

Whistleblowing

Internal and external stakeholders, both employees, also engaged under atypical contracts (e.g. part-time employment contract, fixed-term employment, apprenticeship, etc.), self-employed persons and co-ordinated and continuous collaborators, self-employed persons and consultants working for the company, as well as shareholders and persons with administrative, management, control, supervisory or representation functions, even if these functions are performed purely on a company basis (hereinafter also the 'Whistleblower' or the 'Whistleblowers'), may report (also known as the 'Whistleblowing System'), through the internal reporting system described below, any infringement as defined below, of which they have become aware during their relationship work or collaboration with Hydreco srl (hereinafter referred to as Hydreco).

The reporting procedure described here also incorporates the principles and provisions of the Code of Ethics and the Organization and the Security Protocols.

The Supervisory Body (hereinafter referred to as "OdV"), established in accordance with Regulation No. 231/2001 in Duplomatic MS S.p.A., Hydreco's mother Company, manages the internal reporting channel for infringements as defined below.

What can be reported

The breach through this internal reporting system (hereinafter referred to as the "Breach") may relate to conduct, acts and omissions which may directly or indirectly result in economic/financial damage and/or damage to the company's image and which consist in:

1. administrative, accounting, civil or criminal offenses;
2. misconduct under D. Lgs. 231/2001, i.e. violations of Model 231, the Code of Ethics, company and Group policies and good practices, including commercial practices;
3. which fall within the scope of Union or national acts (public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety, animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems);
4. acts or omissions affecting the financial interests of the European Union as referred to in Article 11(2) of the Staff Regulations. 325 of the Treaty on the Functioning of the European Union (e.g. fraud, illegal activities);
5. acts or omissions relating to the internal market referred to Article 26) of the Treaty on the Functioning of the European Union (e.g. budget fraud and corruption);
6. acts and conduct that frustrate the object or purpose of the provisions of European Union acts in the areas referred to in points (3), (4) and (5) above.

What characteristics should the alert have?

The Report must be made in good faith or on the basis of a well-founded suspicion and must contain precise and substantiated information enabling the OdV or other recipient not only to examine it, but also to carry out the necessary checks and inspections as to the validity of the facts and circumstances of the Report.

The Alert must therefore, where possible, have the following characteristics:

Hydreco Srl

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C.F. e num. iscr. Reg.Imprese MO 02823190364 – codice SDI 6EWHWLT
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- description of the issue with all relevant details (e.g. the incident, the type of behavior, the date and place of the incident and the parties involved, etc.);
- an indication whether the event has occurred, is occurring or is likely to occur;
- an indication of how the person making the report became aware of the fact/situation;
- the existence of witnesses and, where appropriate, their names;
- any additional information deemed relevant by the Whistleblower;
- whether the Whistleblower has already raised the issue with someone else and, if so, by what function or responsible;
- the specific function or direction within which the suspicious conduct occurred;
- be accompanied by any supporting documentation.

This internal reporting system for infringements ensures the confidentiality of the Whistleblower, the person involved and the person otherwise mentioned in the Report, the natural persons assisting the Whistleblower in the reporting process and also working with the company (hereinafter the "Facilitators"), as well as the content of the Report and related documentation.

In any event, the identity of the Whistleblower and any other information which may indicate, even indirectly, his identity may not be disclosed, without prior express consent, to persons other than the OdV to handle the reporting process expressly authorized to process such data under applicable data protection law. In any case, any personal data contained in the Report, including the identity of the Whistleblower or other individuals, will be processed in compliance with the rules for the protection of personal data.

What are the internal reporting channels?

Reporting can be done through the following channels:

- 1) Reporting by postal or e-mail address or personal interview

By paper post:

The Report may also be made by filling in the "Whistleblowing Form" and sent in a closed envelope - on which it is indicated that it is a whistleblowing report - to the attention of the Supervisory Body and to the following address:

DIPLOMATICA MS Spa, via Mario Re Depaulini, 24, 2015 Parabiago (MI) - Italy

By email:

The Report may also be made by filling in the "Whistleblowing Form" and sent to the following email address specifying in the subject that it is a whistleblowing report:

odv_231@diplomatic.com

Personal Interview:

If you would like a personal appointment, please email us in advance to arrange an appointment:

odv_231@diplomatic.com

In any case, within seven days of receipt of the alert, an acknowledgement of receipt will be issued to the signaler confirming that the alert has been accepted.

The Report submitted outside the above channels must be transmitted by the person who received it within seven days from the date of receipt to the Job. At the same time, the person receiving the alert must inform the Whistleblower about the transmission of the alert to the OdV.

In any event, the Whistleblower will receive feedback to the Report within three months from the date of the acknowledgement of receipt or, in the absence of such acknowledgement, within three

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months from the expiry of the seven-day deadline from the submission of the Report, giving the outcome of the investigations and any measures taken.

What are the external reporting channels?

If the Whistleblower has:

- i) Already made the report by activating the internal system without any follow-up; or
- ii) there are reasonable grounds to believe that, by activating the internal system, effective follow-up would not be given to the alert or that the alert could lead to risk of retaliation;
- iii) there are reasonable grounds for believing that the breach which is the subject of the report is likely to constitute an imminent or manifest danger to the public interest;

may report through the channel established within the National Anti-Corruption Authority ('ANAC') at the following link: <https://www.anticorruzione.it/-/whistleblowing>

The legally enforceable security of the Whistleblower also applies to the reporting via this external channel.

Protection of confidentiality of reporting persons and prohibition of retaliation

Diplomatic, in compliance with the applicable legislation, in order to facilitate the dissemination of a culture of legality and to encourage reporting ensures anonymity of the Whistleblower and confidentiality of the information contained in the Report in order to protect the Whistleblower from any form of retaliation and discrimination.

Therefore, the identity of the Whistleblower cannot be disclosed without the express consent of the latter, except if requested by the judicial or administrative authority or if there is a specific legal obligation to do so. In cases where the identity of the Whistleblower is allowed to be disclosed, the Whistleblower is advised of such disclosure.

In any case, no form of retaliation or discrimination is allowed in respect of the Whistleblower because of the Report.

The protection of the Whistleblower is also guaranteed when the legal relationship with the Company has not yet started because the information on the Infringements is acquired during the selection process or in other pre-contractual stages, during the probation period or after the termination of the relationship if the information on the Infringements has been collected in constant relationship.

The forms of protection referred to in this paragraph shall also apply to Facilitators, to persons who work in the same working environment as the Whistleblower and who are linked to the latter by a stable relationship of affection or kinship within the fourth grade, and to colleagues of the Whistleblower who work in the same working environment and who have a regular and current relationship with the latter.

Similarly, similar protection is guaranteed under the conditions laid down in the applicable legislation also to the Alert who decides to make public information about the infringement through the press or electronic means or otherwise through means of dissemination capable of reaching a large number of persons (hereinafter, "Public Disclosure").

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ADVANCED HYDRAULIC TECHNOLOGIES

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