



# Sustainability Report

2022





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## LETTER TO THE STAKEHOLDERS

*"I am delighted to present our third Sustainability Report, the continuation of a path that we will continue to pursue with ever greater commitment and foresight, facing the challenges that the current social, political and economic scenario holds in store for us.*

*Voluntarily reporting our commitment in the areas of ESG (Environmental, Social and Governance) means giving substance and visibility to our actions and objectives in order to make them known to all employees, customers, partners and suppliers, with a view to transparency and sharing.*

*The execution of our corporate strategy on sustainability, now in its third year, is based on three long-term transformation trends: the improvement of environmental performance through increasingly better energy management and the containment of emissions also through digitalisation processes; the implementation of good practices that focus on our human resources and their needs; the maintenance of the centrality of R&D also demonstrated by the recent inauguration of the NTE Scientific Hub, a unique technological innovation hub in Italy, and among the most complete in Europe, which commits talents to create technologies and patents that improve the environmental impact of our customers' production.*

*This last year has seen the achievement of important objectives for our company. For the sixth consecutive year we have obtained the EcoVadis certification, one of the most accredited awards in the international sustainability rating. In 2022, for the first time, we received the Gold Medal, ranking in the top 5% of companies evaluated by EcoVadis' team of international experts.*

*2022 was also the year in which the photovoltaic systems installed on all company offices came into operation, which allows us to support part of our consumption thanks to solar energy. We have also laid the groundwork for launching a Scope 1 and 2 emissions offsetting project.*

*Furthermore, the supervision of the supply chain has become increasingly central for us: thanks to a new supplier qualification procedure we have placed further emphasis on compliance and monitoring of this aspect.*

*From a Human Resources perspective, we have worked intensively to consolidate and create the conditions to attract and retain our talents. We continued to foster skills enhancement through structured courses and internal coaching to transfer internal skills particularly from senior staff to new recruits.*

*We have continued our commitment to support the local community in an increasingly structured way and with a view to listening to our stakeholders.*

*The achievement of these results is the fruit of the efforts made by our people and partners: aware of this, we place our employees and those of our entire supply chain at the centre of this journey, with the will to help protect their well-being. Not only that: with the aim of supporting the territory in which we operate, we have strengthened our support to local communities, activating new synergies with institutions and associations.*

*At the basis of all our endeavours, there are always our values, those on which our company was founded and which over the years have taken root and at the same time evolved, forming the pillars of our corporate culture".*

  
**Fabio Novelli**  
President & CEO



# 1. NTE Process



## 1.1 Who are we

NTE is the single source provider specialised in all stages of design, supply and innovation for all industrial sectors. NTE Process offers the most advanced process technology solutions for Industry 4.0. Innovative, patented and sustainable te-

chnologies: from pneumatic transport for the handling of powders and granules to the best process solutions such as pneumatic mixing, solid-liquid mixing, atomisation, drying, grinding, packaging, filtration and control of harmful emissions.



+ 80  
PEOPLE



~ 50%  
GRADUATES



+5000m<sup>2</sup>  
OFFICES/WORKSHOP



+6000  
PLANTS



8  
PATENT



HEADQUARTERS

PARTNER

SALES OFFICE



## History

It was the year 1998 when the founders of the company, Albino Novelli and his son Fabio, decided to put their engineering and business management experiences to good use by founding Nol-Tec Europe in a Joint Venture with Nol-Tec System Inc., an American company that deals with the design and construction of integrated bulk material handling and process automation systems in various industrial sectors.

In 2004, Roberta Novelli, Fabio's sister, joined the company as CFO and Head of Human Resources.

Since 2016, the company has established itself with the NTE Process brand precisely to communicate to the market the expansion and consolidation of its business to process solutions (atomisation, drying, etc.). In this phase, the company best expresses the original idea of the founders of creating a highly innovative reality: thanks to the design of many patents and the success of the proposed solutions, it comes into contact and becomes a technological partner of companies of global importance.

In these years of growth, NTE Process

goes through a path of change from a family business to a managerial company. Operational management is now ensured by Governance with the main function of operational management and implementation and control of management processes. This way of management contributed to obtaining the Deloitte "Best Managed Company" award for three consecutive years.

## 1.2 Mission and Vision

### MISSION

*We want to be a reliable and punctual partner, offering quality services with excellent scientific expertise according to the principles: "SERVICE, QUALITY & COMPETENCE".*

*We want to actively participate in the growth of the best companies right from the project "concept" phase, acting as an industrial solution provider.*

*We want to offer unique process solutions starting from the excellence of "Made in Italy" through strategic alliances and international partnerships.*

### VISION

*Being a "Pioneer" company, creating unique and innovative solutions for machines and industrial processes, through constant R&D and patent creation. We want the adoption of our ideas and solutions to have a positive impact on the Planet, helping our partners to produce in a more sustainable way.*

### OUR VALUES

Courage .....	Creativity .....
Experience .....	Passion .....
Honesty .....	Trust .....
Correctness .....	Perseverance .....
Collaboration .....	Madness .....
Loyalty .....	Fidelity .....



**Conveying Ideas,  
Inspiring Solutions,  
Building Success!**



## 1.3 Sustainability for NTE Process

### 1.3.1 The path to sustainability

Process solutions and Industry 4.0 play a crucial role in **sustainable and digital transition paths**, as they support a variety of industrial sectors in improving process efficiency and reducing the use of natural resources. NTE Process is at the centre of the industrial machinery supply chain, which is increasingly diversified and internationalised. Similarly to the entire supply chain, NTE Process is interested in raising customer expectations, as far as the environmental and social sustainability profiles of the activities and the effectiveness of governance models are concerned. In turn, as a customer itself, the company is called upon to carefully monitor the **sustainability** of its **supply chain**.

To respond effectively to these expectations, NTE Process is pursuing a path aimed at improving its sustainability performance through a structured approach, starting from the formalisation of the company policies related to social, environmental and governance issues. In 2017, NTE Process also joined the EcoVadis platform, one of the main international platforms for assessing the sustainability of companies and supply chains.

Since the start of this journey, NTE Process has already achieved several tangible results: in particular, in 2022 it saw its ranking improve further - from Silver to Gold - on **EcoVadis**

one of the most accredited awards in the international sustainability rating. With a score of 71/100 NTE Process ranks in the top 5% of companies evaluated by EcoVadis' team of international experts.

At the moment, the company is also engaged in the preparatory activities to obtain the ISO 14001, international standard for environmental management systems.

In recent years, the company has formalised within its governance the presence of a Sustainability Delegate and has formalised in the organisational chart an ad hoc resource to cover a coordinating role for ESG activities.

The publication of the **Sustainability Report** allows NTE Process to give full visibility to its **sustainability policies and actions** and to monitor its performance over time.

Thanks to the activities carried out in recent years, NTE Process contributes to the achievement of the Sustainable Development Goals (SDGs) defined by the UN within the 2030 Agenda for Sustainable Development. In the future, the company intends to intensify its contribution through the implementation of further initiatives, some already planned.



ISO 9001:2015 since 1999



ISO 45001:2018 since 2021



ECOVADIS 2022



#### Actions already implemented

- Provision of in-depth and refresher courses aimed at strengthening technical, digital, administrative and commercial skills, for a total of **1,321 hours of training, up 10% compared to 2021**, 62% of which is voluntary.
- Participation of some company figures in Transversal Skills and Orientation courses within the **Elite network**.
- Fair play education initiatives in collaboration with the Giana Erminio sports association.
- Awareness-raising initiatives on sustainable development in high schools.

#### Scheduled Actions

- Participation in Pathways for Transversal Competencies and Orientation.
- Further awareness-raising initiatives at schools and institutes already planned.



#### Actions already implemented

- Adoption of transparent and impartial procedures for the selection and remuneration of employees and collaborators, preventing any form of gender discrimination.
- Gradual **increase of women in the corporate population** (+17.6% compared to 2021).

#### Scheduled Actions

- In order to further reduce the inequality towards the female gender in the corporate population, NTE Process is committed to fostering the entry of female talent in STEM (Science, Technology, Engineering and Mathematics) disciplines in the coming years.



#### Actions already implemented

- 62 employees, all hired indefinitely.
- Occupational Health and Safety Management System certified pursuant to the **ISO 45001** standard.
- **No accidents** in the three-year period 2020-2022.
- Performance appraisal process and bonus incentive linked to an MBO system for those with organisational responsibilities.

#### Scheduled Actions

- Extension of the incentive system to all those determined to actively contribute to the company's growth and their own professional development.





#### Actions already implemented

- Investment of 4% (of the value of production) per year in research and development activities.
- **NTE Scientific HUB**: Research and Innovation Centre.
- Air Assist® M533 patent with **ECO-DENSE TRONIC®** registered trademark which allows a reduction of up to 70% in emissions of energy and CO<sub>2</sub> emitted into the environment.
- Development of a range of technologies identified with the “**Powering A Greener World**” brand, including the dry injection of sorbents (DSI) - a consolidated system for the reduction of harmful emissions deriving from the combustion of coal, biomass, waste and other fossil fuels - and dry and wet filtration technologies for the control of solid particulate matter emitted into the environment and the control of odours.
- Installation of automated vertical warehouses.

#### Scheduled Actions

- Completion of the warehouse digitisation process.



#### Actions already implemented

- **Energy re-qualification of the administrative offices** of the Gorgonzola headquarters completed in 2018 through the replacement of lighting fixtures with LED lights and the renovation of heating, cooling and ventilation systems with low-consumption solutions.
- Installation of a generation plant powered by **photovoltaic panels** at the headquarters of Gorgonzola, the workshop, the warehouse and the NTE Scientific Hub headquarters in Pessano con Bornago, capable of satisfying approximately 30% of the company's electricity needs through self-consumption.

#### Scheduled Actions

- Compensation initiatives for residual CO<sub>2</sub> emissions.
- Achievement of ISO 14001 certification for the environmental management system.

### 1.3.2 Stakeholders and relevant sustainability issues

Relationships with the main stakeholders represent an essential element in this process. NTE Process is engaged in constant dialogue with customers, suppliers and commercial partners, which is aimed at identifying in-

novative solutions and managerial practices capable of promoting sustainability in the supply chain, and in the involvement of its employees and collaborators, with the aim of addressing innovative potential of the human, social and intellectual capital which they lead to sustainable development goals.

#### STAKEHOLDER

#### DIALOGUE APPROACHES

#### CUSTOMERS



Qualification and evaluation processes  
Auditing and adherence to codes of conduct  
Participation in exhibitions and sector events  
Website  
Social media  
Newsletter

#### EMPLOYEES



Intranet  
Events dedicated to employees  
Training initiatives  
Informal consultation procedure  
Workers' Health and Safety Representative  
Dissemination of the Code of Conduct

#### LOCAL COMMUNITIES



Media relations  
Participation in and support for projects and initiatives in the area  
Dialogue with local institutions

#### SUPPLIERS



Qualification and evaluation processes  
Audits  
Website  
Visits and inspections at Suppliers' premises  
Dissemination of the Code of Conduct for Suppliers

NTE Process's commitment focuses primarily on the issues that emerged as relevant from the materiality analysis (see 5.2 Materiality analysis).

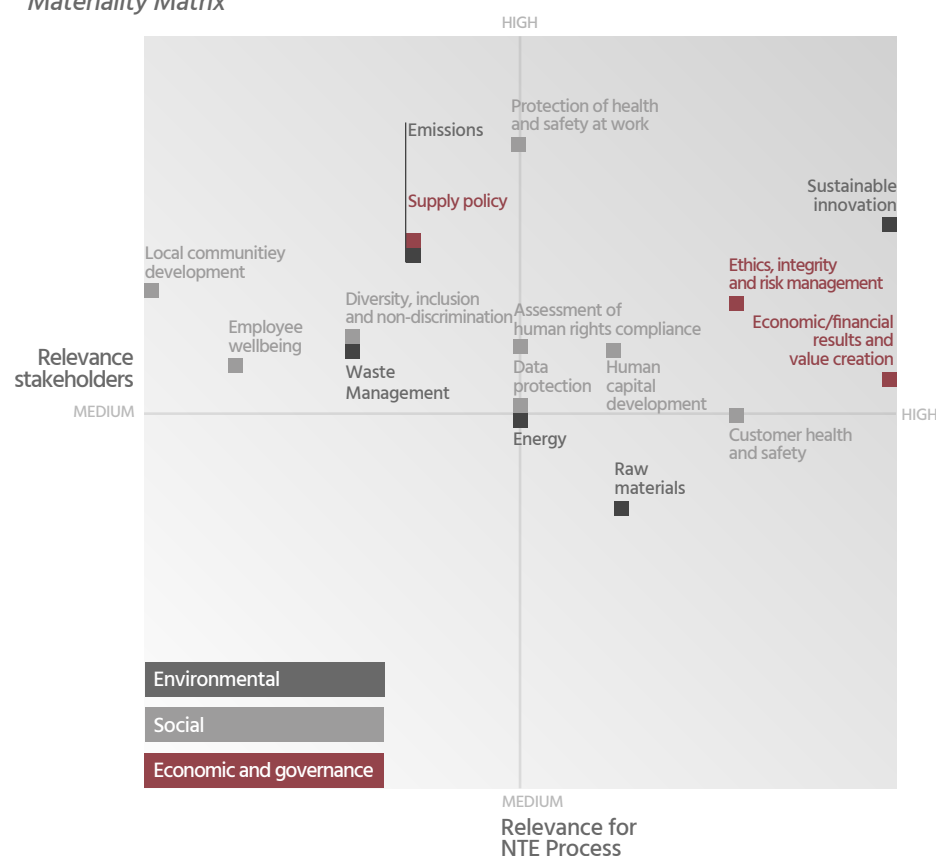
**Sustainable innovation** directly expresses the heart of NTE Process's mission and its main contribution to sustainable development.

Among the **economic and governance aspects**, the sharing of economic results with stakeholders and the safeguard of business ethics and integrity, also through proper risk management, represent essential conditions for the exercise of business activities.

At **environmental level**, the reduction of energy consumption and greenhouse gas emissions, the conscious consumption of materials and waste management are particularly important.

In the **social field**, attention to workers is expressed primarily in maintaining high standards of health and safety at work, in the development of human capital and in the protection of human rights along the value chain. Customer requests are incorporated into product quality and safety standards and data protection policies.

Materiality Matrix



### 1.3.3 The sustainability policy

In 2021 NTE Process adopted its corporate Sustainability Policy, which summarises its commitments towards stakeholders in relation to these priority issues:

- ethics, integrity and lawfulness
- environmental responsibility and protection of natural capital
- protection of health and safety at work
- protection of human and workers' rights
- development and enhancement of human capital
- relationship with the community.

The Sustainability Policy is supported and integrated by a **system of company policies** relating to specific matters: environmental responsibility, health and safety at work, responsible purchasing, human and workers' rights.

These policies are applied in NTE Process's activities through constant information of employees and business partners and is subject to the supervision of the Governance Committee.



NTE Process, as a member of ANIMA - Confindustria Meccanica Varia, contributed to the Manifesto della Meccanica per il 2020 (Bill of Mechanics for 2020), which addresses to institutions a set of proposals aimed at improving the sustainability of industrial supply chains through investment in decarbonisation, technological innovation, Industry 4.0 and in the training of new digital skills.

## 1.4 Governance and organisational model

NTE Process is a limited liability company, wholly owned by NTE Holding Srl, an investment company referring to the Novelli family.

NTE Process has adopted the **traditional governance model** envisaged by Italian law. The **Board of Directors**, made up of the Chairman and the Chief Executive Officer, holds the powers of ordinary and extraordinary administration and plays a supervisory role with regard to issues relating to sustainability and internal control systems.

At management level, a **Corporate Governance** has been identified, which brings together the main corporate functions on a regular basis: Organisational Management, Administrative Area, Technical Area, Commercial Area and Supply Chain Office. The Committee has the task of coordinating and controlling the implementation of management processes, analysing company and individual performance indices and supporting the Board of Directors in evaluating the opportunities for new investments. The Committee also includes the definition and updating of company

policies and codes of conduct relating to sustainability issues, as well as the identification of objectives for improving social and environmental performance. As part of its strategic functions, the Committee meets weekly to analyse and evaluate the economic-financial, social, environmental and geopolitical risks which may affect the company's activity. The participation of the key functions and its close collaboration with the Board of Directors guarantee a constant and effective coordination of the strategic plans on a quarterly basis, allowing NTE Process to respond promptly to customer needs and market dynamics.

Thanks to this management model, in 2022 NTE Process obtained, for the third consecutive year, the **Best Managed Company** award, assigned by Deloitte Private to companies in various sectors that stand out as Italian excellences, evaluating them on parameters of "strategy", "skills and innovation", "commitment and corporate culture", "governance and performance measurement", "internationalisation", "supply chain" and "sustainability".



..... Massimo Congedi,  
Corporate Technical Manager



Emanuele Fratto .....  
Corporate Sales Manager



..... Alessandra Nasca,  
Supply Chain Manager



Roberto Novelli, .....  
Corporate CFO



..... Valentina Penatti,  
Customer Service Manager  
& Executive Assistant to CEO

Governance members



Roberta and Fabio Novelli with Deloitte Best Managed Companies Award.

"The composition of the Governance reflects that of the collaborators: the 5 members are between 30 and 50 years old with more than a decade of work experience in NTE Process. Of the 5 members 2 (40%) are female. I chose to train and enhance internal staff and make them fill managerial roles precisely to underline how much our company is founded on the sharing not only of business objectives but above all of shared values."

Fabio Novelli

## 1.5 Ethics and integrity

NTE Process actively contributes to the development of a socio-economic system based on **lawfulness** and operates on the market in a **responsible and transparent** way, in full compliance with all the regulations in force in the jurisdictions in which it operates. This commitment is explicitly stated in the Sustainability Policy approved in 2021.

Through its Administrative Department, the company acts in order to prevent any risk of violation of the anti-corruption regulations, fight against fraud and money laundering, fair competition and fairness of information to the market by all personnel and stakeholders, and to investigate any suspicious behaviour.

The activities potentially most prone to risk within NTE Process are those related to the issuing of orders to suppliers. To mitigate this risk, each order follows a procedure of control and verification by several managers involved. On the other hand, the risk of customer bribery is limited as the order acquired with the relevant details goes to the signature of the Commercial Management, CFO and Management. Furthermore, NTE adheres to the most stringent anti-corruption policies of the customers to whom the issuing of the orders themselves are subject.

The **Code of Business Ethics**, approved in 2021, provides NTE employees and collaborators with indications aimed at avoiding situations of possible conflicts of interest and behaviour that may unduly influence the company's action or expose it to legal risks.

In 2023, the company will complete the implementation of a **whistleblowing channel**, allowing employees and stakeholders to anonymously and confidentially report suspected violations of regulations and the Code of Conduct to senior management. Employees will be appropriately informed and trained on how to use this channel.

With regard to the risks along the supply chain, NTE has drawn up its own Code of Conduct for Suppliers, which specifies the principles and rules of conduct expected by the partners, also in the matter of ethics, integrity and legality (for further information, please refer to paragraph 2.5 Monitoring the supply chain).

The solidity of the **business integrity safeguarding measures** adopted by the company is confirmed by the fact that in 2022 no cases of non-compliance with the anti-corruption and competition legislation or, in a broader sense, with the laws and social, economic and environmental regulations applicable to the activity of NTE Process.

## 1.6 Economic performance and sharing of value

Of the economic value generated by NTE Process, 6.6% was retained by the company for the amortisation of past investments and allocations to funds and reserves, while as many as 93.4% was distributed to the stakeholders with whom NTE deals on a daily basis in the following forms:

- Suppliers: expenses for the purchase of goods and services;
- Collaborators: wages and salaries, contributions and severance indemnities;
- Lenders: interests on loans;
- Public Administration: income taxes and tax charges;
- Community: donations to Third Sector entities and sponsorships to sports associations;

The profits were not distributed, but used to fuel investments in infrastructure, research and innovation.

NTE Process has benefited from tax credits for its investments in research and development and in 4.0 training activities, for the purchase of capital goods, for incremental advertising investments and accesses non-repayable contributions allocated through public calls. With regard to transfer pricing practices, the company has three subsidiaries based abroad (Chile, Brazil, India), with which commercial transactions at arm's length have been established.

Value in %	2020	2021	2022
Economic value retained	13.4%	11.4%	6.6%
Distributed economic value	86.6%	88.6%	93.4%
Suppliers	71.0%	68.5%	76.7%
Collaborators	11.6%	15.9%	14.5%
Lenders	0.3%	0.4%	0.3%
Public administration	3.5%	3.6%	1.8%
Community	0.1%	0.1%	0.1%



## 2. Innovation and Quality



### 2.1 Process Solutions

NTE Process is a specialist in bulk material handling and process solutions compatible with the European digital transition plan under Industry 4.0.

It offers high-tech machinery for bulk handling, transport and mixing, as well as dosing, storage and bagging when necessary, for powders and granules used in many industrial sectors: food, chemical, animal feed, nutraceutical, rubber, glass, batteries, ceramics, concrete, steel, power generation and others.

NTE Process uses patented technologies and, thanks to the experience of the best technological partners on the international market, offers process solutions and a path of innovation and development tailored to every need. Operating with different types of products, it is able to borrow our best practices from one sector to another and combine experience and the wealth of skills already successfully tested, in order to guarantee innovation and efficiency to all customers.



Animal feed



Battery



Building products



Chemical



Environment



Food



Foundry/Steel



Glass/Fiberglass



Mining/Ceramic



Petrochemical



Pharmaceutical



Plastic



Power and Energy



Rubber/Tire



Bulk Material Handling  
Pneumatic Conveying  
Air Pollution Control  
Liquid Concentration & Dissolving  
Pneumatic Blending  
Dosing & Weighing  
Parallel Processing  
In-Line Mixing  
Automation & Control  
Spray Drying  
Process Engineering  
Drying  
Test Plant & Research Centre  
Packing Machine  
Integrated Grinding Solutions





## 2.2 Research and innovation to build our success

The patents and certifications valid worldwide are obtained thanks to the continuous commitment to technological innovation and the important **investment in Research & Development**, which represents about 4% of the value of production over the last two years.

The company's goal is to be **pioneers of innovation**, thus adopting a **proactive approach**, not only aimed at responding to and satisfying the demands of our customers, but with the aspiration to anticipate them.

The commitment in this sector is embodied in the **NTE Scientific Hub**, a Research and Innovation Centre based in Pessano con Bornago, in the province of Milan. Equipped with a laboratory and a 1:1 **scale pilot plant** unique in Italy and among the few in Europe and in

the world for the completeness of the technologies available, it is an Italian excellence based on advanced technologies, entrepreneurial vision and typical Italian creativity.

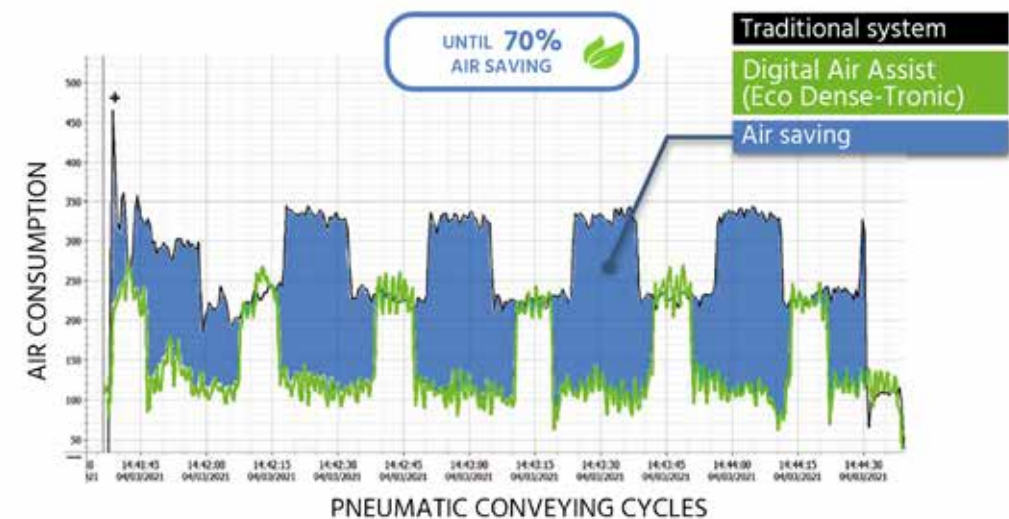
Among the major innovations in the field of sustainability, in 2021 the company released a new dense phase pneumatic conveying technology designed and built to improve customers' sustainability. This is the Air Assist® M533 patent with registered trademark ECO-DENSE TRONIC®, which allows, on particular system configurations, a reduction of up to 70% in the emissions of energy consumption and CO<sub>2</sub> emitted into the environment, equivalent to 3,000 new trees planted every year for each plant that uses them. A result that brings economic benefits to customers and priceless environmental benefits for the Planet.



Rate +20%

Air saving up to 70%

Efficiency +40%



The awareness of the complexity involved in managing environmental aspects has led the company to develop a range of eco-friendly technologies identified with the "Powering A Greener World" brand, which also includes dry sorbent injection (DSI) technology: a consolidated system for the reduction of harmful

emissions deriving from the combustion of coal, biomass, waste and other fossil fuels (including SO<sub>x</sub>, NO<sub>x</sub>, CO<sub>2</sub>, HCl, mercury and dioxins). In addition to this are the dry and wet filtration technologies (scubber) for the control of the solid particulate matter emitted into the environment and the control of odours.

In its approach to sustainable innovation, partnerships and collaborations with other companies also play a key role. At the end of 2022, NTE Process signed an agreement with the Norwegian company FREYR Battery, developer of new generation battery cell production plants, with the aim of supplying a complete and integrated powder drying and handling system for the Gigafactory of lithium battery cells planned by FREYR in Norway, known as Giga Arctic. NTE thus supports the production of clean batteries, which is fundamental for the energy transition.

NTE Process is also a strategic partner of Okawara MFG, a Japanese company specialised in the development of innovative technologies for drying processes, which play a key role in the field of recycling and recovery: thanks to these technologies, in fact, the waste generated during industrial production is transformed into fertilisers or energy, giving it new value.

Moreover, some of the **NTE Holding group companies**, of which NTE Process is leader, also offer sustainable solutions. For example, **Tri-Mer Global Technologies** focuses its business on devising useful solutions to make industries and their

processes more sustainable for the environment. The company, in fact, develops advanced systems for the control of air pollution, customised solutions able to optimise processes capable of reducing the level of pollutants with excellent results in the most diverse sectors.

**STM Microtec**, on the other hand, offers the design and construction of grinding and dry dosing plants for products used in the industrial and ecological fields. STM's experience has been concentrated over the years in the research and development of injection and abatement systems for various pollutants derived from industrial and production processes. These integrated systems have given rise to a better environmental concept, which is responsible for compliance with the most restrictive environmental regulations in force for combustion emission gases and production waste. In the field of technologies for grinding and dry purification, it has developed new pollutant abatement systems. The machines, the production standards and the derived applications, are still today a point of reference for the abatement systems of polluting acids, heavy metals, dioxins and furans.

## 2.3 Product quality and safety

The guarantee of the quality and safety of products is a fundamental commitment that NTE Process assumes towards customers, taking action to incorporate their specific needs and standards.

For components built or engineered on a NTE Process drawing (pressure tanks, structures, carpentry, etc.), the company has defined its own **quality standard**, whose compliance is verified on the basis of the Quality Control Plan and a specific protocol. The **inspections to verify the conformity** of the materials are carried out directly at the supplier's premises, even in the presence of the customer.

The components not designed by NTE Process (rotary valves, augers, dosing units, fans, etc.) are accompanied by the supplier's Quality Control Plan and are subject to **checks at the suppliers' premises and/or at the entrance**, of a visual, functional and documentary nature. If the customer identifies further technical specifications for the individual order, NTE Process draws up a dedicated **Quality Control Plan**. Inspections are coordinated by the Quality Control Manager; 133 were carried out in 2022, an increase compared to the 120 carried out in 2021 (+11%) and the 95 in 2020 (+17%). In 2022, 46 supplier non-conformities were detected: of these 43 were appropriately corrected and closed, 3 are being verified.

As regards internal non-compliance procedures, 53 were recorded in 2022, of which 52 were closed and only 1 is still being verified: compared to 16 in 2019, this data confirms the important process of **"cultural change"** that the company has carried out in recent

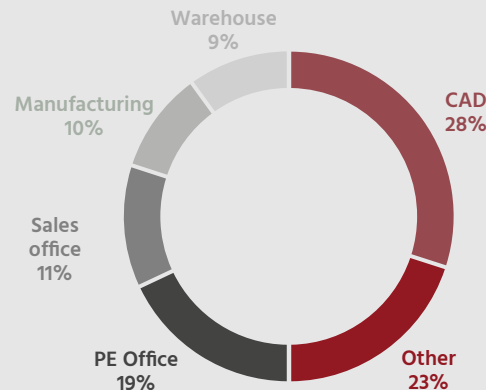
years, thanks to internal awareness-raising efforts. In fact, people are increasingly aware that the reporting of internal non-conformities makes it possible to highlight, in a clear and precise manner, the potential risks that the company may encounter, but above all to guarantee better service performance and efficiency.

In 2022, as in the previous two years, no cases of non-compliance with product safety regulations were found. Each product delivered is accompanied by a user and maintenance manual which contains the certifications required by the standards and specifies the regulations for the safe operation of the system.

Through the complaints procedure, customers are invited to report to NTE Process any incidents of non-conformity of products with respect to performance, quality standards or identification of hazards to workers' health and safety due to plant operation. NTE Process analyses the causes of the problem encountered and implements recovery actions, such as the restoration or rejection of the malfunctioning object, and preventive actions aimed at addressing the root causes through a review of the processes and tools. The non-conformity procedure also has the same function for the analysis and resolution of problems deriving from suppliers and/or internal processes. In 2022, there were 14 customer complaints, of which 11 were resolved and closed, and 3 were in the process of being resolved. All this allows the company to improve customer satisfaction thanks to a constant and tangible follow-up to any reports.



Department internal non-conformity



## 2.4 Data protection

The ability to protect corporate data from external attacks is an essential condition for safeguarding the intellectual property and the very continuity of NTE Process's business.

For this reason, the company has adopted a system of organisational systems aimed at minimising the risk of data loss within and outside the company perimeter. The use of mobile devices is governed by an **encryption policy**; remote connectivity is only granted to internal staff via a Virtual Private Network configured with double encryption and passwords that comply with complex identification criteria. The staff is made aware of possible cyber threats and the behaviours necessary to avoid them through constant **information and awareness-raising activities**. The Code of Conduct, defined in 2021, summarises the rules on the subject which all employees must follow.

In the event of external attacks or outages

of IT services, the presence of a backup system based on synchronisation between two storage devices - one on site and the other located in a remote location - and a **Disaster Recovery** plan based on replicas of the servers present on site, are able to ensure the prompt resumption of business activities.

NTE Process pays the same attention to the protection of the information and personal data of its employees, customers and partners. Collection and processing of data for the purposes of internal and external communication activities (Intranet, newsletter, website) are carried out in compliance with Legislative Decree 196/2003 on privacy and the European Regulation 679/2016 – GDPR.

Confirming the effectiveness of the measures taken, in 2022, as in the previous two years, no loss or leakage of sensitive data was identified, nor were there any complaints about acts committed in breach of privacy.

## 2.5 Management of the supply chain

The design, assembly and installation activities carried out by NTE Process typically represent the last production phase within the supply chain of its products.

For the implementation of internally designed solutions, the company relies on **specialised suppliers** for the procurement of carpentry materials, tanks, machinery, instruments and components. For their installation, NTE subcontracts part of the engineering and assembly activities.

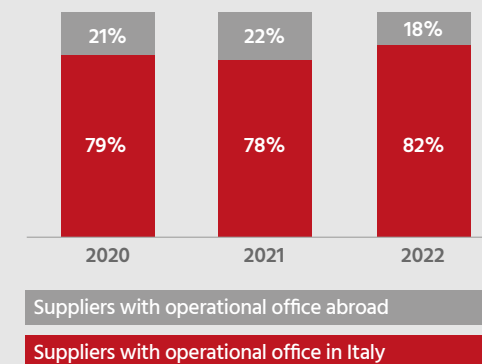
Technical and economic conditions being equal, preference is given to the choice of Italian suppliers, in order to shorten the value chain and response times, and maximise new business on the national territory. As at 31 December 2022, active suppliers based in Italy made up 96% of the total 443 and generated 82% of the annual expenses for purchases and services.

NTE Process is aware of the fact that the in-

dustrial automation supply chain, given its strong complexity, high degree of internationalisation and dependence on the extraction of metal raw materials, is exposed to environmental and social risks, in particular relating to safety and workers' rights. In this context, it is the firm intention of NTE Process to strengthen its analytical and management tools to obtain greater knowledge and better management of the supply chain, progressively involving the upstream phases, up to the extraction of raw materials.

At present, in the process of qualifying new suppliers, production capacity, material management and tracking procedures, quality control systems and workplace health and safety management policies are evaluated. Possession of workplace safety (**ISO 45001**), environmental management (**ISO 14001**) and social responsibility (**SA 8000**) certifications is a rewarding criterion. The evaluation criteria extend to the sub-suppliers and sub-contractors involved in the order.

Proportion of expenditure on domestic against foreign suppliers



NTE is working on updating the qualification tools, with the aim of extending and strengthening the requirements related to the environmental and social area.

In 2022, there were 3 direct suppliers in countries (People's Republic of China and India) with a high risk for workers' rights, for an incredibly residual spending volume, even less than 0.03%.

The three suppliers have been used for years and have been qualified with a visit to the production sites aimed at verifying compliance with the requirements of NTE Process.

The analyses carried out in the preparation of this Report did not reveal a significant presence, in the materials and semi-finished products purchased by NTE Process, of minerals from areas of the world where affected by conflicts (tin, tantalum, titanium and gold).

In 2021, NTE drew up its own **Code of Conduct for Suppliers**, which specifies the principles and rules of conduct expected by the partners in the matter of:

- ethics, integrity and lawfulness (fighting money laundering, unfair competition and corruption, commercial regulations, conflict of interest, data protection and intellectual property protection, product safety and compliance)
- environmental responsibility (monitoring of impacts and efficiency in consumption, reduction of greenhouse gas emissions, treatment of hazardous materials and waste)
- occupational health and safety

- human and workers' rights (fight against child and forced labour, working hours, fair wages, diversity and inclusion, absence of discrimination, freedom of association, tracking of materials that fuel conflicts and privacy).

The signing of the document is required at the time of signing new contracts and participants are invited to transmit the Code to their suppliers, sub-suppliers and sub-contractors. NTE Process reserves the right to carry out the appropriate checks on compliance with the principles and rules contained therein by collecting and analysing information and documents, audits carried out directly or by third parties and on-site inspections. The identification of behaviours contrary to the Code of Conduct or such as to generate significant damage to the environment and to people during collaboration may result in the interruption of the relationship and the exclusion of the supplier from the register.

A purely selective and sanctioning approach, however, would risk excessively penalising some suppliers and guiding the company towards choices that are incompatible with market dynamics. For this reason, NTE Process is committed in parallel to sensitising and proactively supporting its partners, especially small ones, towards a progressive improvement of their environmental and social performance.

In 2022, out of 329 invitations, 188 suppliers adhered to the code, representing about 57% in numerical terms and 41% of the total spending volume. By 2023, the company has set itself the goal of 90% adherence to the codes of conduct.

<sup>1</sup> High-risk countries are those characterised by a level of labour market regulation below the global average, as measured by the Human Freedom Index 2021, and by the absence of adequate labour rights guarantees according to the Global Rights Index 2021 of the International Trade Unions Conference.

# 3. Respect for the environment



## 3.1 Energy management and fight against climate change

NTE Process is active in fighting climate change through the development of technological solutions that allow companies to **reduce their energy consumption** and their environmental impacts (see par. 2.2).

At the same time, the company is aware of the impacts generated along the industrial automation value chain, which includes activities with a high contribution of emissions such as metal extraction, logistics and plant disposal. In the current phase, NTE Process is committed to monitoring and reducing greenhouse gas emissions generated by the company's production activities and facilities (Scope 1) and by the supply of electricity (Scope 2). During 2023, NTE Process will launch initiatives aimed at offsetting its Scope 1 and 2 emissions.

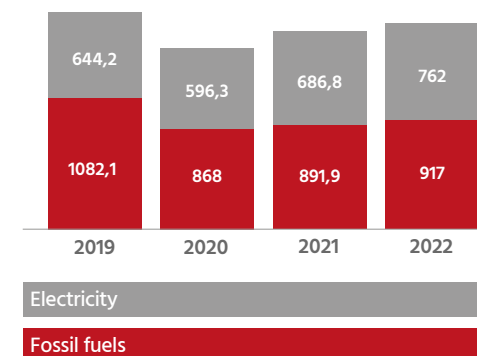
Consumption of electricity is mainly due to the cooling and lighting of the offices. Between 2015 and 2018, the administrative offices of the Gorgonzola headquarters underwent a redevelopment process

that saw the replacement of the lights with LED lights and the renovation of the heating, cooling and ventilation systems with low-consumption solutions. The reduction of energy consumption through small daily gestures: for this reason, our personnel is constantly made aware of respecting rules of responsible behaviour, such as turning off lights and printers at the end of the day, which can make a significant impact over the course of the year.

2022 marks an important step forward for NTE Process in the direction of autonomy and energy transition thanks to the entry into operation of the **photovoltaic plants** installed at the headquarters of Gorgonzola, the workshop, the warehouse and the NTE Scientific Hub Research Center in Pessano con Bornago, with a total power of 143 kWp, allowing to satisfy approximately 33% of the total energy needs through self-consumption. In addition to consuming self-generated energy, to compensate for physiological peaks of lower plant productivity, NTE Process sources energy from an external energy provider, drawing from the national energy mix.

The following graphs show that the total self-production capacity of the plants is equal to 63% of the company's needs. As seen, in addition to electricity, NTE Process consumes methane gas to power and heat production plants and gasoline and diesel to power the company's fleet of 23 vehicles, including 4 hybrids. Between 2021 and 2022, fossil fuel consumption for

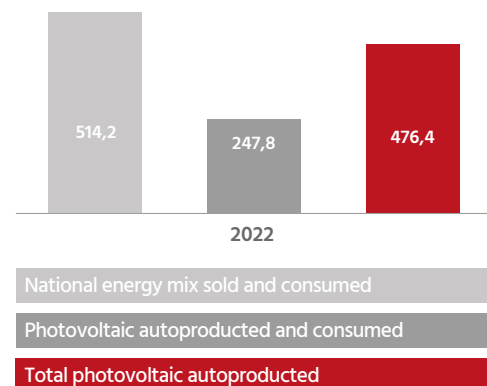
Energy consumption (GJ)





the company fleet increased due to the introduction of new company cars, including two gasoline hybrids, leading to a slight

Energy consumption and self-production (Gj)



growth in direct Scope 1 greenhouse gas emissions (+5%). Despite this, methane gas consumption for the operation of plants decreased (-13%), thanks to the installation of a **heat pump** at the Pessano offices, powered by photovoltaic, which

allows to heat offices by reducing fossil fuel consumption.

The self-production from photovoltaic plants has made it possible to obtain a considerable reduction in emissions from the purchase of energy: in 2022, in fact, NTE Process generated 65.2 tons of CO<sub>2</sub> Scope 2 (calculated using the "Market Based" method), compared to 87.5 in 2021, for a 25% reduction.

Taking into account Scope 1 and 2 (Market Based) emissions together, NTE Process generated 124.4 tons of CO<sub>2</sub> equivalent, down 13% from the previous year.

The most significant indicator to measure the actual progress achieved is that of the intensity of emissions in relation to annual turnover, equal to 4.6 tons of CO<sub>2</sub> per million Euro in 2022, marking a 24% reduction compared to 2021. The activities carried out directly by the company do not generate significant emissions of sulphur and nitrogen oxides or other pollutants.

#### SCOPE 1 EMISSIONS

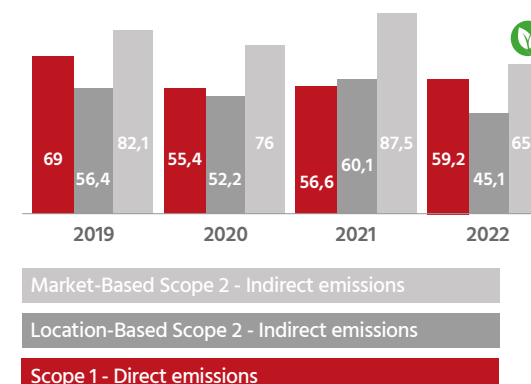
Greenhouse gas emissions generated directly by the Organisation, deriving from fossil fuel combustion plants used for the operation of plants and from the company car fleet.

#### SCOPE 2 EMISSIONS

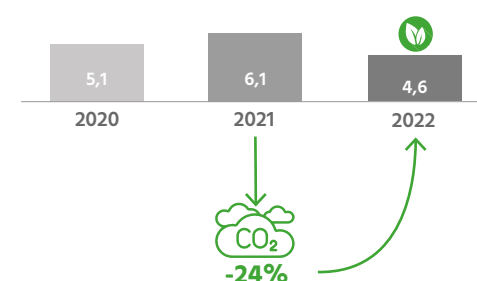
Indirect emissions of greenhouse gases from the generation of electricity purchased. **Location Based:** refers to the emissions deriving from the emission factors related to the national energy mix.

**Market Based:** refers to the emissions deriving from the electricity provider that the organisation has specifically chosen. Should an Organisation decide to source 100% from renewable sources with a Guarantee of Origin, the Market Based emissions are equal to zero. Otherwise, they are calculated with emission factors representing the residual mix, i.e. unmonitored and unclaimed energy and emissions from renewable sources.

Greenhouse gas emissions (tCO<sub>2</sub>)



Intensity of emissions (tCO<sub>2</sub>/million Euros)





## 3.2 Efficient use of resources

With the aim of limiting its negative impacts on the environment, NTE Process is committed to reducing the consumption of natural resources, aiming at maximum efficiency through awareness-raising initiatives and specific interventions on company activities.

NTE Process's production activity mainly concerns the assembly of elements for the construction of plants; the main categories of materials treated in carrying out this activity are therefore not represented by raw materials in the strict sense, **but by semi-finished products, metal carpentry materials and components.**

In view of the different product categories used depending on the orders and the complexity of the supply chain that affects these products, to date NTE Process does not have accurate data relating to the en-

vironmental impacts of the raw materials used by suppliers and related mitigation actions, such as recycling of metal and plastic components. The company is committed in the future to involving its direct partners in the disclosure of this information.

In addition to the semi-finished components and raw materials that are part of the final product, the production inputs also include the **packaging materials** of the products, which are almost exclusively of renewable origin.

In 2022, there was a significant decrease in the purchase of wooden and cardboard packaging. Regarding the lower number of wooden boxes, the reason for the reduction is related to the fact that in the reporting year more shipments were made by road and less by sea than in previous years. With regard to cardboard packa-

ging, it should be noted that following the pandemic period, in order to cope with the economic backlash, the paper mills increased the minimum order quantities, forcing the company to purchase enough boxes in 2021 to cover, in part, the requirements for 2022, the year in which only one order for the purchase of cartons was placed.

In recent years, the company has carried out several projects that have enabled it to streamline its material procurement processes. Of these, the **MRP project** (Material Requirement Planning) is aimed at the digitisation and optimisation of the processes and mainly concerns the Purchasing Department: the main objective is, in fact, the automatic planning of purchases.

It starts with an analysis of material purchasing requirements, generated automatically via the company ERP: the software reads all requests coming in from orders received and analyses them according to the requirements expressed in terms of quantity, date of requirement and minimum purchase lot. The system also allows for the automatic selection of the optimal supplier based on parameters such as best price or shortest supply lead time. Thanks to the MRP system, it is possible to know at a glance what equipment and components are needed and to know the exact stock in the warehouse.

In addition, depending on the minimum stock defined by the Purchasing Department, the MRP allows for the automatic replenishment of components that one decides to keep permanently in stock. The system, therefore, not only identifies exactly what will need to be replenished but also






when to proceed with the order. Optimising purchasing processes by limiting the number of shipments also has among its effects the reduction of fuel consumption and thus of harmful emissions into the environment as well as the reduction of both incoming and outgoing packaging and its disposal.

In addition to the MRP project, in 2021, NTE Process installed its first **automatic vertical warehouse**, implemented during 2022. The vertical warehouse contains a specific software that communicates with the company ERP, allowing to manage 49 shelves over 7 meters high, while an internal robot brings to human height the drawer required for the picking or the expected loads.

In 2021, also from the viewpoint of logistics optimisation, the **Bar-Code project was launched**, which allows to achieve a high level of digitisation in the management of warehouse materials. The incoming goods are loaded into the warehouse through a terminal thanks to the use of bar codes, improving the time and reliability of the process. The implementation of these innovations in the production part, initially planned for 2022, was postponed to 2023.

At the same time, the company has paid special attention to reducing the impacts of its production activities by purchasing paper, folders and binders made of recycled material or even pens and writing material with reduced plastic content or made of environmentally sustainable material. All employees were provided with water bottles, reusable cups and fabric bags in order to drastically reduce the use of plastic. The glasses and dishes available in the water and coffee dispensers are reusable or made of compostable materials.

### Packaging materials and office paper

Material	u.m.	2020	2021	2022	Change %
Wood	Kg	84.722	99.518	40.769	-59% 
Plastic	Kg	925	1.425	1.778	+25%
Cardboard	Kg	1.625	2.420	740	-69% 
Office paper	Kg	792	300	347	+16%
Packaging paper	Kg	120	0	0	-
TOTAL Packaging + office paper	t	88.184	103.663	44.513	-58% 
of which renewable	t	87.259	102.238	41.885	-59% 
	%	99	99	96	-3 pp 
of which non-renewable	T	925	1.425	1.778	+25%
	%	1	1	4	+ 3 pp

<sup>2</sup> The kilograms of paper consumed were estimated from the number of prints made, assuming that 80% of them were made in double-sided mode. The weight of an A4 sheet of paper is estimated to be 5 grams.

NTE Process also organises annual campaigns dedicated to reducing the origin of waste and limiting the use of printers.

In this context, programs such as Wildix (electronic switchboard), Documenta PDM/PDL that allows to archive documents and digitise the management of orders), Intranet and, more generally, all the investments made in the IT sector have resulted in a tangible reduction in paper consumption.

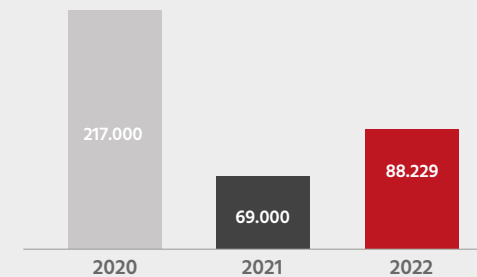
As for the number of prints, which had signi-

ficantly decreased from 2020 to 2021 thanks to continuous awareness campaigns; in 2022 there was a slight increase in the total (+7%), compared to 2021, black and white prints increased by 19% while colour prints decreased by 17%.

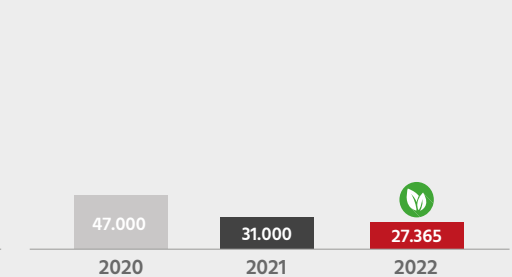
The number of prints compared to the number of employees in the company, went from an average of 12 prints per head per day in 2020 to about 4 in 2022, registering a **significant decrease**.

#### Number of prints (2020-2022)

##### Black and white prints

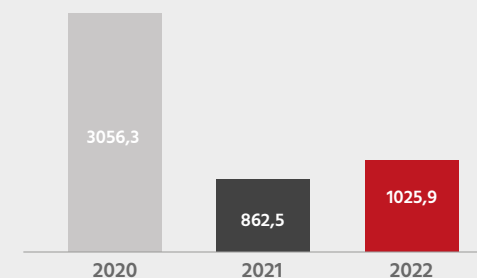


##### Colour prints

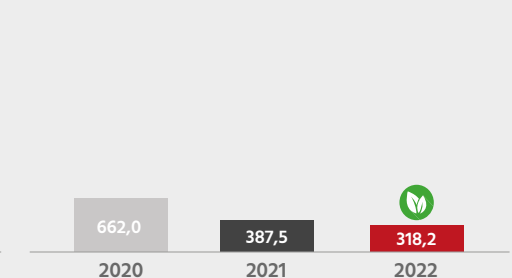


#### Number of prints per employee (2020-2022)

##### Black and white prints



##### Colour prints





76%  
Not dangerous

### 3.3 Waste management

As NTE Process has no direct production activities, it generates a limited volume of industrial waste. These originate from three main sources: **testing activities, purchased packaging materials and plant disposal.**

In 2022, NTE generated **80% less waste than** in 2021. This can be attributed to the fact that, during the past year, **products sent by customers for testing on the pilot plant were almost entirely returned to the customers.** The company's policy, in fact, favours the return of sample products to the customer: only if the shipment is more costly for the recipient are the test products entrusted to specialised suppliers for processing.

Therefore, the waste produced in 2022 basically consists **of the packaging materials of the products and semi-finished products purchased** and in particular the wooden pallets represented the predominant item. They are reused for the storage of goods and, once they have deteriorated, are entrusted to a specialised disposal company that takes care of their recovery. Plastic and cardboard packaging, when necessary, is also sent for recovery through the municipal separate collection service.

In 2022, there was also an extremely residual share of filters and absorbent materials containing hazardous substances (representing 0.1% of total waste), destined for reuse as a fuel for the production of energy.

**Industrial plants** built for customers can ge-

nerate waste when, at the end of their life cycle, they need to be decommissioned. The long service life of the fittings, between 25 and 40 years, and the modular design that allows the replacement of individual components, significantly reduce the occurrence and extent of such impacts. Since this has not yet occurred, NTE Process does not have information about the disposal procedures of the decommissioned plants: as a future objective it undertakes, therefore, to develop relationships with customers to extend control over its products until the end of their use.

NTE Process entrusts the management of its waste to a small number of **qualified subjects**, who hold at least ISO 9001 certifications and, in some cases, legality ratings, ISO 45001 certifications for health and safety at work and ISO 14001 or EMAS environmental certifications. Among these is **Vestisolidale**, a non-profit social cooperative based in Cinisello Balsamo (MI) which since 1998 has operated in the field of environmental and social services, favouring job opportunities for disadvantaged people.

NTE Process water withdrawals and discharges are residual and connected exclusively to the use of toilets. For 2022, the operator estimated an average annual consumption (AC) of 216 m3 of water .

Waste category (quantity expressed in tonnes)

Waste category	u.m.	2020	2021	2022	var. %
Wooden packaging	Kg	6.980,0	2.980,0	1.980,0	-33,6%
Plastics (including packaging)	Kg	155,0	0,0	8,0	-
Absorbents, filter materials, rags and protective clothing, containing dangerous substances	Kg	144,0	104,0	2,0	-98,1%
Unusable waste	Kg	2.483,0	4.226,0	0,0	-100%
Inorganic waste	Kg	732,0	2.054,0	0,0	-100%
Iron and steel	Kg	12.290,0	0,0	0,0	-
Liquid waste	Kg	5.129,0	0,0	0,0	-
Other	Kg	375,0	390,0	0,0	-100%
<b>TOTAL WASTE</b>	<b>Kg</b>	<b>28.288,0</b>	<b>9.754,0</b>	<b>1.990,0</b>	<b>-79,6%</b>
<b>of which dangerous</b>	<b>Kg</b>	<b>6.271,0</b>	<b>2.273,0</b>	<b>2,0</b>	<b>-99,9%</b>
	<b>%</b>	<b>22,2%</b>	<b>23,3%</b>	<b>0,1%</b>	<b>-23,2 p.p.</b>
<b>of which not dangerous</b>	<b>Kg</b>	<b>22.017,0</b>	<b>7.481,0</b>	<b>1.988,0</b>	<b>-73,4%</b>
	<b>%</b>	<b>77,8%</b>	<b>76,7%</b>	<b>99,9%</b>	<b>+23,2 p.p.</b>
sent for disposal (D1-D15)	Kg	n.a.	170,0	0,0	-100%
	%	-	1,7%	-	-1,7 p.p.
used as fuel or other means to produce energy (R1)	Kg	n.a.	4.481,0	10,0	-99,8%
	%	-	45,9%	0,5%	-45,4 p.p.
sent for recovery (R2-R12)	Kg	n.a.	5.103,0	1.980,0	-61,2%
	%	-	52,3%	99,5%	+47,2 p.p.

<sup>3</sup> The determination of the average annual consumption is established by art. 10 Of the arera resolution 218/2016. The average annual consumption (ac) is equal to the difference between two actual readings, divided by the number of calendar days between the two readings (not less than 300 days), multiplied by the number of days in the year (365).

## 4. Attention to people and communities



### 4.1 Protection and development of people

NTE Process is aware that its people are indispensable for the success and the very existence of the company; therefore, it puts them at its centre, committing itself to provide **professional training** and guaranteeing them employment stability and safety, within a company climate based on listening and the **enhancement of each talent**.

NTE Process selects, hires and remunerates its employees and collaborators according to transparent and impartial procedures, preventing any form of discrimination or favouritism.

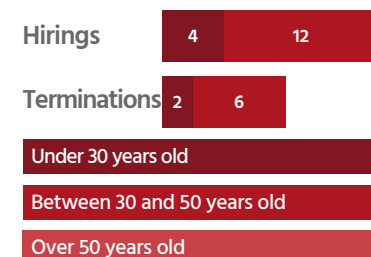
As at 31 December 2022, NTE has **62 employees**, all hired indefinitely and 93% with a full-time contract, pursuant to the national collective agreement of the metalworking sector. In addition to these are 18 collaborators, including freelancers and employees. During 2022, **17 new people** joined the world of NTE Process against 8 terminations, thus resulting in a 19% increase in the workforce compared to 2021. The outgoing turnover rate is 13%, lower than the rate of new recruits, which stands at 27.4%, confirming the growth trend of the workforce.

With an incidence of 79%, the category most represented among employees is that of white collars, followed by junior managers (11% of the total) and managers.

As far as seniority is concerned, the workforce is essentially divided between 40% who have been with the company for more than 5 years and the remainder who have been with the company for a shorter period, which is an indicator of organic growth in recent years in which new entrants have gradually enriched an established team. This calculation also includes external collaborators who provide long-term service, a strategic choice that allows the company to have the necessary flexibility to respond adequately to market demands, as well as being able to benefit from the support of resources particularly specialised in particular technical and technological areas.

The corporate population is male-dominated (68%). In order to reduce this majority over time, NTE Process is committed to **encouraging**, in the years to come, **the entry of female talents into STEM disciplines** (Science, Technology, Engineering and Mathematics).

#### Number of hires and terminations

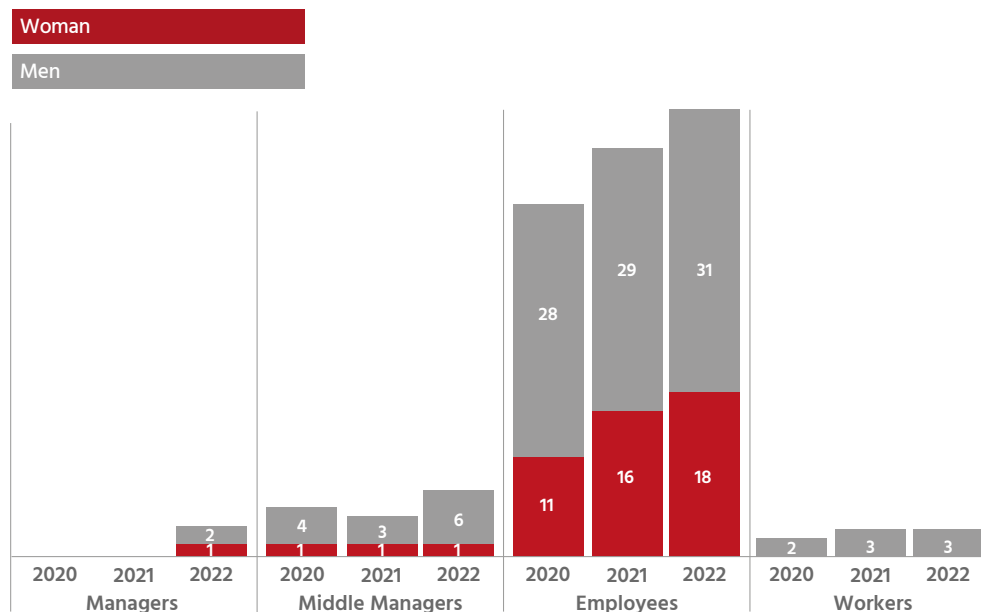


#### Employees divided by category





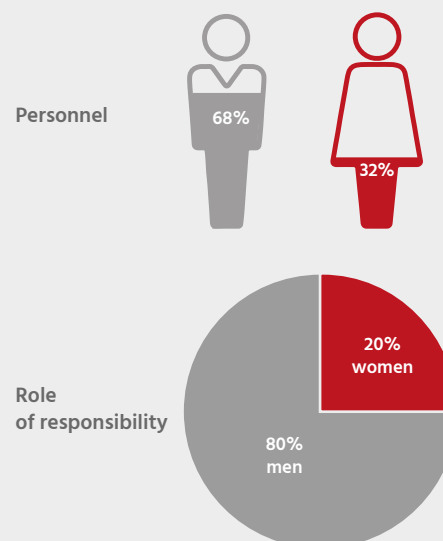
Employees divided by category and gender



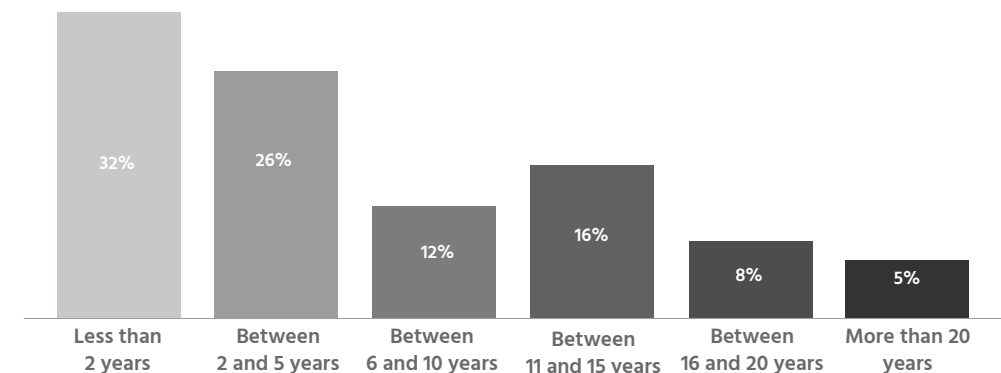
The attention and sensitivity to the **values of inclusion and diversity** are nurtured through communication and socialisation initiatives, such as the annual days dedicated to Women and the Family: an opportunity to share experiences among employees and to recognise their role carried out by each, through a tribute symbolising the corporate values.

In 2022, on the occasion of the celebration of International Women's Day the company launched a breast cancer prevention campaign in collaboration with LILT (Box "Collaboration with lilt for breast cancer prevention", paragraph 4.2).

Gender balance 2022



Team seniority 2022



**40%**  
more than 5 years  
in the company



**13%**  
turnover

#### 4.1.1. Training, development and performance appraisal

The personal and professional growth of employees through specific training courses is a central theme for NTE Process. For this reason, in addition to the courses required by law on occupational health and safety, the company provides for the provision of in-depth and refresher courses in four main areas:

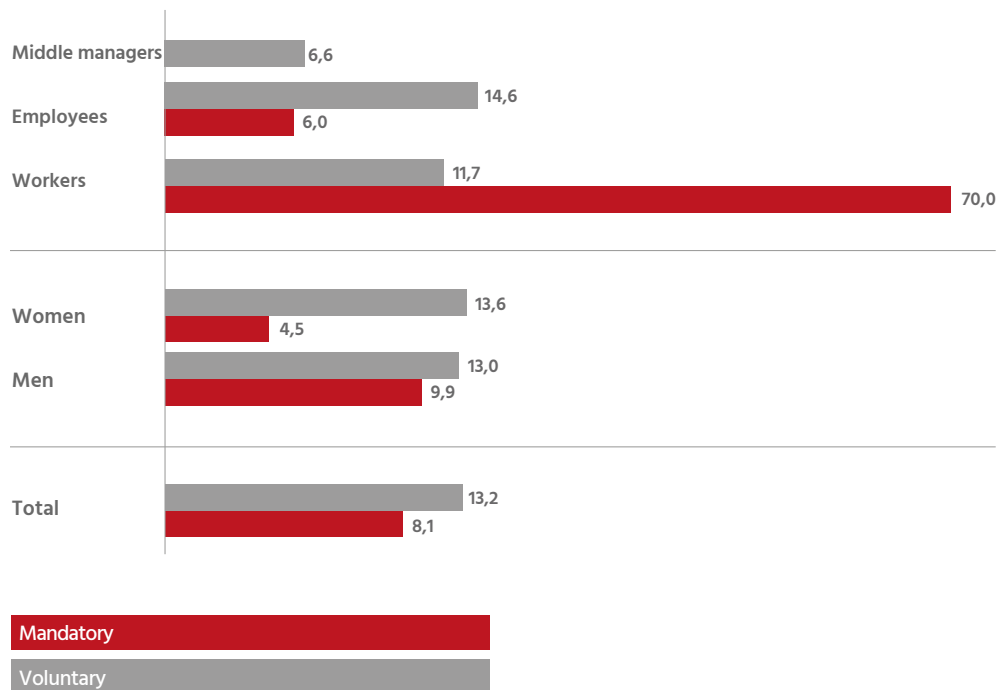
- technical skills, relating to the knowledge of the solutions developed by NTE and suppliers, the use of specific tools and equipment and quality management
- digital skills related to the use of software applications
- administrative skills

- commercial and marketing skills
- transversal or soft skills relating to good communication, team management, leadership.

Overall, NTE provided **1,321 hours of training in 2022, up 10% compared to 2021, 62% of which was voluntary.**

The category most trained in 2022 is that of workers, whose average hours of training per capita rose from 27 in 2021 to 82 in 2022.

Annual mandatory and voluntary average hours of training by category and gender 2022



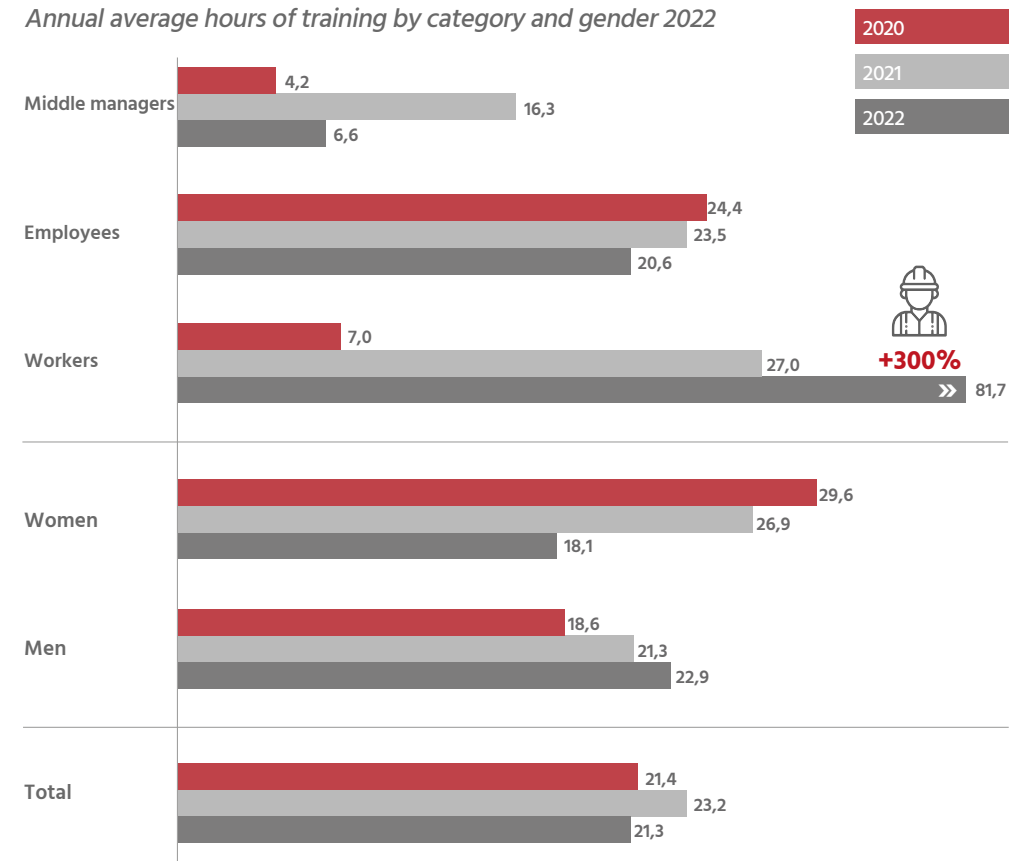
This is for the most part mandatory training on health and safety issues, which expired in 2022, increased as a result of the ISO 45001 certification and the expansion of the emergency team.

Furthermore, in 2022 NTE Process became part of the ELITE Network of Intesa San Paolo which includes outstanding companies on the Italian scene. By participating in the programme, NTE Process has benefited not only from the possibility of accessing integrated services and a network of international pro-

fessionals and investors to facilitate their access to the capital market, but also from an intense training programme to which both management and numerous corporate figures belonging to departments such as Administration and Finance, Marketing and Human Resources have had access, allowing NTE Process to open up to new skills and network together with the other companies that are part of the network.

Similarly to training, NTE recognises staff evaluation as a fundamental tool for facilitating

Annual average hours of training by category and gender 2022



discussion and dialogue between managers and employees, enhancing the role and contribution of each individual and improving the organisational climate through the sharing of objectives. For this reason, a company climate and organisation survey was commissioned in 2019 from I-AER, Institute of Applied Economic Research, and the **Performance Management Programme**, an annual performance evaluation programme for company employees, was activated. Through moments of dialogue and one-to-one comparison from which shared reports are created and subsequently made available

to the Human Resources Department.

The PMP begins with the “observation period”, in which work performance is observed and measured. During this period, the project manager actively monitors, gives appropriate ongoing specific feedback and collects, where appropriate, concrete cases and examples of performance.

The central stage of the process is the “review period”, which focuses on establishing a dialogue with each employee.

The interview preparation stage provides that:

- the collaborator prepares, guided by a form, their self-assessment
- the manager prepares his/her pre-assessment of the collaborator by filling in the "General evaluation form" and the "Skills evaluation form", based on his/her assessments of the facts.

An interview will then be scheduled, which will be attended by the manager and collaborator with the duly completed forms.

The main topics addressed during the interview concern the interpretation of the role and the review of the specific personal objectives, the objectives achieved, the strengths and areas for improvement, as well as ideas and development projects. At the end, the manager draws up the Dialogue Report, which summarises what was discussed during the interview. The PMP ends with the "planning period", for which the manager plans developments and improvement actions.

In 2022, the PMP involved 34 employees, representing 54.8% of the company's population.

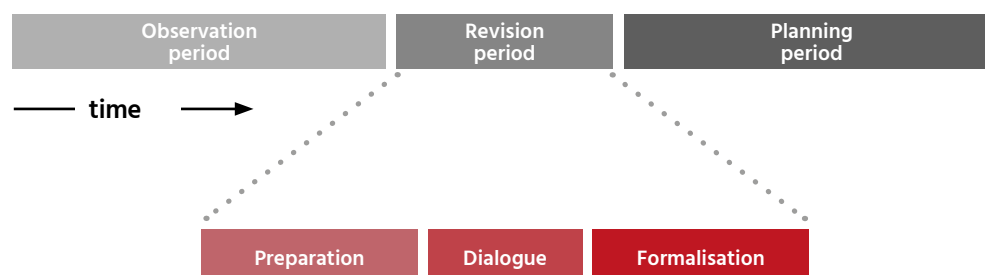
For some positions of responsibility, the performance appraisal process is linked to an **MBO (Management by Objectives)** system: during the PMP meeting, objective and measurable

individual objectives are identified, the achievement of which determines the disbursement of a bonus payment defined as a percentage of the Gross Annual Salary.

The MBO has been tested in departments already accustomed to working for objectives and incentives (Sales & Marketing and Service), to be then extended to services and figures of general interest for the company (Quality, Project Management of special projects, Research and Development, Sector Managers).

In the coming years, NTE intends to further expand the incentive system by involving all those determined to actively contribute to the company's growth and their own professional development.

#### The Performance Management Programme Process



### 4.1.2 Employee welfare practices

NTE Process is committed to establishing and maintaining a positive work environment over time that allows and promotes the well-being of all collaborators. All employees on permanent contracts, under apprenticeship contracts and under fixed contracts with at least 3 months of service can benefit, as metalworkers, from the welfare system and health insurance envisaged by the National Collective Labour Agreement of Metalworkers.

With the renewal of the national contract, new welfare tools for workers were introduced. The main one is represented by the so-called **flexible benefits**, which are a set of non-monetary goods or services that companies provide to employees in addition to the fixed remuneration component. Embracing this opportunity, from 2021 NTE Process has taken steps to make €200 per

year available to each employee for goods and services. Furthermore, in 2022, the company gave all employees €200 in subsidies for the purchase of primary goods and an equal amount of €200 in fuel vouchers in compliance with Italian Decree Law 21/2022, in order to face the loss of purchasing power triggered by the Ukrainian geopolitical crisis.

Following its activation to deal with the health emergency, the possibility of **working remotely** for at least one day a week was confirmed for all employees and the possibility to take advantage of several days of remote/full remote working in the face of specific employee needs was introduced



Social Area



Employee Voucher

## 4.2 Health and safety at the centre

The protection of the health and safety of workers and of all persons who carry out activities at the company's sites or during external intervention activities represents an indispensable principle for NTE Process. As proof of this, **over the last three years there has been no accident**, either among employees or external staff, further improving compared to 2019, the year in which there was only one accident.

This is certainly the result of the efforts made in the context of the development of the **Company's Occupational Health and Safety Management System** (Gestione della Salute e Sicurezza sul Lavoro, SGSL), applied to all employees, which systematises and documents plans, procedures, roles and responsibilities related to:

- periodic analysis and assessment of risk factors;
  - reporting of dangerous situations and the management procedures of the aforementioned;
  - identification, analysis, control and assessment of accidents and occupational injuries, unusual facts, dangerous events and near misses and the necessary measures to reduce their recurrence;
  - medical aids and devices available to workers;
  - training plans of employees, managers and other subjects operating on NTE Process sites (suppliers, business partners, agents, visitors);
  - methods of consulting and involving workers in the implementation, updating, improvement and evaluation of the SGSL.
- For the SGSL the **certification in compliance**

**with the ISO 45001:2018 standard** was obtained in November 2021.

In compliance with Legislative Decree 81/2008 and 106/2009, NTE Process carries out a careful risk assessment, reported in the Risk Assessment Document RAD, prepared in collaboration with the external Health and Safety Officer (HSO), the external occupational physician and the Workers' Safety Representative (RLS) within the company. The risk assessment is based on the identification of hazards and on the estimation of the probability of occurrence and the severity of the effect of negative events. Particular attention is paid to the possible presence of dangerous substances capable of determining health hazards or occupational diseases. For this purpose, NTE Process selects and rejects product samples containing these substances supplied by customers to carry out tests at the pilot plant.

Appropriate prevention measures are identified for each source of danger, which include the definition of specific procedures and rules of conduct for specific activities aimed at reducing the level of risk, as well as sign systems and protection measures. These measures are subject to continuous improvement, thanks to the regular updating of the RAD.

The management of injuries, accidents and near misses is formalised in a specific procedure that defines the rules of conduct and the actions to be taken should an injury, an accident or a near miss occur. All workers who witness an event among those

just mentioned or any dangerous situation have the responsibility to report the event immediately, using the methods and tools defined. If critical events for safety and health in the workplace are ascertained or become known, even though they have not had a negative outcome in terms of damage to persons or property (near miss), it is essential to carry out an analysis, which takes into consideration the causes and possible effects that would have arisen, in order to identify any shortcomings and, above all, implement the appropriate measures to avoid another accident in the same context.

The company has developed a specific training plan to fulfil the safety training obligations envisaged by Legislative Decree 81/08. NTE Process is aware that in addition to

compulsory training, in order to ensure and prevent accidents at its premises, raising awareness and spreading a culture of health and safety among workers constitute fundamental and essential tools. With this objective, the company management is committed to:

- involving workers during the risk assessment process, explaining the purpose of the assessment and the reasons why they are asked for information on how to carry out their work activities;
- creating an internal communication system that takes into account the corporate hierarchy for reporting situations useful for improvement;
- consulting the Workers' Health and Safety Representative prior to the risk assessment process to provide information about the programme defined by the company;



	2019	2020	2021	2022
<b>Number of recordable injuries</b>	1	0	0	0
of which occurred to employees	1	0	0	0
of which occurred to self-employed workers and contractors present in the operational offices of NTE Process	0	0	0	0
<b>Number of accidents with serious consequences (more than 6 months of absence)</b>	0	0	0	0
of which occurred to employees	0	0	0	0
of which occurred to self-employed workers and contractors present in the operational offices of NTE Process	0	0	0	0
<b>Number of deaths at work</b>	0	0	0	0
of which occurred to employees	0	0	0	0
of which occurred to non-employees workers and contractors permanently present in the operational headquarters of NTE Process	0	0	0	0
	2019	2020	2021	2022
<b>Recordable work-related injury rate*</b>	14,6	0	0	0
employees	15,7	0	0	0
self-employed workers and contractors	0	0	0	0

\*Number of accidents per thousand hours worked



- collecting useful observations from the Workers' Health and Safety Representative for improving the health and safety of workers;
- establishing a programme of meetings between company safety figures to discuss health and safety issues.

The commitment to maintain a healthy and safe work environment also concerns external visitors and customers, who are involved in particular through proactive and transparent communication, provi-

ding clear information on the safety measures adopted and inviting them to follow the recommended practices, but also asking them for feedback to assess their satisfaction and collect concerns or suggestions to further improve the health and safety experience.

At the pilot plant, there is a signage of the sources of danger and access is provided with information on the rules of conduct to be adopted during the stay.

#### Breast visits in the company: collaboration with LILT for breast cancer prevention

On the occasion of the celebration of International Women's Day, **NTE Process in collaboration with LILT**, the Italian Association for the Fight against Cancer - has decided to launch a Breast Cancer Prevention Campaign. The company has decided to **donate a breast examination to its female staff members**. Furthermore, women under 40 also had a breast ultrasound; while colleagues over 40 were able to go for free to a LILT Space for a **mammogram**, both fundamental tests for the prevention of breast cancer.

**Not only were the more than 30 women working in the company involved, but also the male employees** who were able to let one of their family members take advantage of this valuable opportunity. In addition to the days of free visits and examinations organised during the month of March, a series of messages were disseminated in the company through the Intranet and all the internal communication channels related to lifestyle, nutrition and on the correct prevention actions to be followed at all ages.



### 4.3 At the side of the local community

Aware of its influence, through its business, on the social and economic development of the context in which it is inserted, NTE Process is committed **to establishing a balanced and positive relationship with the surrounding community**, which allows it **to generate shared value**. In this perspective, NTE Process demonstrates its closeness to the community through support to local institutions and third sector bodies, especially those active in the social, health and sports sectors. Among these, in 2022 NTE Process supported:

- **FAST Italia**, an association committed to raising awareness and assistance to people living with Angelman syndrome, a rare genetic disease that affects the nervous system causing physical-motor and intellectual;

- **The Sports Association Giana Erminio of Gorgonzola**, a football club with over 100 years of history currently active in Serie C;

- **LILT**, Italian Association against Cancer, through the company breast cancer prevention campaign (see Box "Collaboration with lilt for breast cancer prevention" paragraph 4.2);

- **Maria Letizia Verga Committee** for the study and treatment of child leukaemia: brings together parents, volunteers, supportive friends, researchers, doctors and health professionals in an alliance that aims to improve the overall quality of life of the child and boy suffering from haematological diseases and diseases with high metabolic and genetic therapeutic complexity.

Furthermore, in 2022 NTE Process donated backpacks, school supplies and food parcels, for a value of about €2,000, to Ukrainian families fleeing the war and housed in the municipality of Gorgonzola.



Donation of school supplies to Ukrainian families



*"NTE Process Fair Play Award"*

NTE Process, since October 2021 sponsor of Giana Erminio, has established a cash recognition for the team of the Biancazzurro Youth Sector that stood out for the lower number of disciplinary sanctions obtained during the official races of the 2021/22 championship.

The **NTE Process Fair Play 2021/22 Award was conferred on the Under-15 team** led by Mr. Simone Villa and his staff, the youngest among the formations of the blue and white

youth sector and with a coach on the bench.

The Under 15 team decided to donate the prize to the association La Cordata ODV of Gorgonzola, which deals with organizing winter and summer holidays, Sunday outings, weekends and recreational activities for and with disabled people, with an approach that is based on an informal relationship between volunteer and disabled, preferring a playful and convivial approach to a care/nursing.



*"Powering a greener world: together for a more sustainable future"*

School is the place of choice to activate educational projects on the environment, sustainability, cultural heritage, global citizenship. This is why NTE Process, starting from its bond with the territory in which it is based, has conceived and organised a meeting, in which more than 150 students participated, at the Istituto Marconi secondary school in Gorgonzola (MI) with the aim of **raising awareness among young people on the issues of sustainability.**

In fact, the school is the institution that, before any other, can support - in light of the 2030 Agenda - the work of young people towards Sustainable Development Goals.

A journey of emotional and cultural exploration and the acquisition of awareness of these values that will be important in life and also work choices of the children. The event was attended by the company's management, who spoke about the commitment of NTE Process and how the company works in particular in the R&D field to help its customers to produce in a more sustainable way.

The Sacred Heart Catholic University in Milan, on the other hand, has the task of talking about the world of work, about how it has changed in the field of sustainability, with an ever increasing demand for expert.



## 5. Methodological note



### 5.1 Reporting

This NTE Process Sustainability Report is drawn up in compliance with the GRI (Global Reporting Initiative) Standards, according to the Referenced option. The document reports information relating to the issues of economic, social and environmental sustainability identified as relevant to the understanding of the company's activity and impacts (paragraph 5.2 Materiality analysis).

The reporting scope includes all the operational offices of NTE Process, a Limited Liability Company active in Italy with registered and operational offices at via Milano 14/N – Gorgonzola (MI). This document contains data and information referring to the fiscal year

ended 31 December 2021. In order to allow the temporal comparability of the most significant indicators, the values for FY 2021 were compared with those for the two previous financial years.

The document was drafted by the Marketing Department of NTE Process with the collaboration of the Governance Committee and with the methodological support of ALTIS Advisory - Spin-off of the Sacred Heart Catholic University of Milan, and was approved by the Board of Directors' Meeting on 20th September 2023.

For more information on the Report, you can send an email to the address [info@nte-process.com](mailto:info@nte-process.com).

### 5.2 Materiality analysis

The materiality analysis aims at identifying the most relevant sustainability issues ("materials") for the company, whose reporting is necessary in order to allow an adequate understanding of the performance of the business and its impacts on stakeholders.

The analysis was carried out with reference to the principle of so-called double materiality, affirmed by the European Commission in the proposal for the Corporate Sustainability Reporting Directive.

A list of sustainability issues potentially relevant to NTE Process, identified on the basis of the GRI Standards and an analysis of the industrial machinery sector,

was subjected to the assessment of the company's front-line management. The proposed topics were assessed, first of all, on the basis of their association with potential negative and positive impacts of NTE's activity on the environment, society and the economy. In order to assess the likelihood and extent of such impacts, the managers took into consideration the elements that emerged in the relationships with the company's priority stakeholders (customers, employees and local communities). Secondly, the same issues were assessed on the basis of the significance of the potential financial impacts associated with them. In this regard, the impacts of NTE's managerial approach to sustaina-



bility issues on revenue trends, access to new customers and credit were analysed in particular. The materiality matrix, shown in paragraph 1.3.2, groups the issues that have obtained an assessment of relevance above the average value in relation to the impacts on stakeholders and financial impacts.

#### GRI Standard correlation table

Statement of use	NTE Process S.r.l. has submitted a report with reference to the Global Reporting Initiative Standards for the period 1 January – 31 December 2022
GRI 1 used	GRI 1 - Fundamental Principles - 2021 version
Relevant GRI sector standards	Not present at the time of approval of these Financial Statements

INFORMATION	LOCATION - COMMENTS
<b>GRI 2: GENERAL INFORMATION - 2021</b>	
<b>The organisation and its reporting practices</b>	
2-1 Organisational details	Chap. 1, sub. 1.4 Governance and organisational model Methodological Note
2-2 Entities included in the reporting of the sustainability of the organisation	Methodological Note
2-3 Reporting period, frequency and point of contact	Methodological Note
2-4 Restatement of information	
2-5 External Assurance	This report is not subject to external assurance
<b>Activities and employees</b>	
2-6 Assets, value chain and others business relationships	Chap. 1, sub. 1.1 Who are we
2-7 Employees	Chap. 4, sub. 4.1 Protection and development of people
2-8 Non-Employees	Chap. 4, sub. 4.1 Protection and development of people
<b>Governance</b>	
2-9 Governance composition and structure	Chap. 1, sub. 1.4 Governance and organisational model
2-12 Role of the highest governing body in the control of impact management	Chap. 1, sub. 1.4 Governance and organisational model
2-13 Delegation of responsibility for impact management	The BoD entrusted the Corporate Sales Manager and the Head of Communication and Sustainability with the task of monitoring impacts.
2-14 Role of the highest governing body in sustainability reporting	The BoD is entrusted with the task of final review and approval of the Sustainability Report.
2-15 Conflicts of interest	Chap. 1, sub. 1.5 Ethics and integrity
2-16 Communication of critical issues	Chap. 1, sub. 1.5 Ethics and integrity

INFORMATION	LOCATION - COMMENTS
<b>GRI 2: GENERAL INFORMATION - 2021</b>	
<b>Strategy, policies and practices</b>	
2-22 Statement on the strategy of sustainable development	Letter to Stakeholders
2-23 Commitment in terms of policy	Chap. 1, sub. 1.3 Sustainability for NTE Process
2-24 Integration of commitments in terms of policy	Chap. 1, sub. 1.3 Sustainability for NTE Process
2-26 Mechanisms for clarification and to report concerns	Chap. 1, sub. 1.3 Sustainability for NTE Process
2-27 Compliance with laws and regulations	During 2022 there were no significant cases of non-compliance with laws and regulations, nor significant monetary penalties paid by the Company.
2-28 Membership in associations	The Company is a member of ANIMA – Confindustria Meccanica Varia
<b>Stakeholder engagement</b>	
2-29 Approach to the involvement of stakeholders	Chap. 1, sub. 1.3 Sustainability for NTE Process
2-30 Collective contracts	Chap. 4, sub. 4.1 Protection and development of people
<b>GRI 201: ECONOMIC PERFORMANCE - 2016</b>	
201-1 Direct economic value generated and distributed	Chap. 1, sub. 1.6 Economic performance and sharing of value
<b>GRI 203: INDIRECT ECONOMIC IMPACTS - 2016</b>	
203- 1: Infrastructure investments and services financed	Chap. 4, sub. 4.3 Working alongside the local community
<b>GRI 204: PROCUREMENT PRACTICES - 2016</b>	
204-1 Proportion of expenditure in favour of local suppliers	Chap. 2, sub. 2.5 Supply chain supervision
<b>GRI 205: ANTI-CORRUPTION - 2016</b>	
205-3 Confirmed acts of corruption and actions taken	Chap. 1, sub. 1.5 Ethics and integrity
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR – 2016</b>	
206-1 Legal actions for anti-competitive behaviour, anti-trust and monopolistic practices	Chap. 1, sub. 1.5 Ethics and integrity
<b>GRI 301: MATERIALS - 2016</b>	
301-1 Materials used by weight or volume	Chap. 3, sub. 3.2 Efficient use of resources The data reported concern packaging materials. Currently, the company's management systems and business relations with suppliers do not allow timely monitoring of the volume of purchased semi-finished products.
<b>GRI 302: ENERGY - 2016</b>	
302-1 Energy consumption within the organisation	Chap. 3, sub. 3.1 Energy management and combating climate change

INFORMATION		LOCATION - COMMENTS
GRI 305: EMISSIONS - 2016		
305-1 Direct (Scope 1) GHG emissions		Chap. 3, sub. 3.1 Energy management and combating climate change
305-2 Energy indirect (Scope 2) GHG emissions		
305-4 Intensity of GHG emissions		
GRI 306: WASTE - 2020		
306-1 Production of waste and significant impacts related to waste		Chap. 3, sub. 3.3 Waste management
306-2 Management of significant impacts related to waste		
306-3 Waste produced		
306-4 Waste not intended for disposal		
306-5 Waste intended for disposal		
GRI 401: EMPLOYMENT – 2016		
401-1 New employee hires and employee turnover		Chap. 4, sub. 4.1 Protection and development of people
GRI 403: OCCUPATIONAL HEALTH AND SAFETY - 2018		
403-1 Occupational health and safety management system		Chap. 4, sub. 4.2 Health and safety at the core
403-2 Hazard identification, risk assessment, and incident investigation		Chap. 4, sub. 4.2 Health and safety at the core
403-3 Occupational health services		Chap. 4, sub. 4.2 Health and safety at the core
403-4 Employee participation and consultation and communication on health and safety at work		Chap. 4, sub. 4.2 Health and safety at the core
403-5 Worker training on occupational health and safety		Chap. 4, sub. 4.2 Health and safety at the core
403-6 Promotion of employees' health		Chap. 4, sub. 4.1.2 Employee welfare practices Chap. 4, sub. 4.2 Health and safety at the core
403-7 Prevention and mitigation of workplace health and safety impacts within business relationships		Chap. 2, sub. 2.3 Product quality and safety Chap. 4, sub. 4.2 Health and safety at the core
403-9 Accidents at work		Chap. 4, sub. 4.2 Health and safety at the core
GRI 404: TRAINING AND EDUCATION - 2016		
404-1 Average annual training hours per employee		Chap. 4, sub. 4.1.1 Training, development and performance appraisal
404-2 Employee skills upgrading and transition assistance programmes		
404-3 - Percentage of employees who receive a periodic evaluation of performance and professional development		

INFORMATION	LOCATION-COMMENTS
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES - 2016</b>	
405-1 Diversity of governance bodies and employees	Chap. 4, sub. 4.1 Protection and development of people
<b>GRI 406: NON-DISCRIMINATION - 2016</b>	
406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination in the workplace were reported during the reporting period.
<b>GRI 408: CHILD LABOUR - 2016</b>	
408-1 Activities and suppliers at significant risk of child labour incidents	Chap. 2, sub. 2.5 Supply chain supervision No activities at significant risk or incidents of child labour within the workplace were reported during the reporting period.
<b>GRI 409: FORCED OR COMPULSORY LABOUR - 2016</b>	
409-1 Activities and suppliers at significant risk of forced or compulsory labour incidents	Chap. 2, sub. 2.5 Supply chain supervision No activities at significant risk or incidents of forced labour within the workplace were reported during the reporting period.
<b>GRI 412: ASSESSMENT OF RESPECT FOR HUMAN RIGHTS- 2016</b>	
412-1 Activities that have been subject to human rights audits or impact assessments	Chap. 2, sub. 2.5 Supply chain supervision
<b>GRI 416: HEALTH AND SAFETY OF CUSTOMERS – 2016</b>	
416-2 Non-compliance incidents with regard to health and safety impacts of products and services	Chap. 2, sub. 2.3 Product quality and safety
<b>GRI 418: CUSTOMER PRIVACY - 2016</b>	
418-1 Proven complaints regarding customer privacy breaches and loss of customer data	Chap. 2, sub. 2.4 Data protection

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