

ESG policy and code of conduct

Contents

Introduction.....	2
Our responsibilities.....	3
Scope	3
Accountability.....	4
Environment	5
Climate Change.....	5
Circular Economy.....	5
Social.....	6
Health and Safety	6
Human Rights	6
Labour Rights.....	6
Diversity, Equity and Inclusion.....	7
Governance	8
Business Conduct and Corporate Culture.....	8
Customer and Consumer Interests.....	9

Introduction

Hydratec Industries N.V. ('Hydratec') is a globally-operating stock-listed company in Industrial Systems and Hightech Components focussing on the Food, Health and Mobility markets. Based on its innovative, market-driven product development and reliability, Hydratec and its subsidiaries are a partner to their customers, contributing to their success. This is achieved through an inspiring work environment, partnerships with suppliers, and a focus on quality improvement.

We aim to reward our stakeholders while providing development opportunities to our employees, business partners and the society in which we operate. In all that we do, we strive for sincerity, fairness, integrity, and compliance with the laws and regulations of the countries in which we operate.

This Code of conduct and ESG policy (from now 'code') applies to all of Hydratec's entities and its employees. Employees are expected to behave responsibly and ethically, consistently observing the Code, its meaning and intention, and acting with integrity at all times. We rely on the common sense and integrity of all employees. Employees are expected to embody the Code in our business processes and practices, serve as role models by upholding high ethical standards, and foster an ethical climate by encouraging and rewarding actions that align with our Code. If faced with ambiguous situations, we encourage employees to consult others or use mechanisms to report any deviations from this Code.

The code incorporates both ESG policies and the code of conduct as these subjects should align. The materiality matrix below was finalised following the double materiality process conducted in 2023/2024. This matrix will serve as the foundation for further preparations to comply with the CSRD and supports our this code.



Hydratec is comprised of two core business segments: Industrial Systems and Hightech Components.

Industrial Systems

Industrial Systems are Original Equipment Manufacturers (OEMs) that bring complete systems to market under their brand names on a project-oriented basis. These sustainable production systems respond to the growing global demand for food and clean drinking water. Our companies' innovative and integrated solutions help to minimise wastage in customers' production processes. Industrial Systems' major market segments are the global poultry, convenience food and animal feed sectors, and the construction of water supply lines for sanitation and clean water.

Hightech Components

Hightech Components focuses on manufacturing complex parts of plastic assemblies. Plastic is a relatively recent raw material with continuously expanding applications. The demand for plastic products is steadily increasing as a substitute for metal. Their unique properties contribute to a more sustainable and resource-efficient future. Helvoet and Timmerije are intermediate suppliers that develop and produce structural plastic components for OEMs. The use of plastics as a metal substitute often results in weight savings and, therefore, cost reductions. This helps our customers achieve their sustainability targets. Quality and hygiene requirements are particularly strict in the Health market. The key markets for Hightech Components are Food, Health and Mobility.

Our responsibilities

We consider driving continuous improvement and development of products and processes as our primary responsibility. This includes meeting the growing needs in food, health, and mobility sectors. This contributes to sustainability for the global population and minimizing the environmental impact of our operations and products.

We acknowledge our responsibility for creating positive impacts, such as enhanced customer satisfaction and loyalty, a strengthened market position, and contributions to the environment and society. We see opportunities to improve our competitive positioning, explore new market opportunities through sustainable products and processes, and strengthen relationships with employees and other stakeholders. We focus on the material impacts, risks, and opportunities related to climate change, including resource scarcity, regulatory changes, and market shifts. In addition we recognise potential non-compliance with regulations risks and reputational damage.

We conduct regular assessments and monitor through key performance indicators to measure progress and effectiveness of our business models. We conduct periodic internal and external audits to ensure compliance. Finally, we actively engage with stakeholders -such as customers, employees, suppliers, investors, and communities- to gather feedback and identify areas for improvement. By doing so, we uphold our responsibilities as a company committed to ethical and transparent operations.

Scope

Our Code is focused on all elements of the value chain that connect directly to our operations, which include suppliers, manufacturers, distributors, and customers. We do consider the geographic scope of our activities and potential impacts on relevant stakeholder groups in the value chain. Each entity associated with our company is responsible for adhering to these principles and policies.

Accountability

The Management Board is responsible for the implementation and enforcement of this Code. Guidelines need to be followed and objectives are to be met through effective leadership and commitment. This Code is translated to entity-specific guidelines. Therefore, the management of each company within the Hydratec group has a leading role in enforcing the code. The Supervisory board is responsible for supervising the management board.

Each entity is responsible for acting on and monitoring the various topics. Progress is measured annually against established targets. This ensures accountability, transparency in implementation, and seamless integration of the guideline into our overall business strategy.

Our Code outlines the responsibilities and behaviour we expect from each other. It guides our actions and decisions, helping us perform our duties with due care and integrity. It shapes how we treat each other, serve our customers, cooperate with suppliers, and fulfil our responsibilities to the communities where we work and live. Fundamentally, our Code helps us make meaningful and responsible choices.

Responsibilities if you are an employee;

- **Read, understand, and act** following our Code, guided by the principles and values that define us.
- **Speak up, ask questions, and raise concerns** if you notice any potential violations of applicable laws, regulations, or our Code. Cooperate fully when responding to an investigation or audit.
- **Understand the risks** applicable to your role, manage them effectively, and follow all relevant requirements and complete all mandatory training assigned to you.

Additional responsibilities if you are a manager;

- **Role model our values** with your team members and create an environment that is caring, respectful, inclusive, and equitable.
- **Encourage your team to speak up** and show that they will be supported if they do by listening, responding, and ensuring that no one experiences retaliation.
- **Promote compliance and risk management** by regularly discussing with your team our Code's expectations, applicable risks, and requirements, and the importance of timely completion of mandatory training.
- **Recognise the right behaviours, manage poor behaviours**, and be consistent when holding people accountable.
- **Act** when questions or concerns are made through the government system while maintaining a safe working environment.

Environment

Climate Change

We aim to contribute to climate change mitigation by reducing greenhouse gas emissions, promoting energy efficiency practices, and fostering environmental responsibility.

We recognise the potential impacts of our operations on climate change. We identify opportunities to develop innovative solutions that contribute to a sustainable future. We support programmes for environmental conservation, recycling and energy savings leading to clean air, clean water, less waste, and sustainable use of natural resources.

We track our progress in achieving our climate goals, identify areas for improvement, and ensure compliance with relevant regulations.

We identify, assess, and manage our greenhouse gas emissions and its relative impacts. This includes those associated with our energy use, product lifecycle, and supply chain. We will also implement measures to reduce our transition risks and promote an equitable transition to a low-carbon economy. This includes monitoring and managing greenhouse gas emissions. Finally, we will implement measures to adapt our operations to transition risks associated with climate change. Evaluating these risks and opportunities related to climate change adaptation will ensure the resilience of our business. This includes addressing Hydratec's transition risks. We monitor this through assessments and reviews of our climate change adaptation approach.

Circular Economy

We are committed to identifying and addressing material impacts related to resource inflows, outflows, and waste generation in our operations. We recognise the opportunities for innovation and cost savings associated with circular economy principles to decrease the use of natural resources.

We address the identification of material impacts related to resource use and waste generation, including environmental and economic implications of these impacts. We manage impacts through the implementation of circular economy strategies and innovations. We remediate negative impacts and risks, while seizing opportunities for growth. We prioritise transitioning away from virgin resources and increasing the use of recycled materials. We emphasise sustainable sourcing and use of renewable resources. We adhere to the waste hierarchy, prioritising prevention, reuse, recycling and disposal.

We will prioritise the avoidance or minimisation of waste through strategies such as reuse, repair, refurbishment, remanufacturing, and repurposing in our production processes. We will also consider the principle of eco-design. This refers to designing products or production lines with the environment in mind from the very beginning. We focus on minimising its environmental impact through the use of durable materials.

Social

We consider respect for human and labour rights a fundamental principle guiding our operations. Our policies are aligned with internationally recognised standards, including the UN Guiding Principles on Business and Human Rights (UNGPs), ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises. We are committed to upholding these rights in all aspects of our business. Additionally, we naturally comply with all legislation and regulations applicable to employers. We implement measures to provide remedies for any human rights impacts that may occur, ensuring that employees have access to grievance mechanisms and corrective actions.

Health and Safety

We aim to create a safe and healthy work environment for all employees, visitors, contractors, and suppliers. To create an environment without threats, violence, intimidation or harassment, we conduct a zero-tolerance policy for any acts of violence. We identify potential impacts on our workforce by assessing various aspects of our operations, including working conditions, compensation, and respect for human rights. We regularly evaluate the potential and actual impacts of our operations on employees to ensure that any negative effects are identified and addressed.

We implement strategies to manage and mitigate any adverse impacts on our workforce, ensuring fair labour practices and safe working conditions. We value a safe workplace that supports the health and well-being of all employees and contractors in our global organisation. We provide adequate health and safety equipment and measures, the use of PPE (Personal Protective Equipment) is mandatory, and the rules are to perform all work safely and responsibly. Each employee has the responsibility to observe the company's procedures relating to health and safety.

We must always be aware of potential safety and security issues. We take corrective actions to address any issues and leverage opportunities to improve our workforce policies. We report all safety and security incidents promptly and handle incidents at the appropriate level in the organisation. We then apply these learnings to continuously improve our health and safety practices across our organisation and others we work alongside. Our Code and whistleblower mechanism applies to all employees within our organisation, ensuring protection and support for our entire workforce.

Human Rights

We are dedicated to upholding human rights across all aspects of our business. We recognise that certain operations may pose risks, and we take proactive measures to prevent or address any negative impacts. We embedded processes and mechanisms used to monitor compliance with these standards, including regular audits and stakeholder engagement. We maintain a workplace free from discrimination, harassment, violence, and bullying. Any behaviour that creates a hostile environment or threatens employee well-being is not tolerated.

Labour Rights

We consider labour rights integral to our broader commitment to human rights and are central to our relationship with our employees. We strive to ensure fair working conditions, safety, and respect for all workers' rights. Our policy explicitly addresses issues such as trafficking in human beings, forced labour, compulsory labour, and child labour, ensuring strict adherence to legal and ethical standards.

- **Fair Payment:** We recognise that fair wages are essential to meeting the basic needs of our employees. We will, at least, pay the minimum wage and mandated benefits required by local

laws. We will ensure that employee wages are paid in the appropriate legal tender and at regular intervals.

- **Freedom of Association and Collective Bargaining:** We respect employees' right to associate freely, form or join organisations of their choosing, and bargain collectively in accordance with recognised international instruments, local laws, and regulations. Our company also recognises our employees' right to refrain from collective representation. Their doing so will not result in any negative consequences for them or repercussions from us.
- **Forced Labour:** We will not use any form of forced or involuntary labour and refrain from practices that can give rise to a risk of involuntary labour.
- **Child Labour** We will comply rigorously with all local laws and regulations and will in no event employ children below the age of 15 years nor will we permit hazardous work or night work for children below the age of 18 years. Furthermore, we will not use any form of forced or involuntary labour, and we will refrain from practices that can give rise to a risk of involuntary labour.
- **Fair Procedures:** We follow fair disciplinary, grievance, and dismissal procedures defined by law, company policies and collective bargaining agreements.
- **Working Hours:** We assure compliance with laws, regulations, and relevant collective agreements concerning working hours, overtime, leave, and rest periods. It is our policy not to make systematic use of extensive overtime. Any overtime will be appropriately compensated.

Diversity, Equity and Inclusion

We are committed to fostering a workplace free from discrimination, harassment, and unfair treatment. We do not discriminate based on racial or ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, and any other status covered by EU regulation and national law. We strive to provide equal access to opportunities and resources, regardless of these factors.

We encourage an inclusive culture in which all employees can make their best effort. This means:

- We are open to differences and recognise the benefits of differences;
- We treat each other with respect and fairness;
- We create an ambiance of trust and open, honest communications.

We implement policies for equal opportunities and diversity. These include equal pay, equitable hiring, and an inclusive environment. We support groups at particular risk of vulnerability.

We provide data and metrics to demonstrate our diversity, equity and inclusion progress. We conduct surveys, track demographics, install work groups to support diversity, equity and inclusion and report on initiatives. Besides, we believe transparency builds trust. We share information about our diversity, equity and inclusion goals, strategies, and progress with stakeholders. We report regularly, disclose publicly, and engage in open dialogue.

We engage with our employees to understand their needs and concerns, fostering a supportive and inclusive work environment.

Governance

We believe that international trade promotes stability and peace based on economic growth, opportunities, and mutual understanding. We are aware of our obligation to act in the legitimate interests of the countries in which we operate. We strive to comply with all legislation and regulations of these countries.

Business Conduct and Corporate Culture

We expect all of our employees and business partners to immediately report any behaviour or situations that they feel are not in accordance with this Code or the local, provincial or national legislation.

We have established internal reporting channels and procedures to encourage employees and stakeholders to report any suspected violations of this Code or unlawful behaviour. Our business conduct aligns with the principles of the UN Convention against Corruption. Such reports can be submitted to the direct supervisor, management board, supervisory board or an external whistleblowing point. Such reports can be submitted anonymously if necessary. We will investigate such reports if submitted in good faith without delay, and implement corrective action where required and will use our right to audit.

We have implemented measures to protect whistleblowers from retaliation, including internal and external reporting channels, training, and designated staff to handle reports. Besides, we have comprehensive whistleblower protection policies in place, which are following Directive (EU) 2019/1937.

We have procedures for investigating incidents of business misconduct, including corruption and bribery, ensuring that investigations are prompt, independent, and objective. We provide regular training on business conduct to employees, covering topics such as ethics, compliance, risk management, human rights, and environmental responsibility. Our business decisions are based on merit. This means we will never offer any third party, including a government representative or political party, something valuable to influence a business decision of that person in any way that could be seen as corruption or building an unfair competitive edge.

We do not accept business decisions to be affected, or appear to be affected, by gifts or entertainment offered by or received by customers or suppliers. We will not offer any gifts or presents with a value exceeding € 250. All gifts that employees receive from other relations are made available to all employees. Intentional infringement on intellectual property rights of third parties is not permitted.

We communicate our anti-corruption and anti-bribery policies to all relevant parties through clear and accessible channels. In the event of non-compliance, the employee is held accountable for changing his/her behaviour. In the event of serious infractions, we will impose disciplinary measures. This may include the option of dismissal with immediate effect and/or reporting the infringement/offence to the relevant authorities.

We have a clear policy on conflicts of interest: do not compete with our activities. This means ensuring that your actions on behalf of our company are never influenced, or appear to be influenced, by personal interests or those of your family.

We will handle the management of conflicts of interest, all apparent and actual conflicts between personal and professional relationships fairly and ethically. Any potential conflicts of interest should be reported to your supervisor as soon as they are identified. Supervisors or confidants can answer

questions regarding the interpretation of the Code. Any agreements to deviate from the Code require prior assessment by the Management Board and will be made public if necessary.

Customer and Consumer Interests

We support free market mechanisms and the underlying legal and statutory base. This is why we are aware of legislation that prohibits trade limitations, detrimental economic activities and unfair, misleading and unethical business practices. We foster awareness of the importance of honest marketing, protecting health and safety, sustainable consumption, service, support and complaints processing, protecting private data, and access to services. When interacting with consumers, customers, suppliers and competitors, we are committed to:

- Not performing any unfair or misleading activities and always presenting services and products with honesty;
- Treating all customers and suppliers fairly and objectively;
- Selecting suppliers based on merit, and clarifying to suppliers that we expect fair and strong competition for our business;
- Competing strongly with integrity;
- Not making any statements on competing products unless well-founded.

We have implemented measures to prevent late payments to suppliers, particularly to small and medium-sized enterprises (SMEs). This ensures good management of relationships with suppliers.