



Adria
Dental
Group

Corporate environmental, social and governance policies

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This document contains the ADG policies for managing environmental, social and governance effects, risks and opportunities. Each policy defines the areas of management, objectives, coverage, responsibilities, and the method of implementation and monitoring.

01 Human resources management policy



We are aware that a strong team and professional employees are our greatest value. Our goal is to provide them with the best possible working environment, supported by ADG values and ethical rules. We want to create a safe working environment with equal opportunities where employees strive for continuous development. With management educated in the latest leadership trends, we create high employee engagement that will lead to a strong focus on patients. With this policy, ADG strives to contribute to the achievement of the UN's sustainable development goals.

Creation of competitive working conditions

ADG offers fair and competitive working conditions, which is reflected in permanent employment, salary level, working hours and formation of shifts and additional benefits.

Development and advancement of employees

ADG encourages its employees for continuous personal and professional development, in which it supports them through opportunities for internal and external education.

Management of health and safety at work

ADG has implemented and is continuously developing the Occupational Health and Safety Management System with the ultimate goal of zero injuries at work. ADG provides its employees with the necessary training, skills and material resources in order to perform their work safely and without endangering their health.

Encouraging balance between work and private life

ADG promotes work-life balance by offering employees flexible mechanisms that promote worker well-being in line with best practices and constraints in the sector in which it operates.

Equality

In Adria Dental Group, equal work is valued in the same way and everyone has equal opportunities.

Ethical business culture

ADG encourages the ethical principles of mutual respect, cooperation, and teamwork, and detailed behavioral guidelines are listed in the Code of Ethics.

ADG opposes the use of child or forced labor and human trafficking in its own operations and business relationships.

The goals of this policy are:

- Support and invest in the personal and professional development of employees through educational opportunities.
- Create competitive working conditions for the purpose of high employee satisfaction.
- Promote employee well-being at work and at home.
- Maintain an organizational culture where diversity is respected and equal opportunities are provided.

Scope

The policy applies to all employees with fixed and indefinite contracts and student or trainee contracts who are involved in any type of clinical and non-clinical activities in all members of Adria Dental Group. The policy is informed by the interests and expectations of employees, which were collected through satisfaction surveys and group meetings. The policy is a dynamic document that changes in accordance with changes in the needs and expectations of employees.

Responsibility

The highest-ranking person in the organization responsible for the implementation of this policy is the head of human resources, with the support of all members of the Management Board and clinic managers. Senior and middle management members are responsible for policy implementation. They are educated about the policy and the method of implementation through individual meetings, notices and annual strategic meetings.

Implementation

This corporate policy is published on the official website of the Adria Dental Group and on the internal platform to which all employees have access. The success of policy implementation is evaluated continuously, and the results are reported to stakeholders once a year through a sustainability report.

ADG provides its employees with special channels for reporting and submitting requests in order to record, recognize and respond to violations of this policy. These channels are reliable and confidential, offer adequate protection and their effectiveness is monitored. In the event of a violation of the human resources management policy, deprived or injured employees can send their complaint to the Ethics Commissioner in the clinics or request a meeting with a representative of the Human Resources Management Department. In the event that a policy violation is determined, a case analysis and review of evidence of the policy violation is conducted. Measures are taken in accordance with the Staff Regulations and the Code of Ethics.

02 Policy of equal opportunities



At Adria Dental Group, we are committed to creating a work environment that values and respects diversity and promotes inclusiveness and fairness for all employees. ADG wants to provide every employee with a positive experience and equal opportunities. This Diversity and Inclusion Policy outlines our commitment and guidelines for creating an inclusive workplace. We believe that a diverse and inclusive workforce contributes to the quality of our service.

Non-discrimination

ADG strictly prohibits any form of discrimination or harassment based on race, ethnicity, color, religion, gender, gender identity, sexual orientation, nationality, age, disability, marital status, political opinion or any other characteristic protected by applicable laws or regulations.

Equality of opportunity

All employment-related decisions, such as recruitment, employment, promotions, education and training, compensation and benefits, are and will always be based solely on merit, qualifications and abilities. This principle is valid in all ADG members, in all positions and for all employees.

Inclusive work environment

ADG strives to create a pleasant and inclusive work environment that accepts individual differences and attitudes. Employees are expected to treat each other with dignity, respect and fairness, fostering a culture free of prejudice, bias or hostility. ADG encourages transparent communication and actively seeks opinions and feedback from employees in order to continuously improve the work environment.

Transparency and records

The Human Resources Department at Group level maintains up-to-date records of recruitment, training and promotion to provide a transparent overview of employee opportunities and their progression within the organization. Records are kept of all recruitment procedures and the candidate selection process, training opportunities offered to employees are monitored, the type and duration of training and program evaluation are documented, and records of internal job advertisements and promotions are maintained, including positions, number of candidates and evaluation criteria.

The goals of this policy are:

- Achieve inclusiveness and fairness in the work environment.
- Prevent discrimination and harassment in the workplace.
- Promote equality and equal opportunities.

Scope

The policy applies to all employees and stakeholders of Adria Dental Group in all locations where it operates.

Responsibility

The HR Director of Adria Dental Group is responsible for the implementation of the policy with the support of other members of the Management Board and the Ethics Committee.

Implementation

In order to ensure compliance with the policy of diversity and inclusion, Adria Dental Group will conduct periodic training of employees, especially middle and senior management, in forms of discrimination and vulnerable groups in order to raise their awareness of different situations at workplace in which individuals can be victims of intentional or unintentional discrimination.

In the event that they observe or are themselves victims of discrimination, employees are encouraged to report all cases of discrimination, harassment or other violations of this policy anonymously through established channels or directly to the Ethics Commissioner.

Submitted reports will be promptly and thoroughly investigated, and appropriate measures will be taken to resolve all well-founded complaints. In order to protect the victim of discrimination, the ethics commissioner can take temporary measures to ensure the safety and well-being of the person. This may include a change in work schedule, reassignment to another job, or other appropriate measure that will protect the victim from further discrimination. If during the investigation it is established that discrimination has occurred, appropriate sanctions will be taken against the perpetrator. Sanctions can range from warnings, disciplinary measures, to termination of employment, depending on the severity and repetition of discriminatory behavior.

03 Quality and patient welfare policy

Everything we do is aimed at providing the best service to the patient, through joint work and respecting all his rights and needs. The goal of our work is to improve the quality of patients' dental health and quality of life. This is reflected in the expertise of our employees, professional approach and the most modern technology we use. We undertake to create value for our stakeholders through excellence in process management, compliance with all applicable requirements (legal or voluntary) and lead by example in the application of good practices, giving priority to the requirement for continuous improvement of the quality of services through the implemented management system. This policy is based on the highest standards of dental medicine and the interests and expectations of our patients.

Patient welfare and safety

Individually and in teamwork, ADG acts in the best interest of the patient with the application of comprehensive dental care. ADG respects the patient's right to his physical and mental integrity while respecting his privacy. In case of doubts when performing a certain procedure, the interest and safety of the patients always come first, and the doctor in charge has full decision-making responsibility.

Health and quality of life

With a comprehensive approach, ADG provides the best dental care, thereby improving the quality of life in accordance with the patient's needs.

Attitude towards patients

In all of their actions, ADG shows respect, cordiality and empathy towards the patient, nurturing the highest communication standards.

Equality of access

ADG provides dental care to all patients equally regardless of sex, gender, age, race, nationality, language, property, national or social origin, sexual, religious or political affiliation, social position and other aspects of the individual's integrity. ADG always respects the dignity of the person and fundamental human rights.

Raising awareness and educating patients

ADG educates patients about the manner and importance of personal care and responsibility for oral health.

High quality service

With their approach, expertise and application of top technology, ADG sets high standards in the provision of dental care, following the needs of patients and ensuring a solution in accordance with their capabilities.

Innovation

ADG encourages innovation to continuously improve their processes, identify and apply best practices, and provide their customers with a superior experience.

The goals of this policy are:

- Provide top quality service.
- Use top quality materials and modern technologies.
- Continuously increase patient satisfaction with the overall service.

Scope

The policy applies to all activities in which employees and representatives of Adria Dental Group come into contact with users of ADG clinic services.

Responsibility

The Chief Medical Officer and the Head of Operations with the support of other members of the Management Board are responsible for the implementation of the policy.

Implementation

In implementing this policy, ADG undertakes to respect:

- Code of dental ethics and deontology (OG 67/2019)
- Law on Dental Medicine (OG 121/03, 117/08, 12/09)
- Law on Health Care (Official Gazette 100/18, 125/19, 119/22, 156/22, 33/23) Declaration of Helsinki, version from 2008.

This policy is available on ADG's official website and through internal channels to all interested stakeholders. The quality and patient welfare policy is the basis of Adria Dental Group's business, and its main provisions are continuously communicated to employees and involved stakeholders. When employed at the clinic, new employees undergo training in which they are introduced to the basic principles of dealing with patients, and during their work at ADG, they regularly participate in training in order to be able to fulfill the basic mission of this policy, which is to provide top-notch service to the patient. ADG ensures that employees are aware of the quality and patient welfare policy and have access to it at all times. Employees are educated about the policy, its importance and their roles in its implementation. This empowers employees to contribute to shared quality goals and fosters a sense of ownership and responsibility.

ADG will regularly review and assess the effectiveness of this policy and related measures to ensure its compliance with new legal requirements, industry standards and best practice. The Management Board and interested parties will be informed about the progress in the implementation of this policy.

ADG encourages patients, stakeholders, and employees to provide feedback, which will be used to work on improving services and delivering top-notch care.

In the event of a policy violation, dissatisfaction with the service provided, or a negative impact on the patient's health and well-being, the interested party can submit a complaint in writing, addressed to the administration of the individual clinic. Complaints of policy violations received will be promptly and thoroughly investigated, and appropriate action will be taken to resolve any substantiated complaints. In the event that a violation of patients' rights or a negative effect is determined, ADG will remedy the damage caused to the patient, refund the amount that the patient paid for the work in question, and find an optimal solution to the new clinical situation. Any form of revenge against the patient is strictly prohibited.

04 Social contribution policy



We want our positive influence to spread to the society in which we live and work, while protecting the integrity of everyone involved. By responsibly managing our activities, we want to prevent the possibility of a negative impact on stakeholders. The policy of social contribution is primarily the result of an analysis of the environment, an analysis of stakeholders and our consideration of where we can achieve the greatest impact. We will conduct consultations with stakeholders in order to always be in line with their expectations, and this policy will be changed as necessary.

Academic contribution

ADG provides support for the academic development of employees and actively participate in the scientific and professional community through research, education and knowledge exchange.

Ethics in research

Involvement in the work of the professional and academic community, including clinical studies, is approved by the Medical Board of Adria Dental Group in order to ensure the protection and integrity of patients, employees and ADG as a whole.

Development of new generations

ADG actively participates in the personal and professional development of new generations of doctors of dental medicine, dental technicians and assistants. Our scholarship program for students in the final year of dental medicine provides outstanding opportunities for young talents eager for knowledge and experience. We also offer professional internships and internships to dental assistants and technicians, thus providing the necessary practical experience that is crucial for successful integration into the labor market and an efficient career start.

Professional development

Through the ADG Academy, ADG shares professional knowledge and best practices, thereby contributing to the development of the profession.

The goals of this policy are:

- Provide support to students in education and preparation for the labor market.
- Provide excellent education for dental medicine experts through the ADG Academy.
- In cooperation with the academic community, work on the development and application of innovative solutions.

Scope

The policy applies to all activities of clinics owned by the Adria Dental Group, regardless of geographic location. It includes programs and projects with social impact and contribution to the academic community.

Responsibility

The ADG Management Board is responsible for the implementation of this policy.

Implementation

This policy is available to all stakeholders through the official channels of the Adria Dental Group. We communicate with partner organizations about academic research and the contribution to the development of new generations, and we inform interested parties about all activities via the website and social networks. The employees participating in the implementation are informed about their responsibilities and role by their supervisor or the Human Resources Department, and training is carried out if necessary. In case of doubts about the conduct of the involved stakeholders, they can always turn to the ethics commissioner, who will advise them in accordance with the values of ADG.

ADG will regularly review and assess the effectiveness of this policy and related measures to ensure its alignment with changes in the environment, stakeholder interests and best practice. The Management Board and interested parties will be informed about the progress in the implementation of this policy. ADG encourages stakeholder feedback to inform our ongoing efforts to contribute to community development through activities where we can have the greatest positive impact. In the event that members of the academic or local community believe that ADG has caused them damage or created a negative effect through its activities, they can submit a complaint to the Adria Dental Group management in writing, which will be reviewed quickly and transparently, and depending on the merits of the complaint, a decision will be made on implementation of measures to remediate negative effects that occurred as a result of Adria Dental Grupa's activities.

05 Environmental protection policy



Aware of the importance of preserving natural resources, we strive to reduce the harmful effects of our daily operations on the environment. We manage energy, water and waste responsibly. By implementing this policy, we want to contribute to the UN's sustainable development goals.

Responsible management of resources

ADG protects all the resources of the Adria Dental Group and its members, using them in a responsible and efficient manner in our work, with the approach of a good steward and in accordance with the internal acts of the members of the group.

Waste management

ADG properly sorts and disposes of medical and other types of hazardous waste in order to protect the health of everyone involved and prevent environmental pollution. ADG works to reduce and recycle non-hazardous waste (plastic, paper, metal...). This policy is aimed at promoting sustainable consumption patterns and encouraging the use of durable products that can be reused.

Water management

ADG strives to save water by preventing unnecessary consumption.

Energy management

ADG avoids unnecessary use of electricity, improves the energy efficiency of their buildings and increases the share of renewable sources in the overall energy mix.

CO₂ emissions

ADG strives to reduce CO₂ emissions related to operations through energy management measures.

Climate risks and opportunities

In its risk management system, ADG includes monitoring and assessment of climate risks and opportunities and brings adequate adaptation measures to increase business resilience to climate change.

The goals of this policy are:

- Reduce CO₂ emissions.
- Increase the share of renewable energy sources in the energy mix.
- Increase resistance to climate change.
- Maintain the current intensity of water consumption.
- Increase the proportion of waste that is recycled.

Scope

ADG's environmental protection policy covers all activities and business processes that may have an impact on the environment. It applies to both core business activities and support functions. ADG chooses environmentally conscious partners and encourages all suppliers and partners to promote sustainable practices.

Responsibility

The management of the company is responsible for the effective implementation of the environmental protection policy at all levels and functions.

Implementation

The environmental protection policy is published on the official website and is available through internal channels. This allows interested parties to easily access and review the policy. Employees are educated about the policy, its importance and their roles in its implementation.

In order to ensure the effective implementation of the environmental protection policy, key performance indicators are monitored and reported to stakeholders in the annual sustainability report. Regular monitoring of key performance indicators enables the organization to assess the impact on the environment, set goals and plan measures.

06 Anti-corruption policy



Corruption is an obstacle to the sustainable development of companies and represents a significant financial, legal and reputational risk. Through its Code of Ethics, which represents guidelines for the behavior of all employees, we stipulate that the behavior of each employee should be characterized by integrity and responsibility. We do not support and strictly prohibit any act of corruption or bribery.

Prohibition of corruption and all its forms

ADG strictly opposes corruption in all forms, including extortion, bribery, conflict of interest, influence peddling, abuse of power, forgery of documents, money laundering, insider trading and fraud.

Conflict of interest

ADG's relationship with its employees is based on loyalty inspired by common interests. Therefore, it respects the desire of its employees to participate in activities of any kind outside the company, provided that they are carried out in accordance with the law and do not conflict with their duties as employees of ADG.

Insider trading

All employees must keep all classified information, to which they have access to as part of their professional activities, strictly confidential and must refrain from unlawful use for personal gain or the benefit of a third party.

Employee education

Aware that corruption can appear in various forms, ADG raises awareness and educates employees so that they can recognize and avoid participation in any of the forms.



The goals of this policy are:

- Education and awareness raising of employees about ethical behavior in the workplace.
- zero confirmed cases of corruption.

Scope

The anti-corruption policy is applied in all members of the Adria Dental Group and in all relationships with stakeholders. The policy applies to permanent and temporary employees and other persons who are not employees, but participate in the work and activities of ADG.

Responsibility

The ADG management is responsible for overseeing the implementation and effectiveness of this policy.

Implementation

All employees are expected to familiarize themselves with this policy and to comply with its provisions. They should report any suspected anti-corruption policy violations or potential risks to the Ethics Commissioner.

ADG recognizes the importance of training as a core component of our strategy to promote ethical business behavior throughout the organization. The goal is to educate employees on various aspects of business conduct, including the prevention of corruption and bribery. We believe that a strong ethical culture starts with every employee. All employees undergo comprehensive on-boarding training, which includes an introduction to our code of ethics, policies and relevant legal requirements. This training provides a solid foundation for understanding our expectations regarding business conduct from the beginning of their employment.

In cases of suspicion, accusation or incident related to corruption or bribery, we ensure that the investigation is carried out quickly, independently and objectively. Cases are investigated by ethics commissioners and/or ethics committees that are separate from the chain of management involved in the case in order to maintain impartiality and avoid conflicts of interest. The results of the investigation are reported to the Management Board and the Supervisory Board. The reporting process ensures that the relevant authorities are notified immediately, enabling appropriate action to be taken based on the findings of the investigation.

07 Supplier relations policy



This policy outlines our expectations of our suppliers regarding ESG practices and establishes a framework for sustainable supplier relationships. In implementing this policy, ADG undertakes to procure only from manufacturers and suppliers that comply with the provisions of the Medical Products Regulation (EU) 2017/745 with the aim of ensuring the highest level of safety and quality of service for ADG patients.

Environmental effects in the supply chain

Suppliers must comply with all applicable environmental laws, regulations and standards in the regions in which they operate. They should adopt practices that minimize their impact on the environment, including resource efficiency, waste reduction, pollution prevention and responsible use of energy and water.

Work standards

Suppliers must respect fundamental labor rights, including fair wages, safe working conditions, non-discrimination and freedom of association.

Human rights

Suppliers must respect and support human rights, including the rights of their employees, local communities and stakeholders. They must not participate in any form of forced labor, child labor, human trafficking or other human rights violations.

Quality

ADG expects the highest level of quality and compliance with legal regulations and professional standards from their suppliers so that they themselves can deliver the promised quality of service to clients.

Cooperation

ADG will encourage long-term relationships with suppliers, open dialogue, knowledge sharing and collaboration to develop innovation. ADG will actively involve suppliers in sustainability initiatives, joint projects and continuous improvement efforts.

ESG criteria in supplier selection

With their approach, expertise and application of top technology, ADG sets high standards in the provision of dental care, following the needs of patients and ensuring a solution in accordance with their capabilities.

Payment practices

In all their contractual relationships with suppliers, ADG sets fair conditions and strives to pay in accordance with the agreed terms and within a short period of time. ADG strives to prevent delays in payments to small and medium-sized suppliers.

Support for local suppliers

ADG wants to include local suppliers in their value chain and provide opportunities for small and medium-sized enterprises to support their development.

Supplier verification

Adria Dental Group will also evaluate its suppliers according to ESG criteria on the basis of a questionnaire that the suppliers will fill out independently or on the basis of their report if it is prepared according to ESRS standards. When possible, ADG will conduct supplier audits to determine their sustainability practices.

The goals of this policy are:

- Long-term cooperation and stability of the supply chain.
- Prevent delays in payments to suppliers, especially small and medium-sized enterprises.
- Prevent human rights violations and environmental pollution in the supply chain.

Scope

This Supplier Relations Policy applies to all procurement activities undertaken by ADG. It includes procurement of goods, services and works from external suppliers and contractors. The policy is applicable to all ADG members. ADG is committed to maintaining fair relations and promoting ESG practices regardless of the location of our suppliers.

Responsibility

The highest level in the organization that is responsible for the implementation of the policy is the head of strategic procurement for the Adria Dental Group. All employees in the procurement department are responsible for the implementation of the policy.

Implementation

ADG's policy is publicly available on their website and other relevant platforms for stakeholders to access and familiarize themselves with. ADG communicates the policy with suppliers through various channels, including publishing information in sustainability reports, through meetings and sending notices.

ADG defines and monitors key performance indicators related to the relationship with suppliers. Regular monitoring of key performance indicators enables the organization to assess performance, set goals and plan measures as needed. The achieved results are reported in the sustainability report.

08 Human rights protection policy



We are aware that the promotion and protection of human rights are fundamental for a just and sustainable society. At Adria Dental Group, we are committed to protecting and respecting human rights in all aspects of our business. We respect and promote human rights defined in the Universal Declaration of Human Rights and other internationally recognized instruments for the protection of human rights.

• IN RELATION TO THE EMPLOYEES

work conditions

ADG adheres to and support internationally recognized labor standards, ensures fair wages and safe working conditions in accordance with national legislation and voluntary guidelines.

Health and safety

ADG has established internal procedures and strict occupational health and safety standards to prevent accidents and related injuries, occupational diseases and deaths. A health and safety management system has been established in all clinics and is continuously being improved.

Freedom of association

ADG recognizes and respects the rights of their employees to join or establish a union, as well as to participate in collective bargaining in accordance with applicable laws.

Non-discrimination

ADG does not tolerate discrimination based on race, color, ethnicity, national origin, sex, sexual orientation, gender identity, religion, age, disability or any other characteristic.

Prohibition of child labor and forced labor

ADG has zero tolerance for child and forced labor.

• IN RELATION TO PATIENTS

Product quality and safety

ADG prioritizes the safety and quality of their products and services to ensure they meet applicable regulatory standards and do not pose risks to the health, safety or well-being of patients. ADG has strict processes to monitor and ensure the safety and quality of services.

Informing patients

ADG provides accurate, clear and relevant information about their products and services to enable consumers to make informed decisions. ADG ensures that all materials and communications are truthful, not misleading and easy to understand.

Privacy and data protection

ADG respects and protects the privacy rights of individuals, complying with applicable data protection laws and regulations. ADG handles personal data responsibly and securely by ensuring that individuals have control over their data and are informed about how it is collected, used and shared.

The goals of this policy are:

- zero cases of human rights violations in ADG's own operations and value chain.

Scope

This policy applies to all employees, contractors, suppliers and partners associated with Adria Dental Group. It encompasses all of their activities, including but not limited to our day-to-day activities, supply chain, business relationships and interactions with communities and stakeholders.

ADG strives to ensure that their suppliers and business partners respect human rights principles in accordance with this policy. ADG encourages transparency and conduct due diligence to identify and mitigate any potential negative impacts on human rights within their supply chain.

Responsibility

The management of ADG is responsible for the implementation of this policy. All levels of management are responsible for integrating human rights issues into decision-making processes within their respective areas of responsibility. They are responsible for communicating and enforcing this policy within their teams.

All employees are expected to familiarize themselves with this policy and to comply with its provisions. They should report any human rights concerns, violations or potential risks to their superiors, the Ethics Commissioner or the Board.

Implementation

This policy is publicly available to all stakeholders on the ADG website. Training on human rights policy is an integral part of employee induction and occasional training on the code of ethics.

Accessible and effective grievance mechanisms have been implemented to enable internal and external stakeholders to raise concerns, report violations and seek redress in a secure and confidential manner. We ensure that these mechanisms are easily accessible and impartially administered. We have established a framework to provide and enable redress for any human rights impacts that may occur within ADG and value chain. This framework ensures that individuals who have suffered violations of their rights have access to appropriate remedies, including restitution, compensation, rehabilitation and guarantees of non-repetition. ADG prohibits any form of retaliation against individuals who report human rights violations or seek legal redress.

ADG will regularly review and evaluate the effectiveness of this policy to ensure its compliance with new legal requirements, industry standards and international instruments. ADG encourages feedback from clients, stakeholders and experts to inform our ongoing efforts to respect human rights in our interactions with stakeholders.