



Sustainability Policies

Approved by the Board of Directors on 27.10.2025

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Sustainability Policies

MiCROTEC – Innovating Wood

MiCROTEC is the global technology and market leader in intelligent wood characteristics detection to maximize value & resource efficiency for the wood processing industry. With a solid foundation and a dedicated passion MiCROTEC provides world-leading wood scanning solutions - from log to final product - along with excellent service to the industry. MiCROTEC currently operates through the parent company MiCROTEC S.p.A. and its subsidiaries.

Vision

We shape the future of the wood processing industry.

Mission

Driven by our passion, we create success and accomplishments for our customers and us, ensuring long-term growth and profitability.

We constantly invest in people and solutions to earn and maintain our customers' trust.

We partner with our customers.

Taking inspiration from the highest global references, the Sustainability Policies extend and integrate the Code of Ethics adopted by MiCROTEC Group. Together, they find application in the Partnership Charter.

The **Guiding principles** are their cornerstone, further detailed in six dedicated policies

- | | |
|------------------------------------|-------------------------------------|
| ✓ Health and Safety | ✓ Energy and Climate |
| ✓ Diversity and Inclusion | ✓ Rights and Society |
| ✓ Environment and Resources | ✓ Quality and Responsibility |

The Code of Ethics and the Sustainability Policies bind directors, employees, collaborators and all those who operate in any capacity with MiCROTEC in all internal and external relationships with the Company to comply with the principles and provisions contained therein. In particular, the members of the Board of Directors are required to draw inspiration from them when setting objectives, proposing investments and implementing projects, as well as in any decision or action relating to the companies managed. The same applies to the managers, in giving concrete implementation to the management activity both internally, thus strengthening cohesion and the spirit of mutual collaboration, and towards third parties who come into contact with the Company.

Guiding Principles

MiCROTEC publicly embraces and supports its values, taking them as a guide for its day-to-day activities and transforming them into strategies, objectives and actions shared with shareholders, business partners and all stakeholders in its sphere of influence.

In line with the highest standards of integrity and fully aware of global challenges, through innovation, competitiveness and sustainability MiCROTEC focuses on the creation of value based on healthy, inclusive economic growth that respects human and labour rights, in balance the environment and actively involved in the fight against corruption.

This virtuous path also involves transparent information, from the single operating site to the corporate level, from local communities to society in general, including institutions, non-governmental organisations and representatives of the public and private sector.

People, intellectual abilities, social relations, natural, technological and financial resources are capitals that create lasting and shared value.

Sustainability Policies extend and integrate the Code of Ethics and have the same Recipients:

- ✓ Corporate Bodies
- ✓ Personnel under contracts of any type and nature
- ✓ Collaborators who act in the name and on behalf of the Company
- ✓ Third Parties such as suppliers, partners, co-investors and the beneficiaries of social initiatives, donations and sponsorships

They apply in relations with all the counterparties, in due diligence, mergers or acquisitions and in the active involvement of all stakeholders in its sphere of influence. To ensure its effectiveness, this document is subject to periodic review or updating and is the subject of adequate communication or training extended to all Recipients.

COMMITMENTS

1. To support and respect internationally proclaimed human rights, which are universal and belong equally to every person.
2. To implement work practices based on fair employment, equal opportunities, skills development and inclusiveness, considering diversity as a source of value.
3. To ensure the health, safety and well-being of all parties involved by providing adequate working conditions, equipment, information and training.
4. To enforce and ensure transparent governance and integrity, implementing appropriate compliance models and effective organisational procedures.
5. To create and maintain relationships with shareholders, investors and the market based on partnerships, transparency, exchange of information and sharing of commitments.
6. To invest time, skills and resources in supporting community and fostering local development with the regular involvement of all interested parties.
7. To pursue reductions of greenhouse gas emissions across the entire value chain, setting science-based targets in line with the Paris Agreement and climate justice principles.
8. To contribute to environmental protection and living species, benefiting from natural resources responsibly and respecting the sentient nature of animals.
9. To guarantee constant improvement in the quality and in the environmental and social value of processes, products, applications and services, promoting research and innovation.
10. To generate and distribute direct and indirect economic well-being, creating shared value for investors, business partners, society and the environment.

MiCROTEC Group's Sustainability Policies embrace the highest global references and in particular: they express the commitments made with the UN Global Compact, Women's Empowerment Principles and Science Based Targets.

Health and Safety

MiCROTEC considers safety, protection and promotion of the health and well-being of the person as fundamental values to be integrated into all of its activities. This principle extends to employees, businesses, suppliers, visitors, local communities and any other interested parties within its sphere of influence.

The Company is committed to taking concrete measures to eliminate accidents, injuries and illnesses caused by work, reducing the risks in all its activities. It also aims to achieve the highest levels of collective and individual awareness, encouraging a process of continuous improvement by adopting effective management systems and visible leadership as the key to success.

All personnel are adequately trained and equipped to carry out their role in conditions of complete safety and health, according to operating procedures aimed at minimising exposure to risk factors and taking into consideration the different needs and requirements of men and women.

Through their own exemplary behaviour, not only in the workplace, everyone values people, promoting health and safety as a way of living.

The “Health and Safety” Policy is an integral part of the Sustainability Policies and has the same Recipients. It applies in relations with all the counterparties, in due diligence, mergers or acquisitions and in the active involvement of all stakeholders in its sphere of influence. To ensure its effectiveness, this document is subject to periodic review or updating and is the subject of adequate communication or training extended to all Recipients.

COMMITMENTS

1. To ensure that **plant and equipment** are designed, built, used and maintained in order to minimize the risks to health and safety, by adopting the best techniques available in new plants or in the case of modernisation or replacement of existing plants.
2. To define and adopt **operating standards** of excellence for the main activities and provide the operational tools to ensure their full application at all locations.
3. To implement regular **checks in the workplace** and adequate **health surveillance** to monitor workers' exposure and prevent any possible risk that could compromise their health and safety.
4. To adopt **management systems**, regularly audited and updated, that ensure **compliance** with applicable regulations and promote **continuous improvement** towards the goal of **Zero Accidents**.
5. To seek **consultation** with and **participation** of workers, and, where they exist, workers' representatives, promoting a transparent and effective **information**, using the most appropriate tools for both incident reporting and analysis, and for the timely sharing of best practices and improvement actions.
6. To ensure that all staff regularly participate in training courses and develop an individual sensitivity towards the **culture of health and safety**, adopting responsible behaviour in the workplace and promoting its application also in lifestyle.

Diversity and Inclusion

MiCROTEC promotes in all activities a work environment free from any form of discrimination or abuse, in which respect, openness to different ideas and perspectives and mutual support can fully develop the potential of human capital and in which all people feel respected, fairly treated and valued, and have equal opportunities for professional growth.

The Boards of Directors of MiCROTEC bear witness to this approach. Diversity in gender, professional profile, educational background, background and age informs the orientation on its composition. The same general principles apply to the composition of any other Corporate Body, the members of which must possess skills and experience that allow them to make a real contribution to the debate and to ensure constructive and effective interaction with the Board of Directors.

Recognition and valorisation of diversity, relational equity and inclusion are the foundations of a work environment in which each individual is supported as unique.

The “Diversity and Inclusion” Policy is an integral part of the Sustainability Policies and has the same Recipients. It applies in relations with all the counterparties, in due diligence, mergers or acquisitions and in the active involvement of all stakeholders in its sphere of influence. To ensure its effectiveness, this document is subject to periodic review or updating and is the subject of adequate communication or training extended to all Recipients.

COMMITMENTS

1. To promote **equality and gender balance**, starting from selection and hiring, supporting career advancement and professional development, eliminating biases and prejudices, promoting a balanced composition at various organizational levels, increasing gender diversity in leadership roles, and eliminating the gender pay gap, also with development plans that favor the less represented gender.
2. To create a safe, welcoming and inclusive environment that condemns any form of violence, enhancing people's awareness and sensitivity on **gender identity and sexual and emotional orientation** beyond stereotypes and the provision of benefits for individuals and their families.
3. To support **parents and caregivers** of all genders, offering flexible working hours and parental leave arrangements, providing services and resources aimed at ensuring a healthy balance between work and family life and creating awareness of gender bias related to parenting.
4. To ensure a fair and accessible environment for people with **disabilities** of all types, removing physical and even virtual barriers thanks to technology, adapting hiring and development processes and promoting awareness and education of the company population.
5. To consider the needs of people with **clinical conditions and chronic diseases**, providing adequate support in terms of leave, flexibility and ensuring equal opportunities and access to all the resources and benefits offered by the company.
6. To value and respect **age diversity** to benefit from everyone's perspectives and skills, adopting flexible working methods to manage work responsibilities while respecting personal and family needs and stimulating the intergenerational exchange of experience and knowledge.
7. To promote the inclusion of jobs from **different cultures, ethnic groups and countries**, valuing cultural and ethnic diversity, recognizing the richness that different backgrounds bring and encouraging openness to linguistic and cultural differences.
8. To promote **multiculturalism and interculturality** with specific methods that recognize, celebrate and value the diversity of cultural traditions, beliefs and experiences and religious orientations of staff.
9. Collaborate with organizations that promote diversity and **inclusion in awareness and dissemination activities** of Corporate Social Responsibility, in public events, and philanthropic actions.

MiCROTEC Group's Sustainability Policies embrace the highest global references and in particular: they express the commitments made with the UN Global Compact, Women's Empowerment Principles and Science Based Targets.

Environment and Resources

MiCROTEC is committed to preventing, minimising, mitigating and compensating the footprint generated by its activities on the environment and living species and recognises the need for a proactive transition towards a regenerative economy, respectful of the sentient nature of animals and with a low content of carbon, capable at the same time of creating social value.

To this end, it actively promotes the development of practical feasible solutions, in collaboration with institutions and other actors who operate responsibly in the connected production and consumption cycles, promoting the enhancement of alternative resources, the design of sustainable products and the dissemination of eco-efficient technologies and management methods.

Responsible use of resources and promotion of responsible lifestyle preserve the natural capital and create value for the Company

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COMMITMENTS

1. To ensure that **plant and equipment** are designed, built, used and maintained in order to reduce the environmental footprint, adopting the best techniques available in new plants or in the case of modernisation or replacement of existing plants.
2. To promote over the entire life cycle responsible access to **natural resources** and adopt management methods aimed at reducing the consumption of **raw materials**, especially if non-renewable.
3. To preserve over the entire life cycle **water security**, to safeguard the collective usability, and adopt management methods aimed at reducing their consumption, especially in water stress areas.
4. To protect over the entire life cycle **ecosystems** and **biodiversity**, also outside protected areas, and cease all forms of **deforestation**.
5. To preserve the status of **soils**, ensuring the best environmental and historic management of any contamination.
6. To minimise the generation of **waste** and byproducts and to maximise their valorisation over the entire life cycle, giving priority to the **recycling and recovery** of material and ultimately resorting to energy recovery or environmentally and socially responsible forms of disposal.
7. To define and implement internal reference standards, for evaluating and **monitoring** environmental performance in order to establish and verify improvement objectives.
8. To adopt **management systems**, regularly audited and updated, that ensure **compliance** with applicable regulations and promote **continuous improvement** towards defined environmental objectives.
9. To encourage employees, suppliers of goods and services, contractors, customers and any other business partner, investor or beneficiary to assume **behaviours and choices** respectful of the environment, supporting projects and initiatives, including with local communities, aimed at promoting environmental awareness and the transition to **sustainable lifestyles**.

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Energy and Climate

MiCROTEC is aware of how climate change is exacerbating risks and impacting health, livelihoods, the food chain, water supply, human security, biodiversity and economic growth, while inequalities continue to worsen, especially for the most vulnerable.

With the 2015 Paris Agreement, world governments committed to limiting global temperature rise to well below 2°C compared to pre-industrial levels and to pursuing efforts to limit warming to 1.5°C. To achieve this goal, greenhouse gas emissions must be halved by 2030 and reach net-zero by 2050.

By adhering to the Science Based Targets initiative and embracing the principles of climate justice, promotes effective climate actions that combine human rights, development and decarbonization.

An ambitious climate action, through science-based emissions reduction targets, drives the Company towards a net-zero economy, fostering its sustainable growth.

The “Energy and Climate” Policy is an integral part of the Sustainability Policies and has the same Recipients.

It applies in relations with all the counterparties, in due diligence, mergers or acquisitions and in the active involvement of all stakeholders in its sphere of influence. To ensure its effectiveness, this document is subject to periodic review or updating and is the subject of adequate communication or training extended to all Recipients.

COMMITMENTS

1. To ensure that **plant and equipment** are designed, built, used and maintained in order to maximise **energy efficiency**, adopting the best techniques available in new plants or in the case of modernisation or replacement of existing plants.
2. To promote over the entire lifecycle the use of **fuels with low environmental and carbon footprint** and adopt management methods aimed at reducing their consumption.
3. To maximize the use of **renewable electricity** throughout the entire life cycle, through self-production, guaranteed purchase contracts or purchase of guarantee of origin certificates and adopt management methods aimed at reducing consumption.
4. To promote, in business travel and commuting, **low-carbon mobility solutions** that are functional and accessible to all.
5. To tackle pro-actively the **challenge of climate change**, with the purpose of an overall reduction of greenhouse gas emissions over the entire life cycle, setting **science-based targets** aligned with the **Paris Agreement** and with **climate justice** and equity at the heart of these efforts.
6. To define and implement internal reference standards, for evaluating **climate risks** and **monitoring** performance in order to establish and verify improvement objectives.
7. To adopt transparent **accounting and reporting systems** for greenhouse gas emissions, according to recognized standards and subject to regular auditing activities.
8. To encourage employees, suppliers of goods and services, contractors, customers and any other business partner, investor or beneficiary to assume **behaviours and choices** in line with the **low-carbon transition**, supporting projects and initiatives, including with local communities, aimed at promoting the required awareness.

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Rights and Society

MiCROTEC supports internationally proclaimed human rights, as inalienable rights of all individuals, based on the recognition of the dignity, freedom and equality of human beings. Relations with all its stakeholders are built on mutual commitment, active partnership, trust, transparency and long-term collaboration.

The Company undertakes not to become complicit in abuses of human rights in the supply chain and in commercial relations with all the countries with which it operates and does not maintain relations with organizations that do not guarantee equality of opportunity and treatment, distinguishing between gender and age, ethnicity, nationality, social conditions or origins, religion, sexual or political orientation or any other creed.

It creates and promotes, over the entire value chain, virtuous relationships with local communities and any indigenous people by understanding their needs, promoting sustainable local projects that do not generate relationships of dependency and regularly involving stakeholders.

Values, Codes and Policies define the mandatory prerequisites for establishing and maintaining relationships of any nature within the Company's sphere of influence.

The “Rights and Society” Policy is an integral part of the Sustainability Policies and has the same Recipients. It applies in relations with all the counterparties, in due diligence, mergers or acquisitions and in the active involvement of all stakeholders in its sphere of influence. To ensure its effectiveness, this document is subject to periodic review or updating and is the subject of adequate communication or training extended to all Recipients.

COMMITMENTS

1. To uphold the inviolability of **personal freedom**, rejecting all forms of slavery and human trafficking.
2. To establish eighteen years old as the **minimum age** for access to any type of employment or work which, by its nature or the conditions in which it is carried out, may jeopardise the health, safety or moral integrity of minors.
3. To guarantee **full equality** of opportunity, treatment and **inclusion** without distinction of gender, age, ethnicity, nationality, social conditions and origins, religion, sexual or political orientation or any other creed, rejecting all forms of forced labour, mental or physical coercion, harassment and sexual and verbal violence.
4. To respect primary **labour rights**, such as freedom of association, collective bargaining, guaranteeing social security benefits, fair wages and working hours that are not excessive and respectful of **work-life balance** needs.
5. To ensure **healthy and safe working conditions**, free access to drinking water, sanitation and, wherever necessary, suitable work or housing facilities, rooms used as canteens, refreshments or places for storing and consuming meals.
6. To show care and solidarity towards **communities** affected by natural and health disasters, promoting a culture of support and responsibility.
7. To value **education** in all its forms, the growth of local **skills** and, where in line with their values, artistic, sporting, cultural and social activities.
8. To promote the well-being of communities by supporting inclusive growth and a better quality of life for all.

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Quality and Responsibility

MiCROTEC works to ensure and continuously improve the quality of products, processes and services. To this end, it adopts a systematic approach aimed at satisfying increasingly challenging quality requirements, creating value along the product life cycle and improving relationships with customers and suppliers.

By combining this vision with the growing demands of the market, the Company aims to understand, control and communicate the technical, environmental and social performance of its products and services throughout their life cycle, from the procurement of raw materials to production and final disposal or reuse.

Furthermore, as far as feasible in its sphere of influence, it promotes the most sustainable applications and responsible consumption of products and services.

Activities, products and services aligned with the Company's Codes and the requirements of the reference standards create value for the market and promote sustainable lifestyles.

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COMMITMENTS

1. To ensure that **plant and equipment** are designed, manufactured, used and maintained in order to better manage and control the quality of products, processes and services, in line with the sustainable approach adopted.
2. To adopt modalities of **monitoring** and control of production cycles and service activities based on appropriate instruments, metrics and procedures, operated by qualified technicians.
3. To promote the adoption of **management systems**, regularly audited and updated, which ensure **compliance** with applicable regulations and promote **continuous improvement** towards defined **objectives**.
4. To ensure the entire value chain **compliance** with all applicable standards, technical regulations, codes of practice, market requirements and customer requests.
5. To achieve and maintain the **trust of suppliers and customers**, building engagement and listening channels and guaranteeing the technical, environmental and social quality of products, processes and services, fair economic conditions and qualified assistance.
6. To make available and **communicate responsibly** to customers, retailers, end consumers and interested parties information relating to technical, environmental and social performance, including the potential effects on health and safety of the materials used and products marketed.