ADR GROUP SUSTAINABILITY REPORT Y2025

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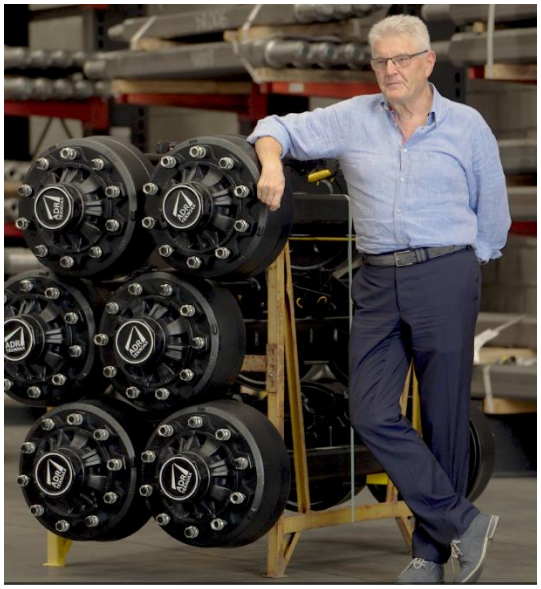
CEO message to the stakeholders



Dear Stakeholders,

ADR Group is pleased to present the **fourth Sustainability Report**, which will be published together with the yearly consolidated financial statements.

ADR vision is maintaining a market leadership in the production of axles, brakes, and suspensions for the agricultural, special vehicle and road sectors.

In order to achieve this goal, sustainability is the core of our operations.
We understand that our activities can have a significant impact on the environment and communities, and we are determined to address these challenges for the benefit of present and future generations.

People are the cornerstone of our organizational and productive processes, and our leadership model will shape the relational dynamics between managers and their teams.
Collaboration, participation, and sharing are the cultural principles that underpin our operations in this sustainable journey.
We are empowering our managerial class, nurturing their overall growth through a combination of developing technical skills, fostering autonomy, and cultivating team management capabilities, all while maintaining a practical sense of purpose. These competent managers are serve as a source of inspiration for colleagues and collaborators, embracing a sense of citizenship as the bedrock of our development. ADR is defined by a forward-driving force composed of managers capable of guiding, teaching, and training the organization toward well-defined sustainability goals. This is essential for attracting and retaining talented individuals who will ensure our sustained success and growth

.

In conclusion, we are thrilled to share our Sustainability Report with you, showcasing the strides we have taken and the ambitious goals we have set. Through transparency, accountability, and an unwavering commitment to sustainability, we aspire to inspire positive change within our industry and contribute to a more sustainable and prosperous future for all.

Flavio Radrizzani

President ADR Group

2025 ADR's Sustainability Highlights

Governance / Supply chain

204 M € Group consolidated turnover

68 Countries served in the world

4° Group Sustainability plan and targets

65,3% Local Suppliers involve

Supplier Code of Conduct issued

Group policies implemented

Manifesto for Corporate Culture Development issued

Implementation Law 231 (Prevent corporate crime and block economic and financial crime)

Environment

(compared Y2022)

- **7% Scope 1** (fuels emissions)

-16,3% Scope 2* (Electricity emissions) *Market based/Local based

- **25% Water consumption**

69,8% Waste recycled

- **52% - EMISSION INTENSITY** (t, CO2e / t purchased)

- **19% - EMISSION INTENSITY** (t, CO2e / t sold)

Continuous production of sustainable products
(maintenance-free and fully recyclable)

Social

40% Female share in the Board of Directors

49,5 % Trained vs Total employee on H&S and Sustainability

Continued participation in social projects

Sustainability training in all ADR

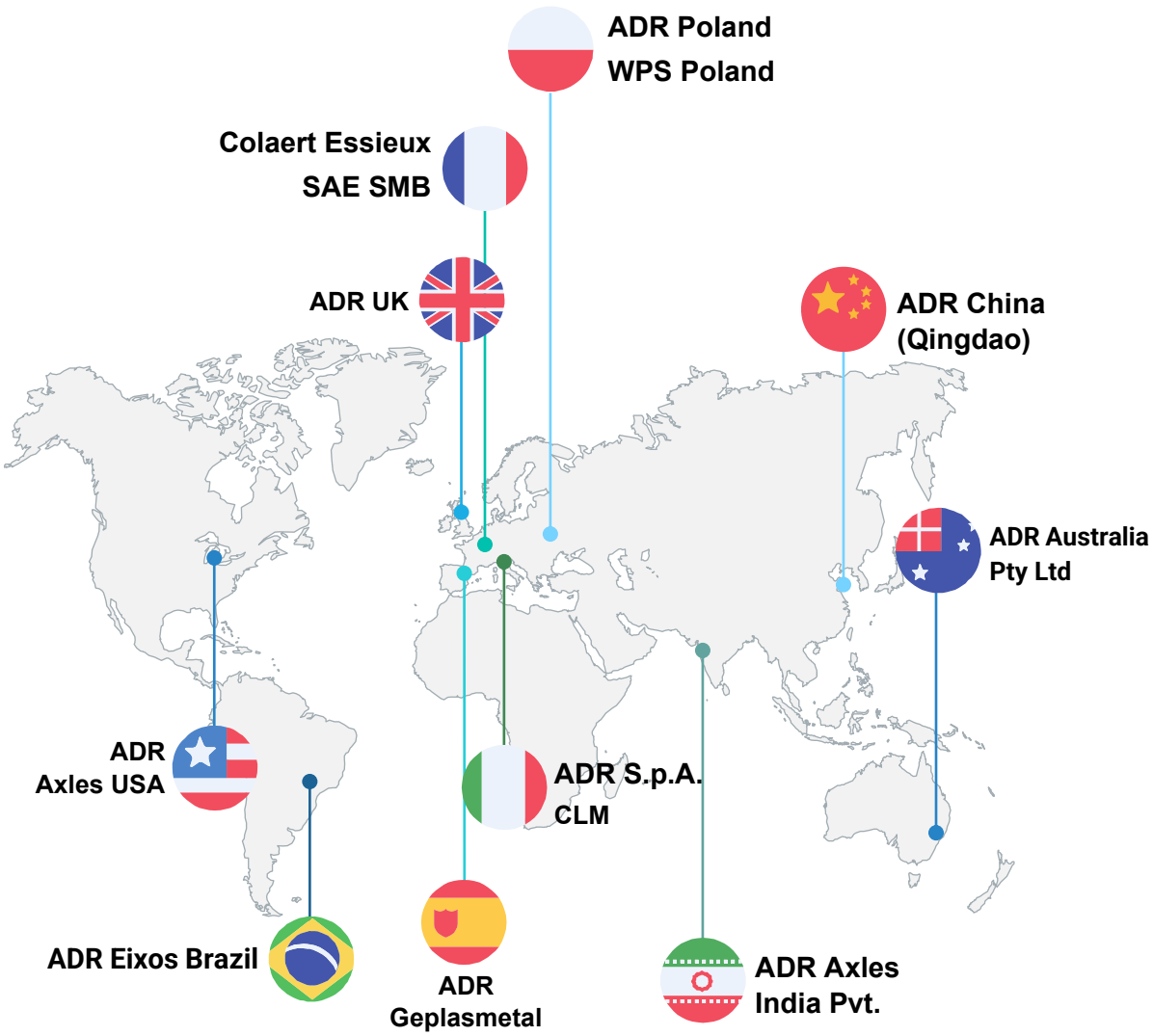
Bike to Work project

ADR's profile

ADR holds a prominent position as a market leader in the production of axles, brakes, and suspensions for the agricultural and special vehicle sectors. Since its establishment in the 1950s, the company has consistently demonstrated a strong commitment to expansion and international presence. Presently, **the group comprises 13 companies** spanning across the globe, with operations in Australia, Brazil, the United States, India, China, and several countries in Europe, including France, Italy, Spain, the United Kingdom, and Poland. ADR's renowned brands, ADR and Colaert, serve as the conduits through which the company provides suspensions and axles to clients worldwide. The company's headquarters are located in Uboldo Varese, Italy.

Sustainability Report, encompasses all companies.

The map below illustrates the geographical distribution of R.P.F Group's companies worldwide.



The Group's history

The Group stands as a historical entity that has solidified its position over time, thanks to individuals who have consistently leveraged their robust technical and entrepreneurial skills to drive the company's enduring value creation.

The history of ADR traces back to **1954** when Giovanni and Antonia Radrizzani established their turnery business in a small workshop in Uboldo, a northern town in Italy, undertaking subcontracting work. The second generation, represented by Flavio and Giancarlo, ushered in the production of axles initially for construction machinery and later expanded into the agricultural sector.
The business experienced rapid and remarkable growth. In **1970,** Giovanni Radrizzani S.n.c. transformed into ADR S.p.a., transitioning from a small artisanal workshop to a business venture, prioritizing operational and organizational aspects.
The **1980s** marked a significant milestone in the company's expansion. Recognizing the limitations of the Italian market, the Radrizzani brothers redirected their focus to manufacturers of agricultural machinery operating in European markets. However, it was in **1990** that ADR experienced substantial growth with its first international acquisitions. ADR embarked on its international journey by acquiring Colaert Essieux, a renowned French company specializing in axles and complete suspensions for agricultural and industrial machinery. Additionally, Tyremart, now known as ADR UK, was acquired as the official dealer of Colaert for the British markets. The Polish company ATW was also established, eventually becoming ADR Poland.
In the **2000s**, the ADR Group demonstrated a strong commitment to consolidating and expanding its business into non-European markets by establishing new production and business facilities in China, Brazil, and Canada.
In 2010, the Group concluded another phase of expansion with the acquisition of Geplasmetal in Spain and the historic French company, SAE SMB.
Growth has always been the engine of the strategy of ADR Group that looks more and more to the global market expanding, between **2010** and **2020,** also in India with a production site and in Australia and USA with two commercial branches.
Despite the globalization of its operations, the heart of the organization remains firmly rooted in Europe.
The vision of continuous improvement and expansion includes a production site in the United States (IOWA). The project will develop over the next two years with the construction of a new plant (end of 2026).

Our Strengths

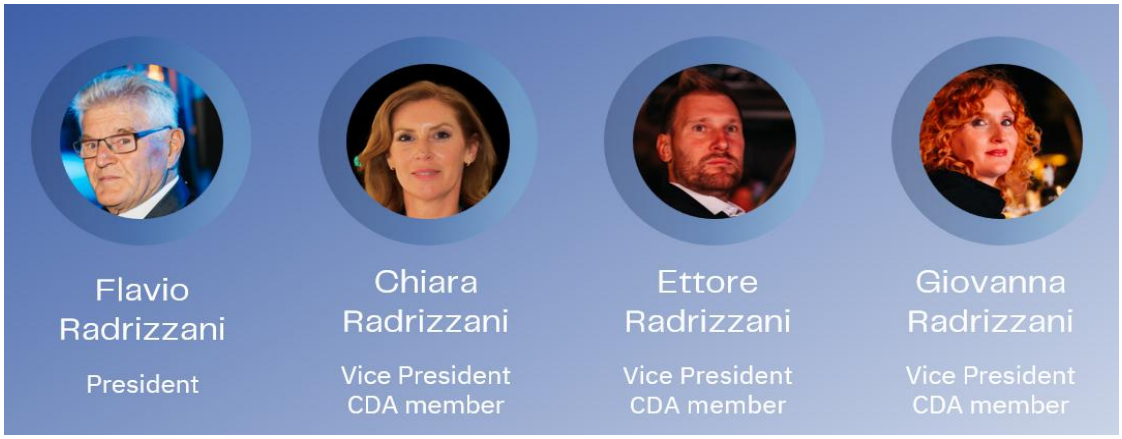
Continuous innovation and sustainable development

Market leader and global exporter

Committed to Customers, always

Valuing people and fostering collaboration

Directors Board



Group's values

ADR is acutely aware of its responsibility in addressing present and future challenges while strengthening its market leadership position. The Group is committed to achieving exceptional results by investing in customer care, proactively anticipating their needs, and cultivating enduring relationships. This strategic approach will allow ADR to solidify its brand presence in emerging markets and territories where it currently lacks a significant foothold.

Recognizing the dynamic and highly competitive global landscape in which companies operate, ADR understands that relying solely on technical expertise is insufficient. To ensure continuity and success, the company recognizes the need for a cultural transformation across the entire organization. This comprehensive shift will fortify the brand in emerging markets and territories where ADR's presence is still developing.

Investing in people lies at the heart of our organizational transformation. The Group is embarking on a generational change project that identifies roles and responsibilities aligned with the common good and individual growth.

To achieve its objectives, ADR acknowledges the imperative to transition from a dependent culture to an entrepreneurial one. This transition necessitates the implementation of effective methods and approaches that foster a constructive alliance among all stakeholders.

Fundamentally, caring for people and the environment has always been intrinsic to the Group's philosophy and business practices.

ADR's Approach to Sustainability

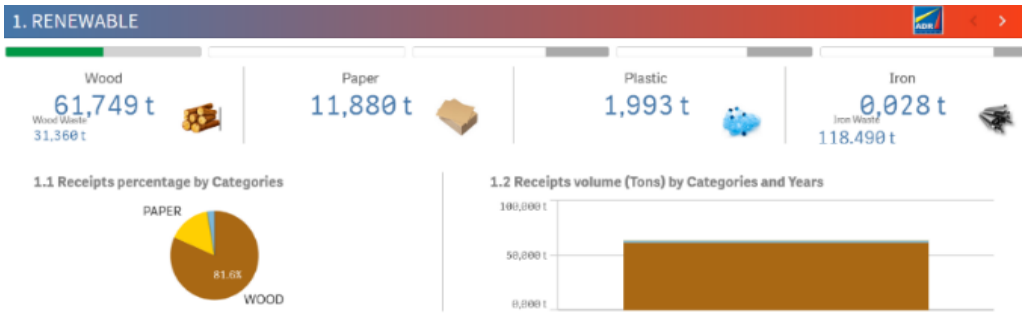
ADR recognizes the significance of sustainable development as a key component of its organizational strategy. The company is wholeheartedly dedicated to embracing sustainable practices to ensure long-term success and growth. This commitment extends beyond the company itself and encompasses the communities and environments in which ADR operates.

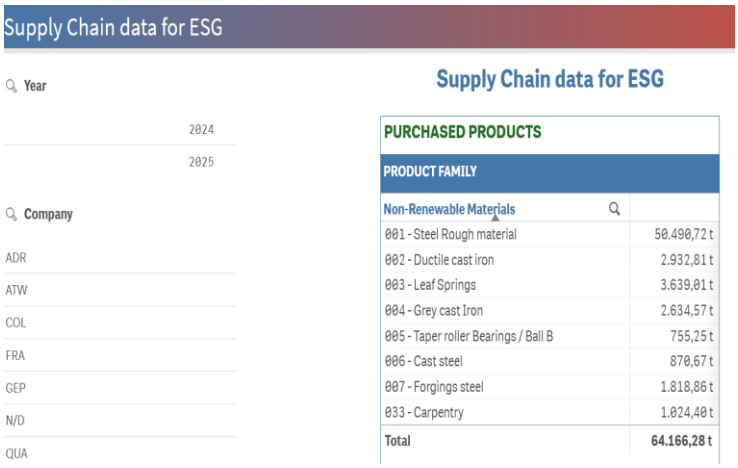
Throughout its history, the ADR Group has consistently considered the environmental and social impacts of its actions and decisions. Since 2022, the company formalized and solidified its commitment to sustainable business practices, integrating economic, environmental, and social performance into its operations. The core objective guiding ADR's business decisions revolves around achieving the highest standards of product quality and safety while minimizing negative environmental impacts and maximizing positive contributions to society.

While this philosophy has always been implicitly embedded in ADR's business model, it is now officially documented and materialized through this Sustainability Report. This report serves as a precursor to the Group's forthcoming ESG (Environmental, Social, and Governance) commitments, highlighting the organization's dedication to transparency and accountability in its sustainability endeavors.

Moreover, to actively contribute to the creation of sustainable value, ADR conducted its first **Materiality Analysis** in **2022** to identify its priority impact areas. Based on this analysis, the company has formulated a comprehensive **Sustainability Strategy**. This strategy, designed for the short-to-medium-term, encompasses a range of qualitative and quantitative targets addressing the key material issues identified by the Group. By focusing on these critical areas, ADR aims to drive meaningful progress towards its sustainability objectives.

Data collection has been computerized through a Group server. This new approach will allow us to have real-time data and apply improvement actions quickly.





Stakeholder Engagement

The ADR Group acknowledges the pivotal role played by its diverse stakeholders in its long-term success. The Group is fully committed to fostering and strengthening trusted relationships with them. ADR directs its efforts towards establishing and maintaining solid, enduring connections with all major stakeholder categories.
Stakeholders for ADR encompass various groups, starting with its **employees and collaborators**, who are indispensable and integral to achieving the company's mission. ADR maintains open and transparent communication with **trade unions and employee representatives**, engaging in constructive discussions on relevant topics.
Customers hold significant importance to the Group, and ADR is dedicated to continuously listening to their needs and preferences, ensuring their ongoing satisfaction. ADR strives to provide excellent customer service and aims to exceed customer expectations in all interactions.
Through periodic open dates, ADR Group wants to meet its customers and create synergy with them. Making companies and their potential known has always been an added value for virtuous marketing.

Suppliers and business partners, who are closely linked to ADR's activities and products, also play a vital role in fulfilling the company's mission of customer satisfaction. ADR places great emphasis on the quality of components, products, and services provided by its suppliers. The organization is committed to actively listening to its business partners, involving them in key business activities, and making them integral to the Group's new sustainability journey.
ADR recognizes that its main stakeholders also include **individuals and institutions** whose interests are directly or indirectly affected by the impacts of its activities, such as **local and national communities** in which the company operates. As an embedded player in a complex environment, ADR takes responsibility for nurturing these direct and indirect interactions. This involves actively listening to the needs of stakeholders and monitoring the organization's impacts, including those on the external environment and nature.
Stakeholder engagement information is typically consolidated through reports, meetings, or direct involvement and approval of a director. ADR's Directors make efforts to communicate in local languages whenever possible or utilize interpreters to ensure optimal participation and engagement. Additionally, when engaging with at-risk or vulnerable stakeholder groups, the company seeks the support of specialists, intercultural mediators, or consulting firms to ensure effective communication and meaningful engagement.

Employees

- Recurring communications bulletin news,
- Recurring meeting (weekly or fortnightly) held with managers of involved companies (ADR Italy, ADR Polska, WPS Polska, COLAERT France, SAE SMB France, ADR China, ADR Brazil) to share details, results, achievements, and targets related to sustainability and other key areas.
- Training Programs and several initiatives with focus on optimization of all those business processes, managerial, industrial and administrative ones, that have an impact on environmental, social and governance responsibility,
- Website and social media platforms used to communicate information on ESG practices and their effectiveness,
- Yearly meetings organized to define objective of development and analyses expectations,
- Quarterly report provided with details of activities and actions,
- Digitalization programs.

Clients

- Questionnaire about quality and safety sent to all customers every 2 years,
- Customer satisfaction evaluated every 6 months,
- Events organized by ADR (for instance, the annual "Contractor Day" event, now in its eleventh edition, organized with its customers),
- High frequency of participation in fairs and events,
- Group Top Management coordination meetings,
- Dedicated salesman to better understand customer need and develop customized products,
- Actively participating to customers' open days,
- Attendance at on-field exhibitions and test.
- CoP and Group Certification

Suppliers

- Information released on the ADR Group's website,
- Information released in sector magazines,
- Interviews released on communication bodies,
- Surveillance visits (control bodies for ISO 9001 certifications and, in the future, compliance with the ISO 14001 and ISO 45001 Standards),
- Group Top Management coordination meetings,
- International scouting program (APAC/EMEA areas) with focus on reliable and responsible partnership,
- Progressive integration of ESG topics in formalized Contractual Supplying Agreements,
- Feedback provision every 3 months about quality and safety index and scores and whether any corrective or improvement actions are required.

Trade unions

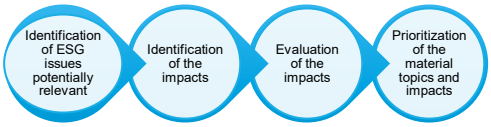
- Ad-hoc meetings based on an open communication and a participated discussion on all the themes and problems that comes out,
- Meetings required by law plus many other when needed. At the meeting are present leaders of trade unions and company directors who report to the RPF management on the discussions and the decisions.

Communities

- Information released on the ADR Group's website,
- Information released in sector magazines,
- Local engagement with communities in every country to be integrated in the territory, sport associations, young talent, and non-gov. organization for charity purposes.

ADR's Materiality Analysis

Materiality analysis aims to identify the material issues or ESG-related aspects that have the most significant impact on the ADR Group and its activities. Through this analysis, the company can determine the key areas on which to concentrate efforts to identify, monitor, and mitigate negative impacts on the environment, people, and the economy, while also enhancing positive impacts.
This Materiality Analysis was conducted in accordance with the updated GRI Universal Standards (GRI Standards) of 2021. It involved identifying current and potential positive and negative impacts on the economy, environment, society, and human rights associated with the company's activities. The analysis followed a four-step procedure, which can be summarized as follows:



1 **Identification of ESG issues potentially relevant** to ADR Group, through an internal assessment of the Group's characteristics, such as corporate identity, industry, activities performed, and types of stakeholders, as well as an assessment of the external scenario, considering for instance the United Nations Sustainable Development Goals and the regulatory environment.
2 **Identification of the impacts** associated with each of the potentially material topics. During this step, both positive and negative, current, and potential, long-term, and short-term, intended, or unintended, reversible or irreversible impacts that the Group actually or potentially generates have been included.
3 **Evaluation of the impacts** associated with each material issue by the Group's top management through a dedicated workshop. The assessment considered for each impact the **probability**, namely the likelihood of occurrence of the impact, and **magnitude**, namely the significance of the impact in case of occurrence.
4 **Prioritization of the material topics and impacts** based on the scores expressed by the top management. The assessment resulted in the ADR Group's list of material topics, prioritized according to impacts' probability and magnitude.

The analysis resulted in the following list of fifteen material topics, supported by four "prerequisites" related to the governance of the business, such as good governance, corporate behavior rules, and ethical principles. Sure enough, these aspects are all fundamental for the conduction of a business. The material topics can be grouped into four macro areas describing the scope of impact: **Environment, Social and Governance/Supply Chain**. These three areas, together with the **Prerequisite** area, define not only the ADR Group's impact spheres, but also those on which the company focuses its efforts, initiatives, and performance reporting and communication.

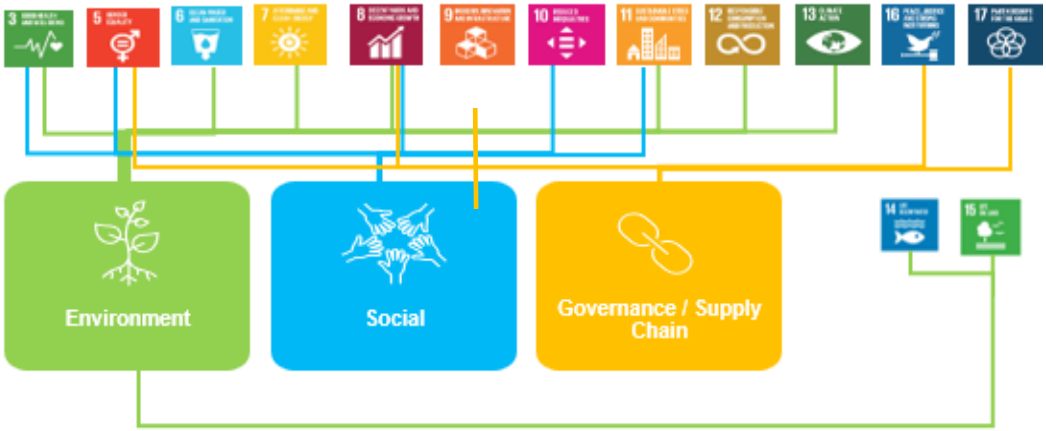
Environment | Social | Governance / Supply chain

PILLAR	MATERIAL TOPIC	POSITIVE IMPACTS	NEGATIVE IMPACTS
Environment	**Product Innovation**	Positive impact generated by less environmental impact and use of technological innovations.	Negative impact from product obsolescence on customer experience.
Governance / Supply chain	**Customer Satisfaction**	Positive impact generated by engaging and listening to and collaborating with customers.	Negative impact generated by failure to incorporate customer needs and demands.
Environment	**Product Quality**	Positive impact generated by high standards of product quality and safety.	Negative reputational and customer satisfaction impact resulting from failure to meet the highest quality standards.
Social	**Safety**	Positive impact related to controlled and limited use of chemicals in product realizations.	Negative impact generated by poor product safety, such as the use of harmful chemicals.
Social	**Workplace Health & Safety**	Positive impact related to fewer accidents and injuries at work (e.g. presence of a specific policy of health and safety issues, voluntary training related to health and safety issues, etc.).	Negative impact related to the occurrence of occupational injuries and illnesses (e.g. misbehavior inadequately supervised, insufficient voluntary training on health and safety issues, etc.).
Social	**Employee Welfare and Development**	Positive impact related to employee discussion and listening and the resulting "affiliation" of employees. Positive impact generated by offering their employees welfare and benefits services.	Negative impact linked to the lack of employee involvement and the consequent loss of resources. Negative impact linked to the possibility of employee migration to more virtuous companies.
Social	**Talent Attraction and Retention**	Positive impact related to the presence and retention of talent in the company and fueling the employment rate. Positive impact related to upskilling employees' technical skills and abilities.	Negative impact linked to a high level of turnover in the company and the loss of know-how. Negative impact generated by failure to update skills (e.g. absence of voluntary training).
Governance / Supply chain	**Stakeholder Partnerships**	Positive impact related to the creation of industry synergies and collaborations with business partners and value chain actors.	Negative impact related to the lack of collaboration within the value chain.
Governance / Supply chain	**Responsible Supply Chain**	Positive impact related to the spread of sustainability practices and policies among companies. Positive impact related to compliance with specific social and environmental requirements along the company's value chain. Positive impact related to supply chain integrity and continuity of operations.	Negative reputational, social and/or environmental impact resulting from failure to oversee ESG aspects along the supply chain (e.g. failure to respect human rights). Negative impact resulting from the possible exclusion of suppliers based on overly demanding requirements (barriers to entry).
Environment	**Waste Management**	Lower environmental impact (energy and emissions from the disposal chain) in waste management.	Negative impact related to hazardous waste generation. Negative impact related to the generation of non-hazardous waste sent to landfill. Negative impact related to a low percentage of hazardous and nonhazardous waste sent for recovery.
Environment	**Sustainable Production**	Positive impact generated by production process efficiency and lower scrap production.	Negative impact generated by scrap and waste production for the company's production activities.
Environment	**Energy Efficiency & Climate Change**	Positive impact generated by production process efficiency and lower energy consumption. Positive impact from increased use of energy from renewable sources. Positive impact related to a reduction in direct and indirect emissions Positive impact associated with increased use of energy from renewable sources and consequently a reduction in emissions generated	Negative impact generated by energy consumption for the company's production activities. Negative impact related to direct and indirect emission generation. Negative impact related to production activities that generate pollutant emissions.
Governance / Supply chain	**Responsible Sourcing**	Positive impact related to favoring certified raw materials, responsibly sourced and ensuring ethical and environmental standards.	Negative reputational impact and failure to meet customer demands related to the use of uncertified raw materials.
Governance / Supply chain	**Human Rights**	Positive impact related to the protection of human rights throughout the company's value chain. Positive impact related to the elimination of child, forced or compulsory labor throughout the company's value chain.	Reputational impacts caused by inadequate management of workers' rights or the use of child or forced labor by the organization's suppliers and/or contractors.
Social	**Diversity, Equity & Inclusion**	Positive impact from creating a work environment that supports equal opportunity (e.g. presence of a policy on D&I issues, high percentage of women in management positions, etc.). Positive impact from promoting an inclusive work environment.	Negative impact resulting from a less than inclusive work environment (e.g. low percentage of women in management positions, etc.). Negative impact linked to a discriminatory work environment and / or episodes of discrimination among employees.
Social	**Community Engagement**	Positive impact resulting from the support actions provided by the company to the local communities in which it operates.	Negative impact deriving from impacts on local communities that are not properly manned.

ADR Sustainability Plan, contribution to the SDGs and GOALS

Based on the findings of the materiality analysis, which identified the areas most influenced by the Group's activities and decisions, ADR formulated its sustainability strategy.

ADR Group's Sustainability Plan is built upon 3 strategic pillars that were introduced during the materiality analysis: Environment, Social, Supply Chain, and Product. Each pillar encompasses a combination of quantitative targets and qualitative objectives that will need to be accomplished within specific timeframes. These timeframes range from 2023 to 2026, 2030 and even extend to 2050 for achieving climate neutrality. The Sustainability Plan serves as a tangible representation of the company's commitments and endeavors towards sustainability.



When formulating its Sustainability Plan, ADR took into account the **United Nations 2030 Agenda for Sustainable Development** and its **17 Sustainable Development Goals (SDGs)**. The company specifically focused on identifying goals that align with and actively contribute to the UN's targets.

Scope 1: Direct emissions: Consumption of natural gas and diesel
Scope 2: Indirect emissions: Consumption of purchased electricity, heat, or steam consumed

Governance / Supply chain

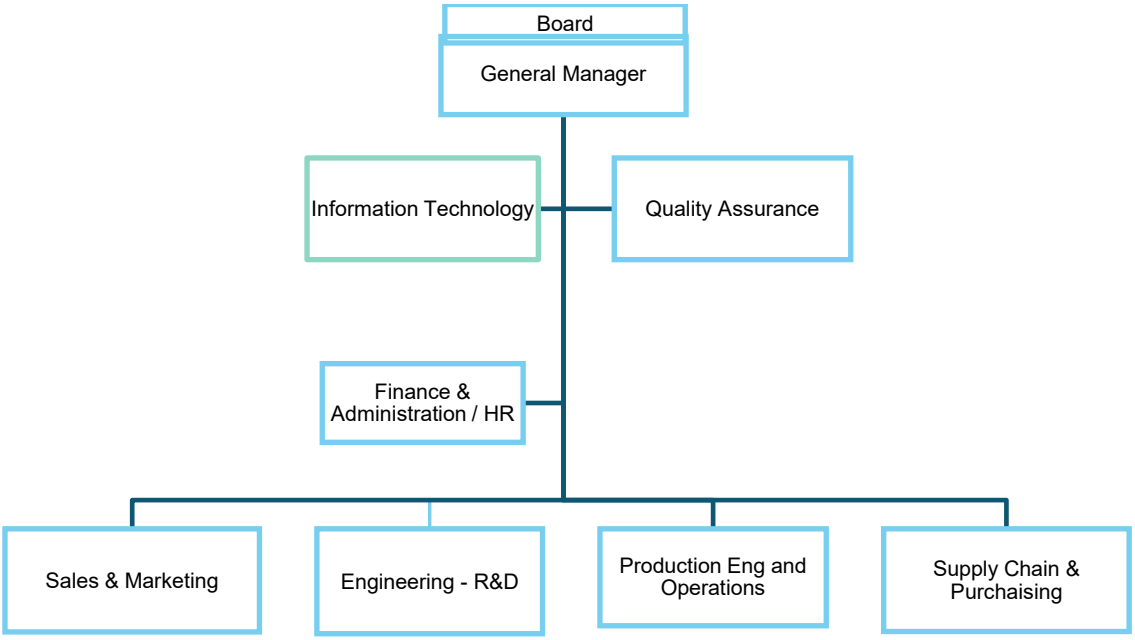
Governance / Supply chain

Governance / Supply Chain

ADR's Governance

ADR Group's governance structure is carefully designed to ensure effective decision-making and continuous long-term value generation. The role of governance is critical to ensure compliance with corporate values and resilience.
At the highest level of the Group's governance structure, which is privately owned, there is the Board of Directors.

Organizational chart 2025



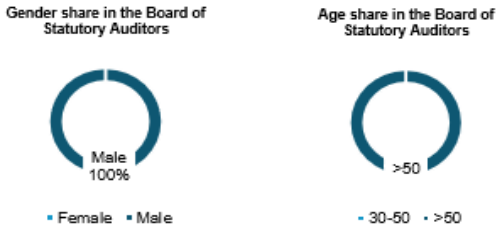
In the following table, the main Group Top management's meetings, their frequency and topics are summarized.

Meeting's name	Topics	Participants	Frequency
Executive Meeting EM	Governance, shareholder updates and ownership topics	Shareholders and GM	Quarterly
Board Meeting BM	Vision, culture, strategies, medium/long term goals	Operative shareholders and GM	Every 2 weeks
Group Steering Meeting GSM	Strategy, culture, projects, organization, processes, progress on objectives/ function/ projects/ short-medium group	Operative shareholders, GM, Sales, Supply chain, F&A, APAC COO Directors	Every 4 weeks
Group Managers Meeting GMM	Updates on activities/ projects group functions (IT, QA, SC, R&D, Sales, F&A) and subsidiaries	GSM, IT Manager, QC Manager, R&D Manager	Every 6 weeks
Group Directors Meeting GDM	Branch policy, group policy, group projects	GMM and Plant Managers	Once a year
Group Quality meeting	Quality situation and Goals	Quality Depts	Once a year
ESG meeting	ESG situation and Goals	GMM and ESG Responsible	Once a year

The **Board of Directors** is composed by five Directors who, appointed by the Group's shareholders in proportion of their shareholding, are responsible for the strategic decisions within the organization. Additionally, the four executive and the one non-executive Directors have the responsibility of appointing the members of the Management Committee. Both the Board of Directors and the Management Committee are responsible for reviewing and approving the financial and non-financial information disclosed by the company, therefore also including the herein reported information and the organization's material topics. Moreover, the Board of Directors and the Management Committee delegate to each Director the responsibility to oversee their own department. Regular and periodic reporting is required from the **Directors** to the Board, detailing the activities they have undertaken and their impacts.

Board of Directors			
Name	**Gender**	**Assignment**	**Executive/Non-executive**
Radrizzani Flavio	Male	President	Executive
Radrizzani Chiara	Female	Member of the Board	Executive
Radrizzani Giovanna	Female	Member of the Board	Executive
Radrizzani Ettore	Male	Member of the Board	Executive
Radrizzani Daniele	Male	Member of the Board	Non-Executive

The Company's structure also comprises the **Board of Statutory Auditors**, composed by two members and a president. The members of the Board of Auditors are responsible for the verification of compliance with the laws, statutes, as well as principles of proper administration. Nonetheless, they verify the adequacy of the organizational, administrative, and accounting structure adopted by the company and its actual functioning.



Board of Statutory Auditors		
Name	**Gender**	**Assignment**
Bellasio Claudio	Male	President
Mantegazza Mario	Male	Member
Nova Maurizio	Male	Member

Regarding **remuneration policies**, ADR Group has implemented procedures for members of the highest governance body and senior executives to ensure that compensation aligns with their business objectives and performance. In this regard, the remuneration can be divided into a fixed and a variable component. The fixed salary is determined based on market standards, considering the level of professionalism and responsibilities, thus providing a competitive compensation package. On the other hand, the variable pay is directly linked to the objectives established by the Board and Management Committee and is contingent upon the achievement of these objectives. Additionally, members of the highest governance body and senior executives are entitled to benefits, such as retirement programs, in compliance with labor laws and relevant employment contracts.

ADR Group's companies are deeply committed to upholding ethical conduct and responsible behavior as outlined in the Group handbook tailored specifically for its operations. This comprehensive handbook, which was meticulously developed in 2010, serves as an essential guide for the employees, covering crucial topics such as conflicts of interest and anti-corruption measures. Upon hiring, every employee is provided with a copy of the company handbook, ensuring that they are well-informed about the ethical standards and expectations from the very beginning of their employment journey.

With the **231 Organizational Model**, ADR is implementing and monitoring its activities in order to prevent the commission of crimes as provided for by Legislative Decree 231/01 and improve compliance.

Business Ethics & Integrity

ADR recognizes the fundamental importance of conducting business ethically, responsibly, and in full compliance with laws and regulations. This commitment is seen as crucial for nurturing trust among stakeholders and fostering sustainable success. The organization is dedicated to cultivating a culture that embraces integrity, transparency, and accountability across all its operations. By upholding these principles, ADR strives to establish robust relationships with stakeholders and make positive contributions to society as a whole.

Currently, there is no formal mechanism in place specifically for seeking guidance on the implementation of the organization's policies and practices for responsible business conduct. However, individuals are encouraged to approach their direct managers for advice and assistance. If necessary, concerns can be escalated through the management hierarchy, including the Board of Directors, ensuring appropriate channels for addressing such matters.
ADR strives to continuously improve its standards of ethical conduct and responsible corporate governance. The organization highly values the integrity of its employees, managers, officers, and the Board, and its commitment to fully disclosure regarding its activities and policies is expanding in 2022 through the drafting and publication of ADR's first Sustainability Report.

To guide employees in upholding ethical and responsible behavior, the company has established comprehensive policies that provide a clear structure and framework. These policies serve as guidelines for conducting business operations with the utmost integrity and ensuring compliance with legal requirements. Notably, ADR has implemented and will implement the following key policies:

- Sustainability Policy: in progress
- Human Rights Policy
- Supplier Code of conduct
- Ethical Code
- Manifesto for Corporate Culture Development
- **Law 231 implementation: in process**

These policies will play a crucial role in ensuring that ADR's operations align with ethical principles and promote responsible practices throughout the organization.
During 2024, the Group decided to adopt and extend a common Code of Ethics to all ADR Group's companies. With the Code, the Group wanted to create a sort of charter of moral rights and duties that define ethical responsibility. social of each participant in the entrepreneurial organization. The Code of Ethics expresses the ethical commitments and responsibilities undertaken by those who, in various capacities, collaborate in the achievement of the Group's objectives towards: employees, collaborators, external consultants, suppliers, customers and other subjects who, taken together, are defined with the term stakeholders, as bearers of interests linked to the activity of the companies of the ADR group. The adopted Code of Ethics is structured in four main parts:
• Value System: defines the reference values;
• Behavior criteria: identifies the conduct criteria to be followed in relations with stakeholders;
• Internal control system: establishes the implementation and control mechanisms prepared for the correct application of the Code of Ethics and for its continuous improvement;
• Sanctions system.

Risk Management & Compliance

ADR's commitment to sustainable and responsible business practices extends to its comprehensive approach to risk management and compliance. Recognizing the importance of effectively identifying, assessing, and mitigating risks, ADR has established processes to ensure the protection of its operations, stakeholders, and reputation.
To identify ADR's main ESG risks, a comprehensive benchmarking analysis was conducted on the Group's main peers, as well as on some of ADR's key customers and sector's best practices, in line with the materiality analysis. The analysis also considered the requests of rating agencies such as Eco Vadis and CDP.

As part of the ongoing risk assessment process, the Group regularly evaluates compliance and regulatory risks, including legal risks, risks related to anti-competitive practices, corruption, business ethics risks. The objective is to assess the likelihood and potential impact of these risks on the Group's business and activities

This enables the Group to identify plants that may be more vulnerable to these risks in the short, medium, and long term. Appropriate remedial actions will be then defined to address the identified highly relevant risks. Additionally, close attention will be paid to regulatory and market requirements to ensure compliance with increasingly stringent laws and regulations.

Shared Value Creation

The shared value creation is a fundamental aspect that showcases ADR's ability to conduct its business and activities effectively. It is also a testament to ADR's commitment to contribute to the development of its stakeholders.

Economic value generated and distributed	u.m.	2022	2023	2024	2025
Economic value generated	€	**251.059.819**	**227.048.910**	**186.167.705**	**203.574.527**
Economic value distributed		**65.692.401**	**68.167.358**	**63.282.934**	**70.064.101**
Operating costs		26.362.259	25.323.812	23.136.894	27.864.077
Remuneration of personnel		33.092.339	33.943.559	34.871.939	36.874.209
Remuneration of providers of financial capital		912.968	1.903.374	1.763.991	1.230.629
Remuneration of public institutions		5.022.835	4.080.603	3.260.110	3.825.186
Investments in communities		302.000	280.000	250.000	270.000
Economic value retained		**185.367.418**	**158.881.552**	**122.884.771**	**133.510.426**

In 2025, ADR generated an economic value amounting to nearly **204 million euros**. The Group's result in 2025 showed an **increase of 7,95% in margin** compared to that of the previous year, and an **increase in turnover of 8,5%** and **68 Countries served in the word**, good result, considering the current global economic context in which demand growth slowed mainly due to the weakness of the manufacturing sector, the decline in domestic demand in some countries, the restrictive monetary policies still applied by the most important Central Banks, the uncertainties arising from geopolitical conflicts and trade tensions.

Recognizing the pivotal role of employees, ADR values their contributions and prioritizes their well-being. The distribution of economic value translates into competitive wages and benefits, a robust professional development program, and the provision of safe and equitable working conditions. ADR also actively promotes diversity and inclusion within the organization, fostering opportunities for personal growth and leveraging the diverse talents of its employees.

The distribution of economic value towards the public administration underscores ADR's commitment to complying with laws and tax regulations. By fulfilling its financial obligations, ADR significantly contributes to public revenues, thereby supporting the development of the communities in which it operates.

Lastly, ADR acknowledges its responsibility to the community by allocating a portion of the economic value generated to support social, environmental, and cultural initiatives. This contribution is aimed at enhancing the quality of life and promoting sustainable development in the areas where ADR is present.

Cybersecurity & Digitalization

Digitalization and cybersecurity have become increasingly important in today's interconnected world due to the widespread use of technology and the growing reliance on digital systems. At ADR, digitalization and cybersecurity granted to the Company the possibility to prevent unauthorized access to data and to determine whether an information has been accessed or modified and who did it. They also noticed an incremented efficiency of processes due to a complete and solid access to data. Moreover, digitalization has brought greater productivity and sustainability in the company.

Sure enough, the ADR Group believes in modernity and supports the **4.0/5.0 transition** through investment in digitalization and interconnected machinery and equipment, in fact during 2022 and 2023 several 4.0 investments were made in many companies of the Group

In ADR Italy and ADR Poland, was carried out a huge project concerning a new automated compactable warehouse managed through a software interface that connects the warehouse to the ERP. In addition, production machines and assembly lines were interconnected with the production scheduler in order to receive production orders and automatic work-in-progress status. There have been investments 4.0 also in the field of logistics with pallet identification via RFID for internal handling and automatic pallet measuring system for shipment.

In ADR Poland, the focus has been on the automation of the shuttle service of the production lines and the interconnection to the automatic warehouse.

To ensure a **secure digital environment**, ADR has implemented various policies and measures. These include enforcing password expiration, adopting multi-factor authentication, implementing firewall and LAN segmentation, conducting network monitoring, and enforcing automatic timeouts for account lockouts. Strengthened policies for firewall, antivirus, antispam, MDR, backup, and cyber insurance are also in place. User training is conducted to enhance familiarity with new applications and processes, minimizing potential vulnerabilities.

The implementation of these measures has enabled the prevention of unauthorized access to data and facilitated the ability to detect any unauthorized access or modifications, along with identifying the responsible parties.

To continually improve **cybersecurity** and **digitalization** efforts, regular evaluations are conducted. This involves extracting data from the internal ticket system monthly and comparing it with historical data from similar time intervals in previous years. Key performance indicators include the number of support tickets issued by users, time taken to close tickets, time spent on tickets, and the number of ticket escalations.

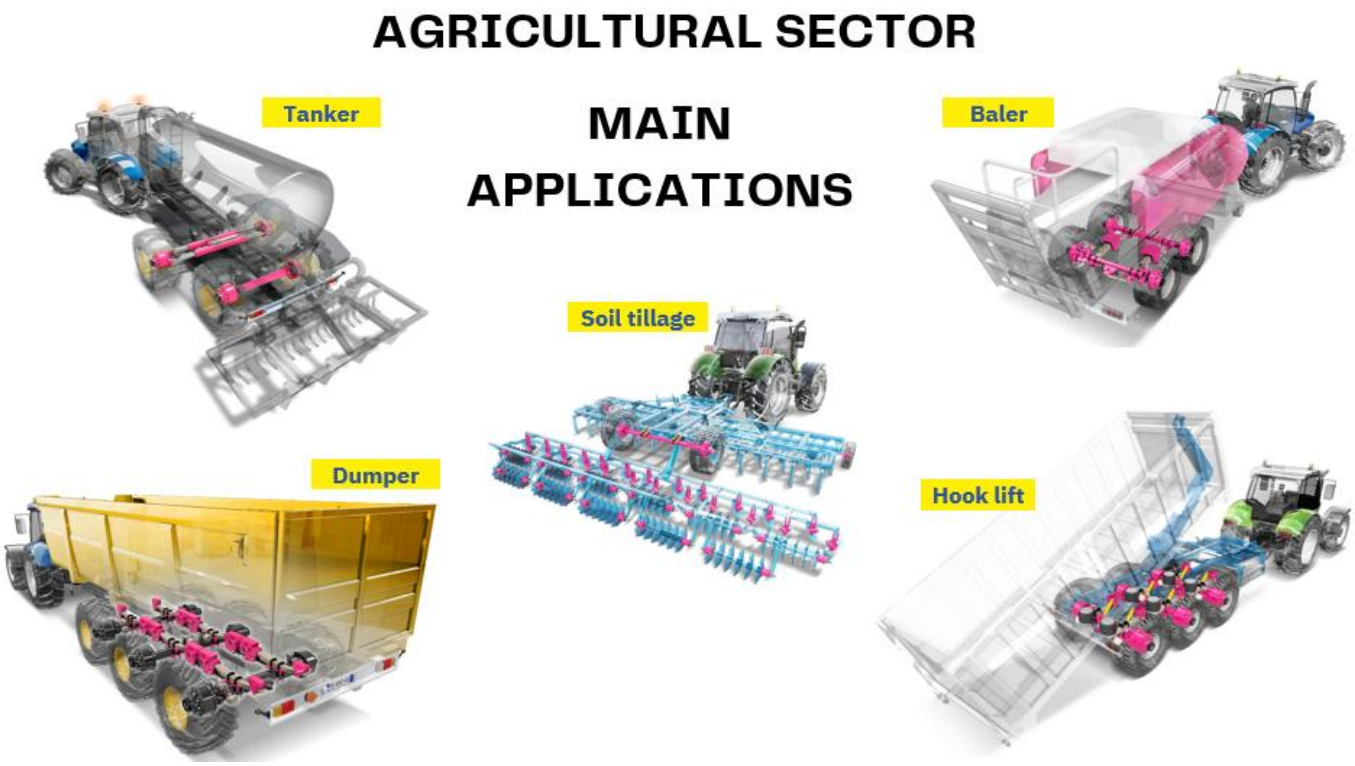
In conclusion, ADR acknowledges the significant benefits of digitalization and cybersecurity while recognizing the challenges they entail. The company remains committed to prioritizing data privacy, strengthening cybersecurity measures, and continually improving digitalization efforts to ensure the security and integrity of systems and data.

During the reporting period, ADR received zero substantiated complaints regarding breaches of customer privacy or losses of customer data. This signifies the effectiveness of the company's robust cybersecurity measures and demonstrates its commitment to protecting customer information. ADR's dedication to maintaining a secure environment for customer data underscores its focus on privacy and instills confidence in its customers regarding the protection of their sensitive information.

ADR Italy has taken out an Insurance Policy that provides both indemnity, and compensation guarantees to third parties who have suffered damage, real or alleged, because of a breach of the company's system. Also, a Group-wide multiple SOPHOS endpoint threat protection Endpoint Detection and Response (EDR) Extended Detection and Response (EDR) system was purchased. Penetration tests and vulnerability assessments are conducted each year by an external party. Moreover, training on cybersecurity topics is provided to the employees.
The insurance coverage for cyber risks has been extended to all the Group's production companies and subsequently to the commercial companies.

Product

Main applications



Customer Satisfaction

Customer satisfaction is of utmost importance to ADR Group. It serves as the cornerstone for their business success and growth. By ensuring that Customers are pleased with their products, services and overall experience, ADR Group can promote loyalty and maintain a strong reputation. Satisfied Customers are more likely to continue doing business with ADR Group, leading to increased repeat purchases and long-term partnerships.

Additionally, Customer satisfaction provides valuable feedback that enables ADR Group to continually improve and refine their offerings to better meet customer needs and expectations. Through their customer-centric approach, ADR Group strives to create exceptional experiences that not only meet but exceed Customer satisfaction, ultimately solidifying their position as a trusted and preferred provider in the market.

ADR Group places great importance on feedback as a catalyst for ongoing enhancement. They adopt a holistic approach to Quality Management and Customer Service, encompassing a 360° perspective. This approach involves continuous monitoring of customer satisfaction to drive improvements. Regular quality meetings are conducted with stakeholders, meticulously examining KPIs to identify areas for enhancement.

Product Quality & Safety

ADR is committed to ensuring high product quality and safety, resulting in several positive impacts. The application of stringent quality standards enables products to have an extended service life, reducing the need for replacements or repairs and providing cost savings for customers. Moreover, the operations of ADR's products exhibit improved operating efficiency, leading to reduced expenses, lower consumption, and minimized environmental impact. Additionally, the reliability of ADR's products contributes to decreased machine downtime for maintenance, enhancing operational performance for end-users. The organization also prioritizes easy maintenance, simplifying routine product upkeep and ensuring safety during maintenance operations.

ADR takes pride in its commitment to conducting activities that do not contribute to negative impacts. The organization ensures that its production processes prioritize the safety of people and their surroundings. To maintain this commitment, ADR requires suppliers to adhere to its specifications, which align with international material safety regulations such as RHOSS and REACH. Furthermore, ADR's products undergo rigorous testing and homologation by TÜV and Cemagref to ensure they meet the highest standards of breaking capacity and safety.

ADR adheres to international material safety standards in its production processes. Specifically, the organization strictly avoids the use of materials such as asbestos for brake pads and Cr6 for galvanic coatings. ADR holds ISO 9001:2015 certification, demonstrating its commitment to quality management systems. Additionally, the company has obtained KBA certification across all its production sites, underscoring its dedication to meeting industry-specific requirements.

All ADR production sites ADR are certificated ISO 9001. In the next 2 years 50% of the sites will have ISO14001 certification too.

All ADR production sites are applying CoP procedure too,

Conformity of Production (CoP) is a means of evidencing the ability to produce a series of products that exactly match the specification, performance and marking requirements outlined in the type approval documentation

To verify that the main characteristics certified during product approval are maintained, each production site, once a year, takes a sample from the mass production and sends it to headquarters for verification of the CoP.

All purchased products comply with international standards and/or adhere to ADR Group specifications. Each component is assigned a unique code through labeling or markings. Suppliers provide certificates for each delivery, confirming the required characteristics such as chemical analysis, mechanical properties, and galvanic coating. ADR strictly prohibits the use of hazardous materials such as chromium 6 and asbestos. In addition, the Group's companies use a specific water-based paint, which reduces the chemical impact and the emissions of gases during the production and painting phase.

To maintain product quality, ADR employs various measures, including supplier qualification audits conducted by Headquarters to ensure their suitability. Material analysis is performed both by the supplier

and within the ADR Group. ADR Italy operates a state-of-the-art Test Center equipped with advanced benches and machines that subject products to rigorous testing until they reach their breaking point. Breaking tests are also conducted on components and axles. Test centers are established across all production sites, adhering to standardized procedures for comprehensive product testing. Quality managers perform group audits at various production sites to assess product quality, processes, and overall production standards. Through robust traceability measures, the organization can efficiently execute product recalls in a safe manner, particularly for non-conforming and potentially hazardous items. To inform customers about the quality of materials used in product construction, the organization employs various communication channels, including its website, printed materials, and targeted marketing efforts.

The organization's commitment to quality management and customer service is demonstrated through effective tracking by:

- 360° approach to Quality Management and Customer Service, encompassing the monitoring of customer satisfaction and a continuous improvement process. This involves conducting monthly quality meetings attended by quality operators, managers, and plant managers, along with the verification of key performance indicators (KPIs).
- Customer Satisfaction is evaluated using four indexes, namely Quality, Service, Costs, and Turnover, in accordance with the rules set by the International Customer Satisfaction (ICS) framework.
- Biannual verifications of indicators and takes appropriate improvement actions as needed, ensuring ongoing enhancement in performance.
- Change procedures, utilizing quality alerts, and provide employee training and information to uphold quality standards and facilitate effective communication and knowledge transfer.

ADR maintains a proactive approach to quality and safety by implementing change procedures, issuing quality alerts, providing employee training and information, and conducting regular supplier evaluations to drive corrective and improvement actions.

A monthly quality meeting is conducted to ensure the quality department stays informed about key performance indicators (KPIs) and to discuss ongoing improvements, analyze issues, risks, and potential solutions. Additionally, an annual quality meeting takes place with top management and quality managers, where comprehensive improvement analysis is performed, addressing challenges, and identifying solutions. Suppliers are regularly informed about their quality and safety index and scores every six months, and corrective or improvement actions are requested as necessary. Every two years, a survey on quality and safety is distributed to all customers to gather their feedback, and customer satisfaction is evaluated every six months.

During the reporting period, 100% of significant product or service categories are covered by and assessed for compliance with these procedures and zero incidents of non-compliance concerning product and service information and labeling were reported.

All ADR companies, are **ISO 9001** certified.

QADR is certified ISO 14001 and ISO 45001

ADR Italy is certified ISO 14001 and SA8000

ADR Polska / WPS will have the certification ISO 14001 and ISO 45001 by end of 2027.

The Group is committed to extend the Environmental and Safety Certification to other sister companies.

The Group's companies can count on internal procedures for COP (Conformity of Products) applied to ensure the quality and efficiency levels of products.

In addition, TÜV (Technischer Überwachungsverein) regularly performs inspections for the issuance of KBA certifications through audit activities. In addition, the quality and certification institute

TÜV (Technischer Überwachungsverein) regularly performs inspections for the issuance of KBA certifications through audit activities. The KBA certifications from the Germany's federal motor transport authority includes all the safety requirements established by the German Traffic Laws (StVZO). The KBA certificate is issued only by Certification Bodies designated by the same KBA and is mandatory for the sale of alloy wheels in Germany.

Product Innovation

The ADR Group is committed to product innovation that drives positive impacts and addresses sustainability challenges. Through continuous improvement and customer focus, the organization strives to meet the evolving needs and preferences of its customers. Market surveys and customer feedback are utilized to gain insights and develop new products or enhance existing ones accordingly. The ADR Group actively monitors technological advancements, enabling the adoption of new technologies that provide a competitive advantage. Collaboration with suppliers, other businesses, research institutions, and customers is fostered to foster innovation by gaining diverse perspectives and generating new ideas.

To ensure sustainable product innovation, the ADR Group follows a comprehensive approach. A sustainable product innovation strategy is developed, considering environmental, social, and economic factors such as resource efficiency, waste reduction, and social impact, based on the following pillars:

Customer focus	Technology adoption	Collaboration	Continuous improvement	Risk-taking
• to create a competitive advantage the customer is put at the center of the product innovation process. Survey market and get customer feedback to understand their needs, preferences, and feedback is fundamental for ADR Group. The information obtained are analyzed to develop new products or improve existing ones that better meet these needs.	• the evolution of technology is monitored constantly. The possibility to adapt quickly new technologies can provide an advantage on competitors.	• collaboration with suppliers/other businesses, research institutions, and customers can help ADR to improve innovation. Partnering with others can bring different perspectives and new ideas.	• successful product innovation requires a commitment to continuous improvement. The collection of data and feedback on existing products, analysis, and use of the insights help to adjust and improvements that keep products reliable and profitable.	• product innovation involves some degree of risk-taking. An extended validation process with careful planning and testing it's applied to minimize potential negative impacts.

Lessons learned from previous projects are incorporated into operational policies and procedures to enhance future innovation efforts. One notable practice is the implementation of a public distribution list, which facilitates the sharing of key development outcomes, including drawings, reports, certifications, and other relevant documentation. This information is disseminated among stakeholders within the organization through a centralized documentation distribution list. To ensure proper management, all documents are

securely stored and classified, with distribution based on the respective confidentiality levels assigned. By incorporating these measures, the ADR Group ensures that valuable insights and information are effectively communicated, promoting transparency, and supporting informed decision-making throughout the organization.
To manage and evaluate the effectiveness of their actions, the ADR Group implements processes and tools. The methodology of Plan-Do-Check-Act (PDCA) is employed to track progress and ensure the effectiveness of activities. Key tools and indicators are utilized to monitor project workload, timing, and departmental progress in product development:

1. Planning tools: scheduling of the activities and definition of goals based on available resources and priority list.
2. Basic Indicators: informatic tools allows registration of the activities and communication of progress through mail distribution to stakeholders.
3. Key Performance Indicators (KPIs): KPIs to trace project workload and timing for departments involved in Product Development.

Regular meetings with managers from various ADR Group companies provide a platform for sharing updates, results, and achievements in product innovation.

These meetings, held on a weekly or fortnightly basis, are conducted with managers from the affiliated companies of ADR Group and serve as a platform to share comprehensive updates on product Innovation, including results, accomplishments, and targets. A detailed quarterly report is generated, providing comprehensive information on the activities and initiatives undertaken in the field. This report encompasses a range of actions, highlighting the progress made and outlining future plans and strategies.

Each year, in person meetings are organized to define the development objectives and analyze stakeholder expectations. These consultations bring together relevant stakeholders, enabling in-depth exploration of goals, strategies, and insights related to product innovation. By conducting these consultations, the ADR Group ensures alignment and collaboration among stakeholders, fostering a shared understanding of the organization's development objectives.

By implementing these strategies and actions, the organization aims to ensure the development of innovative products that meet the highest standards of quality, efficiency, and sustainability.

At Group level, the R&D departments are studying and assessing initiatives for the weight reduction in products' components, resulting in reduced emissions in the production phases, reduced amount and impacts of raw materials, reduced transportation trips and achieving general cost benefits.

ADR Group continues to produce sustainable **products (maintenance-free and fully recyclable)**

maintenance
free products

Sustainable Production

ADR Group is committed to sustainable production practices that prioritize environmental responsibility and the preservation of natural resources for future generations. To ensure sustainable production, ADR follows a comprehensive approach that encompasses various phases, including product development and design, raw material procurement, production, distribution and logistics, product use, and disposal and recycling. Investments in research and development are directed towards using components and products with a lower environmental impact, such as reducing the number of components and using lighter structures. Process and product engineering focus on energy-saving machinery, while supply chain and purchasing departments ensure responsible sourcing. ADR recognizes that pollutants are emitted into the soil, air, and water throughout the production process and along the entire supply chain.
ADR's commitment to sustainable production involves several key objectives.

Firstly, ADR aims to enhance awareness of sustainability principles through initiatives like the Sustainable Standards Program and internal management meetings. Secondly, the company takes proactive measures to prevent or mitigate potential negative impacts within its plants. This includes managing welding processes with appropriate smoke extraction systems, equipping painting cabins with water recirculation systems, investing in a photovoltaic plant to reduce reliance on traditional energy sources, providing personal protective equipment, implementing procedures for appropriate industrial waste disposal, and optimizing material flow and logistics to minimize transfers within the group and overseas transports from APAC and EMEA supply markets.
Furthermore, ADR Group is dedicated to progressively consolidating and improving its ESG-related actions. The company extends best practices to production sourcing contracts within its supply chain, fostering a continuous cycle of corrective and improvement actions. By implementing these measures, ADR strives to achieve sustainable production while aligning with ESG principles throughout its operations and supply chain.

Supply Chain

ADR Group is a company operating in the **agricultural and road sectors**, providing a wide range of products and services. Its offerings include axles, suspensions, brake systems, spare parts, as well as systems, technical solutions, and services tailored for agricultural applications. ADR Group has established its own value chain, which encompasses internal bodies such as departments, plants, and sister companies, as well as external entities like suppliers. Each participant in the ADR supply chain plays a vital role in contributing to the overarching objective of satisfying stakeholders, creating value, and pursuing sustainable business practices.

ADR Group applies SCC project to find and develop new Local suppliers

Number of local suppliers	u.m.	ADR Group
Local suppliers	n.	1198
Total number of suppliers		1836
Percentage of local suppliers	%	65,3%

Expenditure from local suppliers	u.m.	ADR Group
Purchases from local suppliers	Euro	12.078.893,67 €
Total purcheses from suppliers	Euro	48.862.962,79 €
Expenditure from local suppliers	%	24,7%

ADR's policies prioritize health and safety as the foremost value to uphold within its plants, and the company considers environmental responsibility a strategic asset worth investing in to maintain sustainable and long-term business relationships. By adhering to these principles, ADR aims to effectively control environmental impacts and foster a more sustainable production.
As part of its Sustainability Plan, ADR is introducing a set of KPIs for sustainable production linked to ESG objectives. The purpose is to monitor the progress made in achieving the established targets on a year-over-year basis. A future objective of ADR is the extension of procedures aligned with the ISO 14001 standard (Environmental Management System) and ISO 45001 (Health and Safety Management Systems). These practices will be implemented within the three-year period of 2025-2027, ensuring that ADR continues to improve its environmental and health and safety performance based on internationally recognized standards.

Responsible Supply Chain

The ADR Supply Chain organization actively involves and collaborates with various operations within the company, including Sales, Planning, Production, Purchasing, Quality, Suppliers, and the other Group companies. Its primary objective is to establish and coordinate activities related to design, planning, optimization and integration of processes and flows (material, information, financial) spanning from sub-suppliers to the final Customers. These activities are geared towards satisfying customer needs through synchronized and shared value-added processes. ADR Group's supply chain covers the entire process, from product design and manufacturing to sales and servicing, satisfying different agricultural requirements. The company's products are sold across regional areas including EMEA, APAC, NA and LATAM, ensuring compliance with international and national laws and regulations. Notably, ADR Group sustains the principles and rules outlined by Mineral Conflict, ensuring that product development, design and manufacturing adhere to their guidelines.

During 2025, data on more families of materials were entered (automatic collection by Group portal). The result is accurate data collection that is aligned with the group's reality. This will allow us to better identify areas for improvement and adopt targeted actions.

USED MATERIALS	u.m.	2025	2024	2023	2022
Materials purchased	t	**110.878,14**	**51.540,97**	**52.078,54**	**52.611,80**
Steel rough material		62.828,79	20.483,97	24.053,00	24.279,00
Ductile cast iron		7.586,14	6.176,08	7.651,50	7.817,23
Leaf spring		7.00,03	6.091,53	6.345,00	6.231,06
Grey cast iron		7.229,06	6.483,83	6.845,00	6.169,60
Taper roller bearing		1.510,79	1.262,21	1.584,00	1.801,83
Cast steel		2.456,36	1.949,14	2.029,60	2.301,33
Forging steel		4.425,84	3.424,10	2.126,90	2.842,50
Carpentry		1.905,58	1.759,20	1.443,54	1.169,25
Brake Shoes / Lining		3.092,37	2.504,37	/	/
Studs / Nuts		1.674,09	974,66	/	/
U-bolts		518,67	431,88	/	/
Wheels		2.857,35	/	/	/
Tyres		2.728,02	/	/	/
Final products (Axles, suspensions …)		4.320,31	/	/	/
Recycled materials (Received)		**5.900,8**	**1.037,50**	**865,00**	**665,00**
Carton box / Paper		124,01	91,00	154,00	70,00
Wooden pallet		1.536,07	828,00	711,00	595,00
Iron		3.939,02	118,5	/	/
Plastic		300.38	/	/	/
Not Recycled materials (Waste)		**1.790,9**	**31,99**	**/**	**/**
Carton box / Paper		3,00	1,99	/	/
Wooden pallet		73,18	30,00	/	/
Iron		644,75	/	/	/
Plastic		1.070,00	/	/	/
Materials Sold		**96.979,2**	**78.642,46**	**nd**	**nd**
% Material recycled / purchased (301-3)		**5,3%**	**2,1%**	**1,66%**	**1,26%**
% Material recycled / material received for packaging and production scraps		**69,8%**	**3%**	**nd**	**nd**

In 2025, the organization recycled 69.8% of the material received for packaging and production scraps (paper, plastic, packaging iron, etc.)

It is important to point out that recycled material has significantly increased, demonstrating the correct data analysis and the effectiveness of the actions that ADR Group is applying.

Note: Due to the intrinsic characteristics of the business, most materials used are assimilable to iron and steel and are fully recyclable but non-renewable.

ADR Group Supplier Code of Conduct

Introduction

ADR Group pays great attention to the principles of Environmental, Social and Governance responsibility (ESG) and, based on these relevant values, makes the most appropriate choices to select its Suppliers.

Suppliers of ADR Group are selected not only for top Quality and competitiveness level of products and services provided, but also for the strong will and determination to match social, ethical and environmental principles in order to be able to assure a reliable and lasting relationship with our Companies and our Customers.

As a matter of facts ADR Group believes that carrying on and developing business in a socially responsible and ethical manner, in compliance with the laws and regulations of those countries in which we operate, is a strategic key factor for a long-term success; in this perspective, this Suppliers Code of Conduct promotes ADR Group ethical standards and principles in our Supply chain and sets out our supplier sustainability and responsibility aspirations.

To reach this goal, this Code of Conduct defines the guidelines that a Supplier has to observe and meet as a business partner of ADR Group, as well as to ensure that these requirements and expectations are also transferred appropriately to your downstream partners in the supplier network.

And to achieve this scope in effective way this Supplier Code of Conduct sets out the ADR Group minimum requirements based on UE legal regulations, as well as internationally recognized standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, as well as the ILO core labor standards and the principles of the UN Global Compact.
Full compliance with the following minimum requirements is a binding part of the ADR Group purchasing terms and conditions and nothing in the Code shall prevent Suppliers from exceeding these standards.

Any deviation and or violation of this Supplier Code of Conduct may expose to serious risks the Supplier's business relationship with ADR Group, up to cause an interruption of commercial relations.

It's in this spirit that ADR Group Supplier Code of Conduct sets out the principles, expectations and behaviors we require our Supply Chain partners to adhere to, with an unconditioned engagement for the following specific subjects:

- Governance: Responsible Business, Integrity and Ethics
- Environmental responsibility
- Corporate Social responsibility and Human rights
- Occupational Health and Safety

and establishes appropriate monitoring and remedial actions in order to supervise the adherence of all Suppliers with the Supplier Code of Conduct ADR Group.

Circular Economy

In today's world, where environmental sustainability has become a paramount concern, companies are increasingly adopting the principles of the circular economy. ADR is no exception and strives to embrace these principles to promote a circular future.
ADR Group is dedicated to incorporating sustainable practices into its operations, with a strong focus on eco-design and circular economy principles. Eco-design involves integrating environmental considerations into product design and development, aiming to minimize the environmental impact throughout the entire lifecycle of the products. The circular economy revolves around three fundamental principles: eliminating waste and pollution, circulating products and materials, and regenerating nature. By adhering to these principles, ADR aims to minimize its ecological footprint and contribute to a more sustainable and prosperous society.
ADR Group recognizes the positive impacts of these approaches, such as reduced environmental impact, increased efficiency and cost savings, and improved product quality. However, it also acknowledges the potential negative impacts, such as increased costs and the need for upfront investment. To address these challenges, ADR Group aims to implement the following measures:

- **Design for disassembly and recycling**: ADR Group emphasizes designing products with disassembly and recycling in mind. This approach facilitates the reuse and recycling of materials, reducing waste and promoting a more circular economy.
- **Compliance with directives**: ADR Group adheres to directives such as REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances) to avoid the use of toxic and banned materials. This commitment ensures the safety and sustainability of its products.
- **Procurement policies**: ADR Group is working on integrating its procurement policies to actively avoid the use of conflict minerals. This practice will promote responsible sourcing and contribute to the reduction of negative social and environmental impacts associated with mineral extraction.
- **Products (maintenance-free and fully recyclable): the new projects and the improvement of existing ones aim at eliminating maintenance and completely recycling materials**

ADR Group integrates eco-design principles into its product development process, considering the entire lifecycle of the product. This involves designing for easy disassembly and recycling, reducing energy consumption during production, and minimizing the use of rare earth elements.
ADR Group also employs strategies to minimize waste generation throughout the production process. These strategies encompass comprehensive design studies to reduce waste, optimize material usage, and establish effective recycling systems for scrap materials.
ADR takes proactive actions, including implementing circularity measures, to prevent waste generation throughout its own activities and along the entire value chain. During the Product Development phase, comprehensive analyses are conducted as part of the feasibility evaluation for each component. These analyses carefully consider the amount of waste or scrap generated during the production process, with the aim of minimizing it. ADR extends this analysis upstream to assess the impact on the processes of its suppliers, emphasizing the importance of waste reduction and sustainability across the entire supply chain. Additionally, ADR focuses on optimizing the movement of goods by studying and designing specific packaging solutions.
This approach aims to streamline and optimize transportation and storage operations, leading to a reduction in handling operations, costs, and carbon emissions associated with logistics.
By addressing waste generation and implementing efficient practices, the Group actively manages and minimizes significant impacts related to waste throughout its operations and value chain, fostering a more sustainable and environmentally responsible approach.

ADR Group has developed its own metal packaging for its products, which is entirely reusable either by the customers to whom the products are sent to and by the inter-Group companies that can collect it. This packaging allows a reduction of virgin material use and incentivize a circularity approach.

Therefore, at the Group level, wooden packaging is being eliminated as much as possible and more and more efforts are being made to make special metal packaging. Therefore, at the Group level, wooden packaging is being eliminated as much as possible and more and more efforts are being made to use this metal packaging. The goal is to reduce the quantities used while ensuring the same performance. Currently, an assessment is underway to determine the potential reduction in the variety of materials utilized in product creation. The objective is to minimize the quantities employed while maintaining the same level of performance.

Other targets include reducing container transport by evaluating the ratio of containers to total pieces delivered on a year-over-year basis, lowering containment means costs by reducing expenses for wooden pallet recovery, transitioning from steel casting to welded metal sheets, optimizing internal material flow and picking through the use of Warehouse Management Systems (WMS), and significantly reducing energy consumption by to replace electric forklift trucks with automated shuttles at the ADR, ATW, and COLAERT plants.

Metal packaging 100% re-usable

automated shuttles

Metal packaging 100% re-usable

automated shuttles

Environment

Environment

Energy Efficiency & Climate Change

In today's rapidly changing world, addressing energy efficiency and climate change has become a top priority for businesses across industries. ADR Group recognizes the significance of these challenges and is committed to implementing sustainable practices to mitigate its environmental impact.

ADR understands that improving energy efficiency not only reduces greenhouse gas emissions but also offers long-term benefits in terms of cost savings and resource conservation. By adopting a comprehensive approach that encompasses energy management, emissions reduction, and the adoption of renewable energy sources, ADR is dedicated to achieving its goals and making a meaningful impact in the fight against climate change.

ADR Group strives to reduce emissions by implementing revisions to the production cycle and implementing continuous preventive controls. Whenever feasible, the company focuses on minimizing its environmental impact. Measures such as installing low-consumption lighting, incorporating photovoltaic systems, and reviewing workplace temperatures have a positive impact on the overall energy efficiency and climate change.

Our target is to 2050 Carbon neutrality (2023, 2030, 2050)

Baseline and Strategy Development

2022

End Y2025: CO2 issued (Scope 1 and 2) = -16,3%

-50% (CO2 issued) Scope 1 and 2

2030

Carbon Neutral

2050

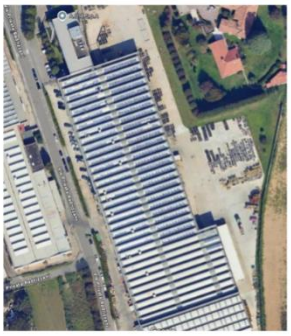
Main actions applied

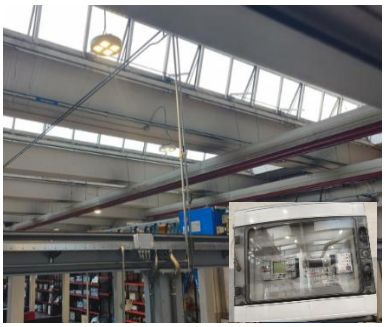
ADR Group

All companies: Purchase of **electricity from renewable sources**.

ADR Italy

Installation and working of photovoltaic systems, retrofitting both new and old machines, replace radiant heating using automatic temperature control, progressive replacement of lighting lamps LED, recover oil and water and produce immediately reusable scrap.





ADR China

application of Paining VOC disposal equipment, finish mechanical lathe fume filter equipment, wastewater treatment equipment, working of photovoltaic systems, progressive replacement of lighting lamps LED.

ADR Polska
reduction of diesel forklift using "**automated shuttles**", replacement of transformation cabin; LED lamp system with presence sensor (drastic reduction in electricity consumption)

ADR Brazil Changed our enegy supplier to 100% renewed, changed 100% of our lamps with LEDs based.
Transluced tiles is implemnted, Old welding machines 100% substituted.
Old LPG forklif 100% substituted for electric regargeble ones.

Colaert France has replaced normal light with led type.

Main improvements detected

The results, compared with Y2022, show an important improvement at level of emissions, water consumption and waste recycled.

Direct and indirect emissions	u.m.	ADR Group 2025	ADR Group 2024	ADR Group 2023	ADR Group 2022
Total direct (Scope 1) **emissions**	t, CO_2e	**2.639,61**	**2.431,66**	**2.479,38**	**2.828,00**
Total indirect (Scope 2) emissions – Location based		**3.462,30**	**2.067,12**	**2.560,20**	**2.595,00**
Total indirect (Scope 2) emissions – **Market based**		**2.896,40**	**208,9**	**0**	**0**

Scope 1 = From non-renewable sources + From company owned vehicles

Scope 2 Location base= Electricity (from non-renewable + renewable sources)

Scope 2 Market based = Energy purchased from renewable sources

- **7% Scope 1** (fuels emissions)

-16,3% Scope 2* (Electricity emissions) *Market based/Local based

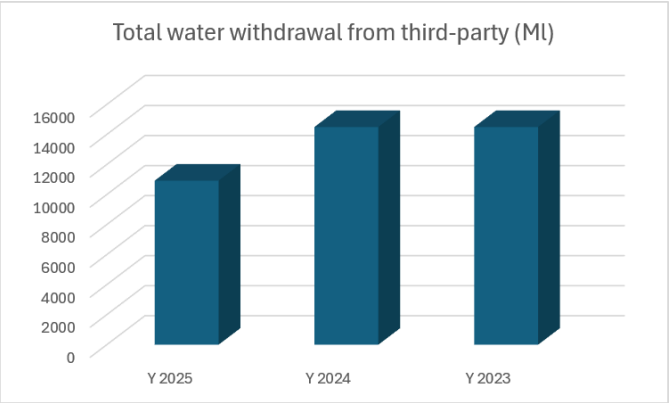
Emissions intensity		ADR Group 2025	ADR Group 2024	ADR Group 2023	ADR Group 2022
Emissions intensity GHG	t, CO_2e / ta	**0,050**	**0,087**	**0,097**	**0,103**

Emissions intensity		ADR Group 2025	ADR Group 2024	ADR Group 2023	ADR Group 2022
Emissions intensity GHG	t, CO_2e / tv	**0,057**	**0,062**	**0,065**	**0,070**

- 52% - EMISSION INTENSITY (t, CO2e / t purchased)

- 19% - EMISSION INTENSITY (t, CO2e / t sold)

Water withdrawal by source	u.m.	ADR Group 2025	ADR Group 2024	ADR Group 2023	ADR Group 2022
Total water withdrawal from third-party	Ml	10926	14.501	14.500	13.378
freshwater (≤1,000 mg/L Total Dissolved Solids)		10926	14.501	8.583	10.891



- 25% Water consumption

Social

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES

Social

Social

Diversity, Equity & Inclusion

People and social topics hold great significance for the ADR Group and its business due to several reasons.

Employees are a crucial asset for the company, and their well-being and satisfaction directly impact productivity and overall performance. Prioritizing people-centric initiatives such as fair compensation, employee development programs, a safe and inclusive work environment, and work-life balance helps attract and retain talented individuals, fostering a positive and motivated workforce.

Moreover, the ADR Group operates within various communities where it has a presence. Engaging with these communities, **understanding their needs, and contributing to their well-being helps build strong relationships and enhance the company's reputation**. Social initiatives like community development projects, supporting local education or healthcare, and promoting sustainable practices not only benefit the communities but also create a positive image for the ADR Group.

Diversity, equity, and inclusion are integral values embraced by ADR Group, recognizing the importance of creating an inclusive and equitable workplace for all employees.

ADR understands that a diverse workforce, consisting of individuals from various backgrounds, perspectives, and experiences, fosters innovation, creativity, and a vibrant work environment. The ADR companies worldwide are committed to promoting equal opportunities and eliminating any form of discrimination or bias in its recruitment, promotion, and professional development processes.

ADR strives to cultivate an inclusive culture where every employee feels valued, respected, and empowered to contribute their unique talents and perspectives. Through proactive initiatives, diversity training, and the establishment of inclusive policies, ADR Group will aim to create an environment that celebrates and leverages the richness of diversity to drive organizational success and create a more harmonious and fair society.

ADR Group monitors employee satisfaction using specific indicators. Continuous improvement actions are implemented at all levels. Employee suggestions are carefully analyzed.

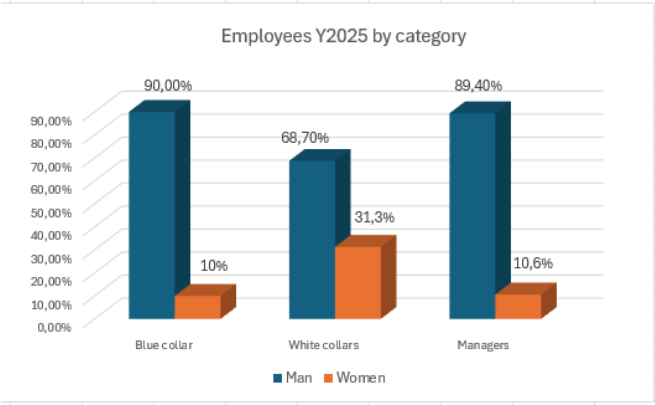
	Y2025	Y2024	Y2023	Y2022
Number of employees	1.183	1.109	1.206	1.266
Absenteeism	4,38%	5,05%	4,59%	4,20%

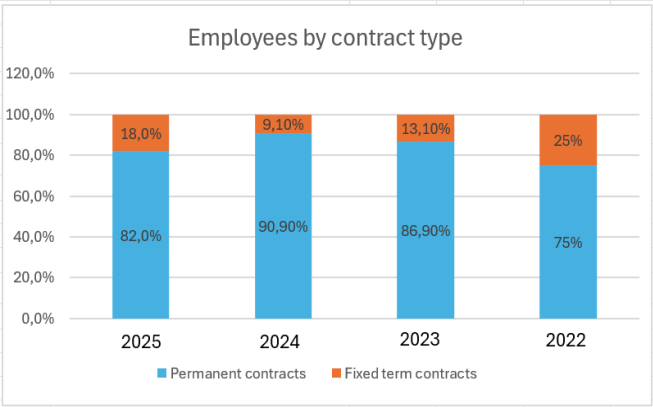
In Y2025 the total number of employees of the Group increased by 6% and the absenteeism has decreased by 13,27%. The result shows that the actions applied and in the process of being applied will improve employee satisfaction.

The majority of the workforce is composed by men, accounting for the 86,23% of the total, while the remaining **13,77% are women**. The ADR Group is aware of the importance that new generations represent for the growth of the company, under innovation, cultural, and sustainability points of view, as they are fully prepared on new trends that characterize nowadays our changing business context. In Y2025, 13,4% of ADR employees were under the age of 30, while 60,4% were between 30 and 50 years old. **The average age is constantly decreasing, demonstrating ADR Group's desire to guarantee a future for new generations.**

Employees by age	UM	2025			2024			2023			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total	n.	1020	163	1.183	972	137	1.109	1033	173	1.206	1.094	172	1.266
< 30 years old		132	27	159	111	116	127	148	19	167	200	28	228
30-50 years old		618	97	715	594	87	681	638	120	758	602	101	703
> 50 years old		270	39	309	267	34	301	247	34	281	292	43	335

In order to guarantee stability to its workforce, the majority of employees (82%) have permanent contracts. This confirms that the Group is available to satisfy the needs and requirements of its employees through part-time contracts





ADR Brazil is certain that the inclusion, equity, and diversity of its workforce are important drivers for the continuous growth of the company. Communication and actions are an important part of the promotion of a culture that is based on inclusion, equity, and diversity. ADR Brazil improved its infrastructure and communication channel to promote adequate areas and free speech for any gender-related issues.

ADR Italy embraces an informal inclusion policy that emphasizes the importance of non-discrimination based on age, race, gender, religion, and political opinion. They believe in creating a diverse and inclusive work environment where every individual is treated with respect and fairness. The company is committed to providing equal opportunities to all employees, regardless of their background or personal characteristics. They firmly reject any form of discrimination and strive to foster an inclusive culture that values diversity and promotes a sense of belonging for everyone.

ADR Poland is committed to promoting diversity and inclusivity in its recruitment process. The company ensures that workers from different age groups are hired, fostering a workforce that represents a range of experiences and perspectives. While the local community may not be diverse in terms of culture, ADR Poland also employs individuals from other countries, primarily Ukraine, embracing a multinational workforce. Regardless of race, age, sex, nationality, or religion, employees are not subject to discrimination. This commitment is outlined in the company's Rules and Regulations, which employees are familiarized with on their first day of work and whenever there are updates. Separate information on working conditions is provided to employees when signing their employment contracts. HR conducts exit interviews to collect feedback from departing employees, with a focus on fair treatment and non-discrimination in the workplace. ADR Poland strives to create an inclusive and equitable environment where every employee feels valued and respected. Discrimination prevention rules are in place and communicated to all employees, while employee rights are clearly communicated in writing.

Talent Attraction & Retention

Talent attraction and retention are critical focus areas for ADR Group, reflecting the company's commitment to building a strong and capable workforce. ADR recognizes that attracting and retaining top talent is essential for driving innovation, achieving sustainable growth, and maintaining a competitive edge in the market.

Through strategic talent acquisition initiatives, ADR aims to attract individuals with diverse skills, expertise, and perspectives who align with the company's values and vision. Equally important is the ongoing development and nurturing of talent through comprehensive training programs, career advancement opportunities, and a supportive work environment.

By prioritizing talent attraction and retention, ADR Group aims to create a vibrant and dynamic workforce that drives the company's success and contributes to its long-term sustainability.

ADR Poland - Director's meeting

Group Quality meeting

ADR Italy, to attract talented individuals, collaborates with universities and professional schools in the area. By establishing partnerships with educational institutions, they aim to tap into a pool of skilled and motivated individuals who can contribute to the organization's success.

ADR China - Attracting and retaining talented individuals is of utmost importance for local economic development in China. Respecting and recognizing the value and rights of each individual, placing them in suitable positions, and providing an organized and relaxed environment that allows talents to fully utilize their abilities are vital aspects of talent retention. ADR China constantly refines the salary system, prioritizes employee development, and establishes key performance indicators for employee turnover. Actions such as renovating office spaces, organizing team-building activities to promote corporate culture, and conducting training programs to enhance employees' skills are undertaken.

ADR Poland recruits candidates based on the organization's needs and requirements, aiming to select the best employees. The recruitment process involves creating candidate profiles with necessary competencies and aligning them with the company's development plans. Resources are managed efficiently, and an employee portal allows access to HR and payroll data, as well as communication between management and employees. Transparent and competitive procedures are followed to find candidates who meet the criteria, with announcements published on various platforms. ADR Poland also recruits directly from local secondary schools through a vocational training program, attracting a high number of students. The program is unique in the region and has dedicated in-house teaching staff. ADR Poland is dedicated to effective recruitment and investing in the development of local talent.

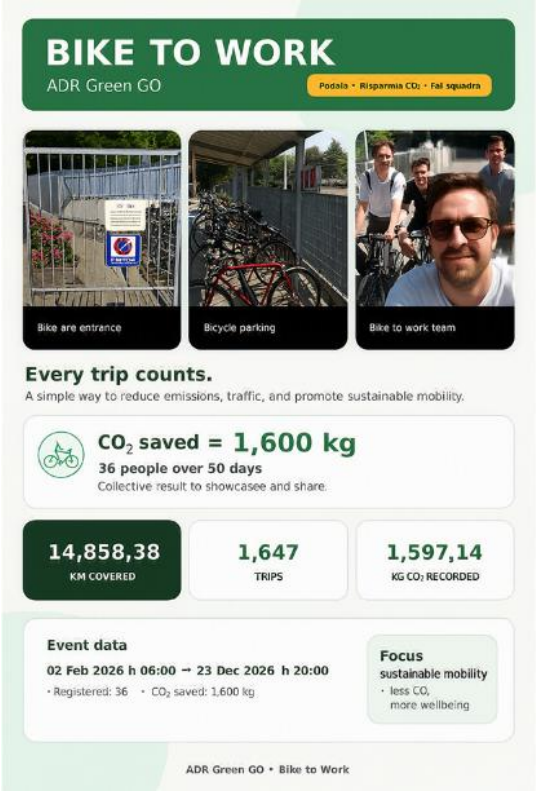
Deeply aware of the relevance that ADR people have for the Group's success, the company aims at fostering employees' retention by setting itself the objective of improving the working environment of its companies. As a matter of fact, ADR is constantly working to build a harmonious working atmosphere, as well as to improve the employees' remuneration and welfare programs.

Sustainability timing and team building

ADR Group wants to emphasize sustainability throughout the Group. Regular training is provided at all levels. Sustainable projects are funded, involving all staff and creating a group focused on sustainability.

ADR Italy - Sustainability training

ADR Italy - Project BIKE to Work – ADR Green Go



C02 saved = **1.600 Kg** (36 people in only 50 days)

ADR India Cricket Tournament

Employee Welfare & Development

Employee welfare and development are key priorities at ADR Group, reflecting a strong commitment to the well-being and growth of the workforce.

A supportive and nurturing work environment is believed to be crucial for employee satisfaction and organizational success. ADR Group will provide comprehensive welfare programs that promote work-life balance, health, and overall employee well-being.

The company places high importance on the physical and mental health of employees through various initiatives such as leisure rooms, coffee corners in office and workshop ground, nice outdoors areas. There are also a lot of new initiatives to be implemented soon to increase the wellbeing and improve working life inside the company.

ADR group also provide comprehensive benefits for some employees such as life insurance, healthcare coverage, disability and invalidity protection, and parental leave to support employees and their families during significant life events.

ADR Group also recognizes the importance of long-term financial security and offers retirement provisions to help employees plan. In addition, the company ensures the well-being of top positions through Directors and Officers (D&O) insurance. ADR Group goes the extra mile by offering a special childcare program to assist employees with their childcare needs. Furthermore, the company promotes a culture of shared success by implementing a profit-sharing agreement that allows employees to participate in the company's achievements. These initiatives collectively demonstrate ADR Group's commitment to employee welfare and development, fostering a supportive and inclusive work environment. ADR Group is deeply invested in fostering the personal and professional growth of employees, empowering them to reach their full potential and achieve long-term success within the organization.

For **ADR China** it is essential to comply with the regulations regarding parental leave and retirement provision. Additionally, offering festival gift cards, women's gifts, staff tourism opportunities, and lunch boxes are provided to employees. Efforts to improve the working environment and establish a harmonious atmosphere have already been initiated, but ongoing focus is required.

ADR China also offers to all the open-end contract employee the possibility to have a piece of company land to create their own vegetable garden, also providing water and tools. Inside the company there is also a goat beading farm, the cost of breeding is borne by the company and the meat is shared by employees.

ADR Poland, as one of the largest employers in the region, provides employees with necessary resources and equipment. The company encourages the development of skills and competence through external training opportunities. ADR is committed to equipping employees with the knowledge and skills needed to excel in their roles and contribute to the achievement of business goals. Team building activities are organized outside of the work environment, including Christmas Eve meetings and family picnics to foster integration and provide entertainment for employees and their families.

Occupational Health & Safety

Occupational health and safety are crucial topics for ADR Group, reflecting the company's unwavering commitment to ensuring the well-being and safety of its employees.
ADR recognizes that a safe and healthy work environment is not only a legal requirement but also a fundamental responsibility towards its workforce. The company places great importance on implementing robust occupational health and safety measures, protocols, and training programs to all employees to prevent accidents, injuries, and occupational illnesses.
By fostering a culture of safety awareness and continuous improvement, ADR strives to create a work environment where employees feel protected, supported, and empowered to perform their duties without compromising their health and well-being. Through comprehensive risk assessments, proactive hazard identification, and the diligent implementation of safety protocols, ADR Group remains dedicated to safeguarding the occupational health and safety of its employees, ensuring a productive and thriving workplace. During the health and safety risk assessments, the full involvement of all company's resources is required to identify the sources of danger in the work cycles, from tasks to workplace. The assessment allows to identify the potential health and safety risks resulting from exposure during the work activity and estimate the extent of exposure risks.
The company aims to improve its health and safety levels over time, to guarantee not only the protection of workers, but conditions that allow the establishment of a state of physical, mental, and social well-being. It also considers the use of financial, technological, and professional resources dedicated to safety and health protection.

Employee work-related injuries	2025			2024			2023			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Rate of recordable work-related injuries	12	0	12	18	0	18	49	3	52	18	14	32
Rate of high-consequence work-relatet injuries (excluding fatalities)	0	0	0	0	0	0	0	0	0	1	0	1

ADR Italy, in line with local requirements, has developed and updates periodically its Risk Evaluation Document ("Documento di Valutazione dei Rischi", DVR). The DVR is a mandatory document for Italian companies, containing information on all risks identified and analyzed in the company's assessment, with the respective preventive and protective measures to be put in place to eliminate, or at least minimize, these risks.

Information: Workers and employees have been carefully informed about the risks present in the company, as well as possible damage to health and the protection and prevention measures taken.

Education and training: Training is provided to all workers, with particular reference to the concepts of risk, damage, prevention, protection, company prevention systems, rights and duties of the various company subjects, supervisory, control and assistance bodies.

ADR Brazil has a formal H&S policy in place, the application of which is monitored through a risk assessment performed periodically.

ADR Poland is ISO 6842 certified for what concerns welding activities. Health and safety audits are performed within the company randomly twice per week by the safety department team. The company also performs risk assessments on health and safety and particular focus is placed on new equipment and machinery. ADR Poland prioritizes the safety and well-being of its employees by ensuring safe working conditions and minimizing overtime. Protective measures against Covid-19 have been implemented, including staggered work schedules and limitations on third-party visits to the factory.

Human Rights

ADR Group places great attention on upholding human rights and ensuring the well-being of all individuals associated with the company.

As part of its commitment, ADR Group has developed a comprehensive Human Rights Policy that outlines the principles guiding its actions in this regard. The policy applies to all employees, business partners and entities within the supply chain, emphasizing the adherence to internationally recognized standards, regulations, and conventions. Through this policy, ADR Group aims to create a work environment that promotes and encourages equality, non-discrimination, fair treatment and respect for human rights. The drafted Human Rights Policy serves as a guiding framework for the company's actions, demonstrating its dedication to promoting and protecting human rights in all aspects of its operations.

In 2023 no cases of discrimination were registered.

ADR Poland - Ethics has always accompanied ADR Poland in its daily work and they are also guided by it in internal relations. Observance of human rights such as: dignity, freedom, equality, human dignity, solidarity, privacy and information is natural and indisputable for the company. ADR Poland fully supports the assumptions of the Universal Declaration of Human Rights and the Charter of Fundamental Rights of the European Union and implement them by systematically setting appropriate standards of conduct and introducing appropriate internal regulations.

Community Engagement

Community engagement is a core principle embraced by ADR Group, reflecting a strong commitment to fostering positive relationships with the communities where the company operates. Recognizing the interdependence between ADR's success and the well-being of these communities, efforts are made to actively engage with local stakeholders to understand their needs, address concerns, and collaborate on sustainable solutions. Through meaningful dialogue, partnerships, and community initiatives, ADR aims to make a positive impact on the social, economic, and environmental aspects of these communities. Open communication, trust-building, and the creation of shared value are prioritized to establish a lasting legacy that benefits everyone involved.

ADR China is part of an association that reunites Italian companies on the Chinese territory and specifically in the city of Qingdao, where the company is located ("Solidarietà Italiana Qingdao"). In addition, ADR China periodically organizes cultural events with various themes, for instance to spread Italian culture, community initiatives, donations to local hospitals, fundraising events for solidarity initiatives, etc. Every year team building activities are organized for employees of ADR China.

ADR Italy fosters initiatives such as donations for the community and agreements with colleges and universities to allow students to undertake internships in collaboration with the company.**ADR Italy** fosters initiatives such as donations for the community and agreements with colleges and universities to allow students to undertake internships in collaboration with the company. ADR Italy actively supports its local community through various initiatives such as sponsoring cultural events, supporting youth sports activities, making charitable contributions, e.g. Local musical orchestra of town concert, Telethon donations, contribution to the LEGA del FILO D'ORO, contribution to ALICE for Children and aiding during natural disasters.

Colaert France has some initiatives specifically established for the engagement of the local community, including partnerships with schools, sponsorships, and participation to calls for projects for ReactEU fostering technology and sustainability.

ADR Brazil puts in place partnerships with universities and local schools, hiring multiple interns each year.

ADR Poland ADR Poland is very strongly connected with the region in which it operates. An important element of strengthening sustainable and responsible business is the involvement of the company in the activities of organizations and social associations. There are initiatives for the community, such as contracts with professional schools in the region in which it operates, sponsorships to local sports teams, collaboration to the organization of basic football classes, organization of classic music festivals, as well as working closely with the local firefighters. The local community has been in the center of attention of the organization for years, which is the focus of the activities of extensive social involvement programs. Activities aimed at the local community take the form of e.g. charitable aid, social programs such as offering vocational tranining to the underaged, and are also related to the support of local sport teams (Kids Sport Academy - football, hockey). Family Help Fund has been established, the aim of which is offering financial help to parents with disabled or chronically sick children who require rehabilitation. Integration of employees with their families is organized every year in the form of an outdoor activity. ADR Poland supports the disabled by donating funds for local events organised by special centers.

ADR also focuses on cooperation and implementation of joint activities, taking business decisions into account for the fate of local communities, as well as cooperation with local governments in the field of investments and education. As far as sports activities are concerned, ADR sponsors among other football academy "Kolejarz" in Zagórz and children's hockey team "Niedźwiadki". Local firefighters are also regularly supported through donations.

One of the missions that ADR is most proud of is its partnership with local vocational schools. Through joint promotion of CNC operator's profession, every year it attracts more young people who are willing to study for three years to become skilled employees once they graduate from school. Many of them see their future in ADR Poland as already experienced and dedicated workers. As for other professions, we organise apprenticeship for future welders, eletricians, IT specialists and economists.As for other professions, they organise apprenticeship for future welders, eletricians, IT

Stakeholder Partnerships

ADR Group actively engages stakeholders through effective communication and targeted marketing campaigns to promote the sustainable advantages of its products and practices. By involving stakeholders in the journey toward sustainability, ADR Group seeks to enhance awareness, understanding, and support for its sustainable initiatives.

The development of partnerships with stakeholders is a key focus area for ADR Group. The company is dedicated to building long-term relationships with stakeholders in a progressive manner, aligning with its mission and driving value creation across the entire supply chain.

ADR Group has implemented a strategic approach that involves several milestones. These include identifying and prioritizing key stakeholder relationships, ensuring clear communication and transparency regarding the company's environmental, social, and governance (ESG) initiatives, and holding consistent and periodic meetings with stakeholders who may be resistant to change.

Additionally, ADR Group analyzes and addresses emerging issues promptly, enhancing the responsiveness of its team. The Group's commitment to stakeholder engagement is evident through its engagement with suppliers via an international scouting program in the APAC/EMEA regions, emphasizing the importance of reliable and responsible partnerships.

Furthermore, ADR Group will formalize its focus on ESG topics by incorporating them into contractual supplying agreements, further reinforcing its dedication to sustainable and collaborative relationships with stakeholders.

ADR Memberships

ADR Italy

- ASSOHOLDING
- CONFINDUSTRIA: ADR Italy is an active member of the Italian Union of Industrial Companies (Confindustria). Additionally, the company’s president and the CEO play active roles as representative member and council member of Mechanical Companies in the province in which the corporate headquarter is located
- UNACOMA: active role as council member by ADR Italy company’s representative
- C.N.A.
- AFIL
- I.T.S Academy

ADR Poland

- PODKARPRACKI KLUB BIZNESU (Podkarpackie Business Club)

Sustainability improvement Plan

Following analysis of the above data, new needs and developments, a "Sustainability improvement Plan" is issued with related actions and responsibilities.
During the year, checks will be carried out with all the Plants involved, to update the status.

The first table provided below the status of the actions defined last year and the second table outlines the SDGs to which the Group contributes, the corresponding goals to be achieved, the initiatives to be implemented, the associated material issues, and the target year for their accomplishment.

MATERIAL TOPIC	TARGET Description	PRODUCTION SITE / COMPANY	ACTIONS TO BE APPLIED	BASE YEAR	TARGET YEAR	
ENVIROMENT	Reduction GHG (Green House Gasses) - Scope 1	ADR Polska / WPS	Purchase/increase of electricity from renewable sources	2024	2026	COMPLETED
		ADR Italy	Purchase of electricity from renewable sources	2025	2026	COMPLETED
		ADR Italy / Adr Polska / Colaert	Replace radiant heating using automatic temperature control (reduction mq gas used)	2024	2026	COMPLETED
		ADR Italy / Adr Polska	Progressive replacement of lighting lamps (LED)	2024	2026	WORK IN PROCESS
		ADR Italy	Purchase of a chip briquetting press to reduce the volume of waste, recover oil and water and produce immediately reusable scrap	2024	2027	PARTIALLY COMPLETED
		ADR Italy	Photovoltaic system data monitoring	2023	2025	COMPLETED
ENVIROMENT	Reduction GHG (Green House Gasses) - Scope 2	ADR Polska	Reduction in the number of diesel forklifts	2023	2025	COMPLETED
			replacement of transformation cabin (from three to 2 transformers), improvement of transformation efficiency and decommissioning of oil plants	2024	2025	COMPLETED
ENVIROMENT	Increase recycling %	ADR Polska / Colaert France / ADR Italy	ISO14001 Certification (Procedures to increase % recycling)	2024	2027	WORK IN PROCESS
ENVIROMENT	Emissions reduction %	ADR China	Painting VOC disposal equipment	2024	2026	COMPLETED
			Mechanical lathe fume filter equipment	2024	2026	COMPLETED
	Reduction of waste production		Wastewater treatment equipment	2024	2026	COMPLETED
SOCIAL	Talent acquisition initiatives	ADR Italy	Continue training and growth of area/function managers	2025	2025	WORK IN PROCESS
GOVERNANCE / SUPPLY CHAIN	Group Suppliers management	Adr Group	Define procedure for managing Group suppliers	2025	2025	PARTIALLY COMPLETED

ADR Group - Sustainability Improvement Plan Y2026-2028

MATERIAL TOPIC	TARGET Description	PRODUCTION SITE / COMPANY	ACTIONS TO BE APPLIED	BASE YEAR	TARGET YEAR
ENVIROMENT	Reduction GHG (Green House Gasses) - Scope 2	All Group	Purchase/increase of electricity from renewable sources	2026	2028
		ADR Italy	Wastewater treatment equipment	2026	2028
		Colaert	Mechanical lathe fume filter equipment	2026	2028
		ADR Polska	expansion of the compact warehouse (drastic reduction in movement to external warehouses)	2026	2026
		ADR Italy	Purchase of a chip briquetting press to reduce the volume of waste	2026	2028
		Adr Group	Replacement of pneumatic screwdrivers with electric systems (improved working conditions)	2026	2028
ENVIROMENT	Increase recycling %	ADR Polska / Colaert France / ADR Italy / SAE - SMB	ISO14001 and 45001 Certification (Procedures to increase % r	2026	2028
SOCIAL	Talent acquisition initiatives	All Group	Continue training and growth of area/function managers H&R and Sustainability	2026	2027
GOVERNANCE / SUPPLY CHAIN	Group Suppliers management	Adr Group	Define Group procedure to standardize Suppliers management	2026	2028

GRI content index

Statement of use	ADR Group has reported in accordance with the GRI Standards for the period 01/01/2022 – 12/31/2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No GRI Sector Standard is available to date

GRI STANDARD	DISCLOSURE	Paragraph	NOTES
GRI 3: Material Topics 2021	3-1 Process to determine material topics		
	3-2 List of material topics		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken		During the reporting period, no incidents of corruption were registered.
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		During the reporting period, no substantiated complaints concerning breaches of customer privacy and losses of customer data were registered.
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 301: Materials 2016	301-1 Materials used by weight or volume		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling		
	417-2 Incidents of non-compliance concerning product and service information and labeling		During the reporting period, no incidents of non-compliances concerning product and service information and labelling were registered.
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		
GRI 3: Material Topics 2021	3-3 Disclosure on material topic		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-9 Work-related injuries		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		
GRI 3: Material Topics 2021	3-3 Disclosure on material topic		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		During the reporting period, no incidents of non-compliance concerning the health and safety impacts of products and services were registered.
GRI 3: Material Topics 2021	3-3 Disclosure on material topic		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		
GRI 3: Material Topics 2021	3-3 Disclosure on material topic		
GRI 3: Material Topics 2021	3-3 Disclosure on material topic		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 302: Energy 2016	302-1 Energy consumption within the organization		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		
	305-2 Energy indirect (Scope 2) GHG emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal		

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