



Fiscal Year 2024

Sustainability Report



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A Letter from our CEO

Water is the world’s most precious resource. As an industry leader, Advanced Drainage Systems is committed to protecting and managing water by providing sustainable water management solutions that safeguard the environment and build resiliency in communities nationwide.

The last several years have shown a secular trend of large-scale, water-related climate events increasing in frequency, duration and intensity. According to the National Centers for Environmental Information, there were 27 large-scale storm events in 2023, costing an estimated \$88 billion. By comparison, if we look back twenty years, there were just six events in 2003. These severe storms, hurricanes, floods and droughts have devastating consequences for our communities. As storms increase in frequency and intensity, and climate patterns continue to change, ADS’ water management solutions help reduce flooding, recharge aquifers, improve food security, mitigate the risk of water scarcity and ensure quality of life in communities.

Local stormwater management remains a concern for many Americans. Earlier this fiscal year, we surveyed a representative group of American adults, and found that over half of the respondents are concerned about the stormwater management infrastructure in their communities. One out of five experienced flooding in their homes. The survey also made clear that Americans are not just worried about protecting their homes, but also ensuring stormwater management practices are environmentally sustainable and improving quality of life in their communities.

At ADS, we are creating environmentally sustainable water management solutions. As one of the largest plastic recyclers in North America, we remove over half a billion pounds of recycled plastic from the waste stream each year, incorporating it into products designed to last decades. Further, we are continually working to increase our usage of recycled material, with the goal of reaching one billion pounds purchased annually by Fiscal 2032, nearly doubling the amount of recycled plastic we purchase today. Not only is using recycled plastic an economically viable solution, but it also lowers our carbon footprint.

In Fiscal 2024, we continued to make progress on ADS’ commitment to sustainability. We became a signatory to the UN Global Compact, joining the world’s largest corporate sustainability initiative. We implemented a supplier code of conduct, providing a framework for our suppliers to maintain the highest ethical standards in conducting business. Additionally, we implemented a biodiversity policy to serve as a comprehensive outline for implementing the conservation and advancement of biodiversity into ADS’ operations.

In this report, we have added new disclosures regarding this progress, as well as new disclosures on waste, landfill diversion and materials included in our manufactured products. In addition, for the first time, we sought limited assurance on our

reported scope 1 and 2 greenhouse gas emissions. We believe these updates further underpin our commitment to sustainable business practices and transparency in reporting.

I thank you for taking the time to learn more about the great work ADS is doing to integrate sustainability throughout the business, reduce our environmental impact and increase our positive contributions to society. As always, we look forward to further building on the sustainability programs we have established in the years to come.

Sincerely,



D. Scott Barbour
President & CEO



A Letter from our Sustainability Chairperson

As the Chairperson of ADS' Sustainability Committee of the Board of Directors, I am proud to present our annual Sustainability Report. This report reflects our continued commitment to responsible business practices and our dedication to making a positive impact on the environment, society and our communities.

We remain steadfast in our identifying areas in which we can make meaningful progress, and acting upon them. Through the framework that our 10-year goals provides, we believe ADS is well positioned to address the pivotal issues where our actions can have the most significant positive impact.

Given a dynamic and complex operating environment, we recognize that sustainability is not just a goal; it is integral to our business operations and our plans for the future. The success of our business is closely linked to the well-being of the planet and the communities we serve. As such, the Sustainability Committee believes that effective oversight on ADS' sustainability performance is imperative to our oversight of the company as a whole, and in meeting our duties to ADS' fellow shareholders.

In this report, you will find evidence of the extensive efforts being undertaken across ADS to integrate sustainable practices into how we operate, support our workforce and manage our responsibilities to the communities in which we operate. These actions ensure that we grow responsibly and while simultaneously contributing to a better future.

In particular, we take pride in the continued support of our communities evidenced by the

ongoing efforts of the ADS Foundation. In Fiscal 2024, the Foundation contributed over \$1 million to a variety of worthy causes, with a specific focus on those related to preserving clean water, promoting recycling and advancing quality of life through new opportunities.

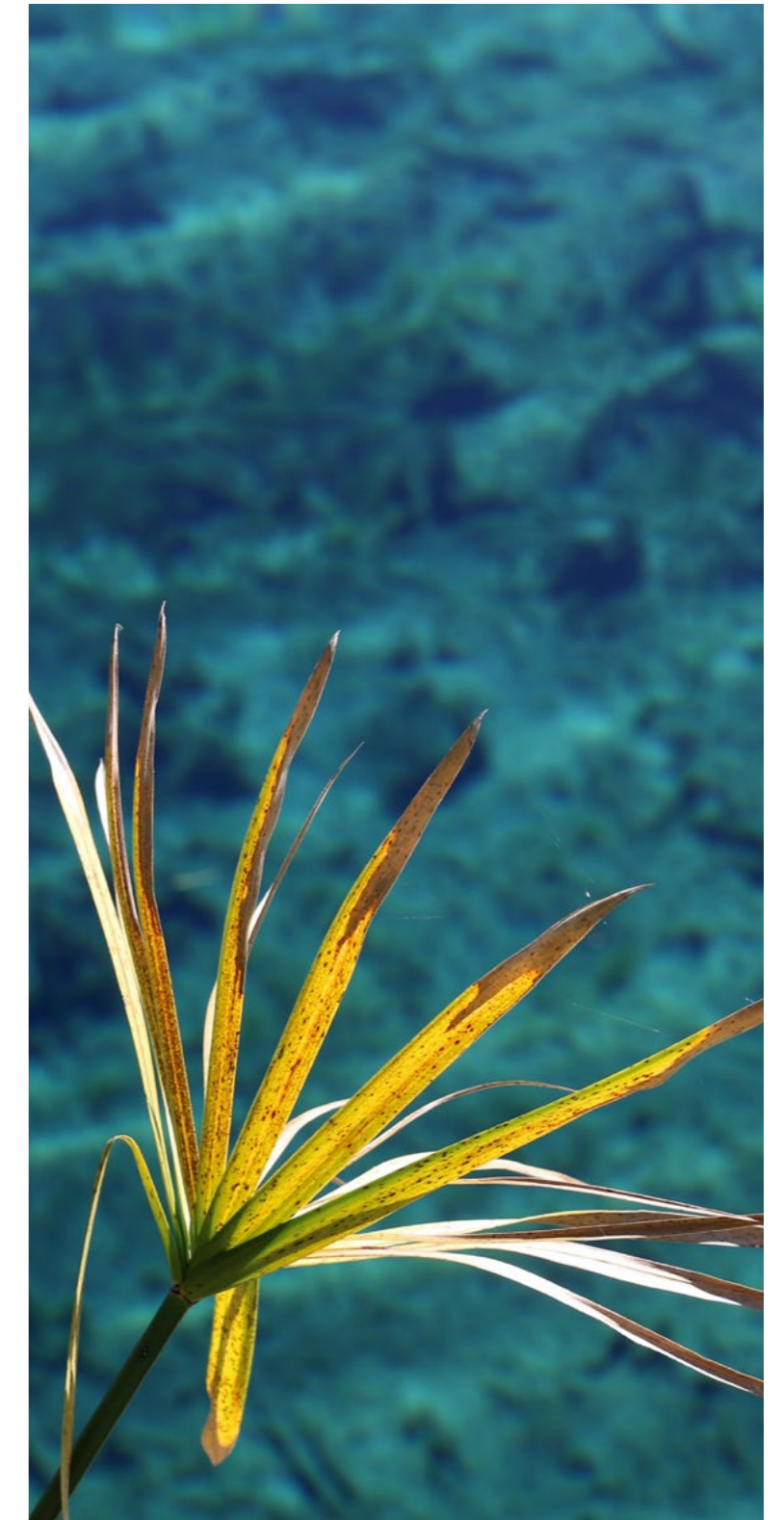
While taking account of the accomplishments achieved to date, we are confident that there is always more work to be done, and that we will continue to push boundaries, innovate, and collaborate with stakeholders to achieve our goals. To that end, I would like to extend my heartfelt gratitude to our employees, partners, customers, and shareholders for their support on this journey. Together, we can create a resilient, sustainable future for generations to come.

Thank you for taking the time to review our Sustainability Report. We invite you to join us in this journey towards a brighter and more sustainable future.

Sincerely,



Michael B. Coleman
Sustainability Chairperson





About ADS

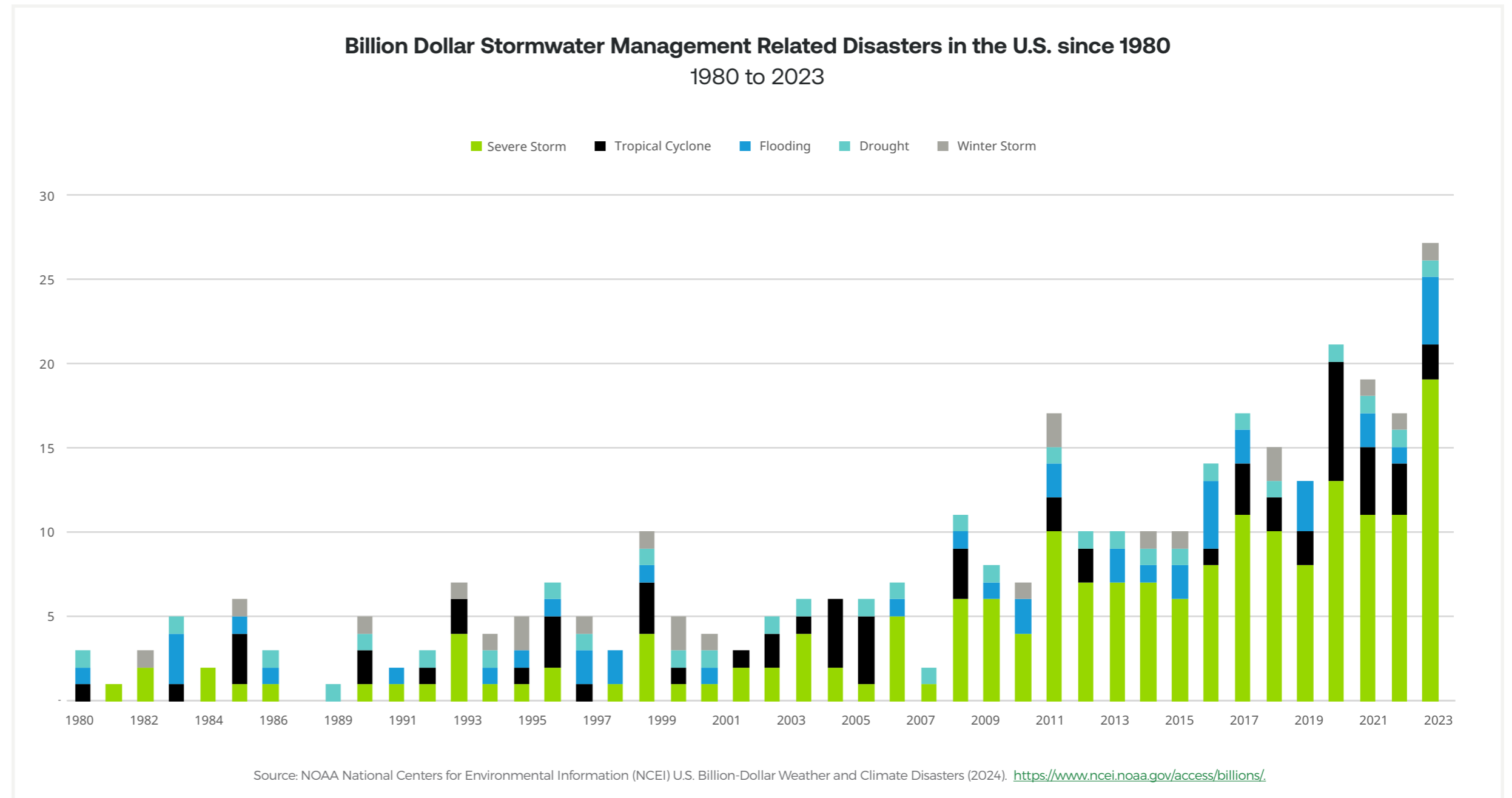
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Our Reason is Water

We are committed to developing solutions that assist communities as they plan for and recover from increasingly frequent storm events and unprecedented rainfall, as well as reducing the environmental impact of our own operations. As the climate warms, the amount of water available to be stored in the atmosphere increases, causing more intense precipitation and more frequent severe storms.

As shown in the following chart, the frequency of billion-dollar stormwater management related disasters, particularly severe storms, is increasing. ADS' stormwater products help communities address problems associated with this threat and help keep their residents safe from flooding and other problems associated with increased rainfall. We believe that by taking proactive steps, we can increase our positive impact through enhancing stormwater management in communities nationwide.



Lifecycle of a Raindrop

ADS provides stormwater solutions that manage the lifecycle of a raindrop. From the moment that raindrop hits the ground until it is returned to the environment, the ADS product portfolio is built around capturing, conveying, storing and treating before returning that raindrop back to the environment. Proper stormwater management helps prevent flooding, pollution, destruction, erosion and many other environmental and health issues.

Global population growth results in increased construction of buildings, homes, roads and highways, all of which disrupt the natural ability of stormwater to infiltrate the ground.

ADS' solutions provide for safe and efficient stormwater management with products that have a lower carbon footprint than competing products and allow communities to be resilient in both planning for the future and recovering from major storm events.



Capture

The first step in protecting our world's most precious resource, water. ADS capture structures collect and direct stormwater runoff on project sites to an underground conveyance system.

Conveyance

13+ billion feet of ADS pipe are installed around the world. To prevent flooding, which could lead to significant structural and environmental problems, ADS pipe, fittings and other products safely move water away from developed sites to be reintroduced to the water cycle.

Storage

The current footprint of installed StormTech retention detention chambers can infiltrate 3+ billion gallons of stormwater runoff. To mitigate erosion and flooding, ADS retention and detention systems manage infiltration and recharge stormwater prior to the treatment process.

Treatment

ADS Barracuda water quality units in place can manage 3+ million gallons of water per minute during storm events. ADS water quality products remove trash, debris and pollutants from stormwater runoff collected in previous steps, ensuring only clean water is discharged back into our communities.

Business Overview

Advanced Drainage Systems (ADS) is a leading manufacturer of sustainable stormwater and onsite septic wastewater solutions, with headquarters in Hilliard, Ohio, USA. Our operations spread across the United States, Canada, Mexico and South America.

We provide a comprehensive suite of water management products and superior drainage solutions for use in the underground construction and agriculture marketplace. ADS' broad product portfolio includes corrugated high-density polyethylene (HDPE) and polypropylene (PP) pipe, retention/detention chambers, catch basins and water quality units, as well as leachfield chambers and tanks. Our products are generally lighter, more durable, more cost effective, have a lower carbon footprint¹ and are easier to install than comparable alternatives made with traditional materials.

We have a large, active customer base of approximately 16,000 customers, spanning national and independent waterworks distributors, major national retailers that carry drainage products and buying groups and cooperatives in the United States that serve the construction, agriculture, plumbing, hardware, irrigation and landscaping markets.

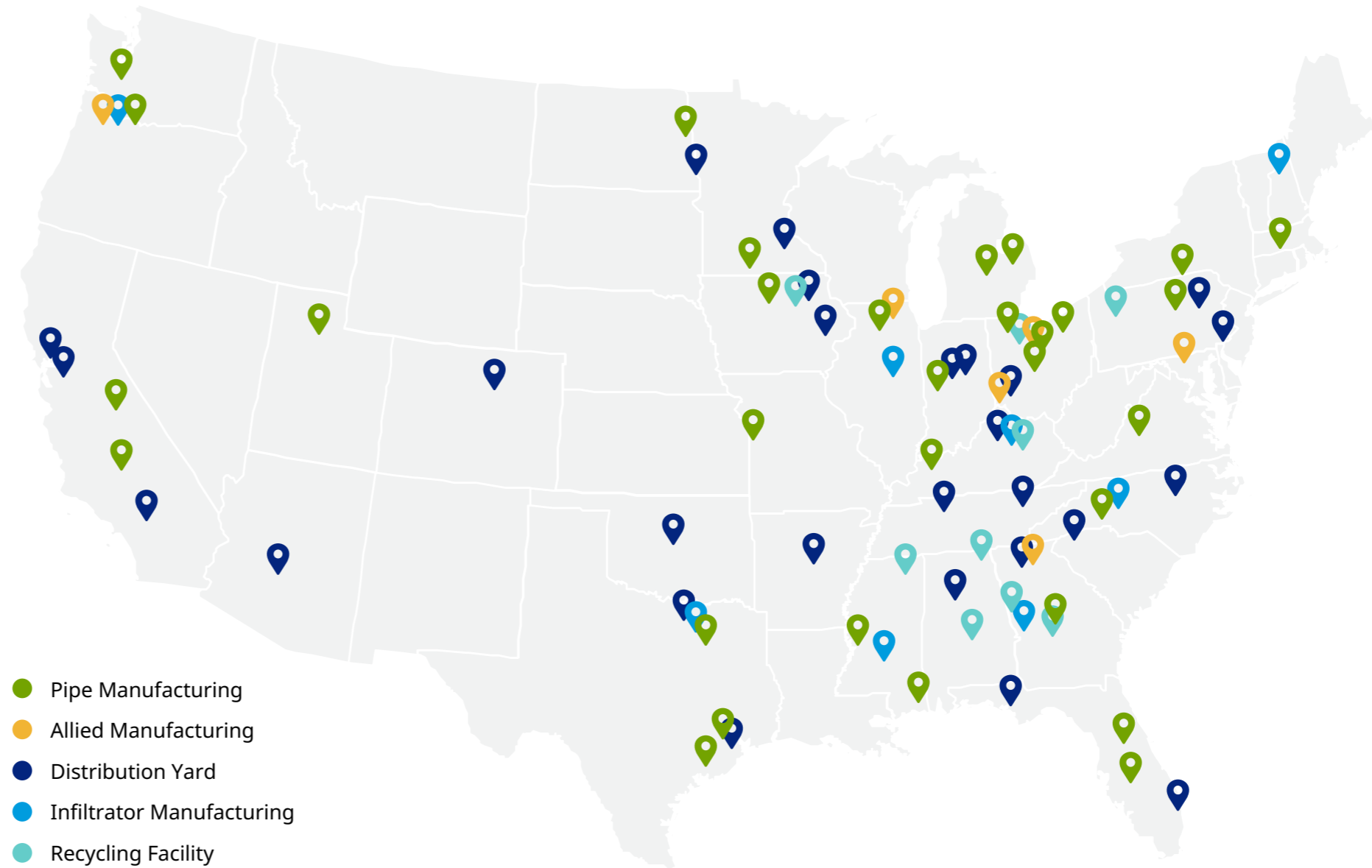
¹ Life Cycle Analysis on stormwater pipe conducted by Plastics Pipe Institute (PPI), 2021.



Business Footprint

In addition to our manufacturing and distribution facilities across the U.S., we also own manufacturing facilities in Canada to produce our products for sale in the Canadian markets. Additionally, we serve other international markets primarily in Mexico and South America through joint ventures with local partners. Our joint venture strategy has provided us with local and regional access to key markets such as Mexico, Brazil, and Chile. Our joint ventures and other international subsidiaries produce pipe and related products to be sold in their respective regional markets.

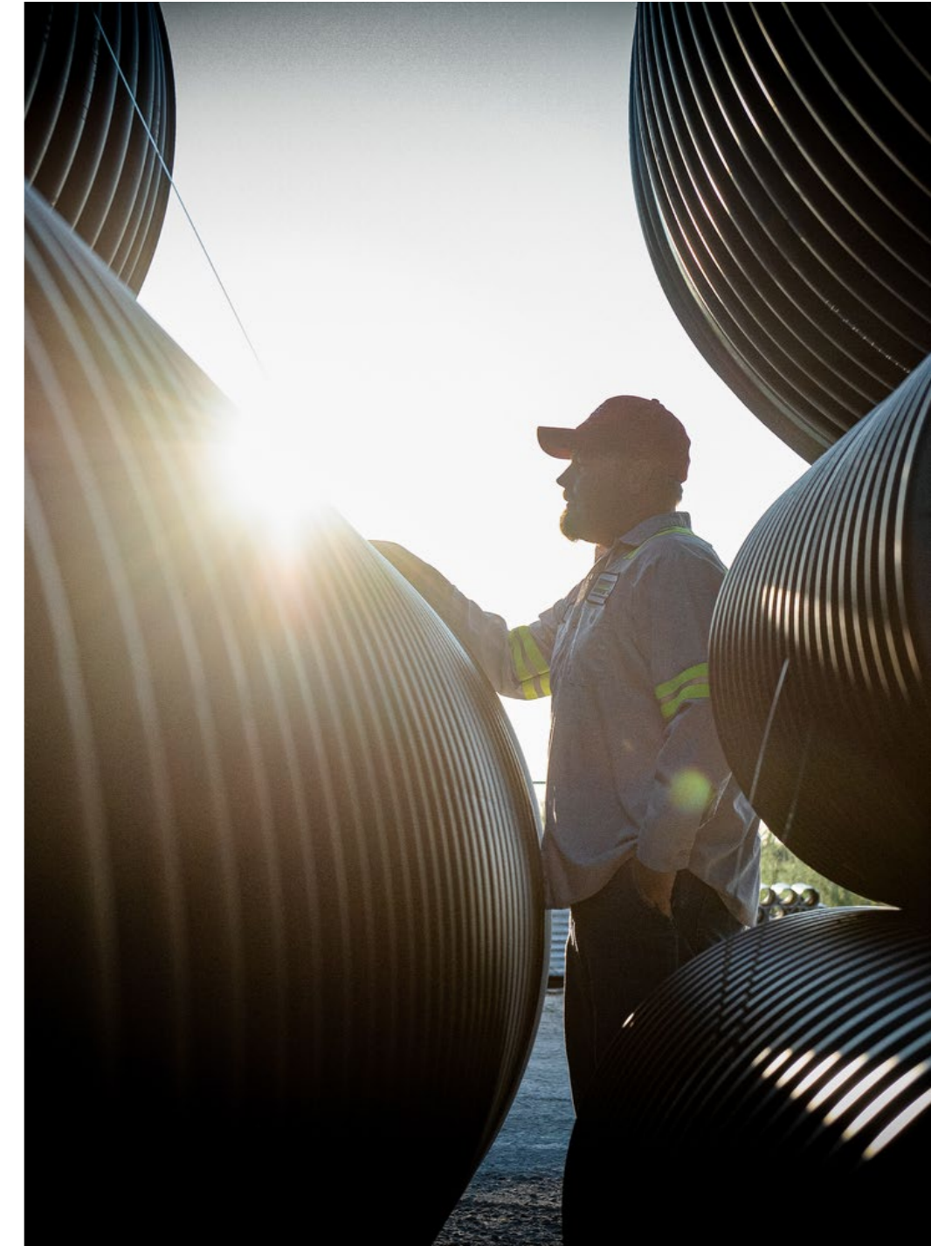
United State Production Facilities



Business by the Numbers			
Scale of the Organization	Fiscal 2022	Fiscal 2023	Fiscal 2024
Net Sales (\$ in millions)			
United States	\$2,548	\$2,830	\$2,673
Canada	\$138	\$155	\$115
Other International	\$83	\$87	\$86
Total	\$2,769	\$3,071	\$2,874
Manufacturing Plants			
United States	57	53	51
Canada	5	5	5
Mexico ²	4	4	4
South America ²	4	4	4
Other	-	-	-
Total	70	66	64
Distribution Centers			
United States	24	27	29
Canada	4	4	4
South America ²	5	5	5
Mexico	4	3	2
Other ³	1	1	1
Total	38	40	41

² Manufacturing plants and distribution centers in Mexico and South America are owned or leased by our joint ventures.

³ The other facility is located in the Netherlands.



Awards & Recognition

Plastics News



Second largest plastic recycler in North America according to Plastics News

Plastic News named ADS the second largest plastic recycler in North America in 2024. ADS is proud to maintain our position as one of the largest recyclers as we continue to expand our recycling operations and use of recycled material as we pursue our Fiscal 2032 goal of purchasing 1 billion pounds of recycled material annually.

America's Climate Leaders according to USA Today and Statista

ADS achieved a spot on the annual list of America's Climate Leaders by USA Today. Published in 2024, this recognition is largely due to the company's work in reducing greenhouse gas emissions. Two thousand companies with revenue of over \$50 million in 2022 were evaluated and the top 400 made the list. The list evaluated company-wide greenhouse gas emissions intensity, scope 1 & 2 emissions and the organization's commitment to the Science Based Targets initiative, among other criteria between 2020 and 2022.

22nd Annual American Business Awards

ADS was recognized as Company of the Year in both Materials and Construction and the Large Manufacturing categories at the 22nd Annual American Business Awards. ADS was honored with the Gold Stevie® Awards in the following categories: **"Sustainability & Environment"** and **"Cause & Green."** In addition, ADS won two Silver Stevie® Awards for achievement in Corporate Social Responsibility and achievement in Environment, Social and Governance.

2023 Encouraging Environmental Excellence Awards

ADS was named "Gold Level" honoree by the Ohio Environmental Protection Agency (EPA) in the 2023 Encouraging Environmental Excellence (E3) Awards, in acknowledgment of our achievements in reducing our GHG emissions intensity, positive contributions to recycling and circular economy through use of over 540 million pounds of recycled material, commitment to our ten year goals and charitable contributions. The Ohio EPA E3 Gold Level recognizes organizations that have comprehensive environmental stewardship programs. ADS was evaluated based on 15 environmental stewardship criteria that include pollution prevention, stormwater best management practices, sustainable materials and purchasing, and others.

Our Approach to Sustainability



At ADS, we view sustainability as a journey, not a destination. We continue to make incremental progress in developing our sustainability program and achieving our Fiscal 2032 goals, maintaining a continuous improvement mindset to ensure forward progress.

To that end, in August 2023 we became a signatory to the UN Global Compact, the worlds largest corporate sustainability initiative. The UN Global Compact enables us to align our strategies with other like-minded companies as we work towards the collective goal of achieving a better world.

Additionally, we periodically conduct a materiality assessment to confirm our objectives remain focused on areas most important to our business from both a stakeholder and financial impact perspective. The results of the most recent materiality assessment (conducted in Fiscal 2023) are presented in this report and provide an important foundation to inform future areas of focus.

Progress towards our 10-Year Goals

In Fiscal 2022, we announced ADS' 10-year goals, created to guide our operations towards having a more positive impact.

In Fiscal 2024, we continued to take action towards achieving these goals, with meaningful progress in each of the six areas of focus based on our tagline -- **REASON**.

Area of Focus	Goal	Fiscal 2024 Progress
Recycling	<ul style="list-style-type: none"> 1 billion pounds recycled material used annually by 2032. 	<ul style="list-style-type: none"> 540 million pounds of recycled material purchased in Fiscal 2024. Continued construction on Engineering and Technology Center in Hilliard, OH, opening in Fiscal 2025. This facility will help us find ways to incorporate additional recycled material in our products. Continued to partner with The Recycling Partnership, whose goal is to provide equitable access to recycling across the United States.
Environmental Impact Reduction	<ul style="list-style-type: none"> Reduce absolute GHG emissions through science-based targets in line with limiting global temperature risk to 1.5°C. 	<ul style="list-style-type: none"> Signed the Science Based Targets initiative (SBTi) commitment letter on April 21, 2022. Proposed targets are currently under review by SBTi for approval. Internally, we have developed a path to achieve these targets and will report additional information once the science-based targets are approved.
Accountability	<ul style="list-style-type: none"> Continued transparency in reporting annual progress toward 10-year goals. Implementation of a supplier sustainability program to be a responsible and transparent corporate citizen. 	<ul style="list-style-type: none"> Launched a supplier code of conduct in the first quarter of Fiscal 2024. Became a signatory to the United Nations Global Compact in the first quarter of Fiscal 2024.
Social Purpose	<ul style="list-style-type: none"> Increase focus on Culture and Engagement Continue supporting communities through the ADS Foundation. Develop and foster community partnerships. 	<ul style="list-style-type: none"> New disclosures on waste, landfill diversion, and materials used in manufacturing. Contributed \$2 million to charitable organizations, including \$1 million through the ADS Foundation.
Operational Excellence	<ul style="list-style-type: none"> Reduce Total Recordable Injury Rate (TRIR) to below 1.0 by Fiscal 2032. Commit to Operation Clean Sweep. Implement closed loop water usage at 100% of the Legacy ADS pipe manufacturing locations. 	<ul style="list-style-type: none"> TRIR was 2.1, a 22% improvement from the Fiscal 2022 baseline of 2.7. We continue to focus on safety and lowering the TRIR. Active member of Operation Clean Sweep. 100% of the legacy ADS pipe manufacturing facilities utilize closed loop water systems. We are currently evaluating the remaining manufacturing sites to evaluate the feasibility of utilizing closed loop water systems.
News	<ul style="list-style-type: none"> We will keep lines of communication open and transparent and will share news of our progress on a regular basis via the ADS website, investor communications and our annual sustainability report. 	<ul style="list-style-type: none"> Published annual sustainability report.

Alignment with the United Nations Sustainable Development Goals

As a signatory to the UN Global Compact, we believe it is important for ADS to identify how we can align our operations and impact with the United Nations Sustainable Development Goals (“UN SDGs”), a comprehensive framework created to enable a more sustainable world by 2030. Identifying our alignment with the UN SDGs underscores how we are demonstrating our commitment to be a conscientious corporate citizen and connecting the success of our business with positive impact for communities globally.

On this page, we highlight the SDGs for which our business has the greatest impact – throughout this report, we also identify disclosures that emphasize how ADS is acting to support these SDGs. For more information on specifically how we view our alignment with the UN SDGs, please visit the [appendix of this report](#).



Materiality Assessment

We believe that ongoing stakeholder engagement is crucial to maintain a leading Sustainability program. In Fiscal 2023, we completed a materiality assessment to further understand how our key stakeholders view the key issues that impact our business. The results of this assessment will help ADS better integrate material issues into our risk management and strategic planning processes in the future and guide our forward-looking sustainability priorities.

Evaluating and Prioritizing Impacts

In collaboration with a third-party consultant, we evaluated ADS' sustainability-related risks and opportunities using the dual lenses of stakeholder and financial impact. This approach ensures our reporting meets the expectations of all stakeholders and better aligns the company with its long-term business and sustainability goals.

Our assessment reflects guidance from relevant third-party frameworks (i.e., the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI)) as well as an in-depth review of our industry landscape. Following this exercise, we engaged a selection of our internal leaders and external stakeholders (e.g., customers, investors) through in-depth interviews to better understand what mattered most.

The results were shared with stakeholders interviewed and are provided below:

ADS' Material ESG Issues

Enhancing ability to attract and retain talent

Providing solutions to support customer and community resilience to extreme weather and water scarcity

Decarbonizing ADS' own operations and supply chains

Increasing the use of recycled plastics through partnerships and innovation

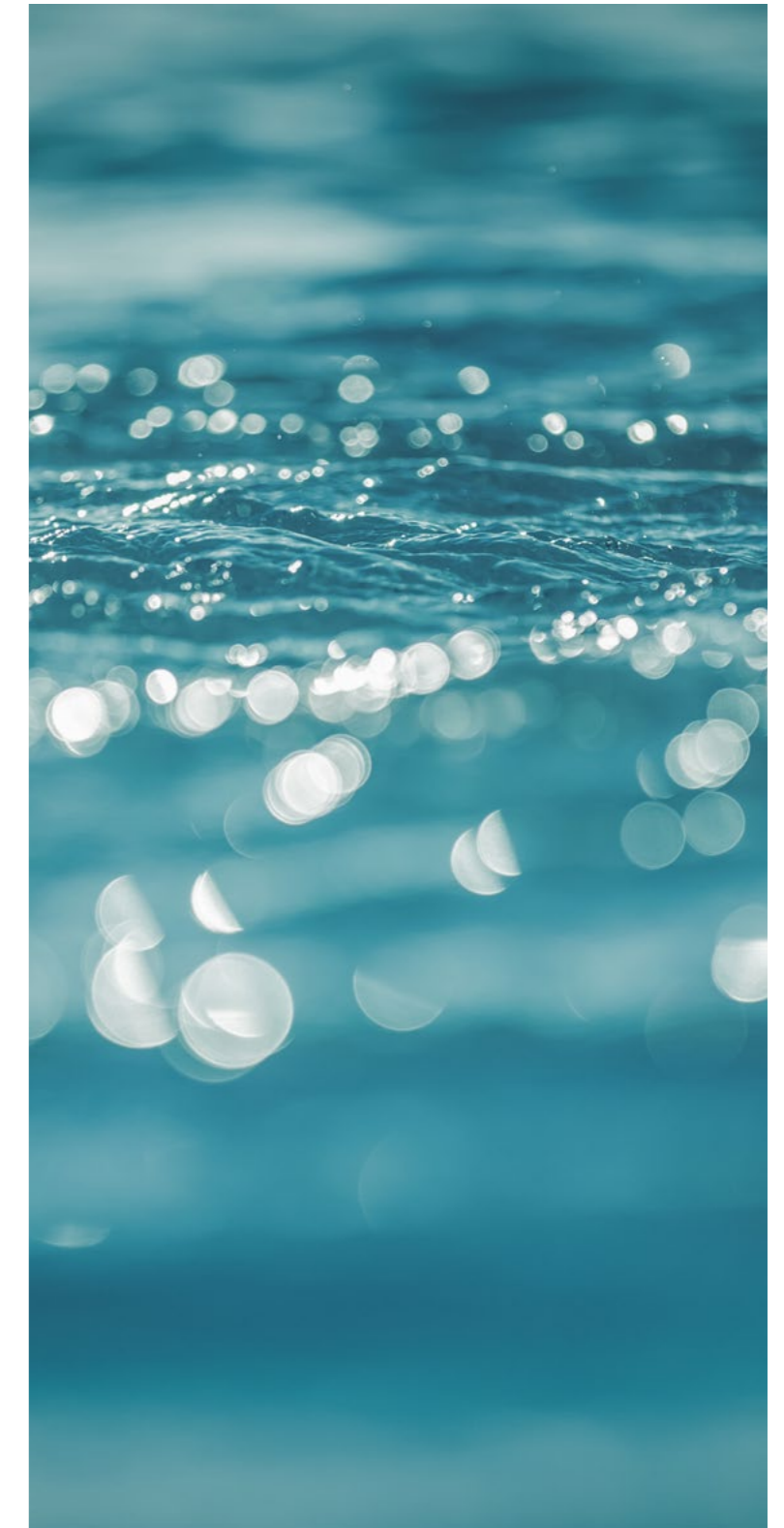
Deploying automation technologies across ADS' manufacturing network

Fostering a culture of inclusivity and engagement

Integrating sustainability-related risks, opportunities, and impacts into ADS corporate governance

Enhancing the measurement and disclosure of ADS' product impact

Building ADS' operational resilience (including supply chain) to extreme weather





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Energy and Emissions

ADS is committed to decarbonizing our operations and providing solutions that help the world decarbonize. Our recycled HDPE pipe has a lower carbon footprint compared to competing materials, allowing communities around the world to manage stormwater with a smaller carbon footprint. Additionally, we are committed to the SBTi for greenhouse gas emissions in line with limiting global temperature rise to 1.5°C. In Fiscal 2024, we continued engaging with the SBTi and formally submitted our targets for approval, which is anticipated in Fiscal 2025.

Greenhouse Gas Emissions

Scope 1 GHG emissions decreased 4.6% in Fiscal 2024, primarily due to the reduction in fuel consumption by the ADS fleet. Scope 2 GHG emissions decreased 4.6% (Market Based) and 4.1% (Location Based), primarily due to the decrease in manufacturing volume.

In Fiscal 2024 we continued to track energy usage and emissions data using Resource Advisor. Fleet emissions data was tracked using Smartway as described in the Transportation Efficiency section of the report.

As part of our ongoing efforts to improve our environmental impact, we are in the process of formalizing SBTi's to reduce our GHG emissions from our baseline, limiting our emissions to align with a global 1.5°C maximum temperature increase. In accordance with the Paris Climate Accord, ADS submitted a letter of intent signaling our commitment to science-based targets for GHG emissions in April 2022. In Fiscal 2024 ADS submitted proposed SBT to the SBTi for approval.

GHG Emissions ⁴			
Scope 1 Emissions (Metric Tons CO2e)	Fiscal 2022 ⁵	Fiscal 2023	Fiscal 2024 ⁶
Scope 1 GHG Emissions by Type			
Fuel	157,884	144,296	134,863
Natural Gas	6,529	6,424	5,547
Total Scope 1 GHG Emissions	164,413	150,720	140,410*
Scope 2 Emissions (Metric Tons CO2e)	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total Scope 2 GHG Emissions (Market Based)	174,543	164,855	157,312*
Total Scope 2 GHG Emissions (Location Based)	167,434	161,303	154,719*
Emissions Intensity (Scope 1 & 2)	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total GHG Emissions (Scope 1 & 2) (Market Based)	388,956	315,574	297,722*
Total GHG Emissions (Scope 1 & 2) (Location Based)	331,847	312,023	295,130*
Total Sales (\$, in millions)	2,769	3,071	2,874
Total GHG Emissions Intensity (Scope 1 & 2) (Market Based/Location Based)	110 / 108	103 / 102	104 / 103
Scope 3 Emissions (Metric Tons CO2e)	Fiscal 2022	Fiscal 2023	Fiscal 2024
Scope 3 GHG Emissions by Type			
Purchased goods and services	968,243	745,353	597,373
Other ⁷	157,971	175,414	198,004
Total Scope 3 GHG Emissions	1,126,214	920,767	795,376

⁴ Emissions data is representative of the ADS business in the United States and Canada. The data does not include joint ventures facilities in Mexico or Other International, which represent less than 5% of net sales.

⁵ Fiscal 2022 and Fiscal 2023 Scope 1 & 2 emissions and totals reported in this table have been updated to match the calculations and reporting transparency methods used in Fiscal 2024.

⁶ The methodology for calculating Scope 1 GHG emissions for Fiscal 2024 includes CH4, and N2O emissions in addition to CO2 emissions previously reported (the sum of CH4, N2O and CO2 comprises CO2e). Scope 1 Emissions for Fiscal 2022 and 2023 were also updated to use this same methodology.

⁷ All other scope 3 categories are less than 10% of the total emissions.

* Items denoted with an asterisk (*) have received limited assurance – more information on this can be found in the appendix of this report.



Energy Use

In Fiscal 2024, ADS continued to track energy and emissions data from our U.S. and Canada operations on a facility level.

Approximately 99% of our energy is consumed in the manufacturing processes. ADS continues to evaluate opportunities to reduce our energy consumption through adopting more efficient technologies throughout our manufacturing footprint and reducing scrap and improving equipment effectiveness.

Energy Usage ⁸				
Energy Consumption	Unit of Measure	Fiscal 2022 ⁹	Fiscal 2023 ⁹	Fiscal 2024
Purchased Electricity ¹⁰	Gigajoules (GJ)	1,653,838	1,582,187	1,488,709
Purchased Natural Gas	GJ	129,691	127,594	110,188
Total Energy Consumption	GJ	1,783,529	1,709,781	1,598,897
ADS Sales	\$, in millions	\$2,769	\$3,071	\$2,874
Energy Intensity	GJ per million revenue \$	644	557	556

⁸ Fiscal 2024, Fiscal 2023 and Fiscal 2022 data does not include Cultec (acquired in May 2022) the joint ventures in Mexico or other international sales which represent less than 5% of net sales. In addition, Fiscal 2023 and Fiscal 2022 data does not include Jet Polymers (acquired in December 2021).

⁹ ADS is constantly refining our data collection, calculation and reporting process and is re-stating figures for Fiscal 2022 and Fiscal 2023 to ensure accuracy of methodology across all reporting year data.

¹⁰ 100% grid electricity. We did not purchase any renewable energy in Fiscal 2024, 2023 or 2022.





Transportation Efficiency

ADS operates the largest company-owned fleet in our industry, which allows for optimal customer service. We are constantly working to reduce the fleet's environmental impact and we are proud to have partnered with Smartway, a program established by the United States EPA, designed to help companies advance supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency. We are continuously optimizing our vehicle use, fleet routes and shipping methods to meet our efficiency goals and reduce fleet impact.

The ADS fleet is comprised of custom drop side trailers, tractor trailers, box trucks and flat beds designed for efficient jobsite delivery. The logistics team chooses the best trailer for the job depending on products, delivery site and distance. Regardless of the job, our fleet can deliver what the customer needs, when they need it. We continue streamlining our fleet capabilities by more efficiently shipping certain non-core deliveries, including less than full truckload shipments, retail deliveries and certain long-distance or one-way trips, via third-party logistics partners designed with the specific load of trip type in mind.

In Fiscal 2024, fuel economy was relatively flat to the prior year. Based on the age of our current fleet assets, we believe we are near peak MPG. We have a significant number of assets on order as a part of our fleet refreshment strategy, which have better fuel economy and will improve this metric as these assets are delivered in the future. Payload efficiency increased 3% to 22.6, and fuel consumption decreased 7% to 854,618 GJ. Both decreases are primarily related to a reduction in shipping volume in Fiscal 2024 compared to Fiscal 2023.

ADS continues to execute initiatives to increase compliance, improve driver training and further adopt monitoring technology. Through compliance and driver training programs, we increased awareness of route management, load optimization and other value-added activities. Additionally, further adoption of monitoring technology has allowed us to provide additional oversight to our driver practices as well as implement preventative repair and maintenance strategies. We believe there is further opportunity to improve fleet efficiency through adoption of additional technology solutions, active tire monitoring and self-inflation technologies, managed maintenance programs and training programs focused on reducing idle time, improving MPG and improving engine efficiency. We have annual internal targets for payload efficiency which drives continuous improvement in route optimization and load maximization.

Fleet Metrics				
Fleet Efficiency ¹¹	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024
Fuel Economy ¹²	Miles per gallon (MPG)	6.5	6.5	6.4
Payload Efficiency ¹³	Pounds shipped per miles traveled	23.7	22.0	22.6
Fuel Consumed ¹⁴	GJ	1,016,622	920,720	854,618
NOx emissions ¹⁵	Grams per mile (g/m)	3.25 [4.65]	3.02 [4.03]	2.99 [3.99]
	Grams per ton mile (g/tm)	0.26 [0.26]	0.29 [0.29]	0.30 [0.30]
CO2 emissions ¹⁵	Grams per mile (g/m)	1,610 [1,510]	1,601 [1,491]	1,558 [1,558]
	Grams per ton mile (g/tm)	107 [107]	105 [105]	117 [117]
Particulate matter emission ¹⁵	Grams per mile (g/m)	0.0445 [0.0445]	0.0052 [0.0332]	0.0051 [0.0321]
	Grams per ton mile (g/tm)	0.0028 [0.0028]	0.0017 [0.0028]	0.0018 [0.003]

11 Fleet efficiency data is representative of the entire ADS fleet, which operates in the United States and Canada.
 12 MPG is defined as total miles traveled divided by total fuel consumed. MPG is tracked through a third-party telematics program. Telematics are installed on all ADS medium and heavy-duty ADS trucks.
 13 ADS defines payload efficiency as the total pounds shipped on ADS fleet divided by the total miles traveled on the ADS fleet. ADS uses payload efficiency as a measure of capacity utilization.
 14 Fuel is tracked through a third-party telematics program. Converted from gallons to GJ at a rate of 0.14652 GJ per 1 gallon.
 15 As part of our commitment to the Smartway Program, NOx, CO2 and Particulate Matter emissions are tracked on a calendar year basis. Values for Fiscal 2024, represent calendar year 2023 data, Fiscal 2023 values represent calendar 2022 data, and Fiscal 2022 values represent calendar 2021 data. Data in brackets represents data for the ADS fleet in Canada, which is tracked and reported to the US EPA Smartway Program separately.



FISCAL 2024 SUCCESS STORY

ADS Fleet Modernization



ADS is modernizing our fleet to increase efficiency, safety, driver comfort and decrease our greenhouse gas emissions. While many companies are transitioning to electric vehicles, the uniqueness of our delivery model, delivering to construction sites and farm fields, makes the conversion to electric vehicles not ideal for our fleet. However, we remain committed to reducing our emissions and are continuously researching evolving technology to find the right fit to decarbonize our fleet.

In the meantime, we are focusing on efficiency and fleet modernization to minimize the greenhouse gas emissions from our fleet. In Fiscal 2024, ADS purchased 150 new trucks which will allow us to retire older less efficient models. The new trucks will have automatic manual transmissions that employ predictive shifting which optimizes necessary torque and power for peak performance and fuel economy. Employing the latest technology to reduce GHG emissions is important to ADS and will help to achieve our science-based targets for GHG emissions.

Position on Climate Change

ADS recognizes climate change to be one of the most critical global challenges facing our environment, communities and global economies today. Everyone has an important role in combating this global challenge and we are proactively doing our part by implementing sustainable environmental practices and manufacturing products to protect our most precious resource: water.

Water is integral to the health of communities everywhere, and ADS produces effective, reliable and sustainable water management products and solutions. Further, our products and solutions help address various effects of climate change on the water cycle, such as shifts in precipitation patterns due to a warming atmosphere.

We are well positioned to meet the needs of the many cities, contractors and developers proactively working to improve stormwater management practices as well as protect and restore water quality.

While ADS currently implements a sustainable business model that directly addresses water-related climate change risks, we are also focused on improving our internal operations, procedures and policies to respond to this global challenge.

We are committed to monitoring and managing climate-related risks and opportunities related to our business strategy, product solutions and operations.

Climate-Related Risks and Opportunities

In our assessment of climate-related risks and opportunities, we have identified potential transition and physical impacts across three core areas: our manufacturing, our fleet and the demand for our products and services.

Managing Climate-Related Risks

The transition to a low-carbon economy can raise several risks for our industry. As such, preparing for these potential impacts is important to our overall business. From a regulatory standpoint, the potential introduction of CO2 prices, limits on emissions and stricter environmental standards may introduce additional costs to our manufacturing processes and to our fleet.

Further, potential shifts in the demand and supply of our key raw materials, including recycled and virgin plastic, could impact the cost of doing business, while stakeholder concerns about the plastics industry may create reputational risks across our value chain.

Additionally, the physical risks associated with climate change, such as extreme weather events and changes to weather patterns may lead to disruptions in our supply chain, the transportation of our products and potential slowdowns in revenue. However, most of these adverse impacts are short-term in nature. Over the long term, our products and services can protect communities against extreme weather events and changes in precipitation patterns, as discussed below.



In the effort to address climate-related risks, we are working hard to reduce our carbon footprint, limit energy consumption and improve fuel efficiency. In Fiscal 2023, we continued collecting data to monitor our energy and fuel consumption as well as greenhouse gas emissions at our manufacturing facilities, distribution yards and corporate facilities across the United States and Canada. Tracking this information will be essential to achieving our science based targets for GHG emissions, which are included in our 10-year goals.

Seizing Climate-Related Opportunities

As a water management solutions provider, we believe we can help communities mitigate some of the most damaging transitory and physical effects of climate change.

Our innovative solutions preserve the integrity of the natural resource most at-risk to climate change: water. Our stormwater management solutions, particularly storm pipe, retention/detention systems and sediment removal products, are paramount to reducing water runoff, improving water quality and preserving water in communities facing extreme weather events.

Cities, governments, contractors and engineers are more focused than ever on reducing their carbon footprints through the adoption of more energy efficient solutions. Our manufactured products are

more energy efficient than traditional materials, requiring less heavy machinery during installation and fewer deliveries per jobsite. Most importantly, ADS' plastic pipe products have a lower carbon footprint than that of traditional reinforced concrete and corrugated steel pipes. Our plastic products are beneficial to the communities we serve and can help these communities achieve their sustainability and climate change-related goals.

Finally, the transition to a low-carbon economy also presents meaningful operational opportunities for ADS. Our strategic manufacturing initiatives currently focus on improving efficiency through reducing downtime and minimizing scrap and our logistics and transportation initiatives are working towards increasing payload efficiency and reducing fleet miles per gallon. Successful execution of these important initiatives will not only reduce our carbon footprint, but also cut future operating costs.



Transition Risks and Opportunities	Examples of Relevant Trends and Developments	Impacts to ADS Transition Opportunities
Policy, Legal and Regulatory	<ul style="list-style-type: none"> / Increased regulatory reporting requirements / CO₂ prices / Phasing out of fossil fuel subsidies / Emission limits / Introduction of strict environmental standards for industrial plants and buildings / Policies to support recycling / Support for electric mobility, energy efficiency and alternative fuels in transportation 	<p>ADS MANUFACTURING</p> <ul style="list-style-type: none"> / Risks: We may face a potential increase in the cost of operations and capital expenditures due to higher carbon prices and the additional costs associated with fitting plants and buildings to meet environmental standards. / Opportunities: We may use policy incentives to shift towards lower- emission energy sources. / Capital investments in greener equipment, machinery and facilities will result in more energy-efficient operations. <p>ADS FLEET</p> <ul style="list-style-type: none"> / Risks: Transportation-related policies may lead to a potential increase in costs related to improving fuel efficiency of our fleet, or could lead to current fleet being regulated out in certain geographies. / Opportunities: Our efforts to improve the fuel efficiency of our fleet may result in improved network optimization. <p>DEMAND FOR ADS PRODUCTS</p> <ul style="list-style-type: none"> / Opportunities: With recycled plastics making up 60 percent of our raw pipe materials, we are in a strong position to benefit from an increased demand of recycled material products. Higher environmental standards for buildings and infrastructure may also increase demand for our products. <p>ADS CORPORATE</p> <ul style="list-style-type: none"> / Risks: We may face costs associated with increased reporting obligations. / We may be exposed to litigation related to resin pellets by suppliers.
Market	<ul style="list-style-type: none"> / Shifts in demand of our products and services. / Shifts in supply and demand of raw materials, including plastic (a petroleum- based product) / Shifts in supply and demand of transportation fuel 	<p>ADS MANUFACTURING</p> <ul style="list-style-type: none"> / Risks: We may face increased cost of raw materials (virgin and recycled plastic); decreased availability of recycled material. <p>ADS FLEET</p> <ul style="list-style-type: none"> / Risks: We may face increased cost of fuel. <p>DEMAND FOR ADS PRODUCTS</p> <ul style="list-style-type: none"> / Opportunities: We believe there is a significant opportunity to partner with governments and communities as our products are part of the climate-change mitigation solution. As we seek opportunities in new markets to diversity and better position our company in the transition to a lower- carbon economy, we may capitalize on public-sector incentives related to our offerings. / Our products and services are, by design, more energy efficient than traditional materials, requiring less heavy material and fewer deliveries per job site. / While plastic is a petroleum-based product, it has a lower carbon footprint compared to incumbent pipe materials. <p>ADS CORPORATE</p> <ul style="list-style-type: none"> / The growing market for sustainable investments may create additional financial opportunities for our company as our products address key climate-related challenges.





Transition Risks and Opportunities	Examples of Relevant Trends and Developments	Impacts to ADS Transition Opportunities
Technology	<ul style="list-style-type: none"> Changes in technologies that support the transition to lower- carbon and energy- efficient products 	<ul style="list-style-type: none"> Opportunities: Our existing products constitute the lower-carbon and energy-efficient alternatives on the market. We will continue to monitor for new technologies and materials that allow for further carbon footprint improvements and energy savings. We plan to develop adaptive capacity to respond to changing market needs through new product development.
Reputational	<ul style="list-style-type: none"> Reputational risk tied to changing customer or community perceptions 	<ul style="list-style-type: none"> Risks: We recognize the climate-related risks associated with the use of plastic as a potential reputational risk. Opportunities: We are deliberate in our efforts to use recyclable materials in our production and manufacturing, and to source our raw materials in a responsible manner.
Acute Risk	<ul style="list-style-type: none"> Increased severity of weather events, such as cyclones, hurricanes and floods 	<p>ADS MANUFACTURING</p> <ul style="list-style-type: none"> Risks: We may need to allocate additional capital expenditures to secure our facilities from extreme weather conditions. We may face supply chain interruptions, as extreme weather events may cause shortages. <p>ADS FLEET</p> <ul style="list-style-type: none"> Risks: We may face disruptions to transportation availability. <p>DEMAND FOR ADS PRODUCTS</p> <ul style="list-style-type: none"> Risks: Market disruptions may result in short-term revenue slowdowns. Opportunities: Our products serve as direct solutions to addressing the physical impacts of climate change. Therefore, we see a significant opportunity for increased demand for our products and services over the long term.



Waste, Materials and Resources

Circularity

The circular economy, or circularity, is an economic system based on the reuse and regeneration of materials or products, especially as a means of continuing production while eliminating waste. The circular economy aims to retain the lifespan of products through repair and maintenance, reuse, redistribution, remanufacturing or recycling.

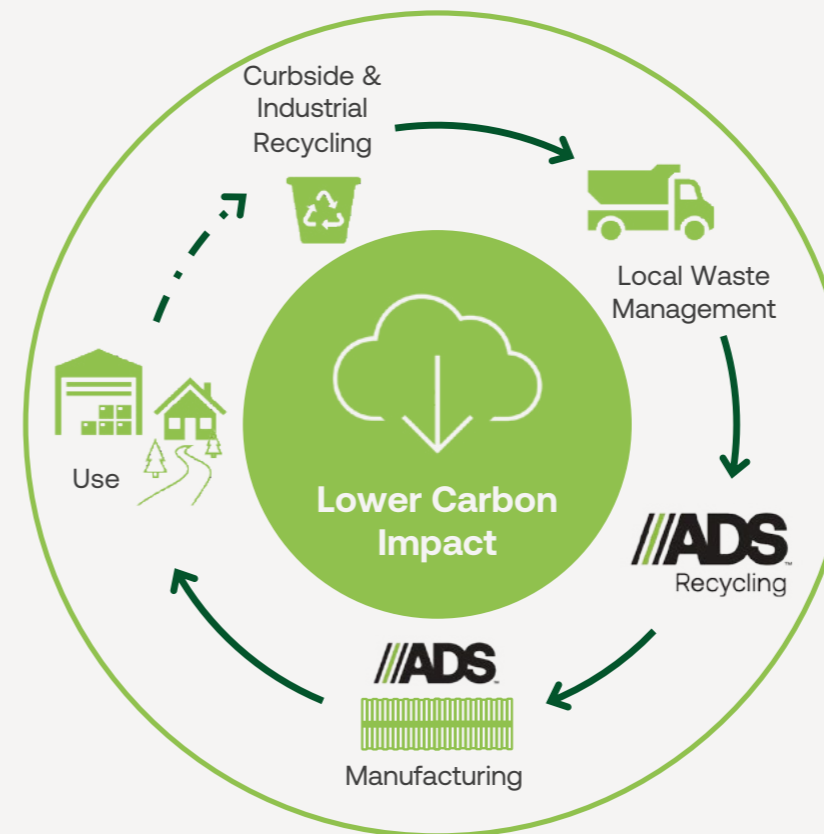
As one of the largest plastic recyclers in North America, ADS plays a vital role in creating a circular economy for plastics. ADS products have contained recycled plastic for over 30 years. In Fiscal 2024, we purchased 540 million pounds of recycled plastic for use in our products. Once again, ADS was named one of the largest plastic recyclers in North America by Plastics News in 2024. We remain confident that we will reach our ambitious goal to purchase one billion pounds of recycled material per year by Fiscal 2032, as we continue researching ways to increase our use of recycled material.

With our stakeholders having identified increasing the use of recycled plastics through partnerships and innovation as material from both a financial and overall stakeholder perspective during our recent materiality assessment, we believe the work ADS

is doing to promote circularity is more important than ever. ADS has vertically integrated recycling operations. ADS Recycling purchases both post-industrial and post-consumer recycled plastic materials. This material is brought into our recycling facilities where it is sorted, washed, shredded, granulated, blended and extruded into pellets. This material is then used in production to make durable goods that last 25 to 100 years.

ADS is dedicated to doing our part to help transition to a fully circular economy. In addition to containing recycled material, many of our products are also recyclable at the end of life. To measure ADS' impact on the circular economy, we calculate and share our remanufactured product revenue from products that contain recycled plastic material. These products primarily include certain pipe product lines such as our single wall pipe, Mega Green N-12 pipe and flexible N-12 pipe, as well as onsite septic wastewater products. Additionally, certain allied products such as pipe fittings include recycled material.

Creating a Circular Economy for Plastics



ADS products are designed to last for decades, significantly extending the life of single use plastics.

Not only does ADS create a solution for plastic waste, using recycled plastic reduces our carbon impact by over 70%.

ADS partners with local waste management companies to source recycled post-consumer plastics.

As a well-known industry partner, ADS also purchases recycled post-industrial plastics, and ADS is a sought-out partner for end-of-life collaboration.

We internally reprocess 61% of the recycled plastics we consume in our products, and source the remainder through other recycling partners.



Our Recycling Process



In Fiscal 2024, we consumed **33%** of the recycled pigmented HDPE bottles in the United States.

The amount of recycled plastic we consumed in Fiscal 2024 reduced our Greenhouse Gas emissions by over 660 million pounds, which amounts to taking

63,000 cars off the road.



In Fiscal 2024, we consumed 33% of the recycled pigmented HDPE bottles in the United States.



These bottles as well as other plastics and recyclable materials are picked up through curbside recycling programs and taken to recycling centers.



At the recycling centers, materials are sorted and packed into bales. The bales are then taken to our recycling facilities.



We sort, shred and wash the material, turning it into clean plastic flakes. We test all plastic material for quality assurance.



Flake may be further pelletized and is then used in the manufacturing process.



ADS pipe products are installed in stormwater systems that are designed to last over 100 years.

<1
year
LIFE SPAN

100+
years
LIFE SPAN

Figures based on "Life Cycle Impacts For Postconsumer Recycled Resins: PET, HDPE and PP" report prepared for the Association of Plastics Recyclers by Franklin Associates, A Division of Eastern Research Group, published in December 2018.



The percent of total revenue from remanufactured products decreased year-over-year due to a decrease in pipe revenue from remanufactured products. This is primarily due to an increase in the sales mix of HP pipe, a polypropylene based product that is not allowed to contain recycled material due to regulatory standards.

ADS remains committed to maximizing our contribution to the circular economy by converting recycled plastics into durable stormwater and onsite septic wastewater management products with a life span of up to 100 years. ADS is continually looking for ways to increase diversion of plastics from landfill, in particular HDPE and, ensure recycled material is available for our business. Through our ongoing relationship with The Recycling Partnership, we are helping increase equitable access to recycling across the United States. Additional information about ADS' partnership with The Recycling Partnership can be found in the Partnership & Collaboration section of this report.

Performance Indicators ¹⁶				
Remanufactured Product Revenue	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024
Remanufactured Product Revenue	% of total revenue	57.2%	52.6%	51.1%
Percent of revenue from remanufactured products	% of total pipe revenue	60.8%	56.7%	53.7%

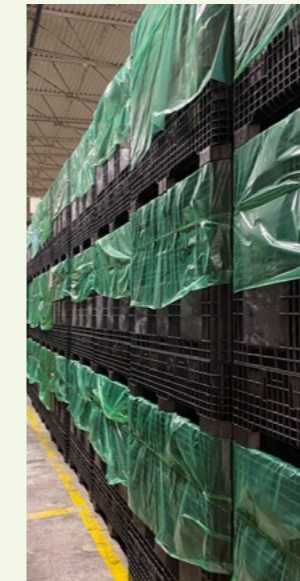
¹⁶ Prior year numbers have been restated to reflect percentage of total revenue.

Investing in the Circular Economy

ADS is a signatory to the United States Environmental Protection Agency's (EPA) America Recycles Pledge, a commitment to build on the existing efforts to address the challenges facing the United States recycling system and to identify solutions that create a more resilient materials economy and protect the environment. The pledge establishes the goal to increase the national recycling rate to 50% by 2030, and ADS is committed to doing our part to help achieve this goal.

FISCAL 2024 SUCCESS STORY

Revolutionizing Recycling: ADS' Billion-Pound Vision for a Greener Future



ADS has set an ambitious target of utilizing 1 billion pounds of recycled materials annually by 2032. To propel progress towards this objective, we are significantly enhancing our recycling infrastructure. In Fiscal 2024, ADS approved \$36 million across our recycling facilities, targeting various projects geared towards streamlining operations. These initiatives focus on transitioning to bulk handling for pellets, simplifying blending processes, and enhancing material quality – all pivotal steps towards realizing our billion-pound goal.

Among the notable projects undertaken are the replacement of aging pelletizers and the addition of new ones, implementation of bulk handling systems to increase capacity, and integration of high-volume blending capabilities. These enhancements enable our recycling facilities to shift from the conventional practice of shipping in cardboard gaylord boxes with plastic liners to bulk shipping, thereby curbing waste and reducing the risk of contamination.

Furthermore, at our Cordele, GA facility, we're installing state-of-the-art vented extruders designed to eliminate encapsulated moisture in recycled plastic pellets. This upgrade ensures the production of high-quality recycled pellets, facilitating their seamless integration as a drop-in replacement for virgin resin. Combined with the expansion of bulk blending capacity, these improvements guarantee the delivery of premium recycled pellets to our pipe manufacturing plants, optimizing production efficiency.

In tandem with capital expenditures for enhancing recycling facilities, we're transitioning to reusable totes for internal storage of recycled plastic flake and pellets within our facilities. This strategic move not only minimizes potential contamination points but also reduces waste generated, underscoring our commitment to sustainable practices.

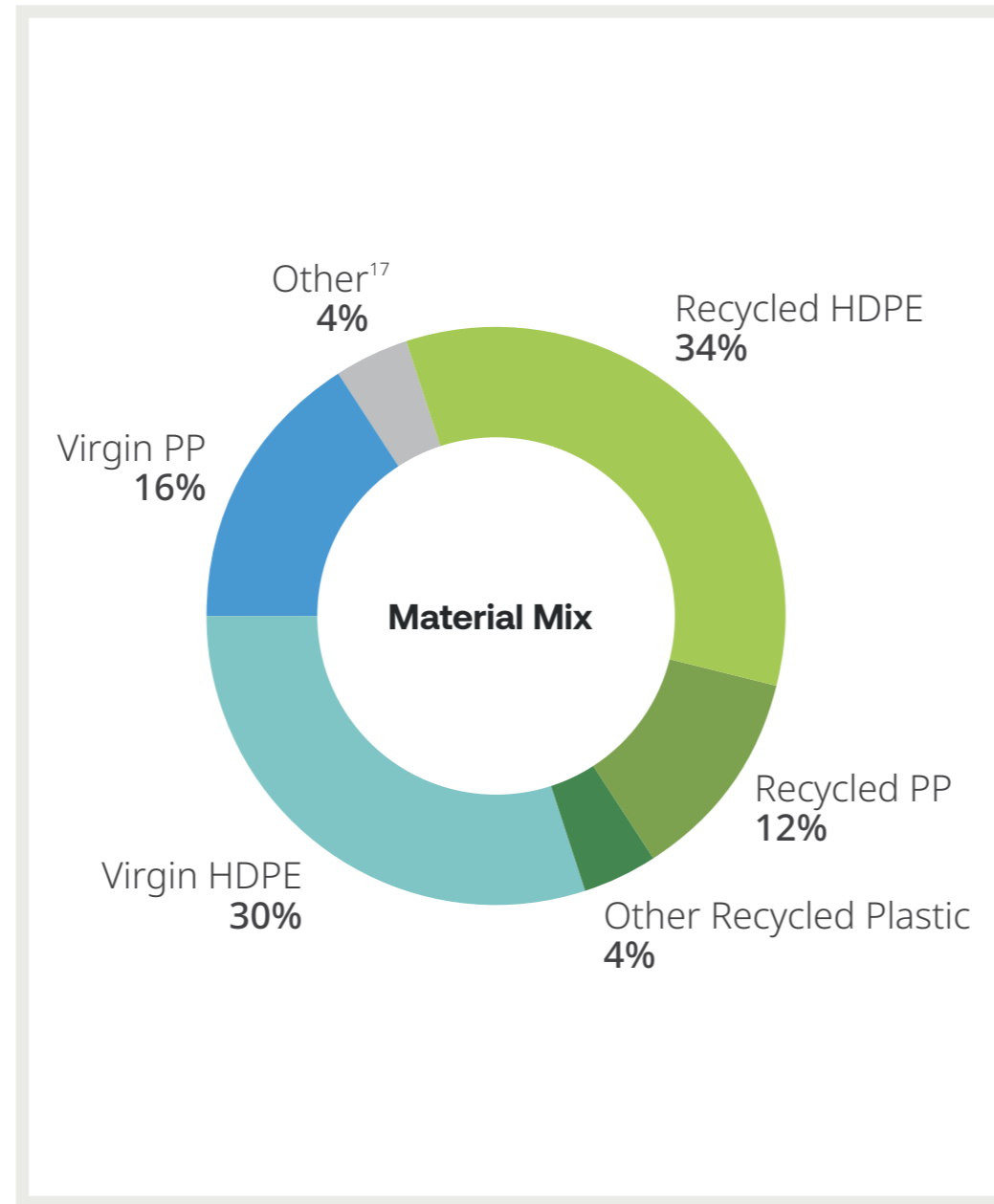
Approach to Materials and Chemical Safety

Materials

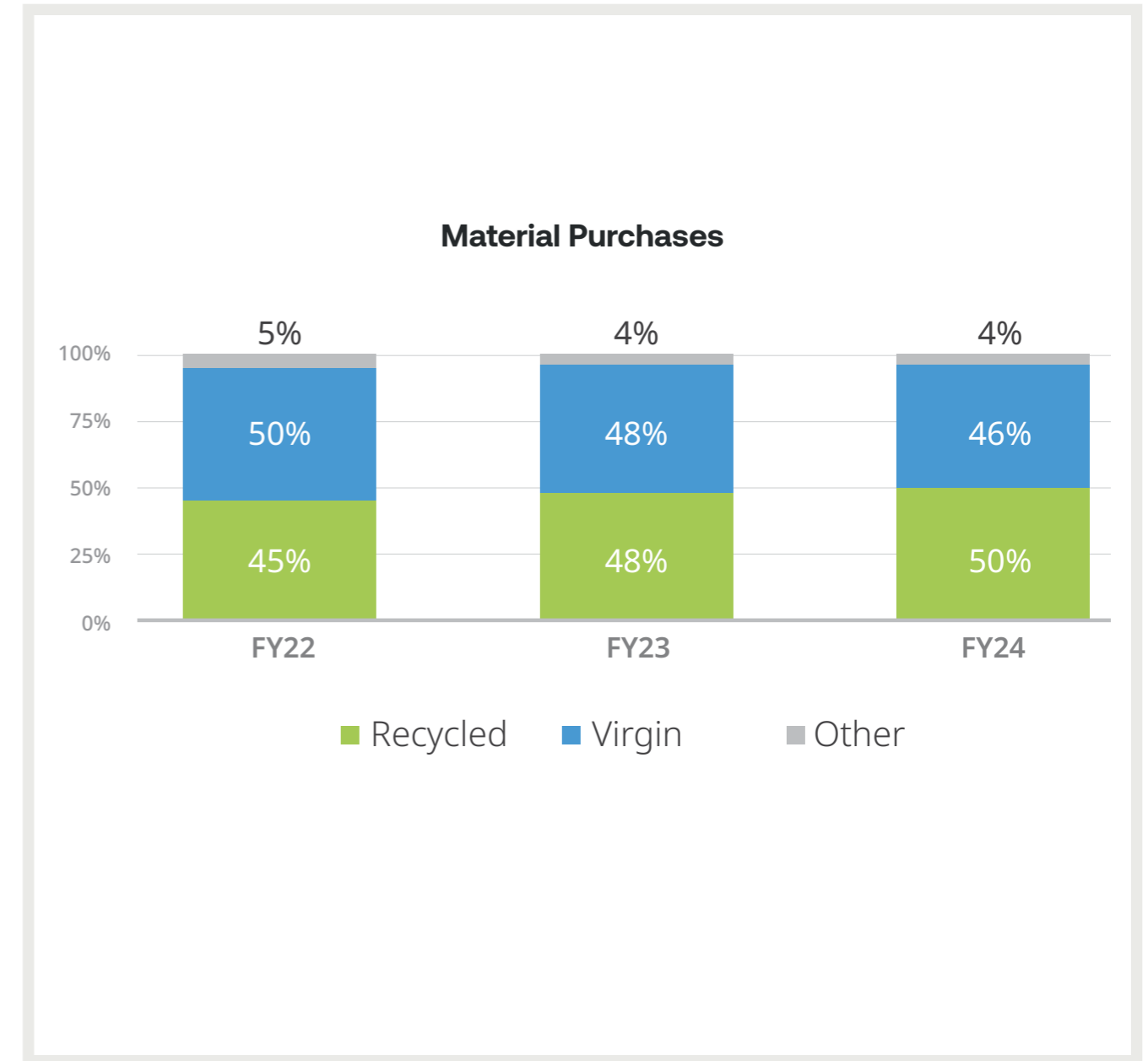
The primary raw materials used in the production of our products are HDPE and PP resins. Virgin HDPE resins are derivatives of ethylene and propylene, respectively. Ethylene and propylene are derived from natural gas liquids or crude oil derivatives primarily sourced in the U.S. We currently purchase approximately 1.1 billion pounds of virgin and recycled resin annually. In Fiscal 2024, 540 million pounds, or 50% of the material purchased, was recycled.

To maintain quality, the recycled material we use in our products goes through rigorous testing procedures including melt index, density, Izod impact and contamination testing. When it comes to managing chemicals of concern in our products, we uphold stringent standards that govern the use of harmful substances, including but not limited to compliance with regulations such as the Toxic Substances Control Act (TSCA) and California Prop 65. We do not incorporate harmful substances in our products.

The following chart shows a breakdown of the materials purchased in Fiscal 2024.



¹⁷ Other is primarily colorant.



Waste Management

Our approach to waste management focuses on reducing and recycling waste throughout the manufacturing process and diverting waste that cannot be otherwise consumed internally. In Fiscal 2024, we generated approximately 74,030 metric tons of waste, 62% of which was diverted from landfills through internal recycling programs or external partnerships.

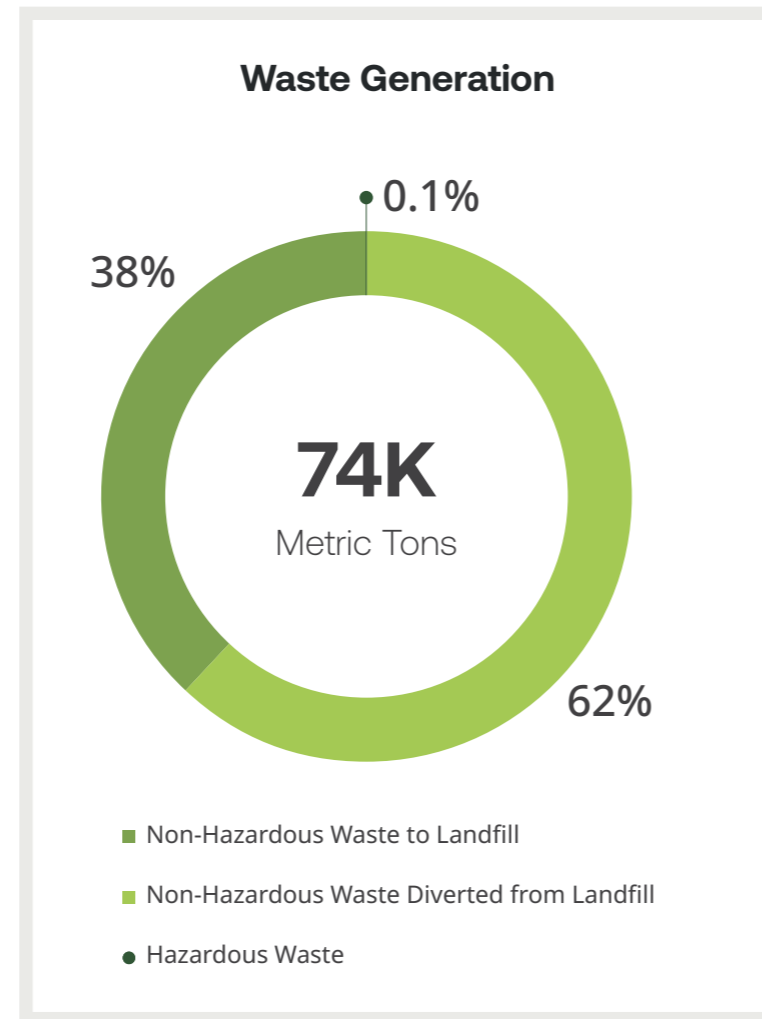
Diversion from Landfill

Given the importance of recycling and circularity to our operations, and as part of our efforts to increase transparency with our stakeholders, for Fiscal 2024 we have collected data on our performance on non-hazardous waste disposal. The durable goods manufactured by ADS provide a proven market for the use of recycled materials – however, with that recycled material we also introduce a waste stream into our facilities that requires close management.

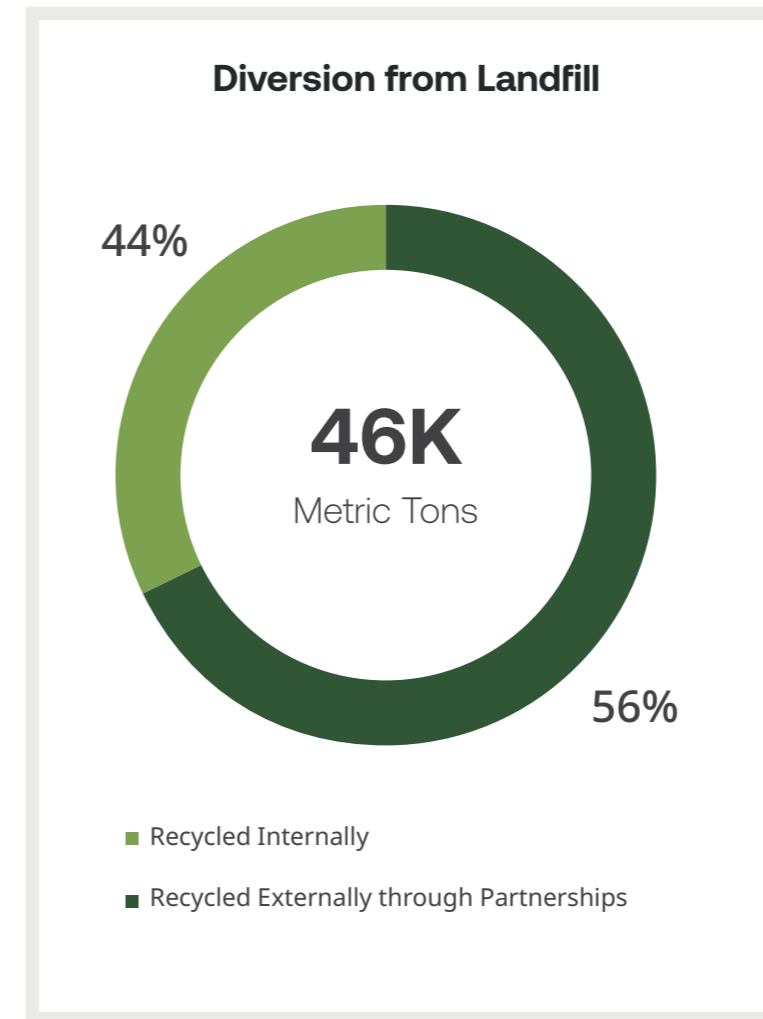
In Fiscal 2024, on average ADS facilities achieved 62% diversion from landfill.

Infiltrator manufacturing facilities achieved 82% diversion from landfill

Pipe manufacturing facilities achieved 72% diversion from landfill



The recycled material ADS purchases is primarily post-consumer and post-industrial HDPE and PP plastics. Post-consumer material comes into ADS recycling facilities from over 500 material recovery facilities (MRFs) across North America, after which we complete a secondary sort of all recycled



materials to identify any unwanted materials and remove them before washing, shredding, mixing and pelletizing the plastic for use in our pipe manufacturing facilities.

Typically the bales we receive have contamination rates of approximately 20%. While this material could end up as waste from our recycling process, our teams work diligently to find new outlets for this material, thereby increasing our rate of diversion from landfill.

Examples of our strategies to minimize our waste footprint include:

Strategies to reduce waste

- Engineer waste out:** Reduce waste intensity by improving operational efficiency, process design and product design.
- Reuse & Recycle:** Identify solutions to reuse and recycle waste back into our own processes.
- Partnerships:** Divert waste from landfills to other markets through external partnerships.

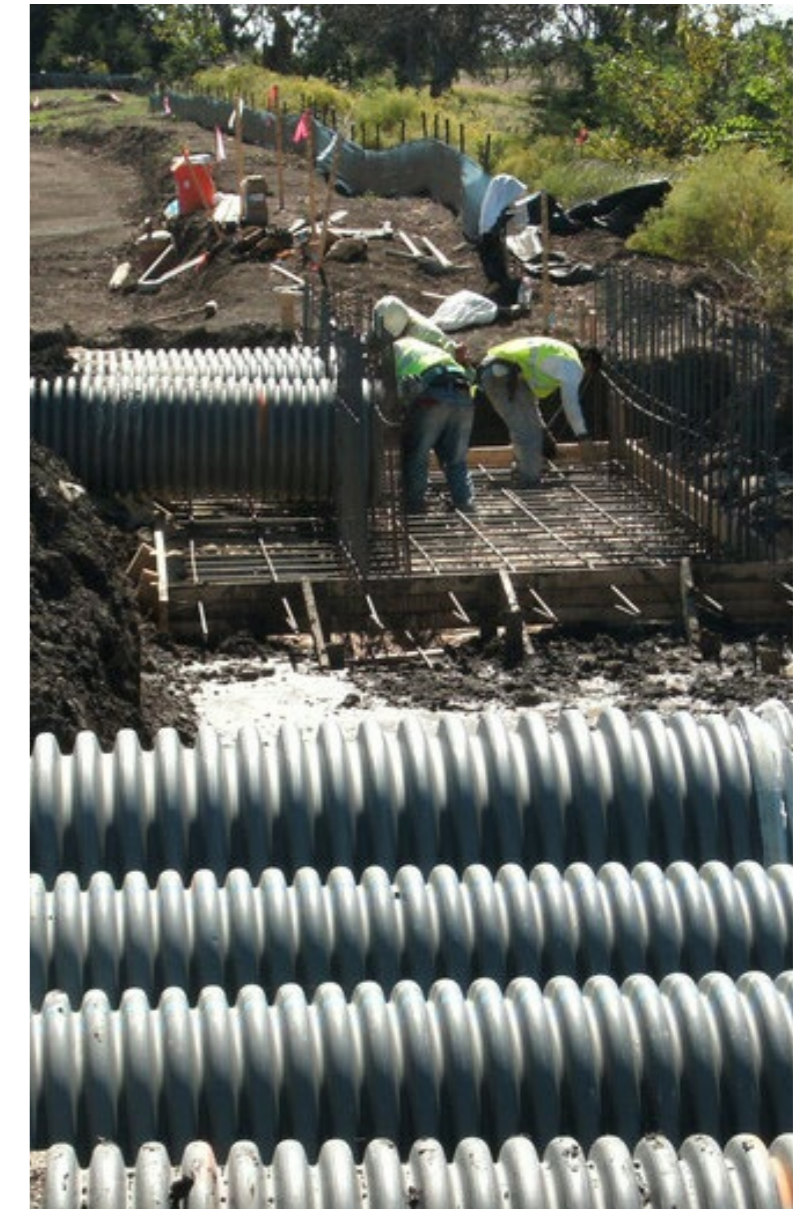
Hazardous Waste

Nearly all waste generated by ADS is non-hazardous, and our estimated hazardous waste accounts for ~0.06% of the total waste generated. Our facilities that do produce hazardous waste are primarily Very Small Quantity Generators (VSQGs). Hazardous material generated by ADS generally includes cleaning agents, ink and paint or paint-related material.

ADS currently does not collect hazardous waste data through a centralized system. The data provided is an estimate based on manifests collected at the facilities in Fiscal 2023 and estimated based on the density of water. The Environmental, Health and Safety Team monitors hazardous waste and is in process of identifying a centralized system to collect this data.

Waste		
Waste Generated (metric tons)	Fiscal 2023	Fiscal 2024
Total hazardous waste generated ¹⁸	45	45
Total non-hazardous waste generated	77,590	73,985
Total waste generated	77,635	74,030
Ratio: Hazardous waste / Revenue (metric tons/million revenue \$)	0.01	0.02
Ratio: Non-hazardous waste / Revenue (metric tons/million revenue \$)	25.26	25.74
Waste Disposal (metric tons)	Fiscal 2023	Fiscal 2024
Non-hazardous waste to landfill	26,118	27,978
Non-hazardous waste recycled externally	26,609	25,779
Non-hazardous waste recycled internally	24,862	20,228
Total non-hazardous waste generated	77,589	73,985
Ratio: Non-hazardous waste to landfill/Revenue (metric tons/million revenue \$)	8.50	9.73
Ratio: Non-hazardous waste to diverted from landfill/Revenue (metric tons/million revenue \$)	16.76	16.01

¹⁸ Hazardous waste data is an estimate based on manifests collected at the facilities in Fiscal 2023 and estimated based on the weight of water.





Water Management

We believe that tracking and sharing our water data and analysis with stakeholders increases transparency and highlights the efforts we undertake to lessen our impact. For example, we have made efforts to reduce our water consumption through implementation of closed-loop water systems at our manufacturing facilities. We use water during our pipe production process to cool certain pipe during the extrusion process, with no water consumed in the pipe production process.

We utilize a closed-loop cooling process in **100%** of the legacy ADS pipe production facilities, which means water is reused multiple times in the cooling process before discharging.

In Fiscal 2024, we completed an update of our water risk analysis across all our manufacturing facilities. The water risk analysis was conducted using Aqueduct Water Risk Atlas, developed by the World Resources Institute. As water scarcity is one of the defining issues of the 21st century, we are focused on being mindful of water consumption, particularly in areas of extremely high and high water stress. The results of our analysis are provided in the tables to the right. Baseline water stress is defined as a measure of the ratio of total water withdrawals to available renewable surface and groundwater supplies.

We are using the results of the water risk analysis to begin reducing our impact in a mindful way.

Baseline Water Stress		
Baseline Water Stress	Percent of ADS Water Usage in each category	Number of ADS Manufacturing Facilities
Extremely High	3%	3
High	16%	2
Medium-High	17%	16
Low-Medium	21%	9
Low	42%	28

Water Consumption Data				
Water Consumption	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total Water Intake ¹⁹	Megaliters	517	493	520

¹⁹ Water intake data is not yet available for the following: Jet Polymers (acquired in Fiscal 2022), Cultec (acquired in Fiscal 2023), Joint Ventures in Mexico and South America, domestic facilities that utilize well water, and offices or distribution centers where water is included in the lease.



Approach to Biodiversity

ADS is committed to the communities where we live, work, and play, and recognizes that human activities have directly caused ecological degradation and a significant decrease in biological diversity, resulting in negative environmental, economic and social consequences requiring amelioration through collective and conscious effort. This commitment was reinforced with the launch of our Biodiversity Policy.

We are cognizant of the risks that manufacturing poses to biodiversity, as well as the risks that climate change and decreasing global biodiversity pose to our operations and manufacturing processes, and as such have set out this policy to serve as a comprehensive outline for implementing the conservation and advancement of biodiversity into ADS' operations.

We will uphold the objectives outlined in our Biodiversity Policy to limit ADS' negative impact on biodiversity and mitigate the negative impacts that global climate change and threatened biodiversity have on our operations, and look forward to providing more updates in the future to showcase how we are acting to support biodiversity through our activities. For more information, please read ADS' Biodiversity Policy on our corporate [website](#).





Employees, Safety and Partnerships

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Employees & Workplace

We believe that by fostering diversity and employee engagement, creating relationships with the communities we live, work and play in, and forming long lasting partnerships with like-minded organizations, we are laying the foundation for future success.

Throughout Fiscal 2024, ADS continued our mission to create our culture of belonging, to make our workplace one where every ADS employee feels valued, heard and respected.

Diversity, Equity & Inclusion

We are committed to making our efforts more than an aspiration. We have made strong efforts to ensure inclusion is woven into the fabric of our company. Over the past three years, a tremendous amount of work has been done to ensure we are fully committed to our company's core values of Safety, People, Process and Performance, while fully integrating these into our DE&I strategy.

From the front lines of our manufacturing operations to our Board of Directors, ADS has been working over the past year to strengthen our culture of belonging. Our objective is

to show that ADS' commitment is evident in how we operate the business every day, both inside and outside the walls of our company. In recognition of the progress we have made, ADS introduced the inaugural Culture ICON Award this past year. The Award was presented at our annual company awards banquet to employees who exemplify an on-going commitment and accountability to the ADS Culture Statement.

In Fiscal 2024, ADS completed Culture of Belonging training for the people leaders in our operations network. We realize that culture is not built overnight but requires thoughtful planning and ongoing nurturing to develop. We are committed to continuously working to help that culture grow within the company. To that end, we also brought together a group of more than 20 ADS employees from diverse backgrounds across the organization to help guide our Culture and Engagement initiatives. These employees on the Culture Exchange Council (CXC) are from a variety of backgrounds, experiences and roles, helping to grow and promote a culture of belonging. The Culture Exchange Council is a safe space for these employees to share their thoughts and experiences thoughts and experiences to shape the culture and engagement priorities moving forward.

CULTURE STATEMENT

At ADS, passion, innovation and continuous improvement will always be at the heart of our work.

We believe it's this spirit that positions us to be an industry leader.

We value diverse perspectives because they lead to better ideas

Better ideas lead to better processes

Better processes lead to better performance

Better performance leads to more opportunities for all

We believe our employees are the enablers of our success, and each of us has an important role in creating a more diverse and inclusive environment at ADS

Together we commit to creating a workplace where every employee:

- / Feels valued, heard and respected
- / Can bring their whole self to work
- / Carries a personal responsibility to be an active participant in our culture
- / Influences others to drive positive impact
- / Trusts we are a company that lives what we believe
- / Understands how we collectively contribute to tomorrow





Employee Information

As of March 31, 2024, in our domestic and international operations, the Company and its consolidated subsidiaries had both hourly personnel and salaried employees.

Employees	Fiscal 2022	Fiscal 2023	Fiscal 2024
Full-time²⁰			
Male	4,530	4,630	4,565
Female	720	860	850
Total	5,250	5,490	5,415
Part-time			
Male	20	15	20
Female	15	30	10
Total	35	45	30
By Region²⁰			
United States	4,945	5,195	5,100
Canada	340	340	345
Other	350	335	260
Total	5,635	5,870	5,705

²⁰ Includes U.S. and Canada employees at ADS, Infiltrator, Jet Polymers and Cultec, Inc

Talent Development

	Fiscal 2023	Fiscal 2024 ²¹
Total training hours	94,000	73,500
Training hours per employee	16	13

Attracting and Developing Future Leaders

Advanced Drainage System's multi-year Developing Leadership Program gives recent college graduates the opportunity to hone leadership and functional skills while preparing for an operations management career. The faceted rotational program supplements a structured training plan with mentorship by senior managers and hands-on experience across our many manufacturing facilities.

Participants will develop their operations and project management skills before advancing to focus on financial fundamentals and talent management, all while transitioning through a variety of supervisory and managerial roles.

²¹ Overall training hours decreased in Fiscal 2024 due to a decreased number of participants in kaizen events and a change in how participation in these events is calculated for training hours in comparison to the previous fiscal year. In general, training hours in other areas increased year over year.

Within the first two years in the Program, participants will be leading teams within key functional areas, becoming active members of leadership committees and leading corporate global-impact projects. At the end of the Developing Leadership program, they will possess the skills to:

- / Work with people of differing backgrounds, generations and personalities;
- / Assess and leverage the talents of their teams;
- / Set clear expectations and manage team performance;
- / Manage change, conflict and critical conversations; and
- / Develop and coach teams toward extraordinary achievements.

We are dedicated to building a best-in-class team at ADS and our Developing Leadership Program provides a strong foundation for successful future leaders at ADS.



Development for Leaders

At ADS, growing strong leaders is core to executing our mission and living the values articulated in our Culture Statement. Through three highly interactive and challenging leadership development programs, “Stepping Up to Leadership”, “The Fan”, and “Advancing Leadership”, operations leaders receive instruction and training on a variety of topics. These include performance management, coaching, behavioral styles, leading change and influencing. These programs have helped reduce turnover, improve team performance and create a better work environment.

Educational Assistance Program

ADS believes in promoting education and professional certification for employees and offers a tuition reimbursement program to qualifying employees. We believe this will help us attract and retain talent and offers our employees another avenue for professional growth, ultimately a benefit for both the company and our employees.



Manufacturing Certification Program

We have a manufacturing certification program for employees seeking to achieve a greater level of expertise in their role. Employees complete role-based curriculum and at least 90 days of on-the-job training before starting the certification test. To encourage participation in this training program, the employee receives a financial reward in the form of an hourly increase and/or lump sum amount, as applicable once the certification is successfully completed. This certification pay is intended to reward an employee for achieving certification of certain skills and is considered separate from their regular pay increases. Further, employees may be certified for a role that is not their primary role, promoting education on the manufacturing process outside of day-to-day activities.

ADS Employee Policies & Benefits

Workplace Flexibility and Benefits

At ADS, we understand the importance of work life integration and invest in our culture focused on supporting the diverse needs of our employees and their families.

Where possible, we allow employees the flexibility to work with their managers to establish schedules to meet their needs. In addition, manufacturing positions offers 8-hour and 12- hour shifts – in first, second and third rotations – to provide flexibility and address employee needs during evening hours. We have established a Remote Work policy for emergencies or adverse situations, such as weather, unsafe working environment or public health emergencies. These policies are approved on an as needed basis.

We also offer employees the flexibility to transition between full-time to part-time roles across all departments when opportunities are present and/or if the employee is seeking this arrangement.

Our benefit programs and practices are designed to look at all aspects of their lives – work, safety, along with physical, mental, and financial wellbeing. Here are some highlights of our programs. More details can be found at <https://www.adspipe.com/legal>.

- Bereavement Leave:** ADS provides bereavement leave to employees, as necessary. If additional time is needed by an employee due to extended travel or other personal needs, including supporting family members or friends, their manager may approve as appropriate.
- Family Medical Leave Act (FMLA):** ADS abides by all FMLA rules and offers intermittent leave as necessary (including dependent care).
- Global Anti-corruption Policy:** ADS is committed to conducting business fairly, honorably, with integrity, and in compliance with all applicable laws. Standards apply to all employees, officers and directors of ADS and its subsidiaries with respect to the U.S. Foreign Corrupt Practices Act and anti-corruption laws.
- Health & Welfare Programs:** We offer our employees access to competitive, comprehensive health and welfare benefits which include medical, wellness, dental, vision, disability, and life insurance.
- Military & Reserve Policy:** ADS supports its military employees by providing up to 5 years of leave with subsidized pay to active-duty employees. ADS is a proud member of the Employer Support Guard and Reserve Group, which encourages cooperation, understanding and flexibility between members of the Army National Guard® and Reserves as well as their civilian employers.
- Open Door Policy:** It is ADS' philosophy to maintain an open and free exchange of information, problems and complaints between managers and employees. No supervisor or manager should discourage employees in any way from discussing their problems with a higher level of supervision or from seeking a review of any decision at a higher level, or at the corporate level.
- Parental Leave:** In Fiscal 2023, ADS implemented a parental leave policy which provides paid leave for new parents (in addition to short-term disability, as appropriate). Parental leave is available to all employees with at least one year of service and includes benefits for both birth and adoptive parents.
- Personal Leave:** ADS offers time off for reasons outside of listed policies, as needed, in 30-day increments. Multiple increments may be approved depending on circumstances.
- Retirement Assistance:** ADS is invested in the financial wellbeing of our employees; both in the short and long term. We offer employees a competitive retirement program with a match feature, along with company paid access to certified financial expert resources to assist in short, mid, and long-range planning.
- Vacation Policy:** ADS' vacation policy addresses employees' need to take time off.
- Whistleblower Policy:** ADS' policy encourages reporting of any suspected violations of accounting, securities, and other laws, rules, regulations, policies, and standards and of ADS' various Codes of Ethics. ADS has a third-party operated confidential ethics hotline and online reporting site that allows for anonymous reporting. Any person who, in good faith, reports a suspected violation is protected against retaliation as provided by law.

Collective Bargaining

Advanced Drainage Systems prides itself on being a good corporate citizen and respects the rights of its employees, including the right to exercise freedom of association and collective bargaining. Our company policies and procedures adhere to all applicable laws concerning freedom of association and collective bargaining, nondiscrimination, forced labor and underage workers in the workplace. We have not identified any operations in which employee rights to exercise freedom of association and collective bargaining have been violated or are at significant risk. As of March 31, 2024, approximately 230 hourly personnel in our Mexican joint venture were covered by collective bargaining agreements. Five employees at one US location are negotiating a collective bargaining agreement.



Health & Safety

Fiscal 2024 finished strong, resulting in exceeding multiple EHS milestones across the enterprise. Our operations follow a comprehensive, proactive safety and health management system that includes a collaborative process to prevent, find and fix workplace hazards prior to injury occurrence. Our U.S. facilities follow all Occupational Safety and Health Act (OSHA) safety and health standards and Environmental Protection Agency, as required by law; and our Canadian facilities follow the Canadian Centre for Occupational Health and Safety (CCOHS), and Canadian Federation of Construction Safety Association (CFCSA) Certificate of Recognition (COR) program, as required by law.

In Fiscal 2024, ADS spent \$15.3 million in capital projects related to environmental, health and safety projects to mitigate risk across our manufacturing and logistics network.



Ensuring a Safe Workplace

Downstream manufacturing processes are some of our biggest safety challenges. To mitigate this concern, we are focused on automating these systems to improve both safety efforts and employee retention in addition to preparing for future workforce composition. We do this with the participation of our employees, who are encouraged to share their automation and other improvement ideas through our sharing operational improvements program.

Our sharing operational improvements approach is designed to share knowledge among manufacturing locations and engage team members to improve

safety, reduce cost and improve quality. Once a team member identifies an improvement practice, they submit a form to our continuous improvement team. The concept is reviewed and distributed to applicable plants, who categorize the implementation effort and effectiveness of the solution. Based on feedback and viability, plants receive direction as to whether it is a must implement solution or should be considered for implementation, including freedom to create an alternative best practice that achieves the same result in certain situations. This process encourages creativity and accountability among our employees.

The ADS Environmental, Health and Safety (EH&S) Team

The Vice President of EH&S works in conjunction with our Chief Executive Officer to oversee compliance with applicable safety and environmental standards. The EH&S team includes regional safety coordinators who monitor a group of facilities, while each facility has a dedicated safety committee. Safety committees meet at least monthly to identify trends, discuss injuries and address issues. Regional safety coordinators meet weekly to share best practices, improvements, progress and assess the current environment.

The EH&S team is focused on improving safety performance by focusing on human and operational performance (HOP). We utilize continuous improvement programs to improve processes, including task risk assessments, finding ways to utilize automation to make processes safer and engineering out risk from a process. In addition, our manufacturing and transportation organizations work with the EH&S team to find opportunities for engineering out risks through automation especially in areas where safety is a concern.

Improvement in our safety performance from these process improvements is demonstrated in the data we collect. Equally important as engineering safety in our processes is the focus on human



operational performance and its impact on safety. We encourage all employees to think about safety in every step of their jobs and while visiting locations. We deployed a “Take 5 for Safety” program throughout our operations to encourage employees to take five minutes before starting your work to assess the environment for possible hazards. When necessary, take corrective action to prevent anyone from being injured.

As part of the Take 5 for Safety program, we also assess personal protective equipment, housekeeping, identifying root cause analysis through effective problem solving, going to Gemba and utilizing the Stop Work Obligation Program as the last line of defense.

Hazard Identification, Risk Assessment and Incident Investigation

The first factor in our safety program is hazard identification.

ADS uses the web-based program, Velocity EHS, to manage hazard identification, behavior risk observations and incident investigation. This system tracks observations and hazards and then creates preventative and corrective action suggestions. All employees are encouraged to report hazards directly to Velocity EHS or by a paper form submitted to the plant supervisor.

In addition to hazard identification, ADS performs regular risk assessments to ensure a safe work environment for employees. In Fiscal 2024, we continued to track the action items from the risk assessments previously completed at the “Focus Few” facilities to completion. “Focus Few” facilities are those facilities that exhibit a higher risk for employee safety. All sites identified as “Focus Few” sites receive additional risk reduction support to improve employee safety. The TRIR at the “Focus Few” sites reduced by 39% in Fiscal 2024.

In conjunction with the facility risk assessment, all historical injury and near miss data were collected to facilitate task risk assessments and identify risk mitigation. We plan to phase in these risk assessments across all facilities to ensure appropriate actions are being taken and best practices are being shared across all groups.

We continued the Stop Work Program during Fiscal 2024. This program empowers every ADS team member, visitor or contractor with the authority, responsibility and obligation to initiate a Stop Work intervention when the control of safety, health and environmental risks are not clearly established.

We authorize the stoppage of unsafe work and there is not retaliation towards any employee, visitor or contractor for doing so. Further, work is not resumed until the risk has been mitigated and it is safe to continue.

Worker Participation, Consultation and Communication

Employee safety is under constant review, and we operate under a continuous improvement mindset for safety practices. EHS Management System gap assessments were initiated in Fiscal 2024, driving continuous improvement in risk management and leadership accountability. Each location has an active safety committee comprised of employees from different departments with leadership support. We believe the best way to establish effective solutions to safety issues is to include employees in creating mitigation actions. Interviews with injured employees are conducted following an incident and employees are involved in designing practices and procedures to mitigate risk.

Safety Training

New Hire Training

All new hires and position changes are assigned curriculum-based training courses and hands-on activities, as applicable, specific to their position. New hires are also assigned general safety onboarding, which include day 1, 2, 30, 60 and 90 safety training requirements as well as a no touch period. The training department with support of EHS rolled out a bootcamp program with a heaving emphasis on risk reduction. This program is live at over 60% of manufacturing

locations and a proven success rate of reducing new employee injuries. Annual refreshment courses on relevant topics are required for all employees of hazards or safe practices related to a specific job. They are intended to supplement formal training and are a good way to promote safety culture and facilitate discussions onsite.

Fleet Safety Trainings

In addition to our manufacturing and distribution footprint, ADS operates the industry’s largest company-owned fleet, and the safety of the drivers of this expansive fleet is important to us. To aid in driver hazard recognition and reduce the risk of injury, we provide Worklete training tailored to out of the cab work. We also communicate daily safety messages to every driver to reinforce the importance of every employee leaving work in the same condition they showed up in, every day.

Training Through Supervisors

Shift supervisors start each shift with a current safety-related topic. Plant Supervisors provide weekly safety action items from the Focus of the Week distribution to be completed by the plant employees as well as periodic updates to safety procedures. On a monthly basis, we provide the required virtual training and require a documented toolbox talk. A toolbox talk is a short, informal safety meeting that heightens awareness.



Safety Performance

The primary cause of recordable injuries is related to strains and sprains in specific employee groups; primarily related to highly manual tasks and new employees. While we continue to conduct training and awareness to reduce risk, the goal is to mitigate risk where feasible, including automating processes and updating equipment to reduce touchpoints.

We continued to make progress across key health and safety metrics in Fiscal 2024 and remain dedicated to ensuring our facilities are operating to the highest safety standards.

The EH&S team has identified 5 high-risk tasks at the plants and is working with the manufacturing engineering team to develop engineered solutions to mitigate risk. TRIR at our “Focus Few” facilities decreased 22% in Fiscal 2024, proof that targeting locations with the highest safety concern is working. We reevaluate the “Focus Few” locations annually to ensure we are focused on the right locations. Our current automation efforts are focused on downstream automation for our stick pipe products (gasket application, trimming, length adjustments), automated coiling machines for our more flexible pipe products, automated stacking for chamber products and other machinery to simplify operator tasks and circumvent risk.

Additionally, ADS has deployed capital to improve fleet safety.

Employee Health and Safety ^{22,23}	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total Recordable Injury Rate ²⁴	2.7	2.6	2.1
Fatality Rate	0.00	0.02	0.00
Near Miss Frequency Rate ²⁵	9.5	9.4	11.7

²² Safety statistics are representative of the ADS Legacy operations in the United States and Canada and Infiltrator. Jet Polymers and Cultec data is included starting in Fiscal 2023. The data does not include joint ventures in Mexico or Other International, which represent less than 5% of net sales.

²³ Rates are calculated as: (Statistic count x 200,000) / hours worked.

²⁴ TRIR: A work-related injury or illness is considered a recordable incident if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

²⁵ Near Miss Frequency Rate: A work-related near miss is defined as an unplanned incident in which no property or environmental damage or personal injury occurred, but where damage or personal injury easily could have occurred but for a slight circumstantial shift.



Partnerships & Collaboration

The ADS Foundation

Founded on a vision to lead the way for organizations and communities in preserving clean water, promoting recycling and advancing quality of life through new opportunities, the ADS Foundation continued to give back in Fiscal 2024.

The ADS Foundation has three pillars: Water, Recycling and Community and is committed to improving the availability and recovery of plastic waste while promoting a circular economy, increasing access to and enjoyment of clean water while ensuring conservation of wetlands, and improving the quality of life for the under served while promoting diversity, equity and inclusion.



[Visit the ADS Foundation page to learn more.](#)

Mission Statement

Our mission is to inspire social equity for organizations that develop clean water and recycling solutions available to the public.

\$1M Fiscal 2024 Donations



ADS Foundations donates to **The University of Minnesota Duluth's** Advanced Materials Center



ADS Foundation donates to **The Nature Conservancy** to aid in water conservation efforts in four states: California, Florida, North Carolina and Texas.



In Fiscal 2024, ADS entered the second year of a 3-year, \$500,000 commitment by the ADS Foundation to The Nature Conservancy to support water conservation efforts in 4 key states: California, Florida, North Carolina and Texas. Specifically, the gift will support work to create water project demonstration sites, enhance freshwater resources, engage community stakeholders, forge equitable access to water, restore natural infrastructure, and foster volunteer employee engagement opportunities with ADS and other companies in those regions. The ADS Foundation is committed to protecting and enhancing the communities we live, work and play in and these four states are key regions where many of our employees call home. **At ADS, our reason is water™, and we work to preserve it both through our stormwater management solutions and key donations such as this that can make a positive impact in our communities.**

ADS is also a member of The Recycling Partnership's Polypropylene Coalition to help advance polypropylene collection and recycling. The recycling process is complex and not all plastics are accepted for reprocessing despite the inherent value to companies like ADS.

ADS currently uses over 500 million pounds of recycled material each year and is always pushing the boundaries of what is possible with recycled materials. As previously mentioned, ADS has set an ambitious goal to recycle a billion pounds of material a year by 2032 and our partnerships with **The Recycling Partnership through both ADS and the ADS Foundation are critical to increasing the amount of post-consumer recycled plastic available in the United States to help ADS achieve our long-term recycling goals.**

In Fiscal 2024, ADS continued to be the official sustainability partner of the Columbus Blue Jackets and the presenting sponsor of the Blue Jacket's participation in NHL Green Week, with teams across the league showcasing and promoting environmentally conscious and sustainable activities.

ADS also continues to be the presenting sponsor of the hockey club's "Between the Pipes" fundraising initiative. As part of the initiative, ADS donates \$5 for every regulation save and \$10 for every shootout save by Blue Jackets goaltenders during the season. Donations benefit the Blue Jackets Foundation, dedicated to promoting and supporting youth health and wellness in central Ohio.

In Fiscal 2024, Infiltrator donated over 28 septic systems, valued at over \$92,900, to 21 different Habitat for Humanity partners across 13 states. Septic system donations from Infiltrator are used in both new homes built by Habitat and to help existing homeowners complete necessary repairs to their septic systems through Habitat for Humanity's home repair program. In addition to financial and environmental benefits, septic tanks also help reduce the risk of exposure to unhealthy drinking water, infections, or disease. The partnership between Infiltrator and Habitat has been growing for the past five years and is a natural fit. **Infiltrator shares Habitat's commitment to empowering more families with eco-friendly, cost-effective, affordable housing solutions.**



UNIVERSITY OF MINNESOTA DULUTH

Driven to Discover™



THE OHIO STATE UNIVERSITY

SUSTAINABILITY INSTITUTE

Empowering Innovation: ADS Foundation’s Million-Dollar Boost for Advanced Materials at University of Minnesota Duluth.

In Fiscal 2024, the ADS Foundation announced a generous \$1 million multi-year donation to the University of Minnesota Duluth’s Advanced Materials Center. The donation will be disbursed in four annual installments of \$250,000 each, allocated as follows:

- /\$125,000 annually for start-up funds supporting research projects.
- /\$65,000 annually for direct scholarships to students of the Advanced Materials Center.
- /\$60,000 annually allocated to an endowment, ensuring a minimum of \$10,000 per year in perpetuity for scholarships.

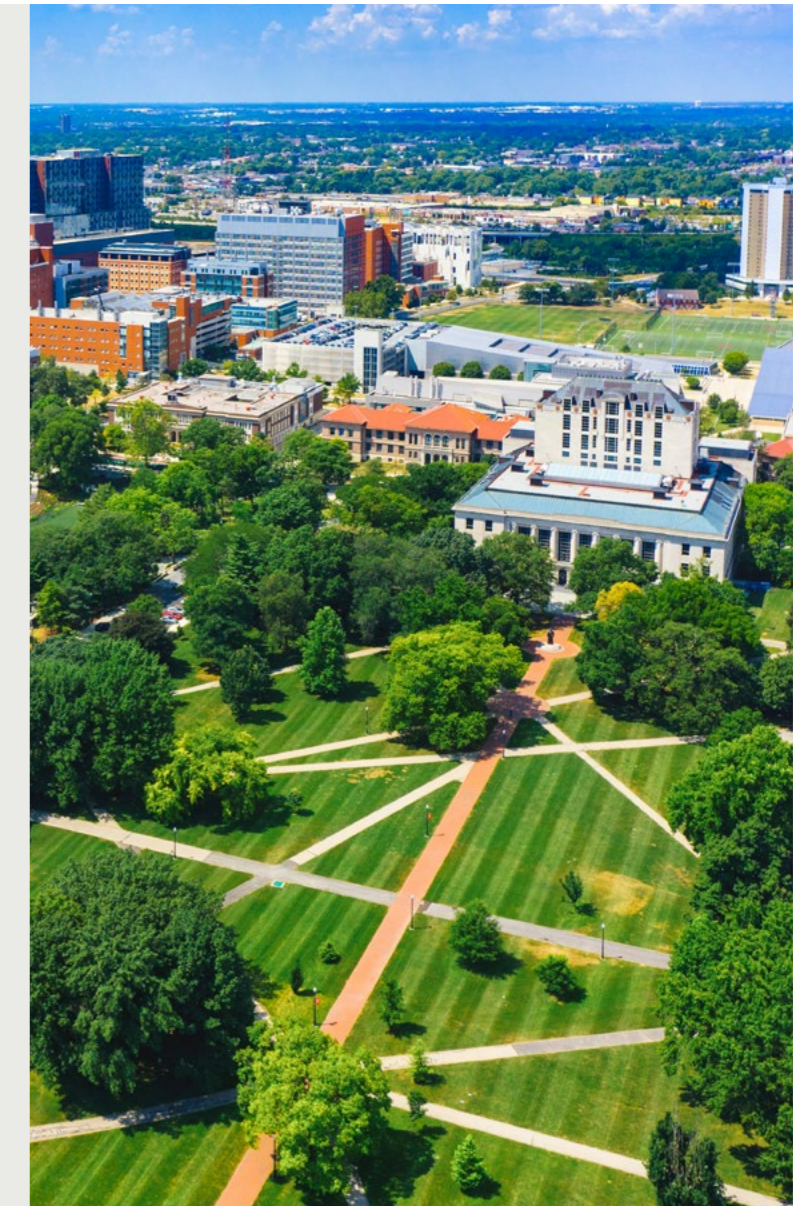
The Advanced Materials Center (AMC) aims to lead interdisciplinary research, training, and outreach to foster the development and

application of innovative, sustainable, and resilient materials. This initiative benefits students, faculty and regional industrial partners, while also promoting the conservation and protection of natural resources for future generations.

Past and ongoing student research projects cover a wide range of topics, including Life Cycle Analysis (LCA), new polymer blends for pipe manufacturing, additive manufacturing, sustainable concrete materials, recycled materials, polypropylene degradation mechanisms and new test methods for the plastic pipe industry. This donation from the ADS Foundation is aligned with the ADS Foundation’s three pillars of focus: water, recycling and community.

ADS continued our collaboration with The Ohio State University in Fiscal 2024, as a founding member of The Sustainability Institute. Through this collaboration with Ohio State University, ADS is working with students, faculty and staff to support stormwater management research, enhance student learning, and make campus more sustainable.

In Fiscal 2024, ADS’ “Recycle Right” gift to The Ohio State University Sustainability Institute, allowed the university to install 100 sets of recycling and trash bins with instructional backboards. The end result of this included the ability for campus to deploy additional bins in under-performing buildings, reduce recoverable material in the trash by 30%, and reduce contaminants in recycling bins by 10%.





Corporate Governance and Ethics

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Corporate Governance

Corporate governance serves as the foundation of how we do business, providing a necessary framework for the roles, responsibilities, processes and procedures across the organization. Our corporate governance framework also allows us to better address the needs of our stockholders, employees, customers, suppliers and communities.

ADS' Corporate Governance Guidelines outline the key components of our corporate governance framework, including the role of the Board, our director nomination process, Board independence, Board leadership, our performance evaluation process for the Board and management team, our compensation philosophy for directors and executives and how we engage with stockholders.

Finally, but most importantly, honesty and professionalism are core to who we are and guide our Code of Business Conduct and Ethics. This code applies to all members of our organization, including employees, managers, executives, and Board members. You will find these documents along with other information regarding our corporate governance practices on our [website](#).

Board of Directors

Our Board of Directors serves as the cornerstone of our corporate governance structure. The Board oversees and provides guidance on the business and affairs of ADS. Additionally, the Board oversees our strategic and business planning processes and monitors corporate performance as well as the integrity and effectiveness of our controls, legal, ethics and compliance programs. The Board is also responsible for appointing Board leaders, the Chief Executive Officer and other directors and officers. Finally, the Board reviews and assesses risks facing ADS and management's approach to addressing such risks.

Board Leadership

We believe that strong and independent leadership at the Board level is essential to the success of our corporate governance program. ADS' stockholders are currently served by separate Chair and CEO roles, which promotes balance between the Board's independent authority and oversight of the business and management, while allowing the management team to focus on day-to-day operations and responsibilities. Separate Chair and CEO roles promote balance between the Board's

independent authority and oversight of the business and management, while allowing the management team to focus on day-to-day operations and responsibilities.

Separating the Chair and CEO roles also fosters accountability, creates an environment that is more conducive to objective evaluation of management's performance and enhances the effectiveness of the Board as a whole. Currently, D. Scott Barbour serves as our Chief Executive Officer, and Robert Eversole serves as the Chair of the Board.

Board Committees

Our Board has established the following five key committees:

1. **Audit Committee**

2. **Compensation and Management Development Committee**

3. **Nominating and Corporate Governance Committee**

4. **Executive Committee**

5. **Sustainability Committee**

All members of our Board committees are independent directors. Our Board has adopted written charters that outline the roles and responsibilities of the Audit Committee, the Compensation and Management Development Committee, the Nominating and Corporate Governance Committee and Sustainability Committee. You can find these charters on our [website](#). Read more about committee composition, roles and responsibilities in our 2024 proxy statement.





Board Composition

Our Board comprises a group of diverse, highly qualified and accomplished individuals in their respective fields, each bringing a wealth of skills, experience, knowledge and valuable expertise. All Board members, except for the CEO, are independent directors per New York Stock Exchange (NYSE) listing rules and in accordance with our Corporate Governance Guidelines. Currently, our Board includes three female directors and three directors of a diverse racial background.

Our directors bring a wealth of knowledge and expertise to the board, including skills and experiences that are relevant for our strategy development and long-term sustainable performance. Many of our directors have extensive executive leadership experience, with several having served as CEOs of public companies, and additional experience in mergers and acquisitions, strategic planning and operations. Further, several of our board members have direct knowledge and experience related to the industrial sector both in terms of technical knowledge and in relation to the markets we operate. Additional skills and backgrounds of our directors that bring significant value to our board include accounting and finance, engineering and innovation, public policy and government contracting and international operations.

Board Members				
Individual	Role	Years on Board	Other Public Company Boards	Gender
D. Scott Barbour	CEO and Director	7	1	Male
Anesa Chaibi	Independent Director	4	1	Female
Michael B. Coleman	Independent Director	6	0	Male
Robert M. Eversole	Board Chair	16	0	Male
Alexander R. Fischer	Independent Director	10	1	Male
Tanya D. Fratto	Independent Director	11	1	Female
Kelly Gast	Independent Director	2	0	Female
Mark A. Haney	Independent Director	10	0	Male
Ross M. Jones ²⁶	Independent Director	6	0	Male
Carl A. Nelson Jr ²⁶	Independent Director	8	1	Male
Manuel Perez de la Mesa	Independent Director	5	1	Male
Anil Seetharam	Independent Director	3	0	Male

²⁶ Messrs. Jones and Nelson did not stand for re-election at the 2024 Annual Meeting of Stockholders, at which time each of their terms as director have expired. The Board determined to decrease the size of the Board from twelve members to eleven members and nominated Luther C. Kissam IV to fill the newly created vacancy. Mr. Kissam brings extensive knowledge in the areas of leadership, global business, corporate finance, safety, risk oversight, mergers and acquisitions, management and corporate governance to the Board.

Board Self-Evaluation Process

We believe that a robust Board evaluation process is critical to maintaining an effective and dynamic Board. Our nominating and corporate governance committee authorizes our Board Chair to conduct an annual evaluation of the overall performance of the Board and each of its members. In addition, each committee conducts an annual performance evaluation. These performance evaluations, along with an assessment of the Board's compliance with Corporate Governance principles as well as areas of potential improvement, are presented to the Board in a report annually.

Board Engagement on Diversity

The Board recognizes that refreshment and diversity are two fundamental concepts that enhance the Board's ability to provide effective oversight. Regular refreshment lends itself to unique ideas and fresh perspectives in the boardroom. Diversity of viewpoints, backgrounds, skills, and experiences improves our ability to manage challenges today and in the future. Guided by our nominating and corporate governance committee, we prioritize diversity during the director evaluation process and succession planning process. This involves actively seeking out individuals who are diverse in gender, ethnicity and race, as well as those with diverse perspectives informed by other personal and professional experiences.



Director’s combined skills, experiences and backgrounds

As the leading manufacturer of innovative water management solutions in the stormwater and onsite septic wastewater industries, ADS benefits from a Board with a diverse and expansive set of skills, experiences, and backgrounds. We are confident that our director nominees offer an effective mix of relevant experience and skills to assist the Board with executing its duties and generating value for ADS shareholders. Below is a list of select skills and experiences that we consider to be important for our Board to possess:



Executive Leadership Experience

Directors with significant leadership experience, including as chief executive officers, contribute to the Board a practical understanding of how to effectively lead an organization, develop a culture to fit the organization’s goals, as well as means by which to drive towards strategic goals. Further, their own significant leadership skills and experiences enable them to help identify and develop other leaders.



M&A/Strategy

Directors with a background in setting and implementing a company’s business strategy, along with navigating unforeseen circumstances, and reviewing and executing on transactions in the context of a Company’s strategic direction provide the Board with necessary expertise as it oversees ADS’ long-term strategy. These directors have in depth understanding of the capital markets environment and possess experience developing and overseeing an organization’s inorganic and organic growth, in addition to evaluating, financing, executing, and implementing transactions as part of an overall capital allocation strategy.



Accounting & Finance

Directors who possess an understanding of accounting and financial reporting processes, particularly in large, global businesses, provide the Board with valuable insights into the financial planning needed to lead ADS. ADS employs several financial targets to measure its performance, and accurate financial reporting is critical to ADS legal compliance and overall success. Directors with financial experience are essential for ensuring effective Board oversight of the ADS financial measures, reports, internal controls, and financial planning for investments in new projects and other items.



Operations & Logistics

Directors with a background in operations add valuable perspective to the Board as it provides oversight to management as it operates the business, looking to drive efficiencies where possible. Directors with expertise in strategizing, supervising, and implementing logistics management systems can provide useful insights to the management team as it is responsible for ADS’ distribution footprint.



Industry-Relevant Experience

Directors with a background in operations add valuable perspective to the Board as it provides oversight to management as it operates the business, looking to drive efficiencies where possible. Directors with expertise in strategizing, supervising, and implementing logistics management systems can provide useful insights to the management team as it is responsible for ADS’ distribution footprint.



Engineering & Innovation

Directors with experience in engineering and innovation have experience designing, improving, and implementing new products, materials, systems, and technologies. This provides to the Board unique insights as it oversees ADS’ efforts to continue to innovate and deliver consistent, high-quality customer products.



Enterprise Risk Management

Directors with experience implementing and adopting practices to identify, monitor and manage the most significant risks facing a company is critical to the Board’s role in oversight and protecting shareholder value. These individuals bring important perspectives when assessing and mitigating competitive, regulatory, legal, cybersecurity or technological risks across an enterprise. Directors with this experience play an integral part in the Board’s oversight of risk management processes.



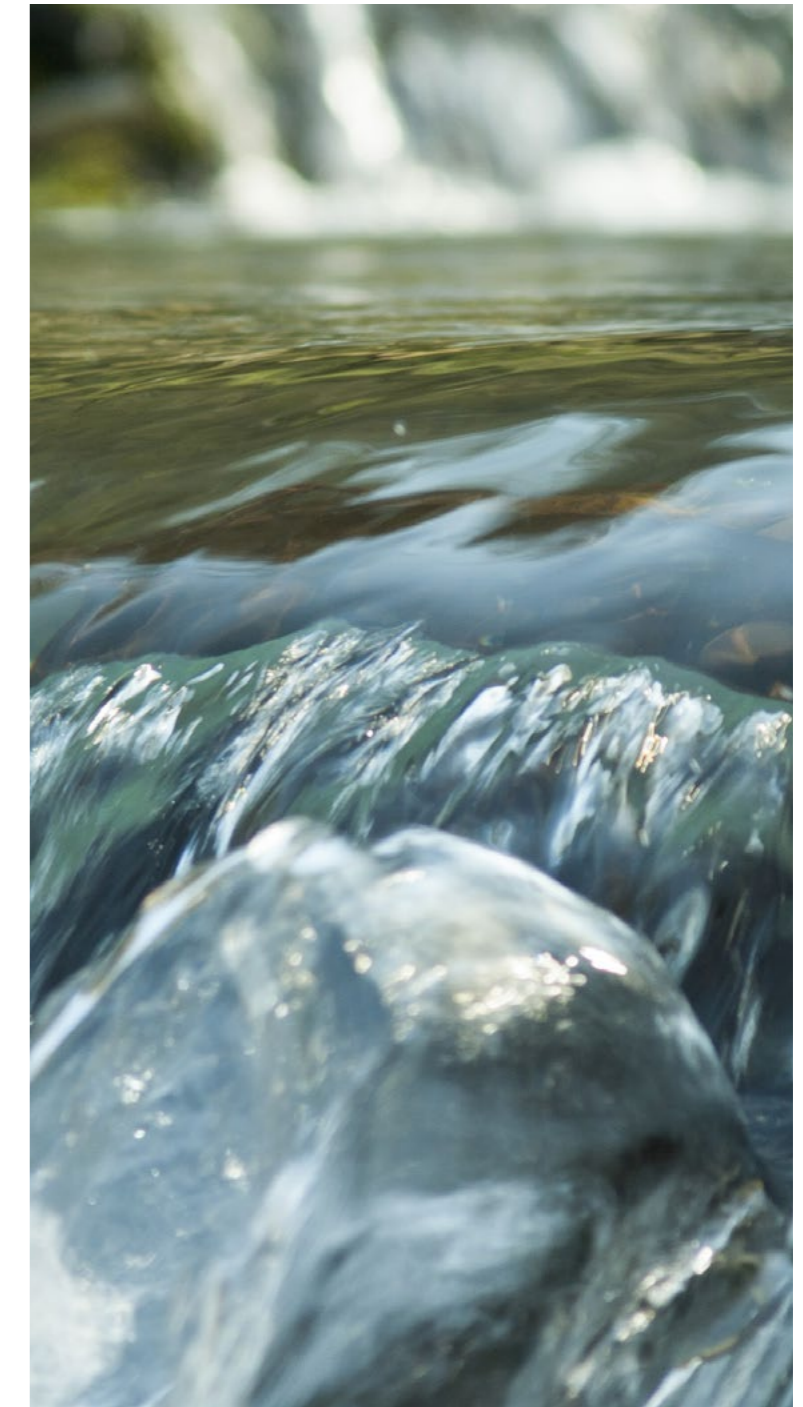
ESG

Directors who possess a background in advancing and implementing ESG strategy, programs, policies, and practices provide valuable insight to the Board as it looks to ensure ADS operates in a socially and environmentally responsible manner. Directors with a keen understanding of ESG issues, such as human capital, environmental stewardship such as recycling, and corporate governance offer the Board critical expertise. In-depth knowledge of corporate governance gained through public company Board experience is particularly important to the Board as it enables the Board to support management accountability, transparency, and protection of shareholder interests.



Our Board’s annual self-evaluation process allows us to assess the effectiveness of the Board in fulfilling its duties and responsibilities related to strategy development, the review of business plans and the monitoring of operational and financial performance and compliance with laws and regulations. In addition, the annual self-evaluation process gives the Board an opportunity to review the effectiveness of the administrative process, such as the number and duration of Board meetings, the amount, quality and timing of information that directors receive and the agenda and conduct at Board meetings. Further, the annual evaluation helps the Board assess its strategic needs related to Board size, Board composition, Board renewal and relevant skills and expertise.

	2024
Size of Board ²⁷	12
Number of Independent Directors ²⁷	11
Average Age of Directors ²⁷	62
Average Director Tenure (in years) ²⁷	7
Annual Election of Directors	Yes
Mandatory Retirement Age	No
Gender and Diversity ²⁷	50%
Majority Voting in Director Elections	Yes
Independent Presiding Director	Yes
Code of Conduct for Directors, Officers and Employees	Yes
Supermajority Voting Threshold for Mergers	Yes
Proxy Access	Yes
Shareholder Action by Written Consent	No
Shareholder Ability to Call Special Meetings	No
Poison Pill	No
Stock Ownership Guidelines for Directors and Executive Officers	Yes
Anti-Hedging and Pledging Policies	Yes
Clawback Policy	Yes



²⁷ The Board determined to decrease the size of the Board from twelve members to eleven members, effective at the 2024 Annual Meeting of Shareholders. Value presented herein is as of March 31, 2024.



Board Oversight of Sustainability

Historically, our full Board has been responsible for monitoring and assessing ESG risks. In Fiscal 2022, our Board established a Sustainability Committee to oversee our programs, policies and practices pertaining to sustainability and environmental issues, as well as monitor sustainability and environmental trends and risks impacting our business activities. From Fiscal 2021 until we established the Sustainability Committee in 2022, we had an informal sub-committee of the Nominating and Corporate Governance Committee that was referred to as the ESG sub-committee to develop and review ADS' corporate citizenship and sustainability programs as well as our environmental, health and safety, and business ethics policies.

Shareholder Engagement and Governance Improvements

Our commitment to good governance practices extends to building trusting relationships and partnerships with our stockholders through continued engagement and accountability.

Our engagement with our stockholders serves a crucial role in preserving a robust and effective corporate governance program that serves their long-term interests and positions us for sustainable growth. We engage with our stockholders regularly to understand their perspective and ensure that our practices are aligned with expectations.

Over the last several years, our Board and stockholders have declassified the Board, reduced the supermajority vote requirements for certain charter and bylaws changes and adopted a majority vote standard for uncontested director elections (with a plurality carve-out for contested elections). We continue to value the views of our stockholders as we strive for continuous improvement across our corporate governance practices and processes.

Management Incentives

Our Board and management team believe in a strong performance culture, and we strive to regularly adopt compensation practices that reflect our commitment to performance-based pay. Importantly, by rewarding performance that meets or exceeds the goals established by our Compensation Committee and the Board, our compensation programs also align our executives' interests with those of our stockholders. Our compensation programs aim to drive our culture and company values, reward sustained performance and attract, retain and motivate top talent. To achieve these objectives, we are guided by our compensation principles, which seek to structure compensation within a competitive market range, place emphasis on at-risk, variable pay and link executive compensation to sustainable stockholder value using equity awards. Read more about ADS' compensation program in our 2024 proxy statement.





Ethics and Compliance

ADS Code of Business Conduct & Ethics

ADS expects all employees to adhere to the ADS Code of Business Conduct and Ethics (the “Code”). To be fully transparent, our Code of Business Conduct and Ethics is linked [here](#).

All ADS employees are required to complete training on the Code of Business Conduct and Ethics on an annual basis. The Code covers the following topics:

- / Equal Employment Opportunity
- / Non-discrimination
- / Non-retaliation

Sustainability across our Value Chain

We recognize that sustainability requires collective effort from companies, governments, and individuals. For example, with nearly 90% of ADS’ scope 3 greenhouse gas emissions coming from our supply chain, we must partner with our suppliers to achieve our science-based targets. While many of our suppliers already have science-based targets, we aim to work with all our suppliers to collectively reduce GHGs across the supply chain.

One of ADS’ ten-year goals under Accountability is to involve our suppliers in our business transformation. As such, in Fiscal 2024 we launched a Supplier Code of Conduct that reflects the same ethical standards expected of ADS employees. We have started to include this code in new supplier agreements to ensure compliance.

This code is the first step in our supplier engagement process, setting the stage for future collaboration.

Cybersecurity

In the conduct of our business, we collect, use, transmit and store data on information systems, which are vulnerable to disruption and an increasing threat of continually evolving cybersecurity risks. Cybersecurity incidents across industries are sophisticated and frequent and may range from uncoordinated individual attempts to targeted measures. These incidents include but are not limited to, malicious software or viruses, including “ransomware” attempts to gain unauthorized access to, or otherwise disrupt, our information systems, attempts to gain unauthorized access to business, proprietary or other confidential information, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. New developments in the fields of generative artificial intelligence (“AI”), machine learning, and robotics may create new vulnerabilities and cybersecurity risks. Cybersecurity failures may be caused by employee error, malfeasance, other corporate or governmental actors, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, and their products.

While we have been subject to cybersecurity incidents in the past that (based on information known to date) did not have a material impact on

our financial condition or results of operations, we may experience such incidents in the future, potentially with more frequency or sophistication which may have a material impact on our financial condition or results of operations. The occurrence of any of these events could adversely affect our reputation and could result in litigation, regulatory action, financial loss, project delay claims and increased costs and operational consequences of implementing further data protection systems.

Failures of our IT systems as a result of cybersecurity incidents or other disruptions could result in a breach of critical operational or financial controls and lead to a disruption of our operations, commercial activities or financial processes. Cybersecurity incidents or other disruptions impacting significant customers and/or suppliers could also lead to a disruption of our operations. Our attempts to safeguard our systems and mitigate potential risks may not be sufficient to prevent cyberattacks or security breaches that manipulate or improperly use our systems or networks, compromise confidential or otherwise protected information, destroy or corrupt data, or otherwise disrupt our operations. The occurrence of such events could have a material adverse effect on our business financial condition and results of operations.





All of these risks are also applicable where we rely on outside vendors to provide services. We are dependent on third-party vendors to operate secure and reliable systems which may include data transfers over the internet. Any events which deny us use of vital operating or information systems may seriously disrupt our normal business operations. Additionally, our key partners, distributors or suppliers could experience a compromise of their information security due to a cybersecurity incident, which may have an impact on our business and financial performance.

Our Board of Directors has ultimate oversight of the Company's cybersecurity programs and strategy, with the Audit Committee maintaining oversight responsibility in reviewing cybersecurity and other information technology risks. The Audit Committee assess the steps management has taken to monitor, minimize or control such risks or exposures. The Company's Chief Information Officer presents a cybersecurity report to the Audit Committee each quarter. The report includes updates of recent cybersecurity threats, current key performance indicators of security controls and summaries of any recent incidents at the Company.

Human Rights

We are committed to protecting and advancing human rights in accordance with the UN Guiding Principles on Business and Human Rights. ADS recognizes that companies have an important role to play in promoting human rights and urge our suppliers to uphold these same principles within their own organizations. We contribute to the fulfillment of human rights through compliance with laws and regulations wherever we operate, as well as through our policies and programs. Our position on human rights is reinforced in our employment, ethics and procurement policies, which are designed to promote, protect and respect human rights within ADS and our suppliers. Also, our commitment to comply with all human rights laws is captured in our Code of Business Conduct and Ethics, which should be read with our position on human rights.

Our guidelines include:

Commitment to complying with child labor laws and laws prohibiting any form of forced, bonded or indentured labor.

Providing a healthy and safe working environment.

Promoting equal opportunity of all employees and applicants regardless of race, color, religion, sex, age, national origin ancestry, pregnancy status, gender, marital any form of illegal harassment and are dedicated to the prevention of harassment in the workplace.

Protecting individual privacy.

Providing compensation and benefits that are competitive and comply with applicable laws for minimum wages, overtime hours and mandated benefits.

Encouraging open communication between management and employees.

We will continue to evaluate and review how best to strengthen our approach to addressing human rights, including labor rights. We believe that while it is primarily the role of government to safeguard human rights, we also believe that ADS can help to promote respect for human rights through the example of its actions and its values.



Public Policy

ADS established a Political Action Committee (PAC) to provide opportunities for employees to participate in the American political process. The ADS PAC is a nonpartisan organization run and overseen by ADS employees. When choosing to contribute to a candidate, the ADS PAC considers candidates' views on issues that impact ADS and its employees as well as the presence of ADS facilities or employees in the candidate's district or state. The PAC executive board made up of ADS employees reviews and approves all recommendations for PAC contributions.

In Fiscal 2024, the Advanced Drainage Systems, Inc. PAC contributed \$37,400 toward political candidates and organizations. ADS has not contributed corporate funds or dollars to any political institution. Additional information on the Advanced Drainage Systems, Inc. PAC contributions can be found at www.fec.gov.

The ADS PAC has three primary objectives that guide its political donations. The objectives reflect betterment of society, in addition to supporting Advanced Drainage Systems' interests.

1. FOSTERING OPEN COMPETITION FOR MATERIALS



Current legislation gives states the autonomy to bid and select a single material for culvert pipes (which includes stormwater pipe). Culvert pipes are the only product within the Federal Highway Code to have an exclusion from federal oversight in the procurement process. The ADS PAC supports legislation to fix this anomaly, which causes significant cost disadvantages for developers, municipalities and public agencies. Open competition would remedy this issue as well as promote quality and encourage technological development, which benefits society overall. The ADS PAC supports legislation that defines system performance requirements and requires bidding of all technically qualified materials.

2. ENCOURAGING RECYCLING PROGRAMS AND THE USE OF RECYCLED MATERIAL



With recycling at the heart of ADS' operations, the ADS PAC advocates for the use of recycled plastic in construction materials, creating a circular economy for plastics. ADS supports legislation that encourages recycling – from educating consumers to improving the recycling material stream – as well as the use of recycled material in construction.

3. INCREASING FUNDING FOR INFRASTRUCTURE



ADS supports federal funding for infrastructure because investments are key to promoting economic growth and job creation. Infrastructure spending results in higher economic output, which in turn leads to many benefits including construction and land development. Additionally, there is a gap in infrastructure needs and available funding, and ADS supports legislation to bridge this gap.



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Appendix

SASB Index					
Topic	Accounting Metric	Category	Unit of Measure	Code	Location of Disclosure
Energy Management	Total energy consumed	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	Fiscal 2024 Sustainability Report, page 17
	Percentage grid electricity				
	Percentage renewable				
Employee Health & Safety	Total recordable incident rate (TRIR)	Quantitative	Rate	RT-IG-320a.1	Fiscal 2024 Sustainability Report, page 39
	Fatality rate				
	Near miss frequency rate (NMFR)				
Fuel Economy & Emissions in Use-Phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	RT-IG-410a.1	Not applicable
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2	Not applicable
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts per gallon	RT-IG-410a.3	Not applicable
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grams per kilowatt-hour	RT-IG-410a.4	Not applicable
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion & Analysis	N/A	RT-IG-440a.1	Not applicable
Remanufacturing Design & Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1	Fiscal 2024 Sustainability Report, page 25





SASB Index					
Topic	Accounting Metric	Category	Unit of Measure	Code	Location of Disclosure
Greenhouse Gas Emissions (SASB Standards for Road Transportation [TR-RO])	Gross global Scope 1 emissions	Quantitative	Metric tons (t)CO2-e	TR-RO-110a.1	Fiscal 2024 Sustainability Report, page 16
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against targets	Discussion & Analysis	N/A	TR-RO-110a.2	Fiscal 2024 Sustainability Report, page 21-22
	(1) Total fuel consumed, (2) percentage natural gas, (3) percentage renewable	Quantitative	Metric tons (t)	TR-RO-110a.3	Fiscal 2024 Sustainability Report, page 16-18

Definitions

The following terms are defined in this report:

ADS – Advanced Drainage Systems, Inc.

CFCSA – Canadian Federation of Construction Safety Association

COR – Certificate of Recognition (related to CFCSA)

DE&I – Diversity, Equity and Inclusion

EH&S – Environmental, Health and Safety

EPA – Environmental Protection Agency

GHG – Greenhouse Gas

GJ – Gigajoules

GRI – Global Reporting Initiative

HDPE – High-Density Polyethylene

Infiltrator – Infiltrator Water Technologies

kWh – kilowatt hours

LCA – Lifecycle Assessment

MPG – Miles per Gallon

NYSE – New York Stock Exchange

OSHA – Occupational Safety and Health Act

PAC – Political Action Committee

PP – Polypropylene

PPI – Plastics Pipe Institute

SASB – Sustainability Accounting Standards Board

SBTi – Science Based Targets initiative

The Code – the ADS Code of Business Conduct and Ethics

TRIR – Total Recordable Injury Rate

TxDOT – Texas Department of Transportation

UN SDG – United Nations Sustainable Development Goals





GRI Content Index

GRI 1: Foundation

These tables reflect ADS' reporting with reference to GRI 1: Foundation 2021

GRI 2: General Disclosures

The Organization and our Reporting Practices

GRI	Indicator	Disclosure / Location of Disclosure
2-1	Organizational details	Advanced Drainage Systems, Inc. Publicly traded (NYSE - WMS) 4640 Truman Blvd. Hilliard, OH 43026 Countries of operation: see Fiscal 2024 Annual Report, page 10
2-2	Entities included in the organization's sustainability reporting	Advanced Drainage Systems, Inc. And all wholly owned subsidiaries are included in our consolidated financial statements, as outlined in our Annual Report.
2-3	Reporting period, frequency and contact point	April 1, 2023 to March 31, 2024 (same as ADS fiscal year). Reports are completed on an annual basis. Contact: Nicole Voss Director of Sustainability sustainability@adspipe.com 614-419-6174
2-4	Restatements of information	There are no restatements.
2-5	External assurance	ADS received limited assurance for scope 1 & 2 GHG emissions for Fiscal 2024. More information can be found on page 68 of this report.

Activities and Workers

GRI	Indicator	Disclosure / Location of Disclosure
2-6	Activities, value chain, and other business relationships	ADS manufacturers stormwater management products that capture, convey, store and treat. Brands include: Sani-tite® HP, HP Storm, N-12®, Mega Green®, Bayfilter™, Ecopure™, Bay Separator™, Barracuda®, StormTech®, Landmax®, Inserta Tee Onefit, Nyloplast®, Duraslot®. ADS also operates a vertically integrated recycling company to provide recycled material for use in our manufacturing operations. ADS operates one of the largest private fleets in the business which allows us to provide superior delivery service to our customers. Our products go to market through our distribution partners.
2-7	Employees	Fiscal 2024 Sustainability Report, page 33
2-8	Workers who are not employees	Fiscal 2024 Sustainability Report, page 33

Governance

GRI	Indicator	Location of the disclosure FY 2024
2-9	Governance structure and composition	Fiscal 2024 Proxy Statement, Corporate Governance, page 6-12
2-10	Nominating and selecting the highest governance body	Fiscal 2024 Proxy Statement, page 17
2-11	Chair of the highest governance body	Robert M. Eversole, Chairman of the Board Managing Partner Stonehenge Partners, Inc.
2-12	Role of highest governance body in overseeing the management of impacts	Fiscal 2024 Proxy Statement, page 16-19
2-13	Delegation of responsibility for managing impacts	Fiscal 2024 Sustainability Report, page 44





2-14	Role of highest governance body in sustainability reporting	The board sustainability committee meets four times a year. The committee is responsible for providing oversight of ADS' approach to sustainability. Board sustainability committee members are provided the opportunity to review the annual sustainability report prior to issuance.
2-15	Conflicts of interest	See Code of Business Conduct and Ethics.
2-16	Communication of critical concerns	See process for communications with the board of directors.
2-17	Collective knowledge of highest governance body	Fiscal 2024 Proxy Statement, page 13
2-18	Evaluating the highest governance body's performance	Fiscal 2024 Proxy Statement, page 14
2-19	Remuneration policies	Fiscal 2024 Proxy Statement, page 25
2-20	Process to determine remuneration	Fiscal 2024 Proxy Statement, page 29-34
2-21	Annual total compensation ratio	Fiscal 2024 Proxy Statement, page 41-42

Strategy, Policies and Practices

GRI	Indicator	Disclosure / Location of Disclosure
2-22	Statement on sustainable development strategy	Fiscal 2024 Sustainability Report, page 3
2-23	Policy commitments	See ADS policies
2-24	Embedding policy commitments	ADS' board, through the sustainability committee, provides oversight of ADS' approach to sustainability and corporate social responsibility. The integration of specific ESG commitments into ADS' strategies and operational procedures managed internally through quarterly sustainability meetings.

2-25	Processes to remediate negative impacts	To ensure compliance with ADS Code of Business Conduct and Ethics as well as our third party code of conduct, we've adopted straightforward processes for our employees and other business partners to report their concerns including any instances of misconduct.
2-26	Mechanisms for seeking advice and raising concerns	ADS ethics hotline is a 24-hour confidential reporting portal for employees and third parties. Reports can be made anonymously at 1-888-234-4790 or www.ads-pipeline.alertline.com .
2-27	Compliance with laws and regulations	See Fiscal 2024 Annual Report, page 11-12
2-28	Membership associations	Plastics Pipe Institute USEPA Smartway Institute for Sustainable Infrastructure American Public Works Association ARCOSA Green Building Council The Recycling Partnership The Nature Conservancy Companies for Net Zero Ohio by-Products Synergy Network Rapid 5 Project Smart Columbus Accelerator Pledge

Stakeholder Engagement

GRI	Indicator	Disclosure / Location of Disclosure
2-29	Approach to stakeholder engagement	Fiscal 2024 Sustainability Report, page 14
2-30	Collective bargaining agreements	Fiscal 2024 Annual Report, page 9-10





GRI 3: Material Topics

GRI	Indicator	Disclosure / Location of Disclosure
3-1	Process to determine material topics	Fiscal 2024 Sustainability Report, page 14
3-2	List of material topics	Fiscal 2024 Sustainability Report, page 14
3-3	Management of material topics	Fiscal 2024 Sustainability Report, page 14

GRI 203: Indirect Economic Impacts

203-1	Infrastructure investments and services supported	Fiscal 2024 Sustainability Report, page 41-42
203-2	Significant indirect economic impacts	ADS has not yet evaluated significant indirect economic impacts.

Procurement Practices

GRI 204: Procurement Practices

GRI	Indicator	Disclosure / Location of Disclosure
204-1	Proportion of spending on local suppliers	ADS does not current track proportion of spend on local suppliers.

Anti-Corruption

GRI 205: Anti-Corruption

GRI	Indicator	Disclosure / Location of Disclosure
205-1	Operations assessed for risks related to corruption	Fiscal 2024 Annual Report, page 14-15
205-2	Communication and training about anti-corruption policies and procedures	Fiscal 2024 Sustainability Report, page 35

205-3	Confirmed incidents of corruption and actions taken	None
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Anti-Competitive Behavior

GRI 206: Anti-Competitive Behavior

GRI	Indicator	Disclosure / Location of Disclosure
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Code of Business Conducts and Ethics

Materials

GRI 301: Materials

GRI	Indicator	Disclosure / Location of Disclosure
301-1	Materials used by weight or volume	Fiscal 2024 Sustainability Report, page 26
301-2	Recycled input material used	Fiscal 2024 Sustainability Report, page 26

Energy

GRI 302: Energy

GRI	Indicator	Disclosure / Location of Disclosure
302-1	Energy consumption within the organization	Fiscal 2024 Sustainability Report, page 17 and 61
302-2	Energy consumption outside of the organization	Fiscal 2024 Sustainability Report, page 17 and 61
302-3	Energy intensity	Fiscal 2024 Sustainability Report, page 17 and 61
302-4	Reduction of energy consumption	Fiscal 2024 Sustainability Report, page 17 and 61





302-5	Reductions in energy requirements of products and services	Not applicable
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Water and Effluents

GRI 303: Water and Effluents

GRI	Indicator	Disclosure / Location of Disclosure
303-1	Interactions with water as a shared resource	Fiscal 2024 Sustainability Report, page 29
303-2	Management of water discharge-related impact	Fiscal 2024 Sustainability Report, page 29
303-3	Water withdrawal	Fiscal 2024 Sustainability Report, page 29
303-4	Water discharge	Fiscal 2024 Sustainability Report, page 29
303-5	Water consumption	Fiscal 2024 Sustainability Report, page 29

Emissions

GRI 305: Emissions

GRI	Indicator	Disclosure / Location of Disclosure
305-1	Direct (Scope 1) GHG emissions	Fiscal 2024 Sustainability Report, page 16 and 61
305-2	Energy indirect (Scope 2) GHG emissions	Fiscal 2024 Sustainability Report, page 16 and 61
305-3	Other indirect (Scope 3) GHG emissions	Fiscal 2024 Sustainability Report, page 16 and 61
305-4	GHG emissions intensity	Fiscal 2024 Sustainability Report, page 16 and 61
305-5	Reduction of GHG emissions	Fiscal 2024 Sustainability Report, page 16-18 and 61

305-6	Emissions of ozone-depleting substances (ODS)	ADS does not use significant amounts of ozone-depleting substance. We adhere to the Montreal Protocol, administered by the United Nations Environment Programme (UNEP), which maintains the list of ozone-depleting substances that are targeted for reductions and total phase-outs.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Fiscal 2024 Sustainability Report, page 18

Waste

GRI 306: Waste

GRI	Indicator	Disclosure / Location of Disclosure
306-1	Waste generation and significant waste-related impacts	Fiscal 2024 Sustainability Report, page 27 and 28
306-2	Management of significant waste-related impacts disposal method	Fiscal 2024 Sustainability Report, page 27 and 28
306-3	Waste generated	Fiscal 2024 Sustainability Report, page 27 and 28
306-4	Waste diverted from disposal	Fiscal 2024 Sustainability Report, page 27 and 28
306-5	Waste directed to disposal	Fiscal 2024 Sustainability Report, page 27 and 28

Supplier Environmental Assessment

GRI 308: Supplier Environmental Assessment

GRI	Indicator	Disclosure / Location of Disclosure
308-1	New suppliers that were screened using environmental criteria	ADS launched a supplier code of conduct in Fiscal 2024.
308-2	Negative environmental impacts in the supply chain and actions taken	ADS launched a Supplier Code of Conduct in Fiscal 2024. The majority of ADS' supply chain is in North America and therefore there is lower risk of negative environmental impacts in the supply chain. However, this risk has not yet been fully assessed.





Employment

GRI 401: Employment

GRI	Indicator	Disclosure / Location of Disclosure
401-1	New employee hires and employee turnover	1,832 New employee hires and a turnover rate of 37.8%.
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Benefits are provided to full time employees only.
401-3	Parental leave	Fiscal 2024 Sustainability Report, page 35

Labor / Management Relations

GRI 402: Labor / Management Relations

GRI	Indicator	Disclosure / Location of Disclosure
402-1	Minimum notice periods regarding operational changes	ADS does not have a policy in place.

Occupational Health and Safety

GRI 403: Occupational Health and Safety

GRI	Indicator	Disclosure / Location of Disclosure
403-1	Occupational health and safety management system	Fiscal 2024 Sustainability Report, page 37-39
403-2	Hazard identification, risk assessment and incident investigation	Fiscal 2024 Sustainability Report, page 38
403-3	Occupational health services	Where required, ADS employees receive an annual hearing test. One on one communication between employee and nurse line ensures maintained confidentiality.
404-4	Worker participation, consultation, and communication on occupational health and safety	Every ADS plant has a functioning safety committee. Hazard identification report systems are in place to identify and eliminate risk at the site.

403-5	Worker training on occupational health and safety	Fiscal 2024 Sustainability Report, page 37-39
403-6	Promotion of worker health	Fiscal 2024 Sustainability Report, page 37-39
403-7	Prevention and mitigation of occupational health and safety management system	Fiscal 2024 Sustainability Report, page 37-39
403-8	Workers covered by an occupational health and safety management system	100% of ADS employees are covered by an OSHA compliant safety management plan.
403-9	Work-related injuries	Fiscal 2024 Sustainability Report, page 39 and 61
403-10	Work-related ill health	Fiscal 2024 Sustainability Report, page 39 and 61

Training and Education

GRI 404: Training and Education

GRI	Indicator	Disclosure / Location of Disclosure
404-1	Average hours of training per year per employee	Fiscal 2024 Annual Report, page 34
404-2	Programs for upgrading employee skills and transition assistance programs	Fiscal 2024 Sustainability Report, page 33-34
404-3	Percentage of employees receiving regular performance and career development reviews	All employees receive regular performance and career development reviews.

Diversity and Equal Opportunity

GRI 405: Diversity and Equal Opportunity

GRI	Indicator	Disclosure / Location of Disclosure
405-1	Diversity of governance bodies and employees	Fiscal 2024 Sustainability Report, page 39 , 45 , and 47
405-2	Ratio of basic salary and remuneration of women to men	ADS does not disclose this data.





GRI 406: Non-Discrimination		
406-1	Incidents of discrimination and corrective actions taken	No substantiated incidents of discrimination.
GRI 407: Freedom Of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Have not evaluated suppliers. Implemented supplier code of conduct in Fiscal 2024. ADS operations are covered by our Code of Business Conduct and Ethics.
GRI 408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	None
GRI 409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Code of Business Conduct and Ethics
GRI 410: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	None
GRI 412: Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	None
412-2	Employee training on human rights policies or procedures	Fiscal 2024 Sustainability Report, page 50
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No significant investment agreements were completed during the reporting timeframe.

GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	ADS plants routinely participate in community engagement via philanthropy in the local community. Impact assessments have not been completed at any ADS manufacturing locations to date.
413-2	Operations with significant actual and potential negative impacts on local communities	Fiscal 2024 Sustainability Report, page 21-22
Supplier Social Assessment		
GRI 414: Supplier Social Assessment		
GRI	Indicator	Disclosure / Location of Disclosure
414-1	New suppliers that were screened using social criteria	To date, ADS has not evaluated suppliers. ADS launched our Supplier Code of Conduct in Fiscal 2024.
414-2	Negative social impacts in the supply chain and actions taken	To date, ADS has not evaluated suppliers. ADS launched our Supplier Code of Conduct in Fiscal 2024.
Customer Health And Safety		
GRI 415: Public Policy		
GRI	Indicator	Disclosure / Location of Disclosure
415-1	Political contributions	Fiscal 2024 Sustainability Report, page 51
GRI 416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	Not applicable
416-2	Incidents of Noncompliance Concerning the Health and Safety Impacts of Products and Services	None





Fiscal Year 2024 Performance Indicators

GHG Emissions ²⁸			
Scope 1 Emissions (Metric Tons CO2e)	Fiscal 2022 ²⁹	Fiscal 2023	Fiscal 2024 ³⁰
Scope 1 GHG Emissions by Type			
Fuel	157,884	144,296	134,863
Natural Gas	6,529	6,424	5,547
Total Scope 1 GHG Emissions	164,413	150,720	140,410*
Scope 2 Emissions (Metric Tons CO2e)			
Total Scope 2 GHG Emissions (Market Based)	174,543	164,855	157,312*
Total Scope 2 GHG Emissions (Location Based)	167,434	161,303	154,719*
Emissions Intensity (Scope 1 & 2)			
Total GHG Emissions (Scope 1 & 2) (Market Based)	388,956	315,574	297,722*
Total GHG Emissions (Scope 1 & 2) (Location Based)	331,847	312,023	295,130*
Total Sales (\$, in millions)	2,769	3,071	2,874
Total GHG Emissions Intensity (Scope 1 & 2) (Market Based/Location Based)	110 / 108	103 / 102	104 / 103

28 Emissions data is representative of the ADS business in the United States and Canada. The data does not include joint ventures facilities in Mexico or Other International, which represent less than 5% of net sales.

29 Fiscal 2022 and Fiscal 2023 Scope 1 & 2 emissions and totals reported in this table have been updated to match the calculations and reporting transparency methods used in Fiscal 2024.

30 The methodology for calculating Scope 1 GHG emissions for Fiscal 2024 includes CH₄, and N₂O emissions in addition to CO₂ emissions previously reported (the sum of CH₄, N₂O and CO₂ comprises CO₂e). Scope 1 Emissions for Fiscal 2022 and 2023 were also updated to use this same methodology.

Scope 3 Emissions (Metric Tons CO2e)	Fiscal 2022	Fiscal 2023	Fiscal 2024
Scope 3 GHG Emissions by Type			
Purchased goods and services	968,243	745,353	597,373
Other ³¹	157,971	175,414	198,004
Total Scope 3 GHG Emissions	1,126,214	920,767	795,376

Energy Usage ³²				
Energy Consumption	Unit of Measure	Fiscal 2022 ³³	Fiscal 2023 ³³	Fiscal 2024
Purchased Electricity ³⁴	Gigajoules (GJ)	1,653,838	1,582,187	1,488,709
Purchased Natural Gas	GJ	129,691	127,594	110,188
Total Energy Consumption	GJ	1,783,529	1,709,781	1,598,897
ADS Sales	\$, in millions	\$2,769	\$3,071	\$2,874
Energy Intensity	GJ per million revenue \$	644	557	556

31 All other scope 3 categories are less than 10% of the total emissions.

32 Fiscal 2024, Fiscal 2023 and Fiscal 2022 data does not include Cultec (acquired in May 2022) the joint ventures in Mexico or other international sales which represent less than 5% of net sales. In addition, Fiscal 2023 and Fiscal 2022 data does not include Jet Polymers (acquired in December 2021).

33 ADS is constantly refining our data collection, calculation and reporting process and is re-stating figures for Fiscal 2022 and Fiscal 2023 to ensure accuracy of methodology across all reporting year data.

34 100% grid electricity. We did not purchase any renewable energy in Fiscal 2024, 2023 or 2022.





Fleet Metrics				
Fleet Efficiency ³⁵	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024
Fuel Economy ³⁶	Miles per gallon (MPG)	6.5	6.5	6.4
Payload Efficiency ³⁷	Pounds shipped per miles traveled	23.7	22.0	22.6
Fuel Consumed ³⁸	GJ	1,016,622	920,720	854,618
NOx emissions ³⁹	Grams per mile (g/m)	3.25 [4.65]	3.02 [4.03]	2.99 [3.99]
	Grams per ton mile (g/tm)	0.26 [0.26]	0.29 [0.29]	0.30 [0.30]
CO2 emissions ³⁹	Grams per mile (g/m)	1,610 [1,510]	1,601 [1,491]	1,558 [1,558]
	Grams per ton mile (g/tm)	107 [107]	105 [105]	117 [117]
Particulate matter emission ³⁹	Grams per mile (g/m)	0.0445 [0.0445]	0.0052 [0.0332]	0.0051 [0.0321]
	Grams per ton mile (g/tm)	0.0028 [0.0028]	0.0017 [0.0028]	0.0018 [0.003]

Performance Indicators ⁴⁰				
Remanufactured Product Revenue	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024
Remanufactured Product Revenue	% of total revenue	57.2%	52.6%	51.1%
Percent of revenue from remanufactured products	% of total pipe revenue	60.8%	56.7%	53.7%

35 Fleet efficiency data is representative of the entire ADS fleet, which operates in the United States and Canada.

36 MPG is defined as total miles traveled divided by total fuel consumed. MPG is tracked through a third-party telematics program. Telematics are installed on all ADS medium and heavy-duty ADS trucks.

37 ADS defines payload efficiency as the total pounds shipped on ADS fleet divided by the total miles traveled on the ADS fleet. ADS uses payload efficiency as a measure of capacity utilization.

38 Fuel is tracked through a third-party telematics program. Converted from gallons to GJ at a rate of 0.14652 GJ per 1 gallon.

39 As part of our commitment to the Smartway Program, NOx, CO2 and Particulate Matter emissions are tracked on a calendar year basis. Values for Fiscal 2024, represent calendar year 2023 data, Fiscal 2023 values represent calendar 2022 data, and Fiscal 2022 values represent calendar 2021 data. Data in brackets represents data for the ADS fleet in Canada, which is tracked and reported to the US EPA Smartway Program separately.

40 Prior year numbers have been restated to reflect percentage of total revenue.

Waste		
Waste Generated (metric tons)	Fiscal 2023	Fiscal 2024
Total hazardous waste generated ⁴¹	45	45
Total non-hazardous waste generated	77,590	73,985
Total waste generated	77,635	74,030
Ratio: Hazardous waste / Revenue (metric tons/million revenue \$)	0.01	0.02
Ratio: Non-hazardous waste / Revenue (metric tons/million revenue \$)	25.26	25.74
Waste Disposal (metric tons)	Fiscal 2023	Fiscal 2024
Non-hazardous waste to landfill	26,118	27,978
Non-hazardous waste recycled externally	26,609	25,779
Non-hazardous waste recycled internally	24,862	20,228
Total non-hazardous waste generated	77,589	73,985
Ratio: Non-hazardous waste to landfill/Revenue (metric tons/million revenue \$)	8.50	9.73
Ratio: Non-hazardous waste to diverted from landfill/Revenue (metric tons/million revenue \$)	16.76	16.01

41 Hazardous waste data is an estimate based on manifests collected at the facilities in Fiscal 2023 and estimated based on the weight of water.





Baseline Water Stress		
Baseline Water Stress	Percent of ADS Water Usage in each category	Number of ADS Manufacturing Facilities
Extremely High	3%	3
High	16%	2
Medium-High	17%	16
Low-Medium	21%	9
Low	42%	28

Water Consumption Data				
Water Consumption	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total Water Intake ⁴²	Megaliters	517	493	520

Employees				
Full-time ⁴³	Fiscal 2022	Fiscal 2023	Fiscal 2024	
Male	4,530	4,630	4,565	
Female	720	860	850	
Total	5,250	5,490	5,415	

⁴² Water intake data is not yet available for the following: Jet Polymers (acquired in Fiscal 2022), Cultec (acquired in Fiscal 2023), Joint Ventures in Mexico and South America, domestic facilities that utilize well water, and offices or distribution centers where water is included in the lease.

⁴³ Includes U.S. and Canada employees at ADS, Infiltrator, Jet Polymers and Cultec, Inc

Part-time	Fiscal 2022	Fiscal 2023	Fiscal 2024
Male	20	15	20
Female	15	30	10
Total	35	45	30

By Region ⁴³	Fiscal 2022	Fiscal 2023	Fiscal 2024
United States	4,945	5,195	5,100
Canada	340	340	345
Other	350	335	260
Total	5,635	5,870	5,705

Employee Health and Safety ^{44,45}			
	Fiscal 2022	Fiscal 2023	Fiscal 2024
Total Recordable Injury Rate ⁴⁶	2.7	2.6	2.1
Fatality Rate	0.00	0.02	0.00
Near Miss Frequency Rate ⁴⁷	9.5	9.4	11.7

⁴⁴ Safety statistics are representative of the ADS Legacy operations in the United States and Canada and Infiltrator. Jet Polymers and Cultec data is included starting in Fiscal 2023. The data does not include joint ventures in Mexico or Other International, which represent less than 5% of net sales.

⁴⁵ Rates are calculated as: (Statistic count x 200,000) / hours worked.

⁴⁶ TRIR: A work-related injury or illness is considered a recordable incident if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness. Additionally, a significant injury or illness diagnosed by a physician or other licensed health care professional is considered a recordable incident, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

⁴⁷ Near Miss Frequency Rate: A work-related near miss is defined as an unplanned incident in which no property or environmental damage or personal injury occurred, but where damage or personal injury easily could have occurred but for a slight circumstantial shift.





Greenhouse Gas (GHG) Emissions – Basis of Reporting (Fiscal 2024)

Greenhouse Gas (GHG) Emissions – Basis of Reporting (Fiscal 2024)

Guidance and Boundary

ADS measures and discloses the company’s Scope 1, Scope 2, and relevant categories of Scope 3 emissions in accordance with the following guidance and standards:

- World Resources Institute (WRI)/World Business Council for Sustainable Development’s (WBCSD), The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol)
- WRI/WBCSD GHG Protocol Scope 2 Guidance
- WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard

For Scope 1 and Scope 2 location- and market-based GHG emissions, ADS selected an organizational boundary based on operational control. Therefore, only assets or facilities where our business operates and has the ability to directly influence emissions-generating activities are included in our Scope 1 and Scope 2 GHG emissions calculations. Boundaries for Scope 3 categories can vary slightly, as detailed below, but are generally defined as activities upstream from ADS’ operational control but limited to Tier 1 suppliers (i.e., those who contract directly with ADS) and downstream from ADS’ operational control but limited to transactions made directly by ADS with customers or investees.

Scope 1 GHG Emissions

Scope 1 GHG emissions were measured in accordance with the World Resources Institute (WRI)/World Business Council for Sustainable Development’s (WBCSD), The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol). ADS selected an organizational boundary based on operational control and direct emissions sources include stationary and mobile combustion. Fuel sources included in ADS’ calculation of Scope 1 GHG emissions include natural gas, propane, diesel, and aviation fuel. ADS obtains primary data from utility invoices, aviation reports, fuel receipts, and fleet telematics. Where primary data is not available, the ADS team uses generally accepted methods to estimate to calculate emissions using a complete and accurate population of data for the reporting period. The following summarizes estimation methodologies used by ADS for Scope 1:

- The Climate Registry - General Reporting Protocol USA Transport Sector 2023 <https://theclimateregistry.org/registries-resources/protocols/>
- For facility-level data gaps, ADS uses historic monthly production values to estimate.
- For distribution facility-level data gaps, ADS uses historic monthly consumption values to estimate.
- ADS does not currently track or report fugitive emissions associated with refrigerant leaks and/or CO2 fire suppression systems but plans to do so in the future.

As noted above, ADS scope 1 emissions include natural gas, propane, diesel and aviation fuel.

Scope 1 Emission Factors:

- 2023 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emissions Hub





Greenhouse Gas (GHG) Emissions – Basis of Reporting (Fiscal 2024)

Scope 2 GHG Emissions	Scope 2 emissions were measured using the location- and market-based methods in accordance with the WRI/WBCSD GHG Protocol Scope 2 Guidance. ADS selected an organizational boundary of operational control. Sources of emissions included in ADS' calculation of Scope 2 GHG emissions include electricity.	
	<p>Scope 2 Emission Factors:</p> <p>Location-based emission factors</p> <ul style="list-style-type: none"> • 2023 International Energy Association (IEA) emission factors • 2023 eGRID emission factors • Environment Canada 2023 National Inventory Report 	<p>Market-based emission factors</p> <ul style="list-style-type: none"> • 2022 Green-e Residual Mix Emissions Rates • International Energy Agency (IEA) Emission Factors • 2023 EPA e-GRID Emission Factors • Electric Edison Institute (EEI) Electric Company Carbon Emissions and Electricity Mix Reporting Database for Customers

Scope 3 GHG Emissions

Category & Description		Methodology	Emission Factors
1.	Purchased goods and services	Emissions are calculated using a spend-based method. ADS procurement team provided FY24 spend on purchased goods and services. FY23 Emissions were calculated using the Quantis GHG Emissions Tool, that was discontinued in August 2023. Results from FY23 were ratioed to FY24, using FY24 spend/FY23 spend ratio. ADS is evaluating methods to improve accuracy for this calculation in the future.	Quantis (discontinued August 2023)
2.	Capital goods	Emissions are calculated using a spend-based method. ADS financial team provided FY24 spend on capital goods. FY23 Emissions were calculated using the Quantis GHG Emissions Tool, that was discontinued in August 2023. Results from FY23 were ratioed to FY24, using FY24 spend/FY23 spend ratio. ADS is evaluating methods to improve accuracy for this calculation in the future.	Quantis (discontinued August 2023)
3.	Fuel and energy-related services	Emissions from fuel- and energy-related activities include electricity, fleet fuel and transmission and distribution. Each factor was converted separately using DEFRA emissions factors.	DEFRA Conversion Factors for Company Reporting (2023)
4.	Upstream transportation and distribution	Currently included with scope 3, category 1 emissions. Plan to disaggregate and track in the future to increase accuracy of ADS' scope 3 emissions estimates.	See category 1
5.	Waste generated in operations	Emissions are calculated using a spend-based method. ADS procurement team provided FY24 spend on wastewater and solid waste. FY23 Emissions were calculated using the Quantis GHG Emissions Tool, that was discontinued in August 2023. Results from FY23 were ratioed to FY24, using FY24 spend/FY23 spend ratio. ADS is evaluating methods to improve accuracy for this calculation in the future.	Quantis (discontinued August 2023)





6.	Business travel	Emissions from business travel include air, rail, rental car, hotel rooms and taxi usage by ADS employees when traveling away from their home office as noted in ADS HR system of record. Data for each mode of transportation comes from our travel booking partner's system of record and emissions are calculated based on spend using DEFRA's emissions factors.	DEFRA UK Government Conversion Factors for Company Reporting (2023)
7.	Employee Commuting	Emissions for employee commuting were calculated by the distance between 2020 employee's home and work postal codes. The average was multiplied by two trips per day, then by the FY24 employee count and the average workdays in a year. This mileage assumes all employees work in office and drive individually in a passenger vehicle.	DEFRA UK Government Conversion Factors for Company Reporting (2023)
8.	Upstream leased assets	ADS does not have any upstream leased assets.	Not Applicable
9.	Downstream transportation and distribution	ADS does not utilize downstream transportation and distribution.	Not Applicable
10.	Processing of sold products	ADS products do not require further processing prior to use.	Not Applicable
11.	Use of sold products	ADS products do not generate any GHG emissions in the use phase.	Not Applicable
12.	End-of-life treatment of sold products	ADS products have a life of 100+ years and are recyclable at end of life.	Not Applicable
13.	Downstream leased assets	ADS does not have downstream leased assets	Not Applicable
14.	Franchises	ADS does not operate on a franchise model	Not Applicable
15.	Investments	ADS is a party to several joint ventures (JVs) outside of ADS' operational control. The expected emissions from ADS' JVs are immaterial (<5%) and have been excluded from calculations.	Immaterial - Excluded



Alignment with the United Nations Sustainable Development Goals



Sustainable Development Goal 6:

Clean Water and Sanitation

Context: Our reason is water™, and our products play a key role in safely managing stormwater runoff and providing effective drainage and treatment. In addition, we are focused on minimizing the water-related impacts of our own operations.

Actions: In Fiscal 2024, we have implemented closed loop water systems at all of our legacy ADS pipe manufacturing facilities, with plans to evaluate how to do so for our remaining sites.



Sustainable Development Goal 12:

Responsible Consumption and Production

Context: As one of the largest plastic recyclers in North America, ADS plays a vital role in creating a circular economy for plastics – as such, our operations contribute meaningfully to the creation of a circular economy.

Actions: In Fiscal 2024, ADS recycled over 540 million pounds of plastic to be incorporated into its products. We have also maintained our commitment to being an active member of Operation Clean Sweep, which targets zero plastic resin loss at our facilities.



Sustainable Development Goal 9:

Industry, Innovation and Infrastructure

Context: Our long-lasting plastic products are more cost-effective and easier to install than traditional material equivalents, enabling effective installation of stormwater conveyance infrastructure, and our continued investments in innovation and safe manufacturing facilities contribute positively to the communities in which we operate.

Actions: ADS is continuing construction on the Engineering and Technology Center in Hilliard, OH which opened in June 2024, and will help us develop more innovative products that support sustainable infrastructure.



Sustainable Development Goal 13:

Climate Action

Context: Our commitment to climate action is two-fold. We are taking meaningful efforts to decarbonize our own operations, including our commitment to set emissions reductions goals in line with limiting global temperature rise to 1.5°C, as verified by the Science Based Targets Initiative. The reduced weight of our products as compared to traditional materials also helps reduce the carbon intensity for new infrastructure installation as well.

Actions: In Fiscal 2024, ADS proposed SBTs in line with 1.5°C using the absolute contraction method. We are currently undergoing the review and approval process with SBTi. Based on our submission, we expect reductions of 50% in Scope 1 & 2 emissions and 30% in Scope 3, Category 1 emissions by Fiscal 2032 from a Fiscal 2022 baseline.



Fiscal 2024 Board of Directors

Robert M. Eversole, Chairman

Managing Partner, Stonehenge Partners, Inc.

Scott Barbour

Director, President and Chief Executive Officer, Advanced Drainage Systems

Anesa Chaibi

Operating Partner and Chief Transformation Officer, Coalesce Capital

Michael Coleman

Partner, Ice Miller LLP

Alexander R. Fischer

Founder, Alex R. Fischer and Company

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Retired Chief Executive Officer, Diamond Innovations, Inc.

Kelly Gast

Retired Senior Vice President and Chief Financial Officer, Bayer Crop Science

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Joe Chlapaty

Chlapaty Investments LLC, and Retired Chairman, President and Chief Executive Officer, Advanced Drainage Systems

Fiscal 2024 Executive Officers

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Director, President and Chief Executive Officer

Scott A. Cottrill

Executive Vice President, Chief Financial Officer, Secretary

Darin Harvey

Executive Vice President, Supply Chain

Michael Huebert

Executive Vice President, Sales

Brian King

Executive Vice President, Product Management, Marketing and Sustainability

Robert M. Klein

Executive Vice President, Market Management

Craig Taylor

Executive Vice President, Infiltrator Water Technologies

Kevin C. Talley

Executive Vice President and Chief Administrative Officer

Thomas Waun

Executive Vice President, Engineering and International





Independent Limited Assurance Report to Advanced Drainage Systems, Inc.

ERM Certification & Verification Services Incorporated ("ERM CVS") was engaged by Advanced Drainage Systems, Inc. ("Advanced Drainage Systems") to provide limited assurance in relation to the selected information set out below and presented in the Advanced Drainage Systems 2024 Sustainability Report (the "Report").

Engagement summary	
Scope of our assurance engagement	<p>Whether the selected fiscal year 2024 data for the following selected disclosures, as indicated in the 2024 Sustainability Report are fairly presented in the Report, in all material respects, in accordance with the reporting criteria.</p> <ul style="list-style-type: none"> Total Direct GHG Emissions (Scope 1) (metric tons CO2e) Total Indirect GHG Emissions (Scope 2 locations based) (metric tons CO2e) Total Indirect GHG Emissions (Scope 2 market based) (metric tons CO2e) Total GHG Emissions (metric tons CO2e) <p>Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.</p>
Reporting period	Fiscal Year April 1, 2023 to March 31, 2024
Reporting criteria	<ul style="list-style-type: none"> The GHG Protocol Corporate Accounting and Reporting Standard (WBCSD/WRI Revised Edition 2015) GHG Protocol Scope 2 Guidance (An amendment to the GHG Protocol Corporate Standard (WRI 2015) for Scope 2 GHG emissions) ADS internal reporting criteria and definitions
Assurance standard and level of assurance	<p>We performed a limited assurance engagement, in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board.</p> <p>The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.</p>
Respective responsibilities	<p>Advanced Drainage Systems is responsible for preparing the Report and for the collection and presentation of the information within it, and for the designing, implementing and maintaining of internal controls relevant to the preparation and presentation of the selected information.</p> <p>ERM CVS' responsibility is to provide a conclusion to Advanced Drainage Systems on the agreed scope based on our engagement terms with Advanced Drainage Systems, the assurance activities performed and exercising our professional judgement.</p>

Our conclusion

Based on our activities, as described below, nothing has come to our attention to indicate that the fiscal year 2024 data and information for the disclosures listed under 'Scope' above are not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

Our assurance activities

Considering the level of assurance and our assessment of the risk of material misstatement of the selected information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Evaluating the appropriateness of the reporting criteria for the selected information;
- Interviewing management representatives responsible for managing the selected issues;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the selected disclosures;
- Reviewing of a sample of qualitative and quantitative evidence supporting the reported information at a corporate level;
- Performing an analytical review of the year-end data submitted by all locations included in the consolidated fiscal year 2024 group data for the selected disclosures which included testing the completeness and mathematical accuracy of conversions and calculations, and consolidation in line with the stated reporting boundary;
- Conducting an in-person visit to Clarion, PA and Winchester, KY Advanced Drainage Systems facility/production site in the United States to review source data and local reporting systems and controls;
- Evaluating the conversion and emission factors and assumptions used;
- Reviewing the presentation of information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Our independence, integrity and quality control

ERM CVS is an independent certification and verification body accredited by UKAS to ISO 17021:2015. Accordingly we maintain a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. Our quality management system is at least as demanding as the relevant sections of ISQM-1 and ISQM-2 (2022).

ERM CVS applies a Code of Conduct and related policies to ensure that its employees maintain integrity, objectivity, professional competence and high ethical standards in their work. Our processes are designed and implemented to ensure that the work we undertake is objective, impartial and free from bias and conflict of interest. Our certified management system covers independence and ethical requirements that are at least as demanding as the relevant sections of the IESBA Code relating to assurance engagements.

ERM CVS has extensive experience in conducting assurance on environmental, social, ethical and health and safety information, systems and processes, and provides no consultancy related services to Advanced Drainage Systems in any respect.

Heather I. Moore
Partner, Corporate Assurance
Malvern, PA

July 23, 2024

On behalf of:

ERM Certification & Verification Services Incorporated
www.ermcvs.com | post@ermcvs.com





About Advanced Drainage Systems, Inc.

Advanced Drainage Systems is a leading manufacturer of innovative stormwater and onsite septic wastewater solutions that manages the world's most precious resource: water. ADS and its subsidiary, Infiltrator Water Technologies, provide superior stormwater drainage and onsite septic wastewater products used in a wide variety of markets and applications including commercial, residential, infrastructure and agriculture, while delivering unparalleled customer service. ADS manages the industry's largest company-owned fleet, an expansive sales team, and a vast manufacturing network of approximately 70 manufacturing plants and 40 distribution centers. The company is one of the largest plastic recycling companies in North America, ensuring over half a billion pounds of plastic is kept out of landfills every year. Founded in 1966, ADS' water management solutions are designed to last for decades. To learn more, visit the company's website at www.adspipe.com.

