

**PENTAIR WATER ITALY S.R.L.**

# **CODE OF ETHICS**

**AS OF LAW NO. 231 OF JUNE 8, 2001**

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## INDEX

<b>- INTRODUCTION - .....</b>	<b>5</b>
<b>SECTION I - GENERAL PROVISIONS - .....</b>	<b>7</b>
1. Scope and Recipients .....	7
<b>SECTION II - PRINCIPLES - .....</b>	<b>8</b>
1. Compliance with the Law .....	8
2. Conflicts of interests prevention .....	8
3. Professionalism and reliability .....	9
4. Transparency and correctness in handling corporate information .....	9
5. Confidentiality .....	9
6. Value of the person and of human resources .....	10
7. Protection of health and safety on work and environmental protection .....	10
8. Money laundering prevention .....	11
9. Anti-trust .....	11
10. Quality and safety of products .....	11
11. Intellectual property protection .....	11
<b>SECTION III - RELATIONSHIPS WITH THIRD PARTIES - .....</b>	<b>12</b>
1. Relationships with the Public Administration .....	12
2. Relationships with Clients, Suppliers and Partners .....	12
3. Relationships with Institutions and Other Organizations .....	13
<b>SECTION IV - SANCTIONS AND FINAL PROVISIONS - .....</b>	<b>14</b>
1. The role of the Supervisory Body .....	14
2. Sanctions .....	14
3. Code of Ethics approval and amendments thereof .....	14



## - INTRODUCTION -

**Pentair Water Italy S.r.l.** (hereinafter also “Pentair Water” or the “Company”), whose corporate capital is wholly owned by the company Schroff S.r.l., belonging to the Group Pentair plc with registered office in Ireland, performs the activity of trade of surface and submerged electro pumps and water treatment machineries.

Pentair Water is conscious that the adoption of a Code of Ethics, expressing corporate values, is of primary importance to the purpose of preventing the crimes provided by the Law 8, 2001, no. 231 (hereinafter also only the “Law”), having the Company decided to comply with the provisions of the same, also in order to pursue the corporate purpose through an effective, efficient and transparent behaviour.

Therefore, the present document (hereinafter the “Code of Ethics” or the “Code”), adopted by the Board of Directors of Pentair Water, sets forth the principles which the Company shall comply with, and for which Pentair Water demands the most rigorous compliance by the Recipients, ensuring full coherence with principles laid down in the “*Code of business conduct and ethics*”, by means of which Pentair plc intends to spread the guidelines for legal compliance and ethical conduct, to which all the companies of the group shall inspire for the performance of their business activities.





## **SECTION I**

### **- GENERAL PROVISIONS -**

#### **1. SCOPE AND RECIPIENTS**

- 1.1. The principles of this Code of Ethics are binding for all those who, within the Company, hold representative, administrative or managerial functions, or exercise, also as a matter of fact, the management and the control of the Company, for all employees, without exceptions, as well as for all those who co-operate and collaborate with the Company - at any level - in the pursuit of its purposes, and - more in general - for all those who entertain business relationships with the Company (hereinafter the "Recipients").
- 1.2. The Company undertakes to spread the present Code of Ethics so that the latter is acknowledged by all the Recipients, and to ensure the corporate staff is properly informed on its contents.

## **SECTION II**

### **- PRINCIPLES -**

The Company accepts and shares the following ethical principles (hereinafter referred to as the “Principles”):

- compliance with the Law;
- conflict of interests prevention;
- professionalism and reliability;
- transparency and correctness in handling corporate information;
- confidentiality;
- value of the person and of human resources;
- health and safety on work and environmental protection;
- money laundering prevention;
- anti-trust;
- quality and safety of products;
- intellectual property protection;

Behaviors contrary to the Principles are not justified by the aim of acting in the interest or for the benefit of Pentair Water.

#### **1. COMPLIANCE WITH THE LAW**

- 1.1. Recipients’ conducts, in performing the working activities carried out on behalf or in the interest of the Company, shall be inspired by the utmost compliance with national, European and international Laws and Regulations in force applicable to the Company.

#### **2. CONFLICTS OF INTERESTS PREVENTION**

- 2.1 In performing social activities and in taking the relevant decisions (i.e. decisions related to the relationships with the shareholder, selection and management of staff, or decisions regarding the planning of working activities, selection and management of suppliers and clients, etc.), Recipients act impartially in the exclusive interest of Pentair Water, taking their decisions with responsibility, transparency and in line with objective evaluation criteria, avoiding real or potential conflict of interests situations.
- 2.2 A conflict of interests exists when a Recipient pursues his own or a third parties’ interest, different from the corporate interest, or performs activities that could in any manner interfere with the possibility for him/her to take decisions in the exclusive interest of the Company, or gains personal advantages from a Company’s business opportunity.
- 2.3 In case of real or potential conflict of interests, Recipients shall immediately inform their manager, complying with the decisions adopted by the latter on the matter.

### **3. PROFESSIONALISM AND RELIABILITY**

- 3.1 All Company's activities shall be performed with the utmost diligence, professionalism and reliability.
- 3.2 All Recipients shall perform their activities with a commitment deemed consistent with the responsibilities assigned them, taking care of the reputation of Pentair Water and of the relevant Group of the Company. In carrying out the working activities, Pentair Water requires loyalty and good faith behaviours, inspired by reciprocal respect and cooperation, and requires to perform the duties undertaken by contract as well as the services requested.

### **4. TRANSPARENCY AND CORRECTNESS IN HANDLING CORPORATE INFORMATION**

- 4.1 To ensure that the accounting data meet the requirements of truthfulness, completeness, and transparency of the registered data, for each accounting operation an adequate and complete documentation, as a support to the performed activity, shall be kept with the Company's deeds, for the purpose of allowing:
  - an accurate and precise accounting registration;
  - immediate identification of the characteristics and grounds of the same operation;
  - the possibility to identify easily the decisional, authorization, and implementation process, and to individuate the levels of responsibility.
- 4.2 Each employee, having regard to its own tasks, shall act in such a way as to ensure that each data related to the management is duly and timely recorded in the accounting documents.
- 4.3 Each accounting record shall reflect exactly the results of the relevant supporting documentation. Such supporting documentation shall be adequately kept, easily available and filed with accuracy.
- 4.4 In the management of the corporate activities, Recipients shall provide, also to external subjects, transparent, true, complete and accurate information, refraining from communicating false news or performing simulated operations.

### **5. CONFIDENTIALITY**

- 5.1 The Company protects confidentiality of the information comprising the corporate assets, as well as any information and personal data of third parties, in the strictest compliance with the applicable Laws and Regulations in force on protection of personal data.
- 5.2 The confidentiality duty is therefore extended to information regarding the Company, as well as to information related to clients, suppliers, commercial partners, having business relationships with the Company, and to other subjects in business relationships, requiring usage of personal information and data.
- 5.3 No Recipient is allowed to gain any kind of direct or indirect advantage making use of confidential information or personal data obtained on the occasion of the activities performed in favour of the Company.
- 5.4 Confidential information to thirds is communicated to thirds only by subjects duly authorized. In the communication of information, allowed for professional purposes, the confidential character of the information provided shall be expressly declared, and the third shall be requested to comply with the confidentiality duty.

- 5.5 Electronic information protected by password could be known exclusively by the subjects assigned, who shall keep them properly and shall not communicate them.
- 5.6 Recipients refrain from making use of confidential and not public information, known as a result of the exercise of their office and/or profession, for personal purposes and not related in any manner to the working activity assigned them or carried out in the interest of the Company. Given such kind of approach, no employee is allowed to neither gain any kind of advantage, direct or indirect, personal or professional, making use of confidential information, nor communicate such information to others, nor recommend or induce others to use the same information.

## **6. VALUE OF THE PERSON AND OF HUMAN RESOURCES**

- 6.1 Human resources represent a fundamental and precious value for Pentair Water and for its development and growth in the economic sector of reference. The Company preserves the value of human person, forbidding to this regard any conduct representing discrimination, harassment and/or personal offence.
- 6.2 Pentair Water undertakes to ensure that, in the work environment, no harassment or discrimination based on age, sex, sexual orientation, race, language, nationality, political and trade union opinions, religious faith, or other personal characteristics, occurs.
- 6.3 In selecting and managing human resources, the Company applies equal opportunity, merit-based criteria and criteria enhancing talent, skills and potentials of single individuals, undertaking to warrant that the authority is exercised with equity and fairness, avoiding any form of abuse.
- 6.4 The Company further warrants due performance of all the normative duties aimed at ensuring that the extra-EU employees stay in Italy in compliance with the laws and regulations in force.

## **7. PROTECTION OF HEALTH AND SAFETY ON WORK AND ENVIRONMENTAL PROTECTION**

- 7.1 Pentair Water promotes health and safety on work for its employees, as well as for all those who have access to offices or to the work environment.
- 7.2 The Company ensures moreover work conditions that shall be respectful of the individual dignity, and a safe and healthful work environment, also through the promotion of a safety culture and of the consciousness of the relevant risks, promoting responsible behaviours by all individuals, with respect of the corporate procedures and of the applicable Laws concerning injury prevention.
- 7.3 In this connection, each employee shall personally contribute to the maintenance of safety on the work environment in which he/she operates, and behave responsibly, for the purpose to protect himself/herself as well as third parties.
- 7.4 In the management of corporate activities, Pentair Water acknowledges that the environmental protection is a value of primary importance, also promoting the development of the environmental conditions of the community in which it operates, in full compliance with the laws and regulations in force.

## **8. MONEY LAUNDERING PREVENTION**

- 8.1 The Company requires the utmost transparency in business transactions and in the relationships with thirds, in full compliance with national and international laws and regulations on anti-money laundering.
- 8.2 Therefore, Recipients are not entitled to enter into business relationships on behalf of the Company with partners, clients, suppliers or thirds that do not ensure to be honest, do not have a reputation of fairness, or whose name is implied in anti-money laundering circumstances.
- 8.3 All the financial transactions are duly justified by contractual relationships and are performed through traceable means of payment.

## **9. ANTI-TRUST**

- 9.1 The Company has trust in a good and correct anti-trust system and in a competitive market, thereby acting in compliance with antitrust Laws and Regulations in force. Misleading behaviours, as well as behaviours which may integrate forms of unfair competition and/or abuse of a dominant position, are therefore forbidden.

## **10. QUALITY AND SAFETY OF PRODUCTS**

- 10.1 In order to ensure customers' satisfaction, Pentair Water takes care of quality, safety and reliability of the products traded.
- 10.2 Recipients are therefore requested to abide by the indications contained in the quality management system procedures.

## **11. INTELLECTUAL PROPERTY PROTECTION**

- 11.1 While implementing the principle of compliance with Laws and Regulations in force, the Company ensures that internal, European and international rules on intellectual property protection are complied with.
- 11.2 Recipients promote the fair use, for any purpose and in any form, of any original works, included software and databanks, in order to protect author's patrimonial and moral rights.
- 11.3 To such purpose, any conduct, generally aimed at duplication or reproduction in any manner whatsoever and without copyright, is expressly forbidden.

## **SECTION III**

### **- RELATIONSHIPS WITH THIRD PARTIES -**

#### **1. RELATIONSHIPS WITH THE PUBLIC ADMINISTRATION**

- 1.1 Relationships with Public Administration (for instance, having regard to the kind of activity performed, Regions and Local Departments competent for the Economic Activities, Provincial Public Offices and Municipalities), with public officers, with subjects in charge of the performance of a public service and, in any case, any public relationship, are inspired by the strictest compliance with the provisions of the Laws in force, as well as transparency, honesty and fairness principles.
- 1.2 In such relationships, Recipients shall not unduly influence the decisions of the public officers negotiating or deciding on behalf of the Public Administration. In any case, the management of the relationships with officers or representatives of the Public Administration is carried out only by corporate officers duly authorized on the basis of the system of proxies and powers of attorney in force.
- 1.3 Offering or giving financial benefits or other benefits, either personal or not, in order to induce or to repay decisions in favour of the Company, and in any case giving such benefits as to induce a potential impartial third to have doubts on the relevant correctness and adequacy, is therefore forbidden.
- 1.4 Only inexpensive gifts, within the framework of customary courtesy relationships, are allowed, in line with the laws and regulations applicable and with the corporate procedures, and not eligible to alter the public officer's independence.
- 1.5 Providing untruthful information or omitting to communicate remarkable information within the relationships with the Public Administration, in order to obtain, in the interest of the Company, national or European contributions or financings, is forbidden. Using possible public contributions obtained for purposes different from their relevant scope is forbidden.
- 1.6 The inspections carried out by the controlling authorities, and the relationships with the judiciary authorities shall be managed by authorized employees, inspired by a spirit of cooperation, correctness and transparency, provided that preventing the due performance of the controlling activity through concealing or destruction of documentation is forbidden.

#### **2. RELATIONSHIPS WITH CLIENTS, SUPPLIERS AND PARTNERS**

- 2.1 Pentair Water pursues the maximum satisfaction of its clients, ensuring product quality, professionalism, availability and timeliness in responding to their needs.
- 2.2 The competent corporate functions are competent for choosing the suppliers and establishing the relevant conditions for the supply, also through service providers, acting on the basis of objective and impartial criteria, mainly based on the due evaluation of reliability, quality, efficiency, and profitability.
- 2.3 The Partners are chosen among players who ensure compliance with criteria inspired to ethics, reliability, good reputation, trustworthiness in the market sector of reference, as well as professional seriousness.
- 2.4 The Company manages the relationships with clients, suppliers and partners with fairness, correctness, professionalism, promoting continuative collaborations and solid and long-lasting

trust relationships, avoiding any corruptive phenomenon which may ensure maintenance of Corporate's business

- 2.5 Therefore, Pentair Water does not allow any form of payment or issuance of advantages in favour of clients, suppliers and other commercial partners, not arising from a contractual obligation governed by an agreement.

### **3. RELATIONSHIPS WITH INSTITUTIONS AND OTHER ORGANIZATIONS**

- 3.1 Relationships with Institutions are inspired by the utmost precision, transparency and correctness, respecting the institutional roles. Similar behavioural rules govern the relationships of Pentair Water with trade unions and political parties.
- 3.2 The Company supports initiatives undertaken by bodies with renewed reputation and aimed at pursuing meritorious scopes (i.e. social, moral, scientific, cultural, charitable or beneficial) which may contribute to the growth and development of the Company.
- 3.3 Contributions, either direct or indirect, to political parties, trade unions, politicians or events with political purposes, are not allowed.
- 3.4 Relationships, also by way of financing, with organizations, associations or national or foreign movements pursuing, either directly or indirectly, scopes forbidden by the laws, contrary to ethics or to the public order or breach the fundamental rights of the human being, are not allowed.

## **SECTION IV**

### **- SANCTIONS AND FINAL PROVISIONS -**

#### **1. THE ROLE OF THE SUPERVISORY BODY**

- 1.1 The Supervisory Body, set up pursuant to Law 231/2001, is competent for the control on the compliance with the present Code of Ethics. Therefore, staff may request to such Body clarifications on doubts regarding the interpretation of the Code of Ethics, and point out - also anonymously and through dedicated channels - alleged breaches known within the framework of the working activity. In particular, communications can be made through the following channels:
- e-mail box (**odv.pwi@pentair.com**), the access to which is reserved only to members of the Supervisory Body;
  - by post to the address of the Company's registered office - Corso Europa 2, angolo via Trieste, 20020 Lainate (MI) - marked for the attention of the Supervisory Body.
- 1.2 In case a notice is received, the Supervisory Body ensures due confidentiality in the performance of its investigations, in order to protect from any possible retort the person who provided in good faith the notice on corporate facts allegedly in breach of the present Code.

#### **2. SANCTIONS**

- 2.1 The respect of this Code of Ethics, included in the contractual arrangements through insertion of a specific provision, is an essential part of the contractual obligations of the Company's employees, pursuant to and in accordance with Article 2104 of the Italian Civil Code.
- 2.2 Infringements of the provisions of this Code of Ethics by employees shall be considered as breaches of the obligations arising from the employment relationship and/or a disciplinary violation, pursuant to the procedures provided by Article 7 of the Italian Workers' Statute of Rights, with all the consequences pursuant to Law regarding the application of disciplinary sanctions, until termination of the employment relationship and consequent compensation for the consequential damages.
- 2.3 Respecting the provisions of this Code of Ethics, included in the contractual arrangements through insertion of a specific provision, represents an essential part of the contractual obligations of thirds who have business relationships with Pentair Water. As a consequence, the infringement of such principles within the framework of the activities performed by thirds in favour of the Company may be deemed as a breach of contract, implying all the consequences provided by the Law.

#### **3. CODE OF ETHICS APPROVAL AND AMENDMENTS THEREOF**

- 3.1 This Code of Ethics has been approved by the Board of Directors. Any possible amendment or modification shall be made through the same mean, and shall be communicated to the Recipients.









