

Sustainable Procurement Policy

of the Tecniplast Group

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Signature	<i>(signed in original)</i>	<i>(signed in original)</i>	<i>(signed in original)</i>

Glossary and Acronyms

The following definitions, acronyms or abbreviations are used in this document:

Company

The company for which this policy is effective, as stated by the Sustainability Committee of the Tecniplast Group

General Supply Terms

The supply terms, stated by the company according to the nature of the purchased goods or services, that set the supply.

They are based on practices and legal norms applicable in the concerned countries.

Purchaser

Anyone with a functional mandate (e.g., Buyer) or delegated by the company to negotiate and finalize supply agreements for goods, services, or work performances (i.e. the supply).

The company notifies Purchasers of the concerned granted powers.

The company notifies Suppliers of the concerned Purchasers.

Requester

Anyone who needs to acquire goods, services, or work performance suitable for the company's operations and needs.

Special Supply Terms

The supply terms agreed between the company and the supplier that deviate from the General Supply Terms setting the supply agreement.

They must be approved by the company.

Supplier

Any entity that occasionally or continuously provides goods, services, or work performances to the company.

Supply

The total amount of goods, services, or work performances provided to the company.

Supply Relationship

Any operation that involves a commitment by the company to acquire goods, services, or work performance, in compliance with the supply terms.

Supply Specifications

A set of standards and technical specifications by which the company clearly and unequivocally defines the qualitative and performance characteristics the supply shall possess.

Total Cost of Acquisition (TCA)

The sum of the purchase price and all associated supply costs (transport, customs duties, delivery terms, installation, insurance, etc.).

Total Lifecycle Cost (TLC)

The sum of all costs that will be incurred during the supply life cycle:

- Total Cost of Acquisition.
- Operating costs, including the use of energy, fuel, water, spare parts, maintenance, and disposal at the end of life.

Value Chain

The set of physical, informational flows and relationships leading to the supply of goods or services to the company.

References

A number enclosed between square brackets [n] in the text refers to the following information sources:

- [1] "Business Code of Conduct of the Tecniplast Group", Tecniplast, ESG/GDL01

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1 Purpose, Scope, Addressees

1.1 Purpose

The purpose of this policy is to set criteria and guidelines to ensure that supplies to the company are carried out by suppliers who are appropriately selected and evaluated according to the requirements of:

- Quality.
- Performance.
- Cost-effectiveness.
- Compliance with technical specifications and applicable reference standards.
- Adherence to the principles set by the Code of Conduct [1].

1.2 Scope

This policy applies throughout the entire value chain of the company, involving all operations and the consequent relationships with concerned suppliers and sub-suppliers.

1.3 Addresses

This policy is addressed to Requesters, Purchasers, and anyone involved in the acquisition process.

Purchasers are asked to notify Suppliers of this policy before finalizing the supply.

2 Introduction

The supply base assessment and the appropriate management of concerned supply relationships are essential elements for achieving the company's interests and its sustainability objectives.

Consistent with the above, this policy addresses:

- Needs specification.
- Criteria for supplier selection, supply assignment, and supplier evaluation.
- Enforcement and control mechanisms.
- Sanctionable behaviors.

3 Needs specification

Requesters are asked to specify their needs and related requirements:

- In a clear, thorough, and unequivocal way.
- Stating features that allow Purchasers to assess supply alternatives and compare multiple offers, to protect the supply's cost-effectiveness and the company's business continuity.

Should this not be possible, Requesters are asked to provide appropriate and plausible technical justifications.

Requesters are asked to notify Purchasers of the above.

4 Selection, Assignment and Evaluation Criteria

In the selection, assignment of supplies, and periodic evaluation of suppliers, Purchasers are asked to consider the below presented general and specific criteria.

4.1 General Criteria

No matter the nature of the supply, the following general criteria must be met:

Adherence to the Tecniplast Group Business Code of Conduct

- The supplier shall adhere to the principles set by the Code of Conduct [1].

Sign-off of the Supply Terms

- The sign-off of the (general or special) supply terms and the supply specifications, which form an integral part of the supply relationship, shall be formalized by both the company and the supplier.

4.2 Special Criteria

Depending on the nature and relevance of the supply, Purchasers may request suppliers proven evidence of possession of requirements, certifications, authorizations, compliance with regulations, and standards suitable for ensuring their business continuity and for meeting the company's needs and the business context in which it operates.

In particular:

Confidentiality, exclusivity, non-competition covenants

- The supplier has formalized acceptance and compliance with the agreements proposed by the company or agreed upon with it.

Economic and financial dynamics

The supplier shall exhibit:

- Revenue and profitability dynamics suitable for guaranteeing its ability to operate with continuity.
- A financial structure suitable to ensuring its solidity in terms of self-financing, access to credit, and ability to meet its commitments.

Certifications and Innovation

- The supplier shall possess certifications and authorizations explicitly and mandatorily required by the company and the applicable regulatory framework.
- The supplier shall possess the innovation or development capabilities explicitly defined by Requesters, or Purchasers.

Management processes

- The supplier shall exhibit internal management processes suitable for ensuring control and improvement of its operations aligned with the company's needs.

Performance

The supplier shall exhibit supply performances meeting the acceptability criteria defined by the company in terms of:

- Compliance with the required quality standards.
- Adequacy of the overall supply economic conditions (Total Lifecycle Cost).
- Compliance with the overall supply terms agreed upon.
- Reduction of climate and environmental impacts.

Risk Exposure and Management

The supplier shall exhibit:

- A business model whose risk level (economic, geopolitical, natural risks) is restrained, and in any case not higher than the average risk level for the sector in which it operates.
- A risk management model suitable for the risks to which it is exposed.

Proximity

- All other general and specific criteria being equal, geographical proximity to the company is favored to reduce the environmental impact generated by transportation, and to contribute to the prosperity of the territory in which the company operates.

Where available and where required by the supply nature, information from rating agencies and other information obtainable by the company (e.g., references, reputation, judicial evidence, requirements prescribed by public or private tenders, health and safety regulations, even in the context of contract or sub-contract) can support assessment regarding the above criteria.

Purchasers are asked to ascertain the need for the application of specific criteria and concerned ways.

5 Enforcement and Control Mechanisms

Compliance with this policy is assessed through:

- Ascertainment by Purchasers of their credentials to act as such.
- Internal audits by bodies appointed by the company.
- Audits at suppliers' premises by the company's appointed personnel.
- Prompt notification, by anyone involved in the purchasing process to their managers, of any circumstances that may jeopardize compliance with this policy.
- Prompt notification by suppliers to concerned Purchasers of any circumstances that may jeopardize compliance with this policy.

The company sets procedures and operating instructions for the enforcement of this policy and the assessment of its efficacy.

As an example, effectiveness measures may be statistics entailing:

- Internal and external dissemination.
- Policy understanding.
- Number of audits and their outcome.
- Reported policy infringements.

6 Sanctionable Behaviors

The following are deemed as sanctionable behaviors:

- Infringement by Requesters and Purchasers of the principles set by the Code of Conduct [1] and by this policy.
- Infringement by suppliers of the applicable principles set by the Code of Conduct [1] and by this policy.
- Failure, by the company's appointed personnel, to monitor compliance with this policy or with the principles set by the Code of Conduct [1].
- Failure, by concerned suppliers, to monitor compliance along their value chain with the applicable principles set by the Code of Conduct [1] and by this policy.
- Failure of application, or incorrect application of this policy by Requesters, Purchasers, or suppliers.
- Non-compliance with the (general or special) supply terms.

In case of sanctionable behaviors by the addressees of this policy, the company reserves the right to sanction them proportionally to their severity and the consequent proven or potential effects.

In case of sanctionable behaviors by suppliers, the remedies provided by applicable law are put in place, as well as the provisions regulating the supply relationship.

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