MIDAC S.p.A.

Corporate Social Responsibility

for 2019

Rev.	Date	Description	Prepared by QSM	Verified by EHSMR	Approved by MD
12	06/2019	Update years 2017, 2018 and 2019.	Giorgio Chemello	Giorgio Chemello	Filippo Girardi
11	05/2017	Updated and included branches	Giorgio Chemello	Giorgio Chemello	Filippo Girardi
10	05/2016	Updated	Giorgio Chemello	Giorgio Chemello	Filippo Girardi
9	03/2015	Updated	Giorgio Chemello	Giorgio Chemello	Filippo Girardi
8	02/2014	Updated	Giorgio Chemello	Giorgio Chemello	Filippo Girardi
7	03/2013	Updated	Giorgio Chemello	Stefano Bovo	Filippo Girardi
6	03/2012	Updated	Giorgio Chemello	Stefano Bovo	Filippo Girardi
5	03/2011	Updated	Elisa Spimpolo	Stefano Bovo	Filippo Girardi
4	03/2010	Updated	Elisa Spimpolo	Stefano Bovo	Filippo Girardi
3	03/2009	Updated	Elisa Spimpolo	Stefano Bovo	Filippo Girardi
2	02/2008	Updated	Elisa Spimpolo	Stefano Bovo	Filippo Girardi
1	06/2007	Updated	Elisa Spimpolo	Stefano Bovo	Filippo Girardi
0		First Draft		Stefano Bovo	Filippo Girardi

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OUR COMMITMENT TOWARD SOCIAL RESPONSIBILITY

Midac S.p.A. adheres to the principles of social responsibility and related requirements, such as:

1. Child labour.
2. Forced labour
3. Health and safety
4. Workers' freedom of association and right to organise
5. Discrimination
6. Disciplinary procedures
7. Working hours
8. Remuneration – salaries
9. Management system

Midac S.p.A. is committed to ensuring that the requirements for social responsibility are respected and controlled, creating or improving internal professional figures able to perceive them, putting into practice and improving.

PROCEDURE FOR COMPLAINTS RELATED TO THE SOCIAL RESPONSIBILITY REQUISITES

Midac S.p.A. has provided for the involvement of all interested parties, so that any complaint or suggestion regarding the social responsibility requirements is accepted by the person in charge and managed according to the established procedure, allowing for the appropriate corrections and their communication to all interested parties.

Any external party is free to inform the company on acts or facts which do not conform to the management system policy, and in particular concerning corporate social responsibility requisites.

The interested parties may advise their personal comments on how they see the company's commitment by providing, for example, useful suggestions concerning communication tools or procedures.

The communication channel is the company's e-mail address:

midac@midacbatteries.com

indicating in the "subject" field:
"COMPLAINT (OR SUGGESTIONS) RELATED TO CORPORATE SOCIAL RESPONSIBILITY"

The information provided will be evaluated as soon as possible by the Quality & EHS Manager who, having evaluated the contents and consulted the appropriate company functions, will provide an answer by giving the information below:

- date of receipt of the communication;
- complaint assessment result;
- established preventive and corrective actions;
- other communications if necessary;

You may also send your complaints and / or suggestions by post to the following address:

MIDAC SPA
Via Alessandro Volta, 2
37038 – Soave (VR)
ITALY

Address your letter to the Quality & EHS Manager.
External party must always provide an address for receiving replies.

OCCUPATIONAL HEALTH AND SAFETY AT WORK

The auditing programme for our Occupational Health and Safety Management system (OHSMS) is focused mainly on the following points:

- analysing working conditions of the employee;
- analysing information on injuries and accidents:
- improving the level of safety of machines and equipment;
- updating risk assessment document;
- compliance to standards;
- training the emergency response team and organising simulations.

Safety has become a major issue in work management to guarantee all employees or whoever is involved in company activities on company premises, a safe and healthy workplace.

Many measures have been adopted to avoid accidents, injuries and other hazards; the main are:

- the employee union representatives are involved in many of the various processes in safety management (monitoring risks, identifying measures, training);
- employee Health and Safety Officers have been nominated;
- ongoing monitoring of machines and equipment to ensure and verify their suitability and safety, as well as monitoring the emission of toxic substances and controlling noise levels;
- responsibility, procedures, operational instructions have been provided to help and inform employees about their daily duties, responsibilities and how they should behave at work;
- evacuation and firefighting plans have been defined, including a number of emergency plans for dealing with hazardous and critical situations;
- a health surveillance plan for employees has been established, consisting of specific medical visits (laboratory and instrument tests) for each single job role;
- every year the company organises and runs health and safety training courses for all employees.

INJURIES AND ACCIDENTS

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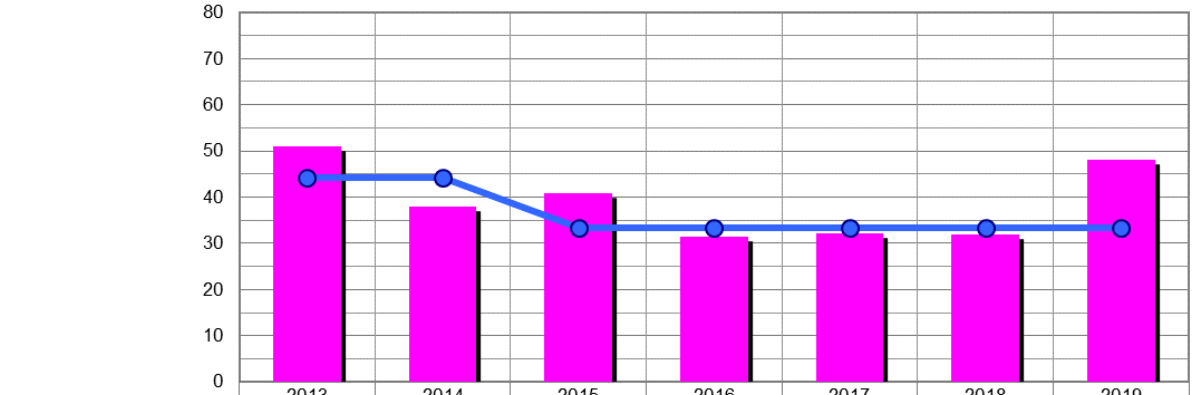
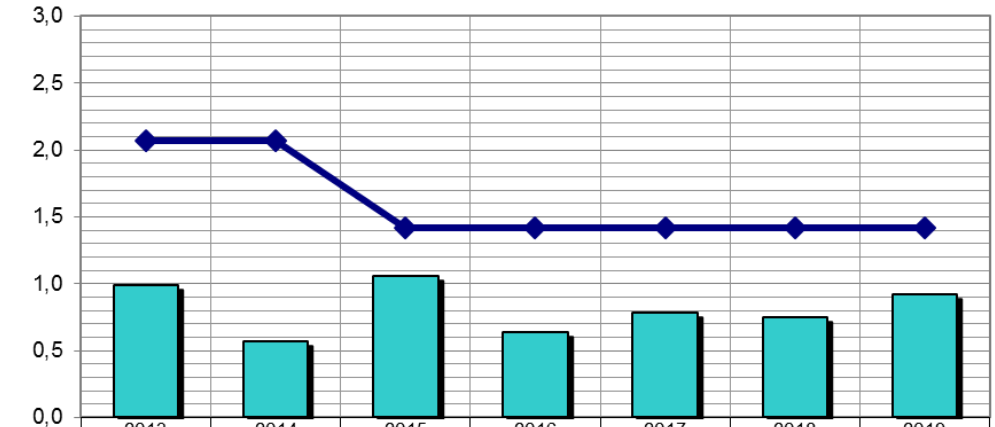


	2013	2014	2015	2016	2017	2018	2019
FREQUENCY RATE	50,91	37,98	40,76	31,40	32,15	32,02	48,01
INAIL RATE	44,30	44,30	33,25	33,25	33,25	33,25	33,25



	2013	2014	2015	2016	2017	2018	2019
LEVEL OF CRITICALITY	0,99	0,57	1,06	0,64	0,79	0,75	0,92
INAIL RATE	2,07	2,07	1,42	1,42	1,42	1,42	1,42

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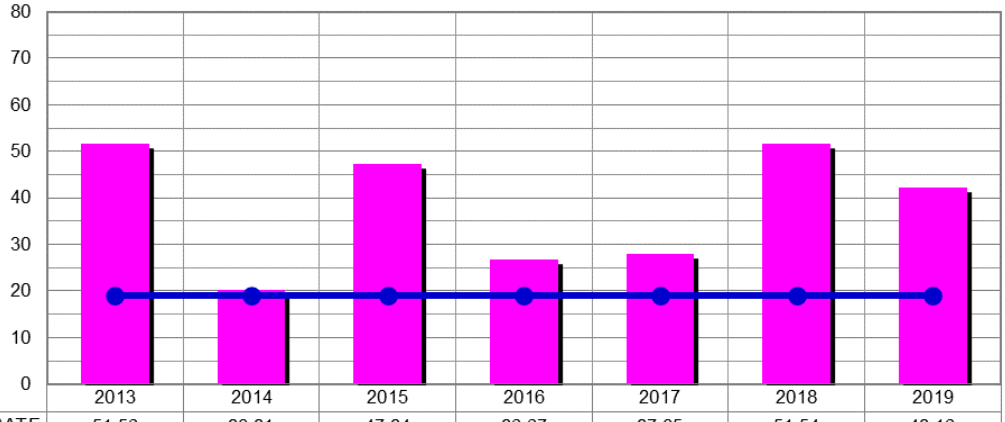
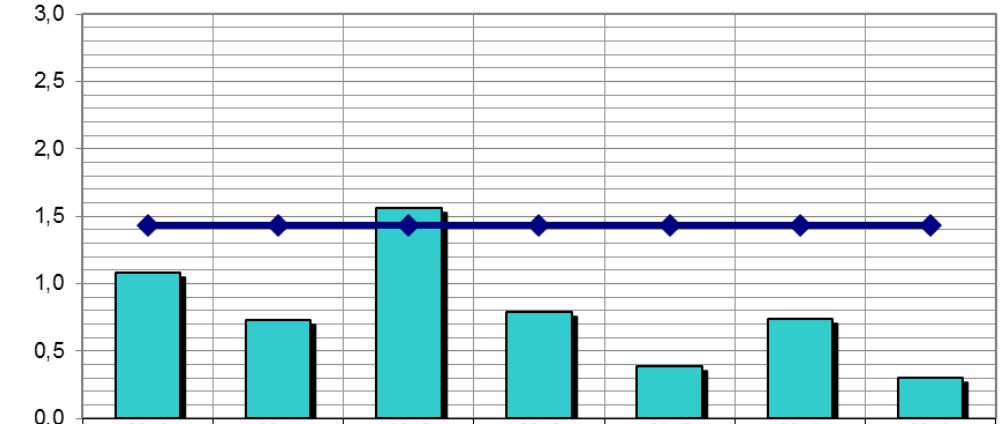
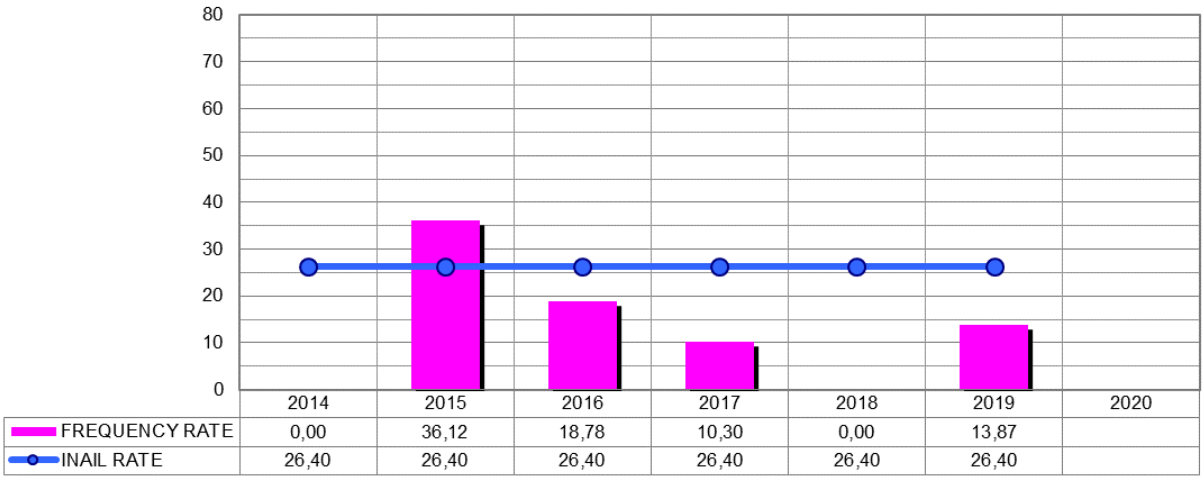


	2013	2014	2015	2016	2017	2018	2019
FREQUENCY RATE	51,56	20,21	47,24	26,67	27,85	51,54	42,16
INAIL RATE	19,10	19,10	19,10	19,10	19,10	19,10	19,10

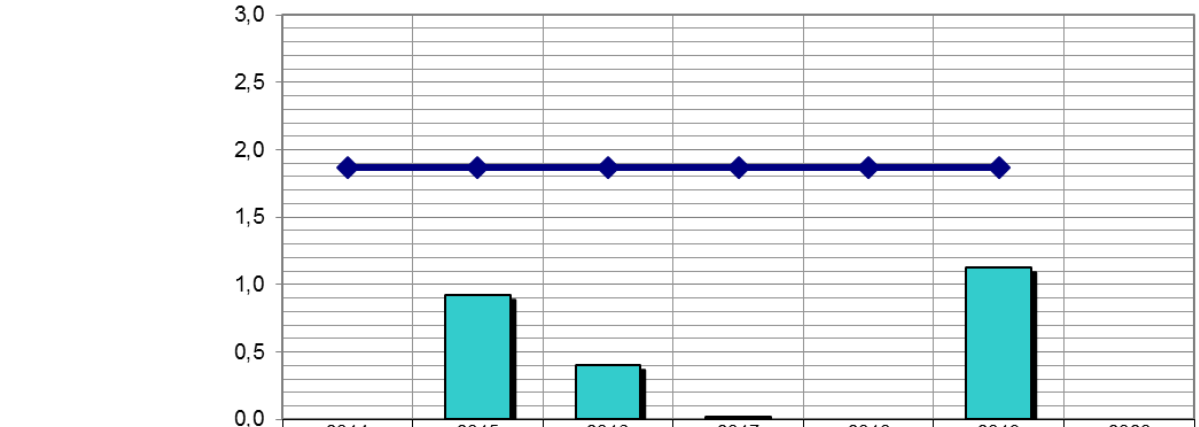


	2013	2014	2015	2016	2017	2018	2019
LEVEL OF CRITICALITY	1,08	0,73	1,56	0,79	0,39	0,74	0,30
INAIL RATE	1,43	1,43	1,43	1,43	1,43	1,43	1,43

BRANCHES:



	2014	2015	2016	2017	2018	2019	2020
FREQUENCY RATE	0,00	36,12	18,78	10,30	0,00	13,87	
INAIL RATE	26,40	26,40	26,40	26,40	26,40	26,40	



	2014	2015	2016	2017	2018	2019	2020
LEVEL OF CRITICALITY	0,00	0,93	0,40	0,02	0,00	1,12	
INAIL RATE	1,87	1,87	1,87	1,87	1,87	1,87	

CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT PROCESS

The analysis of the corporate social responsibility management process follows the requirements of the SA8000 standard and includes:

- child labour:
- forced labour
- health and safety at work
- workers' freedom of association and right to organise;
- discrimination;
- disciplinary procedures;
- working hours
- remuneration – salaries:
- management system, more specifically monitoring:
  - employee satisfaction;
  - training and information;
  - suppliers and supplier criticality.

PREVENTION OF CHILD LABOUR

The company does not use and does not intend to use or promote child labour.

PREVENTION OF FORCED LABOUR

All our employees voluntarily agree to work.

To ensure that workers voluntarily agree to offer their services, the company guarantees that all workers are informed and understand in full their rights and duties under their employment contract.

None of our workers has ever deposited money or copies of original documents with the company. The company intends to inform all current and future employees on social responsibility and requisites.

WORKERS' FREEDOM OF ASSOCIATION AND RIGHT TO ORGANISE

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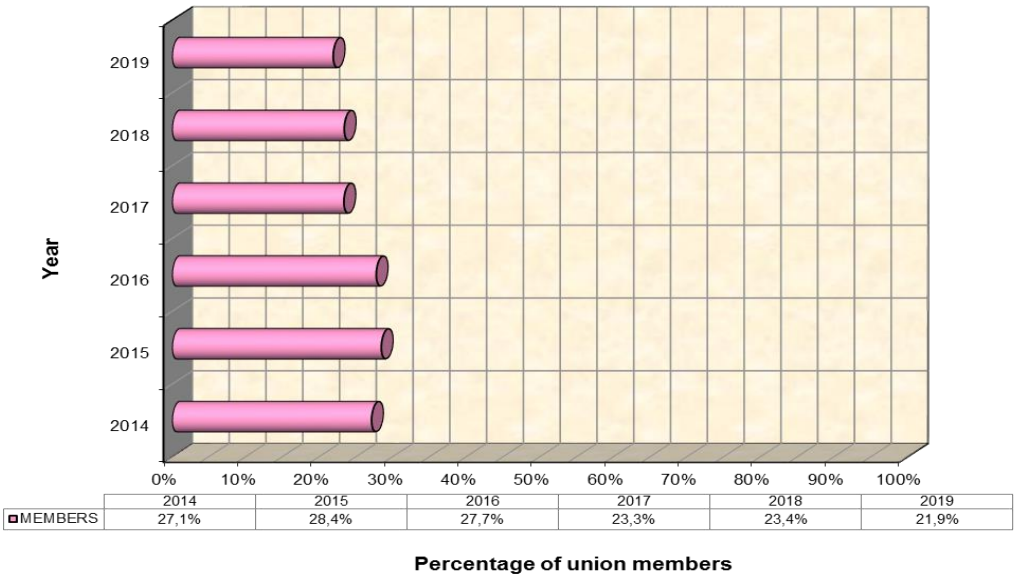

	2014	2015	2016	2017	2018	2019
MEMBERS	27,1%	28,4%	27,7%	23,3%	23,4%	21,9%

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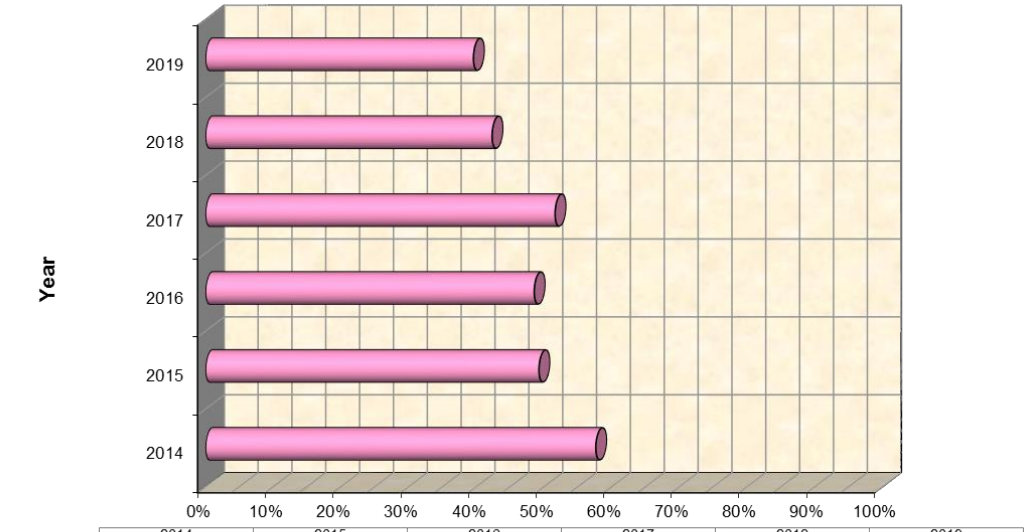

	2014	2015	2016	2017	2018	2019
MEMBERS	57,6%	49,2%	48,5%	51,6%	42,3%	39,6%

Percentage of union members

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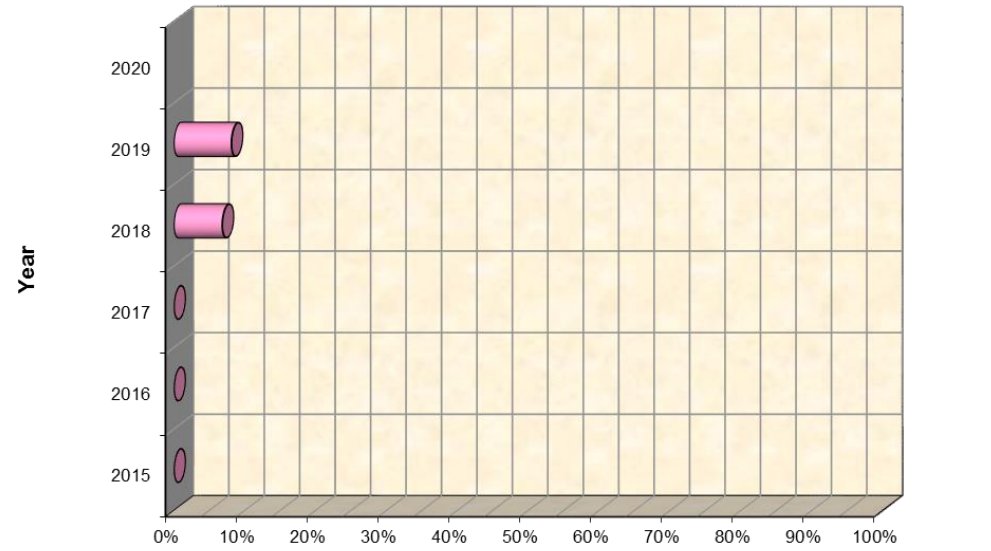

	2015	2016	2017	2018	2019	2020
MEMBERS	0,0%	0,0%	0,0%	6,8%	8,1%	

Percentage of union members

PREVENTION OF ANY FORM OF DISCRIMINATION

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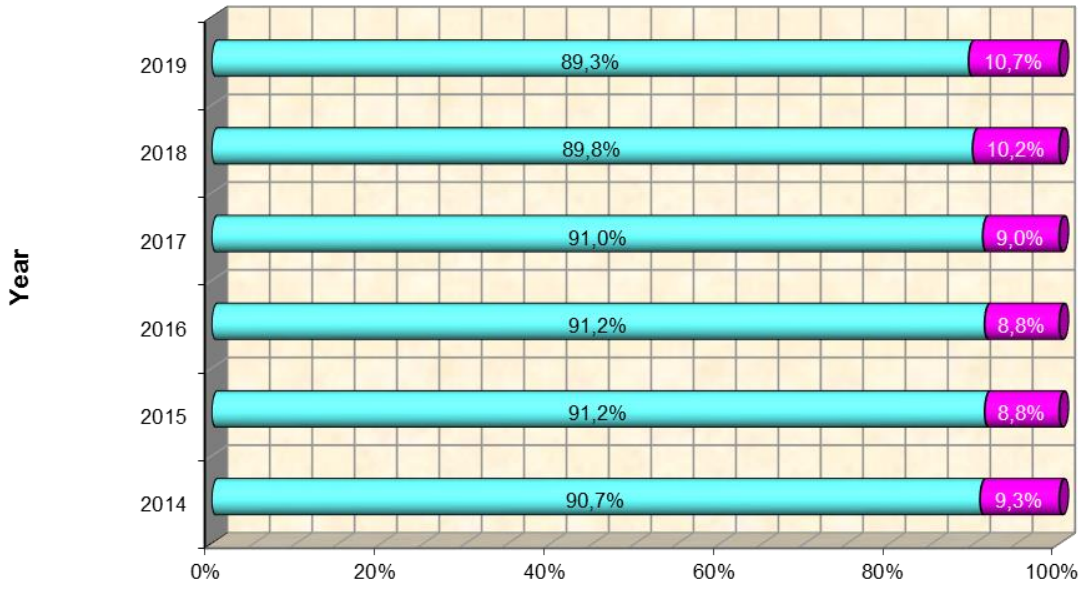
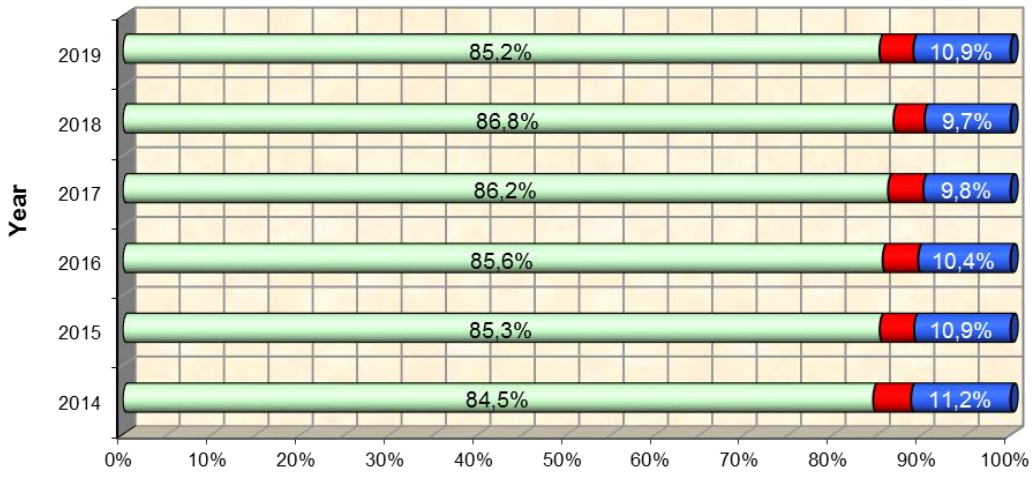


	2014	2015	2016	2017	2018	2019
% Males	90,7%	91,2%	91,2%	91,0%	89,8%	89,3%
% Females	9,3%	8,8%	8,8%	9,0%	10,2%	10,7%

% males and % females



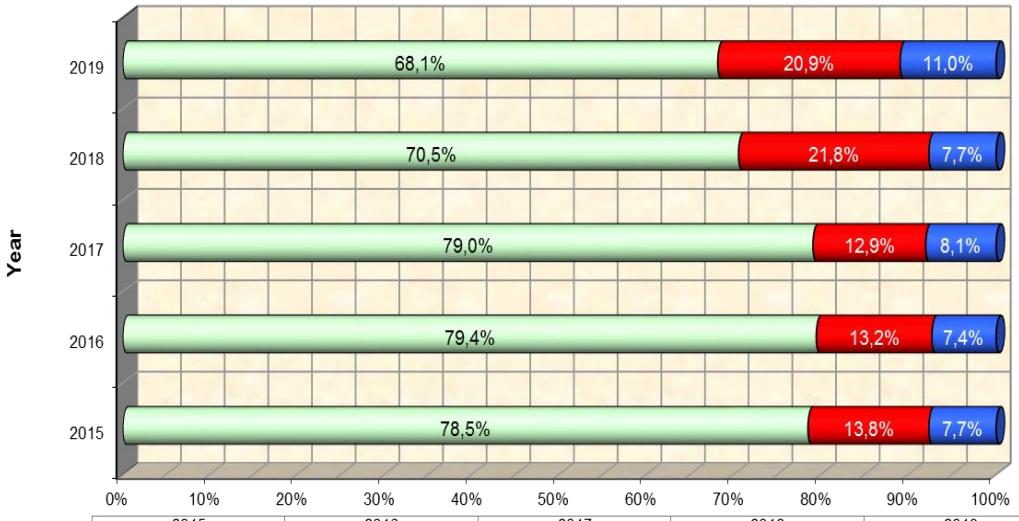
	2014	2015	2016	2017	2018	2019
% italian workers	84,5%	85,3%	85,6%	86,2%	86,8%	85,2%
% UE	4,3%	3,9%	4,0%	4,0%	3,5%	3,8%
% extra-UE	11,2%	10,9%	10,4%	9,8%	9,7%	10,9%

Provenance workers

CREMONA:

	2015	2016	2017	2018	2019
% Males	78,5%	79,4%	77,4%	80,8%	83,5%
% Females	21,5%	20,6%	22,6%	19,2%	16,5%

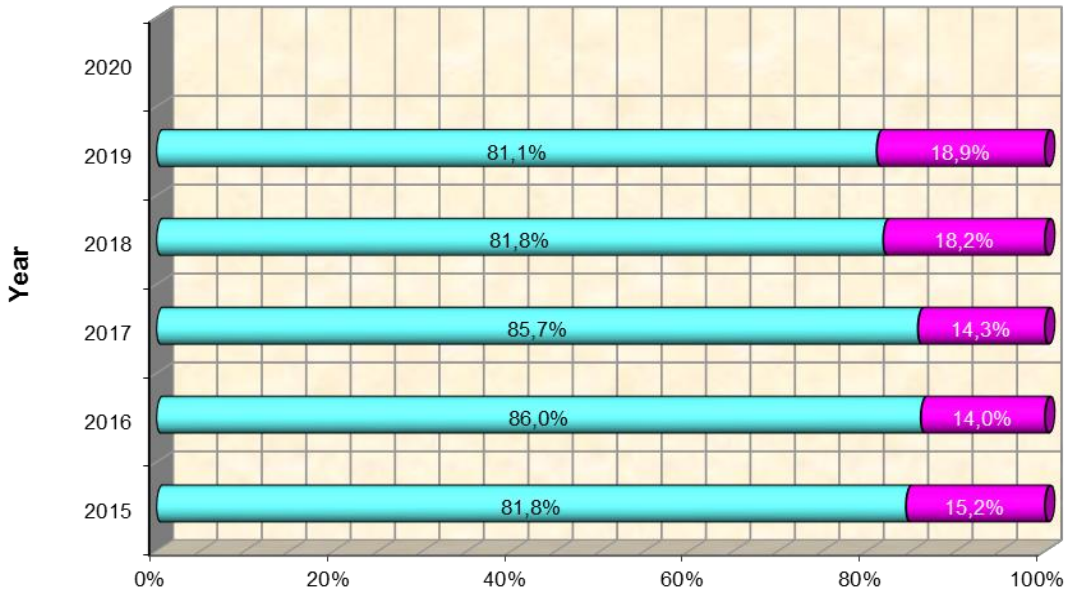
% males and % females



	2015	2016	2017	2018	2019
% italian workers	78,5%	79,4%	79,0%	70,5%	68,1%
% UE	13,8%	13,2%	12,9%	21,8%	20,9%
% extra-UE	7,7%	7,4%	8,1%	7,7%	11,0%

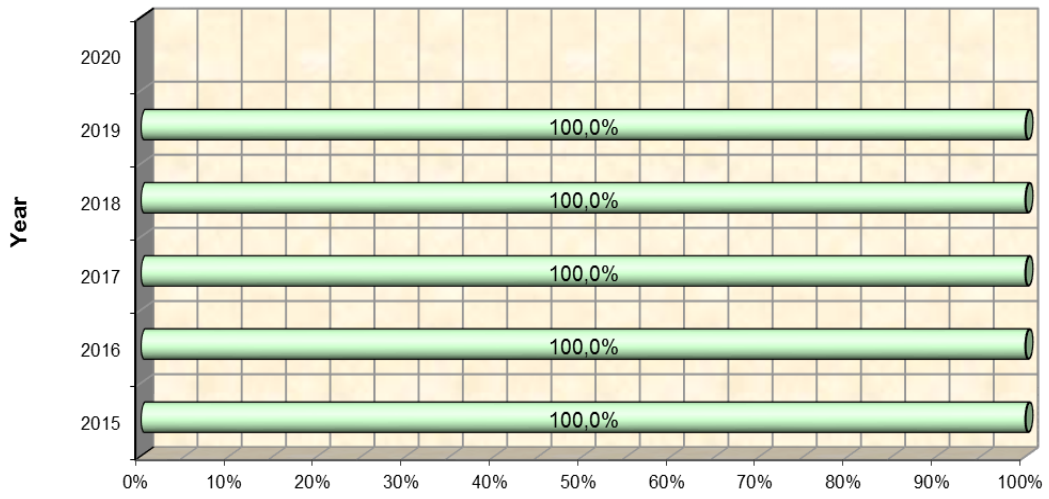
Provenance workers

BRANCHES:



	2015	2016	2017	2018	2019	2020
% males	81,8%	86,0%	85,7%	81,8%	81,1%	
% females	15,2%	14,0%	14,3%	18,2%	18,9%	

% males and % females



	2015	2016	2017	2018	2019	2020
% italian workers	100,0%	100,0%	100,0%	100,0%	100,0%	
% UE						
% extra-UE						

Provenance workers

CONTROLLING DISCIPLINARY PRACTICES

The company applies the disciplinary code provided for by the National Collective Employment Contract for the industry in question, and promotes respect and spirit of collaboration between workers.

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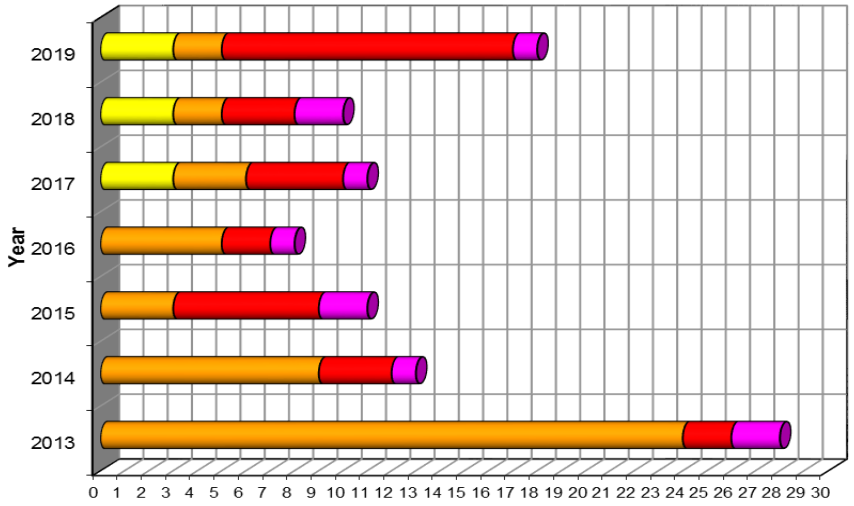
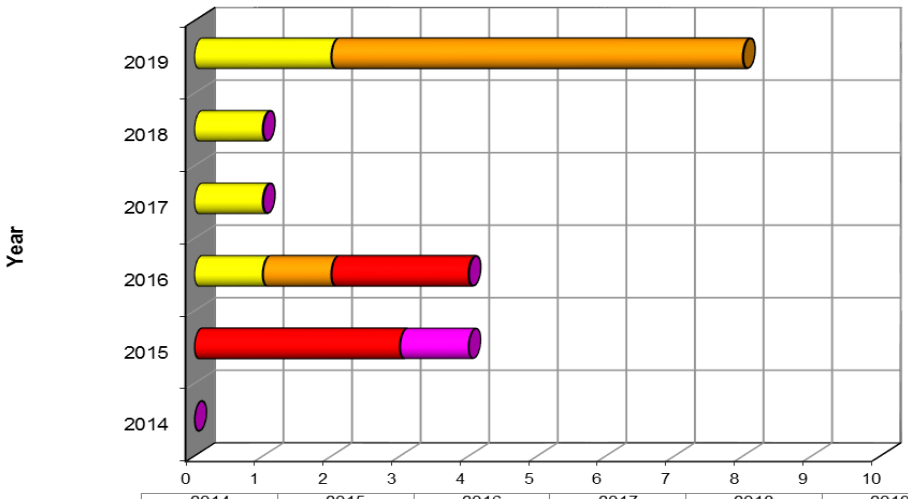


	2013	2014	2015	2016	2017	2018	2019
Verbal warning	0	0	0	0	3	3	3
Written warning	24	9	3	5	3	2	2
Fine	2	3	6	2	4	3	12
Suspension from work	2	1	2	1	1	2	1

N. of Disciplinary Practices

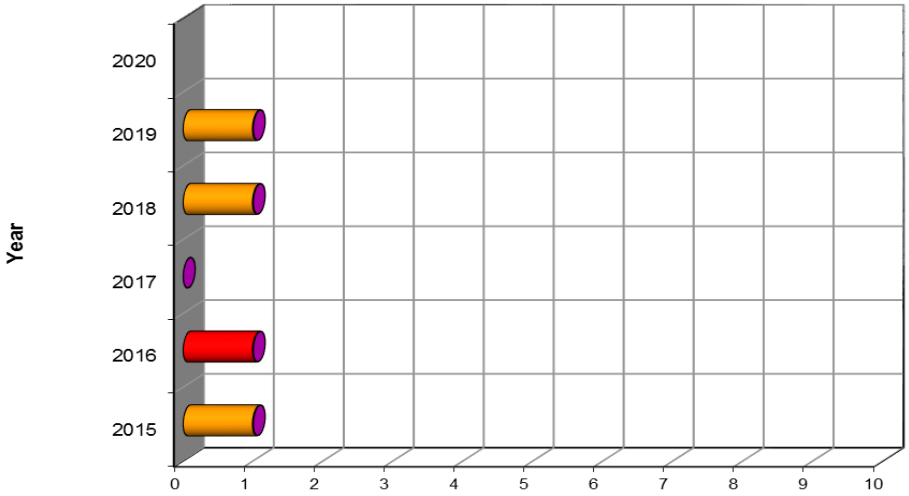
CREMONA:



	2014	2015	2016	2017	2018	2019
Verbal warning	0	0	1	1	1	2
Written warning	0	0	1	0	0	6
Fine	0	3	2	0	0	
Suspension from work	0	1	0	0	0	

N. of Disciplinary Practices

BRANCHES:

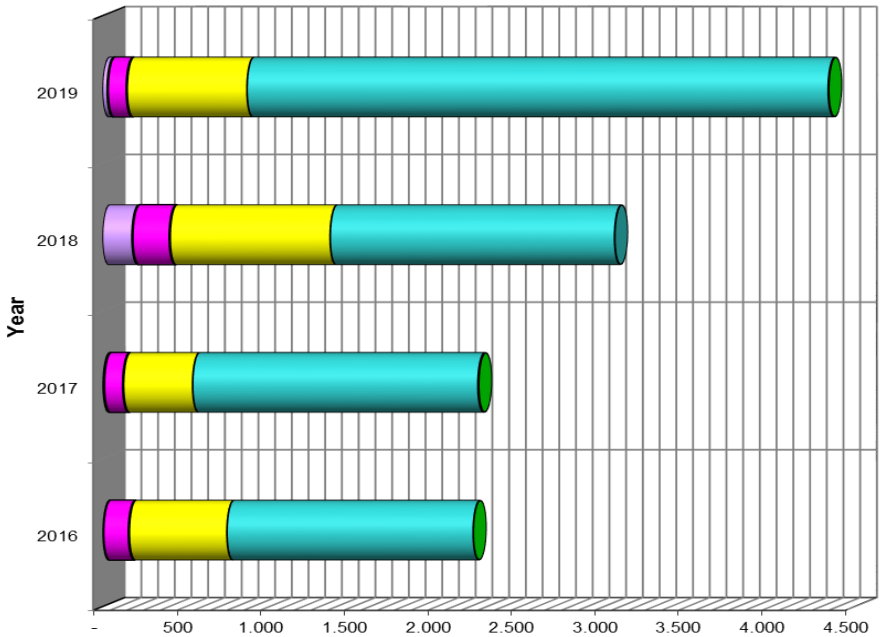


	2015	2016	2017	2018	2019	2020
Verbal warning	0	0	0	0	0	
Written warning	1	0	0	1	1	
Fine	0	1	0	0	0	
Suspension from work	0	0	0	0	0	

N. of Disciplinary Practices

TRAINING

SOAVE:



	2016	2017	2018	2019
director	5,0	9,5	179,8	31,5
manager	153,5	114,8	223,0	114,1
off. worker	586,5	415,5	959,6	719,3
fac. worker	1473,0	1706,5	1701,6	3476,9
skilled worker	0,0	4,3		2,5

N. of hours of training for employee

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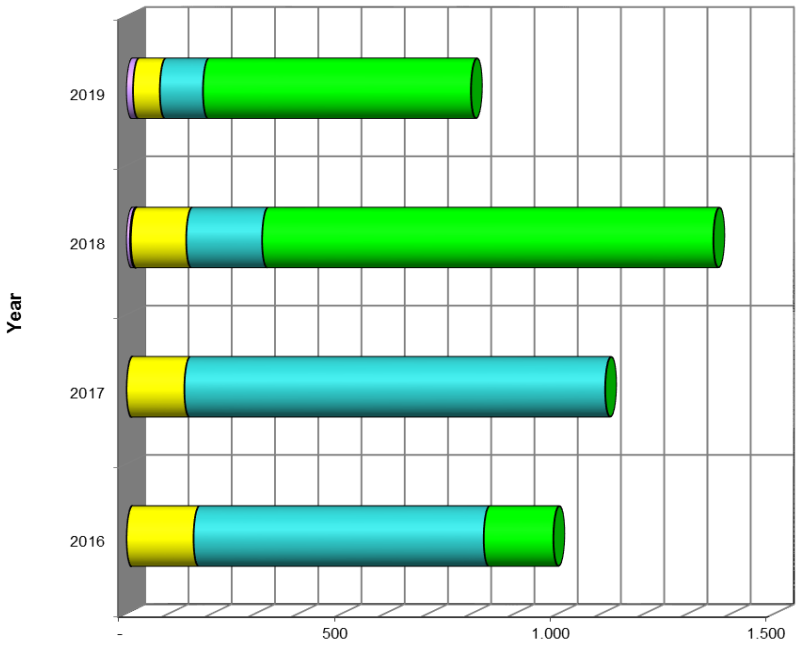

	2016	2017	2018	2019
director	0,0	0,0	10,0	16,0
manager	0,0	0,0	0,0	
off. worker	156,0	134,8	129,0	62,1
fac. worker	671,0	973,0	175,5	99,7
administered worker	161,0	0,0	1043,5	619,7

N. of hours of training for employee

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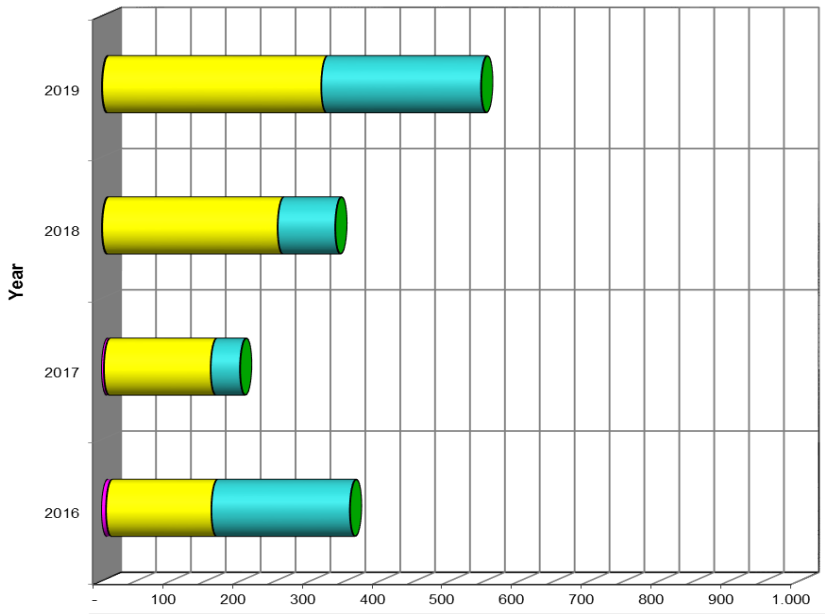

	2016	2017	2018	2019
director	0,0	0,0	0,0	0,0
manager	7,0	4,0	1,5	1,5
off. worker	151,0	153,0	251,5	314,0
fac. worker	198,5	42,0	82,5	229,0
skilled worker	0,0	0,0	0,0	0,0

N. of hours of training for employee

CONTROLLING WORKING HOURS

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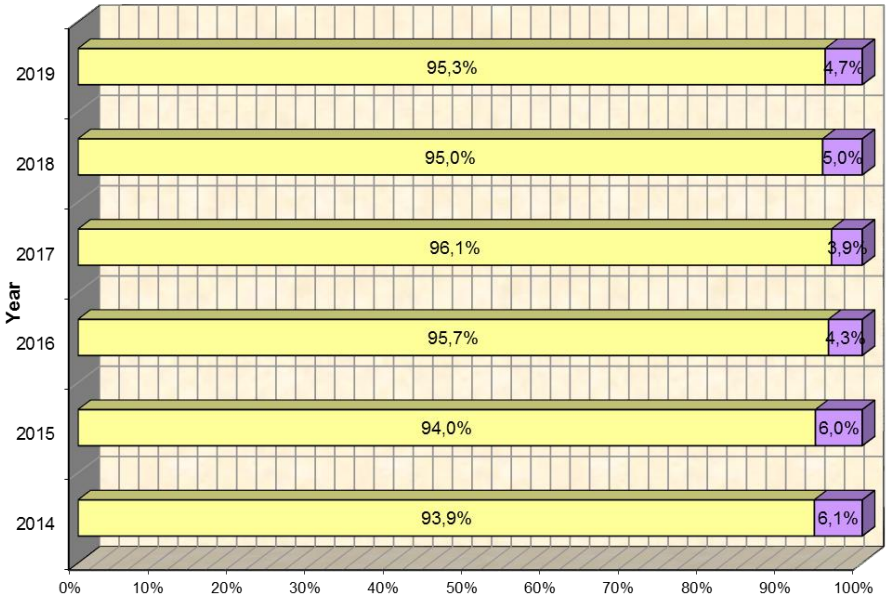

	2014	2015	2016	2017	2018	2019
% regular	93,9%	94,0%	95,7%	96,1%	95,0%	95,3%
% overtime	6,1%	6,0%	4,3%	3,9%	5,0%	4,7%

Trend of total working hours

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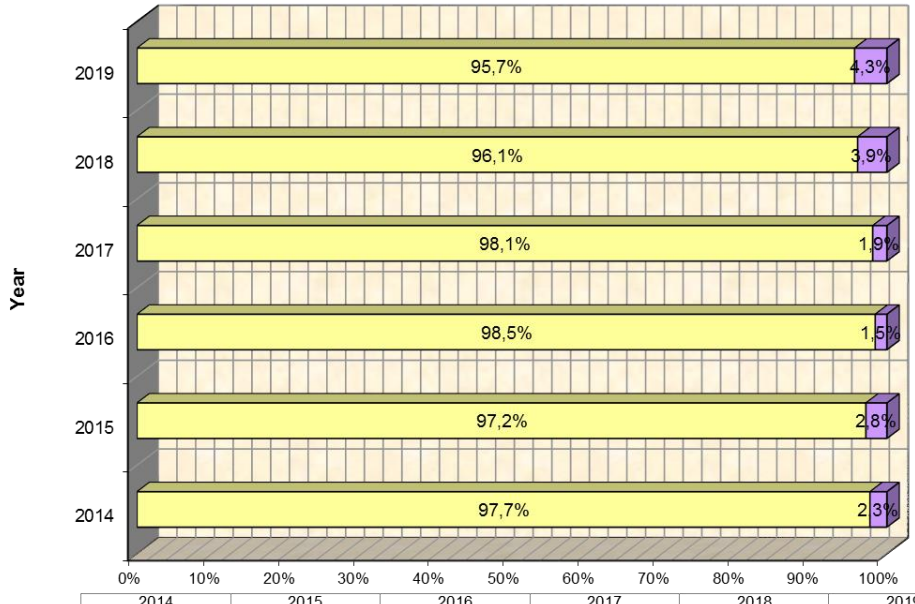
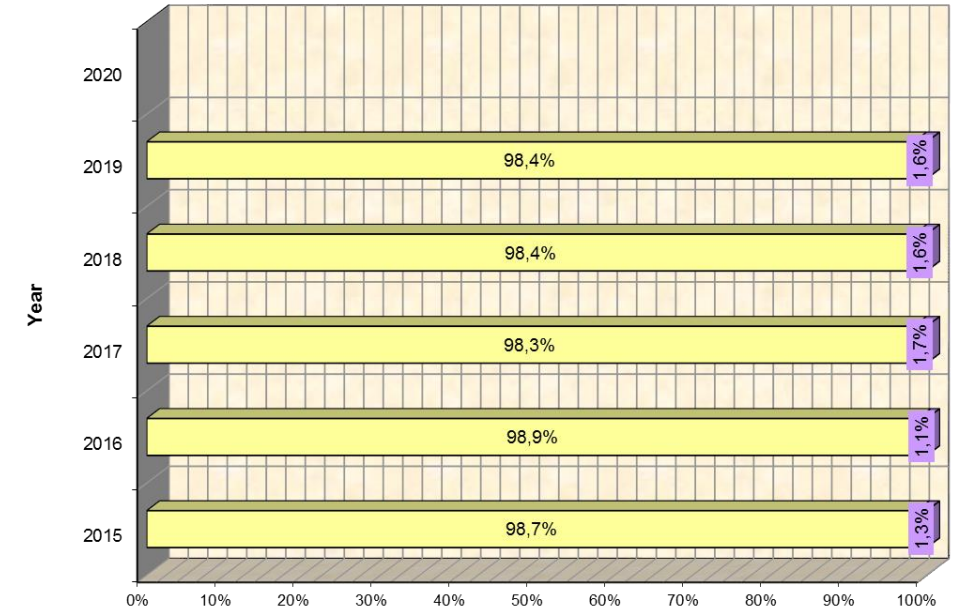


	2014	2015	2016	2017	2018	2019
% regular	97,7%	97,21%	98,45%	98,12%	96,10%	95,70%
% overtime	2,3%	2,79%	1,55%	1,88%	3,90%	4,30%

Trend of total working hours

BRANCHES:



	2015	2016	2017	2018	2019	2020
% regular	98,72%	98,88%	98,33%	98,40%	98,35%	
% overtime	1,28%	1,12%	1,67%	1,60%	1,65%	

Trend of total working hours

CONTROLLING REMUNERATION

The company pays its employees a salary higher than the minimum defined in the National Collective Employment Contract for the industry sector in question, as agreed upon with the Trade Unions in the employment contract addendum.
As ongoing company policy, the company also pays production bonuses when the production objectives defined and established on a yearly basis by company management are achieved.

The payslip provides information on gross pay and the various deductions. The company does not withhold pay as a disciplinary practice or action.

The employment contracts are:

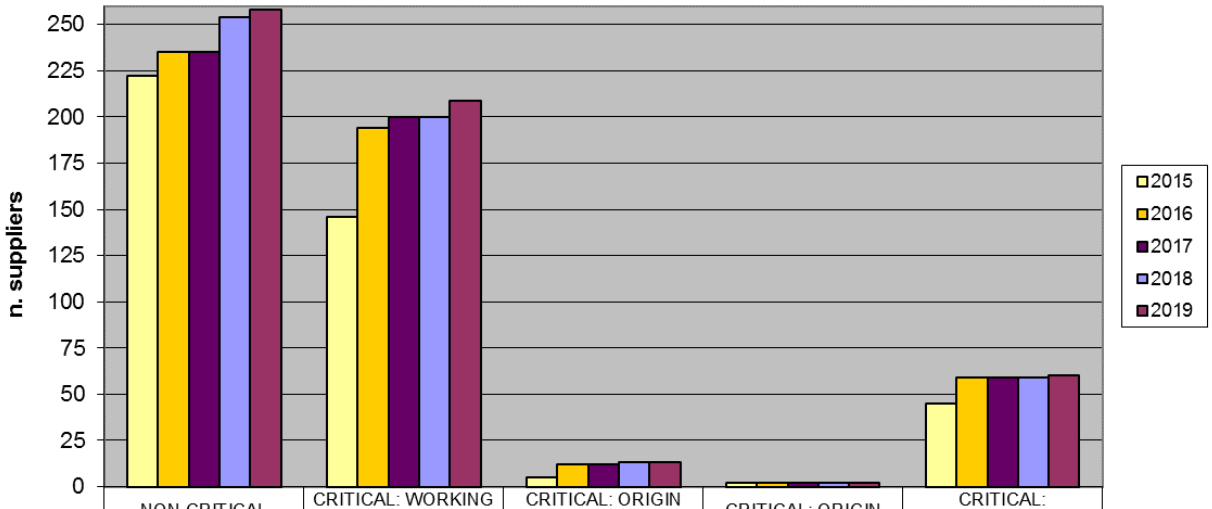
- permanent employment contract;
- temporary employment contract.

The permanent employment contract is the most utilised contract in the company, whereas temporary employments contracts are less frequent.

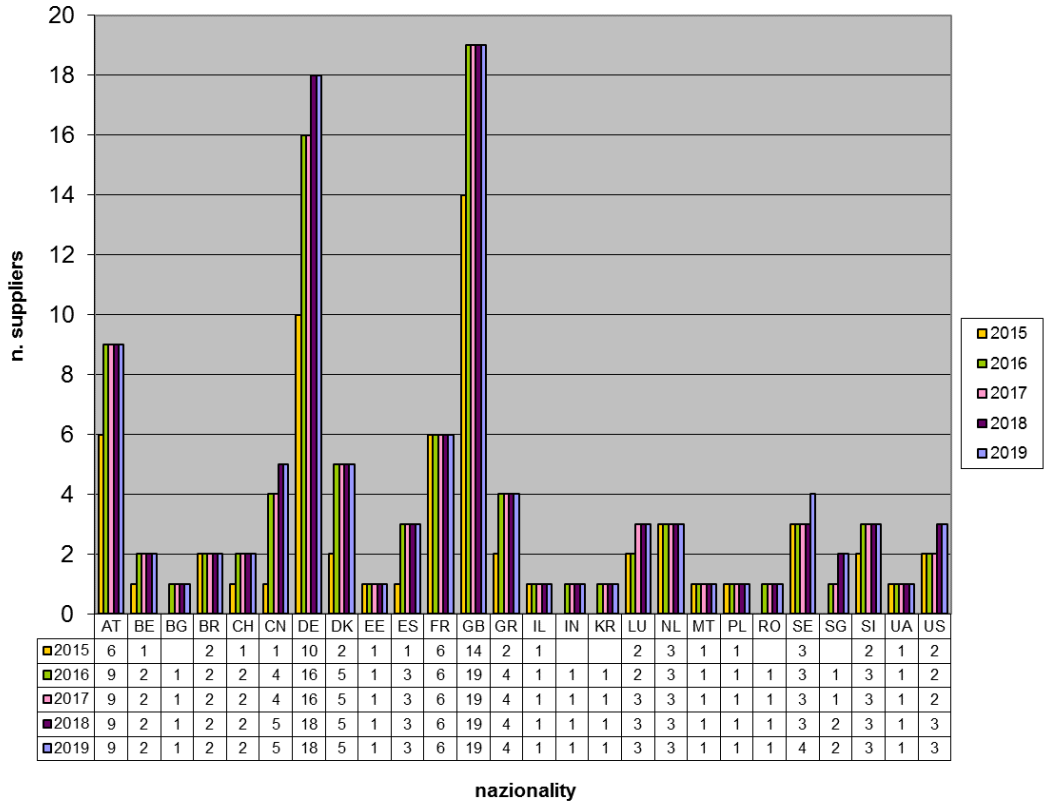
SOCIAL RESPONSIBILITY REQUIREMENTS FOR SUPPLIERS

MIDAC S.p.A. puts particular attention to the ability of suppliers / subcontractors and sub suppliers to respond positively to social responsibility requirements.
Therefore, a suppliers monitoring plan is in place, based on their criticality regarding social issues.

The target of Midac S.p.A. is to promote the adhesion of suppliers to these requirements, expressed in the SA8000 standard, considering sharing essential.
When deciding supply contracts, companies that satisfy the requirements of the SA8000 standard and demonstrate their willingness to improve their system management are therefore privileged.



	NON CRITICAL	CRITICAL: WORKING INSIDE	CRITICAL: ORIGIN AND PRODUCT	CRITICAL: ORIGIN	CRITICAL: PRODUCT
2015	222	146	5	2	45
2016	235	194	12	2	59
2017	235	200	12	2	59
2018	254	200	13	2	59
2019	258	209	13	2	60



	AT	BE	BG	BR	CH	CN	DE	DK	EE	ES	FR	GB	GR	IL	IN	KR	LU	NL	MT	PL	RO	SE	SG	SI	UA	US
2015	6	1		2	1	1	10	2	1	1	6	14	2	1			2	3	1	1		3		2	1	2
2016	9	2	1	2	2	4	16	5	1	3	6	19	4	1	1	1	2	3	1	1	1	3	1	3	1	2
2017	9	2	1	2	2	4	16	5	1	3	6	19	4	1	1	1	3	3	1	1	1	3	1	3	1	2
2018	9	2	1	2	2	5	18	5	1	3	6	19	4	1	1	1	3	3	1	1	1	3	2	3	1	3
2019	9	2	1	2	2	5	18	5	1	3	6	19	4	1	1	1	3	3	1	1	1	4	2	3	1	3