ADLER ORTHO

NOVAGENIT

Sustainability Report 2023

Sustainability Report 2023

TABLE OF CONTENTS 2

LETTER TO THE STAKEHOLDERS

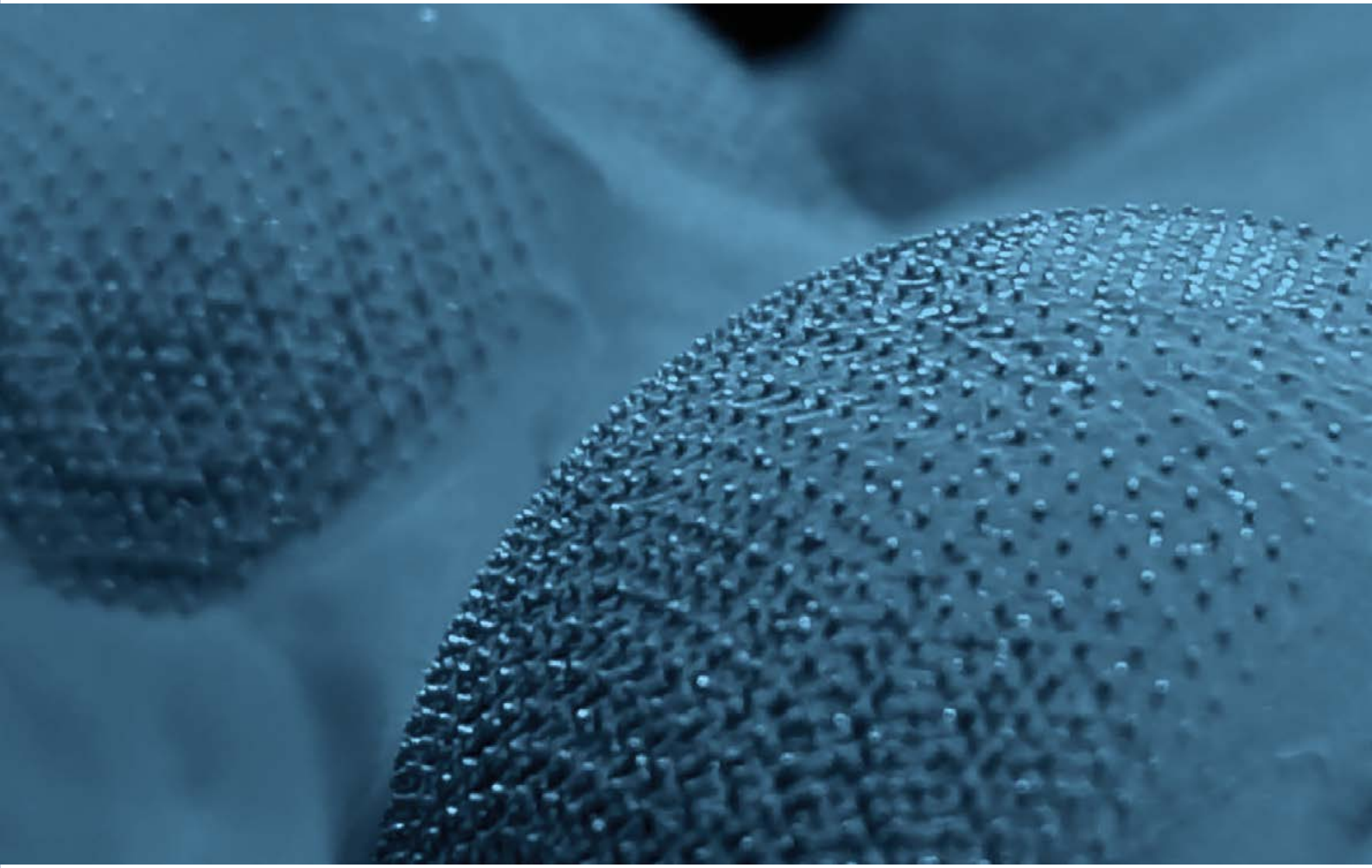
We are very proud to present our first Sustainability Report, published at one of the most important moments in the history of the Adler Ortho Group.

Throughout 2023, the Company has continued to consolidate its economic and financial position, demonstrating resilience and the ability to adapt in a constantly evolving market context. Thanks to prudent management of resources, shrewd strategic planning and an unstinting commitment to innovation, Adler Ortho has managed not just to maintain but actually to improve its key financial indicators, ending the year with a positive result of €926,658.08.

We are delighted with the performance achieved but this merely increases our responsibility to the people who work in our organisation and to the communities and areas in which we operate.

Sustainability is an imperative facet of the Group's development strategy, as an element of value creation and a competitive lever on the market. Indeed, we are aware that our growth also needs to be sustainable and must be accompanied by the development of products and solutions that are beneficial, first and foremost, to our people and, more generally, to the society we live in.

This has all been made possible through innovation, which has always been the beating heart around which the Group's development ideas, plans, products and processes revolve. The preparation of this Sustainability Report is part of this process and reflects our desire to share an important message about the fundamental values that guide Adler Ortho's approach to sustainability through the main ESG results achieved.



As a company, we undertake to operate responsibly and adopt fair and ethical practices. Our sustainable values are reflected in everything we do and are vital for our long-term success.
We believe that genuinely sustainable development is based on paying attention to people and the environment, sharing resources and skills and testing innovative solutions.

Over the years, we have created and shared sustainable products focused on personal well-being. While there is still much to do, challenges and continuous improvement are the essence of our development and the foundations for a sustainability path with ambitious objectives.

Edgardo Claudio Cremascoli
Chairman

METHODOLOGICAL NOTE

This document is the first Sustainability Report of the Adler Ortho Group (hereinafter, also "the Group"), containing all the information regarding economic, environmental and social aspects useful for ensuring understanding of the activities carried out by the Adler Ortho Group, its performance, results and the overall impact generated.

The Sustainability Report has been prepared on a voluntary basis, by adopting a selection of the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI Standards 2021), as indicated in the GRI Content Index of this document, according to the 'with reference to' reporting option.

The main principles applied for the drafting of the Sustainability Report are those established by the GRI Standards: accuracy, balance between positive and negative aspects, clarity, comparability, completeness, sustainability context, timeliness, verifiability, relevance, inclusiveness and reliability.

The chosen performance indicators represent the specific sustainability areas analysed and are consistent with the activities performed by the Group and the impacts generated, as provided for in the reporting standards adopted. These indicators were selected based on a materiality analysis, an activity aimed at identifying material issues that represent the Group's most significant impacts on the economy, the environment and people, including those on their human rights, as described in the "Materiality analysis" paragraph.

The reporting scope of the qualitative and quantitative data and information refers to the performance of Adler Ortho S.p.A. (Cormano and Bari offices) and Novagenit S.r.l. as at 31 December 2023.

In accordance with the principle of comparability provided for in the GRI Standards, where possible, the information is also reported for the 2022 tax year, with the aim of providing stakeholders with an overview of the evolution of Adler Ortho's performance over time. Any limits on the scope of disclosure are highlighted in the text and/or notes, as is the use of estimates and approximations in the calculation of the indicators

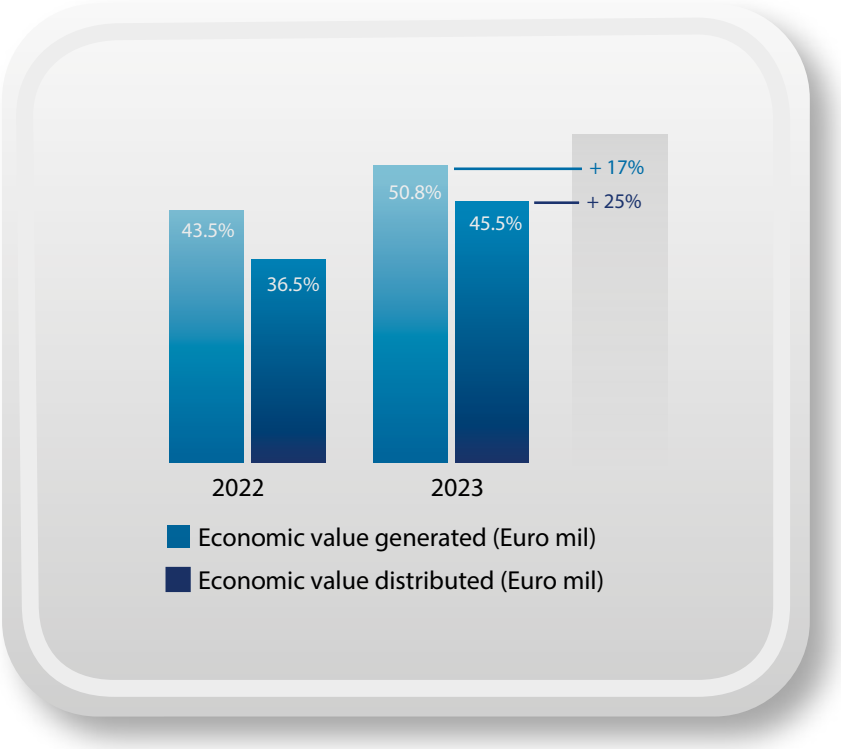
The disclosure of the Sustainability Report was developed through an organised and structured process which involved the managers of the various corporate functions of the Group and of each of the Companies within the scope. Specifically, the managers were involved in the main collections of data and information to be included in the document with reference to their specific area of competence.

The Sustainability Report was approved by the Board of Directors of Adler Ortho S.p.A. on 06/02/2025 and was not subject to revision by an independent auditor.

The Sustainability Report is published on the institutional website of the Company at the following link: www.adlerortho.com/
If you require more information on this matter, please write to the address: info@adlerortho.com.

HIGHLIGHTS

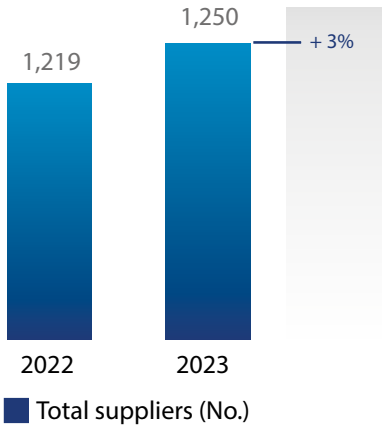
Economic value generation and distribution



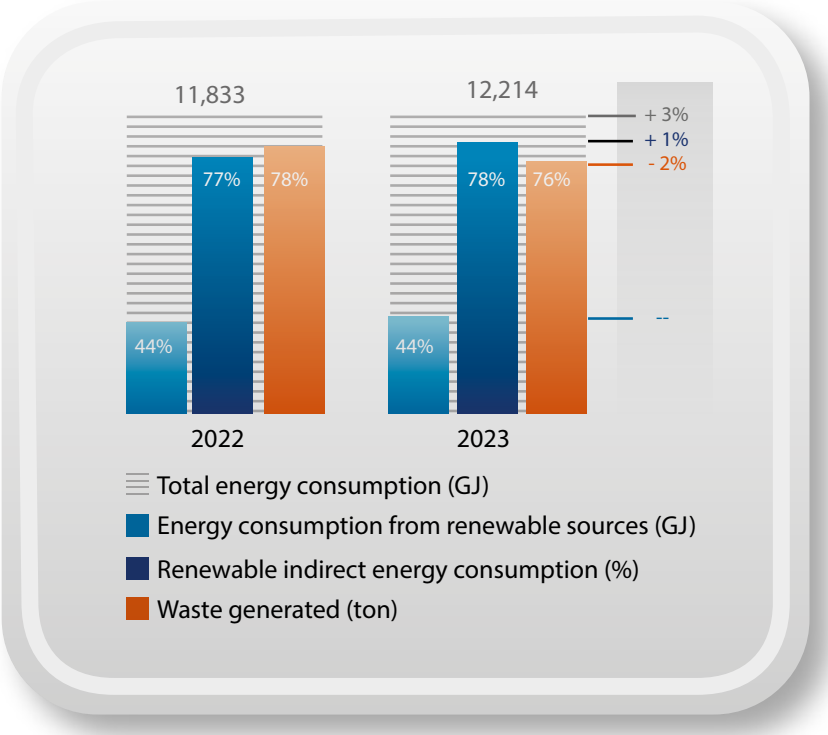
Processes and suppliers

Management system

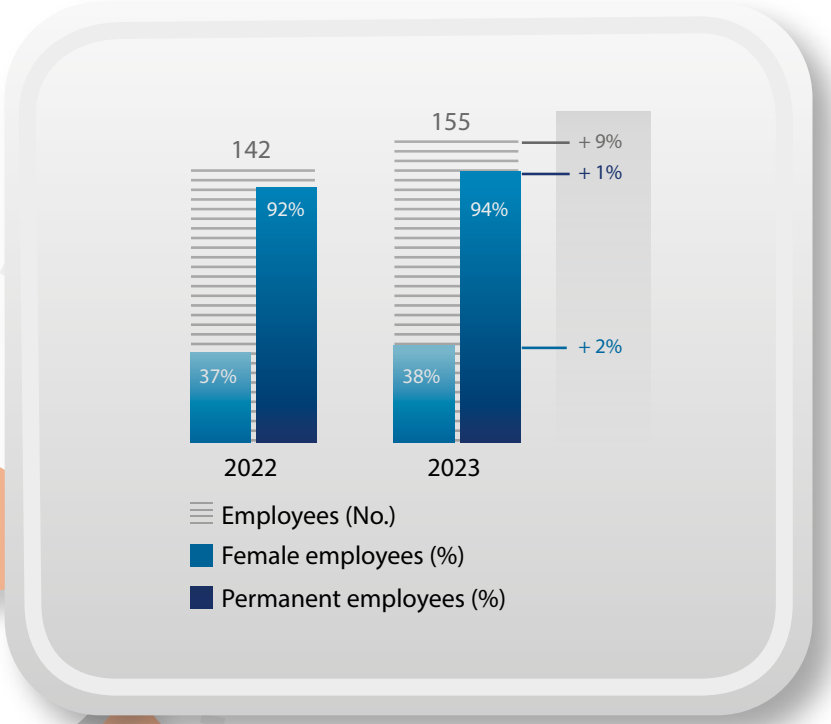
The Group is granted UNI CEI EN ISO 13485:2021 management system for medical devices

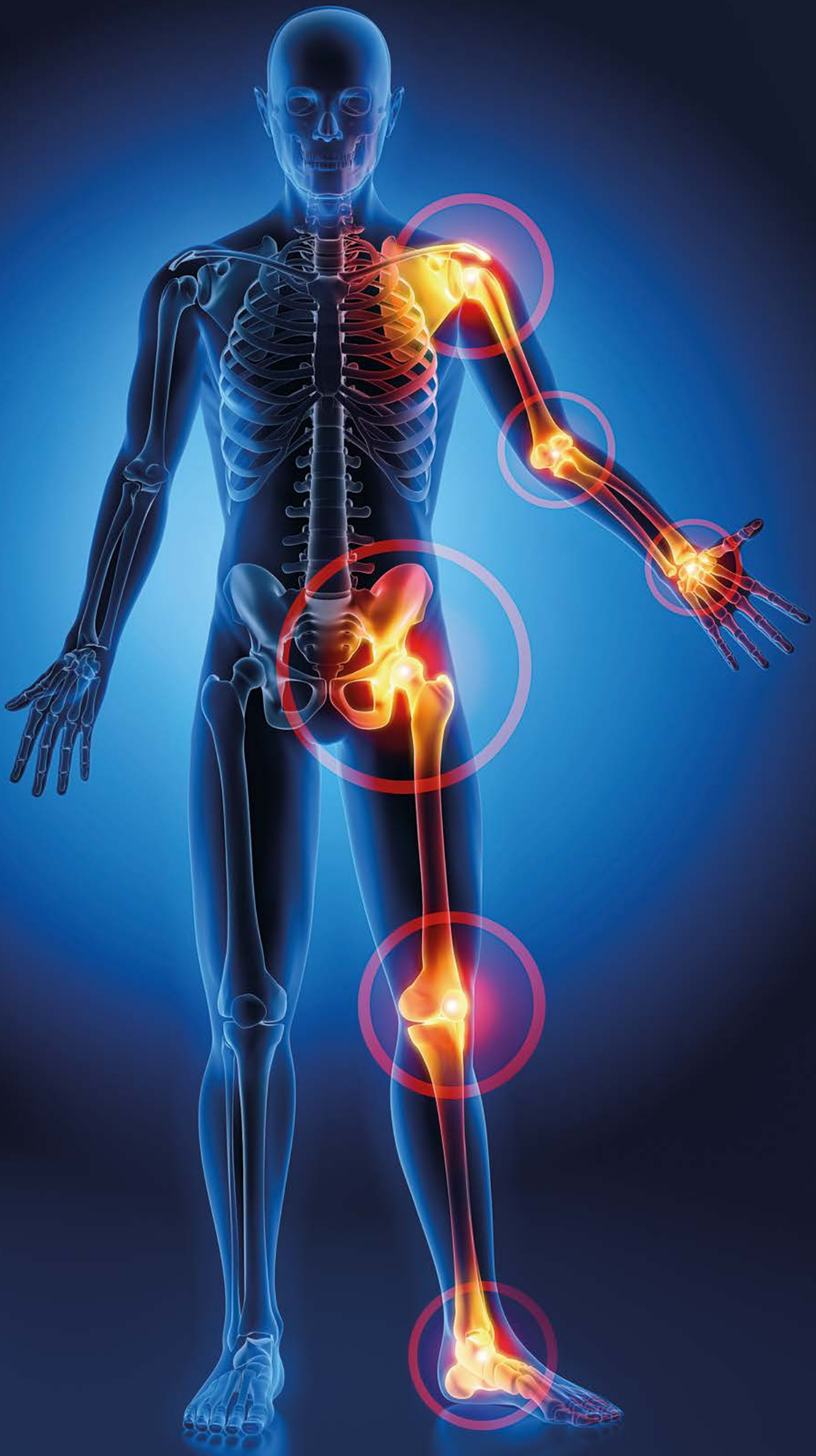


Environment



Human resources





IDENTITY and STRATEGY

The Adler Ortho Group

Adler Ortho is an Italian Group – a leader in orthopaedic innovation, focused on research and development and the manufacture and sale of high-quality medical devices for orthopaedics. Although Adler Ortho was founded only recently, in 2003, it has solid and deep roots, having been formed from the association of a group of managers with long-standing experience on the Italian and international orthopaedic markets. The previous experiences of some members of the Group included the launch of significant technological innovations on the international orthopaedics market[1].

Over time, the Group distinguished itself through the use of advanced technologies and innovative production processes, including being the first company in the world to use additive technology[2] in the orthopaedics sector, while maintaining a strong link with the clinical sector. Through this unceasing commitment, Adler Ortho has become a point of reference in the **design and distribution of the finest quality orthopaedic implants**.

Alongside Adler Ortho, Novagenit is specialised in the research and development of biomaterials and innovative medical devices, focused on the regeneration of fabrics and the prevention of post-operative infections, and is responsible for washing and packaging implants for Adler Ortho. Together, Adler Ortho and Novagenit constitute a Group capable of providing a complete and integrated response to the needs of the global orthopaedic market, with a commercial presence that extends across Europe, the United States, Japan, Australia and a number of other countries

1
Some major examples include the introduction of modular necks in prosthetic hips, the original patent for which dates back to 1987, and the production and marketing on the European market (under licence to the Hospital for Special Surgery in New York) of one of the first modern prosthetic knees, the IB II prosthesis.

2
Additive technology consists in a production process that creates objects from computerised 3D models by adding material layer by layer, unlike traditional subtractive production methods, which remove material from a block to obtain the desired shape

Our offices

The registered office of the Adler Ortho Group is currently in Cormano (MI), where the management and corporate offices and the R&S division are located, and has sales offices in Verona, Bologna and Rome, covering the whole of Italy with a network of agents and distributors. The Group also has subsidiaries in France, Belgium, Germany, Switzerland, the United Kingdom, Japan and, since 2022, the USA. Thanks to various commercial partnerships, it also has a presence in Australia, New Zealand, Spain, Slovenia, the Czech Republic, the Middle East and South America.
The main Adler Ortho production units are located in Cormano and Bari, where production using additive technology of both metal implants and plastic models is concentrated, while those of Novagenit which handles the washing and packaging of orthopaedic implants, are located in Mezzolombardo (TN).

Cormano (Mi)
Executive Offices R&D
Cutting-edge fully automated production unit
Main warehouse

Mezzolombardo (TN)
Production of organic products, final cleaning and packaging

Bari
Production unit entirely dedicated to 3D printing

Our story

Founded in 2003, Adler Ortho was born from the vision of a group of managers with considerable experience in the global orthopaedic sector. Since the very beginning, the company has stood out for its commitment to research and technological innovation, by focusing on 3D printing to create cutting-edge orthopaedic implants. This pioneering approach led Adler Ortho to launch, in **2007, the first orthopaedic implant in the world mass-produced using 3D printing technology**. This implant **was followed by a number of other innovations**, including the **first 3D-printed stem** (2009) and **CoCrMo alloy implants** (2011), which made the company the absolute leader in the sector. In 2017, Adler Ortho opened a state-of-the-art production and research unit in Bari, entirely dedicated to the manufacture of orthopaedic implants using the additive technique. This is further confirmation of the corporate strategy based on the application of the most advanced technologies in the medical field.

2003

Adler Ortho®
was founded

2007

First in the world
to mass-produce
a 3D printed plant

2010

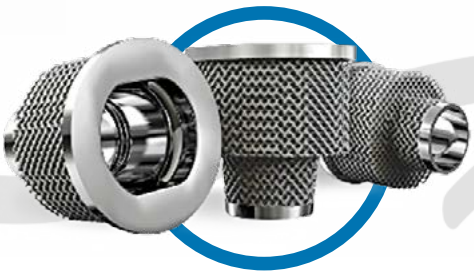
We start producing
Custom Made plants

2015

Launch of first dual mobility cup realised through additive manufacturing technology

2019

Adler Ortho launches the Bridging Collars, a revolution in Limb Salvage field



2011

First in the world to produce 3D printed CoCrMo alloy implants

The group companies

Adler Ortho S.p.A. heads a group formed of the following companies.

Novagenit S.r.l.

Novagenit S.r.l. was founded in 2005, with its registered office in Mezzolombardo (TN), initially owned in partnership with another partner, before being fully acquired by Adler Ortho SpA in 2013. The Company is chiefly involved in the field of biotechnology and handles the research, development, production and marketing of medical equipment (implantable and absorbable with a coating, barrier or correction action) and assembled products (systems and complete kits for the preparation of cell and platelet concentrates) for the treatment and prevention of predominantly orthopaedic pathologies, with a particular focus on the concepts of innovative treatment for regenerative medicine.
Novagenit also handles the production and assembly of equipment, as well as the marketing of medical devices for orthopaedic use. Since 2018, Novagenit has complemented its business as contractor for the parent company Adler Ortho. In 2018, a line for the washing and packaging of metal/ceramic/polyethylene orthopaedic implants was implemented in the Mezzolombardo plant. Adler Ortho has thus managed to bring this phase of its production process in house; this was previously carried out by a third-party supplier.

Adler Lazio S.r.l.,

Founded in 2010 and based in Rome, Adler Lazio Srl deals with the distribution of orthopaedic prostheses in the Lazio region. Until April 2015, Adler Lazio was 100% controlled by Adler Ortho, which later sold 40% to two agents of the same Adler Ortho Lazio, and then bought back 100% in 2018.

D.A.M. Ortho S.r.l.

100% acquisition in December 2022, D.A.M. Ortho Srl, based in Rome, is responsible for the distribution of Adler Ortho products in the Campania region.

Adler Ortho France S.A.S.

Founded in 2006 (formerly Arcos S.A.R.L.) and entirely acquired by Adler Ortho Spa in 2015, this company based in Aix-en-Provence is responsible of distributing the products in France.

Adler Ortho Belgium S.P.R.L.

Founded in 2005 (formerly Belgafix S.P.R.L.) and entirely acquired by Adler Ortho in 2015, this Brussels-based company distributes the group's products in Belgium.

Adler Ortho USA Inc
Wilmington, United States.

Adler Ortho UK Ltd,
Liverpool, UK.

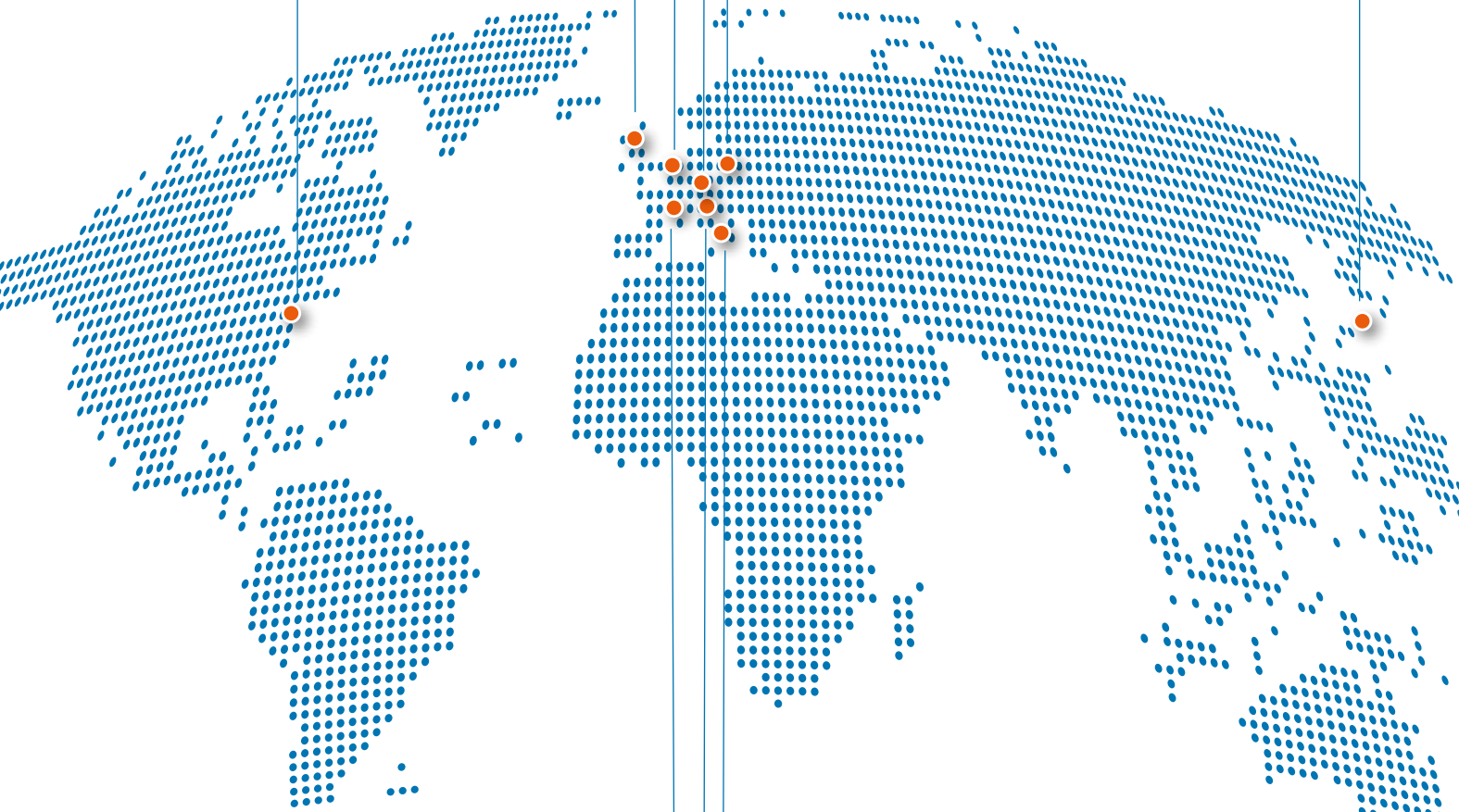
Adler Ortho Belgium S.P.R.L.
Brussels, Belgium.

Adler Ortho Suisse SA,
Lugano, Switzerland.

Adler Ortho Deutschland GmbH
Frankfurt, Germany.

Adler Ortho Japan KK
Tokyo, Japan.

Adler Ortho KK
Tokyo, Japan.



Adler Lazio S.r.l.,
Roma, Italy.

D.A.M. Ortho S.r.l.
Roma, Italy.

Adler Ortho France S.A.S.
Aix-en-Provence, France.

Novagenit S.r.l.
Mezzolombardo (TN), Italy.

Adler Ortho Deutschland GmbH

Founded in 2015 and 99.17% owned by Adler Ortho, this Frankfurt-based company distributes the Group's products in Germany.

Adler Ortho UK Ltd,

Founded in 2013 and entirely owned by Adler Ortho, this Liverpool-based company distributes the group's products in the UK.

Adler Ortho Suisse SA,

Founded in 2018 and entirely owned by Adler Ortho, this Lugano-based company distributes the group's products in Switzerland.

Adler Ortho Japan KK

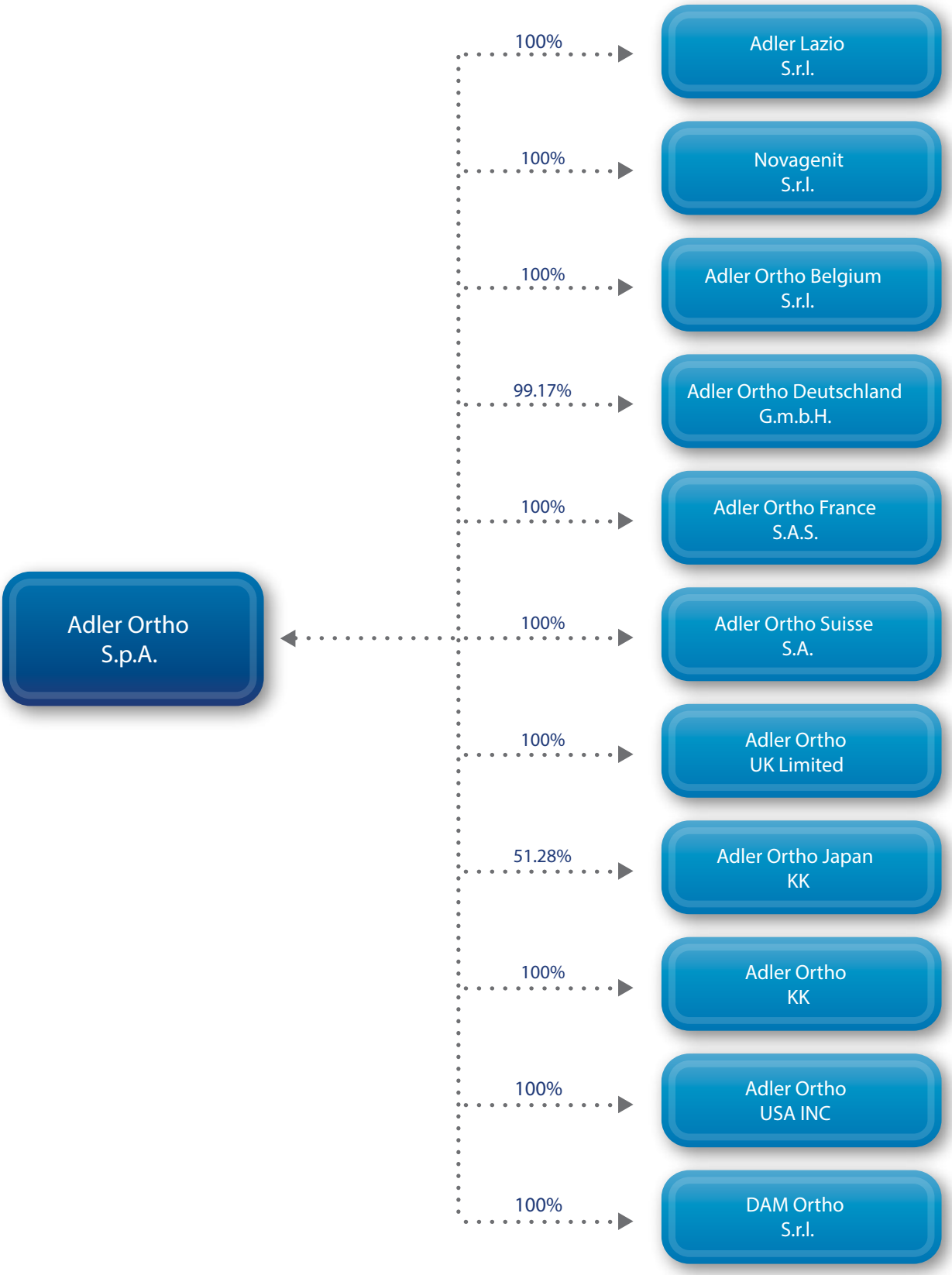
Founded in 2020 and based in Tokyo, this company is 51.28% owned by Adler Ortho SpA in partnership with a local Distributor (Robert Read KK) and was responsible for the distribution of products in Japan. At present, the company is no longer operational.

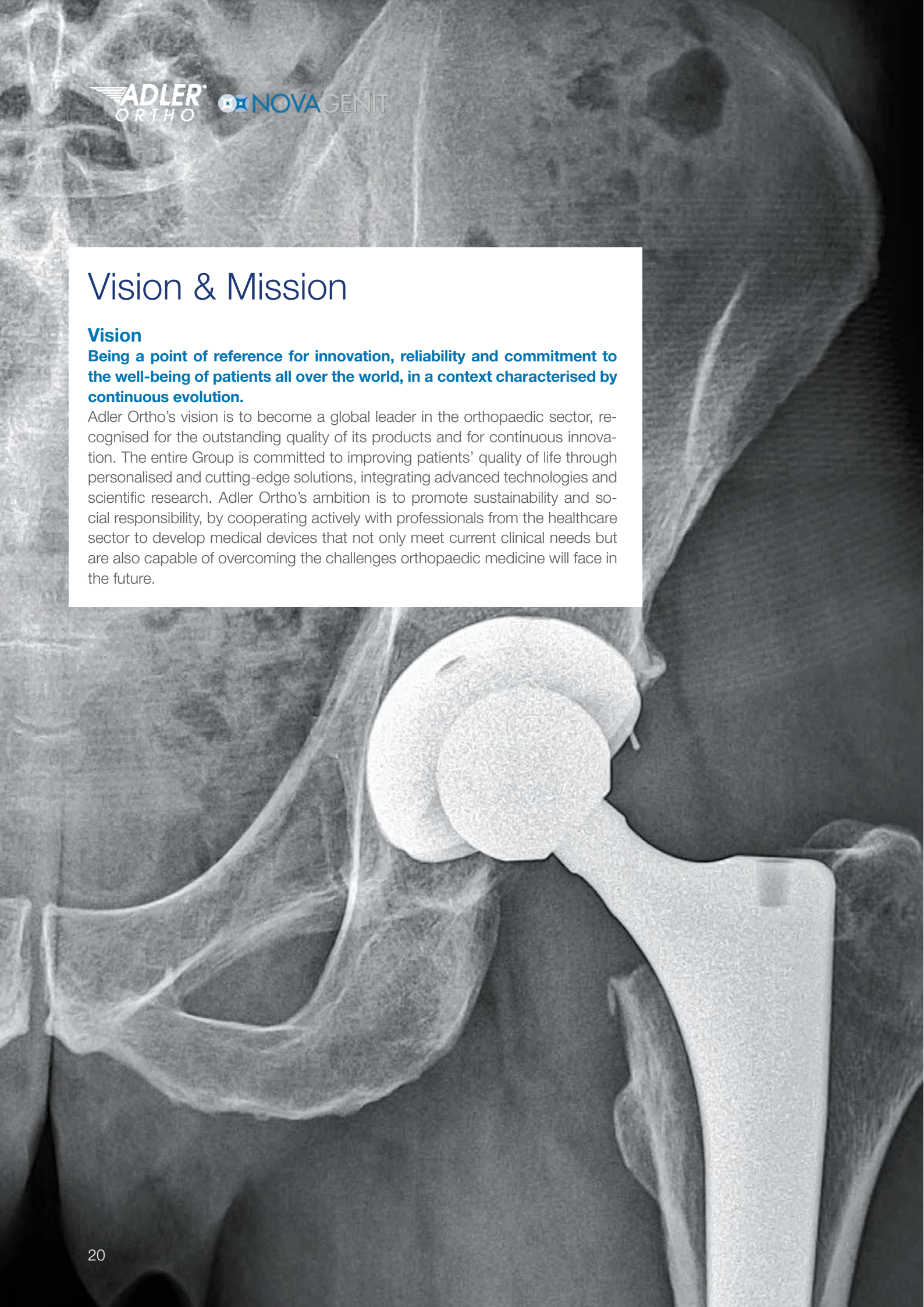
Adler Ortho KK

Also founded in 2020, based in Tokyo and entirely owned by Adler Ortho SpA, this company is responsible of product distribution in Japan since 2021.

Adler Ortho USA Inc

Founded in 2022 and entirely owned by Adler Ortho SpA, this company based in Wilmington (Delaware) deals with the distribution of Adler Ortho products in the USA.





Vision & Mission

Vision

Being a point of reference for innovation, reliability and commitment to the well-being of patients all over the world, in a context characterised by continuous evolution.

Adler Ortho's vision is to become a global leader in the orthopaedic sector, recognised for the outstanding quality of its products and for continuous innovation. The entire Group is committed to improving patients' quality of life through personalised and cutting-edge solutions, integrating advanced technologies and scientific research. Adler Ortho's ambition is to promote sustainability and social responsibility, by cooperating actively with professionals from the healthcare sector to develop medical devices that not only meet current clinical needs but are also capable of overcoming the challenges orthopaedic medicine will face in the future.

Mission

Providing orthopaedic surgeons with innovative implants, using the most advanced technologies, to enable patients to rapidly recover of their functions and return to active life.

As part of its mission, the Company develops, produces and markets its products for the improvement of patient's health and quality of life, by gearing its activities towards the improvement of the healthcare system and the development of civil society. In addition to the rules of conduct listed within the Code of Ethics, the Adler Ortho Group hereby declares that it complies with all the ethical and behavioural principles envisaged in the Confindustria Medical Devices Code, in its relations with internal and external colleagues, the public administration, healthcare professionals, customers and suppliers.

The business model

Adler Ortho and Novagenit are reference operators in the medical devices sector, committed to developing advanced solutions that meet the health and well-being needs of patients and to supporting professionals in the healthcare sector with high-performance and safe products. Their strategy is characterised by a constant search for excellence, in both production processes and in management policies, to foster continuous improvement in all phases of the product life cycle, from design to distribution.
This integrated model enables an agile response to the challenges of the global market, while maintaining a strong connection with the areas and communities in which they operate. This policy, geared towards innovation, is supported by accurate management of resources, the careful selection of materials and constant monitoring of quality, in line with the strictest international regulations. This approach makes it possible to propose cutting-edge solutions, as a response to the evolving needs of the medical sector and healthcare technologies, by making safety, precision and reliability the hallmarks of every product.

Product lines

The Adler Ortho Group offers a range of products created using the latest-generation technologies. The design process entails constant liaising with clinical centres and operating theatres, with the needs of surgeons and patients paramount. We focus in particular on the development of implants and instruments compatible with the most modern surgical approaches in terms of minimal invasiveness and precision.

The Adler Ortho product range

Adler Ortho produces various joint replacements of the finest quality that can be grouped into the following categories:

- Primary Replacements
- Limb Salvage
- Revision Replacements
- Custom-Made
- Small Joint Replacements

Primary Replacements Segment

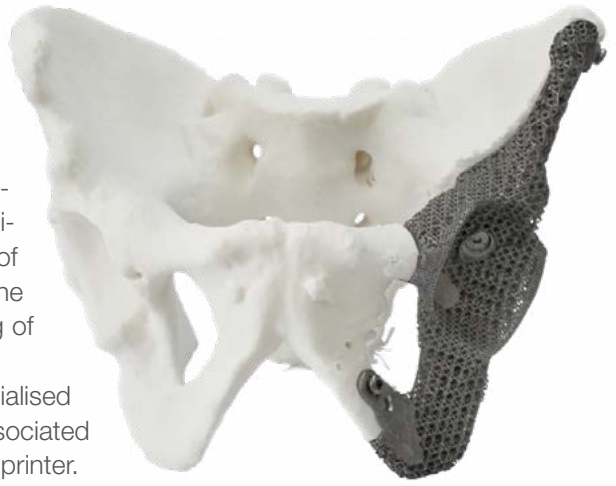
Until just a couple of years ago, the primary replacements segment represented almost the entirety of the Group's sales. The segment was historically divided into hip replacements and knee replacements. These products are for what is known as 'elective surgery'. Elective (or planned) surgery is a procedure decided upon by the doctor and patient and is carried out on a non-urgent basis (unlike emergency surgery).

Limb Salvage Reconstruction Segment

In 2017, Adler Ortho saw an opportunity to access the oncology sector as regards major hip, knee and shoulder reconstructions, known as **Limb Salvage**, by drawing on its wealth of experience in Additive Manufacturing technology.
This technology makes it possible to create honeycomb structures in one piece with the product and thus guarantee a greater possibility of osseointegration. This is vital in all prosthetic surgery, but even more crucial in revision surgery and major reconstructions, where the loss of bone substance is certainly greater than with primary surgery.

Revision Replacements Segment

Between the two prosthetic surgery segments indicated above lies the Revision Replacements Segment. In general, this involves the initial substitution of a primary replacement, but sometimes also the second.
Revision replacements are a little more complex than primary ones but not as tricky as reconstruction.



Custom-Made Segment

Adler Ortho is also a leader in the field of custom-made prostheses. Additive technology enables the creation of customised implants designed using TAC and magnetic resonances of the patient. These prostheses are used for particular applications such as the reconstruction of segments of the skeleton for cancer patients, or seek to make up for bone losses caused by a failure due to septic or aseptic loosening of orthopaedic prostheses.
In this case, every prosthesis is custom-designed by specialised engineers and is unique, just like the test implants and associated single-use instruments, which are also produced using a 3D printer.

Small Joint Replacements Segment

This segment covers all other joints apart from the hip and knee and concerns a series of fairly niche products such as the radial head prosthesis (elbow) and other small joints, such as those in the hands or feet.

Adler Ortho product innovations

Within these segments, Adler Ortho has developed innovative products. Examples include:

- **Modular Neck System**

Modular necks for replacement hips have been introduced, the original patent for which dates back to 1987. Adler Ortho drew on this know-how in developing a concept of modularity and an exclusive production and quality control system for its modular necks, protected by a series of international patents. The modular neck can be used to handle anatomical variables that are extremely problematic to correct and to restore the articular geometry of the patient much more accurately than with normal, single-block prostheses. Adler Ortho holds a number of exclusive patents in this field, covering both the design of the necks and their production process.

- **A-Extremity**

Over the last few years, Adler Ortho has invested resources in the development of implants for small joints, also known as Extremities. This product line includes both standard and custom-made implants to replace certain bones in the wrist (e.g. the scaphoid), and a 3D-printed radial head prosthesis and also an ankle prosthesis made entirely using additive technology.

- **PFR Pantheon**

This is a line of products for Limb Salvage surgery, characterised by the high level of innovation. Drawing on its expertise in the field of production using additive technology, Adler Ortho has developed and patented an innovative fixing system for this type of implant: The bridging collar. The aim is to make this type of implant last for as long as possible by increasing the fixing to the host bone and, in the final analysis, improving patients' quality of life.

Novagenit products

Just like Adler Ortho, Novagenit also produces a number of high-quality combined and absorbable biomaterials, which are illustrated and briefly described below.

DAC® (Hydrogel barrier against bacterial adherence and infections)

This is a kit for preparing an absorbable hydrogel coat, containing hyaluronic acid and polylactic acid. The gel is recommended for the prevention of post-operative infections. In the event of contamination, the gel acts as a barrier by temporarily limiting or inhibiting pathogens' ability to colonise the surface of the implant or means of synthesis.

BFFI (expanding absorbable prosthesis for flat feet)

Absorbable endorthesis for the treatment of flat feet during the child development phase.

ElastiCo®

ElastiCo® film is used in tendon reconstruction in hand surgery as protection while tendons heal. It prevents the formation of fibrotic adhesion scars by optimising their regeneration and development. ElastiCo® membrane is a grade I equine collagen biomaterial that can promote tendon regeneration and stop the appearance of fibrotic adhesion scars, which can cause a loss of or reduction in the normal functioning of the limb.

NOVABarrier Extremity

This technology helps to prevent fibrotic adhesions in orthopaedic surgery. It contains a new combination of hyaluronic acid and polylactic acid designed to adhere to the tissues and promote tissue repair, while avoiding excessive production of connective tissue with the consequent formation of adhesions.

NOVABarrier Rachide

This technology helps to prevent fibrotic adhesions in spinal surgery.

NOVAPLATE P

This technology is designed to make the preparation of blood components for topical use simple, quick and safe.

STEM G2

This is a single-use kit for the collection of bone marrow and its subsequent reuse in the regeneration of damaged connective tissue in the musculo-skeletal apparatus.

Strategy and sustainability

The Group's corporate strategy is based on rapidity, responsiveness to the needs of the market and technological innovation, with the goal of offering a range of products recognised for their quality and reliability.
In this context, sustainability represents not only an ethical choice but a strategic lever integrated into the business model, supporting company growth through responsible and future-oriented practices. The economic transition towards more sustainable models has become essential to guarantee continuity and competitiveness. Understood in the broadest sense – which includes environmental, social and governance aspects – **sustainability is a key element in the Group's strategic policies**. By integrating ESG factors, the company has managed to develop technological, management and operating solutions which:

- support sustainable business development in harmony with environmental, economic and social requirements;
- enable an understanding, assessment and communication of the impact of technologies, plants, processes and company products on natural resources (air, water, soil, biodiversity), fostering the responsible use of such resources;
- strengthen the company's competitiveness on the markets, by recognising the added value of integrating ESG factors into the business model implemented.

Adler Ortho and sustainability

For Adler Ortho, sustainability is closely linked to its commitment to 'innovation for well-being' and is perceived as the fulcrum, around which ideas, plans and products all revolve. Through a continuous quest for innovation, not only does the company maintain high standards of quality and reliability but it also promotes all-round sustainable development. Starting from this approach, Adler Ortho has undertaken a sustainability process structured into the following strategic drivers:

INNOVATION *4* WELLNESS	
R&S	A centre of excellence in research and development to apply innovation and advanced technologies and efficient methods to optimise production flows, reduce energy consumption, limit waste and minimise emissions, while ensuring high quality standards.
PRODUCT QUALITY	The development of innovative solutions that guarantee excellent performance, patient safety and a reduced environmental impact throughout the product's life cycle, from design to disposal. A guarantee of excellence in products and services, with high standards of quality and rigorous compliance criteria.
ENVIRONMENT	A concrete commitment in the choice of processes and technologies with the aim of improving production processes that contribute to reducing emissions, through the adoption of practices that limit the overall ecological footprint. Seeking out and using cutting-edge and durable materials with a low environmental impact, prioritising renewable or recyclable sources to promote a more responsible use of natural resources.
PEOPLE	A commitment to developing human capital and promoting a stimulating, safe and inclusive working environment, geared towards the well-being and growth of employees.
COMMUNITY	A significant impact on the well-being of the community and the area in which the group companies are based through collaboration with hospitals and research institutes to improve collective well-being and the economic impact deriving from the availability of jobs in a stimulating and collaborative environment, with opportunities where ethical growth and respect for human rights are the norm.
CLIENTS & USERS CARE	A commitment to improving patient's well-being with the help of customised prostheses aimed at addressing complex orthopaedic conditions, such as the reconstruction of skeletal segments in cancer patients.

Stakeholders and communication

Maintaining a constant, strong and transparent relationship with stakeholders is a fundamental condition for the proper development of business activities and is indicative of the level of accountability that the Group assumes with respect to the economic and social context with which it interacts.
The Group recognises as **stakeholder** all parties (institutions, organisations, groups or individuals) who can, more or less directly and to varying extents, influence or be influenced by the Group's activities. The process through which they are identified is based on three main criteria:

- the level of interest and dependence that such parties may show for the Group's activities;
- the level of influence they exercise over company decisions and strategies;
- whether or not there are contractual or legal obligations in relations with such parties.

The Group has identified the following categories of stakeholders:

- Customers and market
- Suppliers, partners and banks
- Human resources
- Environmental stakeholders
- Communities
- PA and other institutions

Since the requirements and priorities expressed by the different types of stakeholders can be extremely varied and diverse, it is vitally important for the Group to understand them in order to:

- manage the occurrence of potentially critical issues before they arise;
- define the measures to implement in response to the interests identified;
- identify the most effective channels of communication and engagement for interacting with the various parties to involve.

In order to promptly meet the expectations of its stakeholders, the Organisation adopts a proactive approach, by promoting constant dialogue and the mutual sharing of needs and requirements. The Group promotes these initiatives, aware that chances for dialogue represent an opportunity for growth and enhancement for all the parties involved.
The commitment to gradually developing a corporate culture focused on the creation of shared value for stakeholders is clear, considering the numerous channels of dialogue adopted by the Group to enable effective interaction with them. The system of communication and dialogue approaches and instruments implemented by the organisation allows it to maintain constant interaction among the parties and effectively monitor matters directly or indirectly linked to ESG aspects.

Stakeholder category	Main channels of interaction and dialogue
Customers and market	• Website • Visits to the customer's office or plants • On-demand discussion with the Group's representatives • Customer care service • Market research and focus groups • Trade fairs
Suppliers, partners and banks	• Daily dialogue (verbal, sent by e-mail or certified e-mail, etc.) with the designated organisational structures • Sharing of monthly reports to document operating performance both from an economic/financial perspective and from a purely operational standpoint (e.g. performance of work portfolio, departure from the annual objectives of the Business Plan, etc.) • Innovation and research projects • Definition and sharing of standards
Human resources	• Internal communication programmes • Training courses • Whistleblowing portal for reports of offences envisaged by Italian Legislative Decrees 24 of 2023 and 231 of 2001
Environmental stakeholders	• Ad hoc meetings • Participation in events and conferences • Visits to the offices of Adler Ortho and Novagenit
Communities	• Website • Organisation of public events • Participation in fairs and events organised by third parties • Participation in trade and institutional round tables
PA and other institutions	• Innovation and research projects • Participation in events and conferences

Materiality analysis

The goal of a sustainable business is to integrate economic objectives with those relating to social values of well-being, inclusion, fairness, prosperity and justice, as well as the protection of the environment around us.
The Group has launched a process of responsible management of its actions, undertaking to integrate sustainability aspects into its activities and to communicate company performance in the economic, environmental, social and governance fields transparently to its stakeholders.

The first step in non-financial reporting consists in identifying, through a **Materiality analysis**, the sustainability issues of priority interest for the organisation. As defined by the **GRI 3 standards**, these topics are considered

'material' insofar as they are associated with the most significant impacts (positive or negative, actual or potential, short- or long-term) that companies can (or could) have on the economy, the environment and people, including impacts on their human rights.[3]

To identify **the main impacts** that the activities carried out by the Organisation can or could generate in the ESG sphere, a structured process has been launched to enable a detailed definition of the reference context both inside and outside the Organisation. This activity is structured into the following phases:

- review of existing internal documentation (e.g. policies, procedures, management systems, etc.);
- analysis of public documents, articles, statistics, observatories and sector studies; assessment of the main international standards and frameworks adopted in sustainability reports - both current (GRI, SASB, TCFD, etc.) and upcoming (e.g. ESRS, IFRS, etc.);
- conducting of a benchmark analysis on a sample of **15 peer and comparable competitor companies**;
- conducting of targeted interviews involving all members of the Organisation's internal Working Group.

With reference to the benchmark analysis, the websites and public documents of the companies identified as 'best-in-class' or 'comparable' in the sector in which the Group operates were examined.

This analysis considered elements such as:

- the presence of documents/reports of a non-financial nature;
- the type of documentation published (e.g. Sustainability Report, Non-Financial Declaration, Integrated Report, etc.);
- the reporting standards used and the associated levels of application;
- the presence of a materiality matrix or list of material topics;
- the type of topics deemed material for these companies.

Thanks to this analysis, it has been possible to identify **21 potentially material topics attributable to five pillars**:

- Governance and Economic capital;
- Human capital;
- Relational capital;
- Environmental capital;
- Productive capital.

Each potentially material topic identified was then associated with the most significant impacts (positive or negative, actual or potential, short- or long-term) that the Group's activities can (or could) have on the economy, the environment and people, including impacts on human rights.

Once potentially material topics and their associated impacts have been identified, they are subject to quantitative assessment, through an online questionnaire, by the top management and a group representing the significant categories of stakeholders outside the Organisation, who were asked, for each pillar, to give a priority to all the topics considering the level of significance of the impacts.

3
This approach, defined as 'impact materiality', is based on the adoption of an 'inside-out' perspective, focused on the impacts that company activities have on the socio-economic context in which the Organisation operates. The 'double materiality' model, introduced by the new Corporate Sustainability Reporting Directive (CSRD), requires the integration of this approach according to an 'outside-in' perspective that characterises 'financial materiality', which focuses on the nature and scale of the economic/financial impacts (both positive and negative) that more or less effective management of ESG aspects by the organisation could have on its performance, competitive positioning and enterprise value.

Once all the assessments have been collected, they are analysed, consolidated and, for each topics, the average is calculated. In order to identify the ESG topics and impacts that are genuinely 'material' for Adler Ortho, a materiality threshold has been defined enabling the identification of **12 material topics**.

The following table shows, for each material topic identified, the impacts generated and the activities developed by the Group for appropriate oversight.

Material topic	Impacts and relevance of the topic	KPI/GRI Standards	Commitment, policies and monitoring tools	Strategic driver
Governance and Economic capital				
Ethics and integrity in the conduct of business	• Development of the human capital of Adler Ortho and dissemination of knowledge and competence to boost the company's success • Full professional satisfaction of employees with consequent improvement of the company environment Failure to meet the individual and professional growth expectations and requirements of the Organisation's human resources • Failure to implement training programmes and consequently stunting the growth of the hard and soft skills of employees	GRI 2-27 GRI 205-3 GRI 206-1 GRI 207-1 GRI 207-2 GRI 207-3	Code of ethics Organisation, Management and Control Model 231/01	**CLIENTS & USERS CARE**
Anti-corruption and compliance	• Adoption of practices aimed at combating corruption (active and passive) in order to safeguard the brand against any negative publicity and protect the company's conduct, in line with rules and regulations • Lack of transparency in operational and decision-making processes by the Organisation, resulting in mistrust on the part of the markets, investors and customers • Occurrence of episodes of active or passive corruption within the Organisation	GRI 2-27 GRI 205-1 GRI 205-2 GRI 205-3 GRI 206-1 GRI 207-1	Code of ethics Organisation, Management and Control Model 231/01 Anti-corruption policy	**PEOPLE** **COMMUNITY** **CLIENTS & USERS CARE**
Productive capital				
Product quality, safety and reliability	• Protection of health and safety through the correct monitoring of product quality and safety • Enhancement of the brand's reputation and consequent boost to its appeal through optimal product quality and safety • Non-compliance with requirements relating to product safety, with resulting impacts on market confidence	GRI 416-1 GRI 416-2 GRI 417-1 GRI 417-2 GRI 417-3	Quality control procedures	**PRODUCT QUALITY** **CLIENTS & USERS CARE**

Material topic	Impacts and relevance of the topic	KPI/GRI Standards	Commitment, policies and monitoring tools	Strategic driver
Technological innovation and digitalisation	• Identification of innovative and more technologically advanced solutions able to boost the competitiveness of the Organisation and foster research and innovation to improve efficiency and reduce environmental impact • Availability of investment/capital intended for the development of the Organisation and the economic ecosystem in which it operates • Failure to contribute to the technological development of the sector, with consequent deterioration of the market power of Adler Ortho and loss of market share	GRI 3-3	Procedure for the acquisition of patents	**PRODUCT QUALITY** **R&S**
Human and Relational Capital				
Respect for human rights	• Well-being and prosperity of the main stakeholders with which the Organisation interacts (e.g. employees, local communities, business partners, etc.) Protection and promotion of fundamental personal rights, by preventing all forms of discrimination, both inside the Organisation and in external relations • Awareness and knowledge of all stakeholders on human rights issues • Infringement of fundamental personal rights	GRI 406-1	Code of ethics Whistleblowing system Model 231 HR procedure	**PEOPLE** **COMMUNITY**
Occupational health and safety	• Reduction of workplace accidents and professional diseases following the reinforcement of control, prevention and monitoring policies and measures for managing 'near misses' within the Organisation • Reduction of the social cost connected with workplace accidents suffered by the Organisation and communities Growth in workplace accidents and professional diseases following incomplete training on the matter and incomplete application of adequate prevention and protection measures to protect workers' health and safety.	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9 GRI 403-10	DVR [i.e., Risk Assessment Document] Emergency plan Accident procedure	**PEOPLE**

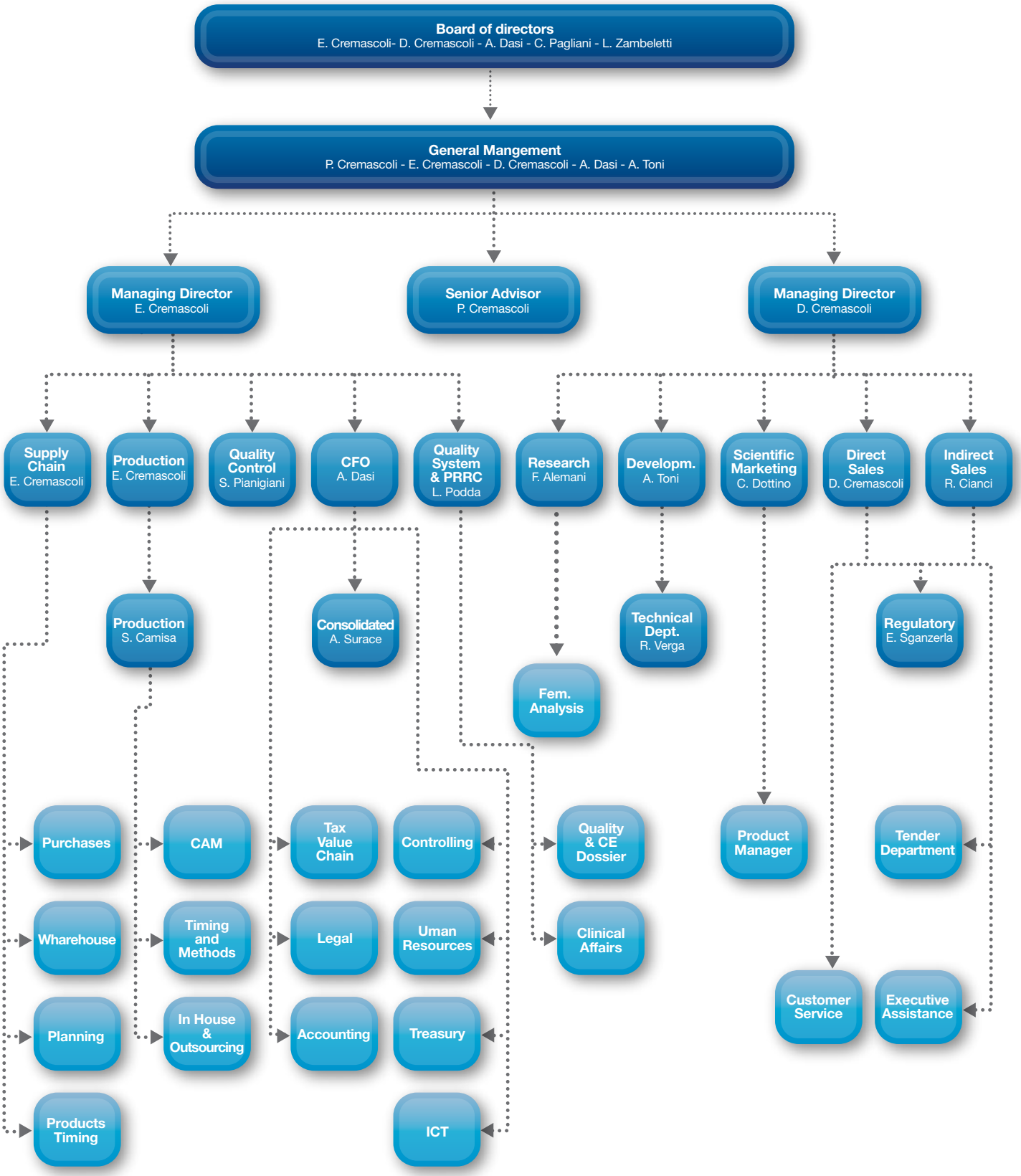
Material topic	Impacts and relevance of the topic	KPI/GRI Standards	Commitment, policies and monitoring tools	Strategic driver
Training and upskilling	• Development of the human capital of Adler Ortho and dissemination of knowledge and competence to boost the company's success • Full professional satisfaction of employees with consequent improvement of the company environment Failure to meet the individual and professional growth expectations and requirements of the Organisation's human resources • Failure to implement training programmes and consequently stunting the growth of the hard and soft skills of employees	GRI 404-1	Training plan and HR procedure	**PEOPLE** **COMMUNITY**
Diversity and equal opportunities	• Opportunities for every employee to fully realise their potential, with resulting benefits in terms of performance • Protection and promotion of fundamental personal rights, by preventing all forms of discrimination, both inside the Organisation and in external relations, and making a positive contribution to the corporate environment • Increase in the pay gap resulting from failure to promote diversity	GRI 405-1 GRI 405-2	Planning for the following year to implement gender equality certification	**PEOPLE**
Work-life balance	• Opportunities for each employee to strike a balance between work and private/family life • Protection of the mental and physical health of employees • Negative repercussions on relations between employees and the company, in terms of company engagement • Poor quality corporate environment	GRI 401-2 GRI 401-3	HR Procedure Assessment of work-related stress Presence of benefits for employees	

Material topic	Impacts and relevance of the topic	KPI/GRI Standards	Commitment, policies and monitoring tools	Strategic driver
Environmental capital				
Energy efficiency and sustainable products	• Reduction in environmental impact thanks to specific activities involving the introduction of energy sources with a lower impact and a consequent reduction in energy consumption • Well-being and prosperity of the main stakeholders with which the Organisation interacts (e.g. local communities, business partners, etc.) • Exposure of local communities and the local area to extreme weather events (e.g. flooding, hurricanes, desertification, etc.)	GRI 302-1	Environmental procedure Emission management procedure	**ENVIRONMENT**
Fighting climate change and managing emissions	• Reduction in atmospheric emissions through initiatives to optimise production processes • Positive contribution to the fight against climate change through the implementation of a climate strategy, as well as emission reduction targets and objectives • Failure to adhere to regulations, targets or standards regarding emissions and climate change • Interruptions of operations caused by extreme weather events, with short-term impacts on productivity	GRI 305-1 GRI 305-2	Environmental procedure Emission management procedure	**ENVIRONMENT**
Waste management and circular economy	• Contribution to reducing the consumption of raw materials, thanks to the implementation of a production model aimed at the reuse or recycling of products/ parts • Economic benefits thanks to the integration of a circular economy model within the company's activities Continuous increase in material consumed and rise in waste produced by the Organisation's activities, not intended for recovery or reuse • Failure to contribute to reducing the consumption of raw materials, due to the non-application of a production model inspired by circularity	GRI 306-1 GRI 306-2 GRI 306-3 GRI 306-4 GRI 306-5	Environmental procedure Waste management procedure, entrusting to leading environmental consulting firm.	**ENVIRONMENT** **R&S**

SUSTAINABLE GOVERNANCE

Organisational structure

The organisational structure expresses the system of functions, powers, delegations, decision-making processes and company procedures, providing clear identification of everyone's duties and responsibilities with respect to company activities.
The organisational structure of Adler Ortho is heavily focused on providing Group governance, as well as defining the principles of company organisation and management of processes and resources.
In order to incorporate commitments into its policies and develop a responsible way of doing business, Adler Ortho has an organisational chart indicating all figures, roles and responsibilities, as shown below



Corporate bodies

Board of Directors

The Board of Directors (hereinafter also "BoD") is vested with the broadest powers for the ordinary and extraordinary management of the Company and may carry out all acts it considers appropriate for the implementation and achievement of the corporate purposes. Through its members, the BoD resolves on management aspects and convenes meetings, setting the agendas. The Board drafts the annual financial statements and proposes them to the Meeting for approval. At the same time, it proposes an allocation of the profit for the year. In addition, it plays a key role in executing the wishes expressed by the Meetings in the interests of the Company.
The term of office of the members of the Board of Directors is three years, expiring on the date of the meeting convened for the approval of the financial statements for the final year of their mandate, i.e. 31 December 2025.
The remuneration of the BoD is set by the BoD meeting; as regards the managing director, the proposal is agreed upon at the time of recruitment. There are currently no variable portions of the remuneration based on ESG objectives.

Board of Directors – Adler Ortho	
Edgardo Claudio Cremascoli	Chairman
Davide Luca Cremascoli	Deputy Chairman
Andrea Dasi	Managing Director
Leopoldo Zambeletti	Director
Carlo Pagliani	Director

Board of Directors – Diversity (gender – age groups)

Women		Men		**Total**	
Nr	%	Nr	%	Nr	%
-	-	5	100%	**5**	**100%**

Under 30 years of age		Between 30 and 50 years of age		Over 50 years of age	
Nr	%	Nr	%	Nr	%
-	-	-	-	5	100%

As regards the company Novagenit S.r.l., the Board of Directors is composed of 2 people, Davide Luca Cremascoli as Chairman and Edgardo Claudio Cremascoli as Deputy Chairman.

Board of Statutory Auditors

The Board of Statutory Auditors supervises compliance with the law and the Articles of Association, with the principles of proper administration and the adequacy of the organisational and administrative system adopted by the company and with its actual operation. The responsibilities of the Board of Statutory Auditors do not include the auditing of the accounts, which is assigned to the independent auditors BDO Italia S.p.A..
In compliance with the provisions of Italian Legislative Decree no. 231/2001 (hereinafter also the "Decree"), the Company has established a Supervisory and Control Body to which it has assigned specific duties for supervising effective and due compliance with and the functioning of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 (hereinafter, the "231 Model" or "231 OMCM").

Board of Directors – Adler Ortho	
Antonio Guastoni	Chairman
Manuela Paola Pagliarello	Statutory auditor
Filippo Maria Cova	Statutory auditor
Brigida Pagliarello	Alternate auditor
Annalisa Randazzo	Alternate auditor

Board of Statutory Auditors – Diversity (gender – age groups)

Women		Men		**Total**	
Nr	%	Nr	%	Nr	%
3	60%	2	40%	**5**	**100%**

Under 30 years of age		Between 30 and 50 years of age		Over 50 years of age	
Nr	%	Nr	%	Nr	%
-	-	1	20%	4	80%

The Supervisory Body (hereinafter also the "SB") is the body vested with the authority and powers necessary for monitoring, in full autonomy, the functioning and observance of the Model, as well as handling the updating thereof, proposing the relevant amendments to the Company's Board of Directors.
The Company's SB is composed of persons considered to best satisfy the professional requirements for carrying out this supervisory role within the Company.

In particular, a collective SB was appointed, identified according to the following rationale:

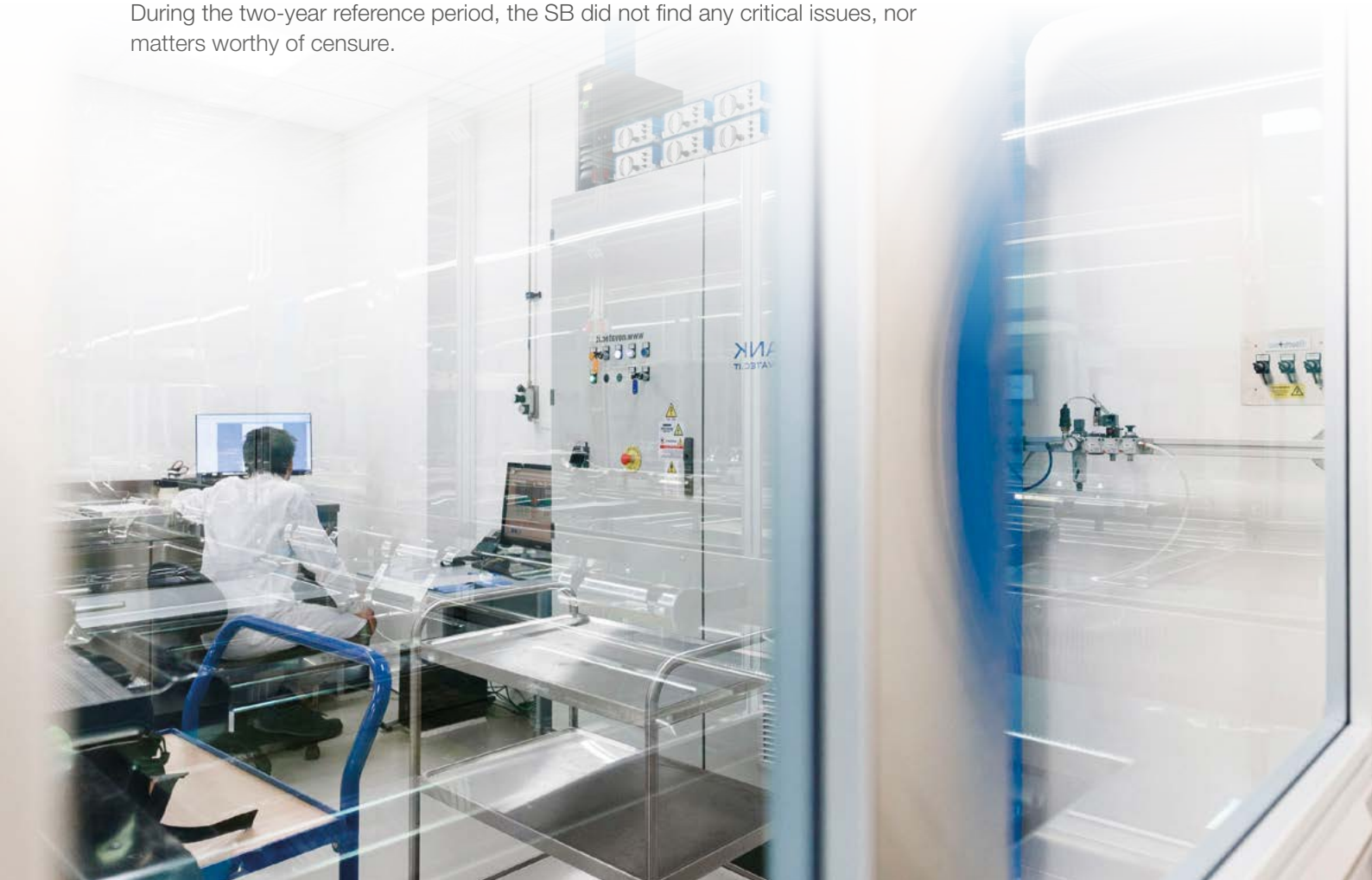
- two members identified from among professionals chosen from outside the Company, with proven experience as regards Legislative Decree 231/2001 and legal affairs and possessing the requirements of independence and professionalism, able to perform their duties adequately;
- a member chosen from the Company's Board of Statutory Auditors.

The SB has adopted Regulations governing the functioning, duties, powers and responsibilities of the SB.
During the 2022-2023 period, the SB did not find any critical issues, nor matters worthy of censure.

As regards the company Novagenit S.r.l., in view of its extremely small size, the function of the Board of Statutory Auditors is performed by the same company that handles the Legal Audit (BDO Italia SpA), while the SB is composed of two members, identified according to the following rationale:

- two members identified from among professionals chosen from outside the Company, with proven experience as regards Legislative Decree 231/2001 and legal affairs and possessing the requirements of independence and professionalism, able to perform their duties adequately.

During the two-year reference period, the SB did not find any critical issues, nor matters worthy of censure.



Responsible business management

The Codice Etico[4] di Adler Ortho and Novagenit represents a fundamental pillar for the development of an increasingly responsible and transparent management model, geared towards the creation of shared value for all stakeholders. These documents include the set of values that the Group recognises, shares and promotes, aware that conduct inspired by principles of diligence, integrity and loyalty are a key driver for the economic and social development of organisations and the communities in which they operate. Within the Code of Ethics, the Companies formally recognise the essential importance of their human capital and require their employees and agents to always act with honesty, passion and integrity, building relations with stakeholders based on mutual trust.
The choice of using a tool within the area of Corporate Social Responsibility (CSR) to promote and consolidate behavioural best practices derives from the Group's awareness and desire to ensure clear and consistent guidance for all strategic choices that have a major impact on life at the company. The adoption of this tool calls for constant analysis of the procedures for defining and implementing core values, their translation into daily practice and the continuous monitoring of the effects generated, as well as the suitability of the tool used.

Organisation, Management and Control Model 231

In 2016, Adler Ortho adopted an Modello di Organizzazione,Gestione e Controllo ex D.Lgs. n. 231/2001[5] that represents an essential tool for protecting Entities and Companies from the commission of the offences described in the Decree by its employees and directors.
This Model was completely revised in 2020 and adjusted to the new provisions in 2022.
The same process has been followed by Novagenit, which has adopted an Organisation and Management Model pursuant to Italian Legislative Decree no. 231/2001 since 2019.
The primary objective of the Model adopted by the Company, based on the identification of activities at risk of offences, is to prevent the commission of offences and to promote a corporate culture based on compliance with laws and ethical principles. It seeks to raise the awareness of all parties involved about the importance of preventing illegal behaviour, guaranteeing effective control of at-risk activities and enabling prompt intervention to prevent offences. Moreover, the Model defines rules and protocols for the correct management of company decisions, ensures the traceability of transactions and compliance with

4
For further details, view the Code of Ethics at the following link: https://www.adlerortho.com/wp-content/uploads/2023/10/Codice-Etico-Adler-Ortho-IT-r.pdf

5
For further details, see the 231/01 Organisation, Management and Control Model, available at the following link: https://www.adlerortho.com/it/modello-organizzativo-231/

the principle of separation of functions and assigns to the SB the responsibility of monitoring the implementation, updating and functionality of the system, including dynamic adaptation in response to new requirements or assessments. Ad hoc audits are periodically conducted by an external body, aimed at monitoring that these procedures are respected by all employees and directors and that the Company operates in a context of complete legality.
The Model was **brought to the awareness of all employees** of the Companies and a copy is available for consultation by employees on the company intranet. To ensure the Model functions effectively, the Group **provides training** to executives and other employees. The training courses cover every aspect of the entire organisational Model, especially:

- Italian Legislative Decree no. 231/01 and the offences referred to therein;
- the Model;
- the Code of Ethics;
- the Supervisory Body;
- the Penalty System.

During the reporting period, there were no episodes of corruption or any other circumstances ascribable to figures included in the 231 OMCM, nor are there any legal proceedings in progress against the Group with regard to anti-competitive conduct, infringements of antitrust legislation, associated monopoly practices or violations of human and/or workers' rights.

Anti-corruption policy

Corruption represents the main obstacle in the conducting of business and a significant threat to sustainable growth, stability and free market competition. The fight against corruption should therefore be seen as one of the main strategic objectives of companies at a global level.
In 2021, the Adler Ortho Group also approved an Policy Anticorruzione[6] with the aim of disseminating internally, as well as with external contacts, the main fundamentals that guide the Group Companies in combating any form of corruption. One of the key factors in the reputation of the Adler Ortho Group is the capacity to carry out its business with loyalty, propriety, honesty, integrity and transparency, and in compliance with laws, standards and guidelines, both national and international.
As proof of its adherence to the values listed above, the Adler Group has decided to adopt the Anti-Corruption Policy (hereinafter, the "Policy"), inspired by the principles of ethical conduct envisaged in the **Code of Ethics** and aim to provide all Group personnel with ground rules to follow to ensure full compliance with the applicable anti-corruption laws.
The Group companies, their top executives, management and all employees undertake to carry out all activities within their remit with loyalty, fairness, transparency, honesty and in accordance with the law. For this reason, the Adler

6
For further details, view the Anti-Corruption Policy at the following link: https://www.adlerortho.com/wp-content/uploads/2023/10/Policy-Anticorruzione-1.pdf

Ortho Group prohibits corruption without exception, with regard to both public counterparties and private parties, and undertakes to respect the anti-corruption laws of all countries in which the companies operate.
Under no circumstances may the belief of acting in favour or to the benefit of the Company and/or Group ever justify, in any way and not even in part, any actual or attempted corruption or any illegal or unethical conduct.
In this context, a risk assessment plan was implemented, specifically aimed at identifying the main risks of corruption to which the activities of the Adler Ortho Group are most exposed. Of these risks, those which require particular attention include relations with healthcare professionals, including in consideration of the status as public officials and employees of public services such professionals may have in the individual countries in which they operate.
This Policy supplements the 231 Model of Adler Ortho SpA, of which it constitutes a full and integral part.

Risk management

Although the Group already adopts a responsible and prudential approach in the definition of strategic decisions and the conducting of business activities, the need to operate in an increasingly complex competitive context, frequently affected by interruptions with profound implications on a global scale, is pushing the Group to **accelerate the process of adopting an enhanced risk management system** which can help the Company promptly and effectively tackle possible situations of risk for competitiveness and business continuity.
The Company's objective is to conduct its activities with integrity, by promoting a culture of respect for customers, employees, suppliers and the environment. The corporate Governance policy guarantees a commitment to honour high ethical standards and compliance with standards, laws and regulations in any country in which the Company operates. The Adler Ortho Group has also assessed, inter alia, the risk of interruption of operating activities, by identifying customers, products and critical raw materials and has prepared a **Business Continuity Plan** to guarantee the continuity of company activities including in cases of emergencies or disasters. Specific teams have been identified, at both Group and production site level, and will be responsible for restoration activities according to the methods described in this Plan.
The Plan was prepared in accordance with the requirements provided for in the international reference standard for Business Continuity Management, **ISO 22301:2019**. Its purpose is to help organisations, irrespective of their size, position or activities, to prepare to manage interruptions/high-impact events of any kind and to demonstrate to customers and suppliers a suitably proactive approach and send a consistent message to all interested parties.

One of the key elements of the Group's policy is represented by the management of business continuity, a concept which is implemented at all organisational levels, with careful verification of its understanding and implementation. To this end, the Company provides targeted training, ensuring constant communication and practical involvement through tests, exercises and simulations of crisis scenarios. All middle managers were involved in the development of this Business Continuity Plan; the designated managers will re-examine and update the Plan annually or when there are significant changes to the internal or external context.

Cybersecurity & Data protection

All information available to the Company is processed to ensure full confidentiality and privacy for the data subjects, with particular observance of the provisions laid down in Regulation **EU 679/2016 - GDPR** and the other legislation applicable in the various countries in which the Adler Ortho Group operates, which all Recipients are required to respect.
In compliance with the applicable legislation, all questions regarding opinions, preferences, personal tastes and the private life of Recipients in general are forbidden. Without prejudice to the assumptions provided for by law, it is also forbidden to communicate/disseminate personal data without the prior consent of the data subject; rules are therefore required to enable supervision, by each Recipient, of the privacy protection regulations.
When activities are identified that are not compliant with privacy legislation or the relevant policies adopted by the Company, or that fail to adhere to safety standards, they must immediately be reported to a line manager, the data protection officer and the SB.
For the two-year reference period, the Group did not receive substantiated reports concerning violations of customers' privacy and data loss.
In March 2023, a DPO (Data Protection Officer)[7] was appointed through a resolution of the BoD, to guarantee full compliance with the regulations on the protection of personal data, in particular Regulation (EU) 2016/679, known as the GDPR. The DPO plays a crucial role in supervising company activities linked to data processing, by ensuring that all operations are compliant with the regulations in force and protect the privacy of users.

Regulatory compliance

During 2023 and over the last three years, there have been no events originating from penalties and/or disputes relating to non-compliance with laws and regulations in environmental matters. Similarly, on the date of drafting of this Sustainability Report, there are no environmental disputes in progress.
No dispute or complaint from external parties or regulatory bodies has yet reached the Company due to non-compliance with laws and regulations on social or economic matters, including anti-competitive behaviour, antitrust and monopoly practices, nor have penalties been imposed for infringements of product safety regulations, industrial and intellectual property, in marketing activities, for anti-competitive conduct.

7
The Data Protection Officer (hereinafter, "DPO") is a figure introduced by the General Data Protection Regulation 2016/679 – GDPR. The DPO is a professional who must have a role at the company (whether an internal or external figure) with expertise in legal affairs, IT, risk management and process analysis. His/her main responsibility is to observe, assess and organise the management of personal data processing (and therefore also their protection) within a company (whether public or private), so that they can be processed in compliance with European and national privacy legislation.

INFRASTRUTTURAL CAPITAL

The production process

The production process at Adler Ortho is organised into various production phases, conducted partly internally and partly by external suppliers, enabling Adler Ortho to maintain high quality and safety standards for its orthopaedic products, ensuring that they are ready for clinical use once packaged. Production begins in the internal departments of Adler Ortho, where the **first processing operations are carried out on orthopaedic components (starting from raw materials and/or semi-finished products)**. This phase only includes basic processing operations, such as milling and turning, to give the products their initial form, whether they are prostheses or orthopaedic implants.
Once the primary processing operations have been completed, the components **are sent to an external supplier specialised in other phases of production**. These passages may **include advanced finishings, surface treatments** (such as coating or polishing) and specific operations that require particular equipment or skills that are not present internally.
Once the phase at the external supplier has been completed, the **components are returned to Adler Ortho, where they are subject to rigorous quality checks**. These checks may include tests of dimensional accuracy, checks of the integrity of the materials and verification of the surface characteristics, to ensure that each part meets the required quality standards. **During this phase, the compliance of the end product with clinical and technical specifications is also verified.**
Following the quality check, the components are sent to **Novagenit for the final phase**, which includes washing and packaging. Lastly, the products **are sent packaged to an external provider who handles their sterilisation**, following which they are ready for sending to the hospitals.
Adler Ortho adopts an integrated and highly specialised approach to the management of its production process. Standard production, which includes articles with a low level of customisation, is entrusted to selected external suppliers, guaranteeing efficiency and quality. However, the more sensitive phases and those related to advanced customisation, which call for a high degree of technical know-how and particular care, are managed internally. This allows the company to maintain direct control over the processes that define the distinctive value of its products, in particular as regards tailored orthopaedic solutions. The research and development aspect plays a fundamental role in the continuous improvement of technological innovation and product quality, with constant investments in cutting-edge technologies and specialised skills.
From a logistics perspective, Adler Ortho stands out for its highly organised

structure which includes four dedicated warehouses: one for raw materials, one for the receipt of goods, one for finished products and one for instruments. Thanks to an advanced computerised management system, every phase at the warehouse is optimised, enabling accurate tracing of the position of packages and making the management and shipping of products more efficient. Thanks to this system, combined with efficient logistics, rapid and precise delivery times can be guaranteed, providing a flexible response to the needs of customers and the market.

Production facilities

The Adler Ortho production units are spread across Italy: Cormano is home to the administrative offices and an automated production unit, while Mezzolombardo (Trento) houses the production of biological products, as well as the washing, packaging, labelling, packing and management of the sterilisation of Adler Ortho devices.
The company has established a structure dedicated to 3D printing in Bari: Adler Ortho was the first company in the world to use advanced printing technologies with metallic dust to produce orthopaedic implants. Thanks to technologies such as Electron Beam Melting (EBM) and Selective Laser Melting (SLM), Adler Ortho produces precision metal implants with materials such as titanium (Ti6Al4V), cobalt-chrome (CoCrMo) and stainless steel.

The production sites

Cormano (MI) production unit

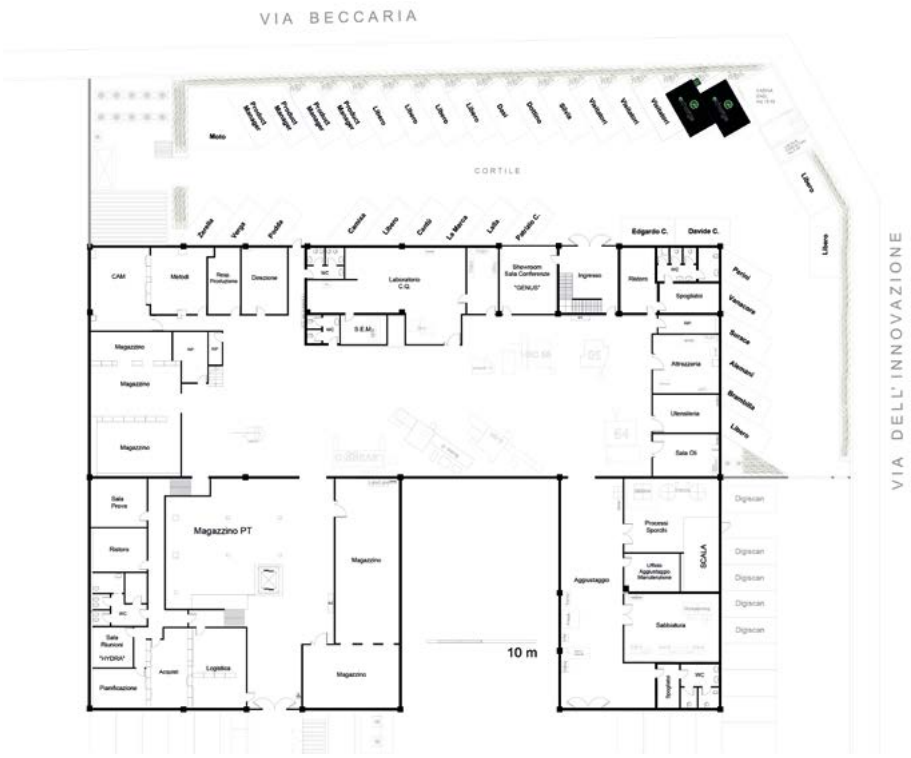
The Cormano Milan site is the registered office of the Adler Ortho Group. Right from when this site – developed in a new industrial park (2006) located in a strategic zone for traffic and services on the northern edge of Milan – was first launched in 2007, it has remained at the cutting edge as regards safety, security, productivity and minimising environmental impact. The facility was designed by adopting, and in many cases going beyond, all environmental impact regulations (energy savings, emissions, discharges, noise and lighting).

The site boasts fibre optic connection (voice and data) both externally and internally in the integration of the various sub-systems. The voice part to the branches is managed 'over IP'. All systems (lighting, air conditioning, intrusion prevention, production emergency, access, fire detection) are connected through a bus managed by computer.

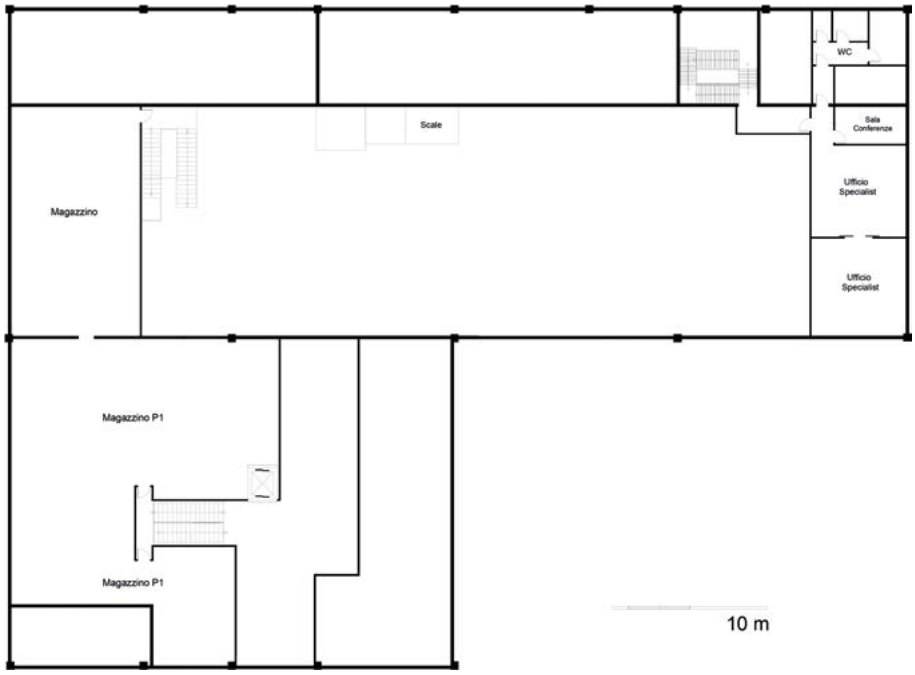
The thermal machines for the production of heat/cold are latest-generation ammonia absorption cycle, powered by natural gas. Distribution occurs through a mixed radiant panel and air-to-water system to guarantee well-being for staff and thermal stability for production processes.

The distribution of compressed process air is ultra-filtered and an air filtration/distribution system has been installed in the production environment. Lastly, the offices area contains an AHU treatment system for air renewal heat exchange.

Ground floor



First floor



Second floor

The Cormano production site brings together various technological areas:

- **Machining operations for swarf removal**: the classic milling, turning or combined machines, in multi-axis versions (1 axis = 1 degree of freedom) enable the processing of complex surfaces oriented in three-dimensional space, by removing material from suitable semi-finished products (forgings, bars, castings) through tools commanded by numerical controls that incorporate appropriate programs generated by CAM.
- **Treatment and packaging operations** in which the materials are subjected to heat cycles or surface finishing (shot peening or mass finishing) or ultrasonic cleaning.
- **Ancillary and finishing operations**, typically for the preparation of raw materials or finishings and adjustment.

The production cycles require two operators per shift on a 24 x 5 rotation and maintenance on Saturday, with the supervision of a production manager and with one operator freely available should a replacement be needed. Typically, operators monitor two digitally controlled machines simultaneously.

Bari (BA) production unit

The Bari plant is a new Group production site in which Adler Ortho's prototyping and production activities have been concentrated since 2021. The plant has been designed in compliance with all environmental impact regulations (energy savings, emissions, waste, noise and lighting): it boasts fibre optic connection (voice and data) both externally and internally in the integration of the various sub-systems, with the voice part to the branches managed 'over IP'. Moreover, it is connected directly to the server of the central plant in Cormano, thus upholding all information security standards.
The thermal machines for the production of heat/cold are latest-generation ammonia absorption cycle, powered by natural gas. Distribution occurs through a mixed radiant panel and air-to-water system to guarantee well-being for staff and thermal stability for production processes.
The distribution of compressed process air is ultra-filtered and the production areas house air conditioning systems with air recycling (for the warehouse, open space and dedicated areas).
The technical gases, helium and argon, are managed through switchboards to split the cylinders in order not to compromise the processing of machinery through exhaustion. The cylinders for helium and packs of cylinders for argon are kept in a metal cage located outside the plant.

Various types of processing take place at the Bari production site:

- **Additive operations**, where materials are selectively fused by a high-energy electron beam (Electron Beam Melting – EBM), which operates on layers deposited successively and cyclically in the powder bed (with granulometry of between 45 and 105 μ) or using a laser beam that operates on layers deposited successively and cyclically in the powder bed (with granulometry of between 10 and 40 μ).

- **Heat treatment operations**: the metal components created with laser additive technology are subject to heat treatment in a TAV H3 high-vacuum furnace, in order to soften and homogenise the material.
- **Cutting operations**: wire EDM machines (GF CUT30E and HB600) are used, respectively, for the removal of components from the plate for processing conducted with laser additive technology using cobalt-chrome material and for the removal of components from the plate for processing conducted with laser additive technology using Ti6Al4V material.
- **Ultrasonic washing system** X-TRA PRO 550 USMFO to clean residue from the wire cutting of components carried out using additive technology.
- CNC machining centre, GF MIKRON MILL X 600U 5-Axis with pallet loader to keep the presence of an operator on board the machine to a minimum.

Mezzolombardo (TN) production unit

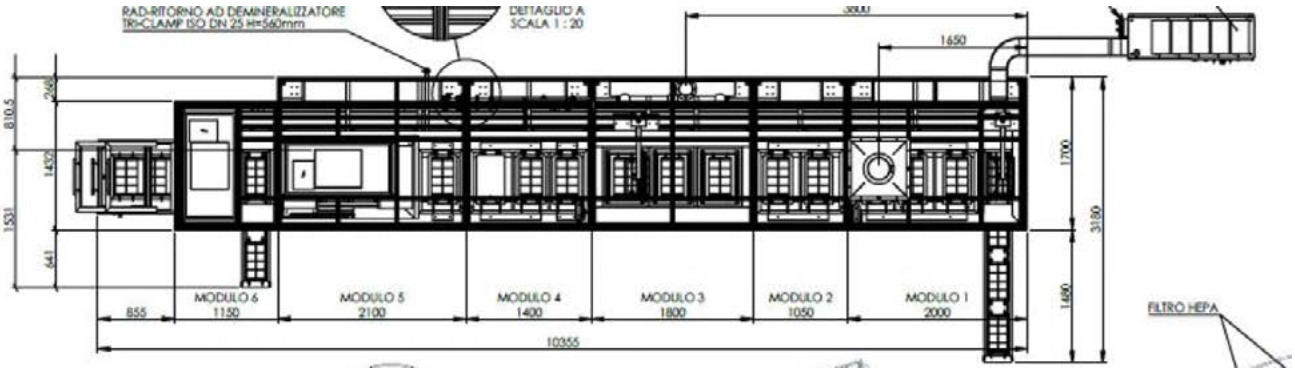
During the manufacturing phase, all Adler Ortho products are subject to the following processing phases: **final washing, packaging in classified area, labelling, packing and sterilisation**. In addition, a significant quantity of Adler Ortho products are subject to laser marking. The Mezzolombardo site has a classified area with two clean rooms and therefore the prerequisites for carrying out the activities described above.

The machines specifically dedicated to the washing and packaging of Adler Ortho products are as follows:

- The Trumark Station 5000 marking machine with Trumark 3130 is an ultra-high precision vanadate laser marker with linear x and y axes. All mar-

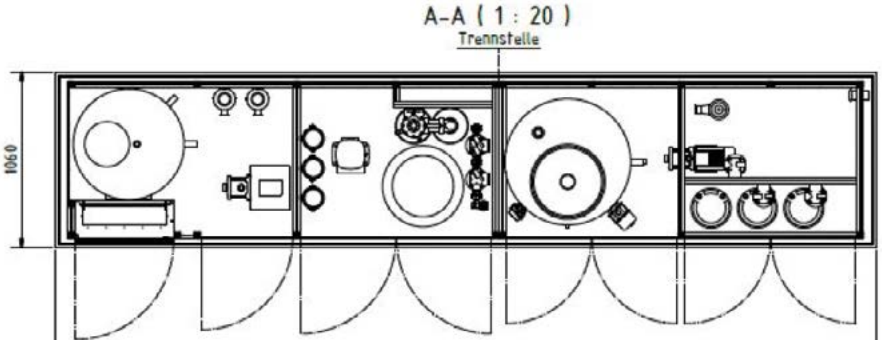
king files are managed directly by the machine database and uploaded using a barcode reader to prevent data entry errors by the operator.

- The Pluritank final washing system has 14 working positions for detergent washing, rinsing with reverse osmosis water, nitric acid passivation, rinsing with demineralised water and drying with heated sterile air. The system is managed entirely with automated robotic arms and coordinated by the company's management software. The equipment's management system controls all the critical functional and maintenance parameters. The entire system is completely shielded with suction from the detergent and passivation tanks, as well as two modules for the intake of sterile air into the final zone of the system and close to the passage to the clean room in class B.



The reverse osmosis and demineralised water necessary for the washing line is generated by a latest-generation installation able to produce 2,400 l/h of sterile reverse osmosis water and 1,200 l/h of sterile demineralised water from an 800 l/h reverse osmosis module. The management software of the fully shielded water system manages all the critical functional and maintenance parameters and is also connected to the washing line, enabling dialogue and therefore the sending of important signals in the event of any malfunctions.

All wastewater from the washing line and concentrate from the water treatment system are managed by means of a pH control through a suitable neutralisation system.



Innovation of Group's products and processes

The Adler Ortho Group is an Italian company specialised in the design, production and marketing of joint replacements and other orthopaedic surgical devices. The Company holds a series of exclusive patents and has developed unique expertise in the production of orthopaedic implants, using both 'traditional' mechanical processing and 3D printing technology, where it is the world leader.
One of the most distinctive Adler Ortho innovations is modular necks, where the company possesses expertise and clinical data attesting to the reliability of its products compared with single-block necks. As acknowledgement of its quality, Adler Ortho has obtained an ODEP 13A rating for modular neck prostheses – recognition of effectiveness and safety awarded by the Orthopaedic Devices Evaluation Panel.
The production units at Cormano and Bari adopt the most advanced technologies both in the field of implant construction and in the fundamental area of quality control, while Novagenit is specialised in regenerative medicine

Trademarks, patents and know-how of the Adler Ortho Group

The following section describes the intangible assets available to Adler Ortho, grouped into trademarks, patents and know-how.

Marchi

Brand	Class	Registration	Geographical area
Genus	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials	November 8, 2011	Italy
		December 21, 2011	Europe
		May 10, 2011	Australia
		March 1, 2013	Canada
		December 21, 2011	United Kingdom
Modula	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials	December 5, 2011	Italy
		October 18, 2013	Europe
	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials 42 – Scientific and technological services and research and design relating thereto; Industrial analysis, industrial research services; Design and development of computer hardware and software	October 18, 2013	United Kingdom
Parva	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials	December 5, 2011	Italy
		May 10, 2011	Australia
			Japan
			New Zealand
		March 1, 2013	Canada
	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials 42 – Scientific and technological services and research and design relating thereto; Industrial analysis, industrial research services; Design and development of computer hardware and software	January 8, 2013	Europe
			United Kingdom
Salvation	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials	March 26, 2018	Italia Italy
Patheon	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials	January 24, 2022	Italy
		June 6, 2019	Europe
			United Kingdom
			Israel
			Australia

Brand	Class	Registration	Geographical area
Omnia Pantheum	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials	February 28, 2022	Italy
		May 27, 2021	Europe
			United Kingdom
			Japan
			Australia
Adler Ortho	5 – Pharmaceuticals and veterinary preparations; Sanitary preparations for medical purposes; Dietetic food and substances adapted for medical or veterinary use, food for babies; Dietary supplements for human beings and animals; Plasters, materials for dressings; Material for stopping teeth, dental wax; Disinfectants; Preparations for destroying vermin; Fungicides, herbicides 10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials 42 – Scientific and technological services and research and design relating thereto; Industrial analysis, industrial research services; Design and development of computer hardware and software	June 21, 2011	Europe
			United Kingdom
TI-POR	5 – Pharmaceuticals and veterinary preparations; Sanitary preparations for medical purposes; Dietetic food and substances adapted for medical or veterinary use, food for babies; Dietary supplements for human beings and animals; Plasters, materials for dressings; Material for stopping teeth, dental wax; Disinfectants; Preparations for destroying vermin; Fungicides, herbicides 10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials 42 – Scientific and technological services and research and design relating thereto; Industrial analysis, industrial research services; Design and development of computer hardware and softwar	March 24, 2011	Europe
			United Kingdom
	10 – Surgical, medical, dental and veterinary apparatus and instruments; Artificial limbs, eyes and teeth; Orthopaedic articles; Suture materials	May 10, 2011	Australia
			Japan
			United States
		December 10, 2012	Canada

Patents

Patent - title	Filing date	Registration date	Territory	Expiry date
EP1663077 Set of mobile necks for inserting into the st em of a hip prosthesis	September 2, 2004	January 9, 2008	Member states of the European Patent Organisation. Valid in Italy as well	September 2, 2024
US8,357,204 Set of mobile necks for inserting into the stem of a hip prosthesis	September 2, 2004	January, 22 2013	United States	September 2, 2024
EP1898842 Prosthetic component with recesses provided beneath the outer surface	April 28, 2006	November 27, 2013	Member states of the European Patent Organisation. Valid in Belgium, France, Italy	April 28, 2026
EP2616010 Modular prosthetic device for hip joint replacement	April 4, 2013	April 12, 2017	Member states of the European Patent Organisation. Valid in Italy	April 28, 2033
EP2670359 Hip prosthesis femoral stem	July 26, 2013	May 31, 2017	Member states of the European Patent Organisation. Valid in Italy	May 31, 2037
EP3107502 Cruciate ligament protection device	August 23, 2016	June 3, 2020	Member states of the European Patent Organisation. Valid in Italy	May 31, 2037
EP3285691 Improved cotyloid prosthesis for hip arthroprosthesis	October 30, 2017	April 8, 2020	Member states of the European Patent Organisation. Valid in France	October 30, 2037
102016000026736 Improved cotyloid prosthesis for hip arthroprosthesis	March 15, 2016	September 4, 2018	Italy	March 15, 2036
102016000048667 Femoral component for knee prosthesis and related knee prosthesis	May 12, 2016	November 29, 2018	Italy	May 15, 2036
102018000007049 Device for facilitating the formation of new bone tissue	July 10, 2018	July 20, 2020	Italy	July 10, 2038

Patent - title	Filing date	Registration date	Territory	Expiry date
Patent Device for facilitating the formation of new bone tissue	February 5, 2021	/	Member states of the European Patent Organisation	Currently under review by the Patent Office
2019300119 Device for facilitating the formation of new bone tissue	January 18, 2021	September 23, 2022	Australia	January 18, 2041
Patent Device for facilitating the formation of new bone tissue	January 7, 2021	/	China	Currently under review by the Patent Office
Patent Device for facilitating the formation of new bone tissue	January 7, 2021	/	Israele	Currently under review by the Patent Office
Patent Device for facilitating the formation of new bone tissue	February 3, 2021	/	New Zealand	Currently under review by the Patent Office
US 11,678,990 Device for facilitating the formation of new bone tissue	January 7, 2021	June 20, 2023	United States	January 7, 2041
102018000010188 Hip stem prosthesis, with fixed or modular neck	November 9, 2018	October 10, 2020	Italy	November 9, 2038
EP 3876872 Hip stem prosthesis, with fixed or modular neck	May 27, 2021	September 20, 2023	Member states of the European Patent Organisation	May 27, 2041
11,497,610 Hip stem prosthesis, with fixed or modular neck	May 10, 2021	November 15, 2022	United States	August 6, 2039
102019000011313 Kit of orthopaedic surgical devices for the realisation of a cemented femoral prosthesis	July 10, 2019	June 21, 2021	Italy	July 10, 2039
102021000009176 Acetabulum with differentiated flexibility	April 13, 2021	April 21, 2023	Italy	April 13, 2041

Patent - title	Filing date	Registration date	Territory	Expiry date
Patent Acetabulum with differentiated flexibility	October 18, 2023	/	Member states of the European Patent Organisation	Currently under review by the Patent Office
Patent Acetabulum with differentiated flexibility	October 13, 2023	/	United States	Currently under review by the Patent Office
Patent Lightened acetabulum	July 13, 2022	/	Italy	Currently under review by the Patent Office
Patent Device for monitoring the proper positioning of the femoral component in knee prosthesis surgery	November 7, 2022	/	Italy	Currently under review by the Patent Office
Patent Device for monitoring the proper positioning of the femoral component in knee prosthesis surgery	September 26, 2023	/	Member states of the European Patent Organisation	Currently under review by the Patent Office
1357111 Total knee prosthesis	July 19, 2013	January 6, 2027	France	/

Know-how

The Group possesses exclusive know-how with regard to commercial information and technical/industrial experience linked to the design and construction of orthopaedic prostheses, with a particular focus on femoral stems. This knowledge, kept in electronic format on limited-access company servers, covers two distinct areas:

- **Construction of a femoral stem**
  Through the company's expertise, the proximal part of the stem can be constructed using a special porous trabecular bone marrow structure characterised by sub-canals. This structure is not created by moving the material, as is usually the case with traditional technology, but directly during the additive production process through which the prosthesis is produced. This approach makes it possible to obtain a femoral stem with highly effective porosity from the perspective of the osteopenia in the proximal part of the stem, enabling full bone regeneration and ensuring our prostheses benefit from excellent stability and a longer life cycle. Moreover, the femoral stem satisfies the mechanical resistance requirements envisaged by the legislation in force.

- **Femoral stem and femoral neck pair**
  The company has developed specific know-how for connecting the femur to the femoral stem through surface processing and mechanical treatments. These treatments are applied to the male and female elements, both made from titanium alloy. This process is an improvement on traditional assembly techniques, which typically use different materials to avoid problems such as impingement or gripping. This expertise therefore ensures a highly stable coupling, to obtain mechanical behaviour similar to that of single-layer femoral stems, thus preventing issues of galvanic corrosion without the use of materials that can give off a large quantity of metal ions, which can, in turn, cause the formation of pseudo-tumour masses.

Adler Ortho technologies

Powder manufacturing technology

Powder manufacturing technology is an innovative production system, initially developed for aerospace applications and for the construction of prototypes. This system allows for implants to be produced directly from metal powders without employing any physical tools. In 2007, Adler Ortho became the first company in the world to launch a product on the market, the **Fixa Ti-Por® acetabular cup**, constructed using this production system, by applying powder manufacturing technology to series of orthopaedic implants, thus succeeding in transforming what was a process for the construction of prototypes into a powerful system for the industrial production of joint replacements. Powder technology allows production of extremely complex monolithic three-dimensional metal structures, which would otherwise be impossible to make. It is therefore possible to build not only very complex monolithic custom devices, but also standard implants with 3D extremely rough mono-block surfaces, ideal for maximising prosthesis primary stability and promoting subsequent osseointegration.

Since 2007, Adler Ortho has gradually extended powder manufacturing technology to the production of implants for the hip, knee, oncology and traumatology, the construction of surgical instruments and custom prostheses, working with titanium alloys, stainless steel and CoCrMo alloys.

In late 2017, it opened a state-of-the-art production unit in Bari, entirely dedicated to the 3D printing of orthopaedic implants.

It can now offer orthopaedic surgeons the largest product portfolio in the world of implantable devices and instruments produced using this production system.

TI-POR®

Adler Ortho uses powder manufacturing technology to process all three metal alloys commonly used for orthopaedic applications: titanium alloy, cobalt-chrome alloy and stainless steel. The Ti-Por logo identifies all implants constructed by Adler Ortho using this innovative production system. Adler Ortho also produces prototypes, trial implants, cutting guides and single-use nylon instruments, printing them directly from plastic powders with technology very similar to that used for metal.

MODULA®

Modula® represents the latest development of the original idea of modular necks. This is currently the most complete, logical and accurate system available for reconstructing the anatomy of patients requiring hip replacements. The Modula® system offers surgeons the broadest and most accurate choice of options for restoring the right offset, anterior/posterior coverage and length of the joint to be operated on. The Modula® system is based on a linear square matrix, covered by an exclusive Adler Ortho® patent, which enables the independent modification of each of the 3 geometric joint parameters (Offset, Length and Version), something which is impossible with traditional modular systems.
The prostheses are produced using Additive Manufacturing (AM) techniques that use a high-density energy source for the sintering of powders and the consequent construction of the product. This process must then be followed by phases of sifting and/or sand-blasting.

ARCAM TITANIUM PROCESS

EBM additive metal manufacturing technology, developed by the Swedish company ARCAM, is a process involving the fusion of metal powders using an electron beam. The process takes place in a vacuum chamber made inert with a noble gas (helium and argon). Products are constructed through a succession of layers of 50/90 micron powder in a suitable heated environment, where an electron beam melts the individual particles.
The components obtained are then cleaned in a PPRS machine in which the residue powders are then collected for subsequent productions.
Since these powders are inflammable, all machines are specifically designed for explosive atmospheres.

SLS PROCESS (EOS)

In the SLS process, nylon micro-powders are exposed to a laser ray that fuses them together to form a solid object. The temperature in the process chamber is close to that at which the nylon fuses. The laser strikes the individual particles and fuses them into a compact layer. The non-sintered powders on the flat surface constitute the medium for subsequent layers, until the complete object is created.
At the end of the processing, the object is removed and separated from the non-sintered powders, part of which can be reused.

Additive Technology

Adler Ortho was the first company to use **additive technology** for the production of series of orthopaedic prostheses and today applies it to all metal alloys used in the orthopaedic field. Implants and instruments are therefore constructed not only from titanium alloy, but also from CoCrMo alloy or stainless steel. Adler Ortho offers orthopaedic surgeons the world's largest range of implants produced using additive technology.

3D technologies

Adler Ortho produces its products using two different technologies: 4 3D printers with EBM (Electron Beam Melting) technology and 2 laser machines. Production with **EBM 3D printers** makes it possible to obtain metal components using an electron beam instead of a laser beam, through the total fusion of metal powders. The titanium alloy powders (aluminium, vanadium and titanium) used to construct the prostheses, with a granulometry of 45-105 µ, may be used in 3D printers until the % content of oxygen exceeds the value of 0.20% in the printed product. In order for the mechanical characteristics of the prostheses required by ASTM and ISO standards to be guaranteed, the minimum oxygen percentage content of the powders used must be 0.12-0.13. When the powder is recycled for subsequent production, its oxygen percentage content rises; despite the presence of Argon gas in the 'printing chamber', just a few parts of oxygen per million (ppm) are sufficient to oxidise the powder, increasing the percentage of oxygen.

The circular economy of exhaust powders

When the percentage content of oxygen approaches **0.20, the powder is defined as 'exhaust' and must be mixed with Grade 23 powder** (also known as 'virgin', with 0.08-0.09% oxygen) to lower the oxygen percentage content to a value of 0.12-0.13. Adler Ortho, therefore, buys Grade 23 'virgin' powder and uses it for the recovery of exhaust powder.

Of the total powder used, around 40% is exhaust powder and 60% is virgin powder used to recycle the exhaust powder.

In production with laser machines, titanium powders with a granulometry of 15-53 µ are used. The different production temperature of laser machines (lower than that of EBM 3D printers) entails minimal increases in the oxygen percentage content in the various recycles. Therefore, the powder can be reused for the printing of prostheses until it is exhausted. One part of the powder will constitute the printed material, while a residual part remains in the filters from which the Argon gas, necessary for processing, is extracted. There is therefore no mixing between powders with different oxygen percentages, but only the disposal of powders kept in the filters.

Adler Ortho possesses a production chain characterised by extremely modern and innovative design and production technologies. The Group's entire production process is carried out with digitally controlled machines and/or latest-generation 3D printers, completely integrated with the research and development division tasked with the design of all the products. This makes it possible to minimise any possibility of human error and guarantees a high level of production flexibility and responsiveness to the needs of the market combined with the highest quality standards.

Novagenit technologies

The R&D division at Novagenit liaises continuously with surgeons to develop new therapy concepts and create innovative systems that can resolve clinical problems by improving the life of patients and simultaneously offering economic benefits to healthcare structures. Novagenit's research is mainly concentrated on regenerative medicine and advanced absorbable biomaterials.
The areas of study that have characterised the company over the last few years are as follows.

Prevention of post-surgery infections

This is a major line of research that Novagenit has used for over 10 years. Post-surgery infections in the field of orthopaedic prostheses and traumatology constitute one of the most serious complications and the most complex treatment. Novagenit's research has led to the development of the **DAC® (Defensive Antibacterial Coating)**, an absorbable and biocompatible hydrogel which, when applied to orthopaedic prostheses during operations, acts as a protective barrier against bacterial colonisation, by reducing the risk of infection by up to 99.9%. This solution represents a significant step forward for patient safety and for containing health costs, since post-surgery infections generate enormous costs and a significant economic impact for European health systems.

Healing of tendons

In this case, Novagenit's research led to the development of membranes made from type I equine collagen designed for positioning close to the tenorrhaphy, at the interface with the adjacent connectors, with the objective of covering and protecting the tendon structure from the formation of fibrous tissue which can then form following tenolysis or primary repair of tendons, facilitating rapid and physiological healing without any constriction of the structure. The ElastiCo® platform can be combined in various products indicated for the repair of major tendons (e.g. Achilles tendon) or for hand surgery.

Prevention of post-surgery adherences

Development of anti-adherence absorbable gel containing hyaluronic acid for the prevention of peritendinous and perineural adherences. Novabarrier® absorbable gel is an advanced treatment against post-surgery adherences in hand and spinal column surgery.

Research & development

Adler Ortho, alongside the design, production and marketing of medical and surgical devices, orthopaedic implants and osteosynthesis material, carries out major research, development and inspection activities relating to orthopaedic implants, materials and the associated apparatus.
Adler Ortho's policy has always been to stay ahead of the game and seek out new developments that can constitute real advantages in the practical in vivo application of prostheses. In this way, Adler Ortho has always wished to seek a competitive advantage, by investing in research and development activities, based on the quality of the product and its performance, rather than price. From the very year it was founded, Adler Ortho has decided to keep the most strategic production phases in-house. In particular, these include typical hi-tech mechanical machining processes on advanced materials that provide for the use of digitally controlled machines. Adler Ortho has gradually introduced an ever-greater number of latest-generation digitally controlled machines, as well as dimensional inspection machines, like a CMM Zeiss, Solex pneumatic comparator and Taylor Hobson roughness tester. Lastly, Adler Ortho has significantly oriented its research and development activities towards production, with the use of powder sintering technology. This investment policy concluded with the acquisition of an ARCAM S12 Electron Beam Melting machine and single-beam and double-beam laser machines, enabling the development of the new series of innovative prostheses that has characterised the company on the international market, as the first company in the world to use this technology in the sector of the industrial production of prostheses in large joints.
In this market context, the development of a new product may derive from a need expressed by the medical class or by work within the company itself which, thanks to the experience accrued over the years, identifies a latent need and brings it to light. In both cases, the connection between the doctor and the R&D division is fundamental. It is ensured not only by the R&D manager but also by the Marketing and Sales manager. When the idea arrives at the CAD (Computer Aided Design) division, studies are conducted into new forms of surface structure, mechanical design and instrument components for creating innovative surgical products and techniques that make it possible to resolve problems connected with the arthrosis of patients, fractures and severe bone deformities generated by serious trauma or forms of cancer more effectively, sustainably and possibly at a lower cost. Here is a list of the main product families:

1. Hip replacements;
2. Knee replacements;
3. Bone reconstruction systems;
4. Surgical instruments.

From 2003 to date, Adler Ortho has designed, developed and marketed 11 families of femoral stems, 8 families of acetabular cups, a total knee replacement, one unicompartmental knee replacement, two families of devices for the treatment of pathologies of the extremities and certain customised devices

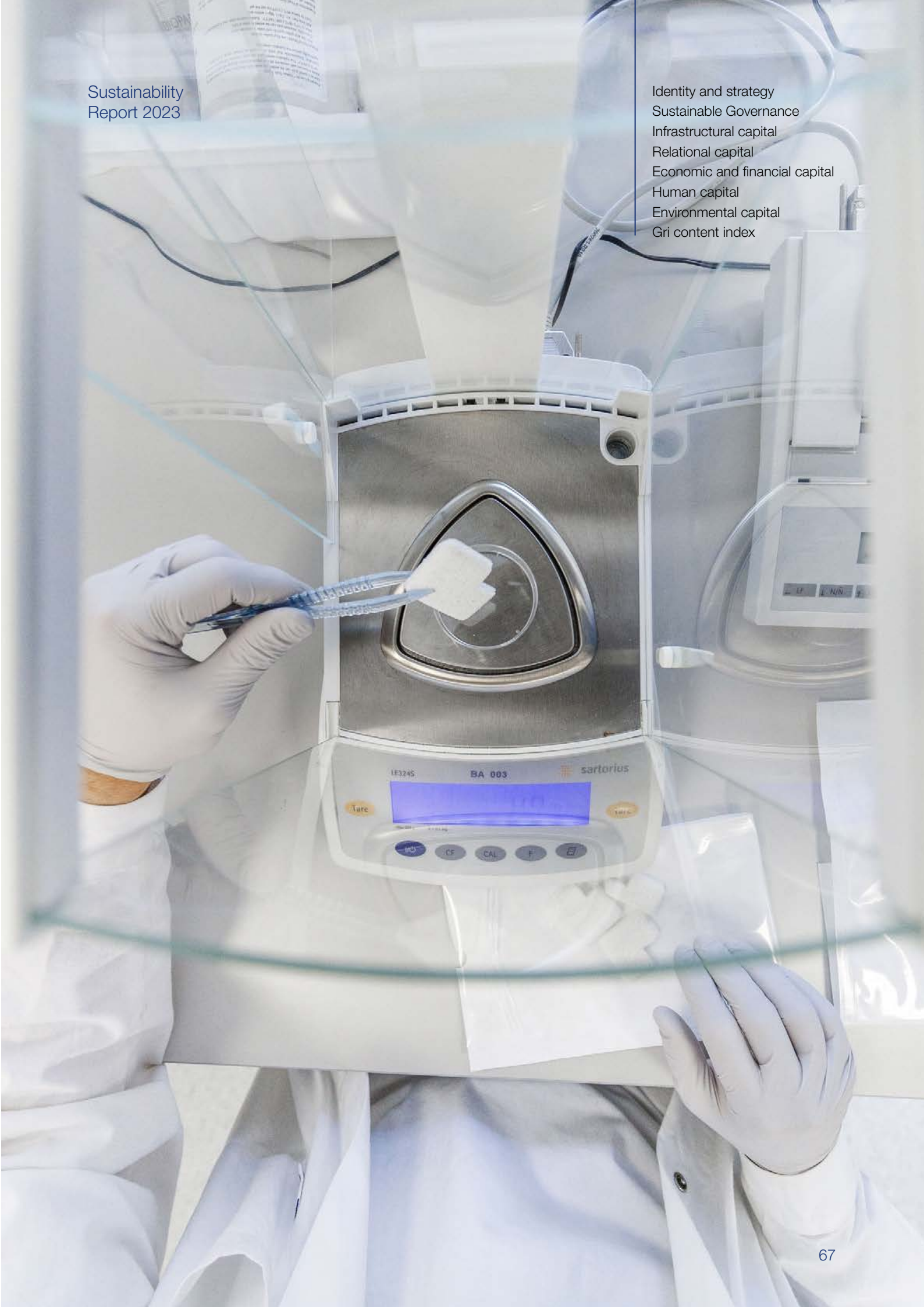
specifically designed for individual patients. The company is also the sole and exclusive licensee of **Modula Technology** (of which it is the designer and creator). This is the latest and most advanced generation of modular necks for hip joint replacements.
All medical devices designed, developed and constructed are subject to European Directive 93/42/EEC and the new EU Regulation 2017/745 – the MDR. For some products in the portfolio, Adler Ortho has undertaken a certification process for some time now with the US Food and Drug Administration (FDA). For many products, the company holds a Japanese Foreign Manufacturer (BG22000115) certificate, the Australian ARTG code, numerous registrations in Brazil and certificate 26560076 in Israel.
Adler Ortho also holds a Quality Management System (QMS) compliant with the requirements of standards UNI CEI EN ISO 13485-2021 (ISO 13485-2016).

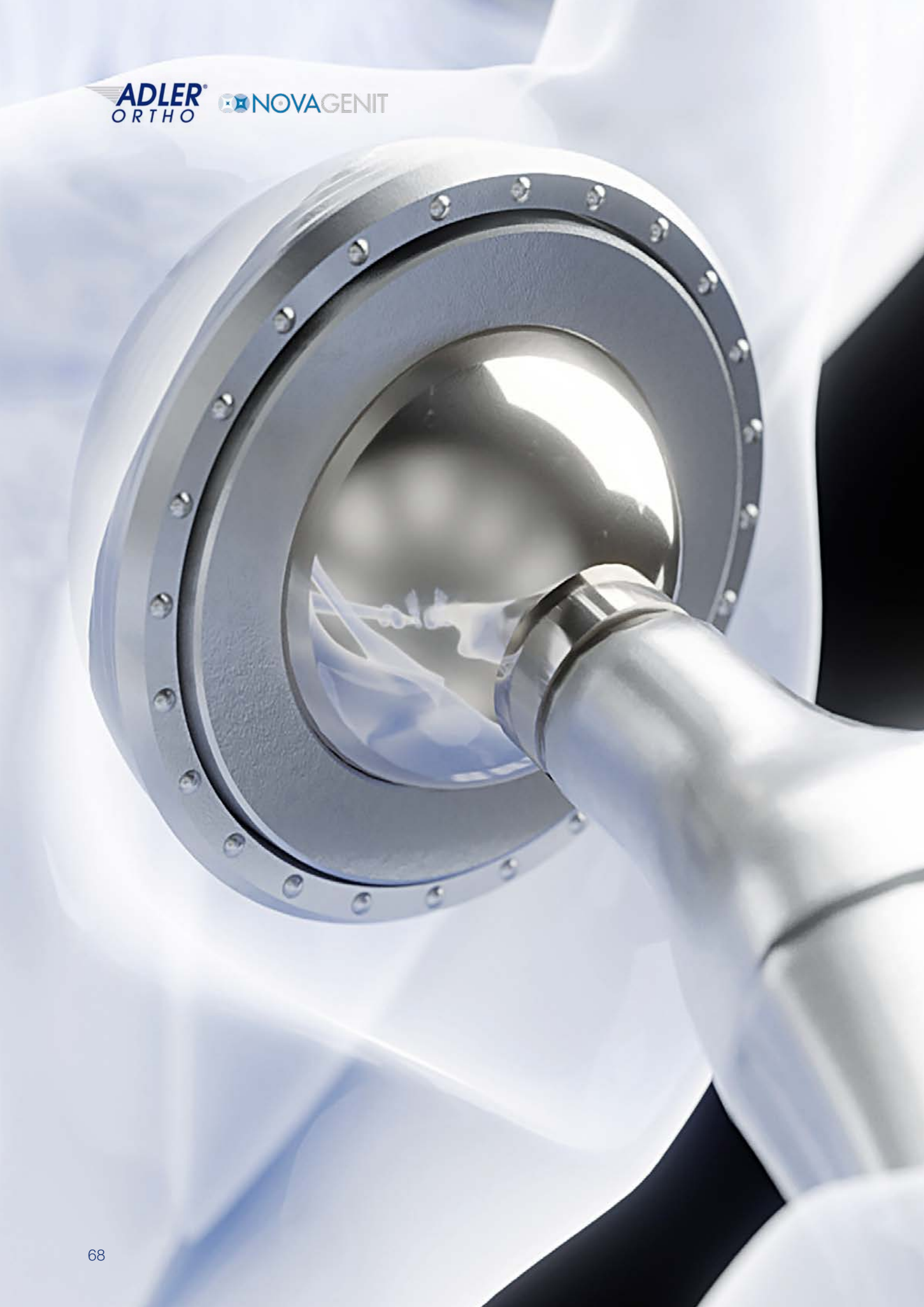
The area dedicated to R&D at Novagenit is formed of:
- a chemical laboratory intended for biomaterial engineering activities;
- an area intended for the analysis of biomaterials through a latest-generation rheometer and IR spectrophotometer;
- an instruments area;
- a biological laboratory destined for experiments concerning the safety and biofunctionality (e.g. using bioreactors) of biomaterials;
- a cryopreservation system equipped with a container for liquid nitrogen for the long-term storage of cell cultures;
- a wash room;
- an air-conditioned room equipped with incubators for the execution of stability studies for determining the shelf life of finished and semi-finished products.

The main activities carried out at the Novagenit office include:
- R&D for the engineering of new biomaterials;
- the manufacturing of semi-finished products based on biomaterials such as hyaluronic and polylactic acid, collagen etc.;
- freeze-drying (class D environment) of biomaterials made from collagen, hyaluronic acid, hyaluronic acid derivatives, etc.;
- semi-automatic positioning of biomaterials in powder form and enveloping in classified environments (class C);
- packaging in commercial cases;
- preparation of assembled systems;
- activities (e.g. glass washing, vehicle washing, etc.) in support of manufacturing processes;
- contractual work for metal, ceramic and PE prostheses through laser marking, final washing, packaging, labelling, packing

The exploration of new materials combined with innovative approaches in the field of Orthopaedic Surgery is at the heart of Novagenit's research and development activities. The company's R&D division cooperates actively with surgeons to develop cutting-edge therapeutic concepts and design innovative systems able to provide an effective response to clinical challenges, while also offering

economic benefits to healthcare structures. Novagenit is constantly updated about scientific and clinical progress thanks to partnerships with important research bodies, both national and international. In vitro and in vivo evaluation studies on animal models, conducted in collaboration with accredited universities and laboratories, guarantee the development of safe and effective biotechnologies.
Novagenit has chemical and biological laboratories, including two clean rooms, which constitute the technological heart of the company. Thanks to latest-generation instruments, these spaces enable the industrial production of biomaterials and biotecnological systems with a high degree of safety and repeatability, guaranteeing reliable and innovative solutions for the medical sector.
As part of its research and development activities, Novagenit relies on innovation in the field of Orthopaedic Surgery, with a particular focus on the prevention of post-operative infections thanks to an advanced anti-bacterial hydrogel. At the Business Innovation Centre of Mezzolombardo, the company's researchers work on innovative medical devices, including the IDAC project, which led to the creation of the DAC® (Defensive Antibacterial Coating), as described above.





RELATIONAL CAPITAL

Suppliers: managing the supply chain

Adler Ortho considers its suppliers as important partners. As a result, it seeks and supports sound relationships with a diversified group of suppliers that operate ethically and in accordance with the law, with a particular focus on responsibility towards people and performance.
The Company has developed precise procedures, governed by the Quality Office, to regulate the placing of orders and monitor deliveries.
All suppliers are required to sign the Quality Plan, which is requested by the certifying body for all orders placed and which governs qualitative and commercial aspects, such as the management of non-compliant products. As regards evaluation, every new supplier is subject to initial and periodic assessment. The evaluation covers the parameters laid down by the Procurement, Production and Quality departments. Each department assigns a score for the supplier's performance in the previous year. The following aspects are taken into consideration: punctuality, prices, ease of communication and speed of response, ISO certifications and questionnaires and, at production level, the state in which the goods arrive.
The intensity of the supplier verification is directly proportional to the risk they pose to the end product. Based on critical issues and risks, a supplier Assessment Plan is drawn up. For the assessment of critical suppliers, certifications are requested that cover the service or product concerned. If suppliers do not hold the necessary certificates, they are subject to audit. In even more critical cases, specific Quality Plans are defined which outline the products and/or services purchased, the monitoring that the supplier must have implemented and the traceability requirements. Lastly, there is also an assessment questionnaire used in cases where the supplier has demonstrated non-compliance of the product and/or service.
The Company is committed to seeking, in its suppliers and external partners, the necessary professionalism and a commitment to the sharing of the principles contained in the Code of Ethics, by promoting the construction of lasting relationships for the progressive improvement of performance. Specifically, Adler Ortho has recently launched a process to formalise relations, by asking suppliers, especially the most significant, to sign its Code of Ethics.

This initiative envisages the collection of signed copies to ensure that the company's values are shared along the entire supply chain.
In relations of procurement, supply of goods and external collaboration, Recipients are required to:

- secure the cooperation of suppliers and external agents in ensuring constant satisfaction of the needs of customers and consumers in a way that meets their expectations regarding quality, cost and delivery times;
- abide by internal procedures for selection and the management of relations with suppliers and external agents and to deprive any party in possession of the necessary requirements of the opportunity of tendering to secure a supply deal with the Company;
- adopt, in selection, purely objective assessment criteria, according to clearly defined and transparent procedures;
- observe and ensure adherence to the contractually envisaged conditions;
- maintain frank and open dialogue with suppliers and external agents in line with good commercial practice;
- report possible breaches of the Code promptly to one's line manager and the Supervisory Body.

The Adler Ortho supply chain stands out for a complex structure based on established relationships with both local and international suppliers, **especially with partners located in France and Germany**. The latter play a crucial role in the procurement of highly specialised materials and components, essential for the production of medical devices and precision orthopaedic implants. In Italy, many of the technologies, advanced metal alloys and high-quality specific components can be difficult to source. Choosing to rely on foreign suppliers, especially in these countries, is not only strategic but inevitable, since it guarantees access to materials and production processes that respect the highest international standards and allow the company to maintain the finest product quality. Due to the lack of local alternatives, Adler Ortho is required to select foreign partners capable of satisfying rigorous requirements and supporting the complex process of regulatory and qualitative compliance requested for medical devices, especially considering the specific regulations in force in the destination markets, such as the United States and Australia.
Over the two-year period under consideration, the Adler Ortho has continued to work with a large network of suppliers distributed across various geographical areas, demonstrating a growing commitment to diversification. In 2022, the company worked with 1,219 suppliers, with the total rising to 1,250 in 2023. Most of these suppliers are located in Italy, representing 75% in 2023, slightly down on 2022, where the percentage was 77%. At the same time, Adler Ortho has increased the number and expenditure for suppliers in other areas, such as the rest of Europe, America, Asia and other zones around the world, with significant expenditure for European suppliers which reached 27% of the total budget in 2023, compared to 23% in 2022. The budget spent for suppliers in America and the Rest of the World has increased, in particular the latter, which has almost doubled from 3% to 5%.

Overall expenditure for suppliers rose by 28%, from €28,876,410 in 2022 to €37,018,916 in 2023, indicating a broader and more diversified investment strategy. This reflects the growth in the company's interest in foreign markets, in line with a reduction in dependency on Italian suppliers alone and an approach targeted towards international expansion and the optimisation of resources.

Number of Suppliers

	2022		2023	
	n.	% of total	n.	% of total
Number of LOCAL[8] suppliers	936	77%	937	75%
Number of suppliers located in EUROPE	201	16%	199	16%
Number of suppliers located in AMERICA	12	1%	15	1%
Number of suppliers located in ASIA	9	1%	16	1%
Number of suppliers located in the REST OF THE WORLD	61	5%	83	7%
Suppliers total	**1,219**	**100%**	**1,250**	**100%**

Budget spent on suppliers

	2022		2023	
	Euro	% of total	Euro	% of total
Budget spent on LOCAL suppliers	20,950,492	73%	24,896,437	67%
Budget spent on suppliers located in EUROPA	6,687,716	23%	9,892,521	27%
Budget spent on suppliers located in AMERICA	155,135	1%	277,416	1%
Budget spent on suppliers located in ASIA	91,935	0,3%	61,267	0,2%
Budget spent on suppliers located in the REST OF THE WORLD	991,132	3%	1,891,275	5%
Suppliers budget total	**28,876,410**	**100%**	**37,018,916**	**100%**

8
Suppliers located within national bordersi

Type of goods / materials / raw materials / semi-finished products / components / purchases in €	2022	2023
Finished products	2,677,243	5,312,504
Raw materials	641,428	762,123
Semi-finished products	7,575,020	10,389,187
Services	15,741,807	17,831,950
Other	2,240,913	2,723,153
Total purchases	**28.876.410**	**37.018.916**

Adler Ortho, along with certain suppliers, has implemented an integrated system at software level for the planning of production, in order to make it more efficient.

Customer relations

Types of customers

The uniqueness of the market lies in the fact that the Adler Ortho Group liaises mainly with three counterparties:

Hospitals and health administrations

For this category, a distinction must be drawn between **public and private** bodies. For public bodies, the relationship is highly formal, governed by tendering procedures or framework agreements governed by national law. With private bodies, the relationship is akin to that between companies that sign agreements on prices and various types of supply contracts.

Orthopaedic surgeons

This category is considered the Group's actual customer base, since it is with surgeons that the Group has the most frequent relations. The relationship is mainly aimed at informing surgeons of the specific features and advantages provided by the Group's technologies but the provision of consultancy on how to best tackle certain clinical cases is growing in importance. In most cases, the Group also handles the training of the operating theatre staff.
For public employees, who make up the majority, contracts are subject to national law.

Patients

The implants produced and the technologies developed by the Company obviously have a major positive impact on patients' quality of life. However, in accordance with the law, the Group may not have any relationships with patien-

tsoperated on using Adler Ortho prostheses. The only case in which a more 'distant' relationship with a patient is permitted is custom, or tailored production, i.e. constructed to resolve a specific problem of a certain patient. In this case, the patient's name and clinical data must be transferred to the Company; in accordance with the laws that govern the sector, a procedure is currently in progress to restrict the dissemination of this information, limiting it to the scope strictly necessary for the development of the customised implant.
The characteristics of the implants produced by the Group and the advantages derived from their use can be communicated exclusively to the medical class during medical conferences, courses and dedicated workshops, while they cannot be the object of marketing or publicity initiatives aimed at patients, since such activities are forbidden by law.

Customer relations management

The management of Adler Ortho's customers focuses on a single type of direct customer: orthopaedic surgeons. Although public and private hospitals are the official purchasers, the main interaction is between Adler and the surgeons, who are the actual users of the medical devices. Adler's engagement with surgeons is structured and carried out chiefly through congresses organised by scientific associations, training events such as workshops and specific courses, as well as direct visits to hospitals. Meetings on these occasions can be formal, with meetings organised and logged by the company, or informal, such as spontaneous visits by agents who meet doctors directly in their departments.
As part of its Quality Management System (QMS), Adler has established a structured system for analysing customer satisfaction. This provides for the annual administering of questionnaires to assess both the clinical and functional aspects of the implants and the level of satisfaction with the services offered. The questionnaires relating to the clinical score and satisfaction are completed by the surgeons with whom Adler Ortho has a direct relationship, fundamental for collecting targeted and specific feedback.
At the same time, Adler Ortho monitors the satisfaction of its customers through further questionnaires focused on parameters such as quality of the assistance service, performance of products and services, as well as delivery and response times. These instruments are essential for identifying and managing any critical issues, in relation both to the medical devices and services provided. Moreover, a lack of complaints is interpreted as an indicator of overall satisfaction. However, there is a system of direct communication with surgeons through channels such as telephone and WhatsApp, which can be activated according to clinical needs.
At **customer service** level, Adler maintains constant relations with hospitals for the management of stocks, by supporting implant stores and ensuring the replacement of used stock.
As regards **privacy**, Adler has implemented personal data protection policies, which are of particular significance during the organisation of events. The standard procedure provides for the sending of a letter of participation to hospitals, which designate the participating doctors, thus activating the privacy protocol.

This data management is focused on end users (surgeons) and does not involve patients, whose anonymity is strictly respected.
Lastly, the company is gradually expanding its international presence, with a growing market share outside Italy, **where 45% of current sales are made nationally, while the rest are distributed among France, the United Kingdom, Japan and a number of other countries**.
To support its expansion, Adler has launched **technical webinars available** to customers through a dedicated section of its website, supported by online events sponsored by institutional bodies in the sector.
In the case of adverse events linked to the quality of prostheses, a standard **protocol is activated which provides for the reporting of the event by the hospital to the Ministry of Health and the company**, thus ensuring responsible management in accordance with the regulations in force.

Product quality, safety and reliability

Product quality is fundamental on a competitive market such as that on which the Company operates, as is the capacity of guaranteeing consistent and efficient supply.
To guarantee constant respect of the highest quality standards, the Group companies manage all phases necessary for the creation of the finished products internally: **from the creative phase, to design, prototype development and the acquisition of raw materials**.
Starting from the initial phases of developing and designing new devices, the Group companies define characteristics enabling certification of their **quality and safety**.
Before putting them on the market, they also draft the technical documentation and implement compliance procedures consistent with the classification of the products considered, in line with the regulatory requirements.
Each product and device sold to the end customer include specific instructions for use or a **user manual**, drawn up in line with the applicable regulations (UNI CEI EN ISO 20417) to ensure the products are used correctly and safely.
Should the end user detect anomalies and/or defects in a product or should more technical and scientific details be required, they may contact the relevant Group companies by e-mail or through the dedicated page on the company website.

Thanks to the adoption of **ISO 14971 standard** for medical devices, the Group applies specific requirements for managing risk in determining the safety of a medical device by the producer during the life cycle of a product. The above standard is applied according to the guidelines contained in standard **ISO 24971:2020**.

Both companies within the scope have renewed their **UNI CEI EN ISO 13485:2021** management system compliance certification, which promotes the harmonisation of the regulatory requirements of medical devices for quality management systems.
The certification process with respect to standard ISO 13485:2016 takes place through a **three-year audit cycle** (certification, initial monitoring and second monitoring) performed by an **independent third party authorised by the relevant international bodies with the support of the Quality System (the internal body responsible for the Quality System)**.

The checks are carried out on various phases of the production process. Quality Control (QC) carries out the inspections of the raw material, the intermediate checks and those carried out on final payment, on both the materials acquired and the finished product.
The types of check (QC) may include:

- Documentary checks (material received from the supplier in accordance with the Quality Plan);
- Visual inspection;
- Dimensional checks.

The raw material (bar or powder) requires a documentary check according to the reference regulation for the material in question. When the finished product is received, the supplier must send the certificate of the raw material used for the production of the batch in question.
For each phase requiring verification, the management software associates a given article with a control cycle, which varies according to the phase, by choosing from among the possible types and detailing the necessary size checks based on the technical design indications.
The inspection cycle is determined for each article by analysing the technical design together with the designer by verifying the technical requirements and assessing which identify the instruments most appropriate for the measure requested.
While the **visual inspection** is always carried out on 100% of the batch, the **dimensional checks** can be carried out on 100% of the batch or on a sample according to MLT-STD[9]. The measurement frequency of the batch is determined by the criticality of the portion and the measurement history statistics for the portion in question. The more the history shows the repeatability of production of the article, the lower the sampling until the reaching of a threshold determined by the level of safety chosen and associated by the management software with the batch in question.
Every inspection carried out is registered in the management software, by including the references or directly associating all the necessary documents (e.g. raw material certificates, supplier compliance certificates, measurement reports).

Novagenit also adopts a systematic and in-depth process for assessing health and safety (H&S) impacts at every phase of the life cycle of the medical device, from design to production, marketing and use. The risk analysis considers not only the operators involved in production, but also the end users, with a par-

9
The military standard (MIL-STD) was established by the United States Department of Defense after the Second World War to set specific requirements for tests on military equipment, focusing explicitly on technical and engineering requirements, processes, procedures, practices and methodologies. Used initially only in the military field, MIL-STD certification was expanded to other devices and now identifies the capacity to withstand extreme conditions.

ticular focus on preventing potential damage or defects deriving from contact with the device.
For the first phases (design, production and marketing), the company adopts rigorous risk containment measures, such as the validation of production processes, the collection of safety and technical data sheets of raw materials and potential process contaminants. In addition, the devices are packaged in controlled environments, such as clean rooms, to guarantee a high standard of safety. The drafting of Instructions for Use (IFU) is a key element for ensuring that end users receive clear and correct information on risks and on how to use the device safely.
As regards the production of procedural assemblies/kits, Novagenit applies specific measures to contain risks for the user, such as verification of the CE conformity of medical devices, reciprocal compatibility between components, compliance with the IFU, checking of labels and verification of product sterility. The drafting and distribution of IFU remain a crucial aspect for ensuring that every device is used safely, thus reducing risks for the health of end users to a minimum.

Product labelling

In terms of product labelling, Adler Ortho abides by the applicable regulations in force (in particular, ISO 15223-1) and traces all the materials used in the production phase, including through suitable certificates. The labels of all of the products display information about their constituent materials. In addition, the label indicates the sterilisation method (gamma rays or ethylene oxide) duly validated in accordance with the regulations in force (ISO 11137 and ISO 11135). The packaging used is also compliant with the applicable regulations in force in the sector (ISO 11607-1 and ISO 11607-2). The instructions for use that accompany the device contain all the indications necessary for the correct use of the product.
Novagenit also focuses on compliance with the requirements in terms of product **information and labelling**. Both the instructions for use and the technical data sheets provide detailed information on the composition of the devices, including the materials used, as well as the procedures for the correct use, storage and disposal of the products. Moreover, the envisaged users are indicated, so that the guidelines for safe and appropriate use are respected. The product cases also show symbols relating to the recycling of packaging materials, thus contributing to the correct management and disposal of materials in compliance with environmental regulations.

Reporting product non-compliance and complaints

Adler Ortho adopts a rigorous process for reporting product non-compliances, which involves various company structures depending on the nature of the report. In the case of incidents of malfunctions of prostheses, the report generally comes from the hospital structure to which the medical device is provided, according to the process envisaged in the MDR (Medical Device Regulation),

while for other types of problems, it is the marketing department that collects the information.
The reporting process pursuant to the MDR provides for a series of passages to ensure the effective management of incidents and malfunctions relating to medical devices, in order to protect patient safety and compliance with the regulations (Medical Device Coordination Group 2023-3).
Firstly, Adler Ortho must promptly communicate any report of non-compliance or incident through the competent corporate structures, which arrange a preliminary assessment of the case.
In cases of a serious incident or malfunction of a medical device, the company is obliged to report the incident to the competent authority (e.g. the Ministry of Health) immediately and, in any case, no more than 15 days after it is detected.
In cases of an incident with a serious threat to public health, the company is obliged to report the incident to the competent authority (e.g. the Ministry of Health) immediately and, in any case, no more than 2 days after it is detected.
In cases of an incident involving death or unexpected serious deterioration of a person's health, the company is obliged to report the incident to the competent authority (e.g. the Ministry of Health) immediately and, in any case, within 10 days after it is detected.
The company must also send a communication to the certifying body, which verifies the device's compliance with the regulations.
The process provides for the preparation of a detailed report describing the incident, causes, actions undertaken and preventive measures adopted to prevent such situations from recurring. Once the report has been received, the competent authorities and the certifying body can launch further additional investigations if deemed necessary. At the same time, Adler Ortho launches an internal investigation to understand the cause of the problem and implement appropriate corrective measures.
The MDR also lays down the obligation to monitor and collect **post-marketing feedback**, reveal any negative trends or emerging problems and guarantee the constant safety of the devices. In the event of repeated or serious incidents, the company can be forced to remove or correct devices on the market, in compliance with the provisions of the regulations.

All **complaints and incidents are traced and monitored by Adler Ortho** through an internal and clearly defined procedure. Although complaints are rare and corrective measures seldom necessary, every report is subject to re-analysis by the management. Based on the complaints received, the company drafts a report on the relevant trends to ensure constant monitoring and verification of the performance of the products developed.
Also during the post-sale phase, the company adopts a proactive approach, collecting feedback from surgeons regarding the clinical results of prostheses, through a precise survey. Adler Ortho's objective is to analyse the response trend to the questionnaires to adopt new strategies to improve its products and the associated instruments.

During 2023, **13 cases of non-compliance** were detected for **Adler Ortho,**

of which 6 episodes of breaches of the regulations involving notification to the Competent Authorities and the Notified Body[10] and 7 episodes of non-compliance with internal self-governance codes. There were no significant changes compared with 2022. Non-compliances are calculated based on the results of both internal (for cases of non-compliance with self-governance codes) and external audits (for cases of breaches of regulations) carried out within the context of the ISO 13485-certified Quality Management System. Specifically, internal audits are performed by the Quality Department. For 2022 and 2023, external audits were performed by the Notified Body and, in November 2023, by ANVISA (the Brazilian Ministry of Health).
In terms of product labelling, there were no **cases of non-compliance** with voluntary self-governance codes.
During the two-year reporting period, Novagenit logged 2 reports of incidents and 4 complaints relating to reports of defects detected during the pre-operative phase and therefore without any negative impact on users' health and safety.

Le relazioni con la Comunità e il territorio locale

One of the characteristics that makes the Adler Ortho Group really stand out is its interest in its local area. The Group promotes projects to create shared value in the communities, by capitalising on the trust our customers place in the Organisation and by building solid partnerships with bodies recognised locally for their social, cultural and environmental commitment.

Collaborations with universities and doctors for research purposes contribute:
- to the growth and development of the medical sector, by enhancing the skills of professionals and improving the quality of diagnosis and the treatment of patients;
- to the sharing of knowledge and the creation of new technologies and methods of treatment that can have a positive impact on the company and on public health;
- to reducing inequalities in access to medical treatments and to boosting the efficiency of the healthcare system, thus improving the quality of life of the population.

Research collaborations are a way for companies to play a part in supporting the **development and well-being of the Company**. The Group carries out constant technical and scientific upskilling activities with respect to healthcare operators in general and orthopaedic surgeons in particular and operating theatre staff both in Italy and abroad, where it has a commercial presence.
The Group also **supports numerous projects as a technical sponsor by donating products and making spaces and organisational skills available**. A few examples are provided below.

10
Per "notifica a Autorità Competente e Notification to the Competent Authorities and the Notified Body' means a breach reported by the notified body, to which the company was required to reply formally within 15 days.

Theoretical/practical masterclasses with operations on cadavers

Typically, these are events focused on highly specific topics (e.g. alignment of knee prostheses), in which a carefully selected faculty of experts has a series of theoretical relations for a group of doctors interested in learning about these matters. These theoretical concepts are subsequently implemented by simulating operations on cadavers with the help of expert tutors.
In 2022, the Group organised two of this type of masterclass on the knee: one in May in Verona and the other in December in Ghent, Belgium.
25 orthopaedic surgeons from all over Europe took part in these initiatives. In 2022, the Company organised a similar event on elbow surgery and another on hip surgery, also held at the ICLO centre in Verona.

Instruction webinars

These are conferences shown on the internet which can be accessed by all interested customers. In 2022, the Company organised a webinar on additive technology and its clinical advantages in orthopaedics and a webinar on elbow surgery aimed at the Vietnamese market.
In 2023, the company sponsored a webinar (on 1 June) on the advantages of 3D printing in complex reconstructions in the event of severe loss of bone substance (both oncological and not) and a webinar (on 27 September), with the participation of two British doctors, on the advantages of using DAC® for the prevention of post-surgery infections in traumatology and prosthetic surgery.

Theoretical/practical courses for the operating theatre

These courses are aimed at operating theatre staff (scrub nurses and surgical technicians) with the participation of orthopaedic surgeons, aimed at optimising the use of the implants and instruments produced by the Adler Ortho Group.

Participation in conferences

The Group constantly sponsors the **most important national and international orthopaedic conferences**, which bring together professionals from the healthcare sector to support the continuous training of doctors. These events play a fundamental role in guaranteeing high standards of care for patients.
The Group also subsidises the participation of a few doctors, only after obtaining prior permission from the healthcare structures concerned. These occasions included refresher and instruction courses on updates to the Organisation's products.
These initiatives have had a positive impact on the reputation of the brand and the trust consumers place in the Adler Ortho Group.

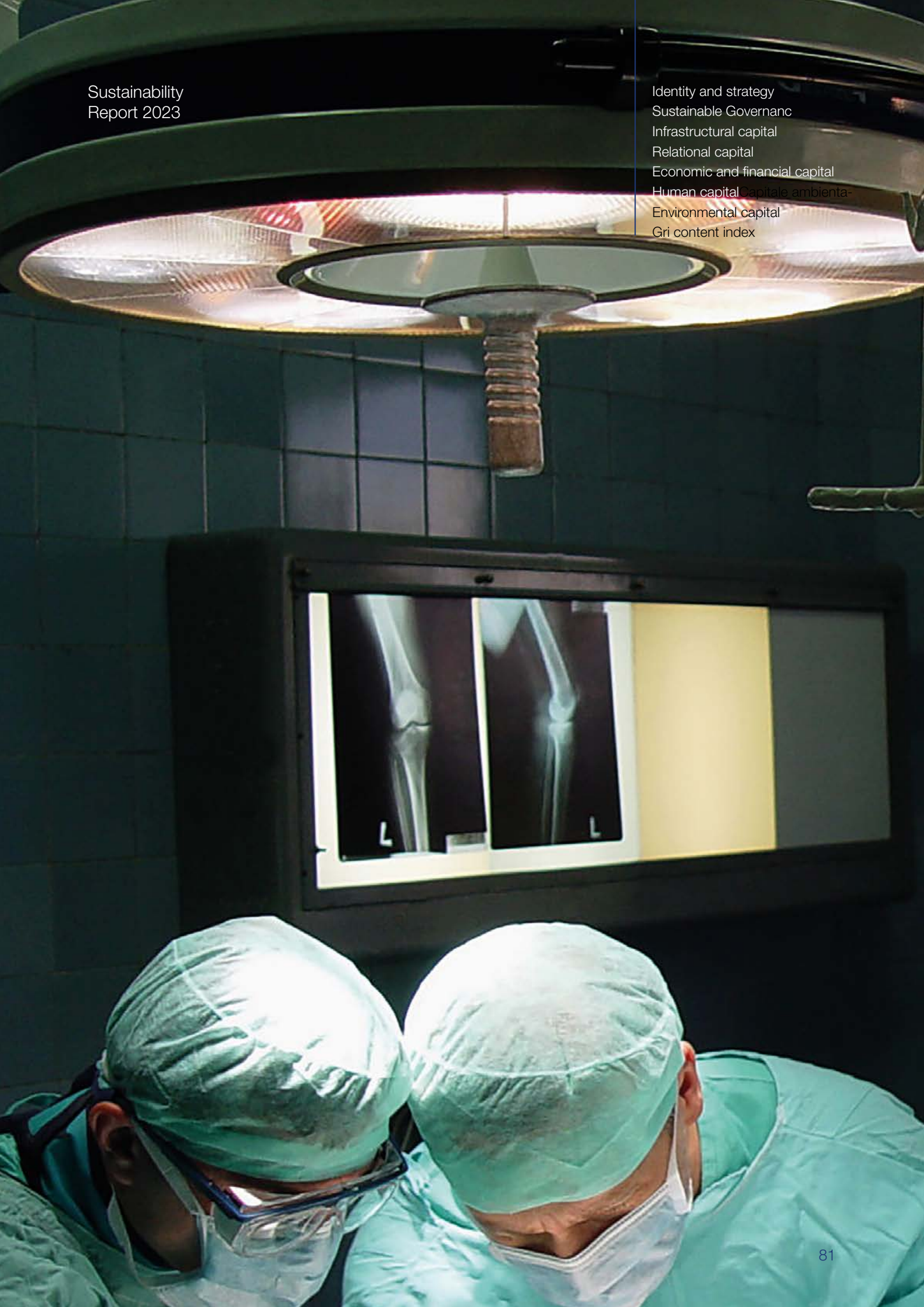
ECONOMIC - FINANZIAL CAPITAL

Operating performance

During 2023, Adler Ortho continued to consolidate its position on the market, demonstrating sustained growth and an impressive capacity to adapt to the dynamics of the global market. Analysis of the revenues subdivided by geographical area provides a significant overview of company performance, highlighting positive results in certain strategic areas.
The trend in revenues highlights overall growth in activities compared to the previous year, with the Italian market confirmed as the main driver of growth, supported by solid expansion in Europe. However, there was a slight contraction with respect to non-European countries, in the face of global consolidation in total turnover, which reached €42.4 million in 2023, compared with €37.6 million the previous year. These results bear witness to the success of Adler Ortho's business strategy and its capacity to seize new opportunities on international markets.

Revenues by geographical areas

	2022	2023
Italy	20,621,209	23,436,205
UE	11,684,607	14,084,915
Non-EU countries	5,336,383	4,843,725
Total	**37,642,199**	**42,364,845**



Economic value generated and distributed

During the financial years 2022 and 2023, Adler Ortho continued to generate and distribute economic value to its stakeholders, consolidating its presence on the market. In fact, the data show Adler Ortho's commitment to the creation of sustainable economic value and its effective redistribution among the main stakeholders. In 2023, Adler Ortho generated total economic value of €50.8 million, up on the €43.5 million in 2022, thanks mainly to the rise in revenues, from €43.3 to €50.3 million, and the contribution of financial income, which showed a significant increase.
As regards economic value distributed, there was a marked increase, from €36.5 million in 2022 to €45.5 million in 2023. One of the most important item was operating costs, which rose from €28.6 million to €36.7 million, reflecting the expansion in the company's business activities. Staff remuneration was also up slightly, rising from €7.1 to €7.5 million, a reflection of continuous investment in human resources.
There was also a marked rise in the remuneration of lenders, which rose from €399,640 to €928,151, and external donations, highlighting a greater focus on investments in communities, with a rise from €7,200 to €30,837.

Lastly, the economic value retained by the company fell from €6.9 million in 2022 to €5.3 million in 2023, indicating a greater distribution of the resources generated.

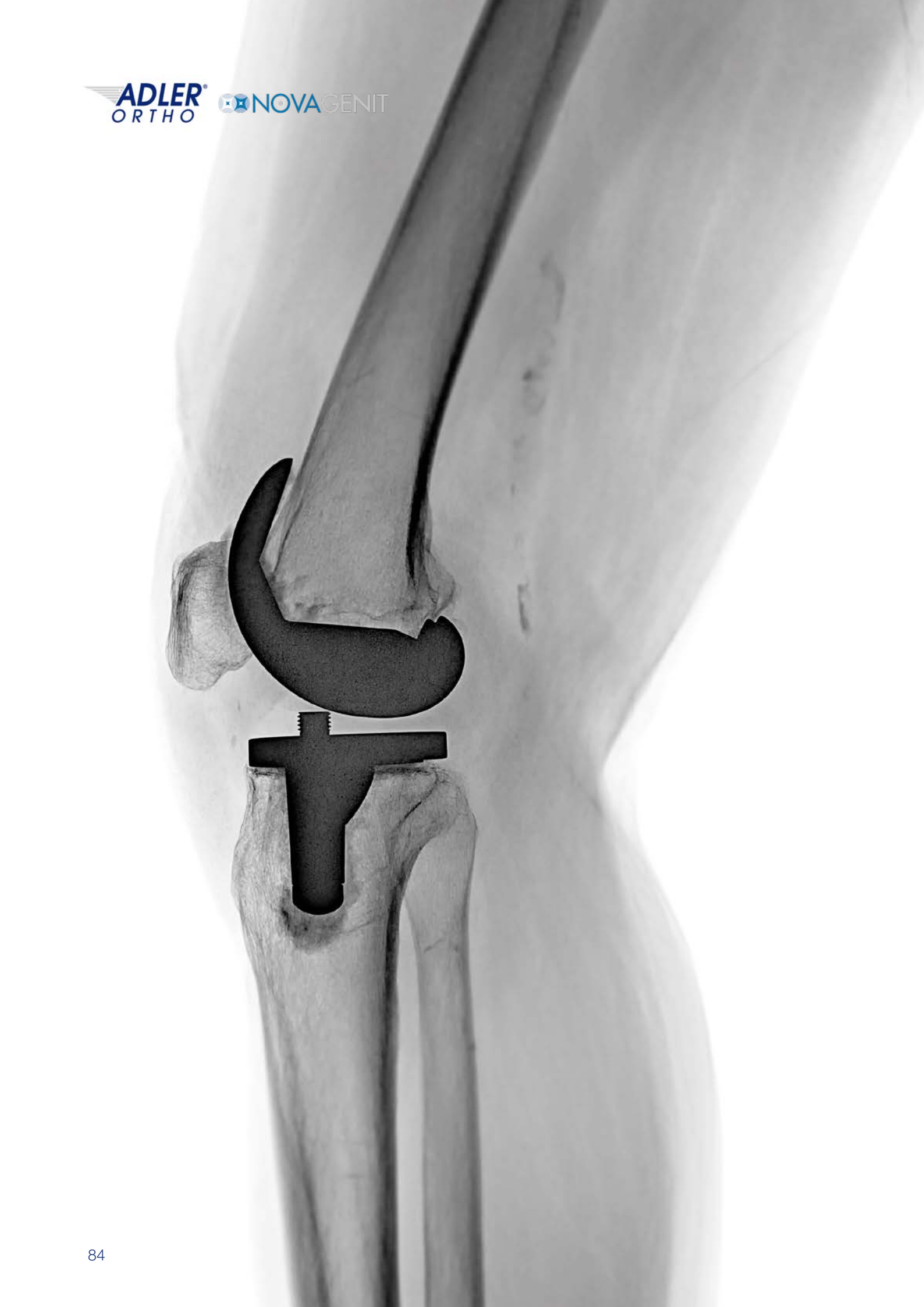
Economic value generated and distributed €

	2022	2023
Revenues	43,336,863	50,379,291
Financial income	131,791	435,636
Total economic value generated	**43,468,654**	**50,814,927**
Operating costs	28,688,366	36,743,342
Remuneration of employees	7,126,705	7,512,172
Remuneration of lenders	399,640	928,151
Remuneration of Public Administration	274,480	246,214
External donations (investment in the community)	7,200	30,837
Total economic value distributed	**36,496,391**	**45,460,716**
Depreciation, write-downs and adjustments	3,172,349	3,230,641
Provisions for risks and other provisions	1,954,061	-
Operating profit allocated to reserves (Earnings - Dividends distributed)	2,008,356	2,113,474
Prepaid and deferred taxes	(162,502)	10,096
Economic value retained	**7,134,764**	**5,354,212**

During the two-year reporting period, Adler Ortho received financial assistance from the government, which contributed to its development. Specifically, subsidies were granted for strategic investments, research activities and other significant initiatives. These contributions supported innovation and development projects, thus reinforcing Adler Ortho's commitment to sustainable practices and creating long-term value for the Company and the Community.

Financial support received from the government €

	2022	2023
Grants for investment, research and development and other relevant forms of contributions	2,243,099	1,363,918
Total	**2,243,099**	**1,363,918**



Tax approach

Tax management is handled by the Administrative Office, with the support of external consultants. Adler Ortho undertakes to ensure that its economic and financial activities do not become a tool for facilitating, not even in part, unlawful activities and criminal and terrorist organisations.
Adler Ortho adopts a highly rigorous approach to taxation and adheres to all tax regulations in the territories in which it operates.
Regulatory compliance is verified by suitable professionals and aggressive tax practices are not tolerated. Where there may be tax risks for particular transactions, specific administrative procedures have been approved. A preliminary check and final check are therefore carried out when drafting interim and end-of-year financial statements.
Adler Ortho applies both national and international anti-money laundering legislation. The Company therefore employs the utmost diligence in verifying the information available on counterparties, suppliers, partners and consultants, in order to ascertain their respectability and the legitimacy of their activities before entering into any business relationship with them.
The tax approach is closely aligned with the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, which includes specific protocols for the prevention of tax offences. The 231 Model serves as a reference framework to ensure that all tax-related activities are carried out ethically and in accordance with the law. This synergy between fiscal governance and the 231 Model not only protects Adler Ortho from potential legal and reputational risks but also reinforces a culture of transparency and social responsibility within the Company. Moreover, the whistleblowing procedure acts as a further supporting element, granting everyone the possibility of reporting critical issues regarding unethical and illegal behaviour, including in relation to taxation, anonymously.
Adler Ortho maintains open and constructive dialogue with the tax authorities, based on a principle of cooperation and mutual trust. This relationship makes it possible to tackle any tax issues promptly and prevent divergent interpretations of the regulations. The result is a fiscal framework that supports the sustainable growth of Adler Ortho, while simultaneously protecting the interests of stakeholders and contributing to the socioeconomic context in which it operates.

HUMAN
CAPITAL

Personnel management

The Adler Ortho Group acknowledges the key role that its employees play in the sustainable success of the business and ensures that relationships with staff are characterised by trust and mutual respect, as well as constant dialogue. The Adler Ortho Group is convinced that **people** represent the most vital asset for the Company's success. For this reason, the Code of Ethics guarantees a workplace environment **free from prejudice and discrimination**, through which the Company enshrines its commitment to the protection and promotion of human rights in all aspects of their activities. The Group recognises the vital importance of personal dignity, integrity and equality, operating in accordance with the highest ethical standards and international legislation and creating a fair and safe working environment, where mutual respect and opportunity for personal and professional growth are promoted. This commitment is reflected not only in relations with employees, but also along the entire value chain, through the promotion of responsible practices with suppliers and partners to guarantee that the fundamental principles of Human Rights are protected and integrated into the business model.
Moreover, it promotes meritocracy and combats all forms of discrimination on the grounds of age, gender, sexual identity, health condition, race, nationality, political views and religious beliefs of individuals. The Group does not employ children, either directly or indirectly, below the age stipulated by law and always verifies workers' ages at the time of recruitment. It rejects all forms of slavery, forced or compulsory labour, human trafficking or involuntary work.
The legal provisions, including those of the *Contratto Collettivo Nazionale del Lavoro* (Italian National Collective Bargaining Agreement – CCNL) and the Company's internal regulations, such as the Code of Ethics, are essential tools in personnel management, especially for aspects such as:

- personnel selection, from identifying an individual to signing the recruitment contract;
- processing personal data by respecting and safeguarding privacy;
- individual performance appraisals;
- the preparation of individual skills development plans;
- the training plan offered for the purposes of developing know-how and improving performance.

Inadequate personnel management can be the object of specific reports from employees and agents of the Company, based on **whistleblowing** mechanisms or legally envisaged procedures. In any case, workers may speak directly to their line manager or the Human Resources Department to discuss reports or requests.

Employees[11]

On 31 December 2023, the workforce of the Adler Ortho Group was composed of **155 staff**, slightly up on 2022 (+9%).
The staff are predominantly men, who make up 62% of the number of employees.

Number of employees

2022			2023		
Women	Men	**Total**	Women	Men	**Total**
53	89	**142**	59	96	**155**

Forms of employment

As proof of its commitment and in order **to ensure and reinforce the stability of the employment relationships** and to make a long-term investment in human capital, in keeping with the previous year, 94% of employees during the 2023 tax year were recruited on permanent contracts.

Number of employees by type of contract /by gender

	2022			2023		
	Women	Men	**Total**	Women	Men	**Total**
A tempo indeterminato	46	85	**131**	55	91	**146**
A tempo determinato	7	4	**11**	4	5	**9**
Totale	**53**	**89**	**142**	**59**	**96**	**155**

To provide a positive solution to personal and family needs, flexible working hours are permitted and part-time work offered as an option, although the majority of employees (around 98%) have a full-time contract.

11
The total workforce count takes into consideration, for the years 2022 and 2023 respectively, the apprentice blue-collar worker and apprentice white-collar worker, since both were recruited as employees of Adler Ortho, covered by the relevant CCNL.

Number of employees by type of contract /by gender

	2022			2023		
	Women	Men	**Total**	Women	Men	**Total**
Full-time	50	87	**137**	56	96	**152**
Part-time	3	1	**4**	3	-	**3**
Contract with variable hours	-	1	**1**	-	-	**-**
Total	**53**	**89**	**142**	**59**	**96**	**155**

All Group employees are covered by the CCNL, in keeping with the previous year. For Adler Ortho, the reference CCNL is that of the metalworking and plant installation industry; for Novagenit, on the other hand, the reference CCNL is that of the chemical pharmaceutical industry, chemical fibres and abrasives, lubricants and LPG sectors.

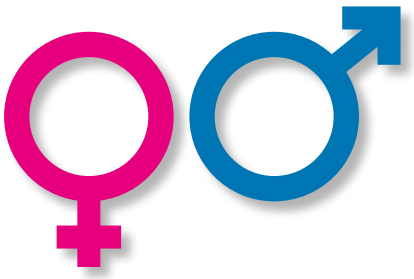
Details of non-employee workers are provided in the table below. In 2023, there was a total of 6 self-employed workers. Most of them were temporary workers and agents. During 2023, the company also welcomed an intern.

Non-employee workers by type of contract divided by gender and region

	FY 2022			FY 2023		
	Women	Men	**Total**	Women	Men	**Total**
Interns and trainees	2	-	**2**	1	-	**1**
Temporary employees	-	2	**2**	-	2	**2**
Collaborators	-	2	**2**	-	2	**2**
Total	**2**	**4**	**6**	**1**	**4**	**5**

Diversity and equal opportunities

In 2023, the category represented by the highest number of employees was that of white-collar workers, representing 65% of the total, while 21% of employees were in the blue-collar category.
The positions held by female employees were distributed equally between white-collar and blue-collar workers (40% and 36% of the total women recruited, respectively). The subdivision percentages for each professional category are essentially in line with the previous year, as is the ratio between women and men in the different professional categories.
The following tables contain the percentages of employees divided by category and gender, compared to total employees during the two-year period 2022-2023.



Number of employees by category / by gender

	2022			2023		
	Women	Men	**Total**	Women	Men	**Total**
Senior managers	1	6	**7**	1	5	**6**
Middle managers	5	9	**14**	6	10	**16**
Office employees	36	56	**92**	40	60	**100**
Factory workers	11	18	**29**	12	21	**33**
Total	**53**	**89**	**142**	**59**	**96**	**155**

Number of employees by category / by gender

	2022				2023			
	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**
Senior managers	-	2	5	**7**	-	2	4	**6**
Middle managers	-	6	8	**14**	-	8	8	**16**
Office employees	22	52	18	**92**	28	53	19	**100**
Factory workers	7	18	4	**29**	10	18	5	**33**
Total	**29**	**78**	**35**	**142**	**38**	**81**	**36**	**155**

The Company workforce is varied in terms of the age of the individual employees: 54% are aged between 30 and 50, while categories below the age of 30 and over 50 represent 22% and 24% of the total, respectively. Moreover, around 38% of the human capital is composed of female employees, slightly up on 2022 (37%).

The Adler Ortho workforce contains a quota of resources belonging to protected categories. In 2023, there were 7 people belonging to protected categories, 71% of whom were female. Since 2022, the people belonging to protected categories included a resource recruited through a social cooperative pursuant to Art. 14 of Italian Legislative Decree no. 276/2003.
The age bracket in which the most employees from protected categories are concentrated is the over 50s (57%).

In 2022, on the other hand, there were 6 people from protected categories.

Protected categories of employees by role/gender

	2022			2023		
	Women	Men	**Total**	Women	Men	**Total**
Senior managers	-	-	**-**	-	-	**-**
Middle managers	-	-	**-**	-	-	**-**
Office employees	3	1	**4**	4	1	**5**
Factory workers	-	2	**2**	1	1	**2**
Total	**3**	**3**	**6**	**5**	**2**	**7**

Protected categories by role / age group

	2022				2023			
	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**	< 30 years of age	30 < x < 50 years of age	> 50 anni years of age	**Total**
Senior managers	-	-	-	**-**	-	-	-	**-**
Middle managers	-	-	-	**-**	-	-	-	**-**
Office employees	1	0	3	**4**	1	1	3	**5**
Factory workers	-	2	-	**2**	-	1	1	**2**
Total	**1**	**2**	**3**	**6**	**1**	**2**	**4**	**7**

The senior managers recruited from the local community (100%) have management functions and were recruited as Managers and Executives.

Senior managers hired from the local community		
	2022	2023
No. of Senior managers at significant operational sites hired by the local community	7	6
Total No. of Senior managers	7	6
% of Senior managers at significant operating sites hired by the local community	**100%**	**100%**

Remuneration policies

The company's remuneration policy seeks to promote long-term transparency and fairness, with the objective of attracting, motivating and retaining the Group's resources, who contribute to the company's success.

Ratio of the basic salary woman/man for each occupational category (Adler Ortho)		
	2022	2023
Senior managers	0.59	0.53
Middle managers	0.94	0.91
Office employees	1.03	0.99
Factory workers	0.85	0.93
Ratio of the basic salary woman/man for each occupational category (Novagenit)		
Senior managers	-	-
Middle managers	0.96	0.96
Office employees	0.79	0.81
Factory workers	1.03	1.05

Ratio of salary woman/man for each occupational category (Adler Ortho)	2022	2023
Senior managers	0.59	0.52
Middle managers	0.94	0.88
Office employees	1.01	0.98
Factory workers	0.79	0.87
Ratio of salary woman/man for each occupational category (Novagenit)		
Senior managers	-	-
Middle managers	0.96	0.93
Office employees	0.71	0.74
Factory workers	0.98	0.96

The ratio regarding the increase between the total annual remuneration of the highest-paid person at the Organisation (Adler Ortho) and the total average annual remuneration of all employees (excluding the aforementioned person) was nil for 2023. While the total annual remuneration of the highest-paid person did not rise compared with 2022, there was a minimal drop in the total average annual remuneration of all employees (-0.48%).
With regard to Novagenit, the ratio regarding the increase between the total annual remuneration of the highest-paid person at the organisation and the total average annual remuneration of all employees (excluding the aforementioned person) was nil for 2023. There was no change in the total annual remuneration of the highest-paid person compared with 2022, while there was a rise in the total average annual remuneration of all employees (+6%).

Turnover

The recruitment procedures at Adler Ortho underline a firm commitment to inclusiveness and gender equality. New recruits are hired in compliance with legal provisions on employment relationships and the rules laid down in the relevant **CCNL** (Italian National Collective Bargaining Agreement). The human resources manager conducts a candidate selection activity aimed at assessing actual possession of the aptitude and professional requirements envisaged for the position to be filled and ensures constant **respect for equal opportunities, for the principle of non-discrimination** and for the rules governing the use and processing of personal data.

Recruitment

	2022			2023		
	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years of age	4	6	**10**	4	12	**16**
30 to 50 years of age	4	2	**6**	1	6	**7**
Over 50 years of age	-	1	**1**	3	-	**3**
Total	**8**	**9**	**17**	**8**	**18**	**26**

Terminations

	2022			2023		
	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years of age	2	4	**6**	1	4	**5**
30 to 50 years of age	4	1	**5**	1	6	**7**
Over 50 years of age	1	1	**2**	-	1	**1**
Total	**7**	**6**	**13**	**2**	**11**	**13**

Tasso di turnover

2022

	Women				Men			
	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**
Negative turnover - termination	29%	12%	8%	**13%**	25%	2%	3%	**7%**
Positive turnover - recruitment	57%	12%	-	**15%**	38%	4%	3%	**10%**

Tasso di turnover

2023

	Women				Men			
	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**
Negative turnover - termination	8%	3%	-	**3%**	17%	12%	5%	**11%**
Positive turnover - recruitment	33%	3%	18%	**14%**	50%	12%	-	**19%**

During the most recent two-year period, Adler Ortho always maintained a positive rate of turnover, registering more recruitments than terminations, underlining the continuous growth and stability of its business.
Particularly noteworthy, with regard to the 2023 financial year, were the positive turnover figures for men and women aged under 30 – 33% and 50%, respectively.

Training and upskilling

The **promotion of skills and the professional and personal development** of human resources is one of the cornerstones of personnel management policy for the Adler Ortho Group, which, during the 2023 financial year, offered its employees **2,679.5 hours of training**.
Training activities focused on the theme of health and safety in the workplace and the development of both technical (aimed first and foremost at operating staff) and management skills (aimed at executives, managers and high-profile white-collar workers). Initial training is also provided to new recruits to enable them to carry out their duties, through courses provided internally by heads of department or the Head of the Quality Department.

In addition, continuous training is available, including internal courses, organised by heads of department or colleagues, and external courses, depending on training needs. This programme seeks to develop the skills of employees. The company has also made the MetApprendo portal, provided for in collective bargaining, available to all employees to facilitate access to training.

The tables below show the average hours of training provided to Group employees.

Average training hours		
	2022	2023
Total number of training hours provided to staff	3,211	2,680
Total number of staff	142	155
Average training hours per staff member	**22.6**	**17.3**
Total number of training hours provided to female employees	1,497	1,557
Total number of female employees	53	59
Average training hours per female employee	**28.2**	**26.4**
Total number of training hours provided to male employees	1,714	1,123
Total number of male employees	89	96
Average training hours per male employee	**19.3**	**11.7**
Total number of training hours provided to Senior managers	116	-
Total number of Senior managers	7	6
Average training hours per Senior manager	**16.6**	**-**
Total number of training hours provided to Middle managers	313	20
Total number of Middle managers	14	16
Average training hours per Middle manager	**22.4**	**1.3**
Total number of training hours provided to office Employees	2,164	1,632
Total number of office Employees	92	100
Average training hours per office Employees	**23.5**	**16.3**
Total number of training hours provided to Factory workers	618	1.028
Total number of Factory workers	29	33
Average training hours per Factory workers	**21.3**	**31.2**

Welfare aziendale e benessere

In the context of personnel management, the well-being and satisfaction of employees are of paramount importance. The Group is totally committed to guaranteeing a safe, inclusive and stimulating work environment, which respects and enhances the skills of each employee. In line with the provisions laid down in the *Contratto Collettivo Nazionale di Lavoro* (Italian National Collective Bargaining Agreement – CCNL), employees are guaranteed access to contractual benefits that include a range of support and benefit initiatives aimed at improving the quality of life at work.
In fact, all employees, in accordance with the provisions of the CCNL applied, are registered with the **Fondo Metasalute** (basic healthcare plan) and benefit from supplementary healthcare assistance services better than those provided by the National Health Service, with all costs met by the Company.
For employees with executive positions, in addition to the provisions in the relevant collective bargaining agreement, the Company takes out insurance policies that provide additional cover in terms of health (for both diseases and accidents).
The cover described above does not only apply to insured employees but is also extended to all members of their household.

In order to increase organisational well-being and promote flexibility for its employees, Adler Ortho has also introduced smart working, with the objective of fostering a better balance between professional and private life. As at 31 December 2023, there were 14 people using this method of working. Moreover, flexible arrival times are permitted, allowing employees to adapt the start of their working day to their needs, while preserving the company's goals and operating requirements.
These initiatives are governed through a specific procedure that defines the access to and organisation of remote working, by defining clear methods, time frames and responsibilities, along with procedures for managing working hours. This procedure ensures a balance between operating requirements and the possibility for employees to reconcile their personal and professional lives, while maintaining high standards in production and collaboration. The agile work approach at Adler Ortho is continuously monitored to ensure that it meets the needs of the organisation and adheres to the regulations in force. Within this procedure, the company has also focused particularly on family requirements. Flexible working hours have been implemented, with special treatment for parents of children aged 6 and under, to facilitate finding a balance between work and family life. In addition, priority for smart working arrangements is given to new parents (i.e. all persons indicated pursuant to Art. 18(3-bis) of Italian law no. 81/2017), an initiative formalised to help them manage new requirements connected with parenthood effectively. The company has also launched a 'Listening and Support Desk' *(Sportello Ascolto*

e Supporto), which offers coaching services during maternity and paternity leave, along with assistance in managing co-parenting, creating a work environment that promotes family well-being and supports family dynamics.

The whole Group continues to monitor changes to the needs of its employees and to the labour market carefully, with the objective of being able to implement further welfare initiatives and programmes in the future that provide a more precise and personalised response to the needs of its workforce.

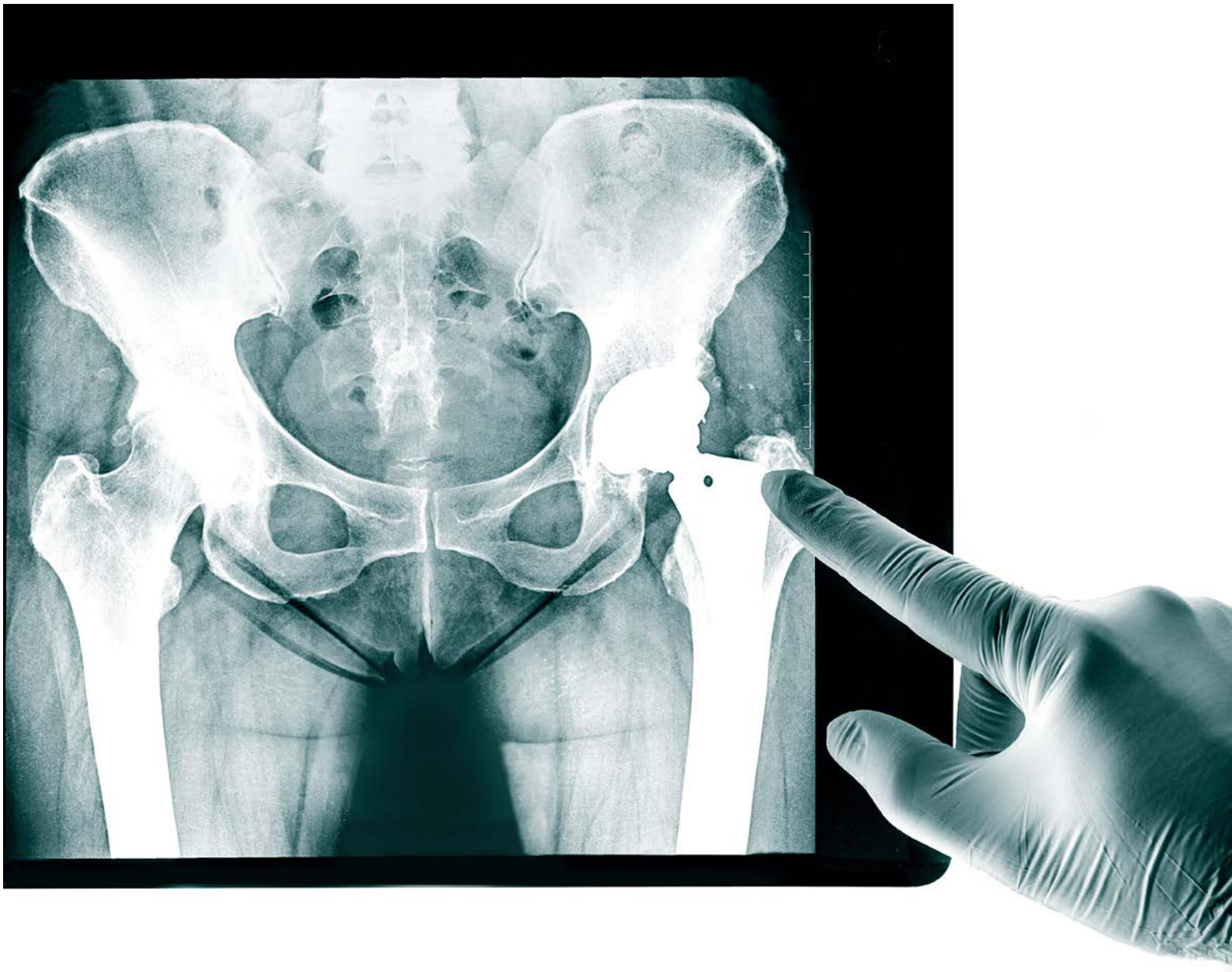
The Group also recognises the importance of striking a balance between work and family life, by guaranteeing parental leave. Six employees took advantage of this in 2023 and all returned to the same post afterwards.

Parental leave[12]

	FY 2022			FY 2023		
	Women	Men	**Total**	Women	Men	**Total**
Employees who were entitled to parental leave	4	1	**5**	7	6	**13**
Employees who took parental leave	3	1	**4**	5	1	**6**
Employees who would have been expected to return to work during the reporting period after taking parental leave	3	1	**4**	5	1	**6**
Employees who returned to work during the reporting period after taking parental leave	3	1	**4**	5	1	**6**
Employees who returned to work after taking parental leave and who are still employees of the organisation within 12 months from return	2	1	**3**	5	1	**6**

Parental leave is equally valid for employees on permanent contracts and those on temporary ones, whether full-time or part-time. The return-to-work rate for 2023 was 100% for both male and female employees.

12
The item "Other and non-reported initiatives" does not contain any information and the columns have therefore been removed to save space.



Occupational health and safety

In line with the provisions of the legislation in force, the Group has established an internal **Prevention and Protection Department (PPD)** which, in conducting its activities, works closely with the Production, Human, Maintenance and Logistics Departments. The PPD also constantly monitors the legislative references and applicable reference standards.
The Group adopts a **Health and Safety Management System** inspired by Italian Law no. 81/08 (Coordinated Health and Safety Act), as supplemented.
For each of the companies included in the reporting scope, the key figures defined by the Consolidated Workplace Health and Safety Act (Italian Legislative Decree no. 81/08) have been identified. All Group employees are represented on suitable committees to monitor these issues.

Every accident suffered by an employee is immediately reported to the Human Resources Office, which reports the cases to the INAIL (Italian National Institute for Accidents at Work) and to the Prevention and Protection Department Manager (PPDM), who is responsible for archiving accident data and statistics. In conjunction with the Occupational Health Physician and the Human Resources Office, the PPD also constantly monitors 'near-misses', anomalies and any reports of occupational diseases, pathologies and health concerns ascribable to work activities.
During the extraordinary meeting organised after an accident or anomaly, the agenda is as follows:

1. Dynamic analysis;
2. Determination of the causes (what did not work properly and why);
3. Assessment of recurrence;
4. Adjustment and prevention plan, where necessary;
5. Any training/instruction programmes;
6. Minutes of the meeting;
7. Revision of the DVR (risk assessment document) – responsibility of the employer, with the cooperation of the PPDM).

To prevent any accidents, the Group is committed to mitigating 'hazardous actions', by assigning a clearly defined work programme to every employee, providing training in accordance with the legislation in force and arranging continuous instruction. 'Hazardous conditions' are mitigated and compensated through the acquisition of protected equipment, alongside optimal plant design and construction.
As further proof of the Group's focus on protection and prevention measures, there were a total of 2 accident suffered by employees during 2023, slightly up on the previous year, when no accidents were recorded. The accident rate recorded in 2023 was 6.79 against a total of 294,749 hours worked.
There were no cases of accidents involving non-employee workers. As regards near-misses, one case was recorded in 2023. In compliance with the procedure dedicated to the detection of near-misses within the Organisation, the

causes were analysed and improvement measures identified to prevent such an incident from recurring.
During the two-year period in consideration, there were no cases of occupational diseases for employees or non-employees.
According to the internal Risk Assessment Procedure, each Adler Ortho Group company is equipped with its own **Risk Assessment Document**, which is updated periodically. The main hazards identified and assessed in relation to work activities carried out at the Group's sites and the associated measures to prevent and reduce these risks include:

Risk assessment for Adler Ortho workers and related containment measures	
Risk of exposure to ionising radiation	The risk of exposure exists for product specialists and is related to access in areas which are generally classified as 'controlled' within health facilities where X-ray machines are used. Adler Ortho staff are never exposed to direct radiation beam, but they can be exposed to patient's diffuse radiation. For this reason, staff members are equipped with individual chest dosimeters. The Company has appointed a qualified expert to assess and monitor such risk.
Risk of explosion	Following the Explosion Risk assessment carried out in 2021 at the Adler Ortho plant in Bari, the safety measures adopted to protect workers were mapped: use of inerting gases (helium and argon) for the areas where machines working with dust are located; system for stopping the machine and signalling the absence/lack of inert gas; prohibition to use mobile phones in departments where dust is processed; information and training of operators; daytime charging procedure.
Risk of exposure to noise	The machines are shielded and manual equipment is used for a minimum time. Exposure level falls within acceptable values.
Risk of exposure to crystalline free silica, polymer fine dust, formaldehyde	Dust containment All machines are equipped with high efficiency filter collection system
Risk of exposure to hazardous dusts removed from EDM machine products	The machine does not produce aerosols able to transport and handle dusts.
Radon risk	In 2022, at Adler Ortho plant in Bari, the values of the average concentrations of radon gas activity in the air of the premises were recorded: at almost all measuring points, the values found were below the reference limit level introduced by the regional regulation. Therefore, no remedial action was deemed necessary.

Risk assessment for Novagenit workers and related containment measures	
Risk of manual handling of loads and biomechanical overload of upper limbs	For staff members in charge of receiving incoming materials, marking, washing, packing, boxing and biomedical research and production, and in order to reduce the risk from manual handling of loads (MMC), Novagenit has considered taking the following measures: - Inform all workers about the data obtained through risk assessment and any additional information whenever major changes in the workplace lead to a change in these data; - Training and information on appropriate precautions and actions; - Staff turnover.
Risk of ionising radiation	The ionising radiation exposure risk exists for staff having a role as product specialists and is related to access in areas which are generally classified as 'controlled' within health facilities where X-ray machines are used. Novagenit staff are never exposed to direct radiation beam, but they can be exposed to patient's diffuse radiation. For this reason, staff members are equipped with individual chest dosimeters. The Company has appointed a qualified expert in radiation protection to assess and monitor such risk.
Risk of artificial optical radiation	A source of artificial optical radiation has been found within the Company. The TruMark Station 5000 laser marking machine located in the washing room is classified as a Laser of class 1 and 2 during normal operation due to the guards applied by the manufacturer. However, during maintenance (without guards) the Laser is of Class 4, therefore Novagenit intervenes so that the personnel involved in maintenance have adequate technical and professional skills by training them and informing them about the presence of said risk.
Risk of chemical agents	The Company uses chemicals at various stages of the production cycle. The chemical risk assessment was therefore carried out according to the list of agents used, and a low risk to health and irrelevant to safety was found for all of them.
Biological risk	Operators may be at risk of accidental contact with potentially contaminated biological material, however: A. They wear appropriate PPE B. Upon receipt, organic products are quarantined until the appropriate procedures have been initiated C. They work in the appropriate areas, namely under laminar flow hoods in the QC laboratory D. Special waste is handled properly using specific containers E. Instruments given on loan to customers (hospitals), upon return are decontaminated by steam sterilisation, then cleaned with ethanol, packaged and stored F. Human cells used in the company are provided with a certificate drawn up by the supplier company.

A further key tool in the protection of risks and hazards for workers' health and safety is training – essential to make workers more aware of risks and better prepared to deal with them and, at the same time, reduce the likelihood of incidents at work. During 2023, 349 hours were provided, divided into general training, aimed at providing all workers with an understanding of the basic rules and principles relating to health and safety at work, and specific training, which provides knowledge and skills targeted according to risks and particular activities related to the role of each employee.

ENVIRONMENTAL CAPITAL

Environmental responsibility

The Adler Ortho Group considers environmental management to be an essential tool for the strategic management of the Company.
For this reason, all of the Group's activities are focused on the reduction of environmental impacts and consumption, on plant and energy efficiency, by conducting rigorous checks of raw materials and recycling as much of the material used in the production process as possible, to achieve technological progress while focusing on the sustainability of business activities to satisfy the needs of future generations.
In the light of this, the entire Organisation tackles competitive challenges through long-term sustainable growth programmes in perfect harmony with the international regulatory framework on environmental matters.

The Group constantly monitors the environmental regulations in force, ensuring respect with compliance obligations and cooperating with the Public Administration[13]: This makes it possible to organise production processes according to the requirements for obtaining the relevant legislative authorisations (e.g. the *Autorizzazione Unica Ambientale* – Single Environmental Authorisation).

Energy consumption

The Group's main sources of energy consumption concern:
- **Natural gas**, for heating;
- **Fuel oil** for generators;
- **Diesel, petrol and natural gas** gas for company cars and the traction of operating machinery[14];
- **Electricity**[15], used to light the offices.

13
During the reporting period, the Group did not incur any significant financial penalties or non-monetary sanction for breaches of environmental laws and/or regulations.

14
The calculation of fuel consumption also took into consideration the Italian offices in Bologna, Verona and Rome (the incidence was estimated as close to 0).

15
The calculation of energy consumption also took into consideration the Italian offices in Bologna, Verona and Rome (which represent around 0.8% of the total).

The following tables contain data relating to energy consumption for the two-year period 2022-2023.

ENERGY CONSUMPTIONS (GJ[16])

	2022	2023
Energy consumption from non-renewable sources		
Natural gas	3,026	2,853
Fuel for company fleet	2,052	2,388
Diesel	2,052	1,910
Petrol	-	475
LPG	-	3
Diesel for generators	7	1
Electricity purchased from non-renewable sources	1,573	1,543
Energy consumption from renewable sources		
Depreciation, write-downs and adjustments	5,175	5,429
Total consumption	**11,833**	**12,214**

Energy consumption for the heating of the workplaces and the functioning of the generators fell over the last two years, by 6% and 86%, respectively.
Since 2022, Adler Ortho has decided to acquire solely **energy from 100%-renewable sources and covered by a guarantee of origin**, thus reducing the overall consumption of energy from non-renewable sources and achieving significant positive impacts on its emissions profile.
With reference to the production site in Bari, Adler Ortho is implementing emission reduction initiatives, by launching a project to obtain financing dedicated to the installation of photovoltaic power plants, as an important step towards reducing environmental impact and boosting energy efficiency. In support of this project, the plant's energy certification has already been completed, thus ensuring that the structures and production processes are compliant with the standards necessary for accessing the tendering procedure and optimising the use of energy resources.
Moreover, over the last few years, Adler Ortho has implemented key measures to improve the energy efficiency in its plants. In Cormano, the lighting system has recently been updated – a measure aimed at reducing energy consumption. Since the Bari plant was constructed only recently, it is already equipped with modern and efficient facilities.
At the same time, Novagenit has devoted significant resources to energy improvement in its structures, with interventions on its heating and cooling systems: of the two boilers installed, one has been recently overhauled. In addi-

16
The conversion factors used to convert the different quantities of energy into GJ are taken from the DEFRA (UK Department for the Environment, Food and Rural Affairs) database for the respective years.

tion, the refrigeration system has been replaced to enable enhanced temperature control. Having renovated its plant in 2017, Novagenit can already count on relatively modern facilities, ready for further optimisation measures.

Greenhouse gas emissions

Greenhouse gas emissions connected to the Adler Ortho Group's activities can be divided into direct and indirect emissions.
Direct emissions (scope 1) derive from the direct combustion of fossil fuels for the production of electrical and thermal energy and for refuelling transport vehicles or from the dispersion of fluorinated gases used for refrigeration, air conditioning and the functioning of the heat pumps. For the Adler Ortho Group, these emissions are generated chiefly from the combustion of natural gas for heating and from mobile combustion.

Indirect emissions (scope 2) refer to the production of electricity acquired and consumed by the Company for the functioning of the electrical equipment and lighting of the buildings.

To ensure full compliance with the GRI Standards, scope 2 emissions linked to the acquisition and consumption of electricity were calculated both according to the location-based approach and through the **market-based** approach. While **location-based** methodology considers the average intensity of the greenhouse gas emissions of the networks on which energy consumption is verified, using mainly data relating to the average emission factor of the network, the market-based method considers the emissions from electricity that the Company has intentionally chosen in the form of a contract.

17
The emission factors used to calculate the Scope 1 emissions are taken from the DEFRA (UK Department for the Environment, Food and Rural Affairs) database for the respective years.

SCOPE 1[17] (tCO_2eq) DIRECT EMISSIONS

	2022	2023
Natural gas	170	161
Fuel for company fleet	146	165.2
Diesel	146	135
Petrol	-	30
LPG	-	0.2
Diesel for generator sets	1	0.1
F-GAS	344	41
SCOPE $_1$ TOTAL	**661**	**367**

The above table shows that direct scope 1 emissions fell by 44% compared with the previous year. A key contribution came from the reduction in Adler Ortho's use of F-GASES, known for their high global warming potential, of around 88%.

SCOPE 2[18] (tCO_2eq) INDIRECT EMISSIONS

	2022	2023
Electricity purchased (Location Based method)	576	497
Electricity purchased (Market Based method)	200	214

According to the Location-Based criterion, indirect emissions generated by the Group fell by almost 14% in 2023 compared with the previous year. This change is due chiefly to the increase in the use of electricity from a certified renewable source. According to the Market-Based criterion, total indirect emissions linked to Novagenit's purchase of non-renewable energy have not increased significantly compared with the previous year.

TOTAL OF SCOPE 1 DIRECT + SCOPE 2 INDIRECT (tCO_2eq) EMISSIONS

	2022	2023
Location-Based method	1.237	1.525
Market-Based method	861	581

The total Scope 1 and Scope 2 emissions produced by the Group in 2023, according to the Location-Based criterion, amount to 1,525 tCo2e, an increase of 23% on 2022. As regards the total emissions according to the Market-Based criterion, this amounted to 581 tCo2e, down by around 33% compared with the previous year.

Water withdrawal

A minimal quantity of water enters the Group's production processes, specifically only for the washing phase of the products, which are then submerged in a few tanks with water taken from the network. As regards the optimisation of water consumption, approved washing cycles[19] are used, while the automatic cycles of the machinery are imposed by the manufacturer. The water used for hygiene and non-industrial purposes is drawn from the aqueduct, while the water used in processing operations is subject to monthly

18
The emission factors used to calculate the Scope 2 emissions are taken, respectively, from the 386/2023 Report published by ISPRA, as regards the Location-Based calculation method, and from the European Residual Mixes of the respective years, published by the AIB, as regards the Market-Based calculation method. Please note that the data made available to ISPRA and AIB are expressed exclusively in CO2 and do not include other greenhouse gases measured at carbon dioxide equivalent (CO2eq). In the test, it was decided to keep the CO2eq measurement to guarantee uniformity and clarity, also in view of the negligible quantity of greenhouse gases other than CO2 generated in the production of electricity.

19
An approved process is one which has been proven, through objective evidence, to meet the requirements defined for a specific use or application (standards ISO 19227:2018, ASTM F3127_16 and NF S94-091 for industrial washing machines), defined in a validation protocol and documented in a corresponding validation report. This process is therefore considered trustworthy, reliable and reproducible.

analysis and delivered to authorised disposal companies. Overall, the water withdrawal of the entire Adler Ortho Group totals 5 megalitres, up by 60% compared with the previous year.

Waste management

The main production processes that can generate waste at Adler Ortho are sintering (an activity in which the particles of a solid material in powdered form, when subjected to heat, bond together to create a compacted piece of material), carried out internally at Bari plant, and mechanical processing such as turning (an operation to remove swarf, in which the part is fixed to a spindle and rotated while a cutting tool moves along the part to give it the required shape), carried out mainly at Cormano facility and those in Bari, as well as by suppliers under contract work. In particular, the sintering process, which uses titanium and polyethylene powders as an input, exhausted powder is generated as waste. This waste, if not properly disposed of, can cause a negative impact in terms of pollution; consequently, the Company identifies it as product waste in a way that enables its correct management. The process relating to mechanical processing operations uses metal bars and polyethylene, producing outputs such as titanium swarf, cobalt-chrome, polyethylene, nylon, lubricating oils and other ferrous materials. Anche questi rifiuti, se non gestiti in modo appropriato, rappresentano un potenziale rischio di inquinamento. This waste, if not managed appropriately, represents a potential risk of pollution. Neither type of waste derives from activities upstream or downstream of the organisation, but is produced exclusively internally. Correct disposal is crucial to minimise the impact on the external environment.

In reference to the activities carried out by Novagenit, including the activation of resins and hyaluronic acid, the preparation and treatment of collagen plates and the washing of prostheses, the main waste is ascribable mainly to aqueous solutions and discarded chemicals.
Each process uses a series of specific inputs, such as chemicals (e.g. hydrochloric acid, acetone and ethanol) and specialised materials (e.g. resins and collagen). Outputs include a variety of waste, such as atmospheric emissions of fumes and solvents and washing water, which are all classified as waste produced internally by the organisation. Novagenit adopts specific measures for the correct management of these emissions and liquid waste, by minimising the risk of contamination, in full compliance with the environmental legislation in force. Each type of waste is marked with specific codes to facilitate its identification and appropriate treatment within the framework of environmental management policies.

Total waste produced

	2022		
	Quantity (ton)	Of which not for disposal	Of which intended for disposal
Total waste produced	**78.27**	**-**	**78.27**
Hazardous waste by type of material	**51.83**	**-**	**51.83**
Degreasing waste containing hazardous substances (EWC 110113)	0.26	-	0.26
Residues of sandblasting material containing hazardous substances (EWC 120116)	0.95	-	0.95
Aqueous washing solutions (EWC 120301)	14.56	-	14.56
Other emulsions (EWC 130802)	14.43	-	14.43
Packaging containing residues of hazardous substances (plastic, glass and metal containers) (EWC 150110)	0.89	-	0.89
Filter materials (EWC 150202)	1.27	-	1.27
Oil filters (EWC 160107)	0.15	-	0.15
Waste whose collection and disposal is subject to special requirements in order to prevent infection (EWC 180103)	0.22	-	0.22
Ion exchange resins (190806)	0.12	-	0.12
Other solvents (EWC 070104)	2.53	-	2.53
Aqueous washing solutions (EWC 070601)	0.11	-	0.11
Laboratory liquid chemicals (EWC 160506)	0.24	-	0.24
Aqueous rinsing liquids containing hazardous substances (EWC 110111)	16.09	-	16.09

Total waste produced

	2022		
	Quantity (ton)	Of which not for disposal	Of which intended for disposal
Non-hazardous waste by type of material	**51.83**	**-**	**51.83**
Non-ferrous metal filings and turnings (EWC 120103)	1.00	-	1.00
Plastics shavings and turnings (EWC 120105)	0.26	-	0.26
Machining sludges (EWC 120115)	1.10	-	1.10
Residues of sandblasting material (EWC 120117)	1.77	-	1.77
Wooden packaging (EWC 150103)	2.26	-	2.26
Mixed packaging (EWC 150106)	1.21	-	1.21
Absorbents, filter materials, wiping cloths and protective clothing (EWC 150203)	0.20	-	0.20
Non-ferrous metal (EWC 160118)	0.08	-	0.08
Components removed from discarded equipment (EWC 160216)	0.20	-	0.20
Aqueous liquid waste (EWC 161002)	1.83	-	1.83
Glass (EWC 170202)	0.32	-	0.32
Iron and steel (EWC 170405)	0.75	-	0.75
Mixed metals (EWC 170407)	1.67	-	1.67
Discarded chemicals (EWC 160509)	3.16	-	3.16
Waste printing toners and cartridges (EWC 080318)	0.03	-	0.03
Plastic packaging collection (EWC 150102)	0.38	-	0.38
Aqueous liquid waste (EWC 161002)	10.11	-	10.11
Bulky waste (EWC 200307)	0.08	-	0.08
Discarded electric equipment (EWC 160214)	0.01	-	0.01
Dead batteries (EWC 160605)	0.02	-	0.02

Total waste produced

	2023		
	Quantity (ton)	Of which not for disposal	Of which intended for disposal
Total waste produced	**76.36**	**-**	**76.36**
Hazardous waste by type of material	**47.47**	**-**	**47.47**
Degreasing waste containing hazardous substances (EWC 110113)	0.60	-	0.60
Residues of sandblasting material containing hazardous substances (EWC 120116)	0.90	-	0.90
Aqueous washing solutions (EWC 120301)	2.46	-	2.46
Other emulsions (EWC 130802)	17.40	-	17.40
Packaging containing residues of hazardous substances (plastic, glass and metal containers) (EWC 150110)	1.16	-	1.16
Filter materials (EWC 150202)	1.79	-	1.79
Oil filters (EWC 160107)	0.12	-	0.12
Aqueous liquid waste containing hazardous substances (EWC 161001)	2.68	-	2.68
Wastes whose collection and disposal is subject to special requirements in order to prevent infection (EWC 180103)	0.17	-	0.17
Ion exchange resins (190806)	0.06	-	0.06
Fluorescent tubes (EWC 200121)	0.95	-	0.95
Other solvents (EWC 070104)	3.51	-	3.51
Aqueous washing solutions (EWC 070601)	0.16	-	0.16
Laboratory liquid chemicals (EWC 160506)	0.36	-	0.36
Aqueous rinsing liquids containing hazardous substances (EWC 110111)	14.69	-	14.69
Discarded equipment containing chlorofluorocarbons, HCFC, HFC (EWC 160211)	0.05	-	0.05
Laboratory chemicals, consisting of or containing hazardous substances including mixtures of laboratory chemicals (160506)	0.42	-	

Total waste produced

	2023		
	Quantity (ton)	Of which not for disposal	Of which intended for disposal
Non-hazardous waste by type of material	**28.89**	**-**	**28.89**
Non-ferrous metal filings and turnings (EWC 120103)	1.21	-	1.21
Plastics shavings and turnings (EWC 120105)	0.35	-	0.35
Machining sludges (EWC 120115)	1.37	-	1.37
Residues of sandblasting material (EWC 120117)	0.84	-	0.84
Wooden packaging (EWC 150103)	1.19	-	1.19
Mixed packaging (EWC 150106)	0.60	-	0.60
Absorbents, filter materials, wiping cloths and protective clothing (EWC 150203)	0.51	-	0.51
Ferrous metal (EWC 160117)	0.11	-	0.11
Non-ferrous metal (EWC 160118)	1.65	-	1.65
Discarded equipment (EWC 160214)	0.18	-	0.18
Alkaline batteries (EWC 160604)	0.04	-	0.04
Aqueous liquid waste (EWC 161002)	13.69	-	13.69
Glass (EWC 170202)	0.02	-	0.02
Iron and steel (EWC 170405)	0.66	-	0.66
Mixed metals (EWC 170407)	2.28	-	2.28
Discarded chemicals (EWC 160509)	3.69	-	3.69
Waste printing toners and cartridges (EWC 080318)	0.01	-	0.01
Discarded chemicals (EWC 160509)	3.69	-	3.69
Plastic packaging collection (EWC 150102)	0.46	-	0.46
Bulky waste (EWC 200307)	0.02	-	0.02

In 2023, the Adler Ortho Group generated around 76 tonnes of waste, a slight decrease of around 2% compared with 2022. Of the total waste produced, 62% is ascribable to the category of ‘hazardous waste’.
Aqueous liquid waste, corresponding to 47% of the total waste produced, constitutes one of the main flows of non-hazardous waste.

Over the two-year period, there was a significant reduction in hazardous waste by 8% and a slight increase in non-hazardous waste of around 9%-26%. In any event, it should be recalled that the trend in these values may vary significantly from year to year, based on the need for maintenance work on the machinery. In view of the particular nature of the materials processed by the Organisation, all waste produced will be disposed of.

With the aim of reducing the generation of waste linked to the use of plastic, Adler Ortho has adopted a sustainable approach by eliminating single-use plastic within the company, thus showing a strong commitment towards environmental protection. As one of the key initiatives, each employee is given a reusable bottle and has access to water dispensers, thus dramatically reducing the consumption of plastic bottles. In addition, the plastic cups used in the coffee machines have been removed and replaced with environmentally friendly or reusable alternatives This change not only reduces environmental impact, but promotes a more aware and responsible corporate culture among all employees.

GRI CONTENT INDEX

Statement of use

Adler Ortho has prepared this Sustainability Report in accordance with the GRI Standards for the period 1 January 2023 – 31 December 2023.

GRI 1:

Foundation 2021

GRI Sector Standard

Not applicable

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
	GENERAL DISCLOSURES			
	GRI 2: General Disclosures 2021			
2-1	Organisational details	1. Identity and strategy	11	
2-2	Entities included in the organisation's sustainability reporting	Methodological note	6	
2-3	Reporting period, frequency and point of contact	Methodological note	6	
2-4	Information review			As this is the first Sustainability Report, the notice is not applicable.
2-5	External assurance	Methodological note	6	The Sustainability Report has not been subject to audit by a third party.
2-6	Activities, value chain and other business relationships	1. Identity and strategy	11	
2-7	Employees	6. Human capital / Employees	88	
2-8	Non-employee workers	6. Human capital / Employees	89	
2-9	Governance structure and composition	2. Sustainable Governance / Corporate bodies	38	
2-10	Appointment and selection of the highest governing body			There is no appointment or selection process, the shareholder corresponds to the two Directors of the BoD representing the majority shareholder.
2-11	Chairman of the highest governing body			The Chairman is a leading figure as well as the shareholder.
2-14	Role of the highest governing body in sustainability reporting			The Board of Directors is involved in the approval phase of the Sustainability Report, during a special meeting.

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
2-15	Conflicts of interest	2. Sustainable Governance / Responsible business management	41	
2-16	Communication of critical issues	2 Sustainable Governance / Organisation, Management and Control Model 231	41	
2-18	Performance evaluation of the highest governing body			At present, no performance evaluation process is implemented for the highest governing body.
2-21	Annual total remuneration ratio	6. Human capital / Remuneration policies	92	
2-22	Sustainable development strategy statement	Letter to the stakeholders	4	
2-26	Mechanisms for requesting clarifications and raising concerns	2. Sustainable Governance / Organisation, Management and Control Model 231	41	
2-27	Compliance with laws and regulations	2. Sustainable Governance / Regulatory compliance	45	
2-28	Membership in associations			Assolombarda; Assobiomedica; F.I.F.O. (Italian Federation of Hospital Supplies)
2-29	Approach to stakeholder engagement	1 Identity and strategy / Materiality analysis	29	
2-30	Collective agreements	6. Human capital / Employees	89	
	MATERIAL TOPICS			
	GRI 3: 2021 material topics			
3-1	Process for determining material topics	1 Identity and strategy / Materiality analysis	29	
3-2	List of material topics	1 Identity and strategy / Materiality analysis	29	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
	ETHICS AND INTEGRITY IN THE CONDUCT OF BUSINESS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	1. Sustainable Governance	36	
	GRI 205: Anti-corruption 2016			
205-3	Established incidents of corruption and actions taken	2. Sustainable Governance / Organisation, Management and Control Model 231	41	
	GRI 206: Anti-competitive behaviour 2016			
206-1	Legal actions for anti-competitive behaviour, antitrust and monopolistic practices	2. Sustainable Governance / Regulatory compliance	45	
	GRI 206: Anti-competitive behaviour 2016			
206-1	Legal actions for anti-competitive behaviour, antitrust and monopolistic practices	2. Governance/Regulatory compliance	45	
	GRI 207: Taxes			
207-1	Approach to taxation	5. Economic and financial capital / Tax approach	85	
207-2	Tax governance, control, and risk management	5. Economic and financial capital / Tax approach	85	
207-3	Stakeholder engagement and management of concerns related to tax	5. Economic and financial capital / Tax approach	85	
	ANTI-CORRUPTION AND COMPLIANCE			
	GRI 3: 2021 material topics			
3-3	Management of material topics	2. Sustainable Governance	36	
	GRI 205: Anti-corruption 2016			
205-1	Operations assessed for corruption risks	2. Sustainable Governance / Anti-corruption policy	42	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
205-2	Communication and training on anti-corruption policies and procedures	2. Sustainable Governance / Anti-corruption policy	42	
205-3	Established incidents of corruption and actions taken	2. Sustainable Governance / Anti-corruption policy	42	
	RESPECT FOR HUMAN RIGHTS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Personnel management	87	
	GRI 406: Non discriminazione 2016			
406-1	Incidents of discrimination and corrective measures taken			No incidents of discrimination were recorded during the reporting period
	OCCUPATIONAL HEALTH AND SAFETY			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Occupational health and safety	100	
	GRI 403: Salute e sicurezza sul lavoro 2018			
403-1	Sistema di gestione della salute e sicurezza sul lavoro	6. Capitale Umano / Salute e sicurezza sul lavoro	100	
403-2	Hazard identification, risk assessment and accident investigation	6. Capitale Umano / Salute e sicurezza sul lavoro	100	
403-3	Occupational health services	6. Capitale Umano / Salute e sicurezza sul lavoro	100	
403-4	Staff participation and consultation and communication on occupational health and safety	6. Capitale Umano / Salute e sicurezza sul lavoro	100	
403-5	Staff training in occupational health and safety	6. Capitale Umano / Salute e sicurezza sul lavoro	100	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
403-6	Promotion of staff health	6. Human capital / Occupational health and safety	100	
403-7	Prevention and mitigation of occupational health and safety impacts within business relationships	6. Human capital / Occupational health and safety	100	
403-8	Staff covered by an occupational health and safety management system	6. Human capital / Occupational health and safety	100	
403-9	Occupational accidents	6. Human capital / Occupational health and safety	100	
403-10	Work-related ill health	6. Human capital / Occupational health and safety	100	
	TRAINING AND UPSKILLING			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Training and upskilling	96	
	GRI 404: Training and education 2016			
404-1	Average annual training hours per employee	6. Human capital / Training and upskilling	96	
	DIVERSITY AND EQUAL OPPORTUNITIES			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Diversity and equal opportunities	90	
	GRI 405: Diversity and equal opportunities 2016			
405-1	Diversity in governing bodies and among employees	6. Human capital / Diversity and equal opportunities	90	
405-2	Ratio of base salary and pay of women compared to men	6. Human capital / Remuneration policies	92	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
	WORK-LIFE BALANCE AND WELFARE			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Company welfare and well-being	97	
	GRI 401: Employment 2016			
401-2	Benefits for full-time employees that are not available to fixed-term or part-time employees	6. Human capital / Company welfare and well-being	97	
401-3	Parental leave	6. Human capital / Company welfare and well-being	97	
	PRODUCT QUALITY, SAFETY AND RELIABILITY			
	GRI 3: 2021 material topics			
3-3	Management of material topics	4 Relational capital / Product quality, safety and reliability	74	
	GRI 416: Customer health and safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	4 Relational capital / Product quality, safety and reliability	74	
416-2	Incidents of non-compliance concerning health and safety impacts of products and services	4. Relational capital / Product quality, safety and reliability	74	
	GRI 417: Marketing and labelling 2016			
417-1	Requirements for product and service information and labelling	4. Relational capital / Product labelling	76	
417-2	Incidents of non-compliance concerning product and service information and labelling	4. Relational capital / Product labelling	76	
417-3	Incidents of non-compliance concerning marketing communications	2. Sustainable Governance / Regulatory compliance	45	No cases of non-compliance related to marketing communications were recorded during the reporting period.

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
	TECHNOLOGICAL INNOVATION AND DIGITALISATION			
	GRI 3: 2021 material topics			
3-3	Management of material topics	3. Infrastructural capital / Product innovation and Group processes	54	
	ENERGY EFFICIENCY AND SUSTAINABLE PRODUCTS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	7. Environmental capital / Energy consumption	105	
302-1	Energy consumed within the organisation	7. Environmental capital / Energy consumption	105	
	FIGHTING CLIMATE CHANGE AND MANAGEMENT OF EMISSIONS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	7. Environmental capital / Greenhouse gas emissions	107-108	
	GRI 305: Emissioni 2016			
305-1	Direct GHG emissions (Scope 1)	7. Environmental capital / Greenhouse gas emissions	107-108	
305-2	Indirect GHG emissions from energy consumption (Scope 2	7. Environmental capital / Greenhouse gas emissions	107-108	
	WASTE MANAGEMENT AND CIRCULAR ECONOMY			
	GRI 3: 2021 material topics			
3-3	Management of material topics	7. Environmental capital / Waste management	109	
	GRI 306: Rifiuti 2020			
306-1	Waste generation and significant waste-related impacts	7. Environmental capital / Waste management	109	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
306-2	Management of significant waste-related impacts	7. Environmental capital / Waste management	109	
306-3	Waste generated	7. Environmental capital / Waste management	110-114	
306-4	Waste diverted from disposal	7. Environmental capital / Waste management	110-114	
306-5	Waste directed to disposal	7. Environmental capital / Waste management	110-114	

ADDITIONAL REPORTED GRI STANDARDS (NOT RELATED TO MATERIAL TOPICS)

	ECONOMIC PERFORMANCE			
	GRI 201: Economic performance 2016			
201-1	Economic value directly generated and distributed	5. Economic and financial capital / Economic value generated and distributed	82-83	
201-4	Financial assistance received from government	5. Economic and financial capital / Economic value generated and distributed	82-83	
	MARKET PRESENCE			
	GRI 202: Market presence 2016			
202-2	Proportion of senior managers hired from the local community	6. Human capital / Diversity and equal opportunities	92	
	PROCUREMENT PRACTICES			
	GRI 204: Procurement practices 2016			
204-1	Proportion of spending on local suppliers	4. Relational capital / Suppliers: managing the supply chain	67-72	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Notes
	EMPLOYMENT			
	GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	6. Human capital / Turnover	94-95	
	WATER AND EFFLUENTS			
	G303: Water and effluents			
303-3	Water withdrawal	7. Environmental capital / Water withdrawal	108	
	PRIVACY			
	GRI 418: Customer privacy 2016			
418-1	Proven complaints regarding breaches of customer privacy and loss of customer data	2. Sustainable Governance / Cybersecurity & Data protection	45	

Via dell'innovazione 9
20032 Cormano (MI) Italia

Telephone: 02/6154371
Fax: 02/615437222
e-mail address: info@adlerortho.com
Website: www.adlerortho.com