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# SUSTAINABILITY REPORT

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2025 REPORT

With reference to

VSME (Voluntary reporting standard for SMEs – Draft EFRAG)

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## Sommario

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## REPORTING STRUCTURE

The contents of this Sustainability Report refer to the Voluntary reporting standard for SMEs (VSME – Voluntary standard for non-listed small and medium-sized undertakings), issued in draft form by EFRAG (European Financial Reporting Advisory Group) in December 2024, subsequently confirmed by EU Recommendation 1710/2025, and supplemented, where deemed necessary, with other regulatory frameworks and internationally recognized standards.

Specifically, certain additional disclosed information is based on the document issued by the Ministry of Economy and Finance (MEF), the Ministry of Enterprises and Made in Italy (MIMIT), the Ministry of the Environment and Energy Security (MASE), the Bank of Italy, CONSOB, IVASS, and COVIP, entitled THE SUSTAINABILITY DIALOGUE BETWEEN SMEs AND BANKS – Interoperability table between the SME-Banks document and VSME.

<b>Basic Metrics – General Information</b>
B1 – Criteria for Preparation
B2 – Practices for the Transition to a More Sustainable Economy
<b>Basic Metrics – Environment</b>
B3 – Energy and Greenhouse Gas Emissions
B4 – Air, Water and Soil Pollution
B5 – Biodiversity
B6 – Water
B7 – Resource Use, Circular Economy and Waste Management
<b>Basic Metrics – Social</b>
B8 – Workforce – General Characteristics
B9 – Workforce – Health and Safety
B10 – Workforce – Remuneration, Collective Bargaining and Training
<b>Basic Metrics – Business Conduct</b>
B11 – Convictions and Penalties for Active and Passive Corruption
<b>Comprehensive Module Guide – General Information</b>
C1 – Strategy: Business Model and Sustainability – Related Initiatives
C2 – Description of Practices, Policies and Future Initiatives for the Transition to a More Sustainable Economy
<b>Comprehensive Module – Environmental Metrics</b>
C3 – Comprehensive Module – Environmental Metrics – Greenhouse Gas Reduction and Climate Transition
C4 – Climate Risks
<b>Comprehensive Module – Social Metrics</b>
C5 – Workforce – Additional (General) Characteristics
C6 – Workforce – Additional Information on Workforce – Policies and Processes for Human Rights
C7 – Severe Negative Human Rights Incidents
<b>Comprehensive Module – Governance Metrics</b>
C8 – Revenues from Certain Sectors and Exclusion from EU Reference Benchmarks
C9 – Gender Diversity Ratio in the Governing Body

The above data have been prepared with the aim of providing information on how the company contributes to a more sustainable and inclusive economy, improves the management of the sustainability issues it faces, and integrates environmental and social challenges—such as pollution, and workers’ health and safety—into its strategy.

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## INTRODUCTORY NOTE

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For over twenty years, Teraplast S.p.A. has designed and manufactured plant pots that go beyond their basic function, contributing to the definition and enhancement of the spaces in which they are placed.

Since its origins, innovation and design have been the cornerstones of the company’s development. The continuous pursuit of aesthetic and functional solutions, combined with attention to detail and in-house design, has enabled Teraplast S.p.A. to establish a distinctive position in the market over time.

Alongside its industrial growth, the company has progressively strengthened its commitment to sustainable development models, guided by the principles of the circular economy. This approach is reflected in design and production choices that are mindful of environmental impacts and in the intention to generate lasting value.

The development path is supported by a vision that integrates economic performance with environmental and social responsibility, fostering the continuous evolution of the organization.

This Sustainability Report represents a key tool for ensuring transparency, consistency, and visibility of the company’s commitment. By integrating economic, environmental, and social aspects, the document provides a structured overview of the activities carried out and future objectives, reaffirming Teraplast S.p.A.’s commitment to responsible and sustainable growth.



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## LETTER TO STAKEHOLDERS

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Dear Readers,

As every year, we are pleased to share with you the activities carried out and the progress we continue to achieve together.

The path we have undertaken continues to guide our actions and has been further strengthened throughout 2025. The values that inspire us represent the foundation of every choice we make and are reflected in the decisions we take every day: in the quality we pursue, in the attention we pay to the impact of our activities, and in our ongoing commitment to improvement.

Operating responsibly, for us, means looking beyond immediate results and adopting a broader vision that takes into account the context in which we operate and the people we engage with.

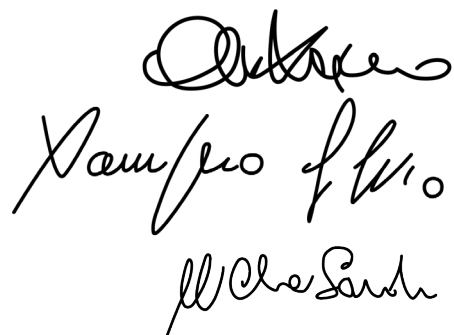
During this year, we have also strengthened our commitment to the community, creating synergies and new opportunities to support the work of cooperatives and organizations active in the social sector. In this context, we introduced the *Tera Social Day*, initiatives designed to provide tangible support to the local area while offering our employees the opportunity to contribute their time and energy to the community.

It is with this spirit that we continue to carry out our work, turning principles into concrete and measurable actions, with the aim of generating long-term value for all our stakeholders.

Thank you for your trust.

Enjoy your reading,

CEO, Alice Xompero, PRESIDENT, Silvio Xompero e BOARD MEMBER, Michele Sandri



Alice Xompero  
Xompero Silvio  
Michele Sandri

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## GENERAL INFORMATION

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### Disclosure B1 – Criteria for Preparation

24\_ This report has been prepared with the following characteristics:

- With reference to the VSME Basic Module, covering the information set out in paragraphs B1 to B12, supplemented, where possible and without omission, with notes related to the Comprehensive Module.
- The information provided below has been structured in accordance with the *VSME Digital Template – latest* issued by EFRAG, used as a supporting tool for reporting purposes.
- Additional information has been included to address the Interoperability Table between the SME–Banks Document and the VSME, as mentioned in the foreword, and is identified by the reference “SME–Banks–VSME”.

The company prepares this report on an INDIVIDUAL basis.

- Legal form: TERAPLAST S.p.A.
- Sector classification code: ATECO 22.29.09, corresponding to NACE 22.26 – manufacture of plastic products
- Balance sheet total (in euros): €23,345,363.00
- Revenue (in euros): €14,362,000.00
- Number of employees or full-time equivalents: 72
- Country in which the main activities are carried out and where the most significant operations are located: ITALY
- Geolocation of owned, leased or managed sites:  
Via del Progresso no. 65  
36070 Castelgomberto (VI) – 45°34'08.3"N 11°23'22.8"E

25 – Sustainability Certifications:

- Plastica Seconda Vita
- ISO 14064-1 certification in progress

### SME–Banks–VSME Additional Note, point 1

The company reports in this section only with reference to the production site described above. The investment initiated with AV Design, a controlled company, is addressed separately in the AV Design Supplementary Note at the end of this document.

**SME–Banks–VSME Supplementary Note, Point 3**

The Company has not been subject to sustainability assessments or ratings.

Sustainability-related information in previous years has been disclosed on a voluntary basis, with reference to internationally recognized standards.

**SME–Banks–VSME Supplementary Note, Point 4**

The energy performance classification of the buildings is currently being updated and is expected to be presented within the next reporting period.

**Disclosure B2 – Practices for the Transition to a More Sustainable Economy**

26\_ Practices, Policies and Future Initiatives for the Transition to a More Sustainable Economy

	Are there any sustainability practices/policies/future initiatives at the site that address one of the following sustainability topics? [YES/NO]	Are they publicly available? [YES/NO]	Do the policies include defined objectives? [YES/NO]
Climate Change	YES	YES	YES
Pollution	YES	YES	YES
Water and Marine Resources	NO	NO	NO
Biodiversity and Ecosystems	YES	YES	YES
Circular Economy	YES	YES	YES
Own Workforce	YES	YES	YES
Workers in the Value Chain	YES	YES	YES
Affected Communities	YES	YES	YES
Consumers and End Users	YES	YES	YES
Business Conduct	YES	YES	YES

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**CORE METRICS – ENVIRONMENT**

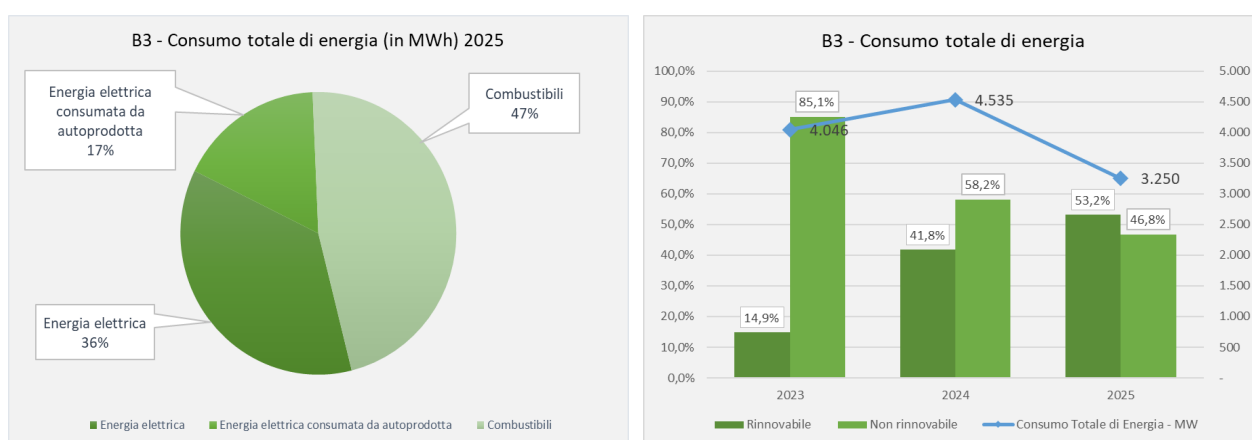
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**B 3 – Energy and Greenhouse Gas Emissions**

29\_ The company integrates careful energy management into its systems, including the use of renewable sources. The company is classified among energy-intensive (“Elettrivore”) categories, and this position has led it to choose a fully renewable electricity supply, even though it is not entirely required to do so. Starting from the 2025 financial year, the company sources 100% of its energy from renewable sources with a Guarantee of Origin. In addition to external procurement, the company operates a photovoltaic system that contributes to meeting its energy needs. Non-renewable energy, consisting of gas, is used in machinery employed in the rotational moulding production process.

	2025	
Total Energy Consumption (in MWh)	Renewable	Non-renewable
Electricity	1.175,35	-
Self-generated Electricity Consumed	554,19	-
Fuels	-	1.520,00
Total Energy Consumption (in MWh)	1.729,54	1.520,00

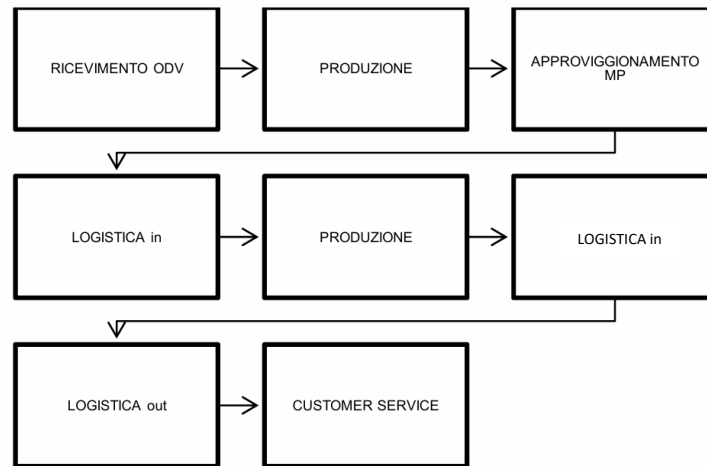
A reduction in energy used for production inputs is observed, attributable on one hand to the implementation of the integrated sustainability and consumption optimization strategy pursued over the past two years, and on the other hand to a decrease in production volumes compared to 2024.



30\_ Data collection and the calculation of GHG emissions were carried out by an independent specialized third-party company, in accordance with the approaches outlined below. It should be noted that the company had already performed measurements in previous years; however, starting from 2025, it intends to certify its CO<sub>2</sub> emissions by reconfiguring the data as presented below. This may result in some technical discrepancies in data interpretation, but it does not affect the substance of the decarbonisation plan already underway.

Approach used:

- ORGANISATION: Teraplast S.p.A.
- TIME BOUNDARIES: 01 January 2025 – 31 December 2025
- ORGANISATIONAL BOUNDARIES: The company has defined and documented its operational boundaries, identifying direct and indirect emissions associated with activities carried out at the site located at Via del Progresso 65, 36070 Castelgomberto (VI), Italy
- METHOD: Data collection and the calculation of GHG emissions were carried out in accordance with the approaches set out in the reference technical standard: UNI EN ISO 14064-1:2019 – Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals
- OPERATIONAL BOUNDARIES: The unit processes related to the production process are presented and described below



31\_ The year 2025 marks a fundamental starting point in structuring data collection for LCA analysis: it can be considered a true “year zero”, as it marks the beginning of the certification process for CO<sub>2</sub> emissions quantification in accordance with the ISO 14064-1 standard. The data are presented in the table below:

B3 – Estimated Greenhouse Gas Emissions (in tCO <sub>2</sub> e)	2023	2024	2025
Gross Scope 1 Greenhouse Gas Emissions (location-based)	827,03	553,94	487,66
Gross Scope 2 Greenhouse Gas Emissions (location-based)	1.240,18	10,71	311,07
Total Scope 1 and Scope 2 Greenhouse Gas Emissions (location-based)	2.067,21	565,00	798,73

#### B4 – Air, Water and Soil Pollution

32\_ Polluting factors are managed in accordance with the regulations in force in the territory in which the company operates, and the following can be stated:

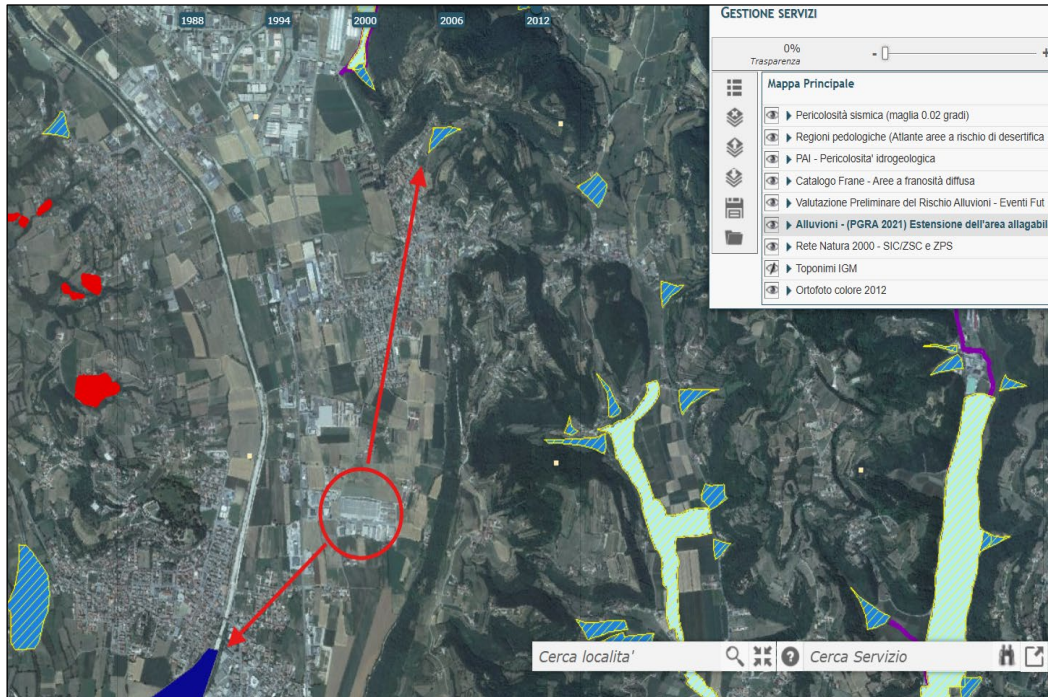
- Air emissions comply with current legal requirements and are regularly monitored by the relevant authorities.
- Water is managed through the appointed service provider and does not present any anomalous factors.
- Waste is entirely managed by authorised disposal or recovery operators and is tracked in accordance with applicable regulations.

The company is available to provide, upon request, the documents supporting the above. [URL emissioni](#)

#### B5 – Biodiversity

33\_ Through an analysis carried out using the National Geoportal of the Ministry for the Environment (<http://www.pcn.minambiente.it/viewer/index.php?project=natura>), the sensitive areas of the territory where the production site is located were examined.

The map provided by the Ministry does not highlight any particular critical aspects, as the company is located at a considerable distance from areas with potential environmental sensitivities.



Quest'area è stata valutata secondo i seguenti criteri di impatto:

- Aree che rispondono a Progetto Natura e/o SIC, ZSC e ZPS: non presenti
- Aree a Rischio Desertificazione: non presenti
- Aree Pericolosità sismica, 0,150 – 0,175: attesa probabilistica medio/bassa <https://ingvterremoti.com/la-pericolosita-sismica/>
- Aree di Pericolosità Idrogeologica e/o a Franosità Diffusa, aree arancio/rosse: lontane dal sito produttivo
- Aree alluvionabili e Rischio Alluvioni Future, aree azzurre (alluvionabili) e perimetro giallo (rischio futuro): pericolosità media / moderata, lontane dal sito produttivo
- Aree che rispondono a Progetto Natura e/o SIC, ZSC e ZPS: non presenti

34\_ The company's production facility is located within an area governed by the Regional Territorial Plan (PAT) of the Veneto Region.

The site includes the following appurtenances, unchanged from the previous year, while also planning the expansion of the facility through the construction of a new building intended for an automated warehouse, with completion expected during 2026. This development will therefore be included in the next sustainability report.

Production Site Area (sqm)	Covered or Paved Area	Total nature-oriented area on-site	Total nature-oriented area off-site	Total use of land	% Change by Years
25.000	25.000	-		25.000	0%

## B 6 – Water

35\_ Water consumption is mainly driven by internal sanitary uses within the company and does not represent a production requirement. The analysis therefore focused on usage patterns by internal staff in order to identify potential efficiency improvements. It should be noted that, starting from 2024, water has also been partially used for irrigating planted areas within the company perimeter, resulting in a higher consumption level in terms of cubic metres per employee.

Water Withdrawal	2023	2024	2025
Total water withdrawal from all sites (cubic metres, m <sup>3</sup> )	777	843	827
Water withdrawal at sites located in areas with high water stress (cubic metres, m <sup>3</sup> )	0	0	0

36\_ Water consumption is almost entirely attributable to sanitary uses, as production processes involve only minimal usage.

Water	2023	2024	2025
Wastewater discharge resulting from the company's production processes (cubic metres, m <sup>3</sup> )	10	10	10
Total water consumption (cubic metres, m <sup>3</sup> )	767	833	817

An analysis carried out using the WRI's Aqueduct Water Risk Atlas ([Aqueduct | World Resources Institute \(wri.org\)](https://www.wri.org/aqueduct)) shows that the company is located in an area with medium-to-low water stress. The same tool also provides a forward-looking assessment to 2050, evaluated under a pessimistic scenario; although nearby areas may potentially experience greater stress (as they are located in an adjacent valley), the outlook for the area hosting the company remains unchanged, as shown in the map highlighted in red.



## B7 – Resource Use, Circular Economy and Waste Management

The careful use of raw materials characterises the company’s operations, and material circularity represents a strategic priority for the business.

37\_ The company applies circular economy principles through the optimisation of raw material use, the reduction of production waste, and the progressive use of recycled materials in its products. The company also promotes product durability and efficiency in packaging use, understood as the optimisation of materials employed, with the aim of reducing environmental impact throughout the entire lifecycle.

38\_ Production waste is managed in accordance with the regulations established by the legislator, as applied to the production sites where the company operates, and is reported in the table below.

Waste Management	2023		2024		2025	
	Waste directed to recycling or reuse	Waste sent for disposal	Waste directed to recycling or reuse	Waste sent for disposal	Waste directed to recycling or reuse	Waste sent for disposal
Total hazardous waste generated (kg)	1.000	170	4.500	-	4.030	-
Total non-hazardous waste generated (kg)	90.430	-	335.430	-	192.920	-
Total waste generated (kg)	91.430	170	339.930	-	196.950	-

In line with 2024, the company has continued to optimise and reduce inventory levels, leading to the recovery of obsolete materials.

### Notes to the financial statements – SMEs–Banks–VSME, point 23

The percentage calculation of recycled (and/or recovered and/or by-product) content in finished products varies, as different items are made using different material blends. However, it is important to note that the “Plastica Seconda Vita” certification adopted by the company ensures that production typically contains an average recycled material content of over 65%, with some collections exceeding 80%.

### Notes to the financial statements – SMEs–Banks–VSME, point 24

The calculation of the percentage of recyclable content in packaging is not applicable; however, it can be stated that almost all packaging is managed through recycling or reuse processes.

Packaging Type	Unit of Measure	Waste directed to recycling or reuse	Waste sent for disposal	Quantity of recycled, reused and disposed waste
Non-Hazardous - Paper and cardboard packaging	Kg	26.910	-	26.910
Non-Hazardous - Plastic packaging	Kg	22.330	-	22.330
Non-Hazardous - Mixed packaging	Kg	25.900	-	25.900

During the reporting period, digitalized measures were implemented to improve the collection of raw material (RM) data, enabling a more accurate assessment of usage patterns. This has led to benefits in analysis, but may also result in deviations when compared with previous years. It should be noted that the figures for 2023/2024 have been revised based on the new analysis, as they are considered to be more reliable.

Mass (in tonnes)	2023	2024	2025
Total annual RM mass flow of relevant materials used	2.238	2.354	1.444
Total annual mass flow of all relevant materials used	2.543,16	2.780,50	1.791,55
Production from Recycled Plastic	931,57	1.812,91	1.284,51
Production from Virgin Plastic	978,62	792,25	400,59

## BASE METRICS – SOCIAL ISSUES

### B 8 – WORKFORCE – GENERAL CHARACTERISTICS

39\_The collective labor agreement the company refers to is the National Collective Labor Agreement (CCNL) for the Rubber-Plastics Industry, and the characteristics of the company's internal personnel are reported in the following tables.

It should be noted that the number of internal personnel, in order to align reporting with the VSME standard, is expressed in Head Count.

Year	2023	2024	2025
<b>Type of contract</b>	<b>Number of employees</b>	<b>Number of employees</b>	<b>Number of employees</b>
Permanent contract	73	69	69
Temporary contract	1	1	3
<b>Total employees (linked to B1)</b>	<b>74</b>	<b>70</b>	<b>72</b>

Anno	2023	2024	2025
<b>Gender</b>	<b>Number of employees</b>	<b>Number of employees</b>	<b>Number of employees</b>
Men	53	48	50
Women	21	22	22
Other	-	-	-
Not disclosed	-	-	-
<b>Total employees (linked to B1)</b>	<b>74</b>	<b>70</b>	<b>72</b>

Year	2025
Country of employment contract	Number of employees
Italy	66
Germany	2
Denmark	1
France	3
Total employees (linked to B1)	72



▪ **Explanatory note SME-Banks-VSME, point 35**

Employees are distributed as follows (fixed-term and permanent, broken down by gender and job classification).

Number of employees on fixed-term and permanent contracts, broken down by gender and job classification.	2025
PERMANENT BLUE-COLLAR WORKERS MEN	33
TEMPORARY BLUE-COLLAR WORKERS MEN	0
PERMANENT WHITE-COLLAR EMPLOYEES MEN	13
TEMPORARY WHITE-COLLAR EMPLOYEES MEN	1
MIDDLE MANAGERS MEN	3
TOTAL MEN	50
PERMANENT BLUE-COLLAR WORKERS WOMEN	7
TEMPORARY BLUE-COLLAR WORKERS WOMEN	1
PERMANENT WHITE-COLLAR EMPLOYEES WOMEN	12
TEMPORARY WHITE-COLLAR EMPLOYEES WOMEN	1
EXECUTIVES WOMEN	1
TOTAL WOMEN	22

▪ **Explanatory note SME-Banks-VSME, point 40**

The number of employees belonging to “protected categories” exceeding the legal requirement is 1.

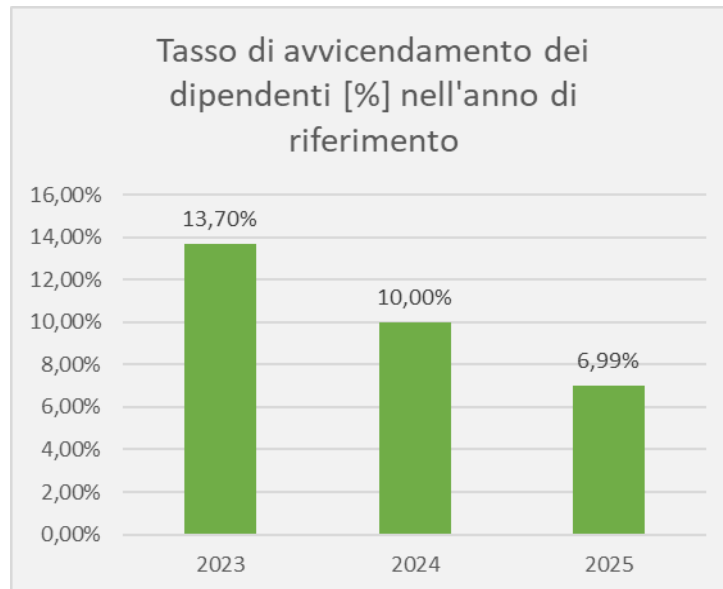
Number of employees belonging to “protected categories” exceeding the legal requirement.	2025
NO. OF DISABLED EMPLOYEES REQUIRED BY LAW (L. 68/99)	4
NO. OF DISABLED EMPLOYEES EMPLOYED IN THE COMPANY	4
NO. OF DISABLED EMPLOYEES UNDER AGREEMENT ART. 14	1
TOTAL DISABLED EMPLOYEES	5

#### 40\_EXIT TURNOVER

Exit turnover shows a steady decrease compared to previous years, largely due to the company policies implemented by the organization.

Employee turnover rate	2023	2024	2025
Number of employees who left the company during the reference year	10	7	5
Number of employees at the beginning of the reference year	-	-	71
Number of employees at the end of the reference year	74	70	72
Employee turnover rate [%] in the reference year	13,70%	10,00%	6,99%

It should be noted that the employee turnover rate, in order to align reporting with the VSME standard, is expressed in Head Count. This does not affect the values reported in previous years.

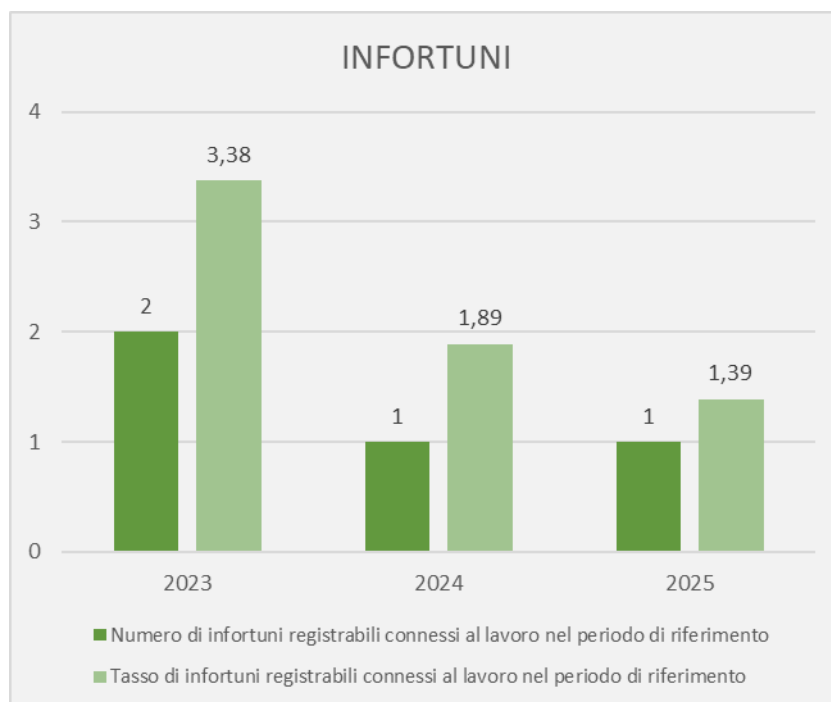


#### B 9 – WORKFORCE – HEALTH AND SAFETY

41\_The company applies Health and Safety regulations within its production facility, integrating these requirements with specific Risk Assessment Documents (DVR). The activities undertaken to reduce the incidence of accidents demonstrate their benefits in the tables below.

HEALTH AND SAFETY	2023	2024	2025
NUMBER OF RECORDABLE WORK-RELATED INJURIES IN THE REPORTING PERIOD	2	1	1
HOURS WORKED BY A FULL-TIME EMPLOYEE IN THE REPORTING PERIOD	2.000	2.000	2.000
TOTAL NUMBER OF HOURS WORKED IN A YEAR BY ALL EMPLOYEES IN THE REPORTING PERIOD	-	-	144.000
RATE OF RECORDABLE WORK-RELATED INJURIES IN THE REPORTING PERIOD	3,38	1,89	1,39
NUMBER OF FATALITIES DUE TO WORK-RELATED INJURIES AND ILLNESSES	0	0	0

Until the 2024 financial year, the injury rate was calculated based on the actual number of hours worked by employees during the reference year, whereas from 2025 the assumption proposed by EFRAG has been adopted, which refers to 2,000 hours worked per person per year. This does not substantially affect the resulting value.



#### Explanatory note SME-Banks-VSME, point 33

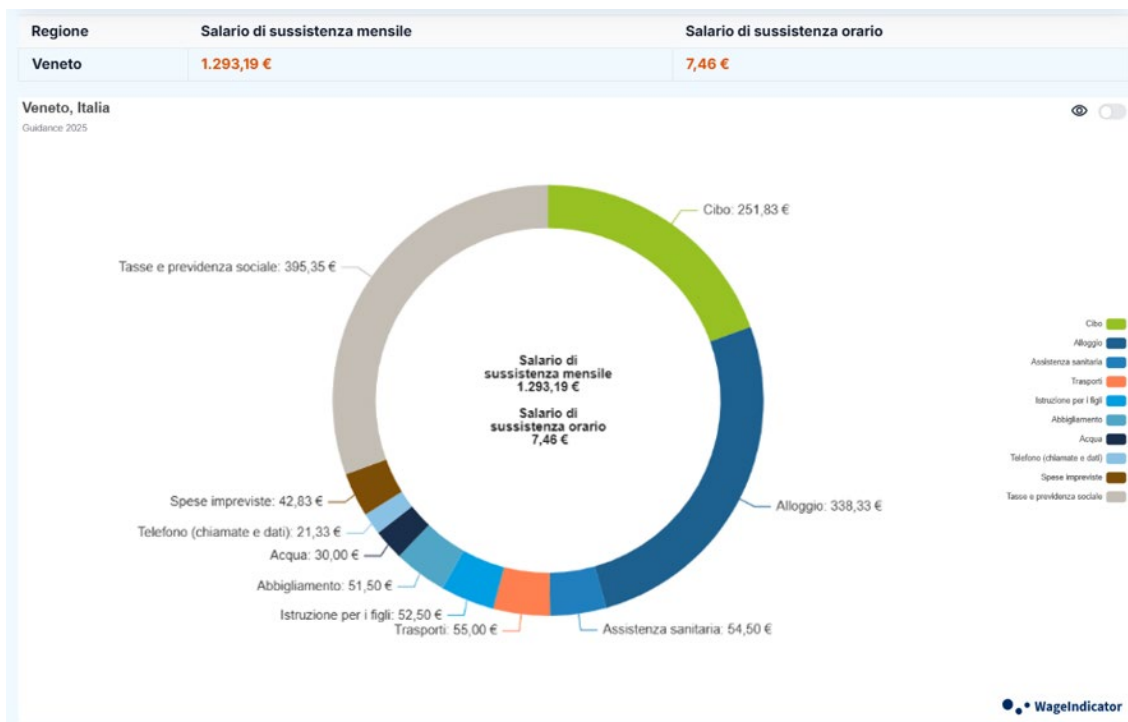
The number of days lost due to injuries and/or occupational illnesses during the year is 21.

#### B 10 – WORKFORCE – REMUNERATION, COLLECTIVE BARGAINING AND TRAINING

42\_The company applies, with regard to remuneration factors, the provisions set out in the National Collective Labor Agreement (CCNL) to which it adheres, supplemented by enhancements linked to the specific characteristics of its personnel. In the country of main employment used as the reference by the company, employees are not subject to minimum wage regulations; however, remuneration shows a positive wage gap when compared to the benchmarks for a living wage, including in other countries. In 2024, the value used to calculate the wage gap was based on Gross Annual Salary (RAL), whereas from the 2025 financial year, in order to align reporting with the VSME EFRAG Standard, the value refers to the Average Hourly Wage.

B 10 – WORKFORCE – REMUNERATION, COLLECTIVE BARGAINING AND TRAINING	2023	2024	2025
Employees receive remuneration equal to or higher than the applicable minimum wage, determined either directly by national minimum wage legislation or through collective bargaining.	SI	SI	SI
Average gross hourly wage level of male employees			€ 13,61
Average gross hourly wage level of female employees			€ 13,48
Percentage gender pay gap between female and male employees [%]			0,95%
Number of employees covered by collective agreements	74	70	72

The average level of gross annual remuneration at Teraplast is calculated excluding the addition of benefits or welfare schemes provided by the company, and is higher than the monthly Living Wage as reported by WageIndicator, defined as the gross wage of a full-time working adult. Overtime, bonuses, and other allowances are not included in this calculation.



Source: <https://iltuosalario.it/stipendio/salari-di-sussistenza>

### Explanatory note SME-Banks-VSME, point 30

The percentage of the average pay gap between female and male employees by level as defined in the CCNL is of limited applicability, as roles and responsibilities, even within the same classification, vary significantly.

- EMPLOYEES ARE 100% COVERED BY THE NATIONAL COLLECTIVE LABOR AGREEMENT (CCNL)

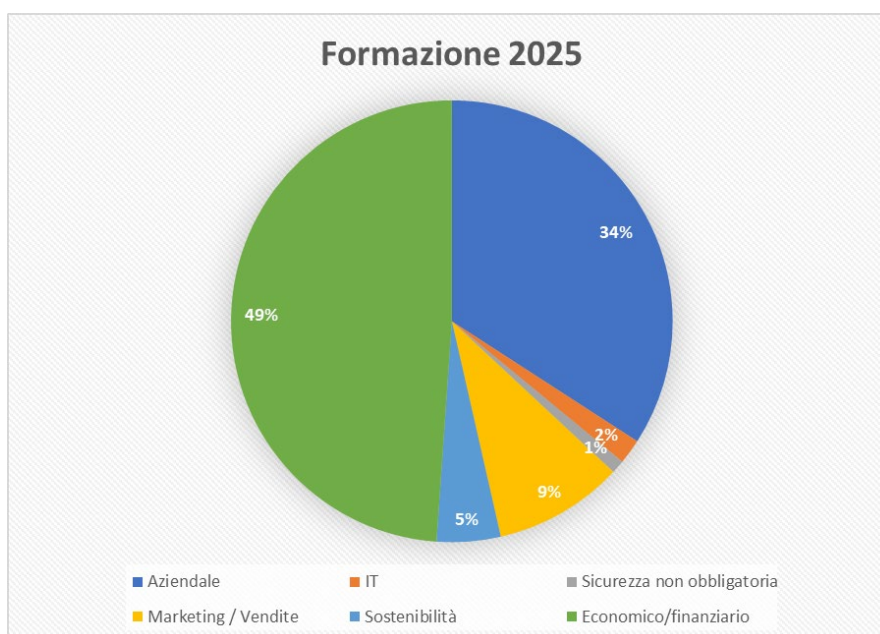
The average number of training hours is as follows:

B 10 – ANNUAL NUMBER OF TRAINING HOURS PER EMPLOYEE DURING THE REPORTING PERIOD		
Gender	2024	2025
Men	12,84	23,99
Women	12,96	21,95
Average number of training hours per employee	12,88	22,97

### Explanatory note SME-Banks-VSME, point 31

The average number of training hours per employee, by type of training, is as follows:

Type of Course	Total hours	%
Company	6	34%
IT	0,3	2%
Non-mandatory Safety	0,17	1%
Marketing / Sales	1,69	9%
Sustainability	0,8	5%
Economic / Financial	8,7	49%
Total	17,66	100%



## BASE METRICS – BUSINESS CONDUCT

### B 11 – CONVICTIONS AND PENALTIES FOR ACTIVE AND PASSIVE CORRUPTION

43\_The company has not recorded any convictions or penalties for active or passive corruption in the latest financial year. This confirms the trend observed in previous years.

### Explanatory note SME-Banks-VSME, point 40

In the financial year, no pecuniary or disqualifying sanctions were identified for violations of laws against active and passive corruption or for breaches of environmental and social regulations.

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## GUIDE TO THE COMPREHENSIVE MODULE – GENERAL INFORMATION

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As an introduction to the development of the following integration defined as “COMPREHENSIVE,” it is specified that it has been structured to include factors that may support a broader understanding of the strategic ESG elements impacting the company.

The reading is structured according to the scheme set out below:

1. Responses to the COMPREHENSIVE section of the VSME model (Voluntary Reporting Standard for SMEs – Draft EFRAG, dated 17 December 2024)
2. EXPLANATORY NOTES, where deemed necessary, to provide context

### C1 – STRATEGY: BUSINESS MODEL AND SUSTAINABILITY – RELATED INITIATIVES

47\_TERAPLAST S.p.A. produces plant pots and offers decorative solutions for indoor and outdoor spaces. The product range includes plastic pots and planters of various sizes, manufactured using two production technologies (injection and rotational molding), as well as Galestro terracotta and ceramic.

The company mainly operates in the B2B gardening and green space decoration market, supplying products to distributors, garden centers, specialized retail chains, nurseries, and professional green operators.

### REFERENCE MARKETS

The most significant customers are geographically distributed across international markets, particularly in regions with medium to high spending capacity worldwide, including North America and the Australasian continent.

Stakeholder categories have been analyzed using a model that considers the economic correlation with Environmental, Social, and Governance risk factors, supported by three analytical tools:

- SACE model for foreign countries: which includes Political Risk, Credit Risk, and Climate Change Risk differentiated by country
- ROBECO model: which includes the three ESG factors (Environmental, Social, Governance) as country risk indicators
- INTERNAL ANALYSIS: whereby a cross-functional team examined for each stakeholder aspects such as Loyalty, Sustainability Policies, and Strategic elements, as well as their potential substitutability

It should be noted that the weight assigned to the macro factors was distributed evenly in the analysis. Stakeholder classification was based on a principle that considers the mapping of the most significant stakeholders by value.

### SUPPLY CHAIN

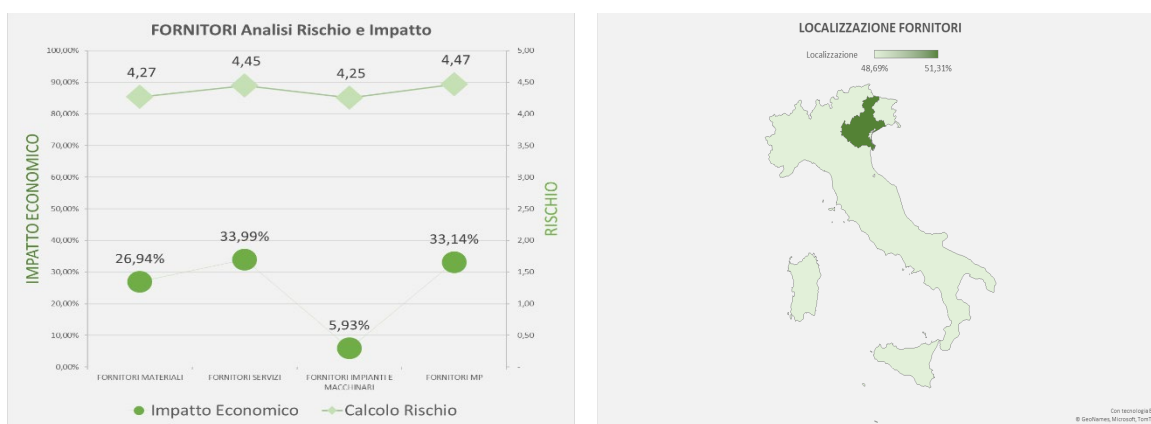
The supply chain mainly covers two areas: raw materials and support for the development of machinery used in production processes. These two areas are characterized by a national or local scope, where “local” refers to the Veneto region.

The analysis conducted ranked the most important companies for the business, classifying them

according to a Pareto model and using the approaches described in the previous paragraph for contextual assessment.

TYPE OF SUPPLIERS
MATERIAL SUPPLIERS
SERVICE SUPPLIERS
PLANT AND MACHINERY SUPPLIERS
RAW MATERIAL SUPPLIERS

It is noted that the majority of raw material suppliers have a regional characterization.

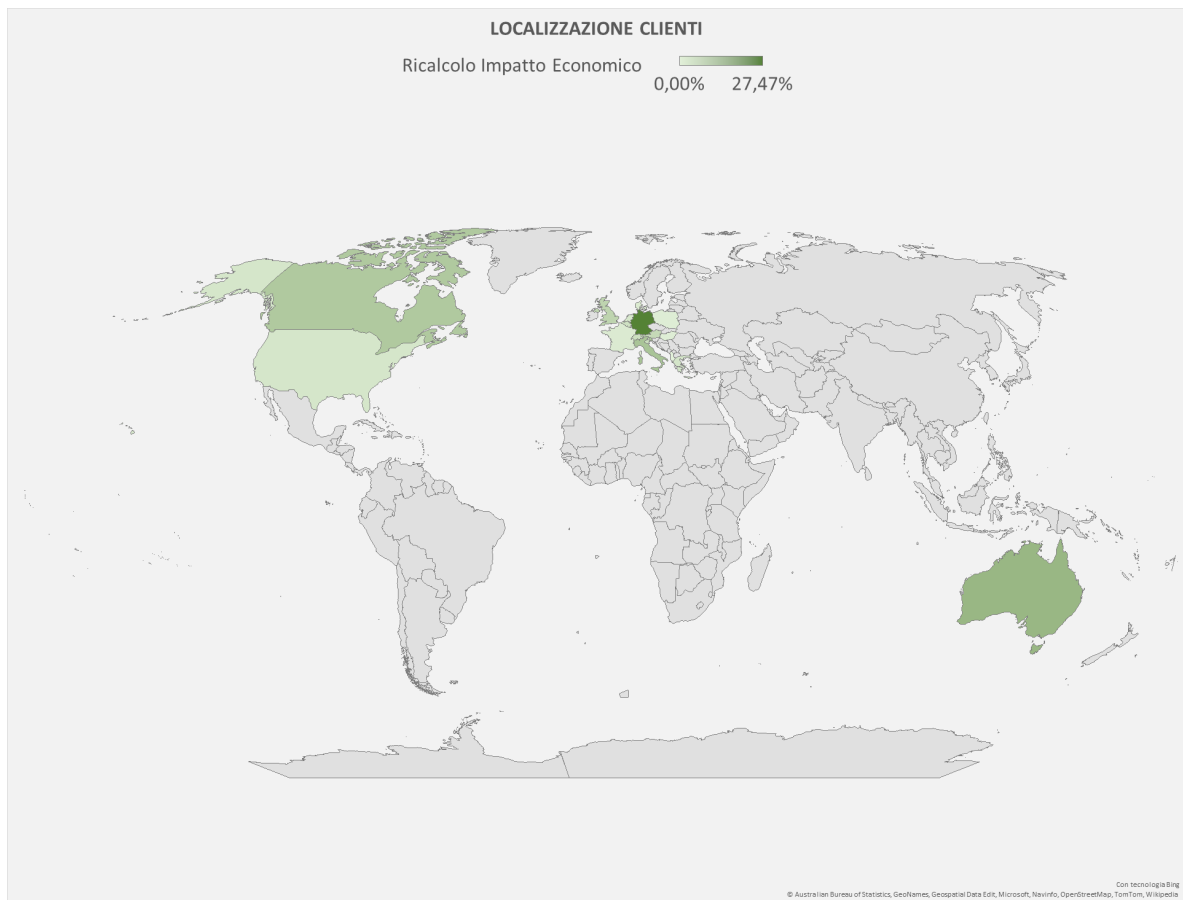


## DISTRIBUTION NETWORK AND CUSTOMERS

The analyzed distribution network consists of approximately 40 companies, restructured into six distribution channels:

TYPE OF CUSTOMERS
FURNITURE / DESIGN
CONTRACT MANUFACTURING
GARDEN
LARGE-SCALE DISTRIBUTION (GD)
DIY / HOME IMPROVEMENT (GDS)
WHOLESALE – DISTRIBUTOR – IMPORTER
ONLINE

For the distribution network, the chart below illustrates its geographical distribution, correlating the assessment factors outlined above.



## **STAKEHOLDER**

A final note concerns the company's cross-functional relationships with service providers supporting business activities.

These suppliers have a predominantly local configuration, linked to specific company needs, with some exceptions related to evolving international relationships.

It should be noted that in recent financial years, support activities for local communities have increased, showing a growing commitment to promoting sustainability factors within the local area.

## **C1 – EXPLANATORY NOTES**

The work initiated in the previous year continues through a process aimed at reassessing certain production factors, while at the same time adopting a stronger focus on the supply chain, oriented toward solutions capable of integrating more advanced recyclability and environmental responsibility criteria.

This approach is contributing to a progressive rebalancing of risk factors, previously influenced also by the presence of foreign suppliers, making the overall profile more stable and consistent with the company's strategies.

## C2 – Description of practices, policies and future initiatives for the transition towards a more sustainable economy

### 48\_Table of information on company practices and policies

	If you answered YES to the existing practices/policies/future initiatives referred to in disclosure B2, briefly describe them together with the related actions taken. (If the practice/policy/future initiative concerns suppliers or customers, the company must mention this).	If you answered YES to the future initiatives/objectives referred to in disclosure B2, specify them.	You may indicate the highest level within the company responsible for their implementation [if applicable].
Climate change	yes, see c2_a below    yes, see c2_a below	yes, see c2_a below    yes, see c2_a below	CDA
Pollution	yes, see c2_b below    yes, see c2_b below	yes, see c2_b below    yes, see c2_b below	CDA
Water and marine resources	no    no	no    no	NO
Biodiversity and ecosystems	yes, see c2_d below    yes, see c2_d below	yes, see c2_d below    yes, see c2_d below	CDA
Circular economy	yes, see c2_e below    yes, see c2_e below	yes, see c2_e below    yes, see c2_e below	CDA
Own workforce	yes, see c2_f below    yes, see c2_f below	yes, see c2_f below    yes, see c2_f below	CDA
Workers in the value chain	yes, see c2_g below    yes, see c2_g below	yes, see c2_g below    yes, see c2_g below	CDA
Affected communities	yes, see c2_h below    yes, see c2_h below	yes, see c2_h below    yes, see c2_h below	CDA
Consumers and end users	yes, see c2_i below    yes, see c2_i below	yes, see c2_i below    yes, see c2_i below	CDA
Business conduct	yes, see c2_j below    yes, see c2_j below	yes, see c2_j below    yes, see c2_j below	CDA

#### Explanatory note SME-Banks-VSME, point 10

The company has taken out mandatory insurance coverage in accordance with Law No. 213/2023 (“State Budget for the financial year 2024 and multi-year budget for the three-year period 2024–2026”), Article 1, paragraph 101, and subsequent provisions.

- insurance covers damage to fixed assets resulting from natural disasters and catastrophic events such as earthquakes, floods, inundations, overflowing rivers, and landslides
- the insurance covers the entire year 2026
- the insured risk exceeds €40,000,000

#### Explanatory note SME-Banks-VSME, point 11

The company, in this financial year, does not provide a preliminary quantitative or qualitative estimate of revenue aligned with the EU Taxonomy for environmental objectives (climate change mitigation and adaptation) and by NACE code.

#### Explanatory note SME-Banks-VSME, point 12

The company, in this financial year, does not provide a preliminary quantitative or qualitative estimate of capital expenditure aligned with the EU Taxonomy for environmental objectives (climate change mitigation and adaptation) and by NACE code.

Among the investments made in recent years, aimed at improving operational efficiency and reducing environmental impact, the following are highlighted:

- the introduction of new high energy-efficiency electric presses;
- the installation of a grinding system for the recovery and reuse of production waste;
- the implementation of a new high energy-efficiency refrigeration system.

Investments made during 2025:

- the integration of new molds for the production of new collections, both rotational and injection-molded
- the implementation of an energy monitoring system aimed at the accurate and continuous collection of press consumption data, supporting more efficient and informed energy resource management.

Planned investments for the future:

- the completion and commissioning of the automated warehouse, aimed at optimizing logistics management, increasing the efficiency of internal flows, and improving customer service;
- the company will initiate ISO 14064-1 certification for the first time;
- Teraplast plans to transition into a benefit corporation by 2026, strengthening its formal commitment to environmental sustainability and social responsibility goals;
- the adoption of ISO 14001 and ISO 45001 certified management systems, confirming the company's focus on environmental issues and workplace health and safety;
- the company will continue investing in the development of new injection and rotational molds, expanding its range in the recycled plastic pots segment;
- looking ahead, the company also plans to extend certification systems and monitoring activities in sustainability, quality, and safety to AV Design, with the aim of strengthening an integrated and consistent approach across the entire business scope.

## **C2 A: CLIMATE CHANGE**

### **Brief description and objectives**

#### MONITORING OF ENERGY FACTORS

Monitoring energy consumption represents a strategic lever for the company, essential both for improving cost efficiency and reducing environmental impact. In this context, targeted objectives are defined to optimize consumption and improve energy performance, in line with the sustainability path undertaken.

The investment made in recent years in the MES (Manufacturing Execution System) is providing production-related data, and completion with consumption data is expected by 2026. Monitoring activities are overseen by the technical and operational managers of the production department. Once the consumption-related component is completed, analyses will be carried out regularly, enabling constant performance control with the aim of identifying improvement opportunities.

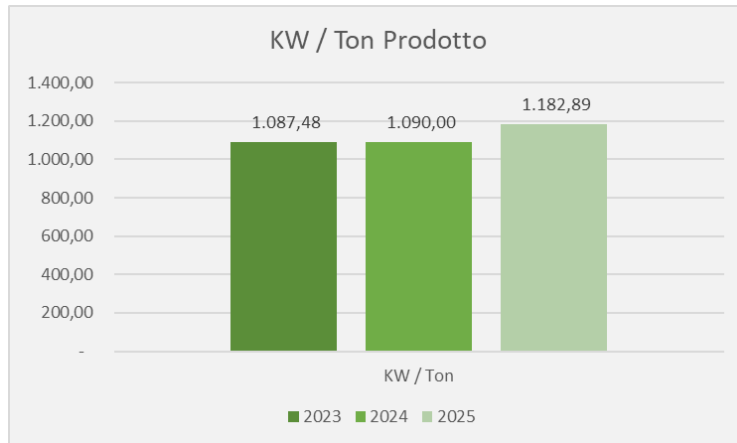
#### ENERGY CONSUMPTION

Electricity consumption at Teraplast is allocated both to production activities and office operations,

where a significant share is absorbed by climate control systems.

In 2025, a reduction of approximately 25% in total electricity consumption compared to 2024 was recorded. This decrease is attributable both to the energy efficiency measures implemented in recent years and to a decline in production volumes during the period.

There is also an increase in the kW/ton ratio produced compared to the previous year, attributable to the introduction of new models and color variants. This higher level of diversification has led to an increase in mold change and color change operations, impacting the overall efficiency of the production process.



The company's production is based on two main technologies: injection molding, powered by electricity, and rotational molding, which uses gas as an energy source.

Production processes therefore involve a significant distinction between these two methods, characterized by different energy supply systems for the processing equipment. During 2025, a reduction in gas consumption was also recorded, mainly attributable to a decline in production volumes related to the associated product range.

Since 2024, the company has been classified as an energy-intensive enterprise, and in addition to energy monitoring and audits, TeraPlast has chosen to source all of its electricity from renewable energy, even though it is not fully required to do so.

It should also be noted that TeraPlast has significantly increased the use of self-generated energy: in 2025, the photovoltaic system contributed approximately 32% of the total electricity demand, strengthening the company's energy self-sufficiency compared to 2024.



## **GHG: QUANTIFICATION AND REPORTING**

For several years, the company has already been engaged in quantifying its emissions, developing internal methodologies and monitoring processes. However, this path has not yet been accompanied by certification.

### **Commitments and objectives:**

- Among its future commitments and objectives, the company intends to undertake a structured path aimed at obtaining ISO 14064-1 certification, the international standard for the quantification and reporting of greenhouse gas (GHG) emissions.

The decision to adopt ISO 14064-1 therefore represents a natural evolution of an already well-established process, with the aim of validating it through an internationally recognized standard. This choice stems from the desire to further strengthen its commitment to environmental sustainability by implementing a transparent and verified system to monitor, manage, and reduce emissions. The adoption of the standard will make it possible to improve the quality and reliability of environmental data, support more informed decision-making processes, and define consistent and measurable reduction targets over time.

## **C2 B: POLLUTION**

Brief description and objectives

Emission factors are managed in compliance with applicable overarching regulations, and emissions are subject to periodic monitoring by the competent authorities.

The values recorded do not show any critical issues and remain below the relevant threshold levels.

## **C2 C: WATER AND MARINE RESOURCES**

Not applicable to the company's direct production processes.

## **C2 D: BIODIVERSITY AND ECOSYSTEMS**

In chapter B5, relating to biodiversity, no specific critical issues or significant aspects related to the company's production site emerged. However, the company is fully aware that inadequate management of its products throughout their entire life cycle could result in environmental impacts.

For this reason, this report is part of a broader effort aimed at preventing and reducing such effects, going beyond what is required by regulatory standards.

### **Commitments and objectives**

In line with what was already stated in the previous reporting period, the organization also adopts passive mitigation measures, including:

- insurance against fire risk
- insurance for extreme weather events and environmental disasters

## **C2 E: CIRCULAR ECONOMY**

Brief description and objectives

Aspects related to material sourcing, whether recycled or used by weight/volume: the company consistently pursues the reduction of its environmental impact through the use of recycled materials and through collaboration with suppliers. In line with this approach, the company intends to further strengthen integration with external partners, promoting their involvement on environmental topics.

The main actions undertaken are outlined below.

### **RAW MATERIALS**



In the production process of Teraplast, the main raw materials used are plastic materials, such as polymers and masterbatches, in addition to packaging. During 2025, collaboration with partners was further strengthened, representing a key factor in ensuring effective management of production waste. This approach made it possible to enhance material valorization, reduce waste, and contribute concretely to a production model aligned with the principles of the circular economy. During the reporting year, production waste decreased from 5.5% to **4.79%** of total output, confirming process efficiency despite the increasing production complexity linked to the development of new models and frequent color changes.

### **Commitments and objectives:**

The reduction of production waste represents a priority for the company, particularly for the production department, with the objective of maintaining it steadily below the threshold of 6%.

### **WASTE MANAGEMENT**

Waste management is a priority area for Teraplast, developed through targeted actions aimed at the reduction, reuse, and recycling of waste materials. In this context, the company continues its commitment to proper waste separation, promoting the active involvement of personnel in daily activities.

Within the injection department, a distinctive feature of the production cycle is the recovery of post-production raw material known as “Nero Grado.” This material, originally generated as waste, is reintroduced into a transformation process that allows it to be reused as new raw material.

Compared to 2024, a particularly significant result has been recorded: the company achieved an overall waste reduction of 42%, confirming the effectiveness of the actions undertaken.

The main type of waste generated by the company continues to be packaging, particularly plastic and cardboard. Although packaging is essential to ensure product protection, preserve quality, and prevent returns or claims, Teraplast maintains an ongoing commitment to developing more sustainable solutions aimed at reducing material use to the strictly necessary level.

### **Commitments and objectives:**

- optimization of production cycles aimed at improving overall planning and reducing the number of mold and color changes: the main causes of production waste generation.
- definition and monitoring of waste-related KPIs and periodic checks to identify further improvement actions
- maintenance of waste management partners who ensure recovery where possible
- among the objectives for waste reduction is the creation of trade fair display stands designed to be reusable over time, with the aim of limiting single-use materials and reducing the environmental impact of exhibition activities

### **PACKAGING**

During the year, work continued on the analysis and optimization of packaging, with the objective of ensuring high protection of goods throughout the supply chain, while reducing the risk of returns and limiting the use of unnecessary materials from a containment and reduction perspective. Where possible, attention is given to the selection of recycled and recyclable materials. The main materials used remain wood, paper, and plastic.

Plastic represents the predominant component and is mainly used for stretch film and LDPE bags. Paper is the second most significant component and is primarily used for product packaging inside boxes intended both for internal storage and shipment. Within internal logistics, these packaging materials are reused multiple times, helping to reduce overall material consumption.

In line with previous years, the company remains registered with the accredited DerGrünePunkt system (Germany), which ensures the recovery of packaging placed on the market resulting from product sales.

### **Commitments and objectives:**

- the company continues to ensure full product protection, alongside a concrete commitment to reducing the environmental impact of packaging. Solutions are therefore developed to limit the use of materials and promote recyclable options. In this direction, the technical department actively collaborates with logistics, studying the best stacking configurations and related packaging methods for each product.
- in particular, with the introduction of the automated warehouse, a significant rethink of packaging solutions is expected in the coming years, aimed at a substantial reduction in the materials used. Specifically:
  - elimination of 50% of LDPE bags previously used for minimum order batches
  - reduction of 20% in the use of stretch film for pallet protection

## **C2 F: OWN WORKFORCE**

### **Brief description and objectives**

#### **EMPLOYEES AND EMPLOYMENT LEVELS**

The company's commitment is to create conditions in which each employee can feel like an active contributor to the company's development, playing a tangible role in the growth and evolution of the organization. From this perspective, Teraplast continuously works to build an inclusive and safe working environment that values diversity and promotes people's well-being.

During 2025, initiatives were promoted to share key achievements and provide updates on company performance, fostering dialogue and active employee engagement. At the same time, dedicated spaces such as the "Idea Box" were made available, allowing each employee to leave messages, insights, and proposals, directly contributing to organizational improvement and development. In this context, the Tera Social Day also represented an important opportunity to strengthen team spirit, promoting collaboration, the sharing of values, and a sense of belonging to the company.



During the year, the company continued to support its employees by maintaining the corporate welfare system and providing shopping vouchers on the occasion of birthdays and the Christmas holidays.

2025 marks the second year in which the company has participated in the Healthcare Fund provided under the National Rubber-Plastics Collective Agreement, to which each employee is enrolled through a monthly contribution fully covered by the company. This form of assistance allows access to healthcare services, medical support, and reimbursement for related expenses, complementing the services offered by the National Health System.

#### **Commitments and objectives:**

- organization and maintenance of annual meetings dedicated to discussion with all internal employees, with the aim of fostering sharing and collecting feedback
- continuation of the "Be Yourself" survey aimed at internal employees, with the objective of gathering insights on actions that could improve their satisfaction
- continuation of the Idea Box: a space available in each coffee break area where employees can leave notes regarding company activities. In support of the initiative, responses to the issues raised will also be shared, in order to ensure constructive dialogue and continuous improvement of company activities

## WORKPLACE HEALTH AND SAFETY MANAGEMENT

Health and safety at work represent a central element in ensuring a safe and protected operating environment for all employees.

Management's commitment is continuous and focused both on the effective management of current activities and on long-term improvement. The organizational structure – involving the employer, RSPP, supervisors, safety officers, and employees – is defined to ensure the active participation of all parties, each according to their own responsibilities and competencies, in achieving safety objectives.

Training is a fundamental pillar of the system: the company has implemented a structured training and information program. During 2025, 398 mandatory hours were delivered for workplace safety projects.

The Safety Management System is integrated into the overall company system and is developed according to the activities carried out and the risks present, identified and assessed in the Risk Assessment Document (DVR).

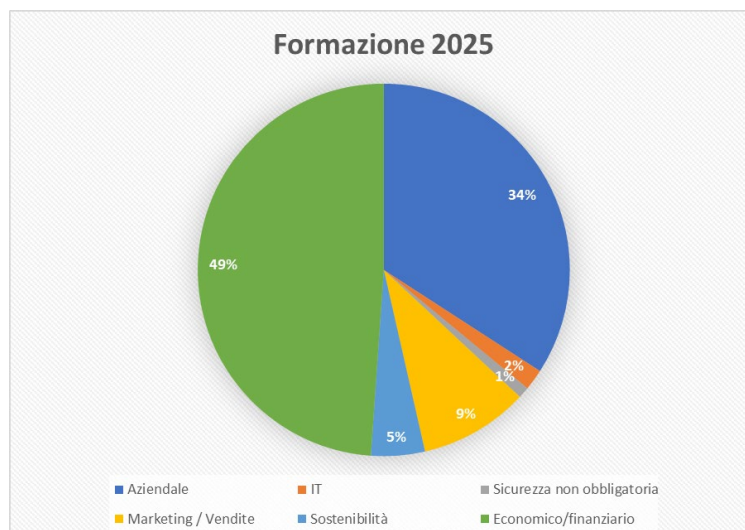
The company ensures a prompt approach in managing emerging needs and promotes collaboration between different internal functions and competent external bodies. The Occupational Physician contributes to risk assessment and to the definition of preventive and protective measures, while structured procedures ensure effective management of accidents and emergency situations.

During 2025, 1 accident was recorded, in line with the 2024 financial year.

## TRAINING ASPECTS

During the year, the company promoted and carried out various training programs and mentoring activities with the support of external professionals, with the aim of strengthening both transversal and specialized skills. These initiatives particularly focused on economic and financial topics, general business aspects involving different organizational functions, as well as areas related to sustainability and marketing. This approach fostered a broad development of internal competencies, encouraging dialogue, cross-department collaboration, and greater awareness of market challenges and opportunities.

The distribution of training hours across the various thematic areas is shown in the chart below:



For the production department, particularly in the injection area, training was supported by the creation of a dedicated channel aimed at sharing operational guidance and ensuring the timely management of departmental issues.

For the third consecutive year, the Academy program for customers was also renewed, providing specialized training for the gardening business, covering topics such as visual merchandising, promotion management, social media, and effective sales techniques.

One of the main innovations in the area of social initiatives was the introduction of the TERA SOCIAL DAY, during which employees had the opportunity to dedicate part of their working hours to volunteer activities. The initiative was developed in collaboration with the local cooperative Studio Progetto and involved employees in various community support activities, including accompanying people with disabilities to museums and outings, improving spaces within a social farm, and supporting educational gardening activities for minors.

In the first year of implementation, a total of 60 hours were dedicated by participating employees. The future objective is to increase the visibility of the initiative and continue it by expanding employee participation. The experience proved to be concrete and valuable for the community and was received with enthusiasm by the cooperative involved.

During 2025, an English language course was also launched, with a total duration of 180 hours, involving employees from different departments, with the aim of strengthening language skills and supporting more effective communication in international contexts.

Teraplast also promoted the TERA SUSTAINABILITY DAY, a day dedicated to sharing sustainability topics with suppliers, financial institutions, local authorities, and community associations, with the aim of involving them in this journey on environmental, social, and governance issues and offering a closer insight into the company's approach to sustainability.

### **Commitments and objectives:**

Actions undertaken:

- the company intends to offer courses in collaboration with the Italian Red Cross
- in the area of training, the company aims to disseminate sustainability-related content, progressively extending it to the sales force so that it can also be shared with customers, in order to create greater awareness across the entire value chain
- among other training objectives, Teraplast intends to introduce the sharing of selected production KPIs through company notice boards, with the aim of involving all employees in company results and progress

### **DIVERSITY, TRANSPARENCY AND EQUAL OPPORTUNITIES**

Teraplast recognizes gender equality as an important element of its path toward sustainability and organizational development. The objective is to build over time a fair, inclusive working environment that supports people's well-being, where everyone can contribute and grow without barriers or discrimination.

In this context, the Gender Equality Management System, developed in accordance with UNI/PdR 125:2022, represents a concrete tool for monitoring and strengthening practices already in place within the company. Its implementation is guided by the Steering Committee, appointed by the Board of Directors, with the task of defining objectives and monitoring results.

The adopted approach is based on key values such as fairness, transparency, respect for individuals, and the enhancement of diversity, considering it a strategic factor for business growth.

Furthermore, Teraplast is committed to ensuring a safe working environment, based on a culture of respect. To this end, it provides dedicated tools and procedures, including an anonymous reporting channel (whistleblowing), structured processes for managing non-conformities, and guidelines for the prevention of harassment and abuse.

Through this system, the company is committed to making its actions increasingly measurable and tangible, communicating the results achieved in a transparent manner and strengthening a corporate culture oriented toward equality, inclusion, and the enhancement of people.

## **C2 G: WORKERS IN THE VALUE CHAIN**

### **SUPPLY CHAIN ANALYSIS AND ENGAGEMENT**

Stakeholder engagement is a key element in the development of Teraplast's sustainability strategy. The objective is to strengthen collaboration along the supply chain, particularly with partners committed to enhancing the value of certified recycled materials.

The company uses a structured survey to collect information from stakeholders on economic, environmental, and social topics. The data collected is analyzed to monitor progress, assess the effectiveness of the actions undertaken, and identify potential areas for improvement in environmental, social, and economic performance.

#### **Commitments and objectives:**

- continuation of the stakeholder survey covering economic, environmental, and social topics
- implementation of greater engagement with key stakeholders relevant to the business through targeted interviews and on-site visits

## **C2 H: AFFECTED COMMUNITIES**

### **COMMITMENT TO LOCAL COMMUNITIES**

Teraplast, during 2025, introduced a social and work inclusion activity with people with disabilities through collaboration with the social cooperative Studio Progetto.

The objective is to promote active participation by encouraging autonomy and relationships, while also offering the opportunity to learn and experience certain work tasks. For Teraplast, this also represents an opportunity to support families and collaborate with local organizations dedicated to assisting disadvantaged individuals.

The company intends to continue supporting the local community, maintaining its contribution to the development of new projects involving associations, cooperatives, and other charitable entities.

- in 2026, the company will continue with the TERA SOCIAL DAY, days dedicated to active volunteering by Teraplast employees, to support the Studio Progetto Cooperative in various projects aimed at people with disabilities, minors, and migrants
- Teraplast will continue the social and work inclusion program with the Studio Progetto Cooperative
- during 2026, Teraplast will launch for the first time the TERA OPEN DAY, an open-door event where visitors will be able to explore the world of Teraplast through a guided company tour. The event will also include moments dedicated to raising awareness on sustainability topics, as well as opportunities for interaction and sharing
- among the objectives is the assessment of the website's accessibility in compliance with the European Accessibility Act (EAA), the European regulation that establishes common requirements to ensure that digital products and services are accessible also to people with disabilities. Compliance with this standard aims to improve usability and inclusiveness of digital content, ensuring a more equitable and accessible browsing experience for all users
- the company will maintain its commitment toward the following organizations:
  - o FONDAZIONE CITTÀ DELLA SPERANZA, supporting scientific research and prevention
  - o STUDIO PROGETTO in the field of social inclusion
  - o SCHOOLS, SPORTS ASSOCIATIONS, and PARISH CENTERS in the local area
  - o A.GEN.DO Onlus with the company vegetable box initiative
  - o FESAV – Festival della Scienza dell'Altovicentino, through the donation of plant pots

## **C2 I: CONSUMERS AND END USERS**

### CONSUMER HEALTH AND SAFETY

The company pays particular attention to non-conformities. Among the objectives for the coming years is the systematic analysis of these issues in order to identify opportunities for optimization and strengthening of company processes.

### INFORMATION ON PRODUCT LABELING AND QUALITY CERTIFICATIONS

During the year, within the scope of activities related to product labeling and quality certifications, particular attention was given to the evolution of the regulatory framework, including the transposition of the EU Directive on greenwashing. The company is committed to ensuring transparent, truthful, and verifiable communication regarding the characteristics of its products, in order to avoid misleading claims.

During 2025, specific audits were carried out to certify new models made from “Second Life Plastic,” with a detailed assessment of the recycled content percentage for each item.

All these products are identified by a label certifying the recycled material used in their production. Likewise, the company website transparently reports the certification details for each model.

As regards paper and cardboard packaging, Teraplast sources FSC-certified materials (Forest Stewardship Council), identified by a dedicated mark that characterizes all products originating from responsible forest management.

## CONSUMER PRIVACY

The protection of consumer privacy is a central element in the responsible management of personal data, with the objective of ensuring transparency in access to information and clarity regarding how such data is used.

In this context, Teraplast confirms its commitment through the adoption of clear and transparent privacy policies, in compliance with Regulation (EU) 2016/679 (GDPR), which governs the protection of natural persons with regard to the processing of personal data and its free movement.

The company's Code of Ethics also incorporates these principles, providing specific guidelines on data processing and confidentiality, applicable to all stakeholders involved in company activities.

In addition to complying with the regulatory requirements set out in the GDPR, Teraplast is continuously committed to ensuring the security and integrity of confidential information, both for internal employees and external stakeholders. To this end, the company relies on the ongoing support of a specialized consultant, who ensures updates, correct implementation, and training on the subject.

## **C2 J: BUSINESS CONDUCT**

Brief description and objectives

### SUSTAINABILITY AS AN INTEGRAL PART OF CORPORATE CULTURE

During the reporting year, Teraplast further expanded its range of products and new color palettes made from recycled and recyclable plastic, certified as "Second Life Plastic."

In the last year, production using recycled plastic, both injection and rotational, reached 72% of total output. Focusing specifically on the injection department, the use of recycled plastic reached 86%.

In terms of revenue, in 2025 sales of recycled plastic products exceeded 65%, with products certified as "Second Life Plastic" accounting for 52.37%.

The company continues to develop new collections, maintaining constant attention to the use of recycled materials and the progressive integration of sustainable solutions also in existing product lines.

### ORGANIZATIONAL CERTIFICATIONS

With regard to organizational certifications, Teraplast has for years ensured compliance with the requirements set out by internationally recognized standards, following a certification process conducted by an independent body.

These include:

- ISO 9001:2015
- Gender Equality Management System UNI/PdR 125:2022
- Adoption of the Organizational, Management and Control Model in accordance with Legislative Decree 231/2001
- SGSL: Occupational Health and Safety Management System

These certifications cover various aspects of business operations, including quality management, occupational health and safety, and environmental management.

### Commitments and objectives

The company intends to:

- initiate the certification process according to the ISO 14064-1 standard, relating to the quantification and reporting of greenhouse gas emissions
- in the coming years (2027–2028), assess the adoption of ISO 14001 environmental management systems and ISO 45001 occupational health and safety management systems.

### POLICIES RELATED TO ANTI-CORRUPTION ASPECTS

In 2021, Teraplast adopted its own Organizational, Management and Control Model pursuant to Legislative Decree 231/2001, with the Code of Ethics serving as the reference for defining shared principles and values.

The company conducted an analysis of corruption risks through a mapping that links offenses to the relevant business areas, defining the level of risk using a probability-impact matrix.

A reporting channel (whistleblowing) is in place, allowing potential violations to be reported while ensuring confidentiality and protection for the whistleblower. The system has been communicated to all employees and is also accessible to external parties through the company website.

### Commitments and objectives

- the organization aims to maintain or improve the results achieved to date.

49\_Highest level within the company responsible for their implementation:

BoD – Board of Directors

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## COMPREHENSIVE MODULE – ENVIRONMENTAL METRICS

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### C3 – Comprehensive Module – Environmental Metrics Greenhouse Gas Reduction and Climate Transition

54\_The emission factors reported in chapter B3 have also been analyzed with reference to Scope 3, encompassing the entire company value chain.

These report the following values:

B3 – Greenhouse gas emissions intensity per revenue from sales and services (in tCO <sub>2</sub> e)	2023	2024	2025
Total Scope 3	8.916,35	7.956,59	7.900,12
Total greenhouse gas emissions intensity of Scope 1, Scope 2 and Scope 3 (location-based)	10.983,56	8.521,24	8.698,85
tCO <sub>2</sub> / M Revenue			0,0006057

The detailed analysis of emission factors by category is reported below:

CATEGORIA EMISSIVA - ISO 14064		tCO <sub>2</sub> e	%	tCO <sub>2</sub> eq TOT	% Categoria
Categoria 1 - Emissioni dirette	Combustione stazionaria	375,93	4,32%	487,65	5,61%
	Combustione mobile	80,23	0,92%		
	Emissioni fuggitive	31,48	0,36%		
Categoria 2 - Emissioni indirette per energia importata	Elettricità acquistata	311,07	3,58%	311,07	3,58%
Categoria 3 - Emissioni indirette per trasporti e upstream	Upstream derivanti da emissioni a monte	73,83	0,85%	5605,98	64,45%
	Trasporto IN - approvvigionamento materie prime	131,54	1,51%		
	Visite presso la sede	5,75	0,07%		
	Trasferte commerciali	105,62	1,21%		
	Pernottamenti	2,52	0,03%		
	Trasporto OUT - distribuzione prodotto finito	5285,62	60,76%		
	Trasporti da/verso terzi	0,47	0,01%		
	Trasporto rifiuti	0,63	0,01%		
Categoria 4 - Emissioni indirette per prodotti utilizzati	Materie prime	2236,66	25,71%	2294,14	26,37%
	Consumi idrici	0,15	0,00%		
	Energia elettrica upstream	13,40	0,15%		
	Acquisto impianto fotovoltaico	43,93	0,51%		
<b>TOTALE</b>				<b>8698,84</b>	<b>100%</b>

Tabella 30: Sintesi dei risultati

The emissions analysis shows a further improvement during the financial year.

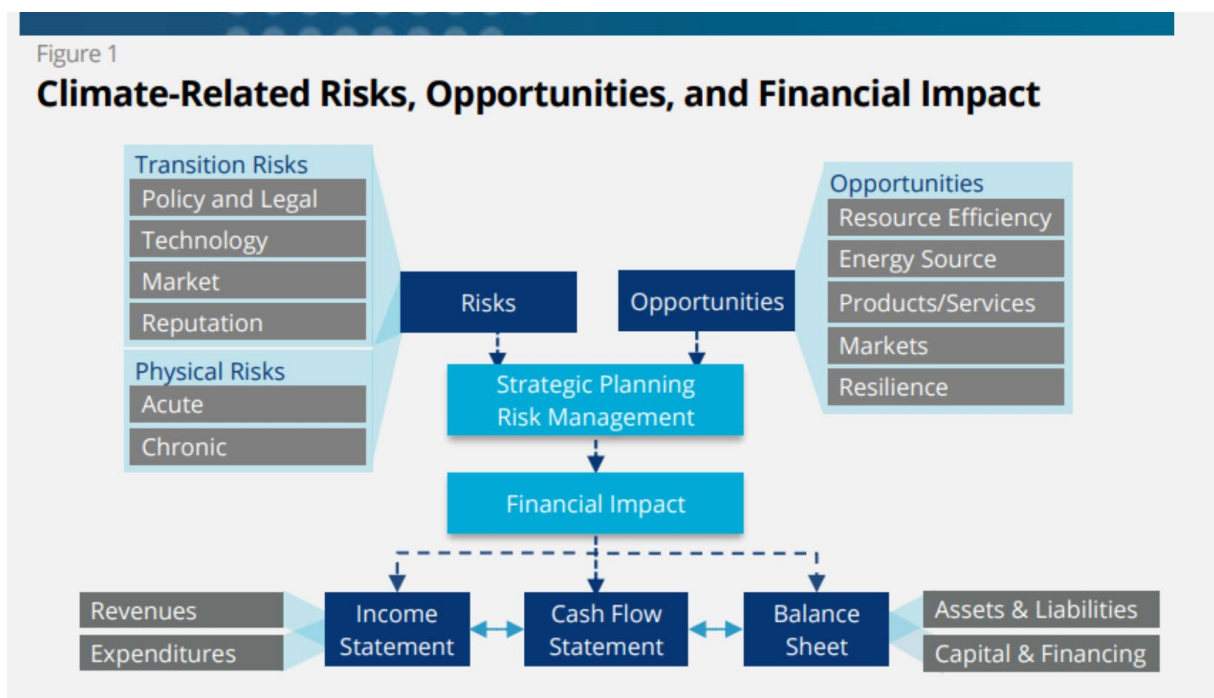
55\_56\_The Company's intention to pursue a structured CO<sub>2</sub> reduction objective is leading it to undertake the certification of its organizational emissions, with the aim of enabling accurate disclosure of values and achieving tangible carbon emission reduction targets.

It should be highlighted that some of the actions undertaken in previous financial years have already led to a reduction in emissions, measured in accordance with recognized ISO standards. However, the structured reduction plan will reasonably be defined following the certified assessment of emissions.

## C4 – CLIMATE RISKS

57\_The organization has linked Risks and Opportunities to the relevant factors, taking into account certain internationally recognized frameworks based on management or recommendation models such as those suggested by EFRAG (European Financial Reporting Advisory Group), TCFD (Task Force on Climate-related Financial Disclosures), and EBA (European Banking Authority).

With regard to the analytical framework, the following is reported as proposed by the TCFD, which serves as the reference model for the analysis:



The context was analyzed considering the relationships and activities of the company, as described in the previous chapters, identifying in detail the elements that require particular attention.

These factors were assessed in light of the results of the Materiality Matrix, previously developed based on GRI drivers and constructed through the involvement of the company's most relevant stakeholders.

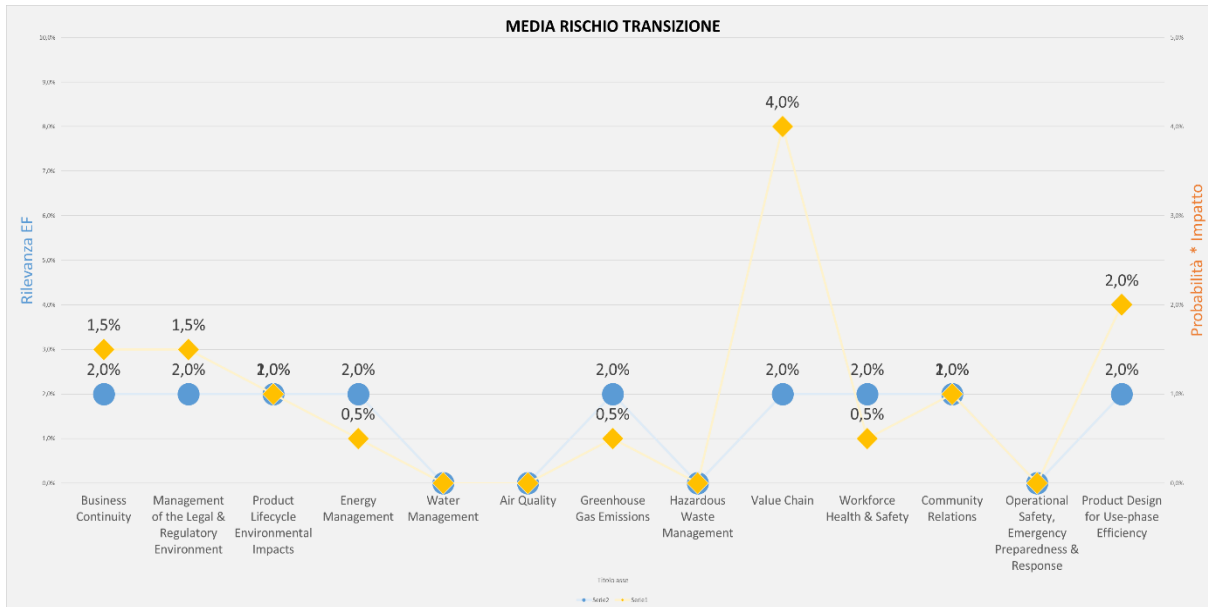
In a subsequent phase, the Double Materiality Matrix was developed, further analyzing the topics identified by the SASB Building Products & Furnishings – Sustainable Industry Classification System® (SICS®), which falls under the supervision of the International Sustainability Standards Board (ISSB). The different areas were analyzed together with the CEO, Alice Xompero, by answering the question “to what extent can the Risk Driver influence the company?”. The assessment was reprocessed according to a model based on Impact and Probability, considering three main dimensions: Cash Flow, Profit and Loss Statement, and Financial Impact, in line with the approach proposed by the TCFD.

The findings that emerged, classified on a scale from 0 to 4 (where zero represents “None” and four the “Maximum” level of attention), are summarized in the infographics shown below, presented as percentage values of the potential impact they could generate.

**TRANSITION RISK – OUTSIDE IN:** deriving from multiple factors, which generally take shape over time in various aspects: changes in the supply chain, changes in the reference market, regulatory changes, etc.

The identified impact factors refer to the following:

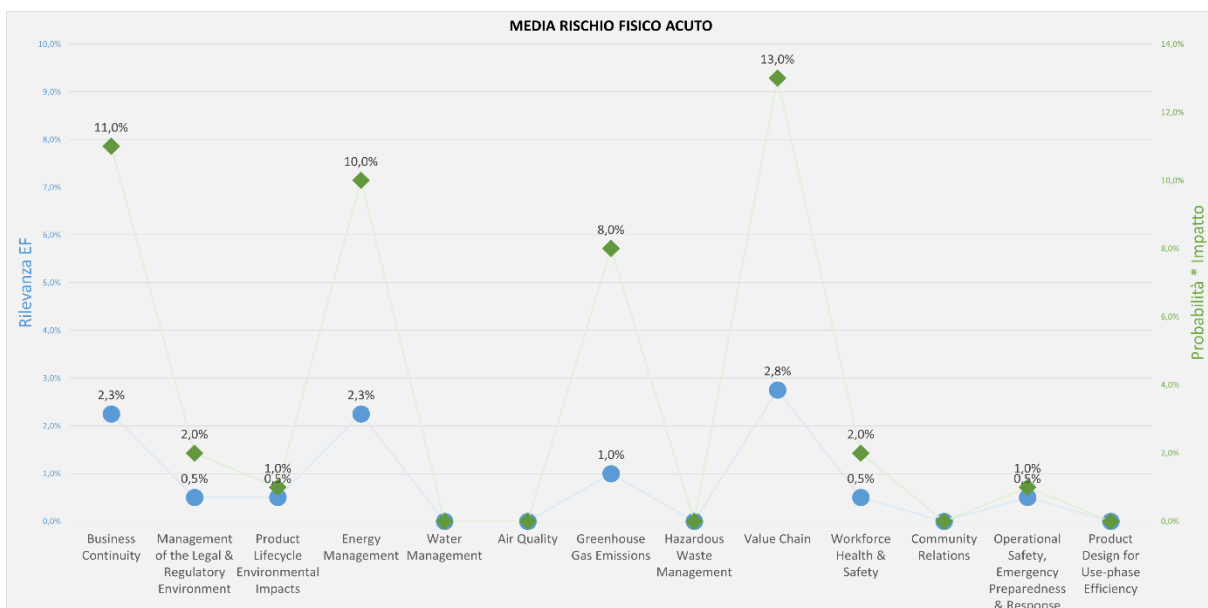
- Value Chain
- Product Design for Use-phase Efficiency

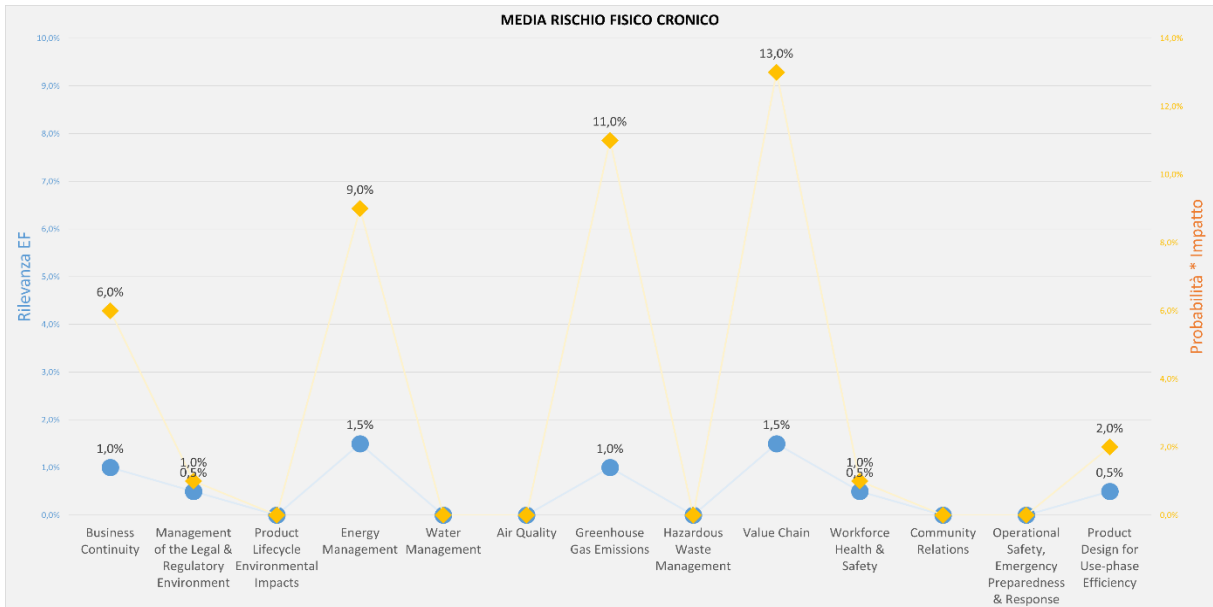


**PHYSICAL RISKS – OUTSIDE IN:** identifiable as ACUTE or CHRONIC events, which may be generated by heatwaves, floods, droughts, unpredictable market crises or those not adequately managed, etc.

The identified impact factors refer to the following:

- Business Continuity
- Energy Management
- Greenhouse Gas Emissions
- Value Chain

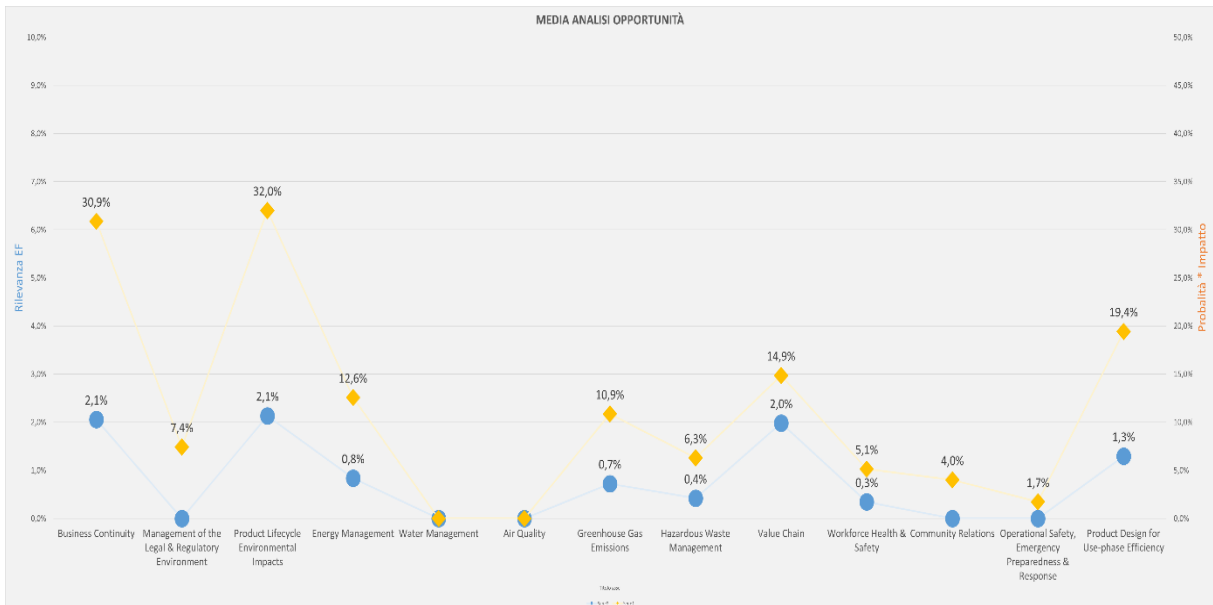




**OPPORTUNITIES:** opportunities arise from the ability to interpret future scenarios, particularly transition factors, and may translate into advantages such as greater economic efficiency, optimized resource management, the development of new business areas, and the expansion of reference markets.

The identified relevant factors refer to the following:

- Business Continuity
- Product Lifecycle Environmental Impacts
- Product Design for Use-phase Efficiency



## EXPLANATORY NOTES – ENVIRONMENTAL METRICS

58\_What emerges from the various analyses is that the company has already implemented actions to manage the relevant topics identified.

In particular, in recent years Teraplast has revised its production structure through investments aimed also at addressing the risks and opportunities that have emerged.

To these should be added passive mitigation tools, such as insurance policies to manage potential impacts resulting from extreme events.

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## COMPREHENSIVE MODULE – SOCIAL METRICS

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### C5 – Additional characteristics (general) of the workforce

59\_60\_Further characteristics of the workforce

C5 – Other characteristics (general) of the workforce	2025
Number of male employees at executive level	0
Number of female employees at executive level	1
Ratio of women to men at executive level for the reporting period	N.A.
Total number of self-employed workers without employees working exclusively for the company	0
Total number of temporary workers provided by companies whose main activity is recruitment, selection, and supply of personnel	12

### C6 – Additional information on the company's own workforce – Human rights policies and processes

61\_The company, in managing its business, has adopted the following Codes and Conduct Policies, which include:

- application of the National Collective Labor Agreement (CCNL)
- company regulations and disciplinary code
- code of ethics
- organizational, management and control model in accordance with Legislative Decree 231/2001
- whistleblowing procedure
- specific risk assessment documents – DVR
- gender equality UNI/PdR 125:2022
- SGSL: occupational health and safety management system

### Supplementary note SMEs–Banks–VSME, point 38

The above-mentioned policies also cover the following topics.

Child labour
Forced labour
Human trafficking
Discrimination
Accident prevention
Corruption
Money laundering
Confidentiality and personal data protection
Health and safety
Conflict of interest
Environmental protection
Smuggling
Accounting and tax transparency
Compliance with laws

The company also has a whistleblowing reporting mechanism for its own workforce.

### Supplementary note SMEs–Banks–VSME, point 27

The company has not recorded any cases related to human rights violations that have resulted in final rulings or the imposition of penalties and/or compensation charges against the company over the past three financial years.

### C7 – Serious adverse incidents related to human rights

62\_ This point is not applicable, as the company has no evidence of involvement in incidents within its own workforce in relation to:

- Child labour
- Forced labour
- Human trafficking
- Discrimination
- Other human rights issues as identified by the OECD and the United Nations

Furthermore, the company is not aware of any confirmed incidents involving workers in the value chain, in affected communities, or among consumers and end users.

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## COMPREHENSIVE MODULE – GOVERNANCE METRICS

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### C8 – Revenues from certain sectors and exclusion from EU reference benchmarks

63\_The company does not generate revenues from the following sectors:

- Controversial weapons
- Tobacco cultivation and production
- Fossil fuels
- Chemical production

64\_The company is not excluded from EU reference benchmarks aligned with the Paris Agreement, as defined by Articles 12.1 and 12.2 of Commission Delegated Regulation (EU) 2020/1818.

### C9 – Gender diversity ratio in the governing body

65\_The Governance body is composed as follows:

Silvio Xompero: Chairman with ordinary administrative powers related to the management of the company, exercising his role with the support of the company's Board of Directors;

Alice Xompero: CEO and Chief Executive Officer – Company representative with ordinary administrative powers related to the management of the company;

Michele Sandri: Chief Executive Officer with powers relating to Occupational Health and Safety and Environmental Protection and Prevention.

The gender diversity ratio is defined at 33% female to male.

### SUPPLEMENTARY NOTES – Governance Metrics

The Board of Directors, by virtue of the responsibilities held by its members, also represents a direct expression of company management, as these members are directly involved in operations and interact with the various functional managers.

Decision-making processes related to corporate sustainability are entrusted to a dedicated internal committee, which reports to the Board of Directors.

Corporate governance is further supported by functions with specific expertise where deemed necessary.

Teraplast has expanded the Terra collection by introducing new terracotta models designed for plant cultivation, both for indoor and outdoor environments. This development, launched in 2023 with the acquisition of a majority stake in AV Design S.r.l., a company active on the market since 2013, continued throughout 2025 with a further expansion of the range.

In line with this process, the integration of AV Design into the systems and sustainability practices already adopted by Teraplast has been structured according to a gradual approach. The main elements of this process are outlined below, in accordance with the guidelines of the VSME Basic Model.

### **B1 AV – Preparation criteria**

24\_ This report has been prepared with the following characteristics: Basic Module, where applicable.

- Legal form: AV DESIGN S.r.l.
- Sector classification NACE code: 23.41 Manufacture of ceramic products for domestic and ornamental use
- Balance sheet total (in Euro): €830,027
- Revenue (in Euro): €1,306,022
- Number of employees or full-time equivalents: 10
- Country where the main activity is carried out and where the most significant operations are located: ITALY
- Geolocation of owned, rented or managed sites:
  - Via Scapolla 12, Pavia (registered office)
  - Via Teresio Olivelli – Gropello Cairoli (operational site) – 45°10'31.4"N 9°00'08.6"E

### **B2 AV – Practices for the transition to a more sustainable economy**

26\_ While maintaining careful control over its activities, the company has not yet implemented structured initiatives aimed at transitioning towards a more sustainable economic model. Such practices will be progressively integrated into the company's strategy as soon as conditions allow.

### **B3 AV – Energy and greenhouse gas emissions**

9\_ The energy consumption is as follows:

- Electricity: 104.05 MWh
- Gas: 192,451 Sm<sup>3</sup>

30\_ Currently, no CO<sub>2</sub> analyses are available for AV Design.

#### **B4 AV – Air, water and soil pollution**

32\_Pollutant factors are managed in compliance with the applicable regulatory requirements of the territory in which the company operates.

#### **B 5 AV – Biodiversity**

34\_The site area covers a total surface of 3,860.74 square meters, of which 588.99 sqm are designated as natural areas.

#### **B 6 AV– Water**

35\_Water consumption is driven both by the use of services and by part of the production processes, and amounts to 2,063 m<sup>3</sup>.

#### **B7 AV – Resource use, circular economy and waste management**

37\_The raw material purchased for processing is clay, amounting to 1,302,530 kg, entirely used for production.

38\_Waste is managed in accordance with the applicable regulatory requirements and includes ceramic waste sent for recovery amounting to 53,740 kg.

#### **B8 – Workforce – General characteristics**

9\_The collective bargaining agreement applied by the company is the National Collective Labour Agreement (CCNL) for the Ceramics Industry.

The company's permanent employees are composed as follows:

- Women: 5
- Men: 5

Temporary workers employed by the company during 2025 amounted to 3.

#### **B 9 - Workforce – Health and Safety**

41\_The company applies the relevant Occupational Health and Safety regulations within its production facility.

No accidents occurred in 2025.

#### **B10 – Workforce – Remuneration, collective bargaining and training**

42\_The company applies, for remuneration-related aspects, the provisions set out by the applicable National Collective Labour Agreement (CCNL), supplemented by additional recognition linked to the specific characteristics of its personnel.

#### **B11 – Convictions and sanctions for active and passive corruption**

43\_The company has not recorded any convictions or sanctions for active or passive corruption in the last financial year. This confirms the trend of previous years.

## Supplementary Note – AV Design - Teraplast

In 2025, the collaboration between Teraplast and AV Design is confirmed as a project aimed at integrating industrial strength with the value of craftsmanship. The objective of the partnership is to combine Teraplast's production efficiency with the expertise of master potters, capable of working with high-quality materials such as Galestro and ceramics, creating products that blend tradition and innovation.



The distinctive material used in production is Galestro Colorobbia, appreciated for its quality and for its particular characteristic of generating salt efflorescence, which gives the products a speckled aesthetic effect. Galestro clay pots are handmade according to traditional processes, respecting natural production times. Alongside this, AV Design also produces items in white ceramics, enhanced with colors and special finishes, reinterpreting traditional forms in a contemporary way.

AV Design is beginning to integrate ESG (Environmental, Social, Governance) principles and has adopted Teraplast's Code of Ethics, sharing its core values and fundamental principles.

In assessing AV Design's commitment to sustainability, a consistent focus on social aspects emerges, particularly in relation to the protection of employees. The company ensures high standards of occupational health and safety through the regular updating of the Risk Assessment Document (DVR) and the emergency plan, supported by a dedicated training program.

At the same time, on the environmental front, AV Design ensures compliant waste management through separate collection systems organized in dedicated containers, in accordance with applicable regulations. The use of raw materials sourced from natural and controlled origins, which do not require specific treatments during the production process, further contributes to reducing environmental impact.

This supplementary note makes it possible to understand AV Design within the corporate system, highlighting its growth path and its commitment to progressively strengthening the principles of transparency, safety, and product quality.

Looking ahead, the company aims to develop a more structured and detailed monitoring of its sustainability performance, progressively integrating dedicated certification pathways such as ISO 9001 and SGSL by 2027.

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## CONCLUSIONS

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The path undertaken by Teraplast represents a concrete and progressive commitment towards an increasingly responsible development model, capable of combining economic growth, environmental awareness, and social value.

During the year, the company continued to strengthen its ESG practices by improving the efficiency of its production processes, promoting a more conscious use of resources, and consolidating a corporate culture based on ethics and transparency. The results achieved demonstrate a clear willingness to evolve in a structured manner, addressing the challenges of the current context with awareness.

Looking ahead, Teraplast intends to continue along this path with an increasingly measurable and integrated approach. The commitment will focus on monitoring sustainability performance more closely, defining clear objectives and more effective evaluation tools, through the assignment of specific responsibilities to different business functions and the introduction of structured systems for KPI monitoring.

For Teraplast, sustainability continues to represent an ongoing process that involves the entire organization and all stakeholders—an everyday commitment aimed at generating long-term value.

This document has been prepared in collaboration with a Sustainability Manager registered in the registry of accredited professional figures of ACCREDIA Cert. TSA\_PRO1\_2022\_008.

Date of approval: 22/05/2026

On behalf of the company: CEO, Alice Xompero