INTERPUMP GROUP

2023-25 ESG JOURNEY
ECO-DESIGN GUIDELINES FOR GROUP PRODUCTS
20 December 2024

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- HIGHLIGHTS

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- Eco-Design guidelines are crucial to define fundamental parameters and objectives which will drive actions and decisions of the entire Group network
  - Each subsidiaries will define operational procedures to implement guidelines in the specific product and business model context

- It's imperative
  - To integrate Eco-Design into all stages of product development
    - Use as much as possible of sustainable raw materials, production materials and spare parts from initial design to possible repair
  - To involve the entire supply chain
    - From suppliers to clients through employees and collaborators
    - Possible collaborations with universities and R&D external centres
  - To define KPI – correlated to subsidiaries products, business model and reference markets – for monitoring
    - Products environmental impact
    - Performance over the time
  - To leverage on most recent and innovative technologies

- Ready for ESPR [(1)] implementation in July 2026

[(1)] Ecodesign for Sustainable Product Regulation: EU Regulation 2024/1781 of 13 June 2024, entered in force on the following 18 of July and to be applied from July 2026

2023-25 ESG JOURNEY | HIGHLIGHTS - A DELIVERING GROUP

ANALYSIS AND MEASUREMENT

BUILDING GROUP ESG FOUNDATIONS

LEADING TO 2030 AND 2050 DECARBONISATION TARGETS

2022 | 2023 | 2024 | 2025 | 2027

- **E.1 - Carbon neutrality strategy**
- **E.4 - Circular economy (phase 1)**
- **E.7 - Product ECO-design**
- S.1 - Injury rate improvement [1]
- **S.5 - ESG supply chain evaluation model definition**
- S.6 - ESG supply chain evaluation model extension
- **G.1 - Board ESG Committee**
- **G.2 - Code of Ethics revision**
- **G.3 - Succession plan formalisation**
- **G.4 - Tax Control Framework adoption**
- **G.5 - GR1 207-4 information updating** [2]
- **G.6 - Updating on ESG journey** [2]

- E.2 - Carbon intensity reduction
- E.3 - Increase of renewable energy consumption
- E.5 - Circular economy (phase 2)
- E.6 - Water monitoring system
- S.3 - Increase of non-compulsory training
- **S.4 - Global mobility program**
- S.7 - Diversity&inclusion model definition

ANALYSIS, MEASUREMENT, REVIEW AND FINETUNE

[1] 2023-24 multi-year target - [2] Ongoing annual target

"A falling tree makes more noise than a growing forest"

Lao Tzu

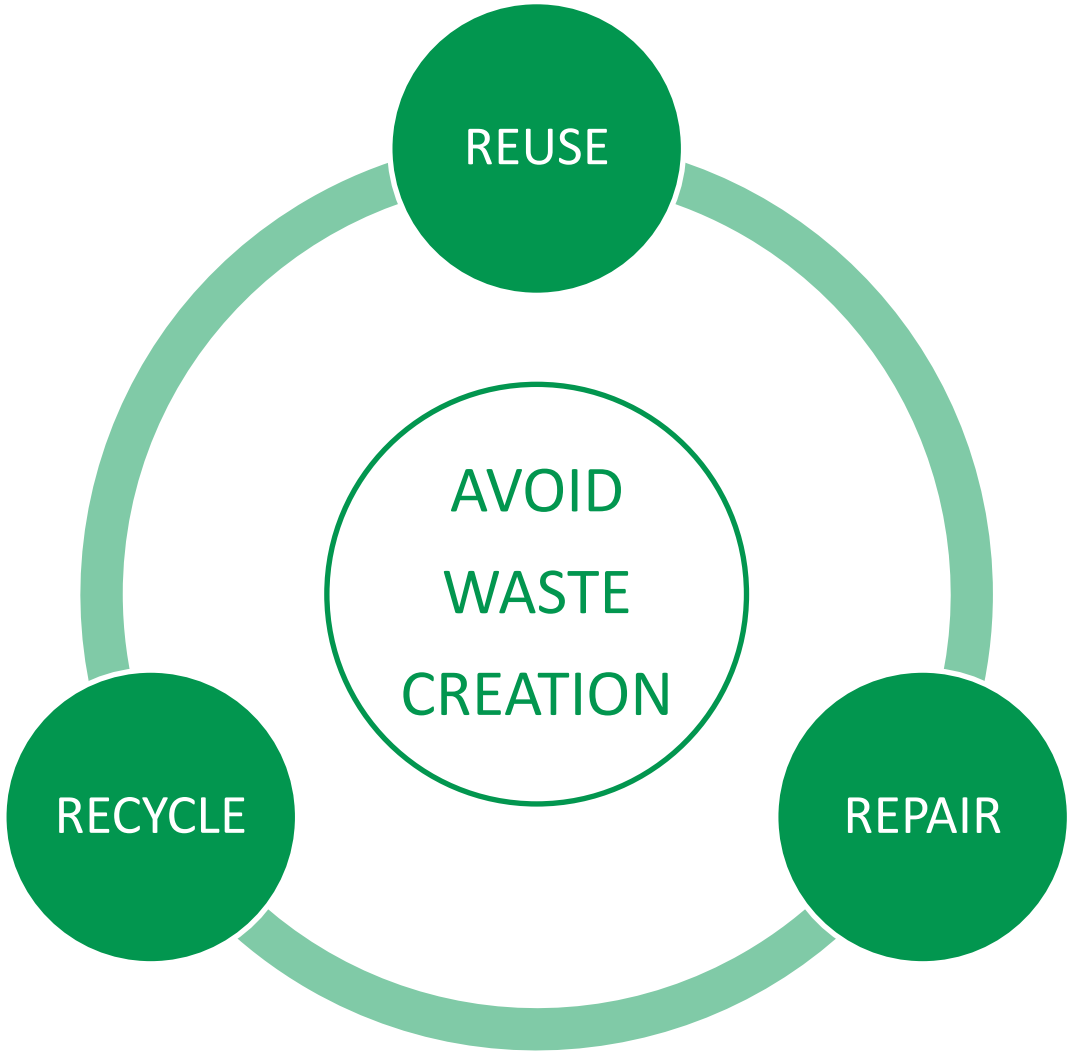
2023-25 ESG JOURNEY

ENVIROMENTAL – LEADING TO 2030-50 TARGETS

- 3 main streams
  - Climate change
  - **Product life cycle**
  - Water efficiency

	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
PRODUCT LIFE CYCLE	E.4	**Circular economy – Phase 1** ▪ Waste assessment and potential by-products analysis ▪ Network with partner entities at regional level ▪ Pilot project in IPG and IMM subsidiaries		N.A.	Base year: 2022 **Target year: 2023**
	E.5	**Circular economy – Phase 2** ▪ Feasibility study on Phase 1 project extension ▪ Italian manufacturing site as possible perimeter		N.A.	Base year: 2023 **Target year: 2025**
	E.7	**Product ECO-design** ▪ Phase 1: definition of a Group ECO-design policy ▪ Phase 2: implementation of Group policy through procedures reflecting business model heterogeneities		N.A.	Base year: 2022 **Target year: 2024**

PRODUCT ECO-DESIGN GUIDELINES – ASPIRATION



PRODUCT ECO-DESIGN GUIDELINES – PRINCIPLES & GOALS

CORE PRINCIPLES	GOALS
Efficient material management	▪ Increased use of renewable energy sources ▪ Seeking design solutions to reduce materials used while preserving performance levels ▪ Adopt cross-product logics to optimise production and warehousing (especially for intra-group collaborations)
Efficient water management	▪ Designing products that optimise customers' water consumption ▪ Recovery of water for reuse in the production cycle
Efficient energy management	▪ Streamlining company production processes through updating technical knowledge, processes and plants ▪ Optimising consumption for customers
Harmful material use reduction	▪ Reduction in the use of industrial products & processes with hazardous substances, replacing them instead with less toxic and polluting equivalents
Products useful life extension	▪ Product design that also incorporates possible end-of-life scenario ▪ Sensorisation ("Internet of things"), planned maintenance and customer collaboration
Local supply chain & logistic improvement	▪ Attention to local suppliers and promotion of collaboration based on proximity ▪ Optimisation of internal and external logistics

ACTION E.7

PRODUCT ECO-DESIGN GUIDELINES – BEST PRACTICES

INITIATIVES		BEST PRACTICES
SYSTEMES THINKING	Raw material inputs into the system reduction	**Interpump Hydraulics India** The introduction of a new cylinder design process allowed metal discard during machining phases from around 40% to no more than 3%
CIRCULAR VALUE GENERATION MATERIAL	By products	**IMM Italia** Rubber sheet used as intermedium in the flexible tube
CIRCULAR VALUE OPTIMISATION RESOURCE EFFICIENCY	Reuse of water within production cycles	**NLB Corporation** Recover of more than 90% of water used in the testing process and re-use in the same process **Inoxihip** Use of the same test water after continues filtration (and replacem when necessary)

ACTION E.7

PRODUCT ECO-DESIGN GUIDELINES – BEST PRACTICES

INITIATIVES			BEST PRACTICES
CIRCULAR VALUE PRESERVATION	DURABILITY	Preventive maintenance	**Interpump Group** Instruction manuals contain tables for preventive maintenance and fault analysis and several sensors are installed on many machines for fault prevention
		Product regeneration	**Inoxihp** Repairs are aimed at replacing only damaged parts and the repaired product is then returned with 6 months warranty
	PRESERVING VALUE & END LIFE	Restoration of products	**NLB Corporation** Used NLB pumps are bought back from our customers, repaired, refurbished and made saleable to customers. Repair activities are offered for any finished product sold

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