access, safety, reliability and simplicity of medical devices**.

Through MTD Exchange, healthcare professionals have access to comprehensive and relevant knowledge related to unmet needs, hot clinical topics, technological innovation, and patient care. The platform also features different kinds of learning opportunities, such as **ROUNDTABLES**, which are periodical events that gather the perspectives of speakers from different specialties to explore new hot topics, and **SMART TALKS**, which are handy bite-size educational videos that explore interesting health-related information. By joining the MTD Exchange community, healthcare professionals can download medical and educational materials and gain access to a wealth of information to improve their awareness and experience.



In 2022, the main topic was diabetes, which was the focus around which the platform was originally created. In particular, on 21 April, the first international Roundtable **"Improving clinical safety when administering insulin injections in the hospital setting"** was held, which was participated in by an epidemiologist and global sharps expert, a hospital administrator and a nurse, who discussed the impact of needlestick injuries on the healthcare system and healthcare professionals, along with best practices to mitigate needlestick injuries during insulin administration. The second International Diabetes Roundtable **"The future of diabetes care: the critical role of Diabetes Self-Management Education"** was then held on 21 November. It hosted the perspectives of a diabetes clinician, an endocrinologist and a diabetes care and education specialist, who discussed the importance of diabetes education and self-education and supporting the patient during his or her daily journey through diabetes management. Finally, two Smart Talks were organized during the year, the first one **"Consequences of Poor Insulin Administration Technique"** related to the management of diabetes and the second one **"Connected Health, a New Path Towards a Better Healthcare"**, related to the topic of Connected Health.

## 3.3 READINESS TO HELP THE HEALTHCARE SYSTEM

One of the key objectives of MTD's ESG strategy is to **be ready to support the healthcare sector in the case of emergencies, for which the Group must be ready to respond quickly and effectively.**

An important example is represented by the Covid-19 pandemic that broke out in the early 2020s and that brought new and complex challenges to the healthcare system, putting it under almost unprecedented pressure. MTD played a significant role in responding to emerging needs in healthcare systems and patients by innovating and expanding their product portfolio, trying to make an appropriate contribution for each of the different phases that characterized the pandemic.

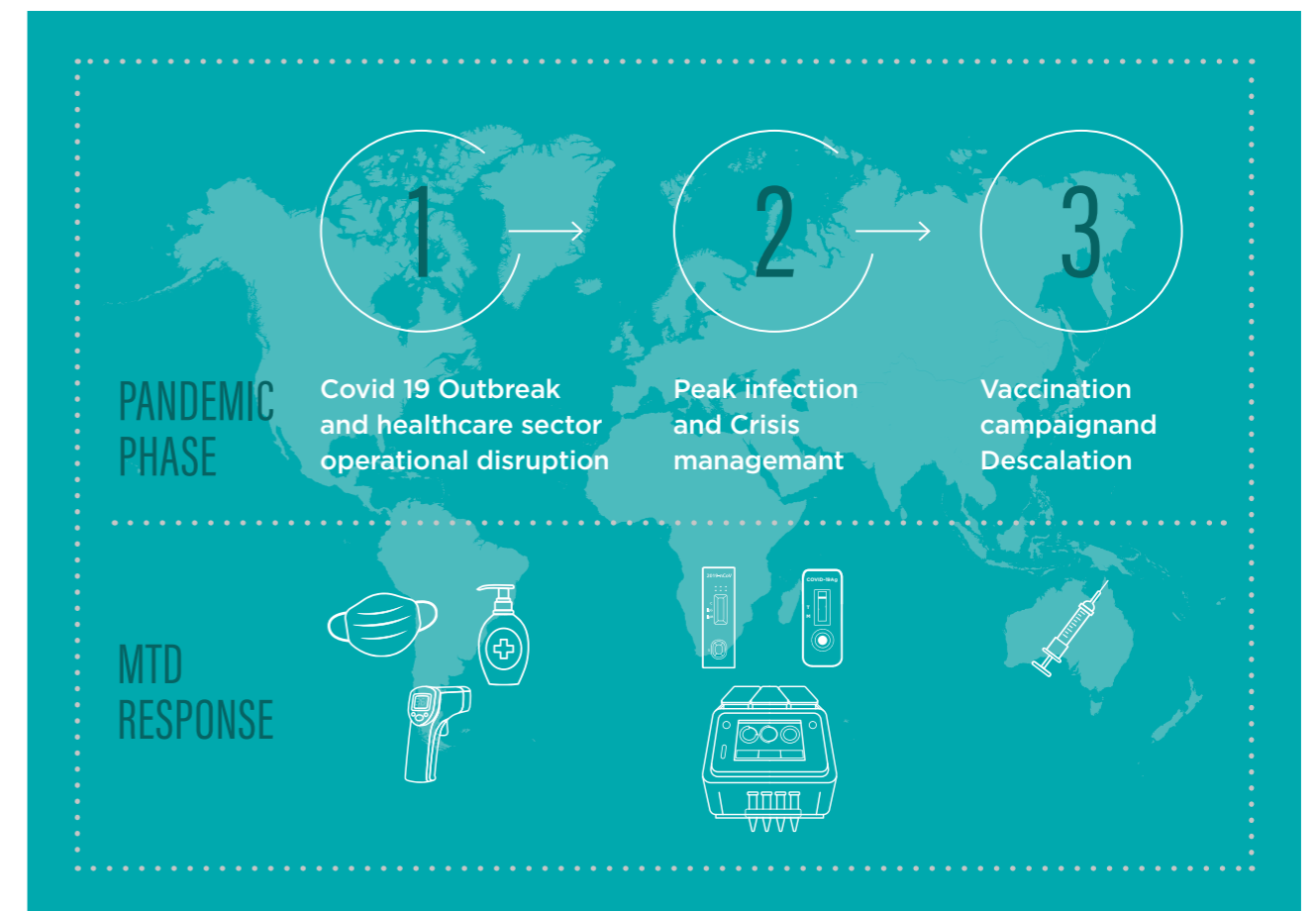
In order to promptly meet people's needs during the pandemic, MTD simplified business processes and traditional organizational procedures,

enabling the creation of a **Covid-19 taskforce.** This approach, with the help of its extensive expertise and strong international relationships, allowed MTD to quickly identify new opportunities and developed a portfolio of specific solutions designed to contain the Sars-Cov-2 virus.

During the first phases, MTD took action to provide medical devices that were crucial in containing the virus: the Group supplied **surgical masks** specifically designed to protect individuals from the virus and thus contain contagion. In addition, MTD provided **infrared thermometers** that allowed for remote, non-contact temperature measurement. These were among the most important personal protective equipment (PPE) provided by MTD. Once it became clear that the contagion was already too fast and widespread to be stopped with PPE alone, tracing the virus emerged as another priority, and MTD made its crucial contribution by providing antigen and

serological **COVID-19 tests.** Finally, when the first vaccines for the virus were licensed in December 2021, MTD actively participated in the success of the worldwide vaccination campaign. During a campaign of this kind, the rapidity of execution is a crucial factor in reducing the number of contagions and potential victims, MTD played a very important role in this by developing the **low dead space (LDS) syringes,** which, in collaboration with

Pfizer, allowed a larger number of doses to be extracted from each vial of its vaccine, making the process much more efficient. LDS syringes were designed during the pandemic, but they can be employed in the future for drug delivery. In addition, this unique feature of the syringe will ensure the proper administration of the medicine and consequently a better adherence to therapy. This represents a victory in many ways, so important to MTD.



In summary, MTD's contribution during the pandemic was a demonstration of its commitment to detecting and responding quickly to emerging needs in healthcare, staying close to healthcare systems and patients by innovating

and expanding the product portfolio. Through its prompt response and innovation-oriented thinking, MTD successfully fulfilled people's unmet needs and responded to society's changing dynamics, even in times of emergency.



# 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.”**

**T**he Group is dedicated to achieving two key objectives in regard to healthcare professionals and consumers of MTD’s products. As was covered in great detail in earlier chapters, these objectives include ensuring product safety, particularly for healthcare practitioners, and listening to unmet needs.

Year by year MTD continues to commit to giving its internal staff the same level of care and consideration that it does to product users. Indeed, the Group is very concerned with safeguarding the safety of MTD workers, including both blue and white collars. These efforts were severely strained during the COVID-19 pandemic, when MTD took extreme measures to protect the health and safety of every employee by ensuring business continuity, whose disruption would have had a major adverse effect on both public and private consumers. New initiatives were

promoted to increase awareness on the importance of respecting safety measures and procedures; as proof of the effectiveness of these activities, the overall number of injuries was significantly reduced.

Because MTD sees its people as the heart of the Group’s performance, it is dedicated to fostering a healthy and stimulating work environment to ensure their wellbeing. The choice of maintaining and regulating remote working after it was introduced as a safety measure during the pandemic is just one of MTD’s attempts to foster its employees’ wellbeing by favoring their work-life balance. Moreover, MTD commits to investing in the growth of its employees by providing a variety of educational opportunities, welfare programs, initiatives of internal communications to listen to employees’ needs, such as surveys. All of this encourages personal development and helps retain talent.



## 4.1 SHARING THE CULTURE OF HEALTH AND SAFETY

The health and safety of all employees is a fundamental pillar of the Group's sustainability strategy: MTD is indeed committed to guaranteeing the highest levels of health and safety throughout its production sites. Both HTL-Strefa and Pikdare have EHS (Environment, Health & Safety) managers who are in charge of overseeing such matters. While Pikdare has a written HSE policy, HTL-Strefa has created a thorough EHS manual with guidelines and responsibilities. The availability of policies, as well as of personnel in charge of workplace safety and health, makes it possible for MTD to be quickly aware of any important concern and act responsively when and where necessary. In managing health and safety issues, MTD applies three fundamental elements: **monitoring, engagement and education**.

Regarding **monitoring**, to guarantee adherence to best practices for health and safety in manufacturing facilities, HTL-Strefa and Pikdare both routinely organize internal health and safety audits. In particular, HTL-Strefa arranges "Cross-audits", which are cross-visits between more departments which adhere to a predetermined checklist and are intended to assess performance and compliance with health and safety regulations. Monitoring activities are indicative of direct investments in the plants, such as brand-new infrastructure projects or human resource development. With the aim of using monitoring as a preventing measure, 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), a behavioral safety project **based on a peer-to-peer assessment** of adherence to health and safety best-practices, was launched in 2017. 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.

The B.O.S.S. project is not only a great ongoing example of MTD's commitment to monitoring, but also of its strive to engage employees in the creation of a safe and healthy work environment, where everyone is responsible for enacting best practices and supporting their colleagues in doing the same. Indeed, **engagement** is a fundamental element in the prevention of injuries and promotion of best practices: employees who feel engaged and listened to are more likely to practice safe work behaviors, as well as to encourage their peers to work safely.

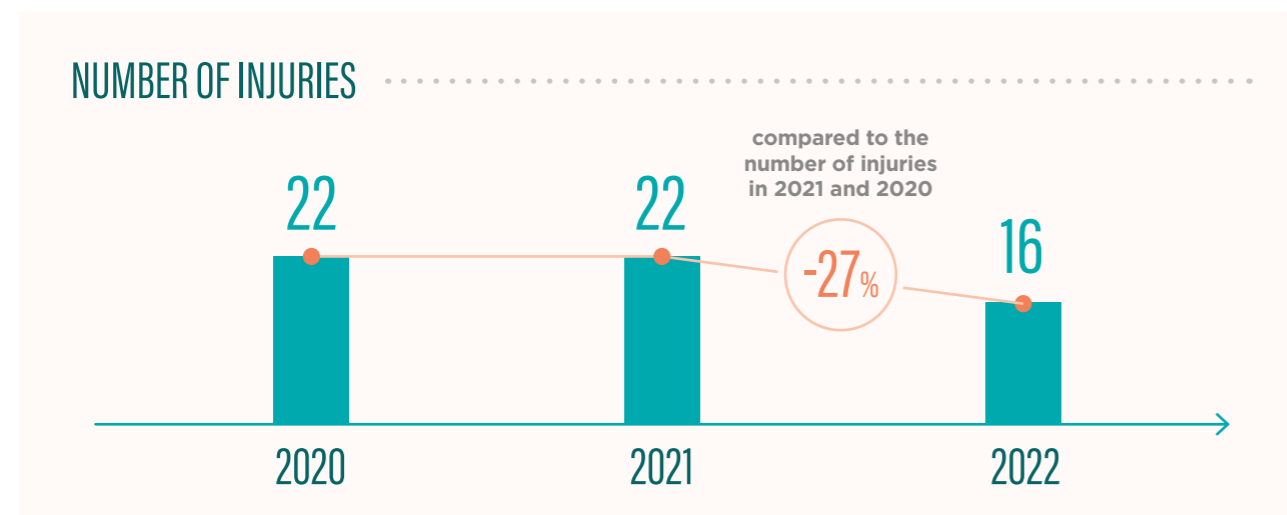
In this regard, since 2020, HTL has been carrying out the "**near misses project**" which provides the workforce with the opportunity to report near misses (incidents in which a worker might have been hurt if the circumstances had been slightly different) via e-mail. The employee can also propose corrective actions to be implemented. Moreover, with the aim of spreading best practices and continuous improvement of H&S measures, since 2022, HTL has started to organize **weekly meetings** with the employees: the goal

of these assemblies is to share opinions on how to enhance the safety of the workplace, and which corrective actions to implement when improvement is needed. The dialogue is essential for MTD because it leads, from year to year, to improved practices and it allows for constant evolution.

Concerning **education**, both Pikdare and HTL-Strefa are committed to delivering wide-ranging **training on health and safety issues**. In 2022, the total hours of training performed by MTD on H&S was 2,513, which represents an increase of 78% compared to the previous year. This was made possible by the relaxation of Covid measures, which favored in-person training, as well as by a general effort on improving awareness on health and safety issues. In particular, in 2022, HTL organized a first-aid course held by the fire brigades. Indeed, HTL had conducted a survey to investigate the type of training its employees were interested in receiving: the feedback revealed their desire to follow a course on **first aid**, which was considered central to improve the safety of the workplace.

This is a great example of MTD's ability to listen to the needs of its employees and promptly responding to meet them. By focusing on safety's Key Performance Indicators, the Group has been able to further reduce the number of annual accidents from 2020 to date. In 2022, there were 16 injuries, which corresponds to -27% compared to the number of injuries in 2021 and 2020; at the

same time, the frequency injury rate passed from 1.34 in 2022 to 1.14 in 2021 (-16%). In particular, HTL Poland throughout the year was able to reduce the number of recordable injuries by 31% between 2021 and 2022, and the days lost due to work related injuries decreased by 85%. Finally, in the last three years there were no fatalities and no high consequences injuries at Group level.



WORK RELATED INJURIES	UNIT	2020	2021	2022
Total number of work-related injuries	n	22	22	16
of which high-consequences injuries (> 6 months of absence)	n	0	0	0
of which fatalities	n	0	0	0
Total hours worked by employees <sup>1</sup>	h	3,268,371	3,233,217	2,799,804
<b>Frequency injury rate</b>		<b>1.35</b>	<b>1.36</b>	<b>1.14</b>

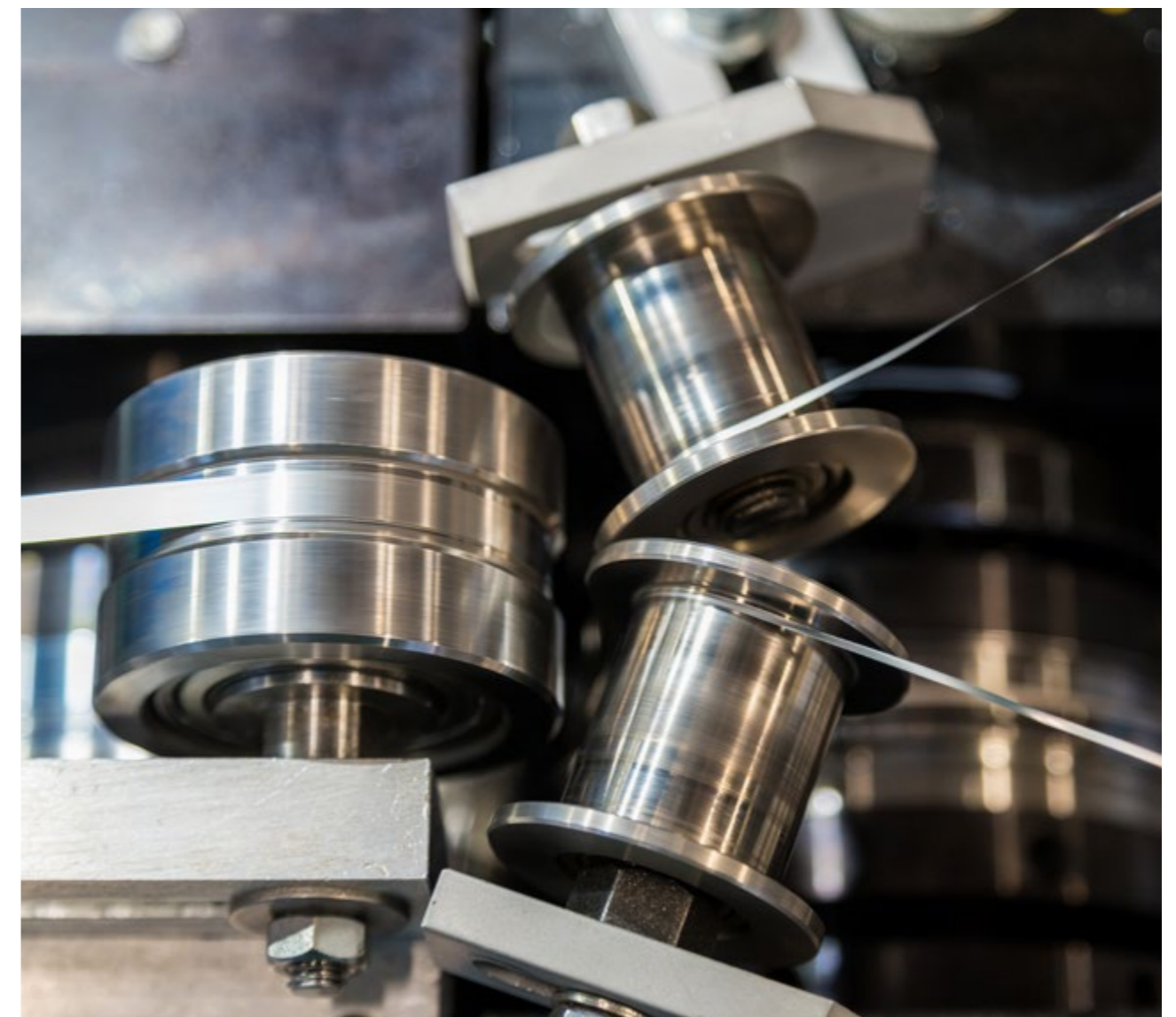
1. Total hours worked by employees include regular time and overtime.

MTD also monitors health and safety data related to external workers employed in its production facilities: in particular, in 2022 there were 0 injuries and only 1 near-misses event.

The majority of incidents included mechanical risk, which is sometimes unavoidable (such as bumps, slides, and stumbles) and not the employer's or the company's responsibility. A common source of injury for workers in the production plants is represented by needlestick injuries. As discussed in the earlier chapters, MTD is dedicated to providing **education** and creating **cutting-edge solutions** that steadily decrease unintentional

puncture wounds, particularly among health-care workers.

This attention, which is ingrained in MTD's DNA, is also directed towards its collaborators: by listening to its employees, the Group is able to grow, develop, and create tangible solutions that meet internal demands. With this goal in mind, HTL-Strefa started the **"Needle project"** in 2019 with the intention of mapping the dangers associated with needle cutting and exploring potential solutions to lower these risks for their employees. This project made it possible to **reduce HTL's needle injuries by 77% between 2022 and 2021.**



## 4.2 WELLBEING FOR A WELL CARE

The “engine” of MTD is its brilliant personnel, which is dedicated to a creative and inventive approach that will help the Group accomplish the objectives it has set for itself.

MTD places a strong emphasis on growing talent, enhancing people’s skills and competencies, guaranteeing their safety, and advancing inclusion and diversity in order to meet these strategic objectives. All of this ensures that MTD’s value creation model will remain sustainable in the long run.

The workforce is large, and each individual has unique demands and expectations. MTD has started welfare efforts to help employees

have a **better experience with work life and work-life balance**, in addition to conducting frequent **listening sessions** to gather requirements and comments from its workforce.

As of 31st December 2022, MTD employed a total of 1,659 FTE employees (6% less than in 2021). In addition to that, the workforce was composed also by interns (8), agency workers (19) and other workers (42). In particular, the latter are represented in Italy by the workers of the cooperatives taking care of the warehouses and cleaning; in Poland, on the other hand, they are mainly blue collars workers contracted through service agreement contracts.

TOTAL WORKFORCE	UNIT	2020	2021	2022
Employees	FTEs	1,928.0	1,759.6	1658.8
Agency workers	FTEs	3.0	7.0	19.0
Internship	FTEs	4.0	5.0	8.0
Other	FTEs	92.0	54.0	42.0
<b>Total workforce</b>	<b>FTEs</b>	<b>2,027.0</b>	<b>1,825.6</b>	<b>1,727.8</b>
<i>...of which men</i>	FTEs	918.1	842.5	817.5
<i>...of which women</i>	FTEs	1108.9	983.1	910.3

More than half of MTD’s employees are women (53% of the total), a number that has been slightly decreasing compared to 2021 (-7%). Regarding the age composition of MTD’s employees, most of them are between 30 and

50 years old (65%), while 12% is under 50 and 23% is over 50. Finally, when looking at the category composition, white collars and blue collars comprise 24% and 70% of the total workforce respectively.

EMPLOYEES BY EMPLOYMENT CATEGORY, GENDER AND AGE GROUP, 2019-2021		UNIT	2020	2021	2022
<b>Executives - Total</b>		<b>FTE</b>	<b>26.0</b>	<b>30.0</b>	<b>30.0</b>
Man	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	10.0	14.0	9.0
	>50 years	FTE	9.0	10.0	15.0
Woman	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	6.0	5.0	3.0
	>50 years	FTE	1.0	1.0	3.0
<b>Middle Management - Total</b>		<b>FTE</b>	<b>85.8</b>	<b>78.0</b>	<b>74.0</b>
Man	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	35.3	27.5	28.0
	>50 years	FTE	19.0	19.5	18.0
Woman	<30 years	FTE	0.0	0.0	0.0
	30 < x < 50 years	FTE	26.5	26.5	22.0
	>50 years	FTE	5.0	4.5	6.0
<b>White Collars - Total</b>		<b>FTE</b>	<b>379.0</b>	<b>405.3</b>	<b>392.3</b>
Man	<30 years	FTE	16.0	20.0	26.5
	30 < x < 50 years	FTE	102.8	115.8	107.8
	>50 years	FTE	51.1	50.5	48.5
Woman	<30 years	FTE	38.0	44.8	32.0
	30 < x < 50 years	FTE	143.4	143.1	148.3
	>50 years	FTE	27.8	31.2	29.2
<b>Blue Collars - Total</b>		<b>FTE</b>	<b>1,345.8</b>	<b>1,246.3</b>	<b>1,162.5</b>
Man	<30 years	FTE	129.0	92.0	80.0
	30 < x < 50 years	FTE	339.5	332.8	321.8
	>50 years	FTE	127.3	123.5	120.0
Woman	<30 years	FTE	135.0	93.0	65.0
	30 < x < 50 years	FTE	475.8	453.8	430.3
	>50 years	FTE	139.3	151.3	145.5

Most of MTD's employees work in Poland (73%) and in Italy (23%), where the manufacturing plants are located; other employees are based in the local commercial subsid-

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

EMPLOYEES BY REGION	UNIT	2020	2021	2022
Italy	FTEs	373.2	371.7	381.1
Poland	FTEs	1,411.4	1,325.9	1,216.3
France	FTEs	24.0	27.0	30.5
USA	FTEs	20.0	26.0	23.0
Switzerland	FTEs	7.0	9.0	8.0
<b>Total employees</b>	<b>FTEs</b>	<b>1,835.5</b>	<b>1,759.6</b>	<b>1,658.8</b>

With respect to the type of contract, in 2022, almost 90% of MTD's employees had a permanent contract, compared to 85% in 2021.

EMPLOYEES BY CONTRACT AND BY GENDER	UNIT	2020	2021	2022
Permanent male	FTEs	673.0	687.5	686.5
Permanent female	FTEs	758.7	804.1	802.3
<b>Total permanent employees (percentage on the total)</b>	<b>FTEs</b>	<b>1431.7 (78%)</b>	<b>1491.6 (85%)</b>	<b>1488.8 (90%)</b>
Temporary male	FTEs	164.9	118.0	88.0
Temporary female	FTEs	239.0	150.0	82.0
<b>Total temporary employees</b>	<b>FTEs</b>	<b>403.9</b>	<b>268.0</b>	<b>170.0</b>
<b>Total employees</b>	<b>FTEs</b>	<b>1835.6</b>	<b>1759.6</b>	<b>1658.8</b>

With regard to the employment type, around 1% of employees had a part-time contract in 2022, 82% of which are women.

EMPLOYEES BY EMPLOYMENT TYPE	UNIT	2020	2021	2022
Full-time male	FTEs	832.0	803.0	771.0
Full-time female	FTEs	977.0	936.0	868.0
<b>Total Full-time</b>	<b>FTEs</b>	<b>1809.0</b>	<b>1739.0</b>	<b>1639.0</b>
Part-time male	FTEs	8.0	4.0	3.5
Part-time female	FTEs	33.0	28.0	16.3
<b>Total Part-time</b>	<b>FTEs</b>	<b>41.0</b>	<b>32.0</b>	<b>19.8</b>
<b>Total employees</b>	<b>FTEs</b>	<b>1,850.0</b>	<b>1,771.0</b>	<b>1,658.8</b>

In 2022, MTD demonstrated to be a **reliable employer**: by listening to the needs of its employees, the Group has made its best to meet their expectations. A reflection of the overall employees' satisfaction, is provided by the

turnover, calculated as the ratio between the outgoing staff on the previous years' total number of employees, which has remained stable compared to 2021, and has decreased by 21% compared to 2020.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER, BY GENDER AND AGE GROUP	GENDER	AGE GROUP	UNIT	2020	2021	2022
Number of new employee hires	Men	< 30 years old	FTEs	77.0	29.0	37.0
		30 ≤ x ≤ 50	FTEs	48.3	61.0	40.0
		> 50 years old	FTEs	13.0	9.0	14.0
	<b>Total men</b>	<b>FTEs</b>	<b>138.3</b>	<b>99.0</b>	<b>91.0</b>	
	Women	< 30 years old	FTEs	49.0	29.0	13.0
		30 ≤ x ≤ 50	FTEs	61.0	35.0	26.1
		> 50 years old	FTEs	7.0	8.0	4.0
	<b>Total women</b>	<b>FTEs</b>	<b>117.0</b>	<b>72.0</b>	<b>43.1</b>	
	<b>Total number of new employee hires</b>	<b>FTEs</b>	<b>255.3</b>	<b>171.0</b>	<b>134.1</b>	
<b>Hiring rate<sup>2</sup></b>	<b>FTEs hirings/ FTEs employees</b>	<b>FTEs</b>	<b>13%</b>	<b>10%</b>	<b>8%</b>	
Number of employee terminations	Men	< 30 years old	FTEs	71.0	35.0	29.0
		30 ≤ x ≤ 50	FTEs	74.0	67.3	63.0
		> 50 years old	FTEs	24.0	28.4	31.0
	<b>Total men</b>	<b>FTEs</b>	<b>169.0</b>	<b>130.7</b>	<b>123.0</b>	
	Women	< 30 years old	FTEs	43.0	37.0	23.0
		30 ≤ x ≤ 50	FTEs	104.5	58.3	58.8
		> 50 years old	FTEs	18.0	23.8	28.8
	<b>Total women</b>	<b>FTEs</b>	<b>165.5</b>	<b>119.1</b>	<b>110.5</b>	
	<b>Total number of employee terminations</b>	<b>FTEs</b>	<b>334.5</b>	<b>249.8</b>	<b>233.5</b>	
<b>Turnover rate<sup>3</sup></b>	<b>FTEs hirings/ FTEs employees</b>	<b>FTEs</b>	<b>17%</b>	<b>14%</b>	<b>13%</b>	

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

Both HTL and Pikdare employ surveys as a tool to collect employees' opinions; indeed, they are both committed to communicate with them with the aim of being receptive to their needs. In 2022, HTL has therefore conducted its yearly **engagement survey**, which addresses all its employees and is aimed at gathering information about their satisfaction level in regard to their experience within the Company. The engagement rate has slightly decreased compared to last year (-3%) and was around 12%; HTL has indeed committed to find new ways to engage employees and spread the awareness on the importance of expressing their views and providing constructive feedback. The results were still positive as 64% of respondents declared to be satisfied with their experience at HTL (the same percentage as in 2021). On the other hand, Pikdare launched in 2022 three surveys on three different topics: diversity, digital skills and managerial skills. The results are currently being analysed with the aim of designing ad hoc initiatives to address concerns and needs that will arise from the results.

The Group implements welfare programs in an effort to enhance the wellness of its workers. For instance, Pikdare provides employees in Italy with discounted access to the company

kindergarten and canteen (€0,50 for blue collar employees, €1,00 for white collar employees, €1,5 for middle managers, and €3 for executives). This enables employees with children to better balance their work and personal lives. Moreover, HTL-Strefa offers a variety of advantages in addition to pay, including private health insurance and assistance for recreational activities.

In 2020, the pandemic brought about a radical change in the way of working, preventing people from going to the office and forcing them to work from home. As the years passed, remote working went from being a necessity to being an opportunity to improve work-life balance. Because the flexible working experiment during the pandemic was successful, in 2021, MTD started to work on the development of a specific policy to regulate this new working modality. Both Pikdare and HTL-Strefa have reached an agreement with trade unions and formalized the rules that regulate flexible working. Moreover, to further accommodate and promote flexibility, MTD has decided to remove the clocking-out requirement for checking working hours: the Group indeed knows how important it is to trust its employees and to focus on quality rather than quantity.



## 4.3 UPSKILLING FOR PERSONAL GROWTH

**M**TD supports employee development by providing training opportunities to encourage their personal and professional growth. It strongly believes that personal development benefits both the individual and the entire team of workers, also by improving the competitiveness of the Group in the market.

Currently there is no centralized training plan at the Group level: instead, provision is managed independently by Pikdare and HTL-Strefa. Moreover, a bottom-up approach is employed, in order to deliver train-

ing in accordance with the demands of the workforce.

In 2022, HTL-Strefa delivered an English language course which was highly appreciated by employees, to the extent that a waiting list had to be set up in order to meet everyone's request for participation. On the other hand, Pikdare continued its courses aimed at improving leadership and relationships skills addressing almost **all department** heads. In general, 2022 was characterized by the reintroduction of in-person training, after a hiatus caused by the pandemic.

### THE GREEN BELT CERTIFICATION

In 2022, HTL-Strefa gave the opportunity to 9 employees to participate in the Six Sigma Green Belt course, at the end of which the participants obtained a certification. Six Sigma is a collection of approaches and instruments used to enhance corporate operations by lowering mistakes and flaws, lowering variance, and raising quality and productivity.

Course participants learn to develop the ability to analyze and improve business processes, by employing a structured **problem-solving methodology**. They learn techniques for identifying and reducing business waste, to **increase business efficiency**. Furthermore, the course teaches participants how to collect, process and statistically analyze business process data to set corrective actions and make decisions in an objective (data driven) manner.

The participation to this training demonstrates HTL's commitment not only to invest on its employees' development, but also to spread awareness on the importance of applying sustainability principles to industrial processes. Indeed, by learning how to make operations less wasteful, course participants learn how to use less resources: less materials, less energy, less water.

In 2022, 6,207 hours of training were delivered to MTD employees, a number which increased by 35% compared to 2021.

ANNUAL TRAINING HOURS BY TOPICS	UNIT	2020	2021	2022
Training on HSE topics	h	1,397	1,077	1,913
Training on professional development (e.g., management training, soft skills, language training, etc.)	h	609	1,078	2,041
Training on required job skills (e.g., technical topics, machinery operation, IT training)	h	842	1,124	967
Training on diversity and inclusion / equal opportunities training	h	-	-	23
Training on Cyber / data security	h	-	16	23
Training on anti-corruption	h	1,434	1,313	1,240
<b>Total training hours</b>	<b>h</b>	<b>4,282</b>	<b>4,608</b>	<b>6,207</b>

ANNUAL TRAINING HOURS BY EMPLOYEE CATEGORY	UNIT	2020	2021	2022
Training provided to EXECUTIVES	h	32	55	221
Training provided to MANAGER	h	462	608	446
Training provided to WHITE COLLARS	h	2,902	2,280	2,934
Training provided to BLUE COLLARS	h	885	1,665	2,607
<b>Total training hours provided to Employees</b>	<b>h</b>	<b>4,281</b>	<b>4,608</b>	<b>6,207</b>

In 2022, the majority of training hours delivered focused on professional development (33%), followed by HSE topics (31%), anticorruption (20%) and required job skills (16%).

The main beneficiaries of the training offer were white collars, who received 47% of the training hours and blue collars (42%).



# 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, focusing mainly on internal operations.”**

**M**TD's DNA has traditionally been oriented towards sustainability, not only in the social sphere, but also in the environmental one. In particular, while social aspects are clearly included in the Group's core business, environmental ones play an equally

important role for management as they have a direct influence not only on the planet and its ecosystems, but also on human health. MTD is committed to mitigate its impact on the environment by reducing CO<sub>2</sub> emissions within MTD's operations, raw materials consumption and waste generated in operations.



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

In the same way that it takes care of people, MTD is also committed to ensuring the wellbeing of the environment and therefore of future generations. To be effective and efficient in achieving their sustainability goals, it is necessary for the entities that constitute the Group to act in a coherent and coordinated

way. This is translated into the development of a Group-wide environmental strategy. To realize this, it was necessary to thoroughly analyse the strategies, policies and organizational approaches that Pikdare and HTL-Strefa have on environmental topics, in order to find a point of synthesis for the whole Group.



MTD Group's environmental sustainability can be split in:

- **process sustainability**, linked to the manufacturing activities at the production sites
- **product sustainability**, mainly focused on the raw materials that make up the products.

Regarding the processes, both Pikdare and HTL-Strefa have nominated environmental managers, therefore establishing a governance system specifically for environmental management. Furthermore, to formalize their commitment to the minimization of their environmental impact, they have both drafted a specific policy: **Pikdare's Environmental Policy** and **HTL-Stre-**

**fa's Sustainable Development Policy**. In order to remain in line with the needs and developments of an evolving context, HTL-Strefa updated its Policy in the course of 2022, by increasing the focus on the management of environmental issues and compliance with related regulations. 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. The ISO 14001 certification will be valid for 3 years, so until 2023.

### ISO 14001: 2015 – ENVIRONMENTAL MANAGEMENT SYSTEM

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.



## 5.2 COMMITTED TO CLIMATE CHANGE MITIGATION

A fundamental first step in improving a company's environmental impact is to know the actual environmental footprint with a quantitative analysis at an all-round level. For this reason, MTD invests each year in initiatives to measure the Group's impact, such as the GHG emissions inventory that has been drafted since 2020

and, during the year, also conducted an in-depth analysis of its production processes in order to identify the most relevant areas for action to reduce the Group's energy consumption. In the light of this analysis, MTD and its subsidiaries pursued several initiatives during the year mainly focused on two areas: energy consumption and GHG emissions.

### REDUCTION OF ENERGY CONSUMPTION

It is common knowledge that energy consumption is a major source of greenhouse gas emissions. For MTD, most of the energy consumption comes from purchasing electricity from the national grid (81%) and using natural gas (17%). The electricity is used for lighting in all assets and for running the industrial machines in Poland, while the natural gas is used for heating in all assets and for running the industrial machines in Italy. The company's fleet consumes about 3% of the total energy and



is mainly for the business trips of sales staff.

The total energy consumption in 2022 has decreased significantly (-12%) from 2021. This decrease is due to lower consumption in buildings and operations, resulting from a more meticulous and efficient energy management. In contrast, there was an increase in energy consumption related to the company car fleet, due to the resumption of business travel following the relaxation of pandemic restrictive measures.

ENERGY CONSUMPTION	UOM	2020	2021	2022
<b>Energy consumption for buildings and operations</b>	<b>GJ</b>	<b>243,170</b>	<b>258,580</b>	<b>225,088</b>
Of which electricity	GJ	198,152	214,851	185,998
Of which from natural gas	GJ	44,602	43,316	38,864
Of which from LPG	GJ	416	413	226
<b>Energy consumption for company car fleet</b>	<b>GJ</b>	<b>3,318</b>	<b>4,395</b>	<b>5,827</b>
Of which gasoline vehicles	GJ	928	1,490	1,575
Of which diesel vehicles	GJ	2,390	2,905	4,252
<b>Total</b>	<b>GJ</b>	<b>246,488</b>	<b>262,975</b>	<b>230,915</b>


MTD is committed to reducing its energy consumption and deploys significant resources every year towards this end. This is reflected in the various initiatives implemented by its companies, that can be resumed in the following streams:


STREAM	DESCRIPTION OF MAIN INTERVENTIONS	ENERGY SAVING
<b>RELAMPING</b> 	Since 2016, both Pikdare and HTL-Strefa have started a project to replace the <b>lighting system</b> with LED systems, which have a much lower consumption (each lamp consumes 5 to 6 times less). The major interventions were carried by Pikdare in the beginning of 2021 in its production site and in the headquarter. While major interventions in HTL's production sites will be finalized by the third quarter of 2023.	-2.1 MWh Electricity saved yearly for the headquarter -14.4 MWh Electricity saved yearly for the production site -1100 MWh Forecasted electricity saved from 2024
<b>EDUCATION OF PERSONNEL ON THE CORRECT USE OF MACHINERY</b> 	Pikdare has carried out a training and sensibilization project to manage the switching on/off of machinery during the weekend or when not in production; devices have also been installed to allow them to manage the switching on and off remotely.	-13 MWh Electricity saved yearly for the production site
<b>REPLACEMENT AND OPTIMIZATION OF OUTDATED MACHINERY</b> 	Among the processes with the greatest impact for Pikdare are those using compressed air, especially the compressor cabin, which are also characterized by many leakages. For this reasons, a <b>large optimization and leakage reduction operation</b> was carried out. Moreover, since 2021, Pikdare has undertaken a <b>project to replace hydraulic presses with electric presses</b> . The latter are more efficient and less energy-intensive. It should be also considered that the use of these machines has a positive impact on waste management as they produce far fewer waste oils that have a strong environmental impact during disposal.	-333 MWh Electricity saved yearly for the production site

STREAM	DESCRIPTION OF MAIN INTERVENTIONS	ENERGY SAVING
<p><b>MACHINERY THERMAL EFFICIENCY</b></p> 	<p>In May 2022, Pikdare introduced an electronic system for <b>controlling the temperature</b> of the post-combustion system used for the treatment of Ethylene oxide (ETO) allowing the reduction of natural gas consumed during production down-time, in particular weekends.</p> <p>In October 2022, HTL-Strefa launched a project to <b>install thermal covers on injection moulding machines</b>, which generate a lot of heat to run their production cycle, a significant portion of which is dissipated; therefore, the covers can reduce this effect by making the production cycle much more energy efficient. The company's plan is to cover 126 machines divided between the two production plants and is expected to be completed around mid-2023.</p>	<p><b>-41,600 m<sup>3</sup></b> Natural gas saved yearly for the production site</p> <p><b>-532 MWh</b> Forecasted electricity saved from 2024</p>
<p><b>TRIGENERATION PLANT</b></p> 	<p>In 2021, Pikdare installed a <b>trigeneration plant</b>, which was completed and will go into operation in January 2023. By producing electricity, thermal energy (hot water for heating) and cooling energy (chilled water for air conditioning or refrigeration) at the same time, the trigeneration plant can save a lot of primary energy and reduce greenhouse gas emissions.</p>	<p><b>-2600 MWh</b> Forecasted electricity saved from 2023</p>

The initiatives described above have produced tangible results in terms of reduced energy consumption in 2022, which consequently results in a reduction of GHG emissions. In addition, the actions implemented this year (and in some cases still to be completed) will, according to the Group's forecasts, lead to even greater savings from 2023 onwards.


**ENERGY SAVED IN 2022**


 **362.5 MWh** WHICH IS **2.7%** of Pikdare's electricity consumption

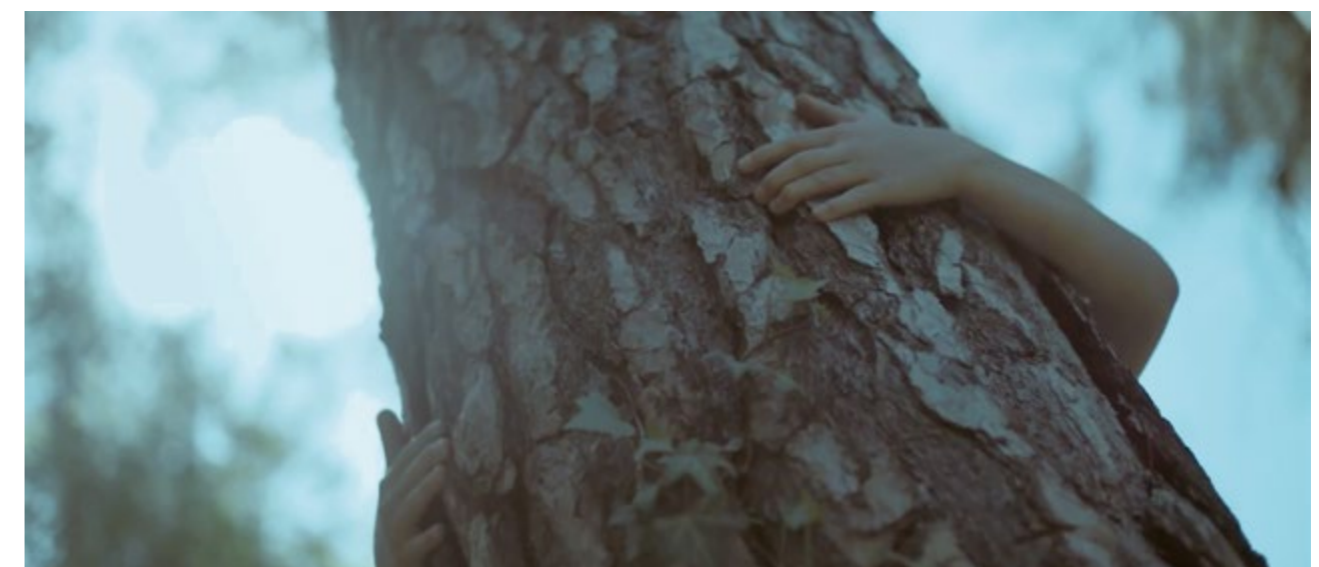
 **41,600 m<sup>3</sup>** OF NATURAL GAS WHICH IS **5%** of Pikdare's natural gas consumption

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**ADDITIONAL ENERGY SAVING IN 2023**

 **1,632 MWh/year** IS EXPECTED TO BE SAVED BY HTL-STREFA WHICH IS **4.3%** of its electricity consumption

 **2,600 MWh/year** IS EXPECTED TO BE SAVED BY PIKDARE WHICH IS **19%** of its electricity consumption



## GHG EMISSIONS ACCOUNTING

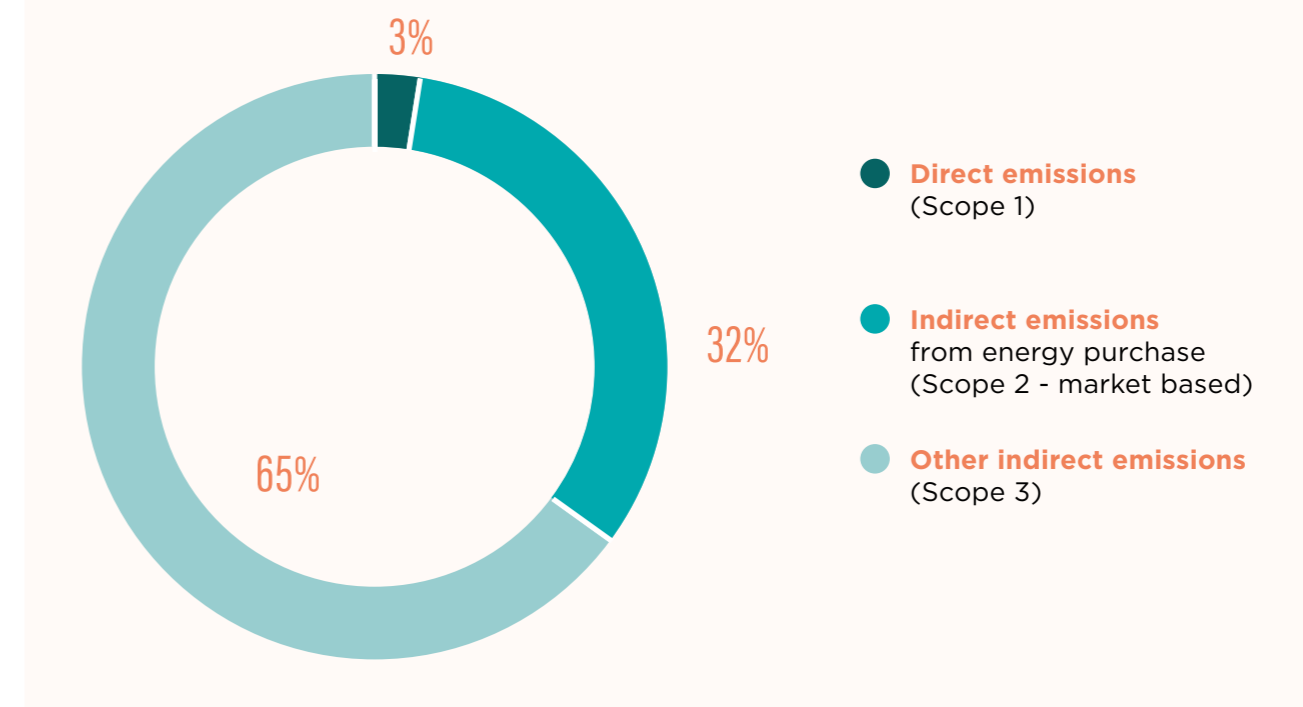
MTD is committed to measure its GHG emissions at least once a year through GHG emissions inventories, which includes all relevant direct GHG emissions (Scope 1) from sources that the company owns or controls (e.g., emis-

sion from burning natural gas for boilers), indirect emissions from buying electricity (Scope 2) and indirect emissions that happen outside the Group boundary but that are linked to the Group value chain (Scope 3).

GHG EMISSIONS	UNIT	2020	2021	2022
<b>Direct emissions (Scope 1)</b>	<b>tCO<sub>2</sub>e</b>	<b>2,699</b>	<b>2,743</b>	<b>2,565</b>
Emission from fuels for heating and other purposes	tCO <sub>2</sub> e	2,294	2,221	1,988
Emission from fuels used for Company's car fleet	tCO <sub>2</sub> e	347	445	486
Emissions from refrigerant gases refilling of air-conditioning systems	tCO <sub>2</sub> e	29	78	91
<b>Indirect Emissions from energy purchase (Scope 2 - location-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>36,067</b>	<b>38,476</b>	<b>32,728</b>
<b>Indirect Emissions from energy purchase (Scope 2 - market-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>33,002</b>	<b>29,121<sup>1</sup></b>	<b>25,921</b>
<b>Other indirect Emissions (Scope 3)</b>	<b>tCO<sub>2</sub>e</b>	<b>73,484</b>	<b>71,513</b>	<b>64,431</b>
3.1 Purchased goods and services	tCO <sub>2</sub> e	60,971	52,867	49,197
3.2 Capital goods	tCO <sub>2</sub> e	163	247	215
3.3 Fuel and energy related activities	tCO <sub>2</sub> e	4,891	8,404	7,220
3.4 Upstream transportation and distribution	tCO <sub>2</sub> e	5,074	8,053	6,016
3.5 Waste generated in operations	tCO <sub>2</sub> e	557	551	341
3.6 Business travels	tCO <sub>2</sub> e	59	41	102
3.7 Employee commuting	tCO <sub>2</sub> e	803	835	782
3.9 Downstream transportation and distribution	tCO <sub>2</sub> e	967	516	558
<b>TOTAL (with Location-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>112,220</b>	<b>112,733</b>	<b>99,724</b>
<b>TOTAL (with Market-based)</b>	<b>tCO<sub>2</sub>e</b>	<b>109,156</b>	<b>103,377</b>	<b>92,917</b>

1. The figure differs from what was reported in the Sustainability Report 2021 in order to correctly consider the Guarantee of Origin (GOs) certificates, which fully cover Pikkare's electricity purchase.

## GHG EMISSIONS (2022)



For the calculation of GHG emissions from electricity purchased from the national grid, two alternative calculation methods were used:

- **location-based method**, which reflects the average emission intensity of grids where electricity is purchased from
- **market-based method**, which considers the share of certified electricity purchased from renewable and zero emissions sources.

Thus, the Group's Scope 2 emissions calculated with the market-based method are significantly lower than the location-based ones because a portion of the electricity is purchased from renewable resources (40% of the total). Specifically, it is purchased from both HTL-Strefa, which covers 20% of its consumption from it (as required by Polish law), and Pikkare, which covers the totality of its consumption.

In 2022, about 31% of GHG emissions came from the Group's internal perimeter (Scope 1 and 2), a result of MTD's energy-intensive production processes, especially with regard to HTL-Strefa. On the other hand, GHG emissions

from the value chain (Scope 3) are about 69% of the total, with the categories having the greatest impact being: purchased goods and services (51%), fuels and energy related activities (8%) and upstream transportation and distribution (7%).

Overall, the MTD Group's total GHG emissions decreased significantly compared to 2021 (-10% considering the market-based method), which is the result of a more environmentally conscious management along the entire value chain, an example of this is the significant reduction in air transport in relation to category 3.4 Upstream transportation and distribution (from 8,053 tCO<sub>2</sub>e in 2021 to 6,016 tCO<sub>2</sub>e in 2022) Since 2020, MTD, has made a further commitment to environmental sustainability by investing in the purchase of carbon credits to offset its Scope 1 and Scope 2 market-based GHG emissions. This investment has made the MTD Group carbon neutral in relation to its internal operations.

## CARBON OFFSETTING PROJECTS

As a complement to **MTD's** initiatives to manage and reduce its absolute greenhouse gas ("GHG") emissions, the Company has since 2020 purchased carbon credits to compensate for ("offset") its [residual] Scopes 1 and 2 operational emissions. The Company's primary climate mitigation approach is to reduce its absolute carbon emissions over time. Through the purchase of carbon credits, **MTD** also provides carbon financing to climate mitigation projects beyond its value chain. As each credit corresponds to the reduction (or removal) of one ton of CO<sub>2</sub> equivalent (CO<sub>2</sub>e), the Company can – under voluntary carbon market standards and guidance – claim it has reached carbon neutrality (Scope 1 and 2) in a given year by purchasing credits to offset its [residual] emissions. From the outset, the two projects from which **MTD** has purchased carbon credits are the "Great Bear Forest Carbon" and the "Guatemalan Conservation Coast" projects. These two projects were chosen because of their strong credentials on environmental and biodiversity issues as well as their social initiatives.

### GREAT BEAR FOREST CARBON PROJECT<sup>2</sup>, CANADA

The Great Bear Forest covers c. 6.4 million hectares of north and central coast in British Columbia in Canada and is home to the First Nations people who have inhabited this land for up to 10,000 years. This rare and rich ecosystem is also home to rare species of plants and animals (including the Kermode Bear). The aim of this project is to improve forest management in the region, 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.

### GUATEMALAN CONSERVATION COAST PROJECT<sup>3</sup>, CENTRAL AMERICA

The Guatemalan Conservation Coast programme works to address 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 tree 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 1,141 jobs for indigenous and local communities (41% held by women).

2. The Great Bear Forest Carbon project is registered on the British Columbia Registry under three different projects: Great Bear (South Central Coast) 104000000011319, Great Bear (Haida Gwaii) 104000000011559 and Great Bear (North and Central-Mid Coast) 104000000012798 aims to generate Improved Forest Management and reforestation-based carbon credits.

3. The Guatemalan Conservation Coast project is registered on the Verra registry, REDD+ Project for Caribbean Guatemala: The Conservation Coast 1622, applies Verra's Verified Carbon Standard (VCS Standard v4.3 VM0015) and the Climate, Community and Biodiversity Standards v.3.1, and will generate carbon credits from avoided unplanned deforestation representing c. 22 million tonnes of CO<sub>2</sub>e.



## 5.3 RESPONSIBLE WASTE AND RAW MATERIALS MANAGEMENT

MTD is committed to ensuring compliance with environmental regulations and best practices to reduce its impact and, consistent with its sustainability strategy and commitment, has implemented initiatives for more sustainable management of waste and raw materials, seeking to minimize the generation of the former and carefully selecting the best materials available on the market.

Moreover, MTD is mindful of how its two sterilization systems, the Ethylene oxide (ETO), mostly used by Pikkare, and the Gamma-Ray system, used by

HTL-Strefa, affect the environment. The ETO sterilization process can harm the air, soil or water with ETO emissions or accidental spills, and for this reason Pikkare has launched a project to replace the system with a more technologically advanced and energy-efficient version. The new system, which will be implemented in August 2023, will allow both a reduction in natural gas consumption and a reduction in the environmental impact related to the emission of ETO residues into the atmosphere. Also, HTL-Strefa got certified to use a different sterilization system based on X-Ray technology, which is less damaging to the environment.

### RAW MATERIALS

The Group knows that the biggest impact of MTD's business comes from the use of raw materials, which are often vital for the company's business, as well as packaging and waste management. Therefore, MTD tries its best to control and reduce these issues within its operational activities.

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 Pikkare.
- **chemicals:** for components in final products mainly consisting in glues, silicones and pigments

MATERIAL USED	UNIT	2019	2020	2021
Plastic*	ton	10,230	8,507	8,611
Chemicals*	ton	167	141	141
Steel*	ton	1,203	1,044	1,029
Textiles**	ton	180	204	219
Paper/Carton**	ton	10,943	7,443	6,895
Wood**	ton	1,914	998	1,200
Other	ton	120	135	158
<b>Total Materials used</b>	<b>ton</b>	<b>24,757</b>	<b>18,472</b>	<b>18,253</b>

\*Non-renewable materials \*\*Renewable materials

At Group level, the most used material remains plastic (47%) of the total, followed by paper/carton (38%) and wood (7%). In the management of raw materials, companies such as MTD, which operate in the medical devices sector, have to deal with many constraints imposed by regulations, which reduce the possibility of introducing innovative and less environmentally impactful materials. Within the limits of this, MTD works to make its procurement as sustainable as possible. In particular, to use sec-

ondary packaging made of paper/cardboard, it favors the purchase of products covered by FSC certification, which guarantees that they come from responsibly managed forests.

Furthermore, despite the fact that MTD's current focus is mostly on sourcing sustainable packaging, the Group is also investing in developing innovative products made of sustainable materials, an example being the new Green plasters launched during 2022.

### GREEN PLASTERS

Pikkare constantly invests in developing innovative products that can meet the needs of consumers while having a reduced environmental impact compared to traditional products. In 2022 it launched a new range of green plasters, made from naturally sourced products, the portfolio includes 3 products:

- A plaster made of **bamboo fibres**, gentle, breathable, soft and velvety to the touch. Equipped with a gauze with aloe vera and characterised by a black colouring made of vegetable charcoal. It is dermatologically tested;
- A breathable and water-resistant band aid made from a substrate of natural origin derived from **sugar cane**. Equipped with a gauze with aloe vera. It is dermatologically tested;
- A soft and gentle band-aid made of **organic cotton**. It is dermatologically tested.

The packaging of all three plasters is FSC-certified. In addition, the 3 products have GOTS (Global Organic Textile Standard) certification for textile products made from natural fibres from organic farming. Finally, they have been certified by the ICEA (Istituto per la Certificazione Etica e Ambientale) as being free of substances potentially harmful to humans.



## WASTE MANAGEMENT

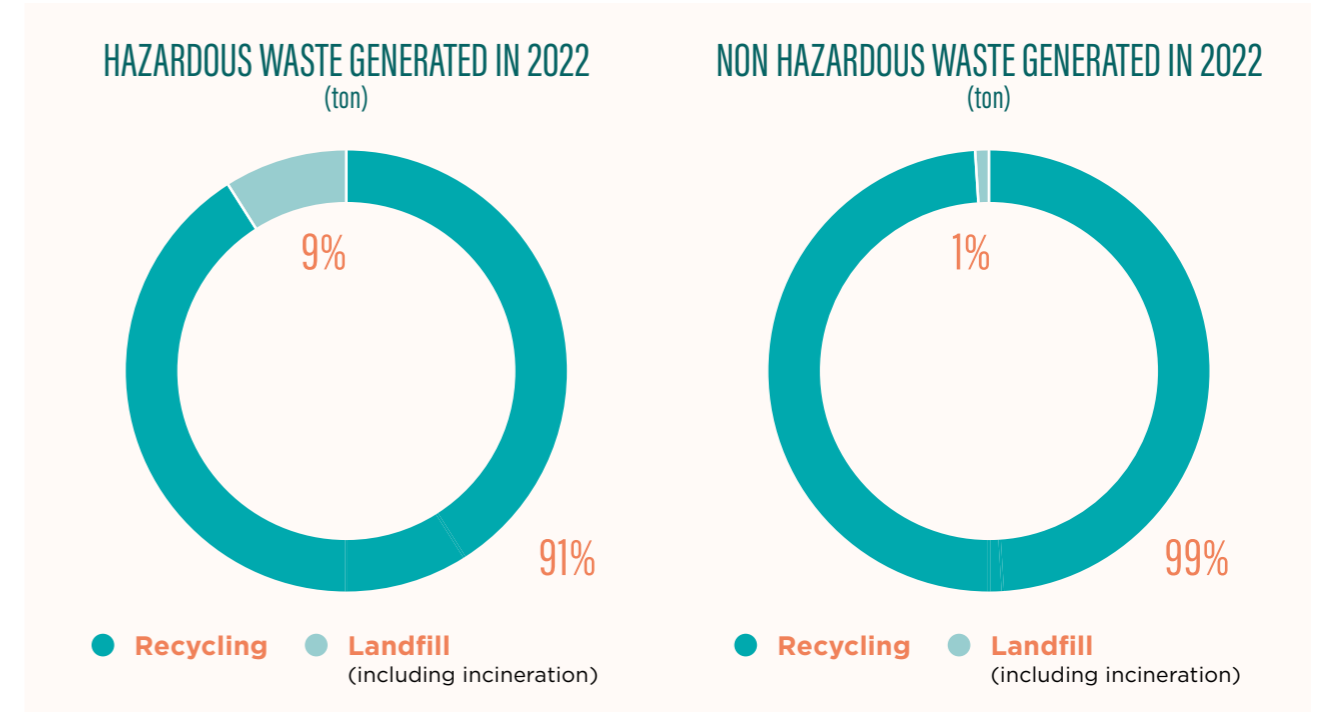
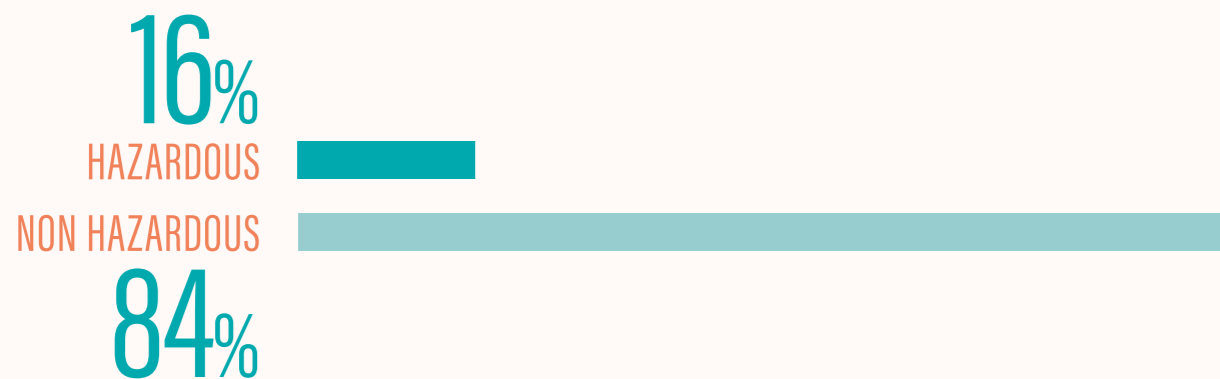
One of the most important aspects of MTD's environmental strategy is waste management, which is oriented towards limiting its negative impact on both the environment and human health. The group has set the objective of minimizing waste production in order to lessen these impacts by implementing actions aimed at circularity (compatibly with the stringent regulations of the sector)

In 2022, MTD registered an increase in its production volumes, which determined a consequent increase in the amount of waste generat-

ed compared to 2021 (+8%). The vast majority of it is non-hazardous (84%), and almost all of it is recycled (99,8%). The same applies to hazardous waste, of which 91% is recycled, a percentage that is significantly higher than in 2021 (70%), demonstrating MTD's commitment to improving its management of both types of waste. The increase in hazardous waste disposed in the year of reporting, compared to 2021 and 2020, is partly related to the fact that Pikdare registered some waste generated during 2021 because it could not be disposed of during the year for logistical and technical reasons.

WASTE PRODUCED	UNIT	2020	2021	2022
<b>Hazardous waste</b>	<b>ton</b>	<b>281</b>	<b>297</b>	<b>423</b>
Recycling	ton	249	207	386
Landfill (including incineration)	ton	32	89	37
<b>Non-hazardous waste</b>	<b>ton</b>	<b>2,168</b>	<b>2,111</b>	<b>2,185</b>
Recycling	ton	2,144	2,048	2,180
Landfill (including incineration)	ton	24	63	5
<b>Total</b>	<b>ton</b>	<b>2,449</b>	<b>2,408</b>	<b>2,608</b>

### COMPARISON BETWEEN HAZARDOUS AND NON HAZARDOUS (WASTE IN %)



MTD operates to strive for continuous improvement in waste management. This is done not only through the improvement of production processes and management systems, but also through training and **awareness-raising activities** for the employees, who play a key role waste management. One of the initiatives organized by Pikdare was an awareness-raising training activity on waste separation. It was launched in 2021 and involved the supervisors of each company department while continues with annual updates aimed especially at waste handlers. Similarly, HTL-Strefa also organised training activities, set up by the external environmental consultants, in particular focused on hazardous waste management.

In addition, HTL-Strefa during the year completed the installation of a new sewage treatment solution, which allows chromium and other hazardous chemicals used during grinding process to be separated from wastewater, in order to dispose them properly without creating additional environmental damage. The system, which became operative at the end of 2022, has shown very good results on

water quality, as demonstrated by analyses of the wastewater.

Another important aspect to consider in MTD processes is the generation of scrap in production processes. The Group has implemented an operational excellence plan to minimize this, based on the internalization of maintenance activities, focusing mainly on plastic waste in the needle over molding, assembling, grinding and packaging processes. The project is achieving excellent results, leading to a 17.6% reduction in plastic scrap in 2022 compared to 2021, bringing both an environmental and economic benefit.

In the Group strategy, waste management is not only an aspect that is addressed with regard to internal operations and activities, but MTD also extends its attention to its suppliers, who are also selected taking into consideration aspects related to the sustainability of their activities. As every year, in accordance with the ISO 14001 management system, Pikdare conducted audits on two suppliers responsible for waste management.

## 6. METHODOLOGICAL NOTE

**M**TD's Sustainability Report has been prepared in accordance with the GRI Standards 2021 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 referred to the whole MTD Group, including the holding, while the environmental information include both Pikdare 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 implemented between January 1st to December 31st 2022; in addition, information about the three-year period 2020-2022 is reported for the key performance indicators. Within the document, where necessary, some changes have been made to 2020 and 2021 performance data as a result of a fine tuning of the calculation methodology.

In accordance with the reporting principles defined by the GRI Standards 2021, MTD's Sustainability Report 2022 adheres to the criteria of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. Compliance with the requirements of the GRI Standards 2021 enables the Group to ensure the correct representation of information, with a high degree of detail and quality of the data reported, thus allowing readers to objectively assess the Group's performance and contributions towards sustainable development.

Below are described the methodology and assumptions employed to calculate the indi-

cators of this Report:

- 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).
- Data related to injuries refer to the Group's employees and contractors. Commuting injuries where the employee/contractor used their own means of transportation, and first aid cases are not included, as per guidance from the GRI Standards.
- The frequency injury rate has been calculated as the total number of work-related injuries divided by the overall number of hours worked in the reporting period and multiplied by 200,000; it should be noted that the total hours worked by employees include regular time and overtime.
- The hiring rate has been calculated as the total number of hires occurred in 2022 divided by the total number of employees on 31st December 2021.
- The turnover rate has been calculated as the total number of terminations occurred in 2022 divided by the total number of employees on 31st December 2021.
- Energy consumption related to Pikdare France has been estimated for the three-year reporting period (2020-2022) based on the proportion of Pikdare's employees over the total number of employees working in Artsana's subsidiary in France.
- The tons used to calculate emissions associated to internal logistics in Poland (3.4 Upstream transportation and distribution) have been estimated based on the revenues.
- Emissions associated to Pikdare France's outbound logistics (3.4 Upstream transportation and distribution) have been estimated based on the revenues.

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, 2020, 2021 and 2022	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, 2020, 2021 and 2022	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, the emissions 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, 2020 and 2021 For USA: Green-e Energy Residual Mix emission factors 2020, 2021, 2022	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 the calculation includes 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.3.9.1	CO <sub>2</sub> equivalent emissions were considered
Capital goods (Cat. 2)	Weight of raw materials making up the capital goods	Ecoinvent, v.3.9.1	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, 2020, 2021 and 2022	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, 2020, 2021 and 2022	CO <sub>2</sub> equivalent emissions were considered
Waste disposal (Cat. 5)	Weight of waste disposed	Ecoinvent, v.3.9.1	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, 2020, 2021 and 2022	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, 2020, 2021 and 2022	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, 2020, 2021 and 2022	CO <sub>2</sub> equivalent emissions were considered

## 6.1 CONTACTS

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# 7. GRI CONTENT INDEX

STATEMENT OF USE	MTD Group has reported in accordance with the GRI Standards for the period 01/01/2022 – 31/12/2022
GRI 1 USED	GRI 1: Foundation 2021
APPLICABLE GRI SECTOR STANDARD(S)	N/A

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION REQUIREMENT(S) OMITTED / REASON / EXPLANATION
<b>GENERAL DISCLOSURES</b>			
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	1.1 Our identity 1.1.2 Our Group 1.1.3 Our Portfolio	
	2-2 Entities included in the organization's sustainability reporting	6. Methodological note	
	2-3 Reporting period, frequency and contact point	6. Methodological note	
	2-4 Restatement of information	6. Methodological note	
	2-5 External assurance	<i>This report is not subject to external assurance</i>	
	2-6 Activities, value chain and other business relationships	1.1 Our identity 1.1.2 Our Group 1.1.3 Our Portfolio 1.1.4 Our value chain	
	2-7 Employees	4.2 Wellbeing for a well care	
	2-8 Workers who are not employees	4.2 Wellbeing for a well care	
	2-9 Governance structure and composition	1.1.5 Our Corporate Governance Structure 1.2.2 Sustainability Governance	
	2-10 Nomination and selection of the highest governance body	1.1.5 Our Corporate Governance	
	2-11 Chair of the highest governance body	1.1.5 Our Corporate Governance	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.2.2 Sustainability Governance	
	2-13 Delegation of responsibility for managing impacts	1.2.2 Sustainability Governance	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION
			REQUIREMENT(S) OMITTED / REASON / EXPLANATION
GRI 2: GENERAL DISCLOSURES 2021	2-14 Role of the highest governance body in sustainability reporting	1.2.2 Sustainability Governance	
	2-15 Conflict of interest	1.1.5 Our Corporate Governance	
	2-16 Communication of critical concerns	1.1.5 Our Corporate Governance	
	2-17 Collective knowledge of the highest governance body	1.1.5 Our Corporate Governance	
	2-18 Evaluation of the performance of the highest governance body	1.1.5 Our Corporate Governance	
	2-19 Remuneration policies	1.1.5 Our Corporate Governance	
	2-20 Process to determine remuneration	1.1.5 Our Corporate Governance	
	2-21 Annual total compensation ratio	-	Omission / Confidentiality constraints / The Group considered the information required to cover the indicator as confidential and therefore did not proceed with publication for this reporting year.
	2-22 Statement on sustainable development strategy	Message from the Group CEO	
	2-23 Policy commitments	1.1.5 Our Corporate Governance 1.2 How we care for sustainability 1.2.2 Sustainability Governance	
	2-24 Embedding policy commitments	To be defined	
	2-25 Processes to remediate negative impacts	5.2 Committed to climate change mitigation	
	2-26 Mechanisms for seeking advice and raising concerns	1.1.5 Our Corporate Governance	
	2-27 Compliance with laws and regulations	1.1.5 Our Corporate Governance	
	2-28 Membership associations	<i>There are no memberships of association</i>	
	2-29 Approach to stakeholder engagement	1.2.3 Materiality	
	2-30 Collective bargaining agreements	25.4% of the employees are covered by collective bargaining agreements	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION
			REQUIREMENT(S) OMITTED / REASON / EXPLANATION
<b>MATERIAL TOPICS</b>			
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	1.2.3 Materiality	
	3-2 List of material topics	1.2.3 Materiality	
<b>ECONOMIC PERFORMANCE</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality 1.1.4 Our value chain 6. Methodological note	
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	1.1.4 Our value chain	
<b>ANTI-CORRUPTION</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality 1.1.5 Our Corporate Governance 6. Methodological note	
GRI 205: ANTICORRUPTION 2016	205-3 Confirmed incidents of corruption and actions taken	1.1.5 Our Corporate Governance	
<b>MATERIALS</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 5.3 Responsible waste and raw materials management 6. Methodological note	
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	5.3 Responsible waste and raw materials management	
<b>ENERGY</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 5.2 Committed to climate change mitigation 6. Methodological note	
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	5.2 Committed to climate change mitigation	
<b>EMISSIONS</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 5.2 Committed to climate change mitigation 6. Methodological note	
GRI 305: EMISSIONS 2016	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	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION
			REQUIREMENT(S) OMITTED / REASON / EXPLANATION
<b>WASTE</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 5.3 Responsible waste and raw materials management 6. Methodological note	
GRI 306: WASTE 2020	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>EMPLOYMENT</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 4.2 Wellbeing for a well care 6. Methodological note	
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	4.2 Wellbeing for a well care	
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 4.1 Sharing the culture of health and safety 6. Methodological note	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	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	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION
			REQUIREMENT(S) OMITTED / REASON / EXPLANATION
<b>TRAINING AND EDUCATION</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 4.3 Upskilling for personal growth 6. Methodological note	
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	4.3 Upskilling for personal growth	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 4.2 Wellbeing for a well care 6. Methodological note	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016	405-1 Diversity of governance bodies and employees	1.1.5 Our Corporate Governance 4.2 Wellbeing for a well care	
<b>NON-DISCRIMINATION</b>			
3-3 MANAGEMENT OF MATERIAL TOPICS	3-3 Management of material topics	1.2.3 Materiality 1.1.5 Our Corporate Governance 6. Methodological note	
GRI 406: NON-DISCRIMINATION	406-1 Incidents of discrimination and corrective actions taken	1.1.5 Our Corporate Governance	
<b>SUPPLIER SOCIAL ASSESSMENT</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 1.1.4 Our value chain 6. Methodological note	
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	1.1.4 Our value chain	
<b>CUSTOMER HEALTH AND WELLBEING SAFETY</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 2.5 For compliance and transparency 6. Methodological note	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.5 For compliance and transparency	
<b>MARKETING AND LABELING</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 2.5 For compliance and transparency 6. Methodological note	
GRI 417: MARKETING AND LABELING 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	2.5 For compliance and transparency	

GRI STANDARD	DISCLOSURE	PARAGRAPH	OMISSION
			REQUIREMENT(S) OMITTED / REASON / EXPLANATION
<b>PRODUCT DEVELOPMENT AND INNOVATION (NOT GRI TOPICS)</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 2.4 Innovation for a simpler life 3.1 Caring for the safety of healthcare professionals 5.3 Responsible waste and raw materials management 6. Methodological note	
<b>CLIENT AND CONSUMER EDUCATION (NOT GRI TOPICS)</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 2.1 Listening to people's needs 3.2 Side by side to share knowledge 6. Methodological note	
<b>ACCESS AND AFFORDABILITY OF MEDICAL DEVICES (NOT GRI TOPICS)</b>			
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	1.2.3 Materiality analysis 2.2 Continuous care for diabetes 3.3 Readiness to help the healthcare system 6. Methodological note	

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