

adapa

Risk Management Policy

adapa Group

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This policy was approved by our management board on 14/07/2021. This document has been created digitally and is valid without a signature.

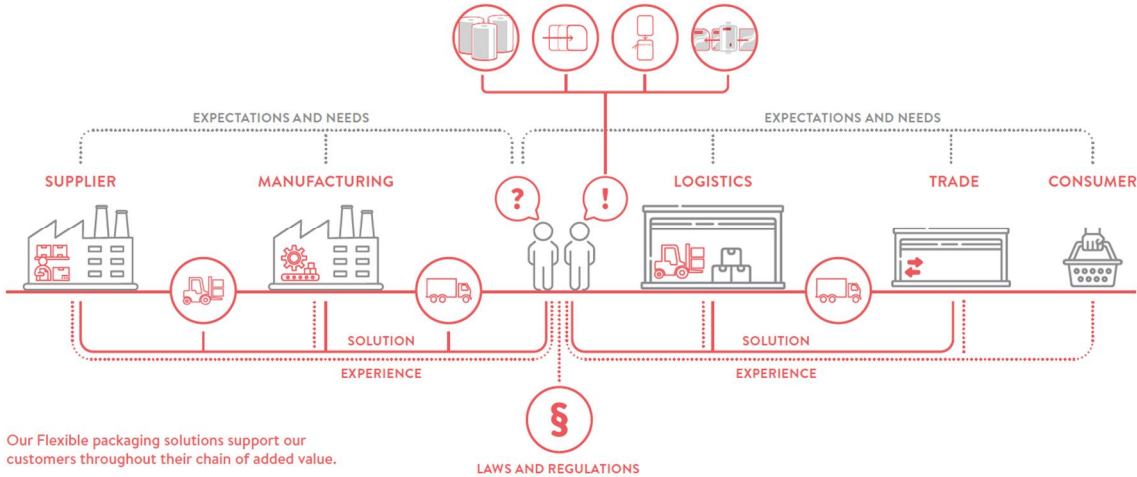
Every day, we give our best for your goods. At adapa, we put the highest standards to every step of our product's value chain. We focus on sustainability and challenge the way we think, emphasising "HOW" we produce in each and every step of our business. Our strong risk management is the fundament that helps us deliver high quality in both products and solutions. It ensures the mitigation and reduction of environmental, social, personal, operational, financial, regulatory, market and/or reputational risks. At adapa, we live a culture of risk prevention among management and all employees. Our continuous improvement in this regard is founded on these standards.

1. Governance

Our risk management is under the supervision of our management board and executed together with our central and local teams. Regarding major decisions in the ESG (Environment, Social, Governance) strategy, our Sustainability Committee assists the board in an advisory function. Risk governance is in line with the requirements of our Code of Conduct. Throughout our Group, we work according to the 4-eyes principle.

Risk management along our product's value chain

The value chain of our products starts with the sourcing of the raw materials and ends with the packaging being disposed by consumers and given to recycling.



Along this value chain, adapa aims to minimise potential risks.

Raw material sourcing, production and delivery

We ensure the compliance of our raw material suppliers with environmental, labor, H&S and business governance standards with our Supplier Code of Conduct. Our raw material demand reflects our production's resource efficiency. We aim to reduce our resource input and recycle our waste internally to protect natural resources. Our "non-single sourcing" strategy ensures a stable raw material supply.

Manufacturing

To ensure health and safety in our production, we implement a group-wide OH&S management system complementing local management frameworks in all sites. Further, we have a detailed protocol in case of an infectious disease. We follow high labor standards in line with our Code of Conduct and the Ten Principles of the UNGC. Externally conducted annual risk assessments at our production sites like fire protection audits constitute to the safety of our operations for our employees, the communities we operate in and the environment. Further, we reduce the risk of potential machine downtime and ensure the on-time delivery of our products. All production sites fulfil compliance with applicable legislative requirements, e.g. regarding emissions, product safety, environment, effluents and waste. As a young group growing our business also by acquisition, an external party runs a full environmental risk assessment at every new site. We further reduce, reuse and manage resource intakes and aim to reduce and mitigate any harmful effects on the environment and natural resources. Further, we establish a waste stream monitoring for our internal production waste and foster its internal recycling.

Logistics

We work together with subcontractors to deliver our products to our customers. To reduce and manage the release of GHG emissions at this point of the product's value chain, we work together with our customers to optimise transport. Fleets of vehicles that are under the operational control of adapa are our company cars. Our car policy requires a preference for electric cars.

Trade

We aim to deliver high-quality products to our customers to avoid the risk of claims. We are responsible for the liability of our products and meet all market regulations and laws. We stay alert to future developments in this regard by continuously monitoring the legislative environment and actively participating in networks.

Consumer

Our products are mostly used for the food packaging industry, making food safety and the protection of human health our top priority. We follow all requirements, e.g. the European Framework Regulation (EC) 1935/2004, EU Regulation (EC) 10/2011 and the European Framework Regulation (EC) 2023/2006. Besides, we invest in research and development to design products with a reduced carbon footprint (reduction of material, usage of renewable materials, replacement of materials, design products for recycling) that meets today's consumer's requirements.

Disposal

To ensure a circular economy, our products need to meet the necessary sortable properties and high-quality recyclability at the end of their useful lives, to become raw material for new applications. With our in-depth experience, our continuous knowledge exchange within our industry via associations and interest groups as well as our cooperation with the waste collection and recycling industry, we design our products for recycling.