

Sustainability
Report
2021



ANNUAL
SUSTAINABILITY
REPORT
2021

2021 CONSOLIDATED DISCLOSURE
OF NON-FINANCIAL INFORMATION

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From our CEO



Maria Cecilia La Manna
ITM Group CEO

I am proud to present the first ITM corporate sustainability report.

Over the past two years, we have all faced unique and unprecedented pressures on both our personal and professional lives. At ITM, we took an informed, responsible approach in addressing the COVID-19 emergency, focusing, above all, on the protection of the employment and health and safety of our people, who are our most precious resource.

Using to the full the creative spirit and tenacity of the ITM Team, we have overcome this phase and invested in our future re-examining and re-enforcing the values of our past.

ITM's core values are: Inclusion, Trust, Support, Energy and Persistence. These values have been the foundation of our extraordinary journey over 60 years, and values that now, more than ever, are the foundation of our new initiatives.

ITM is a major global player in the "undercarriage business" and we feel a duty to continue developing as an even better and more solid company for the years to come.

Our product is utilized in various machine applications operating in sectors fundamental to the life of us all. We operate in construction, mining and forestry, industries that are working to create an eco-friendly and efficient habitat. Also in the agriculture industry, where automation is addressing the need to provide food for an ever increasing worldwide population.

Ensuring a sustainable future is the main strategic commitment of ITM management as well as that of Titan International Inc., our Shareholder. We are committed to continuous improvement to lower our impact on the environment.

This first report highlights the main aspects of our commitments and provides a first overview of our efforts and strategy founded on the principles of economic, social and environmental sustainability.

Maria Cecilia La Manna
ITM Group CEO



2021 Sustainability Highlights

ITM Group



393 M€

Economic value generated
(+36% over PY)

22 M€
economic value retained
(+ 48% over PY)



> 1.700

Employees



> 60

Years of traditions and experience



11

Production facilities/
Assembly plants



6

Service centers present in all continents



140

Dealers and distributors worldwide



Environment in European Plants



WASTE

11% hazardous waste recycled

65% non-hazardous waste recycled

18% hazardous waste over total waste



ENERGY

-8% energy intensity versus 2020

39% energy used from renewable resources



MATERIALS

31% recycled materials used

Social in European Plants



16 years seniority average

91% employees with permanent contract

97% full-time employees



2 years without recordable injuries in Ceprano plant

4,5 TRIR (Total Recordable Incident Rate) 2021

0 rate on high consequence work related injuries





■ Methodology

This is ITM Group's first Non-Financial Report presented, on voluntary basis, to disclose to Stakeholders the Company's activities, its performance, and the results achieved in Sustainability. This report refers to the financial years 2019, 2020 and 2021, with a few necessary limitations to the years 2020-2021 properly reported in the document.

ITM believes that this Sustainability Report is a fundamental tool to interact with its Stakeholders, to promote dialogue and opportunities for mutual improvement and growth.

A particular emphasis has been placed on the initiatives implemented over the years, which demonstrate the Company's commitment to Sustainability.

The scope of certain data and detailed information included in this Report relate exclusively to the European perimeter of the Group (the European ITM Group), which includes the following companies:

- Italtractor ITM S.p.A. (ITM Italy) - Italy;
- Pyrsa Piezas Y Rodajes S.A. (Pyrsa) - Spain;
- Titan Intertractor GmbH (Intertractor) - Germany.

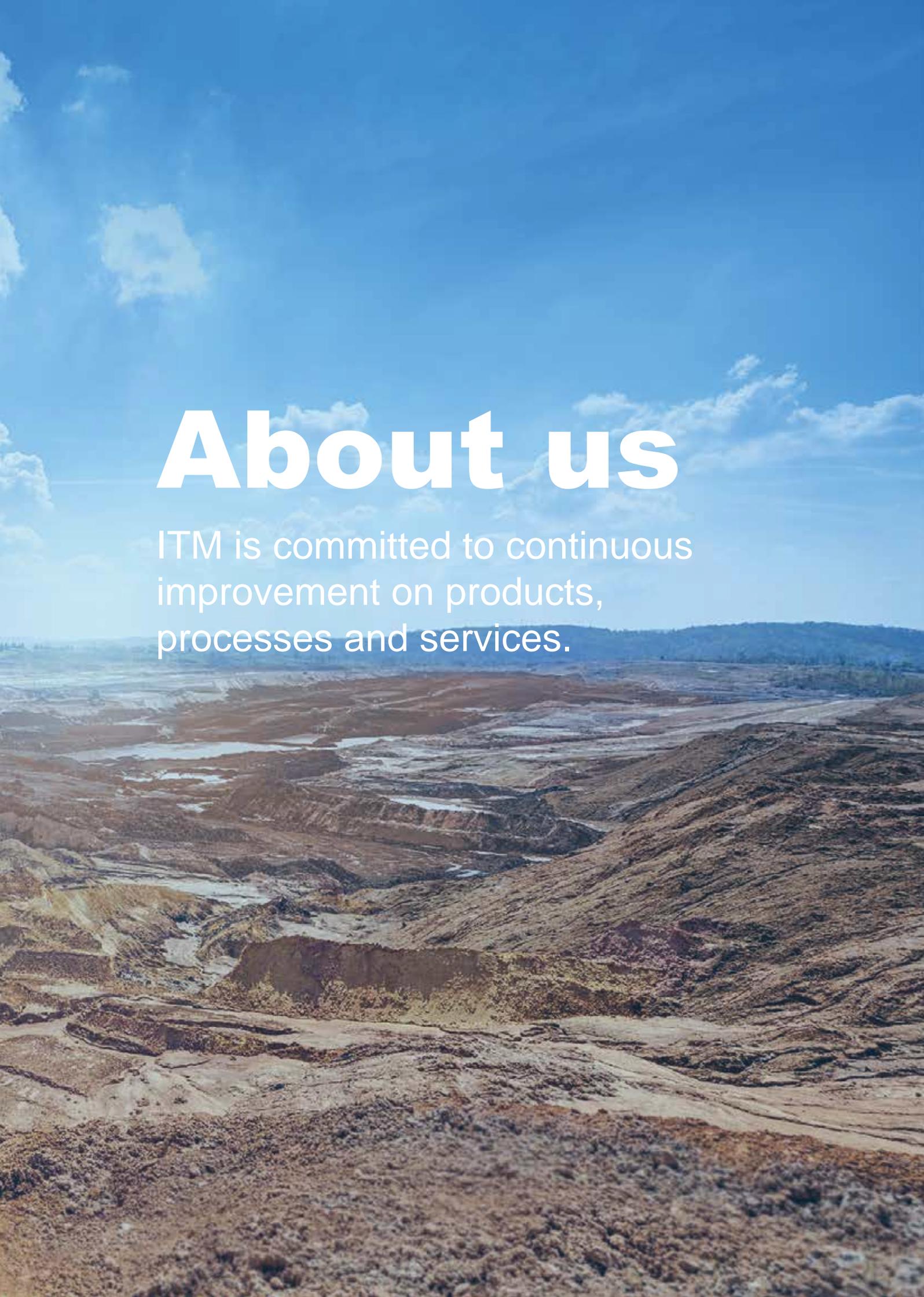
This Report has been drawn-up in compliance with the Global Reporting Initiative Sustainability Standards "GRI Standards" published in 2016 by the Global Reporting Initiative (GRI) and in compliance with the option "Core". Data and information were gathered with contribution from the entire organizational structure of the Group's companies and were consolidated centrally by a dedicated Team.

The Sustainability report is subject to Board approval. The document is available to all the Stakeholders on the Company's institutional website www.group-itm.com and it is presented to all its employees.



About us

ITM is committed to continuous improvement on products, processes and services.



About us

[GRI 102-1, 102-2, 102-3, 102-4, 102-6, 102-16, 201-1]

■ ITM Group

Italtractor ITM Group S.p.A. (ITM or ITM Group or, the Group), is an independent global leader in the design, manufacture and distribution of undercarriage components and complete assembled undercarriage systems for crawler machine applications.

ITM is a Titan International, Inc. subsidiary. Titan International, Inc. (NYSE: TWI) is a leading global manufacturer of off-highway wheels, tires, assemblies, and undercarriage products.

Headquartered in West Chicago, Illinois, the company globally produces a broad range of products to meet the specification of original equipment manufacturers (OEMs) and aftermarket customers in the agricultural, earthmoving/construction, and consumer market. For more information, visit www.titan-intl.com.

ITM has built its expertise in the niche sector of undercarriages over the course of more than 60 years. It has excellent global supply relationships with a range of leading operators including OEMs and aftermarket end-users and dealers in the construction, mining, earthmoving, roadbuilding, agricultural and forestry sectors. Applications for the Group's products within these sectors include excavators, bulldozers, loaders, specialist heavy duty surface mining machinery and tractors.

Headquartered near Bologna, Italy, ITM is a genuine global business with a good balance of geographical exposure across Europe, Australia, the Far East, North America, South America and India.

ITM has eleven well-invested production facilities/

assembly plants, commercial relationships with over 140 independent ITM dealers worldwide of which about 50 are focused on mining and six service centers that are strategically well positioned to meet customer demands and provide vital field service support.

Recognized as a technical innovator and leading provider of integrated solutions, focused on its markets and customers, ITM delivers products to global Original Equipment Manufacturers (OEM) and their associated aftermarkets (AMK).

ITM is committed to continuous improvement on products, processes, and services. This is reflected by ITM's significant and continuing investments in research and development, as well as its support of customers through local production and distribution locations.

The products, sold under the ITM, Itrac, Pyrsa and Shark brands, are distributed in Europe, North and South America, Africa, the Middle East, and Asia Pacific.

As reported in the "Methodological Note", the European ITM Group, is the perimeter of Companies disclosing the most detailed information reported and it includes the three main legal entities below specified.

Italtractor ITM S.p.A is the parent company of the ITM Group. Its main offices are located in Valsamoggia and it manufactures products in three plants located in: Ceprano, Fanano and Potenza. The main production activity is heavy industrial manufacturing, which includes hot forging, machining, heat treatment, painting and assembly processes. It distributes products worldwide directly to customers of its subsidiaries.



Italtractor ITM SpA, Potenza, Italy



Pyrsa Piezas Y Rodajes S.A, Monreal del Campo, Teruel, Spain



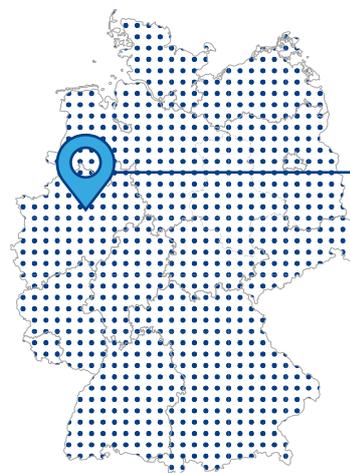
Titan Intertractor GmbH, Gevelsberg, Germany

Italtractor ITM S.p.A. carries out the strategic coordination and control for commercial activities, research and development on undercarriage components, process technological innovation, personnel, information technology and controlling for the entire Group.

ITM's engineering team has the expertise gained from years of collaboration with the major OEMs on the market and uses the most advanced technologies for the design and development of innovative solutions for undercarriage components, both for standard and special applications. In Ceprano, Potenza and Fanano, the three plants, ITM has advanced manufacturing technologies and established a specialized team to produce the full range of rollers and chains with and without shoes, for machines of all sizes up to those used in the mining sector.

Pyrsa Piezas Y Rodajes SA is a subsidiary of ITM. It is a steel foundry specialized in heavy duty mining parts and special products as discs brakes for high speed train applications. Its main processes are casting, machining, heat treatment, assembly and painting. It distributes products worldwide directly to customers of through its sister companies. Pyrsa, thanks to the excellence of its cast systems, steel quality control and forming process, is able to reproduce all stages of the industrial cast process.

Titan Intertractor GmbH is a subsidiary of ITM. It is an assembly and distribution facility specialized in frames assembly for all kind of applications including special applications for the mining and marine industries. Titan Intertractor GMBH's team of engineers, equipped with the most advanced technologies, is engaged in the development of highly specialized applications in the construction, mining and marine sectors. The factory assembles crane undercarriages, milling machines, crushers, and special tracked machines of all types with an operating weight of up to 2,500 tons.





Itatractor ITM S.p.A., Valsamoggia, Italy



Pyrsa Piezas Y Rodajes S.A., Monreal del Campo, Teruel, Spain



Titan Intertractor GmbH, Gevelsberg, Germany

ITM's History

The early years

ITM's history began in Italy in the post-World-War II recovery years. In 1957, the first **ITM Italtractor** track roller plant was set up in Castelvetro (Modena) by a small group of local investors. The business growth, supported by the country's propitious economic situation, allowed ITM to extend the product range to track chains and shoes which corresponded to the opening of two new plants in Potenza and Ceprano (Frosinone) starting in 1966. At the end of the 1970s, technological development and investment in innovation enabled ITM to obtain the patent for a new type of master link system.

The global expansion

The 1990s proclaimed ITM's global expansion thanks to the acquisition of global companies. In this period, ITM acquired the Spanish foundry, **Pyrsa Piezas y Rodajes S.A.** (in 1996), **Intertractor GmbH** and **Intertractor America**, respectively set in Germany and the USA (in 1997). In 1999 ITM entered the Chinese market setting up ITM Track (Tianjin) Ltd. Finally, in 2003, ITM completed the acquisition of **Landroni Ltda**, the largest Brazilian undercarriage manufacturer serving the South American market.

In 2005 ITM strengthened its global position joining **Titan Group**, following Titan Europe Plc's acquisition of ITM. ITM became part of a global leader in the production of wheels and tires for off-road equipment. This allowed the Group to increase the investments in R&D and to design new technologies such as bi-metal bushings, heavy crane monoblocks, new seal groups and IPR track chains.

In 2008, management rolled out BPCS (Business Planning and Control System) tied to a 'multi-plant' concept to target the enhanced monitoring of Key Performance Indicators (KPIs) across the Group. This system allowed ITM to switch production/logistics effectively between manufacturing sites to minimize disruption caused by bottlenecks or geopolitical uncertainty, expanding its market presence.

After few years, in 2009, ITM reinforced its presence in the Asian market with a new plant that produces undercarriage components - **Titan-ITM Tianjin**.

In 2011, ITM management took the strategic decision to commence the design and production of heavy-duty components, primarily at its Spanish subsidiary, Pyrsa. This decision was taken to capitalize on the growing demand for undercarriages specifically used in heavy mining machinery. The production lines at Pyrsa were converted to focus on high-quality heavy-duty mining parts. In fact, since 2015 a key focus has been on the heavy-duty equipment market and the aftermarket-mining sector. Following this direction the Group has developed a large variety of new products and where possible, filing patent applications. PPR track chains and specially designed joint bearings solutions were developed.

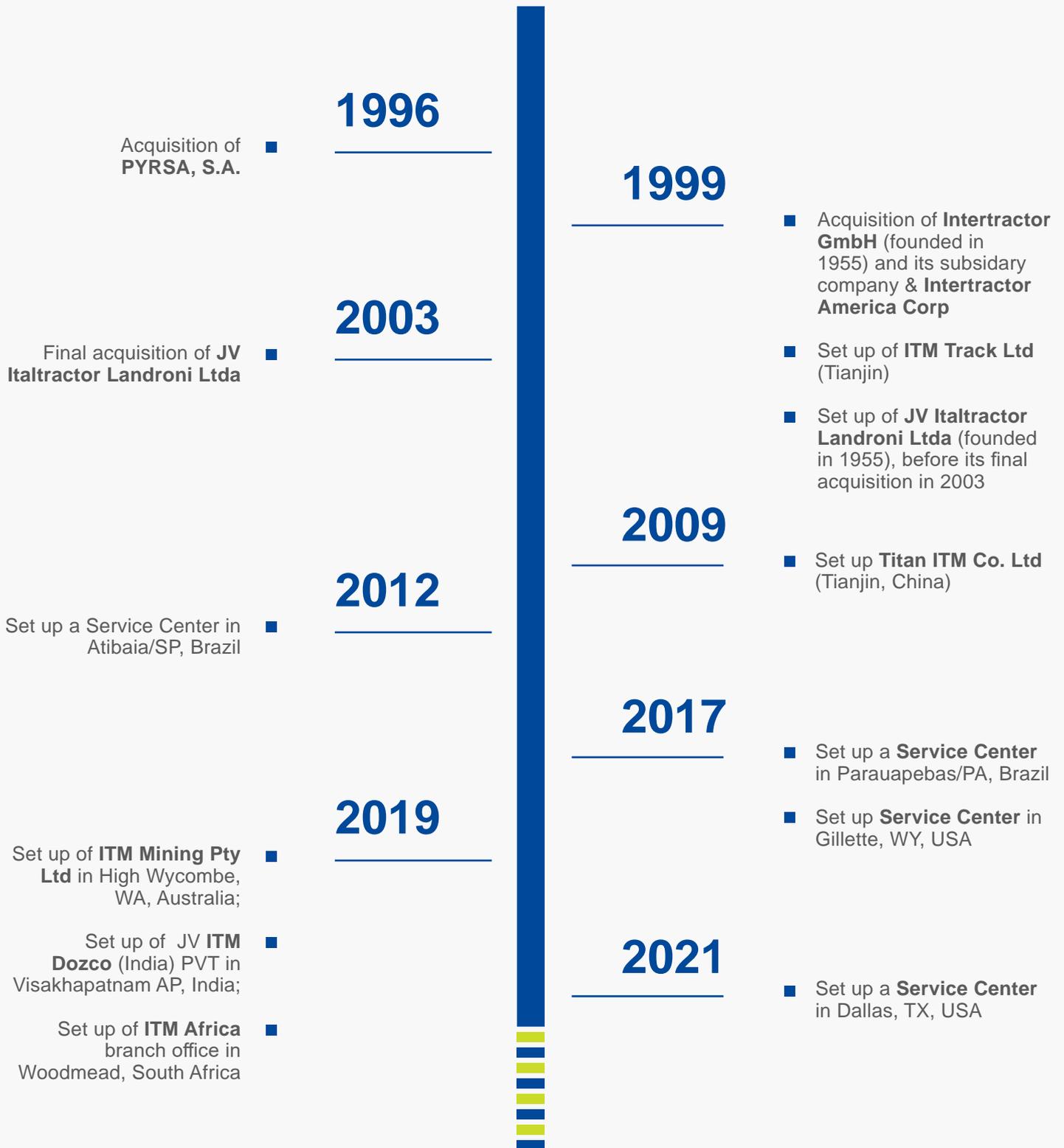
In 2019, ITM continued to expand in the Asian market focusing on India and support its OEMs customers in the country, by setting up a JV, ITM Dozco (India) Pvt Ltd with a long standing Indian Dealer.

During these years, the Group restructured the business to improve efficiency and create greater operating flexibility in order to be more responsive to customer demands. The optimization process of implementing a multi-plant model around the Group has made ITM more flexible and resilient.

The years of change

In recent years, the Group has continued to diversify its operations geographically to support a global OEM customer base and broaden its aftermarket distribution network to the key mining markets. In particular, in 2017, the Group opened the **Gillette Mining Service Center** (USA) and the **Para Mining Service Center** (Brazil) furthermore, in 2021, the **Dallas Service Center** (USA) was opened. The Group also operates two mining service centers in Australia under **ITM Mining Pty Ltd**, which was acquired from the Titan Group in June 2019.

Founded in
1957



2005

December

Titan Europe Plc acquired the entire share capital of **Italtractor ITM Group** from a private entrepreneur

2012 

October

Titan International Inc. acquired the entire share capital of Titan Europe Plc, including **Italtractor ITM Group**

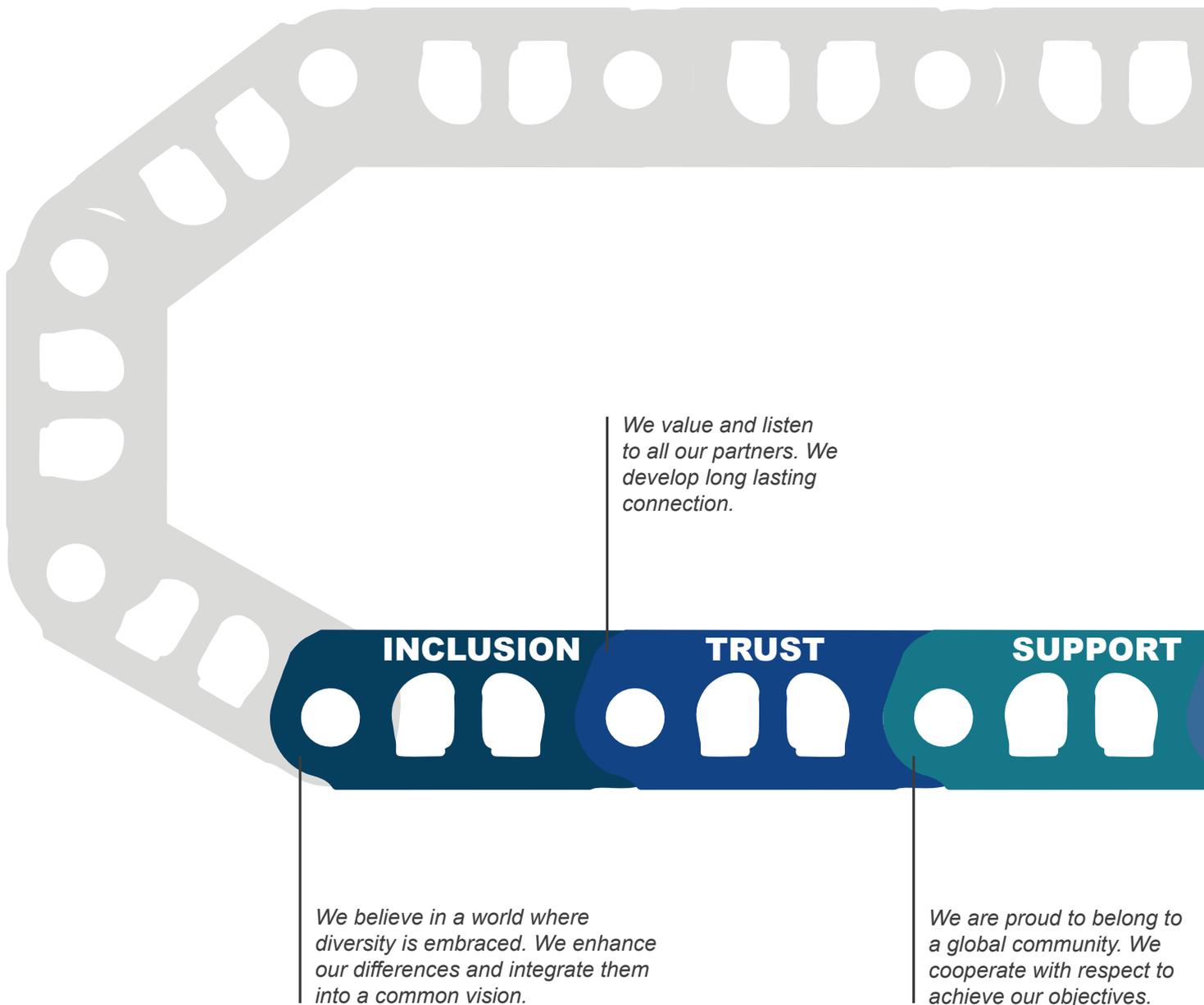
The Group's Values

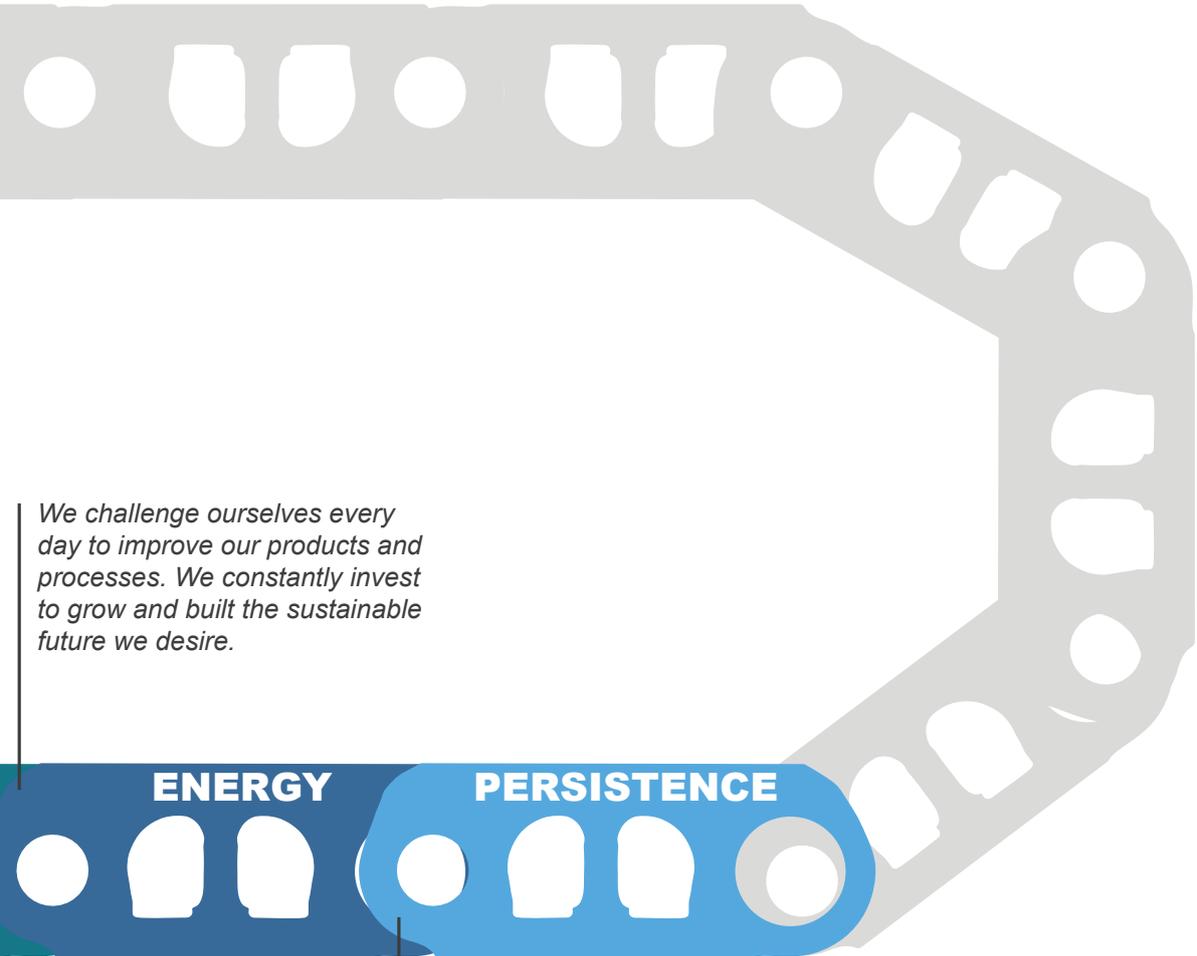
In 2021 ITM launched the “Chain of Values” project, aimed at reinforcing and formalizing the Group’s values and relevant behavioral practices. This project was structured in different phases: the first phase was the identification of the main shared values with the participation from more than twenty teams located all over the world and with the wider range of employee participation, including the top management and the CEO Maria Cecilia La Manna.

The second phase was set to define the behavioral practices related to each value.

The importance of this project, particularly after a very difficult emergency period driven by the Covid-19 impact on people’s social and business lives, goes beyond the mere identification of symbolic words and it has represented a reinvigoration of the ITM Identity shared by the ITM community of people.

Chain of Values





We challenge ourselves every day to improve our products and processes. We constantly invest to grow and built the sustainable future we desire.

ENERGY

PERSISTENCE

We work as one team with pragmatism and perseverance. We deliver solid successfull solutions.

Leadership Model

In the “Chain of Values” project, many suggestions were collected from every Country concerning the observable behaviors linked to each value. We collected all these suggestions and then divided them into four parts, one for each leadership level.

Our goal was to create a leadership model based on real behaviors: every leadership level has its own set of behaviors and – depending on the role within the organization – everyone must respect and follow these indications.

We defined 4 leadership levels:

1. self-leadership level

the ability to know and develop yourself;
the ability to manage your emotions in order
to live in the present with a sharp look to the future;

2. team leadership level

the ability to lead people by showing them goals,
giving directions and supporting them in this journey;

3. cross function leadership level

the ability to manage people working on cross
functional projects enhancing their team approach;

4. strategic leadership level

the ability to drive the Team and define strategic
directions and goals and to with them by motivating
and engaging the Team.

This project was the result of actively listening and it was completed with a communication campaign addressed to the ITM Community and its employees.





■ Vision and Strategy

The ITM Group, as reported, has its roots into the following values: Inclusion, Trust, Support, Energy and Persistence. ITM values cultural diversities and different views and strives to integrate them into a shared vision with overarching objective of designing and manufacturing excellent products and producing reliable and effective solutions.

ITM works every day to improve its products and services and continuously invests in innovation to grow and build a sustainable future. This means listening to its Stakeholders, fully understanding their needs and expectations. ITM's main objective is to extend the life of undercarriage products performing in extreme and severe conditions. This is pursued by continuously developing the design of the product and supporting its customers with efficient maintenance procedures, offering integrated digital solutions and effective management systems. This improves the cost of ownership of the machines and reduces downtime.

Group strategy

The Group's strategy is to continue the growth of its core business areas, with a customer-centric and service-focused approach. ITM continues to invest in innovation integrating smart solutions into its products so that it provides products and usage data solutions that customers, both AMK end-users and OEMs, value. Alongside this, the Group seeks to drive further supply chain and cost efficiency strategies with the objective of closely managing the Group's working capital cycle, remaining competitive and increase operating margins.

Innovation

The Group believes in innovation and seeks an efficient integrated design system to supply undercarriage components and complete assembled undercarriage

systems at all levels of the supply chain, worldwide and for the relevant sectors. Its wide technological expertise in forged and cast products allows ITM to supply a broader range of products to numerous different customers, including OEMs, large end-users of machine fleets, retailers and dealers. The recently developed digital solutions, have transformed ITM as "Undercarriage Solution Provider". This strategy is delivered by a complex structural team focused on research, development, designing and testing. The team is centrally managed in order to achieve maximum efficiency and accessibility for customers.

Customer-centric / Service-focused

Although the Group operates in a highly competitive market, it has a strong market position thanks to its great commitment to the technological development of its products, a key factor in the relationship with global leading OEMs. The Group works very closely with these OEMs. Transparent and customized approaches are the foundation of the trusting relationship developed with these customers over decades of collaboration.

The Group invests heavily in human capital, as it people represent its main source of success, and aims to use the best international team to ensure great support to its customers whilst achieving the most efficient manufacturing and distribution performance from its production and distribution sites.

The Group operates in globally and its production and / or distribution sites are designed to provide services and products that meet customer expectations. The Supply Chain is well balanced and strategically organized to offer an efficient and competitive service to our global customers, as well as to maintain the highest quality and service standards in the various geographical areas.

Vision



To lead the industry taking care of the Undercarriage Lifecycle Management, creating solutions that evolve with customers' needs and challenges.



Mission



*To build **TRUST** by helping our customers working efficiently and safely in extreme conditions.*



Worldwide presence



ITM Group has 1.700 employees. Manufacturing and assembly facilities are located in Italy, Germany, Spain, Brazil, China, India, USA and Australia. We have two main engineering centers: Italy specialized in components and Germany specialized in complete frames. Global network available at www.group-itm.com

 Authorized dealers

Intertractor America Corp 
Elkhorn, WI, USA
Winston-Salem, NC, USA

Service centres 
Gillette, WY, USA
Dallas, TX, USA

Production facilities 
Elkhorn, WI, USA

ITM Latin America Ltda 
Atibaia, SP, Brazil

Service centres 
Parauapebas, Pará, Brazil
Atibaia, SP, Brazil

Production facilities 
Atibaia, SP, Brazil

Pyrsa Piezas y Rodajes S.A. 
Monreal del Campo, Teruèl, Spain

Production facilities 
Monreal del Campo, Teruèl, Spain

Titan Intertractor GmbH 
Gevelsberg, Germany

Production facilities 
Gevelsberg, Germany



Italtractor ITM S.p.A. 
 Headquarters
 Valsamoggia, Bologna, Italy

Production facilities 
 Fanano, Modena, Italy
 Ceprano, Frosinone, Italy
 Potenza, Italy

ITM Africa 
 Woodmead, JHB, South Africa

Titan ITM (Tianjin) Co. Ltd 
 Tianjin, WDA, China

Production facilities 
 Tianjin, WDA, China

ITM Dozco Pvt Ltd 
 Visakhapatnam, AP, India

Production facilities 
 Visakhapatnam, AP, India

ITM Mining Pty Ltd 
 Welshpool, WA, Australia

Service centres 
 Yatala, QLD, Australia
 Welshpool, WA, Australia

Production facilities 
 Welshpool, WA, Australia

■ Operating and financial performance

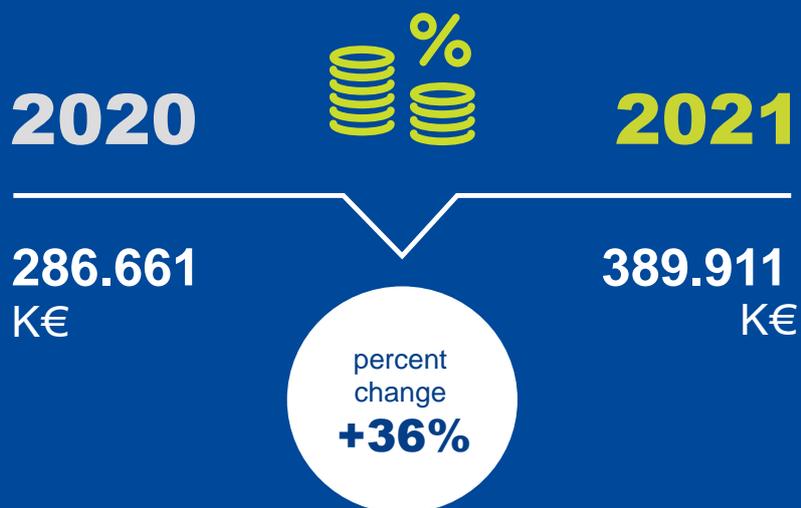
In 2020, in a highly complex economic and social environment that included obstacles such as the COVID-19 emergency, the cost increase of commodities, the complex logistic and the energy cost increase, the

Group has managed to improve the overall financial and the operational performance of the business. This result has confirmed the effectiveness of the business model and the strategy of the Company.

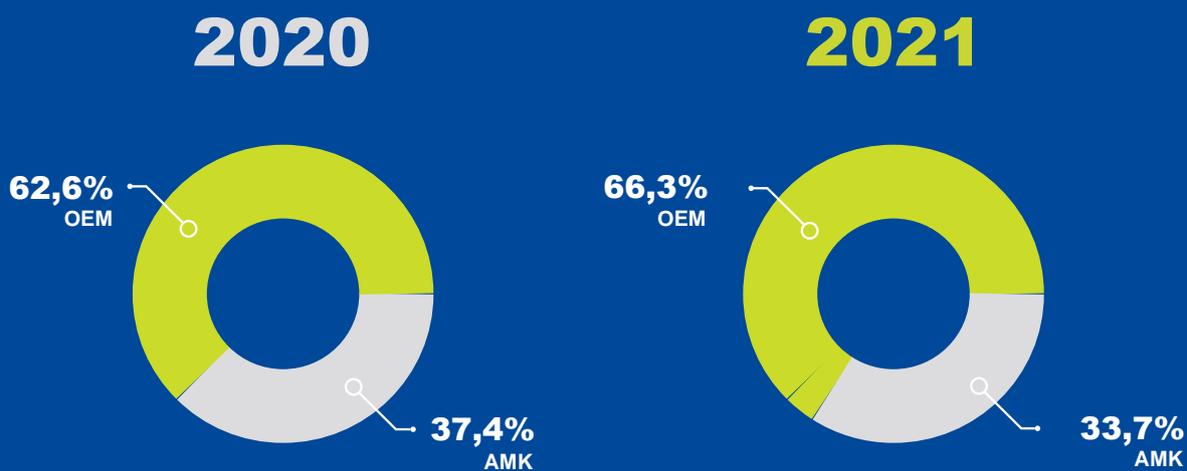
Summary Financials	2021	2021 on net sales %	2020	2020 on net sales %	Difference	Difference %
Employees [number]	1.736		1.589		147	9,3 %
Net Sales [K€]	389.911		286.661		103.250	36,2 %
OEM [K€]	258.657	66,3 %	179.543	62,6 %	79.114	44,1 %
AMK [K€]	131.254	33,7 %	107.118	37,4 %	24.136	22,5 %
Income from Operations	21.526	5,5 %	9.790	3,4 %	11.736	119,9 %
Income attributable to the Group [K€]	12.820	3,3 %	1.622	0,6 %	11.198	690,4 %
EBITDA [K€]	31.678	8,1 %	19.884	6,9 %	11.794	59,3 %
Net Debt [K€]	3.912		755		3.157	
CAPEX [K€]	7.536		6.079		1.457	

2021 at a glance

Net Sales



Net Sales by area

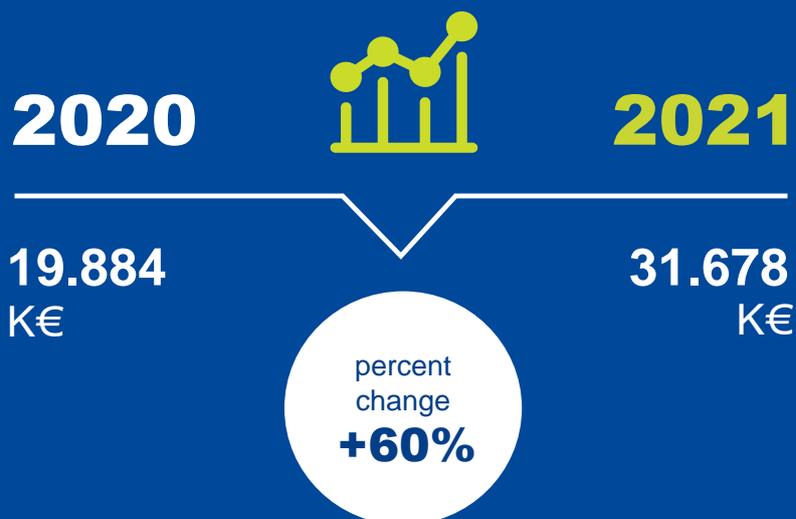


2021 at a glance

Operating profit



EBITDA



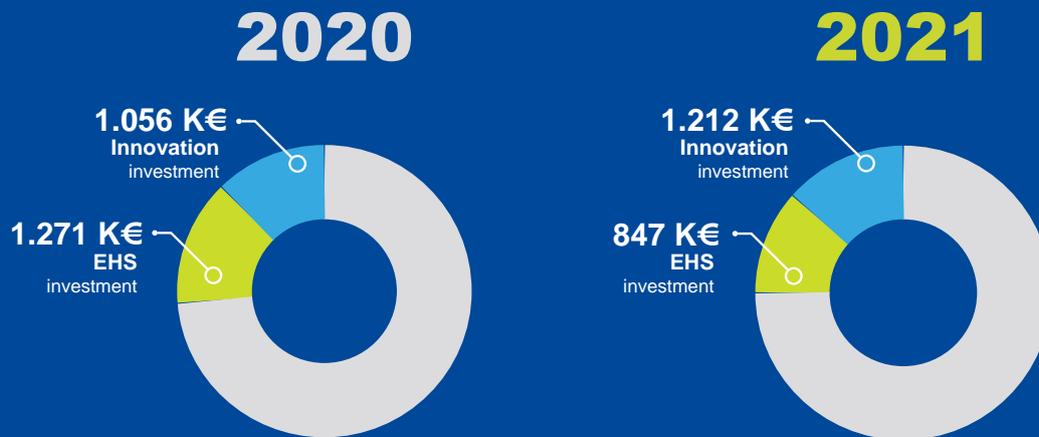
Net debt



Total Investment



Total investment by area



R&D expenses



The economic value generated by the ITM Group in 2021 was 393 M€. The economic value distributed by the Group in the year was 367 M€. The economic value retained by the ITM Group for 2021 was 26 M€. During

the three-year period 2019-2021, the ITM Group was able to generate a positive retained economic value thanks to its business model and a strategy focused on growing the business through innovation and sustainability.

ECONOMIC VALUE GENERATED AND RETAINED		
	2021 [K€]	2020 [K€]
Economic Value Generated	392.578	287.183
Economic Value Distributed	366.736	278.177
Operating costs	290.697	208.893
Employee wages and benefits	68.509	58.523
Payments to providers of capital	937	1.438
Payments to government	6.037	8.597



Last	Chg	%
22.90	-0.30	-1.31
0.14	0.00	0.00
0.03	0.00	0.00
7.85	0.20	2.55
2.98	-0.30	-10.07
6.45	+0.75	11.63
52.25	-9.50	-18.18
3.32	-0.10	-2.98
0.54	+0.03	5.56
23.80	+1.10	4.62





An aerial photograph of a two-lane asphalt road cutting through a dense, lush green forest. A white car is visible on the right side of the road, moving away from the viewer. The text 'Sustainability' is overlaid in large white font across the middle of the image.

Sustainability

The environment is a continuous focus for the ITM Group and it is part of daily management activity ensuring an accurate energy, waste and water management.

Sustainability

[GRI 102-40, 102-42, 102-43, 102-44, 102-47]

■ Stakeholders Involvement

ITM aims to operate with the highest degree of ethical conduct in its interactions with stakeholders and in its relationships with employees, suppliers, members of

our distribution channel, customers, and government agencies, who we expect to maintain high ethical standards, as well.

ITM Group's Stakeholders



ITM's Stakeholders and communication

Internal stakeholders

EMPLOYEES AND THEIR FAMILY

- ESG Survey
- Sharing of Group's Values
- Training on sustainability
- Regular meetings
- Training and information initiatives on Covid-19 emergency response
- Sponsorship of competitions to promote a sustainability culture
- Performance management process
- Focus groups and coaching activities

SHAREHOLDERS AND TOP MANAGEMENT

- Regular meetings
- Top management's regular meeting
- Specific meeting with shareholders
- Social networks

GOVERNANCE BODIES

- Regular meetings

Direct external stakeholders

SUPPLIERS

- Sharing of code of conduct
- ESG Survey
- Regular meetings and on-site visit
- Customer service
- Training and information initiatives on Covid-19 emergency response
- Social networks
- Sponsorship of competitions to promote a sustainability culture

CUSTOMERS AND COMMERCIAL PARTNERS

- Customer service
- ESG Survey
- Regular meetings
- Social networks
- Sponsorship of competitions to promote a sustainability culture

Indirect external stakeholders

TRADE UNION

- Negotiation meetings about corporate and plant issues
- Covid-19 meeting
- Regular briefings on the Group's situations and objectives
- Focus groups on the Group's situations and objectives

PUBLIC INSTITUTIONS

- Meetings
- Technical raw table

FINANCIAL COMMUNITY AND ASSURANCE BROKER

- Meetings and on-site visit

LOCAL AND GLOBAL COMMUNITIES

- Relations with the local and international press
- Social networks
- Community care program
- Sponsorship of competitions to promote a sustainability culture

INDUSTRIAL AND ACADEMIC ASSOCIATIONS

- Social networks
- Partnerships with university research centres

Materiality

In line with the GRI Standards, companies are required to identify key topics based on the importance of the economic, environmental and social impacts generated by their organizations, and their material influence on stakeholders' considerations and decisions. For the first year, the Group has identified a key set of internal and external stakeholders among them: employees, customers & commercial partners, suppliers.

In total, more than 190 stakeholders participated to the online questionnaire. The same survey was also filled

out by the Top Management of ITM Group.

The results of the materiality analysis were grouped and reported in the matrix below, which shows the level of engagement of each material topic identified.

The matrix below presents the material topics classified by Environmental Responsibility, Social Responsibility, Economic Responsibility and Governance.

The topics "Product quality" and "Occupational health and safety" are recognized as the most relevant and strategic priorities for the Group.

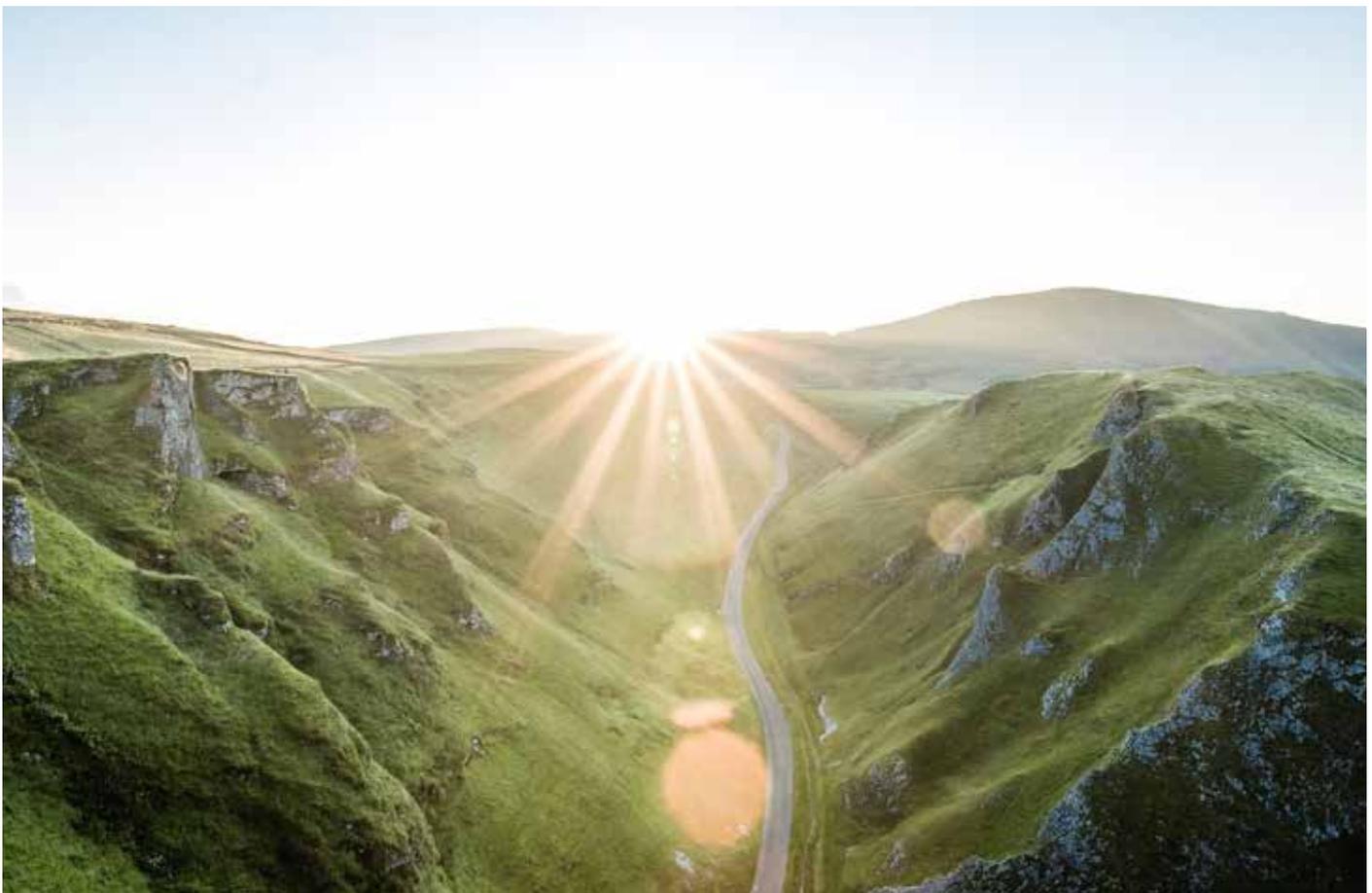


ITM recognizes the importance of human and social capital management and the need to protect and promote employees' rights while offering solutions and programs that can enhance the wellness and wellbeing of employees.

The environment is a continuous focus for the ITM Group and relevant factors are regularly monitored, ensuring accurate energy, waste and water management data disclosures. The quality of the product and its

commitment to reduce waste, field contamination and, most importantly, its extension of life, is one of the main focuses of ITM's strategy and innovation.

Over the course of over 60 years the Company has built a worldwide Brand driven by its ability to provide customized solutions to its customers in a wide range of applications across the globe. A reliable and efficient supply chain is fundamental to the "Customer-centric" focus of ITM strategy.



The Group believes that a sustainable business is built on transparent and ethical principles.

The table below shows the correlation between ITM material themes and SDGs.

 Governance	Ethic and transparency	
	Responsible governance: anti-corruption and sustainability	
 Economic	Brand reputation	
	Customer's centricity	
	Sustainable value chain	
 Social	Corporate welfare (Well-being)	   
	Human capital and rights	
	Occupational health and safety	
	Workplace attractiveness	 



Environmental

Circular product life cycle



R&D and IT innovation



Product quality



Carbon footprint



Energy management



Environmental impact



Waste Management



SDG Goals

ITM has always prioritized sustainability-related issues and has established processes and procedures that enable continuous improvement at the operational level. The goal is to ensure quality product while working with customers in building a better world through the Group's products and services.

For its first Sustainability Report, ITM has established a robust materiality assessment process to address the expectations of primary stakeholders. The Company's sustainability priorities are directly derived from the assessment's interpretation of stakeholders' expectations.

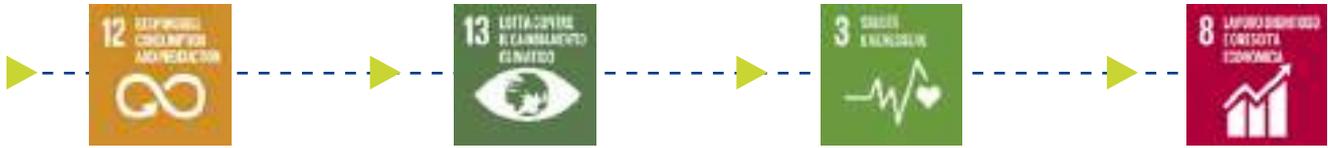
The chart below represents ITM's stakeholders who can affect and are affected by the Group directly or indirectly.

Among these, customers and commercial partners, employees and their family, suppliers and investors are considered primary stakeholders due to their greater influence level.

While considering stakeholders' priorities, ITM has also developed both an external (benchmark analysis) and internal analysis (survey) that facilitated the identification of the market's primary ESG (Environmental, Social, Governance) related topics and the most suitable Sustainable Development Goals (SDGs), as defined by the United Nations, helping in building the foundation of the Group's sustainability approach.

In particular, the Company has identified the key aspects represented below to prioritize within the specific SDGs.





ITM ESG Pillars

The key material themes identified are grouped in four pillars and represent the cornerstones upon which ITM is driving its sustainability journey.



Our identity

- Brand
- Corporate Governance
- Ethic and Transparency
- Risk Management



Our people

- Human Capital
- Human Rights
- Workplace attractiveness
- Corporate Welfare
- Occupational Health and Safety



Sustainable products

- Customer centricity
- Innovation
- Product safety
- Product quality
- Supply chain



Environment

- Energy management
- Circular product life
- Carbon footprint
- Waste management
- Water management



Our Identity

ITM brand was founded in 1980 and it has developed into a leading brand for high-quality and high-performance products that are used in strenuous working environments.

Our Identity

[GRI 102-12, 102-17, 102-18, 102-22, 102-23, 413-1. SASB TR-AP-520a.1]

■ ITM Brand

ITM brand was founded in 1980 and it has developed into a leading brand for high-quality and high-performance products that are used in strenuous working environments.

Today, the Group offers a wide range of products for different off-highway applications. After more than 60 years' of history, research and investments committed to continuous technological improvements and, more recently, to digital developments, ITM is universally recognized as a lead supplier of products and services

in its field.

Over the years, ITM has provided an extended product offering that ranges from the forestry to the marine industry segments in addition to the traditional segments of construction, mining and agriculture.

The development of the TrackAdvice® cloud platform and the newest TRUST technology enable end users to manage the machine working activity and maintenance of their fleets efficiently, including self-driving machines.



ITM's Headquarters, Valsamoggia, Bologna Italy

■ Corporate Governance

ITM's corporate governance is well structured and effective as it has been a part of public companies since December 2005, when it was acquired by Titan Europe Plc, which was listed on AIM of the LSE market and subsequently in 2012 when it was taken over by Titan International Inc (Titan), which is listed on the NYSE.

In ITM, governance provides effective support to an industrial approach aimed at responsible economic growth and value creation, not only in the short term, but also over a longer period.

This method allows the management team, as delegated by the Shareholder to define growth and development strategies, and to prepare medium and longer term action plan to continue to grow as a global leading player

in this sector.

ITM has Corporate Governance setting out the guidelines to be adopted at Group level. The Corporate Governance model adopted by the Parent Company, Italtractor ITM S.p.A., is a traditional one and features an administrative body, the Board of Directors, and a control body, the Board of Statutory Auditors.

The Board

The Board was appointed by the Shareholder assembly held on June 29th 2020 and consists of three Directors, of whom two are Executive Directors and one is Non-Executive Director, reflecting a blend of different experiences and backgrounds.



Paul G. Reitz

Chairman



Maria Cecilia La Manna

Chief Executive Officer



Oscar Bernardoni

Group General Manager

The Board meets regularly and it is responsible for formulating, reviewing and approving the Group's strategy, performance, corporate actions, budgets and any major capital expenditure as well as its framework of internal controls.

The Board is committed to effective corporate governance and all Directors are aware of their duties and responsibilities. In particular, the Board has developed policies and procedures that reflect the principles adopted by Titan, where feasible, taking into account the size and the nature of ITM.

The Board reviews its strategy and business model on a regular basis, which promotes long-term value for its ultimate Shareholders.

The Group recognizes its responsibility to its stakeholders and it is committed to the highest standards of corporate social responsibility in its activities.

The Board uses a risk based approach when considering Group's objectives. The Board considers both opportunities and threats, throughout the organization. The Company has in place a risk management framework and risk register, which assist the Board in identifying, assessing, and mitigating the risks faced by the Group to an acceptable level. This also covers responsibility for internal controls, which are audited by Titan's internal audit function.

The Board is represented by an appropriately diverse mix of individuals, given its size. Experiences are varied and contribute to support the development of the Group. Maintaining a balanced Board with the appropriate level and range of skills is key to push the Company forward.

The Board promotes an ethical corporate culture by having a documented Code of Business Conduct for each Territory in which it operates.

The Company's employment policies, such as those applying to whistleblowers and anti-bribery/anti-corruption, also assist in embedding a culture of ethical behavior for all employees. Furthermore, the Company's commitment to upholding human rights for all individuals is clearly documented in its annual Modern Slavery Act

2015 Statement.

The Company's policies set out a zero tolerance approach towards any form of discrimination or unethical behavior relating to bribery, corruption or business conduct in all territories in which it operates. This culture is set by the Board and regularly considered and discussed at Board meetings.

Board of Statutory Auditors

The Board of Statutory Auditors is responsible for overseeing compliance with the law and the Article of Associations, with respect for appropriate administrative principles and adequacy of internal controls.

It is responsible for determining the application of



The Group's subsidiaries operate under the management and coordination of the parent company, Italtractor ITM SpA.



financial reporting and internal control principles, including regularly reviewing the effectiveness of the Company's financial reporting, internal controls and risk-management procedures, and the scope, quality and results of the external audit.

The Company has appointed a Board of Statutory Auditors, which comprises Mario Tardini (President), Roberto Colussi and Alessio Moretti.

In addition, the main corporate bodies and functions involved in the internal control system are:

- **Supervisory Board (Organismo di Vigilanza – ODV)**

ITM has set up a supervisory body vested with autonomous powers of initiative and control, delegated to oversee the implementation of and compliance with ITM's Organizational Management and Control Model as per Legislative Decree N° 231/2001, as well as to keep it up to date. The

ODV consists of an internal member, the HR Group Manager and two independent qualified lawyers: Argentino Ottaviano (the president) and Giuseppina Pò.

- **Internal Audit Function**

The Internal Audit Function, reports directly to the Board of Directors of the ultimate Shareholder Titan International Inc. and is delegated to implement an effective Internal Control System.

- **Risk Management Function**

The ITM Risk Management Function is integrated within the US Risk Management Structure since 2021. This function is responsible for managing and assessing the risks associated with companies' activities in order to ensure that the organization is capable of minimizing losses and maximizing opportunities.

- **Executive Management Committee (COMEX)**

ITM has established an Executive Management Committee which consists of, the CEO of the Group, the GM/Executive Director of the Group, the Managing Directors in charge of each legal entity, and the Group Functional Managers responsible for Operations, Engineering, Quality & After Sales, HR & Organization, Finance & Controlling and IT.

The COMEX is responsible for the regular review and formulation strategy, business plans, performance, corporate actions, budgets, forecasts and any major capital expenditures, as well as its framework of internal controls. The strategy and business plans are proposed to the Board and, once approved, are implemented by the COMEX.

The COMEX has a formal schedule of matters reserved for its analysis and review and meets at least four times per year.

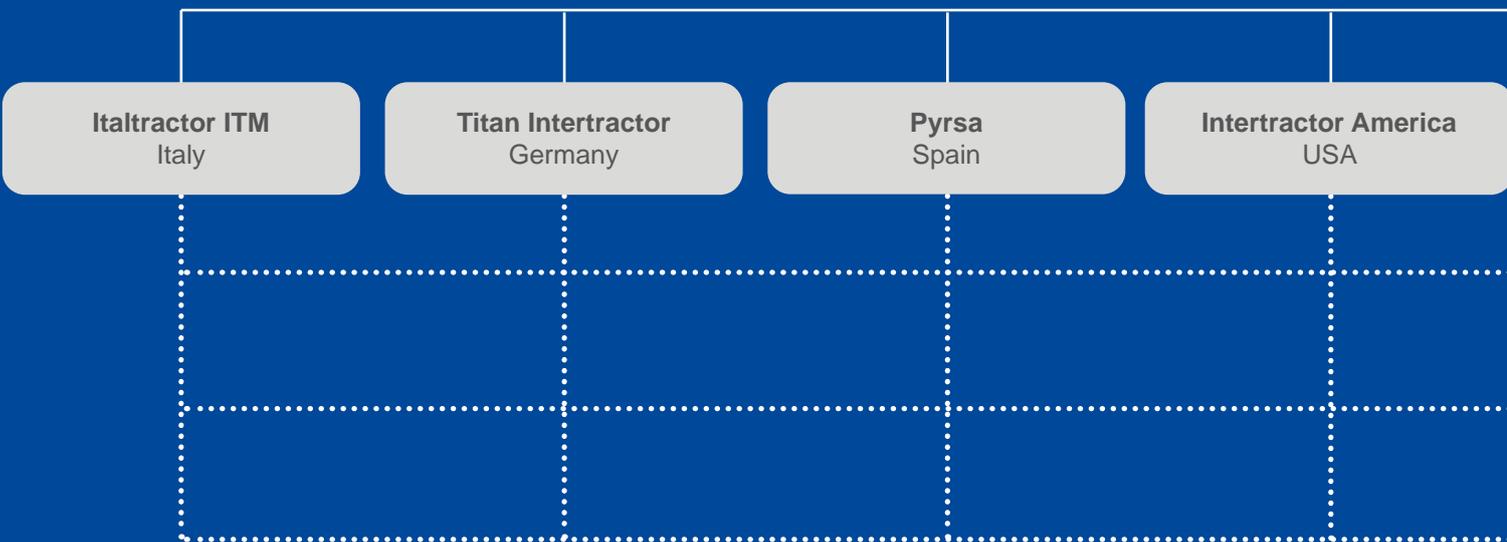


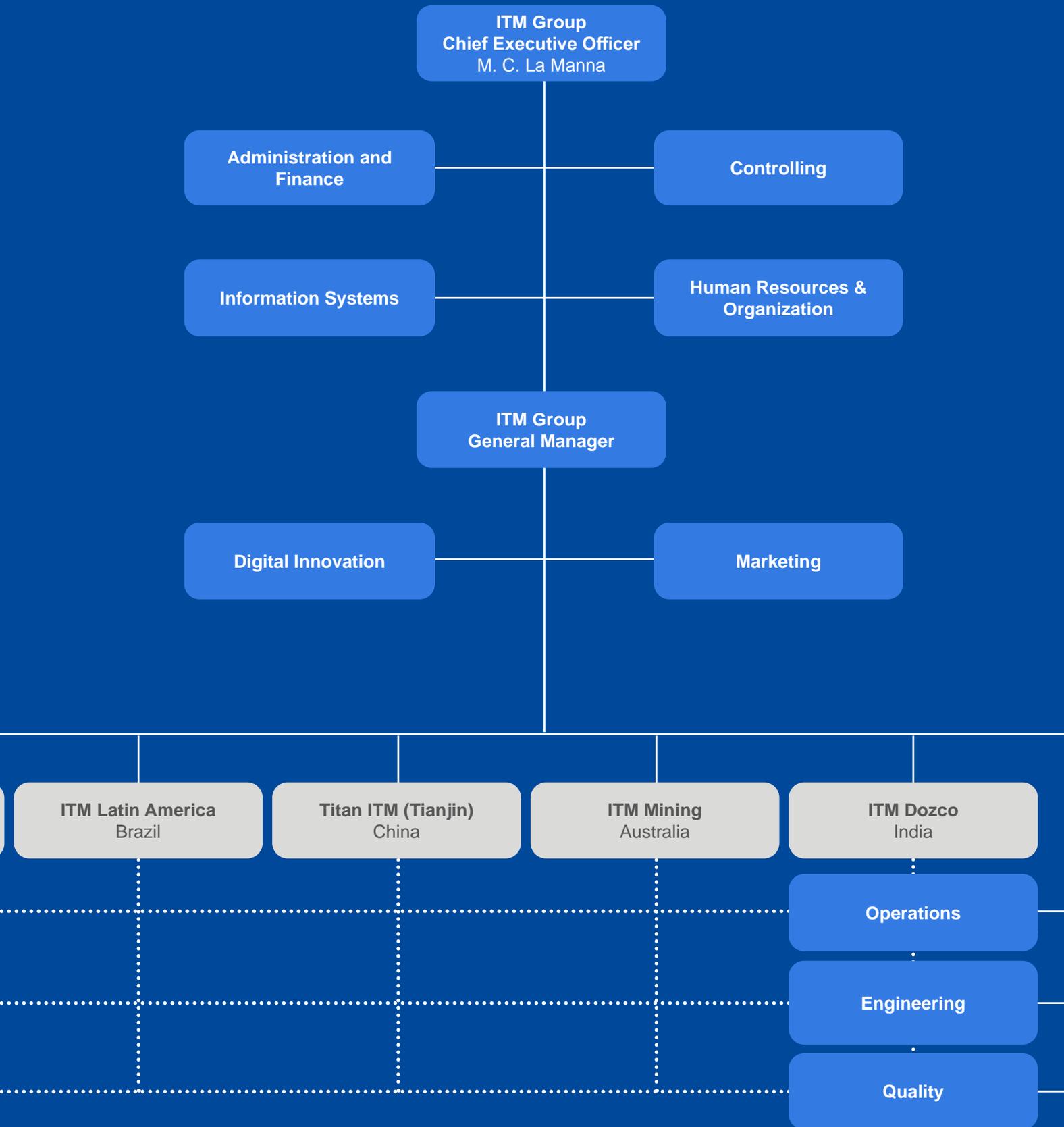
■ Organizational Chart

Legend

Group Function

Legal Entity





■ Ethic and Transparency

Code of business conduct and the organisational management and control model

The Code of Conduct is a document that defines, for internal and external stakeholders, behavioral guidelines aligned with a company's values, vision, mission, and strategy. ITM Group has drawn up a Code of Conduct, also in line with the guidelines provided by Titan Inc., and it is applicable to all Group companies. This is a fundamental and integral part of the Organizational Management and Control Model introduced by the Legislative Decree N°. 231/2001 (hereinafter the "Decree" or "D. Lgs. 231/01") that established "Administrative liabilities of legal entities deriving from offences" contained with the Decree. The Decree states that legal entities, including limited companies, may be held liable, and therefore sanctioned by financial means or criminal proceeding, in relation to certain crimes which are committed or attempted in Italy or abroad in the interest or for the benefit of the Company. The company may in any case adopt organizational, managerial and control models, which are suitable for preventing the crimes themselves¹.

The Decree provides that an Entity shall not be liable where it can prove that it adopted and effectively implemented, before the offence was committed, an appropriate organization and management model to prevent offences of the kind that has occurred. Additionally, the Decree provides for the creation of an internal control body within the Entity, tasked with monitoring the operation, effectively implementing and observing the model, as well as with updating the model. The internal control body, called the Supervisory Board (the ODV), has been appointed by ITM since 2011. The Company has continuously updated its Organizational Management and Control Model with adequate procedures including the following offenses:

- offences against the Public Administration;
- computer crimes and illegal processing of data;
- organized crimes;
- crimes against industry and trade;
- corporate offences;
- offences against individual;
- transnational offences.

Italtractor ITM acknowledges and believes that, for this Model to be effective, it is necessary to ensure proper knowledge and dissemination of the rules of conduct contained therein to both employees and external collaborators. ITM therefore has established specific training programs that are periodically administered to all employees and new hires. ITM also ensures that partners, suppliers and contractors adhere to its Code of Business Conduct.

A comprehensive Supplier Code of Conduct, documented on the Company's website, sets out the Group's commitment to trading legally, fairly and ethically. This is regularly shared and adopted by major suppliers and contracts.

All the recipients of the Model should report to the Supervisory Board any unlawful conduct or violations of the Model (or of the Code of Business Conduct) of which they become aware of based on their understanding and responsibilities. The Supervisory Board analyzes and investigates any reported information and informs the Board of Directors of any necessary actions. The Supervisory Board is also responsible for the correct application of the Code of Business Conduct and for its contents of the Decree, highlighting the need for adaptation, as the law evolves.

In 2021, the Supervisory Board carried out audits and visits to all the Italian sites, focusing on the aspects of health, safety, environment and pandemic emergency response. The Supervisory Board found ITM's response to the pandemic to not only be effective with regard to prevention and protections, but that the Group's actions went beyond the legal requirements.

The Group promotes the spread of a culture of legality and proper conduct as factors indispensable to the proper functioning of the Company and its respect for the principles of business ethics. In particular, the Company rejects and combats all forms of corruption, taking a zero-tolerance approach and acting in accordance with the highest professional and ethical standards in the international environment within which it operates.

¹ The Legislative Decree applies only to Italtractor ITM S.p.A. as it is located on Italian territory.

ITM's approach to taxation

The approach to taxation adopted by the Group is consistent with the principles set out in Code of Conduct.

This approach is based on the principles of prudence, responsibility, consistency and transparency towards the Company Stakeholders, including the Tax Authorities. All activities carried out by the Group comply with relevant tax legislation and tax planning is always aligned with commercial activities.

The principles of business culture underlying ITM' tax approach are as follows:

- Responsible management of the tax variable based on trust, transparency and collaboration with the institutions and is inspired by the principles set out in the Code of Conduct;
- Containment of fiscal risk;
- Compliance with all legal provisions and tax regulations applicable in the various jurisdiction in which the Group operates;
- Dissemination of the general principles of conduct in tax matters, based on value of responsibility across

the Group;

- Compliance of the organization and within related processes (Fiscal Governance) in accordance with the goals defined;
- Constant dialogue with the Tax Authorities managed in a professional, transparent and timely manner.

Privacy

The Group has identified the Data Protection Function within the role of the Group HR Director and Group IT Director. This Function is tasked with ensuring compliance with Regulation (EU) N° 2016/679 (hereafter "GDPR": General Data Protection Regulation) on privacy.

ITM has defined a Corporate GDPR Manager and implemented a GDPR compliance management system that includes a registry, impact assessments, verification audits and other activities. The Company, in addition to the implementation of controls, procedures and protocols aimed to protect personal data, has implemented continuous training and information to all managers and employees on the concrete application of GDPR regulations.



■ Risk Management System

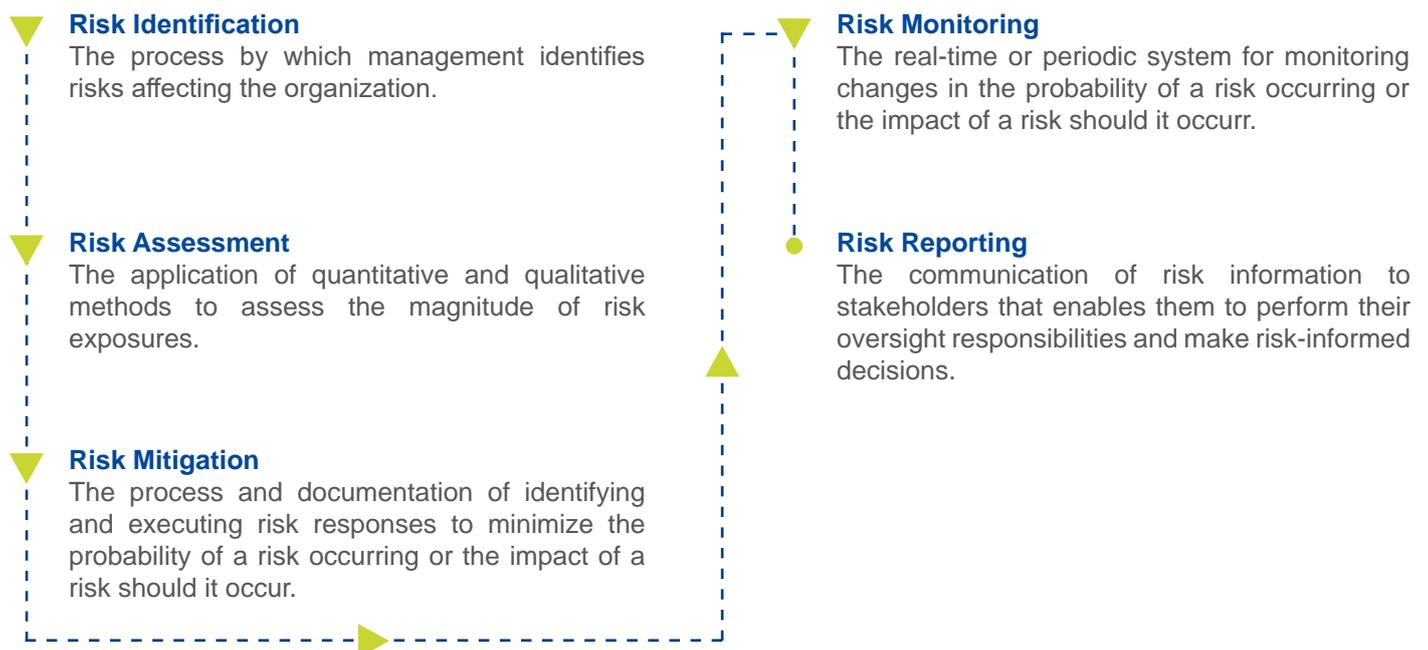
An effective control system enables companies to pursue their objectives consistently through informed decisions. As part of ITM's commitment, the Group is working to establish an ERM (Enterprise Risk Management) system. The goals of this monitoring and control system are to (1) minimize the adverse impact on the Company's objectives and (2) enhance stakeholder value by developing the appropriate actions and programs to mitigate risks across the organization and helping to safeguard the long-term sustainability of its business. ITM perceives risk management as an integral part to the Company's business model, in that its core values and ethics provide the platform for the risk management practices. Within Titan International Inc. Enterprise Risk Management Program, addressed to all its subsidiaries, the Executive Committee of ITM has set the framework and practices relating to various risks to its business through proper identification, assessment, monitoring and mitigation activities, as shown in the figure below.

The Board, in accordance with the Titan Inc. policy, has the responsibility of determining the nature and extent of the principal risks that the Group is willing to assume in achieving its strategic objectives.

Risks are addressed on a day-to-day basis by the Group's Management at various levels in the organization according to the nature of each risk. As a result, risks are identified and quantified using multiple sources and are reported during the planning and performance management cycle of the Group, ensuring a quick and effective response. Risk management culture and approach are integral to the Group's business processes and decision-making: ITM has regular assessment processes in place to ensure all material risks are considered.

Along with the Legislative Decree. 231/01, specific to Italian context, as previously indicated, the Group has adopted several ISO at site level to ensure environmental monitoring and performance improvement. In addition, ITM is ISO 9001 certified and uses tools and methods in line with the OEM client's automotive guideline.

The environmental aspects are covered by the ISO 14001 standard but with regard to energy, the German plant is periodically audited according to the regulation DIN EN 16247-1 (Efficiency System Directive), whereas the more energy-intensive Italian facilities are certificated according to the ISO 50001:2018.



Cyber Security

ITM Group has always paid attention to all issues relating to Cyber Security and over the course of 2021 launched a series of initiatives addressing various areas including: technological, organizational and human.

From a technological point of view, an advanced Endpoint Detection and Response solution, capable of detecting and promptly blocking any attack attempts, has been implemented on all the endpoints of the Group. Moreover, users with extended authorization profiles have also been reduced to the minimum in order to limit the possibility of privilege escalation.

In the organizational area, an evaluation process has started to appoint a Chief Information Security Officer within the Group, who will deal directly with all aspects relating to Cyber Security and compliance. A Security Operation Center has been introduced, capable of monitoring the infrastructure 24/7, by correlating and analyzing the logs collected by the SIEM (Security Information and Event Management) platform in order to identify potential attacks and anomalous behaviors.

However, it is on the human factor, the weakest link in the Cyber Security chain, that most of the activities have been concentrated. Phishing simulation campaigns are carried out monthly through an automatic platform which, thanks to its machine learning engine, is able to select the most suitable email template to send to each addressee, based on its previous behavior, in order to gradually increase its ability to identify phishing attacks

on an experiential basis and measure the evolution of the organization performance over time. Furthermore, in addition to the training courses periodically provided by Titan, an e-training platform releases monthly training sessions with the related comprehension tests on the various topics relating to the IT security (password management, phishing, internet browsing, social media, etc.) in order to increase awareness.

All Cyber Security initiatives were accompanied by periodic awareness meetings, which involved the country managers and department heads of all Group companies.

Insurance

The Group maintains insurance policies and practices under the coordination of Titan. The main policies are for its manufacturing facilities, buildings, machinery and inventories covering property damage and business interruption (for losses that flow from the loss of otherwise insured property) and damage due to fire, earthquake, floods and other natural disasters, as well as primary and excess combined liability, personal accident coverage and product liability coverage. The Group also maintains insurance policies covering travel, director's and officer's liability, employer liability/workers' compensation (where required), general liability and policies that provide coverage for risks during the shipment of products.

The Group has also in place a credit insurance with COFACE.



■ Integrated Management System and Certifications

The Italttractor ITM S.p.A. Group, with its subsidiaries, sensitive to the needs of its stakeholders, pursues lasting success and sustainable development of its business. Italttractor ITM S.p.A. is committed to excellence in product and service quality, in the undercarriage sector of tracked machines worldwide, promoting the culture of quality, respect for the environment, energy saving initiatives, and observing the highest sense of responsibility towards environmental, social and governance (ESG) factors.

ITM intends to be a solid, reliable and innovative partner, with an exemplary organizational model for ethics, integrity and consistency with corporate strategies. In this

regard, ITM Senior Management intends to continuously develop an integrated Management Systems for Quality, Environment and Energy in compliance with ISO 9001, ISO 14001 and ISO 50001 standards and aimed at the continuous improvement of its performance.

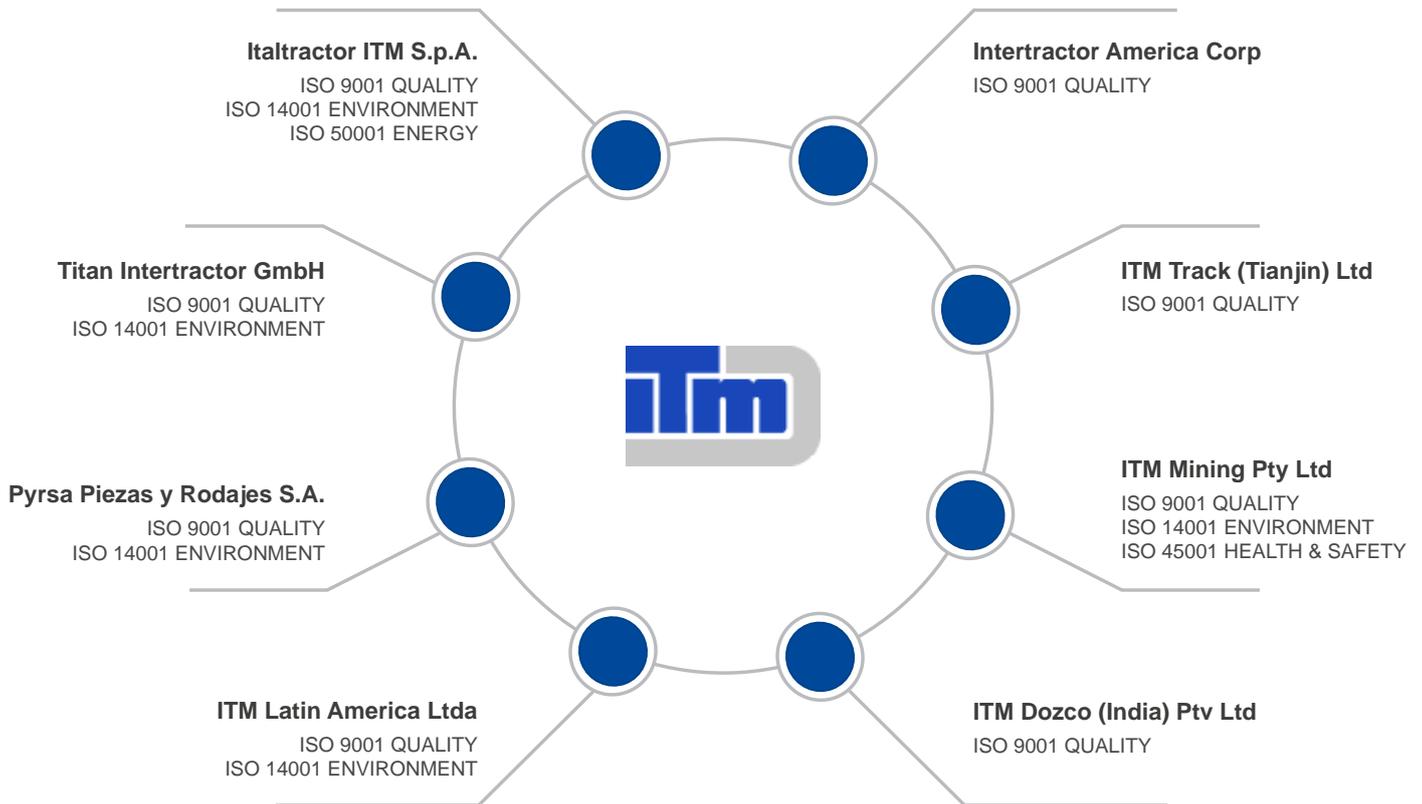
ITM's Integrated Management System

ITM Group is already certified according to ISO 9001 for Quality and ISO 14001 for the environment. In the course of 2021 it started the certification process for energy according to the ISO 50001 standard and will subsequently pursue the objective of obtaining the certification for Health and Safety according to ISO 45001.





In March 2022 Italtractor ITM obtained the Energy Management System Certification according to the ISO 50001:2018 Standard.



In 2018 Pyrsa obtained the ABS Certificate of foundry facility and process approval for steel casting components for marine applications which will be valid until 2023.

In 2019 Pyrsa obtained the highest certification level

(CL1) of DIN EN 15085-2 "Welding of railway vehicles and components according to EN15085-2" and the Manufacturer-Related Product Qualification HPQ DB for railway rolling stock components both valid until the year 2022.



■ Communities and territories

ITM is aware of the influence that its activities may have on the conditions, on the economic and social development and on the general well-being of the community, as well as the importance of the social acceptance of the communities in which it operates.

The Group intends to conduct its activities aimed at achieving the corporate purpose in accordance with social appreciation, with respect to the communities with whom it interacts. To strengthen the bond between Titan Intertractor and the local community the Company became part of the organization called "Procity Gevelsberg". The aim of the association is to increase the attractiveness of the town of Gevelsberg in order to strengthen its profile as a place of shopping, work, living, leisure, gastronomy and culture.

The objectives include:

- strengthening the overall market position of the town of Gevelsberg by increasing the efficiency of trade and the services on offer;
- enhancing the quality of stay and communication functions of the town center and improving its image;
- offering more cultural, sporting, gastronomic and other leisure-related events and thus transforming the town center into an event itself;
- strengthening the sense of community and the commitment of all parties involved and to coordinate the joint activities;
- to standardize and thereby optimize the external presentation;
- to increase the accessibility of Gevelsberg's inner city by further expanding the infrastructure for motorists, public transport users and pedestrians.

As for Italttractor S.p.A., the Company is regularly supporting local organizations through donations and participation to charity programs. In particular, in Italy, ITM has supported PMG Italia S.p.A. and its mobility project. This initiative provides specifically equipped vehicles to transport individuals with special needs, including the elderly and those with disabilities.

ITM in Italy supports local Ice Hockey team in Fanano. Pysra has established several collaborations with the local community as well, mainly related to the world of sport. The company sponsored the XXII Media Monreal Del Campo marathon, The Jumon Cup football competition the main soccer clubs in the Jiloca region, C.F. Monreal del Campo and C.F. Calamocho. Pysra also supported the Monreal cycling club and the autocross Aragon Awards and collaborated with Cruz Roja.

In addition, ITM has in place partnerships with local universities aimed at researching more environmentally and economically sustainable transport solutions.

ITM has supported AIRC, the Italian association for the Cancer Research, for many years.

In general, the Group contributes to the development of the region and province in which it operates, promoting its entrepreneurial fabric, generating direct and indirect employment and paying taxes. In addition to the direct impact of its business activity, it collaborates with other local organizations in social activities and participates in sectoral organization. The Group's activity is an engine of wealth and economic and social development of the community as it creates stable and quality employment that helps, for example in the Spanish case, to reduce the depopulation of the region.

Cat D8 rebuilding in Australia

Adrian Battley

General Manager of ITM Mining in Australia shared the following episode with the Group:



Back in September 2019 a gentleman named Allan Crapp from Victoria Australia called us up for help with a restoration project he was doing on this old Dozer.

Allan was having an extremely hard time finding undercarriage for his machine. Working with ITM team we were able to identify the shoe as Z0108100N0559V.

We had the shoe profile in stock which is currently used for other products. We did a deal with him for the shoes at costs to allow us to share his story as he progressed with the restoration.

Allan now has contacted me again as he is rebuilding a 2nd dozer (same year and model) and after shoes and lower rollers for this new build. How great is this!





Our People

ITM is first of all a great community of people.

Our People

[GRI 102-8, 102-41, 401-1, 401-2, 403-5, 403-9, 403-10, 404-1, 405-1, 405-2. SASB RT-IG-000.B, RT-IG-320a.1, TR-RO-320a.2]

COVID-19: Our response

ITM is first of all a great community of people². Since the beginning of the emergency, the Company has taken steps to be guided by responsibility, commitment and a constructive spirit, putting the protection of employee health at the center of its priorities, together with safeguarding jobs and planning the Group's future.

The ITM Group has as its primary interest the health, safety and wellbeing of its workers and all those that for various reasons access the workplaces and plants. It has therefore undertaken responsibly to apply and promote all the measures necessary for the protection of health and prevention.

The Group has adopted various prevention measures:

- **Remote working:** ITM has applied smart working, where feasible.
- **Meeting and trips:** face-to face meetings have been replaced with virtual ones and the all business trips have been reduced. Wherever possible, remote connection methods are adopted for meetings and training, with the exception of trade union meetings, which are conducted using specific security measures. Any in-person meetings and/or trainings that have taken place occurred with the implementation of a series of prevention and protection measures provided for by company procedures. Video conference rooms were installed in all locations.
- **Crisis team:** the Group has acted promptly to protect the safety of its people, customers, suppliers and all those forming part of the supply chain through the establishment of a Crisis team composed of: the CEO, the GM, the Group HR Director, the Group IT Director and the Risk Management Manager and other local members. This Team of people with the support of the company medical officers have been entrusted with a high level of autonomy so they could make decisions requiring prompt actions. In addition, strong coordination efforts have been established with Group Officers around the world so that the same guidance could be given to all structures and uniform precautionary measures adopted in all ITM workplaces.
- **Safety in the plants:** ITM has remained operational during the various phases of the pandemic, all in agreement with local trade unions, and has not had any reportable cases of contagion at work.
- **Individual Protection Devices:** since the beginning of the pandemic, ITM has always provided all its employees with surgical and FFP2 masks; the latter were first provided to the most at-risk workers and then to all personnel following the spread of more widespread variants. Some workstations in the open-space offices and some activities in the workshop have been also protected with special Plexiglas screens.
- **Sanitization:** cleaning activities have been reinforced in all working environments. Since the beginning of the pandemic, ITM has implemented a robust plan for regular sanitization, with specialized companies, of all company premises, forklift trucks and company cars. Workstations with sanitizing gel have been set up throughout the facilities and each workstation has been equipped with a kit for sanitizing all common contact surfaces (measuring instruments and/or work tools shared by several operators, keyboards, touch screens, mice, handles, windows, desks, switches, printers). In all areas where there has been the suspected presence COVID-19 cases inside the company premises, the procedures state that it is necessary to clean and sanitize the area according to the provisions of the Health Authorities.
- **Check of the body temperature:** at the entrance to all ITM sites, thermoscanners have been set up to check the body temperature of all staff before they enter the company. The company has created and made available to its employees a bracelet and an app for the constant detection of any fever and the tracking of any close contacts.
- **Insurance coverage:** ITM has activated an insurance coverage in favor of its employees and their families to cover the risk in case of possible hospitalization for COVID-19 infection.
- **Information and training:** ITM constantly carries out information and training campaigns on Covid-19 rules and procedures; specific leaflets and infographics have been created for some rules and behaviors to be followed.
- **Green pass control:** The Green pass control is carried out according to the law and in compliance

²Data included in this section refers only to the European ITM Group.

with the privacy.

- **Staggering:** Access to common spaces (canteen, locker room, smoking areas, stamping areas and coffee and snack dispensers) has been staggered
- **Safety of office:** the layouts of the office have been revised to ensure interpersonal distancing, Plexiglas screens have been set up between tables.

“

ITM has put all forces into play to ensure the continuity of its activities and processes, so that customers could count on the availability of ITM products. This goal has been achieved thanks to the contribution of all employees, who work every day to ensure product quality and availability.

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■ Human capital management

The Group, as stated in the Code of Business Conduct, recognizes people as fundamental assets. The Group is extremely careful to ensure a working environment inspired by respect, fairness and collaboration that allows for the continuous engagement and empowerment of people.

Human resources' management and approach focuses on respecting people, sharing the Group's values and on integrating employees into the Company's organizational culture of fostering innovation.

The remuneration policy is determined in accordance with the applicable collective bargaining agreement at each location in which the Company operates. Specifically for the Italian legal entity, the Company applies the Metalmeccanici CCNL (Metalworkers National Collective Bargaining Agreement) in conjunction with local agreements negotiated with the Trade Unions; in Spain it is applied the "Convenio colectivo de la Industria, la Tecnología y los Servicios del sector del Metal de la provincia de Teruel" (Collective Bargaining Agreement for Industry, Technology and Services in the Metal sector in the province of Teruel) and in Germany it is applied the ERA Manteltarifvertrag NRW (Collective Bargaining Agreement for the Metal and Electro Industry in the region of North Rhine-Westphalia).

100% of ITM personnel is covered by collective bargaining agreements.

In order to safeguard its personnel, ITM has defined some specific policies and procedures:

- Labor relations policy;
- Health and safety policy;
- Occupational risk prevention;
- Hiring procedure

The Group is also highly focused on integrating young talents into the company. Collaboration with several universities helps the Company to attract motivated young people, undergraduates and graduates alike, in disciplines such as economics and engineering.

Italtractor ITM S.p.A. launched the Talent Acquisition program called "ITM Needs YOUth" in 2021, which has so far led to the activation of 12 internships agreements and the employment of 3 young people in different business areas such as Management Control, Administration,

Finance, Engineering, Quality, Safety and Environment, Human Resources, Information Technology, Digital Innovation, Marketing.

Titan Intertractor GMBH is involved in several activities concerning talent development and acquisition such as:

- Recruiting Activities

Titan Intertractor GMBH offers internships to talented students. These internships are partnered with the universities in order to supplement students' theoretical lectures with practical experiences.

Students may also have the opportunity to write their bachelor and master theses in cooperation with the company.

- Qualification upgrades

In addition, extra occupational studies in collaboration with universities are provided to employees.

Matteo Bisaccia Scholarships

Since 2013, Italtractor ITM supported 45 scholarships in memory of Matteo Bisaccia, an important ITM executive who significantly contributed to the foundation and development of the Group, whose open mindset was focused on developing young talents through continuous training conceived as essential tool for growth.

The Company's aim is to support deserving students in laying the foundations for their future career; ITM takes forward Bisaccia's ideas of meritocracy and enhancement of talent.

Every year ITM provides 5 scholarships, worth € 2,500 each, to the ITM employees' children who distinguished themselves for brilliant study results.

In the last three years, this initiative has been a great success and all the scholarships were assigned.

ITM need YOUth project, started in 2021, is an example of project which seeks to identify young talents who could join the Company and become the frontline of the Group. As at today, this project led the employment of 3 young talents.

35 Years Award

One of the key parameters to measure the company environment is the turnover of employees. To celebrate the incredible goal of having spent 35 years in the Company, the Italian ITM Group ITM has set up an

important recognition, which testifies the appreciation of the Company. To any employees who has achieved this target, ITM awards a certificate of merit with an economic

bonus.

Over the last 3 years, the Company has assigned 18 certificates of merit.

“

Our goal is to extend the talent acquisition program “ITM Needs Youth” to all ITM group in 2022

”



Human capital composition and characteristics

The European Group aims to encourage permanent employment, which strengthens the employees' sense of belonging to the organization. The effects of the pandemic have, inevitably, affected the Company's organization and staff, and particularly, over the past three-year the European ITM Group suffered a slight decrease of 3% in the workforce. That said, comparing 2020 versus 2021 an increase of 2% was achieved. The European ITM Group has approximately 90% of employees with permanent contract; 96% are full-time contract employees.

The average seniority is 16 years in 2021, slightly decreasing compared with previous years, because of

two combined facts: many people went to retirement after a working life spent within ITM and the ITM needs YOUth project started to bring new young talents in the Company.

The gender gap is mostly justified by the type of –heavy- industry and skills required. In particular, a greater gap is found in the blue- collar category, which turns out to be almost entirely male. As shown by the table, majority of men have a full-time contract, while about 25% of woman have a part-time contract. The company pays attention to the individual employees needs and, generally speaking, to the work life balance.



Number of employees by employment contract						
Type of contract	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Permanent contract [HC]	826	93	804	93	816	91
Temporary contract [HC]	112	13	87	11	99	8
Total by gender [HC]	938	106	891	104	915	99
Total number of employees [HC]	1.044		995		1.014	
Seniority average [years]	17		17		16	

Number of employees by employment type and gender						
Employment type	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Full-time [HC]	923	81	880	77	904	74
Part-time [HC]	15	25	11	27	11	25

New employees hires						
New employee hires by age group and gender	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
< 30 years	42	2	9	0	46	3
	95%	5%	100%	0%	94%	6%
Total < 30 years [HC]	44		9		49	
30 ≤ x ≤ 50 years	60	7	23	2	52	4
	90%	10%	92%	8%	93%	7%
Total 30 ≤ x ≤ 50 years [HC]	67		25		56	
> 50 years	11	1	7	2	17	1
	92%	8%	78%	22%	94%	6%
Total > 50 years [HC]	12		9		18	
Total new employee hires (by gender) [HC]	113	10	39	4	115	8
Total new employee hires [HC]	123		43		123	
of which temporary [HC]	92		33		78	

Turnover rate	2019	2020	2021
Total new employee hires excluding temporary [HC]	31	10	45
Hiring rate (%)	3,4%	1,1%	5,0%

Terminations						
Number of terminations, by age and gender	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
< 30 years	42	0	12	1	17	0
	100%	0%	92%	8%	100%	0%
Total < 30 years [HC]	42		13		17	
30 ≤ x ≤ 50 years	18	3	41	4	38	1
	86%	14%	91%	9%	97%	3%
Total 30 ≤ x ≤ 50 years [HC]	21		45		39	
> 50 years	21	1	32	5	34	5
	95%	5%	86%	14%	87%	13%
Total > 50 years [HC]	22		37		39	
Total terminations, by gender [HC]	81	4	85	10	89	6
Total new employee hires [HC]	85		95		95	
of which temporary [HC]	15		40		29	

Termination rate	2019	2020	2021
Total new employee hires excluding temporary [HC]	70	55	66
Termination rate (%)	7,6%	6,1%	7,3%

The tables above show that the Group's commitment to dealing with the tragic impacts of the Covid-19 pandemic, which has affected the world in many ways, has been successful. Indeed, despite a decline in recruitment and an increase in contract terminations in 2020, ITM recovered its growth last year, with a 35% increase in recruitment and 20% increase in terminations compared to 2020.

People between the ages of 30 and 50 accounted for 45% of hires, followed by people under 30 at 40%. On the other hand, as far as terminations are concerned, the age group in the middle is always the most sensitive to the event, with 41% of outgoing resources, followed this time by employees over 50, who account 41% too.

The overall turnover, which considers both recruits and leavers, was 11,5% in 2021, slightly higher than in 2019 due to an increasing number of hirings.

ITM is committed to respecting and protecting diversity inside and outside the workplace. The Group believes in embracing of diversity and integrate differences into its common vision of Inclusion, one of its core Values. Adopting a Human Rights Policy, the Group is upholding all internationally recognized human rights, adhering to the principles stated in the International Bill of Rights (the Universal Declaration of Human Rights and the two International Covenants) and the International Labor Organization's Declaration on the Fundamental

Principles and Rights at Work. This statement is aligned with the Code of Business Conduct and Supplier Code of Conduct, which reflect these principles, and is approved by senior management and the Board of Directors.

Furthermore, ITM has adopted a Diversity & Inclusion Policy, valuing a diverse range of backgrounds, talents, perspectives, cultures, and experiences, enabling us to make connections and understanding customer needs across the globe. We aim to be a diverse, equitable, inclusive, and safe workplace, where employees feel

comfortable and are encouraged to bring their whole selves to work, in all the Company's sites.

In terms of employment category, 2,5% of the European ITM Group's employees are managers and executives, around 19% are office workers, and 78,5% are blue collar workers.

The employee majority belongs to the 30-50 age range, whereas more than 8% of the personnel are under 30 years.

Diversity of employees						
Employee category, by age group and gender	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Executives and managers [HC]						
< 30 years	0	0	0	0	0	0
30 ≤ x ≤ 50 years	1	0	1	1	3	1
> 50 years	21	2	22	4	24	3
Total executives managers	22	2	23	6	27	4
White collars [HC]						
< 30 years	6	7	5	7	6	9
30 ≤ x ≤ 50 years	61	41	58	38	52	40
> 50 years	58	31	56	29	55	25
Total white collars	125	79	119	74	113	74
Blue-collars [HC]						
< 30 years	59	1	55	0	69	0
30 ≤ x ≤ 50 years	456	12	425	12	415	0
> 50 years	276	12	270	12	292	11
Total blue collars	791	25	750	24	776	20

Health and Safety

ITM Group, recognizing the fundamental role of its employees and partners, strives to offer a safe work environment for all its employees consistently with the motto “Safety first”. The wellbeing of its employees is a pivotal aspect of the Group success and continuity, thus we are committed to strictly following all applicable legislation and regulations related to Health and Safety (H&S) at each of our facilities.

The culture of safety is embedded in the Company, which continuously invests in training, through regular updates and information initiatives, widespread and engaging communication, the management of unsafe behavior and/or conditions, as well as the adoption of all personal protective equipment (PPE).

ITM’s commitment, further increased due to the pandemic, goes well beyond this, and is focused on constant improvement of production technologies and processes, and attention to conscious and responsible behavior in the workplace, as well as in private life. The Kaizen method (from the Japanese “Kai”, improvement, and “zen”, good) applied to its production processes has contributed significantly to achieving this result.

ITM is continuously working to improve the health and safety procedures in all the facilities through leadership, accountability, vigilance, and teamwork. To monitor its performance, the Group has created procedures to track

all relevant incidents and statistics related to health and safety, including:

- Incidents of employees injured while performing their work;
- Cases of occupational disease in all the facilities;
- Number of work-related fatalities per facility.

Furthermore, the Group established an internal monitoring and control system aimed at verifying the correct adoption of the guidelines stated in the Health and Safety Policy in 2011. All the people subject to this Policy should report any unlawful conduct or violations of which they become aware of based on their role, so that any non-fulfilment reported are investigated and promptly taken the necessary measures. The commitment to employee safety is reflected in the Company’s preventive policy included in the Occupational Risk Prevention Plan. So far, no fatalities and cases of occupational disease have been recorded. Significant attention is paid to work-related injuries. Over the last two years, in almost 3 million hours worked, within the European ITM Company, a total of 71 injuries have been recorded among employees (no accidents and diseases have been recorded among external workers), of which zero high consequence work related injury, as shown by the table below.

Injuries and fatalities	2020 [Number]	2021 [Number]
Number of hours worked	1.372.869	1.589.708
Number of recordable work-related injuries (including fatalities)	35	36
commuting incidents (only where the transport has been organized by the organization)	0	0
Days of inability to work due to injuries	1.194	1.175
Number of high consequences work related injuries (exclude fatalities)	0	0
Number of fatalities as a result of work-related injury	0	0
Total recordable incident rate (TRIR: number of injuries*200.000/n. worked hours)	5	4,5
Injuries frequency rate (number of injuries*1.000.000/n. worked hours)	25	23
Injuries severity rate (days of inability to work due to injuries per 1.000 / hours worked)	0,9	0,7

ITM is committed to its efforts to improve H&S related issues, recognizing that the nature of its operations is characterized by a high risk of injuries. The Group regularly organizes H&S specific training and information sessions for its workers. Workers are provided with personal protective equipment (PPE) and they are subject, on a regular basis, to work-related medical

examinations, as requested by law.

ITM organizes annual training programs on work-related H&S issues involving ITM's entire staff. In 2021 the European ITM Group has carried out safety training activities addressed to all people for a total of 2119 hours, mainly ran through online courses due to the pandemic.



A safe company is a more efficient company: take care think safe!



Employees training programs include Titan Corporate Compliance, H&S, first aid internal team and fire prevention, and other general and sector-specific themes requested by law.

Led by the continuous improvement approach, the Group is working to obtain certification to the ISO 45001:2018 standard specifically related to Occupational Health and Safety Management Systems in our Italian and German facilities by the end of 2022.

The Group Health and Safety policy is in line with the Titan Corporate HS which is monitored and overseen

by local health and safety committees located at each manufacturing facility. Members of these committees meet regularly with plant managers to discuss health and safety matters, including any reports and investigations into lost time injuries.

The Group maintains a global database for the entry and tracking of injuries occurring at all of its manufacturing facilities. All accidents are reviewed by the Environmental Health and Safety and Risk Management Team, which conducts deeper on-site visits, in the case of serious accidents.

Safety mandatory training



Ceprano plant: 2 years without recordable injuries



■ Training

Market competitiveness requires strong commitment and large investments to empower and improve human capital. ITM believes that personal and professional improvements are the key to the human development. Periodically ITM updates its training and performance system to provide its employees with higher education and training sessions available in accordance with their specific role and career path.

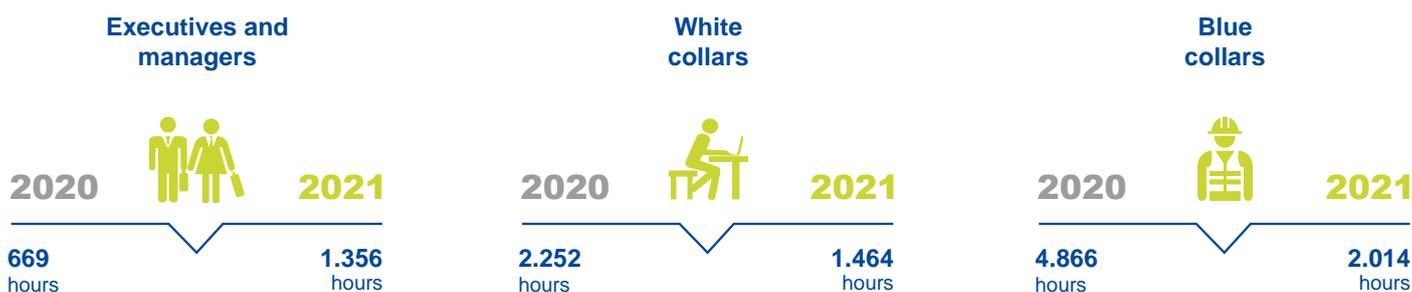
The Group believes that the success of a company

derives from the internal development of its resources through customized training and technical programs.

The Human Resources Unit is responsible for defining and implementing periodical learning and development programs to also meet employees' interests, objectives, and aptitudes. Additionally, specialized study programs are designed for executives to obtain MBA or similar degrees as required.

Total training hours by employee category												
	2020						2021					
	Mandatory		NOT Mandatory		Other		Mandatory		NOT Mandatory		Other	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Executive and managers												
Hours by gender	165,0	6,0	459,0	38,5	0,0	0,0	506,0	64,0	770,0	16,0	0,0	0,0
Hours of training	668,5						1.356,0					
White collars												
Hours by gender	198,0	94,0	717,0	455,0	0,0	0,0	937,0	617,0	562,5	135,0	0,0	0,0
Hours of training	1.464,0						2.251,5					
Blue collars												
Hours by gender	654,0	55,0	1.277,0	28,0	0,0	0,0	2.022,5	48,0	2.788,5	6,5	0,0	0,0
Hours of training	2.014,0						4.865,5					
Total training hours of all employees	4.146,5						8.473,0					

Total training hours by employee category



Training hours include both mandatory courses and non-compulsory ones. The mandatory trainings include aspects such as anticorruption (MOG 231), Health and Safety, whereas the rest of hours are dedicated to technical and managerial issues for the development of specific expertise according to the roles and responsibilities. With reference to Environment, Social and Governance aspects ITM is planning to develop a training program from 2022 onwards. As shown in the chart above, as far as the European ITM Group, in 2021 about 41% of training hours were addressed to blue collar workers, 30% to white collar workers and 29% to executives and managers. Overall, mandatory training represents 50% of the total training hours and it accounts to 43% for blue collars, whereas non mandatory training hours represents 50% of the total training hours and these are addressed to white collars (31%).

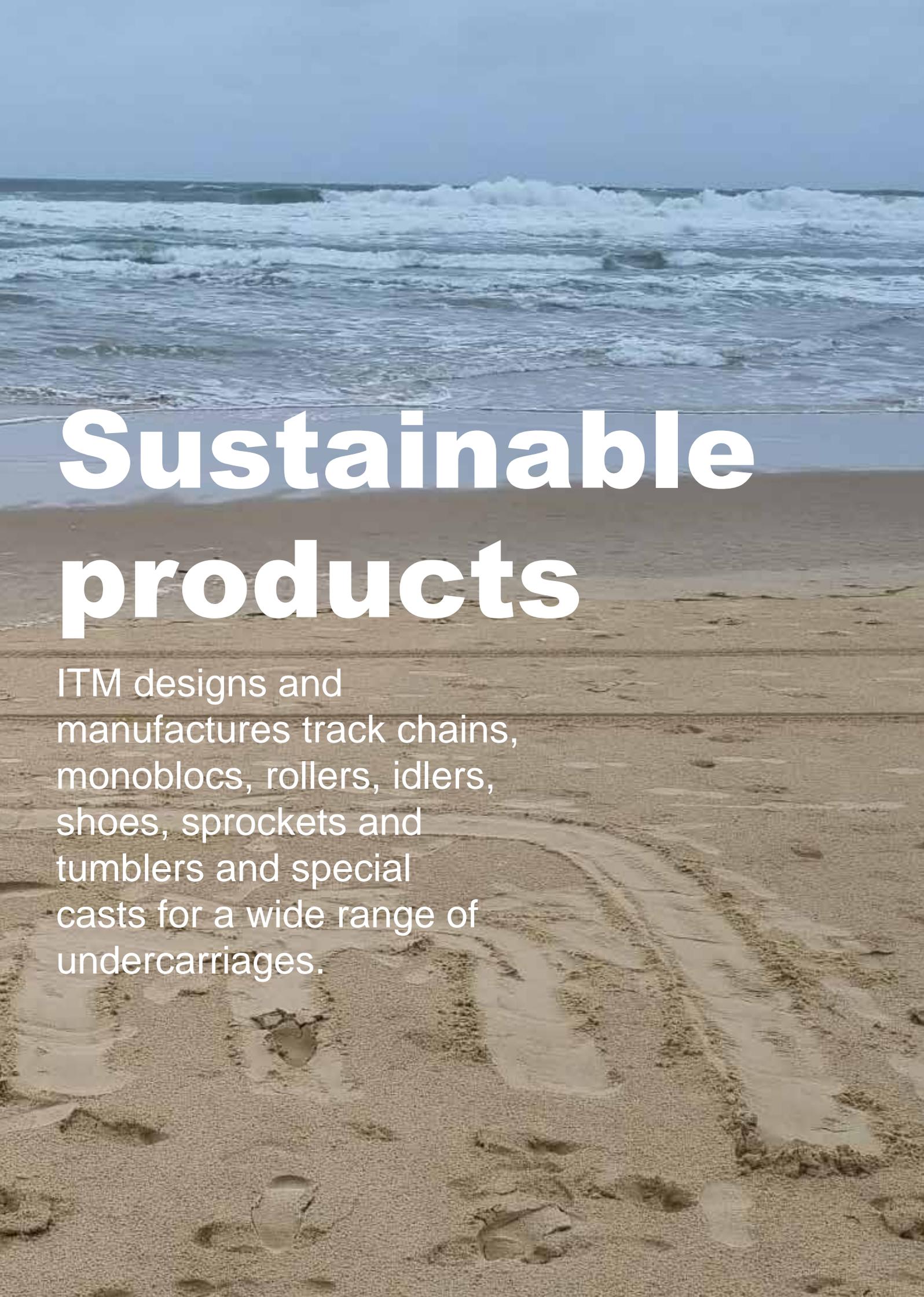
Due to the pandemic, the number of hours of in-person training has decreased over the last year. However, thanks to digital tools the training programs planned for 2020-2021 have been carried out regularly

Related to remuneration, contractual and labor conditions, as already pointed out in the first section of the report, the Europe legal entities fully respect the collective bargaining agreements effective in each countries; each legal entity, with reference to minimum salaries, is well above these minimum levels of salary.

We can also confirm that in 2021, compared to 2020, there have been some remarkable things to point out:

- **White collar men:** average salary has increased by 6.5% due to new hirings and a retention strategy concerning best talents
- **White collar women:** average salary has increased by 5.5% due to hirings of talents with high potential
- **Blue collar employees < 30 years old:** average salary has increased by 7% in under 30 age group due to hirings of high qualified youngsters
- **Blue collar employees between 30 and 50 years old:** average salary has increased by 4.5% in order to improve retention of high qualified employees





Sustainable products

ITM designs and manufactures track chains, monoblocs, rollers, idlers, shoes, sprockets and tumblers and special casts for a wide range of undercarriages.

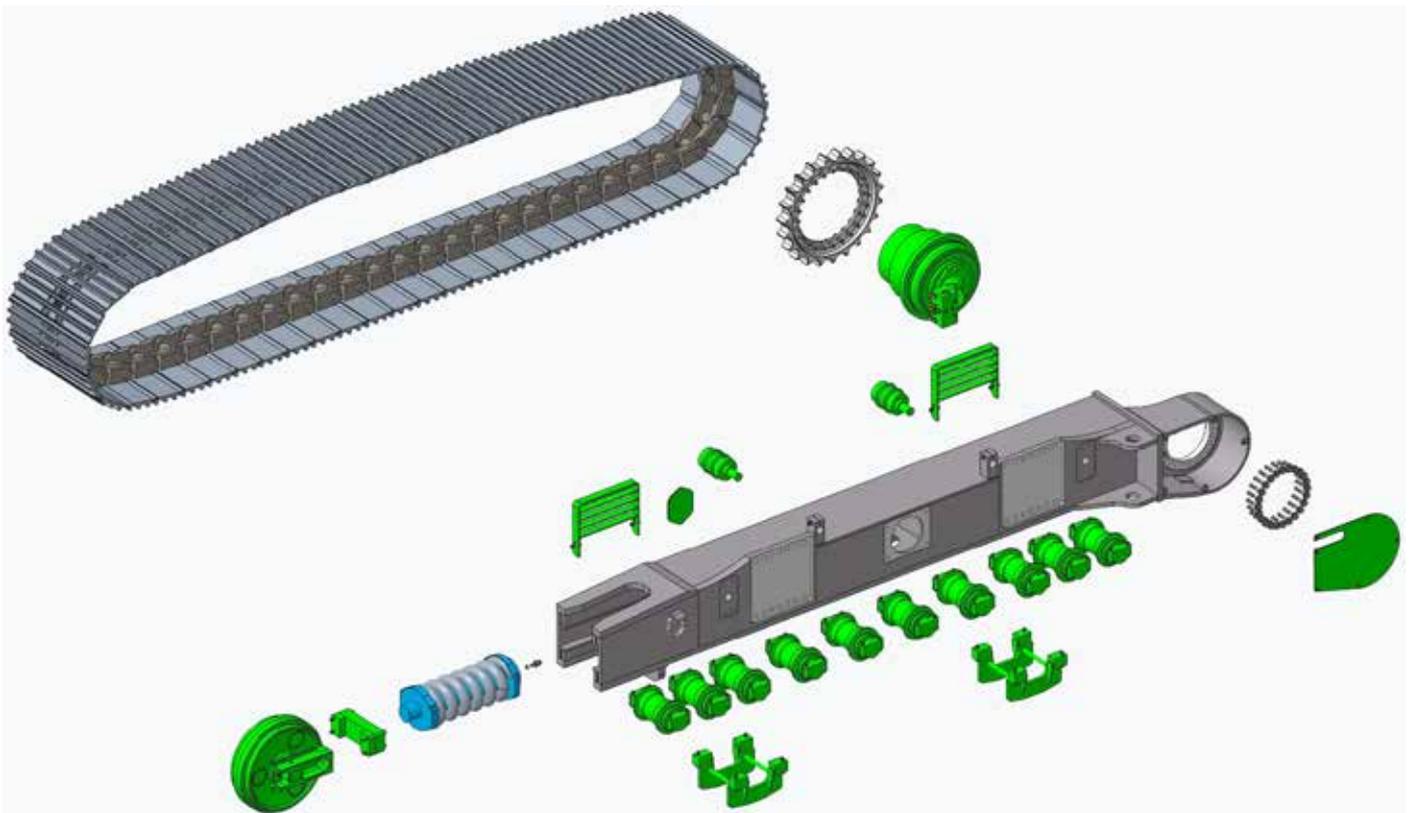
Sustainable Products

[GRI 102-9, 204-1. SASB TR-AP-250a.1]

From the Group's ten production and assembly facilities, ITM produces track chains, monoblocs, rollers, idlers, shoes, sprockets and tumblers and special casts for a wide range of undercarriages³. Additionally, the Group assembles complete frames. These products are used in a variety of applications, including excavators, dozers, pavers, cranes, drills, crushers, sugar cane harvesters and other crawler machines, principally for the construction, roadbuilding, forestry, mining and agriculture markets. The Group, in Spain, also produces disc brakes for high-speed trains. Warranties are provided on the Group's products, the length of which depends on OEM customers' own warranties, set dates post-delivery or usage milestones.

A key element of the Group's offering is that it conducts extensive laboratory and field testing of new components to ensure maximum performance reliability. ITM offers complete pre-sale and post-sale customer service to both OEM and AMK customers. This includes product support provided by a dedicated team of specialists to provide advice and recommendations on product selection depending on the use, terrain and customer requirements.

The Group also provides customers with aftersales assistance and advice from trained staff around the clock as well as offering customers training sessions to help them optimize their use of the Group's products.



Selection of undercarriage components supplied by the Group.

³ Data included in this section refers only to the European ITM Group.

The Group has an on-going research and development program managed by dedicated engineering teams based in Italy and Germany that seeks to extend the life of the existing range of products, develop products for new equipment models and applications and reduce the use of material. Over the years, the Company has gradually introduced biodegradable lubricant and focused on its products reducing their contamination impact into the soil. Engineers use state-of-the-art technology in developing and improving products, including 3D modelling, 3D prototype printing, finite element analysis and forging & casting simulation software.

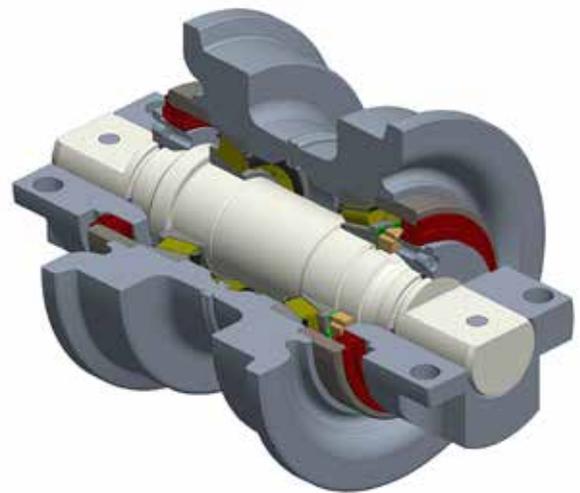
New ITM roller (Patent-pending)

ITM released a new roller for high-speed sugar cane harvesters that features an innovative seal system with low friction, plus a lubricant suitable for high temperatures.

Since 2002, ITM has utilized a biodegradable lubricant in large and medium size rollers. Because it is biodegradable, it does not permanently contaminate the soil if there is a leakage in the field. ITM continues to test alternative lubricant solutions to improve the performance of the product while limiting soil contamination.

Since 2004, ITM has used micro-alloyed steel in shaft production for idlers and rollers. The chemical composition of this steel guarantees the required mechanical properties without the traditional quench and temper process. This translates into significantly lower energy consumption and gas emissions. ITM's engineering team is currently evaluating whether to expand the use of this steel to other components, thus reducing energy consumption and gas emissions even further.

For paver and milling frames, ITM is mainly applying track shoes with so-called "Bolt on Pads." These kinds of rubber and polyurethane coated track shoes allow for the reuse of the main steel plate, reducing steel waste by more than 80%.



New roller for high speed

Customer's centricity

ITM serves two different channels of customers: Original Equipment Manufacturers (OEM) and Aftermarket Customers (AMK).

OEM Channel

The Group manufactures, sells and distributes undercarriage components and complete undercarriage solutions to OEMs for use in the production of new crawler machines.

The customer base in its OEM channel includes a broad range of blue chip OEMs, primarily in the construction, mining and agriculture sectors. The Group has a long-standing relationship with the majority of its clients, generating more than 65 percent of its sales in 2021 from customer relationships which have been in existence, in major part, for 25 years or more.

In the OEM market, the co-design and development of products according to customers' specifications, the high quality of products sold and an effective supply chain are particularly important to OEM customers.

OEM recognition



ITM Latin America achieved John Deere Key Certification, which recognizes suppliers with the best quality, delivery, performance and partnership results.



Alongside the Group's premium brand and competitive pricing, the Group's technical and manufacturing capability, developed over many years, as well as its global manufacturing footprint and sales presence, provide it with a considerable competitive advantage. Customer proximity to the Group's manufacturing and support facilities have been a key factor of the Group's

strategy so it can serve customers more responsively and with better service when it operates in the customer's local market.

The Group's OEM strategy is to consolidate its position as a leading manufacturer in the OEM channel by continuing to align its offering and geographical footprint with those of its customers, so that it continues to provide high quality products, responsive service and innovative solutions.

This goal is furthered by the Group's investment into specific geographic areas such as China and India to provide manufacturing cost benefits, as well as the opportunity for the Group to better serve, and build stronger relationships with OEMs in those areas.



AMK Channel

Since 2011, the Group has focused on increasing its presence in the undercarriage aftermarket, which represents the supply of replacement parts to end-users directly or through the Group's service centers, and to dealers (independent and supplier-owned).

The Group's AMK channel is responsible for providing replacement components and aftercare services to equipment end-users. The availability of products, the proximity of service centers and dealers and quality have a high level of importance in the aftermarket.

ITM has the experience and know-how to respond to all its customers' requests: from design to field application, from service to technical support, ITM's experts are at customers' side not only to develop new solutions and bring innovation to their application areas, but also to be at their side in their everyday work.

The Group's expertise is the result of years of cooperation with leading OEMs, as well as R&D and constant feedback

on product performance from customers, enabling the Company to provide them with the best solutions for maximum productivity. Working in close contact with the customer, ITM provides a total service that, using the most advanced CAD and PLM technologies, develops from the preliminary design to the execution of construction drawings and the definition of the final project. The offer also includes detailed analysis of components in the laboratory and dynamic testing on test benches designed and manufactured by the Company. ITM's team of experts carries out standard protocols as well as specific tests requested by the customer.

Product Support Specialist

Product support is designed to support the customer, build customer loyalty, and create a partnership with both the customer and the end user. ITM's dedicated team of

Product Support Specialists are well trained in the use of each product and, thanks to the presence all over the world, have developed a deep expertise about the specificity of the applications. Thanks to this experience, the team can identify the most suitable product for the specific application to increase and optimize product performance. It also verifies its correct use and makes the necessary suggestions to ensure maximum productivity, longer life, and lower maintenance costs.

The Product Support Specialists monitor product performance throughout its life cycle. The after-sales service is designed to support the customers by providing a dedicated, high quality service, wherever they are, quickly. ITM's professionals are always ready to give the best advice and assistance: we have a highly specialized staff, available 24 hours a day, 365 days a year to support our customers.



The Customer is ITM's focus: through a combination of localized manufacturing and a distribution network that covers most of the world, ITM Group supports its customers through its proximity to them and its continuous monitoring of their needs.



■ Results of innovation

The Group has an extensive engineering team with over 50 engineers primarily located at our two central offices in Italy and Germany. The design of components is carried out at the Italian Design and Development Center, which boasts a state of the art testing facility. The German Engineering Centre focuses on assembly and special products. Each manufacturing center has local engineering support staff who are linked in with the two central teams. In addition to the Group in-house facilities, there are also strong links with the University of Bologna and Modena in Italy, the Atzerland Institute in Spain and Bochum University in Germany. All of the Group companies work on the same computer platforms which link design to manufacturing including CAD, PLM database (Windchill) and FEM (fatigue analysis). OEM customers rely extensively on the Group's design and testing capabilities; these are integrated into their internal design processes.

The Group has an on-going research and development program managed by dedicated engineering teams that seek to improve the quality of its existing range of products, develop products for new equipment models and applications and to develop new products for the Group's markets. Engineers use state-of-the-art technology in developing and improving products, including 3D modelling, 3D prototype printing and finite element analysis.

Currently, ITM intends to leverage digital technology and digital transformation to develop business and remain competitive by implementing a digital plan and specific projects. A dedicated team of engineers has been set up to focus on this new technology.

Among the main, innovation-related projects that the Company is implementing, are the adoption of IOT technologies (Internet of things) and the enhancement of the TrackAdvice® project.

Moreover, ITM strives to be steward of the environment across all operations, from the product's design to the pursuit of efficiency in its manufacturing process.

ITM continuously seeks to reduce its impact on the environment by adopting eco-design principles. Regarding the increase in duration and durability of the product, ITM is focused on enhancing the life cycle and use phases.

TrackAdvice® & TRUST

To improve the life of the product and assist the customer in managing its fleets efficiently, ITM has launched a cloud-based undercarriage management service called TrackAdvice®. This service is currently provided to customers through a specific software that was fully developed internally. This software assists operators to inspect undercarriages and collect data in the field on the TrackAdvice® software application, which is then transferred to a centralized database to allow data analytics processing, leading to reports and recommendations for customers. This allows them to optimize the maintenance management of individual undercarriage components to increase wear-life and reduce operators' cost-per-hour.

TrackAdvice® software provides wear percentage, component hours worked and the remaining predicted life of each component. ITM provides recommendations with the objective of ensuring customers can optimize undercarriage productivity, can better predict maintenance scheduling and can benefit from reduced machine downtime.

Integrated with TrackAdvice® platform is a more recent development - a new range of "Smart Products": TRUST (TrackAdvice® Undercarriage Smart Technology). This includes a fully integrated system of sensors installed in new components and linked to the TrackAdvice® system to remotely monitor the performance of a part, run certain diagnostic checks and provide customers with live data through TrackAdvice®, without requiring manual inspection or data collection. This technology is extremely important for vehicles with automated drive. It maximizes the use of our product, reducing downtimes, and it protects health and safety of operators.

Life Cycle assessment

ITM is working on a cradle-to-grave LCA (Life Cycle Assessment) project. In particular, the Life Cycle Assessment study, carried over for few key products including: lubricated chain and dry chain is aimed at evaluating the environmental impact of these products over their life cycles.

The intent is to review the Company's environmental policy and to improve the sustainability of its products and processes. In accordance with ISO 14040 and

ISO 14044 standards, the lubricated chain and the dry chain are analyzed separately as they are composed of different raw materials and different production phases. The study is carried out in order to obtain results both on the assembled product and on the single component. The environmental impacts ITM is specifically considering are the following: greenhouse effect, depletion of the ozone layer, acidification, eutrophication, formation of photochemical smog, toxicity to humans and to the environment, consumption of non-renewable resources.



Predictive maintenance systems, such as TrackAdvice® and TRUST, reduce human involvement in field mining operations, which assists operators' health and safety objectives.

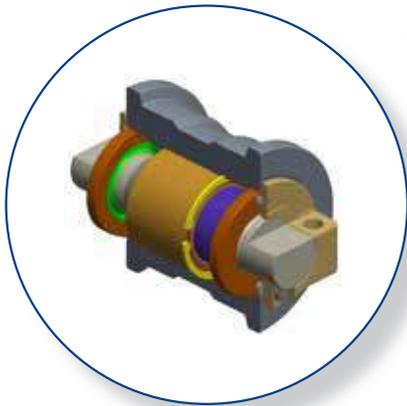


■ Quality, safety and compliance of ITM products



New Grease-Lubricated Chain

ITM introduced new grease-lubricated chains for 200 to 250 ton mining excavators that reduce noise, last longer and lower energy consumption.



Roller-with-cartridge system

ITM introduced a patent-pending track roller with a cartridge system providing better reliability, requiring no additional oil inside the oil shell, and preventing oil leaks.



Laboratory Investment

ITM invested in its laboratory and testing department to improve performance and testing capabilities for customers.

ITM has a competitive need and a responsibility to design and manufacture safe, high-quality products for its customers and end users, which meet their needs. The Group seeks to meet and exceed applicable industry product safety standards wherever it operates. The Company also strives to provide excellent customer service and product support, and to make information accessible to its customers for the safe operation of its products.

What drives the ITM engineering activities are the customers' needs for continuous improvements, product performance and safety. ITM's products are a result of extensive research, new materials development and a wide variety of laboratory and field tests.

Undercarriage Wear and Care

ITM provides its customers with the undercarriage Wear

and Care manual to inform them of the proper use of its product during both the operation and maintenance processes. Improper operation, lubrication, maintenance or repair, in addition to reducing the lifetime of the product, could be dangerous and result in serious injury. For these reasons, this detailed document specifies safety precautions and warnings concerning the undercarriage product and its components.

Mining Service Center

Through its six service centers and a network of independent dealers, ITM has established its presence in strategic mining areas. Having service centers and dealers located near equipment end-users is crucial in order to attract and retain customers by providing direct maintenance and repair, and on-site aftercare from qualified professionals and a responsive service team.



■ Supply chain

Supply chain has a strategic relevance for the Group business. Steel is the principal raw material used by the Group. The Group has a number of suppliers and processors in its key manufacturing locations to ensure that it is able to secure consistent and competitive supply of the specialist grade of boron steel that it uses. The Group seeks to source steel in the same geographical areas as its manufacturing operations in order to shorten the supply chain and to reduce costs and working capital to match revenues and costs in common currencies. It is not dependent on any single producer but has a select number of long-term partners to ensure that it receives high quality raw materials and benefits from large scale. The Group operates a centrally-managed procurement function, wherever possible, to maximize purchasing power across key inputs, including steel. The Group's central procurement function also seeks to manage and limit dependence on a small numbers of suppliers in key areas.

The Group uses third parties to supply more commoditized components used in undercarriage systems, a market which is fragmented with many suppliers. Management uses a number of trusted suppliers that are capable of providing timely, high quality and cost-effective components.

The expansion of the Group's manufacturing footprint also provides the potential to move production of less specialized components to lower cost manufacturing areas and continue pursuing initiatives to increase supply chain efficiency. Alongside economies of scale generated from higher production levels and locating manufacturing of more commoditized components in low cost manufacturing sites, the Group continues to implement a range of on-going supply chain initiatives to drive better sourcing, reduced wastage and lower transport costs in order to reduce input costs and reduce the environmental impact.

The Group operates with an integrated IT system, which enables it to operate from a multi-plant model with common KPIs across the Group. This system allows the Group to produce components in a variety of locations across the world in order to manage production capacity and produce components in local supply markets. This helps to reduce transportation costs, shorten the supply chain and reduce geo-political risks.

ITM Group monitors its supply chain in terms of performance, fairness, reliability, quality, compliance with national and international regulations, as well as environmental, social and governance issues. In doing so, the Group ensures the cost efficiency, quality, and sustainability of its production processes, as well as improves the market positioning of the involved stakeholder.

ITM supports sustainable practices across its value chain, recognizing that a dependable and sustainable supply chain can contribute to the creation of a net positive environmental, social, and economic impact. With the extended value chain, ITM has set out guidelines and standards for its suppliers, especially in terms of anti-corruption with respect for universal principles of human rights protection, labor standards and the environment.

ITM Supplier Code of Conduct and Purchase Order Terms ensure the integrity, transparency, and fairness of the entire value chain. Suppliers are expected to comply with these terms that introduce some obligations such as:

- compliance with existing local and international regulations;
- respect and promotion of Diversity and inclusivity;
- fair competition;
- protection of human rights, protection of employees through policies, programs and training on occupational health and safety (H&S) issues;
- environmental responsibility.

Overall, the Group relies upon over 60 strategic suppliers, and upon a monitoring and warning system, to enable every stakeholder, who know or suspect that a distribution channel is violating Company policies or applicable laws, to immediately notify the Corporate Compliance Department or the Corporate Legal Department. ITM recognizes that its dealers, distributors, merchants, and agents are independent, and treats them accordingly. Nonetheless, the Company expects that they will comply with laws and uphold values that align with ITM's.

Another relevant issue for ITM is local purchasing and it strongly believes that the Group can support the communities' economic development through a consistent increase of the economic value distributed promoting local purchase.

The Group has a number of suppliers and processors in its key manufacturing locations to ensure that it is able to secure a consistent and competitive supply of the specialty grade of boron steel that it uses. In 2021 the European ITM Group spent about 156 M€ on suppliers of which 66,7% corresponding to 104 M€, local. Referring to local suppliers, ITM considers those based in Italy, Spain, and Germany. The increase in

local supplier exposure from 63,3% to 66,7% shows the strengthening collaboration with European suppliers, in the current expansion phase of the business, and a clear achievement in the “regionalization” process strategically set by the management team. ITM is keen, as much as possible, to reduce the logistic impact of its supply chain by reducing exposure versus the Far East and the relevant environmental impact.

Proportion of spending on suppliers	2020	2021
Total expense for procurement [k€]	101.337	155.791
of which to local suppliers [k€]	64.131	103.858
Percentage of spending on local suppliers %	63,3%	66,7%

Titan Intertractor GMBH is working on a project which aims to replace casting parts with forged designed parts. This alternative process has a lower environmental impact and it addresses a more sustainable product that ITM is focusing on.

After innovation from casting to forging, we achieved (per 2021):

- 6,200 ton of sand and 248 ton of resin saved
- 2,087 ton of casting were moved to forging
- 154,000 Kwh electricity have been saved

Casting process



Forging process





Environment

The Group continuously works to reduce negative impacts on the environment by adopting eco-design principles and by innovating its manufacturing processes.



Environment

[GRI 301-1, 301-2, 302-1, 302-3, 303-1, 303-2, 303-3, 303-4, 305-1, 305-2, 305-4, 306-2, 306-3, 306-4, 306-5. SASB RT-IG-130a.1, TR-AP-440b.2, TR-RO-110a.1, TR-RO-110a.3, TR-AP-130a.1, TR-RO-540a.3, TR-AP-150a.1]

The Group is subject to a wide range of environmental laws and regulations in each of the jurisdictions in which it operates, including those governing the discharge of pollutants into the air or water, the storage, handling and disposal of hazardous substances or waste in order to avoid any possible contamination of its sites. Data included in this section refers only to the European ITM Group.

Sustainability in our plants

ITM strives to be at the forefront of environmental protection in its operations, from product design to sale. The Group continuously works to reduce negative impacts on the environment by adopting eco-design principles and by innovating its manufacturing processes. In our Brazil plant, ITM utilizes a direct quenching process on most of the components. This eliminates one heating step and the resulting energy usage and gas emissions. Overall, the Group has adopted controlling and measuring activities related to different environmental aspects, such as:

- Control and inspection of Volatile Organic Compounds (VOCs)

- Elaboration of the DPCEX to avoid any explosion that may cause damages for people and the environment;
- Verification of the compliance level of the systems installed with the regulations in force;
- Capture and control of residues generated;
- Maintenance of installations to avoid leaks and damage;
- Transport optimization;
- Improvement of energy intensity based on energy efficiency projects.

In 2020, ITM joined IMDS® (International Material Data System). This database allows for the traceability of materials used by the automotive industry.

In 2021, the ITM plant in China introduced water-based automatic painting line rollers and idlers- all paint used at the plant is now solvent-free, enhancing our environmental sustainability

Production activity has increased in 2021 as a result of increased demand from customers. The number and weight of produced parts in the European ITM Group for 2019-2021 has been as follows:

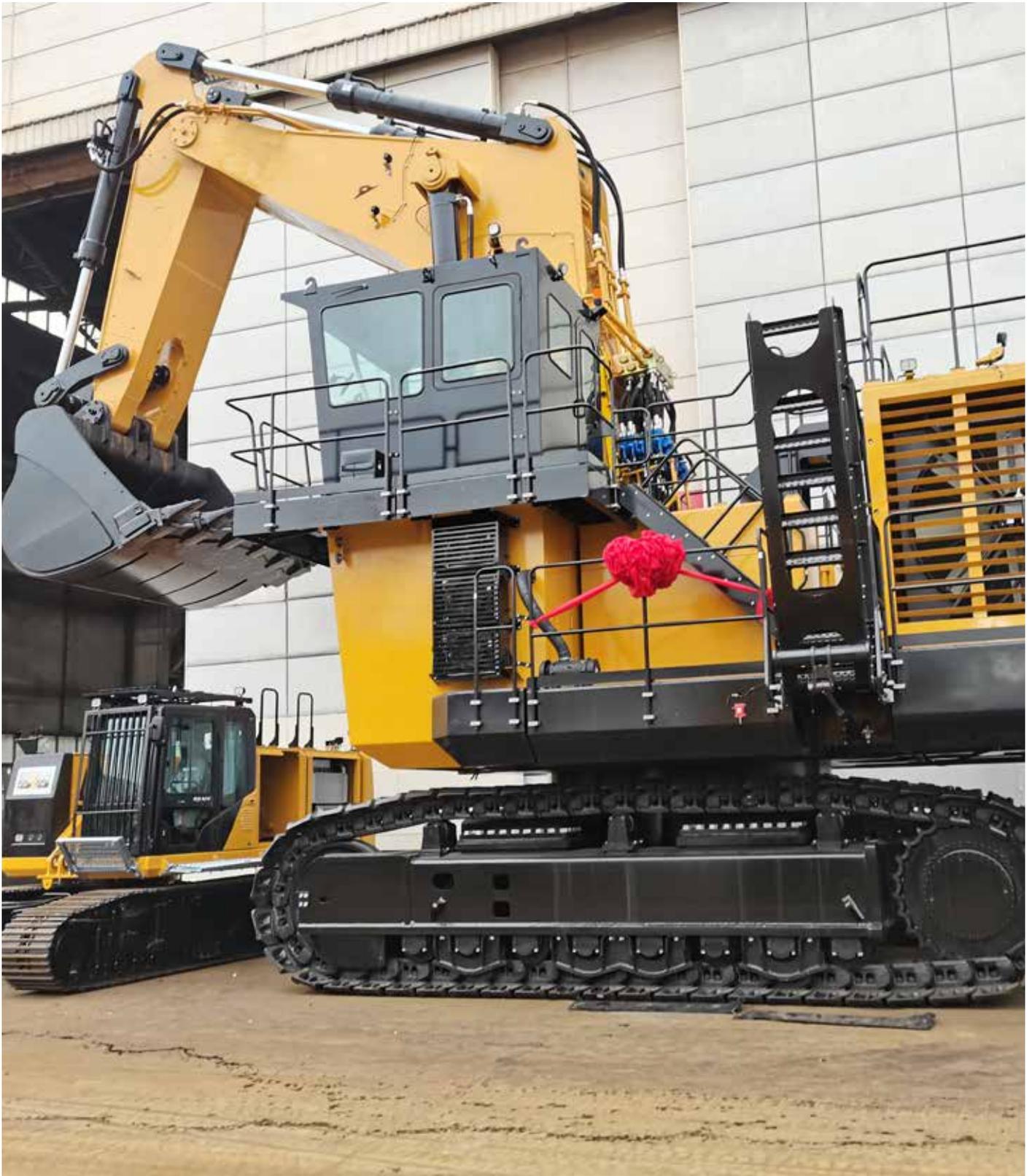
European ITM Group's Data	2019	2020	2021
Number of produced parts	2.715.334	1.775.266	2.319.788
Weight of produced parts [Tons]	87.576	65.704	85.690



ITM Brazil plant



ITM plant in China



Mining shovels 200-260 ton in China with ITM's undercarriage parts

Energy management

ITM's culture embraces a rational use of energy and its energy consumption is differentiated according to the three energy vectors: electricity, natural gas and fuel for automotive use (fleet of forklifts and company pool cars).

ITM Group's energy uses are divided into:

- Production energy uses (plant, machinery and equipment instrumental to production);
- General services (summer and winter air conditioning, lighting, etc.);
- Auxiliary services (compressors, cooling towers, water purification plants, atmospheric emission purification plants, etc.).

ITM Group, though classified as a high energy-consuming company, has always been committed to developing energy saving initiatives. In Italy, in accordance with Legislative Decree 102/2014, it has prepared and transmitted to ENEA the energy audit of the various sites

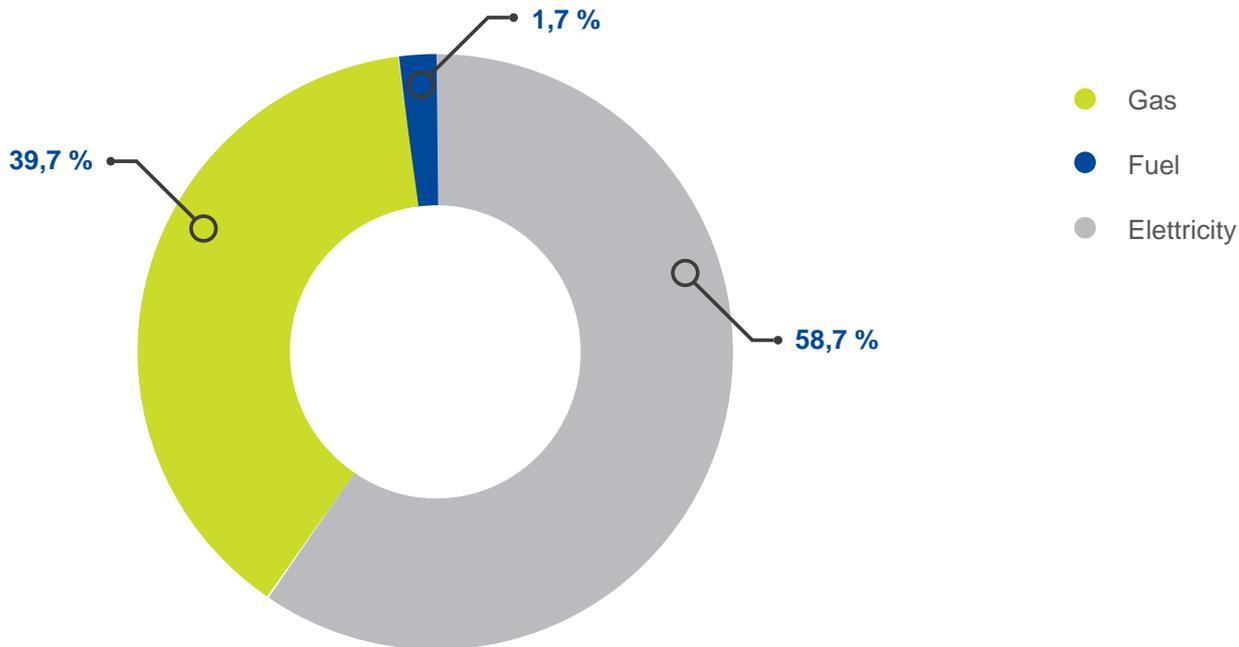
in 2015 and 2019.

Italtractor ITM SpA Group has implemented an Energy Management System. This has been certified, according to ISO 50001:2018, within the Italian perimeter, and during 2022 the aim is to extend this certification to all European companies.

In addition, the German plant, is periodically audited in accordance with the regulation DIN EN 16247-1, which reflects the Efficiency System Directive (SpaEfV).

ITM Group is also purchasing electricity from renewable sources to protect the environment and precious territories. In 2021, 31,3% of the European ITM Group's energy consumptions was obtained from green energy and the usage of renewable sources is expected to increase in the very next future, fostering the green transition pursued by the European Union and the United Nations.

2021 European energetic mix



Types of consumption [GJ]	2019	2020	2021
A. Direct energy consumption	163.910	136.043	173.169
Energy consumption from non-renewable sources			
Natural Gas	92.795	77.419	106.433
Fuel used for company fleet and forklift	8.757	7.305	6.652
Energy consumption from renewable sources			
Natural Gas ⁵	62.357	51.393	60.159
B. Indirect energy consumption	248.368	212.884	246.061
Energy consumption from non-renewable sources			
Electricity purchased ⁶	142.179	122.515	142.837
Energy consumption from renewable sources			
Electricity purchased	106.118	90.298	103.129
Electricity self-produced (PV) ⁷ and self-consumed	71	71	96
Total energy consumption (A+B)	412.277	348.927	419.230

Energy intensity	2019	2020	2021
Total energy consumption [GJ]	412.277	348.927	419.230
Weight of produced parts [Tons]	87.576	65.704	85.690
Energy intensity [GJ/Tons]	4,7	5,3	4,9

⁵ Estimated on the basis of the GSE's recognition, pursuant to the Decree of the Minister of Economic Development of 31 July 2009, regarding the composition of the initial national energy mix of electricity supplied to the grid relative to 2020 equal to 42,28%.

⁶ Estimated on the basis of the GSE's recognition, pursuant to the Decree of the Minister of Economic Development of 31 July 2009, regarding the composition of the initial national energy mix of electricity supplied to the grid relative to 2020 equal to 45.04%.

⁷ The ITM Italian plant in Valsamoggia has a photovoltaic power plant that produced about 96 GJ in 2021, with an increase of 36% in terms of energy produced. Electricity self-produced in 2019 and 2020 has been estimated.

Total energy consumption in 2021, as far as the European ITM Group, was 419.230 GJ and the energy intensity, representing a decrease of 8% compared to 2020.

Overall, the last three years have seen an improvement in energy intensity. This result was achieved thanks to the energy saving initiatives carried out at primarily production sites.

Energy efficiency is one of the Company's primary concerning issues, since it can contribute to better economic performances and to the reduction of greenhouse gas emissions. As evidence by the Group's commitment to environmental protection, self-production of energy from renewable sources is taking place with several plants.

In particular, since 2019 a photovoltaic system has been in operation in the new Headquarter office building in Valsamoggia; in 2021 the installation of a photovoltaic system at the Spanish company Pyrsa was started and will become operational in 2022; feasibility studies are being carried out on photovoltaic systems for the three Italian production plants to cover a significant portion of the electricity consumed.

ITM is committed to clean energy generation and energy savings as they are key to guarantee a safe and efficient future. In particular, the implementation and development of an Energy Management System certified according to ISO 50001:2018 represents an important step for ITM Group to improve its energy consumption performance. Among the initiatives implemented for the mitigation of consumption there are:

- re-lamping the installation, in all sites, of LED lamps that allow an average energy saving of 50% compared to the old lighting fixtures;
- switching from diesel to electric and/or hybrid power car pool and forklift. Installation of electric charging points for company cars has started at the Italian sites;
- retrofitting the burner systems in heat treatment furnaces, bringing them into line with BAT (Best Available Techniques);
- monitoring of all Significant Energy Uses with dedicated gas and electricity meters;
- energy auditing to determine the operations that can contribute to energy saving and efficiency;
- implementing energy efficiency management system.





■ Environmental management

ITM has in place an Environmental Management System which includes environmental monitoring across global operations. The Group manages environmental impact in a systematic manner, contributing to the environmental pillar of sustainability, in accordance with the ISO 14001:2015 certification, obtained by 100% of European ITM's sites.

Furthermore, to monitor the performance in terms of environmental issues, the Company conducts routine internal environmental assessment audits at the facilities according to the requirements set by the ISO 14001 certification. As a result, ITM's Group has never received fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations.





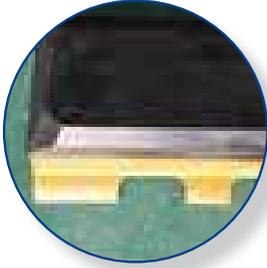
■ Circular economy

ITM's products are almost entirely composed of metals, particularly steel. Steel is a material that can be repeatedly recycled in pursuit of the circular economy principle. In fact, at the end of an ITM product's life, it is melted in steel mills and regenerated as raw material again. At the forging plants in Spain, for instance, ITM melts its steel products producing scraps that are consequently reused or resold to the steel suppliers in accordance with the principles of circular economy. In 2021 this process guaranteed Pyrsa about 15.939 tons of recycled scrap. In addition to this circular approach, the Group also strives to reduce its minerals and materials demand. As for steel a specific initiative for paver and milling frames: applying the so-called "Bolt on Pads", a kind of rubber and polyurethane coated track shoes, it is possible to reuse the main steel plate and reduce the steel waste by more than 80%.

Additionally, over the years, ITM has reduced as much lead as possible in its bearings, especially due to its potentially negative impact on human health and the ecosystem.

Along with the local compliance requirements, ITM strives to ensure the highest standards. The composition of the Group's products in terms of quantity of metals complies with the European Regulation REACH (EC) no. 1907/2006, related to the protection of human health and the environment from chemical risks. In particular, 31,39% of the inputs purchased within the European Union are recycled, as shown in the table on page 100. As for non-renewable resources, almost the total majority of the resources is represented by raw materials (93%),

whereas semi-manufactured goods or parts represent about 4% and packaging materials amounts to 2%.

Coated shoe	Detachable shoe
	
	
<p>Dispose the PU pad and steel shoe when replacing service part</p>	<p>Dispose the PU pad only when replacing service part</p>

Case study: the circularity of Ceprano (Italy)

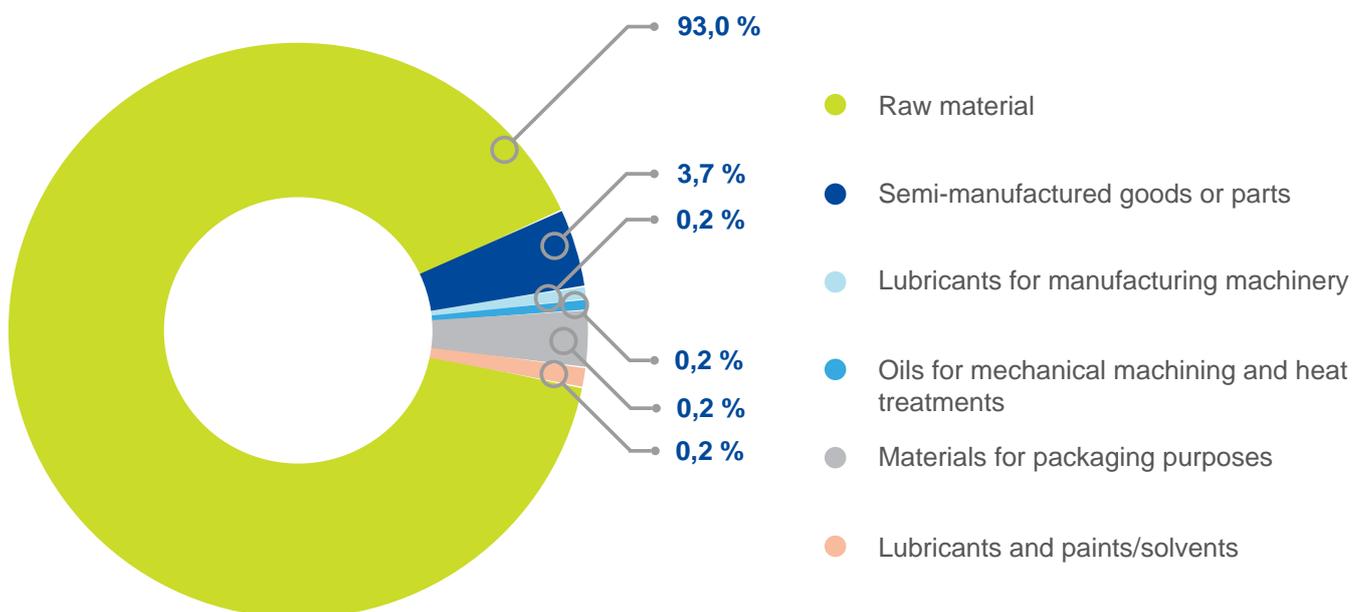
The forging process is used to produce links and semi-rollers, the key base components of ITM products. The main manufacturing phases are cutting, forming and hot trimming. These processes generate burrs and bottom as scrap. The latter, classified as a by-product according to an Italian law (ex 184 bis D.Lgs.152/06), is outside the waste legislation and therefore it is delivered to a third party steel plant located out of North Italy, where a new life is given to the scrap through a melting process. In this way, new steel is produced, hence limiting the use of material from natural sources and reducing the environmental impacts. In the past two years the scrap quantity delivered to the external plant was 3.237 tons in 2020 and 3.998 tons in 2021.



Ceprano's mining automatic line

Materials by type (Tons)	2020	2021
Raw material (steel and alloys)	32.734	47.250
Lubricants (oil, grease, etc...) and paints/solvents for products	191	311
Semi-manufactured goods or parts	1.430	1.861
Oils for mechanical machining and heat treatments (emulsion and glycol oils)	121	142
Lubricants for manufacturing machinery (maintenance's oils)	85	93
Materials for packaging purposes	862	1.127
wood (pallet, box, etc)	816	1.059
cardboard	4	4
plastics (strapping, bubble wrap, cellophane, etc)	28	43
rust protective oils	2	2
steel (strapping, etc)	12	19
Total non-renewable materials used	35.423	50.784
Total renewable materials used	13.762	15.939
Total materials used	49.185	66.723
Scrap (end-waste of automotive sector, etc)	13.762	15.939
Percentage of recycled input materials used	28,0%	23,9%

2021 total non-renewable materials used



Circular economy

Due to the relevant dependence from minerals and other natural resources, ITM works to manage the risks associated with the use of critical materials.

These materials are subject to pricing, regulatory and reputational risks, so the appropriate management is of the utmost importance.



The ITM casting plant in Spain uses “End waste” of the automotive sector as raw material.



Our product is made almost entirely of steel. Steel is a material that can be repeatedly recycled. At the end of its life, our product is melted in a steel mill and regenerated as raw material again.

■ Carbon footprint

Climate change is the most concerning environmental challenge of the XXI century. Governments, companies and organizations are implementing adaptation and mitigation actions to respect the Paris Agreement commitments as well as the priorities highlighted during the recent COP26. According to the European Environmental Agency⁸ greenhouse gasses (GHG) emissions are significantly decreasing in Europe (EU-27) thanks to the already implemented actions and policies compared to 1990 values. The manufacturing and

construction industry was responsible by more than 409 Mt CO₂-eq in 2020 (12.34% of total emissions, according to the historical scenario defined by the EEA) but they are expected to reduce their contribution to climate change through a decrease of almost 4% by 2030 (With Existing Measures, WEM, scenario, reaching 394 Mt CO₂-eq).

The European ITM Group has been monitoring its Scope 1 and Scope 2 GHG emissions (represented below) to ensure constant control of direct and indirect emissions.

The GRI greenhouse gasses reporting standard

GRI 305 addresses emissions into air, which are the discharge of substances from a source into the atmosphere, and expects the disclosure of these emissions classified by Scope. ITM Group discloses its Scope 1 and Scope 2 GHG emissions as defined below.

Scope 1: direct GHG emissions coming from the following sources owned or controlled by ITM: generation of electricity, heating, cooling and steam; physical or chemical processing; transportation of materials, products, waste, workers, and passengers; fugitive emissions, so those emissions that are not physically controlled but result from intentional or unintentional releases of GHGs.

Scope 2: energy indirect GHG emissions include, but are not limited to, the CO₂ emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization.

Direct CO2 emissions Scope 1 [tCO2]	2019	2020	2021
Natural gas	14.546,5	12.802,3	14.501,3
Fuel	654,5	540,3	491,5
Total direct emissions (Scope 1)	15.200,9	13.342,6	14.992,8

⁸ EEA greenhouse gas projections - data viewer — European Environment Agency (europa.eu).

Indirect CO ₂ emissions Scope 2 [tCO ₂]	2019	2020	2021
Location-based (Lb): Electricity	34.591,7	29.544,8	33.713,9
Market-based (Mb): Electricity	26.730,0	22.366,7	25.677,0

Total CO ₂ emissions [tCO ₂]	2019	2020	2021
Total direct emissions and indirect emissions Lb	49.792,6	42.887,4	48.706,6
Total direct emissions and indirect emissions Mb	41.930,9	35.709,2	40.669,8

CO ₂ emissions intensity	2019	2020	2021
Total emissions Lb for weight of parts produced [Tons CO ₂ eq/Tons]	0,57	0,65	0,57
Total emissions Mb for weight of parts produced [Tons CO ₂ eq/Tons]	0,48	0,54	0,47

The tables above show a improvement of direct and indirect emissions comparing 2021 and 2019, respectively of -1,4 % (Lb) and -3,9% (Mb).

The growth recorded between the last two years was determined by the progressive increase of production and the Tons of parts produced in the European ITM Group.

ITM's total tCO₂ emissions produced in 2021 amounted

to 40.669,8 (Mb), -3 % compared to 2019.

The table below shows the emissions generated by the transport of waste produced by ITM's Italian plants. In particular, the majority of emissions occurred in Potenza.

In Italy the tons of CO₂ generated by waste transport for each weight of parts produced decreased by about 10% in 2021 compared to 2020.

Site	2020					
	Waste produced [Tons]	N. of travel	Km traveled	CO ₂ Emissions generated by waste transport [Tons]	Weight of parts produced [Tons]	CO ₂ Emissions/Weight of parts produced
Fanano	998	131	11.381	5,7	8.911	0,0006
Ceprano	236	61	8.950	4,2	10.151	0,0004
Potenza	2.986	437	50.375	26,2	21.834	0,0012
Italy	4.220	629	70.706	36,1	40.895	0,0009

Site	2021					
	Waste produced [Tons]	N. of travel	Km traveled	CO ₂ Emissions generated by waste transport [Tons]	Weight of parts produced [Tons]	CO ₂ Emissions/Weight of parts produced
Fanano	1.267	147	14.316	7,1	13.357	0,0005
Ceprano	309	46	7.682	3,5	13.305	0,0003
Potenza	3.774	514	67.871	32,9	27.912	0,0012
Italy	5.350	707	89.869	43,5	54.574	0,0008

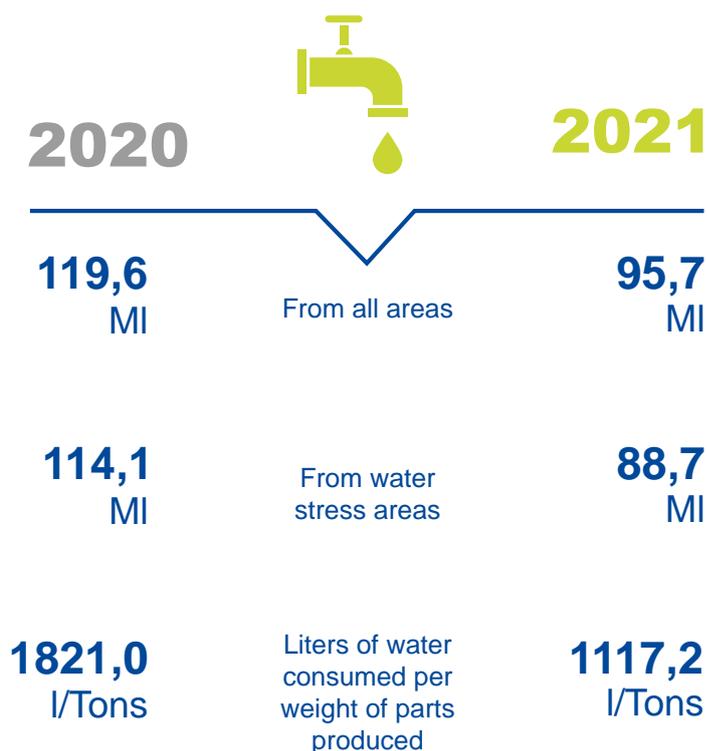
Titan Intertractor GMBH distributes North Rhine-Westphalia in the European market, products sourced out of the ITM Chinese plant. In this plant, the painting process is water based, so the impact of solvent is almost zero and the use of energy is lower than a traditional solvent-based process. This painting technology not only eliminates emissions of volatile organic compounds (VOCs), but also reduces emissions of carbon dioxide (CO2).

■ Water management

ITM Group is aware of the importance of water and the associated risks due to its scarcity. For this reason, ITM fosters its sustainable management to mitigate human activity impacts that are affecting this priceless resource. ITM Group's water consumption is divided into water for production, for civil use and a small part for irrigation. Water withdrawal is distinguished between supply of water from third parties and from groundwater (derived from wells).

At the Valsamoggia headquarters, fresh water is used for civil purposes and for irrigation of outdoor green areas. All other sites have significant water consumption because water is used in several production processes. Water is supplied from the public aqueduct and, at some sites, from a well. The Potenza plant uses industrial water supplied by the Potenza Industrial Consortium for production. Wastewater from the Potenza plant is fed into the Consortium's network, which purifies it. Consumption intensity depends on facilities' core activities, indeed they vary significantly among the perimeter: Italy needs 52,12mega liters of water yearly, whereas Spain 42,36mega liters and Germany 1,25 mega liters. The Gevelsberg site in Germany, due to the nature of its activity, is not characterized by significant water consumption; in fact, the production process does not involve the use of water as it includes only assembly lines. Therefore, the main consumption is for civil use. Overall, the European ITM Group consumptions are progressively decreasing, as reported in the following graphic.

Freshwater withdrawal (≤ 1000 mg/l total dissolved solids)



Considering 65.704 tons of weight of produced parts in 2020 and 85.690 in 2021, consumption of water improved from 1821,0 liters/tons in 2020 to 1117,2 liters/tons in 2021. ITM is implementing different actions to reduce its water withdrawal.

ITM aims at reducing the water withdrawal and minimizing wastewater impacts, complying with existing national legislation. Moreover, in Italy, the Company implements additional voluntary self-monitoring analysis (through colorimetric kit tests) and collaborates with an external laboratory to control the quality of water discharged.

In order to minimize the waste of water resources, ITM Group has provided for the execution of specific activities, including the constant monitoring of any leaks and the

control of inefficient uses of water at the plants. As far as the management of water withdrawals is concerned, ITM Group complies with all the standards required by local authorities. Moreover, ITM monitors processes that evaluate the quality of water discharged from the wells to aid in the development of sustainability policies that further protect the resource.

The self-monitoring process of wastewater allows ITM to identify and evaluate the impacts related to water resources and provides for the execution of specific analysis of pollutants related to wastewater at an accredited laboratory.

The table in note shows the water stress level for each European site of ITM Group⁹:

Freshwater withdrawal (≤ 1000 mg/l total dissolved solids)	2020	2021
From all areas [MI]	119,6	95,7
Groundwater [MI]	73,0	64,5
Third-party water [MI]	46,7	31,2
From water stress area [MI]	114,1	88,7
Groundwater [MI]	73,0	64,5
Third-party water [MI]	41,1	24,2
Liters of water consumed per weight of parts produced [l/Tons]	1821,0	1117,2

⁹ The following sources were referenced to identify water stress areas: Aqueduct Water Risk Atlas (wri.org) and WWF Water Risk Filter/Europe.

Location	Latitude	Longitude	Major Basin	Minor Basin	Province	Stress
58285 Gevelsberg, Germany	513.221.284	7.338.332	Rhine	Rhine 1	Nordrhein-Westfalen	Low (<10%)
41021 Fanano MO, Italy	44.207.978	107.969.832	Po	Po 1	Emilia-Romagna	Low (<10%)
40053 Valsamoggia, BO, Italy	445.043.141	110.799.504	Italy, East Coast	Reno	Emilia-Romagna	Extremely High (>80%)
03024 Ceprano FR, Italy	415.443.553	13.512.173	Italy, West Coast	Garigliano	Lazio	Extremely High (>80%)
85100 Potenza PZ, Italy	406.404.067	158.056.041	Italy, East Coast	Bradano	Basilicata	Extremely High (>80%)
44300 Monreal del Campo, Provincia di Teruel, Spain	407.877.194	-13.553.635	Ebro	Jiloca/Jalon	Aragón	Extremely High (>80%)

Waste management

ITM has adopted the principle “take-make-reuse” that falls under a responsible and circular economy management of resources. The Group has established efficient production processes that, through careful planning, limit the use of virgin raw materials, especially steel, to reduce the creation of waste and scrap.

Also, in line with an eco-design approach, ITM is committed to recovering the majority of raw materials and intermediate products, extending the principles of the circular economy to its functions and production units, as well as increasing collaboration with suppliers

to facilitate recycling.

The adoption of circular production models has been mainly applied to the production of steel, but also to packaging.

Waste produced by the Group in Europe are largely non-hazardous, as shown in the table below, and this mainly comes from the Italian production sites. More details about the quantity of recovered and disposed wastes by category are reported below.

Waste produced [Tons]	2020			2021		
	Total	of which diverted from disposal	of which directed to disposal	Total	of which diverted from disposal	of which directed to disposal
Total hazardous	1.017	155	862	1.667	248	1.419
Total non hazardous	5.676	4.846	829	6.533	6.014	519
Total waste	6.693	5.001	1.692	8.201	6.262	1.939

Waste produced [Tons]	2020	2021
	Total	Total
Total hazardous	1.017	1.667
Total non hazardous	5.676	6.533
Total waste	6.693	8.201
Weight of produced parts	65.704	85.690
% Waste/weight of produced parts	1,5%	1,9%

Waste diverted from disposal ¹⁰ [Tons]	2020			
	Total	Recycling	Preparation for reuse	Other recovery operations
Total hazardous	155	26	128	0
Total non hazardous	4.846	3.169	1.462	216
2021				
Total hazardous	248	28	219	0
Total non hazardous	6.014	3.895	1.877	242

Waste directed to disposal [Tons] ¹¹	2020			
	Total	Incineration	Landfilling	Other disposal operations
Total hazardous	862	529	221	112
Total non hazardous	829	2	482	346
2021				
Total hazardous	1.419	585	275	559
Total non hazardous	519	4	48	468

As shown in the tables above, in 2021 hazardous waste represented only 20% of total waste produced and this was recycled for 11,4%. As far as non-hazardous waste, it was recycled for 64,8%.

¹⁰All the waste produced by ITM is processed offsite.

¹¹All the waste produced by ITM is processed offsite.

ITM is committed to better manage the generation of hazardous waste, derived from its industrial activity, by applying the following measures already in place at the European facility:

- adequate training of personnel in contact with hazardous waste (contaminated empty containers, solvents, coolant, used oils, etc...) to reduce any

- potential risks to employees' health and safety;
- efficient purchasing management in order to reduce packaging;
- regular inspection of storage areas to avoid leaks or spills and be able to quickly respond in case of need;
- purchasing of resources with a longer lifetime;
- Improvement of facilities adopting environmental criteria.





GRI table of content

GRI Standard Title	GRI disclosure number	GRI disclosure Title	Section	Notes
GRI 102: General Disclosures 2016 – Organizational Profile	102-1	Name of the organization	Cover	
	102-2	Activities, brands, products, and services	ITM Group; Worldwide Presence	
	102-3	Location of headquarters	ITM Group	
	102-4	Location of operations	ITM Group; Worldwide Presence	
	102-6	Markets served	Worldwide Presence	
	102-8	Information on employees and other workers	Human Capital Composition and Characteristics	
	102-9	Supply chain	Supply Chain	
	102-10	Significant changes to the organization and its supply chain		<i>During 2021, no significant changes in the size, structure, ownership or supply chain occurred</i>
	102-11	Precautionary Principle or approach		<i>ITM adopts a prudent approach to reducing the environmental impact of its production processes and products, according to principle no. 15 of the United Nations Rio Declaration</i>
	102-12	External initiatives	Communities and Territories	
102-13	Membership of associations		<i>ITM undertakes to supplement and extend the reporting of missing information in the next reporting period</i>	

GRI 102: General Disclosures 2016 - Strategy	102-14	Statement from senior decision-maker	From our CEO	
GRI 102: General Disclosures 2016 – Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	The Group's Values; Ethic and Transparency	
	102-17	Mechanisms for advice and concerns about ethics	Ethic and Transparency	
GRI 102: General Disclosures 2016 - Governance	102-18	Governance structure	Corporate Governance	
	102-22	Composition of the highest governance body and its committees	Corporate Governance	
	102-23	Chair of the highest governance body	Corporate Governance	
	102-32	Highest governance body's role in sustainability reporting		<i>The highest governance body approves the organization's sustainability report</i>
GRI 102: General Disclosures 2016 – Stakeholder Engagement	102-40	List of stakeholder groups	Stakeholder Involvement	
	102-41	Collective bargaining agreements	Human Capital Management	
	102-42	Identifying and selecting stakeholders	Stakeholder Involvement	
	102-43	Approach to stakeholder engagement	Stakeholder Involvement	
	102-44	Key topics and concerns raised	Materiality; SDG Goals	

GRI 102: General Disclosures 2016 – Reporting Process	102-45	Entities included in the consolidated financial statements	Methodology	
	102-46	Defining report content and topic Boundaries	Methodology	
	102-47	List of material topics	Materiality	
	102-48	Restatements of information		<i>During 2021, no restatements of information occurred</i>
	102-49	Changes in reporting		<i>During 2021, there are no significant changes in reporting</i>
	102-50	Reporting period		<i>01/01/2021-12/31/2021</i>
	102-51	Date of most recent report	Methodology	
	102-52	Reporting cycle		<i>Annual reporting cycle</i>
	102-53	Contact point for questions regarding the report	Contacts	
	102-54	Claims of reporting in accordance with the GRI Standards	Methodology	
	102-55	GRI content index	GRI Table of content	
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundary	About Us; Sustainability; Our Identity; Our People; Sustainable Products; Environment	
	103-2	The management approach and its components	About Us; Sustainability; Our Identity; Our People; Sustainable Products; Environment	
	103-3	Evaluation of the management approach	About Us; Sustainability; Our Identity; Our People; Sustainable Products; Environment	

GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Operating and Financial Performance	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supply Chain	
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken		<i>During 2021, no incidents of corruption were recorded</i>
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		<i>During 2021, no legal actions relating to unfair competition or anti-trust activities were recorded</i>
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Circular Economy	
	301-2	Recycled input materials used	Circular Economy	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management	
	302-3	Energy intensity	Energy Management	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Management	
	303-2	Management of water discharge-related impacts	Water Management	
	303-3	Water withdrawal	Water Management	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Carbon Footprint	
	305-2	Energy indirect (Scope 2) GHG emissions	Carbon Footprint	
	305-4	GHG emissions intensity	Carbon Footprint	
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	Waste Management	
	306-3	Waste generated	Waste Management	
	306-4	Waste diverted from disposal	Waste Management	
	306-5	Waste directed to disposal	Waste Management	

GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations		<i>No fines or any sanctions occurred</i>
GRI 308: Environmental Compliance 2016	308-1	New suppliers that were screened using environmental criteria		<i>The indicator is qualitatively covered by the GRI Standard 103. ITM is committed to quantitatively reporting this GRI Standard from FY 2022.</i>
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Human Capital Composition and Characteristics	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital Management	
GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	Health and Safety	
	403-9	Work-related injuries	Health and Safety	
	403-10	Work-related ill health		<i>During 2021, no cases of work-related ill health occurred.</i>
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Training	
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity of governance bodies and employees	Human Capital Composition and Characteristics	
	405-2	Ratio of basic salary and remuneration of women to men	Human Capital Composition and Characteristics	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken		<i>No incidents occurred</i>
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Communities and Territories	

GRI 414: Local Communities 2016	414-1	New suppliers that were screened using social criteria		<i>The indicator is qualitatively covered by the GRI Standard 103. ITM is committed to quantitatively reporting this GRI Standard from FY 2022.</i>
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		<i>No incidents of non-compliance occurred</i>
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling		<i>No incidents of non-compliance occurred</i>
	417-3	Incidents of non-compliance concerning marketing communications		<i>No incidents of non-compliance occurred</i>
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		<i>No complaints received</i>
GRI 419: Socio-economic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area		<i>No incidents of non-compliance occurred</i>

SASB indicators

Thematic areas	Material themes	SASB ¹²	GRI
Governance	Ethic and transparency	TR-AP-520a.1	102-16; 102-17; 419-1
	Responsible governance: anti-corruption and sustainability		205-3
Economic	Brand reputation		102-2
	Customer's centricity	TR-AP-250a.1	416-2; 417-2; 417-3; 418-1
	Sustainable value chain		102-9; 204-1
Social	Corporate welfare (Well-being)		401-2
	Human capital and rights	RT-IG-000.B	401-1; 404-1; 405-1; 406-1
	Occupational health and safety	TR-RO-320a.1 RT-IG-320a.1	403-5; 403-9; 403-10;
	Workplace attractiveness	TR-RO-320a.2	401-1
Environmental	Circular product life cycle	TR-AP-440b.2	
	R&D and IT innovation		
	Product quality		
	Carbon footprint	TR-RO-110a.1 TR-RO-110a.3	305-1; 305-2; 305-4
	Energy management	TR-AP-130a.1 RT-IG-130a.1	302-1; 302-3
	Environmental impact	TR-RO-540a.3	307-1
	Waste management	TR-AP-150a.1	306-2; 306-3; 306-4; 306-5

¹² The table above only shows indicators (by Codified Metric Code) developed by Sustainability Accounting Standards Board (SASB) that could be referred to thematic issues reported in this Sustainability Report. The information included in this Report, as explained in the Methodological Note, are not compliant with SASB indicators.



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