



HYDRO
H O L D I N G

Sustainability Report 2023



Indice

- Letter to the Stakeholders**..... 2
- Methodological Note** 4
 - Mission and values 10
- Our path towards sustainability** 12
 - Hydro Holding Group’s Stakeholders 12
 - Materiality analysis..... 12
 - Sustainability Policy 14
 - ESG Action Plan 14
- Economic and governance responsibility**..... 18
 - Internal governance 18
 - Economic performance and indirect economic impacts 19
- Product responsibility**..... 25
 - Product Quality and Safety..... 25
 - Innovation and R&D 27
 - Customer Orientation and Satisfaction 28
- Responsibility towards the employees**..... 31
 - Diversity and inclusive work environment 31
 - Employee Health and Safety 34
 - Training and development of employees..... 36
- Environmental Responsibility**..... 39
 - Management of energetic consumption and emissions 39
 - Conscious management of waste and circular economy 41
 - Responsible management of water resources 43
- Responsible Supply Chain**..... 44
- Perimeter of material issues** 45
- Performance indicators**..... 47

Letter to the Stakeholders

Dear Readers,

We present Hydro Holding Group's Non-Financial Statement for the year 2023 through which we inform you of our environmental, social and governance (ESG) achievements.

In 2023, our Group was again called upon to face new and important challenges: the ongoing of war in Europe, the outbreak of a new and intense conflict in the Middle East, escalating geopolitical tensions, and a level of inflation in raw materials that continued to impact the first part of the year.

In this difficult and volatile context Hydro considers sustainability as an integral part of its business dynamics. The Group has established policies, objectives, and initiatives in the ESG domain, along with a reporting system in accordance with internationally recognized standards.

To demonstrate this commitment Hydro appointed an internal sustainability committee in 2023, which includes key managerial functions of the Group, along with an ESG manager tasked with coordinating the committees' work. The primary objective of this committee is to develop a sustainability vision and strategy, identifying concrete and measurable targets for some of the mapped Sustainable Development Goals that Hydro aims to achieve by 2026 (the "ESG action plan").

Additionally, in 2023, Hydro initiated audits to obtain the following important certifications: UNI EN ISO 14001 with reference to environmental management and UNI EN ISO 45001 for occupational health and safety management. These certifications were obtained in the first part of 2024.

This document outlines the path Hydro has taken, the objectives set, and the significant achievements accomplished to date. We are proud of the milestones reached, prepared to face new challenges, in complete awareness of the effort required to contribute to sustainable development and growth.



Mario Cerase

CEO

Methodological Note

The present document represents the fifth Sustainability Report of Hydro Holding Group (hereinafter also referred to as “Group” or “Hydro Holding”) and outlines the main sustainability achievements for the year 2023 (January 1st to December 31st) of the Group.

This report has been prepared “in accordance” with the “Global Reporting Initiative Sustainability Reporting Standards” defined by the Global Reporting Initiative (GRI), as indicated in the “GRI Content Index” table. The most recent 2021 version of the GRI 1 (Foundation) and GRI 2 (General Disclosures) Universal Standards have been utilized in the following disclosure. As for GRI Universal Standards 1 (Foundation) and GRI 2 (General Disclosures), the most recent version of 2021 was adopted.

In particular, the contents subject to reporting were selected based on the results that emerged from the updated materiality analysis conducted in 2022 and reconfirmed during 2023. This process identified the actual and potential impacts on the economy, the environment, and the people, including human rights impacts, of Hydro Holding Group within its activities and business relationships, as detailed in the “Materiality Analysis” section of this document.

The reporting scope of economic and financial data and information corresponds to Hydro Holding Group's Consolidated Financial Statements as of 12/31/2023.

With reference to social and environmental data and information, the reporting boundary includes the parent company Hydro Holding S.p.A. and subsidiaries based in the United Kingdom (EvoFluid Hydraulics UK Limited), Germany (EvoFluid Hydraulik GmbH) and the Czech Republic (Efeti S.r.o).

Information related to the subsidiary based in the United States (namely EvoFluid Hydraulics USA) has not been included in the reporting of social and environmental data because it is not deemed relevant for the understanding the Group's activities, performance, results, and the impacts. Additionally, it should be noted that the subsidiary based in Romania (EvoFluid Hydraulics East Europe S.r.l.) is no longer part of the Group as it was sold in December 2023.

To allow for data comparability over time, a comparison with data for the year 2022 is also provided. Any further exceptions to the reporting boundary are appropriately detailed within the narrative of this document.

No significant changes have occurred in the supply chain or ownership structure of the Group.

Restatements of data published in the previous Sustainability Report have been appropriately indicated in this document.

The 2023 Sustainability Report is not subject to external assurance and was approved by the Board of Directors on July 1st, 2024.

For further information and suggestions regarding the Hydro Holding Group's Sustainability Report, please contact: sostenibilita@hydro-holding.com

This document is also available on the Hydro Holding Group website: www.hydro-holding.com.

Introduction

Quality, innovation, and technical excellence are among the key values of the Hydro Holding Group, established in 2015 and comprised of highly experienced Italian companies, all specializing in the production of high-quality hydraulic fittings. The Hydro Holding Group is the largest independent European manufacturer of fittings for flexible hoses and shaped rigid pipes.

Hydro Holding Group was founded in 2015 with the acquisitions of 100% of the capital of Tieffe S.p.A. and FB Group S.p.A. In 2017, the synergistic companies MCS Hydraulics S.r.l. and Raccorfer S.r.l. were acquired. In 2018 the Group was acquired by Neuberger Berman Renaissance Partners.

In 2020, the Group's corporate structure was streamlined via a process of merger by incorporation of Tieffe S.p.A., Raccorfer S.r.l., M.C.S. Hydraulics S.r.l. and M.C.S. Core S.r.l., into Hydro Holding S.p.A., effective January 1st, 2021.

During 2021, Hydro Holding S.p.A. established the subsidiary Evo Fluid Hydraulik GmbH, holding a 51% stake, which became fully operational on February 1st, 2022.

The Group has a strong export orientation, offering a comprehensive product portfolio and a customer base that has strengthened throughout the years.



F.B. Hydraulic, a long-standing company within the Group, was founded in 1968 and is a leader in the production of hydraulic fittings, as well as hose assemblies and rigid pipes.

In 2013, it acquired its direct competitor VEBA, and in 2015, it merged with Tieffe to form Hydro Holding Group. In 2016, it inaugurated two commercial branches in China and the USA, followed by a commercial branch in Germany in 2019. From January 1st, 2020, Hydro Holding S.p.A. was merged into F.B. Hydraulic S.r.l. through a reverse merger. Upon completion of the merger, the incorporating company changed its name to "Hydro Holding S.p.A." while maintaining its registered office in Castello d'Argile (Bologna).

Tieffe, founded in 1976, also specializes in the production of hoses and pressure fittings for hydraulic applications, as well as making research and development a key strength.



Since 1993, it has operated a production plant located in the Czech Republic (Efeti), in addition to the plant located in the province of Pavia.



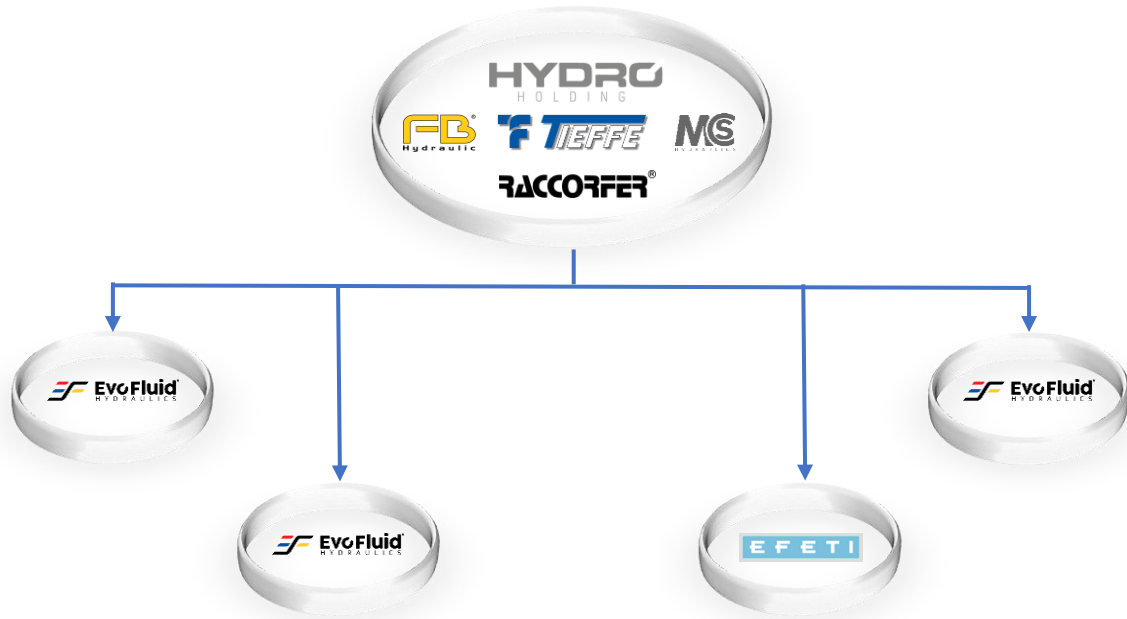
MCS Hydraulics, the youngest Company in the Group, was founded in 2005, and specializes in stainless steel processing. Thanks to its wide range of products, it quickly became a leader in the market. In 2016, MCS opened its commercial subsidiary in the

United Kingdom.

Moreover, Raccorfer, which specializes in cold forming technology, contributes its entire production to the activities of the Group's companies.



The structure of the Hydro Holding Group as of December 31st, 2023



Our business model

Hydro Holding Group is the largest independent European producer of fittings for hydraulic circuits. By bringing together the leading Italian companies in the production of hydraulic fittings and the assembly of fitted flexible hoses and shaped rigid pipes, Hydro Holding Group can offer an extensive catalog of solutions for hydraulic applications to companies operating in the agricultural, mining, marine, lifting, and earth-moving sectors.



Carbon Steel Fittings with different connection systems
(Dry-Fit, Dry-Lock, Dry-Spiral, etc.)



Hose Assemblies



Hydraulic hoses



Adapters



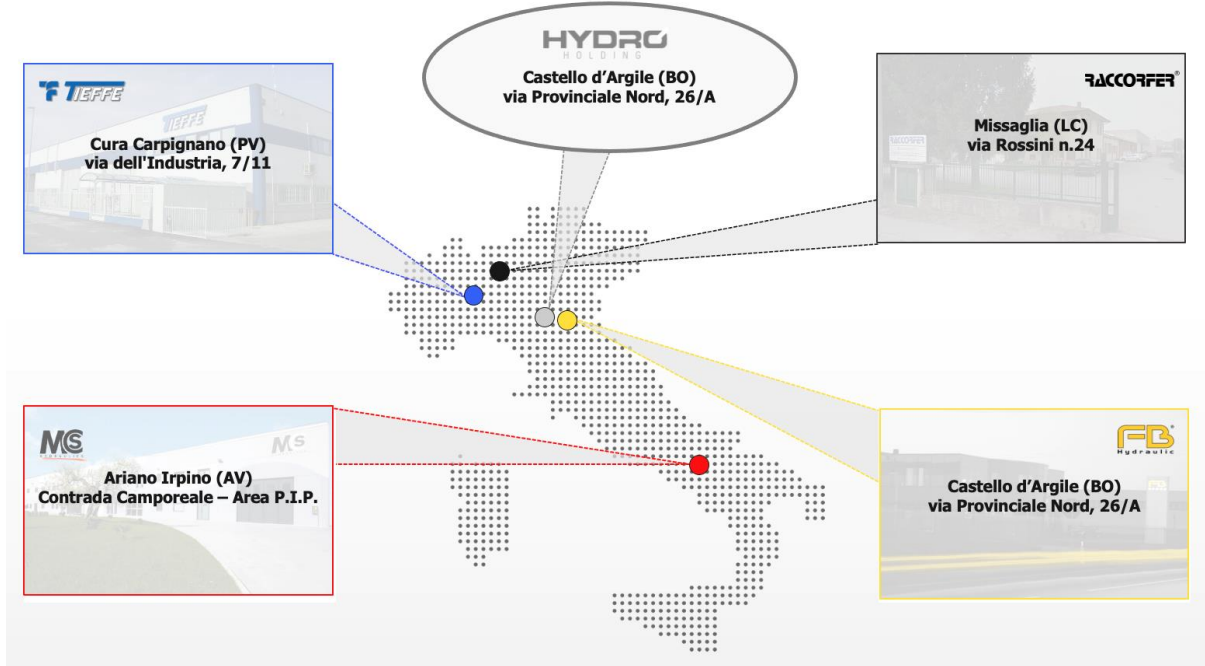
Stainless steel fittings



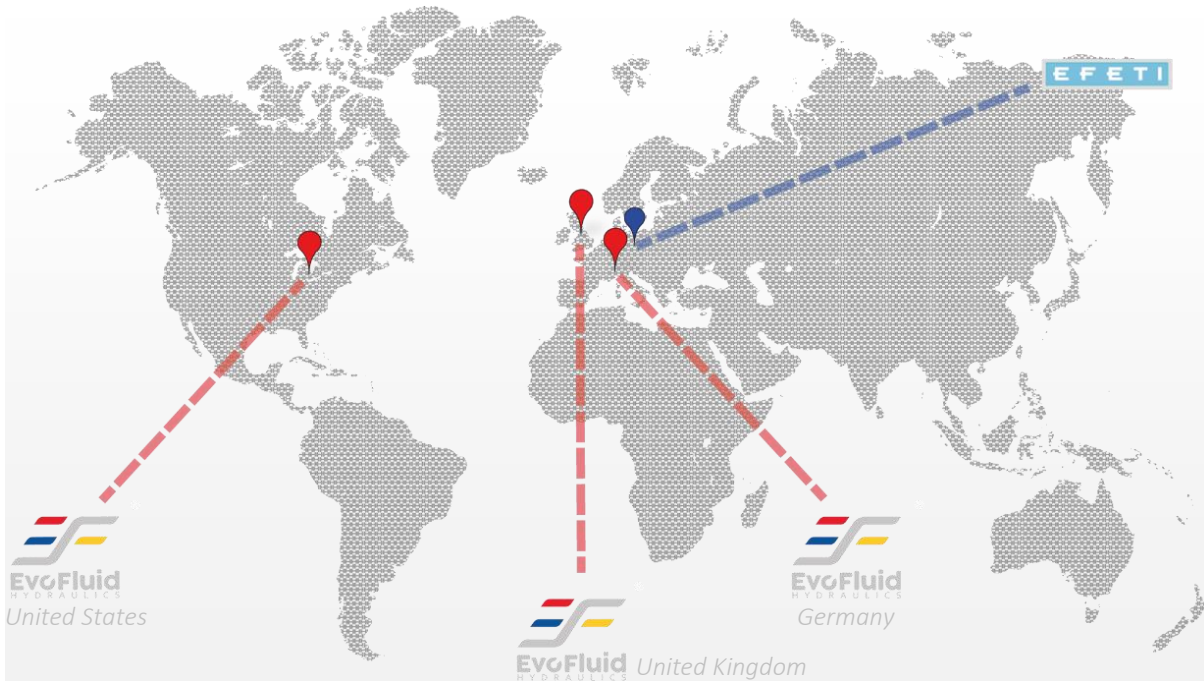
Manipulated Tubes

Hydro Holding is a continuously expanding group, with a steadily growing commercial presence and products distributed in approximately 60 countries worldwide. The production facilities cover a total area of over 32,000 square meters and are located in Italy in Castello d'Argile (BO), Cura Carpignano (PV), Ariano Irpino (AV), Missaglia (LC), and in the Czech Republic in Mostkovic.

HH Italian plants

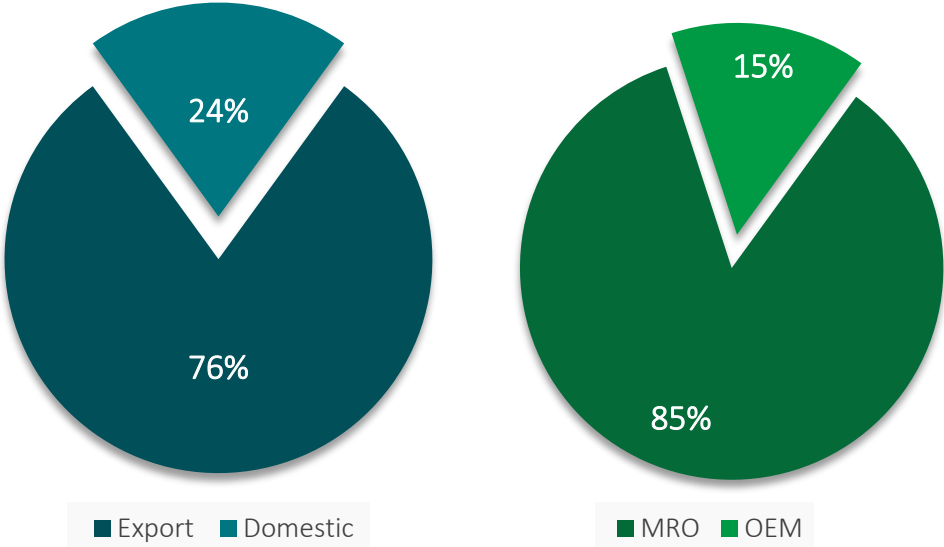


HH foreign subsidiaries



The Group primarily serves international clients, with exports accounting for approximately 76% of total sales in 2023. In terms of market/application segmentation, around 85% of the Group's sales are generated in the MRO (Maintenance, Repair, and Overhaul) sector, while the remaining portion is in the OEM (Original Equipment Manufacturer) sector.

Sales by market type in 2023



During the last year, with the aim of expanding the reference market and optimizing the logistics model, the Group intensified its investments in the commercial branches located in Birmingham (UK) and Nuremberg (Germany).

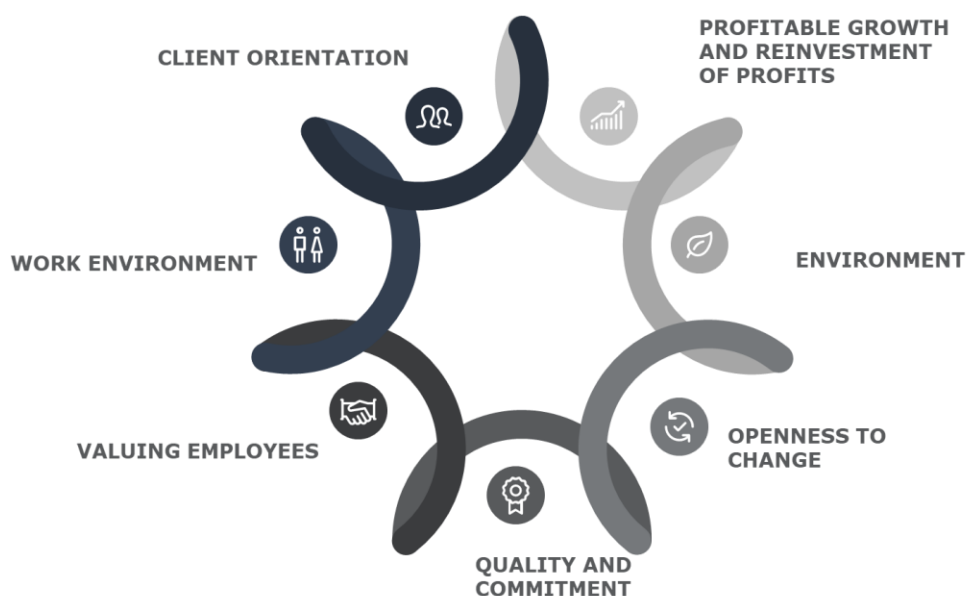
With this perspective in mind, starting from February 2022, the German subsidiary Evofluid Hydraulic GmbH specialized in the production of hose assemblies for OEM customers in Germany, where the Group aims to further expand its presence.



Mission and values

MISSION

The company's primary objective is to understand and anticipate customer needs by developing a Partnership relationship. The aim is to create specific technical solutions and to serve the customer promptly and with high quality throughout all phases of the relationship, from order to after-sales service.

To pursue its mission, the Group has defined common values and principles that guide its business activities.



-  **Client orientation**
The company's primary goal is to understand and anticipate customer needs by fostering a partnership. This approach aims to develop specific technical solutions and provide prompt, high-quality service throughout all stages of the relationship, from order placement to after-sales support.
-  **Openness to change**
Openness to change and continuous innovation are fundamental requirements for the company's evolution and for excelling in a competitive and ever-changing global market.
-  **Quality and commitment**
Attention and commitment to quality have always been distinctive characteristics of the company. Quality is built day by day through dialogue, participation, and the involvement of all employees.
-  **Profitable growth and reinvestment of profits**

In order to consolidate its position in the global market, Hydro Holding Group reinvests all profits generated, providing customers with increasingly better performances.



Valuing employees

Attention to individuals is a fundamental element of Hydro Holding Group's philosophy. The company believes in active engagement and policy sharing, generating responsibility and commitment in every person. Leadership begins with setting an example and consistently embodying the company's values.



Work environment

Hydro Holding Group has created a safe and welcoming work environment that fosters the personal and professional growth of everyone. Mutual respect, trust and a sense of belonging form the foundation of the company's culture, along with integrity, honesty, and ethical behavior without exception. This kindles the passion of each single individual whose ideas matter and whose role is valued.



Environment

Hydro Holding Group operates with sensitivity and commitment to the environment, continuously improving internal processes and developing new ecological production methods. The goal is to eliminate all potential forms of pollution by promoting sustainable activities in all aspects.

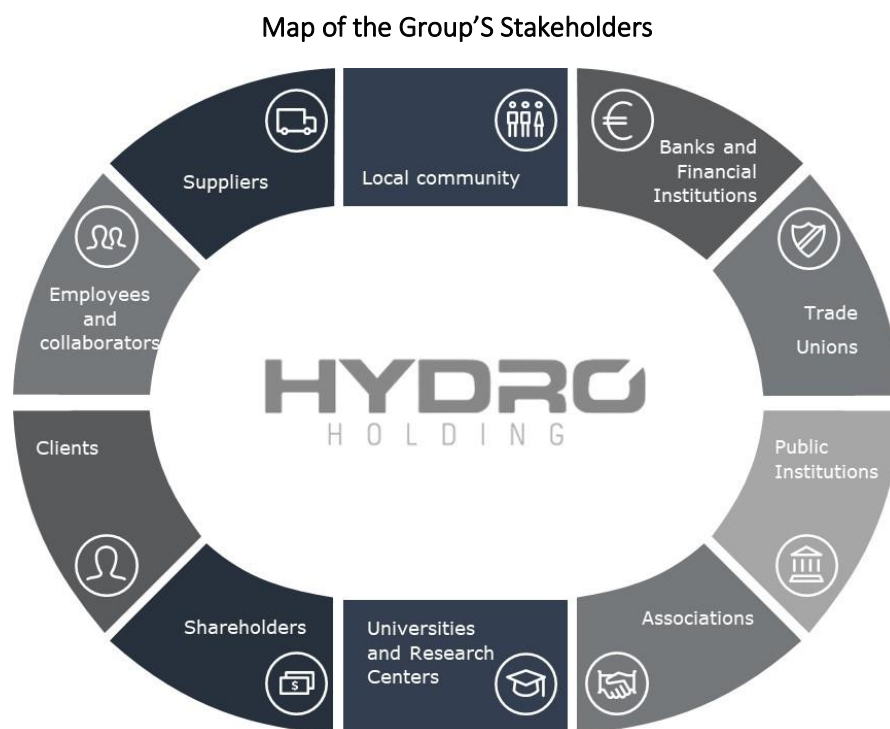
Our path towards sustainability

Hydro Holding Group's Stakeholders

Since 2019, Hydro Holding Group has embarked on a sustainability journey to enhance communication with its stakeholders, focusing on the Group's performance and objectives in the environmental, social, and governance domains for the short to medium term. The Group has continued this commitment, emphasizing the importance of maintaining an open and continuous dialogue with stakeholders to better meet their expectations and interests.

The identification of the Group's stakeholders was developed in two phases. Initially, a benchmark analysis was conducted, considering key peers and industry best practices to define a sample of potential stakeholders. In the subsequent phase, the main company functions were involved in discussing and defining the most relevant stakeholder categories.

This process enabled the mapping of internal and external stakeholders who influence and are influenced by the Group's activities. The stakeholder mapping was updated in 2023, confirming the following categories:



Materiality analysis

The Group's materiality analysis was updated in 2022 and reconfirmed in 2023, to identify the most relevant areas for business development and stakeholder interests. This analysis was conducted in accordance with the sustainability reporting guidelines defined by the Global Reporting Initiative (GRI)

(2021 update). The Group identified sustainability aspects with significant economic, environmental, and social impacts that could substantially influence stakeholder evaluations and decisions.

The potential relevant sustainability topics for the Group were identified through a benchmark analysis in the production of fittings and components for hydraulic applications and a contextual analysis of the Group's potential ESG impacts. The evaluation of these topics and their impacts involved voting by both management and employees through an online survey, with a total of 46 respondents.

The evaluation process resulted in a list of 14 relevant topics for the Group, which were approved by top management and are presented below in order of priority. Detailed impacts for each of these topics can be found in the section "Material Issues and Related Impacts".

Sustainable development goals linked to material topics	
Material topics for Hydro Holding Group	
Human rights	Climate change and emissions
Employee Health and Safety	Diversity, Inclusion, Corporate Welfare, and Employee Well-being
Energy consumption and transition to renewable energy	Cybersecurity & Information
Product Quality safety and Customer Satisfaction	Responsible sourcing of raw materials and semi-finished products
Corporate governance and anticorruption	Innovation and R&D
Conscious waste management and circular economy	Support for local communities
Employee Training, Development and Satisfaction	Sustainable economic growth

The update of the materiality analysis highlighted the growing importance of "Human Rights," which is increasingly central to the sustainability reporting of peers and competitors, as well as in upcoming regulatory updates. "Employee Health and Safety" remains one of the most relevant topics for both stakeholders and the Group. In the environmental aspect, "Energy Consumption and Transition to Renewable Energy" and "Conscious Waste Management and Circular Economy" are areas where the Group's impact is considered highly significant. "Product Quality, Safety, and Customer Satisfaction" continues to be among the top priorities related to the Group's business.

The materiality analysis process also allowed the Group to develop greater sustainability awareness. This aims to identify sustainability commitments and objectives that align with the Group's values and operating context. Consequently, this enables the association of relevant Sustainable Development Goals (SDGs) with

the mapping of significant topics and impacts, areas where Hydro Holding can and intends to contribute through its impact.

Sustainability Policy

In 2023, Hydro published its Sustainability Policy, which reiterates, formalizes, and details the organization's commitment to creating sustainable and enduring value. These objectives must be pursued in adherence to ethical principles of legality and fairness, integrity and honesty, impartiality and transparency, with a focus on continuous improvement, operational efficiency, and cost-effectiveness.

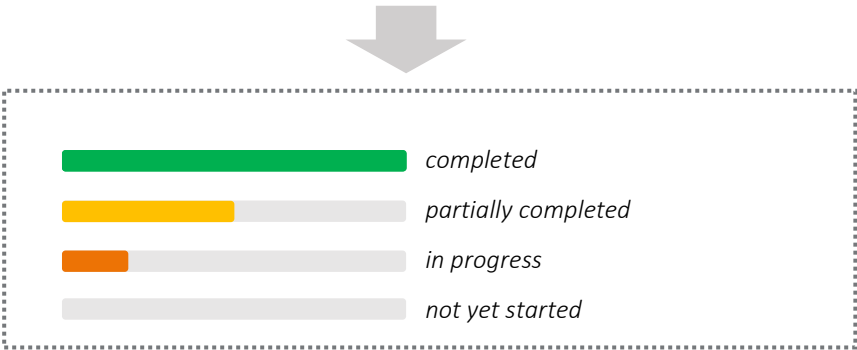
The document encapsulates the guidelines underlying Hydro's sustainability model, which is articulated in the Sustainability Strategy and Plan. To define its principles, Hydro Holding has drawn inspiration from key standards set by international reference organizations, including:




- (i) The United Nations' International Bill of Human Rights, which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and related convention;
- (ii) The International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and applicable conventions;
- (iii) The 10 principles of the Global Compact;
- (iv) The OECD Guidelines for Multinational Enterprises;
- (v) The United Nations Sustainable Development Goals (SDGs); and
- (vi) The Guiding Principles for the Promotion of Gender Equality Women's Empowerment Principles (WEPs).

ESG Action Plan

In 2023, the Group made further progress in its sustainability journey by identifying concrete and measurable targets for several mapped Sustainable Development Goals (SDGs) that Hydro aims to achieve by 2026.




The following e Action Plan was approved by the Board of Directors along with the Sustainability Report on May 29th, 2023:



EGS Action Plan			
SDG	Objectives	Timeline	Implementation status
GOVERNANCE			
  	Creation of an internal sustainability committee that will include the following functions: CEO, CCO, Supply Chain Manager, HR/Health and Safety Manager, CFO	2023	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Identification of an ESG manager	2023	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Definition and introduction of Management Objectives (MBOs) at the Group level.	2024	<div style="width: 25%; height: 10px; background-color: yellow;"></div>
	Definition of MBOs linked to the achievement of ESG goals defined in the Group Action Plan	2024	<div style="width: 25%; height: 10px; background-color: yellow;"></div>
	Implementation of principles and practices of anti-corruption and business ethics in a policy also extended to the Group's foreign subsidiaries	2023	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Adoption of the Whistleblowing system	2023	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Implementation of an ESG self-assessment questionnaire for all major suppliers of the Group	2024	<div style="width: 100%; height: 10px; background-color: green;"></div>
	Development and implementation of a Code of Conduct and ESG screening and assessment system for all Group suppliers	2025	<div style="width: 10%; height: 10px; background-color: orange;"></div>
	Definition of an ESG audit plan for the Group's suppliers	2025	<div style="width: 25%; height: 10px; background-color: yellow;"></div>
Application to Ecovadis score. End result by the end of Q1 2024	2023	<div style="width: 25%; height: 10px; background-color: yellow;"></div>	
SOCIAL			
	Definition of a Group HR Manager	2023	<div style="width: 100%; height: 10px; background-color: green;"></div>

	Formalization of a Diversity and Inclusion Policy		1Q 2024	
	Induction/training courses for ESG Committee members.		2024	
	Adoption, implementation and certification of an ISO 45001 Health and Safety Management System.	Italy	Q1 2024	
		Abroad	2025	

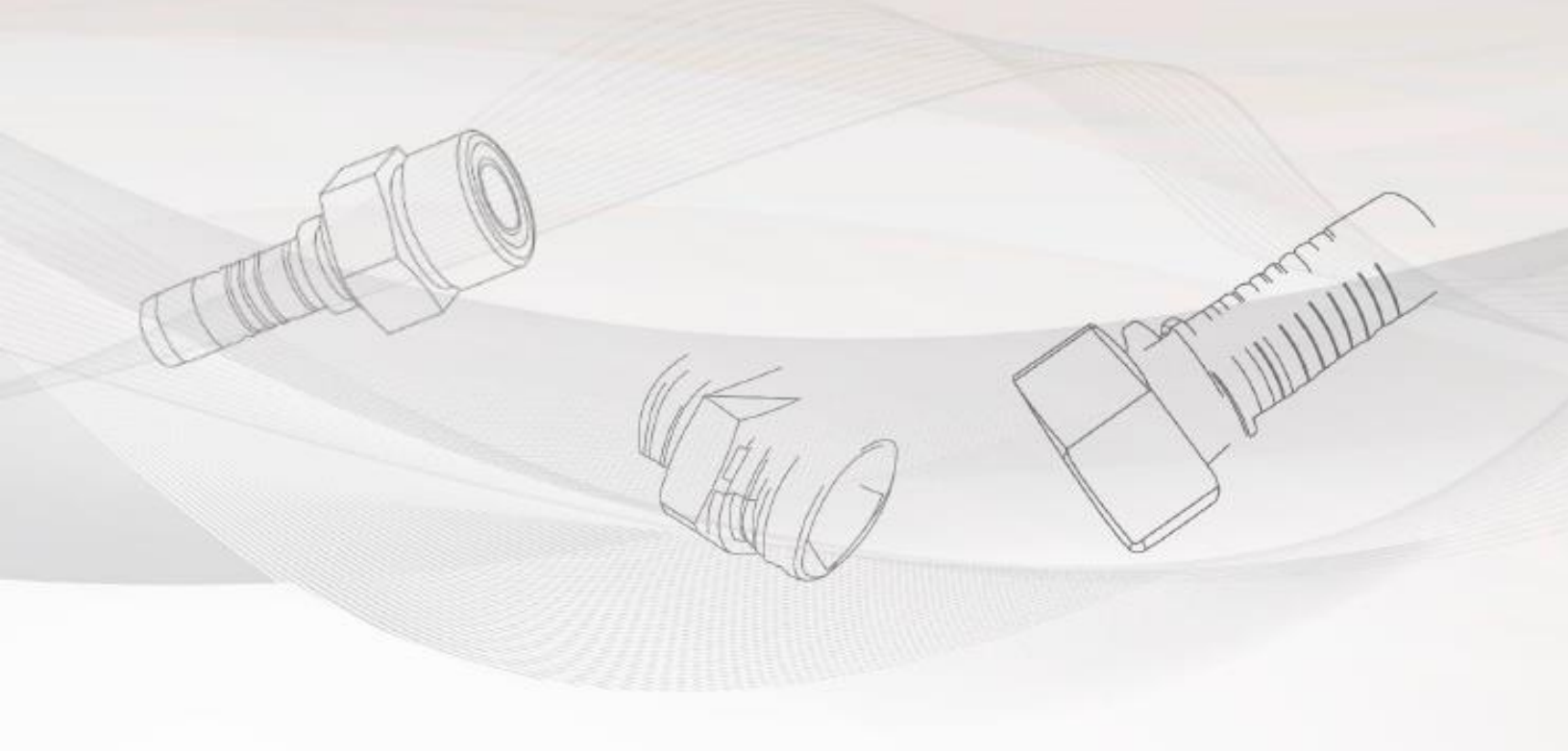
ENVIRONMENTAL

	Extension of the certification of the quality management system UNI EN ISO 9001:2015		2025	
	Adoption, implementation and certification of an environmental management system compliant with the requirements of UNI EN ISO 14001:2015 for Italian plants	Italy	Q1 2024	
Abroad		2025		
	Installation of a new photovoltaic system at the Ariano Irpino plant (Multispindle hub)		2025	
	Implementation of water purifiers/distributors in all Italian facilities to reduce plastic waste		2023	
	Introduction of an automatic filtration system for the reconditioning of spent emulsions on CNC lathes.		2024	
	Introduction of electric cars in the company fleet		2024	

To reaffirm its commitment to the objectives of the Sustainability Plan, in May 2023, the Group completed the implementation of an internal sustainability committee with direct proxies and appointed an ESG (Environmental, Social, and Governance) manager.

Further objectives include achieving the UNI ISO 14001:2015 and UNI ISO 45001:2018 certifications for all Italian facilities, confirming the commitment to promote increasingly efficient correct and transparent management of environmental and health and safety issues. It should be noted that in the first months of 2024, the Group obtained Certifications for all its Italian plants.

Within the reported Action Plan, a path has been defined to guide the Group in monitoring and evaluating sustainability measures and performance across its entire value chain in the coming years.



GOVERNANCE AND ECONOMIC RESPONSIBILITY

HIGHLIGHTS



70.3 mln €

Generated Value

62.7 mln €

Distributed Value



ISO 14001:2015

100% Italia plants certified

Economic and governance responsibility

Internal governance

The Parent Company adopts a governance model in line with the current legislative and regulatory requirements. The corporate governance system adopted is aimed at:

- Maximization of Group Value;
- Management and control of business risks;
Protection of the interests of minority shareholders.

It is Hydro Holding S.p.A.'s established practice to encourage broad shareholder participation in assemblies and to have as many directors as possible present to ensure their orderly conduct. As of December 31, 2023, the Group's Board of Directors (hereinafter "Board" or "BoD") consists of 9 members. Specifically, it comprises 8 men (89%) and 1 woman (11%), with 44% aged between 30-50 years and 56% above 50 years. Giovanni Pozzi chairs the Board with Mario Cerase serving as Chief Executive Officer. The latter is appointed, as per the by laws, during the shareholders' meeting.

The Board of Directors is responsible for strategic programs and the organizational and structural framework of Hydro Holding S.p.A. It also oversees the existence and effectiveness of internal control systems, periodically monitoring their adequacy and proper functioning. The Board is delegated to review and approve the sustainability information in this document. Additionally, the ESG Committee informs the governing body about ongoing sustainability activities and shares these activities with internal stakeholders at all locations.

Furthermore, the Board of Directors ensures that major corporate risks are promptly identified and adequately managed. Directors identify these risks and submit them for Board review, implementing directives through the design, management, and monitoring of the internal control system. The Board of Directors will undergo renewal in 2024. Additionally, reference is made to the 2023 Financial Statements of the Company for managing conflicts of interest with related parties and how these are communicated to stakeholders.



Board of Directors

- Giovanni Pozzi - Chairman
- Giovanni Vaghi – Vice-Chairman
- Mario Cerase – CEO
- Marco Cerrina Feroni - Board member
- Agostino Arcasensa - Board member
- Carlo Viola - Board member
- Sonia Cerase - Board member
- Alessio Masiero – Board member
- Enrico Ricotta - Board member



Board of Statutory Auditors

- Maurizio Salom – Chairman
- Lorenzo Rutigliano – Statutory Auditor
- Domenico Muratori - Statutory Auditor



Management

- Giovanni Pozzi – Chairman
- Giovanni Vaghi – Vice- Chairman
- Mario Cerase – CEO
- Sonia Cerase – Sales Director

The Statutory Auditors, who operate independently and autonomously even towards the shareholders who appointed them, are required to maintain confidentiality of documents and information acquired in the course of their activities. They must also adhere to the company's procedures for external communication of corporate information, as well as comply with all relevant regulations. The body consists of 3 male auditors, all aged over 50 years.

It is further noted that in the early months of 2021, following the establishment of the Organizational Model pursuant to Legislative Decree 231/2001 at Hydro Holding S.p.A., the Board of Directors appointed the Supervisory Body. This body includes Chiara Abbatecola (attorney), Dr. Antonio Fioriello (chartered accountant), and Dr. Claudio Simonazzi as internal member.

Economic performance and indirect economic impacts

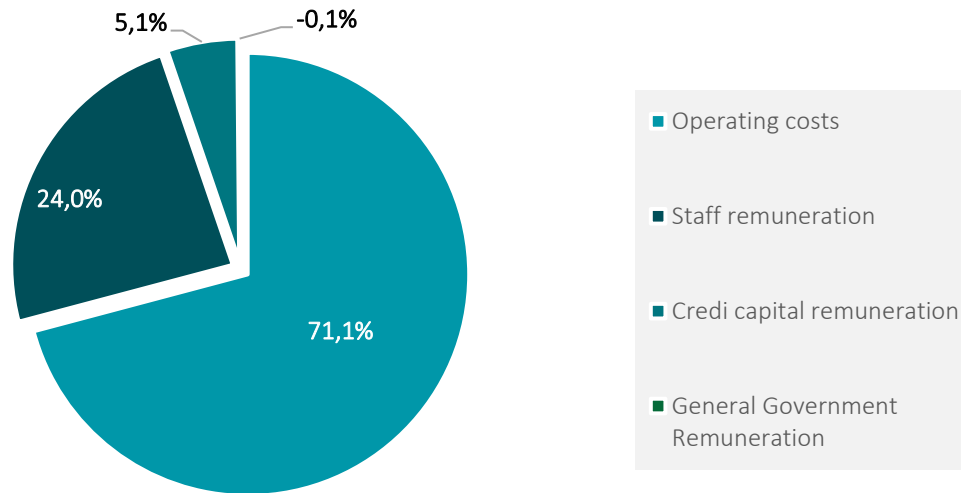
The Group pays great attention to the competitive environment in which it is called upon to operate through the monitoring and analysis of data relating to the performance of the reference market. These analyses are based on reports made available by the trade associations (FederTech, Confindustria), which take into account the performance of the main competitors (in particular Italian).

For listed companies (including foreign players) the analysis is based on information in the Investor Relations section of the individual companies' websites (such as quarterly reports, presentations to stock exchange analysts, transcripts of conference calls). For non-listed companies the analysis is mainly based on the balance sheets available in the Chamber of Commerce. The analysis of the competitive environment represents for the Hydro Holding Group the basis for the formulation of its annual budgets and for the definition of the medium/long-term business strategy.

The Group produces through its activities a significant indirect impact on the territory and the local community. In particular, the Hydro Holding Group strongly believes in its contribution to local employment, being more than 80% of all employees of Hydro Holding S.p.A. employed by the local community, that is, in the municipalities adjacent to the production sites.

The table below presents the economic value data generated and distributed in 2023 compared to the previous year. The 2022 figures were pro-formed following the exit from the Group perimeter of Evofluid Hydraulics East Europe S.r.l. During 2023, the Group generated an economic value of around 70.3 million euros. The reduction compared to the previous year is mainly due to the general slowdown in demand (destocking) observed in particular during the second half of the year. In terms of distributed value, a total of approximately 62.7 million euro was recorded during 2023. Operating costs are the category with the highest distributed economic value, which is equivalent to 75% of the total. The second category of importance is the remuneration of workers, which is equivalent to 20% of the economic value distributed, followed by the remuneration of credit capital (5%). In 2023, donations for approximately Euro 3 thousand were made and no dividends were distributed to members.

Economic value distributed in 2023 from Hydro Holding Group



ECONOMIC VALUE DIRECTLY GENERATED (€/000)

	2022	2023
Total revenues	77.767	66.490
Change in Semi-Finished/Finished Inventory	7.493	4.289
Revaluation/depreciation of holdings		
<i>Income/(Expense) Extraordinary</i>	-980	-485
(A) Total Directly generated economic value	84.280	70.294
	2022	2023
Operating expenses	53.244	44.838
Staff remuneration	14.700	14.755
Capital credit remuneration	1.723	3.161
Shareholders remuneration (dividends)		
General Government remuneration (taxes)	2.531	-84
Donations		3
(B) Total Economic value distributed	72.198	62.674
(A-B) RETAINED ECONOMIC VALUE	12.082	7.623

Ethics, integrity and anti-corruption

Hydro Holding S.p.A., recognizing the importance of ensuring fairness and transparency in conducting its business and pursuing its social objectives to safeguard its interests and those of its stakeholders, completed a review process in 2020 to identify areas of risk associated with the company's activities as required by Legislative Decree No. 231/01. The Board of Directors of Hydro Holding S.p.A. approved the Organizational, Management, and Control Model pursuant to Legislative Decree No. 231/01 on March 11, 2021, along with its related ancillary documents. At that meeting, the Board of Directors approved the following documents:

1. Code of Ethics;
2. Organization Model, Management and Control (from now on called "Model"). This document is made up of:
 - General part;
 - n. 10 special parts.

The Special Parts have been prepared for certain categories of offences provided for by the Decree where potential risk-crime profiles have been identified applicable to Hydro Holding S.p.A., following the identification of "sensitive" corporate processes.

Currently, the special parts are:

- Special part n. 1: "Crimes committed in relations with the Public Administration";
- Special part n. 2: "Cybercrimes";
- Special part n. 3: "Crimes against industry and trade";
- Special part n. 4: "Corporate crimes";
- Special part n. 5: "Corruption among privates;"
- Special part n. 6: "Manslaughter and negligent personal injury committed in violation of safety and health at work";
- Special part n. 7: "Infringements of copyright";
- Special part n. 8 "Environmental crimes";
- Special part n. 9 "Tax crimes"
- Special part n. 10 "Smuggle".

They are also an integral part of the Model:

- the list of alleged offences (Annex to the Model);
- the disciplinary system (Paragraph 13 of the Model - General Part).

The decision to adopt the Organizational, Management, and Control Model (hereinafter referred to as the "Model") was made with the belief that its provisions, along with the principles and behavioral rules outlined in the Code of Ethics, organizational procedures, and operational instructions, would guide the Company's operations - and those of all entities it engages with - towards legality, fairness, and transparency. It is noted that in 2023, there were no cases of non-compliance with laws and regulations.

In the course of 2023, the Company initiated the update of the Organizational, Management, and Control Model (both its general and special parts) to ensure its ongoing adequacy in response to specific regulatory innovations.

Hydro Holding S.p.A. is equipped, in accordance with the Organizational, Management, and Control Model pursuant to Legislative Decree No. 231/2001, with a reporting system for any critical issues and non-compliance (whistleblowing system). The reporting system is active for Group employees, and all locations

are required to implement controls within their areas of activity and responsibility, reporting any observed violations internally to the Supervisory Body through the following channels:

- by ordinary mail, through a letter containing the report and delivered to the Chairman of the ODV;
- by e-mail, addressed to the e-mail address reserved for the Supervisory Body: odv@hydro-holding.com.
- through the dedicated Whistlelink reporting channel accessible from the Hydro Holding website and directly from the browser by entering the following address: <https://hydroholding.whistlelink.com/>.

The reporting system used shall ensure, including through the use of encryption, the confidentiality of the identity of the reporting person, the person involved and the person otherwise mentioned in the alert, as well as the content of the report and the related documentation in accordance with the provisions of current legislation on whistleblowing. There were no reports submitted in the reporting year 2023.

Hydro Holding S.p.A.'s corporate governance system, comprising structures and management and control rules necessary for the Company's operation, has been developed in compliance with applicable regulations. The Company adheres to a traditional management system that divides responsibilities among the Shareholders' Assembly, the Board of Directors, and the Board of Statutory Auditors.

These corporate bodies operate within the limits of their respective competencies as defined by law, statutory regulations, and the Code of Ethics.

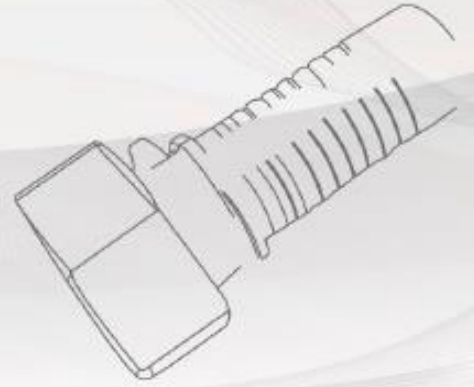
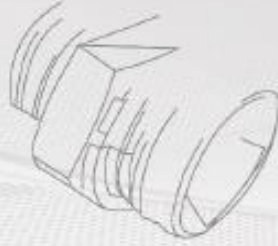
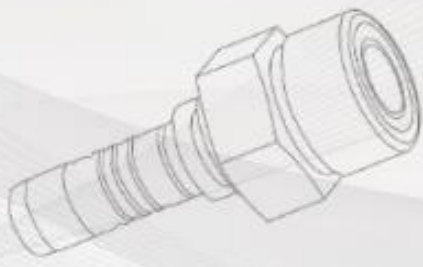
In order to demonstrate its commitment to preventing illegitimate or improper behaviors (including corrupt practices without exception) in pursuit of economic goals, the Company embarked on a compliance journey with the provisions of Law No. 190/2012. This culminated in December 2023 with the adoption of an anti-corruption system extended to all foreign subsidiaries. It is noted that there were no cases of corruption or anti-competitive behavior in 2023.

In 2020, the Group completed an internal process analysis aimed at implementing a new Group information system (SAP). Since January 1, 2021, all Italian sites of the Group share the same internal control environment with measures aimed at ensuring compliance with the main regulatory standards. These measures specifically include:

- Group procedures;
- Hydro Holding Group Delegation and Procurement System;
- Segregation of Duties Approach defined by the internal procedures system;
- Group Information systems.

As of January 1, 2022, all Group companies share the same ERP (SAP).

In 2022, the Group initiated the implementation project for the Salesforce CRM solution, which provides a 360-degree view of the customer base through relevant and up-to-date information and integration with the SAP ERP interface. Salesforce, adopted by Hydro's sales team starting from Q1 2023, offers a suite of data useful for analyzing current and prospective business trends through Reports and Dashboards. It enhances the effectiveness and efficiency of the Sales function by enabling real-time collaboration mechanisms.



PRODUCT RESPONSIBILITY



MATERIAL HANDLING

OIL & GAS



AGRICULTURE

MARINE



CONSTRUCTION & MINING

CHEMICAL



Product responsibility

Product Quality and Safety

In line with the company's mission and values and with the aim of offering the highest level of product quality and safety, the Group has drawn up the Policy for Quality and Safety. The main principles of the Policy are:



Trust

The Group builds customer loyalty by meeting their expectations on product safety and quality, ensuring full compliance with regulations.



Quality and safety

The Group commits to being a benchmark for quality and safety, implementing best practices and consistently using innovative tools to manage known risks and prevent potential ones.

For the Policy to be pervasive within the Group, a Quality Management System has been implemented and applied across all facilities. The Quality System serves as a tool for daily work management, aiming to achieve customer satisfaction.

In December 2021, Hydro Holding S.p.A. voluntarily underwent a series of audits, following which the company obtained ISO 9001:2015 certification for all its Italian facilities. These facilities have adopted a Quality Manual that includes the following common points:



The Group's primary goal is to offer excellent products, starting with a selection of certified and carefully controlled raw materials, processed using advanced, reliable, and precise technologies.

The strength of the Group's manufacturing plants lies in the high synergy among their activities, which are highly complementary in the context of hose assemblies and hose fittings production. This synergy allows for broad market coverage, with all production processes, quality control, and testing conducted internally, consistently ensuring high product quality.



Reliability is the cornerstone of every single project, before, during, and after its progression, thanks to innovative methods capable of verifying the quality and strength of each product. These include 3D laser scanners for external profile checks of fittings, internal inspections of hose assemblies and fittings using flexible cameras, and quality testing.

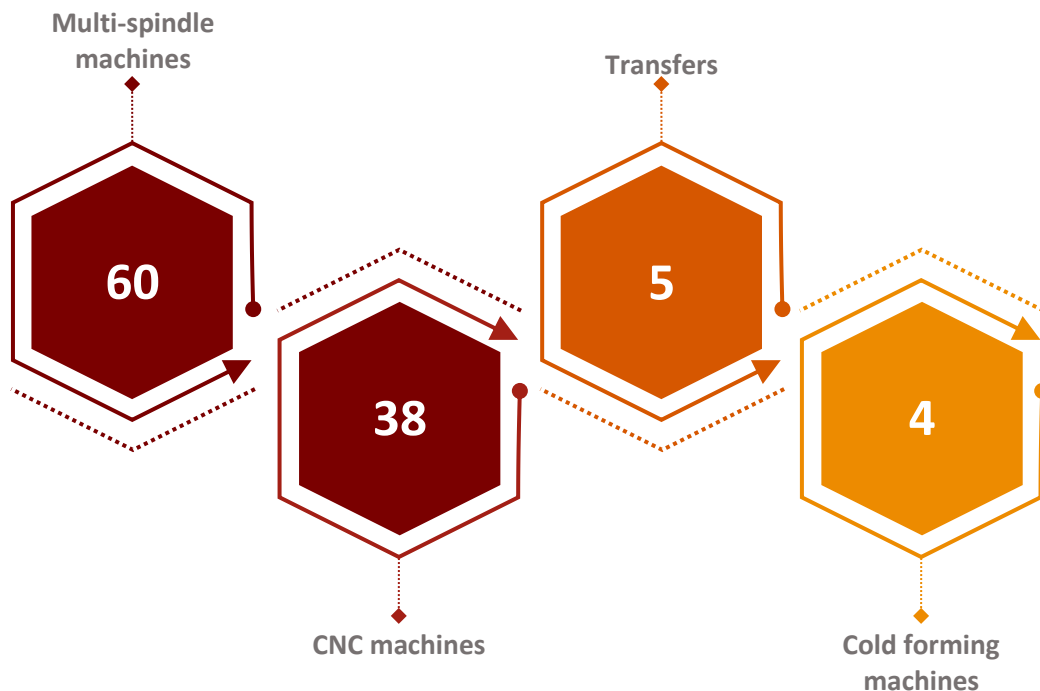


It should be noted, as further evidence of the Group's constant commitment, that in 2023, in line with the previous year, there were no cases of non-compliance regarding the health and safety impacts of the products and services offered.

Innovation and R&D

The plants are distinguished by the high level of technology and automation applied to the production lines. The Group aims to adopt the most modern technologies to optimize the production process, making the best use of resources in order to offer more efficient and innovative products. A strong point of the Group is its focus on innovation, research, and development to promote innovative, high-performing solutions in an increasingly competitive and changing global market.

The production of hydraulic fittings is carried out using a variety of manufacturing technologies, including over a hundred lines of equipment such as CNC machines, multi-spindle machines, transfer machines, and cold forming machines.



The Group's production plants use state-of-the-art technology for the automated assembly of semi-finished products and for the bending of fittings. The working tools are stored in automatic warehouses to optimize set-up times. Before the heat treatment phase, each semi-finished product is cleaned by hydrokinetic washing to remove processing residues.

The connected pipes are produced using a high precision automatic pipe cutter, assembled by means of a low, medium and very high-pressure flexible pipe press machine, subjected to constant verification through appropriate buffer and finally cleaned internally. The design of the rigid pipes is carried out by means of a bending simulation software. A numerical control machine carries out the shaping of the rigid pipes to drawing, which are subsequently deformed at the ends and assembled in combined kits.



High stocks of hose are stored in dedicated stores with a consumption of more than 1,500,000 meters per year (data relative to 2023). The broad portfolio of products in stock is over 16,000 items and allows a total traceability of the product in order to trace the origin of the materials and the processes applied. The storage in automatic vertical warehouses allows a quick and effective collection of products. It is noted that in 2023 there were no cases of non-compliance regarding the labelling of products and services, in line with the previous year.

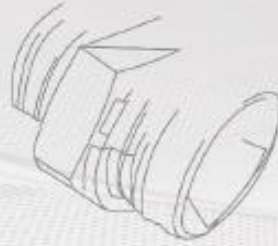
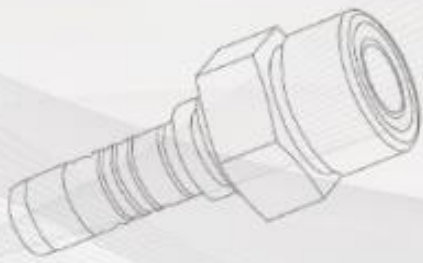
Customer Orientation and Satisfaction

The Hydro Holding Group is careful to satisfy the many requests that come from customers and in general, to pursue and, where possible, anticipate the needs of the market. Aware about the importance of knowing in depth the needs of its customers, the Group is constantly committed to personalizing its products and services.

In order to better respond to needs and understand and acquire information on their consumption habits and interests, the Group adopts programs for managing customer relations, which have as their main tools the instant meetings, especially on issues with a need for solution in a very short time and on-site meetings with customers around the world.

Quality is built day by day, with dialogue, participation and involvement of all operators. The Hydro Holding Group is able to provide customized solutions, supporting the customer right from the design stage, providing simple and reliable systems with a view to maximizing the performance of the system realized together with cost optimization. The support can take place at the customer or within the R&D areas, specially created to accommodate machines or parts of them in total confidentiality. Please note that in 2023 there were no complaints regarding the violation of privacy and data loss.

Taking advantage of the experience and know-how gained over the years, the Group creates a range of products aimed at meeting the needs of customers: simplification of the range, ease of assembly, high technical performance.



SOCIAL RESPONSIBILITY

HIGHLIGHTS



100%

National Collective Bargaining Agreement collective contract



ZERO

Serious injuries in 2023



100%

Integrative contracts



+65%

Training hours per head for women



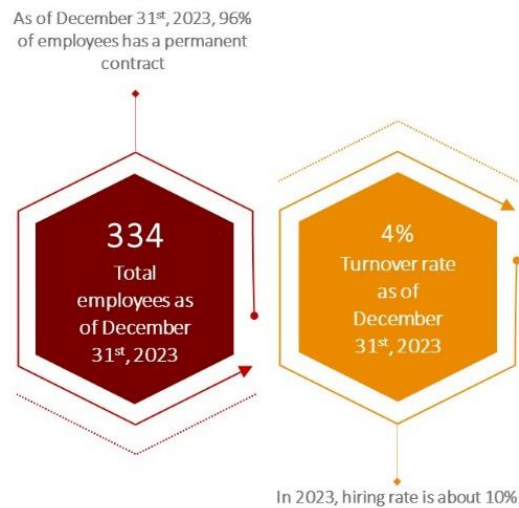
Responsibility towards the employees

Diversity and inclusive work environment

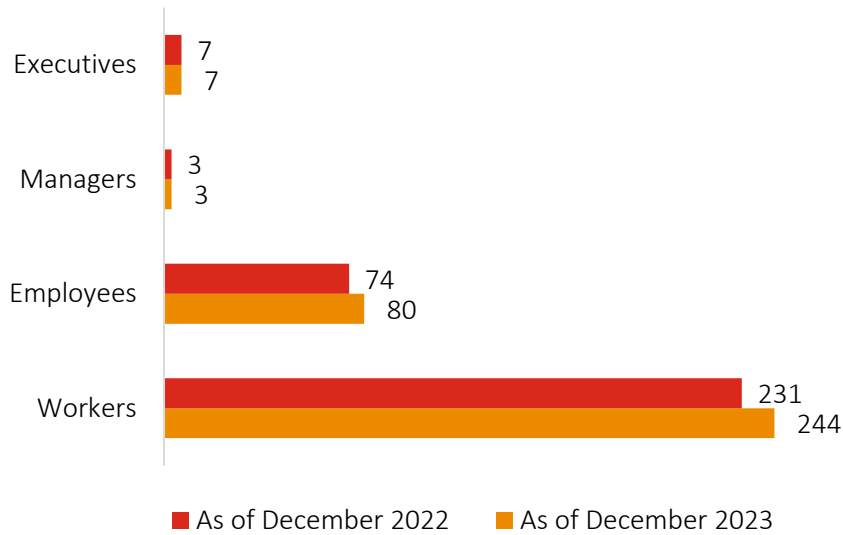
The Group pays great attention to the safe and welcoming work environment, promoting activities that can foster the personal and professional growth of each individual and engaging in the creation of best practices aimed at improving commitment, belonging, social cohesion and shared learning.

Hydro Holding implements every possible action aimed at improving the "business climate" and the professional and personal satisfaction of its employees. The well-being of human resources is also achieved through constant attention to the environment and the organization of work, mutual solidarity and every initiative capable of creating cohesion and corporate identity.

At the 31st December 2023, the total number of employees in the Group was 334 (of which 119 were women and 215 men), plus 18 external collaborators (of whom 17 were administered and 1 intern). 96% of employees are employed under a permanent contract, in continuity with the previous year. In addition, about 79% of the employees are located in Italian plants, while the remaining 21% are divided between the United Kingdom (2%), the Czech Republic (17%) and Germany (2%).



Total number of employees classified by category



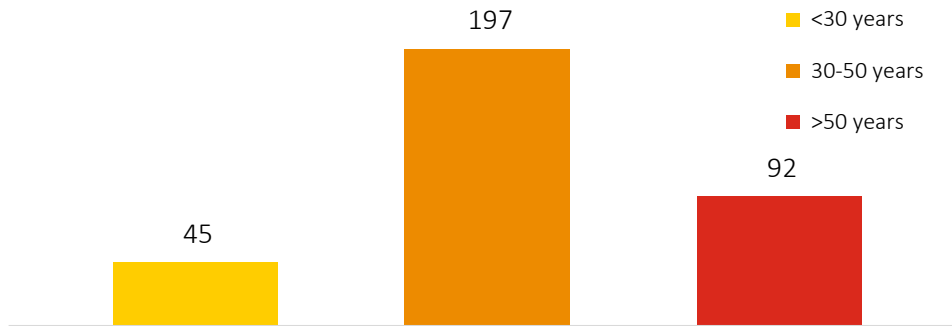
The fundamental principles of the Hydro Holding Group are the enhancement of diversity and the inclusion of its people, which are divided into one of the highest percentages of female employment in the sector: Women accounted for 36% of the Group's total staff as at 31 December 2023. No discrimination episodes occurred during the reporting year.

As regards the breakdown of staff by age group, most employees fall into the 30-50 age group (59% with 199 employees); 28% of staff are over 50 (82 employees) while 13% fall into the under 30 age group (45 employees). Of the latter, the youngest employee employed by Hydro Holding S.p.A., stands at the age of 21. At the hiring stage, the company requests the applicant's documents in order to make sure of age and combat child labor

In the field of talent development, it should be noted that also in 2023 Hydro Holding S.p.A. joined Erasmus+, the European Union program that allows students to gain valuable work experience by encouraging internships abroad. In this context, Hydro Holding offers work placement programs (ranging from 5 to 7 weeks) to students of vocational training institutions and apprentices.

In addition, Hydro Holding S.p.A. has set up training courses for people who have a particular vulnerability and fragility, also in terms of distance from the labor market, and who are in charge of social and/or health services.

Employee distribution by age range as of 31 December 2023



Hydro Holding S.p.A. has established a constructive relationship and mutual respect with the union representatives in order to promote a balance between the Group’s needs and those relating to employees through a constant dialogue and collaboration approach. Regarding the Italian employees, 100% are covered by the National Collective Labour Agreement for workers employed in the engineering industry. The minimum notice period for operational changes shall be indicated within the CCNL.

With regards to remuneration, Hydro holding S.p.A. defines, through the Board of Directors, the objectives for the supplementary contract for employees. The ratio between the compensation of the highest paid person within the organization and the compensation of all employees, excluding the aforementioned person, in 2023 is equal to 7.2, a decrease of 5% compared to 2022 where it settled at 7.6. The ratio between the percentage increase in the total annual earnings of the highest paid individual and the median percentage increase in the total annual earnings of all employees, excluding the highest paid individual, is 5.8%.



It should be noted that during 2023 the first supplementary agreement was signed with the trade unions at Hydro Holding. The agreement includes a performance bonus along with a package of hours allocated annually for medical check-ups for workers and their immediate family members. Additionally, regular meetings between the company and the unions are scheduled to share

information regarding the company's performance and the indicators used to determine the performance bonus. These indicators are linked to the company's economic and productive performances as well as its activities related to accident prevention and workplace safety.

Wellbeing

Hydro Holding Group has always been attentive to its employees, recognizing that a proper balance between work and private life ensures high performance and productivity. Furthermore, there are no variations in benefits between full-time employees and part-time or fixed-term contract employees.

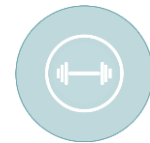


Since 2019, Hydro Holding S.p.A. has activated agreements with gyms and medical centers for its employees and their families and the Group HR is constantly engaged in developing new initiatives for its workers.

In line with previous years, Hydro Holding S.p.A. has maintained, at the Castello d'Argile plant, the laundry service available to all employees of the plant.



MCS Hydraulics has left its employees with its indoor gym, accessible for everyone.



At the Plant of Ariano Irpino all workers have access to the indoor gym, football and tennis courts, billiards and table tennis tables.

Employee Health and Safety

The health and safety of workers are central themes in the management of the Group, which considers ensuring a safe working environment of primary importance. The Group's commitment is also reflected in the dissemination of training sessions and practical exercises, particularly regarding emergency management, aimed at developing greater awareness among employees regarding the management and minimization of risks associated with work activities.

Consistent with this approach, Hydro Holding S.p.A. has had an internal HSE service structured for health, safety, and environmental management in all Group facilities for the past three years. Furthermore, starting from 2019, all Italian production facilities have implemented a Management System for Workers' Health and Safety (hereinafter "SGSL"), drafted in accordance with INAIL Guidelines.

Within the framework of the Workers' Health and Safety Management System, designated "safety figures" have been identified in each Italian facility. Employees entrusted with this responsibility support the employer and the RSSP in identifying risks to workers' health and safety, suggesting and reporting necessary measures to improve the system. Each Supervisor, after receiving adequate training, is responsible for identifying any hazardous situations for workers' health and safety within their department. Through the SGSL procedure, they must immediately report their presence to the RSPP and subsequently rectify the situation as per received instructions.

In line with 2022, no serious injuries has happened



In 2019, the Group adopted a Health and Safety Management System for all employees

The SGSL includes not only the definition of responsibilities but also describes procedures to be adopted for managing and reducing risks related to tasks and departments. Additionally, a specific emergency management plan is provided, which is widely known and understood by all employees. The SGSL also encompasses a specific procedure for managing accidents, involving safety managers to analyze the incident and define corrective actions aimed at mitigating the risk of recurrence. All employees must undergo specific training courses to ensure maximum knowledge of the risks and hazards they are exposed to, as well as correct behaviors aimed at minimizing impacts on health and safety.

The RSSP, in synergy with the Prevention and Protection Service Officer, monitors and analyzes the actions taken and the results achieved to formalize a report, ultimately presented to senior figures within the Group. Any changes to the SGSL procedures are the subject of interest of the HSE manager, who is required to report them to the Group CEO.

In addition to managing and preventing potential incidents, the Group is committed to ensuring a healthy, hygienic, and ergonomically optimized work environment to mitigate conditions that may cause strain injuries to employees. Periodically, employees undergo health checks to assess fitness for work and prevent potential occupational diseases. Detailed changes are highlighted through health reports. All employees are equipped with protective devices such as safety shoes and gloves to ensure proper protection. Furthermore, ear defenders are provided to all employees exposed to high noise levels, along with other protections in case of handling chemical substances.

In 2023, no injuries involving employees were recorded at Group locations, marking a total decrease compared to 2022 (8 non-serious injuries). The absence of injuries contributed to a reduction of the injury rate to zero compared to 15.06 in 2022. Below are the injury data for Group employees.

Number of accidents and deaths at work of employees

.Number of injuries	2022	2023
Total number of deaths due to accidents at work	0	0
Total number of serious accidents at work (excluding deaths)	0	0
Total number of registered injuries at work	8	0

Death rate and accident rates of employees

Rates	2022	2023
Rates of accidents at work	0	0
Rate of serious accidents at work (excluding deaths)	0	0
Hours Worked	531.294	510.767
Adjustable rate of accidents at work ¹	15,06	0

During 2023, the Group carried out a timely monitoring of health and safety data. It should be noted that a serious accident occurred during the reporting year for outside workers. Although the number of

¹ The accident rate was calculated as the ratio of the total number of accidents to the total hours worked, using a multiplication factor of 1,000,000.

accidents recorded on external workers during 2023 is unchanged compared to 2022, due to the decrease in hours worked by -27% the relative accident rate is 21.7, an increase compared to 15.7 in 2022. In order to increase the level of safety and further mitigate the health and safety risks, all the machinery of the Italian plants received software and hardware upgrades during 2023.

Death rate and accident rates of freelancers		
Rates	2022	2023
Rate of accidents at work	0	0
Rate of serious accidents at work (excluding deaths)	0	0
Hours Worked	65.587	46.162
Adjustable rate of accidents at work ²	15,7	21,7

During 2023 the Company started the process for the adoption, implementation and certification of an ISO 45001 Health and Safety Management System. In the first months of 2024, the Group obtained certifications for all its Italian plants.

Training and development of employees

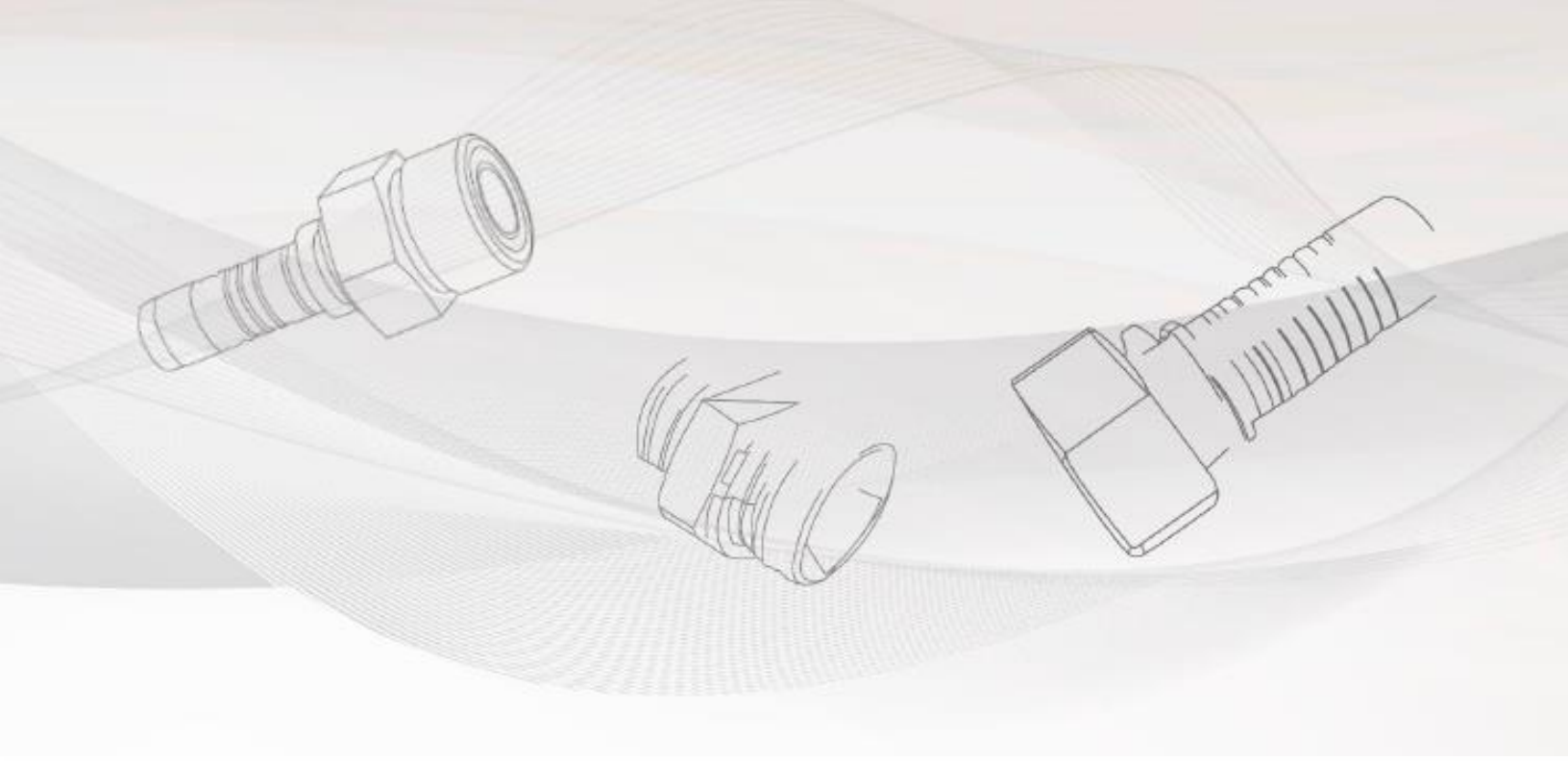
The Group believes in the training and development of its employees, recognizing that the success of its products in the market is closely linked to the continuous updating of workers' skills. In 2023, per capita training hours, primarily focused on health and safety topics, were higher for women and lower for men. Compared to 2022, there has been a 39% increase in total training hours, rising from 1,396 hours to 1,938 hours in 2023. Following the same trend, the per capita training hours have also increased, from an average of 4.36 hours to an average of 6 hours, with female employees in both the clerical and manual labor categories receiving the majority of per capita training hours.

Comparison of average annual training hours per capita 2022 vs 2023 by gender and grading						
Professional Category	2022			2023		
	Men	Women	Total	Men	Women	Total
Executives	10,8	0	7,71	0,80	1	0,83
Middle Management	1	0	1	2	0	2
White Collars	4,9	7,60	6,16	6,45	8,45	7,37
Blue Collars	3,6	4,08	3,74	4,23	8,49	5,65
Total	4	5,10	4,36	4,63	8,41	6

The safety of the Group's employees is considered not only as compliance, but also as an integral part of the continuous training process. In this regard, training meetings are held every two weeks in the field of health and safety in all the Group's plants, under the supervision of the Group's RSPP, the plant's ASPP and the Supervisors. Every six months the meetings are held in the presence of the Employer, RSPP, Competent Doctor and RSL of establishment. Employees are also trained in the handling and management of chemicals

² The accident rate was calculated as the ratio of the total number of accidents to the total hours worked, using a multiplication factor of 1,000,000.

in the departments through the use and consultation of product safety data sheets, which are regularly displayed and can be consulted at any time. In addition, every week there is a visit to all the departments by the RSPP and the ASPP plant to meet the supervisors and, if requested, the workers.



ENVIRONMENTAL RESPONSIBILITY

HIGHLIGHTS



- 25%

Total waste generated



-1,8% tCO₂

Scope 1 GHG emissions

-7,2% tCO₂

Scope 2 Market Based GHG emissions

-6,4% tCO₂

Scope 2 Location Based GHG emissions



Environmental Responsibility

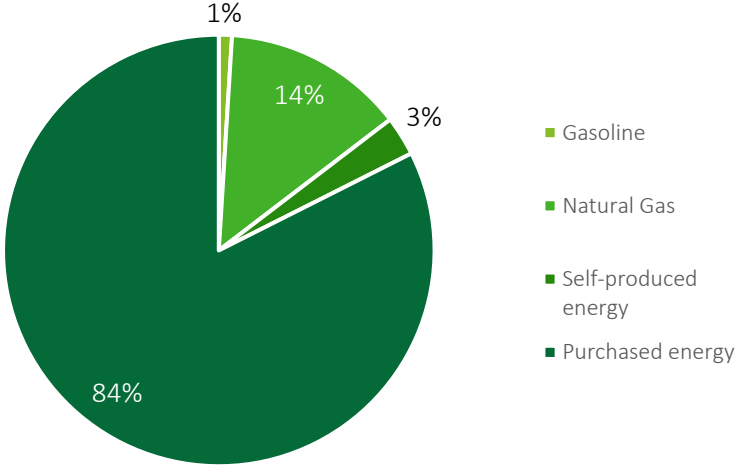
Management of energetic consumption and emissions

The Group pays particular attention to the impact of its business activities on the environment, carefully and responsibly managing its energy and emission consumption, working with the aim of minimizing the impact of its activities on the environment, in view of the continuous improvement of its environmental performance.

In 2023 the Group consumed a total of 23,347 GJ of energy. The total consumption decreased by 6% compared to the previous year in which consumption was 24,741 GJ.

The Group’s energy consumption is mainly associated with the purchase of electricity from the grid, which is equivalent to 84% of total consumption (2023). The remaining share comes respectively from the consumption of natural gas (14%), self-produced electricity (3%) and diesel (less than 1%).

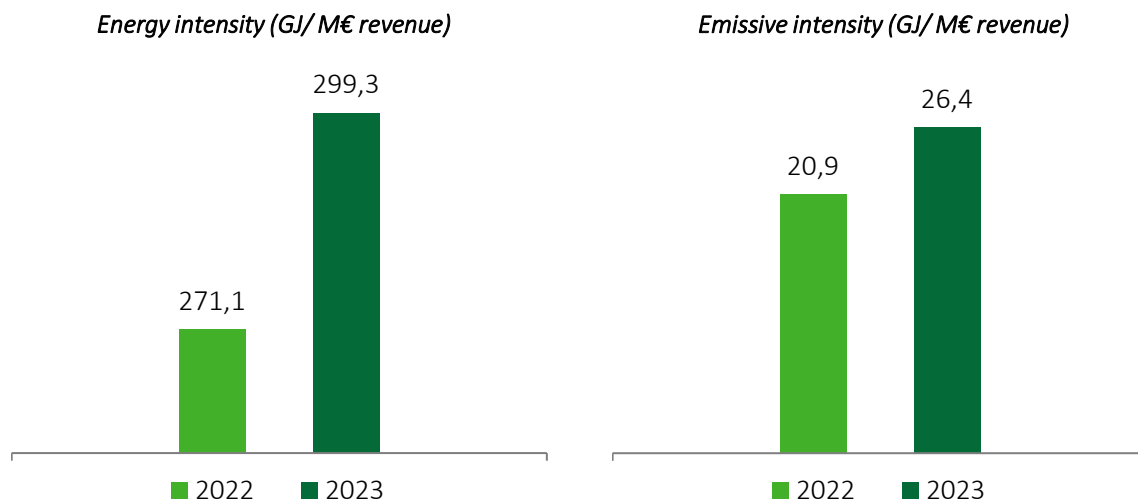
Percentage of the Group’s energy consumption by type of consumption (2023)



In 2023 the percentage of energy consumed from renewable sources was 2%, a marginal increase compared to the previous reporting year, which totaled at 1.9%.

Over the years, the Group has demonstrated its commitment to the energy transition through numerous initiatives. The Ariano Irpino site is equipped with a photovoltaic system perfectly integrated on the wave-shaped roof of the plant. The system produces enough energy to meet most of the energy needs of the entire production process. This photovoltaic project, strongly endorsed by the company, tangibly demonstrates Hydro Holding’s commitment to environmental protection and sustainable development through the production of clean and safe energy. Additionally, in 2020, a current stabilizer was installed at the Ariano Irpino plant, which reduces the energy consumption of production machinery.

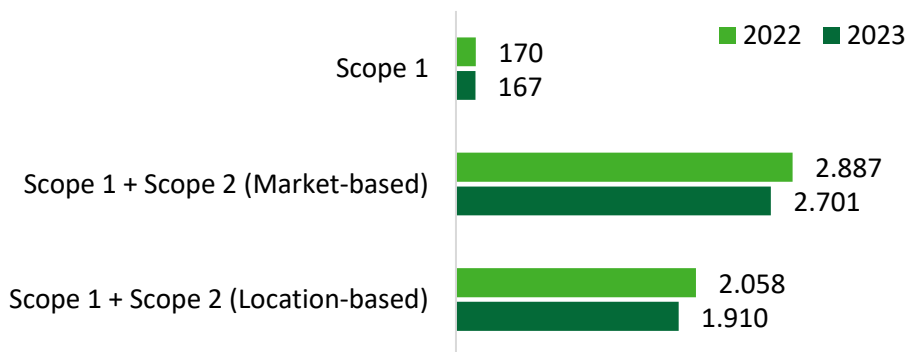
In line with its commitment to reducing emissions and environmental impacts, the Group has set itself the goal of installing an additional photovoltaic system at the Ariano Irpino site by 2025.



The reduction in energy consumption is directly associated with a decrease in CO₂ emissions into the atmosphere that in 2023 amounted to 1,910 tons. Energy and emission intensity (defined as the total energy consumption and emissions relative to the annual revenue), on a like-for-like basis, increased by 14% and 30% respectively between 2022 and 2023.

Regarding the direct emissions generated by the Group (Scope 1 emissions), in 2023 these amounted to approximately 167 tons of CO₂, resulting from the consumption of methane gas and a small proportion of diesel (1%), representing a 2% decrease compared to the previous reporting year. Scope 2 Location-based emissions, resulting from electricity purchased from the grid, amounted to 1,743 tons of CO₂, while Scope 2 Market-based emissions amounted to 2,534 tons of CO₂.

GHG Emissions of Scope 1 (tCO_{2eq}) e Scope 2 (tCO₂)



In 2023, Hydro Holding S.p.A. made a significant progress by calculating its Scope 3 emissions. The data scope pertains only to Italian plants and is limited to the categories of “employee commuting” and “waste generated in operations” in line with the requirements of the GHG Reporting Protocol.

For the calculation of the employee commuting, the home-work commute was considered, differentiated by the type of transport used by each employee. This data was gathered through that recorded a response rate of 84% by its employees. To obtain the most accurate measurement possible, Hydro used the distance-

based method and applied appropriate emission factors for the means of transport used (for example cars, motorcycles, buses).

Hydro Holding’s GHG emissions from employee commuting in 2023 amounted to 873 tons of CO₂, of which 56% relates to private diesel vehicles and 43% relates to private petrol vehicles, the remaining 1% is emitted by hybrid vehicles.

For the calculation of the waste generated in operations category, the GHG emissions were derived from the disposal of the waste produced. Hydro Holding S.p.A. used the method based on the product of the distance from the plant to the disposal site and the disposal method, converted through the relevant

GHG Scope 3 emission (tCO ₂ e ³)		
GHG Scope 3 emission	Unità di misura	2023
Employee commuting	tCO ₂ e	873
Waste generated in operations		27,4
Total		901,4

conversion factor. In this specific case, the emissions from waste disposal at Hydro Holding's Italian plants represent only the emissions generated from their transport, as all waste is recycled. Hydro Holding S.p.A.'s GHG emissions from waste generated in operations in 2023 amounted to 27.4 tons of CO₂eq. The total Scope

3 emissions for Hydro in 2023 amounted to 901 tCO₂eq.

Conscious management of waste and circular economy

Waste management has become increasingly important across all companies in the Group. Awareness of this issue has grown in recent years, leading to continuous improvements aimed at prioritizing responsible waste and resource management. The Group operates with environmental sensitivity and commitment, enhancing internal processes and developing new ecological production methods. It is dedicated to spreading standards that respect the environment and constantly improving performance to reduce the environmental impact of its production facilities. This includes investing in infrastructure for the management of waste oils and the storage of potentially polluting waste.

Specifically, hazardous chemicals such as washing solutions, emulsions, and floor cleaning solutions, which are contained in underground tanks or special containment cisterns, are disposed of through extraction by qualified suppliers registered with the appropriate registry. The appointed disposal provider extracts the chemical substance with a dedicated tanker

In 2023 total NON-hazardous waste generated was about 5.105 tons.



³ The factors used to calculate the employee commuting emissions are: for Diesel vehicles 0,1698 KgCO₂e (Source: DEFRA - UK Government - GHG Conversion Factors for Company Reporting); for Petrol vehicles 0,1639 KgCO₂e (Source: DEFRA - UK Government - GHG Conversion Factors for Company Reporting); for hybrid vehicles 0,1189 KgCO₂e (Source: DEFRA - UK Government - GHG Conversion Factors for Company Reporting). The factor used for the emissions of waste generated in operations is equal to 0,4856 KgCO₂e (Source: DEFRA - UK Government - GHG Conversion Factors for Company Reporting).

truck and sends the company a copy of the form certifying the completed disposal.

Waste generated ^{4,5}						
Type of waste (ton)	2022			2023		
	Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total
Steel	0	6.698	6.698	0	5.067	5.067
Paper/ cardboard	0	20	20	0	21	21
Rubber	0	0	0	0	8	8
Emulsion Oil	224	0	224	102	0	102
Rags	1	0	1	1	0	1
Wooden packaging	0	2	2	0	3	3
Packaging in mixed materials	0	6	6	0	2	2
Waste aqueous solutions	0	19	19	0	3	3
Other	0	1	1	0	1	1
Total	225	6.747	6.972	103	5.105	5.208

⁴ Previously published 2022 reporting re-exported following an improvement in the reporting process. For the previously published data please refer to the Sustainability Report 2022, published on <https://www.hydro-holding.com/sustainability/>

⁵ Please note that the data shown, are related to the Italian plants of Hydro Holding and the subsidiaries in the United Kingdom and Germany

Regarding waste reduction, the Hydro Holding Group is committed to reuse and recycling activities. Oils and packaging materials are used in multiple production cycles before being disposed of, and 100% of the waste from production activities is collected and recycled. Additionally, to further reduce its impact, the Italian plant in Ariano Irpino has installed a filtration system applied to all CNC lathes. This system allows for the recovery of used emulsions, reclaiming up to 80% of the initial volume.

Similarly, in 2023, 98% of the waste generated by the Group belongs to the category of non-hazardous waste. Notably, there was a significant reduction in waste in 2023 compared to the previous reporting year (approximately 25% less), primarily due to waste management that led to a reduction in accumulations and more regular disposal. When comparing the amount of waste produced in 2022 and 2023 relative to the annual revenue, there is a downward trend of about 13% (from 76.4 in 2022 to 66.8 in 2023).

Intensity of waste generated within the organisation (ton/M€)		
Intensity of waste generated	2022	2023
Total	ton/M€	ton/M€
	76,4	66,8

Regarding the reporting of the circular economy, Hydro Holding monitors the use of its materials. Please note that the company Hydro Holding does not carry out labeling actions, regularly carried out by its suppliers, as identified as a "downstream user". As such, it has dedicated an area outside its facilities to the storage of chemicals, which are handled and managed safely by employees.

During 2023 non-renewable materials decreased slightly from 139 tons in 2022 to 138 tons in 2023. The categories of materials used within the organization are mainly steel and chemicals.

Materials used by weight or volume (ton) ⁶					
Materials used	Unit of measurement	2022		2023	
		Non-Renewable	Renewable	Non -Renewable	Renewable
Steel	ton	0	7.400	0	6.900
Chemical Products		139	0	138	0
Total	ton	139	7.400	138	6.900

At the request of Hydro Holding S.p.A. the main suppliers of raw materials, chemical products and galvanizing service have issued declarations attesting the conformity of the materials supplied according to the REACH/ROHS directives.

Responsible management of water resources

Although water management is not considered a material theme for the Group's activities, Hydro Holding is continuously committed to preventing any kind of water waste. In all Italian plants, water drawn from the central aqueduct, already potable, is filtered and distributed through water fountains whose filters

⁶ Please note that the data for both 2022 and 2023 belong to Hydro Holding S.p.A.

are periodically checked and replaced (every 6 months). All employees have access to this water through metal bottles provided by the company, significantly reducing the purchase of plastic bottles.

The main use of water is for domestic use, with the exception of the Ariano Irpino plant (MSC), where in 2023, a machine with filtration towers was installed to separate the emulsion used in CNC machines. In this process, the water passing through a separator, is divided from the oil, and reused, thus preventing waste.

The aqueous waste produced by Hydro Holding relates to washing solutions, emulsions, or machine solutions, which are disposed by qualified and authorized professionals as with other types of waste. To avoid a greater impact on the environment, a quantitative criterion for disposal is adopted, waiting for the waste to reach a total storage of maximum 10 tons, as required by current legislation.

Responsible Supply Chain

Supply chain management

Hydro Holding Group maintains numerous commercial relationships with its suppliers. Each company of the Group manages supply process activities through its operational references. Starting from January 2021, aiming to centralize the supply chain, the suppliers of all companies are managed through the SAP system.

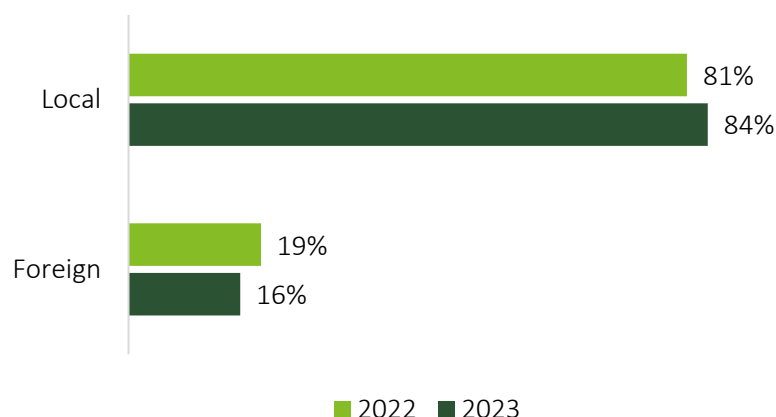
The Group's companies use a supplier selection system, which differentiates between occasional and provisional suppliers. Occasional suppliers are those engaged by the Group's companies only once a year. This type of supplier is subject to audits by the Group company. Provisional suppliers are audited during the first three batch deliveries: based on these initial three evaluations, the supplier is approved and assessed according to three satisfaction levels concerning the fulfillment of the contract. After six months from the start of the commercial relationship, the supplier undergoes a review by the purchasing and quality departments. If the review is negative, the company takes corrective actions by contacting the supplier. If the supplier can no longer meet the Group's evaluation criteria, a new supplier search will be initiated. Moreover, the Group places paramount importance on protecting and safeguarding human rights throughout the supply chain. To that end, no cases of human rights violations have emerged during the Group's visits to its suppliers. In line with its values and corporate culture, the Group will continue to work to ensure respect for workers throughout the value chain.

Recognizing the importance of implementing a due diligence process within its value chain, Hydro commits to defining and formalizing controls in the coming years to allow for the monitoring and selection of suppliers based on ESG criteria.

Additionally, in 2024, a Supplier Code of Conduct was developed and implemented. This code defines the rules of conduct and fundamental practical principles that the Group expects from its suppliers for responsible and sustainable business management in line with the values, principles, and standards that HYDRO applies to its business activities.

Regarding suppliers, the predominant portion of procurement expenditure is consistently directed towards local companies, with the percentage of spending on local suppliers in 2023 being 84%.

Percentage of expenditure on local suppliers ⁷



Perimeter of material issues

MATERIAL THEME	GRI STANDARD	IMPACT BOUNDARY	TYPE OF IMPACT
Human Rights	Non discrimination (GRI 406)	Group Hydro Holding	Caused by the Group
Employee Health and safety	Work health and safety (GRI 403)	Group Hydro Holding	Caused by the Group and directly connected by a business relationship
Energy consumption and transition to renewable energy	Energy (GRI 302)	Group Hydro Holding	Caused by the Group and directly connected by a business relationship
Quality, product safety and customer satisfaction	Health and safety of consumers (GRI 416) Marketing and labelling (GRI 417)	Group Hydro Holding	Caused by the Group
Corporate governance and anti-corruption	Compliance with laws and regulations (GRI 2-27) Anticorruption (GRI 205) Anti-competitive behaviour (GRI 206) Diversity of government bodies and employees (GRI 405-1 a)	Group Hydro Holding	Caused by the Group
Conscious waste management and circular economy	Waste (GRI 306)	Group Hydro Holding	Caused by the Group
Training, enhancement and employee satisfaction	Employees (GRI 2-7) Non employed workers (GRI 2-8) Occupation (GRI 401)	Group Hydro Holding	Caused by the Group

⁷ Data include only Hydro Holding S.p.A. The term "local" refers to purchases from the country where the Group's plants are located (Italy).

	Training and education (GRI 404) Diversity and equal opportunities (GRI 405) Non discrimination (GRI 406)		
Climate change and emissions	Emissions (GRI 305)	Group Hydro Holding	Caused by the Group and directly connected by a business relationship
Diversity, inclusion, corporate welfare and employee welfare	Occupation (GRI 401) Training and education (GRI 404) Diversity and equal opportunities (GRI 405) Non discrimination (GRI 406)	Group Hydro Holding	Caused by the Group
Cybersecurity & information security	Client Privacy (GRI 418)	Group Hydro Holding	Caused by the Group
Responsible procurement of raw materials and semi-finished products	Procurement practices (GRI 204)	Group Hydro Holding	Caused by the Group and directly connected by a business relationship
Innovation and R&D	-	Group Hydro Holding	Caused by the Group
Support for local communities	-	Group Hydro Holding	Caused by the Group
Sustainable economic growth	Economic Performance (GRI 201)	Group Hydro Holding	Caused by the Group

Performance indicators

Environmental⁸

GRI STANDARDS DISCLOSURE 302-1

Energy consumption within the organization (GJ)		
	2022	2023
Total energy consumption	24.741	23.347
Non renewable energy	24.273	22.878
Energy carriers	3.018	3.269
Natural Gas	2.993	3.244
Diesel	25	25
Electricity purchased from the grid	21.255	19.609
Renewable energy	468	469
Electricity purchased from renewable grid	0	0
Electricity self-produced by photovoltaic and self-perpetuated	468	469

GRI STANDARDS DISCLOSURE 302-3

Energy intensity within the organization (GJ/M€)		
	2022	2023
Energy intensity		
Total	GJ/M€	GJ/M€
	271,6	299,3

GRI STANDARDS DISCLOSURE 305-1 e 305-2

Direct and indirect GHG emissions caused by the organization's activities			
Direct and indirect emissions	Unit of measurement	2022	2023
Scope 1	[tCO _{2eq}]	170	167
Scope 2 - Location based	[tCO ₂]	1.888	1.743
Scope 2 - Market based	[tCO ₂]	2.717	2.534
Total Scope 1 and Scope 2 (Location-based)	[tCO_{2eq}]	2.058	1.910
Total Scope 1 and Scope 2 (Market-based)	[tCO_{2eq}]	2.887	2.701

⁸ The reporting perimeter for 2021 includes only the locations in Italy and the United Kingdom. Previously published 2021 reporting year data were re-exported following an improvement in the reporting process. For the previously published data please refer to the Sustainability Report 2021, published on <https://www.hydro-holding.com/sustainability/>

GRI STANDARDS DISCLOSURE 305-4

Greenhouse gas (GHG) intensity within the organisation (tCO ₂ eq/M€)		
Emissive intensity	2022	2023
	tCO ₂ eq /M€	tCO ₂ eq /M€
Total	22,60	26,4

Social⁹

GRI STANDARDS DISCLOSURE 2-7¹⁰

Total number of employees by type of contract (indefinite and determined time), by gender and geographical area						
Contract type	31 December 2022			31 December 2023		
	Men	Women	Total	Men	Women	Total
Italy	146	100	246	159	106	265
Permanent	135	97	232	149	102	251
Temporary	11	3	14	10	4	14
Germany	3	3	6	3	3	6
Permanent	3	3	6	3	3	6
Temporary	0	0	0	0	0	0
United Kingdom	5	1	6	5	1	6
Permanent	5	1	6	5	1	6
Temporary	0	0	0	0	0	0
Czech Republic	48	9	57	48	9	57
Permanent	48	9	57	48	9	57
Temporary	0	0	0	0	0	0
Total	202	113	315	215	119	334
Permanent	191	110	301	205	115	320
Temporary	11	3	14	10	4	14

⁹ Previously published 2022 reporting year data were re-exported following an improvement in the reporting process. For the previously published data please refer to the Sustainability Report 2022, published on <https://www.hydro-holding.com/sustainability/>

¹⁰ The Group confirms that it does not employ employees with unsecured hours.

Total number of employees divided by full-time and part-time, by gender and geographical area

Type of employment	31 December 2022			31 December 2023		
	Men	Women	Total	Men	Women	Total
Italy	146	100	246	159	106	265
Full-time	143	86	234	157	91	248
Part-time	3	14	17	2	15	17
<i>Part-time percentage</i>	<i>2%</i>	<i>14%</i>	<i>7%</i>	<i>1%</i>	<i>14%</i>	<i>6%</i>
Germany	3	3	6	3	3	6
Full-time	3	3	6	3	3	6
Part-time	0	0	0	0	0	0
<i>Part-time percentage</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
United Kingdom	5	1	6	5	1	6
Full-time	5	0	5	5	0	5
Part-time	0	1	1	0	1	1
<i>Part-time percentage</i>	<i>0%</i>	<i>17%</i>	<i>17%</i>	<i>0%</i>	<i>17%</i>	<i>17%</i>
Czech Republic	48	9	57	48	9	57
Full-time	48	9	57	48	9	57
Part-time	0	0	0	0	0	0
<i>Part-time percentage</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>
Totale	202	113	315	215	119	334
Full-time	199	98	297	213	103	316
Part-time	3	15	18	2	16	18
<i>Part-time percentage</i>	<i>1%</i>	<i>5%</i>	<i>6%</i>	<i>1%</i>	<i>5%</i>	<i>5%</i>

GRI STANDARDS DISCLOSURE 2-8

Total number of non-employed workers (HCs) by occupational category, gender and geographical area						
Type of employment	31 December 2022			31 December 2023		
	Men	Women	Total	Men	Women	Total
Italy	18	20	38	8	10	18
Agency workers	14	20	34	8	9	17
Self-employed workers	0	0	0	0	0	0
Interim	4	0	4	0	1	1
Germany	0	0	0	0	0	0
Agency workers	0	0	0	0	0	0
Self-employed workers	0	0	0	0	0	0
Interim	0	0	0	0	0	0
United Kingdom	0	0	0	0	0	0
Agency workers	0	0	0	0	0	0
Self-employed workers	0	0	0	0	0	0
Interim	0	0	0	0	0	0
Czech Republic	0	0	0	0	0	0
Agency workers	0	0	0	0	0	0
Self-employed workers	0	0	0	0	0	0
Interim	0	0	0	0	0	0
Total	18	20	38	8	10	18
Agency workers	14	20	34	8	9	17
Self-employed workers	0	0	0	0	0	0
Interim	4	0	4	0	1	1

GRI STANDARDS DISCLOSURE 401-1

Total number of new hired employees breakdown by geographical area, gender and age group								
	2022				2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Italy	10	16	1	27	15	19	0	34
Men	7	9	0	16	12	14	0	26
Women	3	7	1	11	3	5	0	8
Germany	1	0	0	1	0	0	0	0
Men	1	0	0	1	0	0	0	0
Women	0	0	0	0	0	0	0	0
United Kingdom	0	0	0	0	0	0	0	0
Men	0	0	0	0	0	0	0	0
Women	0	0	0	0	0	0	0	0
Czech Republic	3	5	2	10	0	0	0	0
Men	3	5	2	10	0	0	0	0
Women	0	0	0	0	0	0	0	0
Total	14	21	3	38	15	19	0	34
Men	11	14	2	27	12	14	0	26
Women	3	7	1	11	3	5	0	8

Total number of resigning employees breakdown by geographical area, gender and age group								
	2022				2023			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Italy	10	16	0	26	6	8	1	15
Men	6	11	0	17	6	6	1	13
Women	4	5	0	9	0	2	0	2
Germany	0	0	0	0	0	0	0	0
Men	0	0	0	0	0	0	0	0
Women	0	0	0	0	0	0	0	0
United Kingdom	0	0	0	0	0	0	0	0
Men	0	0	0	0	0	0	0	0
Women	0	0	0	0	0	0	0	0
Czech Republic	0	3	3	6	0	0	0	0
Men	0	3	3	6	0	0	0	0
Women	0	0	0	0	0	0	0	0
Total	10	19	3	32	6	8	1	15
Men	6	14	3	23	6	6	1	13
Women	4	5	0	9	0	2	0	2

Number and rate of hiring and turnover by gender and geographical area

	2022				2023			
	Input		Output		Input		Output	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Italy	27	11%	26	10%	34	13%	15	6%
Men	16	11%	17	11%	26	16%	13	8%
Women	11	11%	9	9%	8	8%	2	2%
Germany	1	17%	0	0%	0	0%	0	0%
Men	1	33%	0	0%	0	0%	0	0%
Women	0	0%	0	0%	0	0%	0	0%
United Kingdom	0	0%	0	0%	0	0%	0	0%
Men	0	0%	0	0%	0	0%	0	0%
Women	0	0%	0	0%	0	0%	0	0%
Czech Republic	10	18%	6	11%	0	0%	0	0%
Men	10	21%	6	13%	0	0%	0	0%
Women	0	0%	0	0%	0	0%	0	0%
Total	38	12%	32	10%	34	10%	15	4%
Men	27	13%	23	11%	26	12%	13	6%
Women	11	10%	9	8%	8	7%	2	2%

Number and rate of recruitment and turnover by age and geographical area

	2022				2023			
	Input		Output		Input		Output	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Italy	27	11%	26	10%	34	13%	15	6%
< 30 years	10	28%	10	28%	15	47%	6	19%
30 - 50 years	16	10%	16	10%	19	12%	8	5%
> 50 years	1	2%	0	0%	0	0%	1	1%
Germany	1	17%	0	0%	0	0%	0	0%
< 30 years	1	50%	0	0%	0	0%	0	0%
30 - 50 years	0	0%	0	0%	0	0%	0	0%
> 50 years	0	0%	0	0%	0	0%	0	0%
United Kingdom	0	0%	0	0%	0	0%	0	0%
< 30 years	0	0%	0	0%	0	0%	0	0%
30 - 50 years	0	0%	0	0%	0	0%	0	0%
> 50 years	0	0%	0	0%	0	0%	0	0%
Czech Republic	10	18%	6	11%	0	0%	0	0%
< 30 years	3	27%	0	0%	0	0%	0	0%
30 - 50 years	5	19%	3	12%	0	0%	0	0%
> 50 years	2	10%	3	15%	0	0%	0	0%
Total	38	12%	32	10%	34	10%	15	4%

< 30 years	14	28%	10	20%	15	33%	6	13%
30 - 50 years	21	11%	19	10%	19	10%	8	4%
> 50 years	3	4%	3	4%	0	0%	1	1%

GRI STANDARDS DISCLOSURE 405-1¹¹

Percentage of employees by grade and gender				
Classification	31 December 2022		31 December 2023	
	Men	Women	Men	Women
Executives	2%	1%	1%	1%
Middle management	1%	0%	1%	0%
White Collars	12%	11%	12%	12%
Blue Collars	50%	24%	50%	23%
Total	65%	36%	64%	36%

Percentage of employees by grade and age group						
Classification	31 December 2022			31 December 2023		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Executives	0%	2%	1%	0%	1%	1%
Middle management	0%	0%	1%	0%	0%	1%
White Collar	5%	15%	3%	3%	17%	4%
Blue Collar	11%	41%	22%	10%	40%	23%
Total	16%	58%	26%	13%	59%	28%

¹¹ Previously published 2022 reporting year data were re-exported following an improvement in the reporting process. For the previously published data please refer to the Sustainability Report 2022, published on <https://www.hydro-holding.com/sustainability/>

Material issues and related impacts

Issue relevant to the Hydro Holding Group	Mapping positive - current/potential generated impacts	Mapping negative generated impacts - current/potential
Human rights	<ul style="list-style-type: none"> • Safeguarding social security through supplementary insurance 	<ul style="list-style-type: none"> • Potential discrimination along the human resource management cycle and potential improper disciplinary practices
Health and safety of the workers	<ul style="list-style-type: none"> • Healthy and safe life for employees, collaborators and communities where Hydro Holding operates 	<ul style="list-style-type: none"> • Absenteeism and lower productivity (related to accidents, illnesses, accidents) • Sanctions/Tax relief/Compliance
Energy consumption, transition to renewable energy		<ul style="list-style-type: none"> • Depletion of available resources and increased emissions from the consumption of non-renewable energy (non-renewable fuels) for business operations
Quality, product safety and customer satisfaction	<ul style="list-style-type: none"> • Use of more sustainable materials (reuse and recycling of materials) • Customer satisfaction and consequent higher retention 	<ul style="list-style-type: none"> • Impacts related to the poor safety of products sold and marketed and risks due to non-conformity of product use. • Customer dissatisfaction with loss of competitiveness
Corporate governance and anti-corruption	<ul style="list-style-type: none"> • Promotion of the fight against active and passive corruption and virtuous practices in the field of business integrity 	<ul style="list-style-type: none"> • Possible unethical/ illegal behaviour by the board, top management, and employees • Possible episodes of corruption
Conscious waste management and circular economy	<ul style="list-style-type: none"> • Promotion of good practices for reuse/recycling, waste reduction and proper material disposal, including packaging • Promoting innovation/research and development for sector sustainability 	<ul style="list-style-type: none"> • Impacts related to potential non-compliance with waste and other hazardous substances disposal regulations and/or environmental protection. • Impact on the environment from dispersion of polluting chemicals
Training, enhancement and employee satisfaction	<ul style="list-style-type: none"> • Decent employment (remuneration, incentives, well-being, identity, and sense of belonging) 	<ul style="list-style-type: none"> • Potential increase in turnover and loss of staff with high professional seniority and difficulties in integrating skills. • Risk of not being able to find properly trained and competent resources on the market
Climate change and emissions		<ul style="list-style-type: none"> • Impacts due to failure to manage external natural/accidental events caused by climate change. • Worsening of air pollution and increase in greenhouse effect from Group operations
Diversity, inclusion, corporate welfare and employee welfare	<ul style="list-style-type: none"> • Attractiveness of the working environment for the new generations, with consequent potential repercussions on business continuity (also in reference to the aspects of diversity, equity and inclusion) • Promoting a fair and inclusive work environment • Positive impacts on staff welfare 	<ul style="list-style-type: none"> • Employee dissatisfaction with productivity implications • Lack of adequately trained and qualified personnel • Damage to reputation and brand • Possible inadequacy of welfare measures implemented in the improvement of well-being. • Low attractiveness to new talent/resources
Cybersecurity & Information		<ul style="list-style-type: none"> • Breach of IT systems / compromise of intentional and/or unintentional data involving confidential information, to the

		detriment of the organization and its indirect direct impact on the external context
Responsible procurement of raw materials and semi-finished products	<ul style="list-style-type: none"> • Local market support and positive environmental impact with reduced pollution • Decent employment (indirectly, through good supplier practice) • Promotion of socio-economic development processes in the territories • Respect for the environment (indirectly, through good supplier practices) • Promotion of business ethics (e.g., anti-corruption) / Regulatory compliance 	<ul style="list-style-type: none"> • Potential funding of suppliers who do not adopt sustainable practices and do not comply with environmental requirements
Innovation and R&D	<ul style="list-style-type: none"> • Optimization and efficient use of resources • Increasing market competitiveness 	<ul style="list-style-type: none"> • Loss of competitiveness and loss of profitability • Risks related to intellectual property rights. • Impacts related to slow product evolution, obsolescence and research and development activities
Support to local communities	<ul style="list-style-type: none"> • Generation of social value shared with communities, contributing to a future of inclusion and development. • Promoting socio-economic development in business communities • Maintenance of technical skills on the territory and between generations 	<ul style="list-style-type: none"> • Damage to reputation and brand • Negative externalities of the supply chain and the company itself that impact on the welfare of local communities
Sustainable economic growth	<ul style="list-style-type: none"> • Redistribution of value created within the Group to stakeholders and communities. • Intensification of dialogue activities with stakeholders 	<ul style="list-style-type: none"> • Group loss of value and lower distribution of the value generated to stakeholders

Index of the GRI contents

INDEX OF THE GRI CONTENTS			
Declaration of use	The Hydro Holding Group has reported the information mentioned in this index of GRI contents for the period from 1 January 2023 to 31 December 2023, "In accordance" at GRI Standards.		
GRI 1 used	GRI 1: Fundamental principles 2021		
GRI Standards	Information	Number of pages and notes	Omissions
GRI 2: GENERAL INFORMATION (2021)			
The organisation and its reporting practice			
2-1	Organizational details	1-2	
2-2	Entities included in the organisation's sustainability reporting	3-4	
2-3	Reporting period, frequency and contact point	1	
2-4	Restatements of information	1-2	
2-5	External Assurance	The document is not subject to external assurance	
Activities and workers			
2-6	Activities, value chain and other business relationships	39	
2-7	Employees	26-27; 42-48	
2-8	Workers who are not employees	26-27; 42-48	
Governance			
2-9	Governance structure and composition	16-17	
2-10	Nomination and selection of the highest governance body	16-17	
2-11	Chair of the highest governance body	16-17	
2-12	Role of the highest governance body in overseeing the management of impacts	16	
2-13	Delegation of responsibility for managing impacts	16	
2-14	Role of the highest governance body in sustainability reporting	11; 16	
2-15	Conflicts of interest	16	
2-16	Communication of critical concerns	19-20	

INDEX OF THE GRI CONTENTS			
Declaration of use		The Hydro Holding Group has reported the information mentioned in this index of GRI contents for the period from 1 January 2023 to 31 December 2023, "In accordance" at GRI Standards.	
GRI 1 used		GRI 1: Fundamental principles 2021	
GRI Standards	Information	Number of pages and notes	Omissions
2-17	Collective knowledge of the highest governance body	16	
2-18	Evaluation of the performance of the highest governance body	The highest governing body does not currently receive any performance assessment on sustainability aspects. In order, however, to mitigate its negative impacts, he appointed an ESG Committee at the meeting, which is in constant communication with the Board of Directors.	
2-19	Remuneration policies	27	
2-20	Process to determine remuneration	27	
2-21	Annual total compensation ratio	27	
Strategy, politics and practices			
2-22	Statement on sustainable development strategy	11-14	
2-23	Policy commitments	14	
2-24	Embedding policy commitments	14	
2-25	Processes to remediate negative impacts	11-14	
2-26	Mechanisms for seeking advice and raising concerns	19-20	
2-27	Compliance with laws and regulations	19	
2-28	Membership in associations	17	
Involvement of stakeholders			

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GRI 1 used	GRI 1: Fundamental principles 2021		
GRI Standards	Information	Number of pages and notes	Omissions
2-29	Approach to Stakeholder engagement	9-10;14;19-20	
2-30	Collective bargaining agreements	27	
GRI 3: MATERIAL THEMES (2021)			
Information on material themes			
3-1	Process to determine material topics	9-10	
3-2	List of material topics	9-10	
Crescita economica sostenibile			
GRI 3: Material themes (2021)			
3-3	Management of material topics	17-18;49-50	
GRI 201: Economic Performance(2016)			
201-1	Direct economic value generated and distributed	18	
Approvvigionamento responsabile di materie prime e semilavorati			
GRI 3: Material themes (2021)			
3-3	Management of material topics	39;49-50	
GRI 204: Supply practice (2016)			
204-1	Proportion of spending on local suppliers	39	
Corporate governance and anti-corruption			
GRI 3: Material themes (2021)			
3-3	Management of material topics	19-20;49-50	
GRI 205: Anticorruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	20	
GRI 206: Anti-competitive behaviour (2016)			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	20	
GRI 405: Diversity and equal opportunities (2016)			
405-1a	Diversity of governance bodies and employees	16-17	
Innovation and R&D			
GRI 3: Material themes (2021)			

INDEX OF THE GRI CONTENTS			
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GRI 1 used	GRI 1: Fundamental principles 2021		
GRI Standards	Information	Number of pages and notes	Omissions
3-3	Management of material topics	24-25;49-50	
Quality, product safety and customer satisfaction			
GRI 3: Material themes (2021)			
3-3	Management of material topics	22-23;49-50	
GRI 416: Health and safety of the clients (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	23	
GRI 417: Marketing end labelling (2016)			
417-2	Incidents of non-compliance concerning product and service information and labeling	23; 37	
Cybersecurity & information security			
GRI 3: Material themes (2021)			
3-3	Management of material topics	25;49-50	
GRI 418: Client Privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	25	
Energetic consumption and transition to renewable energy			
GRI 3: Material themes (2021)			
3-3	Management of material topics	33-35;42-48;49-50	
GRI 302: Energy (2016)			
302-1	Energy consumed within the organization	33; 42-48	
302-3	Energy intensity	34	
Climate change and emissions			
GRI 3: Material themes (2021)			
3-3	Management of material topics	33-36;42-48;49-50	
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	35;42-48	
305-2	Energy indirect (Scope 2) GHG emissions	35;42-48	
305-3	Other indirect (Scope 3) GHG emissions	35-36	

INDEX OF THE GRI CONTENTS			
Declaration of use	The Hydro Holding Group has reported the information mentioned in this index of GRI contents for the period from 1 January 2023 to 31 December 2023, "In accordance" at GRI Standards.		
GRI 1 used	GRI 1: Fundamental principles 2021		
GRI Standards	Information	Number of pages and notes	Omissions
305-4	GHG emission intensity	34	
Conscious waste management and circular economy			
GRI 3: Material themes (2021)			
3-3	Management of material topics	36-37;42-48;49-50	
GRI 301: Materials (2016)			
301-1	Materials used by weight or volume	37	
GRI 306: Waste (2020)			
306-3	Waste generated	36-37	
Training, enhancement and employee satisfaction			
GRI 3: Material themes (2021)			
3-3	Management of material topics	10;13;27-31;42-48;49-50	
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	26-27;42-48	
GRI 404-1: Education and training (2016)			
404-1	Average hours of training per year per employee	30-31	
GRI 405: diversity and equal opportunities (2016)			
405-1	Diversity of governance bodies and employees	26-27; 42-48	
GRI 406: Non discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	26	
Health and safety of the workers			
GRI 3: Material themes (2021)			
3-3	Management of material topics	27-31;49-50	
GRI 403: Health and safety of the workers (2018)			
403-1	Occupational health and safety management system	29-30	
403-2	Hazard identification, risk assessment, and incident investigation	29-30	
403-3	Occupational Health services	29-30	

INDEX OF THE GRI CONTENTS			
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GRI 1 used	GRI 1: Fundamental principles 2021		
GRI Standards	Information	Number of pages and notes	Omissions
403-4	Worker participation, consultation, and communication on occupational health and safety	29-30	
403-5	Worker training on occupational health and safety	29-30	
403-9	Work-related injuries	30	
Diversity, inclusion, corporate welfare and employee welfare			
GRI 3: Material themes (2021)			
3-3	Management of material topics	26;28;49-50	
Human rights			
GRI 3: Material themes (2021)			
3-3	Management of material topics	10;39;49-50	
Support for local communities			
GRI 3: Material themes (2021)			
3-3	Management of material topics	10;18;49-50	



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