

HYDRG Holding SpA	
	Board of Directors of Hydro Holding S.p.A.

Code of Ethics of Hydro Holding Group

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**CODE OF ETHICS OF
HYDRO HOLDING GROUP**

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1. INTRODUCTION

Hydro Holding Group, one of Europe's leading players in the field of hose fittings production, was established in 2015, with the acquisition by Hydro Holding S.p.A of 100% of Tieffe S.p.A. and FB Group S.p.A.'s stock capital. In 2017, MCS Hydraulics S.r.l. and Raccorfer S.r.l. joined the Group.

During 2019, but effective January 1, 2020, the control structure was simplified with the reverse merger of Hydro Holding S.p.A. into F.B. Hydraulic S.r.l.; as a result of the merger, the incorporating company became a joint stock company and acquired the name of the merged company.

The reorganization activities of the Group led, with legal effect from 01.01.2021, to the incorporation into the Parent Company of the first-tier subsidiaries M.C.S. Hydraulics Ltd., M.C.S. Core S.r.l., Raccofer S.r.l. and Tieffe S.p.A.

As of the date of approval of this document by the Board of Directors of Hydro Holding, the Group is structured as defined in Annex A to this document:

This document is intended to apply to all Hydro Holding Group Companies, without any exclusion. In the following, the content herein and referred to 'Hydro Holding' shall be understood as pertaining to all Group Companies.

This Code of Ethics contains the ethical principles and rules of conduct on which the Group shall base its operations.

1.1. Recipients

This Code dictates the standards of conduct that shall be applied in conducting business and managing corporate activities by all those who, directly or indirectly, permanently or temporarily, establish collaboration relationships in any capacity or operate in the interest of the Group. The Code shall therefore be binding on Employees, Executives, Directors, Members of the Board of Auditors, Members of the Supervisory Board, External Collaborators with temporary or long-term agreements, Partners, Suppliers and Customers.

Hydro Holding aims to maintain and develop mutual relationships of trust and loyalty, that are essential to achieve its mission goals, with its stakeholders (Shareholders, Employees, Collaborators, Suppliers, Customers and Business Partners, etc.).

1.2. Communication and dissemination

In relation to the Code of Ethics, Hydro Holding shall ensure:

- periodic reviews and updates in order to ensure that the Code is always in line with the evolution of the Company and the Group, and that it is compliant with applicable legislation,
- appropriate dissemination by posting on the corporate website www.hydro-holding.com and on the Intranet of each Group company;
- illustration of the contents and delivery of an updated copy to all newly hired Employees;
- a periodic information and training program on the content and meaning of the Code of Ethics, continued supervision by the functions and bodies in charge so as to verify that the Code is correctly applied;

- full privacy/confidentiality and professional protection of anyone who needs to report possible breaches of the Code, without prejudice to applicable legal provisions.

1.3. Structure of the Code

The Code of Ethics consists of three parts: the first establishes the general principles that Hydro Holding follows in the performance of all their operations, the second dictates specific rules of conduct for the various types of recipients, and the third defines the implementation and control procedures for effective application of this document.

2. GENERAL PRINCIPLES

2.1. Foreword

Hydro Holding performs its activities pursuant to the law, following rules of conduct based on the principles of honesty, integrity and respect for the interests of Customers, Employees, Shareholders, Business and Financial Partners.

The persons working within Hydro Holding shall be committed, each within the scope of his or her functions and responsibilities, to pursuing the company's objectives in compliance with the rules contained in this Code.

Because of the multiple situations in which it operates, Hydro Holding herein clearly defines the values adopted, recognized and shared, as well as the set of responsibilities assumed internally and externally. To this end, Hydro Holding has prepared this Code of Ethics that the Recipients shall observe to ensure proper functioning, integrity and reputation of the Group, elements considered essential assets for the pursuit of the corporate mission.

Based on the Company Values, the Code establishes responsibilities and lines of behaviour in the various contexts where issues of an ethical nature may arise, and each Recipient shall be required to be knowledgeable with its content, report any shortcomings and actively contribute to its application and evolution.

Hydro Holding is committed to spreading awareness of the Code among all internal and external stakeholders and promotes the creation of special bodies designed to assess, and if necessary, sanction behaviours that violate the rules contained herein.

Hydro Holding constantly updates suitable prevention and control tools as well as specific organization models capable of ensuring the transparency of behaviours and operations carried out by its Directors and Employees.

Hydro Holding's organisation and the system of rules that define its control structure shall at all times be consistent with the Code and help its thorough application.

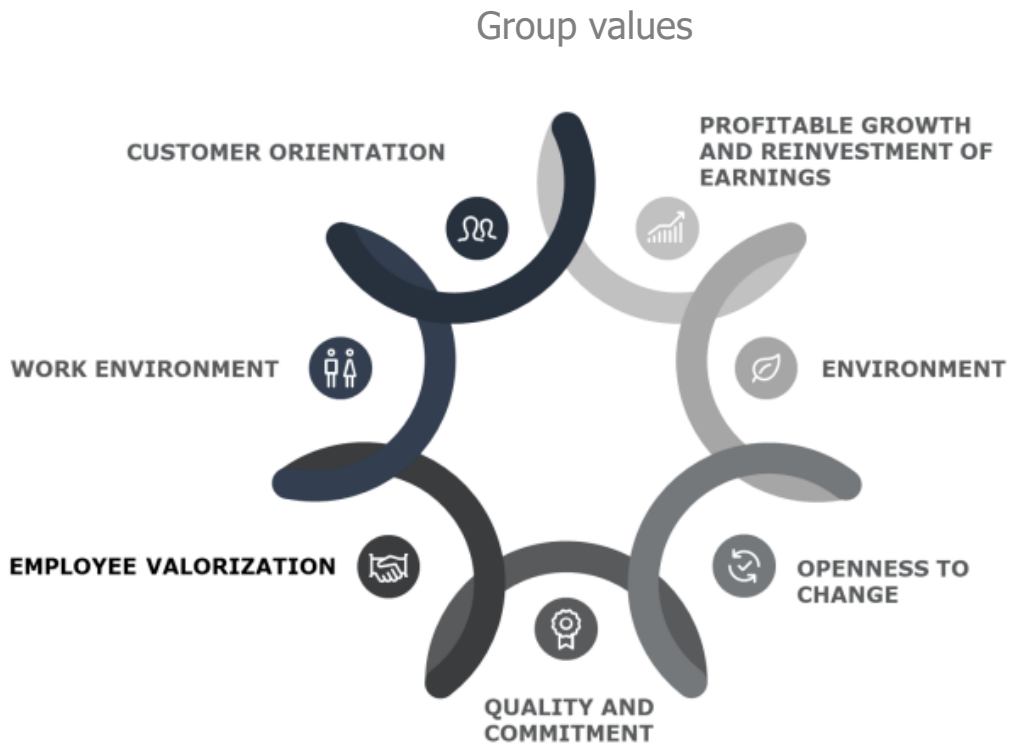
Hydro Holding's top Managers and Executives shall ensure, through transparent and consistent behaviour and continuous supervision of Code observance, that the Code is thoroughly complied with, taking all necessary measures so as to sanction any breaches thereof.


This Code of Ethics is an integral and substantial part of the Organisation Model that the Company has adopted in accordance with the provisions of Leg. Decree 231/2001.

2.2. Group Vision

Hydro Holding Group is recognised as a Leading Company specialising in the Development, Production and Marketing of Solutions for Customers in the International Hydraulics Market. The Group operates with Passion, to create Value for Stakeholders in a Sustainable and Ethical manner.

2.3. Group Values




 Customer orientation


The company's main objective is to best understand and anticipate the customers' needs by creating a Partnership aimed at developing specific technical solutions and serving them promptly, providing high quality standards at all stages of the relationship, from order placing to after-sales service.

 Openness to change

Openness to change and continuous innovation are fundamental requirements for the company to evolve and excel in a competitive and changing global market.

 Quality and commitment

Attention and commitment to quality have always been hallmarks that characterise the company. Quality is built day by day, with dialogue, participation and involvement of all stakeholders.

 Profitable growth and reinvestment of earnings

In order to consolidate its position in the global market, Hydro Holding Group reinvests all the profits generated, delivering ever-improving performance to their customers.



Employee valorization

Focus on people: a fundamental element of Hydro Holding Group's philosophy. The company believes in active involvement and policy sharing, generating responsibility and commitment in each individual. Leadership is the first witness to corporate values, showing commitment by means of examples and in all circumstances.



Work environment

Hydro Holding Group has created a safe and welcoming work environment that fosters the personal and professional growth of each individual. Mutual respect, trust and a spirit of belonging are the basis of the corporate culture as well as integrity, honesty and ethical behaviour, with no exception. This fuels the passion of every single person whose ideas matter and whose role has a say.



Environment

Hydro Holding Group operates with sensitivity and commitment to the environment, improving internal processes and developing new environment-friendly production methods; the goal is to eliminate all potential forms of pollution by developing a business activity that is Sustainable in all of its aspects.

2.4. General lines of conduct

Working with Hydro Holding, whatever the degree of responsibility, implies complete and unconditional adherence to the following values:

Professionalism

Professionalism, commitment to the entrusted tasks and mutually supportive behaviours represent essential values for the achievement of the corporate goals.

For this reason, Hydro Holding is focused on developing their Employees' professional skills, implements policies to identify and enhance individual merits, and operates respecting the principle of equal opportunities.

Each Employee shall act with commitment and ethical rigour, protecting, under all circumstances, the image and good reputation of Hydro Holding.

Enhancement of human resources

Hydro Holding recognises the value of human factors as a critical element for success, and constantly strives to protect and elevate the knowledge pool of their Personnel, to achieve standards of excellence in all the services provided.

Protection of the physical and moral integrity of Personnel

Hydro Holding ensures that the physical and moral integrity of its Personnel is protected, and is committed to complying with local occupational safety regulations in all countries where it operates.

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Fairness in dealing with subordinates

As far as employment contracts involving hierarchical relations are concerned, Hydro Holding shall ensure that authority arising from superordinate positions be exercised avoiding any kind of abuse and without harming the dignity of Employees.

Hydro Holding safeguards the professional value and skill heritage of their Employees, and aims at progressively increasing both the professionalism and skills of their human resources, whenever business needs and market situations permit.

Respect for corporate assets

Each Employee shall guard and preserve the property and resources entrusted to him/her by Hydro Holding, for the performance of his or her work, with diligence and the greatest care.

Hydro Holding requires that all Personnel do not misuse the entrusted assets or allow others to do so.

Impartiality and honesty

In decision-making processes affecting relations with their interlocutors (Employees, Collaborators, Customers, Suppliers, etc.) Hydro Holding shall avoid and prevent any discrimination related to age, gender, health conditions, race, as well as political and religious views.

Within the scope of their professional activities, the recipients of the Code of Ethics shall act honestly, complying with national and international laws and internal regulations. Under no circumstances may the pursuit of personal and corporate goals justify unbiased or dishonest behaviours.

Fairness in the event of conflict of interest

Situations that, even potentially, may appear to be in conflict of interest with the company's purposes shall always be avoided in the course of the business activities, even regardless of any possible criminal relevance of the conduct engaged in.

Conflict of interest shall mean a situation in which a Director or Employee pursues, by means of his or her behaviour, purposes other than those of the company, and/or personally takes advantage of business opportunities related to Hydro Holding's business. This shall include through connivance with representatives of Customers or Suppliers, acting contrary to the fiduciary duties connected with their job position.

The Board of Directors shall observe the requirements laid down by law (among others, Art. 2381, 2391 of the Italian Civil Code) regarding Directors' interests and related reporting and conduct obligations.

Whenever major transactions must be performed, these shall be subject to prior notice to and approval of the Board.

Fairness and transparency

Hydro Holding fully cooperates with institutional authorities and internal control boards, and the same is required of each Employee in relation to the function performed.

Every action, operation or transaction shall be handled with the greatest fairness, completeness,

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transparency, truthfulness and shall be constantly subject to verification by the Executive and Quality departments.

All actions and operations carried out by, as well as the conduct of each of the company's operators, depending on their role, shall be based on the principles of transparency, fairness and mutual respect, and be legitimate in both formal and substantive aspects, according to applicable regulations and internal procedures, in order to protect the company's assets and image.

In particular, the following shall not be allowed:

- pursuit of personal or third-party interests to the detriment of corporate interests;
- abusive exploitation, for personal or third parties's interest reasons, of the name and reputation of the Company, as well as of the information acquired and business opportunities identified in performing a job or function;
- the use of company property and equipment for purposes other than those for which they have been provided or made available.

Privacy and confidentiality

In performing their business activities, Hydro Holding shall ensure the privacy of personal data and confidentiality of information that comes into their possession.

Each Recipient of this Code of Ethics shall ensure the confidentiality required by the circumstances for each piece of information acquired in connection with his or her job function.

Hydro Holding shall protect information about their employees and third parties, generated or acquired within the scope of, and in business relationships, and shall avoid any misuse of such information. Information, knowledge and data acquired or processed by employees in the course of their work shall belong to the Company and may not be used, communicated or disclosed without specific authorisation from their manager. In particular, reference shall be also made to the following section on 'Duties of Employees', in particular to the principles outlined concerning the use of IT tools.

All data, there including personal data, shall be processed in compliance with applicable legislation.

Fairness of stockholder relations

Hydro Holding, by means of their own facilities, shall provide their shareholders with all the necessary information to enable them to cast their votes in shareholders' meeting resolutions. Hydro Holding is also committed to encouraging stockholder participation in shareholders' meetings for decisions within their competence, and promotes the dissemination and knowledge of corporate events on an equal basis among shareholders.

Fair conduct of the company's governing and supervisory bodies

The Shareholders, the Chairman, the General Manager, the members of the Board of Directors, the Board of Statutory Auditors, the Supervisory Board (pursuant to Leg. Decree 231/2001), and those who hold top roles, shall base their behaviour on the principles of this Code.

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Especially those employees holding positions of greater operational and managerial responsibility shall give substance to the contents of this Code, strengthen mutual trust, cohesion and Group spirit.

Heads of function and those who perform managerial functions shall act by implementing projects, investments and concrete actions capable of growing tangible and intangible asset values, the professional and technological value of the business, profits for shareholders, as well as long-term welfare for Employees and the community in which Hydro Holding Group operates.

Fair competition within the market

Hydro Holding recognises the value of fair competition as a means for efficient allocation of the community's resources, and is committed to refrain from collusive, profiteering behaviour and all those behaviours that may constitute abuse of any dominant positions.

Diligence and fairness in the execution of tasks and contracts

Duties arising from all contracts and work assignments shall be performed at arm's length and according to the agreements consciously entered into by the parties, avoiding abuses that may arise from ignorance and/or inability of either of the contractual parties.

Responsibility

All Recipients of this Code of Ethics shall:

- act in a reasonable manner and always aiming at doing the Right things;
- act in compliance with the Principles and Rules of Conduct highlighted in the Code of Ethics;
- speak openly about any troubling behaviours by asking and reporting them through the proper company channels;

We shall be required to always observe the Code of Ethics, since failure to do so will result in a kind of business that we would not be able to pursue ethically, legally and in accordance with the principles of our Code of Ethics.

Anti-Retaliation

Hydro Holding shall protect their employees from retaliatory actions suffered for reports submitted in good faith (even if mistakenly) in relation to any breach or suspected breach of this Code of Ethics, as well as in relation to breaches, even suspected ones, of company procedures and of the Company's Organisation Model.

Anyone caught in retaliatory behaviour shall be subject to specific measures by the Company, in accordance with the provisions of Art. 6 of Leg. Decree no. 231/2001

Sustainability

Consistently with the Group Vision and Materiality Matrix, pursuing the implementation of the Sustainability Plan is one of the duties of the Group's Shareholders, Employees, and Collaborators. This is spread over 5 levels of responsibility:

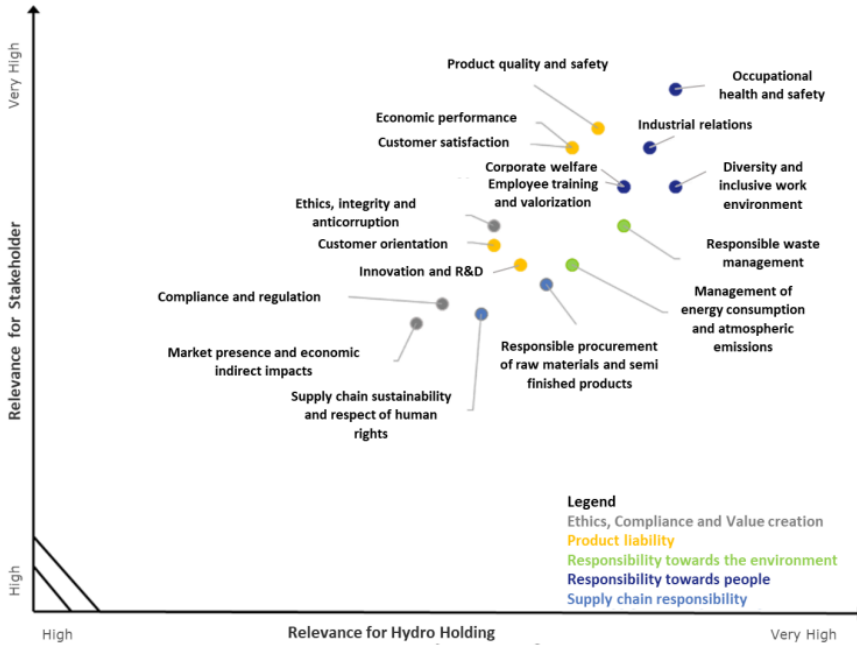
- Economic and Governance responsibility;
- Product responsibility;
- Environmental responsibility;

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- Responsibilities towards Employees;
- Supply Chain responsibility;

and is aimed at creating value for all Stakeholders identified during the plan definition phase.

The materiality matrix



Map of the Group Stakeholders



3. RULES OF CONDUCT

3.1. Criteria for conduct with shareholders

The Parent Company adopts a governance model in line with applicable legislative and regulatory requirements.

The corporate governance system adopted is aimed at:

- Group value maximisation;
- Management and control of business risks;
- Protection of minority shareholders' interests.

It is Hydro Holding's established practice to encourage the widest possible participation of Shareholders in the meetings and to have as many Directors attending as possible, in order to ensure the orderly conduct of the meetings.

Below is a description of the patterns of conduct that enable corporate governance bodies to achieve the objectives identified above.

Shareholders' meeting

The shareholders' meeting is the prime opportunity to establish a proper and fruitful relationship between shareholders and the corporate governance bodies.

At shareholders' meetings, Hydro Holding shall ensure that Directors are regularly attending and take appropriate action to collect proxy votes in order to encourage shareholder involvement in the meeting decisions.

Hydro Holding shall adopt regulatory measures so as to ensure that the meeting proceedings are smooth and functional, to allow proper determination of the majority and protect the rights of stakeholders, who shall be entitled to request clarifications on the items on the agenda and to express proposals and opinions.

Board of Directors

The Board of Directors is responsible for Hydro Holding's strategic programs and organisational and structural aspects, as well as for the corporate ordinary and extraordinary operations. The Board has the power to perform all acts deemed appropriate for the achievement of the corporate purpose, excluding only those acts and deeds reserved to the shareholders' meeting by law.

In addition, the Board of Directors shall be responsible for verifying that the internal control systems, which are essential for monitoring the company performance, are properly and effectively put in place.

The following lies with the Board of Directors:

- review and approval of strategic, industrial and financial plans;
- granting and revocation of proxies to the Chairman and the General Manager, definition of the limitations and procedures for exercising the related powers, and determination of the time frequency for reporting to the BoD.;
- supervision of general performance of operations, with particular focus on conflict of interest situations reported by the Chairman, the Chief Executive Officer, and the Board of Statutory

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- Auditors, as well as periodic monitoring of the results actually achieved vs. those planned;
- examination and approval of transactions of major economic, equity and financial relevance or atypical and unusual initiatives that do not fall within the scope of the powers and responsibilities pertaining exclusively to the Board;
- verification of Hydro Holding's general organisation and of the Group's structure, as set up by the Directors based on the business objectives.
- responsibility to report to the shareholders during their meetings;
- verification and approval of the Organization and Management Model pursuant to Leg. Decree 231/2001 and any proposed amendments thereto;
- appointment and dismissal of the members of the Supervisory Board (SB, pursuant to Leg. Decree 231/2001) and review of the periodic reports of the SB.

The Directors shall be required to:

- perform their functions professionally and consciously, actively participating in the decisions on which they are called upon to resolve;
- draw up corporate deeds with fairness, transparency and in compliance with the law;
- facilitate or otherwise not impede monitoring and supervisory activities on corporate acts, deeds and operations;
- perform operations involving the stock/share capital, profits, stocks and shares, pursuant to applicable legislation;
- deliberate independently and according to consciousness to maximise shareholders value;
- regularly attend the meetings of the B.o.D. and report any kind of conflict of interest that may affect them;
- preserve the confidentiality of all information acquired in the performance of their duties, complying with the procedures established for external communications;
- not take advantage of their position, role, function for personal purposes and to refrain from soliciting or receiving, for themselves or others, undue money or other benefits, with the aim to perform or omit acts in breach of the obligations pertaining to their office.

Appointment of the Board of Directors

The appointment of the Board of Directors is governed by a specific provision in the company's Articles of Association, which entitles the different categories of stockholders and shareholders to appoint their representatives within the Board.

Composition of the Board of Directors

The Company is administered by a board of directors consisting of 9 (nine) members. The number and authority of the directors shall be such as to ensure that their opinion in Board decisions plays a relevant role, and that their professional experience is such as to contribute, to a significant extent, to the Board decisions.

Chairman of the Board of Directors

The Chairman of the Board of Directors, in addition to any operational powers as may be decided by the Board, shall preside over the meetings of the board of directors or, in his/her absence, the meetings shall be chaired by a director designated by those present. The resolutions of the Board shall be recorded in minutes signed by the Chairman and secretary.

Governance system

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With the Company's Articles of Association, approved on December 17, 2019, a traditional governance system was adopted, which envisages that the Board of Directors and the Board of Statutory Auditors are the administrative and control bodies, respectively.

Internal Control System

Hydro Holding's Internal Control system shall be required to ensure, for each business process-function, the efficiency, effectiveness and economic performance of the activities carried out, the reliability of financial information, compliance with laws, regulations and internal procedures and the measures taken to protect the company assets.

Responsibility for Internal Control

The Board of Directors shall be responsible for the Internal Control System, establishing its guidelines and periodically verifying its suitability and effective operation. The B.o.D. shall also ensure that major business risks are timely identified and properly managed.

The Directors shall ensure that major business risks are identified and submitted to the BoD for consideration, and shall implement the Board's guidelines by planning, managing and monitoring the internal control system.

Board of Statutory Auditors

The Board of Statutory Auditors consists of 3 (three) full members and 2 (two) alternate members appointed by decision of the shareholders' meeting. At least one regular auditor and one alternate auditor shall be chosen from among the statutory auditors enrolled in the professional register.

Statutory Auditors, who act autonomously and independently, including vis-à-vis the shareholders who appoint them, shall be required to preserve the confidentiality of the documents and information acquired in the performance of their duties, and shall comply with the company procedures laid down for external communications of corporate information, as well as any regulations applicable to them.

3.2. Transparency in the market

Reliability, completeness and accuracy of accounting records are, for Hydro Holding, the grounds on which full transparency of financial and accounting reporting is based. Each record shall precisely reflect the content of the supporting documents, which shall be at all times available and subject to review by the Board of Directors.

The same criteria shall apply to balance sheet summaries, both for internal and external use.

3.3. Criteria for conduct in the relations with all other stakeholders

Foreword

Hydro Holding's overriding principle is to comply with the laws and regulations in force in all the countries where it operates.

In particular, in the relations with public entities Hydro Holding operates in compliance with the principles and criteria of sound administration and impartiality that shall guide their actions.

In addition, Hydro Holding also assures confidentiality of their stakeholders' information and protection of their privacy, by defining organization models capable of ensuring that tasks and functions are duly separated, and classifying and processing information according to increasing levels of criticality. In the event of outsourced activities, Hydro Holding requires third parties to agree to confidentiality

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covenants.

Gifts and giveaways

No person in the company may give money or offer economic benefits or other types of benefits to any person, whether private or belonging to the Public Administration, for the purpose of obtaining assignments or other advantages, either of a personal nature or for the company.

No type of gift that could be construed as not falling within the scope of standard business or courtesy practices, or otherwise aimed at acquiring favourable conditions in dealings related to any corporate activity shall be permitted.

In this regard, gift within the scope of a "standard business or courtesy practice" shall mean a gift with a value of less than € 100.00.

In particular, any form of gift that may influence the recipient's independence of judgement for the purpose of obtaining more favourable conditions or undue benefits or advantages of various kinds shall be prohibited.

Gift shall mean any kind of benefit: not only tangible goods but also, for example, free attendance at conferences, training courses, promise of employment etc.

The above cannot be circumvented by resorting to third parties: in this regard, not only illicit payments made directly to entities or their employees, but also illicit payments made to persons acting on behalf of such entities shall be considered acts of corruption

As regards anniversaries, festivities and/or holidays, gifts in kind shall be allowed as long as they involve a modest amount and in any event within the limits deliberated by the Board of Directors or the Executive Board, subject to notification to the SB, which shall be suitably documented to allow the necessary verifications.

In the event that any person in the company receives explicit or implicit requests for benefits from a member of the Public Administration, or from personnel of customers, suppliers or consultants, he/she shall immediately inform the Board of Directors or the person to whom he/she is required to report so as to start appropriate verifications and actions.

3.3.1 Criteria for conduct in relations with Employees

Hydro Holding implements every possible action aimed at improving the "corporate climate" and the professional and personal satisfaction of their Employees. The welfare of human resources is also achieved through constant environmental care and work organization, mutual solidarity and any initiative capable of creating cohesion and corporate identity.

Personnel selection and management of personnel relations

The criteria for selecting Personnel to be hired reflect exclusively how the candidates' profiles match those sought by Hydro Holding. Hydro Holding allows all potential candidates equal entry opportunities and selects personnel only on the basis of meritocratic principles, without discrimination due to gender, race, political and religious views.

In the selection processes, that generally involve - according to current corporate procedures - the HR Management and the Head of the requesting Dept., candidates shall only be asked information aimed at verifying that they possess the skills sought in terms of professional and psychometric profile, always

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respecting their privacy and opinions. The Executive Board shall take appropriate measures in selection activities to avoid favouritism and facilitation of any kind.

Hydro Holding's Personnel shall be hired under regular employment contracts, internships, training apprenticeships or other suitable contractual forms: no irregular forms of employment shall be tolerated or accepted.

At the beginning of the employment relationship, the new hire shall receive precise information on the duties to be performed, corporate procedures, regulations on occupational health and safety, the rules of the Code of Ethics, and Hydro Holding's Organisation Model.

Hydro Holding considers Personnel Training a strategic element for the development of the organisation and the professional and personal growth of their Employees.

For this reason, the organisation is committed to enhancing the professionalism and growth of all Personnel through specific training and work experience.

Each Manager shall be required to make the most of his/her work team's professional skills, and shall manage their time appropriately, requiring performance consistently with the tasks of the individual Employees and the work organization in general.

Each Manager shall not abuse his or her position to demand services that do not fall within the scope of performance of normal work activities, and may not demand personal favours or activities from his/her subordinates in breach of this Code and applicable regulations.

Each Employee, within the framework of his/her experience and proven abilities, shall be involved in decisions related to work planning and execution, contributing constructively to the implementation of planned activities.

Protection of personnel health and safety

Hydro Holding shall ensure a work environment that protects the health and safety of their personnel by spreading and consolidating a safety culture, developing risk awareness and promoting responsible behaviour by all staff.

Hydro Holding has set up an Occupational Safety Management System ("SGS"), in compliance with applicable laws.

The company's SGS system, following the Italian Uni-Inail guidelines, is based on the below principles and criteria, aimed at protecting the safety and health of workers to prevent culpable homicide or culpable injury. The entire Company, at all levels (both top and operational), shall adhere to such principles and criteria when decisions regarding Occupational Safety are taken:

- avoid risks;
- assess and mitigate risks that cannot be avoided, combat risks at the source,
- adapt the work to the needs of people in relation to available workplaces and equipment;
- take technological developments into account;
- replace possibly dangerous equipment and tools with non- or less dangerous ones, and carefully plan prevention measures;
- prioritise collective protection measures over individual protection measures, provide

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appropriate instructions, at all levels, on the Occupational Safety measures and system.

Privacy and confidentiality protection

Hydro Holding shall protect the privacy and confidentiality of the information requested from their Employees by adopting strict procedures for storage and processing of such information.

These procedures shall ensure, subject to the assumptions dictated by specific legal provisions, that data and information relating to their Employees may not be disclosed without their explicit consent, pursuant to applicable privacy laws.

The company is committed to protecting their Employees from acts that may harm their personal dignity, and to this end shall safeguard their Personnel from acts of psychological violence, harassment of a sexual nature, and any discriminatory behaviour.

Environmental protection

The organisation is committed to pursuing environmental protection through compliance with national and EU legislation and regulations.

It is committed to implementing pollution prevention and spreading awareness of environmental issues among employees and collaborators.

Protection of persons and their fundamental rights

Hydro Holding shall not condone any form of marginalisation and/or persecution ("mobbing"), exploitation or harassment for any reason whatsoever, for business or personal reasons, by anyone who carries out his or her activity within the Company, regardless of the responsibility or function held.

Differences in treatment that are justified or justifiable based on objective criteria (experience, competence, commitment, etc.) shall not to be considered discrimination framed as "mobbing".

Finally, Hydro Holding prohibits any behaviour that is harmful to personality, freedom or dignity and human rights.

Obligations of department heads in relation to the Code of Ethics

Each department head, identified as such in the organisation chart, job description and/or delegation system, shall be bound to:

- ensure compliance with the Code of Ethics by those directly or indirectly subject to his/her responsibility;
- behave in such a manner as to be an example for his/her employees/collaborators;
- strive to ensure that employees understand that the provisions contained in this Code of Ethics form an integral part of their work performance;
- promptly notify the Executive Board or proxy, or the Supervisory Board of any reports or special needs from their subordinates.

Failure by the department heads to comply with the obligations set forth in this section may result in disciplinary sanctions, as provided for in the sanctions system.

Obligations of employees in relation to the Code of Ethics

Each employee shall be required to be knowledgeable with the provisions contained in or referred to

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in the Code of Ethics, as well as with the reference legal regulations governing the activities carried out within the scope of his or her function, that are an integral part of each employee's work performance.

Any employee who becomes aware of alleged misconduct shall be required to report the information acquired about such conduct to the Supervisory Board and/or Executive Board, as provided for by the internal system.

The Executive Board shall adopt monitoring systems to verify that employees, collaborators etc. have duly read and understood the mandatory documents as provided for by law, implementing the most appropriate actions to constantly increase the level of dissemination and understanding of the related content.

Employees shall also be required to:

- refrain from any conduct contrary to these provisions and regulations;
- contact their heads or the SB to obtain the explanations required on how to apply the Code of Ethics or relevant regulations;
- promptly report to at least one of the above individuals any information regarding possible violations of the Code of Ethics;
- cooperate with the organisation in the event of any investigations aimed at verifying and possibly sanctioning violations, if any.

The above obligations shall also be extended to external consultants and collaborators of all kinds

Duties of Employees

All Employees and Collaborators should be aware that the level of achievement of professional and personal goals reflects the achievement of corporate goals, and is directly proportional to the sense of responsibility and loyalty invested.

All Employees shall behave loyally and comply with the requirements provided for in the signed contract, this Code and company procedures, as well as regulatory provisions.

Employees shall be required to conduct any dealings with public in compliance with the law and company protocols. Among others, commodification of administrative operations, fraudulent conduct to the detriment of a public entity, as well as conduct aimed at illegally obtaining public funds or allocating them for purposes other than those underlying their disbursement are prohibited.

With reference to the use of information technology tools, and in particular e-mail services and Internet access, all behaviours shall be based on fairness and comply with regulatory provisions, including company regulations on the subject.

It is also strictly forbidden to create false computer documents, and to damage company data and information or computer and telematic systems.

Employees shall avoid any situations of conflict of interests and/or profiting directly or indirectly from possible opportunities they have become aware of by virtue of their position.

Use of confidential information

"Confidential information" shall mean knowledge of proposals, projects, negotiations, pricing policies, corporate development strategies, commitments, agreements or events pertaining to the company's

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sphere of activity. Accounting and financial statement data, there including Hydro Holding's consolidated data, shall be considered confidential until they are disclosed to the public, in compliance with applicable legislation. All data related to Personnel shall also be confidential.

Each Company Employee shall:

- respect the confidentiality of information acquired in the performance of their duties, even after any termination of employment;
- consult only those documents they are authorised to access, using them in accordance with their official duties, and allowing access only to those who are entitled thereto;
- undertake to observe the security measures provided.

Confidential information regarding third parties

Company personnel shall refrain from using unlawful means in order to acquire confidential information about other organisations and third-party entities.

Those who, within the framework of a contractual relationship, become aware of confidential information about another person shall be required to use such information only as stipulated in the contract in question

Without proper authorisation, people may not request, receive or use confidential information concerning third parties. In the event that you acquire confidential information about a third party that is not already subject to a non-disclosure agreement or other form of protection, you shall need to contact your manager for assistance in handling such information

Use of corporate assets

Each Employee shall be required to use the company assets in his or her possession diligently and respecting the purposes for which they were granted to him or her.

The allocation of company assets, there including fringe benefits, is regulated by specific company procedures that can be documented at any time, and requires the Employee to use such assets with diligence, scrupulosity and caution.

In addition, each Employee shall:

- avoid improper conduct in the use of company assets such as to cause damage or reduce business efficiency and cost-effectiveness, there including damage to the computer or telematic systems used;
- promptly inform his or her manager in the event of damage to company property entrusted to him/her caused by himself/herself or others;
- inform the Executive Board of any and all potential future risks referred to the company's assets.

Hydro Holding firmly sanctions unlawful misappropriation of company assets, whether temporary or permanent.

In full compliance with the Privacy law, Hydro Holding reserves the right to conduct periodic audits to verify proper use of the company assets, by analysing specific financial - accounting reports and physical inventories.

For proper use of IT tools and the applications contained therein, the Employee shall be required to observe all measures necessary to preserve their functionality, as well as company procedures and protocols governing the use of such tools.

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Hydro Holding shall require their Personnel not to modify the content of applications regularly installed in computers, in compliance with copyright protection regulations. Hydro Holding, always respecting the confidentiality of Personnel data, may conduct inspections on their Employees' personal computers in order to verify that only software for which it has purchased regular licenses is installed.

In the use of e-mail and Internet connection, Employees shall refrain from inappropriate behaviour that may be detrimental to the corporate image and to that of subjects inside and outside the Group.

Behaviour in Administrative Management

The Company complies with the Laws and Regulations in relation to the preparation of annual and interim financial statements, as well as all kinds of similar documentation required by applicable legislation. The Accounting of the Parent Company and Group Companies is organised in accordance with legal provisions and Accounting Standards issued by CndDCeR (national council of chartered accountants and auditors) All Annual Financial Statements, shall be subject to audit by the appointed Auditing Firm. Corporate information and the data provided to third parties, as well as accounting records of operations shall assure transparency, accuracy and completeness.

Employees shall fully cooperate so that business operations are correctly and timely represented within the company's system of accounting records. Suitable supporting documentation shall be stored for each transaction, so as to ensure identification of the required authorisation and of the underlying economic rationale for the transaction. Supporting documentation shall be easily retrievable and archived according to appropriate criteria that allow it to be easily consulted both by internal control bodies and by authorised external agencies and institutions.

3.3.2 Criteria for conduct with Customers

Contracts with Customers shall comply with applicable legislation and be clearly and fully defined.

In dealing with Customers, Employees and Directors shall behave in a courteous and helpful manner, safeguarding the corporate image as much as possible. Hydro Holding is committed to delivering high quality services and verifies their perceived quality by means of periodic customer satisfaction surveys.

3.3.3 Criteria for conduct with suppliers

Procurement processes shall be characterised by the greatest transparency and efficient allocation of corporate resources.

Directors and Employees who, by virtue of their roles, take part in various capacities in the processes of selecting and choosing a Supplier, shall seek the best advantage for the company in terms of price, quality of supply, delivery time and level of service. The above shall not preclude any operator from entering into negotiations.

The supplier selection process and their continual evaluation shall be performed according to specific procedures adopted by the Company.

Relations with suppliers, including those concerning financial and consultancy agreements, shall be constantly monitored by the company.

Entering into a contract with a supplier should always be based on extremely clear relations, avoiding forms of dependence wherever possible.

Documents exchanged with suppliers shall be appropriately filed: in particular, those of an accounting

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nature shall be retained for the time periods established by applicable law.

All supply and consultancy agreements in written form (meaning, by way of example and not limited thereto, also framework agreements, general conditions of purchase or sale, letters of assignment) shall be referred to the rules contained in the Code of Ethics, that the Supplier/Consultant shall explicitly and formally accept.

Likewise, all of the above contracts shall include a termination clause in the event of non-compliance, in any form, with the Model pursuant to Leg. Decree 231/2001 adopted by the Company, i.e., in the case of alleged crimes.

Suppliers and consultants' shall also be required to behave in compliance with national and international laws and the rules of this Code .

Failure by the Supplier or Consultant to comply with the Code of Ethics and national and international regulations, as may be identified by Hydro Holding through audits at the Supplier's headquarters and branch offices, may result in termination of the contractual relationship.

Hydro Holding's Directors and Employees shall maintain relations with Suppliers in accordance with the principles of fairness and transparency.

3.3.4 Criteria for conduct with other parties

External relations

Hydro Holding is committed to contributing to the development of the welfare of the community in which it operates, and promotes protection of the environment, as well as safety and health of all those with whom the company has direct or indirect business-related relations.

Relations with public institutions and public administrations

Relations with central or peripheral public institutions, P.A., agencies, public supervisory bodies shall be reserved to the corporate functions specifically designated by Hydro Holding.

Corruption practices, illegitimate favours, and collusive behaviour shall be deemed unacceptable and therefore prohibited and sanctioned. Similarly, solicitations through third parties to obtain personal and corporate benefits of either an economic or professional nature shall be prohibited.

As regards gifts, gratuities and benefits, see the provisions of Section 3.3.

Relations with the press and media outlets

Hydro Holding requires that all external communication be truthful, transparent, and such as to increase the positive opinion of the public through proper dissemination of the programs implemented and performance achieved.

Relations with the media shall be exclusively reserved to the corporate functions appointed for the purpose.

Any Employee that may be contacted by a media representative shall refrain from providing any kind of data and shall promptly inform the responsible corporate function about the identity of the person and the type of request received.

Hydro Holding's Directors and Employees may not, under any circumstances, offer payments, gifts and business opportunities to influence the professional ethics and impartiality of information, communication and media-related professionals.

3.3.5 Additional conduct criteria

In addition to the provisions of the preceding sections and of the corporate procedures and protocols, the Recipients of this Code of Ethics shall be required to:

- not handle or forge coins, public credit cards or stamps;
- not subsidize associations of dubious nature or having subversive character or terrorist or subversive aims;
- not facilitate, in any manner whatsoever, criminal or mafia-style associations, or those aimed at tobacco smuggling, or drug trafficking;
- not promote illegal immigration;
- not engage in conduct that is personally aiding and abetting or that induces people not to make statements or to make false statements before the judicial authorities, or otherwise aimed at altering their operations;
- verify, as far as possible and during the procurement stages, that the goods purchased do not originate from crime.

4. PROCEDURES FOR CODE IMPLEMENTATION

4.1. Organisation structures and criteria for implementing the Code of Ethics

This Code is based on the principle of self-responsibility of the organisations in protecting the reputation value of the Company by adopting ethically and socially responsible behaviour.

Each corporate structure shall therefore be required to oversee and ensure that their actions and activities adhere to the principles and values outlined in this Code, implementing permanent forms of control within their sphere of activity and competence, and reporting any non-compliance detected within their organisation to the Supervisory Board by means of the following channels:

- by regular mail, sent to the Supervisory Board, and namely to the reference address chosen by the same Board and indicated in the procedure; in such a case, the letter containing the report shall be delivered to the Chairman of the SB as received, without being opened
- by e-mail, addressed to the e-mail box reserved to the Supervisory Board: odv@hydro-holding.com.

all reports submitted shall be handled with the greatest confidentiality.

If, as a result of the investigation activities carried out on the reports received, non-compliance with this Code is proven, this shall be reported to the competent functions so that the consequent measures can be taken, in order to always ensure that the Company's values and adopted ethical principles are thoroughly observed, focused on and duly perceived.

Application of and compliance with the Code of Ethics shall also monitored by the Supervisory Board, which- shall also promote initiatives to disseminate knowledge and understanding of it, in collaboration with the Directors.

4.2. Breach of the Code of Ethics and sanction system

Breaches of the Code of Ethics, if any, by the recipients shall be subject to the disciplinary system set forth in the Organisation, Management and Control Model adopted by the Company.

It should be noted that, in the event of breaches of the Code of Ethics, the company shall take disciplinary measures against those responsible for such breaches, where deemed necessary for protecting the interests of the organisation. Such measures lead even to expulsion from the company of those responsible, in addition to compensation for any damages resulting from the breaches.

Failure to comply with the rules of the Code of Ethics by members of corporate bodies may cause the competent corporate bodies to take the most appropriate measures provided for and permitted by law.

Breaches of the rules of the Code of Ethics by employees shall constitute a breach of the obligations arising from the employment relationship, with all contractual and legal consequences, also as regards the relevance of the same as a disciplinary offence

Breaches committed by suppliers and external collaborators shall be punishable in accordance with the provisions of the related contractual offices, subject to more significant violations of the law.

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Annex A) - Structure of Hydro Holding Group

