

# ESG POLICY

Terrats Medical Group  
Companies

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## 1. Context

Terrats Medical Group Companies purpose is to spread happiness through affordable, high-quality dental solutions to improve patient's life. Terrats is committed to pursuing this ambition while ensuring a sustainable management of its business and operations.

In this sense, the present ESG Policy presents the principles and commitments that Terrats voluntarily maintains with its stakeholders in the value creation process under environmental, social and governance areas. These are based on the identified key material issues for Terrats' activity, in alignment with its corporate vision, mission and values, and considering every stakeholder's interests and expectations.

Terrats pledges to dedicate the necessary resources to develop the most appropriate instruments to guarantee compliance with this Policy.

## 2. Objectives and Scope

### 2.1 Objectives

The aim of the present Policy is to formalize Terrats' commitments in Environmental, Social and Governance topics which are relevant to the company's activity and stakeholders. These commitments will guide the way the company thinks, conducts business, operates, and makes decisions. In addition, they will shape and drive the relationships with stakeholders and how Terrats informs on continuous improvement efforts portrayed in its ESG action plan.

### 2.2 Scope

The ESG Policy is applicable to:

- > All employees under direct activities of Terrats Medical Group Companies
- > All managers and owners of Terrats Medical Group Companies
- > The different stakeholders or third-party agents the company works with (among others, suppliers, distributors, customers, etc.)

### 3. Purpose, Vision, Mission and Values

Purpose	Spread happiness through quality and affordable dental solutions to improve patient's lives
Vision	Be the reference supplier of dental implantology products for professionals to provide access for more patients through innovative, affordable, and quality solutions
Mission	Design and produce high-quality products to offer our customers the most sustainable clinical and business solutions for tooth replacements
Values	Functionality, Simplicity, Quality, Innovation, Optimism, Excellence, Talent and Honesty

### 4. Basic Principles

The ESG Policy constitutes the minimum ESG requirements to be met by all members of the organization. Thus, the head of each of the assigned areas must ensure the development of the company's activities in accordance with the provisions of this Policy and the applicable legal regulations.

The present Policy applies to all company activities in all territories in which the organization operates and complements the company's adhesion to the requirements of the legal framework in force in each country.

In addition to this, the commitments of the present ESG Policy encompass a 360° vision of sustainability, covering the most relevant environmental, social and governance aspects and has been conceived to contribute to the sustainable development goals (SDG).

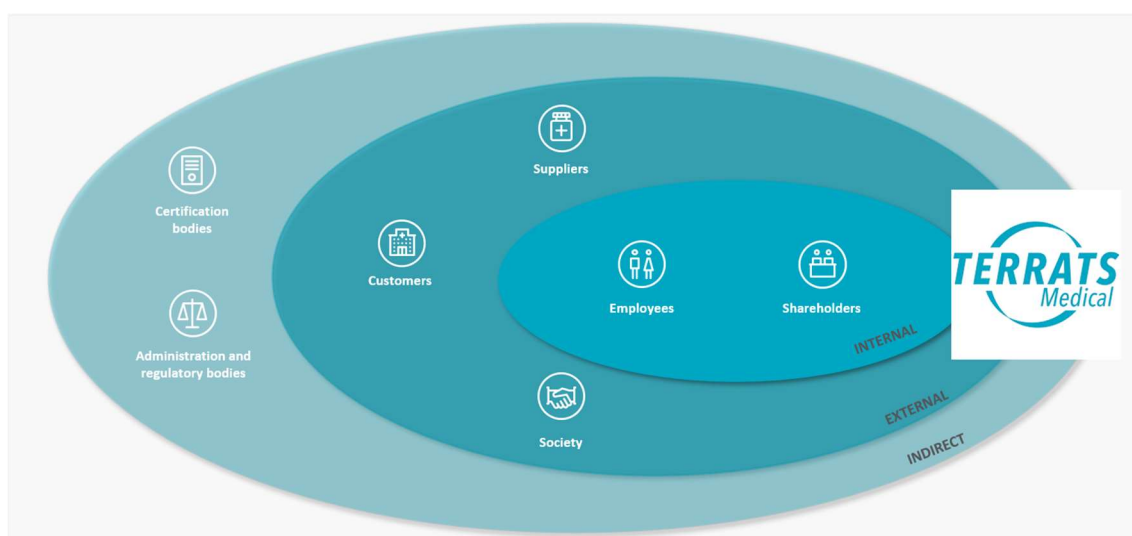
In this sense, the ESG Policy refers to the following international standards to develop the framework of its activities:

- ✓ United Nations Global Compact (by United Nations Global Compact)
- ✓ Universal Declaration of Human Rights (by UNO)
- ✓ Paris Agreement (United Nations Framework Convention on Climate Change)
- ✓ Global Reporting Initiative (GRI)
- ✓ Sustainability Accounting Standards Board (SASB)

In turn, the provisions of the Directive 2014/95/CE regarding the disclosure of non-financial information have been considered, specifically its transposition to the Spanish Regulatory Framework through Law 11/2018.

In accordance with these standards, Terrats Medical Group Companies recognizes a basic principle whose application is transversal in all dimensions of value creation:

- **Stakeholder Acknowledgement:** the identification of all company's stakeholders and their expectations, the development of communication channels with all of them and the identification of their material aspects is included in their environmental, social, and corporate governance value creation targets.



## 5. ESG Commitments

Based on the basic principles presented above, Terrats Medical Group Companies defines its ESG commitments across 6 value dimensions, areas in which Terrats has an impact due to its activity:

- I. Environmental: "Minimizing our environmental impact to contribute towards a cleaner and more sustainable future for our planet."
- II. Society: "Engaging with our local communities and promoting health equity."
- III. People: "Contributing to realizing every employee's full potential by ensuring equal opportunity, professional development and holistic wellbeing."
- IV. Product management: "Promoting innovative and quality products for the society."
- V. Governance: "Conducting business with integrity and ensuring legal compliance."
- VI. Value chain: "Promoting our commitments and responsible business practices across our value chain."

Based on these pillars, Terrats has defined its commitments, which in turn are aligned with the achievement of various SDG of the United Nations:

- I. Environmental: “Minimizing our environmental impact to contribute towards a cleaner and more sustainable future for our planet”** the aim of this value dimension is to promote proper management of the company’s resources and processes in a way that reduces the negative environmental impacts of the organization.

To achieve this, the company undertakes the following commitments to climate change management and sustainable use of resources:

- Monitoring the impact of the activity on the environment as well as the risks arising from it
- Reducing the impact of the activities on the environment by the deployment of greener strategies that aim to adapt and mitigate climate change
- Pursuing the sustainable and efficient use of resources through a responsible water and energy consumption, betting whenever possible on the use of renewable energy
- Optimizing the use of raw materials to get the most out of them and to minimize waste

*Specific SDGs associated:*



- II. Society: “Engaging with our local communities and promoting health equity”,** the aim of this value dimension is to engage in synergic collaborations with Terrats’ external stakeholders and promoting their product accessibility to society to boost social improvement and development.

To achieve this, the company commits to the creation of social value to the health sector and local communities, as well as proactively improving health equity of patients:

- Actively contribute to knowledge sharing with the company’s partners and other stakeholders to foster scientific advancement
- Collaborating with social initiatives and aid social institutions of the company’s realm
- Promoting the accessibility and affordability of their products to society on an equal basis, reducing inequalities in access to dental health care

*Specific SDGs associated:*



- III. People: “Contributing to realizing every employee’s full potential by ensuring equal opportunity, professional development and holistic wellbeing.”:** the aim of the present value dimension is to put people’s wellbeing first, fostering

life improvement by offering equal personal and professional development for all the employees in a safe working environment.

To achieve this, the company undertakes the commitment to ensure equality, diversity and inclusion in the workplace, talent attraction & retention, and health, safety, and overall well-being of employees:

- Progressing in the integration of equality principles in all management areas
- Developing specific actions for the promotion of equality and minimize any potential act of discrimination
- Understanding the needs of all the employees and developing career plans and training opportunities adapted to them
- Paying special attention to attracting and retaining talent and skills that are more technical and difficult to replace in the market
- Monitoring any health and safety risks that may affect direct employees and third parties in the course of their work and taking the necessary measures for their prevention
- Promoting the physical and mental well-being of employees

*Specific SDGs associated:*



- IV. **Product management: “Promoting innovative and quality products for society”:** the aim of the present value dimension is to differentiate from other competitors by the quality of their products, being at the forefront of innovation.

To achieve this, the company is committed to the best quality of products & services and R&D& Innovation:

- Ensuring customers’ health by promoting the highest standards of product safety
- Identifying any risks that could compromise product safety and defining mechanisms for their prevention, detection, and mitigation
- Seeking for the most innovative solutions to improve peoples’ oral health

*Specific SDGs associated:*



- V. **Governance: “Conducting business with integrity and compliance”:** the aim of this dimension is to guarantee the development of the company's activities under the premise of the highest ethical standards in all the markets where Terrats is present. To achieve this, the company is committed to ethics, integrity and compliance in their governance and operations:
- Adjusting the company’s compliance Policy to ESG standards

- Promoting an ethical culture among employees and third parties with whom Terrats works
- Reporting non-financial information to be transparent on social and environmental impact and sustainability of the company
- Monitoring risks of unethical behaviour or legal non-compliance (e.g., corruption & bribery) that could compromise the company's activities and developing the necessary actions for their prevention, detection, and mitigation

*Specific SDGs associated:*



VI. **Value chain: “Promoting our commitments and responsible business practices across our value chain”:** the aim of this dimension is to create shared value with the company’s suppliers and customers by extending Terrats' commitments and ethical culture throughout the value chain.

To achieve this, the company commits to ethical supplier management and customer management:

- Promoting a supplier relationship model based on the creation of long-term shared value
- Ensuring that suppliers work under the same ESG standards and ethical principles defined by Terrats
- Promoting a customer relationship model defining bilateral communication channels that allow the creation of relations based on transparency

*Specific SDGs associated:*



## 6. Governance model

Sensi’s steering committee takes responsibility on defining and approving actions to fulfill and attain the defined commitments and priorities compiled in this ESG Policy.

To this effect, the steering committee prior to the development of the present Policy, has revised the following issues:

- I. Identification of stakeholders and their expectations
- II. Identification of material aspects and conduction of a materiality analysis of the associated risks to the company’s value chain.
- III. Definition of the group’s vision, mission, and values
- IV. Establishment of value creation dimensions and suitable commitments related to the different identified risks, each of them associated to the corresponding SDG.



All of this has enabled the elaboration of the present ESG Policy approved by the steering committee where the group's commitments are gathered and depicted. This Policy should act as an internal baseline for shareholders and employees, and as reference to third parties such as suppliers.

In addition, the steering committee has designated an ESG officer that undertakes the coordination of the initiatives that are gathered in a pertinent action plan and the delivery and reporting of outcomes. Likewise, this appointee is accountable for the continuous supervision and evaluation of the processes and associated potential risks implied in the inspection of the ESG Policy.

As a matter of fact, the steering committee commits, semiannually, to:

- I. Monitor the KPIs of completion defined in this Policy and the undertaken initiatives to fulfill the company's commitments.
- II. Periodically report on realization to shareholders.
- III. Guarantee ESG training to employees to facilitate a proper implementation of an impact ESG culture.
- IV. Finally, when necessary, examine and adjust the ESG Policy.