

ADR GROUP SUPPLIER CODE OF CONDUCT

INTRODUCTION

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

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

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

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

And to achieve this scope in effective way this Supplier Code of Conduct sets out the ADR Group minimum requirements based on UE legal regulations, as well as internationally recognized standards such as the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, as well as the ILO core labor standards and the principles of the UN Global Compact.

Full compliance with the following minimum requirements is a binding part of the ADR Group purchasing terms and conditions and nothing in the Code shall prevent Suppliers from exceeding these standards.

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

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

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

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

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Governance: Responsible Business, Integrity and Ethics

ADR Group Suppliers must be compliant with all laws and regulations that establish specific legal requirements that apply to products and services provided, including those designed to prevent violation of antitrust and competition law, export control, corruption, money laundering prevention, as well as data protection, in order to protect fair competition in our business operations.

Corruption and fraud damage the foundation of economic and social development, undermining companies and societies. ADR Group fights this risk by promoting integrity and our compliance culture.

ADR Group suppliers shall refuse and oppose any form of solicitation of bribery, fraud, or any prohibited commercial practice.

That's why the Supplier shall establish a competent body for Compliance / Business Ethics, as well as create an its own Code of Conduct or specific guidelines or, in alternative, to extend to its sub-supplier the Code of Conduct of ADR Group.

At the same time, the Supplier shall avoid offering or granting material benefits or money to employees of ADR Group, with exception of benefits (e.g. hospitality), product-related events in the normal course of business and, generally speaking, justifiable as a common courtesy or trade practices and assuming that they can't compromise the integrity and reputation of the parties or that can be intended to secure an undue advantage.

Data protection is an essential pillar of ADR Group compliance program, which is aligned with the principles of the European General Data Protection Regulation (GDPR), the toughest privacy and security law in the world, that consider the protection of personal data of ADR Group employees, Customers and other stakeholders very seriously.

This requirement includes the maintenance of procedures, guidelines and mechanisms to prevent data protection incidents.

Suppliers shall respect intellectual property rights and safeguard all ADR Group information, including, but not limited to, know-how, trade and market strategy, financial information, new product or service development plans. Anyway, Supplier shall limit access to such information only to their own personnel who have a legitimate business need for such information when permitted by applicable law.

Environmental responsibility

ADR Group Suppliers are requested to operate with procedure and standards aimed at reducing, saving and recycling waste products and to strive, as much as possible, to reduce their environmental impact, limiting the effects of its operations on climate change and promoting the responsible and efficient use of natural resources, the protection of biodiversity and the safeguarding of ecosystems.

ADR Group Suppliers shall be compliant with all environmental laws and regulations in effect in the country where they are operating, including those relating to waste production and hazardous substance generation and disposal, as well as to manage water withdrawals and effluents and emissions.

In this regard, the Supplier selected by ADR Group shall use all resources and facilities necessary for the production of raw material, semi-finished product and components (including energy and water) in a such efficient way to minimize the environmental impact of such production, in particular with reference to general

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solid waste, air pollution, waste water and noise, polluting, greenhouse gas emissions and apply logistics management policies that take environmental impacts into consideration.

ADR Group Suppliers are required to design and develop products taking into account the impact they have on the environment and the potential to re-use and recycle them.

ADR Group encourages its Suppliers to foster the use of recyclable materials and all sort of initiatives for growing the circular economy themselves.

This expectations includes, for example, methods of product development based on “Circular by Design”, as well as establishing closed loops for returning recyclable materials into the supplier’s own supply chain.

Suppliers shall avoid the use of potentially dangerous substances (as defined by applicable laws) and are responsible for registration and, where necessary, obtaining authorization, as well as providing due communication on the presence of chemical substances in machinery in accordance with applicable legal requirements.

Furthermore, where possible, the Supplier shall implement and maintain an environmental management system that is inspired by the requirements of the ISO 14001 standard or the Eco-Management and Audit Scheme (EMAS). The supplier shall appoint a competent body for environmental sustainability and create a policy on environment and train its employees accordingly.

In compliance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, ADR Group Suppliers and its entire supply chain shall avoid trading of material, with respect to the sourcing of all tin, tantalum, tungsten and gold contained in its products, coming from the Democratic Republic of the Congo (“DRC”) or any adjoining country and, if so, to determine whether those metals directly or indirectly financed or benefited armed groups that are perpetrators of serious human rights abuses in the DRC or an adjoining country (Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia).

Corporate Social responsibility and Human rights

ADR Group supports and promotes social consciousness, implements fair employment practices, requires safety working conditions and full compliance with applicable laws and regulations.

ADR Group is careful to guarantee and implement all those decisions and organizational activities, including those of the selected Suppliers, which have a social impact such as respect for civil and labor rights, attention to working conditions, gender equality and the rejection of all forms of discrimination.

ADR Group takes into due considerations the ability of Suppliers to contribute to the social contest and the territory in which the company operates through initiatives that increase well-being and improve the quality of life of the inhabitants.

The Governance of ADR Group Spa aims to consolidate strategies and adopt decision-making choices in full compliance with remuneration ethics, the rules of meritocracy, inclusion, respect for shareholder rights and the fight against any form of corruption.

ADR Group suppliers shall avoid any forms of intimidation, coercion, pressure, threat, corporal punishment, and exploitation, as well as prevent incident of physical, sexual, psychological or verbal abuse.

ADR Group Suppliers must respect the dignity of each and every person and strongly condemns the any form of discrimination in the workplace based on their race, religion, sex, colour, language, political opinions,

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national, social, or ethnic origin, mental or physical disability, sexual orientation, gender identity, pregnancy, marital status, age, union beliefs or any other personal characteristic unrelated to the job.

ADR Group Suppliers are strenuously prohibited from:

- employing minors under the age of sixteen (16) and those for whom school is mandatory, except where permitted by any applicable local law or regulation;
- hiring at work any form of forced or compulsory labour, imprisonment, slavery, or human trafficking.

ADR Group Suppliers are requested:

- to allow their workers to bargain collectively and to form and to belong to the Unions organization of their choice, without any sanctions, discrimination, or salary penalty being applied by the employer;
- to pay their employees for all hours worked in accordance with applicable law;
- to respect collective-bargaining agreements in terms of the workday and overtime pay, including breaks, rest periods, holidays and various other types of leave.

Overtime shall be voluntary and shall be paid in compliance to provisions of applicable laws and regulations. Workers shall have the right to receive compensation at a level commensurate with minimum salary levels, or as required under any collective bargaining agreement in order to satisfy their basic needs, as well as a free and decorous existence for themselves and their family.

Occupational Health and Safety

ADR Group promotes a workplace culture of health and safety and implements, where relevant, policies and practices including risk assessments and management and recording of incidents and accidents.

Likewise, Suppliers are strongly required to ensure a work environment which is safe and salubrious in accordance with applicable laws regarding workplace accidents and occupational safety and health.

In this respect, ADR Group Suppliers shall carry out operations in such a way to protect the health and physical integrity of their own employees and prevent any forms of accident and injuries, by monitoring the performance and reliability of their own risk management system for all safety concerns.

ADR Group Suppliers are required to ensure that all workspaces, operations, machinery and processes related to flow-material are free of hazards to the health and safety of any worker, by providing applicable and effective protection device in order to prevent accidents or other harm to human health.

Suppliers shall provide their employees an appropriate level of training and information on the safety-related risks to which they may be exposed.

Suppliers shall ensure that any unsafe work is stopped immediately and only starts again once the hazard has been removed or the issue resolved.

ADF Group encourages and promotes the implementation of occupational health and safety management models in accordance with international Standards such as:

- ISO 45001 (or similar), providing evidence by means of a corresponding certificate;
- Health and Safety Policy, to be published if available and released upon request

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Monitoring and remedial actions

ADR Group expects full cooperation and adherence of all Suppliers with this Supplier Code of Conduct; for this scope ADR Group reserves the right to carry on onsite audits and require from Suppliers applicable documentation for any investigation, audit or inquiry in response to a concern related to the respect of this Code.

In case of relevant deviation from this Code in its own business area or in its supply chain, ADR Group may require that any Supplier implement an acceptable remedial action to bring its performance into compliance.

In case of confirmed violations, the supplier shall inform ADR Group immediately of any violation of the obligations arising from this Code or of any official investigation procedure in this regard; the same applies if the company becomes aware of corresponding procedures in connection with its senior managers.

In front of serious and relevant violations, ADR Group reserves the right to terminate its business relationship with any Supplier that is unwilling or unable to bring its performance into compliance to this Code.

References:

- Universal Declaration of Human Rights;
- International Labor Standards (ILO);
- OHSAS Health and Safety Standard;
- UN convention against Transnational Organized Crime;
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals