



Interpump Group

Consolidated Non-Financial Statement at 31 December 2021



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Letter to Stakeholders

Stakeholders,

2021 was a year of extraordinary results for the Interpump Group, with absolutely excellent growth and profitability values, achieved despite the context of constant uncertainty due to the turbulence in the value chain, the constantly increasing prices and unsolved logistics difficulties. We tackled the continuing Covid-19 pandemic with the utmost commitment to protect and support the Interpump Group personnel and our local community. These challenges have made us even stronger. These experiences lead us to look ahead, confirming our increasing and concrete attention to corporate social responsibility and sustainability.

With a workforce counting around 10,000¹ people, working in over 30 countries, the Group is committed to achieving excellence in the manufacture of its products and guaranteeing the most appropriate levels of service, in relation to the vast world of sustainability.

Our business model will continue to develop, focusing on the concept of corporate social responsibility and the relationship of trust built over time with our stakeholders, aiming to create lasting value and offer our own contribution to the epoch-making fight against climate change and energy transition.

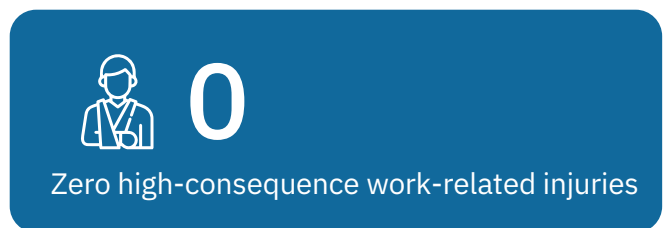
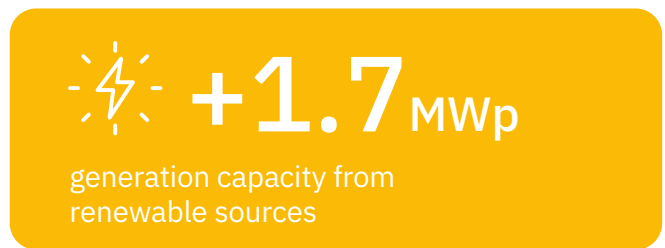
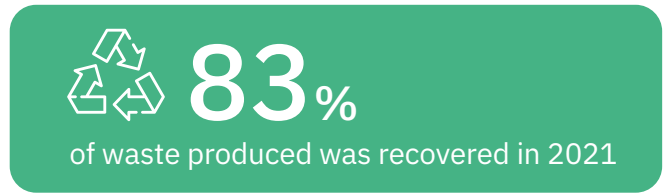
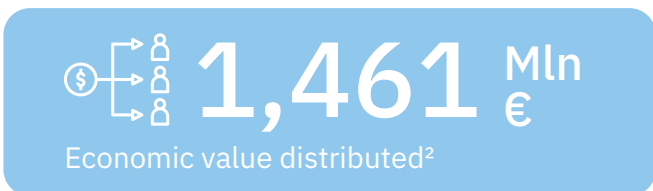
Continuous investments in our production sites and the product portfolio we offer the market today include solutions focusing on energy savings and natural resources, as well as the fight against climate change. As regards our infrastructures, 2021 was marked by a significant increase in our ability to self-produce energy from renewable sources (+1.7 MWp additional installed capacity, corresponding to an annual production of 2.0 GWh) as well as the purchase of certified green energy (3.8 GWh, i.e. 4% of our electricity needs), a concrete sign of the beginning of the Group's practical commitment to pursuing solutions that reduce greenhouse gas emissions. We are also proud of the major recognitions obtained by the companies in the Group, confirming the effectiveness of the sustainable initiatives adopted by the subsidiaries. Please indicate some of these initiatives and recognitions in this Non-Financial Statement.

A constant search for excellence, an unceasing drive towards continuous improvement, while remaining true to our values, remain hallmarks of Interpump activity over time. Thanks to this, and despite the lasting difficulties of this period, we believe we have all the tools we need to continue to maintain the Group's success and reliability.

Chairman and Chief Executive Officer
Fulvio Montipò

1 Including the personnel in the most recently acquired companies.

Key economic, social and environmental indicators



¹ The revenue and workforce values include the most recently acquired companies.

² In compliance with standard GRI 201, the Economic Value Distributed provides a basic indication of the creation of wealth by the organization for the stakeholders. The Economic

Value Distributed is calculated by the sum of operating costs, employee salaries and benefits, payments to capital suppliers, payments to the Public Administration by Country and investments in the community.



1. The Interpump Group

The Interpump Group

GRI 102-1; GRI 102-2; GRI 102-3; GRI 102-4; GRI 102-5; GRI 102-6; GRI 102-7; GRI 102-16



The Interpump Group was founded by Fulvio Montipò in 1977 at S. Ilario d'Enza (RE), Italy, where Interpump Group S.p.A., the parent, is still headquartered.

Over the years, production has expanded from the original niche of high and very high-pressure plunger pumps, in which the Group enjoys world leadership, to include flow control components for the food processing/cosmetics/pharmaceuticals industries, a vast range of hydraulic systems and components, as well as flexible rubber hoses and rigid metallic pipes, as well as power transmissions and ratiomotors.

The strategy of the Interpump Group is to extend the range of products and the volume of sales even further, not least by targeted acquisitions. The mission of the Interpump Group is to pursue excellence in its operations through the application of innovation and quality. Innovation is a permanent goal of Interpump collaborators and is the result of constant, scientific, and detailed research carried out into materials, techniques and products with the aid of the most sophisticated and advanced equipment. Quality permeates all activities of the Interpump Group. Quality is founded on the meticulous, methodical and constant control and verification of each step in the production process, from the purchase of raw materials to the finished product.

The quality assured by the Interpump Group stems from the shared culture that permeates all Group companies. Products are designed to be efficient, easy and intelligent to use, warranted, capable of satisfying market needs and, where possible, energy efficient, safeguarding both users and the environment. The entire Group draws inspiration from the principles of impartiality, honesty, propriety, confidentiality, fairness, cohesion, collaboration, team work, professional ethics and respect for positive diversity, derived from different cultural and work-related experiences.

With around 8,000 employees and locations in over 30 countries in Europe, North America, South America, Africa, Asia and the Pacific Basin, the Group generated net revenues of Euro 1,604 million in 2021. Strategic leadership of the Interpump Group on Corporate Social Responsibility matters is entrusted to the Board of Directors of Interpump Group S.p.A. which, on 29 October 2020, assigned to the Control, Risks and Sustainability Committee the task of supporting the considerations and decisions of the Board with appropriate analysis and proposals regarding the “sustainability” strategy of the Company.

Business overview

GRI 102-2

→ The **Water Jetting sector** includes companies active in Interpump's traditional core business, i.e. the production and sale of plunger pumps rated from 1 to 2,000 HP (from 0.7 to 1,500 kW), and the related accessory components. The smaller models are primarily used in pressure washers; as the power rating increases, and hence the available pressure, the range of applications is extended to include car washes, atomization, road cleaning and jet rodding of sewers, seawater desalination, descaling of steel. Even higher pressures allow the use of the fluid (water or another medium) to bore holes, make cuts,

remove paint, deburr metal components and even for demolition works. Lastly, plunger pumps are suitable for use in all industrial processes (chemicals, food processing, cosmetics, manufacturing) that require very high pressures to homogenize or separate foods or compounds, to make chemical reactions possible, to sterilize and for countless other processes. The higher efficiency of plunger technology compared to other types of pump leads to better performance and savings in energy usage; moreover, in many of the applications mentioned water technology brings benefits related to hygiene, the environment, or processing time with respect to the conventionally employed systems.

High and very high-pressure pumps



Since 2017 the Water Jetting sector also includes companies engaged in the production of special pumps, mixers, agitators, cleaning systems, valves and tanks for the food, cosmetics and pharmaceutical industries: these

products offer physiological commercial synergies and significant technological affinities with the historic core business of plunger pumps. For these applications, the main brands, divided by product category, are:

Fluid process machines



Orbital motors and steering systems

→ The **Hydraulic sector**, developed in 1997, includes companies active in the production and sale of a continually expanding range of hydraulic components: power take-offs (mechanical device connected to the engine or gearbox of an industrial vehicle, to which a pump is coupled to power the hydraulic circuit), gear pumps, cylinders, hydraulic motors, oil tanks, directional controls (the central component that assures constantly correct distribution of oil among all the segments of a complex hydraulic system) and related electronic or mechanical control systems, hydraulic lines (flexible rubber hoses, flexible metal pipes, and rigid pipes), flanges and fittings. Hydraulic technology is used in almost all mechanized aspects of human activity: in equipped industrial vehicles (e.g., dumpers, truck cranes, waste compactors) in agricultural vehicles, earthmoving machines, forklift trucks and telehandlers with work platforms, as well as in fixed applications including cranes, elevators, in the mining sector, marine sector, industrial automation, and even for funfair rides.

Pipes and fittings have an even broader range of application (including a large number of applications in the Water Jetting sector), and some companies in the Group offer complete services of design, construction and maintenance of simple or extremely complex piping systems.

In addition, Interpump is also present in the gears sector. These are used on all types of industrial and domestic machines that need to reduce the speed of a motor in a safe and efficient manner, while also increasing rotational torque. As a transmission system, gears are highly complex with very many variants, depending on the needs and specifications for each application. There are numerous applications across multiple business sectors, from logistics to agriculture, from heavy industry to food processing, and from animal husbandry to the circular economy and mining. The entry of Interpump into this sector between the end of 2019 and the beginning of 2020, with the acquisition of Reggiana Riduttori and Transtecno, radically extended activities in the transmission sector, where Interpump was already world leader in the production of power take-offs (PTO) for mobile hydraulic systems.

The principal brands belonging to the Hydraulic Sector are presented by product category below.

Hoses and Fittings



Cylinders



Valves



Gears



Power Take-Offs



The main acquisitions in 2021 are described below:

- On 14 January 2021, Interpump Group S.p.A. announced the closing of the acquisition of the company DZ Trasmissioni, which manufactures right-angle drives with headquarters in Zola Pedrosa (BO); during the year, the company was then merged by incorporation into to subsidiary Transtecno S.r.l.
- On 1 October 2021, Interpump Group S.p.A. announced the closing of the acquisition, from the Danfoss Group, of the business units White Drive Motors & Steering¹, with production sites respectively in Germany, Poland and the United States, specialized in the production and marketing of orbital motors and hydroguide systems.
- On 11 November 2021, the Interpump Group acquired, through the subsidiary Reggiana Riduttori S.r.l., Berma S.r.l.¹, with headquarters in Gazzuolo (MN), specialized in the production of gears designed specifically for conveyor belts and dispersion devices used to spread solid biological fertilizers.

In a time of continuing transformations and changes, the research and development activity represents the linchpin of all the activities of the Interpump Group. In addition to

strategic guidance provided by the parent company, R&D activities are marked by a structured process that aims to oversee and manage all the proposed innovations by the Group's production companies, including: Interpump Group S.p.A. and Hammelmann GmbH for the Water-Jetting; Walvoil S.p.A., Interpump Hydraulics S.p.A., IMM Hydraulics S.p.A. and Reggiana Riduttori S.r.l. for the Hydraulic Sector. The aim of these activities is to continually improve the quality and performance of the products, creating new products and identifying different applications for existing products in order to penetrate new sectors. The Interpump Group continues with its investments in R&D with a view to ensuring renewed impetus to well structured growth.

¹ The companies in the White Drive and Berma S.r.l. Group, acquired in the fourth quarter 2021, are not included within the scope of the Non-Financial Statement of Interpump Group S.p.A. at 31 December 2021.

Corporate Structure of the Interpump Group

GRI 102-3; GRI 102-4; GRI 102-5; GRI 102-6; GRI 102-7; GRI 102-10; GRI 102-45

At 31 December 2021 the Interpump Group comprises an organization headed by Interpump Group S.p.A., a company incorporated in Italy and listed in the FTSE MIB and Euronext Star Milan segment of Borsa Italiana; the parent company holds direct and indirect controlling interests in 108 subsidiaries operating in the two business sectors described above. The following page shows the Interpump Group as at 31/12/2021.

The Group is composed of a large number of companies, including small size concerns, that perform primarily production and/or sales activities under the strategic and operating coordination of the group parent company.

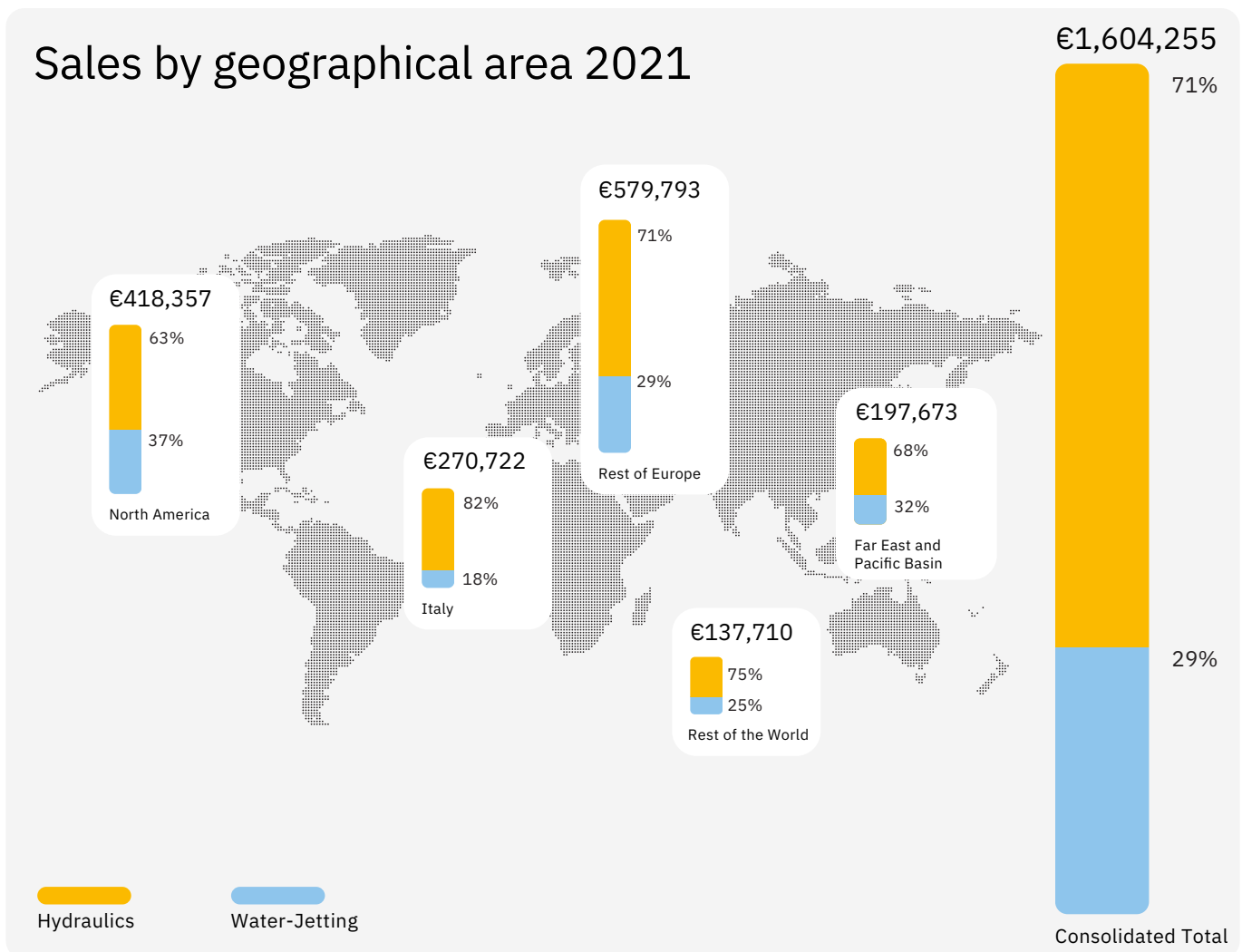
The Group has production sites in Brazil, Bulgaria, Canada, China, South Korea, France, Germany, India, Italy, Poland, Romania, Slovakia, Spain and the United States, with a

direct presence in over 30 countries. The geographical areas in which the Group operates, both in terms of manufacturing and sales activities, are grouped as follows:

- Italy
- Rest of Europe
- North America
- Far East and Pacific Area
- Rest of the World.¹

See the following chart for further details:

¹ The countries in the Rest of the World where the Group operates are Brazil, Chile, Colombia, United Arab Emirates, India, Mexico and South Africa.



Interpump Group SpA

WATER-JETTING DIVISION

Inoxihp 52.72%

NLB Corporation Inc.

NLB Poland

GP Companies Inc.

General Pump China

Hammelmann GmbH

Hammelmann Corporation Inc.

Hammelmann Australia Pty Ltd

Hammelmann Pumps Systems Co. Ltd 90%

Hammelmann S.L.

Hammelmann France SARL

Hammelmann Swiss GmbH

GS Hydro HK Ltd.

GS Hydro Piping Systems Shanghai Co. Ltd.

Servizi Industriali Srl 80%

Pioli Srl

Sit SpA 65%

Teknova Srl

Inoxpa S.A.

Inoxpa India Private

Inoxpa Solutions France

Inoxpa Solution Portugal Lda

Inoxpa UK Ltd

Inoxpa Solutions Moldova 66.67%

Inoxpa Colombia SAS 83.29%

Inoxpa Italia S.r.l.

Inoxpa Skandinavien A/S

Inoxpa South Africa Proprietary Ltd

Inoxpa Special Processing Equipment Co. Ltd

Inoxpa Ukraine

Inoxpa USA Inc

LTD Inoxpa 70%

Inoxpa Mexico (99%) -1% remainder held by inoxpa

HYDRAULIC DIVISION

Interpump Hydraulics SpA

Oleodinamica Panni Srl

Hydroven Srl

Hydrocar Chile S.A. 90%

Wuxi Interpump Weifu Hydr. Company Ltd 65%

Interpump Hydraulics India Ltd

Interpump Hydraulics Middle East FZE

Interpump Hydraulics France Sarl 99.77%

Interpump South Africa Pty Ltd

Interpump Hydraulics RUS

Hammelmann Vostok

Interpump Hydraulics Peru Sac 90%

Contarini Leopoldo Srl

Unidró Contarini Sas

Copa Hydrosistem Ood

Interpump Hydraulics UK Ltd

Mega Pacific Pty Ltd 65%

Mega Pacific NZ Pty Ltd 65%

IMM Hydraulics Ltd

Bristol Hose Ltd

Muncie Inc.

American Mobile Power Inc.

Hydra Dyne Technology Inc. 75%

GS-Hydro U.S. Inc.

I.M.M. Hydraulics SpA

Interpump Fluid Solutions Germany GmbH

FGA Srl

IMM Hydro Est

Hypress Francia Sarl

Tekno Tubi Srl

Gummi Tech Srl 60%

Transtecno Srl 60%

Transtecno Iberica 50.4%

Hangzhou Transtecno Power Transmissions 72%

Transtecno BV 51%

Transtecno Aandrijftecniek BV 51%

MA Transtecno SAPI de C.V. 50.4%

Transtecno USA LLC

Walvoil SpA 65%

35% remainder held by Interpump Hydraulics SpA

Walvoil Fluid Power Corporation

Walvoil Fluid Power Korea Llc

Walvoil Fluid Power India Pvt. Ltd 99.97%
0.03% restante detenuto da Interpump Hydraulics India Ltd

Walvoil Fluid Power France Sarl

Walvoil Fluid Power Australasia

Galtech Canada Inc.

Walvoil Fluid Power Dongguan Co. Ltd

HTIL

White Drive Motors and Steering Sp.ZOO

White Drive Motors and Steering LLC

White Drive Motors and Steering GmbH

Tubiflex SpA

Interpump Piping GS Srl

GS-Hydro AB

GS-Hydro Denmark AS

GS-Hydro UK Ltd

GS-Hydro System GmbH

GS-Hydro Sp ZOO

GS-Hydro Austria GmbH

GS-Hydro Benelux B.V.

GS-Hydro Korea Ltd.

GS-Hydro Singapore Pte Ltd.

GS-Hydro do Brasil S.H. Ltda

GS-Hydro S.A.U.

Suministros Franquesa S.A.

Reggiana Riduttori Srl

RR India Pvt. Ltd. 99.99%

RR Pacific PTY Ltd.

Berma Srl

RR Slovakia A.S.

RR USA Inc.

RR Canada Inc.

Reggiana Riduttori (Suzhou) Co. Ltd.

RR Holland BV

RR France Sarl 95%

Hydraulics Water-Jetting Dormant and/or in liquidation Not consolidated line by line

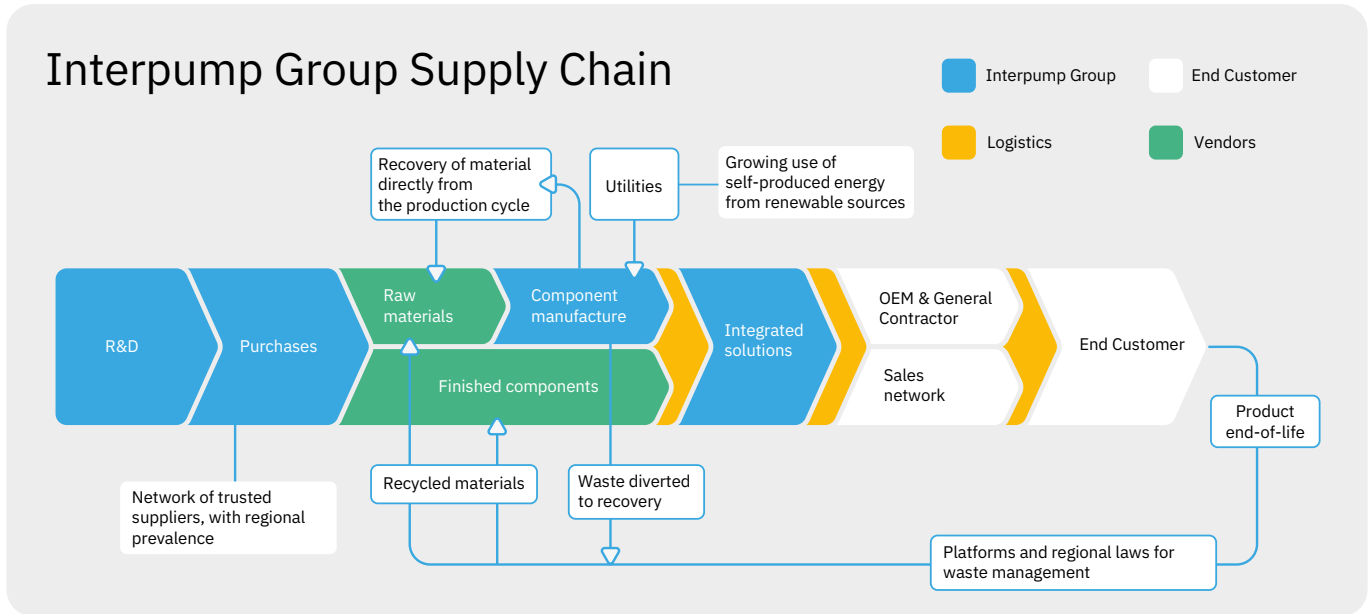
Group structure at 31/12/2021. 100% shareholdings unless otherwise specified.

Interpump Group supply chain

GRI 102-9; GRI 102-10

In order to offer the market diversified products and solutions, the procurement process of the companies in the Interpump Group is independent for each one, and only occasionally overlap. A simplified representation of the

supply chain of the Interpump Group is given below:



As regards the Group’s production companies, the main suppliers supply:

- raw materials, including metals made of a mix of virgin materials and recycled materials available on the market;
- commercial components and consumables;
- semi-finished parts;
- consumables and equipment for production and assembly;
- tools.

The various applications are developed, produced and sold through processes that have different effects on the extent of the supply chain. For example, some Group companies purchase electric motors or finished electro-mechanical components, while other companies design, produce and sell electric motors or finished electro-mechanical components. In some cases, some industrial treatments, including heat, chemical and painting treatments, are outsourced, while other companies in the Group manage these processes internally.

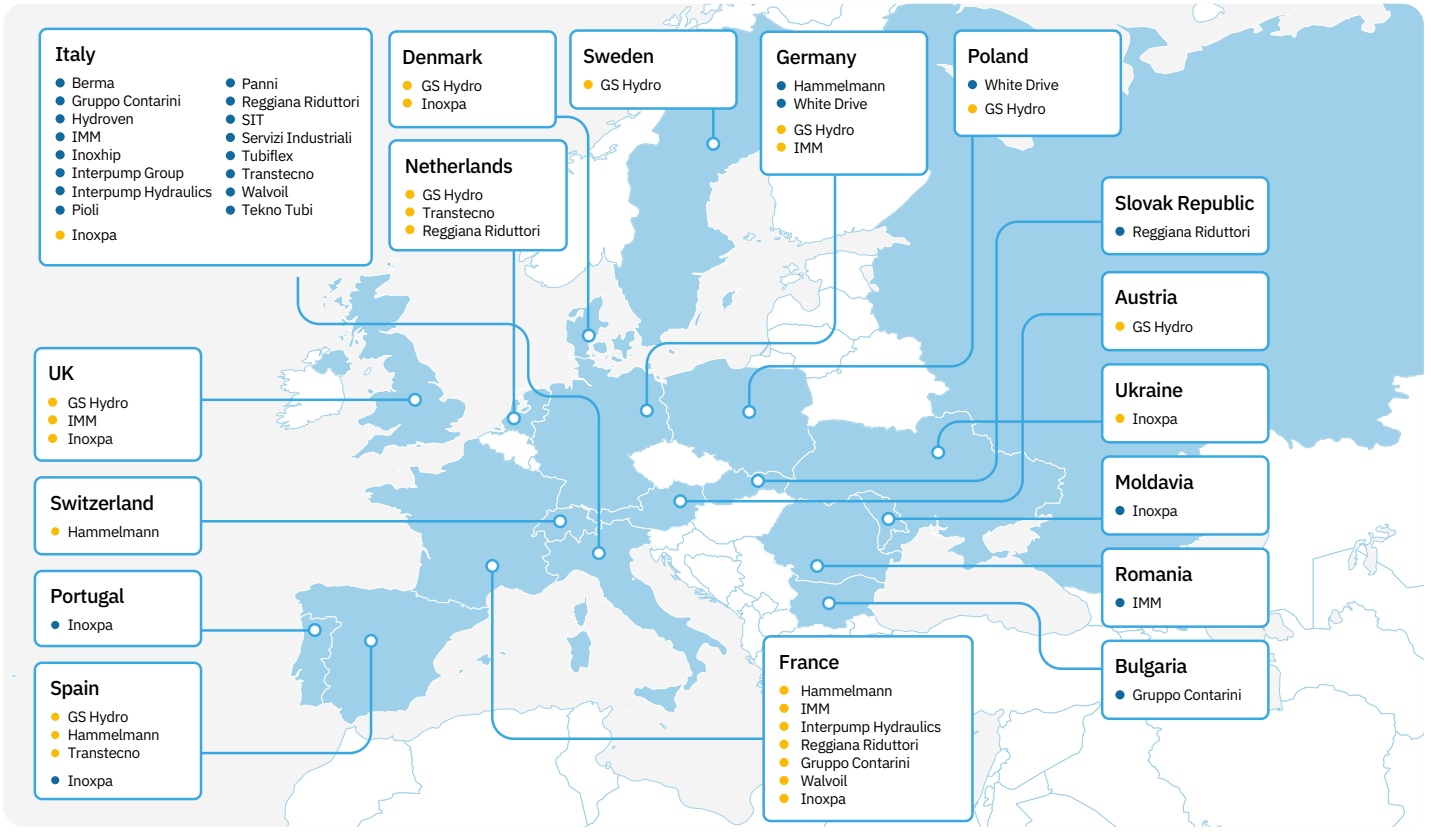
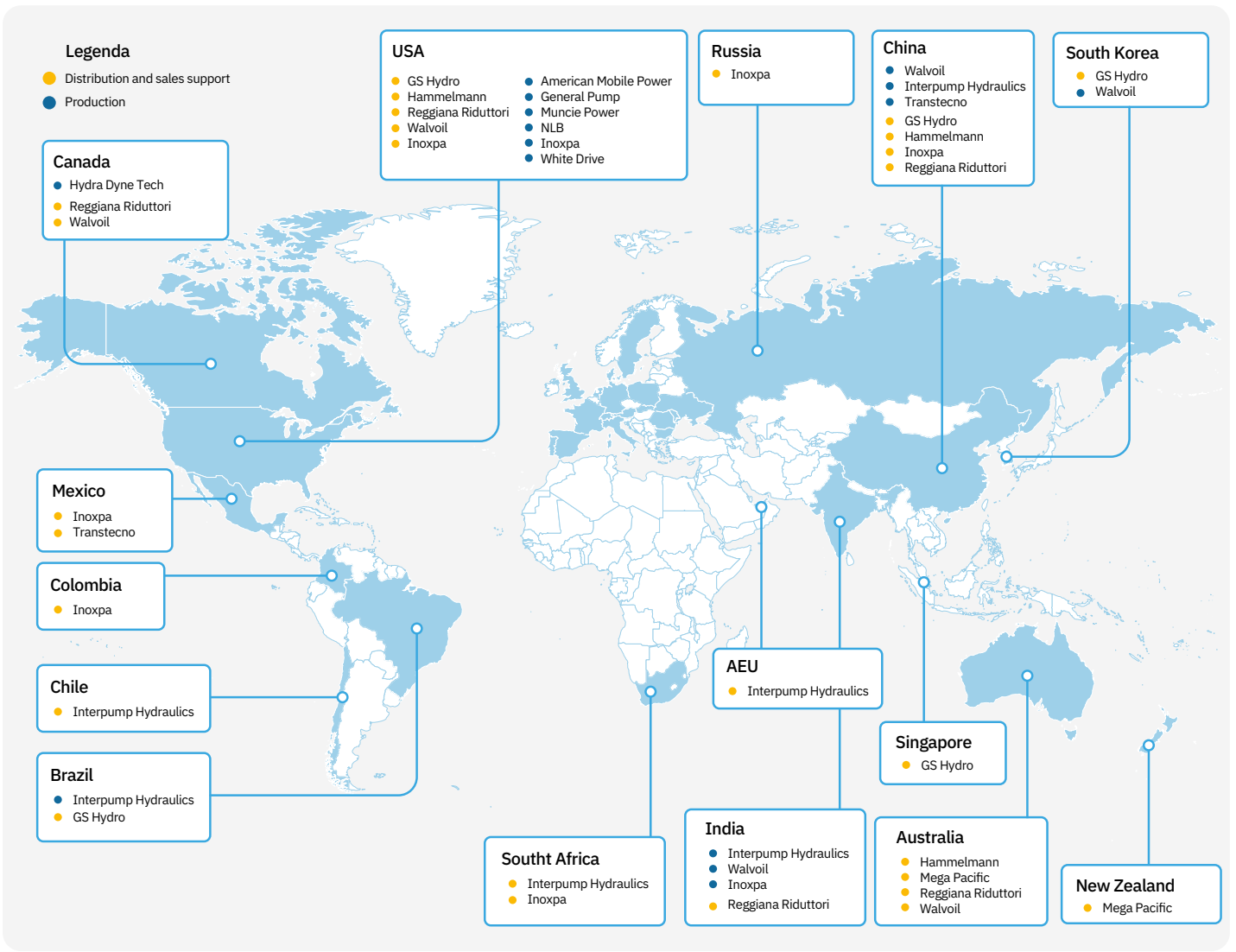
The commercial and distribution companies in the Group, on the other hand, purchase products both from the Group’s manufacturing companies and from external suppliers. The suppliers to Interpump Group are located in all continents. The Group companies prefer to maintain partnerships with local trusted suppliers, and only marginally source from suppliers in other countries. This strategy has ensured that

the supply chain and logistics were affected little by the difficulties recorded in 2021, recording an above-average level of appreciation by customers.

The Interpump Group combines a process of internal growth with an external growth path, resulting in sometimes significant changes in the product mix with, therefore, an impact on the consistency of certain indicators.

The following principal acquisitions took place during the years analyzed:

- January 2018, the international branches of GS-Hydro - active in the design and installation of and support for piping systems used in weld-free assemblies (contributing about 5% of consolidated revenues);
- October 2019, the Reggiana Riduttori group;
- January 2020, the Transtecno group;
- July 2020, Servizi industriali (Macfuge brand);
- January 2021, Dz Trasmissioni;
- October 2021, the companies in the White Drive Motors & Steering Group;
- November 2021, Berma S.r.l.



Update on the continuing Covid-19 pandemic

The global spread of the Sars-Cov-2 virus (Covid-19), declared a “global pandemic” by the World Health Organization in 2020, forced governments worldwide to impose restrictive measures for containment, including personal distancing, quarantine, restrictions in movements and the suspension of non-essential economic and social activities. Today, many of these measures have been lifted, above all in countries where there has been a widespread vaccination campaign. However, the spread of new and more infectious variants of the virus has led to the gradual re-introduction of the restrictive measures, even though with different methods from country to country. In this context, the world economy, starting from the spring, recorded a quicker recovery than expected, and this continued throughout 2021, supported above all by the lifting of containment measures and the re-opening of economic and social activities generally.

Right from the onset of the emergency, the Interpump Group implemented all the actions needed to safeguard the health of its workers in order to fight the spread of the Coronavirus (Covid-19) and guarantee operations in all production departments and all customer service activities. From an organizational standpoint, the Interpump Group disseminated and shared the health and conduct rules needed to fight the spread of the virus with all employees, including the possibility for remote-working, and maintained the work teams created in 2020 operational in order to manage the emergency, with the aim of minimizing the negative impacts of the various pandemic waves over the year.

The Interpump Group continues its concrete commitment to supporting the local communities in fighting the pandemic, through donations, charity campaigns and generally solidarity and economic and social support initiatives. The most significant initiatives include the purchase of respirators and machinery for the intensive care units of some Indian hospitals in the metropolitan area of Bangalore to cope with the terrible rate of infections that hit the country in May 2021.

The events of 2020 and 2021 confirmed the resilience of the Interpump Group’s business model, the foundations of which continue to be solid and able to absorb the negative consequences of these exceptional events.

Demonstrating this, considering the growth in Group Revenues of about 20% at unchanged perimeter and exchange rates, the resilience of the Interpump Group is confirmed by the financial performance achieved in 2021, which closed with an EBITDA margin of 23.7% compared to 22.7% in 2020, consolidated net profit of Euro 216.4 million and an exceptional free cash flow of Euro 133.8 million. Therefore, looking ahead, we believe that the Covid-19 pandemic has not compromised in any way the Group’s ability to create value over the long term.

The Group's values

GRI 102-16

The Group's values, laid down in the Code of Ethics, express the ethical responsibilities and commitments accepted by our collaborators when carrying out their business operations and activities, whether they be directors, employees or those who, even on a de facto basis, manage and control the Company or act in its name and/or on its behalf¹.

The Interpump Group also strives to disseminate and consolidate a culture of occupational safety and respect for the environment, without deviating in any way from compliance with local regulations, while also promoting

¹ The signature of the Code of Ethics or an extract from it or, in any case, compliance with its instructions and principles is an essential condition for the completion of contracts of any kind between them and Interpump Group companies and consultants, suppliers and other third parties, including customers (hereinafter referred to as "Third Parties"); the clauses signed or, in any case, approved by tacit consent or otherwise, are an integral part of such contracts.

responsible conduct by all collaborators. The Group also works to protect, especially via preventive actions, the health and safety of workers, the environment and the interests of all stakeholders.

With reference to human rights, the Interpump Group promotes the recognition and respect of personal dignity, the private life and personal rights of all individuals. The conduct of collaborators in the performance of their functions must be founded on transparency and moral integrity, having regard for the multiple social, economic, political and cultural contexts in which they work. The Group guarantees and promotes diversity and respect for gender equality: for this reason, discrimination of any kind is not tolerated. All Group personnel are hired on a proper employment contract and the working relationship is maintained in full compliance with the national collective employment contract for the sector concerned, the tax, social security and insurance regulations, and the instructions governing health, safety and immigration. Unofficial work is not tolerated in any form and respect for human rights is guaranteed, especially via a total ban on exploitation, child labor and the use of foreign citizens without proper residence papers.

The "Code of Ethics" of the Interpump Group is published on the company website, in the Governance section (www.interpumpgroup.it/codice-etico.aspx) and in the institutional pages of all the subsidiaries.

Innovation at the heart of the Interpump Group

The Interpump Group has always been committed to continuous innovation and the development of cutting-edge technologies. The research and development of innovative products, as well as the extension of its product range, responding to new and more complex needs, represent not only the essence of a resilient business, but especially the basis for the growth and performance the Group has recorded over the years. Interpump develops innovative products that help customers to reduce environmental impacts, the consumption of natural resources and CO₂ emissions into the atmosphere. Given the nature and organization of the Interpump Group, research and development is not a centralized process but is performed in the various engineering centers located at the main subsidiaries, whose engineers, technicians and work teams, closer to the needs of customers, can guarantee a

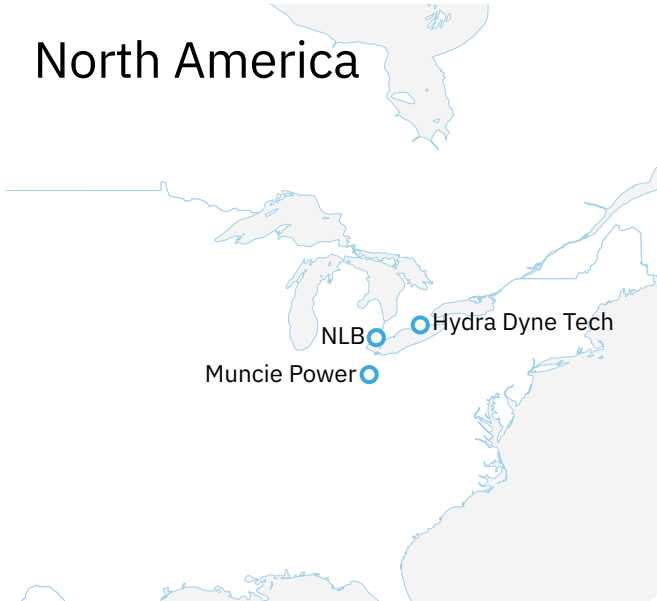
better and more effective action. At the same time, these engineering centers are able to develop new products and customized versions of standard products in order to meet any specific needs of the customers.

Within the many research and development initiatives, the Interpump Group continues its significant investment in the development of technologies that can directly contribute to the transition to sustainable energy and the reduction in climate change. An overview of the key initiatives is given below, with a list of the projects with the greatest impacts on sustainability:

Brand	Sector	Project	Sustainability goals	Project status
Walvoil	Hydraulics	ALS - Adaptive Load Sensing	Energy saving system consisting of valves, pumps, electronic control units and software to guarantee at least 5% reduction in fuel consumption in Off-Highway applications.	Completed in 2021
IMM Hydraulics	Hydraulics	Clever COP – pipe cover mixtures with recycled polymers	Feasibility check to use up to 5% recycled material and save around 100 tons/year in virgin material.	Under development in 2022
Group	Water-Jetting	Ultra-High Pressure pumps - new generation	New generation of piston pumps for high-pressure applications with around 10% increased efficiency.	Under development in 2022
Bertoli	Flow processing	Water microfiltration skid - water purification	New system for sterile water generation using micro-filtration processes with around 90% net energy savings compared to steam condensation systems, saving around 1,400 tons/year of CO ₂ per machine.	Completed in 2021
Reggiana Riduttori	Power Transmissions	Electrical drive system for farming 4.0	Solutions supporting electrical vehicles for Agriculture 4.0.	Under development in 2022
Hammelmann	Water	Optimized Water descaling device	Product upgrade with +40% energy savings and use of water with a new nozzle design.	Under development in 2022

Main sites with significant R&D activities in 2021

North America



Europe



Confirming the commitment to product innovation, the Interpump Group has received prestigious recognitions of the tangible results achieved, including:

- in January 2021 the subsidiary Reggiana Riduttori S.r.l. received an award from the multinational OPCO – Oriental Precision Engineering Co. Ltd. for its active commitment to improving product quality and conformity of production processes;
- the subsidiary Walvoil S.p.A. won the “Excellent Supplier” award for its contribution to the growth of the SANY Group, in the supply chain;
- In December 2021, Walvoil S.p.A. also received from the Indian JCB Group, the “New product introduction program¹” award thanks to its ability to rapidly develop new products to support the supplier’s production needs;

- the multinational Kubota awarded our subsidiary Walvoil S.p.A. (including the brands Walvoil, Hydrocontrol and Galtech) the “Kubota Green Award 2021²” for its virtuous behavior in terms of environmental sustainability in relation to several projects for the sustainable transformation of its activities and operational sites.
- Thanks to a number of technical innovations introduced to its products, during the EIMA 2021 trade fair, Walvoil S.p.A. received the “Technical Novelty 2020-21” prize for means and devices with absolute innovation, and the “Premio Blu 2020”
- The quality and attention to the issue of work experience for high school students also led to Walvoil S.p.A. receiving the “Bollino per l’Alternanza di Qualità” (“Quality Internship Award”) from Confindustria.

1, 2 <https://www.walvoil.it/walvoil-awarded-by-jcb-for-new-product-development>





2. Taxonomy

Taxonomy

The European Commission has issued Regulation (EU) 2020/852 – EU Taxonomy Regulation, aiming to establish a framework to promote sustainable investments in the European Union. The Regulation defines six environmental goals, relating to which activities, projects and investments can be defined and classified as sustainable, in compliance with the technical and objective criteria specified in the regulation.

Taxonomy therefore represents a solid tool for transparency, based on scientific criteria for businesses and investors, introducing clear performance criteria for establishing which activities offer a substantial contribution to the European Green Deal objectives. These criteria create a common language allowing business and investors to communicate the “green” economic initiatives with greater credibility.

The Interpump Group recognizes the importance of aligning its activities and projects to the main contents of European Taxonomy, aiming to make recourse to sustainable finance instruments, where there are favorable conditions for supporting its investments.

Article 8 of Regulation (EU) 2020/852 states that undertakings subject to an obligation to publish non-financial information must provide information on how and to what extent the undertaking’s activities are associated with economic activities that qualify as environmentally sustainable, as defined by a specific amendment of the European Commission. The article states that these undertakings must specifically disclose the proportion

of their turnover, capital expenditure and operating expenditure associated with activities covered by taxonomy, which contribute to achieving the environmental objectives laid down in the Regulation.

As regards the disclosure of the proportion of turnover and operating expenditure associated with activities covered by the Taxonomy, the companies of the Interpump Group perform production, assembly and marketing of intermediate components which, as specified in the document “Questions and Answers on the EU Taxonomy Complementary Climate Delegated Act”, issued by the European Commission on 2 February 2022, currently do not fall into the category of eligible activities laid down in the technical criteria and therefore these indicators are not disclosed in this NFS. In this regard, the Interpump Group will continue to monitor the evolution of the European Taxonomy Regulation aiming to transpose any future obligations concerning non-financial statements.

On the other hand, with reference to the investments made by the Interpump Group, in the reporting period, for the purchase and installation of photovoltaic panels, the value of the capital expenditure portion, compared to the total consolidated capital expenditure for 2021, is 0.6%. These investments confirm the Group’s commitment to achieving the global decarbonization and greenhouse gas reduction goals.

		2020	2021
Installed renewable power	[MWp]	1.6	1.7
Total installed renewable power	[MWp]	1.6	3.3
Number of projects	[#]	5.0	4.0
Costs incurred / Planned budget	[Eur Mln]		1.4
% of renewable energy potentially produced out of the Group consumption	[%]	2.0%	3.6%
Renewable energy potentially produced per year	[MWh/y]	1,859	3,852
Incidence of CO2 per kWh 2021 (calculated using the Location method)	[g CO2/kWh]	356	356
Savings of equivalent CO2 emissions	[t CO2/y]	662	1,371
Number of trees equivalent for approximate CO2 absorption (*)	[# trees]	25,000	50,000
Approximate land equivalent required for reforestation (**)	[hectares]	60	130

* The referred average absorption coefficient was 38 trees to absorb 1 ton of CO2 per year, source <https://www.encon.be/en/calculation-co2-offsetting-trees>

** 400 trees per hectare envisaged, source <https://www.encon.be/en/calculation-co2-offsetting-trees>

European Taxonomy - Eligible proportion	KPI 2021
Revenues	0.0%
Opex	0.0%
Capex	0.6%

The sustainable initiatives of the Interpump Group

Renewable energy sources

In recent years, the Interpump Group has worked towards the use of more energy from renewable sources, aiming to support energy transition and fight climate change. Moreover, the Group has launched energy efficiency programs to reduce emissions and consumption.

The increase in the self-production capacity of photovoltaic energy is leading to significant progress, contributing to the reduction of CO2 emissions. In this area, the most significant project was implemented by the Italian subsidiary Reggiana Riduttori S.r.l., which in 2021 installed on the roof of its production sites – without land consumption - around 0.8 MWp of additional photovoltaic panels compared to the existing 0.2 MWp, for a total installed capacity of around 1 MWp, covering around 30% of the annual energy needs of the production site.

As concerns 2022, the key initiatives include the one promoted by the subsidiary Walvoil S.p.A. for a photovoltaic system installed on the roof of the factory in Reggio Emilia, with a capacity of around 0.5 MWp.

Other initiatives

Other initiatives by the Group include energy efficiency and emissions reduction activities. These include: heat-pump HVAC systems not powered by natural gas; replacement of bulbs with LED bulbs; intelligent temperature and lighting control systems; more efficient auxiliary production systems – e.g., new compressors with inverter that generate electricity savings of around 15%; auxiliary heat recovery systems that have brought savings of up to 30% in methane gas consumption; replacement of office heating systems with more efficient solutions; adiabatic cooling systems in the production sites – with higher energy efficiency than conventional conditioning systems.

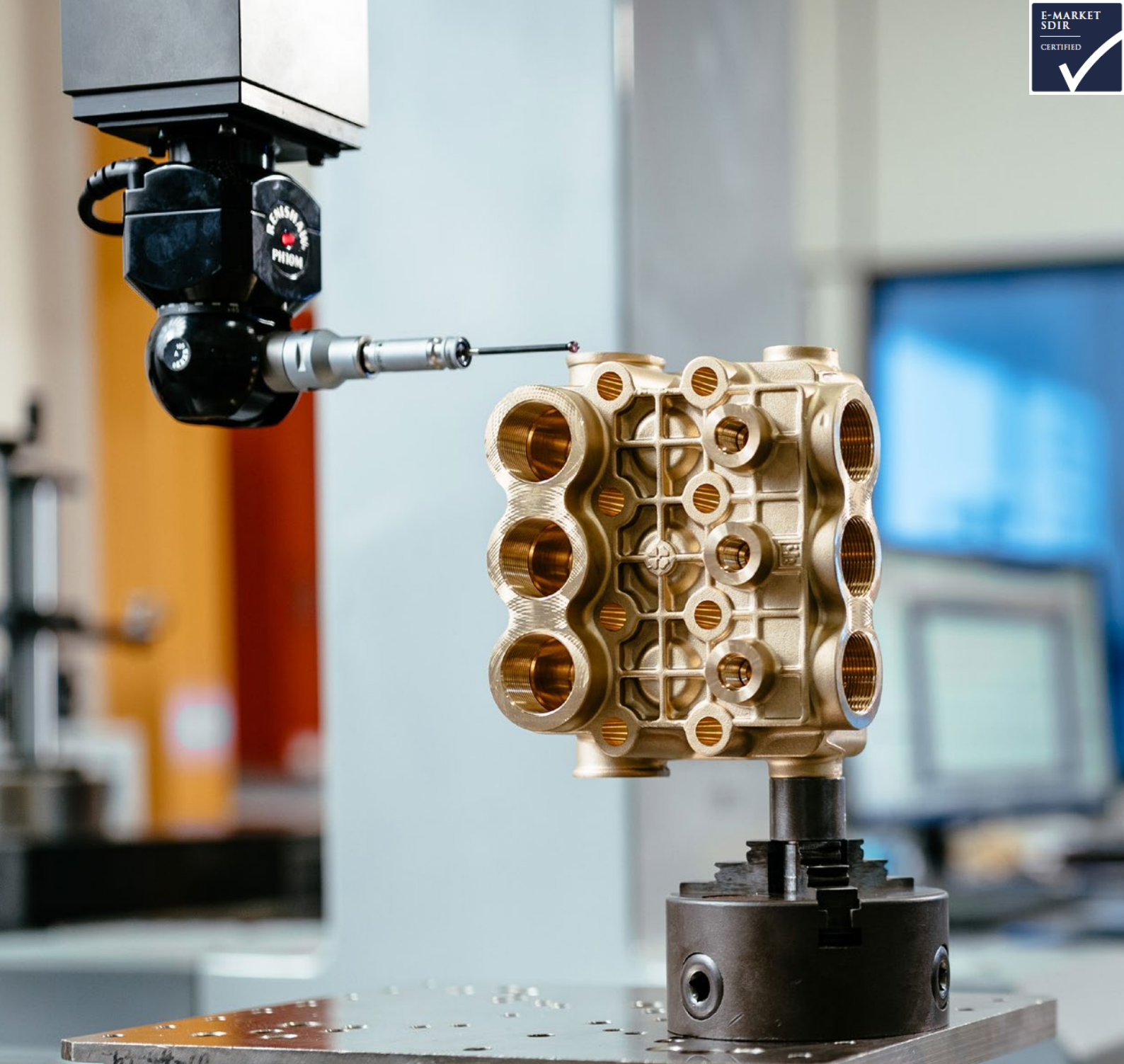
In 2021, the group deployed resources in these fields worth 1.3 mln euro, and several projects are also planned for 2022.

The energy efficiency and heat recovery initiatives mainly concern production. In 2021, the main projects included the replacement of conventional technologies with high-efficiency compressors.

Heat pump heating rather than fossil-fuel powered		2020	2021
Annual increase impacting building surface area	[m2]	1,334	3,948
Total cumulative impacting building surface area	[m2]	1,334	5,282
Portion of surface area not powered by fossil fuels out of the total covered surface area	[%]	0.2%	0.7%

Replacement of bulbs with LEDs		2020	2021
Annual net decrease in installed lighting power	[kW]	-	193
Estimated annual increase in energy savings	[GWh]	-	0.5
Total cumulative decrease in installed lighting power	[kW]	-	193
Portion of consolidated energy savings out of total need	[%]		0.5%

Energy efficiency and heat recovery		2020	2021
Estimated annual increase in energy savings	[GWh]	-	0.3



3. Note on Methodology

Note on methodology

GRI 102-45; GRI 102-46; GRI 102-48; GRI 102-49; GRI 102-50; GRI 102-52; GRI 102-53; GRI 102-54; GRI 102-56

This document is the Consolidated Non-Financial Statement (hereinafter, also NFS) of the Interpump Group (Interpump Group S.p.A. and those subsidiaries consolidated on a line-by-line basis, hereinafter also the Group or “IPG”), prepared pursuant to Decree 254 dated 30 December 2016 (hereinafter, also the “Decree” or “Decree 254/2016”) and, as envisaged in the Decree, is a separate document with respect to the Board of Directors' Report. This NFS addresses the material topics envisaged in art. 3 of Decree 254/2016 with reference to the 2021 financial year (from 1 January to 31 December), to the extent necessary in order to provide an understanding of the business, its performance, its results and the social and environmental impact of the Group. The material topics for the Interpump Group and its stakeholders were determined using a process for the analysis of materiality described in the chapter on “Stakeholder engagement and materiality matrix”. This document has been subjected to a limited assurance engagement performed by the auditing firm EY S.p.A., under the International Standard on Assurance Engagements - ISAE 3000 (Revised). The check was performed in compliance with the procedures described in the “Independent Auditors' Report” included at the end of the document.

The Board of Directors of Interpump Group S.p.A. approved this NFS on 18 March 2022.

Scope and standard of reporting

This annual NFS relates to the period 1 January - 31 December 2021, consistent with the reference period for the Consolidated Financial Statements, and includes the companies consolidated on a line-by-line basis for financial reporting purposes (see the organization chart of the Interpump Group at 31 December 2021, presented in the section “Corporate Structure of the Interpump Group”). The following companies are not included in the statement, since they are dormant/in liquidation: Bristol Hoses Ltd, Interpump Piping GS S.r.l., HTIL, IMM Hydraulics Ltd, NLB Poland Sp. Zoo, Teknova S.r.l. and Transtecno USA LLC. Also excluded from the Non-Financial Statement 2021 are the newly acquired companies White Drive and Berma S.r.l. The document also contains non-financial data for 2020 and 2019, for comparative purposes.

In addition, to aid understanding of the foregoing comparison, where significant the notes supporting the indicators show the changes in the scope of reporting attributable to the entities acquired during the three-year period, as well as the impact of exchange-rate fluctuations.

This NFS has been prepared in compliance with the GRI Sustainability Reporting Standards: Core option, published in 2016 by the Global Reporting Initiative (GRI). Compared to the report for the previous year, it is reported that for the NFS 2021, the new reporting standard GRI 306 (Waste) has

been adopted in the version issued by the Global Reporting Initiative in 2020, with effect from financial year 2021. The Statement includes a “GRI Core Indicators correlation table” in section “Analysis of materiality”, in order to show the coverage of the GRI indicators associated with each topic determined to be material. In addition, each chapter/section makes reference to the indicators addressed.

Methods of calculation

The main methods of calculation and assumptions made for the non-financial performance indicators reported in this statement are indicated below, in addition to those already described in the text of the NFS (e.g. examples of specific calculation formulas include indicator 401-1 concerning in/out turnover rates, 403-9 concerning injury rates, 302-3 related to energy intensity, and 303-4 concerning water discharge).

A.— Where specific environmental data was unavailable, conservative estimates were made by choosing assumptions for environmental performance that were less favorable for the Company. For example, with reference to the standard on the withdrawal and discharge of water, the following have been considered fresh water:

- water sourced from third-party vendors, such as the public supply (mains), for which no exchange of materials is envisaged at any point in the productive process;
- water drawn from own wells when the related discharges are analyzed to check their quality parameters. The purpose is to confirm that the productive process did not result in an exchange of materials causing total dissolved solids to increase by more than 1g/liter. In the absence of analyses confirming compliance with the 1g/liter limit, the Group takes a prudent approach by classifying the water concerned in the “other” category.

B.— In order to assess water stress in the various countries in which the Group operates, reference was made to the Acqueduct database, using the 32 capitals of each country as benchmark values. Countries are classified as subject to water stress if the value identified is greater than or equal to 3.

C.— Greenhouse gas emissions were calculated using the following formula: activity value (m³ of natural gas, kWh of electrical energy, etc.) multiplied by the respective emission factor. Also, losses of refrigerant gas (kg) were considered, multiplied by the respective Global Warming Potential (GWP).

D.— The emission factors and GWP values utilized for calculation of GHG emissions were as follows:

- **Scope 1 emissions** the emission factors for fuels and the GWP of refrigerant gases were taken from the “UK Government GHG Conversion Factors for Company Reporting - fuel properties” published by the Department for Environment, Food and Rural Affairs (hereinafter, also “DEFRA”) and updated annually.
- **Scope 2 emissions** electricity purchased from the grid were calculated using two methods, as required by the GRI Standards:
1. the Market-based calculation used the residual mix emission factors reported in the most recent versions for each reporting year of the following documents: “European residual mix” published by the Association of Issuing Bodies (AIB) and “Green-e Energy Residual Mix Emissions Rates” published by the Center for Resource Solutions; for those countries whose residual mix factors were not publicly available from accredited sources at the time of preparing this document, the emission factors applied in the Location-based calculation were used instead. Further, note that:
 - ↪ the emission factor applied in relation to the US plants was the arithmetic average for the entire country;
 - ↪ the 2021 emission factor relating to Canada was the same as that applied in 2020 (2018 Green-e Energy Residual Mix Emissions Rates), since an updated version was not available.
 2. the Location-based calculation used the emission factors reported in the “International Comparisons” document published by Terna.
- **Scope 3 emissions** The Group currently has no elements for reporting Scope 3 emissions, and is working on the calculation and reporting activities.

E.— The personnel data (e.g. employment) relates to natural persons (not standardized using FTEs¹) at 31/12 in the reporting period.

F.— The health and safety indicators were calculated in the manner envisaged by the GRI Standards, using 200,000 (equivalent to the hours worked each year) as the multiplier, so that:

- **Injury rate:** no. of injuries * 200,000 / hours actually worked
- **Injury rate (high-consequences work-related injuries):** no. of high-consequences injuries * 200,000 / hours actually worked
- **Lost days rate (LDR):** no. of days lost * 200,000 / theoretical hours worked
- **Occupational disease rate:** no. of occupational diseases * 200,000 / hours actually worked

1 Full-time equivalents

Corporate Governance

GRI 102-1; GRI 102-3; GRI 102-5; GRI 102-18

The Interpump Group corporate governance system is inspired by the best international practices in Governance, to create long-term value for all stakeholders. The Interpump Group S.p.A. governance system is based on the principles and recommendations of the Corporate Governance Code, promoted by the Corporate Governance Committee of Borsa Italiana, which the company has voluntarily signed up to.

As indicated in the report on Corporate Governance and the Ownership Structure for 2021, which can be consulted on the institutional website in the “Governance” section, to which we invite you to refer for more details, Interpump Group S.p.A. has adopted a traditional form of administration and control:

- company management is delegated to the Board of Directors (Board);
- supervisory functions are addressed by the Board of Statutory Auditors;
- the legal audit of the accounts and accounting checks are performed by the independent auditing firm appointed at the shareholders’ meeting;
- a Supervisory Body is appointed pursuant to Decree 231/2001.

Interpump Group S.p.A. manages and coordinates its Italian subsidiaries pursuant to art. 2497 of the Italian Civil Code, although they retain their legal independence and apply the principles of proper corporate and business management.

The composition of the Board of Directors of Interpump Group S.p.A. and, specifically, the information required by art. 10, para. 1, of Decree 254/2016 concerning the gender diversity of the administrative, management and control bodies, are illustrated in the Report on Corporate Governance and the Ownership Structure, in sections 4. “Board of Directors” and 11.2 “Composition and operation of the Board of Statutory Auditors”.

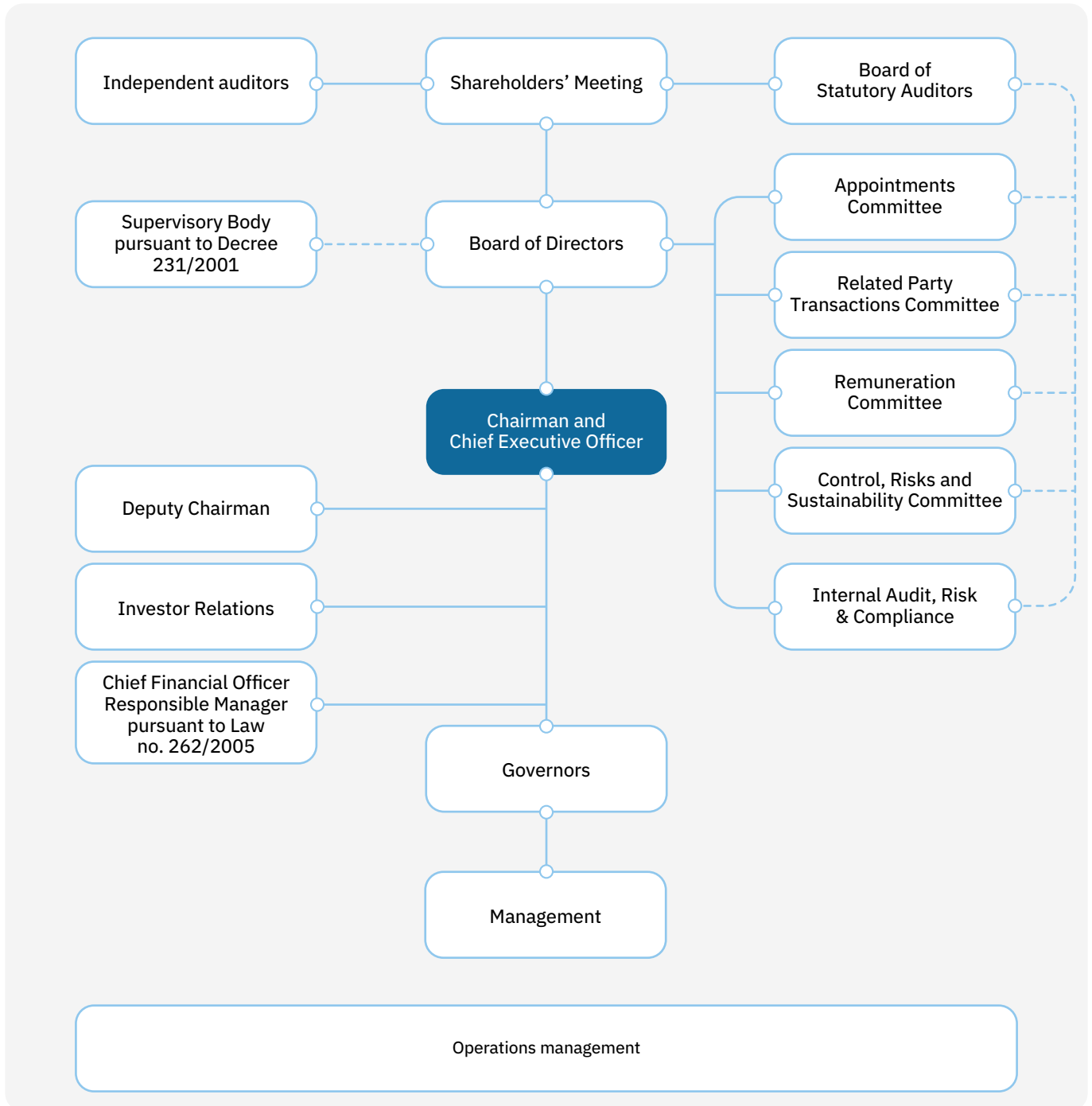
The Board of Directors of the Interpump Group S.p.A. consists of over 50% independent directors and a female presence of over 40%. Furthermore, the participation of the members of the BoD in the meetings is more than 75%; The Board of Directors has established, among its members, the Remuneration Committee, the Control, Risks and Sustainability Committee, the Appointments Committee and the Related-Party Transactions Committee.

The Control, Risks and Sustainability Committee (CCRS) has the task of supporting, with appropriate analysis, the assessments and decisions of the Board of Directors relating to its control and risk mapping activities as well as issues relating to Environmental, Social e Governance (“ESG”) policies.

The CCRS is composed of members with experience in the ESG field; Consistent with the requirements of the codes of conduct of listed companies, most members of each Committee are independent and, in particular, all the

members of the Control, Risks and Sustainability Committee are independent and non-executive. In addition, the diversity of the members of the Board of Directors ensures that it possesses the necessary accounting, financial and risk management experience.

The organizational structure of Interpump Group S.p.A. at 31 December 2021 is illustrated below.





4. Quali-quantitative description of risks and policies for their management

Quali-quantitative description of risks and policies for their management

In line with art. 3, paras. 1 and 2, of Decree 254/2016, this NFS includes both descriptive aspects (e.g. policies, risks, governance) and results in terms of performance.

The approach implemented by Interpump Group S.p.A. takes account of the five areas indicated by the legislator:



In particular, this non-financial statement was prepared in the following key stages:

- mapping the stakeholders of the Group and related prioritization;
- identification of key non-financial issues through a materiality analysis, performed with the direct involvement of the top management and the employees, aiming to find out their point of view on the relevance of the issues reported (stakeholders' engagement);
- mapping of the main risks, generated or sustained, that derive from the business activity and from its products, services or commercial relationships, including the chain of supply;
- identification of the policies practiced, where applicable, and the governance adopted for management of the five topics;
- definition and implementation of a process (on Group level) of collection, aggregation and transmission of the information required by the essential performance indicators selected based on the significant themes for the Group and envisaged by the chosen reporting standard.

Even though the analysis conducted is specific in relation to the five topics identified by the legislator, in order to guarantee greater usefulness of the text it was decided to first present the **transverse qualitative information** and the qualitative-quantitative information specific for the individual topics only thereafter.

Stakeholder engagement and materiality matrix

GRI 102-40; GRI 102-42; GRI 102-43

The Interpump Group considers it to be of primary importance to work in a context of trust and cooperation with its many stakeholders, developing active and constant dialog with them. The stakeholder engagement for 2021 is based on the identification and updating of the various categories of stakeholder (mapping), the understanding of their profile and the assessment of the influence of the Group activities on them and their involvement in determining the relevance of material issues.



In addition, the principal channels used to communicate with these stakeholders were identified:

Methods of interaction, listening and involvement

GRI 102-13; GRI 102-43

Category of Stakeholder	Frequency of involvement	Method
Employees and collaborators	<i>Continuous</i>	Periodic assessment of performance and results Specific training programs Communications from top management Collective bargaining Questionnaire to identify the relevant issues, used to fill in the materiality matrix
Shareholders	<i>Continuous</i>	Institutional website Periodic meetings Shareholders' meeting Press releases
Local Community	<i>Continuous</i>	Institutional website Donations Meetings for student orientation Apprenticeships/internships
Competitors	<i>Periodic</i>	Institutional website Participation in initiatives and events
Trade unions	<i>Periodic/ad hoc</i>	Institutional meetings
Trade associations	<i>Continuous</i>	Institutional meetings Participation at conferences and information sessions
Providers of finance	<i>Periodic</i>	Institutional website Periodic meetings with financial analysts Press releases
Vendors	<i>Continuous</i>	Institutional website Constant relations with the relevant business functions Participation in initiatives and events
Public administration and control bodies	<i>Continuous</i>	Institutional relations
Clients	<i>Continuous</i>	Institutional website Management of complaints Catalogs After-sales service Trade fairs
Legislator	<i>Continuous</i>	Institutional website Information on request Reports and financial statements Press releases Shareholders' meetings

The Group also strives to participate in trade associations and other significant initiatives at local and international level. Interpump Group S.p.A. is a member of the following principal organizations:

- Unindustria – territorial association of the Confindustria system
- Afidamp – association of players in the professional cleansing value chain in Italy
- Ecoped – national consortium for the management of waste

Analysis of materiality

GRI 102-12; GRI 102-43; GRI 102-44; GRI 102-46; GRI 102-47; GRI 102-49; GRI 103-1; GRI 103-2

Interpump Group S.p.A. updated the materiality analysis to identify the universe of potentially relevant non-financial topics. This process was performed on the basis of the following activities:

- updating of the relevant issues through a context analysis considering, among others, the following sources:
 1. sustainability trends at a global level, i.e. key non-financial aspects considered by the main stock exchanges that have published guidelines for sustainability reporting, by the sustainability rating indexes (e.g. DJSI¹), by international organizations (GRI², World Economic Forum, Sustainable Stock Exchange Initiative etc.) and by supranational bodies (EU³, UN⁴, etc.);
 2. sector performance, i.e. non-financial aspects that have emerged as significant for the reference sector of the Interpump Group. In particular, the publications of some international organizations (RobecoSam, SASB⁵, EFFAS⁶, etc.) were analyzed;
 3. analysis of press clippings regarding the Group and the industry concerned.
 4. benchmark analysis on sustainability reports and DNF of a panel of peer companies in the manufacturing sector.

- definition of external relevance through direct stakeholder engagement activities, involving employees in a specific online anonymous questionnaire, in which they were asked to express their opinion on the relevance of the NFS issues reported.

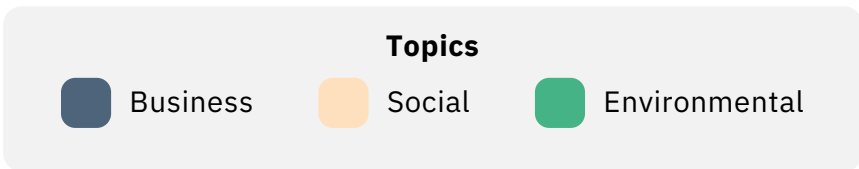
The result of this process has led the Interpump Group to identify the material sustainability topics and define the materiality matrix on the basis of the following two variables:

- influence over the assessments of stakeholders and their decisions: their importance for stakeholders was evaluated using the results obtained from the above analyses;
- significance of the economic, environmental and social impacts for the Interpump Group: this assessment was made by top management during an ad hoc workshop, during which participants assigned a score, in terms of significance, to each topic identified.

-
- 1 Dow Jones Sustainability Index
 - 2 Global Reporting Initiative
 - 3 European Union
 - 4 United Nations
 - 5 Sustainability Accounting Standards Board
 - 6 European Federation of Financial Analysts Societies



Relevance of the Group’s economic, social and environmental impacts



The 15 topics identified as material are discussed in the document. Instead, the topics presented on a grey background in the above matrix were not considered material for the purpose of this report.

GRI Core Indicators correlation table

102-46; 103-1

The correlation table between the GRI Standards and the material topics identified is presented below together with the related reporting scope.

Material topics for IPG	GRI Standard	Scope		
		Internal	External	Limitations
Environmental Area				
Energy and Climate change	GRI 302: Energy 2016 (302-1, 302-3, 305-1, 305-2, 305-4)	Interpump		
Wastes management	GRI 306: Waste 2020 (306-1, 306-2, 306-3, 306-4, 306-5)	Interpump		
Water resource management	GRI 303: Water and Effluents 2018 (303-1, 303-2, 303-3, 303-4)	Interpump		
Environmental compliance	GRI 307: Environmental Compliance 2016 (307-1)	Interpump		
Polluting emissions	GRI 305: Emissions 2016 (305-7)	Interpump		
Socio-economic area				
Economic performance	GRI 201: Economic Performance (201-1)	Interpump		
Taxation	GRI 207: Tax (207-1;207-2;207-3;207-4)	Interpump		
Research, Development and Innovation	-	Interpump		
Customer health and safety	GRI 416: Customer Health and Safety 2016 (416-2)	Interpump		
Socio-economic compliance	GRI 419: Socio Economic Compliance 2016 (419-1)	Interpump		
Personnel-related area				
Occupational health and safety	GRI 403: Occupational Health and Safety 2018 (403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9)	Interpump	External personnel working on Group sites	Reporting partially extended to external boundary
Management of human capital	GRI 401: Employment 2016 (401-1)	Interpump		
Training	GRI 404: Training and Education 2016 (404-1)	Interpump		
Non-discrimination and equal opportunities	GRI 405: Diversity and Equal Opportunity 2016 (405-1)	Interpump		
	GRI 406: Non-discrimination 2016 (406-1)	Interpump		
Area related to respect for human rights				
Human rights assessment	GRI 412: Human Rights Assessment 2016 (412-3)	Interpump		
Anti-corruption topic				
Fight against corruption	GRI 205: Anti-corruption 2016 (205-3)	Interpump		
	GRI 206: Anti-competitive Behavior 2016 (206-1)	Interpump		
	GRI 415: Political Contribution (415-1)	Interpump		

Risks

The main risks identified for the five relevant topics indicated by the legislator - anti-corruption, human rights, environment, social, employees -, that may become of significance in relation to the pursuit of the Interpump Group strategy in the medium/long-term, are identified in the related headings.

Moreover, the Group identifies the transverse risks in those identified by the legislator:

- reputation risks that arise from the risks listed for each topic;
- risks linked to possible issues - whether environmental, social, product quality related, concerning anti-corruption, etc. - with the chain of supply.

In this regard, note that in the context of the internal control and risk management system, a process has been implemented of Risk Assessment of business risks originating from external and internal sources based on self-

assessment by the Risk Owners - identified as coinciding with the top management of the Group. The analysis starts from a catalog of risks developed specifically for the Group, based on the typical business areas and the operating and compliance problems and periodically reviewed to take account of any new risk profiles emerging over time. The business risks examined, i.e. all risks that may become significant in terms of the medium/long-term sustainability of the activities of the Issuer, are classified as strategic, financial, compliance or operational. The Risk Assessment process makes it possible to identify the business risks, to evaluate the degree of risk and to monitor any corrective actions adopted. In this regard, the catalog of risks to be used during 2021 has been revised to specify better those relating to the topics of a non-financial nature addressed in this report.

Risk management

Policies

In addition to the “whistleblowing management policy”¹, applicable to the Group, which regulates the method of execution and management of whistleblowing concerning presumed irregularities or illegalities, the Code of Ethics adopted by all Group companies (with specific amendments dictated by regulations in individual countries), defines the principles of conduct and the guidelines concerning the five topics referenced by legislative decree 254/2016 (environmental, social, personnel, respect for human rights, and anti-corruption). Top management deemed it appropriate to formalize Group policies with reference to the non-financial aspects of the greatest significance for the Group, taking into account the marked diversification of the companies/production sites and their independence. For further details, see the Global Compliance Program² described in the next heading.

Model

Given the company structure of the Interpump Group, composed of multiple companies, also of small size, that work in different countries with diversified areas of business and taking account of the variable perimeter of the Group from one year to the next, it has not been deemed appropriate to date to define a centralized management model of the themes related to the five topics specified in

Decree 254/2016.

Interpump Group S.p.A. has adopted an Organization, Management and Control Model (hereinafter “MOG”) pursuant to Decree 231/2001 (the “231 Model”), which details the various roles and responsibilities and enables decision-making processes to be traced, also with reference to the areas covered by this Statement. Together with the Code of Ethics, the 231 Model provides an additional tool for promoting awareness among all employees and all those who collaborate for various reasons with the Company. This helps to ensure compliance, in the execution of their activities in pursuit of the corporate objects, with proper and transparent forms of conduct in line with the Company's ethical-social values, thereby preventing the risk of committing the offenses contemplated in Decree 231/2001.

Following a specific assessment of the degree of risk of committing the offenses laid down in Decree 231/2001, the MOG was also implemented in subsidiaries under Italian law which, considering the size and organizational complexity, have shown a relatively high degree of risk.

In order to extend the principles of behavior and rules of conduct laid down in the MOG also to the Italian companies in the Group for which it was not deemed necessary to proceed with implementation, as well as the foreign companies, Interpump Group decided to adopt a Global Compliance Program, also aiming to achieve an increasingly high level of compliance with all applicable laws and compliance with legality and ethics in business activities. The Interpump Group S.p.A. Global Compliance Program defines a model for the management and organization

¹ Available on the corporate website in the Governance section.

² Available on the corporate website in the Governance section.



of activities in line with the international best practices for preventing misconduct in the fields laid down in Decree 231/2001, i.e., environmental, social, personnel, human rights and active and passive anti-corruption. The Global Compliance Program was approved by the Board of Directors of Interpump Group S.p.A. with the timing indicated below:

- in 2019 with regard to the fight against active and passive corruption. Subsequently, these guidelines were also adopted by all companies in the group, considering the periodic acquisitions recorded;
- in 2020 with regard to the environmental, social and personnel topics and respect for human rights.

With reference to the quality-related topic, a number of Group companies have adopted and implemented quality management systems certified pursuant to UNI EN ISO 9001 (see below for further details); some plants are certified pursuant to UNI ISO/TS 16949:2009³.

In addition, several companies have adopted and

3 "Special requirements for application of ISO 9001:2008 for series production and the production of spare parts in the automotive industry".

implemented environmental management systems certified in compliance with international standard EN ISO 14001:2004⁴ – in certain cases the system update process has been launched to comply with the new requirements of standard 14001:2015 – and safety management systems certified in compliance with international standard ISO 45001. See the specific section on environmental and personnel matters for further details.

The Interpump Group top management recognizes, as an essential principle, respect for the laws and regulations in force in the countries of operation of the Group companies, where they are required to comply with those laws and regulations without exceptions of any kind.

4 "Environmental management systems"

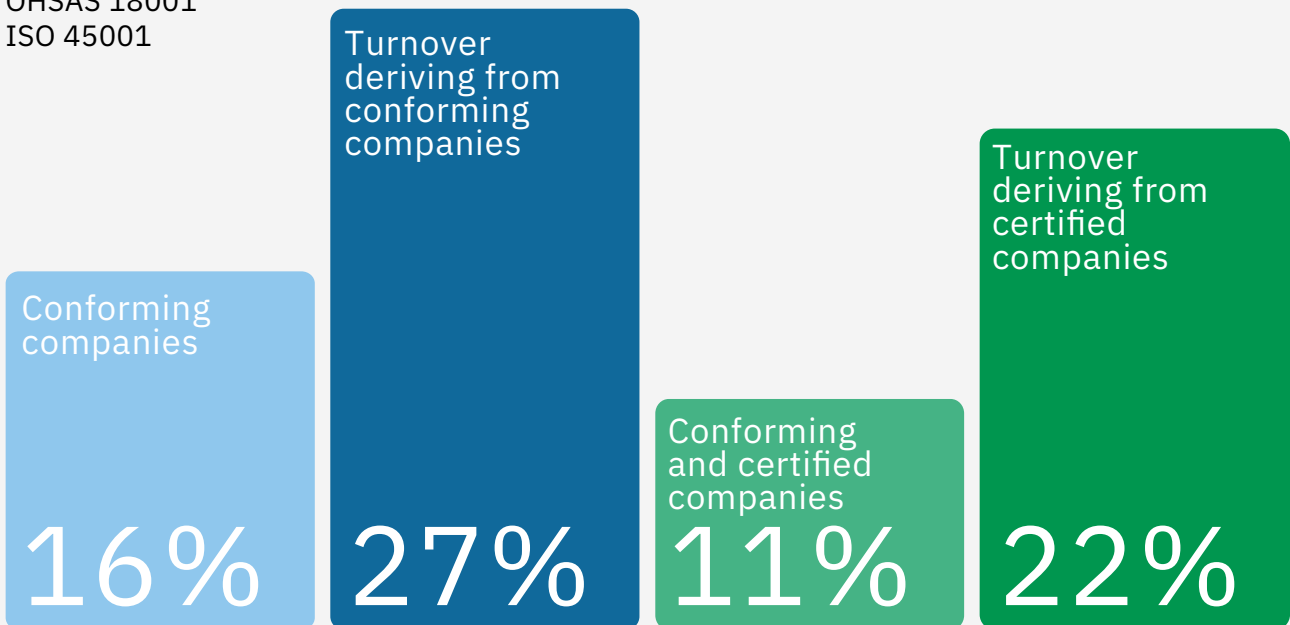
System Management Summary tables 2020

GRI 103

The tables do not analyze companies without production/assembly/storage locations.

Occupational Health and Safety Management System 2021

OHSAS 18001
ISO 45001



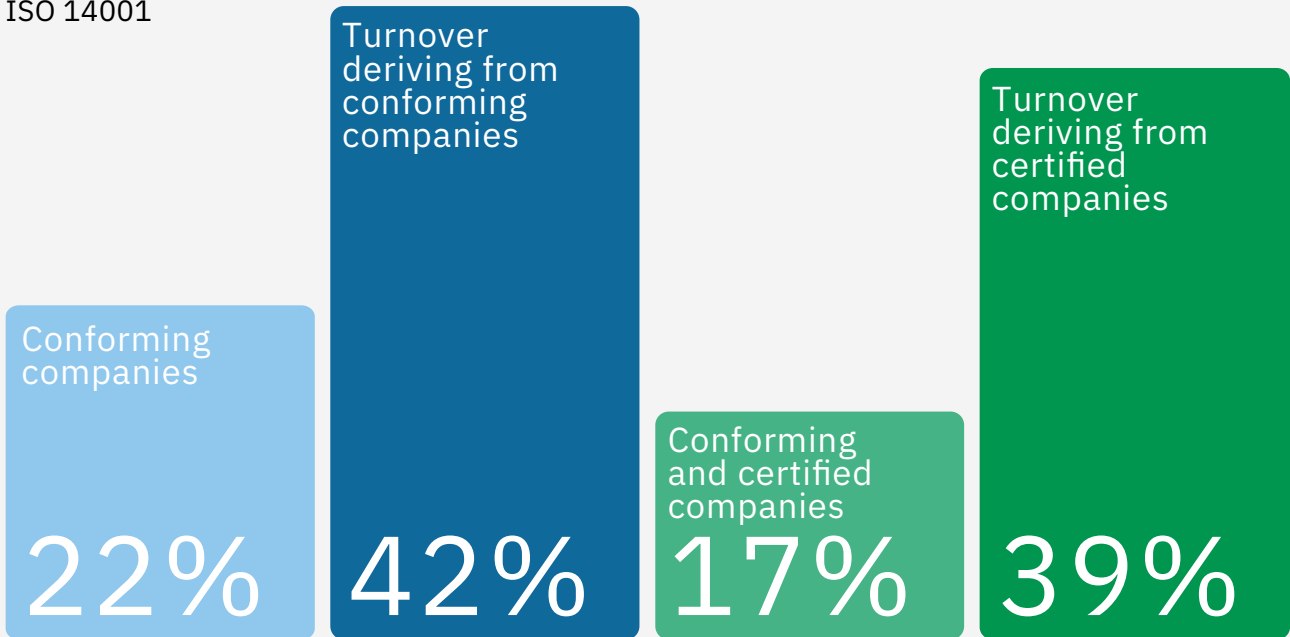
Considering the extreme variety of the size of the companies in the Interpump Group, assess the incidence of certifications as a % of companies is misleading. Representation according to turnover offers a more realistic indication.



Environmental Management System

2021

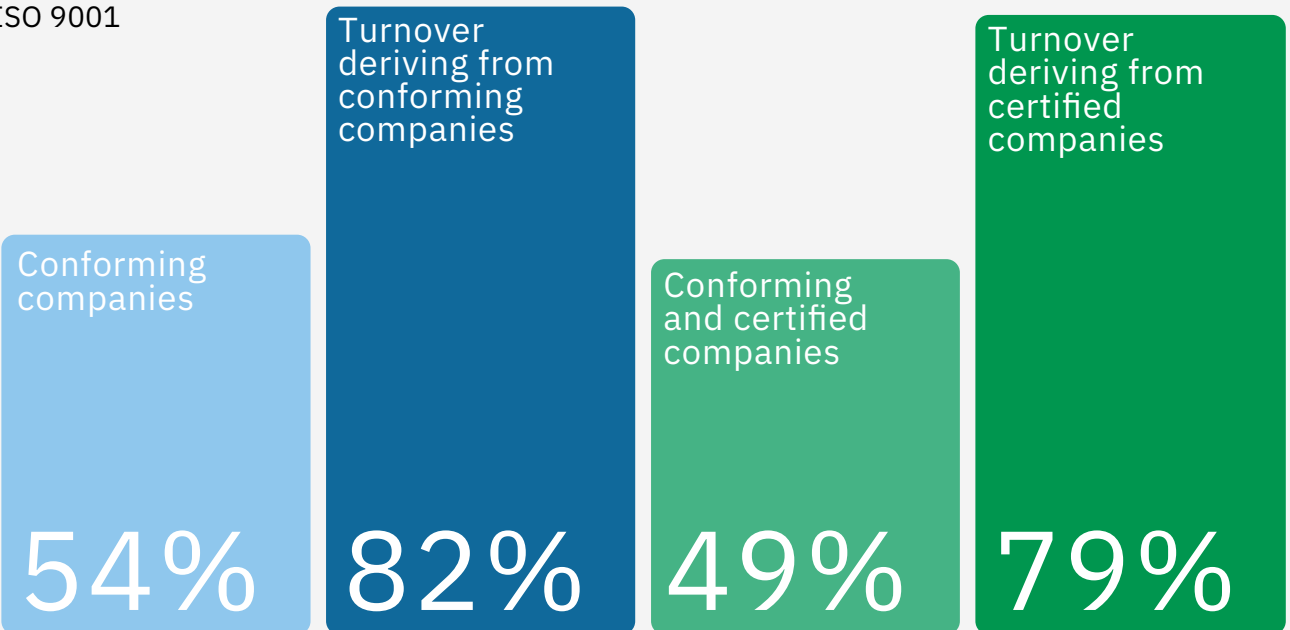
ISO 14001



Quality Management System

2021

ISO 9001



Considering the extreme variety of the size of the companies in the Interpump Group, assess the incidence of certifications as a % of companies is misleading. Representation according to turnover offers a more realistic indication.

Performance indicators

The Interpump Group has selected several GRI indicators, associated with material topics, that can aid correct and balanced understanding of the performance of the Group, of its results and the impact of its activity in relation to the topics in question. The purpose of the set of GRI indicators is to maximize the comparability and uniformity of the data presented, while also guaranteeing consistent

representation of environmental and social performance in the various sectors in which the Group operates.

The associated reporting should therefore include a reading of the economic-financial aspects, thereby developing a more thorough understanding of business activities and their social-environmental impacts.



5. Environmental Area

Material topics

Based on the analysis of materiality (see page 26 *Analysis of materiality*), the material topics for the Interpump Group in the environmental area are:

- energy and climate change;
- waste management;
- water resource management
- environmental compliance;
- polluting emissions.

The Interpump Group focuses on the use of energy and natural resources in the context of all productive processes, not least in order to help reduce the consequences of climate change. The commitment made by the Group to implement policies designed to reduce progressively the direct and indirect impacts of its activities is formalized in the Code of Ethics. In addition, it should be recalled that numerous products marketed by the Group companies contribute to the reduction of greenhouse gas emissions.

Some group companies have achieved greater efficiency through the construction of or move to new production sites, working according to the highest energy efficiency standards and marked by reduced environmental impacts. The Group's aim is to ensure that these initiatives become an internal benchmark for other companies in the Group when

assessing the building investments to be made.

In the Group, supplier analysis and assessment according to ESG criteria is becoming an increasingly widespread practice. Among the companies that have best organized these activities, Walvoil s.p.A. and Interpump Hydraulics S.p.A. have formalized specific procedures to better manage this issue. In particular, Walvoil S.p.A. uses a Supplier Assessment Questionnaire to assess the maturity of the supplier in various fields, in which its environmental organization has major relevance.

With reference to the effects that climate change might have on the Group, no particular risks for business operations have been identified at this time in the short term, even after considering the possibility of product obsolescence or the loss of entire sectors as a result of global warming.

Risks

The main risks identified in the environmental area, such that can become of significance in relation to the pursuit of the company strategy in the medium/long-term, are related to:

- **operating** risks – linked to the low control of energy consumption, the use of water resources and the management of waste water;
- **compliance** risks – omitted compliance with national or local legislative requirements concerning the environmental topic can lead to the imposition of fines, criminal charges (e.g.: offenses covered by Decree 231/2001), and possible environmental harm.



Risk Management

Risk type	Risk management	
	Policies	Model
Operating	Monitoring of energy consumption, the use of water resources and management of waste water (periodic work in progress)	Environmental management systems certified in compliance with international standard EN ISO 14001:2004 - with reference to certain companies/plants (in some cases the process of updating the system to comply with the new requirements of standard 14001:2015 has been launched)
Compliance	<ul style="list-style-type: none"> ↪ Code of Ethics – with special reference to the commitment to protect the environment and the adoption of the most suitable measures to preserve it, by means of ongoing orientation towards the progressive reduction of direct and indirect impacts of its activities, both on the local level (quality of the soil, air and water in the area in which the company operates) and also with reference to global challenges (biodiversity and climate change). ↪ Environmental policies – in relation to the companies/plants in which environmental systems are implemented. 	<ul style="list-style-type: none"> ↪ Special part of the Organization and Management Model – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk. ↪ Global Compliance Program (see page 29 for further details) – concerning all Group companies without an Organization, Management and Control Model ↪ Environmental management systems certified in compliance with international standard EN ISO 14001:2004 - with reference to certain companies/plants (in some cases the process of updating the system to comply with the new requirements of standard 14001:2015 has been launched) ↪ Insurance cover for accidental cases of air or subsoil pollution. The scope of application covers the entire Group.

Performance indicators

Environmental management systems GRI 103-2; GRI 103-3

In recent years, the Interpump Group has focused efforts on introducing environmental management systems certified pursuant to UNI EN ISO 14001:2004. At the time of preparing this Statement, about 22% of Group companies - contributing about 42% of consolidated revenues - have implemented environmental management systems pursuant to ISO 14001.

About 17% of Group companies have not only implemented environmental management systems pursuant to ISO 14001, but are also certified in accordance with that international standard at the time of preparing this Statement. Those companies account for about 39% of consolidated revenues.

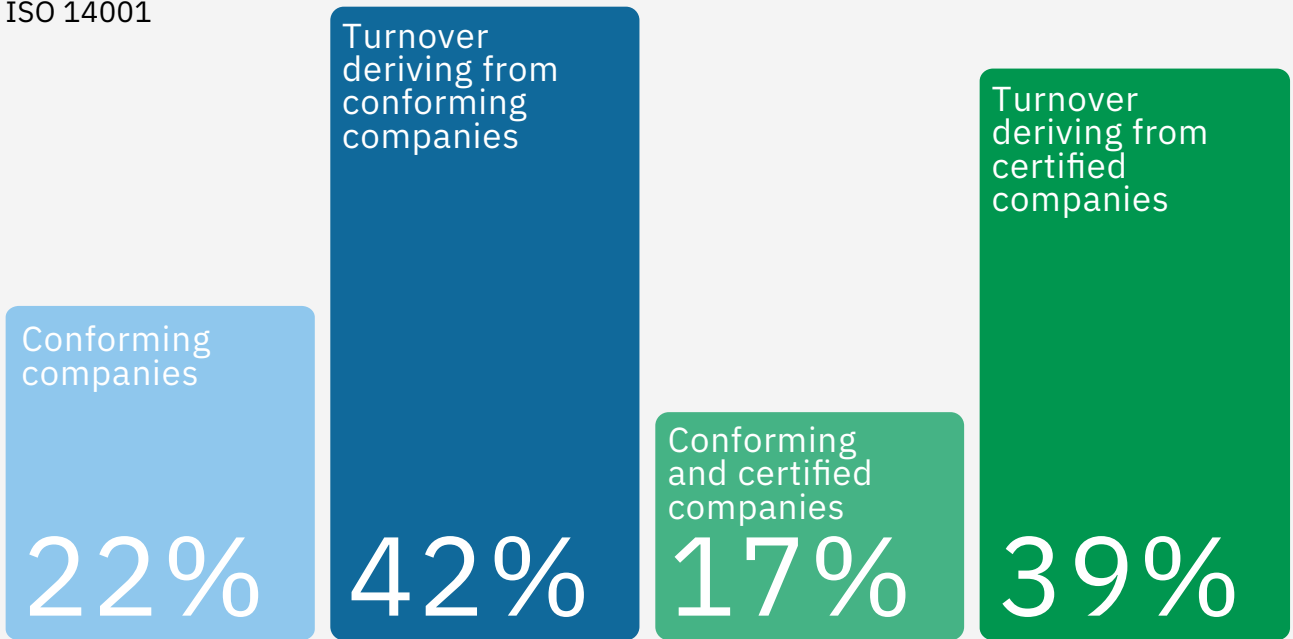
Some of the companies in the Group also have an ISO 50001 energy efficiency management system (one example is the German company Hammelmann GmbH).



Environmental Management System

2021

ISO 14001



Considering the extreme variety of the size of the companies in the Interpump Group, assess the incidence of certifications as a % of companies is misleading. Representation according to turnover offers a more realistic indication.

Use of energy resources

GRI 302-1; GRI 302-3

In 2021 the Interpump Group consumed energy resources totaling 619,054 GJ (equal to 171.9 GWh), up by 11.0% compared to 2020. This consumption breaks down as follows: 62.6% electricity drawn from the grid¹, 26.5% natural gas, 7.3% diesel for trucks, 2.4% for gasoline, 0.9% for self production from photovoltaic sources and 0.3% other. As concerns the self-production of renewable energy,

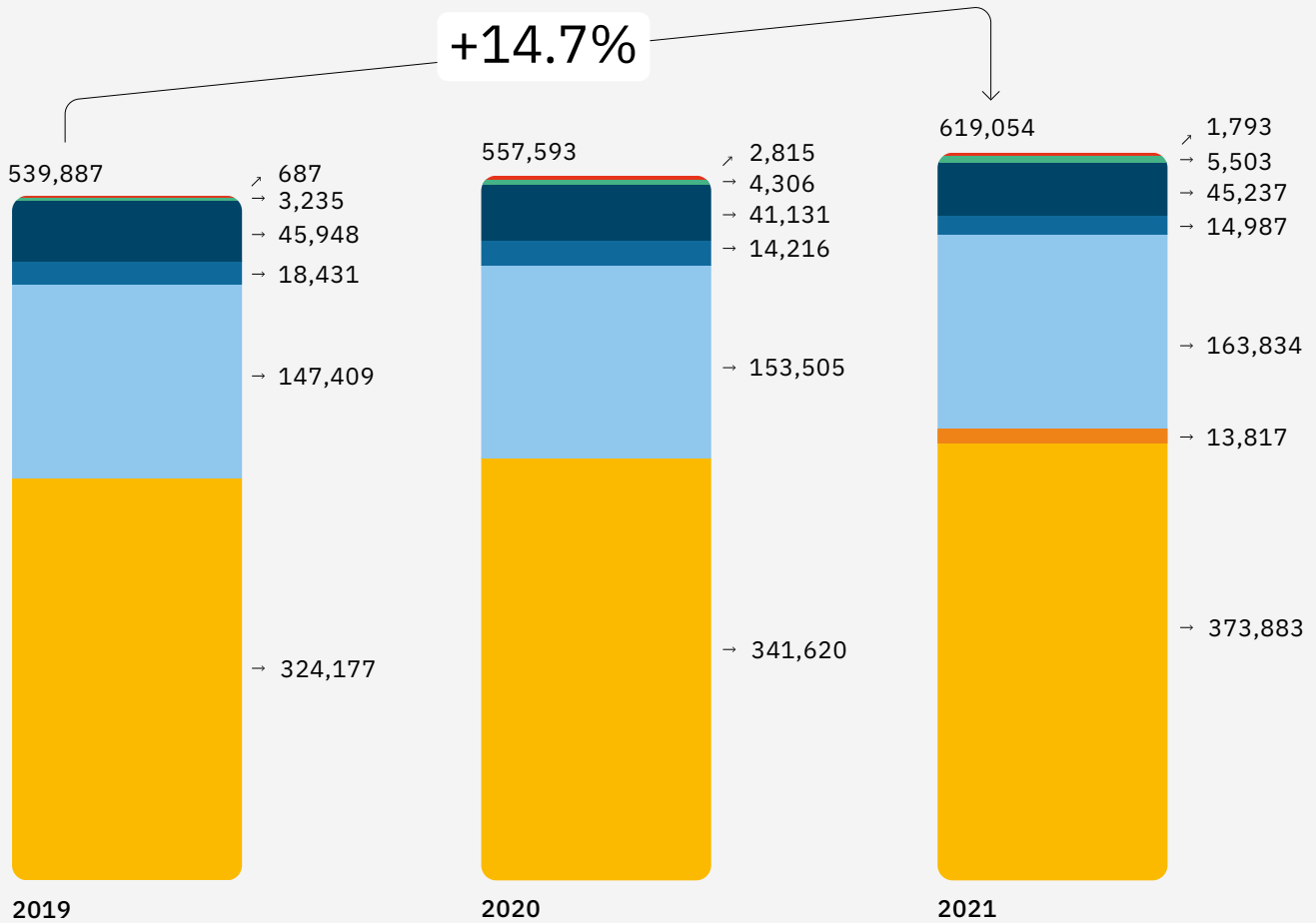
¹ The percentage of electricity generated from renewable sources and consumed by the Group depends on the various national electricity generation mixes. Also, own consumption of renewable electricity produced by PV plants must be considered for Italy, as more fully illustrated on the next page.

it should be considered that the systems installed in 2021 contributed only marginally to self-production during the year, and will start full-capacity operation from 2022.

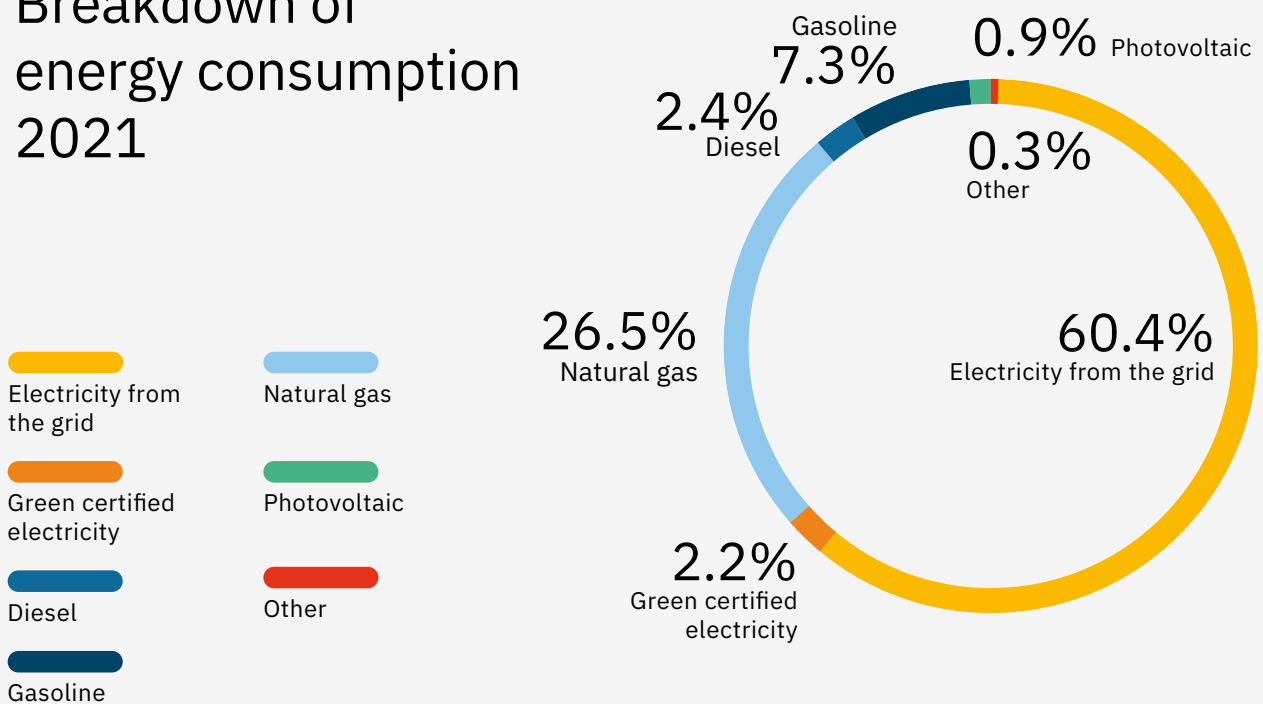
For comparison with the previous year, the consolidated turnover in 2021 increased in total by approximately 24%.

It is reported that in 2021, Reggiana Riduttori purchased around 4.0 GWh of certified green electricity, which helped to reduce scope 2 emissions (equal to approximately 4% of the Group's electricity requirements, equal to around 1,200 tons di CO₂).

Energy consumption in GJ



Breakdown of energy consumption 2021



The growth in energy consumption in 2021 is due mainly to the recovery of normal production and work activities compared to the previous period affected by the pandemic emergency.

The Interpump Group continues to invest in the production of electricity from renewable sources; in particular, the self-consumption of photovoltaic energy increased from 899 to 1,529 MWh in the three-year period 2019-2021.

GRI 302-1

Energy consumption	UoM	2019	2020	2021
Electricity from the grid	MWh	90,049	94,894	107,694
Of which electricity from certified renewable sources	MWh	-	-	3,838
Natural gas	m3	4,118,298	4,286,899	4,571,278
Gasoline	Liters	570,252	440,127	459,815
Diesel	Liters	1,280,389	1,147,442	1,258,686
Photovoltaic	MWh	899	1,196	1,529
Other	GJ	687	2,815	1,793
Total in GJ	GJ	539,887	557,593	619,054

Even though energy consumption takes place in sites with highly diversified energy profiles, in order to describe the main types of consumption and give context to the numbers, it is confirmed that most electricity is consumed by production activities, with a residual portion attributable to office equipment and, in some cases, to heating as well. On the other hand, the predominant element of natural gas consumption is attributable to space heating requirements, with industrial applications using it to a lesser extent. The consumption of diesel and gasoline mainly relates to the use of company vehicles.

At Group level, energy intensity¹ was 0.40 GJ/k€ in 2021, down by 0.03 GJ/k€ with respect to the prior year above all following the growth in turnover recorded in the reporting year.

1 Calculated as follows: total energy consumed [GJ] / sales [k€], where total energy consumed is that defined in GRI Disclosure no. 302-1.

GRI 302-3

Energy intensity	UoM	2019	2020	2021
Energy consumption	GJ	539,887	557,593	619,054
Consolidated revenues	k€	1,348,177	1,294,363	1,551,460
Energy intensity	GJ/k€	0.40	0.43	0.40

Use of water resources

GRI 303-1; GRI 303-2; GRI 303-3; GRI 303-4

The Interpump Group uses water in its productive processes, especially in the assembly and testing of high and very-high pressure pumps. The water used for this

purpose comes in equal measure from the mains (56%) or owned wells (44%). Among the world countries in which the Interpump Group operates, 20 are subject to medium/low levels of water stress (category <2), while 12 (including Italy) are included in the medium/high-stress classes.

Water stress category	No. of countries
0	13
1	4
2	3
3	5
4	7
Consolidated	32

The following details relate to the withdrawal and discharge of water resources in countries included in medium/high-stress classes (>=3).

Around 86% of water not consumed in production processes is discharged into the sewer system.

Countries with medium/high water stress			
Total withdrawals by source (m3)	2019	2020	2021
Public supply	149,325	116,523	134,707
of which: fresh water	149,325	116,523	134,707
of which: other	-	-	-
Wells (water table)	96,803	128,612	131,172
of which: fresh water	96,099	127,068	129,899
of which: other	704	1,544	1,273
Other sources	-	-	-
of which: fresh water	-	-	-
of which: other	-	-	-
Surface water (rivers, lakes and seas)	-	-	-
of which: fresh water	-	-	-
of which: other	-	-	-
Total withdrawals	246,129	245,135	265,879
of which: fresh water	245,425	243,591	264,606
of which: other	704	1,544	1,273

Countries with medium/high water stress			
Total water discharged by destination (m3)	2019	2020	2021
Discharges into drains	145,999	127,452	128,740
of which: fresh water	145,003	124,920	124,834
of which: other	996	2,532	3,906
Discharges into surface water (rivers, lakes, seas)	-	19,172	26,835
of which: fresh water	-	19,172	26,835
of which: other	-	-	-
Other types of water discharge (into the soil)	-	-	-
of which: fresh water	-	-	-
of which: other	-	-	-
Total water discharged	145,999	146,624	155,575
of which: fresh water	145,003	144,092	151,669
of which: other	996	2,532	3,906

The following data relates to water withdrawals and discharges by the Interpump Group.

Around 345 thousand cubic meters of water were drawn in 2021, up 7.5% compared to 2020. This withdrawal is used mainly for civil, production and firefighting purposes. The increase in withdrawals recorded during the year is due mainly to the recovery of production activities compared to

the previous period, affected by the pandemic emergency.

With regard to water withdrawals, 99.6% can be classified as fresh water i.e. with total dissolved solids of less than 1g/liter.

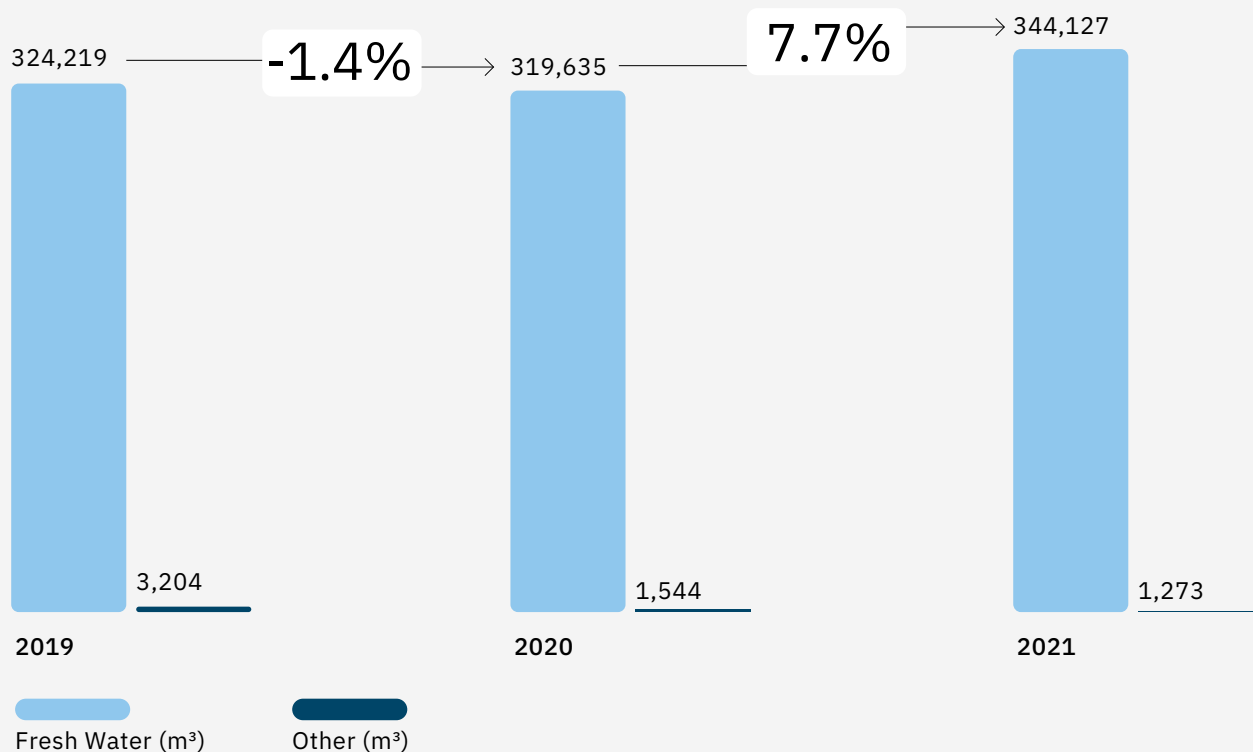
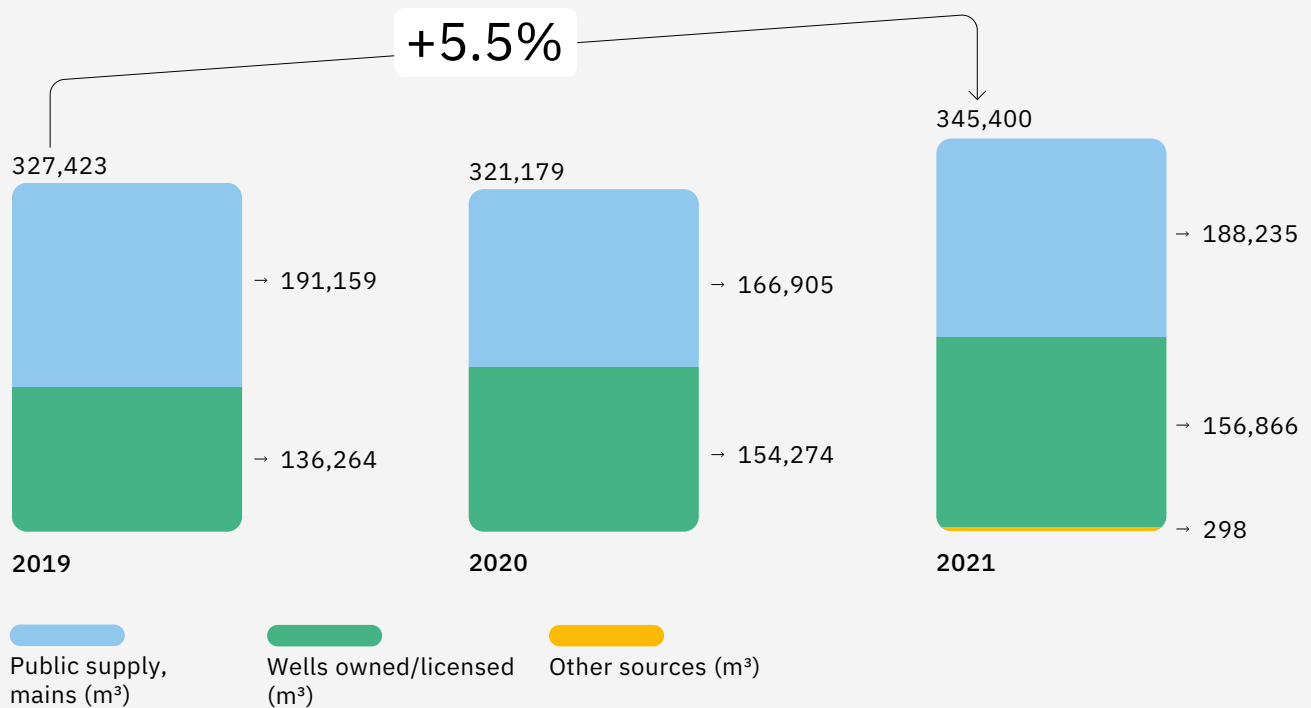
GRI 303-3 Water withdrawal

Source	UoM	2019	2020	2021
Public supply (mains)	m3	191,159	166,905	188,235
of which: fresh water	m3	191,159	166,905	188,235
of which: other	m3	-	-	-
Wells owned/licensed	m3	136,264	154,274	156,866
of which: fresh water	m3	133,060	152,730	155,593
of which: other	m3	3,204	1,544	1,273
Other sources	m3	-	-	298
of which: fresh water	m3	-	-	298
of which: other	m3	-	-	-
Surface tanks	m3	-	-	-
of which: fresh water	m3	-	-	-
of which: other	m3	-	-	-
Group total	m3	327,423	321,179	345,400
of which: fresh water	m3	324,219	319,635	344,127
of which: other	m3	3,204	1,544	1,273

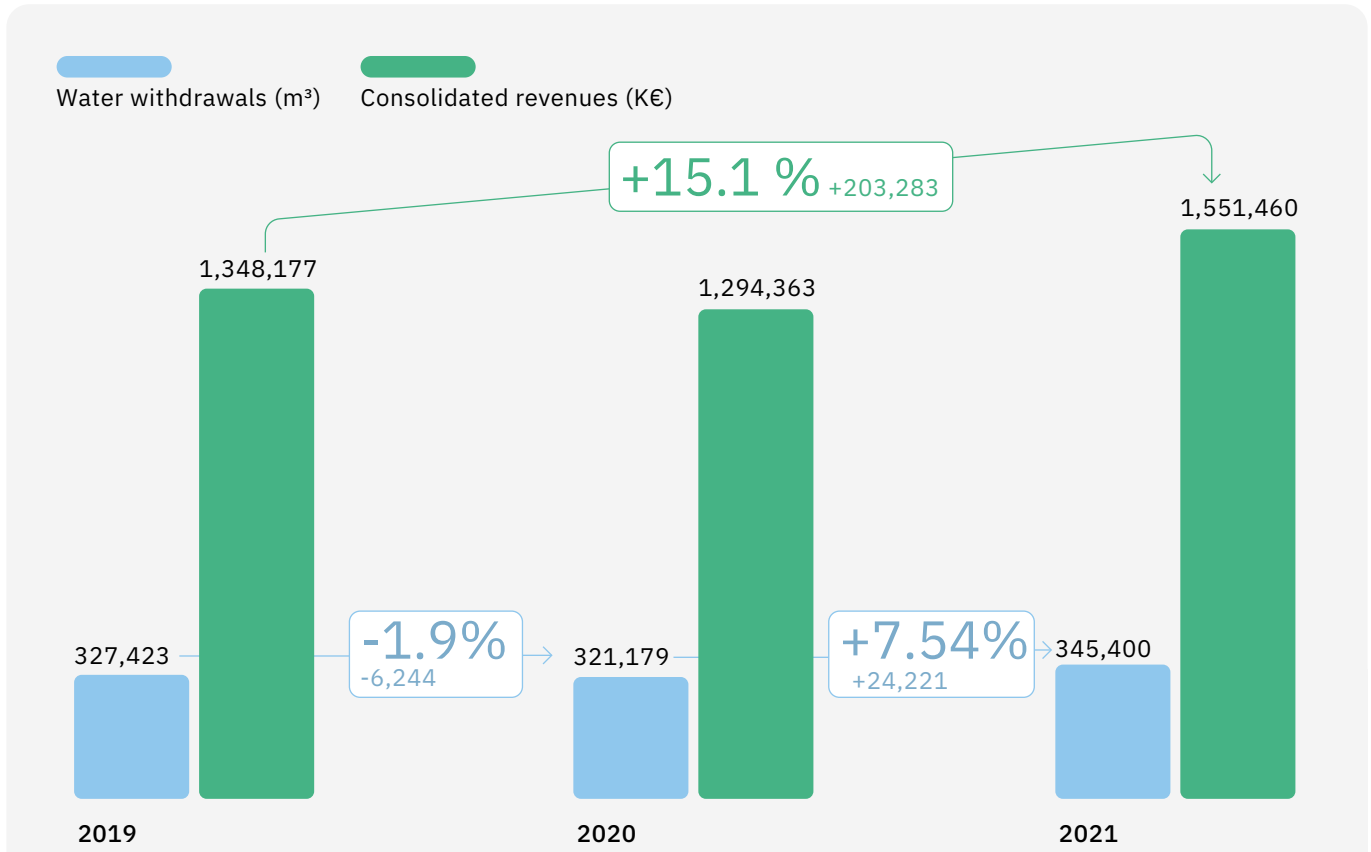
The Interpump Group remains committed to the general reduction in water consumption. Confirming this, the withdrawals recorded per turnover unit fell compared to the

previous year by 0.03 m3/k€, from 0.25 m3/k€ in 2020 to 0.22 m3/k€ in 2021.

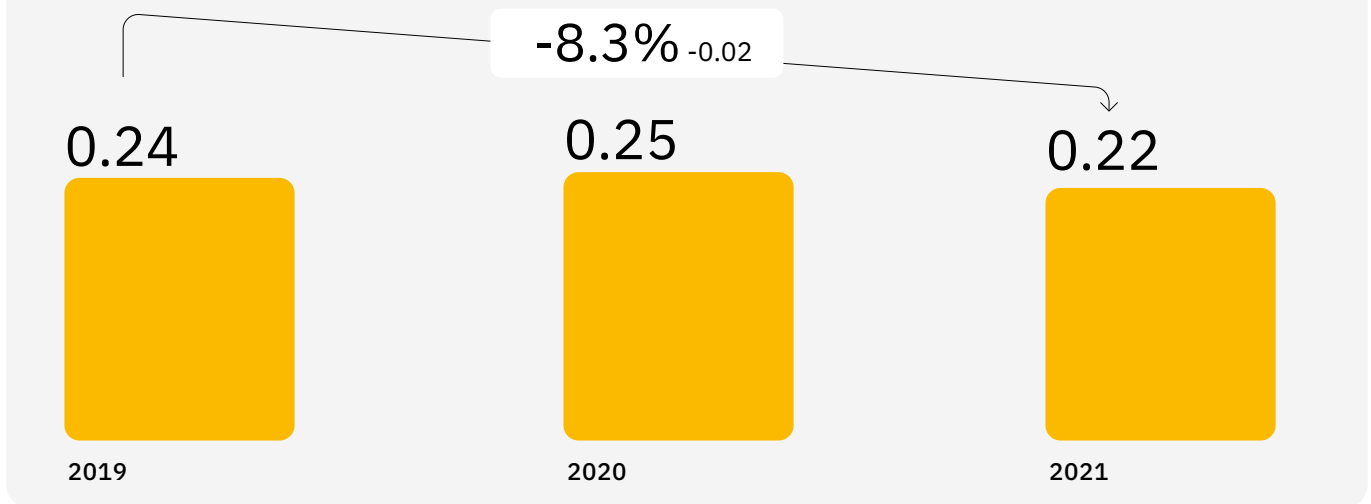
Total Group water withdrawals



Water consumption intensity	UoM	2019	2020	2021
Water drawn	m3	327,423	321,179	345,400
Consolidated revenues	k€	1,348,177	1,294,363	1,551,460
Water consumption intensity	m3/k€	0.24	0.25	0.22



Intensity of water withdrawals (water withdrawals/ Revenues)



Process water¹ discharged in 2021, totaling approximately 188 thousand cubic meters (+1.1% versus the prior year), went almost entirely into the drainage system, in compliance with the authorizations granted. **The increase is due to greater infeed water consumption in relation to the normalization of production activities compared to the**

previous year affected by the pandemic emergency.

1 When applying standard 303-4, domestic sewage and rainwater discharges were disregarded unless requested by the Authority. Accordingly, the methodology is consistent with the approach adopted in prior years. As ever, the types of water discharged must comply with the locally applicable regulations.

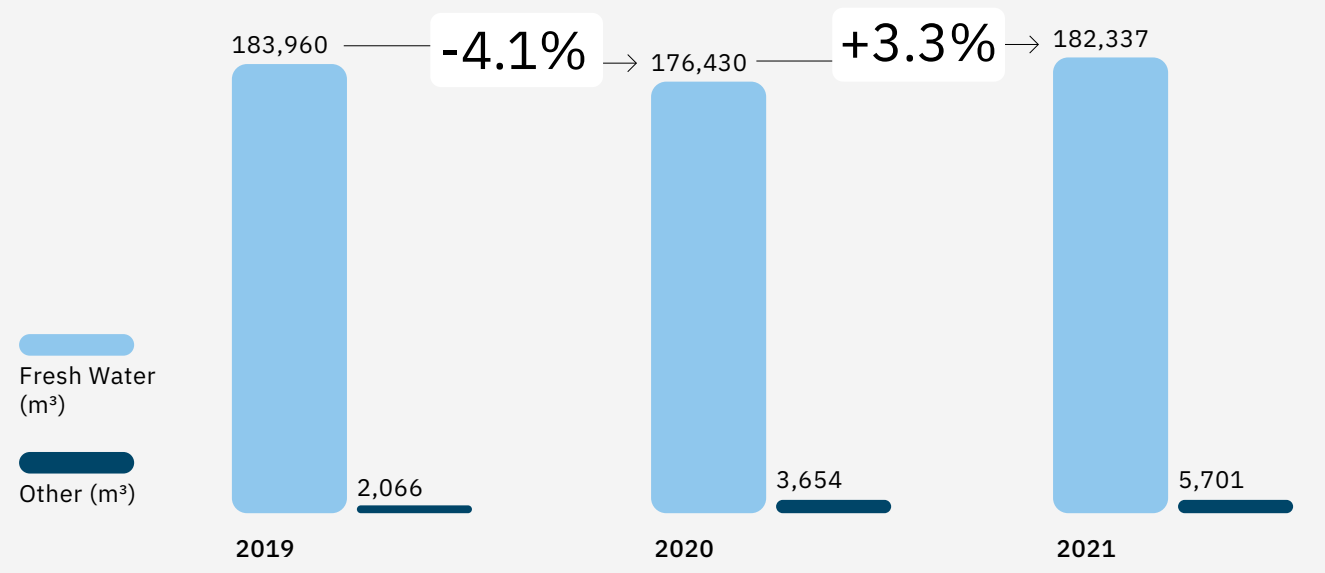
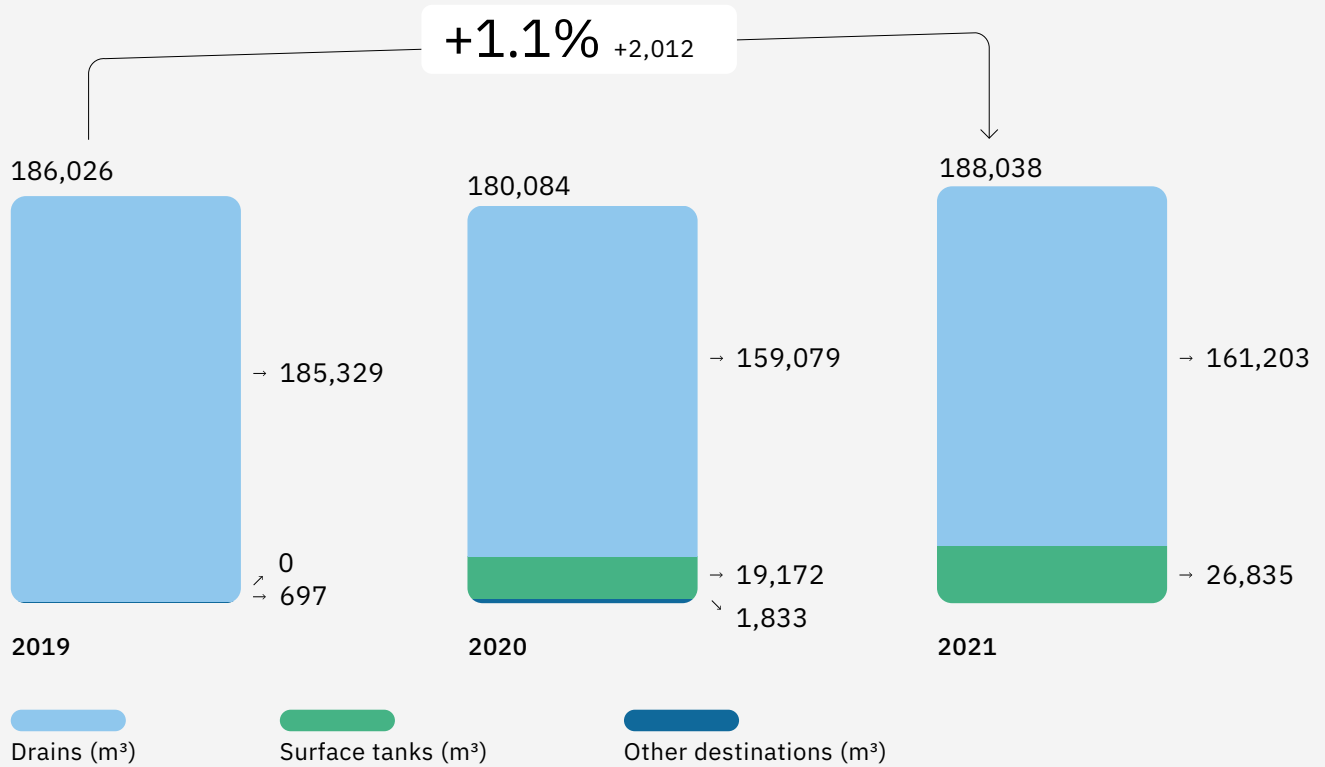
Water discharges

GRI 303-4

Destination	UoM	2019	2020	2021
Drains	m3	185,329	159,079	161,203
of which: fresh water	m3	183,263	155,425	155,502
of which: other	m3	2,066	3,654	5,701
Surface tanks	m3	-	19,172	26,835
of which: fresh water	m3	-	19,172	26,835
of which: other	m3	-	-	-
Other	m3	697	1,833	-
of which: fresh water	m3	697	1,833	-
of which: other	m3	-	-	-
Group total	m3	186,026	180,084	188,038
of which: fresh water	m3	183,960	176,430	182,337
of which: other	m3	2,066	3,654	5,701



Total Group water discharge



Atmospheric emissions

GRI 305-1; GRI 305-2; GRI 305-4; GRI 305-7

The Group's atmospheric emissions of greenhouse gases (hereinafter also GHG) were calculated in terms of the following emission types:

- Scope 1 - direct emissions
- Scope 2 - indirect energy emissions

Scope 1 emissions by the Group correspond to GHG emissions deriving from:

- the use of fuel (gasoline, diesel, fuel oil and natural gas);
- leakages of refrigerant gas from air conditioning/

refrigeration systems.

In 2021 emissions deriving from fuels totaled 13,491 tonnes of CO₂eq, while the contribution from the refilling of air conditioning and refrigeration plants was 925 tonnes of CO₂eq. The total Scope 1 emissions of the Interpump Group were therefore 14,416 tonnes CO₂eq, up by 6.9% versus the prior year.

GRI 305-1

GHG emissions - Direct	UoM	2019	2020	2021
Fuels	ton CO ₂ eq	12,987	12,700	13,491
Refilling refrigerant gases	ton CO ₂ eq	303	724	925
Total emissions Scope 1	ton CO₂eq	13,291	13,424	14,416

The higher emissions deriving from fuels compared to 2020 (up 5.7%) are due to the greater use of methane for heating and the implementation of some production processes.

Scope 2 emissions mainly related to purchased electricity and only marginally to purchased thermal energy. Considering that the energy required for Group activities

is supplied by external entities, with the exception of that produced internally by PV plants, Scope 2 emissions (location-based method) totaled 38,438 tonnes of CO₂eq in 2021 (up by 1.4% compared to the prior year).

GRI 305-2

GHG emissions - Indirect - Location based	UoM	2019	2020	2021
Indirect from electricity	ton CO ₂ eq	35,979	37,884	38,413
Indirect from thermal energy	ton CO ₂ eq	2	20	25
Total emissions Scope 2	ton CO₂eq	35,981	37,903	38,438

The calculation of emissions using the market-based method is presented below.

GRI 305-2

GHG emissions - Indirect - Market Based	UoM	2019	2020	2021
Indirect from electricity	ton CO ₂ eq	45,089	44,842	47,740
Indirect from thermal energy	ton CO ₂ eq	2	20	25
Total emissions Scope 2	ton CO₂eq	45,091	44,861	47,765

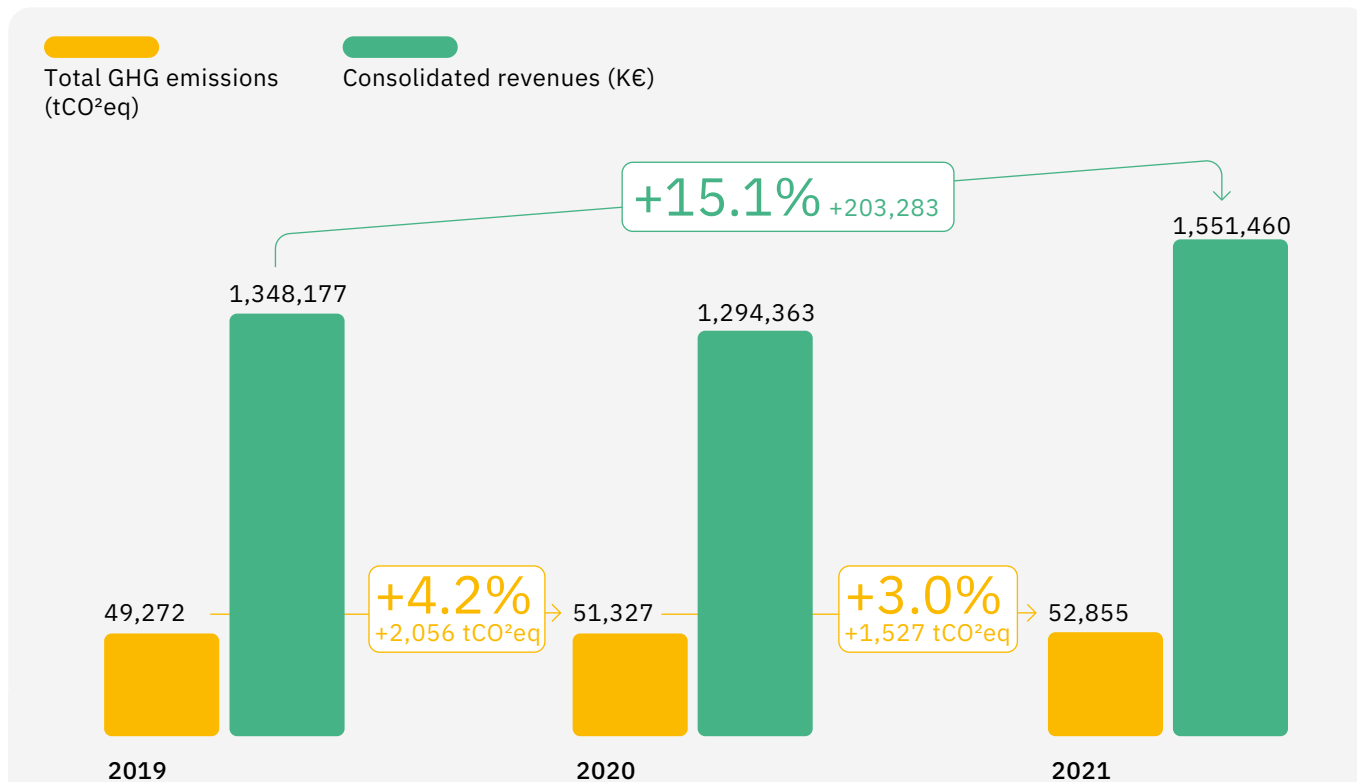
Higher Scope 2 emissions compared to 2020 are related to the greater use of the production lines following the normalization after the previous period affected by the pandemic emergency.

As a result, the intensity of GHG emissions in 2021 was lower than in the prior year, from 0.040 tCO₂/k€ to 0.034 tCO₂/k€.



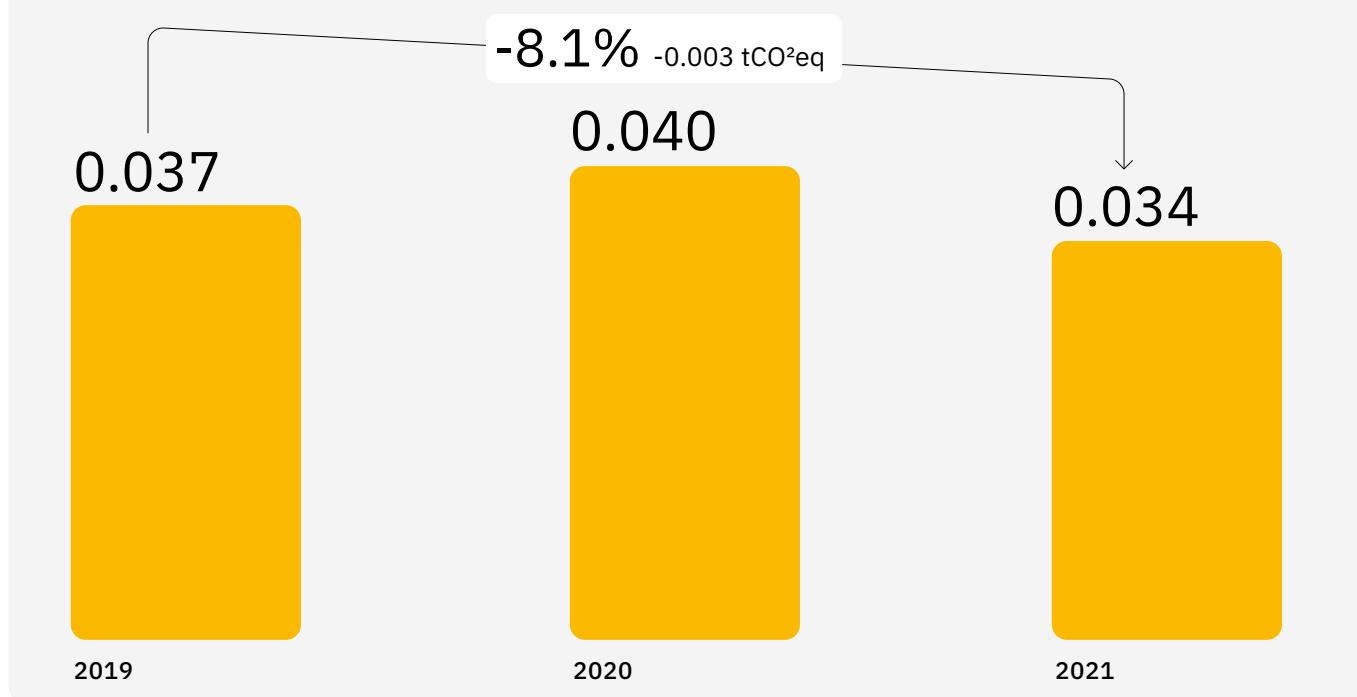
GRI 305-4

Intensity of GHG emissions	UoM	2019	2020	2021
Total GHG emissions	ton CO ₂ eq	49,272	51,327	52,855
Consolidated revenues	k€	1,348,177	1,294,363	1,551,460
Intensity of GHG emissions	tCO ₂ /k€	0.037	0.040	0.034



Intensity of GHG emissions

(Total emissions tCO₂eq/K€)



Another impact generated by the Group concerns direct pollutant emissions into the atmosphere. Among these, as expected given the type of activities performed in the production sites of the Interpump Group, the largest part is

composed of dusts and nitrogen oxides, which fell slightly compared to the previous year.

GRI 305-7

Atmospheric emissions	UoM	2019	2020	2021
Particulate	Tons	4.5	4.2	3.8
NOX	Tons	16.8	3.1	1.5
CO	Tons	1.2	0.0	0.1
Dioxins and Furane	qITEQ	-	-	-
IPA	Tons	0.0	-	-
COT and COV	Tons	1.8	1.3	2.3
PB	Tons	-	-	-
ZN	Tons	0.0	0.0	0.0
HG	Tons	-	-	-
SOX	Tons	1.0	0.0	0.0
HCl	Tons	0.1	0.3	0.3
HF	Tons	0.0	0.1	0.1
NI	Tons	0.0	0.0	0.0
Oil mist	Tons	0.6	0.4	0.1

Qualitative section on corporate waste management

GRI 306-1 GRI 306-2

Despite the low impact of activities in terms of waste generation, the Interpump Group pursues a strategy to reduce the quantities of waste, working where possible to develop circular production cycles. The specific features of the Interpump Group allows each company to manage the waste generation and disposal process independently, in compliance with local applicable laws. In particular, the production of waste by the companies in the Group is attributable mainly to milling and grinding activities, which generate mainly metal machining waste. Each Group company disposes of this waste using authorized disposal companies and, where possible, recovery and recycling in order to minimize environmental impacts.

Waste generated

GRI 306-4; GRI 306-5

In 2021 the Interpump Group generated a total of around 29 thousand tonnes of waste, of which 85% non-hazardous.

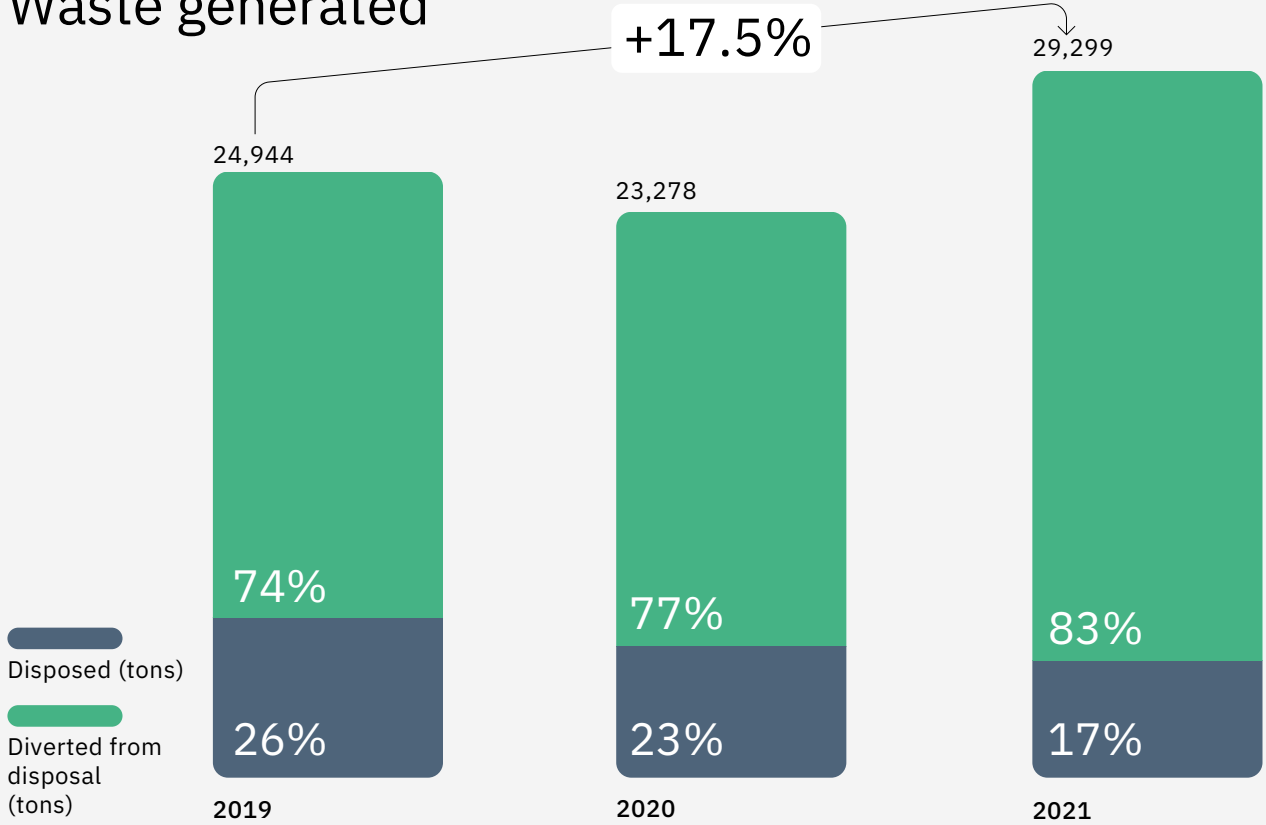
The incidence of waste produced per turnover unit has remained substantially in line with previous years, although in absolute terms waste production increased compared to 2020 following the normalization after the

previous period affected by the pandemic emergency.

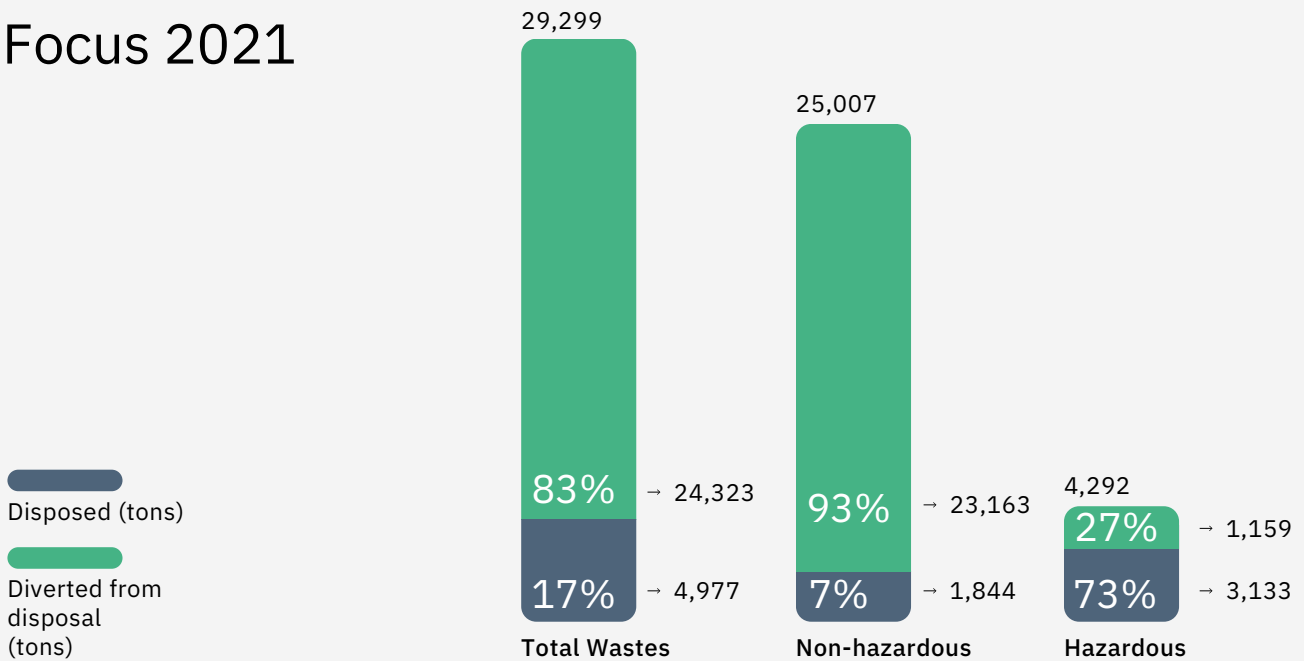
Many companies have adopted waste and production waste management practices, allowing the Group to save on the total quantity of waste produced, contributing to the reduction in the use of raw materials. Among the most common activities, for example, the separation of emulsified water for the re-use of emulsion oils and compacting systems for the chip produced from mechanical processes. This activity also leads to a significant reduction in transported volumes (CO2 impact).

The following analysis of the waste produced indicates the quantity recycled, disposed, hazardous and non-hazardous (in tonnes).

Waste generated



Focus 2021



The following table shows the various types of waste treatment, distinguishing between disposed flows and those diverted from disposal (including recycling and recovery). It

is reported that all quantities are disposed of offsite.

GRI 306-4; GRI 306-5 (2020)

Destination of waste by type	2019	2020	2021
Values in Tons			
1) Hazardous waste	3,234	3,410	4,292
DIVERTED from disposal	440	483	1,159
of which prepared for reuse	-	-	4
of which recycled	-	-	124
of which other recovery operations	-	-	1,031
Disposed	2,794	2,927	3,133
of which incinerated (with energy recovery)	-	-	55
of which incinerated (without energy recovery)	-	-	124
of which landfilled	-	-	339
of which other disposal operations	-	-	2,615
2) NON-hazardous waste	21,710	19,868	25,007
DIVERTED from disposal	17,919	17,389	23,163
of which prepared for reuse	-	-	669
of which recycled	-	-	19,449
of which other recovery operations	-	-	3,046
Disposed	3,791	2,479	1,844
of which incinerated (with energy recovery)	-	-	137
of which incinerated (without energy recovery)	-	-	60
of which landfilled	-	-	953
of which other disposal operations	-	-	693
Total (1+2)	24,944	23,278	29,299
DIVERTED from disposal	18,359	17,872	24,323
of which prepared for reuse	-	-	673
of which recycled	-	-	19,573
of which other recovery operations	-	-	4,076
Disposed	6,585	5,406	4,977
of which incinerated (with energy recovery)	-	-	192
of which incinerated (without energy recovery)	-	-	184
of which landfilled	-	-	1,292
of which other disposal operations	-	-	3,308

In quantitative terms, **the principal waste generated by the Interpump Group consisted of ferrous metal filings and shavings** totaling 17.2 thousand tonnes in 2021 (58.6% of the total waste generated: 29,299 tonnes).

The final destination of non-hazardous waste in 2021 was as follows:

- around 93% (23,163 tons) to operations diverted from disposal, including recycling, recovery of materials and re-use;
- around 7% (1,844 tons) to landfills and incineration.

As regards the 4,292 tons of **hazardous** waste generated:

- about 27% (1,159 tons of hazardous waste) was diverted from disposal;
- about 73% (3,133 tons of hazardous waste) was disposed.

Some of the main categories of non-hazardous wastes are given below:

GRI 306-3 (2020)

Non-hazardous waste	UoM	2019	2020	2021
12.01.01 - Ferrous metal filings and shavings	ton	13,299	12,520	17,179
12.01.02 - Ferrous metal powders and particulates	ton	1,006	1,084	848
12.01.99 - Unspecified waste	ton	759	713	904
15.01.01 - Paper and board packaging	ton	563	464	607
17.04.05 - Iron and steel	ton	1,243	1,074	914
20.03.01 - Non-differentiated urban waste	ton	1,958	1,281	947
Other	ton	2,882	2,732	3,607
Total non-hazardous waste	ton	21,710	19,868	25,007

With regard to hazardous waste, “emulsions and solutions for machinery” are the substances produced in the greatest

quantity, (about 7.8% of the total waste generated in 2021).

GRI 306-3 (2020)

Hazardous waste*	UoM	2019	2020	2021
12.01.09* - Emulsions and solutions for machinery	ton	1,842	1,806	2,284
12.03.01* - Water-based washing solutions	ton	439	602	658
13.08.02* - Other emulsions	ton	37	94	239
15.02.02* - Absorbents, filtering materials	ton	209	149	173
11.01.09* - Sludges and filtering residues	ton	66	133	166
Other	ton	640	624	773
Consolidated	ton	3,234	3,410	4,292

Environmental compliance

GRI 307-1

Finally, note that based on best practices connected to the environmental management systems implemented in some Group companies and given the growing attention paid to sustainability themes, some Interpump Group vendors were

subjected to an environmental assessment during the three-year reporting period; there was an increase in this practice in the period concerned.

In the reference three-year period the number and value of fines levied for cases of noncompliance with environmental laws and/or regulations was insignificant.



6. Socio- Economic Area



Material topics

Based on the analysis of materiality (see chapter 27 *Analysis of materiality*), the material topics for the Interpump Group in the socio-economic area are:

- Economic performance;
- Client health and safety;
- Socio-economic compliance.

Risks

The main risks identified in the company area, such that can become of significance in relation to the pursuit of the company strategy in the medium/long-term, are related to:

- **operational** risks linked to product labeling (i.e. the information that accompanies the product, describing its characteristics), and market policy (e.g. unfair and unethical conduct in relation to competitors).
- **compliance** risks and **legal** risks, due to non-compliance with regulations and further to damage

to property or personal injury caused by the product, linked to safety during use of products sold by Group companies.

The economic and financial risks are described in the Report on operations of Interpump Group S.p.A.

Risk Management

Risk type	Risk management	
	Policies	Model
Operating	<p>Code of Ethics – with special reference, in addition to the matters stated above, to the undertaking to guarantee adequate quality standards of the services/products on offer based on predefined levels and periodic monitoring of the perceived quality.</p> <p>Technical training programs</p>	<p>Quality management systems certified in compliance with the provisions of international standard ISO 9001 – with regard to some companies/facilities (Monitoring of nonconformities reported by customers)</p>
Compliance	<p>Code of Ethics – with reference to the full and scrupulous compliance with the antitrust regulations and the rules of market regulatory authorities. Relations with competitors are characterized by loyalty and fairness and the Group disapproves of any behavior that could constitute an impediment or disturbance.</p> <p>The Group undertakes to ensure that its activities are conducted in such a way as to avoid violating, under any circumstances, international laws of embargo and control of exports in force in the countries in which it operates.</p>	<ul style="list-style-type: none"> ↳ Special part of the Organization and Management Model – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk. ↳ Global Compliance Program (see page 29 for further details) – concerning all Group companies without an Organization, Management and Control Model. ↳ Insurance cover - product liability insurance.

Performance indicators

Economic Performance

GRI 102-5; GRI 102-7

The number of ordinary shares of Interpump Group S.p.A. outstanding at 31 December 2021 totals 108,879,294. Interpump Group S.p.A. has been listed on the Euronext STAR Milan segment of the Italian Stock Exchange since

it was launched on 1 April 2001, reflecting its compliance with the related transparency and Corporate Governance requirements, and has been included in the FTSE-MIB basket since 22 June 2020. During the final session of the year (30/12/2021) the share price closed at 64.45 euro, representing a market capitalization of about euro 7 billion.

Here below is a list of key shareholders of Interpump Group S.p.A.:

Shareholders*	Nationality	% of ordinary share capital
Gruppo IPG Holding S.p.A.	Italian	24.25%
Capital Research and Management Company	USA	5.01%
FMR LLC	USA	5.00%
FIN TEL S.r.l.	Italian	4.13%
Reggiana Finanziaria S.r.l.	Italian	3.49%
Interpump Group S.p.A.	Italian	2.28%

* Source: CONSOB, data updated at 17/02/2022

Economic value generated and distributed

GRI 103-2; GRI 103-3; GRI 201-1

The economic value generated and distributed represents the ability of business to create wealth and distribute it

among its stakeholders. The economic value generated by the Interpump Group during 2021 amounted to Euro 1,634 million (Net revenues - net result), of which 89% (Euro 1,461 million) was distributed.

(in thousands of Euro)	2019	2020	2021*
Total economic value generated	1,395,254	1,313,794	1,633,620
Total economic value distributed	1,238,072	1,184,759	1,460,775
- Personnel	319,757	309,065	353,442
- Vendors**	818,921	784,720	975,460
- Public administration	65,265	55,646	77,943
- Shareholders***	24,632	29,188	30,018
- Financial system	9,497	6,140	23,912
Total economic value retained	157,182	129,035	172,845

* The schedule of economic value generated and distributed was calculated with reference to the consolidated income statement of the Group, including the companies White Drive and Berma S.r.l., which are excluded from the reporting perimeter of the 2021 NFS.

** This caption includes the amortization of intangible assets

*** The value distributed to shareholders is equal to the value of the dividend paid in 2021 using the cash flow accounting principle,

rather than the accruals principle as reported in the NFS of the previous period. Therefore, consistently with this method, the revised data of the economic value distributed in 2019 is 1,238,072 rather than 1,242,020 and for 2020 is 1,184,759 rather than 1,185,613 thousand euro.

See the "Annual Report for 2021" on the corporate website www.interpumpgroup.it for further details.

The fiscal responsibility of the Interpump Group

GRI 207-1

Interpump Group S.p.A. acts in an honest, proper and transparent manner in the management of its tax affairs, consistent with the principles defined in the Code of Ethics adopted by all Group companies.

The Group believes that the payment of taxation contributes to the achievement of global objectives for sustainable social and economic development, and to the consolidation and growth of the economies in which Group companies operate. For this reason, the Group strives to comply with the tax regulations, acting in a proper and responsible manner in each jurisdiction, and works closely with tax advisors, auditors and the fiscal authorities to ensure payment of the taxes due.

The Group does not pursue an aggressive fiscal policy designed to save tax and, by contrast, does contribute actively to the fight against tax evasion by avoiding recourse to fictitious corporate structures without economic or commercial justification.

The Group actively seeks not to earn income in territories classified as tax havens or which are considered uncooperative by the tax authorities. When setting intercompany transfer prices, the Group applies the principle of arm's-length competition. Acting responsibly from a tax standpoint represents, therefore, conduct intended to safeguard the assets of the Group and create long-term value in the context of sustainable growth. Tax governance within the Group is underpinned by the principles embodied in the Code of Ethics.

Responsibility for managing the tax affairs of the Interpump Group is assigned to the directors of each company, as

coordinated by the Group CFO in compliance with the rules contained in the Code of Ethics, corporate procedures and, where applicable, the Organization, Management and Control Model. The functions responsible for the management of tax matters at each Group company operate in compliance with the Code of Ethics and the corporate procedures established by the Parent Company. A channel for communications and interaction exists between the tax functions of each Group company and the financial and administrative function of the Parent Company. The tax approach adopted by the Group is founded on compliance with the domestic and international tax regulations. The Group seeks to comply with both the letter and the spirit of the tax regulations in force in the countries where it operates, balancing business activity with the pursuit of sustainable development.

The Group cooperates with the tax authorities, making necessary information available to them for the effective and equitable application of tax laws, and responds promptly and fully to the requests for information and documentation received from the competent authorities in each jurisdiction.

Tax governance, control, and risk management

GRI 207-2

Group tax governance is the responsibility of the Board of Directors, which is assisted by the CFO of Interpump and the administrative managers at each subsidiary. Group companies adopt a system of internal control that is overseen by the director responsible for the system of internal control and risk management, in order to check compliance with the tax regulations. The Group seeks to minimize tax risk, taking all useful and practical precautions to achieve that objective. The tax treatment of each transaction is based on reasonable and well-founded decisions and interpretations made, where necessary, with support from experienced external tax advisors.

Tax risks are managed in accordance with the overall Enterprise Risk Management model and the procedures for compliance with Law 262/2005 adopted by those companies falling within the scope of that legislation. The corporate whistleblowing channels may also be used to report any issues with potentially unethical or unlawful

conduct, or the tax status of the organization.

Stakeholder engagement and management of concerns related to tax

GRI 207-3

At this time, the Group has not received requests or reports from stakeholders with regard to tax matters. Should requests or reports be received from stakeholders, they will be analyzed by the corporate functions responsible for tax compliance. Relations with the tax authorities are founded on the principles of propriety, transparency, professionalism, honesty and respect for the differing regulations applicable in the countries where the Group operates. Group relations with the competent tax authorities are managed in compliance with the Code of Ethics and specific internal procedures. In the event of tax audits at Group companies, the Group acts with transparency, propriety and professionalism in all communications with the competent tax authorities, responding promptly to their questions and requests. If requests are received, the Group provides timely and exact information to the tax authorities, together with truthful and complete documentation.

Fiscal reporting in the countries where the Interpump Group operates

GRI 207-4

The following information on the fiscal reporting of the Interpump Group, as provided for in standard GRI 207-4, refers to the Country by Country report of Interpump Group S.p.A. for the previous financial year 2020. In 2020, the Interpump Group operated through 105 countries, in 33 countries in the world with their own tax and fiscal legislation. In 2020, the Interpump Group paid ¹Corporate Income Tax for a total of 49,538 million euro.

1 The difference between income tax of a single company in the Group earned on profits or losses for the period and the taxes due, calculated at the tax rate applied according to local law, on pre-tax profits or losses, was of negligible value at 31 December 2020.

Fiscal reporting 2020 by geographical area, values in thousands of euro	Consolidated	Italy	Other European countries	North America	East Asia and Pacific	Rest of the World
Number of employees	7,266	3,258	1,522	1,032	599	855
Income from sales to third parties	1,317,872	540,502	251,568	345,741	108,411	71,650
Income from intra-group operations with other tax jurisdictions	248,897	138,597	63,924	4,913	23,140	18,323
Profit/loss before tax	206,456	90,379	46,639	43,710	17,833	7,895
Tangible assets other than cash in hand and cash equivalents	453,197	265,807	64,114	84,329	15,613	23,334
Income tax of companies paid on the basis of the cash flow criterion	49,538	21,497	13,239	9,658	2,948	2,196
Income tax of companies due for profits/losses	50,586	23,642	12,710	9,491	2,518	2,225

Here below the companies included are given by country.

Country	Company name	Country	Company name	Country	Company name
Australia	Hammelmann Australia Pty Ltd	France	Hypress France Sarl	New Zealand	Mega Pacific NZ Pty Ltd
Australia	Mega Pacific Pty Ltd	France	Walvoil Fluid Power France Sarl.	Netherlands	GS-Hydro Benelux B.V.
Australia	Walvoil Fluid Power Australasia	France	Inoxpa Solutions France Sas	Netherlands	RR Holland BV
Australia	Inoxpa Australia Proprietary Ltd	France	RR France Sarl	Netherlands	Transtecno BV
Australia	RR Pacific PTY LTD	Germany	Hammelmann GmbH	Netherlands	Transtecno Aandrijftechniek B.V.
Austria	GS-Hydro Austria GmbH	Germany	Interpump Fluid Solutions Germany GmbH	Poland	NLB Corp. Sp. z o.o.
Brazil	Hammelmann Bombas e Sistemas	Germany	GS-Hydro System GmbH	Poland	GS-Hydro Sp Z O O
Brazil	Interpump Hydraulics Brasil	Hong Kong	HTIL (Hong Kong)	Portugal	Improved Solutions Unipessoal Ltda
Brazil	GS-Hydro do Brasil Sistemas Hidraulicos Ltda	Hong Kong	GS-Hydro Hong Kong Ltd	UK	Interpump Hydraulics UK
Bulgaria	Copa Hydrosistem OOD	India	Interpump Hydraulics India Ltd	UK	IMM Hydraulics Ltd
Canada	Galtech Canadaw	India	Walvoil Fluid Power (India) Pvt. Ltd.	UK	Bristol Hose Limited
Canada	Hydra Dyne Technology Inc	India	Inoxpa India Private Ltd	UK	Inoxpa (UK) Ltd
Canada	RR Canada Inc.	India	RR India Private Limited	UK	GS- Hydro UK Ltd
Chile	Hydrocar Chile S.A.	Italy	Interpump Group S.p.A.	Romania	IMM Hydro Est
China	Hammelmann Pump System Ltd	Italy	Teknova S.r.l.	Singapore	GS-Hydro Singapore Pte Ltd
China	Wuxi Interpump Weifu Hydraulics Company	Italy	SIT S.p.A.	Slovak Republic	RR Slovakia A.S.
China	Walvoil Fluid Power (Dongguan) Co., Ltd	Italy	Inoxihp S.r.l.	Spain	Hammelmann S. L.
China	Inoxpa Special Processing Equipment Co. Ltd	Italy	Tubiflex S.p.a.	Spain	Inoxpa S.A.U.
China	GS-Hydro Piping Systems (Shanghai) Co. Ltd.	Italy	Interpump Hydraulics S.p.A.	Spain	GS-Hydro S.A.U
China	RR SUZHOU CO. Ltd	Italy	AVI S.r.l.	Spain	Transtecno Iberica the Modular Gearmotor s.a.
China	Hangzouh Trastecno Power Transmissions CO.LTD	Italy	Hydroven S.r.l.	South Africa	Interpump South Africa Pty Ltd
Colombia	Inoxpa Colombia Sas	Italy	Contarini Leopoldo S.r.l.	South Africa	Inoxpa South Africa
Denmark	Inoxpa Skandinavien A/S	Italy	Oleodinamica Panni S.r.l.	South Korea	Walvoil Fluid Power Korea LLC.
Denmark	GS-Hydro Denmark AS	Italy	IMM Hydraulics S.p.A.	South Korea	GS-Hydro Korea Ltd.
United Arab Emirates	Interpump Hydraulics Middle East FZE	Italy	Tekno Tubi S.r.l.	Sweden	GS-Hydro Ab
United Arab Emirates	Inoxpa Middle East FZCO	Italy	Walvoil S.p.A.	Switzerland	Hammelmann Swiss GmbH
Russian Federation	Inoxpa LTD	Italy	Inoxpa Italia Srl	Ukraine	Inoxpa Ukraine
France	Hammelmann France	Italy	Interpump Piping GS S.r.l.	USA	General Pump Inc.
France	Interpump Hydraulics France S.a.r.l.	Italy	Pioli s.r.l	USA	NLB Corporation
France	Unidro Contarini Sas	Italy	Reggiana Riduttori Srl	USA	Hammelmann Corporation Inc.
		Italy	Servizi Industriali S.r.l.	USA	Muncie Inc.
		Italy	FGA S.r.l.	USA	American Mobile Power Inc.
		Italy	Innovativ Gummi Tech S.r.l	USA	Walvoil Fluid Power Corp.
		Italy	Transtecno Srl	USA	Inoxpa USA Inc
		Italy	Intecno Srl	USA	GS-Hydro U.S. Inc.
		Italy	Gruppo IPG Holding S.p.A.	USA	RR USA Inc.
		Mexico	MA Transtecno S.A.P.I. de C.V.	USA	Transtecno USA LLC
		Moldavia	Inoxpa Solutions Moldova		

Other performance indicators

GRI 206-1; GRI 416-2

During the three-year reference period no legal proceedings were initiated in relation to unfair competition, anti-trust and monopoly practices concerning or involving the Interpump Group. At Interpump Group level, no cases of non-conformity with the product safety regulations were identified in 2021 and 2020 that would have required

activation of the product recall policy. Finally, during the three-year reporting period several Group vendors were subjected to an assessment of social topics. In any case, the principles regarding respect for those topics are set down in the Code of Ethics, which is distributed to the main vendors.



7. Personnel- related area



Material topics

Based on the analysis of materiality (see page 27 *Analysis of materiality*), the material topics for the Interpump Group in the personnel-related area are:

- Management of human capital;
- Training;
- Non-discrimination and equal opportunities.
- Occupational health and safety;

Risks

The main risks identified in the area of personnel, such that may become significant in relation to the pursuit of the company strategy in the medium/long-term, are related to:

- **operating** risks, connected to change management (e.g. risks linked to inability/difficulty in finding new qualified/specialized staff), to the protection of minorities (gender - given the group's core business, language groups, etc.) and in general, to management of the workforce (employees and temporary workers) in various world

- countries.
- **compliance** risks due to failure to respect normative requirements related to regulations concerning employment and occupational health and safety. Events of this type could expose the company to penalties and legal proceedings, including criminal charges (e.g. offenses included in Decree 231/01). Such events could also expose the company to disputes, such as employee disputes (e.g. health and safety, employment and salaries, etc.)

Risk Management

Risk type		Risk management	
	Policies	Model	
Operating	<p>Training programs on the subject of occupational health and safety</p> <p>Succession policies and diversity policies with reference to the group parent company (currently being evaluated)</p>	<p>Systems for management of occupational health and safety pursuant to international standards ISO 45001 - 2018 - with reference to certain companies/facilities</p>	
Compliance	<p>Code of Ethics – in particular, ensuring equal opportunities and basing its conduct on principles aimed at acknowledging the value of human resources, with special reference to the physical and moral integrity of workers and correct management of personnel, ensuring that each manager values the work activities of his or her personnel, requesting duties that are consistent with their job descriptions and with the work organization plans.</p> <p>In addition, the Group undertakes to diffuse and consolidate a culture of safety, performing actions of a technical and organizational nature and basing its conduct on principles aimed at preventing risks and avoiding all potentially hazardous situations.</p> <p>Workplace health and safety policies – in relation to companies/facilities having safety management systems.</p>	<ul style="list-style-type: none"> ↪ Special part of the Organization and Management Model – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk. ↪ Global Compliance Program (see page 29 for further details) – concerning all Group companies without an Organization, Management and Control Model ↪ Systems for management of occupational health and safety pursuant to international standards ISO 45001 - 2018 - with reference to certain companies/facilities ↪ Insurance cover – employer’s liability insurance. 	



Performance indicators

Human capital

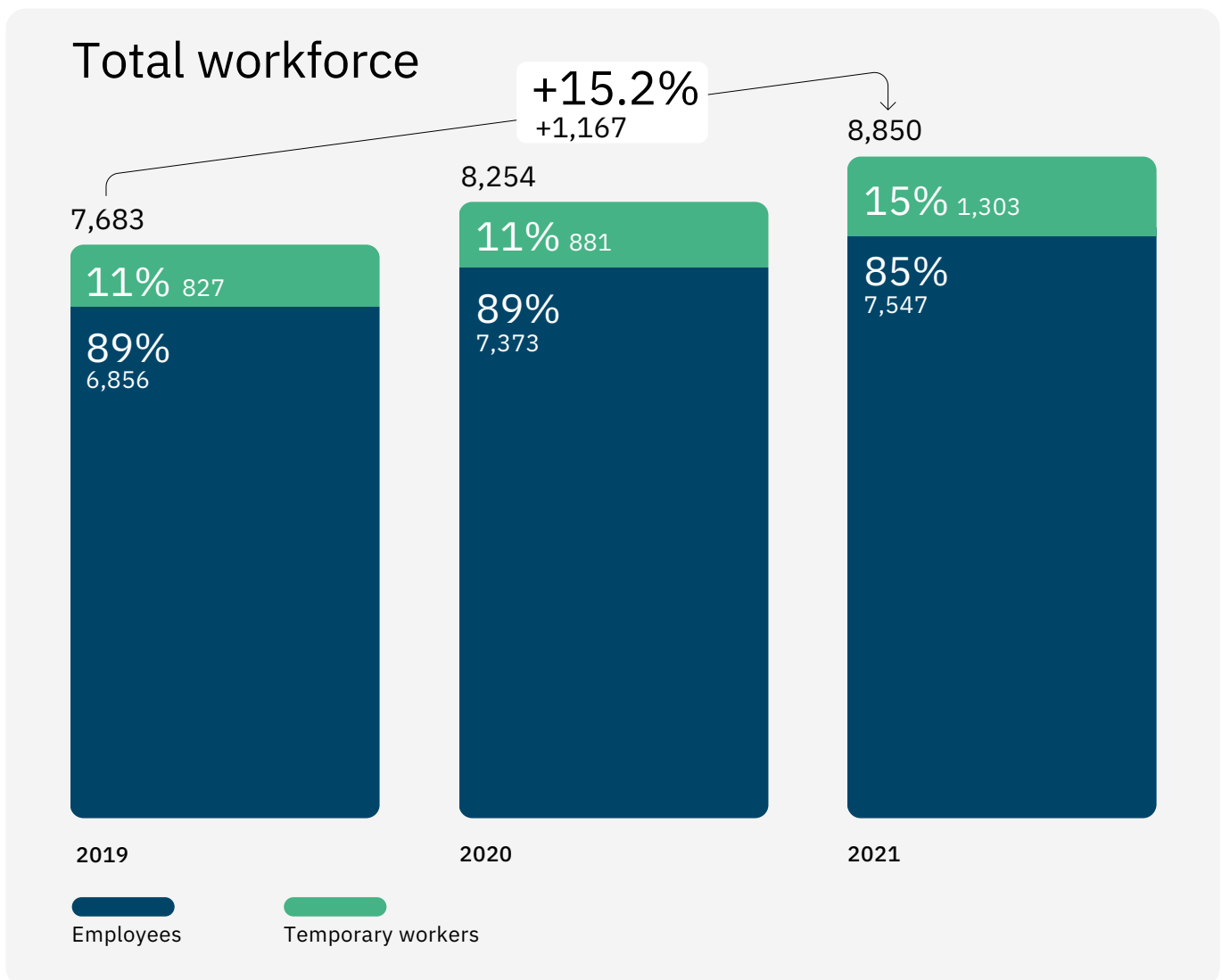
GRI 102-8; GRI 103-2; GRI 103-3

The Interpump Group considers human capital to be a key resource underpinning the success and continuity of the business, and a distinctive factor in maintaining the global leadership consolidated by the Group in recent years.

The number of employees in the Group companies, included within the reporting perimeter of this NFS, is 7,547 (8,850¹ including temporary workers), up compared to 2020, of **7,373** (8,254² including temporary workers). The increase of 174 resources is due to the recruitment of employees in various companies in the Group.

The total workforce grew by 15.2% in the three-year period 2019-2021 (1,167 persons).

In addition to employees (85%), the Interpump Group's workforce also includes temporary workers. In 2021 temporary workers counted for 1,303 persons, 15% of the total workforce.



The majority of temporary workers are blue-collar workers (about 96%), mostly men (89%), and are split almost equally between those under 30 and those between 30 and

50.

1, 2 Including temporary workers. See also "Total Workforce" below.

The total workforce is analyzed by geographical area below.

	Group total			Italy			Rest of Europe			North America			Far East and Pacific Area			Rest of the World		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Workforce	7,683	8,254	8,850	3,322	3,581	4,007	1,608	1,580	1,606	1,091	1,071	1,132	427	616	641	1,235	1,406	1,464
Employees	6,856	7,373	7,547	3,080	3,334	3,368	1,553	1,547	1,573	1,044	1,036	1,082	409	601	617	770	855	907
Agency workers	827	881	1,303	242	247	639	55	33	33	47	35	50	18	15	24	465	551	557

The workforce is analyzed by gender and geographical area below, distinguishing between personnel with formalized

contracts (permanent/fixed term) and external/not formalized collaborations.

	Group total			Italy			Rest of Europe			North America			Far East and Pacific Area			Rest of the World		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Workforce - permanent contract	6,613	7,175	7,242	2,990	3,269	3,311	1,436	1,461	1,492	1,042	1,035	1,077	379	555	573	766	855	789
Men	5,476	5,885	5,921	2,413	2,629	2,660	1,216	1,220	1,245	850	846	875	292	402	420	705	788	721
Women	1,137	1,290	1,321	577	640	651	220	241	247	192	189	202	87	153	153	61	67	68
Workforce - fixed-term contract	243	198	305	90	65	57	117	86	81	2	1	5	30	46	44	4	-	118
Men	195	155	256	69	49	39	98	73	66	2	1	5	22	32	28	4	-	118
Women	48	43	49	21	16	18	19	13	15	-	-	-	8	14	16	-	-	-
External/ non-structured collaborators	827	881	1,303	242	247	639	55	33	33	47	35	50	18	15	24	465	551	557
Men	767	826	1,155	202	203	514	52	33	31	37	31	38	18	15	22	458	544	550
Women	60	55	148	40	44	125	3	-	2	10	4	12	-	-	2	7	7	7
Total workforce	7,683	8,254	8,850	3,322	3,581	4,007	1,608	1,580	1,606	1,091	1,071	1,132	427	616	641	1,235	1,406	1,464
Men	6,438	6,866	7,332	2,684	2,881	3,213	1,366	1,326	1,342	889	878	918	332	449	470	1,167	1,332	1,389
Women	1,245	1,388	1,518	638	700	794	242	254	264	202	193	214	95	167	171	68	74	75

IT and Cybersecurity

This topic is managed by the Group through the definition of Guidelines formalized in a specific document aiming to provide all the companies in the Group with guidelines, rules of conduct and minimum safety requirements for the correct configuration and use of IT resources. Interpump therefore manages the issue through a centralized policy adopted by all the companies in the Group. In particular, the performance of IT audits and assessments is common

practice. Specifically, Hammelmann GmbH regularly performs penetration tests to assess the effectiveness of its IT controls and identify any weaknesses, technical defects or vulnerabilities in its IT architecture. Walvoil S.p.A has also adopted an IT Regulation, a Data breach management procedure, and carries out Phishing assessments to improve the ability of users in recognizing and avoiding any attacks through training and continuous tests;



Employment

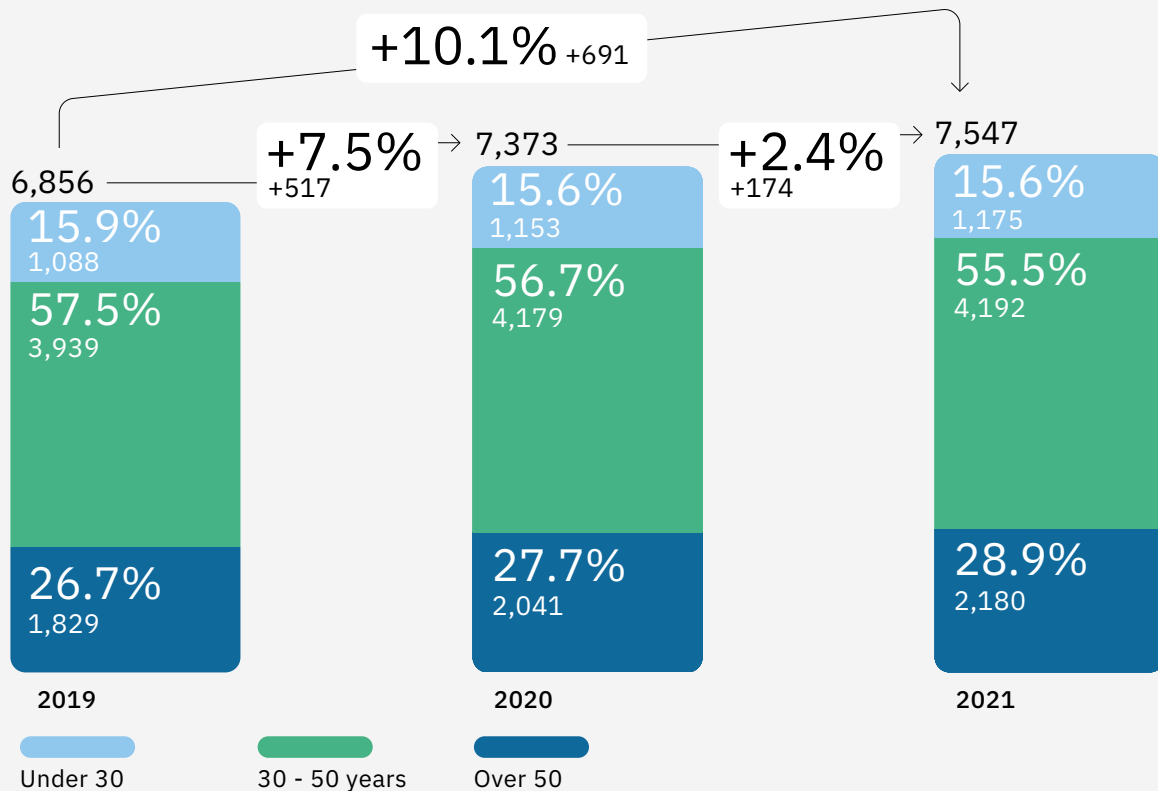
GRI 102-8-1; GRI 102-8-3; GRI 102-41; 103-2; GRI 103-3; GRI 405-1_b

The Interpump Group workforce has grown steadily over the years, having more than doubling in the last decade (see the Report on operations in 2021 for more details). At 31 December 2021, the number of employees included within the scope of the Non-Financial Statement totaled 7,547, up by 2.4% compared with the prior year and by 10.0% since 2019 (+691 persons). The increase during the year was

mainly due to the recruitment of more employees.

Persons employed in Italy account for 44.6% (3,368 persons) of the total workforce (7,547 persons). In particular, despite the international vocation of the Group, with a presence in more than 30 countries, no policies have been adopted to delocalize the traditional activities, which are still carried out in Italy.

Breakdown of employees by age group



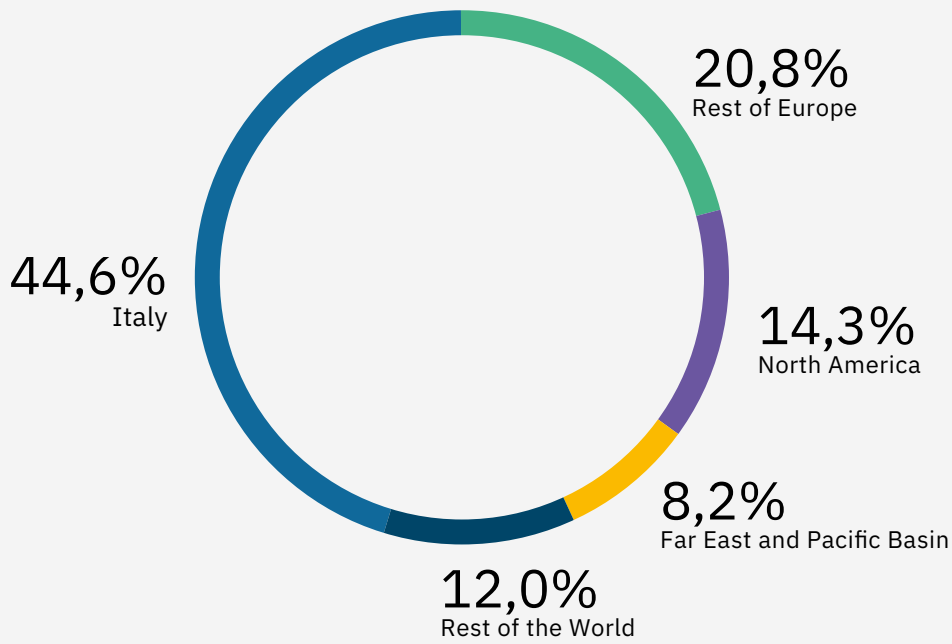
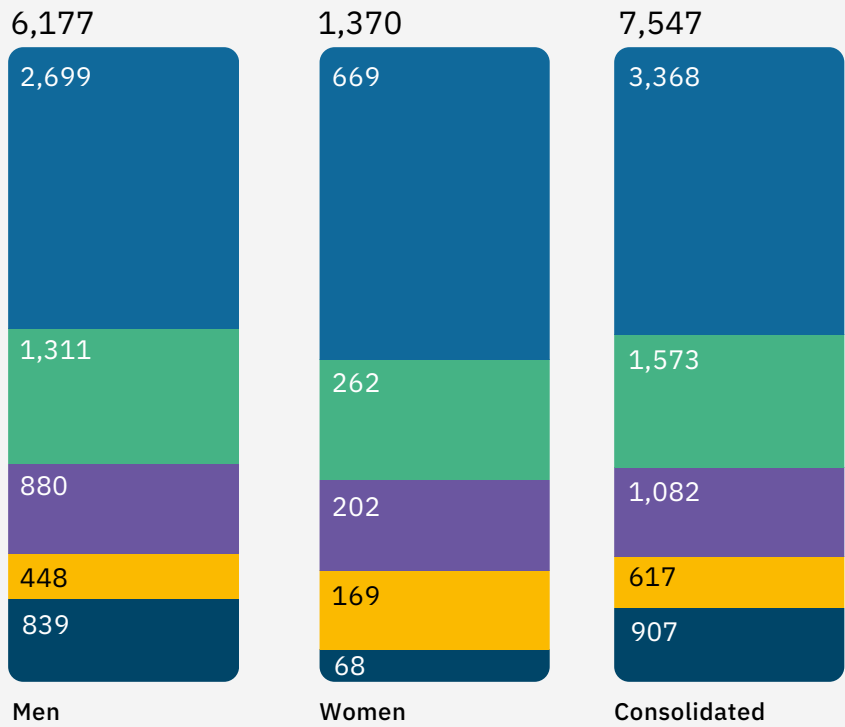
The breakdown of personnel by age shows a majority (55.5%) in the 30 to 50 age group; 28.9% are above the age of 50, while the remaining part (15.6%, or 1,175 individuals)

are under 30.



Breakdown of employees by gender and geographical area 2021

- Italy
- Far East and Pacific Basin
- Rest of Europe
- North America
- Rest of the World



The personnel are located mainly in Italy, United States, India, China and Germany. The Interpump Group considers the ability to attract and retain young talents to be fundamental and a key strength of the business. The average age of employees falls in the 30-50 range (55.6%).

Female employees account for 18.2% of the total. The level of female employment is nonetheless significant, given that the sector is historically considered to be a male domain.

GRI 405-1

Employees		2019				2020				2021			
		< 30	30 - 50	> 50	Consolidated	< 30	30 - 50	> 50	Consolidated	< 30	30 - 50	> 50	Consolidated
Category	Blue collar	781	2,387	1,115	4,283	839	2,454	1,255	4,548	854	2,474	1,334	4,662
	White collar and managers	307	1,462	620	2,389	314	1,620	686	2,620	321	1,614	737	2,672
	Executives	-	90	94	184	-	105	100	205	-	104	109	213
Consolidated		1,088	3,939	1,829	6,856	1,153	4,179	2,041	7,373	1,175	4,192	2,180	7,547

With regard to the composition of personnel, the situation was stable during the period 2019-2021. In 2021, 61.8% of employees are blue-collar workers, 35.4% are white-collar workers and managers and 2.8% are executives.

GRI 102-8

Employees by contract type		2019			2020			2021		
		Men	Women	Consolidated	Men	Women	Consolidated	Men	Women	Consolidated
Full-time		5,633	1,011	6,644	5,998	1,134	7,132	6,123	1,170	7,293
Part-time		38	174	212	42	199	241	54	200	254
Consolidated		5,671	1,185	6,856	6,040	1,333	7,373	6,177	1,370	7,547

Most employees are on full-time (96.6%) contracts; part-time contracts (254 cases in 2021) are mainly granted to female employees (78.7%).

	Group total			Italy			Rest of Europe			North America			Far East and Pacific Area			Rest of the World		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Blue collar	4,283	4,548	4,662	2,179	2,311	2,335	897	856	880	618	594	627	186	309	322	403	478	498
Men	3,833	4,046	4,143	1,876	2,000	2,016	843	795	815	551	530	554	169	260	278	394	461	480
Women	450	502	519	303	311	319	54	61	65	67	64	73	17	49	44	9	17	18
White collar	2,389	2,620	2,672	850	973	981	603	635	641	393	405	411	198	257	263	345	350	376
Men	1,675	1,816	1,845	559	632	634	423	446	447	274	287	289	126	150	148	293	301	327
Women	714	804	827	291	341	347	180	189	194	119	118	122	72	107	115	52	49	49
Executives	184	205	213	51	50	52	53	56	52	33	37	44	25	35	32	22	27	33
Men	163	178	189	47	46	49	48	52	49	27	30	37	19	24	22	22	26	32
Women	21	27	24	4	4	3	5	4	3	6	7	7	6	11	10	-	1	1
Consolidated	6,856	7,373	7,547	3,080	3,334	3,368	1,553	1,547	1,573	1,044	1,036	1,082	409	601	617	770	855	907
Men	5,671	6,040	6,177	2,482	2,678	2,699	1,314	1,293	1,311	852	847	880	314	434	448	709	788	839
Women	1,185	1,333	1,370	598	656	669	239	254	262	192	189	202	95	167	169	61	67	68

Employment is analyzed by gender and geographical area below.

- The category of executives is distributed equally between the 30-50 and over 50 age groups;
- the category of blue-collar workers counts for 53% in

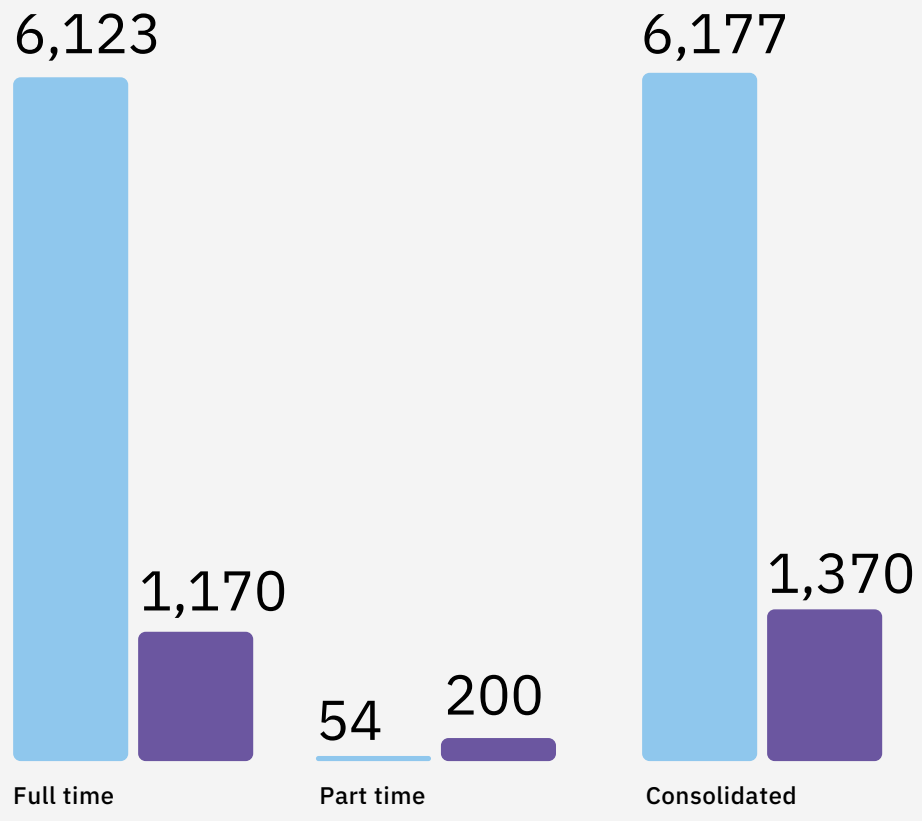
- the 30-50 age group and 29% over 50;
- the category of employees counts for 60% in the 30-50 age group and 28% over 50.



Breakdown of employees

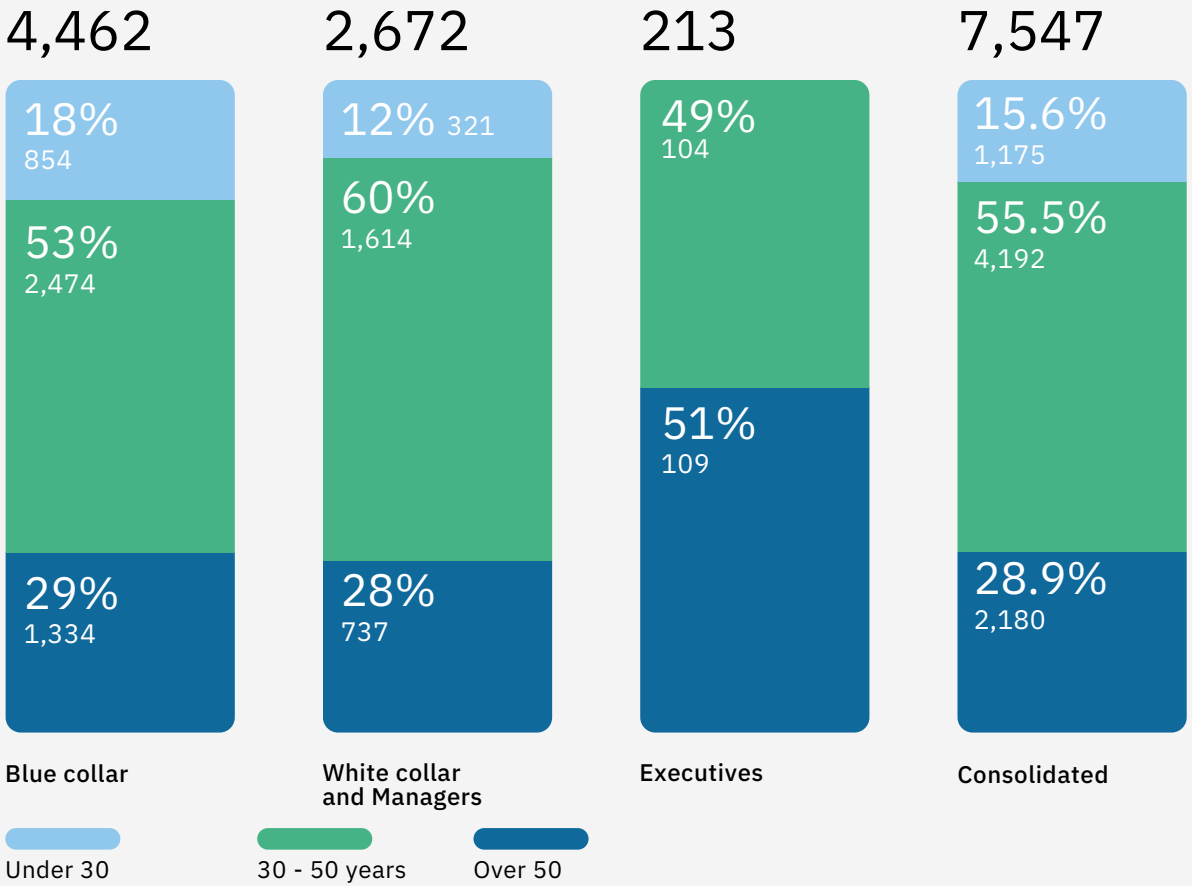
by type of contract and gender 2021

Men
Women

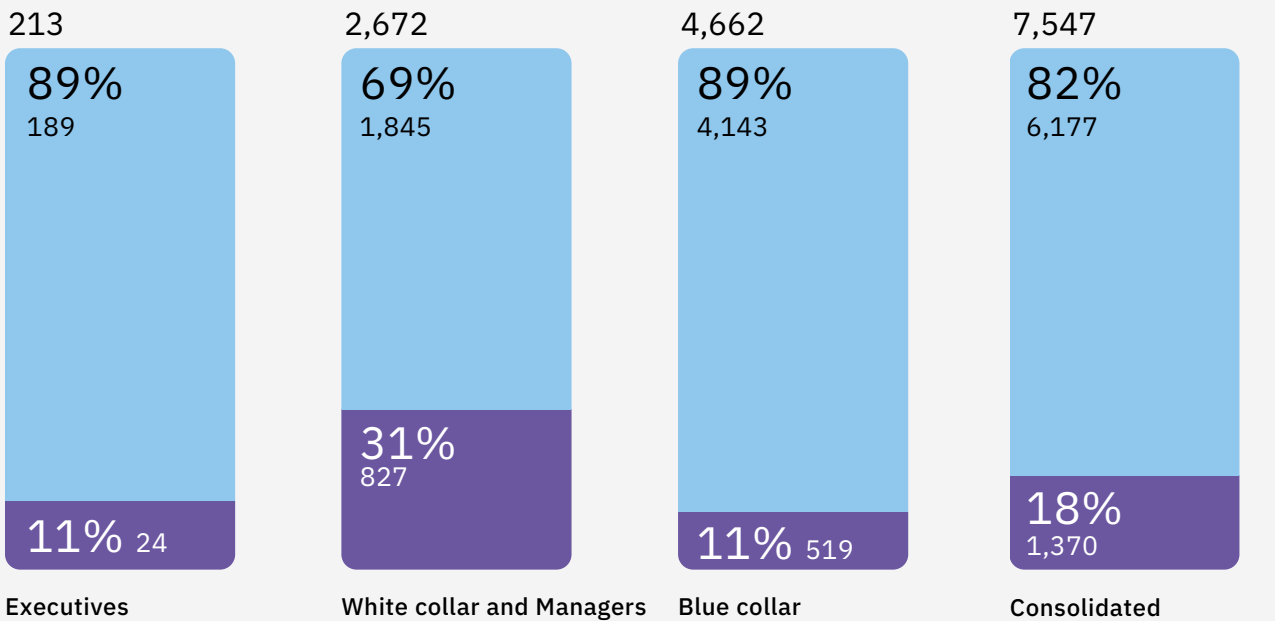




Breakdown of employees by age and professional category 2021



Breakdown of employees by gender and professional category 2021

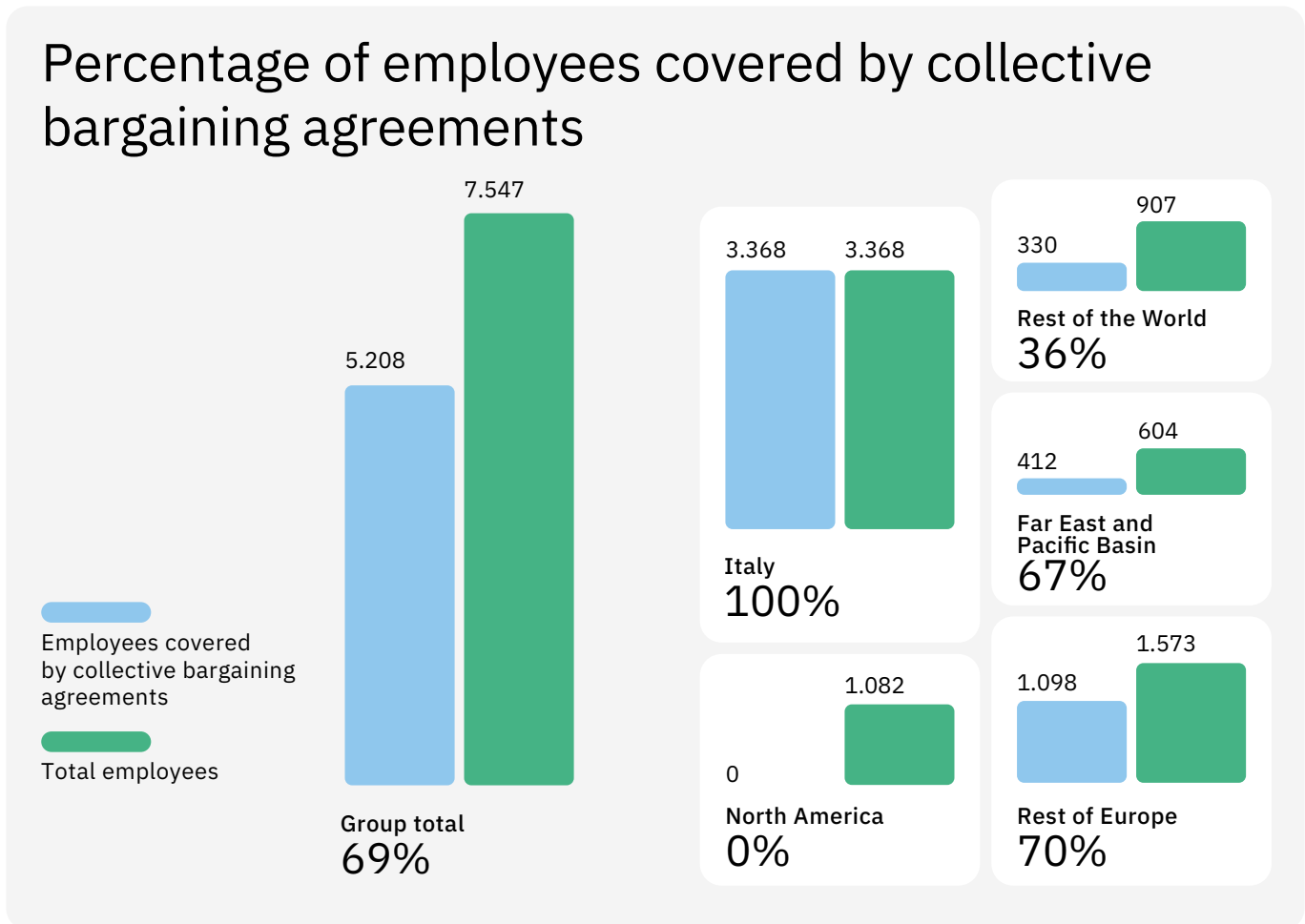




Percentage of employees covered by collective contracts

GRI 102-41

	Italy	North America	Far East and Pacific Area	Rest of Europe	Rest of the World	Group total
Employees covered by collective bargaining agreements	3,368	0	412	1,098	330	5,208
Total employees	3,368	1,082	617	1,573	907	7,547
% personnel covered by collective bargaining agreements	100%	0%	67%	70%	36%	69%



The Interpump Group strives to maintain constructive dialog with the trade unions, in compliance with the regulations in force in each country of operations.

At 31 December 2021, **69% of all Group employees are covered by collective bargaining agreements.**

Personnel: New hires and terminations

GRI 401-1

The number of new hires and terminations is strongly influenced by the turnover of fixed-term employees. In this regard, the GS Hydro Group (consolidated from 2018) produces piping systems for projects in the industrial, naval and energy fields. These systems are installed by work crews hired for the duration of the project. Most of the fixed-term contracts used in the Group is therefore traceable to the specific features of the GS Hydro Group. The total number of recruitments in 2021 was 1,428, up 65% on the previous year.

Terminations in 2021 totaled 1,246, also up with respect to the prior year (31%).

New hires and terminations during the reporting period are analyzed below together with the consequent incoming and outgoing turnover rates¹; the new hires and terminations in 2021 are also analyzed by geographical area. At Group level, the outgoing turnover rate was about 16.5% (1,246 departures in total), while the incoming turnover rate was 18.9% (1,428).

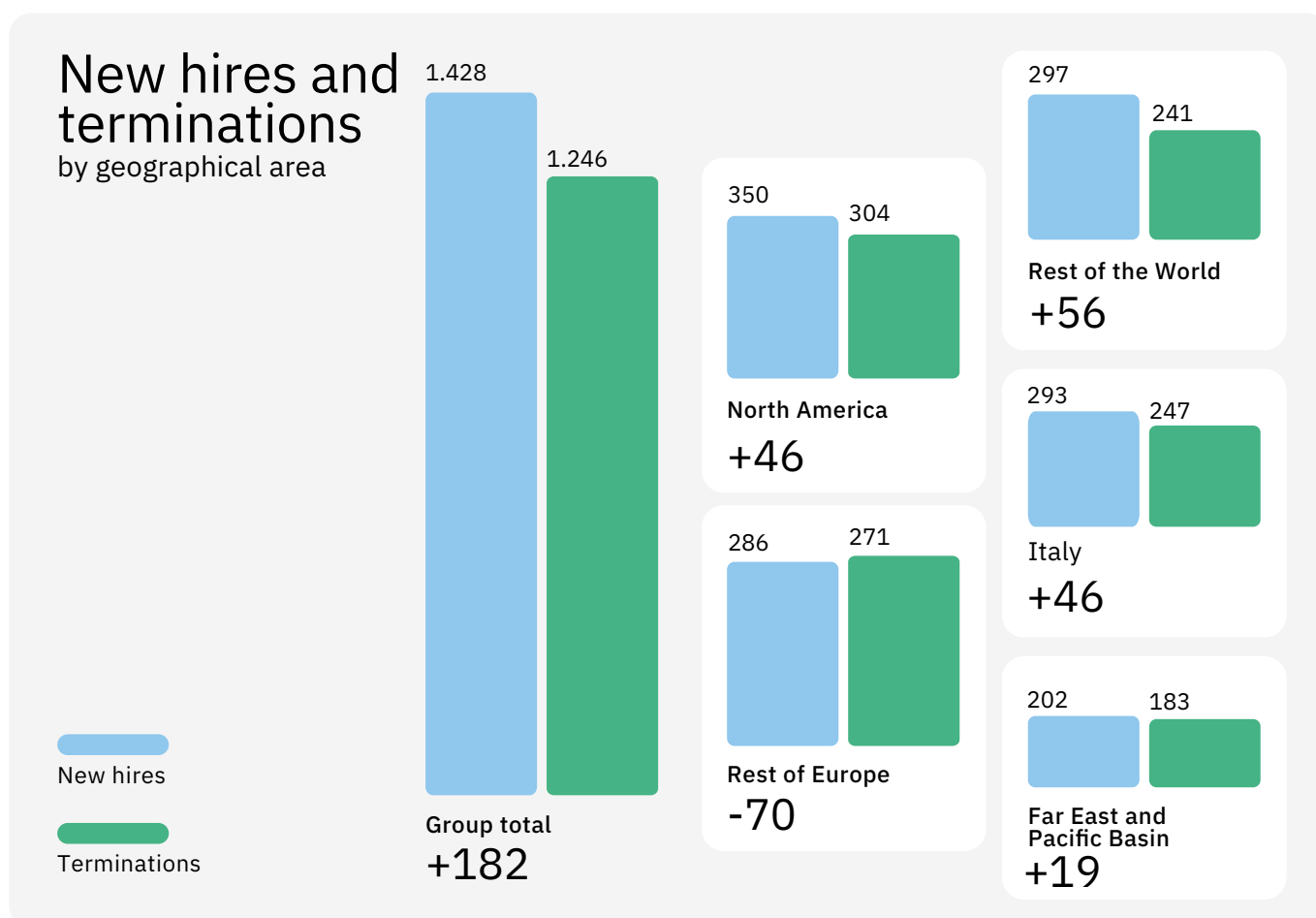
New hires		2019		2020		2021	
		Number	Rate	Number	Rate	Number	Rate
Gender	Men	1,026	18.1%	741	12.3%	1,216	19.7%
	Women	149	12.6%	124	9.3%	212	15.5%
Consolidated		1,175	17.1%	865	11.7%	1,428	18.9%
Age	< 30	403	37.0%	386	33.5%	652	55.5%
	30 - 50	627	15.9%	374	8.9%	596	14.2%
	> 50	145	7.9%	105	5.1%	180	8.3%
Consolidated		1,175	17.1%	865	11.7%	1,428	18.9%

Terminations		2019		2020		2021	
		Number	Rate	Number	Rate	Number	Rate
Gender	Men	937	16.5%	817	13.5%	1,067	17.3%
	Women	124	10.5%	142	10.7%	179	13.1%
Consolidated		1,061	15.5%	959	13.0%	1,246	16.5%
Age	< 30	279	25.6%	279	24.2%	423	36.0%
	30 - 50	552	14.0%	432	10.3%	551	13.1%
	> 50	230	12.6%	248	12.2%	272	12.5%
Consolidated		1,061	15.5%	959	13.0%	1,246	16.5%

¹ The incoming turnover rate is calculated as follows: (number of hires/ total employees) x 100; Outgoing turnover rate is calculated as follows: (number of terminations / total employees) x 100.



Focus 2021	Group total	Italy	Rest of Europe	North America	Far East and Pacific Area	Rest of the World
Total new hires by gender	1,428	293	286	350	202	297
Men	1,216	233	245	297	163	278
Women	212	60	41	53	39	19
Total new hires by age group	1,428	293	286	350	202	297
< 30	652	98	85	139	104	226
30 - 50	596	165	130	147	86	68
> 50	180	30	71	64	12	3
Total terminations by gender	1,246	247	271	304	183	241
Men	1,067	199	235	264	146	223
Women	179	48	36	40	37	18
Total terminations by age group	1,246	247	271	304	183	241
< 30	423	47	55	89	82	150
30 - 50	551	100	133	145	89	84
> 50	272	100	83	70	12	7



Occupational health and safety

GRI 103-2; GRI 103-3; GRI 403-9

Management of occupational health and safety

GRI 403-1; GRI 403-2; GRI 403-3; GRI 403-4; GRI 403-5; GRI 403-6; GRI 403-7

Protection of occupational health and safety has always been a central focus for the Interpump Group. For this reason, the Group has included specific health and safety guidelines in the Global Compliance Program (see section 3.4 for further details), in to align further the management of this topic within the Group.

Although today there is no centralized management model at Group level, our companies have identified their own specific functions to govern health and safety issues. For example, most Group companies have implemented processes to identify any workplace hazards on a systematic basis; in particular, after identifying risks, the company prepares specific procedures to mitigate them via the provision of targeted training to employees. This is consistent with the best international practices, such as ISO 45001. In addition, as shown in the following chart, the management systems of 16% of Group companies are compliant with ISO 45001 and/or OHSAS 18001.

In terms of reporting any hazards, professional incidents and/or hazardous situations in the working environment, most production companies allows employees to notify their managers (e.g. Workers' Safety Representative or Protection and Prevention Manager (HSO) in the Italian context) using predetermined channels. If necessary, these managers then prepare internal procedures compliant with the local regulations, providing employees with the information needed to mitigate the hazards identified.

The following principal activities contribute to the identification and reduction of health and safety risks:

- periodic visits to and inspections of the workplace by the appointed medical officer;
- monthly checks assisted by the relevant functions;
- external audits carried out every quarter;
- teams dedicated to prevention activities;
- employee training.

In order to ensure the quality of the above activities, additional checks are carried out by such professionals as the medical officer or the HSO or other suitable personnel (as required by local regulations), who carry out periodic medical check-ups in the workplace during working hours.

In addition, where possible, Group companies strive to ensure employee participation and consultation with them regarding the development, implementation and assessment of the OHSMS; in certain cases, this process is facilitated by the formal participation, as required by local regulations, and involvement of the appointed workers' safety representatives. Where formal worker-management committees have been established, their principal activities include: health monitoring, risk assessment, investigation of incidents and promotion of corrective actions to improve the conditions of workers. General training, which is essential for the prevention of health and safety risks, is provided by most Group companies. Depending on the specific duties of different categories of worker, specific modules may also be activated to address the risks involved in their activities, for example: physical, ergonomic and chemical hazards present in the workplace and working environments.

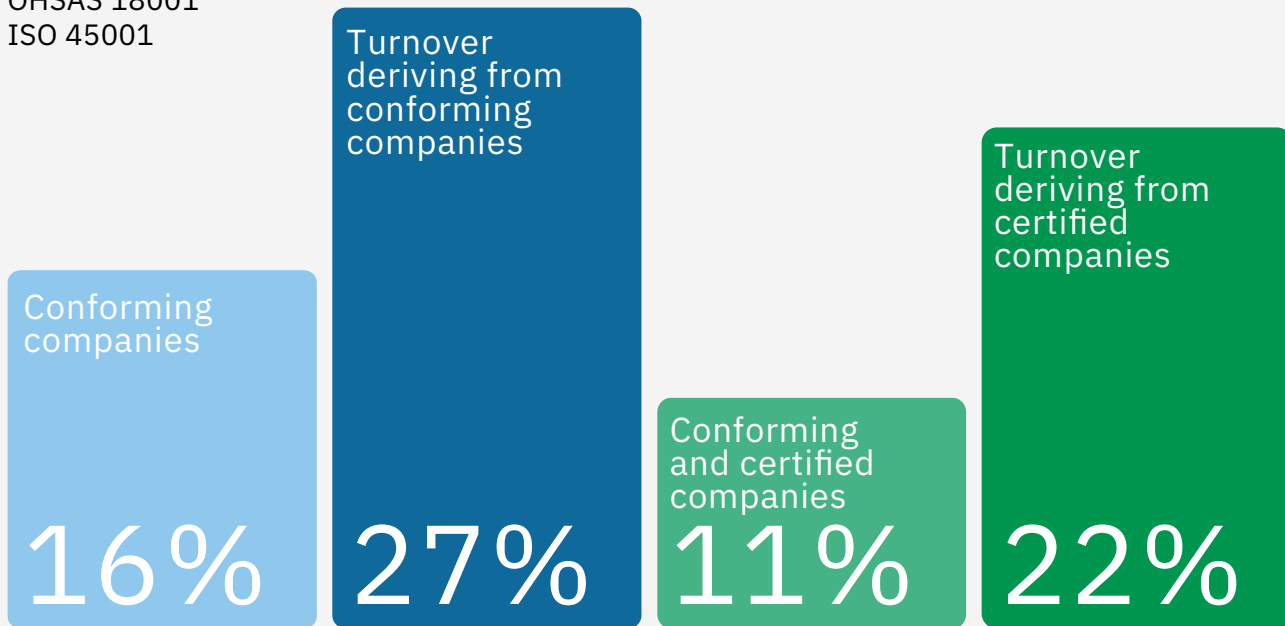
Additionally, in some cases when not already required by law, voluntary access to healthcare and medical services by workers is facilitated by the arrangement of supplementary health insurance or membership of supplementary healthcare plans.

Lastly, with regard to prevention and mitigation of the impact of OHS issues on commercial relations, vendors are requested to read and sign for acceptance the Code of Ethics adopted by the Group.



Occupational Health and Safety Management System 2021

OHSAS 18001
ISO 45001



Considering the extreme variety of the size of the companies in the Interpump Group, assess the incidence of certifications as a % of companies is misleading. Representation according to turnover offers a more realistic indication.

Employees suffered 153 injuries involving more than one day of absence during 2021. In the same period, there were 83 injuries involving absence of less than 24 hours.

Below we give the main injury data and rates¹ for the three-year reporting period, with an indication of the details for each type. This information is also provided for temporary workers; including them, the total number of injuries involving absence from work for more than 24 hours was 173 (153 employees and 20 temporary workers) in 2021. Although in absolute terms the number of injuries increased on the previous year, above all considering the normalization

of the Group’s production activities compared to the previous period of pandemic emergency, confirming the efforts made in the field of occupational health and safety, the total injury rate fell from 3.70 in 2019 to 3.19 in 2021.

Further information is provided in the following table:

¹ Injury rate (IR) = (no. injuries / no. hours worked) * 200,000. Occupational disease rate (ODR) = (no. occupational diseases / no. hours worked)* 200,000.

GRI 403-9 Health and safety	2019	2020	2021
A. Employees			
Hours worked	12,378,272	12,485,874	13,842,720
Total injuries	246	209	236
inc. with absence ≤ 1 day	94	88	83
inc. with absence > 1 day and without high-consequences	150	120	153
inc. with absence > 1 day and with high-consequences	2	1	0
Total injury rate	3.97	3.35	3.41
inc. with absence ≤ 1 day	1.52	1.41	1.20
inc. with absence > 1 day and without high-consequences	2.46	1.94	2.21
Total injury rate (incidents with high-consequences):	0.03	0.02	0
B. Agency workers			
Hours worked	2,272,136	1,384,097	2,207,414
Total injuries	21	6	21
inc. with absence ≤ 1 day	6	0	1
inc. with absence > 1 day and without high-consequences	15	6	20
inc. with absence > 1 day and with high-consequences	0	0	0
Total injury rate	1.85	0.87	1.90
inc. with absence ≤ 1 day	0.53	0	0.09
inc. with absence > 1 day and without high-consequences	1.32	0.87	1.81
Total injury rate (incidents with high-consequences):	0	0	0
C. External companies			
Hours worked	61,583	34,210	54,473
Total injuries	5	2	0
inc. with absence ≤ 1 day	0	0	0
inc. with absence > 1 day and without high-consequences	5	2	0
inc. with absence > 1 day and with high-consequences	0	0	0
Total injury rate	16.24	11.69	0
inc. with absence ≤ 1 day	0	0	0
inc. with absence > 1 day and without high-consequences	16.24	11.69	0
Total injury rate (incidents with high-consequences):	0	0	0
A+B+C. Total workforce			
Hours worked	14,711,992	13,904,180	16,104,607
Total injuries	272	217	257
inc. with absence ≤ 1 day	100	88	84
inc. with absence > 1 day and without high-consequences	170	128	173
inc. with absence > 1 day and with high-consequences	2	1	0
Total injury rate	3.70	3.12	3.19
inc. with absence ≤ 1 day	1.36	1.27	1.04
inc. with absence > 1 day and without high-consequences	2.34	1.86	2.15
Total injury rate (incidents with high-consequences):	0.03	0.01	0

The efforts made by the Group to reduce workplace risks is reflected in the decline with respect to 2020 in the number of injuries with high-consequences, as well as in the average length of absence (lost days rate - LDR), which was 14%

lower than in 2020 (from 48.1 in 2019 to 38.9 in 2021).

No fatal incidents were recorded in the three-year period

Health and safety Focus on injuries with absence > 1 day		2019			2020			2021		
		Men	Women	Consolidated	Men	Women	Consolidated	Men	Women	Consolidated
Employees	Injuries (no.)	133	19	152	118	3	121	136	17	153
	Injury rate (IR)	2.6	1.9	2.5	2.3	0.3	1.9	2.3	1.6	2.2
	Occupational diseases rate (ODR)	-	0.1	0.0	-	-	-	1,356.0	1,524.6	1,382.4
	Lost days rate (LDR)	45.6	60.8	48.1	52.0	12.0	45.2	42.9	19.6	38.9
	Average days lost per employee	0.4	0.5	0.5	0.5	0.1	0.4	0.4	0.2	0.4
	Fatalities (no.)	-	-	-	-	-	-	-	-	-

In terms of geographical area, the foregoing values can be broken down as follows:

Health and safety		2021 - Focus on injuries with absence > 1 day					
Detail by geographical area		Total	Italy	Rest of Europe	North America	Far East and Pacific Area	Rest of the World
Employees	Injuries (no.)	153	88	36	13	6	10
	Injury rate (IR)	2	3	2	1	1	1
	Occupational diseases rate (ODR)	-	-	-	-	-	-
	Lost days rate (LDR)	39	44	62	33	25	7
	Average days lost per employee	0.37	0.41	0.54	0.33	0.26	0.07
	Fatalities (no.)	-	-	-	-	-	-

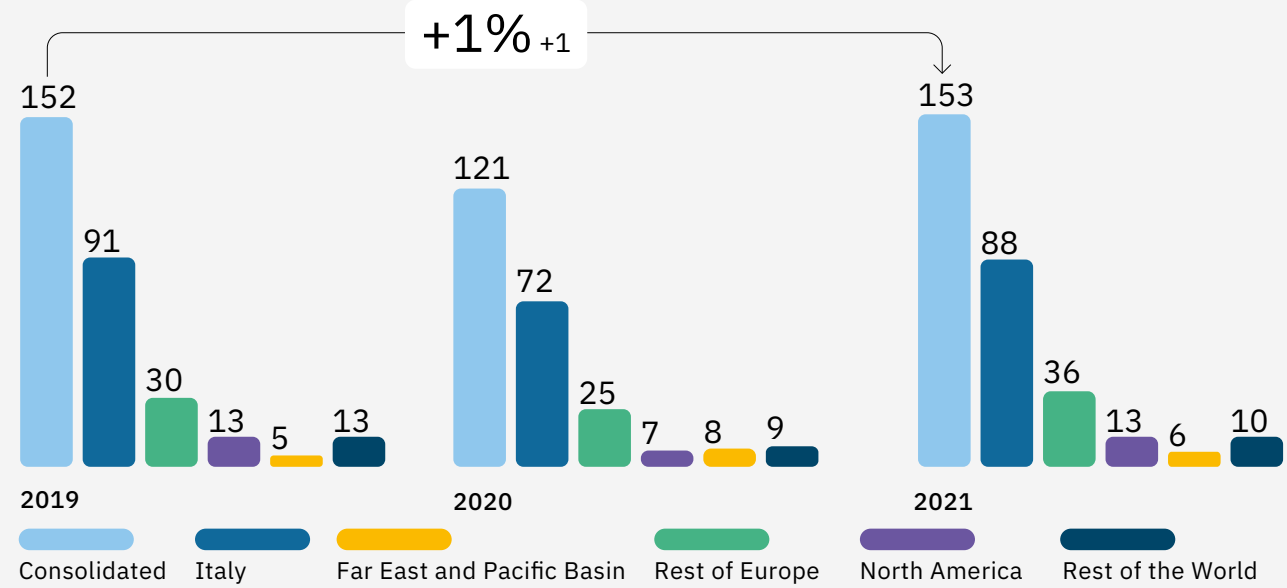
In addition, most workforce injuries involving absence for more than 24 hours (173 incidents, including temporary

workers and external businesses) related to crushing (28%) and cuts (23%).

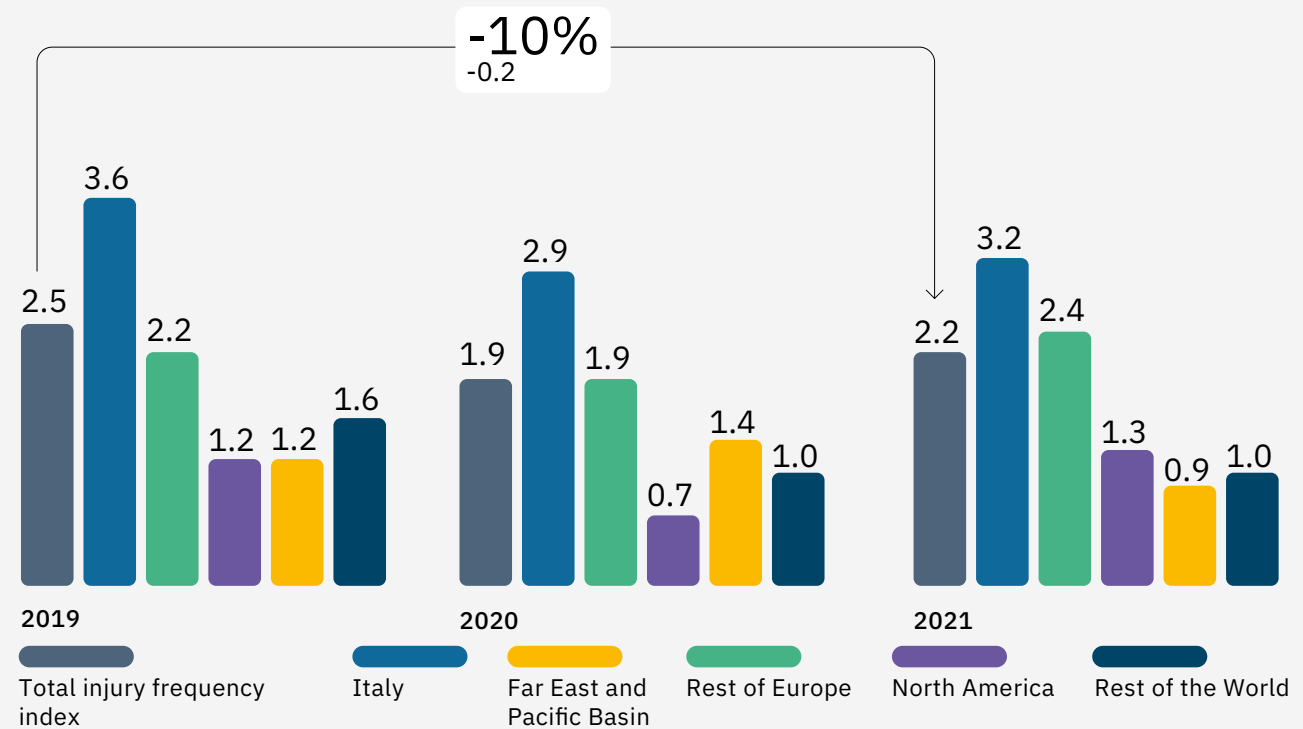


Employee injuries

with absence from work of more than 24 hours



Detail of employee injuries by geographical area



GRI 403-9

Health and safety	2019			2020			2021		
	Men	Women	Consolidated	Men	Women	Consolidated	Men	Women	Consolidated
Temporary workers									
Injuries (no.)	13	2	15	6	-	6	18	2	20
Fatalities (no.)	-	-	-	-	-	-	-	-	-

The Absentee rate (AR) for employees in 2021 was 3.8%, due mostly to absences for Covid-19 infections and related quarantine periods.

absence (days lost due to illness + unjustified absences) / number of working days. The hours covered by government lay-off assistance and similar measures are not included in the days of absence.

This rate is expressed as a percentage: number of days of

Employee absentee rate (AR)	2019	2020	2021
Men	3.0%	2.9%	3.8%
Women	3.3%	3.3%	3.9%
Consolidated	3.0%	3.0%	3.8%

Development and qualification of the workforce

GRI 404-1; GRI 405-1

A significant aspect of personnel management is the attention paid to internal resources, which can take multiple forms; among these one of the main activities is the training of employees.

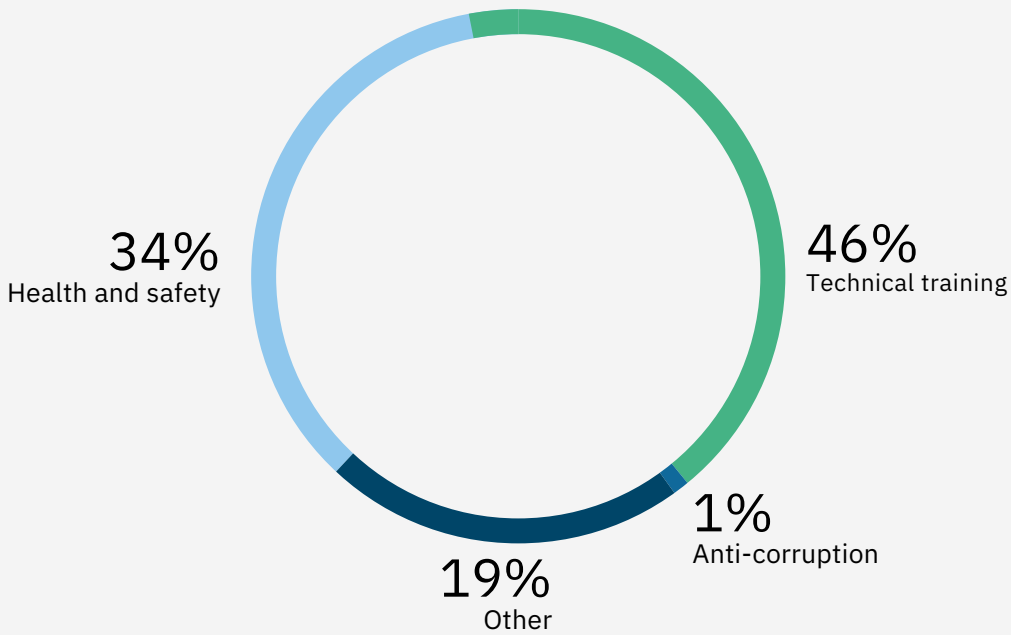
were 10.3 per capita, higher than the per capita training delivered in 2020 (7.2 hours). The causes certainly lie in the normalization of post-pandemic work activities and the need to train personnel in the new reference context. The principal areas of training provided comprise technical matters, occupational health and safety and topics relating to the fight against corruption. Details concerning the per capita training hours delivered in the reporting period are shown below.

A total of 77,630 training hours were delivered in 2021, up by 46% compared with 2020. Training hours in 2021

Training hours per capita		2019 hrs/emp	2020 hrs/emp	2021 hrs/emp
Gender	Men	12.0	7.2	10.4
	Women	11.1	7.5	9.8
	Consolidated	11.9	7.2	10.3
Category	Blue collar	11.7	6.7	9.7
	White collar and managers	11.9	7.8	10.8
	Executives	14.1	12.6	16.0
	Consolidated	11.9	7.2	10.3



Percentage of hours of training by topic 2020 out of a total of 77,630 hours



Diversity of corporate bodies

GRI 405-1_a

(some of whom sitting on several administrative bodies), 93.5% were men (93.9% in 2020); 72.9% are over 50, while the remainder are essentially in the 30 to 50 range.

With regard to the diversity of the administrative bodies, the following information about the members of the Boards of Directors of Group companies relates to their gender and age. In particular, in 2021, out of a total of 277 individuals

Diversity on corporate bodies		2021	
		Number	Incidence %
Gender	Men	259	93.5%
	Women	18	6.5%
Consolidated		277	100.0%
Age	< 30	-	-
	30 - 50	75	27.1%
	> 50	202	72.9%
Consolidated		277	100.0%

Episodes of discrimination and corrective actions taken

GRI 406-1

On the issue of Diversity and Inclusion, several companies in the Group have been identified (e.g.: Muncie Inc. and Inoxpa SA), that adopt diversity management practices in line with the international best practices. In particular, Inoxpa SA has defined a formal and approved plan (Plan de Igualdad) to manage the issue with specific targets, establishing a specific committee to monitor the plan

(Comité Permanente de Igualdad) and performs audits on its correct implementation, with particular reference to analyzing equal pay. To fight the gender pay gap, on the other hand, Muncie Inc has formalized its D&I principles in its Employee Handbook and performs salary reviews based on specific indicators.

At Interpump Group level, **no instances of discrimination were reported during the three-year period under review.**



8. Human Rights Area



Material topics

Based on the analysis of materiality (see 27 *Analysis of materiality*), the topic relating to respect for human rights is certainly important for Interpump Group S.p.A.

This issue is managed by the Group through the definition of Guidelines formalized in a specific document, made available to all the companies. The Guidelines define the objectives linked to the performance of business activities in compliance with the human rights contained in the Universal Declaration of Human Rights and the ILO (International Labor Organization) Declaration on Fundamental Principles and Rights at Work, as well as the human rights embodied in other international treaties and regulations.

Interpump Group companies strive to ensure that the principles and rules of conduct contained in these Guidelines are disseminated and implemented by the directors and employees, even beyond their own national boundaries. Additionally, the Group expects maximum effort to respect human rights from those acting in the name and/or on behalf of Interpump, as well as from the consultants, vendors and other third parties, including customers, that

maintain relations with Group companies.

This document also defines the scope of application of the Guidelines and the definition of roles and responsibilities by the Group. The Group Compliance Function ensures the updating and effectiveness of these Guidelines, while the Control and Risks Committee of Interpump Group S.p.A. helps the Compliance function and the management of Interpump Group companies to analyze, assess and make decisions on matters of particular importance regarding human rights and serious infringements of these Guidelines. The Guidelines also include sections which describe risk areas and principles of conduct, reporting and whistleblowing activities, disciplinary proceedings and contractual remedies, accounting and personnel training.

Risks

The main risks identified in with reference to the respect of human rights, such that can become of significance in relation to the pursuit of the company strategy in the medium/long-term, concern:

→ **operating** risks, linked to inefficient management of any issues related to the abuse of human rights, whether real or presumed.

→ **compliance and legal** risks, in the event of breaches of the principles contained in the Code of Ethics, in the company procedures or breaches of human rights laws, by executives and employees of the Group companies as well as anyone who works in the name of and/or on behalf of these, with consequent possible fines, even significant reputational damage and impacts on the business.

Risk Management

Risk type	Risk management	
	Policies	Model
Compliance and legal Operational	<p>Code of Ethics - to the assurance of equal employment opportunities in the recruitment of personnel (avoiding discrimination on the basis of race, color, gender, creed, nationality, and age), to the undertaking to protect the moral integrity of its workers, guaranteeing the right to working conditions that are respectful of personal dignity and the intolerance of any form of illegal labor practices. Moreover, the Group guarantees respect of equal opportunities also in management of the employment relationship and in the maintenance of discrimination-free workplaces.</p>	<p>↪ Special part of the Organization and Management Model – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk.</p> <p>↪ Global Compliance Program (see page 29 for further details) – concerning all Group companies without an Organization, Management and Control Model</p>

Performance indicators

Significant contracts that include human rights clauses

GRI 412-3

Contracts with vendors follow different approval procedures based on their significance and, hence, the more important the contract the more it is subject to a stringent hierarchy of checks and approval steps. At Interpump Group level, 16, 10 and 15 significant contracts¹ were signed in 2021, 2020 and 2019 respectively. Of these, two signed in 2019 (13% of

the total) include specific human rights clauses, while none of those signed in 2021 and 2020 contain specific clauses in this regard.

¹ For the purposes of this report, purchase orders or contracts having overall value greater than 500,000 euro (per single order or contract) are classified as significant.



9. Areas concerning anti-corruption activities (active and passive)



Material topics

Based on the analysis of materiality (see page 27 *Analysis of materiality*), the anti-corruption topic is certainly important for the Group.

The Group's values and compliance with laws and regulations are also pursued through the definition of Anti-corruption guidelines. These guidelines are aimed at supplying a set of rules and measures in order to eliminate the risk of corrupt behaviors, also beyond the Italian borders, by all the employees and directors of the companies in the Interpump Group, and by all persons who, for any reason and regardless of the type of contractual relationship in place, work in the name of or on behalf of companies in the Group (Collaborators). This document formalizes:

- the scope
- the methods of adoption
- normative references

The Group defines roles and responsibilities for managing this issue. The Group Compliance Function ensures the updating and effectiveness of these Guidelines, while the Control and Risks Committee of Interpump Group S.p.A. helps the Compliance function and the management of Interpump Group companies to analyze, assess and make decisions on matters of particular importance regarding anti-corruption and serious infringements of these Guidelines. The Guidelines also include sections which describe risk areas and principles of conduct, reporting and whistleblowing activities, disciplinary proceedings and contractual remedies, accounting, internal control and personnel training.

Risks

In the context of anti-corruption activities, the main risks that can become significant in the context of pursuit of the medium/long-term corporate strategy are related to the commission of acts of corruption from/toward the public administration and from/toward members of the public. In particular, these risks can comprise:

- **operating** risks

- compliance risks and consequent exposure of the organization to criminal charges in countries with anti-corruption legislation. Corruption-related risks can affect multiple company processes, from selection of contractual counter-parties to the management of gifts, donations and entertainment expenses, the recruitment of personnel or lack of transparency in company reporting, management of cash flows, and so forth.

Risk Management

Risk type		Risk management	
		Policies	Model
Compliance and legal	Operating	<p>Code of Ethics – with special reference to the Anti-Corruption Program (“ACP”) that defines the position of the Group with respect to anti-corruption activities and defines the aspects on which attention must be focused to remove the risk of cases of noncompliance in this area.</p> <p>Moreover, the Group is resolute in its condemnation of any form of public and/or private corruption, requiring each Group Company to implement all the necessary actions aimed at preventing the commission of offenses of corruption of any whatsoever type. The Group prohibits any conduct, irrespective of the party concerned, involving direct or indirect promises or offers of cash or other benefits to private parties, public officials and/or local or foreign public servants, such that could result in an undue or illicit interest or advantage. The foregoing types of conduct are not permitted either if adopted directly by the one of the Group companies, by its corporate bodies or by its employees, or if adopted by persons acting on behalf of the Group and/or on behalf of any of the Group Companies.</p>	<p>↔ Special part of the Organization and Management Model – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk.</p> <p>↔ Global Compliance Program (see page 29 for further details) – concerning all Group companies without an Organization, Management and Control Model.</p>

Performance indicators

GRI 103-2; GRI 103-3; GRI 205-3; GRI 415-1; GRI 419-1

In the three-year period covered by the report, no cases of corruption have been reported. Moreover, the Interpump Group has not paid contributions of any kind to political

parties or associations. During the three-year reporting period, the number and value of fines levied for non-compliance with laws and/or regulations in the economic and social area were **not significant**.



9. GRI Content Index

GRI Standard	Name of standard	Page	Omission
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102-2	Activities, brands, products, and services	6,7	
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102-4	Location of operations	6, 9, 10, 12	
102-5	Ownership and legal form	6, 9, 53	
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102-10	Significant changes to the organization and its supply chain	9, 11	
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103-3	Evaluation of the management approach	30-32, 52-53	
201-1	Direct economic value generated and distributed	53	

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103-2	The management approach and its components	30-32, 80	
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205-3	Confirmed incidents of corruption and actions taken	81	
GRI 206	Anti-competitive Behavior 2016		
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103-3	Evaluation of the management approach	30-32	
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	55	
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103-1	Explanation of the material topic and its Boundary	27-29	
103-2	The management approach and its components	30-32, 53-55	
103-3	Evaluation of the management approach	30-32, 53-55	
207-1	Approach to tax	53	
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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of Consob Regulation adopted with Resolution n. 20267 of 18th January 2018

(Translation from the original Italian text)

To the Board of Directors of
Interpump Group S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of Consob Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Interpump Group S.p.A. and its subsidiaries (hereinafter the "Group") for the year ended on 31st December 2021 in accordance with article 4 of the Decree and approved by the Board of Directors on 18th March 2022 (hereinafter "DNF").

Our limited assurance engagement does not cover the information included in the paragraph "2. Taxonomy" of the DNF, that is required by article 8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, based on fundamental

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principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("*reasonable assurance engagement*") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Interpump Group's consolidated financial statements;
4. understanding of the following aspects:
 - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
 - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
 - main risks, generated or suffered related to the matters indicated in the article 3 of the Decree.

With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below.

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
In particular, we have conducted interviews and discussions with the management of Interpump Group S.p.A. and with the personnel of GS-Hydro UK Ltd., Reggiana Riduttori



S.r.l., Transtecno S.r.l. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- For the sites of Aberdeen, Sunderland and Ossett (United Kingdom) of GS-Hydro UK Ltd., San Polo d'Enza (Italy) of Reggiana Riduttori S.r.l. and Anzola dell'Emilia (Italy) of Trasntecno S.r.l., that we have selected based on their activities, relevance to the consolidated performance indicators and location, we have carried out site visits and remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the Interpump Group for the year ended on 31st December 2021 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our conclusions on the DNF of the Interpump Group do not refer to the information included in the paragraph "2. Taxonomy" of the DNF itself, that is required by article 8 of the European Regulation 2020/852.

Bologna, 30th March 2022

EY S.p.A.
Signed by: Elisa Vicenzi
(Auditor)

This report has been translated into the English language solely for the convenience of international readers.



Interpump Group

Headquarters Via E. Fermi, 25 - Sant'Ilario d'Enza - RE

Share capital 56,617,232.88 fully paid up

Reggio Emilia Companies Register

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