



HYDROSERVICE
engineering & systems

Code of Ethics HYDROSERVICE SPA

Code of Ethics and Conduct

Document History

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FOREWORD

Hydroservice S.p.A. (hereinafter also referred to as “HDS” or the “Company”) is a leading enterprise in the engineering and manufacturing of customized components and systems in the field of hydraulic power.

With the understanding that the proper conduct of its business activities and the achievement of its objectives cannot be separated from compliance with applicable laws and fundamental ethical principles, the Company has deemed it necessary to formally adopt a set of rules of conduct governing both internal relationships and those with third parties. These rules are intended to promote strong ethical integrity and a high level of awareness regarding regulatory compliance among all individuals acting on behalf of the Company and in support of the promotion and recognition of the HDS brand.

With the firm intention of ensuring the utmost fairness and transparency in the management of its activities, as well as safeguarding the image and reputation of the HDS brand, the Board of Directors has adopted this document (hereinafter also referred to as the “Code of Ethics”), drawing inspiration from the models and/or guidelines issued by the trade associations to which the Company belongs. This document clearly defines the set of shared values and represents an essential element in preventing the offenses contemplated by **Italian Legislative Decree No. 231 of June 8, 2001**, which introduced the concept of administrative liability of legal entities into the Italian legal system.

This Code of Ethics sets out the ethical principles whose strict observance is required of management, employees, collaborators, and, more generally, all parties directly or indirectly involved in the Company’s activities and in the pursuit of its corporate objectives. The Code will be disseminated through a dedicated training and awareness program regarding its contents, in order to ensure its understanding, implementation, and full compliance.

GENERAL PROVISIONS

1. Scope and Addressees

This Code of Ethics sets out the ethical principles and rules of conduct that must guide all actions, operations, relationships, and transactions carried out in the management of the Company's various business activities and in the pursuit of its corporate objectives. It is binding, without exception, upon the "Addressees," as identified below:

- the Company's legal representatives, statutory directors, general attorneys-in-fact, special attorneys-in-fact, individuals granted special powers of attorney *ad acta*, as well as any general managers and officers in charge;
- the members of the Board of Statutory Auditors and any individuals (natural or legal persons) who perform supervisory and control functions within the Company in accordance with applicable laws and the Articles of Association;
- the Company's executives and employees, as well as personnel engaged under staff leasing arrangements, intermittent work arrangements, or ancillary employment relationships (collectively referred to as "employees");
- quasi-subordinate workers, individuals engaged under coordinated and continuous collaboration arrangements (including project-based roles), persons performing occasional or marginal services, individuals providing ancillary occasional services, and trainees participating in training and orientation internships;
- any individual who exercises management and control functions, regardless of their formal legal title.

The addressees also include the Company's suppliers, customers, and business partners; individuals and/or legal entities providing independent services to the Company under consulting and/or professional engagement agreements (consultants); parties engaged under agency agreements or mandates, with or without representation; as well as those involved in representation, brokerage, and business development activities. This category further includes all parties who collaborate with the Company in any capacity (collectively referred to as "third parties").

All Addressees are required to be familiar with the provisions of the Code of Ethics and, accordingly, to comply with them scrupulously, refraining from any conduct that may be inconsistent with its principles. Employees are also expected to actively contribute to the observance of the principles set forth herein.

2. Obligations of Employees and Equivalent Personnel

Employees and equivalent personnel, each within the scope of their respective roles and responsibilities, are required to operate in accordance with principles of integrity, fairness, diligence, and professional rigor, and to act in full compliance with applicable laws. Every action, transaction, negotiation, and, more generally, any activity carried out by employees must adhere to standards of sound management, transparency, completeness, and accuracy of information, as well as to established procedures.

Principles of cooperation, loyalty, and mutual respect must govern relationships among employees at all levels, as well as between employees and the third parties with whom they interact in the course of their professional duties. In particular, employees are required to:

- diligently comply with the provisions of the Code of Ethics and refrain from any conduct that may be inconsistent with them;
- report, through the reporting channels made available by the Company, any fact and/or circumstance relating to alleged violations of this Code of Ethics;
- provide the fullest cooperation to the reporting function in the investigation of potential and/or alleged violations of this Code of Ethics;
- inform third parties with whom they maintain business relationships of the requirements set forth in the Code of Ethics.

3. Ethical Principles

In the conduct of business activities, the following principles (hereinafter referred to as the “Principles”) shall, in all circumstances, be observed:

- compliance with applicable laws and the respect for and promotion of human rights and fundamental freedoms;
- impartiality, fairness, integrity, and loyalty;
- conflicts of interest;
- transparency, reliability, and completeness;
- confidentiality;
- protection of industrial and intellectual property and anti-counterfeiting;
- market conduct and free competition;
- environmental protection and environmental management system;
- protection of privacy and information security;
- use of IT systems, the internet, and social media.

3.1 Compliance with Applicable Laws and Respect for and Promotion of Human Rights and Fundamental Freedoms

Compliance with applicable laws and regulations in force in the Italian Republic and with European Union legislation, as well as with the laws and regulations of the territories and foreign jurisdictions in which the Company operates, constitutes a fundamental and non-derogable principle governing all of HDS's activities. Accordingly, the Company regards compliance with applicable laws and regulations in Italy and in every country in which it conducts business as an essential and binding principle for all individuals acting within or in relation to the Company.

HDS ensures that its activities are carried out in full respect of individual rights and supports the continuous improvement of social and health conditions, recognizing them as essential factors for the development and protection of human rights. To this end, the Company undertakes to monitor potential direct or indirect adverse impacts arising from its activities, with a view to preventing them and, where necessary, remedying them.

HDS respects and promotes the principles set forth in the Universal Declaration of Human Rights, the United Nations Global Compact, the UN Women's Empowerment Principles, and the International Labour Standards (ILS) embodied in the fundamental conventions of the International Labour Organization. Within its sphere of influence, the Company therefore supports the values, principles of freedom, and fundamental rights established in the aforementioned instruments.

3.2 Impartiality, Fairness, Integrity, and Loyalty

Through its employees, HDS conducts its business with fairness and loyalty, in accordance with recognized best practices, with particular regard to financial dealings and negotiations with third parties. All work activities performed by those acting in the interest of the Company must be carried out

with impartiality, fairness, integrity, and loyalty, both toward third parties and toward other Company personnel.

Conduct that is inconsistent with these principles is not permitted under any circumstances, even where the individual engaging in such conduct claims to have acted in the interest of HDS.

3.3 Conflict of interest

Addressees shall refrain from engaging in any activities that conflict with the interests of HDS, being aware that conduct inconsistent with the Principles shall not be justified under any circumstances.

In the conduct of business activities, Addressees must avoid situations in which the parties involved in transactions are, or may appear to be, in a conflict of interest. For the purposes hereof, a conflict of interest means any situation in which an Addressee pursues an interest other than that of HDS, or engages in activities that may interfere with his or her ability to make decisions exclusively in the Company's interest.

In general terms, and in addition to situations expressly defined by law, a conflict of interest exists when a personal interest prevails over the Company's interest, or arises where conduct or decisions taken within the scope of one's professional duties and/or appointment may generate an immediate or deferred benefit for oneself, one's family members, or close associates, to the detriment of the Company's interests.

By way of example, without limitation, the following situations constitute conflicts of interest:

- any direct or indirect financial interest of an employee, or their family members, in the activities of suppliers, customers, or competitors;
- the misuse of one's position to pursue personal interests that conflict with those of the Company;
- the use of information obtained in the course of work activities for personal benefit or for the benefit of third parties, and in any case in a manner contrary to the Company's interests;
- engaging in work activities of any kind (including both services and professional services) for customers, suppliers, competitors, and/or third parties in a manner that conflicts with the Company's interests;
- entering into, finalizing, or initiating negotiations and/or contracts on behalf of the Group where the counterparty consists of the employee's family members or business partners, or legal entities owned by the employee or in which the employee holds any interest.

Individuals who find themselves in a situation of conflict of interest, even if only potential, must promptly disclose it to the competent Company functions and refrain from any activities related to the situation giving rise to the conflict.

3.4 Transparency, Reliability, and Completeness

In the performance of work or professional activities, the actions, transactions, negotiations, and, more generally, the conduct of the Addressees must be guided by the highest standards of transparency and reliability. Addressees are required to provide information that is truthful, transparent, complete, and accurate.

Every transaction must be duly authorized and properly recorded, as well as traceable, legitimate, appropriate, and adequately documented, so as to allow verification at any time of the related decision-making, authorization, and execution process.

A culture of control is promoted at all levels through raising awareness among employees and collaborators of the importance of the internal control system and compliance with existing procedures in the performance of their duties. Within the scope of their respective functions, employees are required to actively cooperate to ensure the proper and effective operation of the internal control system.

Directors, employees, and external collaborators are required to conduct any liquidation activities concerning Group companies with primary regard for the interests of corporate creditors. Accordingly, it is prohibited to divert corporate assets from their intended purpose for the benefit of creditors by distributing them to shareholders prior to the settlement of outstanding creditor claims or the allocation of sufficient funds to satisfy them.

3.5 Confidentiality

Respect for confidentiality constitutes a fundamental and essential rule in all conduct. Addressees, including management, statutory auditors, general managers, and employees, are required to maintain the confidentiality of any non-public information relating to HDS, however acquired, to which they have access by virtue of their professional activities.

In compliance with applicable legal provisions, HDS ensures the confidentiality of the information in its possession. Employees and consultants of the Company are prohibited from using confidential information for purposes unrelated to the performance of their duties and/or from improperly disclosing such information.

It is expressly forbidden to use or communicate confidential or internal information to others without a legitimate reason and/or without authorization from the Company.

3.6 Protection of Industrial and Intellectual Property and Anti-Counterfeiting

One of HDS's fundamental assets, deserving of the highest level of protection, is its portfolio of know-how and intellectual property rights, with particular reference to patents, trademarks, and proprietary innovative solutions. The Company exercises the utmost diligence in safeguarding its know-how and intellectual property rights.

HDS further requires all Addressees to act in full respect of the industrial and intellectual property rights (including trademarks, designs, invention patents/utility models, copyrights, etc.) owned by third parties, in compliance with applicable laws, regulations, and conventions at both the European and international levels.

It is also the responsibility of all Addressees to protect, as a fundamental component of HDS's assets and a key driver of value creation, the confidential information, technical and commercial know-how in their possession, and any industrial property rights granted under license. Accordingly, the following actions are prohibited:

- use, for any purpose or in any form, or make available to the public, without authorization, a protected intellectual work or any part thereof;

- use, for any purpose, equipment, products, or components, or provide services, intended to circumvent technological measures designed to protect intellectual works;
- use third parties' trade secrets without prior authorization;
- unlawfully reproduce, imitate, alter, or tamper with third parties' trademarks, distinctive signs, patents, industrial designs, or models;
- use, in an industrial and/or commercial context, counterfeit trademarks, distinctive signs, patents, industrial designs, or models produced by third parties. HDS rifiuta espressamente ogni tipo di contraffazione, impegnandosi a promuovere il rispetto della legalità e a contrastare qualsiasi iniziativa volta alla produzione e alla commercializzazione di prodotti non originali.

3.7 Market Conduct and Free Competition

HDS recognizes the value of competition and conducts its business in accordance with principles of fairness, honest competition, and transparency toward all market participants, complying with and requiring all Addressees to comply with applicable national and supranational competition laws.

All Addressees must refrain from engaging in undue pressure, threats, acts of violence, deceptive practices, fraudulent means, or any conduct that may, in any way, prevent or disrupt the commercial and entrepreneurial activities of others or the free exercise of competition in the marketplace.

HDS does not employ fraudulent or violent means aimed at obstructing or interfering with the legitimate conduct of industry and commerce by third-party companies. Accordingly, its commercial practices are neither misleading nor intimidating and do not constitute acts of unfair competition intended to damage or undermine a competitor's business or knowingly prevent the exercise of free competition, such as competitors' efforts to acquire new market share.

The Company does not refuse, conceal, or delay any information requested by competition authorities in the performance of their duties.

3.8 Environmental Protection and Environmental Management System

HDS considers respect for and protection of the environment to be matters of fundamental importance. Over the past two decades, the environment has suffered irreversible damage. As a result, contemporary society and future generations are required to address numerous environmental challenges, including the preservation of natural resources, the fight against climate change, the protection of biodiversity, and the reduction of pollution and waste.

In light of the foregoing, HDS is committed to improving its performance in support of sustainable development. Accordingly, within the scope of its specific areas of activity, the Company will contribute to the promotion and advancement of scientific and technological research aimed at developing products and processes that are increasingly environmentally compatible, while ensuring enhanced attention to safety, the health of its personnel, and the protection of the communities in which it operates.

The operational management of industrial activities shall, in compliance with applicable environmental protection laws and regulations, be guided by the most appropriate standards of environmental safeguarding and energy efficiency, with a view to minimizing environmental impact.

The Company ensures continuous and timely compliance with national and international environmental legislation, promoting and implementing all reasonable initiatives necessary to fulfill applicable legal and regulatory obligations.

The Company further ensures that the development and growth of its operations shall in no way conflict with the protection of the environment and its environmental components (air, water, soil and subsoil, waste, noise, and biodiversity).

3.9 Privacy Protection and Information Security

HDS is committed to ensuring that personal data collected in the course of its activities are processed in compliance with all applicable laws and recognized best practices in the field.

Personal data are processed lawfully and fairly. Such data are collected and retained only where necessary for specific, explicit, and legitimate purposes, and are stored solely for the period required to fulfill those purposes. HDS ensures the confidentiality, availability, and integrity of both internal and customer information.

As part of its commitment to privacy protection, the Company pays particular attention to providing clear information to individuals from whom personal data are collected regarding the type of information gathered, the intended use of such data, and the rights of the data subjects.

The Company also implements appropriate technical and organizational measures designed to ensure the lawful and secure processing of personal data and confidential information. In addition, it provides training to personnel responsible for data processing to ensure full awareness of the nature and sensitivity of the information being handled.

3.10 Use of IT Systems, the Internet, and Social Media

IT tools constitute a fundamental resource for supporting the pursuit of innovation and excellence in terms of product quality and customer service. The Company strongly promotes the establishment of an open, constructive, and transparent dialogue with employees, customers, suppliers, and stakeholders, also by embracing the opportunities offered by social media in addition to more traditional communication channels.

Any use of the Company's IT systems or social networks that may constitute a violation of applicable laws, an offense against the freedom, integrity, or dignity of individuals—especially minors—or that may result in unauthorized access to or damage of third-party IT systems is expressly prohibited.

The use of IT and telematic resources, as well as the devices made available by the Company, must be guided by principles of diligence and propriety and must, in any event, comply with the provisions set forth in the Company Regulations.

4. Internal Relations

4.1 Professionalism, Accountability, and the Development and Protection of People

HDS ensures an appropriate level of professionalism in the performance of the duties assigned to its employees, consultants, and collaborators. The management and development of human resources are founded on respect for the individuality, skills, and professionalism of each person within the broader context in which they operate.

Each individual is required to perform their work activities and duties with diligence, efficiency, and fairness, making the best use of the tools and time made available to them, in accordance with the delegations and/or instructions received and the functions performed. At the same time, they are expected to assume responsibility for the tasks assigned and to respect the hierarchical structure within the Company.

Each executive and/or manager must exercise their authority with objectivity and balance, with a view to developing and empowering their employees and collaborators. Every employee is expected to demonstrate a cooperative attitude and to fulfill their duties with responsibility, efficiency, and diligence.

The Company regards the protection of workers as a primary value and is committed to promoting the psychological and physical well-being of its people by seeking a balance between professional, personal, and family needs, and by prohibiting any behavior that is violent or detrimental to personal dignity.

The Company promotes social initiatives, benefits, services, and programs that have a meaningful impact on the lives of its workforce. Each employee and collaborator, within the scope of their role, is expected to foster a work environment free from prejudice and grounded in merit-based principles.

Relationships among employees, regardless of their level of responsibility, must be guided by the values of loyalty, fairness, and mutual respect, as well as by principles of civil coexistence, tolerance for the roles and duties of others, and respect for individual rights and freedoms.

4.2 Prevention of Discrimination and Harassment and Promotion of Inclusion

HDS does not tolerate any form of discriminatory conduct, nor any form of harassment and/or personal offense. The Company is committed to providing a work environment free from discrimination and harassment based on race, gender, religion, nationality, age, sexual orientation, disability, political opinions, or any other personal characteristic unrelated to job performance. Accordingly, across its global operations, HDS ensures equal opportunities for recruitment and professional development for all individuals.

HDS firmly believes that valuing differences and fostering a culture of inclusion and openness in the workplace—embracing individuals representing diverse backgrounds, cultures, and identities—constitutes a significant opportunity to be promoted and strengthened with determination and commitment.

The Company requires that no form of harassment occur in internal or external working relationships, including, by way of example, the creation of a hostile work environment toward employees, unjustified interference with another person's work, or the creation of obstacles or barriers to another individual's professional development.

Sexual harassment and any conduct of a sexual nature are strictly prohibited. This includes conditioning opportunities for professional advancement or other benefits upon the granting of sexual favors, as well as any other behavior of a sexual nature or based on gender that is unwanted by the recipient and detrimental to the individual's dignity.

4.3 Health and Safety in the Workplace

Workplace safety and the physical well-being of employees and third parties are the highest priorities for HDS. The Company complies with all national standards for a safe and hygienic working environment, recognizes the full and complete observance of applicable health and safety regulations as a fundamental value, and actively works to prevent accidents while ensuring the safety and hygiene of workers.

Recognizing physical and moral integrity as a primary value, the Company guarantees working conditions that respect individual dignity and provides safe and healthy work environments.

Employees and third parties who, in any capacity and for any reason, operate within the Company are required to contribute to accident prevention, ensure the safety and hygiene of workers, and actively support the maintenance of a safe and high-quality work environment by strictly complying with the established safety system and all related Company procedures.

In the performance of all work activities, the Company provides training and information to all personnel regarding the health and safety risks to which they may be exposed and ensures that they are equipped with the resources and Personal Protective Equipment (PPE) required under applicable regulations in relation to the type of activities performed. Furthermore, the Company periodically reviews and continuously monitors the performance and effectiveness of its safety risk management system in order to maintain safe workplaces, protect the integrity of its personnel, and achieve its objectives of continuous improvement in occupational health and safety.

HDS maintains its facilities, offices, and operational systems in a manner that ensures compliance with all applicable health and safety standards.

5. Relations with Third Parties

The Company is particularly committed to developing relationships of trust with all its stakeholders, including individuals, groups, and institutions whose contributions are essential to the pursuit of its corporate mission, as well as with collaborators, customers, suppliers, business partners, public institutions and authorities, the market, and political, trade union, and social organizations whose interests may be directly or indirectly affected by the Company's activities.

In the conduct of its business, HDS adheres to principles of loyalty and fairness, requiring all those acting on its behalf to maintain honest, transparent, and lawful behavior in every relationship they undertake. The Company does not tolerate corrupt or collusive practices, nor any form of improper favoritism.

5.1 Gifts, Hospitality, and Entertainment Expenses

No form of gift or favor is permitted if it could, in any way, be interpreted as exceeding normal business practices or common courtesy, or if it is intended to obtain undue preferential treatment. This rule applies both to gifts promised or offered and to those received, with such gifts understood to include any type of benefit, compensation, personal advantage, or favor.

In all cases, gifts—other than those of nominal value—must be duly authorized and adequately documented to allow for appropriate and necessary verification.

With regard to hospitality and entertainment expenses, such costs must be recorded accurately and transparently within the Company's financial records, with sufficient detail, and must be supported by appropriate documentation capable of identifying the purpose of the payment or other benefit provided.

All actions aimed at engaging in corrupt practices of any kind toward third parties, whether private or public, are expressly prohibited, as they are fundamentally contrary to HDS's corporate culture.

5.2 Non-Profit Initiatives (Donations, Charitable Contributions, Sponsorships, and Community Partnerships)

Actively and responsibly participating in the life of the communities in which the Company operates is a fundamental value. In compliance with the principles set forth in this Code of Ethics, contributions may therefore be made to non-profit organizations with duly established bylaws and articles of association whose activities are of significant cultural or charitable value.

HDS's sponsorship activities are consistent with its commitment to the local community. Accordingly, the Company supports and promotes local sports and cultural initiatives as evidence of its dedication to playing an active role in addressing the needs of the communities in which it operates.

Sponsorships are granted solely to events that provide assurance of high value and are subject to prior evaluation and authorization by the competent Company functions. In all cases, when selecting initiatives to support, HDS must carefully consider any potential personal or corporate conflicts of interest.

Donations must be directed exclusively to beneficiaries whose purposes are not inconsistent with the principles of the Code of Ethics. In every instance, traceability of transactions and transparency in decision-making must be ensured, from the selection of beneficiaries through to the delivery of the

asset or donation to the receiving party. Contributions to political parties, their representatives, or organizations that could give rise to a conflict of interest are expressly prohibited.

Under no circumstances may donations, sponsorships, or partnership initiatives be used for corrupt purposes. Such activities must not be aimed at obtaining undue advantages from parties directly or indirectly connected to them.

Finally, HDS prohibits the sponsorship of sports clubs or athletes for the purpose of influencing the outcome of a sporting event in which the sponsored entity participates (for example, through the offer or promise of money to any participant in the competition) in order to achieve a favorable result in the interest of Hydroservice other than that resulting from the fair and proper conduct of the competition.

5.3 Facilitation payments

HDS expressly prohibits, both in Italy and abroad, all so-called “facilitation payments,” defined as any form of monetary payment or provision of other benefits made, directly or indirectly, to public officials—whether individuals or public economic entities, domestic or foreign—for the purpose of expediting, facilitating, or simply ensuring the performance of a routine activity or any activity that is otherwise lawful and within the scope of such officials’ duties.

The aforementioned prohibition applies regardless of whether, in certain jurisdictions, the request for such facilitation payments may constitute a local custom or be permitted under local laws.

5.4 Relations with Suppliers and Customers

Relations with suppliers are managed with loyalty, fairness, and professionalism, fostering ongoing collaboration and strong, long-lasting relationships of trust. The selection of suppliers and the determination of purchasing conditions for goods and services are based on objective and impartial evaluations grounded in quality, price, and the guarantees and services provided.

In its relationships with suppliers, the Company observes the following principles:

- a) purchasing decisions are entrusted to Department Heads, in accordance with the powers of attorney granted to them and the procedures in force;
- b) no form of “reciprocity” is practiced with suppliers: goods and services are selected and procured based solely on their value in terms of the price-quality ratio;
- c) any negotiation with a current or potential supplier must relate exclusively to the goods and services that are the subject of the negotiation;
- d) personnel responsible for the procurement of goods and services must not be subjected to any form of pressure from suppliers regarding the donation of materials, products, and/or sums of money, including for the benefit of charitable or solidarity organizations or similar entities.

The undertaking of commitments and the management of relationships with current and potential suppliers must be conducted in compliance with the Company’s directives concerning conflicts of interest and business conduct.

Relationships with customers are guided by principles of fairness, transparency, and respect for market rules and competition. Information exchanged between the Company and its customers must be comprehensive and accurate in order to support informed decision-making.

5.5 Relations with Public Institutions and Public Administration

In relations with national and supranational institutions, as well as with the Public Administration and its representatives (including, by way of example, public bodies—including economic public entities—local, national, or international public entities and/or companies, public service concessionaires, and individuals entrusted with public functions), the strictest compliance with applicable laws and the principles of transparency, integrity, and fairness is required in order to ensure maximum clarity in institutional relations and safeguard the Company's integrity and reputation.

Relations with the Public Administration and institutional stakeholders, and in any case any relationships of a public nature, are reserved exclusively for the functions specifically appointed and delegated for this purpose or for those who, by virtue of their role, are authorized to manage such relations within the limits of the powers formally granted to them and, in all cases, within the scope of their respective roles and responsibilities.

With particular reference to relations with Regulatory, Supervisory, and Control Authorities, HDS undertakes to comply strictly with the rules they establish to ensure adherence to the regulations governing the sectors in which the Company operates. Company personnel shall comply with all requests from such Authorities in the performance of their inspection functions and shall fully cooperate with the related activities.

The traceability, including ex post traceability, of all relations with the Public Administration must be ensured through the preparation, by the individual responsible for managing such relations, of appropriate documentation containing the principal information relating to the relevant interaction. All documentation exchanged between the Company and the Public Administration must be properly archived to ensure its long-term retrievability. In anticipation of legal proceedings, investigations, or inspections by judicial authorities and/or independent administrative authorities, no individual may destroy or alter records, minutes, accounting entries, or any other type of document, nor provide false or misleading statements to the competent authorities.

Furthermore, no one may induce others to provide false or misleading information to such Authorities. In particular, personnel involved in legal proceedings, or any Company representative involved in judicial proceedings and/or required to produce evidence before a judicial authority (as a person under investigation), must promptly notify the HR Department and their direct supervisor of any request by the judicial authority to provide statements or evidence that may be used in criminal proceedings related to the performance of their duties. The Company shall, in any event, refrain from exerting any form of influence over individuals called upon to provide statements to judicial authorities.

More generally, in dealings with Institutions and the Public Administration, no attempt shall be made to improperly influence the decisions of the relevant authorities, particularly those of officials responsible for handling or deciding matters on their behalf.

In the context of relations with the Public Administration, conduct contrary to the principles set forth herein must be avoided, including, by way of example and without limitation:

- a) offering or granting employment opportunities and/or commercial advantages to personnel of the Public Administration involved in negotiations or business relationships, or to their family members;
- b) offering or receiving gifts or other benefits, except where they constitute customary business courtesies of nominal value;

- c) providing untruthful information or omitting to disclose material facts when requested by the Public Administration.

In relations with the Public Administration, both in Italy and abroad, it is strictly prohibited to give or offer, either directly or through third parties, sums of money or other benefits of any kind or amount to public officials, government representatives, public employees, or private individuals in order to compensate them for the performance of an act within their official duties, or to obtain or delay the execution of an act contrary to the obligations of their office.

5.6 Relations with Political, Trade Union, and Social Organizations

With a view to contributing to economic well-being and community development, the Company conducts its activities with due respect for local and national communities, fostering dialogue with trade unions and other representative associations, and ensuring that any relationships with political parties, their representatives, or candidates are managed in strict compliance with applicable laws.

In particular, relations with political and trade union organizations must be characterized by the highest standards of fairness, transparency, and independence, avoiding even the appearance of seeking preferential treatment.

Relationships with organizations, associations, or movements that pursue, directly or indirectly, criminal or otherwise unlawful purposes are strictly prohibited.

Employees who participate in political or trade union activities do so strictly in a personal capacity, during their own time, at their own expense, and in full compliance with applicable laws.

5.7 Relations with the Media and External Communications

Relations with the press and, more generally, with the media are reserved exclusively to, and managed directly by, the Chief Executive Officers.

The dissemination of misleading or untruthful information through any communication channels, including the internet, is strictly prohibited.

6. Accuracy and Transparency of Corporate Information and Internal Controls

6.1 Accounting, Administrative, and Financial Activities Related to Corporate Reporting

Every action, transaction, or operation must be accurately recorded in the Company's accounting system in accordance with legal requirements and applicable accounting principles, and must be duly authorized, traceable, legitimate, consistent, and appropriate.

To ensure that accounting records meet the requirements of accuracy, completeness, and transparency, adequate and comprehensive supporting documentation must be retained for each transaction in order to allow for:

- a) accurate accounting entries;
- b) the immediate identification of the underlying reasons for the transaction;
- c) the straightforward formal and chronological reconstruction of the transaction.

Each employee and collaborator shall act, within the scope of their responsibilities, to ensure that all management-related events are properly and promptly recorded in the accounting system. Individuals responsible for collecting, processing, and reporting data and information relating to the Company's financial position and performance must ensure the proper functioning of the Company and facilitate all forms of corporate oversight required by law.

Each accounting entry must accurately reflect the information contained in the supporting documentation. Accordingly, it is the responsibility of each designated employee and collaborator to ensure that such documentation is easily retrievable and organized according to logical criteria. The relevant functions and the Board of Directors are guaranteed unrestricted access to data, documentation, and any other information deemed useful for the performance of their respective oversight activities.

6.2 Internal Control Culture

HDS promotes and disseminates, at every organizational level, a culture grounded in awareness of the existence and importance of internal controls, recognizing their contribution to improving operational efficiency.

The internal control system comprises all tools necessary to direct, manage, and monitor the Company's activities, with the objective of ensuring compliance with applicable laws and corporate procedures, safeguarding Company assets, supporting the effective management of business operations, and providing clear and accurate information on the Company's financial position and performance, as well as identifying and mitigating corporate risks.

Employees are responsible, within the scope of their respective duties, for contributing to the definition and proper functioning of the internal control system and for safeguarding Company assets—whether tangible or intangible—required for the performance of their activities, refraining from any improper use thereof.

The monitoring and evaluation of the internal control system are carried out by the functions and bodies specifically appointed for this purpose.

7. Anti-Money Laundering and Counter-Terrorist Financing

HDS is committed to complying with all national and international laws and regulations concerning anti-money laundering and the prevention of the financing of international terrorism.

Directors, employees, and third parties must under no circumstances be involved in activities related to the laundering of proceeds derived from unlawful or criminal conduct.

Before establishing business relationships or entering into agreements with non-occasional suppliers, partners, and/or customers, employees must act in accordance with corporate protocols and procedures and avoid engaging in transactions that may appear suspicious from the standpoint of fairness and transparency. They are required to verify, in advance, the reputational integrity of the counterparty.

With particular regard to traceability and record retention, Addressees must comply with the following requirements:

- all financial transactions carried out by or on behalf of the Company must not be conducted in cash, nor may bearer passbooks or other cash-equivalent instruments be used;
- all financial transactions carried out by or on behalf of the Company must be accurately and fully recorded in the accounting books and mandatory records;
- all payments must be made exclusively to the intended beneficiaries in respect of whom a legitimate obligation exists;
- payments must not be made to individuals or entities included on sanctions lists related to the countering of international terrorist financing (including UN, EU, and OFAC lists, as referenced on the website of the Bank of Italy – Financial Intelligence Unit);
- false, incomplete, or misleading records must not be created; no undisclosed or unrecorded funds may be established; funds must not be deposited into personal accounts or accounts not belonging to the Company; and Company funds and resources must not be used without proper authorization.

DISCIPLINARY MEASURES AND FINAL PROVISIONS

8. Implementation, Reporting, and Disciplinary Measures

The Board of Directors appoints a Supervisory Body vested with autonomous powers of initiative and control, entrusted with overseeing the effectiveness and compliance of the Code of Ethics and the Organizational Model as a whole, as well as ensuring their ongoing update.

Senior management within each Company department is also responsible for ensuring the implementation of the Code of Ethics. Where uncertainties arise regarding appropriate conduct, they are required to provide guidance and clarification to personnel operating within their respective areas.

All Addressees who become aware of alleged violations of this Code of Ethics or conduct inconsistent with the adopted rules of behavior must report such violations through the designated channels available in the dedicated section of the Company's official website (<https://www.hydroservice.it/it>), including the IT-based whistleblowing channels implemented by HDS, which—in compliance with applicable regulations—ensure the reporting party's right to request anonymity.

The Company undertakes to treat all reports with the utmost confidentiality, in accordance with applicable legal provisions. Any breach of these confidentiality obligations will result in the initiation of disciplinary proceedings against the responsible party.

In line with best practices and applicable regulations, HDS will not tolerate any form of retaliation against individuals who, in good faith, report a violation of this Code of Ethics. Where bad faith or gross negligence on the part of the reporting individual is established, the Company will initiate appropriate disciplinary proceedings.

Compliance with the provisions of this Code of Ethics shall be considered an essential part of employees' contractual obligations pursuant to Article 2104 of the Italian Civil Code. Any disciplinary measures resulting from violations of the Code of Ethics shall be applied in accordance with applicable laws and relevant national collective labor agreements and shall be proportionate to the severity of the violation. Such measures may include the termination of the fiduciary relationship between Hydroservice and the employee, with all contractual and legal consequences provided for under applicable regulations.

For individuals holding positions of representation, administration, or management, violations of the Code of Ethics shall result in the adoption of the most appropriate disciplinary measures, proportionate to the seriousness of the breach and the individual's role, in compliance with applicable laws.

For all other Addressees with whom Hydroservice maintains contractual relationships, compliance with the Code of Ethics constitutes a prerequisite for the continuation of the professional relationship. Accordingly, any violation may represent a breach of contractual obligations, with all legal consequences, including the termination of the contract and/or assignment, and may give rise to claims for damages suffered by Hydroservice. The Company shall not, under any circumstances, enter into business relationships with parties who do not share or refuse to comply with the principles set forth in this Code.

9. Approval, Updates, and Communication of the Code of Ethics

The Code of Ethics is approved by the Board of Directors. Any amendments and/or updates shall be approved by the same governing body and promptly communicated to all Addressees.

The Code of Ethics is available and accessible to all employees and third parties on the Company's website (<https://www.hydroservice.it/it/download>) and on the Company intranet portal. The adoption of the Code of Ethics is also communicated to external parties collaborating with the Company (e.g., business partners, consultants, suppliers, and customers), including through specific contractual clauses.

The Company is committed to ensuring the widest possible dissemination of the Code of Ethics by implementing appropriate information, training, and awareness programs regarding its contents.