



Organisation, management and control model according
to Italian Legislative Decree 231/2001

CODE OF CONDUCT

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1. INTRODUCTION

The Code of Conduct (hereinafter referred to also as "Code") of Teraplast S.p.A. (hereinafter referred to also as "Teraplast" or "the Company") represents the moral and behavioural rights and duties of the Company, in full respect of the principles of ethical, social and environmental responsibility and the interests of all the parties involved (*stakeholders*).

The purpose of the Code of Conduct is to supply guidelines for company behaviour that is inspired by ethical values. It adds to law observance because it promotes exemplary behaviour standards that help prevent not only the risks of committing crimes but also behaviour that can undermine the reputation of the Company.

The Code of Conduct is approved by the Company Board of Directors and is an integral part of the Organisation, Management and Control Model implemented by Teraplast according to Italian Legislative Decree 231/2001 (hereinafter also referred to as "Model"). The principles and contents of this Code of Conduct are extended to the subsidiaries of Teraplast S.p.A.

The Supervisory Committee (SC), which is nominated by the Board of Directors according to the mentioned Italian Legislative Decree 231/01, verifies that the Code of Conduct is being respected and implemented.

2. RECIPIENTS OF THE CODE OF CONDUCT

The provisions of this Code are applicable not only to all hired personnel, including managers, collaborators, administrators, and members of the control bodies, but also to all those who, either directly or indirectly, stably or temporarily, have relations with Teraplast, for example consultants and suppliers.

The Company prefers for the behavioural principles and regulations given in the Code of Conduct to be spread as much as possible, and requests that they be respected by all recipients.

The Code of Conduct can be consulted on the Company internet site at <https://www.teraitaly.com/>

3. STRUCTURE OF THE CODE OF CONDUCT

The Code of Conduct is divided into three main parts:

- *conduct principles;*
- *behavioural criteria;*
- *implementation and diffusion*

4. CONDUCT PRINCIPLES

Observance of laws

The Company requires its stakeholders, administrators, employees and collaborators, as well as anyone who, under any form, factually represents it, to respect current national and supranational Laws and Regulations.

To do this, each recipient shall become familiar with the regulations that are applicable to their post. All personnel shall reject and inform of any unlawful or disrespectful behaviour. Any illegal activity, even if a possible source of important profit, is expressly forbidden.

Honesty and integrity

Honesty is a fundamental principle for all Teraplast activity, initiatives and communication, as is integrity with behaviour that is lawful, coherent and appropriate for the circumstances.

All relations with stakeholders must be correct, coherent, loyal and reciprocally respectful. Teraplast dialogues clearly, transparently, accurately and quickly with its stakeholders.

Bookkeeping and tax compliance transparency

When managing its bookkeeping and tax obligations, Teraplast guarantees the transparency and correctness of the information that appears in important financial declarations. The Company tries to guarantee that the operations carried out and recorded in its declarations are objectively and subjectively true, and that its financial documents are complete and correct.

The accounts must be recorded truthfully, accurately, completely, clearly and precisely, in compliance with regulations in force.

Human resources centrality and the respect of people

The Company recognises the central role of human resources and guarantees the respect of rights by promoting social, professional and personal development.

Teraplast supervises so that no acts of violence, harassment, psychological coercion and any behaviour that can damage a person's integrity and dignity occur.

Relations between those who work for, or interact with, the Company at all levels shall be honest, correct, collaborative, lawful and reciprocally respectful. The Company condemns all types of discrimination (as an example but not limited to race, gender and religion).

Teraplast promotes respect of the physical and cultural integrity of people, respect of relations with others, and gender equality.

Hierarchical relations are managed equally and correctly, avoiding any type of abuse and prevarication.

All personnel are hired under a regular labour contract and no type of irregular work and/or worker exploitation is tolerated.

Gender equality

The Company promotes the development of an inclusive, collaborative and supportive working environment that is based on respect, non-discrimination and the valorisation of diversity.

In order to achieve this, Teraplast implements measures aimed at guaranteeing higher numbers of women on the job market and reducing the gender gap through the creation of a system that improves female working conditions even in terms of quality, retribution and role. The Company also supports transparent work processes.

Teraplast therefore promotes organisation models that favour equal opportunities during the whole working path of the resource, starting from a selection process followed by onboarding, training and growth in the company.

As a result, the Company has implemented a Management System for Gender Equality according to UNI/PdR 125:2022 that shapes behavioural and company cultures that are strongly centred on inclusion and equality.

Protection of Safety in the workplace

Teraplast protects the safety, health and moral and physical integrity of its personnel. In doing so, it promotes responsible, safe behaviour and implements all the required safety measures to guarantee a safe and healthy working environment, in full respect of laws in force on prevention and protection.

The Company defines the most suitable measures for protecting worker health and safety, in full respect of current laws on accident prevention at work and worker protection (TUSL).

Environmental protection

In everything it does to protect the environment and its biodiversity, Teraplast is committed to promoting responsible initiatives and developing the use of technologies that do not damage the environment. Teraplast aspires to a circular economy model, which it applies to all the production process phases, from design to production, to use, to the end of the life of the product, reducing the use of resources and energy. The Tera® brand came about from the principles of sustainability and transparency. This new line proposes vases made fully from secondary raw materials deriving from recycling supply chains and the waste from its production. Moreover, all Tera® articles are "PSV" (Plastica Seconda Vita - Second Life Plastic) certified, because obtained from the development of plastic waste. Teraplast's commitment to environmental protection does not just stop at the Tera® line and the use of recycled plastic. Its commitment is directed also at the professional growth of company resources and active support through the local community.

Client satisfaction

Teraplast considers that its clients are fundamental for Company success and, as such, it is committed to satisfying their requirements in terms of product quality and services offered, suiting them to the expectations and requirements of the market it operates in. The Company offers ethically correct products and services that respect social regulations, as well as the criteria of affordability, effectiveness and efficiency. It applies the best management practices, favours corporate asset maximisation, and guarantees controlled company risks.

This is why the Company has implemented a Quality System certified according to the Standard UNI EN ISO 9001:2015.

Innovation

The search for innovation is the core spirit that guides how Teraplast acts. The Company hires valid people to study new methods and new solutions so as to leave old habits and clichés behind.

Innovation means aiming at excellence by doing continuous research on perfecting the offered products and the work processes.

Competition

Teraplast promotes correct business agreements without compromising and distorting normal competition. Information about competitors is acquired correctly and lawfully. The recipients cannot act or behave in a manner that prevents correct and lawful competition between companies.

Contraband

Teraplast guarantees the legitimate introduction into the country of goods subjected to border fees, paying particular attention to respect of Customs regulations.

Teraplast guarantees prior verification of the dispatchers it uses, and also the traceability of Customs operations.

Corruption, recycling

Teraplast respects all the national and international anti-money laundering laws and regulations. The Company promotes correct financial resource management and operation traceability, in particular for company procedures involving proceeds and payments, so that the origin of the money can always be identified.

Confidentiality and the protection of personal data

Teraplast uses the data it receives responsibly, guaranteeing high levels of safety when processing the personal data of its personnel, clients and stakeholders. It also guarantees full respect of the rights of those with whom it interacts.

5. BEHAVIOURAL CRITERIA

SHAREHOLDERS AND ADMINISTRATORS

The Company promotes transparency and correctness when informing its stakeholders and relating with them.

Teraplast promotes information confidentiality in relation to company operations, development projects and strategic addresses.

Shareholders collaborate with social bodies to fulfil the corporate purpose, without behaving in a manner that conflicts with company existence, discipline and activity.

The stakeholders and administrators shall respect the rules of conduct in relation to personnel, as far as said rules are applicable.

PERSONNEL

Observance of the provisions on safety and health in the workplace and the environment

Personnel shall observe the provisions that protect health and safety in the workplace, and also the environment.

While carrying out their duties and responsibilities, personnel shall take part in the health, safety and environmental risk assessment and prevention process.

Any problems regarding hygiene, safety and environmental protection that are found in the Company headquarters or during production shall be discussed and shared; this favours constructive behaviour aimed at formulating solid operation proposals for preventing accidents and environmental incidents.

Personnel shall collaborate fully and also pay attention while working, according to Company regulations and instructions.

Conflicts of interest

A conflict of interest occurs when the judgement and objectivity of Teraplast personnel, while they are working, are threatened by personal interest or the interest of connected persons.

Company personnel shall not overlap company duties and roles with economic interest and their personal and/or family interests.

Should a conflict of interest occur, even if only potentially, those involved shall abstain from acting and declare the situation to their direct hierarchic superior or the Surveillance Committee. Either one or the other shall assess the effective presence and significance of the conflict case by case.

Use of company assets

All employees shall behave responsibly while working diligently to protect the company assets, respecting provisions on safety and the environment as cited by law and the System procedures. The assets made available by the Company can only be used for

the work done at Teraplast, unless specific authorisation has been received for their use externally.

Employees cannot publish, on the social network, in blogs, and on Internet Websites in general, any material or information that could damage the Company image, its reliability and its market competitiveness. Within the limits of what is possible, and never risking their own safety, personnel shall work to reduce the risks of theft, damage or other threats to the goods and resources assigned, quickly informing the relative departments in the event of abnormal situations.

Use of information systems

The Company works in a manner that respects laws in force on the use and management of information systems and guarantees that its employees use said systems correctly. The Company supplies said employees with regulations on the use of data.

Teraplast forbids the use of computer or network resources for purposes other than those that are strictly tied to its activity, as well as, and for greater reason, for committing computer crimes, for altering or damaging third-party computer systems (natural persons, private institutions or public entities), or for unlawfully obtaining confidential information.

Installing unlicensed software in company instruments, or using and/or duplicating documents or materials that are protected by intellectual property rights (recordings and audiovisual, electronic, paper or photographic reproductions, software) is forbidden without the express authorisation of the owner.

Gifts and other benefits

Offering, accepting or promising gifts or other forms of benefits or favourable treatment that cannot be traced back to normal procedures, sales or habitual behaviour in relations with clients, suppliers credit institutions, Public Administration, etc. is forbidden.

Gifts of a modest value are permitted, but only during holiday periods.

Donations and supportive initiatives given by the Company are permitted, if given freely and as sponsorship.

Gifts or other benefits that go beyond normal courtesy must be given immediately to the Company to be returned or given to charity, and the Supervisory Committee must be informed.

SUPPLIERS

The relations that the Company holds with suppliers respect the essential principles indicated by this Code of Conduct, and all personnel must avoid situations that can prejudice supplier activity and trust.

All business transactions are carried out according to the criteria of transparency and correctness, and respect of the requisites that are set and required for supplier selection is guaranteed.

Suppliers are chosen exclusively through objective selection and assessment criteria that guarantee equal opportunities, loyalty and impartiality.

Teraplast expressly forbids the approval (and payment) of passive invoices for services that objectively or subjectively do not exist, that exist only partially, and/or which are simulated or aimed at tax evasion.

The Company requests its suppliers to respect the law and the principles contained in this Code of Conduct, which is essential for establishing and maintaining a correct contractual and/or business relationship.

CLIENTS

The aim of the Company is to satisfy and protect its clients or any other public or private commissioner.

Relations must be managed in a courteous and professional manner. Personnel shall remain available, guarantee fast, qualified answers and take care to examine possible suggestions and indications of complaint.

To correctly fulfil its obligations and contract commitments, the company supplies clear, complete information that complies with and is pertinent to the services issued.

Total client satisfaction through reliable, correct behaviour aimed at guaranteeing high quality products and services is Teraplast's primary objective.

PUBLIC ADMINISTRATION

The relations between Teraplast and the Public Administration must be based on maximum transparency and correctness, in full respect of laws and regulations in force and the principles set in the Code of Conduct, so as to guarantee that the work done by the Company is totally legitimate.

As a result, the following are forbidden:

- behaving in a manner that can even be interpreted as an attempt to compromise the fundamental principles of this Code;
- promising, requesting, offering money or other benefits to Public Officials, Public Service Employees or Public Administration employees so as to circumvent the contract bargaining regulations;
- presenting false declarations to national or European public bodies to obtain public funds, contributions or subsidised loans, or to obtain concessions, licenses or other administrative deeds.

During verifications and inspections by the pertinent Public Administration, employees must remain available and collaborative.

6. IMPLEMENTATION AND DIFFUSION OF THE CODE OF CONDUCT

Diffusion, information and training

All pertinent people, both internal and external to the Company, must learn about the Code of Conduct through relative information and training methods.

The Company prepares and produces a periodic plan for spreading the Code, together with information and training activities; the aim of this plan is to spread awareness of the ethical principles and behavioural regulations cited in the Code of Conduct.

Surveillance committee

The Surveillance Committee (SC) ensures that this Code of Conduct and the Organisational, Management and Control Model are being implemented and respected. In accordance with Italian Legislative Decree 231/2000, the SC gathers information on possible violations of the Code of Ethics and the Model, it endorses the most suitable checks on the nature and seriousness of the violation, and it communicates the result to the competent bodies.

Information

The Company establishes communication channels through which information on the Code of Conduct, or a possible violation, can be communicated directly to the SC. The SC then analyses the situation, possibly listening to the informer and the person responsible for the presumed violation.

The SC acts in a manner that safeguards the informers against any type of retaliation, namely any act that is even only a suspicion of being discriminative or penalising.

The Company protects the confidentiality of informers (whistleblowers) and, excluding legal obligations, guarantees their protection, in accordance with Italian Legislative Decree 24/2023, which acknowledges Directive (EU) 1937/2019.

Violating this Code of Conduct

Violating this Code of Conduct and the Model compromises the relationship of trust that exists between the Company and the person who commits the violation (stakeholders, administrators, personnel, collaborators, clients and suppliers). If ascertained, violations will be persecuted quickly by implementing the disciplinary measures indicated by the Disciplinary System - an integral part of the Model – and according to the relative National Collective Labour Agreement and the Italian Civil Code.

Observance of the Code of Conduct is an integral part of employee contract obligations, even according to and by effect of art. 2104 of the Italian Civil Code (obligation of diligence).

Violating this obligation leads to contract non-fulfilment, which can be a reason for contract resolution, subject to possible compensation payable to the Company following said violation.

Third-party recipients (suppliers, consultants, partners, etc.) are required to respect the provisions of this Code of Conduct and its observance is a presupposition for the sales or collaboration relationships with the Company continuing.

For this purpose, Teraplast has inserted the obligation to respect the regulations provided in the Code of Conduct in its purchase orders and on the portal for suppliers; non-fulfilment shall lead to contract resolution and/or assignment annulment.