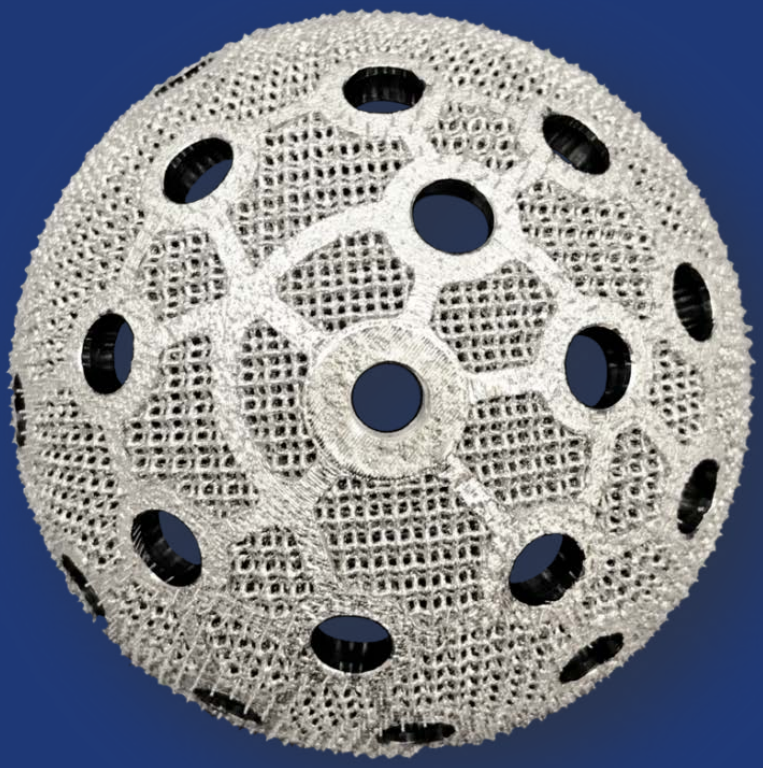
ADLER ORTHO



Sustainability Report 2024

Sustainability Report 2024

ADLER® ORTHO

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LETTER TO THE STAKEHOLDERS

Dear Stakeholders,

We are delighted to present the second edition of our Sustainability Report.

This document is not only a collection of data, but bears witness to our collective efforts and the progress that we have achieved together in social, economic and environmental areas.

2024 proved particularly challenging: during the year, the Company continued to consolidate its economic and financial position, demonstrating resilience and an ability to adapt within 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 only to maintain but actually to improve its key financial indicators, ending the year with a positive result of €926,658.08.

In addition, in December 2024, the company successfully completed a merger by incorporation, involving the companies ADLER ORTHO, NOVAGENIT and DAM ORTHO. The aims of this integration were to strengthen our position on the market and to optimise operational synergies.

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 of the Group's ideas, plans, products and development processes. 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.

I would like to express my sincere thanks to all of you: customers, suppliers, collaborators and partners. Your dedication and commitment have been vital in achieving our goals. Every milestone reached is the result of teamwork and we are proud to have such extraordinary people alongside us.

Dott. Edgardo Cremascoli
Chairman

METHODOLOGICAL NOTE

This document is the second edition of the 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.

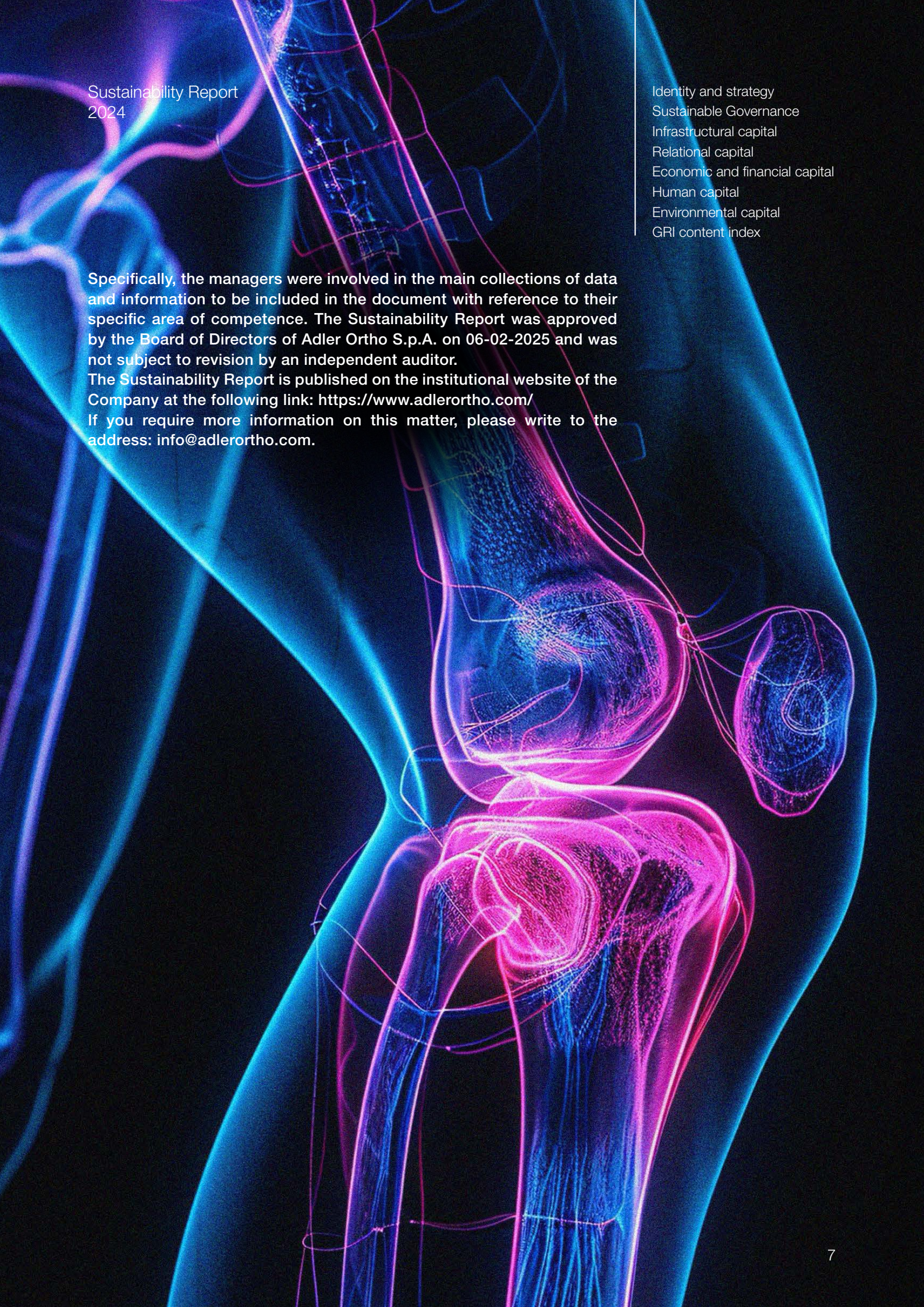
The chosen performance indicators represent the specific sustainability areas analysed and are consistent with the activities performed by Adler Ortho Spa and the impacts generated, as provided for in the reporting standards adopted. These indicators were selected based on a materiality analysis, an activity aimed at identifying material issues that represent the company'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 data and of the qualitative and quantitative information refers to the performance of Adler Ortho S.p.A as at 31 December 2024. However, in some cases, the term 'Group' is used to refer to all the areas and information applicable at consolidated level.

In accordance with the principle of comparability provided for in the GRI Standards, where possible, the information is also reported for the 2022 and 2023 tax years, 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.

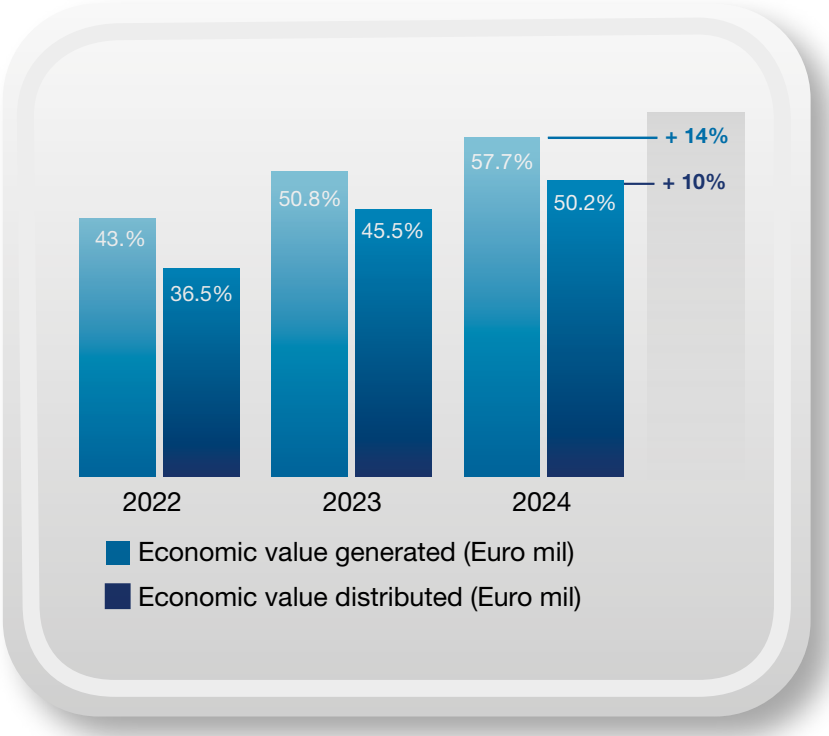
The disclosure of the Sustainability Report was developed through an organised and structured process which involved the managers of the various corporate functions of the company and of each of the companies within the scope.

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: https://www.adlerortho.com/
If you require more information on this matter, please write to the address: info@adlerortho.com.



HIGHLIGHTS

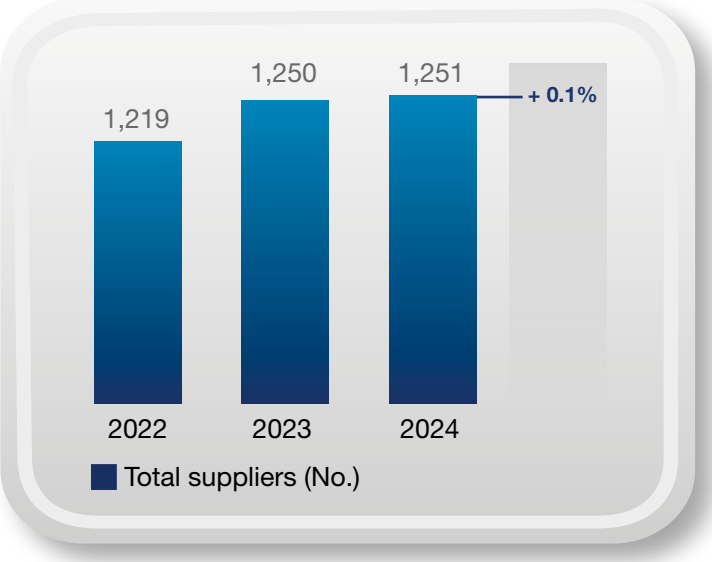
Economic value generation and distribution



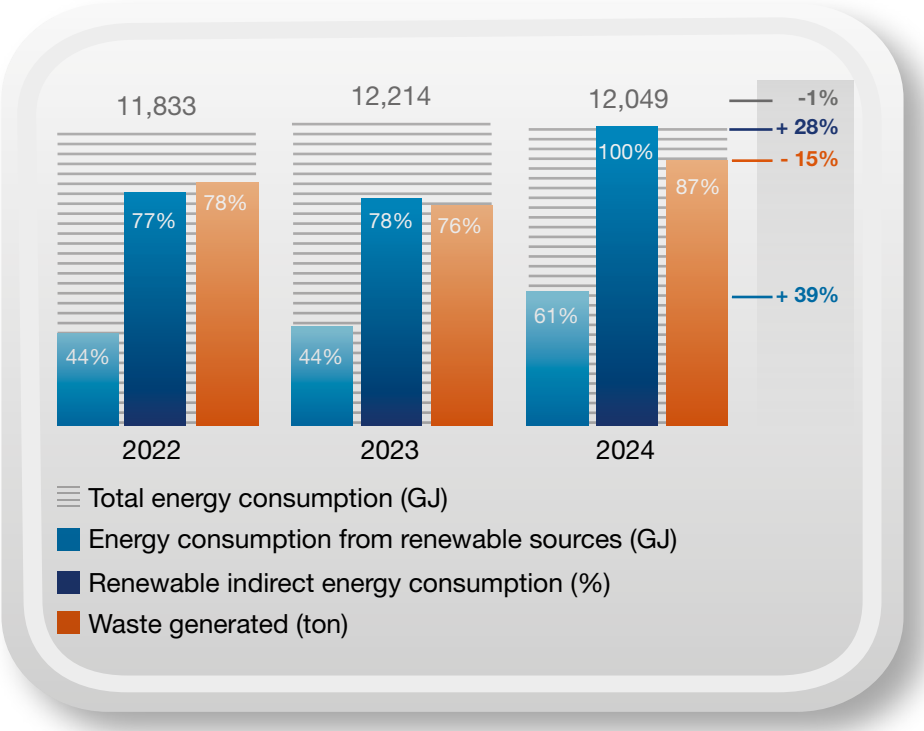
Processes and suppliers

Management system

Adler Ortho is granted UNI CEI EN ISO 13485-2021 (ISO 13485-2016) management system

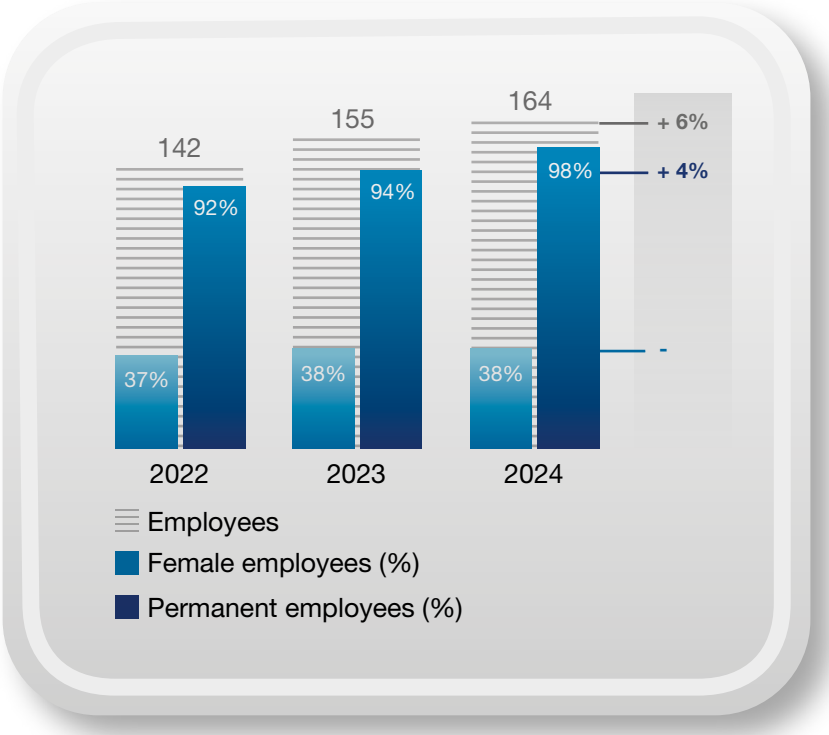


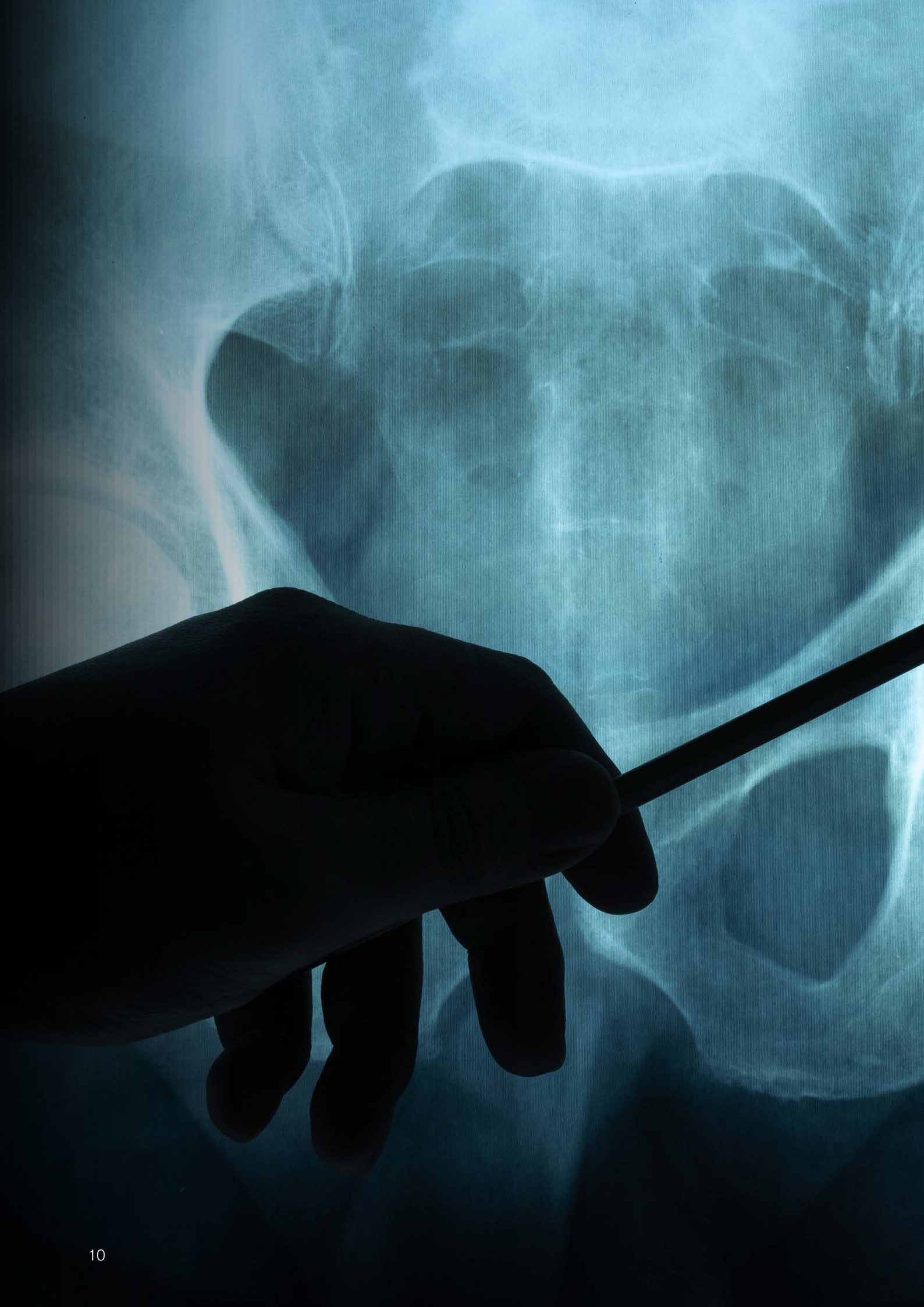
Environment



Human resources

In 2024, Adler Ortho obtained Gender Equality certification based on UNI/ PdR 125:2022 practices for Cormano, Verona, Bologna, Rome and Bari facilities.





IDENTITY AND STRATEGY

The Adler Ortho Group

Adler Ortho is an Italian Group – a leader in orthopaedic innovation, focused on research, development, 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 management group included the launch of significant technological innovations on the international orthopaedics market.

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 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.

During 2024, Adler Ortho incorporated the subsidiaries DAM Ortho S.r.l. and Novagenit S.r.l.

Adler Ortho is now a solid and experienced enterprise 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.

Our offices

The headquarter of the Adler Ortho Group is currently in Cormano (MI), where the management and corporate offices and the R&D division are located, and its sales offices are in Verona, Bologna and Rome, covering the whole of Italy with a network of agents and distributors. The main production units are located in Cormano, in Bari, where production using additive technology of both metal implants and plastic models is concentrated, and in Mezzolombardo (TN) where the washing and packaging line of orthopaedic implants is located and organic products are manufactured. Adler Ortho has subsidiaries in France, Belgium, Germany, Switzerland, the United Kingdom, Japan, USA and, since the end of 2024, in Australia. Thanks to various commercial partnerships, it also has a presence in New Zealand, Spain, Slovenia, the Czech Republic, the Middle East and South America.

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.

2004

Adler Ortho® was founded

2007

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

2010

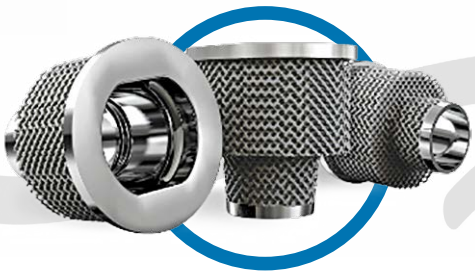
We start producing Custom Made implants

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.

On 15 December 2024, Novagenit S.r.l. was merged by incorporation into Adler Ortho S.p.A.

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.

The company is no longer operational, since its business has been transferred to Adler Ortho.
It will be liquidated.

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.

On 15 December 2024, DAM S.r.l. was merged by incorporation into Adler Ortho S.p.A.

Adler Ortho USA Inc
Wilmington,
United States.

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

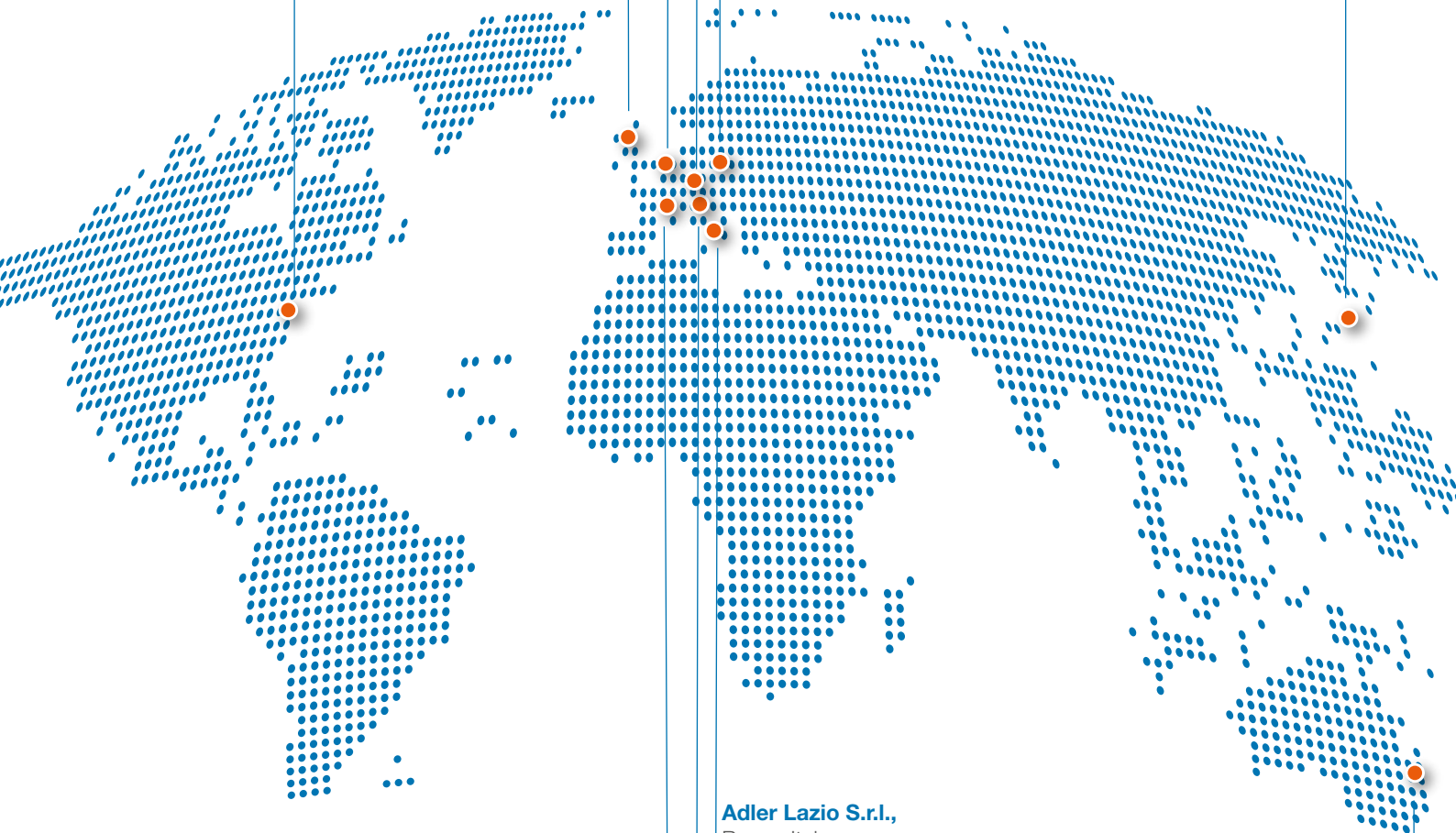
Adler Ortho Japan KK
Tokyo, Japan.

Adler Ortho KK
Tokyo, Japan.

Adler Ortho UK Ltd,
Liverpool, UK.

Adler Ortho Suisse SA,
Lugano, Switzerland.

Adler Ortho Deutschland GmbH
Frankfurt, Germany.



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

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

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

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

Adler Ortho Australia Pty Ltd
Cannon Hill (Queensland), Australia.

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 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

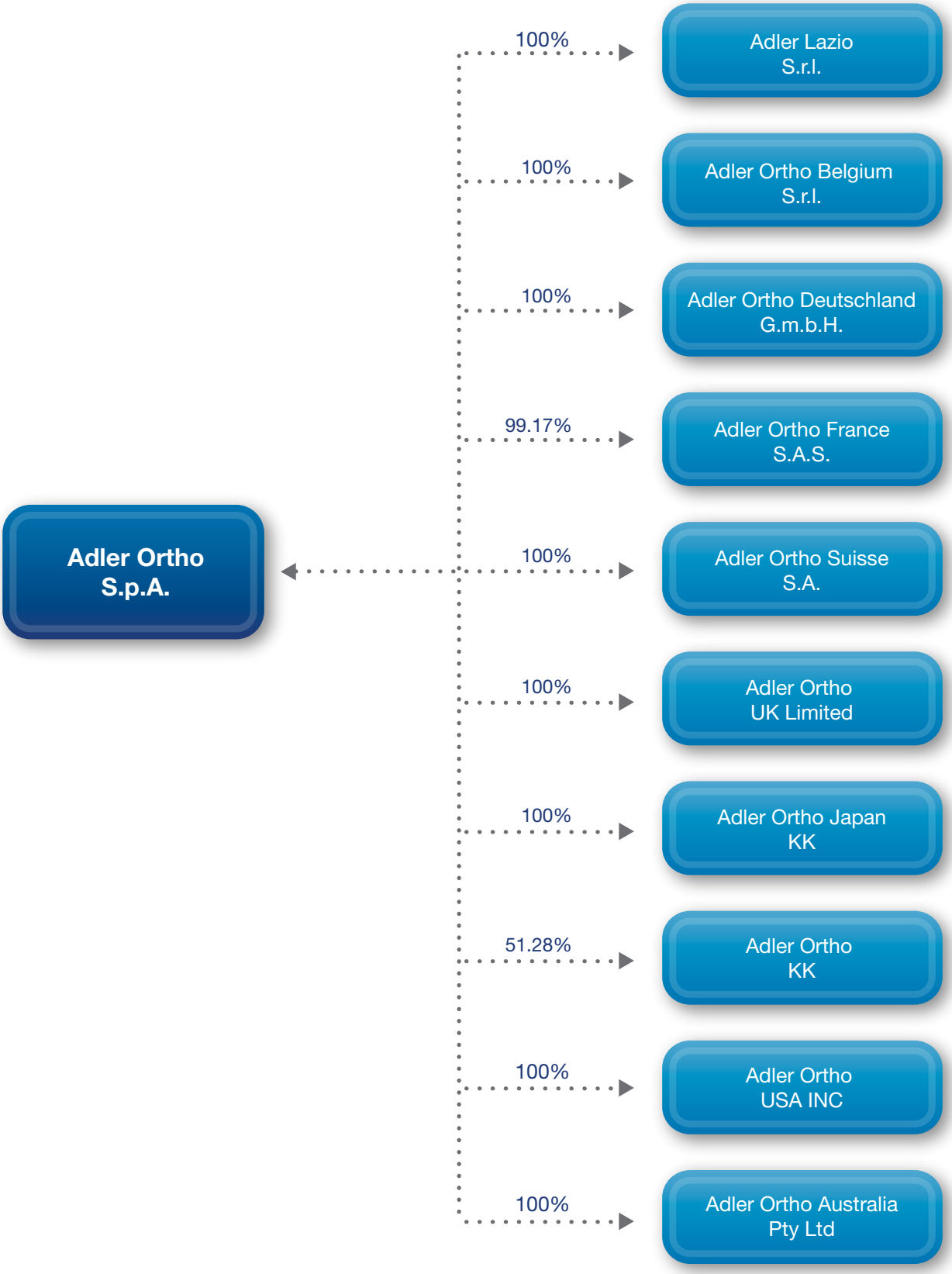
Also founded in 2020, based in Tokyo and entirely owned by Adler Ortho SpA, this company is responsible of product distribution in Japan since 2021.

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.

Adler Ortho Australia Pty Ltd

Acquired on 31 December 2024 and entirely owned by Adler Ortho Spa, the company is based in Cannon Hill (Queensland) and deals with the distribution of Adler Ortho products in Australia.

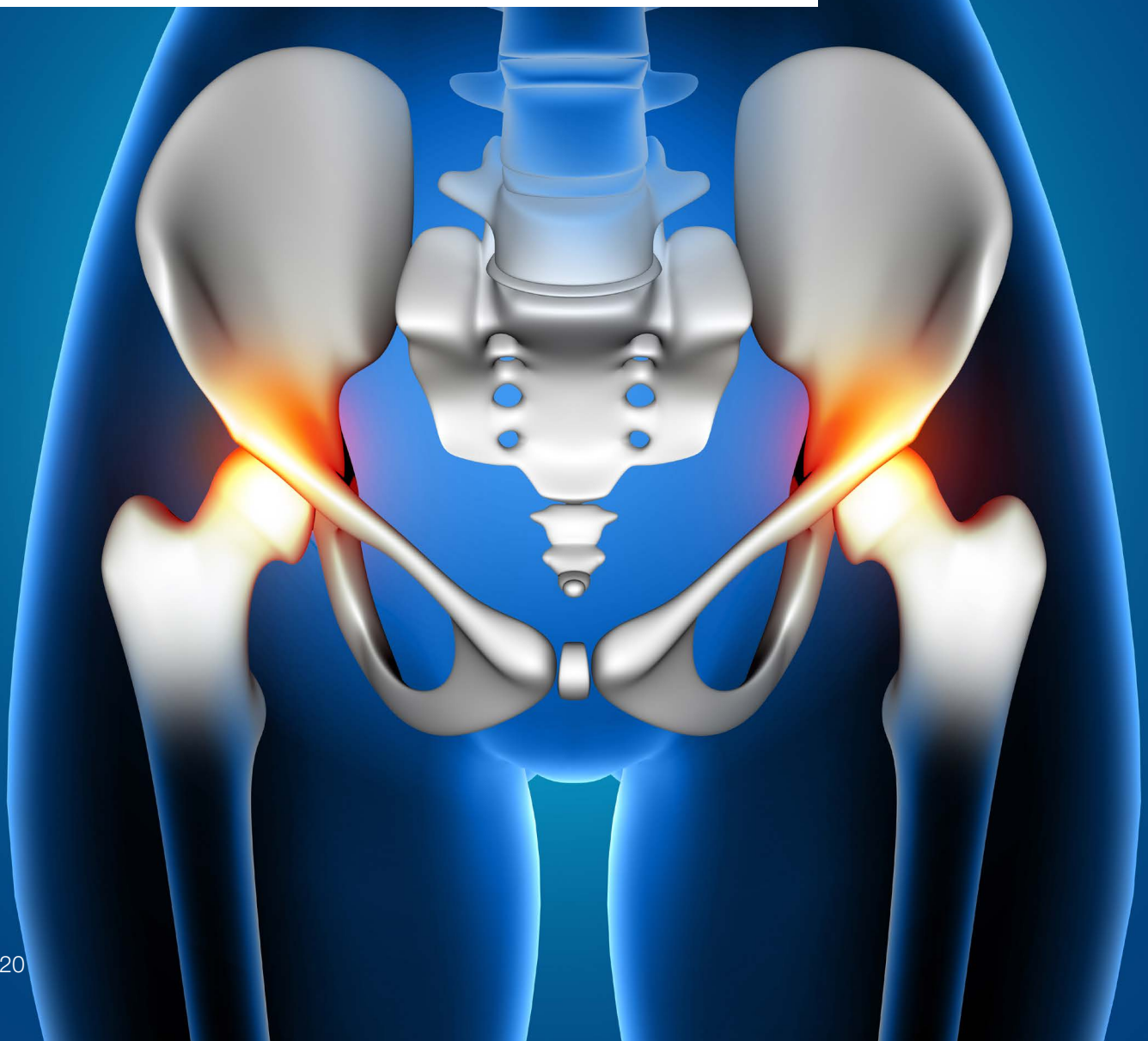


Vision & Mission

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 is a reference operator 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. Its 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. 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.

Despite its presence on every continent, the Company retains strong ties with the areas and communities it operates with.

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.

- **Pantheon PFR**
  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.

Organic products

Following the merger in **2024, Adler Ortho acquired the devices previously manufactured by Novagenit. These are high-quality bio-absorbable medical devices**, 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 to be applied to the surfaces of prostheses or to osteosynthesis solutions. 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.

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 musculoskeletal 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 local units 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.

Sustainable Development Goals

Adler Ortho employs an industrial development model that embodies principles of sustainability, transparency and quality, making genuine commitments and adopting specific management and organisational structures, with the objective of creating shared value for all stakeholders, people, communities and local areas, while ensuring respect for the environment.

In particular, the Company's strategic approach is aligned with the sustainability process undertaken, which envisages the gradual integration of **SDGs – Sustainable Development Goals**, a part of the United Nations 2030 Agenda.

The current context and megatrends require companies to pursue economic objectives that can generate positive impacts also in environmental and social terms. The companies' implementation of a sustainable development policy, as a core element of the Group's business, is a lever for achieving the SDGs, accompanied by specific projects and initiatives.

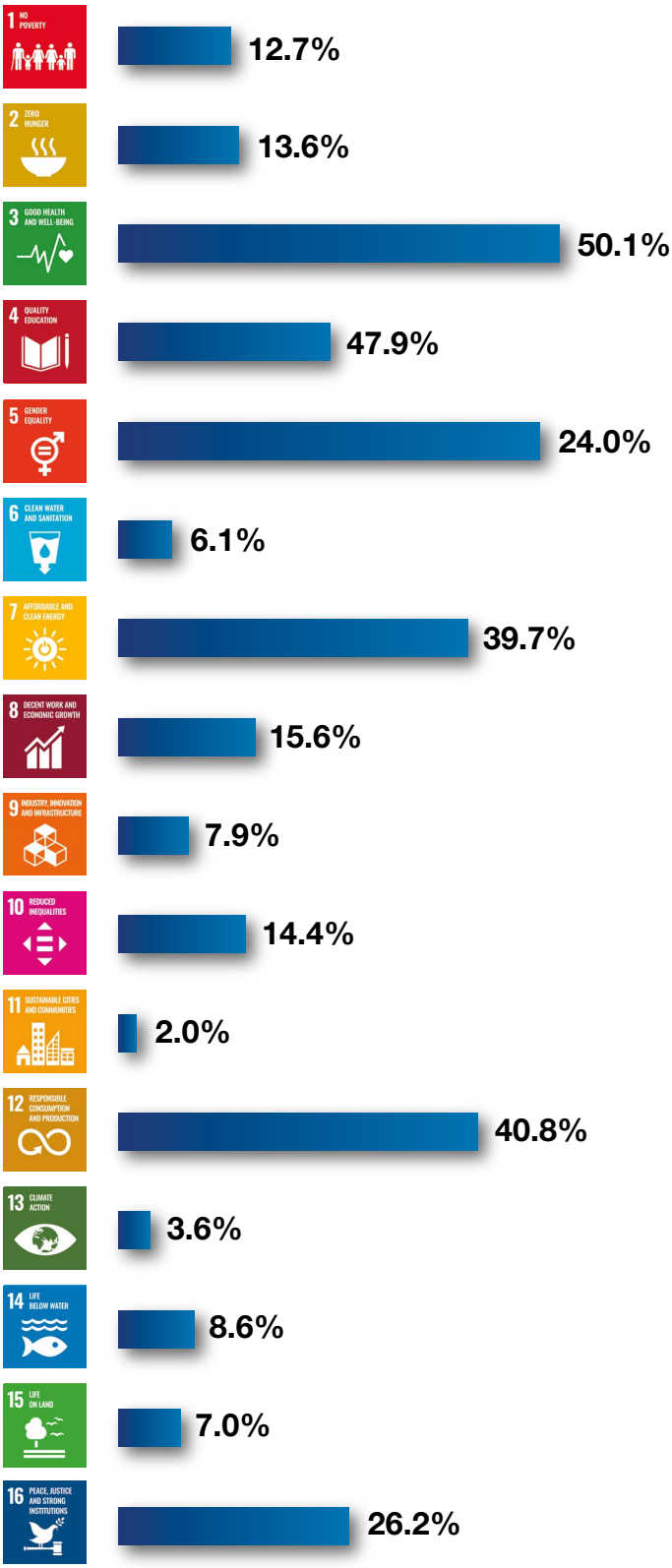
In this context, Adler Ortho has conducted an initial analysis of the consistency of its business model and strategic objectives with respect to the SDGs, including through assessment by the **SDGs Action Manager** platform developed by BLab-Global Compact, which has made it possible to highlight certain SDGs considered priority, towards which the Group's business activities can make a significant contribution.

SDG Action Manager

In order to assess the company's sustainable development with respect to the 17 Sustainable Development Goals (SDGs) indicated by the United Nations' 2030 Agenda, Adler Ortho has measured its activities using the SDG Action Manager, an online platform created in 2020 from the integration of the B Impact Assessment developed by the US non-profit B Lab with the UN Global Compact Network Principles. SDG Action Manager is a tool that can indicate to what extent a company is contributing to the achievement of an individual objective with respect to its potential.

The tool enables a self-assessment of the company's level of contribution to each SDG (except for the seventeenth, which results from the interaction between the other 16 and is not currently assessed by the platform).

Below you will find a summary of the results obtained from the platform for each SDG, based on the responses provided by Adler Ortho to the questionnaire issued by the system.



Adler Ortho's commitment to the Sustainable Development Goals is fully integrated into the Company's activities, projects and actions, according to the chart shown below.

Driver	SDG	SDG Target	Actions
I4R&S		**Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation** **9.5** Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.	Invest in research into advanced materials (e.g. light alloys, titanium, ceramics) and 3D printing for customised prostheses.
I4PRODUCT QUALITY		**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all** **8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	Develop innovative products and patents that boost economic development and local employment in production areas.
		**Ensure sustainable consumption and production patterns** **12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment. **12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Guarantee that production processes respect high safety and quality standards, by reducing clinical risks for patients. Optimisation of company waste management.
I4ENVIRONMENT		**Ensure access to affordable, reliable, sustainable and modern energy for all** **7.2** By 2030, increase substantially the share of renewable energy in the global energy mix.	Acquisition of electricity from certified renewable sources.

Driver	SDG	SDG Target	Actions
I4PEOPLE		**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** **4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	Organisation of master courses, webinars and theoretical/practical courses.
		**Achieve gender equality and empower all women and girls** **5.1** End all forms of discrimination against all women and girls everywhere.	Obtainment of Gender Equality Certification in accordance with UNI PdR 125:2022 practices.
		**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all** **8.8** Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Guarantee employees a safe working environment and continuous training programmes.
I4COMMUNITY		**Ensure sustainable consumption and production patterns** **12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	Make information about products accessible through widespread and timely information, using online tools such as websites.
		**Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development** **17.7** Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed.	Participation in European and global projects for innovation in orthopaedics and rehabilitation. Collaboration with universities and doctors to reduce inequalities in access to medical treatments and increase the efficiency of the healthcare system.

Driver	SDG	SDG Target	Actions
I4CLIENTS & USERS CARE		**Ensure healthy lives and promote well-being for all at all ages** **3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	Contribute to improving the mobility and well-being of patients through reliable and durable prostheses.
		**Reduce inequality within and among countries** **10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.	Guarantee access to medical solutions, including to vulnerable 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.

Adler Ortho 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 its 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 • Company intranet • 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
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, fairness, prosperity and justice, as well as the protection of the environment around us.
The company 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 standard**, 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 company activities can (or could) have on the economy, the environment and people, including impacts on their human rights.[1]
Considering that the company and reference market have not suffered substantial changes, for 2024, Adler Ortho decided to confirm the material topics of the 2023 Sustainability Report which had been identified following an accurate analysis as shown below.
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 Adler Ortho Spa 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.);

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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.

- 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.
Once all the assessments have been collected, they are analysed, consolidated and, for each topic, 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 companies' 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 people's 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	QMS (Quality Management System) 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	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 Training	**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, HR guidelines and 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	Gender equality certification pursuant to UNI/ PdR 125:2022	**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 guidelines and procedure Assessment of work-related stress Presence of benefits for employees	
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	Installation of a photovoltaic plant at Bari facility	**ENVIRONMENT**

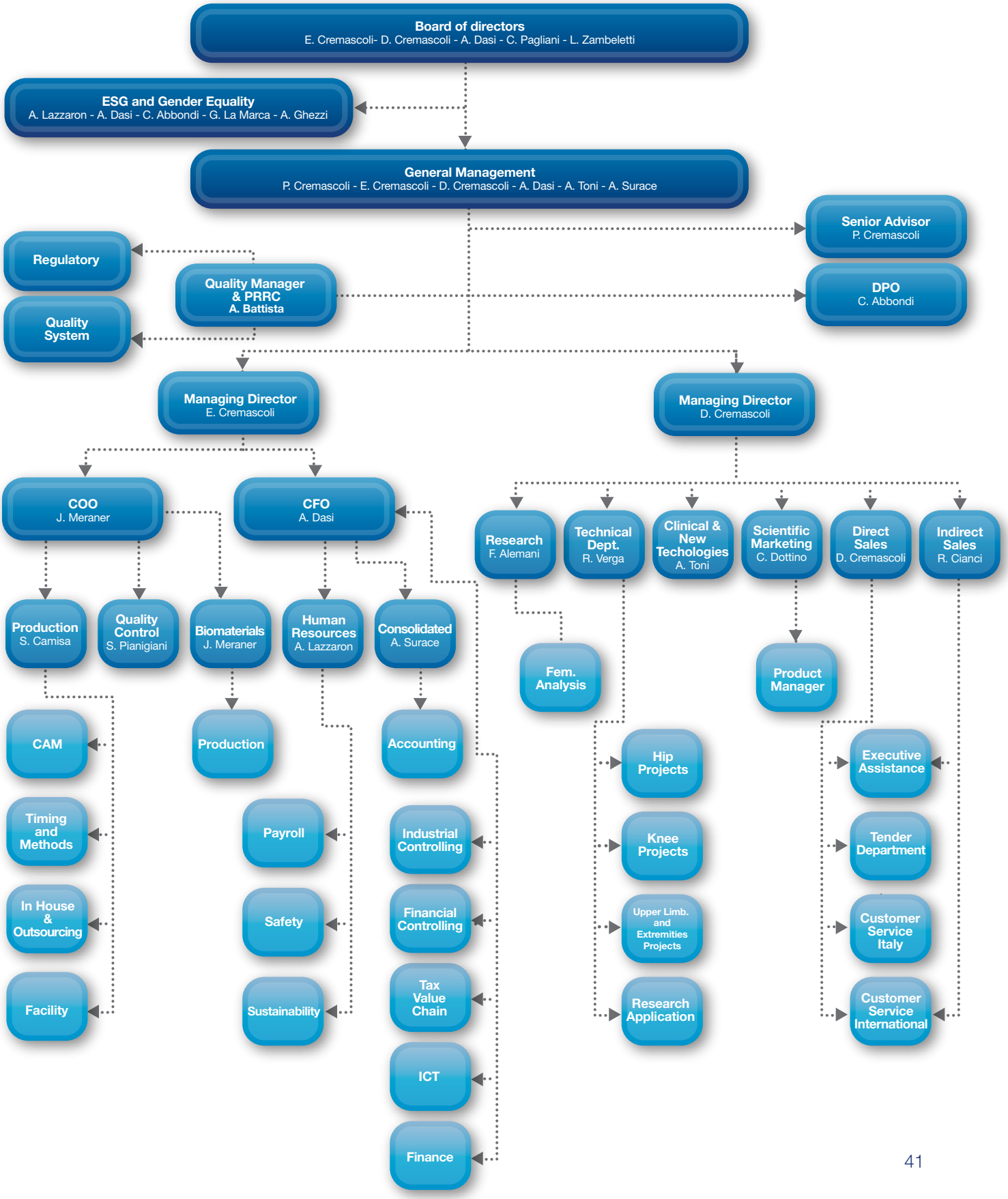
Material topic	Impacts and relevance of the topic	KPI/GRI Standards	Commitment, policies and monitoring tools	Strategic driver
Fighting climate change and managing emissions	• Reduction in atmospheric emissions through initiatives to optimise production processes • Positive contribution to the fight 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	Emissions authorisation	**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 of product • 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	Waste management 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 on the following page.

Following the merger of Novagenit, a substantial revision of the organisational chart was carried out with the merging and subsequent streamlining of certain functions. Compared with 2023, the Company has appointed a COO responsible for supervising production, the supply chain and maintenance of the factory.



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**	
No.	%	No.	%	No.	%
-	-	5	100%	**5**	**100%**

Under 30 years of age		Between 30 and 50 years of age		Over 50 years of age	
No.	%	No.	%	No.	%
-	-	-	-	5	100%

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 Statutory Auditors – 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**	
No.	%	No.	%	No.	%
3	60%	2	40%	**5**	**100%**

Under 30 years of age		Between 30 and 50 years of age		Over 50 years of age	
No.	%	No.	%	No.	%
-	-	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 2024, the SB did not find any critical issues, nor matters worthy of censure.

Responsible business management

The Code of Ethics[2] of Adler Ortho 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 Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001[3] 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 2024 and adjusted to the new provisions. The primary objective of the Model adopted by the Companies, 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 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.

2
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

3
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/

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 company 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 Anti-corruption Policy[4] 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 Ortho 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 Policy and Code of Ethics are published on the Adler Ortho website. Moreover, the Company publishes the **Code of Ethics** and all annexes envisaged by the 231 Model through the company intranet.
The Group companies, their top executives, management and all employees undertake to carry out all activities within their remit with loyalty, fairness,

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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

transparency, honesty and in accordance with the law. For this reason, the Adler 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, 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. Adler Ortho 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 standard**. 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 Plan is currently being updated under the responsibility of the designated officers, who handle its analysis annually or when there are significant changes to the internal or external context.

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 reporting 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)[5] 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.

Cybersecurity

The Company has conducted a preliminary analysis of the new obligations introduced by Italian Legislative Decree no. 138/2024 adopting Directive (EU) No 2022/2555 (known as the NIS2 Directive). This regulation imposes specific requirements in terms of cybersecurity for parties classed as essential or important entities, in order to guarantee the resilience of networks and information systems. The Company, following the aforementioned analysis, ascertained that it was once again encompassed within the sectors subject to NIS2; consequently,

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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.

application of the regulation is mandatory. For this reason, the Company has registered on the electronic portal of the National Cybersecurity Agency (ACN) within the deadlines envisaged and now awaits formal acknowledgement by the ACN. In February 2024, the NIS2 Point of Contact was appointed by delegation pursuant to the same Legislative Decree, with responsibility for handling the implementation of the provisions stipulated by the NIS Directive. The same person also serves as the liaison between the Company and the National Cybersecurity Agency.
Among the measures adopted, in support of this process, an SOC (Security Operation Centre) service was launched, operational 24/7, to monitor company infrastructure.
The messaging system is currently in the securing phase and the use of an encrypted VPN is permitted solely to parties duly authorised to operate remotely.
The Company has also launched continuous training activities for users (with checks on clicks on potentially malicious e-mails). In addition, it has recently sought to reinforce company passwords, as a security tool, in order to improve their complexity and reduce risks connected with unauthorised access.

Regulatory compliance

During 2024, as in previous 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.

INFRASTRUCTURAL 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 usually includes basic processing operations, such as milling and turning, to give the products their initial shape, 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 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 organic 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 site is the registered office of Adler Ortho. 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 and 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).

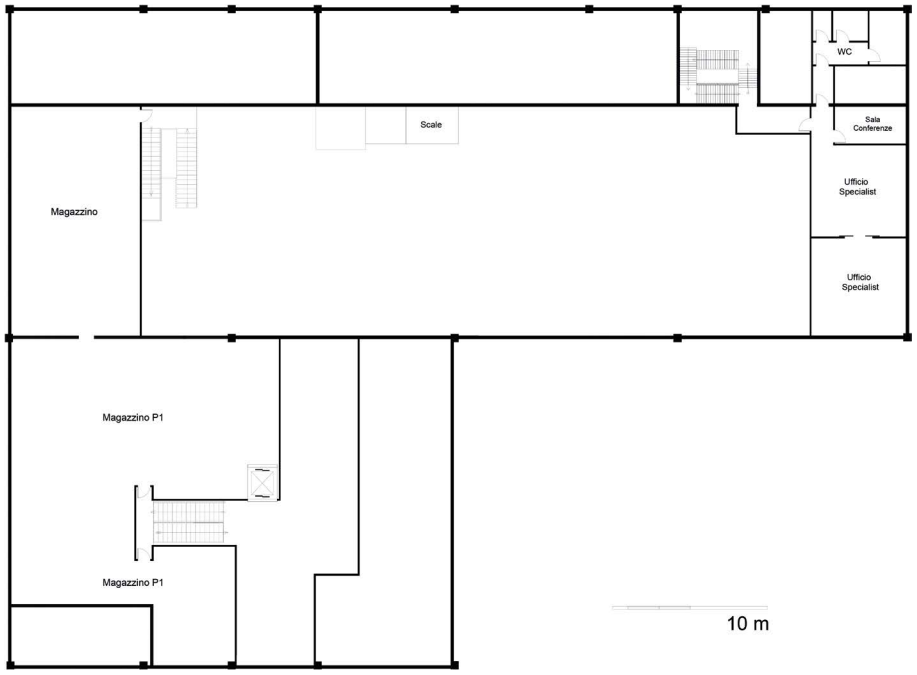
The site boasts fibre optic connection (voice and data) both externally and internally in the integration of the various sub-systems. The voice part to the branches is managed 'over IP'. All systems (lighting, air conditioning, intrusion prevention, production emergency, access, fire detection) are connected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

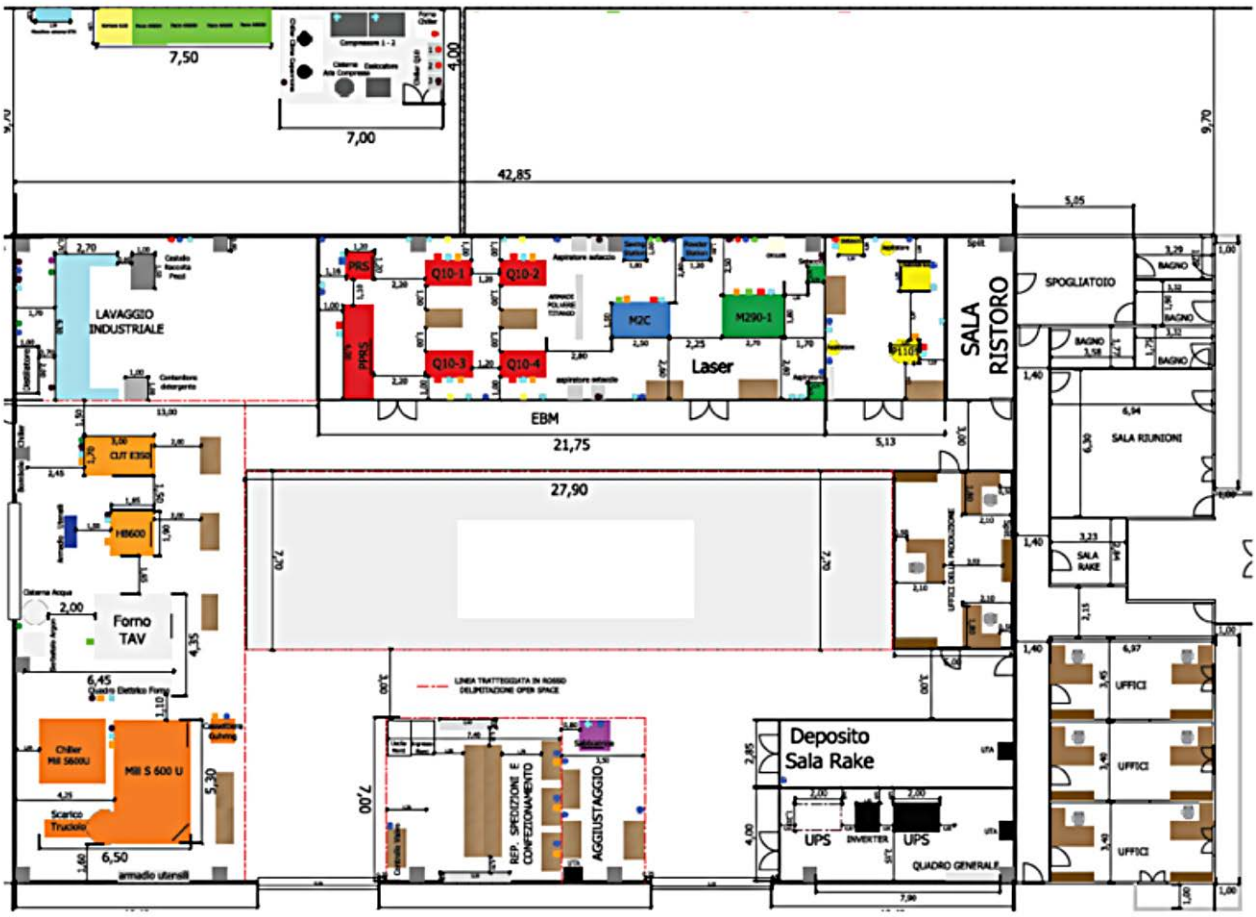
Bari (BA) production unit

The Bari plant is a new production site of the company 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:

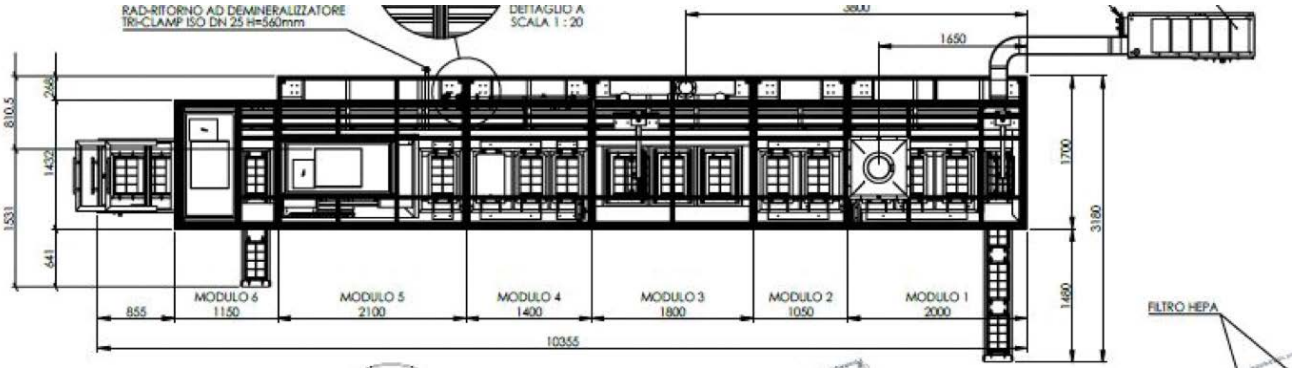
- **Additive operations**, where materials are selectively fused by a high-energy electron beam (Electron Beam Melting – EBM), which operates on layers deposited successively and cyclically in the powder bed (with granulometry of between 45 and 105 μ) or using a laser beam that operates on layers deposited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

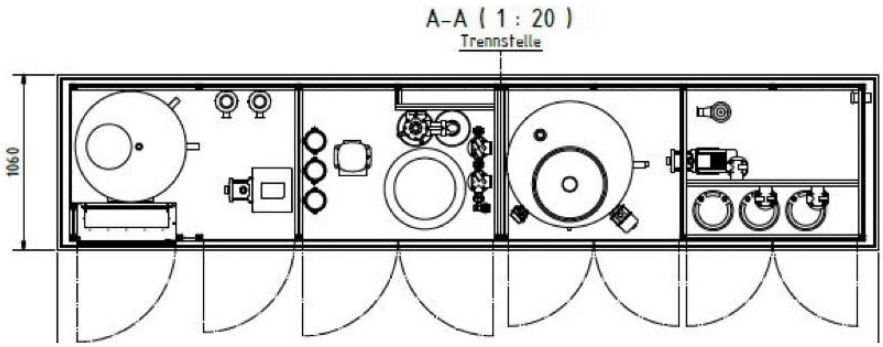
During the final manufacturing phase, all Adler Ortho products are subject to the following processing phases: **final washing, packaging in classified area, labelling, packing and sterilisation**. In addition, a significant quantity of Adler Ortho products are subject to laser marking. The Mezzolombardo 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 marking 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.

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.

Trademarks

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	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 software	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 stem of a hip prosthesis	September 2, 2004	January 9, 2008	Member states of the European Patent Organisation. Valid in Italy as well	September 2, 2004
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, 2004
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, 2006
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 Posterior cruciate ligament protection device in artificial knee prosthesis	August 23, 2016	June 3, 2020	Member states of the European Patent Organisation. Valid in Italy	August 23, 2036
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	/	Israel	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	/
102024000001455 Knee prosthesis	January 26, 2024	/	Italy	Currently under review by the Patent Office
102024000008938 Prosthetic cones for tibial bone reinforcement	April 19, 2024	/	Italy	Currently under review by the Patent Office
102024000009514 Radial head prosthesis	April 26, 2024	/	Italy	Currently under review by the Patent Office

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 (additive technology) 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.

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 mass-production 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 mass-production 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 (four) 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 45-105µ, 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 15-53µ 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.

The R&D division 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. 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 the Company 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. 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.

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, 3D laser scanner. 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, which was then replaced with the introduction of four latest-generation ARCAM Q10 machines, 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, long-lastingly and if possible at a lower cost. Here is a list of the main product families:

1. Hip replacements;
2. Knee replacements;
3. Mega-prostheses for major oncological resections;
4. Customised prostheses, tailored to the anatomy of the patient;
5. 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, a prosthetic system for major resections 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. Moreover, it was the first company to adopt additive technology on prosthetic implants, starting with cups and then extending it to the majority of the product portfolio.
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 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.

Research and development is handled by Biomedical and Mechanical Engineers, suitably trained and specialised in the various anatomical areas, to ensure more targeted development of prosthetic components and ancillary instruments, as well as the definition of tests or analyses to be carried out to ensure the devices are compliant with the regulations in force, firstly pursuant to the directive (MDD) and now with respect to the European regulation (MDR) or other European entities, e.g. the FDA, and interfacing with other operational departments as regards production aspects.

A large part of the human capital of the department is dedicated to the development of customised prostheses or unique implants designed based on the anatomy of the patient, starting from the bone reconstruction of the defect through CAT, and in oncological cases also with the use of Magnetic Resonance for the identification of tumours. The use of man hours for the design of these devices and ancillary instruments is very high due to the fact that the entire design process, which is normally carried out in the development of a series of standard prostheses, must be performed for every customised device.

In order to mitigate this effect and boost capacity, Adler Ortho is beginning to invest in artificial intelligence to help designers, which will make it possible, first of all, to carry out many repetitive operations in the design of medical devices, thus reducing the load in terms of man hours and execution times and therefore succeeding in raising the level of competitiveness on the market.

Consequently, in addition to the biomedical and mechanical engineers, a new computer scientist software developer has been appointed in research and development, with the objective of developing the algorithms necessary for carrying out the operations commonly performed by engineers in research and development and monitoring their machine learning.

Also as regards tailored prostheses, Adler Ortho is working on implementing:

- A new portal for communicating with doctors and case management, enabling greater interactivity between doctor and engineer in exchanging information, thus also permitting interaction by the doctor in the three-dimensional reconstruction.
- Augmented reality tools to assist doctors during complex interventions, enabling them to perform surgical techniques in a guided and supervised manner, by allowing them to view operations and the alignment of instruments virtually on the patient.

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 not 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 (the overall 'overseas' weight is 35%, with Europe representing almost 29%), **especially with partners located in France and Germany**. The latter play a crucial role in the procurement of highly specialised materials, semi-finished products and components, essential for the production of our medical devices (orthopaedic implants and instruments). 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.
In 2024, the distribution of suppliers was essentially stable compared with previous years, with a high degree of concentration in Italy, which represents 75% of the total, in line with the previous year. In absolute terms, the number of Italian suppliers has still grown, rising from 937 in 2023 to 942 in 2024. Suppliers located in Europe, excluding Italy, have remained stable at 16% of the total, with absolute values slightly down compared with 2023. America and Asia remain marginal, both at 1%, albeit with a reduction compared to the previous year, in absolute terms, for suppliers located in Asia (-7 entities). The 'Rest of the world' category for 2024 is in line with the previous year.
By analysing the supplier expense budget, in 2024 the share allocated to Italian suppliers fell slightly to 65%, compared to 67% in 2023. Europe grew

by one percentage point, to stand at 28% of the total, whereas America, while remaining marginal, increased its weight slightly, reaching 2% in 2024. Asia has further reduced its percentage share, which has been particularly low over the last few years. The 'Rest of the world' category remains largely unchanged, representing 5% of the total budget.

Number of Suppliers

	2022		2023		2024	
	No.	% of total	No.	% of total	No.	% of total
Number of LOCAL[6] suppliers	936	77%	937	75%	942	75%
Number of suppliers located in EUROPE	201	16%	199	16%	196	16%
Number of suppliers located in AMERICA	12	1%	15	1%	16	1%
Number of suppliers located in ASIA	9	1%	16	1%	9	1%
Number of suppliers located in the REST OF THE WORLD	61	5%	83	7%	88	7%
Suppliers total	**1,219**	**100%**	**1,250**	**100%**	**1,251**	**100%**

Budget spent on suppliers

	2022		2023		2024	
	Euro	% of total	Euro	% of total	Euro	% of total
Budget spent on LOCAL suppliers	20,950,492	73%	24,896,437	67%	24,193,629	65%
Budget spent on suppliers located in EUROPE	6,687,716	23%	9,892,521	27%	10,540,726	28%
Budget spent on suppliers located in AMERICA	155,135	1%	277,416	1%	562,791	2%
Budget spent on suppliers located in ASIA	91,935	0.3%	61,267	0.2%	50,186	0.1%
Budget spent on suppliers located in the REST OF THE WORLD	991,132	3%	1,891,275	5%	1,921,445	5%
Suppliers budget total	**28,876,410**	**100%**	**37,018,916**	**100%**	**37,268,777**	**100%**

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Suppliers located within national borders.

Type of goods / materials / raw materials / semi-finished products / components / purchases in €	2022	2023	2024
Finished products	2,677,243	5,312,504	6,143,075.00
Raw materials	641,428	762,123	1,191,216
Semi-finished products	7,575,020	10,389,187	11,100,757
Services	15,741,807	17,831,950	18,210,866
Other	2,240,913	2,723,153	622,863
Total purchases	**28,876,410**	**37,018,916**	**37,268,777**

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. The Group also handles the training of the operating theatre staff. Both in the case of doctors employed by public facilities and those in private structures, reports were always kept according to the rules set by the laws of the country.

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 patients operated using Adler Ortho prostheses. The only case in which a less '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 entire procedure dedicated to the design and manufacture of these tailored implants, including respect for privacy and the processing of sensitive data is, in any case, subject to the European MDR rules, which are adhered to by the company.
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 appointments organised and logged by the company, or informal, such as spontaneous visits by agents who meet doctors directly in their wards.
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 storage 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 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, Adler Ortho manages 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, characteristics are defined that enable certification of their quality, safety, performance and usability.
Before they are put on the market, the **technical documentation** is drafted (and subsequently sent to the Notified Body for assessment and CE release) and compliance procedures implemented consistent with the classification of the considered products, in line with the stipulations of the applicable regulatory requirements in force.
The medical devices manufactured by Adler Ortho come with CE certificates issued by the Notified Body pursuant to European Directive 93/42/EEC. Currently, the medical devices are considered ‘legacy devices’, compliant with the safety and performance requirements stipulated by the applicable regulations. This marking indicates that the devices can be legally marketed within the European Union.
In compliance with Regulation (EU) 2023/607 amending Regulations (EU)

2017/745 as regards the transitional provisions for legacy medical devices and in order to extend the transitional period pursuant to Art. 120, the aforementioned legacy devices may continue to be marketed after 26 May 2024 since they satisfy the following requirements:

- Adler Ortho has introduced a quality management system (QMS) in compliance with Art. 10(9) of the MDR;
- Adler Ortho has submitted a formal request to a notified body to assess the compliance of its devices and by 26 September 2024 (the notified body and manufacturer have signed a written agreement);
- These conditions being met, the amendment provides for the extension of the certificates until 31 December 2027 or 31 December 2028, depending on the risk class of the devices, determined based on the MDR, and provided that the other conditions laid down in Art. 120 have been met, including:
  - the devices subject to the transitional period remain compliant with Directive 93/42/EC;
  - there are no significant changes in the design and intended use;
  - the devices do not pose an unacceptable risk for the health or safety of patients, users or other people or for other aspects of public health protection.

The custom-made devices are also already certified pursuant to Regulation EU 2017/745.

Each product (surgical devices and equipment) provided to the end customer is accompanied by specific usage instructions, drafted in accordance with the applicable regulations (Regulation EU 2017/745, Regulation EU 2021/2226, 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.

Adler Ortho adopts a systematic and in-depth process for assessing quality, safety, performance and usability 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 particular focus on preventing potential damage or defects deriving from contact with the device.
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**.

The Group is certified in compliance with the **UNI CEI EN ISO 13485-2021 (ISO 13485-2016)** management system, which promotes the harmonisation of

the regulatory requirements of medical devices for quality management systems. The certification process with respect to above-mentioned ISO 13485 standard 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)**.

In 2024, the external audits were performed by the Notified Body (NB) and not by any competent national or foreign authority. In addition to the external audits performed by the NB or Competent Authority (CA), the company plans and carries out annual inspections of every company process, facility and department. The purpose of the internal audits is to:

- check whether the quality management system is compliant with that planned, with the requirements of the applicable rules and the requirements of the quality management system established by the organisation and is effectively implemented, understood and kept up-to-date.
- define any corrective measures and identify improvement potential.

Moreover, each process is subject to more or less extensive quality controls based on the criticality of the phase.

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 may include:

- Documentary checks (material received from the supplier in accordance with the Quality Plan, specifications and applicable reference standards);
- Visual inspection;
- Dimensional checks;
- Functional checks (if applicable).

The quality control of the raw materials purchased (rod or powder used for the production of non-bioabsorbable prosthetic medical devices; hyaluronic and polylactic acid for the production of bioabsorbable prosthetic medical devices) consists chiefly in documentary verification in accordance with the reference regulations and according to the specifications defined for the material under analysis.
The quality control of purchased semi-finished products mainly involves documentary verification (including the certificate of the raw material used for the production of the batch under analysis), along with visual and size checks against the requirements defined in the quality plans and shared designs.
The quality control of internally produced semi-finished products mainly involves documentary verification/management control, visual and size checks against the requirements defined in procedures, instructions, production models and drawings.

The quality control of finished products has to check that compliance statement, sterilisation certificate labelling (if applicable), etc. are in place.
In case of production of non-bioabsorbable medical devices, 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 check** can be carried out on 100% of the batch or on a sample according to MLT-STD[7]. 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 gets until reaching 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).
In case of production of bioabsorbable medical devices, a specific SMC is associated with each phase that requires verification, which calls for specific controls carried out internally or at accredited laboratories. The results of the controls are documented on specific QCM sheets and control charts.

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, specific measures are applied 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.

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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.

Product labelling

In terms of product labelling, Adler Ortho abides by the applicable regulations in force (in particular, Regulation EU 2017/745, UNI CEI EN ISO 20417, ISO 15223-1) and traces all the materials used in the production phase. 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 respecting the usability requirements under standard IEC 62366-1. Besides complying 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.
As part of the monitoring (reactive PMS[8]), aimed at collecting information from customers and end users on the performance, safety and quality of medical devices, Adler Ortho ensures that the network for the communication of complaints and reports of non-compliances detected on products after they are put on the market works promptly and correctly (in terms of procedures and time frames) in consideration of Articles 87, 88, 89 and 90 of Regulation EU 745/2017.
Any event that has involved a device put on the market may be classed as follows:

- serious incident;
- incident;
- complaint.

Within the context of its 'communication with the Competent Authority and the customer' and 'monitoring and measurement', as well as with regard to supervisory matters, Adler Ortho establishes procedures for communicating with the CA and customers, with regard to customer complaints, incidents or serious incidents.
The reporting process pursuant to the MDR provides for a series of passages to ensure the effective management of incidents and malfunctions relating to

8
This is a component of the Post-Market Surveillance (PMS) of medical devices implemented in response to complaints, incidents or other adverse events. Reactive PMS takes place after a problem has occurred or been reported.

medical devices, in order to protect patient safety and compliance with the regulations (Medical Device Coordination Group 2023-3).
In cases of a serious incident, 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 notified body that issued the CE, which verifies the device's compliance with the regulations.
In case of serious incident, 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.

In case of incidents, these do not need to be reported by Adler Ortho to the Competent Authorities pursuant to Art. 87 of the MDR. However, incidents are documented and considered in the Adler Ortho quality management system and reported in compliance with the requirements laid down in Art. 88 of the MDR (trend reports in the event of significant increases in the numbers and severity of incidents over time) and documented in the PSUR (Periodic Safety Update Report).

Complaints represent events that do not require reporting to the CA by the manufacturer (complaints are managed internally by Adler Ortho as performance indicators and documented in the PSUR).
Each supervisory report received from a user is handled internally within the company QMS and then managed and notified in a manner and according to time frames that differ depending on whether it is a complaint, incident or serious incident. In the event of repeated or serious incidents, the company may be forced to remove or correct devices on the market, in compliance with the provisions of the regulations (with an appropriate FSCA – Field Safety Corrective Action and FSN – Field Safety Notice). In any case, the reports are numbered, classed, analysed and processed for improvement purposes before archiving. Every report and, in any case, the list and classification thereof, are subject to re-analysis by the management.

The MDR also lays down the obligation to monitor and collect **post-marketing feedback** proactively to reveal any negative trends or emerging problems and guarantee the constant safety of the devices.

As part of the monitoring (proactive PMS[9]), during the after-sale phase, the company collects feedback from surgeons regarding the clinical results of the 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.
In any case, Adler Ortho defines and implements a process to investigate the reports received. The process consists in a structured and risk-based approach aimed at determining the underlying cause or causes of a quality problem and is therefore aimed at identifying and implementing the appropriate corrective and preventive measures.

With regard to cases of Non-Compliance concerning market communications, understood as reports of complaints and incidents, relating to the Cormano facility, for non-bioabsorbable prostheses, a total of 27 reports were received and logged during 2024, 18 of which were incidents reported to the CA and NB and 9 non-EU incidents (5 reports from Australia, 3 from Japan and 1 from Switzerland). A total of 31 reports were logged during 2023, 26 of which were serious incidents reported to the CA and NB and 5 non-EU incidents. There were no significant changes compared with 2023.
With regard to the Mezzolombardo facility, i.e. for bioabsorbable MD, during 2024, a total of 20 events were reported, logged and handled: 2 serious incidents (reported to the CA and NB), 3 incidents and 15 complaints. A total of 14 reports were logged during 2023, 13 of which were complaints and 1 an incident (not serious). Here again, there were no significant changes compared with 2023.
Overall:

- 2024 totals 47 reports (27+20);
- 2023 totalled 45 reports (31+14);
- 2022 totalled 48 reports (41+7).

Nor does the overall assessment show significant trends and/or variations during the 3 years of assessment.

Compared with 2023, when a total of 4 cases of non-compliance were recorded in terms of product labelling, 4 cases were recorded during 2024 of non-compliance with voluntary self-regulation codes relating to product labelling. Two (2) reports concerned difficulties in reading barcodes (AIDC) on the labels of certain products, although the information was readable in HRI format. One report concerned a discrepancy between the expiry date inferable from the barcode (AIDC format) compared with that readable in HRI format. One concerned a discrepancy between the label and contents of a box.
Nor does the overall assessment of NC of labelling and information show significant trends and/or variations during the 3 years of assessment.

9
This is the component of Post-Market Surveillance that provides for the collection and continuous analysis of data to prevent problems and improve the device before issues arise.

Relations with the Community and local area

One of the characteristics that makes Adler Ortho really stand out is its interest in its local area. The company 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 especially to orthopaedic surgeons 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.

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 Adler Ortho.

Participation in conferences

Adler Ortho 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.
Adler Ortho 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 also a positive impact on the reputation of the brand and the trust consumers place in Adler Ortho.

Adler Ortho initiatives for the scientific and local communities (2024)

During 2024, Adler Ortho made an active contribution to the dissemination of scientific knowledge and professional training, by organising and participating in various meetings and discussions with doctors, specialists and internal and external staff.

These events represented opportunities to speak to the international medical community, thus fostering the continuous updating of knowledge and the sharing of good practices:

Scientific events and conferences organised by Adler Ortho Adler

- 17 May – **Oncological Congress, Turin**
- 29 May – **PCO Webinar**
- 22-23 November – **Beyond the Limit, Oxford (UK)**
- 29 November – **The High Performance Total Knee, Brussels (Belgium)**

Training activities carried out by Adler Ortho staff

- 5 February – **Course on orthopaedic technologies for Adler Ortho staff France**
- 15 March – **'Pantheon' course for the medical team at the Pisa Orthopaedic Clinic**
- 18 September – **'Pantheon' course for the medical team in the oncological division at the Rizzoli Institute in Bologna**

ECONOMIC and FINANCIAL CAPITAL

Operating performance

During 2024, Adler Ortho continued to consolidate its position on the market, maintaining sustained growth and an impressive capacity to adapt to the dynamics of the global market.
The trend in revenues highlights overall growth in activities compared to the previous year, with the Italian market still growing (+7%) and confirming its status as the main market but with its share of the overall total falling slightly (from 44.3% to 41%) due to the rapid growth of other contexts. In particular, excellent performance was recorded in the UK (+52%), followed by Japan (+23%), Belgium (+22%) and Australia (+17.6%). These results bear witness to the success of Adler Ortho's business strategy and its capacity to seize new opportunities on international markets which vary greatly in terms of their culture, operating models and location.

Revenues by geographical areas

	2022	2023	2024
Italy	20,621,209	23,436,205	26,078,491
EU	11,684,607	14,084,915	17,769,139
Non-EU countries	5,336,383	4,843,725	7,132,878
Total	**37,642,199**	**42,364,845**	**50,980,507**

Economic value generated and distributed

During the financial years 2023 and 2024, 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 2024, Adler Ortho generated a total economic value of €57.5 million, up on the €50.8 million in 2023, thanks mainly to the rise in revenues, from €50.3 to €57.3 million.

As regards economic value distributed, there was a marked increase, from €45.5 million in 2023 to €50.2 million in 2024 (36.5 million in 2022). The CAGR recorded during the three-year period 2022-2024 was 17.3%. One of the most important item was operating costs, which rose from €36.7 to €38.7 million, reflecting the expansion in the company's business activities. There was significant growth in staff remuneration, which rose from €7.5 to €9.9 million, a reflection of continuous investment in human resources.

During the two-year 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.

Economic value generated and distributed €

	2022	2023	2024
Revenues	43,336,863	50,379,291	57,332,875
Financial income	131,791	435,636	416,543
Total economic value generated	**43,468,654**	**50,814,927**	**57,749,418**
Operating costs	28,688,366	36,743,342	38,781,737
Staff remuneration	7,126,705	7,512,172	9,921,205
Remuneration of lenders	399,640	928,151	1,083,318
Remuneration of Public Administration	274,480	246,214	444,897
External donations (investment in the community)	7,200	30,837	21,100
Total economic value distributed	**36,496,391**	**45,460,716**	**50,252,257**
Economic value retained	**7,134,764**	**5,354,212**	**7,497,161**

During the reference 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	2024
Grants for investment, research and development and other relevant forms of contributions	2,243,099	1,363,918	1,557,890
Total	**2,243,099**	**1,363,918**	**1,557,890**

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.

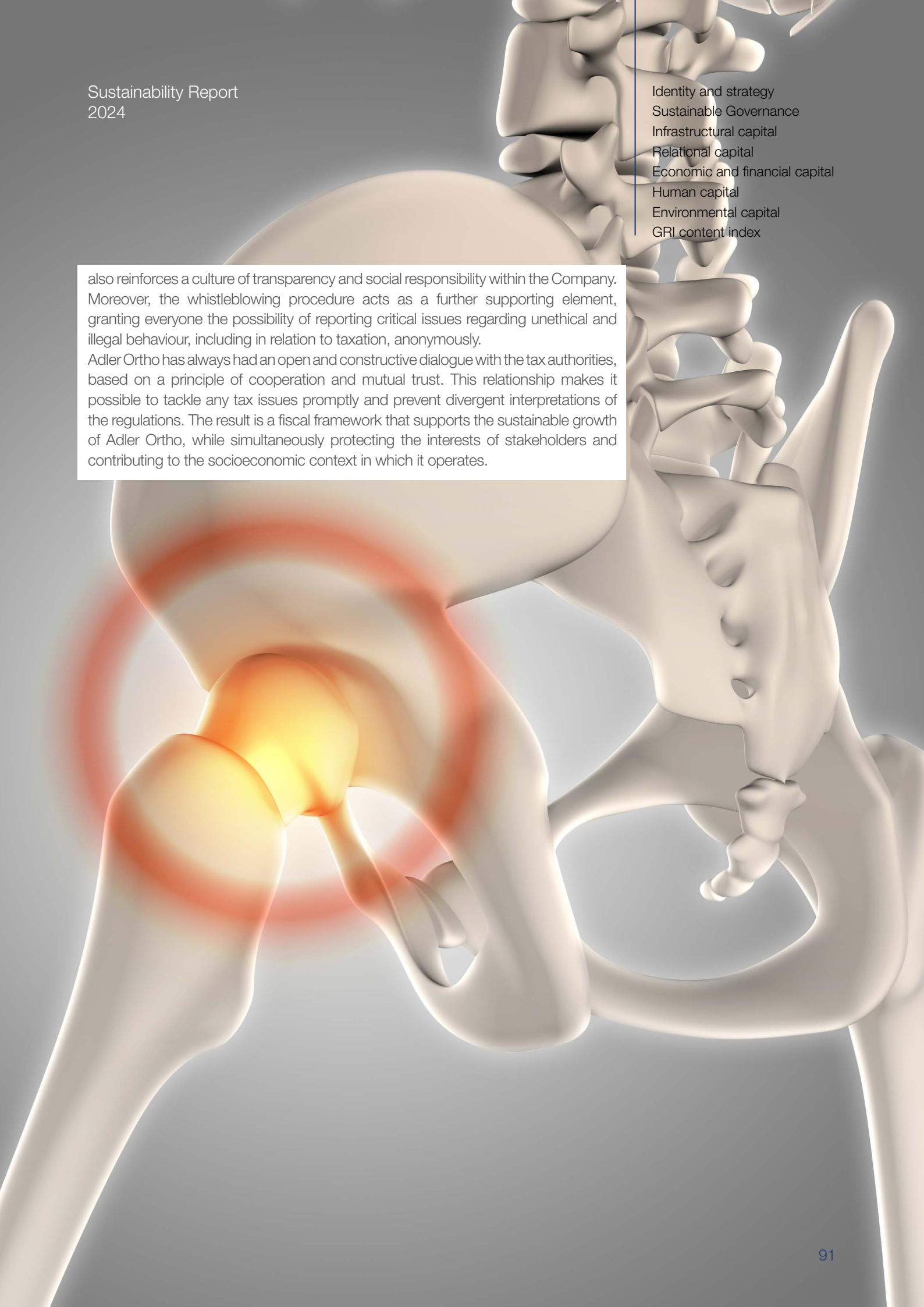
Adler Ortho adopts a highly rigorous approach to taxation and adheres to all tax regulations in the territories in which it operates.

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.

In 2016, the Company adopted a Transfer Pricing Policy with respect to the requirements laid down in Italian tax law (specifically Art. 110(7) of the Consolidated Income Tax Law, adopting the relevant OECD principles).

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 has always had an 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

Adler Ortho S.p.A. 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 company 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 company 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. Adler Ortho S.p.A. 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[10]

On 31 December 2024, the workforce of Adler Ortho S.p.A. was composed of **164 staff**, slightly up on 2023 (+6%).
The staff are predominantly men, who make up 62% of the number of employees.

Number of employees

2022			2023			2024		
Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
53	89	**142**	59	96	**155**	63	101	**164**

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, 98% of employees during the 2024 tax year were recruited on permanent contracts.

Number of employees by type of contract / by gender

	2022			2023			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Permanent	46	85	**131**	55	91	**146**	61	100	**161**
Fixed-term	7	4	**11**	4	5	**9**	2	1	**3**
Total	**53**	**89**	**142**	**59**	**96**	**155**	**63**	**101**	**164**

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 99%) have a full-time contract.

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The total workforce count (164 employees) takes into consideration, for the year 2024, 2 employees in the Cormano facility. In addition to this calculation, we should also take into consideration another 2 employees from DAM Ortho incorporated into Adler Ortho following the merger which took place at the end of the reporting year.

Number of employees by type of contract / by gender

	2022			2023			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Full-time	50	87	**137**	56	96	**152**	61	101	**162**
Part-time	3	1	**4**	3	-	**3**	2	-	**2**
Contract with variable hours	-	1	**1**	-	-	**-**	-	-	**-**
Total	**53**	**89**	**142**	**59**	**96**	**155**	**63**	**101**	**164**

All Adler Ortho S.p.A. employees are covered by the CCNL, in keeping with the previous year. The reference CCNL is that of private metalworking and plant installation industry.

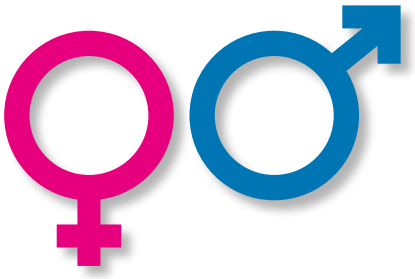
Details of non-employee workers are provided in the table below. In 2024, there was a total of 8 self-employed workers. Most of them were temporary workers and agents. During 2024, the company also welcomed 3 interns.

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

	2022			2023			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Interns and trainees	2	-	**2**	1	-	**1**	2	1	**3**
Temporary employees	-	2	**2**	-	2	**2**	-	3	**3**
Collaborators	-	2	**2**	-	2	**2**	-	2	**2**
Total	**2**	**4**	**6**	**1**	**4**	**5**	**2**	**6**	**8**

Diversity and equal opportunities

In 2024, the category represented by the highest number of employees was that of white-collar workers, representing 66% 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 (41% and 34% 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 three-year period 2022-2024.



Number of employees by category / by gender

	2022			2023			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Senior managers	1	6	**7**	1	5	**6**	1	5	**6**
Middle managers	5	9	**14**	6	10	**16**	6	9	**15**
Office employees	36	56	**92**	40	60	**100**	44	64	**108**
Factory workers	11	18	**29**	12	21	**33**	12	23	**35**
Total	**53**	**89**	**142**	**59**	**96**	**155**	**63**	**101**	**164**

Number of employees by category / age group

	2022				2023				2024			
	< 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**	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**
Senior managers	-	2	5	**7**	-	2	4	**6**	-	1	5	**6**
Middle managers	-	6	8	**14**	-	8	8	**16**	-	7	8	**15**
Office employees	22	52	18	**92**	28	53	19	**100**	35	51	22	**108**
Factory workers	7	18	4	**29**	10	18	5	**33**	8	22	5	**35**
Total	**29**	**78**	**35**	**142**	**38**	**81**	**36**	**155**	**43**	**81**	**40**	**164**

The Company workforce is varied in terms of the age of the individual employees: 49% are aged between 30 and 50, while categories below the age of 30 and over 50 represent 26% and 24% of the total, respectively. Moreover, around 38% of the human capital is composed of female employees, in line compared to previous year.

Adler Ortho S.p.A. workforce contains a quota of resources belonging to protected categories. In 2024, there were 8 people belonging to protected categories, 75% 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 30 to 50 years of age and the over 50s.

Protected categories of employees by role / gender

	2022			2023			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Senior managers	-	-	**-**	-	-	**-**	-	-	**-**
Middle managers	-	-	**-**	-	-	**-**	-	-	**-**
Office employees	3	1	**4**	4	1	**5**	4	1	**5**
Factory workers	-	2	**2**	1	1	**2**	2	1	**3**
Total	**3**	**3**	**6**	**5**	**2**	**7**	**6**	**2**	**8**

Protected categories by role / age group

	2022				2023				2024			
	< 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**	< 30 years of age	30 < x < 50 years of age	> 50 years of age	**Total**
Senior managers	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Middle managers	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Office employees	1	0	3	**4**	1	1	3	**5**	2	1	2	**5**
Factory workers	-	2	-	**2**	-	1	1	**2**	-	2	1	**3**
Total	**1**	**2**	**3**	**6**	**1**	**2**	**4**	**7**	**2**	**3**	**3**	**8**

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

Senior managers hired from the local community

	2022	2023	2024
No. of Senior managers at significant operational sites hired by the local community	7	6	6
Total No. of Senior managers	7	6	6
% of Senior managers at significant operating sites hired by the local community	**100%**	**100%**	**100%**

Gender Equality Certification

During 2024, Adler Ortho S.p.A. obtained **UNI PdR 125:2022 Gender Equality Certification** (Cormano, Verona, Bologna, Rome and Bari facilities), recognition that bears witness to the concrete commitment to adopting policies and practices aimed at promoting equality between women and men in all areas of the company. The certification represents a crucial step along our sustainability and social responsibility pathway, since it measures and showcases our approach to the management of human resources in terms of inclusion, equal opportunities, fair remuneration and support for parents.

The reference model provides for the definition of **improvement objectives, indicators and actions** in six priority areas: culture and strategy, governance, HR processes, opportunities for the growth and inclusion of women within the company, fair remuneration, protection of parents and the work/life balance.

In order to ensure the effective adoption and continuous and effective application of the Gender Equality Policy, in July 2024, the company established the 'Gender Equality Steering Committee'. Obtainment of the certification is the fruit of a process of analysis and internal auditing that involved several company functions, thus consolidating a structured and measurable approach to gender equality.
The certification is valid for three years and is subject to annual monitoring.
This certification confirms the company's desire to make an active contribution to the **Sustainable Development Goals of the 2030 Agenda**, especially SDG 5 (Gender Equality), and reinforces our commitment to an inclusive and fair working environment tailored towards the well-being of our people.

"This process fits into a policy adopted by our company – according to the Management, – suitable for focusing attention, on various levels, on equal opportunities since we believe that respect for this principle translates into a fair, respectful and collaborative working environment."

Remuneration policies

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

Ratio of the basic salary woman/man for each occupational category

	2022	2023	2024
Senior managers	0.68	0.55	0.55
Middle managers	0.95	0.97	0.97
Office employees	0.90	0.96	0.96
Factory workers	0.93	0.95	0.95

Ratio of remuneration woman/man for each occupational category

	2022	2023	2024
Senior managers	0.68		0.57
Middle managers	0.95	1.00	1.00
Office employees	0.84	0.94	0.94
Factory workers	0.88	0.91	0.91

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 -11%.

Turnover[11]

The recruitment procedures at Adler Ortho S.p.A. 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			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years of age	4	6	**10**	4	12	**16**	4	6	**10**
30 to 50 years of age	4	2	**6**	1	6	**7**	6	3	**9**
Over 50 years of age	-	1	**1**	3	-	**3**	2	-	**2**
Total	**8**	**9**	**17**	**8**	**18**	**26**	**12**	**9**	**21**

Terminations

	2022			2023			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Up to 29 years of age	2	4	**6**	1	4	**5**	1	1	**2**
30 to 50 years of age	4	1	**5**	1	6	**7**	6	3	**9**
Over 50 years of age	1	1	**2**	-	1	**1**	2	1	**3**
Total	**7**	**6**	**13**	**2**	**11**	**13**	**9**	**5**	**14**

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The turnover figure shows a clear difference compared with the calculation of arrivals and departures, since it also includes the 2 employees from DAM Ortho, who were included in the calculation of employees for FY2024 following the merger.

Turnover rate

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%**

Turnover rate

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%**

Turnover rate

2024

	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%	18%	12%	**14%**	4%	6%	4%	**5%**
Positive turnover - recruitment	31%	18%	12%	**19%**	24%	6%	-	**9%**

During the last two-year period, Adler Ortho S.p.A. 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 2024 financial year, were the positive turnover figures for men and women aged under 30 – 31% and 24%, 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 Adler Ortho S.p.A., which, during the 2024 financial year, offered its employees **2,782 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 middle managers, senior managers and high-profile office employees). 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.

During 2024, as part of the procedure for obtaining Gender Equality certification, the general and company management arranged specific training in this area (30 hours of DE&I training were provided).

The tables below show the average hours of training provided to Adler Ortho S.p.A. employees.

Average training hours

	2022	2023	2024
Total number of training hours provided to staff	3,211	2,680	2,782.00
Total number of staff	142	155	164
Average training hours per staff member	**22.6**	**17.3**	**17.0**
Total number of training hours provided to female employees	1,497	1,557	1,260.00
Total number of female employees	53	59	63
Average training hours per female employee	**28.2**	**26.4**	**20.0**
Total number of training hours provided to male employees	1,714	1,123	1,522.00
Total number of male employees	89	96	101
Average training hours per male employee	**19.3**	**11.7**	**15.1**
Total number of training hours provided to Senior managers	116	-	38.00
Total number of Senior managers	7	6	6
Average training hours per Senior manager	**16.6**	**-**	**6.3**
Total number of training hours provided to Middle managers	313	20	143,00
Total number of Middle managers	14	16	15
Average training hours per Middle manager	**22.4**	**1.3**	**9.5**
Total number of training hours provided to Office employees	2,164	1,632	1,672.00
Total number of Office employees	92	100	108
Average training hours per Office employee	**23.5**	**16.3**	**15.5**
Total number of training hours provided to Factory workers	618	1,028	929.00
Total number of Factory workers	29	33	35
Average training hours per Factory workers	**21.3**	**31.2**	**26.5**

Company welfare and well-being

In the context of personnel management, the well-being and satisfaction of employees are of paramount importance. Adler Ortho S.p.A. 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 senior managers, 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), extended to all members of their household.

In order to increase organisational well-being and promote flexibility for its employees, Adler Ortho S.p.A. has also introduced **smart working**, with the objective of fostering a better balance between professional and private life. As at 31 December 2024, there were 25 people using this method of working. This work method is governed through a specific agreement that defines the access to and organisation of agile working, by defining clear methods, time frames and responsibilities, along with procedures for managing working hours. This agreement 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 within the company is continuously monitored to ensure that it meets the needs of the organisation and adheres to the regulations in force.

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. As confirmation of the commitment to well-being and prevention, the company also provides employees in the Cormano facility with a flu vaccine, thus encouraging the dissemination of good health practices.

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 (as well as to 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. Again with regard to the company's focus on new parents, a 'Listening and Support Desk' (*Sportello Ascolto e Supporto*) is also available, 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.
Adler Ortho S.p.A. 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 company also recognises the importance of striking a balance between work and family life, by guaranteeing parental leave. 9 employees took advantage of this in 2024 and all returned to the same post afterwards.

Parental leave[12]

	2022			2023			2024		
	Women	Men	**Total**	Women	Men	**Total**	Women	Men	**Total**
Employees who were entitled to parental leave	4	1	**5**	7	6	**13**	7	7	**14**
Employees who took parental leave	3	1	**4**	5	1	**6**	5	4	**9**
Employees who would have been expected to return to work during the reporting period after taking parental leave	3	1	**4**	5	1	**6**	5	4	**9**
Employees who returned to work during the reporting period after taking parental leave	3	1	**4**	5	1	**6**	5	4	**9**
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**	4	4	**8**

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 2024 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, Adler Ortho S.p.A. has established an internal **Prevention and Protection Department (SPP)** which, in conducting its activities, works closely with the Production, Human Resources, Maintenance and Logistics Departments. The PPD also constantly monitors the legislative references and applicable reference standards.
The company 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 local units, the key figures defined by the Consolidated Workplace Health and Safety Act (Italian Legislative Decree no. 81/08) have been identified. All company's 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 is responsible for archiving accident data and statistics, as well as to the Prevention and Protection Department Manager (PPDM). 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, a near-miss 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).

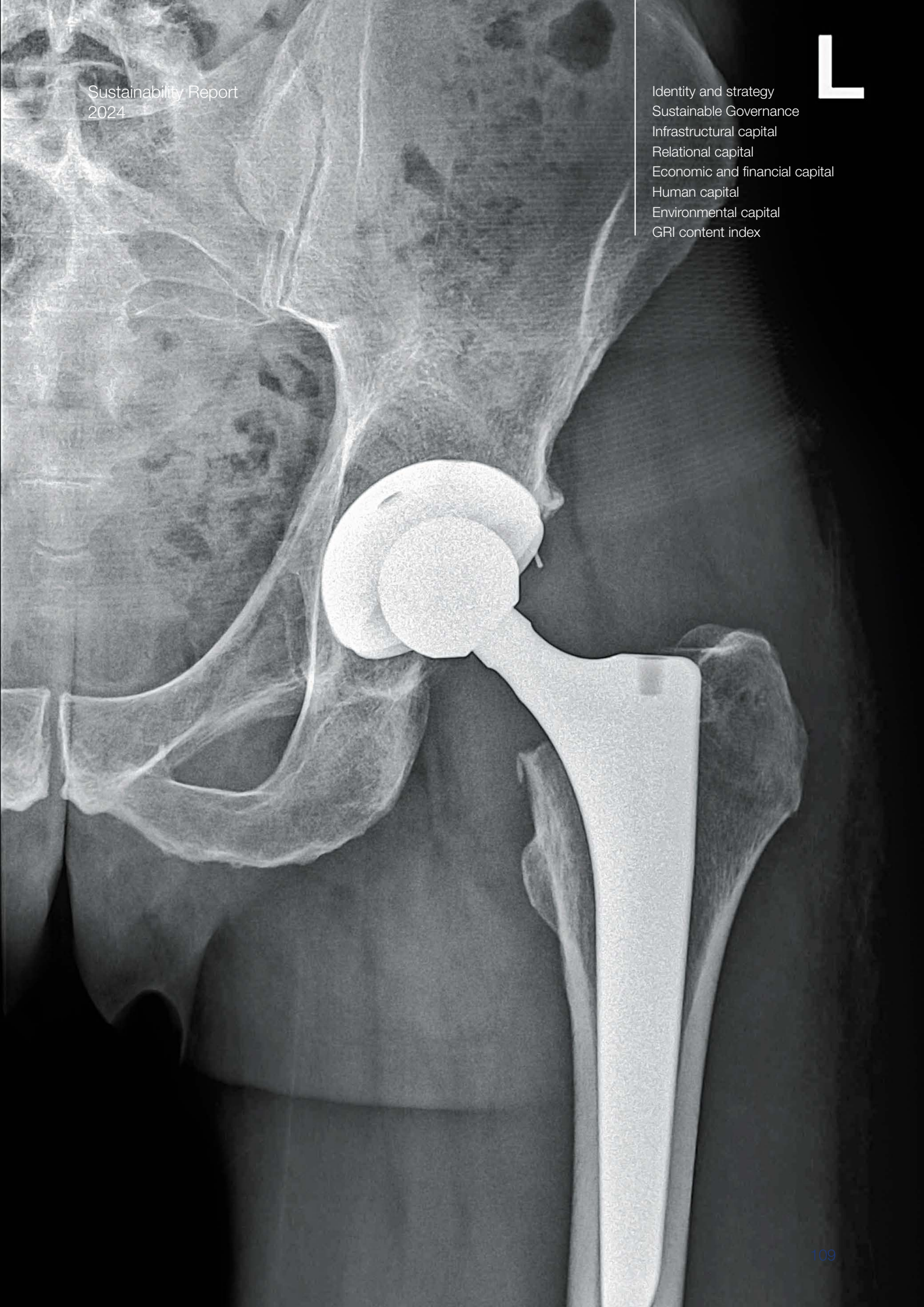
To prevent any accidents, the Company is committed to mitigating 'hazardous actions', by assigning a clearly defined work programme to every employee, providing training in accordance with the legislation in force and arranging continuous instruction. 'Hazardous conditions' are mitigated and compensated through the acquisition of protected equipment, alongside optimal plant design and construction.
As further proof of the company's focus on protection and prevention measures, no accidents were suffered by employees during 2024, recording a decrease compared to the previous year, when accidents were recorded. The accident rate recorded in 2024 was 0 against a total of 331,040 hours worked.
There were no cases of accidents involving non-employee workers. As regards near-misses, none were recorded during 2024.

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 S.p.A. local unit 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 company 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 radiation protection 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. This assessment will be repeated in 2025 as a self-check verification.
Risk of exposure to noise	The machines are shielded and manual equipment is used for a minimum time. Exposure level falls within acceptable values. When the minimum level is exceeded, workers are provided with suitable ear protection.
Risk of exposure to free crystalline silica, polymer fine dust	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.
Risk of manual handling of loads and biomechanical overload of upper limbs	For staff members concerned, assessment of the Manual Handling of Loads (MHL) at the Cormano facility was revised in 2024 and for the Mezzolombardo facility with respect to the activities of receiving incoming materials, marking, washing, packing, boxing and biomedical research and production, and in order to reduce the risk from MHL (manual handling of loads): - 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; - Provision for suitable modifications to reduce the risk (ladders, lifters, etc.)

Risk assessment for Adler Ortho workers and related containment measures	
Risk of artificial optical radiation	A source of artificial optical radiation has been found within the local unit in Mezzolombardo. 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 actions have been taken at the Mezzolombardo facility to ensure that the maintenance personnel have adequate technical and professional skills by providing them with training and informing them about the presence of said risk. Risk not present in the other facilities.
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	The biological risk is assessed, at the Mezzolombardo facility, with respect to operators who 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 for use 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 2024, 386 hours were provided, up by 11% compared with last year, 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, as well as safety refresher sessions, training for staff in the Prevention and Protection Department (PPD) and supervisors.



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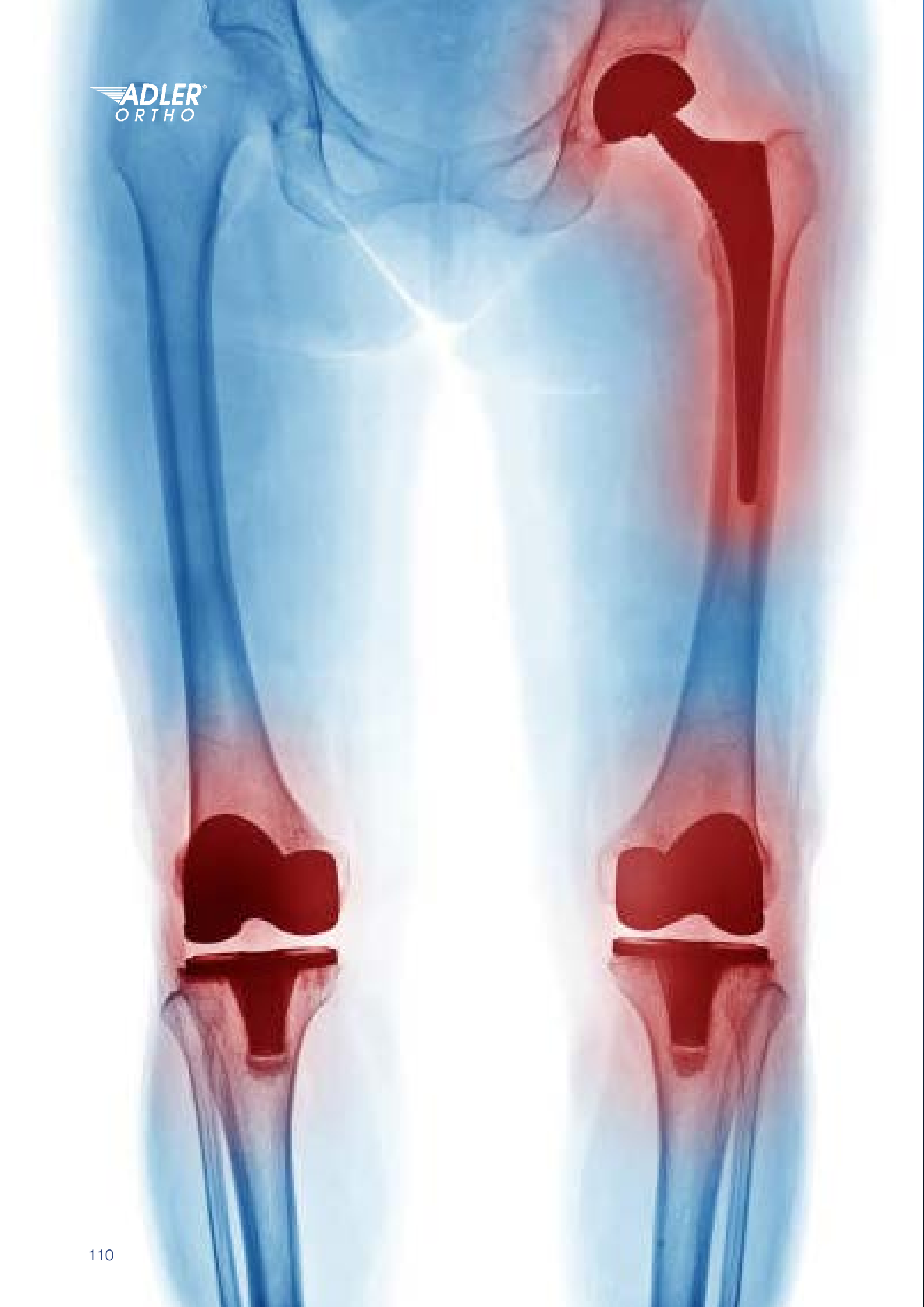

ENVIRONMENTAL CAPITAL

Environmental responsibility

Adler Ortho S.p.A. considers environmental management to be an essential tool for the strategic management of the Company.
For this reason, all of the company 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.
Adler Ortho S.p.A. 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** for company cars and the traction of operating machinery[14];
- **Electricity**[15], used to light the offices.

13
During the reporting period, Adler Ortho S.p.A. 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 three-year period 2022-2024.

ENERGY CONSUMPTION (GJ[16])

	2022	2023	2024
Energy consumption from non-renewable sources			
Natural gas	3,026	2,853	2,324
Fuel for company fleet	2,052	2,388	2,360
Diesel	2,052	1,910	1,867
Petrol	-	475	492
LPG	-	3	1
Diesel for generators	7	1	3
Electricity purchased from non-renewable sources	1,573	1,543	-
Energy consumption from renewable sources			
Electricity purchased from renewable sources	5,175	5,429	7,362
Total consumption	**11,833**	**12,214**	**12,049**

Total energy consumption was characterised by a slight reduction compared to the previous year, albeit without major variations over the three-year period 2022-2024. When analysing consumption from non-renewable sources, a significant reduction in natural gas of around 18% can be observed. Fuel for the company fleet has remained virtually stable between 2023 and 2024, with only a marginal drop of 1%, but the composition has changed slightly: diesel continues to fall, while petrol has risen and LPG has fallen. Electricity purchased from non-renewable sources has been cut markedly in 2024, compared with previous years, marking a new switch towards sustainable sources.
Indeed, the electricity purchased from renewable sources has grown significantly, rising by 36% compared with 2023 and surging by 42% compared with 2022. This switch to renewable energy is the main factor that has offset the drop in consumption of fossil fuels, with total consumption between 2023 and 2024 remaining essentially stable, albeit with a clear improvement in terms of energy responsibility.

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

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

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 S.p.A. 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.
The Mezzolombardo plant 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 addition, the refrigeration system has been replaced to enable enhanced temperature control. Having renovated its plant in 2017, can already count on relatively modern facilities, ready for further optimisation measures.

Greenhouse gas emissions

Greenhouse gas emissions connected to Adler Ortho S.p.A. 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 Adler Ortho, 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.

Scope 1[17] (tCO_2eq) direct emissions

	2022	2023	2024
Natural gas	170	161	131
Fuel for company fleet	146	165.2	164.1
Diesel	146	135	132
Petrol	-	30	32
LPG	-	0.2	0.1
Diesel for generators	1	0.1	0.2
F-GAS	344	41	50
SCOPE 1 TOTAL	**661**	**367**	**345**

The above table shows that direct scope 1 emissions fell by around 6% compared with the previous year.

Scope 2[18] (tCO_2eq) indirect emissions

	2022	2023	2024
Electricity purchased (Location-Based method)	576	497	525
Electricity purchased (Market-Based method)	200	214	-

According to the Location-Based criterion, indirect emissions generated by the company rose slightly by around 6% in 2024 compared with the previous year. According to the Market-Based criterion, there were 0 indirect emissions linked to the purchase of non-renewable energy, since all the electricity purchased by the company comes from certified renewable sources.

Total of scope 1 direct + scope 2 (tCO_2eq) indirect emissions

	2022	2023	2024
Location-Based method	1,237	1,525	870
Market-Based method	861	581	345

The total Scope 1 and Scope 2 emissions produced by the company in 2024, according to the Location-Based criterion, amount to 870 tCo_2e, a sharp reduction of 43% on 2023. As regards the total emissions according to the Market-Based criterion, this amounted to 345 tCo_2e, a clear reduction of around 41% compared with the previous year.

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

18
The emission factors used to calculate the Scope 2 emissions are taken, respectively, from the 404/2024 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.

Water withdrawal

A minimal quantity of water enters the company'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[19] washing cycles 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 analysis and delivered to authorised disposal companies. Overall, **the water withdrawal of Adler Ortho S.p.A. totals approximately 4 megalitres, down by 25% compared with the previous year**.

Waste management

The main production processes that can generate waste at Adler Ortho S.p.A. 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. 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.

As regards activities connected with the activation of resins and hyaluronic acid, the preparation and treatment of collagen plates and the washing of prostheses, the main waste is ascribable chiefly 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. Specific measures are adopted for the correct management of these emissions and liquid waste, by minimising the risk of contamination, in full compliance with

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.

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	**26.44**	**-**	**26.44**
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 160001)	2.68	-	2.68
Waste 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

Total waste produced

	2024		
	Quantity (ton)	Of which not for disposal	Of which intended for disposal
Total waste produced	**87.80**	**-**	**87.80**
Hazardous waste by type of material	**51.24**	**-**	**51.24**
Degreasing waste containing hazardous substances (EWC 110113)	0.15	-	0.15
Residues of sandblasting material containing hazardous substances (EWC 120116)	0.97	-	0.97
Aqueous washing solutions (EWC 120301)	1.65	-	1.65
Other emulsions (EWC 130802)	21.81	-	21.81
Packaging containing residues of hazardous substances (plastic, glass and metal containers) (EWC 150110)	1.00	-	1.00
Filter materials (EWC 150202)	1.30	-	1.30
Oil filters (EWC 160107)	0.12	-	0.12
Aqueous liquid waste containing hazardous substances (EWC 160001)	2.42	-	2.42
Waste whose collection and disposal is subject to special requirements in order to prevent infection (EWC 180103)	0.20	-	0.20
Ion exchange resins (190806)	0.08	-	0.08
Fluorescent tubes (EWC 200121)	-	-	-
Other solvents (EWC 070104)	3.52	-	3.52
Aqueous washing solutions (EWC 070601)	0.13	-	0.13
Laboratory liquid chemicals (EWC 160506)	0.26	-	0.26
Other insulation materials consisting of or containing hazardous substances (EWC 170603)	0.04		0.04
Aqueous rinsing liquids containing hazardous substances (EWC 110111)	16.66	-	16.66
Discarded equipment containing chlorofluorocarbons, HCFC, HFC (EWC 160211)	0.25	-	0.25
Laboratory chemicals, consisting of or containing hazardous substances including mixtures of laboratory chemicals (160506)	0.68	-	0.68

Total waste produced

	2024		
	Quantity (ton	Of which not for disposal	Of which intended for disposal
Non-hazardous waste by type of material	**36.56**	**-**	**36.56**
Non-ferrous metal filings and turnings (EWC 120103)	1.56	-	1.56
Plastics shavings and turnings (EWC 120105)	0.08	-	0.08
Machining sludges (EWC 120115)	1.23	-	1.23
Residues of sandblasting material (EWC 120117)	0.63	-	0.63
Wooden packaging (EWC 150103)	3.27	-	3.27
Mixed packaging (EWC 150106)	5.50	-	5.50
Absorbents, filter materials, wiping cloths and protective clothing (EWC 150203)	0.63	-	0.63
Ferrous metal (EWC 160117)	0.46	-	0.46
Non-ferrous metal (EWC 160118)	0.81	-	0.81
Discarded equipment (EWC 160214)	0.52	-	0.52
Alkaline batteries (EWC 160604)	-	-	-
Aqueous liquid waste (EWC 161002)	16.61	-	16.61
Glass (EWC 170202)	-	-	-
Iron and steel (EWC 170405)	0.46	-	0.46
Mixed metals (EWC 170407)	1.24	-	1.24
Discarded chemicals (EWC 160509)	3.29	-	3.29
Waste printing toners and cartridges (EWC 080318)	0.01	-	0.01
Discarded chemicals (EWC 160509)	-	-	-
Plastic packaging collection (EWC 150102)	0.25	-	0.25
Bulky waste (EWC 200307)	0.01	-	0.01

In 2024, Adler Ortho S.p.A. generated around 88 tonnes of waste, a slight increase of around 15% compared with 2023. Of the total waste produced, 58% is ascribable to the category of ‘hazardous waste’.

Aqueous liquid waste, corresponding to 42% of the total waste produced, constitutes one of the main flows of non-hazardous waste.

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.

Sustainability Report
2024

GRI CONTENT INDEX

Statement of use

Adler Ortho has prepared this Sustainability Report in accordance with the GRI Standards for the period 1 January 2024 – 31 December 2024.

GRI 1:

Foundation 2021

GRI Sector Standard

Not applicable

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
	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		-	There have been no revisions of the figures entered in previous years.
2-5	External assurance		-	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	94	
2-8	Non-employee workers	6. Human capital / Employees	95	
2-9	Governance structure and composition	2. Sustainable Governance / Corporate bodies	42	
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 BoD is involved in the approval phase of the Sustainability Report, during a special meeting.

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
2-15	Conflicts of interest	2. Sustainable Governance / Responsible business management	45	
2-16	Communication of critical issues	2. Sustainable Governance / Organisation, Management and Control Model 231	45	
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	99	
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	45	
2-27	Compliance with laws and regulations	2. Sustainable Governance / Regulatory compliance	49	
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	34	
2-30	Collective agreements	6. Human capital / Employees	95	
	MATERIAL TOPICS			
	GRI 3: 2021 material topics			
3-1	Process for determining material topics	1 Identity and strategy / Materiality analysis	34	
3-2	List of material topics	1 Identity and strategy / Materiality analysis	34	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
	ETHICS AND INTEGRITY IN THE CONDUCT OF BUSINESS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	1. Sustainable Governance	40	
	GRI 205: Anti-corruption 2016			
205-3	Established incidents of corruption and actions taken	2. Sustainable Governance / Organisation, Management and Control Model 231	45	
	GRI 206: Anti-competitive behaviour 2016			
206-1	Legal actions for anti-competitive behaviour, antitrust and monopolistic practices	2. Sustainable Governance / Regulatory compliance	49	
	GRI 207: Taxes			
207-1	Approach to taxation	5. Economic and financial capital / Tax approach	90	
207-2	Tax governance, control, and risk management	5. Economic and financial capital / Tax approach	90	
207-3	Stakeholder engagement and management of concerns related to tax	5. Economic and financial capital / Tax approach	90	
	ANTI-CORRUPTION AND COMPLIANCE			
	GRI 3: 2021 material topics			
3-3	Management of material topics	2. Sustainable Governance	40	
	GRI 205: Anti-corruption 2016			
205-1	Operations assessed for corruption risks	2. Sustainable Governance / Anti-corruption policy	46	
205-2	Communication and training on anti-corruption policies and procedures	2. Sustainable Governance / Anti-corruption policy	46	
205-3	Established incidents of corruption and actions taken	2. Sustainable Governance / Anti-corruption policy	46	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
	RESPECT FOR HUMAN RIGHTS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Personnel management	93	
	GRI 406: Non-discrimination 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	106	
	GRI 403: Occupational health and safety 2018			
403-1	Occupational health and safety management system	6. Human capital / Occupational health and safety	106	
403-2	Hazard identification, risk assessment and accident investigation	6. Human capital / Occupational health and safety	106	
403-3	Occupational health services	6. Human capital / Occupational health and safety	106	
403-4	Staff participation and consultation and communication on occupational health and safety	6. Human capital / Occupational health and safety	106	
403-5	Staff training in occupational health and safety	6. Human capital / Occupational health and safety	106	
403-6	Promotion of staff health	6. Human capital / Occupational health and safety	106	
403-7	Prevention and mitigation of occupational health and safety impacts within business relationships	6. Human capital / Occupational health and safety	106	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
403-8	Staff covered by an occupational health and safety management system	6. Human capital / Occupational health and safety	106	
403-9	Occupational accidents	6. Human capital / Occupational health and safety	106	
403-10	Work-related ill health	6. Human capital / Occupational health and safety	106	
	TRAINING AND UPSKILLING			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Training and upskilling	102	
	GRI 404: Training and education 2016			
404-1	Average annual training hours per employee	6. Human capital / Training and upskilling	102	
	DIVERSITY AND EQUAL OPPORTUNITIES			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Diversity and equal opportunities	96	
	GRI 405: Diversity and equal opportunities 2016			
405-1	Diversity in governing bodies and among employees	6. Human capital / Diversity and equal opportunities	96	
405-2	Ratio of base salary and remuneration of women to men	6. Human capital / Remuneration policies	99	
	WORK-LIFE BALANCE AND WELFARE			
	GRI 3: 2021 material topics			
3-3	Management of material topics	6. Human capital / Company welfare and well-being	104	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
	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	104	
401-3	Parental leave	6. Human capital / Company welfare and well-being	104	
	PRODUCT QUALITY, SAFETY AND RELIABILITY			
	GRI 3: 2021 material topics			
3-3	Management of material topics	4. Relational capital / Product quality, safety and reliability	78	
	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	78	
416-2	Incidents of non-compliance concerning health and safety impacts of products and services	4. Relational capital / Product quality, safety and reliability	78	
	GRI 417: Marketing and labelling 2016			
417-1	Requirements for product and service information and labelling	4. Relational capital / Product labelling	83	
417-2	Incidents of non-compliance concerning product and service information and labelling	4. Relational capital / Product labelling	83	
417-3	Incidents of non-compliance concerning marketing communications	2. Sustainable Governance / Regulatory compliance	49	No cases of non-compliance related to marketing communications were recorded during the reporting period.

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
	TECHNOLOGICAL INNOVATION AND DIGITALISATION			
	GRI 3: 2021 material topics			
3-3	Management of material topics	3. Infrastructural capital / Innovation of Group's products and processes	58	
	ENERGY EFFICIENCY AND SUSTAINABLE PRODUCTS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	7. Environmental capital / Energy consumption	111	
302-1	Energy consumed within the organisation	7. Environmental capital / Energy consumption	111	
	FIGHTING CLIMATE CHANGE AND MANAGING EMISSIONS			
	GRI 3: 2021 material topics			
3-3	Management of material topics	7. Environmental capital / Greenhouse gas emissions	113	
	GRI 305: Emissions 2016			
305-1	Direct GHG emissions (Scope 1)	7. Environmental capital / Greenhouse gas emissions	113	
305-2	Indirect GHG emissions from energy consumption (Scope 2)	7. Environmental capital / Greenhouse gas emissions	113	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
	WASTE MANAGEMENT AND CIRCULAR ECONOMY			
	GRI 3: 2021 material topics			
3-3	Management of material topics	7. Environmental capital / Waste management	115	
	GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	7. Environmental capital / Waste management	115	
306-2	Management of significant waste-related impacts	7. Environmental capital / Waste management	115	
306-3	Waste generated	7. Environmental capital / Waste management	116	
306-4	Waste diverted from disposal	7. Environmental capital / Waste management	116	
306-5	Waste directed to disposal	7. Environmental capital / Waste management	116	

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	89	
201-4	Financial assistance received from government	5. Economic and financial capital / Economic value generated and distributed	89	

GRI Sustainability Reporting Standard		Chapter / paragraph references	Page	Note
	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	98	
	PROCUREMENT PRACTICES			
	GRI 204: Procurement practices 2016			
204-1	Proportion of spending on local suppliers	4. Relational capital / Suppliers: managing the supply chain	73	
	EMPLOYMENT			
	GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	6. Human capital / Turnover	100	
	WATER AND EFFLUENTS			
	GRI 303: Water and effluents			
303-3	Water withdrawal	7. Environmental capital / Water withdrawal	115	
	PRIVACY			
	GRI 418: Customer privacy 2016			
418-1	Proven complaints regarding breaches of customer privacy and loss of customer data	2. Sustainable Governance / Cybersecurity and Data protection	48-49	

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