Fiscal Year 2026

Sustainability Report

Photo courtesy of ADS employee David Nitschke, Project Manager IT, Hilliard, OH

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A Letter from our CEO

In Fiscal 2026, ADS continued to strengthen its leadership in water management by delivering innovative solutions that address critical infrastructure, resilience, and environmental needs while supporting long-term, profitable growth. Last year, we advanced our strategy through the launch of new products designed to help customers build more resilient communities, including the industry-leading Arcadia™ hydrodynamic stormwater separator.

We also expanded our strategic platform through our acquisition of National Diversified Sales (NDS). This acquisition enhances the depth and breadth of ADS' stormwater offering by extending our reach into complementary water management segments and strengthening our ability to serve customers across the full water solutions value chain. We are excited about the potential of NDS to drive long-term growth and reinforce ADS' position as a leading provider of innovative water management solutions.

Sustainability remains central to how we manage risk, improve operational efficiency, and create durable value. As our products help customers manage the impacts of a changing climate, we are equally focused on strengthening the sustainability of our own operations. ADS has committed to science-based targets to reduce scope 1 and 2 GHG emissions by 50.4% and scope 3 emissions by 30% by Fiscal 2032, against a Fiscal 2022 baseline – reinforcing our commitment to measurable progress and disciplined execution.

During Fiscal 2026, we continued executing against these targets through targeted optimization and efficiency improvements across our manufacturing operations and transportation assets. Energy efficiency initiatives, transportation optimization, and the continued greening of the grid contributed to a 12.5% reduction in scope 1 and 2 GHG emissions compared with our Fiscal 2022 baseline, and 22% reduction in scope 3 category 1 GHG emissions. As we continue modernizing our fleet, with more than 70% of vehicles now model year 2023 or newer, we are realizing measurable improvements in fuel efficiency. These efforts support both our environmental objectives and our broader focus on productivity, cost discipline, and operational excellence.

I am also immensely proud of the work of our leaders in creating a safe, welcoming environment for our employees each day. In Fiscal 2026, ADS achieved a total recordable incident rate (TRIR) of 1.52, representing our best performance over the last 5+ years and a continuation of year-over-year improvements in safety performance. Further, we maintained several regular engagement touchpoints with our employees, including expanding our leadership development programs and launching seven new affinity groups, contributing to our culture of belonging. In Fiscal 2026, we achieved a 79.6% response rate to the annual Culture and Engagement survey – demonstrating strong employee engagement.

Over the past year, we refreshed our materiality assessment to incorporate stakeholder perspectives more directly and ensure our sustainability priorities remain aligned with the issues most relevant to our business, our customers, our investors, and the areas where ADS can have the greatest impact. Our refreshed assessment largely reaffirmed the priority areas identified in our prior assessment, and will help us prioritize resource allocation to the highest-impact areas for long-term performance and stakeholder confidence going forward.

Collectively, these actions demonstrate continued progress against our sustainability strategy and reinforce our focus on disciplined execution, transparent reporting, prudent capital allocation, and long-term value creation. Looking forward, ADS' growing recycling capabilities, ongoing transportation fleet modernization, and prudent management of climate-related risks and opportunities position the Company well to benefit from durable demand for innovative water management solutions while maintaining resilience in volatile markets and continuing to operate responsibly and efficiently.

Thank you for your continued interest and confidence in ADS. We remain committed to integrating sustainable practices across our business, reducing environmental impact, and strengthening the positive role we play for our customers, communities, stakeholders, and shareholders.

Sincerely,

D. Scott Barbour

President & CEO

A Letter from our Sustainability Chairperson

As Chairperson of the ADS Sustainability Committee of the Board of Directors, I am pleased to present ADS' Fiscal 2026 Sustainability Report on behalf of the Sustainability Committee of the Board of Directors. This report reflects ADS' commitment to effective oversight, responsible governance, disciplined risk management, and long-term value creation.

Through its Sustainability Committee, the Board oversees ADS' sustainability strategy, priorities, and progress against established objectives. In Fiscal 2026, the Company advanced its 10-year sustainability goals, in part by using 388 million pounds of recycled plastic, reducing Scope 1 and 2 greenhouse gas emissions by 12.5% from the Fiscal 2022 baseline, and reducing TRIR by 44% compared to Fiscal 2022.

This progress was further recognized when ADS ranked number 30 out of 100 on TIME's 2026 World's Most Impactful Companies list, underscoring the Company's leadership in sustainable water management, circular manufacturing, and measurable impact.

These outcomes reflect the continued integration of sustainability into ADS' business strategy, operations, innovation, risk management, and stakeholder engagement.

The Committee remains focused on transparency, accountability, and sound governance. In Fiscal 2026, ADS obtained limited assurance over Scope 1 and 2 greenhouse gas emissions for the third consecutive year and expanded limited assurance to include Scope 3 greenhouse gas emissions. The Company also continued to incorporate its Supplier Code of Conduct into contracts and refreshed its materiality assessment to further align sustainability priorities with business relevance, stakeholder expectations, and areas of meaningful impact.

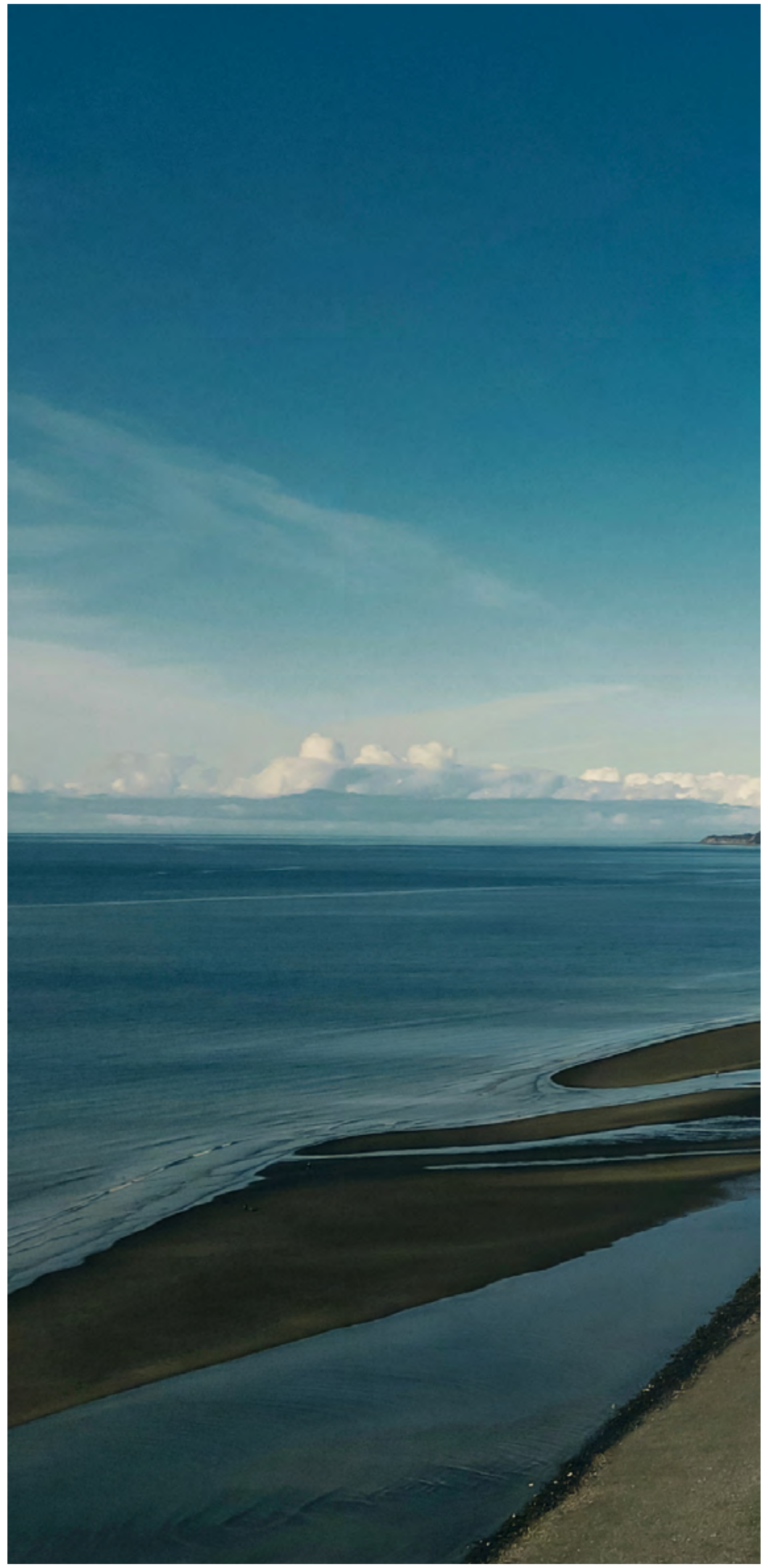
ADS also continued to advance its commitment to corporate citizenship. In Fiscal 2026, the ADS Foundation contributed $715,000 to charitable causes focused on clean water, recycling, education, mental health, and housing, while employees raised $216,000 for cancer research through Pelotonia and supported volunteer initiatives in the communities where ADS operates.

As the ADS sustainability program matures and evolves, the Committee will continue to provide oversight of strategy, performance, disclosure, and risk while supporting management's disciplined execution of sustainability initiatives.

On behalf of the Sustainability Committee, I thank ADS' employees, management team, partners, customers, shareholders, and communities for their continued engagement and support.

Thank you for reviewing ADS' Fiscal 2026 Sustainability Report.

Michael B. Coleman
Sustainability Chairperson



About ADS

Photo courtesy of ADS employee Joshua Stark, Line Operator, Harrisonville, MO

Our Reason is Water®

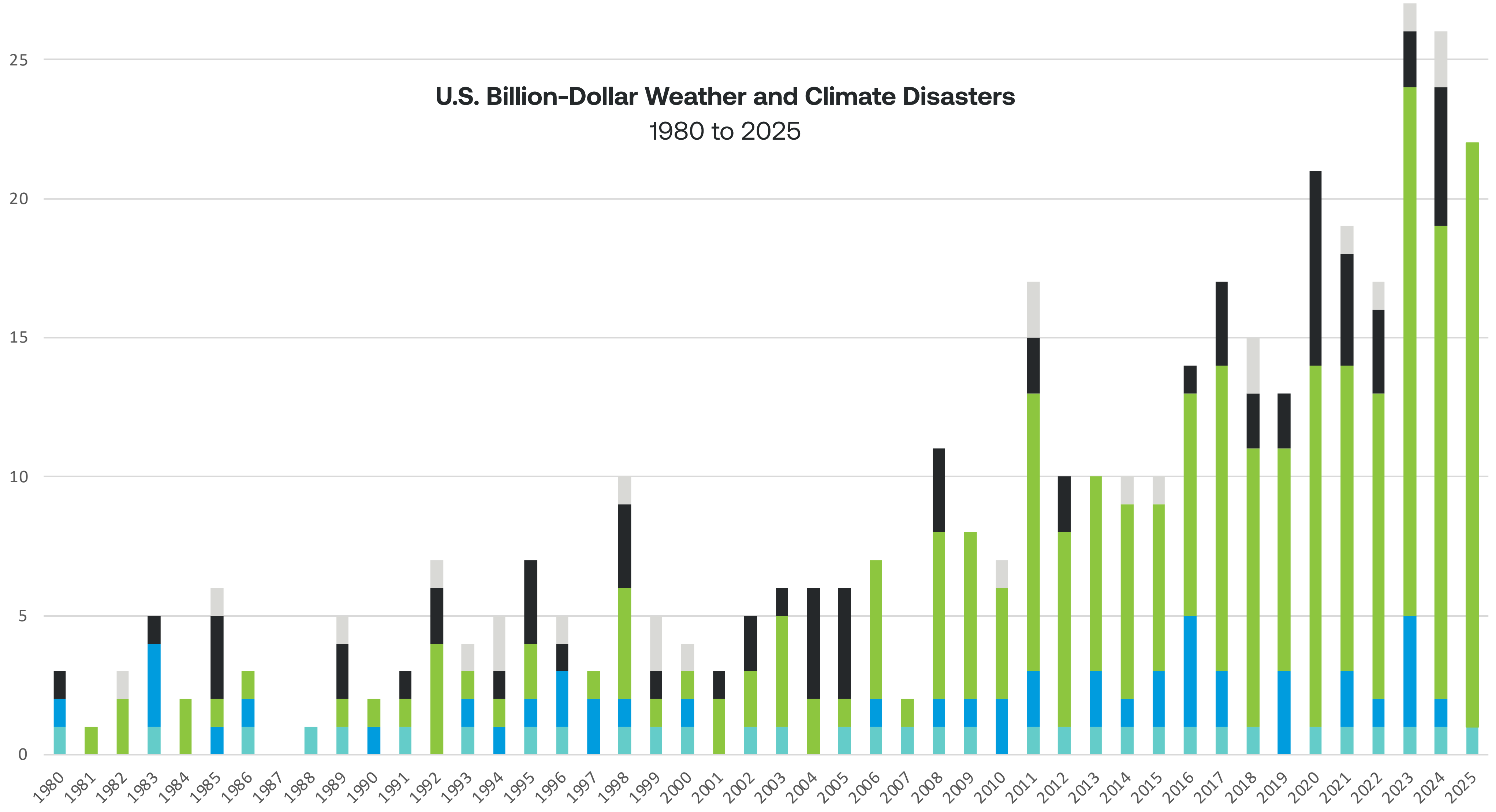
As the climate changes, communities across North America are experiencing more frequent and intense rainfall events, placing increasing pressure on aging infrastructure and elevating the risk of flooding. At ADS, our purpose is rooted in helping communities manage water more effectively. We are committed to developing innovative stormwater solutions that strengthen resilience, support recovery from extreme weather events, and help prepare communities for the challenges ahead—while continuing to reduce the environmental impact of our own operations.

The need for effective stormwater management has never been greater. As illustrated in the following chart, the frequency of billion-dollar weather and climate disasters associated with severe storms continues to rise, with 2025 ranking among the most active years on record. More than half of all billion-dollar storm-related disasters recorded in the United States since 1980 have occurred within the past decade, underscoring the growing importance of resilient infrastructure.

ADS solutions help communities capture, convey, store, and treat stormwater, reducing flood risk, protecting critical infrastructure, and improving public safety. Through innovative products and sustainable water management practices, we enable municipalities, developers, and engineers to address today's challenges while building resilience for the future.

We believe that by advancing smarter stormwater infrastructure, we can create lasting environmental and community benefits while helping safeguard the places where people live, work, and play.

To learn more about how ADS partnered with communities to support recovery and resilience following severe weather events, see the Partnerships & Collaboration section of this report.



Source: https://www.climatecentral.org/report/us-billion-dollar-weather-and-climate-disasters-2025.

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 or diverting for reuse. 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 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

Customizable solutions designed to manage water, the world's most precious resource. Basins efficiently capture stormwater and channel it away from buildings and critical infrastructure, keeping communities safe.

Conveyance

15+ billion feet of ADS pipe are installed around the world. To prevent flooding and protect communities, ADS pipes, fittings, and other products safely convey water away from neighborhoods.

Storage

The current footprint of installed StormTech retention detention chambers can infiltrate more than 4 billion gallons of stormwater runoff. Our chambers capture and filter stormwater, allowing it to gradually absorb into the ground. In detention systems, runoff is temporarily stored before being safely conveyed to our water quality products for further treatment.

Treatment

ADS water quality separators in place can manage over 11 million gallons of water per minute during storm events. ADS water quality products remove trash, debris, and pollutants from stormwater, ensuring that only clean water is returned to our environment.

Reuse

ADS and Rainwater Management Systems (RMS) collaborate to provide impactful stormwater and rainwater harvesting solutions for commercial, industrial, and residential applications. ADS and RMS products provide the perfect solution for water capture and reuse anywhere but especially in areas of increasingly high water stress where managing every drop is important.

Business Overview

Advanced Drainage Systems, Inc. (ADS) is a leading provider of sustainable stormwater and onsite wastewater solutions, with headquarters in Hilliard, Ohio, USA. Our operations span 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 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, easier to install, and have a lower carbon footprint[1] than comparable alternatives made from traditional materials.

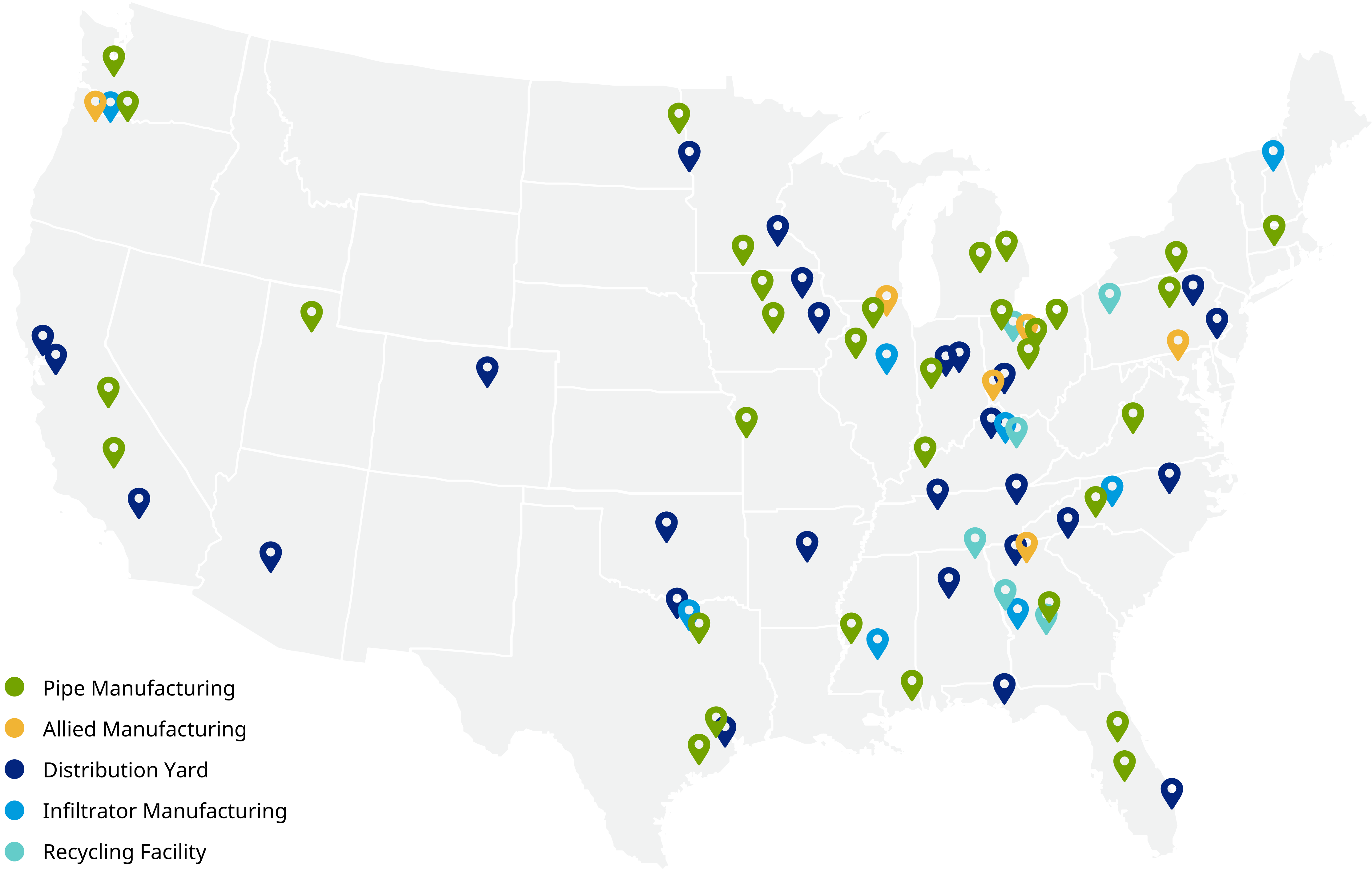
We serve a large and active customer base of around 16,000 customers, including national and independent waterworks distributors, major retailers of drainage products, and buying groups and cooperatives across the U.S. that support the construction, agriculture, plumbing, hardware, irrigation, and landscaping markets.

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

Business Footprint

In addition to our U.S. manufacturing and distribution facilities, we operate plants in Canada to serve that market. We also reach other international markets, primarily in Mexico and South America, through joint ventures with local partners. This strategy provides regional access to key markets such as Mexico, Brazil, and Chile, where our joint ventures and international subsidiaries manufacture pipe and related products for sale within their respective regions.

United States Production Facilities



2. Map does not include NDS sites acquired in February 2026.

Business by the Numbers

Scale of the Organization	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026[3]
Net Sales ($ in millions)					
United States	$2,564	$2,851	$2,667	$2,710	$2,858
Canada	$132	$135	$126	$119	$119
Other International	$73	$85	$82	$75	$73
Total	$2,769	$3,071	$2,874	$2,904	$3,050
Manufacturing Plants					
United States	57	53	51	52	54
Canada	5	5	5	5	4
Mexico[4]	4	4	4	3	3
South America[4]	4	4	4	3	3
Total	70	66	64	63	64
Distribution Centers					
United States	24	27	29	26	29
Canada	4	4	4	4	4
Mexico[4]	4	3	2	2	3
South America[4]	5	5	5	6	4
Other[5]	1	1	1	1	1
Total	38	40	41	39	41

3. Data for Fiscal 2026 includes results and operations acquired through our NDS which was acquired in February 2026.
4. Manufacturing plants and distribution centers in Mexico and South America are owned or leased by our joint ventures.
5. The other facility is located in the Netherlands.

Awards & Recognition

America's Most Responsible Companies in 2026 by Newsweek

For the fourth consecutive year, ADS achieved a spot on the annual list of America's Most Responsible Companies, recognizing our commitment to environmental, social, and corporate governance efforts. The ranking is based on three pillars of ESG and the analysis draws on both KPI research and a public survey of over 26,000 consumers. The final list recognizes the top 600 companies in the United States for their commitment to making a positive global impact.

Time World's Most Impactful Companies 2026

Time recognized ADS as No. 30 on the 2026 list of Most Impactful Companies.

This list recognizes organizations that have global economic reach (reporting an annual revenue of at least $250 million in their most recent fiscal year) as well as a net positive impact on the world. TIME partnered with Statista this year to launch the first edition of the World's Most Impactful Companies list.

The data-driven methodology considers how much companies align with the United Nations Sustainable Development Goals, and draws on science-based net impact data from The Upright Project—sourced from millions of scientific articles, as well as public statistical databases such as the World Bank, WHO, OECD, IPCC—as a core component of the final scores. The ranking highlights 500 companies that work to address high-priority global challenges as part of their core business—proof that companies can do good and do well.

Our Approach to Sustainability

REASON

At ADS, we understand that sustainability is an ongoing journey. We continue to make incremental progress in advancing our sustainability program and achieving our Fiscal 2032 goals, maintaining a continuous improvement mindset.

This past fiscal year, ADS conducted Climate Scenario Analysis and developed our Climate Adaptation and Resilience Plan. This plan will facilitate ongoing management of climate-related risks and opportunities.

ADS reaffirmed its commitment to the UN Global Compact, the world's largest corporate sustainability initiative. This partnership enables us to align our strategies with other forward-thinking companies to advance the shared goal of building a more sustainable future.

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 2026) are presented in this report and provide an important foundation to inform future areas of focus.

Progress towards our 10-Year Goals

Over the past twelve months, ADS continued to take action towards achieving our long-term goals. The table outlines progress in each of the six areas of focus based on our tagline — **REASON**.

Area of Focus	Goal	Fiscal 2026 Progress
Recycling	/ 1 billion pounds recycled material used annually by 2032.	/ 388 million pounds of recycled material purchased in Fiscal 2026. / Continued to partner with The Recycling Partnership, whose goal is to improve recycling across the United States.
Environmental Impact Reduction	/ Science-based targets for GHG emissions in line with 1.5°C trajectory. / Reduce Scope 1 and 2 GHG emissions 50.4% by Fiscal Year 2032 from a Fiscal Year 2022 baseline. / Reduce scope 3 GHG emissions from purchased goods and services by 30% within the same timeframe.	/ Science-based Targets (SBTs) were validated by the Science Based Targets initiative (SBTi) on August 28, 2024. / Internally, we have developed a path to achieve these targets and will report additional information as progress occurs. / Fiscal 2026 scope 1 & 2 GHG emissions demonstrated a 12.5% decrease from baseline. / Fiscal 2026 Scope 3 Category 1 GHG emissions demonstrated a 22% decrease from baseline.
Accountability	/ Continued transparency in reporting annual progress toward 10-year goals. / Implementation of a supplier sustainability program to be a responsible and transparent corporate citizen.	/ Conducted Climate Scenario Analysis and developed a Climate Adaptation and Resilience Plan. / Continued to incorporate Supplier Code of Conduct into contracts in Fiscal 2025. / Signatory to the United Nations Global Compact since Fiscal 2024.
Social Purpose	/ Increase focus on Culture and Engagement. / Continue supporting communities through the ADS Foundation. / Develop and foster community partnerships.	/ In Fiscal 2026, ADS demonstrated strong employee engagement, with a 79.6% response rate to the annual Culture and Engagement survey. / Contributed 0.8 million to charitable organizations, including 0.7 million through the ADS Foundation.
Operational Excellence	/ 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.	/ TRIR was 1.52, a 44% 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 Blue. / 100% of the legacy ADS pipe manufacturing facilities utilize closed loop water systems.
News	/ 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.	/ Published annual sustainability report.

Materiality Assessment

We believe that continuous stakeholder engagement is crucial to maintain a leading sustainability program. In Fiscal 2026, we updated our materiality assessment to better understand how our stakeholders view the issues that impact our business. The results are helping ADS integrate these material topics into our risk management and strategic planning while guiding our future sustainability priorities.

Evaluating and Prioritizing Impacts

In collaboration with a third-party consultant, we evaluated ADS' sustainability-related risks and opportunities through the lens of both 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 capture and understand the topics most important to them.

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

ADS' Material ESG Issues

Stakeholder and Financial Impact Issues

Enhancing ability to attract and retain talent

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

Increasing the use of recycled plastics through partnerships and innovation

Deploying automation technologies across ADS' manufacturing network

Upholding worker health and safety across the value chain

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

Stakeholder Impact Issues

Decarbonizing ADS' own operations and supply chains

Fostering a culture of belonging

Enhancing the measurement and disclosure of ADS' product impact

Environmental Impact

Energy and Emissions

ADS is dedicated to decarbonizing its operations while delivering solutions that help communities worldwide do the same. Our recycled HDPE pipe offers a lower carbon footprint than competing materials, enabling more sustainable stormwater management. Additionally, following our initial goal set in 2022, ADS' GHG emissions reduction targets have been validated by the Science-Based Targets Initiative (SBTi) as in line with limiting global temperature rise to 1.5°C.

Greenhouse Gas Emissions

Scope 1 GHG emissions decreased 2.4% over the previous fiscal year, due to lower fuel usage for fleet and onsite mobile equipment despite higher natural gas usage for comfort heating in our facilities caused by colder winter weather conditions. Scope 2 GHG emissions decreased 5.4% (Market Based) and 4.5% (Location Based) over the prior fiscal year, due to a mix of decrease in production, increased focus on energy efficiency and greening of the grid.

In Fiscal 2026 we continued to track energy usage and emissions data using Resource Advisor. Fleet emissions data was reported using SmartWay as described in the Transportation Efficiency section of the report.

ADS' absolute scope 1 & 2 GHG emissions decreased 12.5% over the Fiscal 2022 baseline (Market Based). This decrease is primarily attributable to decreased production, energy reductions across the manufacturing network and greening of the grid. We continue to explore opportunities to advance decarbonization across our operations and supply chain as we work toward our science-based targets. We look forward to sharing more detail on the progress and outcomes of these efforts in future reports.

GHG Emissions[6]					
Scope 1 Emissions (Metric Tons CO_2e)	**Fiscal 2022[6]**	**Fiscal 2023[7]**	**Fiscal 2024[8]**	**Fiscal 2025**	**Fiscal 2026**
Fuel	157,884	144,296	134,863	155,374	150,604
Natural Gas	6,529	6,424	5,547	6,254	7,108
Total Scope 1 GHG Emissions	164,413	150,720	140,410	161,628	157,712*
Scope 2 Emissions (Metric Tons CO_2e)	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**	**Fiscal 2026**
Total Scope 2 GHG Emissions (Market Based)	174,543	164,855	157,312	146,975	138,998*
Total Scope 2 GHG Emissions (Location Based)	167,434	161,303	154,719	141,687	135,320*
Emissions Intensity (Scope 1 & 2)	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**	**Fiscal 2026**
Total GHG Emissions (Scope 1 & 2) (Market Based)	338,956	315,574	297,722	308,603	296,710*
Total GHG Emissions (Scope 1 & 2) (Location Based)	331,847	312,023	295,130	303,315	293,033*
Total Sales ($, in millions)	2,769	3,071	2,874	2,904	3,050
Total GHG Emissions Intensity (Scope 1 & 2) (Market Based/Location Based)	110 / 108	103 / 102	104 / 103	106 / 104	97 / 96

6. Fiscal 2026 and prior exclude NDS sites (acquired in February 2026). Fiscal 2025 and prior exclude Orenco sites (acquired in October 2024). The data does not include joint ventures facilities in Mexico or Other International, which represent less than 5% of net sales.
7. 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.
8. The methodology for calculating Scope 1 GHG emissions for Fiscal 2024 includes CH_4, and N_2O emissions in addition to CO_2 emissions previously reported (the sum of CH_4, N_2O and CO_2 comprises CO_2e). Scope 1 Emissions for Fiscal 2022 and 2023 were also updated to use this same methodology.

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

Reducing our GHG emissions

ADS is committed to doing our part to reduce global greenhouse gas emissions in line with the Paris Climate Accord. ADS' Science-based targets (SBTs) are validated by the Science Based Targets initiative (SBTi), and the GHG emissions reductions we have set are in line with a 1.5°C trajectory, marking an important step in our decarbonization journey. We recognize that there is more work needed to achieve these ambitious goals and ADS is working to refine our strategy and continue positive progress on GHG emissions reduction while continuing to grow the business.

ADS intends to achieve the following by Fiscal 2032:

- **50.4% reduction** in absolute scope 1 & 2 GHG emissions by Fiscal 2032 from a Fiscal 2022 baseline
- **30% reduction** in absolute scope 3 GHG emissions from purchased goods and services by Fiscal 2032 from a Fiscal 2022 baseline.

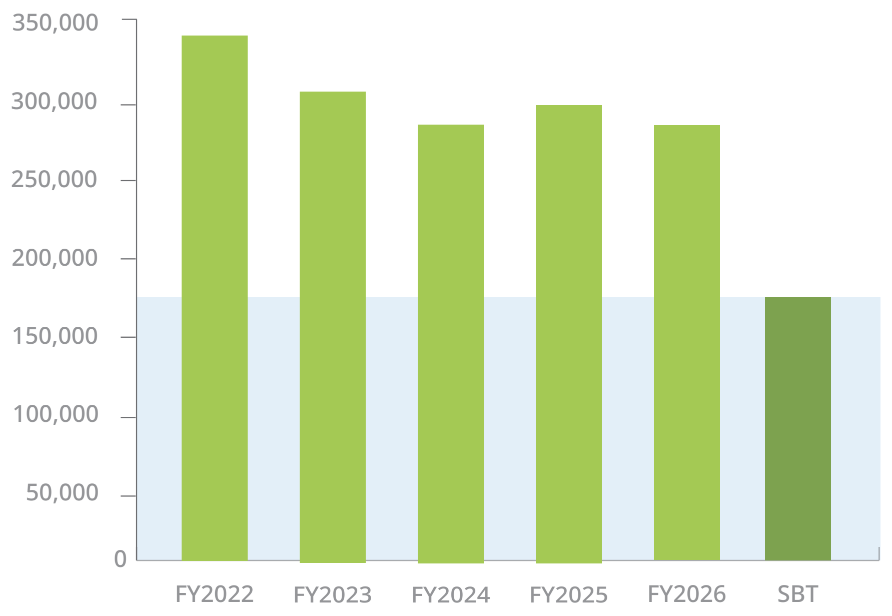
ADS' strategy to achieve the ambitious targets outlined above includes implementing energy efficiency projects and transitioning to renewable energy across the ADS manufacturing network. Achieving our scope 3 GHG emissions target will require ADS to engage with our suppliers and encourage them to set and achieve GHG reduction targets.

ADS is still working to decarbonize our operations, but we are proud to share the progress made over the past year toward our absolute reduction goals, particularly in reducing Scope 1 and Scope 2 GHG emissions. These results reflect a combination of lower production and increased energy efficiency across our manufacturing network as well as greening of the grid. We remain committed to achieving these ambitious goals.

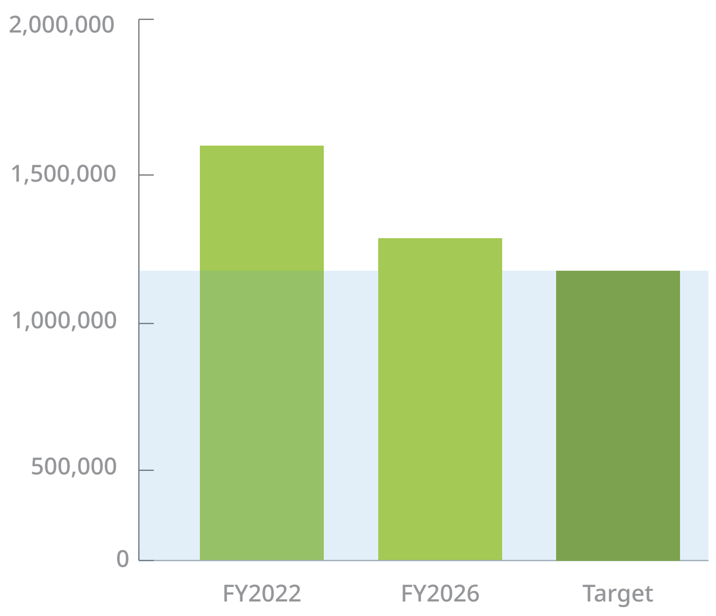
Scope 3 Emission Summary	Fiscal 2022	Fiscal 2026	FY26 vs. FY22
Category 1 - Purchased Goods and Services	1,549,501	1,203,197	-22%
Category 2 - Capital Goods	70,718	108,354	53%
Category 3 - Fuel and Energy Related Activities	25,935	22,911	-12%
Category 5 - Waste Generated in Operations	6,985[9]	6,171	-12%
Category 6 - Business Travel	1,653	3,586	117%
Category 7 - Employee Commuting	5,745[10]	6,561	14%
Category 9 - Downstream Transportation and Distribution	217,259	152,976	-30%
Category 12 - End of Life Treatment of Sold Products	7,711[9]	6,812	-12%
Total	1,885,517	1,510,568	-20%

9. Estimated using ratio of #employees in FY22 vs. FY26.
10. Estimated using ratio of pipe production lbs FY22 vs. FY26.

Scope 1 & 2 GHG emissions
(metric ton CO_2e)
Actual vs. Science-based target



Scope 3 emissions - purchased goods and services
(metric ton CO_2e)
Actual vs. Science-based target



Energy Use

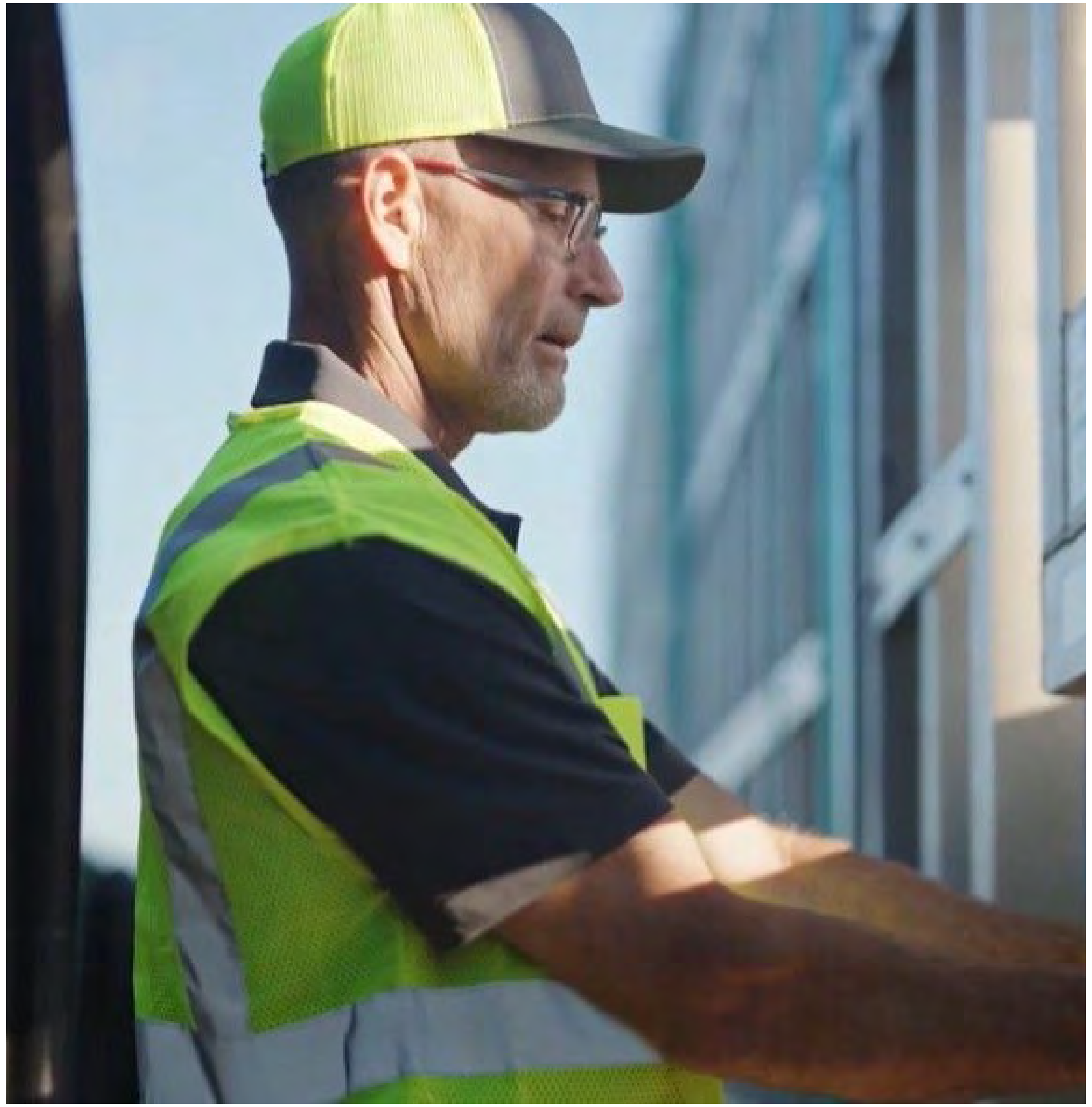
In Fiscal 2026, ADS continued to track energy and emissions data from our U.S. and Canada operations on a facility level.

Approximately 99% of our energy is consumed in manufacturing processes. ADS continues to evaluate opportunities to reduce our energy consumption through adopting more efficient technologies throughout our manufacturing footprint, including through the reduction of scrap and improvements to equipment efficiency.

Energy Usage[11]

Energy Consumption	Unit of Measure	Fiscal 2022	Fiscal 2023[12]	Fiscal 2024	Fiscal 2025	Fiscal 2026
Purchased Electricity[13]	Gigajoules (GJ)	1,653,838	1,582,187	1,488,709	1,501,544	1,422,532
Purchased Natural Gas	GJ	129,691	127,594	110,188	124,224	141,193
Total Energy Consumption	GJ	1,783,529	1,709,781	1,598,897	1,625,768	1,563,725
ADS Sales	$, in millions	$2,769	$3,071	$2,874	$2,904	$3,050
Energy Intensity	GJ per million revenue $	644	557	556	560	513

11. FY2026 data does not include NDS (acquired in February 2026). Fiscal 2025, Fiscal 2024, Fiscal 2023 and Fiscal 2022 data does not include Orenco (acquired in October 2024) the joint ventures in Mexico or other international sales which represent less than 5% of net sales. Fiscal 2024, Fiscal 2023 and Fiscal 2022 data does not include Cultec (acquired in May 2022). In addition, Fiscal 2023 and Fiscal 2022 data does not include Jet Polymers (acquired in December 2021).
12. In Fiscal 2024, ADS refined our data collection, calculation and reporting process and re-stated figures for Fiscal 2022 and Fiscal 2023 to ensure accuracy of methodology across all reporting year data. The re-stated figures are included in this table.
13. 100% grid electricity. We did not intentionally purchase any renewable energy in Fiscal 2026, 2025, 2024, 2023 or 2022.



Transportation Efficiency

ADS operates the largest Company-owned fleet in our industry, enabling us to deliver optimal customer service. We are dedicated to reducing the environmental impact of our operations and have partnered with SmartWay, a U.S. EPA program that supports companies in advancing supply chain sustainability by measuring, benchmarking, and improving freight transportation efficiency. We continually optimize our fleet by tracking vehicle usage, delivery routes, and shipping methods to enhance efficiency and reduce environmental impact.

ADS utilizes a wide range of vehicles, including custom drop-side trailers, tractor-trailers, box trucks, and flatbeds, all designed to ensure efficient delivery to jobsites. The logistics team chooses the best vehicle 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 2026, the fuel economy of the ADS fleet experienced a modest increase due to our recent investments to update and acquire new trucks, which have yielded an increase in miles per gallon.

At the end of Fiscal 2026, over 70% of the ADS fleet consisted of trucks with engine year 2023 or newer.

Payload efficiency was flat year over year, and fuel consumption decreased 5.9% to 830,630 GJ. The decrease in fuel consumption is attributable to increased fuel efficiency of the refreshed fleet, as well as a slight decrease in total vehicle miles traveled.

With a significant investment in fleet modernization and the replacement of 355 trucks over the past three fiscal years, the ADS operations team has been managing multiple operational changes, including transitioning from manual to automated manual transmissions. ADS continues to implement initiatives to increase compliance, improve driver training, and expand the use of monitoring technology.

Through compliance and training programs, we have increased awareness of route management, load optimization, and other value-added practices. Greater adoption of monitoring technology provides additional oversight of driver performance and enables preventative maintenance strategies.

We see further opportunities to improve efficiency through the adoption of advanced technology solutions, which includes active tire monitoring, self-inflation systems, managed maintenance programs, and training programs focused on reducing idle time, improving miles per gallon, and enhancing engine efficiency.

Annual internal targets for payload efficiency continue to drive continuous improvement in route optimization and load maximization.

Fleet Metrics

Fleet Efficiency[14]	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Fuel Economy[14]	Miles per gallon (MPG)	6.5	6.5	6.4	6.3	6.5
Payload Efficiency[16]	Pounds shipped per miles traveled	23.7	22.0	22.6	22.5	20.8
Fuel Consumed[17]	GJ	1,016,622	920,720	854,618	882,470	830,630
NO_x emissions[18]	Grams per mile (g/m)	3.25 [4.65]	3.02 [4.03]	2.99 [3.99]	2.92 [2.92]	2.73 [2.47]
	Grams per ton mile (g/tm)	0.26 [0.26]	0.29 [0.29]	0.30 [0.30]	0.26 [0.29]	0.80 [0.36]
CO_2 emissions[18]	Grams per mile (g/m)	1,610 [1,510]	1,601 [1,491]	1,558 [1,558]	1,590 [1,457]	1,585 [1,317]
	Grams per ton mile (g/tm)	107 [107]	105 [105]	117 [117]	90 [121]	468 [189.5]
Particulate matter emission[17]	Grams per mile (g/m)	0.0445 [0.0445]	0.0052 [0.0332]	0.0051 [0.0321]	0.0056 [0.0141]	0.0720 [0.0624]
	Grams per ton mile (g/tm)	0.0028 [0.0028]	0.0017 [0.0028]	0.0018 [0.003]	0.0013 [0.0031]	0.0212 [0.0090]

14. Fleet efficiency data is representative of the entire ADS fleet, which operates in the United States and Canada.
15. 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.
16. 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.
17. Fuel is tracked through a third-party telematics program. Converted from gallons to GJ at a rate of 0.14652 GJ per 1 gallon. Dyed-diesel usage for onsite mobile equipment is not included in this number. However emissions from the use of dyed-diesel for onsite mobile equipment are included in the Fiscal 2025 and Fiscal 2026 GHG emissions estimates provided in this report.
18. As part of our commitment to the SmartWay Program, NO_x, CO_2 and Particulate Matter emissions are tracked on a calendar year basis. Values for Fiscal 2026, represent calendar year 2025 data, Fiscal 2025, represent calendar year 2024 data, Fiscal 2024 values represent calendar 2023 data, Fiscal 2023 values represent calendar 2022 data, 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 2026 SUCCESS STORY

ADS Fleet Modernization

ADS continues to modernize our fleet, as of the date of publication of this report over 70% of the ADS fleet has an engine model year of 2023 or newer. This investment allows ADS to increase efficiency, safety and driver comfort while decreasing our GHG 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 viable 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. The new trucks have automated 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 as one of the most pressing global challenges affecting the environment, communities and economies worldwide. We believe everyone has a role to play in addressing this challenge, and we are actively contributing by implementing sustainable practices and manufacturing products that 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 operates under 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 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 critical for the health of our overall business. From a regulatory standpoint, the potential introduction of carbon pricing schemes, 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 our operations 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.

Photo courtesy of ADS employee Adam Miller, Woodland Hills, CA

Over the long term, our products and services can protect communities against extreme weather events and changes in precipitation patterns, as discussed below.

To address potential climate-related risks, we are working hard to reduce our carbon footprint, limit energy consumption and improve the resilience of our value chain.

In Fiscal 2026, 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 is essential to achieve our science based targets for GHG emissions, a key component of our 10-year goals.

Seizing Climate-Related Opportunities

As a water management solutions provider, our products can help communities mitigate some of the most damaging transitory and physical impacts 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 key to reducing water runoff, improving water quality and preserving water in communities experiencing extreme weather events.

Cities, governments, contractors, and engineers increasingly focus 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. As such, ADS' plastic pipe products have a lower carbon footprint than that of traditional reinforced concrete and corrugated metal pipe. Our plastic products are beneficial to the communities we serve and can help them build climate resilience and achieve their sustainability and climate-related goals.

The transition to a low-carbon economy also presents meaningful business opportunities for ADS. Our strategic manufacturing initiatives currently focus on improving efficiency through reducing downtime and minimizing scrap and materials, while our logistics and transportation initiatives seek to increase payload efficiency and fleet miles per gallon. Successful execution of important initiatives will not only reduce our carbon footprint, but also reduce future operating costs.

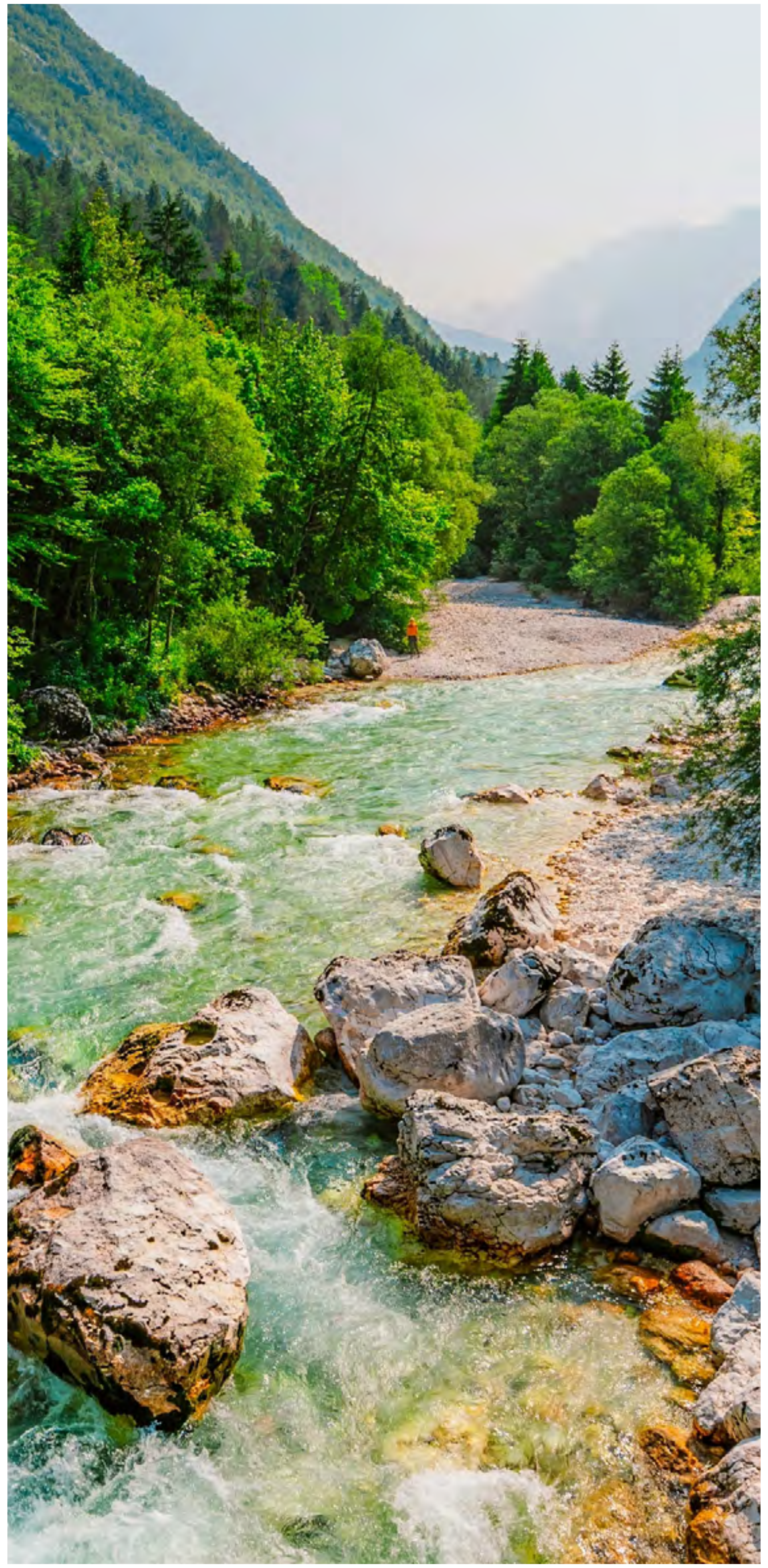
Task Force on Climate-related Financial Disclosure (TCFD) Report

Building upon our broader position on climate change, in this section we outline ADS' approach and performance in relation to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), specifically, aligned with its four key pillars: strategy, metrics and targets, governance and risk management.

We believe water is the world's most precious resource, and as an industry leader, we are committed to protecting and managing water by providing sustainable water management solutions that safeguard the environment and build resilient communities. As storms increase in frequency and intensity and climate patterns change, our stormwater solutions help prevent floods, recharge aquifers, improve food security, mitigate the risk of water scarcity and ensure quality of life in communities.

Due to the market we participate in, and the end-markets we serve, climate change presents ADS with both opportunities and risks. In the following pages we outline how climate change may impact ADS' activities and sets our approach to capitalizing on opportunities and mitigating potential climate-related risks.

Photo courtesy of ADS employee Joseph Dwyer, IT Business Analyst



Strategy

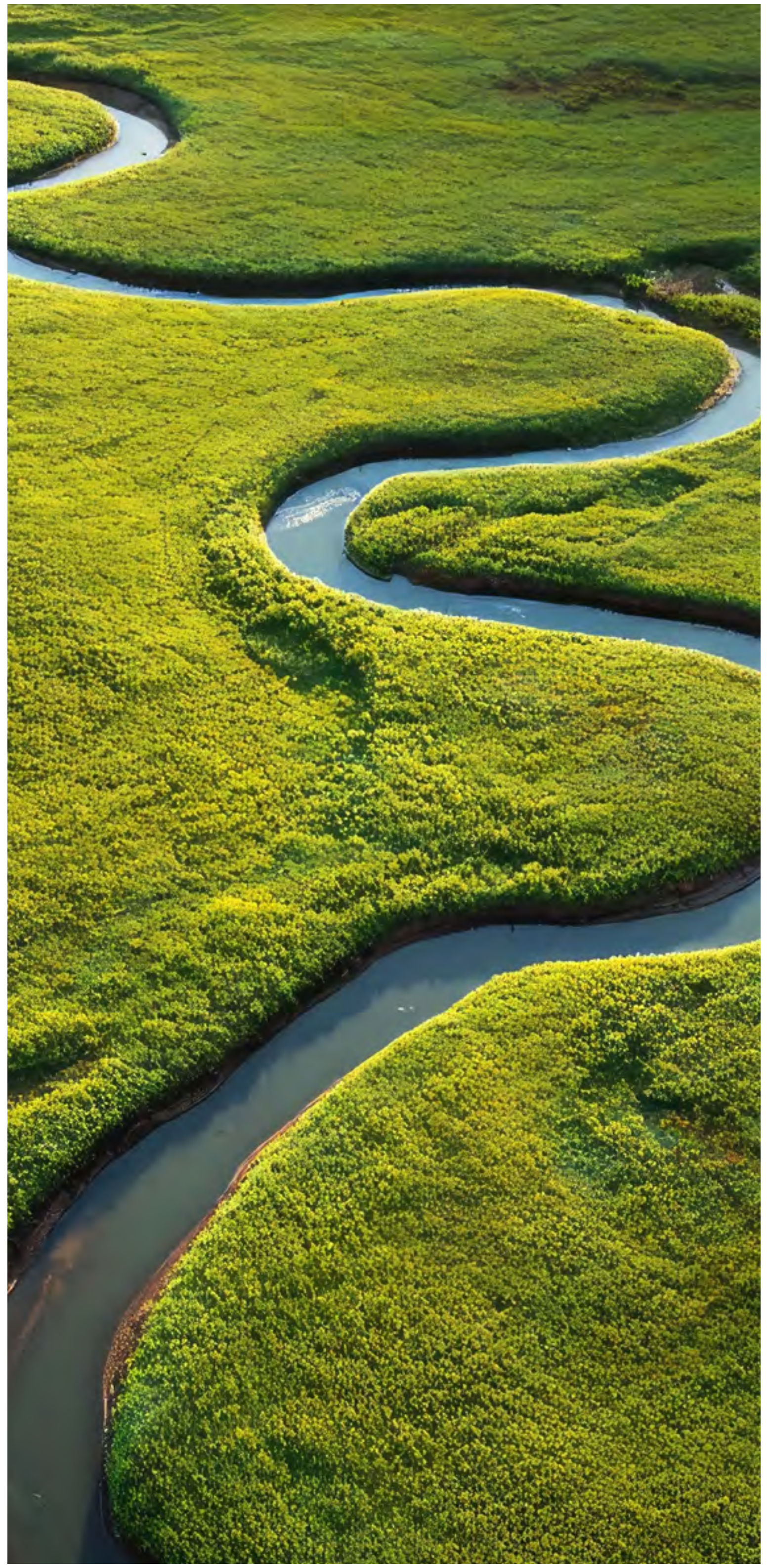
In 2025, ADS used the following climate scenarios to develop insights into climate-related actions over the short, medium and long term.

- **Short term** – risks present today
- **Medium term** – risks that may arise by 2032 (target date for ADS' goals)
- **Long term** – risks that may arise after 2032 but before 2050

ADS has adopted a process to review climate-related issues on an annual basis prior to the strategic planning process. The table below outlines the climate scenarios used by ADS to inform its identification of relevant climate-related risks and opportunities.

ADS Climate Scenarios

Scenario	Application
Orderly decarbonization scenario aligned with limiting warming to 1.5°C based on Principles for Responsible Investment Required Policy Scenario, the International Energy Agency Net-zero Emissions scenario and the IPCC SSP1-1.9.	Identify climate-related transition risks which may impact business should policy and regulatory action promote a low-emissions future.
Disorderly decarbonization scenario aligned with limiting warming to 2°C based on Principles for Responsible Investment Forecast Policies Scenario and the Network for Greening the Financial Systems' Delayed Transition Scenario.	Identify the potential risks associated with decarbonization-related policy and regulatory events which would provide a shock to ADS' current business and operating model.
A low policy action scenario aligned with exceeding 3°C of warming and based on the Network for Greening the Financial System Current Policies scenario, the Fifth National Climate Assessment and the IPCC SSP5-8.	Identify and understand geographic distribution and magnitude of physical risks associated with a high-emissions future to ADS' operations, customers and value chain across the short, medium and long term.



In Fiscal 2025, we completed a climate scenario analysis and developed a Climate Adaptation and Resilience Plan to guide our business' response to climate-related impacts. Below, we highlight ADS' key climate-related physical and transition risks at a high level alongside information relevant to TCFD Strategy disclosure recommendations a, b and c.

Risk	Time horizon	Potential financial impact	How ADS is equipped to manage and monitor risk
Climate-related regulations may increase energy and commodity prices	Long-term	Increased OpEx	ADS is working to decarbonize our operations and will continue to assess opportunities to increase efficiency.
Climate-related regulations may increase resources needed for disclosure and compliance	Short-term	Increased OpEx	ADS monitors new regulations on an ongoing basis and has consistently increased our capacity for data collection and regulatory disclosure over several years.
Heat stress may impact labor productivity and availability	Short-term	Increased OpEx	ADS is developing management and oversight processes to ensure employee safety in high heat working conditions.
Extreme weather events may cause supply chain disruptions	Short-term	Increased OpEx	ADS is working to diversify and assess climate readiness among its critical suppliers to provide redundancy in the event of extreme weather events
Extreme weather events may cause operational down time and facility damage	Short-term	Increased CapEx Decreased Revenue	ADS site risk assessments increasingly consider the potential impacts of climate change, and management engages in ongoing improvement of business continuity and risk management planning.
Opportunity	**Time horizon**	**Potential financial impact**	**How ADS is equipped to manage and monitor risk**
Increasing frequency and severity of floods may increase demand for ADS products	Medium-term	Increased Revenue	ADS continues to expand its capacity to meet demand in key flood-prone regions.

Metrics and Targets

ADS intends to achieve the following by Fiscal 2032:

- 50.4% reduction in scope 1 & 2 GHG emissions*
- 30% reduction in scope 3, category 1 emissions*
- 1 billion pounds of recycled material per year

ADS currently discloses several metrics that can be used to assess and monitor climate-related transition risks and opportunities, which are available for review across our Fiscal 2026 Sustainability Report. We also provide more details on our progress toward SBTs for GHG emissions including fleet metrics and use of recycled material.

Risks associated with GHG emissions primarily relate to regulatory actions, including restrictions on GHG emissions, taxes on GHG emissions and cross-border fees associated with GHG emissions. Reducing GHG emissions across ADS operations reduces our exposure to many climate-related transition risks associated with reducing GHG emissions, including taxes, fees and tariffs related to carbon emissions. Similarly, reducing ADS' reliance on virgin materials to manufacture products can reduce exposure to climate-related transition risks associated with reducing GHG emissions, including taxes, fees and tariffs related to carbon emissions.

*SBTi has approved ADS' SBTs for GHG emissions. Baseline for SBTs is Fiscal 2022.

ADS' roadmap for the future of stormwater management

This summary shows activities ADS is undertaking to support more sustainable stormwater management, including both the decarbonization of our own operation and distribution footprint as well as working to increase our use of recycled material in products. ADS is committed to providing lower carbon products that allow communities to both plan for and recover from storm events of increasing frequency and intensity.

	ACTIONS PRE-2022	2022 - 2032	2032 - 2050
Recycled Material	• ADS was an early adopter of using recycled plastic in single wall drainage pipe and has been using recycled plastic for 30+ years. • 2008 – ADS began using recycled plastic in HDPE dual-wall pipe for the private stormwater market, after issuance of ASTM 2648 standard. • 2008-2010 – ADS began building internal HDPE recycling capacity with the purchase of the Waterloo recycling facility and began building the Clarion, PA recycling facility. • 2018 – AASHTO spec, allowing recycled content in public storm sewer, was approved and ADS starting using recycled material in pipe for this market. • 2019 – 40+ states allow the use of recycled material in storm water pipe and ADS is incorporating over 500 million pounds of recycled material into pipe each year.	• 2025 – ADS opens the most advanced stormwater engineering centers in the world. The site will allow ADS engineers to bring new products to market faster. It will also allow the ADS materials science team to figure out how to incorporate novel streams of recycled material into our products and/or increase the amount of recycled material in products. • Continue to advocate for open materials competition and the use of recycled material in products. • As technology advances, continue to advocate for the removal of limits to the use of recycled material in products. • ADS is a funding partner of The Recycling Partnership – a group dedicated to expanding equitable access to recycling across North America.	• Continue to innovate in the use of recycled material in stormwater management products in the drive to reach complete circularity where possible.
Energy Efficiency	• Greater than 50% of ADS sites convert to LED lighting to lessen electrical usage. • A few sites complete energy treasure hunts and implement energy saving projects. • Engineering team identifies AC to DC motor conversion results in significant energy savings and implements on all new motor upgrades.	• In Fiscal 2025, two ADS sites complete energy treasure hunts and shared learning across the manufacturing network. • Increased focus on energy efficiency across the manufacturing and distribution network.	• Continued focus to reduce energy usage across operations and distribution as new technologies emerge.
GHG Emissions Reductions - Scope 1 & 2 - Scope 3	• Fleet team partners with USEPA Smartway program to track fuel usage, payload, and emissions. Implements smart routing to save on fuel usage and decrease emissions.	• 2022 – ADS commits to Science Based Targets (SBTs) for GHG emissions. • ADS began calculating scope 3 GHG emissions in Fiscal 2022. • 2024 – SBTi validates ADS' GHG emissions targets as in line with 1.5°C. • 2025 – ADS achieves a 9.0% reduction in scope 1 & 2 GHG emissions over Fiscal 2022 baseline (Market Based) • 2026 – 2032 – ADS will develop & implement decarbonization plan. • 2026 – 2032 – ADS will partner with suppliers to reduce scope 3 emissions. • Fleet team continues to track and evaluate technology available for fleet decarbonization.	• Decarbonize operations and distribution (including ADS fleet).

Governance

Sustainability governance structure

ADS' Board oversees the establishment and execution of corporate strategy. The Company's senior leadership team is responsible for developing our sustainability strategy, focusing on priorities and for the Company's sustainability performance – and reports to the Board and its committees on ADS' sustainability activities and progress. Ongoing sustainability activities are coordinated by ADS' director of sustainability.

Board oversight of climate-related risks and opportunities

Board oversight of climate-related risks and opportunities at ADS consists of the following:

- At ADS, the Board's Sustainability Committee provides oversight for programs, policies and practices pertaining to sustainability and environmental issues and monitor related trends and risks relevant to ADS business activities.
- The Board Sustainability Committee receives quarterly updates regarding ADS' progress toward its environmental and sustainability goals from the management representatives for Sustainability and the Environmental, Health & Safety (EHS) business units. Quarterly Board updates include information regarding short- and long-term sustainability goals, including policy development, target development, strategic initiatives and progress toward targets.
- Annually, external subject matter experts on corporate sustainability provide educational sessions to the Board on key issues facing the business related to reporting and disclosure.

Management oversight of sustainability

Features of ADS management's role in managing climate-related risks and opportunities include:

- ADS' internal sustainability management committee includes executive leaders from across the business who are involved in managing climate and sustainability-related business efforts.
- Business functions represented in these efforts include: regulatory, engineering, operations, supply chain, procurement, human resources and sales.

ADS' management level sustainability committee meets as needed to:

- Discuss progress and coordinate efforts to achieve sustainability-related goals and targets including ADS' decarbonization efforts and recycled material use.
- Provide ongoing management of climate-related risks and opportunities, including dissemination of updated climate-related information and updates on climate adaptation and/or resilience activities.
- The Director of Sustainability provides updates from this group to the ADS Board's Sustainability Committee regularly.

Photo courtesy of ADS employee Melissa Brambley, Project Design and Estimator, Remote

Risk management

Sustainability governance structure

ADS has a process, led and initiated by the Sustainability function, to review and assess climate-related physical and transition risks at least annually. ADS' process involves:

- Using climate scenario analysis to identify and assess climate-related risks.
- Annual review and update of climate-related risks.
- Engaging internal stakeholders to both increase awareness of climate-related risks across the business, and to inform assessment of risks.

ADS has developed a climate adaptation and resilience plan to facilitate ongoing management of climate-related risks (and opportunities) in the following ways:

- Provide a centralized platform for ongoing oversight by the Director of Sustainability.
- Ensure that each risk is managed and assigned to an appropriate business function within ADS.
- Track development or changes to risks and opportunities over time.

- ADS has also developed a process to review and update its climate-related risks and opportunities annually, while managing existing risks and opportunities on an ongoing basis through its climate adaptation and resilience plan.
- Beginning in 2024, ADS incorporated climate scenario analysis into its climate-risk identification and assessment process.
- ADS has formalized an annual climate risk management update process.
- Insights and outcomes of the climate risk management update process inform annual strategic planning and enterprise risk management processes

Board oversight

Ongoing management

Director of Sustainability

Provide oversight of climate-related risks and opportunities, coordinate actions across the business.

Sustainability committee

Management and executive committee; quarterly meeting cadence.

Day-to-day risk management

Functional owners across ADS are responsible for everyday management of climate-related risks and opportunities associated with their existing roles and responsibilities

Annual update processes

The climate risk management update process runs adjacent to other annual planning and risk management processes.

Climate Risk Management

Annual process to update climate-related risks, opportunities and management actions

Strategic Planning Process

Annual process to set strategic business priorities

Enterprise Risk Management

Annual process to identify and update key enterprise risks and management approach

Waste, Materials and Resources

Circularity

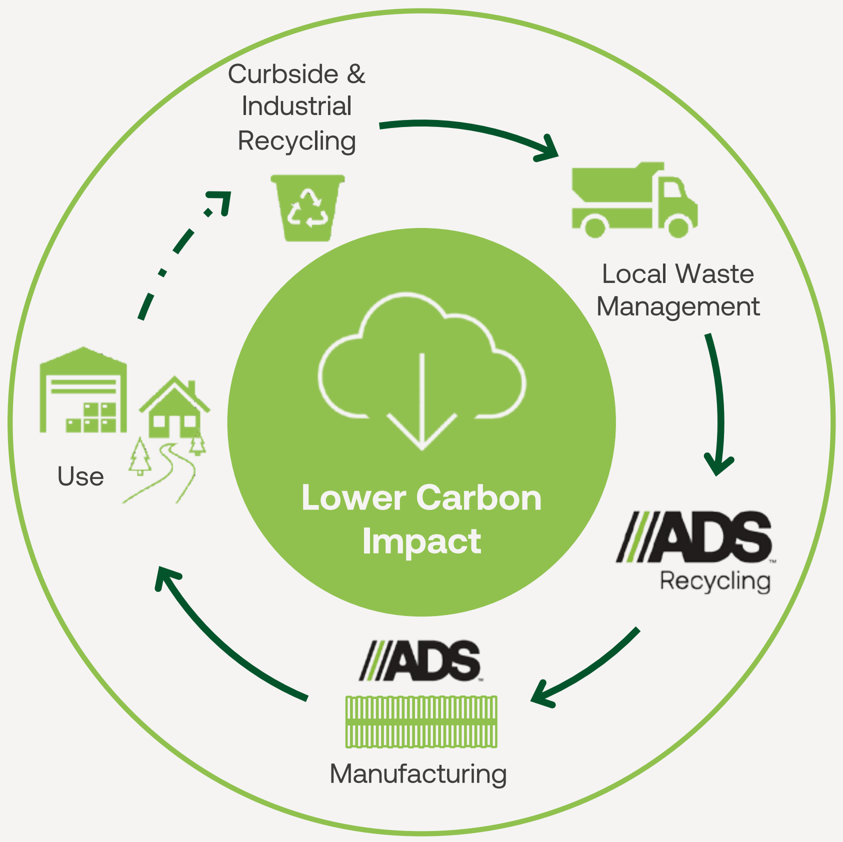
The circular economy, or circularity, is an economic system based on the reuse and regeneration of materials or products, especially as a means of continuing production while eliminating waste. The circular economy aims to retain the lifespan of products through repair and maintenance, reuse, redistribution,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

As one of the largest plastic recyclers in North America, ADS is helping drive the transition to a circular economy for plastics. For more than 30 years, our products have incorporated recycled materials, underscoring our long-standing commitment to sustainable manufacturing. In Fiscal 2026, we purchased 388 million pounds of recycled plastic for use in our products. Fiscal 2026 was a particularly economically challenging year for ADS recycled material given the state of virgin resin pricing. Despite this, ADS remains steadfast in our pursuit of the goal to purchase one billion pounds of recycled material per year by Fiscal 2032, and we expect to see improved performance against our goal in Fiscal 2027. We continue to research ways to incorporate more and different types of recycled material in our products.

In the process of our latest materiality assessment, our stakeholders identified promoting the innovative use of recycled plastics through partnerships as a key topic. This illustrates, the importance the work ADS is doing to promote circularity, as well as its resonance with our stakeholders. We have vertically integrated recycling operations, with ADS Recycling purchasing 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.

We believe in doing our part to help transition the world to a more 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 disclose 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 57% of the recycled plastics we consume in our products, and source the remainder through other recycling partners.

Our Recycling Process

In Fiscal 2026 we consumed

30%

of the recycled pigmented HDPE bottles in the United States.

The amount of recycled plastic we consumed in Fiscal 2026 reduced our greenhouse gas emissions by over 490 million pounds, which amounts to taking

47,000

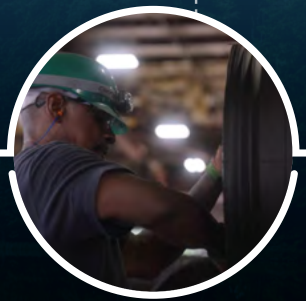
cars off the road.

In Fiscal 2026 we consumed 30% 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 landfills, in particular HDPE, to reduce waste and to ensure that recycled material is available for our business. Through our ongoing relationship with The Recycling Partnership, we are helping increase equitable access to recycling while ADS provides a responsible end market for hundreds of millions of pounds of recycled material each year across North America.

Additional information about ADS' partnership with The Recycling Partnership can be found in the Partnership & Collaboration section of this report.

Performance Indicators[19]

Remanufactured Product Revenue	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Remanufactured Product Revenue	% of total revenue	57.2%	52.6%	51.1%	49.4%	46.8%
Percent of revenue from remanufactured products	% of total pipe revenue	60.8%	56.7%	53.7%	50.2%	47.7%

19. 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. 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 2026 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 2026, ADS continued work on a $30 million expansion at our Cordele, GA facility. The expansion will increase the facility's total size to 117,000 square feet and will enhance ADS' ability to provide high quality recycled material to our pipe manufacturing facilities in the Southeast.

Designed for Advanced Plastic Pellet Management

As an Operation Clean Sweep Blue member, ADS designed and built the Cordele site to ensure state of the art plastic pellet management. The roof, drainage, curbing and slopes at the facility were designed to ensure compliance and containment in lieu of relying on downstream controls. The operation employs a single slope roof design with all downspouts sealed and routed through a closed drainage system, preventing pellets from entering stormwater conveyance. In areas where pellet loss risk is greatest (silos and handling zones), ADS employs fully engineered containment. Infrastructure through the facility is also designed to enable rapid spill recovery using concrete surfaces along rail spurs, sloped pavement and catch basin filters. The site has also installed Hammertek elbows in conveyance systems to address mechanical failure risks in the conveyance systems.

Approach to Materials and Chemical Safety

Materials

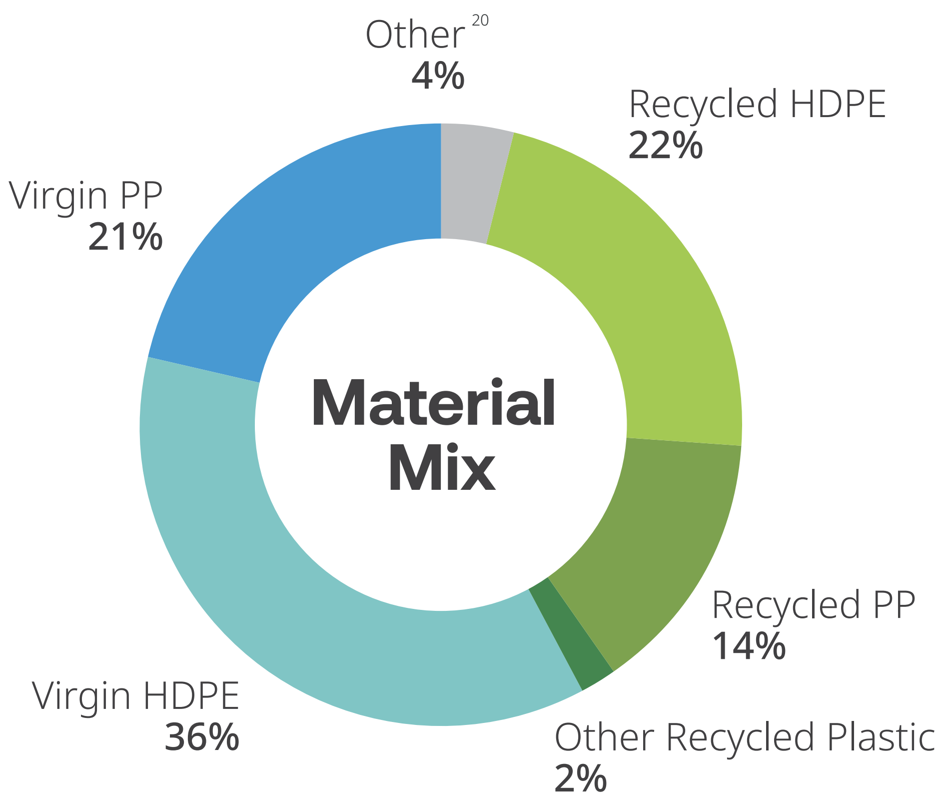
The primary raw materials used in the production of our products are HDPE and PP resins. Virgin HDPE resins are derivatives of ethylene and propylene, respectively. Ethylene and propylene are derived from natural gas liquids or crude oil derivatives primarily sourced in the U.S. We currently purchase approximately 1 billion pounds of virgin and recycled resin annually. In Fiscal 2026, 388 million pounds, or 38% of the material purchased, was recycled.

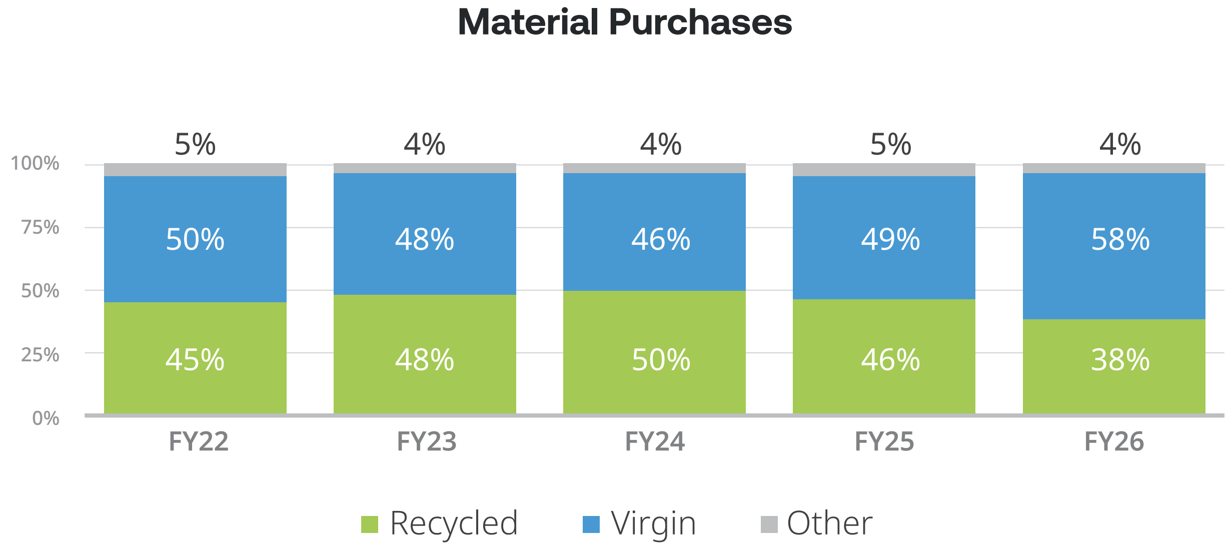
To maintain quality, the recycled material we use in our products goes through rigorous testing procedures including melt index, density, Izod impact and contamination testing.

To properly manage 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.

Additionally, ADS recently released a position statement on PFAS and a declaration on microplastics. For more information click on the hyperlink to be taken to these documents.

The following chart shows a breakdown of the materials purchased in Fiscal 2026.





20. 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 2026, we generated approximately 70,477 metric tons of waste, 77% of which was diverted from landfills through internal recycling programs or external partnerships. That represents a 32% reduction in waste to landfill versus the previous fiscal year.

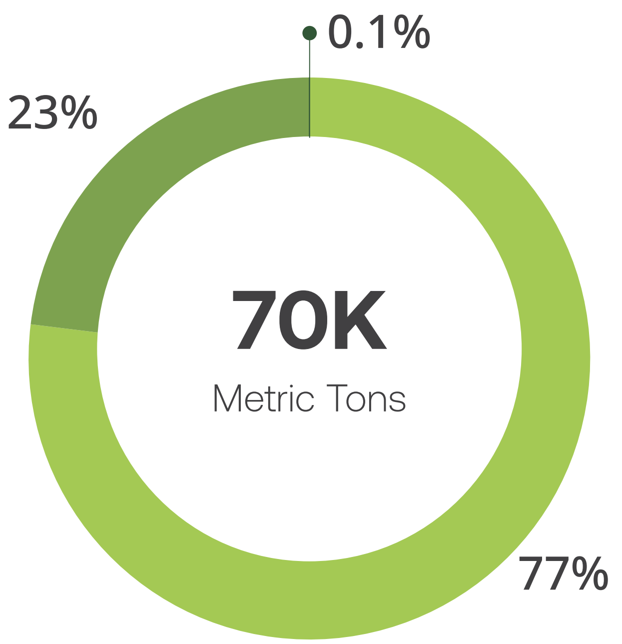
Diversion from Landfill

Given the importance of recycling and circularity to our operations, and as part of our efforts to increase transparency with our stakeholders, for Fiscal 2026 we continued collection of 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 2026, ADS facilities achieved 77% diversion from landfill on average.

Infiltrator manufacturing facilities achieved 99% diversion from landfill

Waste Generation

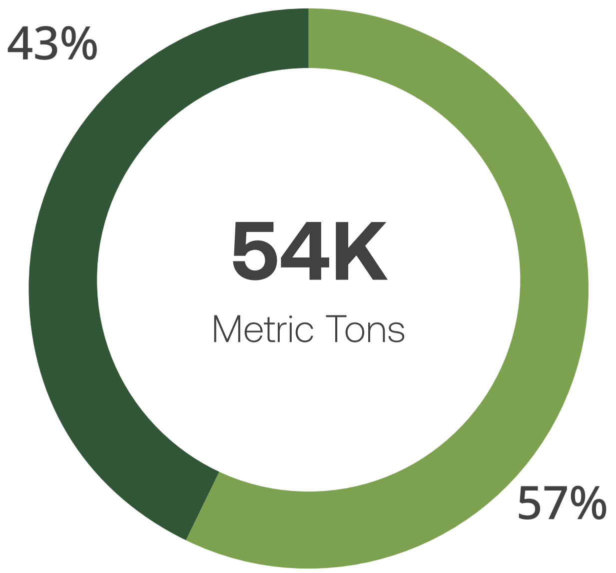


- Non-Hazardous Waste to Landfill
- Non-Hazardous Waste Diverted from Landfill
- Hazardous Waste

Pipe manufacturing facilities achieved 70% 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.

Diversion from Landfill



- Recycled Internally
- Recycled Externally through Partnerships

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 facilities.

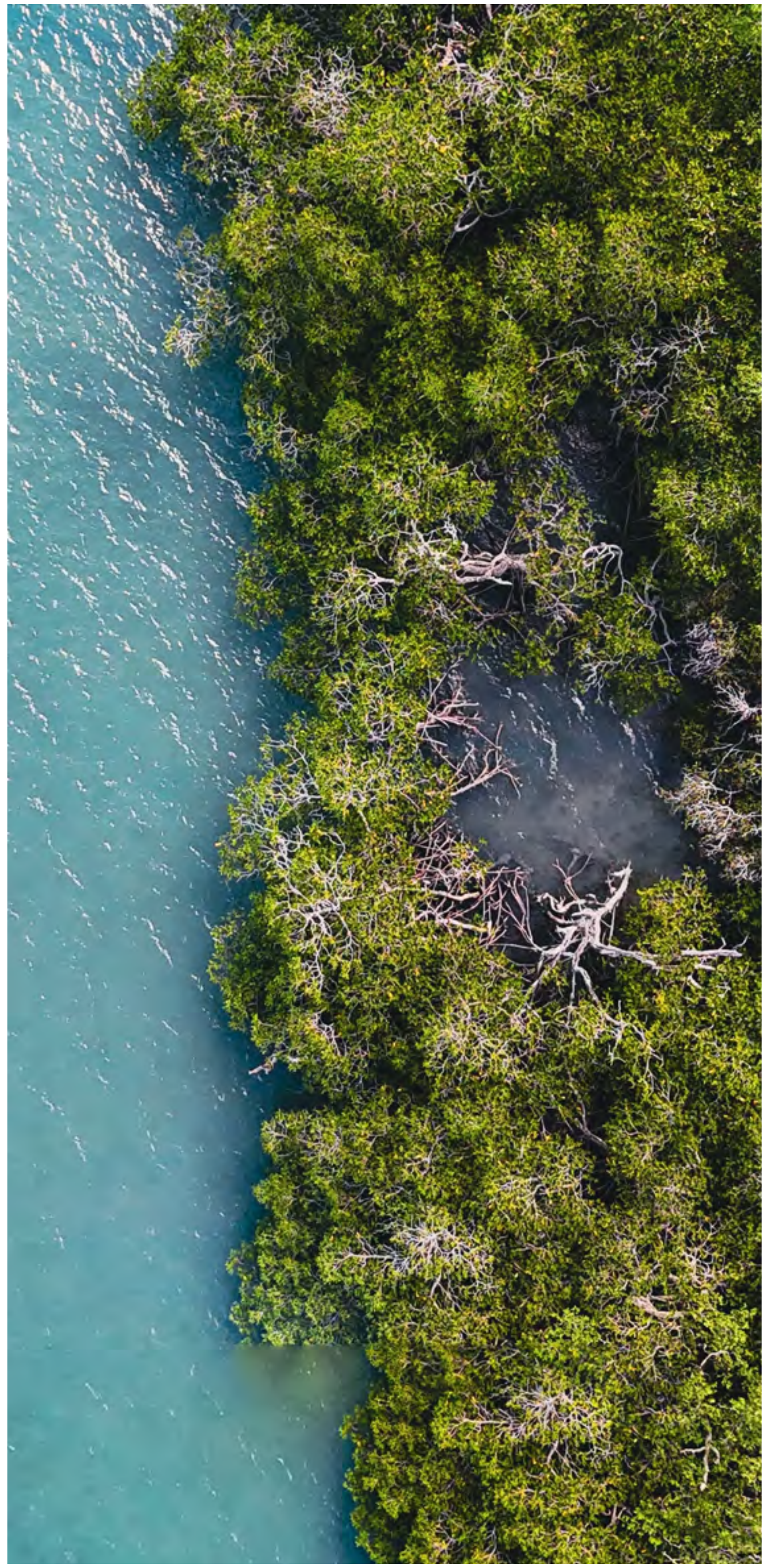
Examples of our strategies to minimize our waste footprint include:

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.

32% decrease in waste sent to landfill vs. previous fiscal year

Photo courtesy of ADS employee Colby McCutcheon, Line Operator, Washougal, WA



Hazardous Waste

Nearly all waste generated by ADS is non-hazardous, and our estimated hazardous waste accounts for 0.01% 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 and clean up generated from diesel fuel spills into containment.

In Fiscal 2026, ADS collected actual hazardous waste disposal data from each facility through the vendors we use for hazardous waste disposal. The results demonstrate that ADS' actual hazardous waste generation rate is ten times less than estimated and reported for previous years (Fiscal 2023 & Fiscal 2024). Prior to Fiscal 2025, ADS did not have a system to collect the hazardous waste manifests directly and relied on data provided by the manufacturing facilities in addition to estimates for the remaining manufacturing locations. The Environmental Health and Safety team continues to work to improve the data collection process and eliminate hazardous waste generation where possible.

Waste				
Waste Generated (metric tons)	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**	**Fiscal 2026**
Total hazardous waste generated[21]	45	45	3	5
Total non-hazardous waste generated	77,590	73,985	69,518	70,472
Total waste generated	77,635	74,030	69,521	70,477
Ratio: Hazardous waste / Revenue (metric tons/ million revenue $)	0.01	0.02	0.001	0.002
Ratio: Non-hazardous waste / Revenue (metric tons/ million revenue $)	25.26	25.74	23.94	23.11
Waste Disposal (metric tons)	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**	**Fiscal 2026**
Non-hazardous waste to landfill	26,118	27,978	24,590	16,582
Non-hazardous waste recycled externally	26,609	25,779	24,732	23,832
Non-hazardous waste recycled internally	24,862	20,228	20,196	30,857
Total non-hazardous waste generated	77,589	73,985	69,518	70,472
Ratio: Non-hazardous waste to landfill/Revenue (metric tons/million revenue $)	8.50	9.73	8.47	5.44
Ratio: Non-hazardous waste diverted from landfill/Revenue (metric tons/million revenue $)	16.76	16.01	15.47	17.67

21. Fiscal 2026 and 2025 Hazardous Waste data was collected from hazardous wastes manifests for all manufacturing facilities. For Fiscal 2023 and 2024 hazardous waste data is an estimate based on manifests collected at the facilities in Fiscal 2023 and estimated based on the weight of water.
22. Data for Fiscal Year 2024 was revised to reflect an overstatement due to an error in tracking for a newly added site, the adjustment for which was made during Fiscal Year 2025.

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 the implementation of closed-loop water systems at our manufacturing facilities. We use water during our pipe production process only to cool pipe during the extrusion phase, with no water consumed during other stages of pipe production.

ADS has reduced water intake by nearly

1/3

since Fiscal 2022.

In Fiscal 2026, 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.

In Fiscal 2026, ADS' total water intake decreased by 22.9% or over 100 Megaliters over the previous fiscal year, that's enough water for more than 130,000 people for an entire year. This decrease is attributable to the closure of the Waterloo ADS Recycling facility (which historically accounted for approximately 10% of ADS' water consumption) as well as a 23.4% decrease in consumption at the Infiltrator facility in Winchester, KY (which accounted for 23% of ADS water usage in Fiscal 2026). As a result of the large decrease in overall water usage year over year, the percentage of ADS total water usage in the extremely high and high baseline water stress areas increased. ADS will continue to monitor water usage with a focus on sites located in areas of high and extremely high water stress.

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	11%	5
High	19%	6
Medium-High	18%	13
Low-Medium	31%	18
Low	21%	16

Water Consumption Data

Water Consumption	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024[22]	Fiscal 2025	Fiscal 2026
Total Water Intake[23]	Megaliters	517	493	482	459	354

23. Water intake data is not yet available for the following: 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.
24. Benchmark data is based on companies in the manufacturing sector across the United States that participate in BPTW competitions as provided by Quantum.
25. Includes U.S. and Canada employees at ADS, Infiltrator, Jet Polymers and Cultec, Inc.

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 our actions to support biodiversity. For more information, please refer to ADS' Biodiversity Policy on our website.

Employees, Safety and Partnerships

A Vision of Belonging: The Heart of our Culture

At ADS, we believe a strong culture is built on belonging.

When employees feel valued, respected, and connected, they are empowered to do their best work, strengthen relationships, and drive meaningful business results. As such, fostering a culture of belonging, deepening employee engagement, and building impactful connections with our communities, customers, and partners remain central to who we are as an organization.

Throughout Fiscal 2026, we continued our commitment to creating an environment where every employee feels seen, heard, and appreciated. We recognize that belonging is more than an initiative - it is a fundamental part of our culture and a key driver of innovation, collaboration, and performance. By intentionally investing in our people and creating opportunities for meaningful connection, we are building a workplace where individuals can thrive and contribute their unique perspectives.

Advancing Culture and Engagement

Over the past four years, ADS has made significant strides in embedding belonging and inclusion into the fabric of our Company. Guided by purpose and intentionality, we have worked to create a culture where every voice matters and where employees are encouraged to bring their authentic selves to work. This ongoing commitment reflects our belief that our people are our greatest strength and that diverse perspectives fuel better decisions, stronger teams, and greater outcomes.

In Fiscal 2026, we expanded our efforts by launching seven new affinity groups, further strengthening awareness, understanding, and connection across our increasingly diverse workforce. These groups serve as powerful communities where employees can build relationships, share experiences, and foster greater understanding across the organization.

Rooted in the belief that diversity is a source of strength, our affinity groups unite employees from across all areas of the business to create meaningful opportunities for engagement, professional growth, and collaboration. Together, they represent a vibrant tapestry of backgrounds, experiences, and perspectives that enrich our culture and strengthen our organization.

This work is about more than inclusion - it is about creating a workplace where everyone has a genuine sense of belonging, where differences are celebrated, and where every employee is empowered to succeed.

As we continue this journey, we remain committed to building a culture where people flourish, teams excel, and our collective success reflects the power of every voice being welcomed and valued.

2026-2028 AFFINITY CHAIRS

Building Stronger Connections Across Our Organization


Ashley Donnelly


Haikun Xu


Allison Justice


Katrina Craigen


Nithya Rajan


Javier Aragon


Ross Fortner


Ted Mayberry

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, 2026, 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	Fiscal 2025	Fiscal 2026
Full-time					
Male	4,530	4,630	4,565	4,400	4,670
Female	720	860	850	900	1,090
Total	5,250	5,490	5,415	5,300	5,760
Part-time					
Male	20	15	20	20	20
Female	15	30	10	10	10
Total	35	45	30	30	30
By Region[25]					
United States	4,945	5,195	5,100	5,330	5,785
Canada	340	340	345	345	365
Other	350	335	260	325	275
Total	5,635	5,870	5,705	6,000	6,425

26. 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
27. Safety statistics are representative of the ADS Legacy operations in the United States and Canada and Infiltrator. Jet Polymers and Cultec data

Talent Development

ADS has been working to improve tracking of hands-on training hours. Our tracking for Fiscal 2026 represents the first year that includes the extensive, hands-on training time our employees receive. As such, our reported training hours prior to Fiscal 2026 are a conservative estimate and do not include training that was completed but not tracked. ADS continues to invest in developing leadership skills in all levels of Operations management, and the majority have completed foundational training in this space and the curriculum has now expanded from three programs to include a fourth, higher level program. Overall, the aggregate number of training hours has remained steady or decreased as the majority of leaders complete these programs.

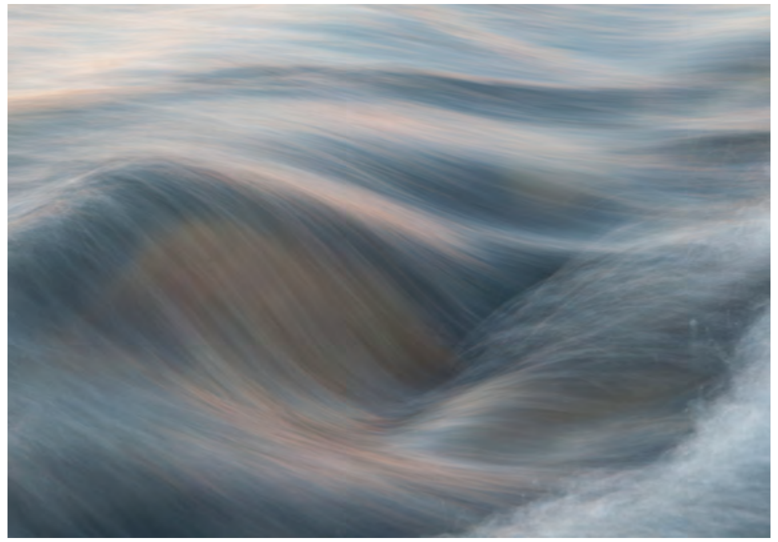
	Fiscal 2023	Fiscal 2024[26]	Fiscal 2025	Fiscal 2026
Total training hours	94,000	73,500	52,555	228,536
Training hours per employee	16	13	9	35

Attracting and Developing Future Leaders

ADS' 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 multifaceted 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.

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 four highly interactive and challenging leadership development programs, "Stepping Up to Leadership", "The Fan" , "Advancing Leadership" and "Situational 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 for our employees.

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 while offering our employees another avenue for professional growth, ultimately benefiting 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, employees receive 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 offer 8-hour and 12-hour shifts — in first, second and third rotations — to provide flexibility and address employee needs.

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 employees' lives to support workplace safety to physical health as well as the emotional, financial and physical wellbeing of employees, spouses and dependents. Here are some highlights of our programs.

Additional details can be found at our website.

- **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:** Our employees have access to competitive, comprehensive health and welfare benefits which include medical, condition management, dental, vision, disability and life insurance.
- **Voluntary Benefits:** Accident, Critical Incident, Hospital Indemnity, Life Insurance, and Identity Theft Protection.
- **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:** ADS offers a parental leave policy which provides paid leave for new parents. 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.
- **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 maintains 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, 2026, approximately 100 hourly personnel in our Mexican joint venture were covered by collective bargaining agreements.

Health & Safety

Fiscal 2026 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 Occupational Safety and Health Administration (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 2026, ADS invested $13.1 million in automation and risk-reduction projects designed to advance environmental, health and safety outcomes across manufacturing and logistics operations. These investments targeted high-risk activities involving manual handling, repetitive tasks, ergonomic stressors, and processes with inconsistent execution, helping reduce employee exposure to injury hazards while improving operational reliability.

Through a combination of engineering controls, automation, and improved work design, ADS continues to shift safety upstream, eliminating risks before exposure occurs.

Ensuring a Safe Workplace

ADS achieved a Total Recordable Incident Rate (TRIR) of 1.52 in Fiscal 2026, exceeding its target and representing a 48% improvement compared to FY23, reflecting the effectiveness of targeted onboarding, leadership engagement, and fleet safety initiatives.

Fiscal 2026 also marked a significant milestone in the Company's safety culture journey. ADS continued implementation of its enterprise Environmental, Health, Safety, Security and Sustainability (EHSSS) Vision, establishing a common framework that reinforces personal accountability, leadership ownership, proactive hazard identification, and prevention through system design. As part of this effort, the Company refreshed its **Life Saving Principles,** focusing employee attention on the critical behaviors and controls necessary to prevent serious injuries and fatalities. These principles are now integrated into onboarding, supervisor development, field observations, and daily operations across the enterprise.

A cornerstone of the ADS culture is the Stop Work Obligation, which empowers every employee, contractor, and leader to stop work when conditions are unsafe or controls are inadequate. During Fiscal 2026, ADS strengthened its focus on Stop Work events, hazard identification, behavioral observations, and near-miss reporting as leading indicators of risk. This proactive approach helps identify and address hazards before incidents occur and reinforces a culture where safety concerns can be raised without hesitation.

Automation continues to be a focus of EHS excellence at ADS. Fully automated equipment has proven to virtually eliminate injury risk, and our broader automation strategy has delivered a minimum 50% reduction in operational risk. These results reflect our commitment to building a resilient, forward-thinking safety culture, where innovation directly safeguards people and performance.

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

Environmental, Health, and Safety (EHS) at ADS is led by the Vice President of EHS, who works closely with the Chief Executive Officer and executive leadership team to advance the Company's EHSSS Vision, strengthen safety culture, ensure regulatory compliance, and guide strategic risk-reduction investments.

The EHS organization combines operational, compliance, and analytical expertise to support a consistent enterprise approach to risk management. The team includes manufacturing and compliance leaders, regional EHS professionals, fleet and logistics safety support, and data analytics resources that help identify trends, prioritize risks, and measure performance.

During Fiscal 2026, ADS further aligned its EHS operating model to support business growth and improve consistency across manufacturing, distribution, recycling, and logistics operations.

Distribution centers and freight operations were integrated under regional EHS leadership, creating a more scalable structure that enables stronger accountability, greater operational support, and more consistent deployment of enterprise safety initiatives such as the EHSSS Vision, Life Saving Principles, Machine Guarding, and Lockout/Tagout programs.

Regional EHS Managers are responsible for implementing EHS strategies across multiple facilities while partnering closely with operational leaders to identify and mitigate risks. Larger facilities are supported by dedicated site EHS leaders who provide day-to-day oversight and coaching.

An important element of the ADS safety culture is the facility safety committee structure. Each location maintains an active safety committee that meets regularly to:

- Identify and address emerging risks
- Review incidents, near misses, and safety performance trends
- Evaluate corrective and preventive actions
- Promote employee involvement in safety improvement efforts

This multilayered governance structure ensures safety responsibilities are embedded at every level of the organization, from frontline employees to executive leadership.

ADS continues to strengthen its approach through the principles of **Human and Organizational Performance (HOP)**. This philosophy recognizes that people are influenced by the systems in which they work and focuses on designing processes that make safe actions the easiest actions to perform. By simplifying work, reducing complexity, improving standardization, and investing in engineered solutions, ADS is creating work environments that are more reliable, repeatable, and safe by design. This approach supports the Company's broader transition from managing safety through rules and compliance alone to managing risk through system design, operational discipline, and continuous improvement.

The first factor in our safety program is hazard identification.

Proactive Risk Management

ADS utilizes an integrated Environmental, Health, and Safety (EHS) management platform to support enterprise-wide risk identification, corrective action management, incident investigations, and performance monitoring. The system provides leaders with real-time visibility into hazards, near misses, behavioral observations, task risk assessments, and action-item completion rates, enabling potential risks to be identified and addressed before injuries occur. Integration with other business systems improves data accuracy, streamlines workflows, and supports consistent reporting across the organization.

A core element of the ADS safety culture is employee engagement in risk identification and prevention. Employees are encouraged to report hazards, near misses, and safety concerns through the EHS management system or established site reporting processes. These reports drive corrective actions, leadership discussions, and continuous improvement efforts at both the facility and enterprise levels. Throughout Fiscal 2026, ADS maintained a strong focus on leading indicators, including hazard identification, behavioral observations, leadership coaching, task risk assessments, and action closure performance.

In Fiscal 2026, ADS further aligned its Local Safety Environmental Improvement Plans (LSEIPs) with the Company's strategic objectives of culture, compliance, and capital risk reduction. The framework establishes consistent expectations across operations and measures performance in areas that have the greatest influence on injury prevention, including hazard identification, Stop Work participation, leadership coaching, task risk assessments, corrective action closure, and employee onboarding.

The results reflect growing organizational maturity. Company-wide LSEIP performance improved by approximately 56% during Fiscal 2026, demonstrating stronger execution, accountability, and engagement across the enterprise. Meaningful improvements were observed across manufacturing, distribution, recycling, and logistics operations, reinforcing the effectiveness of ADS' proactive risk management approach.

ADS also expanded the use of task-based risk assessments during FY26. These assessments combine operational experience, historical injury data, near-miss trends, and workplace hazards to identify and reduce risk before employees are exposed. The process helps prioritize risk-reduction efforts, supports the sharing of best practices across facilities, and drives implementation of engineering controls, automation, and process improvements where they can have the greatest impact.

The Company's **Stop Work Obligation** remains a cornerstone of its safety culture. Every employee, contractor, and visitor has the authority, responsibility, and expectation to stop work whenever hazards are not adequately understood or risks are not properly controlled. ADS fosters an environment where individuals are encouraged and supported in raising concerns, intervening when risks are identified, and participating in the resolution of safety issues. Work resumes only after hazards have been evaluated and appropriate controls have been established. This approach reflects ADS' continued evolution from managing incidents after they occur to designing systems that proactively identify, control, and eliminate risk.

By embedding hazard recognition, leadership accountability, employee engagement, and operational discipline into daily work, ADS continues to strengthen a culture where safe performance is a predictable outcome of how work is designed and executed.

We continued to make progress across key health and safety metrics in Fiscal 2026 and remain dedicated to ensuring our facilities are operating to the highest safety standards. **We focused on the following strategic initiatives:**

/ 1 Initiate resource and risk strategy for high-risk sites, regions, positions, and anticipated patterns. Follows the prior practice of Focus Few, but more agile.

/ 2 Daily management of effectively closing hazard identifications, actions from behavioral risk observations, stop work events and near misses.

/ 3 Short service employee onboarding and 30, 60 and 90 day follow-up.

/ 4 Full and light automation strategic alignment.

Worker Participation, Consultation and Communication

At ADS, employee safety is continuously evaluated through a culture of learning, engagement, and continuous improvement. During Fiscal 2026, the Company continued to strengthen its Environmental, Health, and Safety management systems by assessing risk controls, evaluating operational performance, and identifying opportunities to further enhance leadership accountability and risk management practices.

Employee involvement remains a critical component of our safety strategy. Every facility maintains an active safety committee comprised of employees from various departments working in partnership with site leadership. These committees regularly review workplace risks, evaluate safety trends, investigate opportunities for improvement, and help develop practical solutions that can be implemented at the local level.

ADS believes the most effective safety improvements are developed with the people performing the work. By actively involving employees in hazard identification, risk assessments, process improvements, and corrective action development, the Company gains valuable operational insights while strengthening employee ownership of workplace safety.

Following incidents and significant near misses, employees are engaged in structured reviews to better understand contributing factors and identify opportunities to improve work processes, procedures, equipment, and training.

Employee Health and Safety[27, 28]	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Total Recordable Injury Rate[29]	2.7	2.6	2.1	1.96	1.52
Fatality Rate	0.00	0.02	0.00	0.00	0.00
Near Miss Frequency Rate[30]	9.5	9.4	11.7	19.68	20.07

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.

28. Rates are calculated as: (Statistic count x 200,000) / hours worked
29. 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.
30. 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.
31. Source: https://www.bls.gov/web/osh/table-1-industry-rates-national.htm (2024 data)

Lessons learned are shared across the organization to promote continuous improvement and help prevent similar events from occurring elsewhere. This collaborative approach reinforces ADS' commitment to creating safer work environments, reducing risk through employee-driven solutions, and building a culture where every employee plays an active role in protecting themselves and their coworkers.

Safety

New Hire Training

Developing safety capability remained a priority throughout Fiscal 2026. ADS expanded leadership development through Manufacturing Safety Boot Camp 2.0, providing supervisors and operational leaders with advanced training in hazard recognition, risk management, incident prevention, coaching, and accountability. Enhanced onboarding programs and structured 30-, 60-, and 90-day follow-up processes further supported workforce readiness, contributing to significant reductions in injuries among newer employees.

Fleet Safety Trainings

Fleet safety also remained a key area of focus. ADS invested in training and coaching programs for drivers, transportation leaders, and frontline supervisors while strengthening accountability for safe driving practices. Leveraging telematics and video technology, the Company increased visibility into vehicle safety trends, enabled real-time coaching opportunities, and reinforced safe driving behaviors. In addition to promoting risk avoidance, this technology has provided objective evidence during third-party traffic incidents, helping protect ADS drivers and the Company from situations where fault may otherwise have been incorrectly assigned. These capabilities support both employee safety and responsible risk management.

Driver safety remains a key priority at ADS. To strengthen hazard recognition and reduce the risk of injury during delivery, loading, unloading, and other out-of-cab activities, drivers participate in driver coaching programs specifically designed for the physical demands of their work. These programs help improve movement patterns, reduce ergonomic risks, and reinforce injury prevention strategies.

ADS also delivers daily safety communications to drivers, reinforcing safe work practices and our commitment that every employee returns home in the same condition in which they arrived at work. These consistent touchpoints help maintain awareness, encourage safe decision-making, and strengthen our safety culture across the fleet.

In support of safer operations, more than two-thirds of the ADS fleet has been modernized with newer equipment featuring enhanced safety technologies, improved ergonomics, and lighter-weight trailers. Additionally, the newest agricultural transport vehicles have been specifically engineered to reduce employee exposure during loading and unloading activities, incorporating design features that significantly minimize the risks associated with handling large coils.

By combining driver training, leadership engagement, behavioral coaching, and advanced vehicle technology, ADS continues to proactively reduce fleet-related risks while enhancing the safety and well-being of our drivers.

Training Through Supervisors

ADS believes that building a strong safety culture requires continuous learning, leadership engagement, and regular reinforcement of safe work practices. Throughout Fiscal 2026, the Company expanded safety communication and training efforts to support the rollout of the ADS Environmental, Health, Safety, Security and Sustainability (EHSSS) Vision, reinforcing that safety is a core value embedded in daily operations.

Safety discussions are integrated into the start of each shift, where supervisors engage employees on current safety topics, hazard awareness, lessons learned, and operational risks. These conversations help reinforce expectations, encourage hazard recognition, and create opportunities for employees to raise concerns before work begins. Leaders are also expected to reinforce EHSSS principles through daily huddles, one-on-one discussions, and operational meetings. In addition, ADS provides weekly safety focus topics and periodic updates on procedures, Life Saving Principles, and risk-reduction initiatives. These communications help ensure employees understand evolving hazards, emerging risks, and best practices across the organization.

Formal training is supplemented through monthly learning activities, including virtual training sessions, toolbox talks, and leadership-led discussions.

Toolbox talks provide focused opportunities for teams to discuss specific workplace hazards, review lessons learned and strengthen understanding of safe work expectations in a practical and relevant manner.

This layered approach to training and communication supports ADS' commitment to ensuring employees are trained, qualified, and empowered to make informed decisions, identify hazards, utilize their Stop Work Obligation, and contribute to a workplace where safety, security, and sustainability are integrated into everyday actions.

Safety Performance

ADS continued to strengthen its safety performance during Fiscal 2026 through a combination of cultural transformation, leadership engagement, risk reduction investments, enhanced onboarding, and engineering controls designed to eliminate hazards at their source.

The Company's Total Recordable Incident Rate (TRIR) improved to 1.52 in Fiscal 2026, exceeding its annual target and representing a 22% improvement from Fiscal 2025 and a 47% improvement from Fiscal 2023. Short Service Employee injuries were reduced by 34%, and out-of-cab driver injuries declined by 20%, reflecting the effectiveness of targeted onboarding, leadership development, fleet safety initiatives, and proactive risk management efforts.

As safety performance has improved, injury patterns have evolved. In previous years, more than half of all injuries were concentrated in a small number of facilities, leading to the development of the Company's "Focus Few" strategy. By Fiscal 2026, injury distribution had become significantly more balanced across the organization, demonstrating that risk reduction practices and safety expectations are becoming more consistently embedded throughout the enterprise. As a result, ADS transitioned from a site-focused intervention model to a more agile, risk-based approach that targets specific high-risk activities, operational trends, and emerging exposures regardless of location.

ADS believes that sustainable safety performance is achieved by creating systems that make safe work the natural outcome. Through continued investment in people, technology, leadership, and engineered controls, the Company is advancing toward its long-term goal of achieving world-class safety performance while protecting employees, contractors, and communities.

In Fiscal 2026, ADS achieved a TRIR of 1.52, significantly outperforming both the industry average for Plastics Pipe and Pipe Fitting Manufacturing (2.4)[31] and the overall manufacturing sector (2.7)[31]. This achievement reflects our sustained investment in risk-reduction strategies including automation, Human and Organizational Performance (HOP) and robust safety governance.

Our results demonstrate that embedding safety into equipment design, operational planning, leadership accountability, and daily decision-making can deliver measurable improvements in both employee protection and operational performance. As ADS continues to mature its enterprise risk management approach, the focus remains on identifying and eliminating hazards before exposure occurs, creating safer workplaces while supporting sustainable business growth.

Safety Performance

1.52 RECORDABLE INJURY RATE IN FISCAL 2026
(the number of injuries x 200,000/total labor hours)

50% of our facilities were **injury-free** in Fiscal 2026

37% below the industry average* as reported by the Bureau of Labor Statistics for 2024

0.63 LOST TIME INJURY RATE IN FISCAL 2026
(lost workday cases 200,000/total labor hours)

***Reference for metric:**
https://www.bls.gov/web/osh/table-1-industry-rates-national.htm

Injury-free Performance

12 facilities **3 years injury-free**

30 facilities **3-5 years injury-free**

25 facilities **5+ years injury-free**

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 2026.

The ADS Foundation has five pillars: Recycling, Education, Mental Health, Housing and Water. We are committed to collection and reuse of plastic waste to promote a circular economy, professional and technical skill development for the workforce of tomorrow, resources that assist with emotional, psychological and social well-being, the comfort of a safe and affordable home and clean watersheds for enjoyment and conservation.

ADS FOUNDATION

- RECYCLING
- EDUCATION
- MENTAL HEALTH
- HOUSING
- WATER

Visit the ADS Foundation page to learn more.

Mission Statement

Improving quality of life by building resilient and sustainable communities that strengthen access to recycling, education, mental health, housing and water.

Fiscal 2026 Donations

University of Minnesota

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

The Nature Conservancy

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

In Fiscal 2026, ADS renewed 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 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 millions of 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.

Our cooperation with The Recycling Partnership, both through ADS and the ADS Foundation, is 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 2026, 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 2026, Infiltrator donated over 15 septic systems, with a value of over $46,000, to 12 different Habitat for Humanity partners across 12 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.

TOGETHER AS ONE

PELOTONIA

Together as one, riding for a cure: ADS peloton rides again

For the seventh consecutive year, ADS employees came together as one with the central Ohio community to participate in Pelotonia. Simply put, Pelotonia is a community that is passionate about ending cancer by accelerating funding for innovative cancer research and raises funds through annual cycling associated events.

Pelotonia directs 100 percent of every dollar raised by participants to cancer research at The Ohio State University Comprehensive Cancer Center – Arthur G. James Cancer Hospital and Richard J. Solove Research Institute, including the Pelotonia Institute for Immuno-Oncology.

In Fiscal 2026, the 122 employees participating in the ADS Peloton raised 0.2 million for cancer research (total includes a 0.1 million donation from the ADS Foundation). ADS Peloton members rode on ride weekend, rode on gravel day, volunteered during the events and set challenges for those who were unable to attend in person.

Pictured on this page are members of the ADS Peloton on the morning of the ride. Several groups of employees also participated as ADS Peloton challengers, including a group from ADS' Findlay office and a large group from the Infiltrator facility in Winchester, KY.

University of Minnesota Duluth
Driven to Discover

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

In Fiscal 2026, the ADS Foundation disbursed the second of 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 Assessment (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 is aligned with the five pillars of focus for the ADS Foundation: recycling, education, mental health, housing and water.

The Ohio State University
Sustainability Institute

ADS continued our collaboration with The Ohio State University in Fiscal 2026, as a founding member of The Sustainability Institute.

Through this collaboration with The 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 2026, students continue to analyze data from the previously gifted EcoStream™ units to further knowledge on pollutants and pollutant removal from stormwater runoff associated with parking lots on campus.

Corporate Governance and Ethics

Corporate Governance

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

ADS' Corporate Governance guidelines define the core elements of our governance framework, which covers the Board's role, director nomination and independence, Board leadership, performance evaluations for both the Board and management, executive and director compensation philosophy and our approach to stockholder engagement.

Most importantly, honesty and professionalism define who we are and serve as the foundation of 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.

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.

Separating the Chair and CEO roles also fosters accountability, creating 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 the Sustainability Committee. You can find these charters on our website. Read more about committee composition, roles and responsibilities in our 2026 Proxy Statement.

Board Composition

Our Board comprises 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	9	1	Male
Anesa Chaibi	Independent Director	6	1	Female
Michael B. Coleman	Independent Director	8	0	Male
Robert M. Eversole	Board Chair	18	0	Male
Alexander R. Fischer	Independent Director	12	1	Male
Tanya D. Fratto	Independent Director	13	0	Female
Kelly Gast	Independent Director	4	0	Female
Manuel Perez de la Mesa	Independent Director	7	1	Male
Anil Seetharam	Independent Director	5	0	Male

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.

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 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 regulatory 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 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 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.

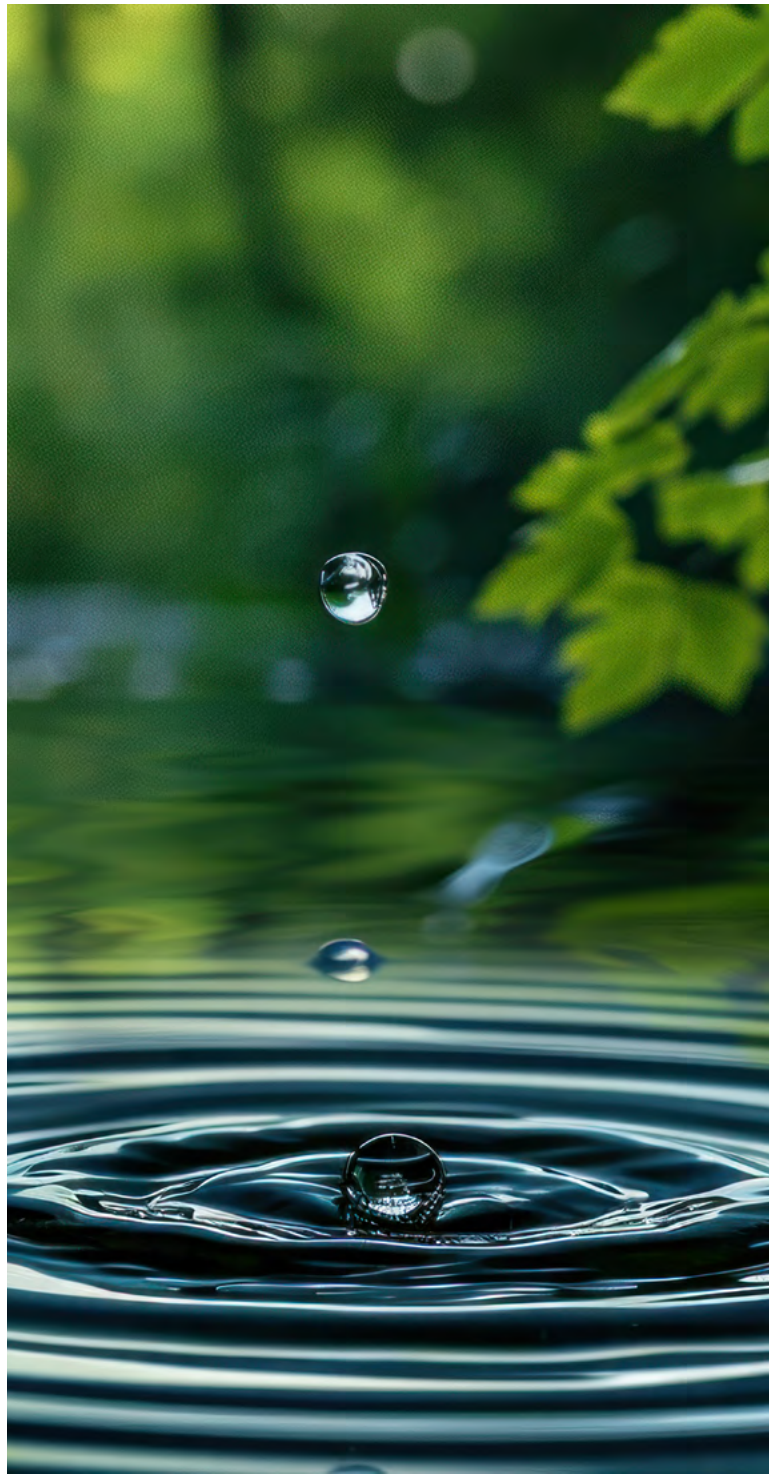
ESG

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.

Fiscal 2026 Board Characteristics	
Size of Board	9
Number of Independent Directors	8
Average Age of Directors	62
Average Director Tenure (in years)	9
Annual Election of Directors	Yes
Mandatory Retirement Age	No
Gender and Diversity	33%
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



Board Oversight of Sustainability

Since Fiscal 2022, our Board has had 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. For more details on the Board Sustainability Committee's oversight of sustainability, please refer to the TCFD report.

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 past year, we continued to engage with investors around the effectiveness and development of our corporate governance program and our sustainability efforts. 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: attract, retain and motivate top talent; drive the performance culture as well as Company values; reward sustained performance; align compensation with stockholders' interests; and link compensation to Company, functional and individual accomplishment. 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 2026 proxy statement.

Ethics and Compliance

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
- Conflicts of Interest
- Social Media
- Using Company Assets
- Intellectual Property
- Insider Trading

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. In Fiscal 2025 and 2026, we continued 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 assesses 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.

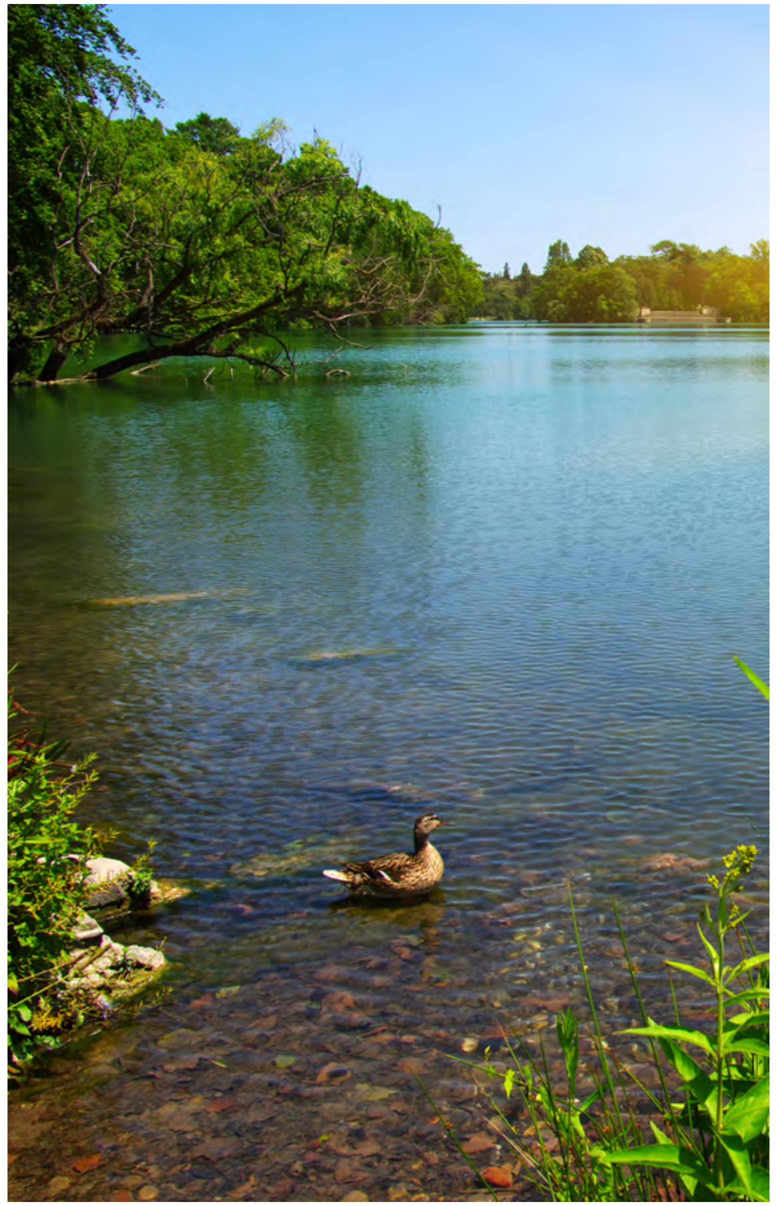
Promoting equal opportunity of all employees and applicants regardless of race, color, religion, sex, age, national origin ancestry, pregnancy status, gender, marital any form of illegal harassment and are dedicated to the prevention of harassment in the workplace.

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 reviews and approves all recommendations for PAC contributions.

In Fiscal 2026, the Advanced Drainage Systems, Inc. PAC contributed $63,500 toward political candidates and organizations. Employee contributions to the PAC in Fiscal 2026 were $20,500. 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 MATERIALS

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.

Appendix

Appendix

SASB Index

Topic	Metric	Category	Unit of Measure	Code	Location of Disclosure
Energy Management	Total energy consumed Percentage grid electricity Percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	Fiscal 2026 Sustainability Report, page 17
Employee Health & Safety	Total recordable incident rate (TRIR) Fatality rate Near miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1	Fiscal 2026 Sustainability Report, page 45
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 2026 Sustainability Report, page 30

SASB Index

Topic	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)CO_2e	TR-RO-110a.1	Fiscal 2026 Sustainability Report, page 15
	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 2026 Sustainability Report, page 15-16
	(1) Total fuel consumed, (2) percentage natural gas, (3) percentage renewable	Quantitative	Metric tons (t)	TR-RO-110a.3	Fiscal 2026 Sustainability Report, page 15-18

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)

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 Administration

PAC – Political Action Committee

PP - Polypropylene

PFAS - Per and polyflouralkyl substances

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

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) 4024 Green Stripe Lane Hilliard, OH 43026 Countries of operation: see Fiscal 2026 Annual Report, page 11
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, 2025 to March 31, 2026 (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 2026. More information can be found on page 82 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: N-12®, AdvanEDGE®, StormTech®, Duraslot®, EcoStream™, Inserta Tee®, OneFit™, Arcadia™, Quick4 Plus™, Quick4®, Quick5™, EZflow®, EZ Drain™, EZsnap®, Pro Series™, Micro™, Mini™, Slim™, Profile Series™, Spee-D®, Spee-D®, Dura Slope®, Flo-Well®, StormChamber®, SedimenTrap™, EZ Roll®, EZ Roll®, Duracast™, Downspout Defender®, AccuFlow™, Cuatro-Flo™, Dial-A-Flo™, Dura Flo™, Maxi-Flo™, Mini-Flo™, Micro-Flo™, Misti-Flo™, Mono-Flo™, Tri-Flo™, Turbulent Flo™, Hydro-Flo™, Hydro-Pop™, Clamp N Pierce®, Flo-Lock™, Flo-Tap™, Smart Loc™, Swivel-Fit™, Qwik-Turn™, Pro-Span®, Quik-Fix™, Rigid Clamp-It™, 4-in-1 Cut N' Punch™, Punch Pal™, Take-A-Part™, Take-Apart Super-Flo™, EZ Marker™, Quad Clip™, Design Worx®, RootWise™, SureFit™, Anchor Lock™, LeveLoc™, Poly-Rock™, Power-Flo™, Super Flexee™, Flexee™. 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 2026 Sustainability Report, page 39
2-8	Workers who are not employees	Fiscal 2026 Sustainability Report, page 39

Governance		
GRI	**Indicator**	**Location of the disclosure FY 2026**
2-9	Governance structure and composition	Fiscal 2026 Proxy Statement, Corporate Governance, page 5-12
2-10	Nominating and selecting the highest governance body	Fiscal 2026 Proxy Statement, page 13-15
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 2026 Proxy Statement, page 16
2-13	Delegation of responsibility for managing impacts	Fiscal 2026 Sustainability Report, page 56
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 2026 Proxy Statement, page 7-14
2-18	Evaluating the highest governance body's performance	Fiscal 2026 Proxy Statement, page 14-16
2-19	Remuneration policies	Fiscal 2026 Proxy Statement, page 21-23
2-20	Process to determine remuneration	Fiscal 2026 Proxy Statement, page 23-36
2-21	Annual total compensation ratio	Fiscal 2026 Proxy Statement, page 38-41

Strategy, Policies and Practices		
GRI	**Indicator**	**Disclosure / Location of Disclosure**
2-22	Statement on sustainable development strategy	Fiscal 2026 Sustainability Report, page 3
2-23	Policy commitments	see ADS policies at https://www.adspipe.com/legal
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 are 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 have 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 https://secure.ethicspoint.com/domain/media/en/gui/83248/index.html.
2-27	Compliance with laws and regulations	See Fiscal 2026 Annual Report, page 11-12

Stakeholder Engagement		
GRI	**Indicator**	**Disclosure / Location of Disclosure**
2-29	Approach to stakeholder engagement	Fiscal 2026 Sustainability Report, page 13
2-30	Collective bargaining agreements	Fiscal 2026 Annual Report, page 42

GRI 3: Material Topics		
GRI	**Indicator**	**Disclosure / Location of Disclosure**
3-1	Process to determine material topics	Fiscal 2026 Sustainability Report, page 13
3-2	List of material topics	Fiscal 2026 Sustainability Report, page 13
3-3	Management of material topics	Fiscal 2026 Sustainability Report, page 13
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Fiscal 2026 Sustainability Report, page 49-51
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 currently 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 2026 Sustainability Report, page 59
205-2	Communication and training about anti-corruption policies and procedures	Fiscal 2026 Sustainability Report, page 41 and 59
205-3	Confirmed incidents of corruption and actions taken	None

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 2026 Sustainability Report, page 31
301-2	Recycled input material used	Fiscal 2026 Sustainability Report, page 31
Energy		
GRI 302: Energy		
GRI	**Indicator**	**Disclosure / Location of Disclosure**
302-1	Energy consumption within the organization	Fiscal 2026 Sustainability Report, page 17 and 71
302-2	Energy consumption outside of the organization	Fiscal 2026 Sustainability Report, page 17 and 71
302-3	Energy intensity	Fiscal 2026 Sustainability Report, page 17 and 71
302-4	Reduction of energy consumption	Fiscal 2026 Sustainability Report, page 17 and 71
302-5	Reductions in energy requirements of products and services	Not applicable

Water and Effluents		
GRI 303: Water and Effluents		
GRI	**Indicator**	**Disclosure / Location of Disclosure**
303-1	Interactions with water as a shared resource	Fiscal 2026 Sustainability Report, page 34
303-2	Management of water discharge-related impact	Fiscal 2026 Sustainability Report, page 34
303-3	Water withdrawal	Fiscal 2026 Sustainability Report, page 34
303-4	Water discharge	Fiscal 2026 Sustainability Report, page 34
303-5	Water consumption	Fiscal 2026 Sustainability Report, page 34 and 73

Emissions		
GRI 305: Emissions		
GRI	**Indicator**	**Disclosure / Location of Disclosure**
305-1	Direct (Scope 1) GHG emissions	Fiscal 2026 Sustainability Report, page 15 and 71
305-2	Energy indirect (Scope 2) GHG emissions	Fiscal 2026 Sustainability Report, page 15 and 71
305-3	Other indirect (Scope 3) GHG emissions	Fiscal 2026 Sustainability Report, page 15 and 71
305-4	GHG emissions intensity	Fiscal 2026 Sustainability Report, page 15 and 71
305-5	Reduction of GHG emissions	Fiscal 2026 Sustainability Report, page 15-18 and 71
305-6	Emissions of ozone-depleting substances (ODS)	ADS does not use significant amounts of ozone-depleting substances. 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 (NO_x), sulfur oxides (SO_x), and other significant air emissions	Fiscal 2026 Sustainability Report, page 18

Waste		
GRI 306: Waste		
GRI	**Indicator**	**Disclosure / Location of Disclosure**
306-1	Waste generation and significant waste-related impacts	Fiscal 2026 Sustainability Report, page 32-33 and 72
306-2	Management of significant waste-related impacts disposal method	Fiscal 2026 Sustainability Report, page 32-33 and 72
306-3	Waste generated	Fiscal 2026 Sustainability Report, page 32-33 and 72
306-4	Waste diverted from disposal	Fiscal 2026 Sustainability Report, page 32-33 and 72
306-5	Waste directed to disposal	Fiscal 2026 Sustainability Report, page 32-33 and 72

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	1,120 new employee hires and a turnover rate of 27.5%.
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 2026 Sustainability Report, page 41
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 2026 Sustainability Report, page 45-48
403-2	Hazard identification, risk assessment and incident investigation	Fiscal 2026 Sustainability Report, page 44
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.
403-4	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 2026 Sustainability Report, page 43-48
403-6	Promotion of worker health	Fiscal 2026 Sustainability Report, page 43-48
403-7	Prevention and mitigation of occupational health and safety management system	Fiscal 2025 Sustainability Report, page 43-48
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 2026 Sustainability Report, page 45.48 and 73
403-10	Work-related ill health	Fiscal 2026 Sustainability Report, page 45 and 73
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 2026 Sustainability Report, page 39

404-2	Programs for upgrading employee skills and transition assistance programs	Fiscal 2026 Sustainability Report, page 39-40
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 2026 Sustainability Report, page 39 and 57
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 2026 Sustainability Report, page 60
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 2026 Sustainability Report, page 20-25
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 2026 Sustainability Report, page 61
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 2026 Performance Indicators

GHG Emissions[5]					
Scope 1 Emissions (Metric Tons CO_2e)	**Fiscal 2022[6]**	**Fiscal 2023[7]**	**Fiscal 2024[8]**	**Fiscal 2025**	**Fiscal 2026**
Fuel	157,884	144,296	134,863	155,374	150,604
Natural Gas	6,529	6,424	5,547	6,254	7,108
Total Scope 1 GHG Emissions	164,413	150,720	140,410*	161,628*	157,712*
Scope 2 Emissions (Metric Tons CO_2e)	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**	**Fiscal 2026**
Total Scope 2 GHG Emissions (Market Based)	174,543	164,855	157,312*	146,975*	138,998*
Total Scope 2 GHG Emissions (Location Based)	167,434	161,303	154,719*	141,687*	135,320*
Emissions Intensity (Scope 1 & 2)	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**	**Fiscal 2026**
Total GHG Emissions (Scope 1 & 2) (Market Based)	338,956	315,574	297,722*	308,603*	296,710*
Total GHG Emissions (Scope 1 & 2) (Location Based)	331,847	312,023	295,130*	303,315*	293,033*
Total Sales ($, in millions)	2,769	3,071	2,874	2,904	3,050
Total GHG Emissions Intensity (Scope 1 & 2) (Market Based/Location Based)	110 / 108	103 / 102	104 / 103	106 / 104	96 / 95

6. Fiscal 2026 and prior exclude NDS sites (acquired in February 2026). Fiscal 2025 and prior exclude Orenco sites (acquired in October 2024). The data does not include joint ventures facilities in Mexico or Other International, which represent less than 5% of net sales.
7. 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.
8. The methodology for calculating Scope 1 GHG emissions for Fiscal 2024 includes CH_4, and N_2O emissions in addition to CO_2 emissions previously reported (the sum of CH_4, N_2O and CO_2 comprises CO_2e). Scope 1 Emissions for Fiscal 2022 and 2023 were also updated to use this same methodology.

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

Scope 3 Emission Summary	Fiscal 2022	Fiscal 2026	FY26 vs. FY22
Category 1 - Purchased Goods and Services	1,549,501	1,203,197*	-22%
Category 2 - Capital Goods	70,718	108,354*	53%
Category 3 - Fuel and Energy Related Activities	25,935	22,911*	-12%
Category 5 - Waste Generated in Operations	6,985[10]	6,171*	-12%
Category 6 - Business Travel	1,653	3,586*	117%
Category 7 - Employee Commuting	5,745[9]	6,561*	14%
Category 9 - Downstream Transportation and Distribution	217,259	152,976*	-30%
Category 12 - End of Life Treatment of Sold Products	7,711[10]	6,812*	-12%
Total	1,885,517	1,510,568*	-20%

9. Estimated using ratio of #employees in FY22 vs. FY26.
10. Estimated using ratio of pipe production lbs FY22 vs. FY26.

Energy Usage[11]

Energy Consumption	Unit of Measure	Fiscal 2022	Fiscal 2023[12]	Fiscal 2024	Fiscal 2025	Fiscal 2026
Purchased Electricity[13]	Gigajoules (GJ)	1,653,838	1,582,187	1,488,709	1,501,544	1,422,532
Purchased Natural Gas	GJ	129,691	127,594	110,188	124,224	141,193
Total Energy Consumption	GJ	1,783,529	1,709,781	1,598,897	1,625,768	1,563,725
ADS Sales	$, in millions	$2,769	$3,071	$2,874	$2,904	$3,050
Energy Intensity	GJ per million revenue $	644	557	556	560	513

11. FY2026 data does not include NDS (acquired in February 2026). Fiscal 2025, Fiscal 2024, Fiscal 2023 and Fiscal 2022 data does not include Orenco (acquired in October 2024) the joint ventures in Mexico or other international sales which represent less than 5% of net sales. Fiscal 2024, Fiscal 2023 and Fiscal 2022 data does not include Cultec (acquired in May 2022). In addition, Fiscal 2023 and Fiscal 2022 data does not include Jet Polymers (acquired in December 2021).
12. In Fiscal 2024, ADS refined our data collection, calculation and reporting process and re-stated figures for Fiscal 2022 and Fiscal 2023 to ensure accuracy of methodology across all reporting year data. The re-stated figures are included in this table.
13. 100% grid electricity. We did not intentionally purchase any renewable energy in Fiscal 2026, 2025, 2024, 2023 or 2022.

Fleet Metrics

Fleet Efficiency[14]	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Fuel Economy[15]	Miles per gallon (MPG)	6.5	6.5	6.4	6.3	6.5
Payload Efficiency[15]	Pounds shipped per miles traveled	23.7	22.0	22.6	22.5	20.8
Fuel Consumed[17]	GJ	1,016,622	920,720	854,618	882,470	830,630
NO_x emissions[18]	Grams per mile (g/m) Grams per ton mile (g/tm)	3.25 [4.65] 0.26 [0.26]	3.02 [4.03] 0.29 [0.29]	2.99 [3.99] 0.30 [0.30]	2.92 [2.92] 0.26 [0.29]	2.73 [2.47] 0.80 [0.36]
CO_2 emissions[18]	Grams per mile (g/m) Grams per ton mile (g/tm)	1,610 [1,510] 107 [107]	1,601 [1,491] 105 [105]	1,558 [1,558] 117 [117]	1,590 [1,457] 90 [121]	1585 [1317] 468 [189.5]
Particulate matter emission[17]	Grams per mile (g/m) Grams per ton mile (g/tm)	0.0445 [0.0445] 0.0028 [0.0028]	0.0052 [0.0332] 0.0017 [0.0028]	0.0051 [0.0321] 0.0018 [0.003]	0.0056 [0.0141] 0.0013 [0.0031]	0.0720 [0.0624] 0.0212 [0.0090]

Performance Indicators[19]

Remanufactured Product Revenue	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Remanufactured Product Revenue	% of total revenue	57.2%	52.6%	51.1%	49.4%	46.8%
Percent of revenue from remanufactured products	% of total pipe revenue	60.8%	56.7%	53.7%	50.2%	47.7%

14. Fleet efficiency data is representative of the entire ADS fleet, which operates in the United States and Canada.
15. 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.
16. 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.
17. Fuel is tracked through a third-party telematics program. Converted from gallons to GJ at a rate of 0.14652 GJ per 1 gallon. Dyed-diesel usage for onsite mobile equipment is not included in this number. However emissions from the use of dyed-diesel for onsite mobile equipment are included in the Fiscal 2025 and Fiscal 2026 GHG emissions estimates provided in this report.
18. As part of our commitment to the SmartWay Program, NOx, CO_2 and Particulate Matter emissions are tracked on a calendar year basis. Values for Fiscal 2026, represent calendar year 2025 data, Fiscal 2025, represent calendar year 2024 data, Fiscal 2024 values represent calendar 2023 data, Fiscal 2023 values represent calendar 2022 data, 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.
19. Prior year numbers have been restated to reflect percentage of total revenue.

Waste

Waste Generated (metric tons)	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Total hazardous waste generated[21]	45	45	3	5
Total non-hazardous waste generated	77,590	73,985	69,518	70,472
Total waste generated	77,635	74,030	69,521	70,472
Ratio: Hazardous waste / Revenue (metric tons/ million revenue $)	0.01	0.02	0.001	0.002
Ratio: Non-hazardous waste / Revenue (metric tons/ million revenue $)	25.26	25.74	23.94	23.11
Waste Disposal (metric tons)	**Fiscal 2023**	**Fiscal 2024**	**Fiscal 2025**	**Fiscal 2026**
Non-hazardous waste to landfill	26,118	27,978	24,590	16,582
Non-hazardous waste recycled externally	26,609	25,779	24,732	23,832
Non-hazardous waste recycled internally	24,862	20,228	20,196	30,857
Total non-hazardous waste generated	77,589	73,985	69,518	70,472
Ratio: Non-hazardous waste to landfill/Revenue (metric tons/million revenue $)	8.50	9.73	8.47	5.44
Ratio: Non-hazardous waste diverted from landfill/ Revenue (metric tons/million revenue $)	16.76	16.01	15.47	17.67

21. Fiscal 2026 and 2025 Hazardous Waste data was collected from hazardous wastes manifests for all manufacturing facilities. For Fiscal 2023 and 2024 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	11%	5
High	19%	6
Medium-High	18%	13
Low-Medium	31%	18
Low	21%	16

Water Consumption Data

Water Consumption	Unit of Measure	Fiscal 2022	Fiscal 2023	Fiscal 2024[22]	Fiscal 2025	Fiscal 2026
Total Water Intake[23]	Megaliters	517	493	482	459	354

22. Data for Fiscal Year 2024 was revised to reflect an overstatement due to an error in tracking for a newly added site, the adjustment for which was made during Fiscal Year 2025.
23. Water intake data is not yet available for the following: 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.

Employees	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Full-time					
Male	4,530	4,630	4,565	4,400	4,670
Female	720	860	850	900	1,090
Total	5,250	5,490	5,415	5,300	5,760
Part-time					
Male	20	15	20	20	20
Female	15	30	10	10	10
Total	35	45	30	30	30
By Region[24]					
United States	4,945	5,195	5,100	5,330	5,785
Canada	340	340	345	345	365
Other	350	335	260	325	275
Total	5,635	5,870	5,705	6,000	6,425

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

Employee Health and Safety[27, 28]	Fiscal 2022	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026
Total Recordable Injury Rate[29]	2.7	2.6	2.1	1.96	1.52
Fatality Rate	0.00	0.02	0.00	0.00	0.00
Near Miss Frequency Rate[30]	9.5	9.4	11.7	19.68	20.07

27. 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.
28. Rates are calculated as: (Statistic count x 200,000) / hours worked
29. 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.
30. 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 2026)

<table>
<tr><th colspan="2">Greenhouse Gas (GHG) Emissions – Basis of Reporting (Fiscal 2026)</th></tr>
<tr><td>Guidance and Boundary</td><td>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. .</td></tr>
<tr><td>Scope 1
GHG Emissions</td><td>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 2025 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 CO_2 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:
• 2025 Environmental Protection Agency (EPA) Center for Corporate Climate Leadership GHG Emissions Hub.</td></tr>
</table>

Greenhouse Gas (GHG) Emissions – Basis of Reporting (Fiscal 2026)		
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.	
	Scope 2 Emission Factors: Location-based emission factors • 2025 International Energy Agency (IEA) emission factors • 2025 eGRID emission factors • Environment Canada 2025 National Inventory Report	Market-based emission factors • 2025 Green-e Residual Mix Emissions Rates • International Energy Agency (IEA) Emission Factors • 2025 EPA e-GRID Emission Factors • Edison Electric Institute (EEI) Electric Company Cabon Emissions and Electricity Mix Reporting Database for Customers

Scope 3 GHG Emissions

To improve the accuracy of our scope 3 GHG emissions estimates, there have been changes in our methodology over the previous year. For details on previous year methodology please see our Fiscal 2022, 2023 or 2024 Sustainability report.

Category & Description		Methodology	Emission Factors
1.	Purchased goods and services	FY25 emissions are calculated using an average-based emission factor times the weight of each type of raw material purchased.	UK DEFRA Conversion Factors 2024
2.	Capital goods	Emissions are calculated using a spend-based method.	USEPA EEIO Factors (AR6)
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.	UK DEFRA Conversion Factors 2024
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 an average-based emission factor times the amount of each type of waste generated.	UK DEFRA Conversion Factors 2024
6.	Business travel	Emissions from business travel include air, rail, rental car, hotel rooms and taxi usage by ADS employees when travelling 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 emissions factors.	UK DEFRA Conversion Factors 2024

7.	Employee Commuting / Telework	Emissions from business travel include air, rail, rental car, hotel rooms and taxi usage by ADS employees when travelling 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 emissions factors.	UK DEFRA Conversion Factors 2024
8.	Upstream leased assets	ADS does not have any upstream leased assets.	Not Applicable
9.	Downstream transportation and distribution	ADS utilizes third party freight for delivery of products in addition to the ADS fleet (accounted for in our scope 1 GHG emissions).	USEPA EEIO Factors (AR6)
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	Emissions were calculated based on quantity of material sold and expected end of life treatment methods.	USEPA Emission Factor Hub 2025
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

*Scope 1 & 2 GHG emissions estimates represent emissions from ADS facilities and fleet. ADS joint ventures, where ADS has operational control (ADS-Mexicana), contribute an immaterial portion of emissions (<5%) and have been excluded.

Task Force on Climate-related Financial Disclosure (TCFD) 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.

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 2026, we conducted an updated water risk analysis for all our manufacturing facilities using the Aqueduct Water Risk Atlas developed by the World Resources Institute. ADS is focused on being mindful of water consumption, particularly in areas of extremely high and high water stress, and the results of our updated analysis will inform future initiatives to reduce our impact in a mindful way. In Fiscal 2026, ADS' total water intake decreased by 22.9% year-over-year, attributable to the closure of the Waterloo ADS Recycling facility as well as a 23.4% decrease in consumption at the Infiltrator facility in Winchester, KY, which accounted for 23% of ADS water usage in Fiscal 2026.

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: Following the opening of ADS' Engineering and Technology Center in Hilliard, OH, the world's most advanced stormwater engineering center, in Fiscal 2025, ADS has continued investing in a $30 million expansion to our recycling facility in Cordele, GA. The expansion will expand ADS' recycling capacity and enhance our ability to provide high quality recycled material to our pipe manufacturing facilities in the Southeast.

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: ADS drives measurable progress toward a circular economy by transforming millions of pounds of plastic waste into high-quality, resilient stormwater products – reducing dependence on virgin resources. In Fiscal 2026, 388 million pounds, or 38% of the material purchased by ADS, was recycled. Further, our $30 million investment in the expansion of our Cordele, GA recycling facility will further expand ADS' recycling capabilities.

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 2026, ADS made measurable progress towards our SBTi-validated scope 1 & 2 GHG emissions reduction target, reducing scope 1 & 2 emissions by 13.3% compared to our Fiscal 2022 baseline. We also saw a 22% reduction in our scope 3 emissions related to purchased goods and services compared to the Fiscal 2022 baseline in Fiscal 2026, reflecting ADS' efforts to decarbonize our operations and drive energy efficiency across the manufacturing network.

Fiscal 2026 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
Chief Executive Officer, Global Industrial Company

Michael Coleman
Partner, Ice Miller LLP

Alexander R. Fischer
Founder, Alex R. Fischer and Company

Tanya Fratto
Retired Chief Executive Officer, Diamond Innovations, Inc.

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

M.A. (Mark) Haney
Retired Executive Vice President, Olefins and Polyolefins Chevron Phillips Chemical Company LP

Luther C. Kissam
Senior Advisor, Bernhard Capital Partners Management, LP and Retired Chief Executive Officer, Albemarle Corporation

Manuel J. Perez de la Mesa
Retired President and Chief Executive Officer, Pool Corporation

Anil Seetharam
Managing Director, Berkshire Partners

Chairman Emeritus

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

Fiscal 2026 Executive Officers

Scott Barbour
Director, President and Chief Executive Officer

Scott A. Cottrill
Executive Vice President, Chief Financial Officer, Secretary

Brian King
Executive Vice President, Product Management, Marketing and Sustainability

Bret Martz
Executive Vice President, Sales

Kevin C. Talley
Executive Vice President and Chief Administrative Officer

Craig Taylor
Executive Vice President, Infiltrator Water Technologies

Thomas Waun
Executive Vice President, Engineering and International

ERMCVS

Independent Limited Assurance Report

ERM Certification & Verification Services Incorporated ("ERM CVS") was engaged by Advanced Drainage Systems Inc. ("ADS") to provide limited assurance in relation to the Selected Information set out below and presented in the ADS 2025 Sustainability Report (the "Report").

ENGAGEMENT SUMMARY

Scope of our assurance engagement	Whether the following Selected Information for FY2025, as indicated on Fiscal Year 2025 Performance Indicators tables, are fairly presented in the Report, in all material respects, in accordance with the reporting criteria. Our assurance engagement does not extend to information in respect of earlier periods or to any other information included in the Report.
Selected Information	• Total Direct GHG Emissions (Scope 1) [metric tons CO2e] • Total Indirect GHG Emissions (Scope 2 location-based) [metric tons CO2e] • Total Indirect GHG Emissions (Scope 2 market-based) [metric tons CO2e] • Total GHG Emissions [metric tons CO2e]
Reporting period	April 1, 2024 – March 31, 2025 (FY2025)
Reporting criteria	• ADS internal reporting criteria and definitions; • 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)
Assurance standard and level of assurance	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'. 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.
Respective responsibilities	ADS 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 Report. ERM CVS' responsibility is to provide a conclusion to ADS on the agreed assurance scope based on our engagement terms with ADS, the assurance activities performed and exercising our professional judgement.

OUR CONCLUSION

Based on our activities, as described below, nothing has come to our attention to indicate that the Selected Information for FY2025 is not fairly presented in the Report, in all material respects, in accordance with the reporting criteria.

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Forward Looking Statements

Certain statements in this report may be deemed to be forward-looking statements. These statements are not historical facts but rather are based on the Company's current expectations, estimates and projections regarding the Company's business, operations and other factors relating thereto. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expects," "intends," "plans," "projects," "believes," "estimates," "confident" and similar expressions are used to identify these forward-looking statements. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include: fluctuations in the price and availability of resins and other raw materials, new tariff policies, and our ability to pass any increased costs of raw materials and tariffs on to our customers in a timely manner; disruption or volatility in general business, political and economic conditions in the markets in which we operate; cyclicality and seasonality of the non-residential and residential construction markets and infrastructure spending; the risks of increasing competition in our existing and future markets; uncertainties surrounding the integration and realization of anticipated benefits of acquisitions or doing so within the intended timeframe; the effect of weather or seasonality; the loss of any of our significant customers; the risks of doing business internationally; the risks of conducting a portion of our operations through joint ventures; our ability to expand into new geographic or product markets; the risk associated with manufacturing processes; the effects of global climate change and any related regulatory responses; our ability to protect against cybersecurity incidents and disruptions or failures of our IT systems; our ability to assess and monitor the effects of artificial intelligence, machine learning blockchain, and robotics on our business and operations; our ability to manage our supply purchasing and customer credit policies; our ability to control labor costs and to attract, train and retain highly qualified employees and key personnel; our ability to protect our intellectual property rights; changes in laws and regulations, including environmental laws and regulations; our ability to appropriately address any environmental, social or governance concerns that may arise from our activities; the risks associated with our current levels of indebtedness, including borrowings under our existing credit agreement and outstanding indebtedness under our existing senior notes; and other risks and uncertainties described in the Company's filings with the SEC. New risks and uncertainties emerge from time to time and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this report. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the Company's expectations, objectives or plans will be achieved in the timeframe anticipated or at all. Investors are cautioned not to place undue reliance on the Company's forward-looking statements and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

About Advanced Drainage Systems, Inc.

Advanced Drainage Systems is a leading manufacturer of innovative stormwater and onsite wastewater solutions that manage the world's most precious resource: water. ADS, along with NDS and Infiltrator Water Technologies, provides superior stormwater drainage and onsite wastewater products used across commercial, residential, infrastructure, and agricultural applications, while delivering unparalleled customer service. ADS operates the industry's largest company-owned fleet, an expansive sales team and a vast manufacturing network. As one of the largest plastic recycling companies in North America, ADS keeps millions of pounds of plastic out of landfills each 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.