

Anti-Bribery and Corruption Policy

February 2022

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A message from the CEO

Zero Tolerance

Hydro International (“Hydro”) has always taken a zero-tolerance approach to bribery and corruption and remains committed to acting professionally and ethically in all its business dealings and relationships. This approach has long been reinforced through our stated values as a business.

The Bribery Act

In the United Kingdom, the legislation governing bribery and corruption is the Bribery Act 2010 (the “Bribery Act”). Importantly, for Hydro and other companies that operate internationally with a base in the United Kingdom, the Bribery Act has an international scope. The terms of the Bribery Act apply to all our business dealings regardless of where in the world they take place.

Whether you work for, or with, Hydro in the United Kingdom, the United States, or anywhere else in the world - the Bribery Act applies to you.

One of the most important features of the Bribery Act is the ‘corporate offence’, which is committed by a company where it fails to prevent bribery or corruption. To avoid committing this offence, Hydro has a compliance regime which will help us to identify the risk of bribery and corruption to which we are exposed and, through the adoption of policies and procedures, ensure that our exposure to the risk of corrupt practices is kept to a minimum.

Hydro’s Compliance Regime

Hydro has implemented several measures, including the publication of this Policy, to formalise Hydro’s policy and approach to bribery and corruption a Statement of Commitment to the Prevention of Bribery and Corruption is in place.

As well as clearly signalling our commitment to this issue, the statement is an important step in our process of ensuring that Hydro is complying with its responsibilities under the Bribery Act.

This Anti-Bribery and Corruption Policy is a vital part of our compliance regime and is communicated to all existing employees and to all new employees and other workers as part of their induction process. It is communicated to our key Business Partners working on our behalf anywhere in the world. This Policy is very important, and you must read it to ensure that you understand the role that we are expecting you to play in observing and upholding our anti-bribery and corruption procedures. This Policy is designed to provide information on how to recognise and deal with bribery and corruption issues and provides practical guidance on what constitutes bribery and corruption. We will also continue to deliver appropriate training to directors, employees and agency workers.

A handwritten signature in black ink, appearing to read "Paul Cleaver".

Paul Cleaver

Chief Executive Officer

Statement of Commitment

Hydro International takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally and ethically in all its business dealings and relationships.

We are committed to:

1. conducting our business fairly, honestly and with integrity;
2. complying with the Bribery Act 2010 and all laws that apply to us regarding the prevention of bribery and corruption;
3. identifying the bribery and corruption risks to which we are exposed on an ongoing basis, and taking appropriate measures to minimise such risks;
4. not knowingly conducting business with any person or company who undertakes bribery and corruption;
5. ensuring that all our directors, managers and employees receive adequate training on their obligations and responsibilities regarding the prevention of bribery and corruption;
6. encouraging an open and transparent reporting system which enables our staff to report any suspected instances of bribery and corruption - both within the Hydro International Group and amongst our business partners;
7. investigating all instances of bribery and corruption that directly affect us and reserve the right to notify the relevant investigatory and enforcement authorities where appropriate;
8. taking disciplinary action against any director, manager or employee who is found to have committed any act of bribery or corruption; and
9. Severing ties with business partners who commit any act of bribery or corruption.

Hydro has an appointed Compliance Officer who is responsible for:

1. the day-to-day implementation and monitoring of our anti-bribery and corruption compliance regime;
2. supporting the Board by maintaining a regular dialogue with Board Members regarding anti-bribery and corruption matters; and
3. providing briefings and updates to the Board, who consider bribery and corruption risks as a regular item on its agenda, where necessary carrying out the Company's anti-bribery and corruption Risk Assessment; and the co-ordination of training on how to implement and adhere to this Policy.

Should you have any enquiries relating to anti-bribery and corruption matters, or this Policy, you may contact the Compliance Officer, Helen Mansi, using the contact details set out below.

hmansi@hydro-int.com

+44(0)1275 337 973

Our Policy

1. Who must comply with this Policy?

1. This Policy applies to all Hydro directors, employees and agency workers, whether full-time, part-time, regular or temporary, regardless of where in the world they are based. For example, employees based in the United States must comply with this Policy.
2. The policy also applies to all agents, intermediaries, consultants, distributors, sub-contractors, suppliers and joint venture partners (together Business Partners) working on Hydro's behalf anywhere in the world. All key Business Partners will receive a copy of this Policy.

2. When does this Policy apply from?

1. This Policy is an update to the Policy that came into effect on 3 June 2021 and replaces all previous bribery and/or corruption policies or guidance issued by Hydro and must be understood and complied with at all times.

3. What is bribery?

1. Bribery is a form of corruption. It includes offering, promising, giving, accepting or seeking a bribe. A bribe is a financial or other advantage promised, requested or given to induce a person to function or act improperly and to reward them for doing so.
2. Local practices and customs
 - a. We understand that people in different parts of the world have different social and cultural customs. This does not affect our stand that we do not pay or accept bribes or act corruptly: we do not and will not. However, subject to that position, we understand the need to be sensitive to local customs, e.g. there are cultures in which refusing (or even failing to offer) a gift is considered impolite, and could alienate a key contact or client. If such a situation arises please contact your Line Manager or Compliance Officer.
3. Bribery Act offences
 - a. The Bribery Act provides that both you as an individual, and Hydro as a corporate entity, can commit a criminal offence if bribes are offered, provided, authorised, requested or received. There are four main offences in the Bribery Act, which apply to all United Kingdom registered or parented companies, and individuals. These are:
 - i. A general offence of offering or giving bribes
 - ii. A general offence of receiving bribes
 - iii. A specific offence of bribing a foreign public official
 - iv. A "corporate offence", where a corporate entity fails to prevent bribery from being undertaken on its behalf.

4. The general offences: offering or giving bribes (i); and receiving bribes (ii)
 - a. These general offences are committed if a person (either an individual or company) offers, promises, gives or receives a bribe. A bribe can include money, or any offer, promise or gift of something of value or advantage, although it need not necessarily be of high value.
 - b. A bribe could include making cash payments to an individual to win a contract, but it might also include intangible benefits such as the provision of information or advice or assistance in arranging a business transaction. It need not be for personal benefit; for example, a donation by a supplier to a favourite charity could be a bribe if made to induce or reward improper behaviour.
5. The specific offence of bribing a foreign public official (iii)
 - a. This offence is committed if the person giving the bribe intends to influence a foreign public official in the performance of his or her official functions to obtain an advantage in the conduct of business in doing so.
 - b. Extra care should always be taken, including seeking legal advice where necessary, when dealing with foreign public officials.
6. The “corporate offence”, where a corporate entity fails to prevent bribery from being undertaken on its behalf (iv)
 - a. This offence is committed when a company fails to prevent persons (directors, employees, agency workers or Business Partners) from offering or giving bribes (anywhere in the world) with the intention of obtaining or retaining a business advantage for that company. In committing this offence, it is irrelevant whether the company approves, or is aware of, the bribery committed.
7. The defence of “adequate procedures”
 - a. The only defence available is if the company can demonstrate that it has implemented adequate procedures to prevent bribery being committed on its behalf.
8. What are the indicators of Corruption & Bribery?
 - a. Common indicators of bribery and corruption include those listed below. There may well be others:
 - i. payments are for abnormal amounts or purposes (e.g. commission), or made in an unusual way, e.g. what would normally be a single payment is made in stages, through a bank account never previously used, or in a currency or via a country that has no connection with the transaction
 - ii. process is bypassed for approval or sign-off of terms or other commercial matters or we are prevented from or hindered in monitoring commercial processes
 - iii. individuals are secretive about certain matters or relationships and/or insist on dealing with them personally; they may make trips at short notice without explanation, or have a more lavish lifestyle than expected
 - iv. decisions are taken for which there is no clear rationale
 - v. records are incomplete or missing

4. How do you comply with this Policy?

1. Please read this Policy fully and abide by its terms.
2. If you are an employee or Business Partner of Hydro, you are responsible for reporting any incidents of bribery and corruption, which you suspect or are aware of. Hydro has put in place appropriate confidential channels for the reporting of suspicions of bribery, as described in the "Reporting Bribery" section of this policy document.
3. If you are an employee or agency worker, you must, once you have read this Policy, confirm that you understand it and will comply with it. Please send an email confirmation to the Compliance Officer. This confirmation is key to Hydro demonstrating its compliance procedures and is a mandatory requirement.

5. What happens if you don't comply?

1. There are severe penalties for committing the offences of the Bribery Act 2010; being an unlimited fine and/or imprisonment for up to 10 years. Also, importantly, failure to comply with the Bribery Act could also lead to negative publicity and serious damage to the reputation of Hydro.
2. Any act of bribery or corruption, in whatever form, is unacceptable and Hydro will consider any such act to be a breach of this Policy and a serious offence. Any violation will result in taking disciplinary action against any individual who fails to comply with this Policy, including dismissal where appropriate.
3. We will terminate the business relationship with any Business Partner failing to comply with this Policy.

6. Facilitation payments

1. A facilitation payment is an unofficial payment (usually, but not necessarily, made to a public official) as a way of ensuring that they perform their duty, either more promptly or at all. They are also known as "gratuity payments" or "grease payments". They can be payments to perform routine tasks such as obtaining permits, licences, or other official documents, processing governmental papers, such as visa and work orders or providing power and water supply and loading and unloading cargo.
2. Facilitation payments are not commonly paid in the United Kingdom, or the United States, but are common in some other jurisdictions.
3. Hydro's employees and Business Partners must never offer, pay, solicit or accept bribes in any form, including facilitation payments.
4. If you are asked by any third party to make a payment on behalf of Hydro, however small, you should be mindful of what the payment is for, whether the amount requested is proportionate to the goods or services provided and whether it is an officially sanctioned payment. If you consider that the payment is a facilitation payment, you must refuse to pay it. Even when the payment is legitimate, you should always ask for a receipt which details the reason for the payment.
5. If your refusal to pay will result in delay or prevention of the necessary action or service, please contact your line manager and the Compliance Officer immediately.
6. Exception: When facilitation payments are permitted

- a. If any person requests that you make a facilitation payment, you must refuse to do so. But if refusing to make the payment means that your life or liberty is in danger, or you fear physical violence of any kind, you are permitted to make that facilitation payment.
- b. If this happens, it must be reported as soon as reasonably practicable to both your line manager and the Compliance Officer. Please record all relevant details of the circumstances relating to the payment, including the date, the time, the location, the amount involved, the details of the person the payment is made to and whether there was any form of duress.
- c. Remember, if you are ever in doubt about a situation with which you are presented, always seek advice. You should contact your line manager, or the Compliance Officer.

7. Gifts and Corporate Hospitality

1. All employees of Hydro are expected to conduct themselves with integrity, impartiality and honesty at all times. Accordingly, all employees, whether based in the United Kingdom or elsewhere, are required to follow these rules on corporate hospitality, gifts and entertainment.
2. Neither the Bribery Act, nor this Policy is intended to prohibit the giving or receipt of reasonable, proportionate and genuine hospitality or similar business expenditure designed to cement business relationships and enhance knowledge of people, products or services.
3. Gifts
 - a. The giving of or receiving of gifts is permitted, provided that the gift:
 - i. could not be reasonably perceived in any way as a bribe;
 - ii. is made in good faith, occasional, appropriate, reasonable and proportionate;
 - iii. complies with local law;
 - iv. is given in Hydro's name, not in your name;
 - v. does not include cash or a cash equivalent (such as gift certificates or vouchers)
4. By way of additional guidance:
 - a. Customary gifts or modest Christmas gifts may be accepted provided the values of these gifts are modest and are not overly frequent from any one source.
 - b. You must not make any gift of any value to any government officials, government representatives, politicians, or political parties without the prior approval of the Compliance Officer.
 - c. We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. In some parts of the world, it is conventional for individuals to exchange gifts in various business-related contexts. If you are engaged in business in such locations, a gift can be accepted and a reciprocal gift of a reasonable value (not to exceed £100 or local currency equivalent) may be given, if approved by the relevant business unit executive. The test to be applied is whether, in all circumstances, such a gift would be reasonable, proportionate and justifiable.

- d. Any gifts offered by you must be acceptable within the policy of the recipient's organisation and if you are in any doubt, no gift should be provided.
- e. All gifts given or received (accepted and declined) with a value of more than £100 must be notified to the Compliance Officer using the form in the Bribery and Corruption section of the Hydro Intranet site.

5. Giving corporate hospitality

- a. This Policy does not prohibit normal and appropriate hospitality given to our existing and potential customers and Business Partners. Hydro has provided (and enjoyed) reasonable and proportionate corporate hospitality for many years. This Policy does not alter Hydro's stance regarding such hospitality, but clarifies what hospitality is and is not permitted.
- b. Hospitality, gifts and entertainment given as a reward, inducement or encouragement for preferential treatment or inappropriate or dishonest conduct is strictly prohibited. In particular, hospitality or entertainment (or gifts) must not be given during a tender process or during contractual negotiations if there is any realistic risk that it could influence the outcome of such processes or negotiations. Generally, a common-sense approach should be taken.

6. Receiving corporate hospitality

- a. You may occasionally receive invitations from suppliers to attend corporate hospitality or entertainment events. Such hospitality or entertainment may only be accepted if:
 - i. employees or personnel from the supplier are in attendance; and
 - ii. the supplier of the corporate hospitality does not pay for any accommodation or travel expenses; and
 - iii. there is no possibility that the entertainment has been provided for the purposes of inducement, encouragement for a favour or a preferential treatment; and
 - iv. it is not unduly lavish or extravagant.
- b. Any invitations from suppliers to attend corporate hospitality or an entertainment event with an actual or likely associated cost of more than £100, or local currency equivalent, should get prior approval from the Compliance Officer.
- c. All corporate hospitality and entertainment events attended (and declined) with an actual or likely value of more than £100, or local currency equivalent (e.g. normal beverages at a meeting), should be notified to the Compliance Officer, who maintains Hydro's Hospitality Register. This ensures openness and transparency. You should use the form provided in the Bribery and Corruption section of the Hydro Intranet site to report any corporate hospitality received or given.
- d. Further guidance is given in your local Travel and Expense Policy on the process for providing corporate hospitality.

7. Records and Approval

- a. Accurate records must be kept of all gifts and hospitality given and received to values in excess of £100 (where multiple lower value gifts are given or received to/from the same source over a 12 month period, the aggregate should be reported if in excess of £100). You are responsible for ensuring that all such gifts and hospitality are fully documented including the purpose and any approvals given and properly recorded as directed by the Compliance Officer from time to time.

8. Political and Charitable Contributions and Sponsorship

1. Hydro does not make contributions or donations to political organisations or independent candidates, nor does it incur any political expenditure. We respect the right of any individual to make personal contributions, provided they are not made in any way to obtain advantage in a business transaction.
2. Hydro is committed to charitable giving and supporting charities such as WaterAid. We make regular charitable donations but ensure that these are made ethically and are legal under local laws and practices.
3. No donation or sponsorship of a value in excess of £100, or local currency equivalent, must be offered or made to any charity by any employee in the name of Hydro without the prior approval of the Compliance Officer. Additionally, all charitable donations and sponsorship, of any value, must be reported to the Compliance Officer using the form provided in the Bribery and Corruption section of the Hydro Intranet site.

9. Checking out suppliers and partners: Due Diligence

1. This Policy must be communicated to (a) all existing key Business Partners; and (b) all new key Business Partners at the outset of our business relationship with them and annually thereafter.
2. Hydro will only contract with Business Partners who demonstrate business integrity at all times, and who practice ethical conduct which meets the standards set out in this Policy and all applicable laws and regulations. To assess this, we may carry out Due Diligence on those Business Partners. This may involve the completion of financial and background checks on the companies or personalities involved.
3. When to carry out Due Diligence
 - a. Any due diligence must be completed before:
 - i. the contract with the new supplier or Business Partner is signed; or
 - ii. the new supplier or Business Partner carries out any work on behalf of Hydro.
4. Furthermore, where you perceive there to be an Elevated Bribery Risk (as defined below), you should contact the Compliance Officer before your business unit undertakes any of the following:
 - a. appointing a new supplier
 - b. entering any business partnership
 - c. appointing an agent to work on Hydro's behalf
 - d. entering a new contract or amending the terms of an existing contract with a supplier or Business Partner.

5. What is an Elevated Bribery Risk?
 - a. An Elevated Bribery Risk will arise if:
 - i. the potential Business Partner is based in a Higher Risk Jurisdiction (listed in Appendix 1 to this Policy); or
 - ii. the services being provided involve work being undertaken, directly or indirectly on Hydro's behalf in a Higher Risk Jurisdiction; or
 - iii. the services involve goods passing through borders between Higher Risk Jurisdictions; or
 - iv. the services involve Business Partners paying fees, taxes or payments on behalf of Hydro in relation to the import or export of goods; or
 - v. the services involve Business Partners obtaining official permits, permissions or agreement from public officials; or
 - vi. there are any reasons to suspect that the risk of corruption or bribery is higher than normal.
 - b. The Compliance Officer will be able to advise you on the level of due diligence required and procedures to follow where you consider there to be an Elevated Bribery Risk.
 - c. The Compliance Officer can also advise on whether any agreement or contract with the new supplier or Business Partner should contain certain anti-bribery clauses.

10. Reporting Your Concerns

1. Hydro conducts its business with the highest standards of ethics, honesty and integrity and recognises the role that you have in maintaining this. If you are concerned about any form of bribery, corruption, malpractice or wrongdoing by Hydro, any employee of Hydro or any Business Partner, you must report the matter using the process set out below.
2. We believe it is essential to create an environment in which employees and Business Partners feel able to raise any matters of genuine concern internally without fear of disciplinary action being taken. If you report any matter, you will be taken seriously and the matter will be investigated appropriately. We will do all that we can to ensure that the matter remains confidential.
3. How to report
 - a. If you are an employee, and aware of any or any suspected bribery or corrupt practice, you must report it using the procedure set out below:
 - b. Line Manager
 - i. You should firstly raise your concerns with your line manager. Your concerns can be raised verbally or in writing. Your line manager may investigate the matter directly. Your line manager may progress the investigation to its conclusion or refer it to the Compliance Officer.

- c. Head of Department and other senior management
- i. If you feel that you cannot raise your concern with your line manager for whatever reason, you should contact the Head of Department in your business unit or office.
 - ii. If you feel it is appropriate to raise your concern with a senior manager, you may contact the UK Associate Director HR, the Global Director HR or the Compliance Officer. Contact can be made using the details below:

Senior reporting contacts			
Name	Role	Email	Telephone
Wendy Kane	UK Associate Director HR	wkane@hydro-int.com	+441275337910
Linda Allegri	Global Director HR	lallegri@hydro-int.com	+12073216051
Helen Mansi	Compliance Officer	hmansi@hydro-int.com	+441275337973

4. The relevant manager will investigate the matter and will report any serious issues of bribery or corruption to the Board.
5. For further information on how to report your concerns, please see our Whistleblowing Policy.

11. Protecting employees from detrimental treatment

1. Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith, even if they turn out to be mistaken.
2. We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Compliance Officer immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found at in the Employee Handbook on the Hydro Intranet.

12. Training and Communication

1. All new directors, employees and agency workers of Hydro have or will receive a copy of the Hydro Anti-Bribery and Corruption Policy as part of their induction.
2. All directors, employees or agency workers classed as high risk will receive one to one training on the Policy from the Compliance Officer. High risk employees are those working in a high-risk jurisdiction or dealing with business partners in a high-risk jurisdiction.

13. Compliance Monitoring

1. We will review compliance with this Policy by all directors, employees, agency workers and Business Partners on a periodic basis.

14. Other Relevant Policies

1. All employees must ensure that you keep up to date with communications and updates on the Hydro Intranet site. This Policy should also be read in conjunction with the following policies:
 - a. HROOI Recruitment policy;
 - b. HR006 Travel and expense policy;
 - c. HR013 Whistleblowing Policy.
2. Each of these are available on the Hydro Intranet site.

Authorised and approved by:



Paul Cleaver

Chief Executive Officer

Date: 23rd February

2022

Appendix 1: Higher Risk Jurisdictions

The following table uses data from Transparency International's Corruption Perceptions Index 2021. For the purposes of this Policy, all jurisdictions with a CPI Score of lower than 40 are to be considered "Elevated Risk Jurisdictions".

