

Annex 2:
Regulation (policy) – Section 7 Code of Conduct
“Environment and sustainability”

1. The general rule according to the Code of Conduct

In accordance with Section 7 of our Code of Conduct, we act in such a way as to minimize any negative impact on our environment. We comply with laws and regulations in the area of environmental protection. We see ourselves as partners of companies that think and act sustainably. We regard the responsible and sustainable handling of economic, social and material resources as a main aspect of our work.

2. Implementation of these requirements

- As a leading manufacturer of pumps and pump components, we are aware of the responsibility we have for our products and production facilities vis-à-vis the environment.
- Sustainable environmental and climate protection are important corporate goals for us, as is resource efficiency. When developing new products and services as well as when operating production facilities, we make sure that any resulting impact on the environment and climate are kept to a minimum. In addition, our products are to contribute positively to environmental and climate protection for our customers.
- By using energy-efficient and environmentally friendly technologies, we keep the negative impact on our environment caused by our activities as low as possible.
- In the manufacturing process of our products we avoid or reduce environmental pollution of any kind as far as possible. We strive to have our plants certified according to the ISO 14001 (international Environmental management standard) standard.
- Our products contribute to environmental protection. We use pumps to transport waste water to sewage treatment plants and purify the waste water in them, for example, thereby helping to clean the water that flows to people and animals as well as into the soil, rivers, lakes and sea.
- All products delivered to our customers are to comply with the statutory requirements (e.g. environmental protection and safety guidelines, regulations regarding prohibited substances) that are valid in the country of origin and the final country of destination.
- Our suppliers are also to adhere to our environmental and sustainability goals. As far as possible, we bind them to our specifications. Our suppliers should refuse to use substances whose use is restricted or prohibited by global regulations or laws.
- We do not want our products to be used for environmentally harmful purposes (e.g. the use of

pumps to dismantle and transport protected wood). If we have concrete indications that our customers are using our products in contravention of our company principles on environmental protection, we take measures appropriate to the situation (e.g. talks, attempts to improve the situation, declarations/guarantees issued by the customer, delivery stop as ultima ratio).

- Local laws concerning environmental protection and sustainability constitute our minimum standards. However, we may also define our environmental principles more comprehensively if we believe local laws do not go far enough.
- Energy efficiency has always played an important role for us. We strive to contribute to the reduction of energy consumption through various production measures, such as better use of waste heat, reduction of standby times and the renewal of plant components. We also strive to ensure that the electricity we consume comes as far as possible from renewable sources.
- We recognize that elements such as water, fossil energy carriers, wood, paper, etc. are valuable limited natural resources. We focus on the sustainable use of these resources and avoid any unnecessary consumption (e.g. water should not flow unnecessarily; documents should not be printed unnecessarily or at least on both sides; we do not use cars for distances that can be covered on foot etc.).
- When disposing of waste, the most environmentally friendly disposal method should be chosen that is economically justifiable.
- It is important for us to raise awareness of the climate-related effects of our activities. We strive to reduce our greenhouse gas emissions in the coming years.
- In the event of incidents that could lead to environmental pollution, the responsible departments of the company must be informed immediately and fully. In turn, they must arrange for the legally required reports to be submitted to the authorities.
- Every employee has a responsibility to treat natural resources with care and to contribute to the protection of the environment and climate through their individual conduct.

3. Ambiguities, questions and/or information

In the event of ambiguities, questions and/or information, employees may contact their superior, the management or the Board of Directors. Such communications may also be made anonymously or with a request for confidentiality.

1 January 2020

Hidrostal Holding AG