



**TECNIPLAST**  
GROUP

# Human Capital Management Policy

*For the Tecniplast Group*

<b>Code:</b>	<b>ESG/GDL04-EN</b>
<b>Version:</b>	<b>01.00</b>
<b>Validity date:</b>	<b>04.02.25</b>
<b>Classification:</b>	<b>Public</b>
<b>Type:</b>	<b>Guideline (Group Policy)</b>

	<b>Issuance</b>	<b>Validation</b>	<b>Approval</b>
Role	Group Sust. Director	Sust. Committee (SC)	Sust. Committee (SC)
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## Glossary and Acronyms

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

### **Business Function**

Any organization unit of the company whose main mission is not human capital management.

Business functions include, as an example: Sales, Marketing, Operations, Administration.

### **Company**

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

### **ESRS**

European Sustainability Reporting Standards. Mandatory reporting standards for sustainability within the European Union addressing Environmental, Social, and Governance matters.

### **HCM Principles**

Human Capital Management leading principles that build the grounding of this policy: diversity, equity, inclusion, health & safety, welfare & well-being, professional & personal development.

While the principles of diversity, equity, inclusion, and health & safety apply to Human Capital as a whole, those of welfare & well-being, and professional & personal development generally apply to employees.

### **Human Capital**

The set of individuals that, according to the European Sustainability Reporting Standards (ESRS), constitute Own Workforce: Employees, Non-employee Workers, Temporary Workers

### **Human Capital Management Cycle**

A reference model that encompasses all steps of work experience management: selection and hiring, onboarding, People and performance assessment, feedback and aspiration assessment, compensation and career paths, resignation risk assessment, replacement planning, training and development, employment termination.

The Human Capital Management Cycle generally applies to employees.

### **HR Function**

Organizational unit of the company whose main mission is human capital management.

When dealing with its own workforce dynamics, it acts as a business function.

In some companies, the HR function may be included in a business function.

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## References

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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.
- [2] “Human Resource Management -Diversity and Inclusion”, ISO, ISO 30415
- [3] “Occupational Health and Safety Management Systems”, ISO, ISO 45001
- [4] “Sustainable Procurement Policy”, Tecniplast, ESG/GDL02
- [n] Author, “Document Title”, Publisher, place, date, {code}

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# 1 Purpose, Scope, Addressees

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## 1.1 Purpose

The purpose of this policy is to define the criteria and guidelines to ensure that Human Capital Management within the Company is conducted in accordance with the principles outlined in the Code of Conduct [1] and the international standards for Human Resource Management [2], and Occupational Health and Safety [3].

As the matter depends on local labor laws and regulations, the company adopts the appropriate procedures for its application, also taking into account its specificities and size as well.

### Remarks

1. Compliance with these principles is also required from the company's suppliers and is part of the selection and evaluation criteria as directed by the Sustainable Procurement Policy [4].

## 1.2 Scope

This policy applies to the company's Human Capital Management throughout all steps of the work experience, from selection to employment termination.

## 1.3 Addressees

This policy is addressed to all members of the company's Human Capital, and particularly to anyone with personnel management accountability.

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# 2 Introduction

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Tecniplast Group places Human Capital at the very core of every business activity:

- Promoting a culture and work environment based on ethical principles of fairness, inclusion, and valuing diversity.
- Ensuring safe and healthy working conditions respectful of individuals' dignity and needs.
- Ensuring equal opportunities, fairness, respect, and appreciation of individuals throughout the entire Human Capital Management cycle, from selection to employment termination.

Coherently with the above, this policy addresses:

- The guiding principles that inform all Human Capital Management activities.
- A reference model for Human Capital Management.
- Implementation and control mechanisms.
- Sanctionable behaviors.

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## 3 Leading Principles

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Human Capital Management activities shall be systematically based on the consideration and application of the following leading principles:

### **Diversity**

- Recognition and respect for individual characteristics.  
Diversity includes demographic and personal characteristics such as gender, gender identity, age, disability, sexual orientation, ethnicity, nationality, race, political or personal opinions, and religious beliefs.

Diversity supports the development of work environments and conditions that encourage mutual learning, systemic vision, and inclusion.

### **Equity**

- Ensuring equal opportunities and treatment, honesty, fairness, and objectivity in assessments and actions, avoiding any form of bias.
- Ensuring fair remuneration for work activities.

Equity supports the build-up of a positive climate and strengthens the company's reputation of seriousness and fairness.

### **Inclusion**

- Proactively involving individuals and making them feel accepted and welcome.
- Creating the conditions for individuals to express their abilities, enhance their skills, and have a voice within the organization.

Inclusion supports the creation of a positive climate, promotes mutual learning, and strengthens the sense of belonging to the company.

### **Occupational Health & Safety**

- Ensuring working conditions aligned with the highest standards of health and safety, meeting or exceeding the requirements set by applicable laws.
- Protecting the workers' physical and moral integrity.
- Recognizing occupational health and safety as a fundamental and undeniable right for every worker along the value chain.

Occupational health and safety mitigate concerned business risks and enhance the company's reputation.

### **Welfare and well-being**

- Considering employees as whole individuals, including some extra-work, personal, and family aspects.
- Developing initiatives aimed to improve work/life balance, preserving and improving personal health, and offering opportunities for economic benefits, recreation, or cultural growth.

Welfare and well-being contribute to creating a positive climate and strengthening the sense of belonging to the company and its reputation.

### **Professional and personal development**

- Acknowledging training and personal development as a moral obligation and an investment in the future.
- Recognizing merit as the cornerstone of professional growth.

- Recognizing internal growth as a strategic value, strengthening the sense of belonging and demonstrating merit.

Professional and personal development enables sustainable growth, reinforces the company's ethical reputation, and is a powerful tool for implementing the guiding principles of diversity, fairness, and inclusion.

### 3.1 Expected General Behaviors

In reference to the aforementioned guiding principles, and regardless of the type of activity concerning Human Capital Management, the following behaviors are expected:

- Every company's employee, no matter the role or grade, shall behave -both in form and substance- according to the principles of diversity, equity, and inclusion, spreading awareness of them.
- Every person accountable for personnel management shall ensure the application of the principles of diversity, equity, and inclusion within her/his team, acting appropriately in case of critical situations.
- Every company's employee, no matter the role or grade, shall act according to the principle of occupational health and safety, strictly embracing concerned rules and regulations and reporting any ascertained or potential danger
- Every person accountable for personnel management shall ensure compliance with occupational health and safety rules and regulations within her/his team, acting appropriately in case of non-compliance.

## 4 Human Capital Management Cycle

The application of Human Capital Management principles permeates all work experience management steps, from selection to employment termination.

This policy sets the following Human Capital Management (HCM) steps:

- Organizational design (see remarks).
- Selection and Hiring.
- Onboarding.
- Probationary period assessment.
- People and performance assessment.
- Feedback and aspirations assessment.
- Compensation and career paths.
- Resignation risk assessment.
- Replacement planning
- Training and development.
- Employment termination.

For each step, specific expected behaviors are outlined in addition to the aforementioned general ones.

#### Remarks

1. While organizational design is conceptually not part of the Human Capital Management cycle, it sets the reference context. Therefore, it is included as a preliminary step.

## 4.1 Organizational Design

This step entails:

- Defining the company's organizational structure and its development.
- Defining the skill catalogue (including behavioral and professional ethics facets) and its development.
- Defining roles (Job Descriptions) and their development.

The company establishes the organizational design strategies and guidelines. The HR function shall manage the appropriate internal communication entailing organizational design changes and, when applicable, role ownership.

### Specific expected behaviors

Regarding this policy, the business and HR functions shall:

- Ensure that required skills are appropriately embedded into Job Descriptions.
- Ensure that role definitions do not contain elements conflicting with HCM principles.

## 4.2 Selection and Hiring

This step entails:

- Searching for and assessing candidates for open positions.
- Hiring of individuals with the appropriate skills and distinctive traits required by the company for the concerned roles.

Selection and hiring are conducted by the HR function involving concerned business functions for the needed assessment.

### Specific expected behaviors

People accountable for selection and hiring shall:

- Ensure that hiring conditions are not conflicting with the Code of Conduct [1] principles.
- Provide candidates with all information to enable them making informed decisions. Essential elements of such information include: Code of Conduct, Job Description, organizational position, and key required skills.

Should recruitment agencies be used, this information shall be provided to those in charge of the search.

When hired, selected individuals shall formally accept the Code of Conduct.

## 4.3 Onboarding

This step entails all needed activities for new hires to feel welcomed and receive all contextual and practical information to best start their professional experience with the company.

The onboarding process is to be intended as a relevant step of professional build-up as well.

The HR function, jointly with concerned Business functions, coordinates the onboarding process.

### Specific expected behaviors

- All company's employees shall act toward new hires with particular attention to their reception, demonstrating effective availability.

This is particularly important for all employees involved in the preliminary training (induction) of new hires.

## 4.4 Probationary Period Assessment

This step entails the assessment of Employees hired in probationary period, in relation to their effective integration into the company and the function they belong to (skills, behavior, initial results obtained, sharing of company values, motivation for the role). It is an ongoing assessment performed through the monitoring of new resources by their manager, and is based on mutual feedback to allow realignment and possible corrective actions.

The probationary period outcome also provides a hint on the effectiveness of the selection process.

## 4.5 People and Performance Assessment

This step entails the periodic assessment of:

- Possession of the skills required by the role, and training needs.
- Motivation level and its key factors.
- Behavioral dynamics within the team and among different teams.

Concerned business functions perform the People and performance assessment, involving the HR function for the appropriate support.

### Specific expected behaviors

People accountable of the assessment shall:

- Foster open, sincere, and positive discussion at all assessment stages. This is also required of those being assessed.
- Pay the utmost attention to identifying motivational aspects and training needs, considering all opportunities for professional and personal development.
- Pay the utmost attention to interpersonal dynamics and inclusive behaviors.
- Where requested by the role, unequivocally set objectives and measurement criteria, ensuring they are well understood. These criteria will then be applied with maximum objectivity.

## 4.6 Feedback and Aspirations Assessment

This step entails activities aiming to:

- Monitor the employees' satisfaction status with their work experience.
- Gathering and discussing employees' professional and personal aspirations.

Business functions are accountable for feedback and aspiration assessment, with the support of the HR function.

### Remarks

1. Although conventionally placed in this step, feedback is a continuous and bidirectional process that shall permeate every moment of work activities. Feedback and aspiration assessment may occur alongside the People and performance assessment, and several feedback meetings may be organized during the year.

**Specific expected behaviors**

People accountable of these activities shall:

- Ensure they are carried on in the most open and sincere climate, allowing the broadest freedom of expression.
- Pay particular attention to signals (even weak ones) of discomfort or indications of incomplete application of HCM principles.

## 4.7 Compensation and Career Paths

This step entails:

- Compensation provided in exchange for the employment relationship, including monetary components and benefits of any kind.
- Promotions in role or grade.

Compensation and career paths are jointly defined by the business and HR functions, directed by the latter, and based on the company's strategic needs and directives.

The company defines the overall compensation package pertaining each business function.

Concerned Business functions allot the above, overseen by the HR function.

**Specific expected behaviors**

Compensation and career paths are crucial in directing behavior, and a key element for recognizing merit.

Therefore, those accountable for compensation proposals and promotions shall, as overseen by the HR function:

- Consider the alignment of behaviors with the Code of Conduct and the guiding principles of diversity, equity, and inclusion.
- Consider the business context, economic dynamics, and their impact on the company.
- Consider internal and external pay equity criteria (sector benchmarks) while maintaining merit as a differentiating factor.
- Carefully consider professional and personal development opportunities, and expectations of deserving individuals.
- In case of proposals requiring relocation, carefully consider the candidate's personal situation and needs.

## 4.8 Resignation Assessment

This step entails:

- Identifying positions relevant for business continuity and the company's performance.
- Assessing the resignation impact of those holding such positions.
- Assessing the resignation likelihood and its determinant factors.

Business functions are accountable for resignation assessment, with the support of the HR function.

**Specific expected behaviors**

People accountable for the assessment shall:

- Maintain the utmost objectivity in assessing the resignation impact and likelihood.
- Pay particular attention to the resignation likelihood determinant factors, considering how they may relate to the violation or incomplete application of HCM principles.

- Evaluate, in cooperation with the HR function, possible actions to address resignation risks based on their severity. Also refer to the findings from the motivation and aspiration assessment.

## 4.9 Replacement Planning

This step, linked to the resignation assessment, entails:

- Identifying replacement alternatives (internal or external to the company) for relevant positions or the ones most resignation-likely.
- Identifying any training and development needs to make such alternatives viable options.

Business functions are accountable for replacement planning, with the support of the HR function.

### Specific expected behaviors

People accountable for replacement planning shall:

- Carefully consider the aspirations of their People and those reported by the HR function, favoring, in compliance with the guiding principle of professional and personal development, internal growth opportunities where all other considerations are equal.
- Arrange the conditions to ensure that training and development needs can be met in a timely and appropriate manner.

## 4.10 Training and Development

This step entails:

- Broadening or deepening individual skills.
- Developing or refining individual distinctive and character traits.
- Enhancing individual abilities.

The HR function, or other concerned ones, is accountable for training and development, considering applicable regulations (e.g., occupational safety), the company's strategic needs, and the needs expressed by business functions or identified during the HCM cycle steps.

### Specific expected behaviors

Business function leaders and everyone accountable for team management shall:

- Be proactive and attentive to the professional and character development of their people, fully applying HCM principles.
- Foster training aspirations expressed by their People, as long as they are relevant to the company's activities.
- Assess and plan for training needs resulting from technological, managerial innovation, and the company's development strategies.

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## 4.11 Employment Termination

This step entails the termination of the employment relationship with the company for whatsoever reason.

The HR function is accountable for employment termination, with the involvement of concerned business functions.

The company promotes the establishment of channels that allow former employees to stay connected to it and to the People working within it.

### Specific expected behaviors

People accountable for employment termination shall:

- In case of voluntary resignation, gather information on the reasons and perceptions about the company's application of HCM principles.
- Where applicable, duly acknowledge the professional and personal contributions made by the individuals to the company and their colleagues.

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## 5 Enforcement and Control Mechanisms

Compliance with this policy is assessed through:

- Defining and monitoring key performance indicators (KPIs) to ascertain compliance with HCM principles. These KPIs are included in the sustainability reporting.
- Establishing supervisory bodies for assessing implementation and compliance with this policy.
- Prompt notification, by anyone aware of any circumstances that may jeopardize compliance with this policy.
- Internal audits by bodies appointed by the company.

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

As an example, effectiveness measures may be statistics entailing:

- Number of audits and their outcome.
- Reported policy infringements.

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## 6 Sanctionable Behaviors

The following are deemed as sanctionable behaviors:

- Violation, by anyone, of the principles stated in the Code of Conduct and in this policy.
- Failure, by concerned personnel appointed by the company, to ensure compliance with this policy or with the principles stated in the Code of Conduct.
- Failure, by anyone aware of, to report known facts or circumstances conflicting with the Code of Conduct and with this policy.
- Failure of application, or incorrect application of this policy.

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, and always in compliance with current labor matter laws and regulations.

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