



Interpump Group

# Consolidated Non-Financial Statement at 31 December 2022



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# Letter to Stakeholders

Dear Stakeholders,

We are proud to present the 2022 Non-Financial Statement, in which Interpump Group reports on its activities and the results obtained in the environmental, social and governance areas. The Group achieved excellent results in 2022. Supported by steady internal growth and valuable acquisitions, our turnover has exceeded € 2 billion and, for the second consecutive year, Group profitability has been maintained at 23.7%. We have also prepared a roadmap in the context of our sustainability strategy, presenting the ESG Plan 2023-2025 to the financial community and our stakeholders. These results confirm earlier choices and trace the path that Interpump Group intends to following the coming year, consistent with our long-established values.

The success of Interpump is attributable to over 10,000 collaborators, active in 34 countries around the world, whose skills and professionalism support our growth. We continue to maintain close contacts with our suppliers and clients, contributing to their development and the growth of the communities that surround us. In this regard, the economic value generated and distributed in 2022 totaled € 1.9 billion, confirming our success and the climate of stakeholder confidence that has been created and consolidated.

Interpump Group continues to strongly support the fight against climate change, investing resources for an eco-sustainable energy transition that preserves natural resources as much as possible. In support of sustainable growth, during 2022 the Group purchased renewable energy certificates and increased the generation of electricity by photovoltaic systems, striving to gradually diminish the use of fossil fuels and the related greenhouse gas emissions, with the aim to achieve the EU goal of carbon neutrality by 2050.

The 20 objectives defined in the ESG Plan 2023-2025 certify the efforts made by Interpump Group to assist the transition to a more sustainable economy. The challenges in the coming years will be focused on the achievement of these objectives, in order to ensure continuity of our story of success.

Chairman and Chief Executive Officer  
Fulvio Montipò

# Key economic, social and environmental indicators



**110** companies  
in 34 countries



Approval of the  
ESG Plan 2023-2025



**2,078** Mln €  
Net revenues<sup>1</sup>



**6.0** MWp  
power of all photovoltaic systems  
installed



**1,878** Mln  
di €  
Economic value distributed<sup>1</sup>



**10.5%**  
of Italian electricity needs covered by green  
energy (self-produced and certified)



**10,475**  
Collaborators



**-20%**  
reduction in the employee injury rate  
considering absences of more than one  
day compared to 2021



**+18%**  
Increase in the workforce compared to 2021



Approval and  
dissemination the Group's  
new Code of Ethics with  
embedded ESG principles



**-6%**  
reduction in the lost days rate compared  
to 2021

<sup>1</sup> The revenue and workforce values include the most recently acquired companies.

<sup>2</sup> 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. Interpump Group

# History of Interpump

GRI 2-1; GRI 2-6; GRI 2-22

Interpump Group was founded by Fulvio Montipò in 1977 at S. Ilario d'Enza (RE), Italy, where Interpump Group S.p.A. (hereinafter also the Company or the Parent Company) still operates and has its headquarters.

Over the years, production has expanded from the original niche of high and very high-pressure plunger pumps (Water-Jetting Sector), in which Interpump Group (hereinafter also the Group or Interpump) enjoys world leadership, to include a vast range of hydraulic systems and components (Hydraulic Sector), as well as flexible rubber hoses and rigid metallic pipes, as well as power transmissions, gear motors and orbital and steering systems. Acquisitions in the intervening decades have further extended the product portfolio of the Group, which now includes flow control components for the food processing, cosmetics and pharmaceuticals industries.

The mission of Interpump Group is to pursue excellence in its operations through the application of innovation and quality.

- **Innovation** is a core objective pursued by Interpump Group 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 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 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, teamwork, professional ethics and respect for diversity, derived from different cultural and work-related experiences.

In addition to steady organic growth, the expansion of Interpump Group has always been marked by a diversification strategy, in geographical, product and application's sector, focused on broadening the product range and increasing the volume of sales by making targeted acquisitions. Today, this strategy recognizes in sustainability a growth driver essential for the creation of value, not only for the Group but also for the community and the environment. Accordingly, on 5 October 2022 the Board of Directors of Interpump Group S.p.A. approved the ESG Strategic Plan for the three-year period 2023-2025 ("ESG Plan 2023-2025"), which sets out the ambitions and commitments identified and made by the Group to assure sustainable economic growth over the long term.



# Group profile

GRI 2-1; GRI 2-2

Interpump Group is structured with Interpump Group S.p.A. as its parent. The Company was listed on the Milan Stock Exchange in 1996, admitted to the Euronext Star Milan segment of Borsa Italiana on 1 April 2001, and included in the FTSE-MIB Index on 20 June 2020. The Parent Company holds direct and indirect controlling interests in 109 subsidiaries operating in the two business sectors mentioned above and described in the previous section. The following chart presents Interpump Group at 31 December 2022, inclusive of the principal acquisitions made during the year:

- On 11 April 2022, Interpump Group S.p.A. announced the acquisition, by means of its subsidiary Transtecno, of 80% of the capital of Draintech S.r.l., a company that produces gears and precision components for mechanical transmissions, as well as a complete line of trapezoidal screw jacks;
- On 20 October 2022, Interpump Hydraulics S.p.A. announced the acquisition, by means of its subsidiary Interpump Hydraulics S.p.A., of 80% of the capital of Eurofluid Hydraulic S.r.l., a company that specializes in the manufacture of high-end hydraulic blocks, offering both standard production and customizations to meet customer requirements.

The Group is composed of a large number of companies, including small businesses, that primarily carry out production and/or sales activities under the strategic and operating coordination of the Parent Company. Manufacturing plants and sales offices are mainly concentrated in Brazil, Bulgaria, Canada, China, South Korea, France, Germany, India, Italy, Poland, Romania, Slovakia, Spain and the United States, with a direct presence in 34 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.<sup>1</sup>

See the following chart for further information about the geographical distribution of Group companies.

<sup>1</sup> 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 SECTOR

**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

Hammelmann Vostok (99.90%)  
other 0.1% held by Interpump Hydraulics RUS

**GS Hydro HK Ltd.**

GS Hydro Piping Systems Shanghai Co. Ltd.

**Servizi Industriali** Srl 80%

**Pioli Srl**

**Sit SpA** 80%

**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%) other 1% held by Inoxpa Italia S.r.l.

## HYDRAULIC SECTOR

**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

Eurofluid Hydraulic S.r.l 80%

Interpump Hydraulics Peru Sac 90%

Interpump Hydraulics Brasil Ltda

**Contarini Leopoldo Srl**

Unidró Contarini Sas

Copa Hydrosistem Ood

**Interpump Hydraulics UK Ltd**

Mega Pacific Pty Ltd

Mega Pacific NZ Pty Ltd

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

**Transtecno Srl** 80%

Transtecno Iberica 50,4%

Hangzhou Transtecno Power Transmissions 72%

Draintech S.r.l 80%

Benmec S.r.l.

**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% remainder held by Interpump Hydraulics India Ltd

Walvoil Fluid Power France Sarl

Walvoil Fluid Power Australasia

Galtech Canada Inc.

Walvoil Fluid Power Dongguan Co. Ltd

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.

RR Slovakia A.S.

RR USA Inc.

RR Canada Inc.

Reggiana Riduttori (Suzhou) Co. Ltd.

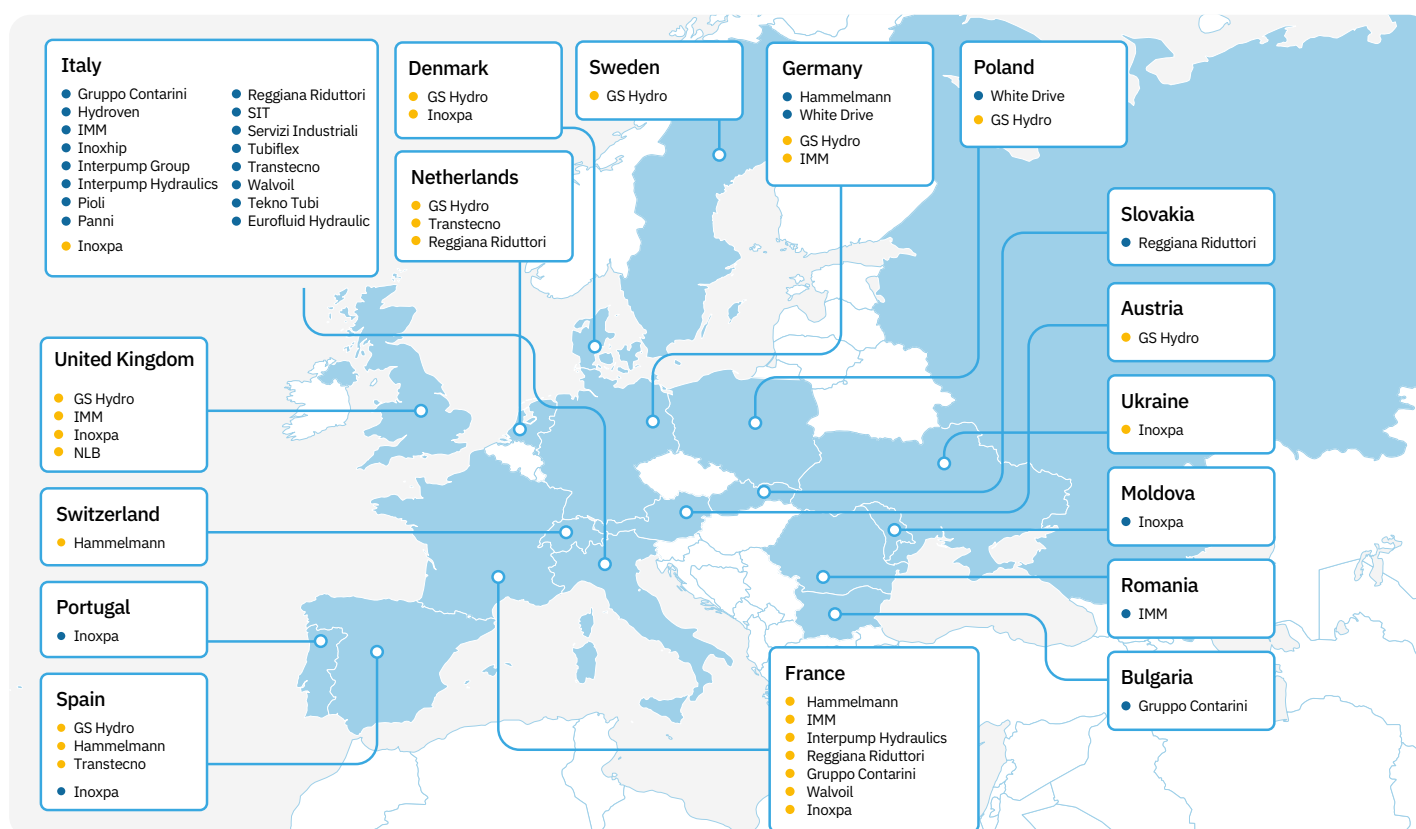
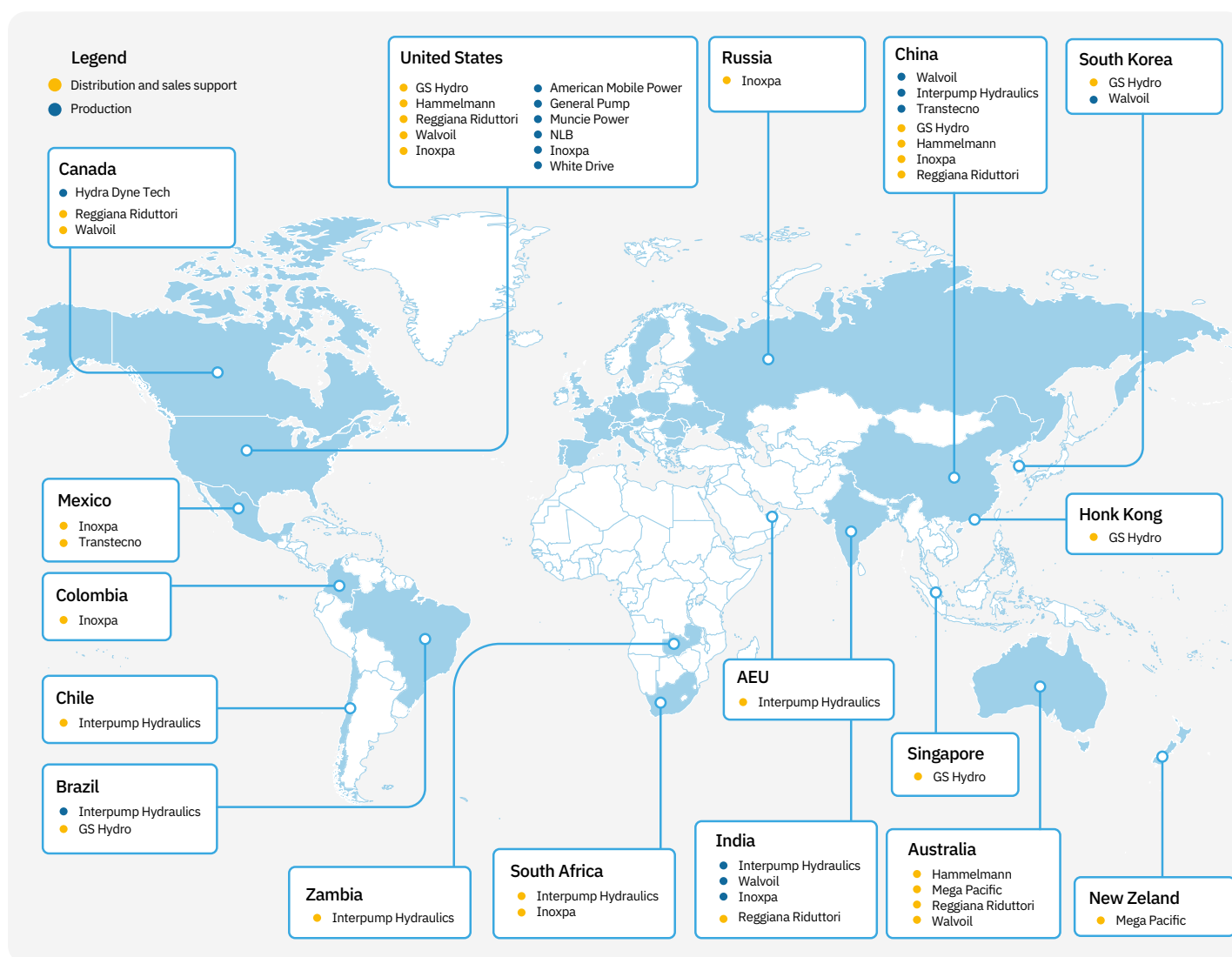
RR Holland BV

RR France Sarl 95%

Group structure at 31/12/2022.  
100% interests unless otherwise specified.

Hydraulic Water-Jetting Dormant and/or in liquidation

Not consolidated line by line



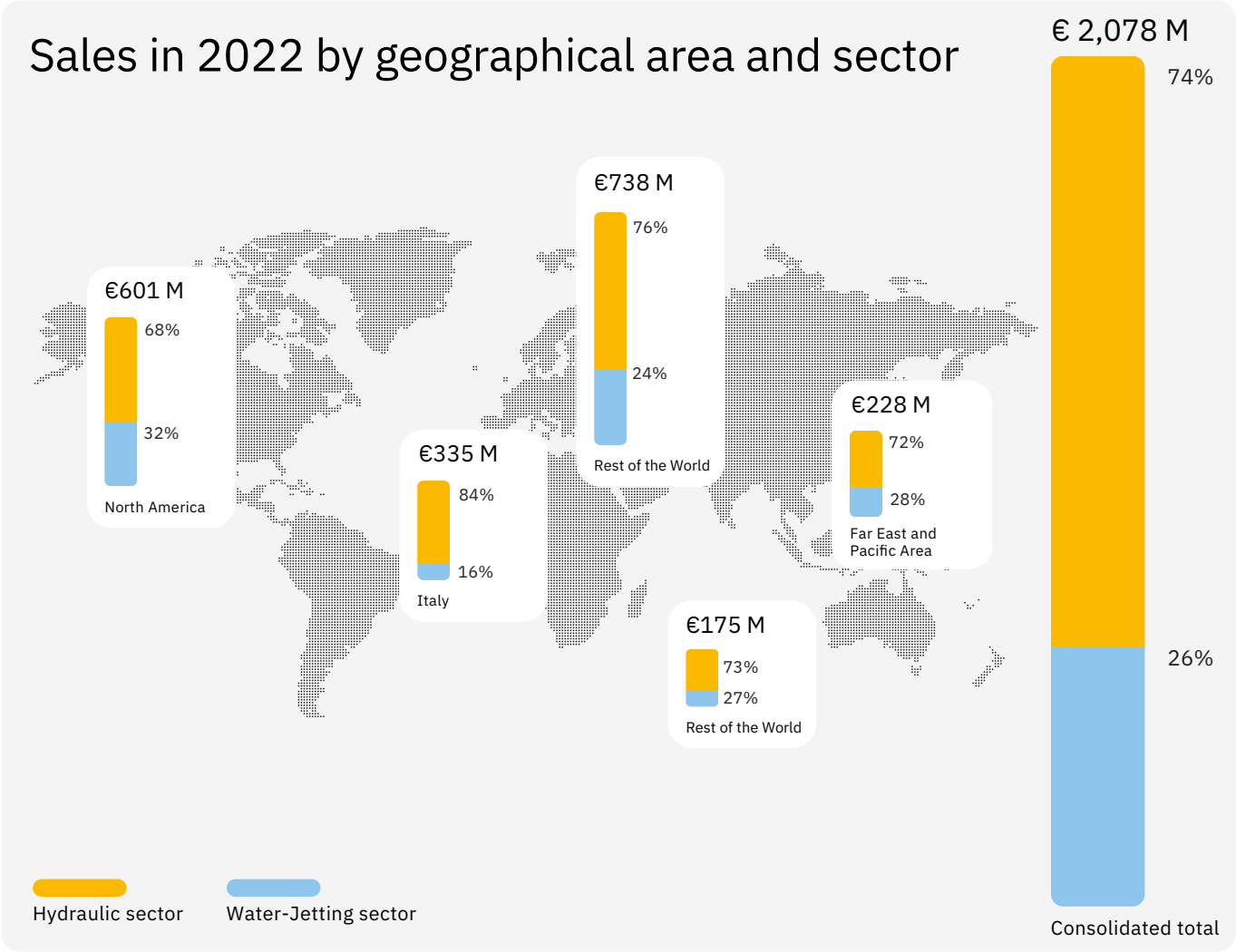
# Business overview

GRI 2-6

## Sectors of application

Over the years, Interpump Group has expanded the product portfolio, offering numerous solutions that satisfy market demand.

The products designed and developed by Group companies have multiple applications in different contexts, encompassed within the Water-Jetting and Hydraulic sectors.



## Water-Jetting sector

The Water-Jetting sector includes companies active in the traditional core business of Interpump Group, 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 fluids (water or another medium) to bore holes, make cuts, remove paint, deburr metal components and even carry out demolition work. 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 to carry out countless other processes. The higher efficiency of plunger technology, compared to other types of pump, leads to better performance and savings in energy consumption; 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.

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 have inherent commercial synergies and significant technological affinities with plunger pumps, the traditional core business.

High- and very high-pressure pumps



Fluid process machines



## Hydraulic sector

The Hydraulic Sector, developed from 1997, includes companies active in the production and sale of a continually expanding range of hydraulic components: power take-offs<sup>1</sup>, gear pumps, cylinders, hydraulic motors, oil tanks, directional controls<sup>2</sup> 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

1 Mechanical device connected to the engine or gearbox of an industrial vehicle, to which a pump is coupled to power the hydraulic circuit.

2 Central component that assures constantly correct distribution of oil among all the segments of a complex hydraulic system.

and maintenance of simple or extremely complex piping systems.

Interpump is also present in the gears sector, with products 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 mining sector. The entry of Interpump into this sector, occurred 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. In addition, the acquisition of the White Drive Motors and Steering Group in 2021 enabled Interpump Group to broaden its range of products via the inclusion of orbital motors and steering systems, thus consolidating its position as a global player in hydraulics.

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

### Hoses and Fittings



### Cylinders



### Valves



### Gears



### Orbital motors and steering systems



### Power Take-Offs





# Innovation at the heart of Interpump Group

GRI 2-25; GRI 3-3

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 is always looking for innovation solutions that can help to enhance the efficiency and reliability of its products. All this potentially translates into a lower impact on the environment, the consumption of natural resources and the release of CO<sub>2</sub> emissions into the atmosphere.

The markets in which the Group operates increasingly seek sustainable solutions that minimize their environmental impacts. In this context, Interpump strives to develop products and technologies that can contribute to environmental sustainability while, at the same time, guaranteeing high standards of quality and performance. The search for better product performance often results in improved profiles for energy and water consumption or for the materials used in production. Alongside the launch of these projects, targeted analyses are performed to identify and manage the risks underlying the production of new solutions, linked to the compliance of products and their safety in use. Possible negative impacts include the risk that the investment needed to develop the new product might drag on, such that the economic resources dedicated to the project might not be remunerated adequately, or that the same solution is found by a competitor, thereby canceling the innovative impact of the new product. In order

to reinforce the development of innovative and sustainable products, the ESG Plan 2023-2025 commits Interpump Group to developing guidelines for solutions based on eco-design principles, and strengthening further the R&D efforts of all Group companies (see the *ESG Plan 2023-2025* section for more details).

Given the nature and organization of Interpump Group, the research and development process is not centralized, but performed in the various engineering centers located at the main subsidiaries, whose engineers, technicians and work teams, being closer to the needs expressed by customers, can guarantee 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.

The operational model underlying the R&D process is founded on the strategic guidelines provided by the Parent Company, seeking to evaluate and control the innovations proposed to the market. By means of its largest production companies (Interpump Group S.p.A., NLB Corporation Inc., Inoxpa S.A. and Hammelmann GmbH in the Water-Jetting sector; Walvoil S.p.A., Interpump Hydraulics S.p.A., IMM Hydraulics S.p.A., Muncie Inc., White Drive Motors & Steering Sp. Zoo. and Reggiana Riduttori S.r.l. in the Hydraulic sector), the Group is able to satisfy the requests and innovative nudges received from the market, making know-how a strategic component of its competitive position on the world stage.

Interpump Group invests continually in applied R&D and in collaboration with customers in order to stimulate organic growth and broaden the product portfolio. Among the numerous and varied R&D initiatives pursued, Interpump



The following chart summarizes the principal locations where the most significant R&D activities are carried out.

Group continues to develop technologies that can make a direct contribution to the transition towards a carbon-neutral economy and to combating the effects of climate change. The most significant initiatives pursued in 2022 are shown below:

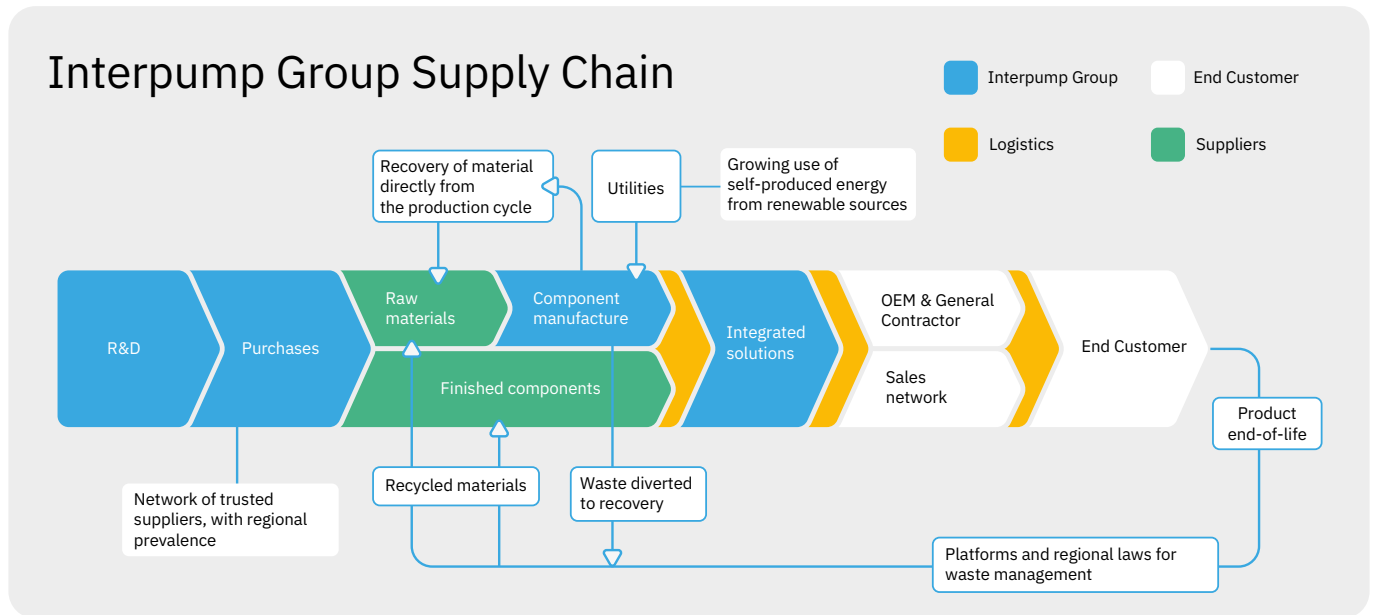
Brand	Sector	Project	Sustainability goals	Project status
Interpump	Water-Jetting	Bertoli Evolution Series	The new homogenizers incorporate mechanisms from NLB and Pratissoli, both Group businesses, and guarantee with respect to previous versions: - 2% increase in efficiency (total yield up from 91% to 93%) - 70% reduction in water consumption	Completed in 2022
Interpump	Water-Jetting	High pressure homogenizers (1500 bar) for Carbon Nano Tubes	This new series of machines was initially designed for pharma and biotech applications. Now, it is also possible to process Carbon Nano Tubes (CNT) to increase the recharge efficiency and life of lithium batteries.	Completed in 2022
Inoxpa	Water-Jetting	High performance rotary lobe pump	New type of rotary lobe pump that reduces the consumption of energy, polluting agents and water during the washing process	Under development in 2022
Hammelmann	Water-Jetting	Bio-fuels in the shipping industry	Development of high-pressure pumps for the injection of methanol into marine engines, in order to support the transition towards the use of fuels with lower emission levels.	Completed in 2022
IMM Hydraulics	Hydraulic	Clever COP	Introduction of a mix of recycled materials in order to reduce the use of raw materials in the development of products, thus saving at least 100 tonnes per year	Under development in 2022
IMM Hydraulics	Hydraulic	Lead-free fittings	Research into alternative productive technologies that eliminate lead from the production of fittings	Under development in 2022
Walvoil	Hydraulic	EPX - Hydraulic energy recovery system	The EPX (meter out compensation) technology allows the recovery of energy, usually wasted in simultaneous movements and in controlling the inertial loads of machine tools, by storing it in an hydraulic accumulators or by recharging the batteries of an electric vehicle.	Completed in 2022

# Interpump Group supply chain

GRI 2-6

The activities of Interpump Group are carried out with the contribution of countless suppliers of raw materials, products and services located around the world. In view of the complexity and geographical extension of the supply chain, it is critically important for the Group that these sources are sustainable, protection of the environment and respect workers' rights. Given the plurality of products and technical solutions sold by the Group in the various

geographical areas, the procurement processes followed by companies are often independent of each other, thus ensuring a good degree of diversification and avoiding significant overlaps. A simplified representation of the supply chain of Interpump Group is given below:



The products offered on the market by Interpump Group companies are, for the most part, intermediate components that will be assembled with others to produce finished goods. Accordingly, procurement by the Group principally comprises the supply of:

- raw materials, including metals that combine virgin materials with recycled materials available on the market;
- commercial components, consumables and related ancillary services;
- semi-finished parts;
- consumables and equipment for production and assembly;
- tools.

Further, the various applications are developed, produced and sold through processes that have different effects on the extent of the supply chain. For example, some 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, certain industrial

processes, such as heat treatments and painting, may either be outsourced to external suppliers or managed internally.

The commercial and distribution companies within the Group purchase products from both the Group's manufacturing companies and external suppliers. Group companies prefer to maintain partnerships with trusted local suppliers, with only marginal recourse to suppliers in other countries. In addition to the low environmental impact, this strategy has ensured that the supply chain and logistics were not significantly impacted by the difficulties experienced in recent years.

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



## 2. The Group's Governance



# Organizational structure

GRI 2-1; GRI 2-9; GRI 2-10; GRI 2-13; GRI 2-14; GRI 2-15

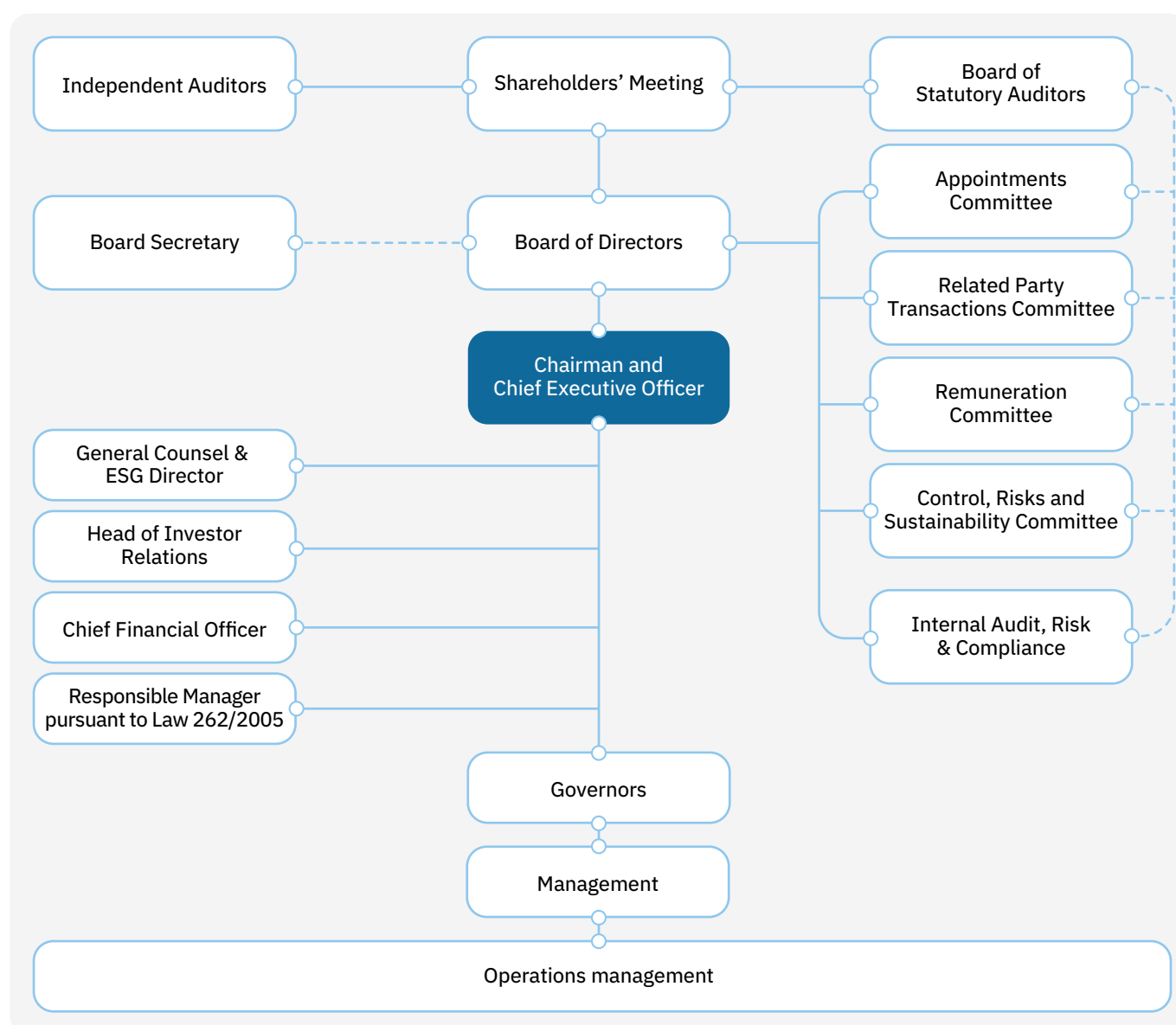
Interpump Group corporate governance system is inspired by the best international practices in Governance, to create long-term value for all stakeholders. The governance structure of Interpump Group S.p.A. system is based on the principles and recommendations provided by Corporate Governance Code, promoted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

As indicated in the Corporate Governance and in the Ownership Structure Report for 2022, which can be consulted on the corporate website in the “Governance” section, to which reference is made for more details (<https://www.interpumpgroup.it/uk/relazioni-governo-societario.aspx>), Interpump Group S.p.A. has adopted a traditional form of administration and control:

→ management of the business is delegated to the Board of Directors (Board);

- supervisory functions are carried out by the Board of Statutory Auditors;
- the statutory audit of the accounts and the accounting checks are performed by the independent auditors appointed by the Shareholders’ Meeting;
- a Supervisory Body performs duties 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 Board of Directors has established the following Board Committees: the Appointments Committee, the Remuneration Committee, the Control, Risks and Sustainability Committee and the Related-Party Transactions Committee. The organizational structure of Interpump Group S.p.A. at 31 December 2022 is presented below.



# Board of Directors

GRI 2-9; GRI 2-10; GRI 2-11; GRI 2-12; GRI 2-14; GRI 2-15; GRI 2-17; GRI 2-18; GRI 405-1

## Composition

The Board of Directors of Interpump Group S.p.A. comprises 10 directors, all with the professionalism and skills needed for the duties assigned to them. The Board consists of both executive and non-executive directors, over 50% of whom are independent, who will remain in office until the date of approval of the 2022 financial statements. Participation by Board members at the meetings held in 2022 averaged 98% across a total of ten meetings.

The current composition and specific skills of the non-executive directors ensure that they have significant weight when Board decisions are made. They dedicate special care to monitoring the operations of the Company and those areas in which conflicts of interest might arise. In order to avoid and mitigate potential conflicts of interest within the Board of Directors, the Company has defined procedures governing how Directors may hold directorships in other companies, hold shares in Interpump Group S.p.A. or maintain commercial, financial or professional relations on behalf of the Company. At the date of this report, there are no shareholders with powers of direct control over the Company and/or actual or potential conflicts of interest.

Consistent with the principles and recommendations of the Corporate Governance Code, according to which each Issuer must ensure that the least represented gender holds no less than one third of the governance positions, the composition of the Board of Directors and the Board of Statutory Auditors of the Company guarantees adequate levels of diversity, gender and age band. Indeed, this requirement is reflected in the Bylaws of the Company, which include rules for the composition of lists and for voting mechanisms that ensure gender balance on the Board of Directors and the Board of Statutory Auditors, in accordance with the applicable

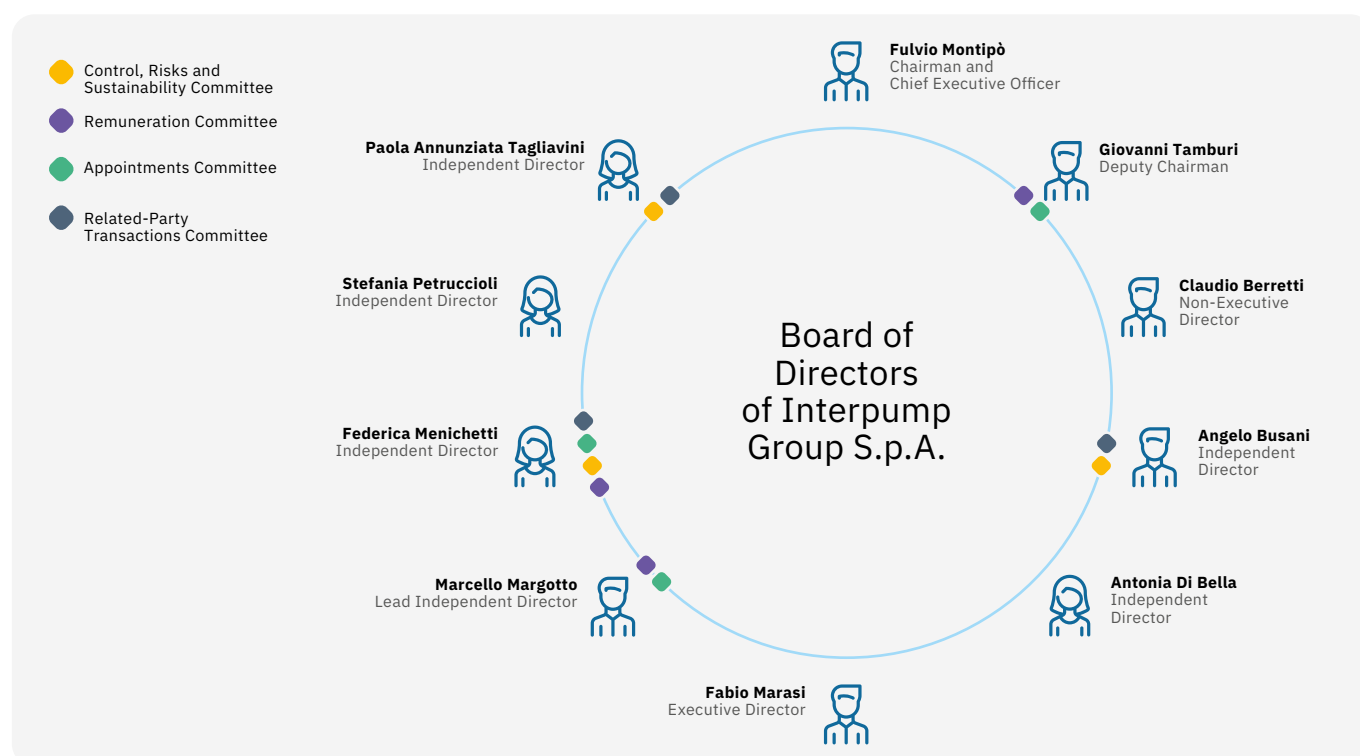
regulations. Additionally, subsection 1-(3) of art. 147-(3) and subsection 1-(2) of art. 148 TUF provide instructions on gender balance for the administrative and control bodies of listed companies; these were amended in the 2020 Budget Law, which raised the presence of the least represented gender on those bodies to at least two fifths, with rounding up to the nearest integer. Given the above-mentioned regulatory requirements, the two-fifths criterion has been applied from the first renewal of the corporate bodies subsequent to the entry into force of the 2020 Budget Law (3 January 2020).

Further, the measures designed to promote equal treatment and opportunities for each gender within the entire organization are reiterated in the Code of Ethics and the Guidelines on Human Rights (Global Compliance Program), which are published on the website of Interpump Group S.p.A. in the Governance section (<https://www.interpumpgroup.it/uk/governance.aspx>).

Considering all of the above, 40% of the Directors of Interpump Group S.p.A. are women, while the other 60% are men; 30% fall into the 30-50 age band, while 70% are over 50 years of age. These percentages have not changed over the last three reporting periods.

Some Directors are also members of the following Board Committees: the Control, Risks and Sustainability Committee, the Remuneration Committee, the

Appointments Committee and Related-Party Transactions Committee, as shown in the following chart:



Name	Office	List of candidate directors presented by:	No. of appointments in other significant companies <sup>1</sup>
Fulvio Montipò	Chairman and Chief Executive Officer	Majority shareholders	-
Giovanni Tamburi	Deputy Chairman	Majority shareholders	6
Fabio Marasi	Executive Director	Majority shareholders	-
Claudio Berretti	Non-Executive Director	Majority shareholders	7
Angelo Busani	Independent Director	Minority shareholders	2
Antonia Di Bella	Independent Director	Majority shareholders	3
Marcello Margotto	Lead Independent Director	Majority shareholders	2
Federica Menichetti	Independent Director	Majority shareholders	4
Stefania Petruccioli	Independent Director	Majority shareholders	4
Paola Tagliavini	Independent Director	Majority shareholders	3

At the meeting held on 15 February 2023, the Board of Directors of the Issuer determined that the size, composition and functioning of the Board and its

Committees during the reference period were adequate.

<sup>1</sup> Significant Companies are defined as listed or finance companies, banks, insurance companies or other companies whose total assets or sales exceed 500 million euro.

## Functions and activities

The Board of Directors has a central role in the corporate governance of Interpump Group S.p.A., with broad powers and responsibilities regarding governance and the internal control system and risk management, as well as for the definition of sustainability policies in pursuit of sustainable success, via the creation of long-term value for shareholders and significant stakeholders. In this context, the Board, assisted by the Control, Risks and Sustainability Committee, contributes actively to the evaluation and management of the sustainability matters and material topics reported in the Non-Financial Statement (NFS).

The Board of Directors is assigned all powers for the ordinary and extraordinary administration of the Company, without any limitations except for the powers reserved by law for the Shareholders' Meeting. The duties of the Board of Directors include the examination and approval of business plans and the periodic monitoring of their progress, having regard *inter alia* for the analysis of topics deemed important for the generation of long-term value, as well as the assessment of overall business performance, definition of the nature and level of acceptable risk compatible with the strategic objectives, including all elements that might be relevant in terms of sustainable success, definition of the system of corporate governance and the structure of the Group, and assessment of the adequacy of the organizational, administrative and accounting functions, with particular reference to the internal control system and risk management. At the meeting held on 15 February 2023, the Board of Directors assessed satisfaction of the independence requirements by the independent directors, making use not merely of the information provided by the directors concerned, but also of all other information available to the Company.

The same meeting also considered Board attendance by the independent directors to have been adequate, both "quantitatively" (number of independent Directors with respect to the size of the Board and the requirements of its internal committees) and "qualitatively" (in terms of professional authoritativeness and skill). This assessment of independence took account of any circumstances that might erode the independence of directors. The assessment was carried out using a questionnaire made available to the Directors by the Chairman of the Appointments Committee. The results obtained from completion of the questionnaires were summarized, in an anonymous form, in a document that was distributed to the Directors prior to the Board meeting. The assessment process concluded positively on the size, composition and functioning of the Board and its Committees.

This assessment also took account of the role of the Board in defining the strategic, industrial, financial and sustainability plans of the Company and the Group, as well as in monitoring their performance and the adequacy of their organizational, administrative and accounting structures.

Interpump Group S.p.A. also recognizes the fundamental importance of discussions with its shareholders and investors, facilitating constant, ongoing dialog with a view to creating value over the medium-long term. In particular, at the meeting held on 4 October 2021, the Board of Directors adopted the "Policy for managing dialog with the Shareholders" in order to govern the most appropriate forms of dialog with the shareholders and significant stakeholders.

### Control, Risks and Sustainability Committee

The governance of 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 (CRSC) the function of supervising sustainability matters. The CRSC comprises directors with experience of matters relating to Environmental, Social and Governance policies. As envisaged in the Corporate Governance Code for listed companies, all members of the Control, Risks and Sustainability Committee are independent, non-executive directors.

The Control, Risks and Sustainability Committee 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 matters relating to Environmental, Social and Governance ("ESG") policies. In the context of these

matters, sustainable success and ESG policies, the Committee:

- prepares proposals for presentation to the Board of Directors that embed the value of sustainability in the various business processes, including with regard to climate change;
- assists the Board of Directors with the definition of annual ESG objectives;
- ensures that the Company disseminates a culture of sustainability among employees, shareholders, customers and, more generally, all other stakeholders;
- monitors pursuit of the annual and long-term sustainability objectives established by the Board of Directors;
- expresses opinions on the initiative and programs promoted by the Company or its subsidiaries on the topic of Corporate Social Responsibility ("CSR");
- examines, before submission to the Board of Directors, the information contained in the Non-



Financial Statement regarding the internal control system and risk management;

- monitors the reputation of the Company with respect to the market and other domestic and international operators of similar size that are active in related businesses, checking the positioning of the Company on the various rankings of sustainability and ethics.

At least every six months, the Committee reports to

the Board of Directors on the activities carried out, the adequacy of the internal control system, its examination of periodic financial reports, and the ESG topics addressed.

## Chairman of the Board of Directors

The Shareholders' Meeting held on 30 April 2020 appointed Fulvio Montipò as the Chairman of the Board of Directors of Interpump Group S.p.A. At the same meeting, the Board of Directors appointed Fulvio Montipò as the Chief Executive Officer, granting him additional specific operating powers as his functional responsibility.

In particular, in the performance of his functions, the Chairman of the Board of Directors:

- supervises the management of all Group companies;
- makes proposals to the Board of Directors about strategies and guidelines for the Company and the Group, and implements the related Board resolutions;
- makes proposals to the Board of Directors about the purchase and disposal of investments in companies, businesses or lines of business and joint ventures, and implements the related Board resolutions;
- recommends discussion by the Board of Directors of other special finance operations, loans, mortgages and borrowing in general, including leasing, and implements the related Board resolutions;
- supervises and assists the Finance Committee, which is tasked with the governance of financial matters and making proposals for the Board of Directors, providing in addition the necessary guidelines to Group companies on the management of financial matters;
- supervises the management of corporate information, with particular reference to inside information and its disclosure, as well as ensures compliance with the rules of corporate governance laid down in the legislative and regulatory provisions and Bylaws applicable to the Issuer;
- reports promptly to the Board of Directors on key legislative and regulatory changes concerning the Company and its executive bodies, with emphasis in particular on those concerning the directorship function and the preparation of written reports, as necessary, to describe the above changes.

Fulvio Montipò is both Chairman of the Board of Directors and Chief Executive Officer because his recognized skills and experience enable him to perform the related duties simultaneously, in an effective manner. As Chairman, Fulvio Montipò - founder of the Group with a strong personality, authority and credibility - represents the Company to the

outside world, providing a guarantee to all shareholders and other stakeholders, exercising powers of initiative, coordination and balanced guidance of the activities of the Board of Directors, impartially maintaining a balance among Board members and ensuring they can rely on complete and timely information. As Chief Executive Officer, given his specific powers and strong managerial talent, Fulvio Montipò makes proposals to the Board of Directors with regard, in particular, to the strategic plans and operational guidelines that he implements in practice by managing the business and activities of the Company and the Group.

Consistent with the Corporate Governance Code, the Board of Directors has appointed Marcello Margotto as the Lead Independent Director. He acts as a point of reference and coordination for the requests and contributions of the non-executive directors, and offers an additional guarantee for the Board of Directors, having the autonomous right *inter alia* to call meetings of the independent directors to discuss important matters with respect to the functioning of the Board of Directors or the management of the business.

## Remuneration policies

GRI 2-19; GRI 2-20; GRI 2-21

The Remuneration Policy of Interpump Group S.p.A. is approved by the Board of Directors, which is responsible for its implementation and revision, based on a proposal from the Remuneration Committee, and is consistent with the corporate governance model adopted by the Company in compliance with the recommendations contained in the Corporate Governance Code. The Policy, which is also submitted to a binding vote at the Shareholders' Meeting, provides detailed information about the policies for the remuneration and incentivization of:

- Executive and non-executive directors;
- Key management personnel - persons having the power and responsibility, either directly or indirectly, for planning, managing and controlling the activities of the Company;
- Serving members of the control body (Serving Statutory Auditors).

The Remuneration Policy contributes to pursuit of the business strategy, being designed to attract experienced professionals, motivate them to achieve the objectives of the Company and the Group, and incentivize them to remain

within the organization. With a view to increasing the long-term value of the Company and the Group in a sustainable manner, the Policy is designed to align the interests of management with the objectives of the shareholders. The Remuneration Policy is founded on the following principles:

- **sustainability**, in particular via incentive plans that contribute to the sustainable success of the Group;
- **proper integration of various remuneration components**, guaranteeing a balance between the fixed and variable components, while checking that these are appropriately balanced having regard for the strategic objectives and the management of risks;
- **respect for and appreciation of individuals**, guaranteeing that such criteria as commitment and professional potential are decisive for salary progression;
- **social and environmental impact assessment**, with a view to sustainable development in which key business decisions take the principle of social responsibility into account and evaluate the environmental impact of each operation;
- **absence of discrimination**, guaranteeing that remuneration is not influenced by gender, age, ethnic origin or race, but rather emphasizes inclusion and avoids all forms of discrimination;
- **continuous monitoring of market practices and trends**, defining competitive levels of remuneration and guaranteeing internal equity and transparency;
- **compliance**, consistent with the Corporate Governance Code and the requirements of Borsa Italiana for the retention of “STAR” status, drawing on the related best practices.

The Remuneration Policy for the three-year period 2021-2023, documented in the “Report on Remuneration Policy and Compensation Paid”<sup>1</sup>, was examined and approved by the Board of Directors on 18 March 2022 and made available to the public by the legal deadline.

The Remuneration Policy for Executive Directors and Key Management Personnel includes the identification of a fixed component, a variable short-term component (“MBO”, Management by Objectives), discretionary components and long-term incentives (“SOP”, Stock Options Plan), in order to promote the achievement of specific objectives in the interests of all shareholders.

The level of fixed remuneration, linked to the professional specialization, position held and responsibilities assigned to each person, is sufficient to remunerate the Director or Executive even if the variable component is withheld due to failure to achieve the performance objectives.

The MBO plan described in the Policy identifies specific objectives and the related parameters, after taking account of the need for: (i) precise, clear and objectively measurable targets, indicated and determined in advance;

(ii) coordination with the objectives of the Company and the Group; (iii) adequate progression through time of the performance objectives, having regard for the sustainability of remuneration. The MBO plan envisages maximum limits on the bonuses payable and allows the Board of Directors to establish specific vesting periods, deferred payment mechanisms and ex-post correction mechanisms (“claw-back” and/or “malus” clauses).

With reference to the long-term incentives, on 29 April 2022 the Shareholders’ Meeting of Interpump Group S.p.A. approved the “Interpump Incentive Plan 2022-2024”, which envisages the assignment of a certain number of shares to the “beneficiaries”, being employees, directors and/or collaborators of the Company and/or the Group, identified - at the discretion of the Board of Directors - from among those persons who hold positions and/or perform functions of a strategic nature, with a view to building loyalty and creating future value. The objectives underlying the recognition of remuneration in the form of stock options are not only economic and financial in nature - associated with the achievement of specific results at Group level - and linked to personal performance, but also correlated with the development and consolidation of those ESG topics important to the Group, as measured for reporting in this NFS. In particular, consistent with the ESG Plan, the stock option plan identifies the following areas of special interest:

- in the Environmental area, the adoption of solutions intended to lower the impact of business activities on the environment (for example, by reducing atmospheric emissions and/or the production of waste, increasing the use of energy derived from renewable sources and lowering water consumption);
- in the Social area, the adoption of policies intended to improve the social impact of business activities (for example, via initiatives in support of diversity and inclusion, action to reduce the injury rate and the definition of a policy in support of local communities);
- in the Governance area, the adoption of measures to improve the management and governance of the Company and the Group (for example, by improving the organizational and/or functional structure of the Board of Directors or the training on whistleblowing matters).

With the aim of ensuring an overall remuneration package that is as competitive as possible and aligned with best market practices, the Policy establishes that the remuneration of the persons concerned may include fringe benefits such as a company car, supplementary pensions and health insurance, and other forms of welfare. The Policy also envisages that the Company may agree ad hoc indemnities on termination of appointment or employment with its Directors and Key Management Personnel, if this is considered appropriate in order to attract adequate professional resources or in the framework of agreements signed in the ordinary course of business.

Further, the Policy establishes that the right to the assignment or retention of monetary benefits lapses on

<sup>1</sup> Available on the website in the Governance section (<https://www.interpumpgroup.it/politica-remunerazione.aspx>)

termination of the directorship or employment relationship; however, after obtaining the non-binding opinion of the Remuneration Committee, the Board of Directors is entitled to sign consultancy agreements for a period subsequent to termination of the mandate and/or the employment relationship, but solely if the operation is in the interests of the Company and contributes to the pursuit of established objectives.

On termination of an appointment and/or employment relationship, ad hoc details - identified following internal analyses and assessments - will be provided in a communication to the market that gives:

- adequate information about the indemnities and/or other benefits, including the amount, the timing of payments and any repayment clauses (with particular reference to end-of-mandate indemnities, benefits granted subsequent to termination and any other remuneration paid, in any form and for any reason);
- information about the consistency of the indemnities paid with the Remuneration Policy;
- information about any clauses requiring the correction and/or repayment of remuneration already paid;
- information about the procedures to be followed when replacing the person terminated.

The remuneration of non-executive Directors is determined by the Board of Directors, acting on a proposal from the Remuneration Committee, and is not linked to the economic results of the Group.

Interpump Group operates in more than 30 countries around the world, each having its own approach to remuneration profiles. The policy for remunerating the top management of the Group takes a medium/long-term view in order to focus the attention of beneficiaries on factors of strategic interest build loyalty, align remuneration with the medium/long-term creation of value, and guarantee a level of remuneration that is globally competitive. The ratio of the highest total annual remuneration within the organization to the median wage of employees was calculated using both the fixed and variable components of gross remuneration, after normalizing the amounts to make them consistent and comparable. In 2022, the above ratio was about 82, excluding the long-term incentive component of remuneration (share-based incentive plans), and about 209 including the stock option plans. The ratio of maximum to median remuneration increased by 3.7% between 2021 and 2022. Lastly, the ratio of the percentage increase in the highest total annual remuneration within the organization to the percentage increase in the median remuneration of all other employees was 2.47.

In accordance with art. 2402 of the Italian Civil Code, the remuneration of the serving Statutory Auditors is determined at the Shareholders' Meeting that appoints them. Their remuneration, paid as a single fixed amount, is considered adequate with reference to the work performed during the year, having regard for the time

actually dedicated by each of them to the performance of their duties, which includes participation at meetings of the Board of Directors and Board Committees.

In view of the growing awareness about and attention paid to ESG policies, from 2023 the Remuneration Policy of the Company will include new non-financial KPIs linked to pursuit and achievement of the objectives indicated in the ESG Plan 2023-2025.





# 3. Ethical management of the business

# Ethics and compliance

## Group values and the Code of Ethics

GRI 2-16; GRI 2-23; GRI 2-25; GRI 2-26

### Code of Ethics

Impartiality, honesty, propriety, confidentiality, transparency, fairness, cohesion, collaboration, teamwork, professional ethics and respect for diversity are the values that guide the commitments made and responsibilities accepted by Interpump Group in the conduct of business and its activities in general. The Code of Ethics collects and summarizes the principles of conduct and the ethical values accepted by all collaborators, whether they be directors, employees or those who, even on a de facto basis, manage and control Group companies or act in their name and/or on their behalf. In pursuit of these objectives, at the meeting held on 10 November 2022 the Board of Directors of Interpump Group S.p.A. approved the updated version of the Code of Ethics, which embodies the sustainability principles and commitments accepted by Interpump Group on approval of the ESG Plan 2023-2025. In particular, the updated version of the Code of Ethics adopted by all Group companies places greater emphasis on sustainable development, the protection of human and workers' rights, energy saving, the reduction of environmental impacts, the training of employees, transparency and corporate responsibility via dialog with and involvement of the stakeholders.

The top management of Interpump Group recognizes, as an essential principle, respect for the laws and regulations in force in the countries where Group companies operate, without exceptions of any kind. In particular, Interpump Group has adopted the OECD Guidelines for multinational enterprises and the United Nations Guiding principles for business and human rights, committing to recognize and promote human rights, with respect for the dignity, private lives and rights of individuals.

The safeguarding of individuals is foundational for Interpump Group, whose objective is to protect, especially via preventive actions, the health and safety of all collaborators and those who work on our premises. To this end, Interpump Group conducts its activities in conformity with the conventions of the International Labour Organization (ILO) on occupational safety and health, freedom of association and collective bargaining, the abolition of forced labor and the worst forms of child labor, as well as on combating discrimination. The updated version of the Code of Ethics, translated into the various languages of the countries in which the Group operates, is published on the website of Interpump Group S.p.A., in the Governance section (<https://www.interpumpgroup.it/codice-etico.aspx>), and on the institutional pages of the website of each subsidiary.

### Guidelines (Global Compliance Program)

Interpump Group has established a preventive Global Compliance Program (GCP) in order to disseminate throughout the Group a culture for the conduct of business based on ethics and corporate social responsibility. This program comprises a series of instruments, such as the Code of Ethics, the organizational model and the guidelines on combating corruption, workplace safety, environmental protection and human rights, that are intended to promote among employees and all those who interact with the Group, even if only occasionally or on a temporary basis, respect for the rules of conduct and the values recognized by Interpump, as well as respect for the principle of legality in the conduct of business. These guidelines are published on the website at the address <https://www.interpumpgroup.it/global-compliance-program.aspx>.

### Anti-corruption Guidelines

The Anti-corruption Guidelines were approved by the Board of Directors of Interpump Group S.p.A. in March 2019 and represent a set of rules and procedures designed to eliminate the risk of corrupt conduct by all employees and collaborators of Group companies, as well as by all persons who, for any reason and regardless of their contractual status, work in the name of or on behalf of Group companies.

The Anti-corruption Guidelines promote the principle of zero tolerance for all forms of corruption, and support full and unconditional compliance with the domestic and international laws and standards on combating corruption. Special attention is dedicated to the selection of commercial partners, including the management of contracts and verification of the satisfaction of ethical requirements, the offer and acceptance of gifts, hospitality and presents, public relations, political contributions and donations to charities.

Adoption and implementation of the Anti-corruption Guidelines is mandatory for all Group companies and, consequently, binds all employees, collaborators and, where applicable, advisors, suppliers and other third parties, including customers, that maintain relations with Interpump Group companies. The Internal Audit, Risk & Compliance function of the Group is responsible for monitoring proper application of the Anti-corruption Guidelines, organizing and encouraging suitable training initiatives on this topic for collaborators including, in particular, those who - given the nature of their work - are most exposed to the risk of committing crimes of corruption.

### Guidelines on occupational health and safety and environmental matters

Interpump Group strives to disseminate a strong culture of workplace safety and respect for the environment, promoting responsible behavior and making available the



organizational and economic resources needed, not only to prevent accidents and professional diseases, but also to improve health and safety conditions in the workplace and safeguard the environment. For this reason, in February 2020 the Board of Directors of Interpump Group S.p.A. adopted Guidelines on occupational health and safety and environmental matters that give all Group companies a set of rules and minimum measures designed to protect workers and minimize the impacts of Group activities on the environment and surrounding landscapes. The adoption and implementation of the above Guidelines are mandatory for all Interpump Group companies and, therefore, are binding on all collaborators and all workers belonging to external firms who, for whatever reason and regardless of the type of contractual relationship, operate in the workplace or carry out their activities under the supervision of a Group company.

### Guidelines on Human Rights

Respect for human and workers' rights is an essential element in the conduct of business and other activities by Interpump Group. This commitment is embodied in the Code of Ethics, which promotes the protection of human and workers' rights in strict compliance with the related international Conventions and other current regulations in force locally. In February 2020 the Board of Directors of Interpump Group S.p.A. adopted the Guidelines on Human Rights as a set of instructions and rules of conduct designed to prevent all forms of discrimination, including those linked to the personal circumstances of individuals, and combat exploitation in the workplace and child labor. These Guidelines support strongly the principles of dignity, freedom and equality, and the protection of working conditions, union rights and occupational health and safety. The adoption and implementation of these instructions and rules of conduct are mandatory for all Interpump Group companies and, therefore, employees and all those who act in the name and/or on behalf of Interpump Group companies, as well as advisors, suppliers and other third parties, including customers, are requested to make every effort to respect the Guidelines and the principles embodied therein. Each Group company is responsible for checking compliance with the Guidelines by their business partners, via evaluation processes and/or due diligence work.

## Organizational model (231 Model) of the Parent and Italian companies

GRI 2-16; GRI 2-25; GRI 2-26; GRI 2-27

Interpump Group S.p.A. adopted an Organizational Model pursuant to Decree 231/2001 (the "231 Model") on 22 January 2004. This has been updated subsequently, most recently on 19 March 2021, to reflect the regulatory changes made. The 231 Model comprises:

- a General Part, describing the profile of the Company, the relevant regulations, the underlying principles and key components of the Model (system of corporate governance, internal control system and risk management, schedule of powers and mandates), the

functions of the Model, the methodology adopted for the creation of the Model, the structure of the Model, its recipients;

- special Parts concerning specific types of offense that theoretically may be committed having regard for the profile and activities of the Company, describing the procedures and control activities designed to prevent and monitor the risk of committing offenses;
- an appropriate internal disciplinary system to punish failure to comply with the measures indicated in the Model;
- the Code of Ethics, presented in full in an Annex since it is an integral part of the Model, that expresses the general principles and values guiding the activities of all those who, for whatever reason, work for Interpump Group S.p.A.
- the Whistleblowing Procedure that governs the communication channels for reporting any infringements of the 231 Model, the Code of Ethics, legal requirements and/or internal regulations. Consistent with current regulatory requirements, the Whistleblowing Procedure guarantees the privacy of the reporter and the confidentiality of the information, as well as the acceptance of reports, even if made anonymously, on condition that they are factual and detailed.

The current Supervisory Body was appointed by the Board of Directors of Interpump Group S.p.A. and comprises one external member, who is Chairman of the Body, and the Manager of the Internal Audit, Risk & Compliance function, whose role guarantees coordination among the various parties involved in the internal control system and risk management of Interpump Group.

The 231 Model has been adopted by the Italian subsidiaries of strategic importance, considering their size or their organizational complexity.

During 2022, there were no infringements of the Model or the rules that might result in application of the penalties envisaged in Decree 231/2001. Additionally, no failures to comply with laws and regulations were identified during the three-year reporting period<sup>1</sup>.

### Management of reports and complaints

Interpump Group strives to ensure that all stakeholders can express their concerns, suggestions or complaints about any potential or actual adverse consequences deriving from Group activities, including with regard to the protection of human rights. This commitment is made explicit in the Code of Ethics and stated in the Global Compliance Program with reference to each material topic reported in this NFS.

In particular, Interpump Group recognizes the right of employees to form or take part in organizations and associations that defend and promote the rights of workers and their interests. Discriminatory practices intended to penalize workers based on their membership of or

<sup>1</sup> Penalties in excess of 200 thousand euro are considered significant.

participation in organizations and trade unions are not allowed. Additionally, the Group recognizes the right of its employees to collective bargaining and to be represented by unions or other forms of representation, whether elected or formed in compliance with the regulations or practices prevailing in the countries in which it operates.

Interpump Group does not allow the exploitation of child labor. Group companies must ensure that their activities and those carried out by third parties, especially those in the supply chain, are free from all forms of exploitation of child labor, as defined in the ILO C138 Minimum Age Convention.

Events with a negative impact deriving, directly or indirectly, from the activities of the Group may be reported by the persons concerned to the individual contact points in the companies involved, who are obliged to initiate all appropriate remedial action to prevent, mitigate and make good the adverse consequences reported. In addition, the corporate and control bodies of the Group companies involved in the event must be informed promptly by the individual contact points about any developments and the remedial measures adopted. Depending on the gravity of the impacts, the responsible bodies within the Parent Company must be involved, as well as the Board of Directors.

During the reference period for this NFS, no complaints were received about actual or potential events deriving from Group activities that might have generated negative impacts.

### **Whistleblowing Policy**

The Whistleblowing Policy of Interpump Group governs the procedures for submitting and administering reports about alleged concerns, irregularities or unlawful business conduct observed by an individual. The objective of this Policy is to describe and regulate the reporting process by giving the reporter (whistleblower) clear operational instructions about the subject, content and recipients of reports, as well as on how to submit them, guaranteeing to keep confidential the identity of the reporter from the moment in which the report is received, and forbidding any direct or indirect reprisals or discrimination against the whistleblower, in accordance with the applicable current regulations. The Policy also governs determination of the validity and truth of the reports, so that appropriate corrective and disciplinary actions can be taken on a timely basis. Reports are addressed to the Manager of the Internal Audit, Risk & Compliance function or to the Supervisory Body, if appointed by the Italian Group companies that have adopted a 231 Model, using three preferential channels (web platform, e-mail to the Supervisory Body or ordinary mail), or are made verbally. The Manager of the Internal Audit, Risk & Compliance function is responsible for administering all reports received, assessing their justification and determining whether or not additional checks are needed. Without prejudice to the requirement to disclose certain events on a timely basis, each year or more frequently the Manager of the Internal Audit, Risk & Compliance function and/or the Supervisory Body of Interpump Group S.p.A.

must guarantee a flow of summary information to top management and the Board of Directors about the reports received and administered.

During the reference period for this NFS, no reports were received via official channels about alleged irregularities or unlawful activities.

# Internal control system and risk management

The Board of Directors of Interpump Group S.p.A. has defined guidelines for the internal control system and risk management, consistent with the characteristics of the business and the strategic objectives of the Group, and with a view to pursuing the sustainable growth objectives over the medium-long term. The definition of the internal control system and risk management (hereinafter “System”) of Interpump Group is consistent with the principles and recommendations contained in the Corporate Governance Code, and aligned with the best international practices for corporate governance.

The System comprises a set of instructions, rules, procedures and organizational structures designed to allow the principal risks to be identified, measured, managed and monitored.

## Organization of the internal control system and risk management

In terms of individual responsibilities and duties, the System is organized as follows:

- **the Board of Directors (Board)**, whose responsibilities are to: (i) define guidelines for the System, consistent with the characteristics and risk profile of the Group; (ii) assess, based on an opinion from the Control, Risks and Sustainability Committee, the adequacy of the System and its effective functioning; (iii) define, when preparing the ESG Plan, the nature and level of acceptable risk over the medium/long term, in relation to the strategic sustainability objectives of the Group; (iv) examine the periodic financial reports and the consolidated non-financial statement; (v) approve the Audit Plan prepared by the Manager of the Internal Audit, Risk & Compliance function, based on opinions from the Control, Risks and Sustainability Committee and the Board of Statutory Auditors;
- **the executive director responsible for supervising the System**, who ensures that the principal risks are identified and checks periodically on the adequacy of the related process, implementing the guidelines issued by the Board;
- **the Control, Risks and Sustainability Committee (CRSC)**, which carries out appropriate investigative work as support for Board decisions and assessments on internal control, risk management and sustainability matters, as envisaged in Recommendation 35 of the Corporate Governance Code;
- **the Internal Audit, Risk & Compliance function**, responsible for third-level control activities, which reports hierarchically to the Board of Directors in the person of the Executive Director responsible for supervising the System, and functionally to the CRSC,

with the task of checking the effective operation and suitability of the System. Note that the Internal Audit, Risk & Compliance function is also responsible for, among other matters, the control of non-compliance risks.

## Risk management

The risk assessment process followed by Interpump Group S.p.A. is based on a risk assessment coordinated by the Internal Audit, Risk & Compliance function and carried out by the risk owners, which is then validated by the Director responsible for the System in order to consolidate the risk assessments made at Group level. This process is updated annually and, if deemed necessary, is reviewed during the year.

The analysis starts from a catalog of risks developed specifically for the Group, based on the typical business areas and the common operating and compliance issues. The risks examined, i.e. all risks that may become significant in terms of the medium/long-term sustainability of the activities of the Company, are classified as strategic, financial, compliance or operational and include specific risks linked to pursuit of the sustainable success of the business.

Lastly, the results of the risk assessment are reported periodically to the Control, Risks and Sustainability Committee, the Board of Statutory Auditors and the Board of Directors, in order to identify any specific actions needed to mitigate the underlying risks and their timing.

The risk assessment also takes account of sustainability-related matters, having regard *inter alia* for the regulatory requirement to report non-financial information pursuant to Decree 254/2016. In particular, the main categories of risk identified for the five significant topics indicated by the legislator - anti-corruption, human rights, environment, social, employees - that may be important in pursuit of the medium/long-term strategy of Interpump Group are:

### Transverse risks

reputational risks that arise from the risks identified for each topic and risks linked to possible issues - whether environmental, social, product quality, corruption, etc. - with the supply chain.

### Environmental risks

linked to the control of energy consumption, the use of water resources and the management of water discharges (operating risks), and non-conformity risks deriving from omitted compliance with national or local environmental



regulations (compliance risks) that might result in monetary penalties or criminal proceedings (e.g. for offenses or crimes specified in Decree 231/2001), as well as possible reputational damage.

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)	<b>Environmental management systems certified in compliance with international standard EN ISO 14001:2004</b> - 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"> <li>↪ <b>Code of Ethics</b> – with special reference to the commitment to protect the environment and adopt the most suitable measures to preserve it, thereby steadily reducing the direct and indirect impacts of activities, both locally (quality of the soil, air and water in the area of operations) and with reference to global challenges (biodiversity and climate change).</li> <li>↪ <b>Environmental policies</b> – in relation to the companies/plants in which environmental systems are implemented.</li> </ul>	<ul style="list-style-type: none"> <li>↪ <b>Special part of the Organization and Management Model</b> – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk.</li> <li>↪ <b>Global Compliance Program</b> (<i>see the section on Ethics and compliance for further details</i>) – concerning all Group companies without an Organization, Management and Control Model.</li> <li>↪ <b>Environmental management systems certified in compliance with international standard EN ISO 14001:2004</b> - 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)</li> <li>↪ <b>Insurance cover</b> for accidental cases of air or subsoil pollution. The scope of application covers the entire Group.</li> </ul>

### Socio-economic risks

being risks relating to product quality and safety, including the information that accompanies the product and describes its characteristics, and risks relating to market policies (e.g. unfair and unethical conduct in relation to competitors), the economic performance of the Group and the health and safety of customers.

Socio-economic risks also include compliance risks linked to the infringement of regulations, as well as the risk of damage to property or personal injury attributable to products sold by Group companies and their safe use.

Risk type	Risk management	
	Policies	Model
Operating	<p><b>Code of Ethics</b> – with special reference, in addition to the matters stated above, to the commitment to guarantee adequate quality standards for the services/products on offer, based on predefined levels and periodic monitoring of the perceived quality.</p> <p><b>Technical training programs</b> – Training is provided in the areas and on the specific topics relevant to the assigned duties of each employee.</p>	<b>Quality management systems certified in compliance with the provisions of international standard ISO 9001</b> – with regard to some companies/facilities (Monitoring of nonconformities reported by customers)

Risk type	Risk management	
	Policies	Model
Compliance	<p><b>Code of Ethics</b> – 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>	<p>↪ <b>Special part of the Organization and Management Model</b> – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk.</p> <p>↪ <b>Global Compliance Program</b> (<i>see the section on Ethics and compliance for further details</i>) – concerning all Group companies without an Organization, Management and Control Model.</p> <p>↪ <b>Insurance cover</b> - product liability insurance.</p>

### Personnel-related 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 the management of human capital, non-discrimination and equal opportunities, the health and safety of employees and management of the workforce (employees and external

collaborators) in various countries of the world. Compliance risks include events linked to failure to respect employment and occupational health and safety regulations that might expose the Group to penalties or even criminal proceedings (e.g. crimes specified in Decree 231/01), as well as disputes with employees (e.g. on health and safety, employment and pay matters, etc.)

Risk type	Risk management	
	Policies	Model
Operating	<p><b>Training programs</b> on the subject of occupational health and safety</p> <p><b>Succession and diversity policies with reference to the Parent Company</b> (currently being evaluated)</p>	<p><b>Occupational health and safety management systems certified to international standard ISO 45001: 2018</b> - with reference to certain companies/plants</p>
Compliance	<p><b>Code of Ethics</b> – 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 disseminate and consolidate a culture of safety, performing actions of a technical and organizational nature aimed at preventing risks and avoiding all potentially hazardous situations.</p> <p><b>Workplace health and safety policies</b> – in relation to companies/facilities having safety management systems.</p>	<p>↪ <b>Special part of the Organization and Management Model</b> – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk.</p> <p>↪ <b>Global Compliance Program</b> (<i>see the section on Ethics and compliance for further details</i>) – concerning all Group companies without an Organization, Management and Control Model.</p> <p>↪ <b>Occupational health and safety management systems certified to international standard ISO 45001: 2018</b> - with reference to certain companies/plants</p> <p>↪ <b>Insurance cover</b> – employer's liability insurance.</p>

**Risks related to Human Rights**

linked to the ineffective management of any actual or alleged abuses of human rights, including compliance and legal risks, in the event of conduct that infringes the principles embodied in the Code of Ethics and corporate procedures, or violates the regulations that protect human

rights, by directors, employees of Group companies or anyone who acts in their name and/or on their behalf with, as a consequence, possible penalties and reputational damage that may be significant with impacts on the business.

Risk type	Risk management	
	Policies	Model
Compliance and legal Operating	<p><b>Code of Ethics</b> – the assurance of equal employment opportunities in the recruitment of personnel (avoiding discrimination on the basis of race, color, gender, creed, nationality, and age) and the undertaking to protect the moral integrity of collaborators, guaranteeing the right to working conditions that are respectful of personal dignity and intolerance for 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>↪ <b>Special part of the Organization and Management Model</b> – concerning Italian companies for which this is deemed appropriate in view of the activities performed and the level of risk.</p> <p>↪ <b>Global Compliance Program</b> (see the section on Ethics and compliance for further details) – concerning all Group companies without an Organization, Management and Control Model.</p>

**IT & Cybersecurity**

Interpump Group S.p.A. approved cyber security guidelines in March 2019, disseminating them to all Group companies, with a view to defining the minimum IT security measures that each company must adopt in order to prevent the risk of cyber attacks. In addition, with support from an expert firm of advisors, an assessment of IT security at the principal Group companies was carried out in 2020, using methodology

consistent with best practices and sector standards, in order to define improvement plans for the overall management of IT security. Adoption of the above guidelines is mandatory for all Group companies and their proper implementation is checked by the Internal Audit, Risk & Compliance function, which carries out the related pre-planned audit work.

## Management systems

In order to guarantee enhanced supervision and the control of risks, certain companies have adopted internal management systems certified by international bodies. In particular, 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 - Quality management systems, while some plants are certified pursuant to UNI ISO/TS 16949:2009<sup>1</sup>.

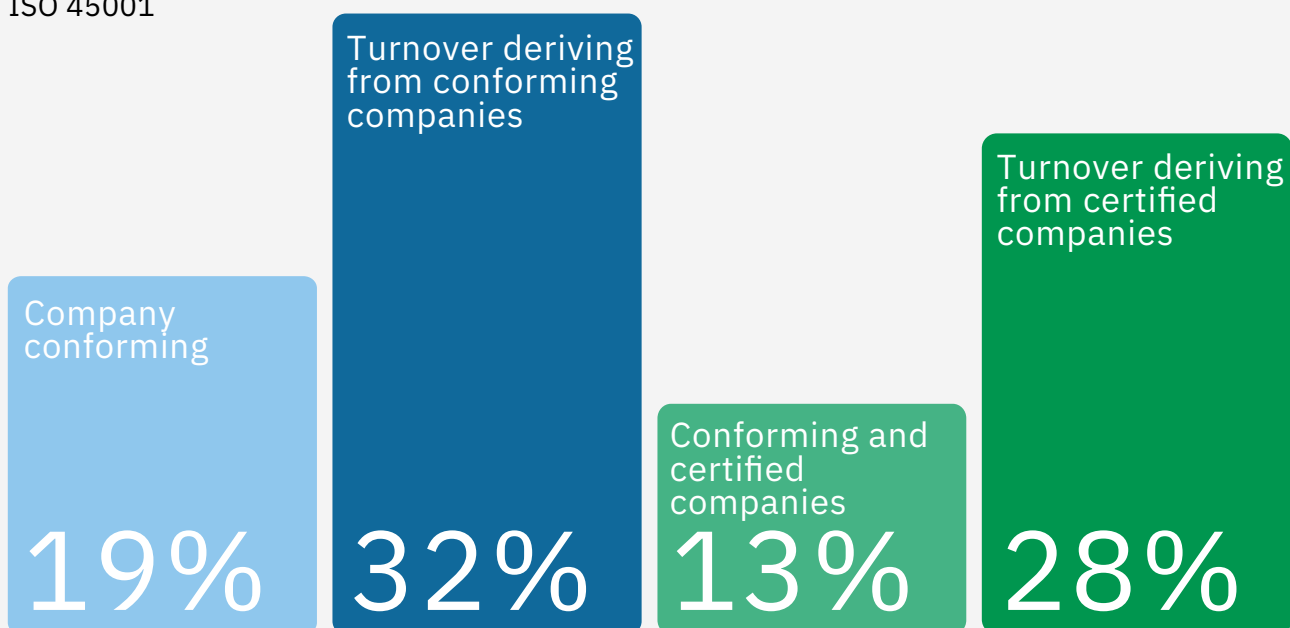
Additionally, certain Group companies have adopted and implemented environmental management systems certified in compliance with international standard UNI EN ISO

14001:2004 and, in some cases, the system update process has commenced to comply with the new requirements of standard UNI EN ISO 14001:2015. As shown in the charts presented, the safety management systems of Group companies have been certified pursuant to UNI EN ISO 45001:2018. See the specific section on environmental and personnel-related matters for further details.

The following charts show the incidence of certifications in relation to the sales of Group companies. This provides a more realistic indication with respect to the incidence of certifications as a percentage of the total number of companies considered, which could be misleading. The data analyzed excludes companies without production/assembly/storage locations.

1 Special requirements for applying ISO 9001:2008 to series production and the production of spare parts in the automotive industry.

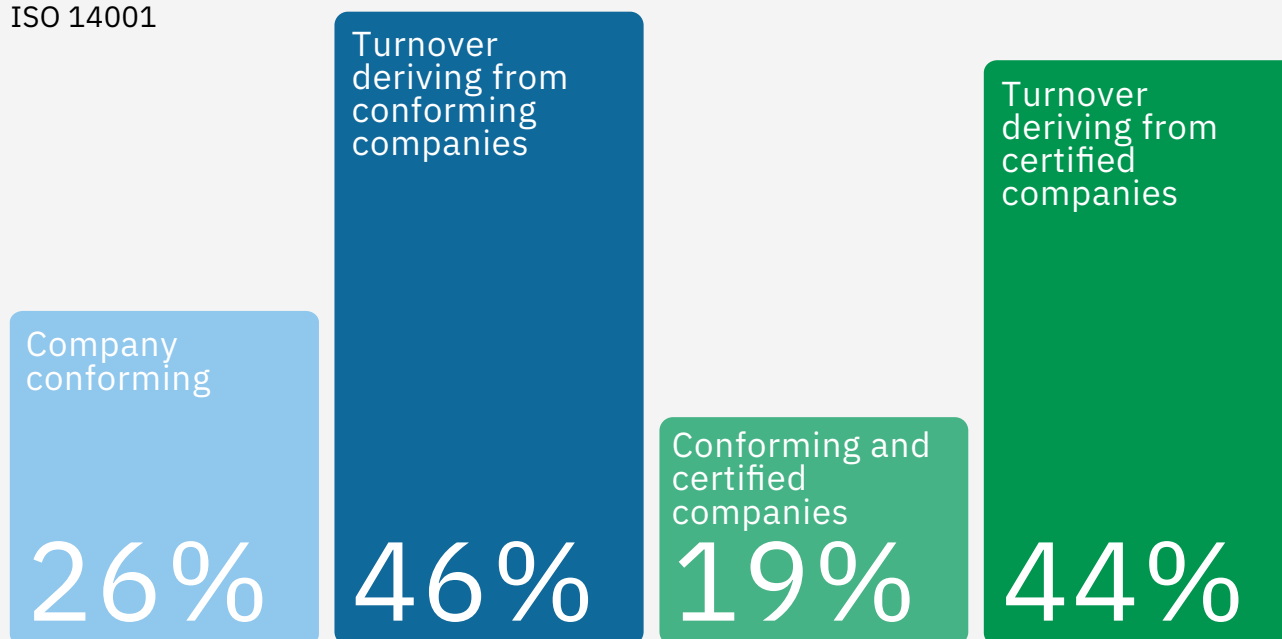
### Occupational Health and Safety Management System 2022 ISO 45001



## Environmental Management System

2022

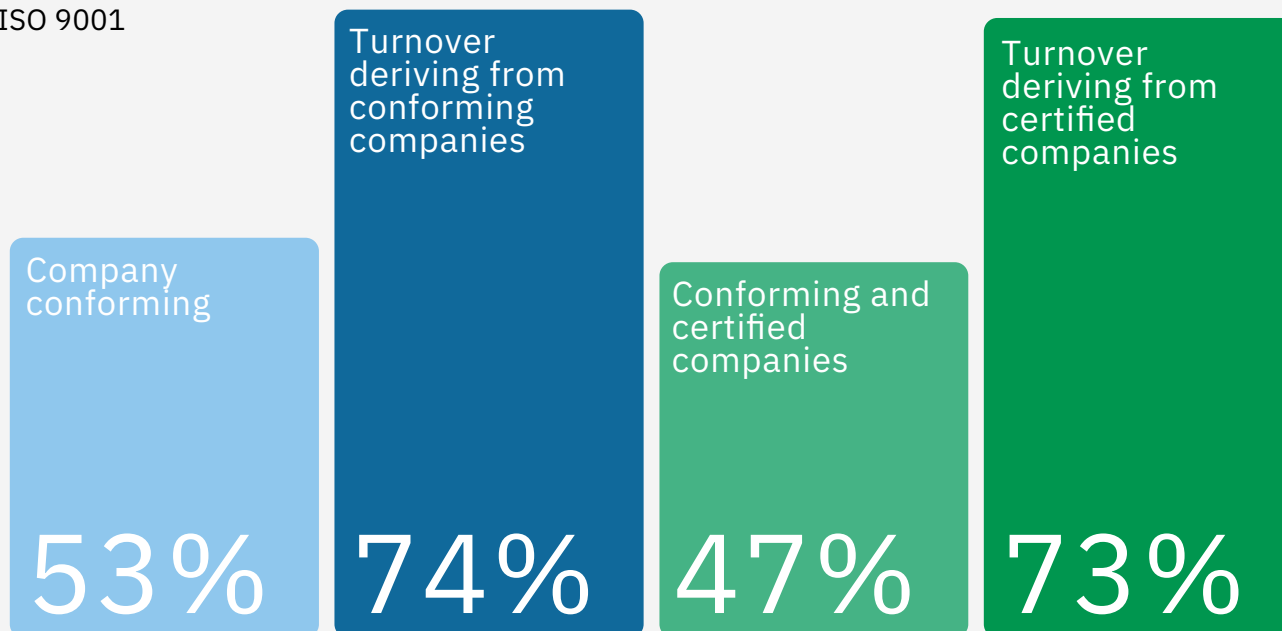
ISO 14001



## Quality Management System

2022

ISO 9001







# 4. Sustainability



# Material topics

GRI 2-12; GRI 2-14; GRI 2-28; GRI 2-29; GRI 3-1; GRI 3-2

Interpump Group always pays close attention to sustainability and is committed to the periodic reporting of performance, pursuant to arts. 3 and 4 of Decree No. 254/2016, describing how sustainability is managed (e.g. policies, risks, governance) and the results achieved over the years.

Interpump Group S.p.A. has established a process for determining the material topics to be reported in this consolidated Non-Financial Statement, in order to identify the most significant impacts of Group activities on the economy, the environment and individuals, as well as on the respect for human rights. This work has also played a key role in identifying the areas and activities addressed by the Group’s ESG Plan.

The material topics are updated with reference, above all, to the suggestions made by stakeholders, in a process that enables Interpump Group to evaluate, in the context of its commercial activities and relations, the changes in current and future impacts and the definition of material topics for non-financial reporting purposes.

The principal phases in the process of determining the material topics reported in the NFS 2022 are described below:



**1. Understanding the context in which Interpump Group operates**

Through a detailed analysis of the value chain, the principal activities of the Group were analyzed together with its relations with business partners and, more generally, all stakeholders. Specifically, the Group generates actual and potential impacts on its stakeholders identifying five key processes (procurement - logistics - R&D, production,

assembly and storage - logistics - assembly of the finished product, use and product end-of-life). This analysis, updated in 2022, confirmed the categories of stakeholder whose interests are and/or might be influenced by the activities of the Group.



## Methods of interaction, listening and involvement of stakeholders

GRI 2-28, GRI 2-29

The Group considers dialog with all stakeholders to be fundamental, in order to take into consideration their individual needs and ideas for improvement. Given the close relations maintained with shareholders, Interpump has adopted a Policy for managing dialog with all

shareholders.

For each category of stakeholder identified, Interpump Group has developed specific communications channels via which to listen periodically and understand points of view and needs.

Category of Stakeholder	Frequency of involvement	Method
<b>Employees and collaborators</b>	<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
<b>Shareholders</b>	<i>Continuous</i>	Institutional website Periodic meetings Shareholders' meeting Press releases
<b>Local Community</b>	<i>Continuous</i>	Institutional website Donations Meetings for student orientation Internships
<b>Competitors</b>	<i>Periodic</i>	Institutional website Participation in initiatives and events
<b>Trade unions</b>	<i>Periodic/ad hoc</i>	Institutional meetings
<b>Trade associations</b>	<i>Continuous</i>	Institutional meetings Participation at conferences and information sessions
<b>Providers of finance</b>	<i>Periodic</i>	Institutional website Periodic meetings with financial analysts Press releases
<b>Suppliers</b>	<i>Continuous</i>	Institutional website Constant relations with the relevant business functions Participation in initiatives and events
<b>Public administration and control bodies</b>	<i>Continuous</i>	Institutional relations
<b>Customers</b>	<i>Continuous</i>	Institutional website Management of complaints Catalogs After-sales service Trade fairs
<b>Legislator</b>	<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 associations:

- 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.



## 2. Identification of actual and potential impacts

The actual and potential impacts of the Group's activities on the economy, the environment and individuals, including those associated with human rights, were identified by careful assessment and documentary analysis that took account of the context in which the Group operates, as well as the increasing attention paid to sustainability matters worldwide.

Consideration was given to both the negative and positive effects that Group has, or might have, on the economy, the environment and individuals, including human rights. They were assessed from temporal standpoint too: short or long term, intention or involuntary, reversible or irreversible. The role of the organization with respect to those impacts and the related underlying events was also considered i.e. whether caused by, contributed to by or directly associated with Interpump Group.

Specifically, the documentary analysis was based on:

- **External documentation:** among the various analyses, the sector analysis included recognition of the principal regulatory changes, reporting standards and sustainability ratings at a global level. These analyses considered the principal non-financial aspects identified by major stock exchanges that have published guidelines for sustainability reporting, sustainability rating agencies (e.g. DJSI<sup>1</sup>), international organizations (GRI<sup>2</sup>, World Economic Forum, Sustainable Stock Exchange Initiative etc.) and supranational bodies (EU<sup>3</sup>, UN<sup>4</sup>, etc.). With regard to sector performance, i.e. non-financial aspects deemed significant for the reference sector of Interpump Group, the publications of certain international organizations were analyzed (RobecoSam, SASB<sup>5</sup>, EFFAS<sup>6</sup>, etc.). Additionally, the information reported by comparable companies operating in the same sector as Interpump Group was benchmarked, including analysis of the Group-related matters discussed in the domestic and international press;
- **Internal documentation:** analysis included the principal corporate documents covering sustainability matters, such as the ESG Plan 2023-2025, the NFS for prior years, the Global Compliance Program and the Code of Ethics;

Based on this analysis of the above internal and external sources, the Group identified the principal actual and potential impacts that characterize the business.

## 3. Assessment of the significance of the impacts

After having identified the sector-specific impacts, it was necessary to assess their **extent**, distinguishing between actual and potential impacts. The first depend on the **severity** of the impacts, considering the scale of severity, the

context in which they arise and how reversible they are; the second, on the other hand, combine the above assessment of **severity** with the *probability of occurrence*.<sup>7</sup>

Determination of the extent of each impact was based on the results of the analyses carried out, the opinions of the stakeholders involved in the assessment process and the controls already implemented by the Group to diminish or mitigate any negative impacts.

## 4. Prioritization of impacts

After determining their extent, each impact was compared with the others in order to classify them from most to least important, establishing a threshold of significance. This threshold was identified with reference to the analyses of internal and external documentation, knowledge of the business and its internal processes, the controls already in place (policies, procedures, etc.) and an assessment of possible external factors not controllable by the organization. Having established which impacts are significant for Interpump Group, those deemed important or moderately important were grouped into material topics in order to determine the content of this document; conversely, impacts below the threshold of significance were deemed immaterial and not reported, with the exception of those topics flagged on the next page.

This analysis was supported not only by top management, but also by the Board of Directors and the Board of Statutory Auditors of Interpump Group S.p.A., which were requested to express their opinions on the importance of the material topics via an ad hoc questionnaire, drawing on their experience and knowledge of the Group and of sustainability matters.

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

7 See the new process for identifying material topics introduced by the GRI Standards 2021 for further information about the concept of materiality.

## 5. Definition of the list of material topics to be reported

The above process resulted in identification of the material topics for Interpump Group and determination of the priorities with which they are reported in the NFS 2022:

ESG	Material topics	Reference sections
Environment	Energy and climate change Polluting emissions Waste management Management of water resources	Management of environmental topics (pages 39-40, 62-63)
Social	Occupational health and safety Management of human capital Training Protection of human rights, non-discrimination and equal opportunities Customer health and safety	Management of environmental topics (pages 39-40, 62-63) Management of socio-economic topics (pages 41-42, 78) Management of topics related to human rights (pages 41-42, 84)
Governance	Economic performance Research, development and innovation Fight against corruption Tax	Innovation at the heart of Interpump Group (pages 13, 40)  Management of socio-economic topics (pages 41-42, 78) Management of anti-corruption topics (pages 41-42, 87)

The results of the process followed to identify the material topics to be reported in the consolidated Non-Financial Statement 2022 were presented to and examined by the Control, Risks and Sustainability Committee at the meeting held on 13 January 2023 (see the relevant section of the chapter entitled *The Group's Governance* for more information about the activities of the CRSC and those delegated to it by the Board of Directors of Interpump Group).

Environmental and socio-economic compliance, as well as the protection of human rights, are fundamental prerequisites for Interpump Group; accordingly, the reporting of information about the related impacts is transverse across all material topics. Compared with the

topics reported in the prior year, the Protection of human rights, non-discrimination and equal opportunities is a new material topic, introduced to highlight the attention paid by the Group to these areas.

As in past years, once again Interpump Group has considered it appropriate to monitor and report on unfair competition, a non-material topic, in order to ensure greater transparency for all stakeholders. The analyses carried out show that the impacts attributable to this topic are immaterial, considering the nature of the Group's business and the controls in place, which are deemed adequate for the proper management of any negative impacts.

# ESG Plan 2023-2025










GRI 2-12; GRI 2-13; GRI 2-22; GRI 2-24

The commitment of Interpump Group to sustainable growth includes the adoption of an integrated strategy that associates business success with the principles of sustainability and the creation of long-term value for all stakeholders. In October 2022, the Board of Directors of Interpump Group S.p.A. approved the ESG Plan 2023-2025, which defines the strategic vision of the Group with regard to sustainability and corporate social responsibility. The Plan, devised by the Group ESG function under the supervision of the General Counsel & ESG Director, was prepared after benchmarking the position of Interpump Group within its sector of operations, and considering the principal macro-trends with regard to sustainability. The involvement of top management made it possible to identify and evaluate relevant topics and requests, considered useful when defining the strategic sustainability objectives of the Group. The ESG Plan includes 20 actions spread

across the environmental, social and governance areas, to be completed during the three-year period 2023-2025, except for one objective due to be achieved in 2027. The actions on environmental matters envisaged in the Plan also provide a starting point for the 2030-2050 decarbonization strategy.

The ESG Plan 2023-2025 and related targets apply to the scope of reporting used for the NFS 2021, and do not include the companies added later (including all White Drive companies and Eurofluid Hydraulic S.r.l.).
















Analyses and assessments are now in progress with a view to including the most recent acquisitions in the Group's ESG strategy and objectives.
















Environmental					
Action		KPI	Timing	Target	Reference SDG
E.1	Carbon neutrality strategy	–	2023	Strategy definition	<div><div><div>7</div><div>ENERGIA PULITA E ACCESSIBILE</div><div></div></div><div><div>13</div><div>LOTTA CONTRO IL CAMBIAMENTO CLIMATICO</div><div></div></div><div><div>11</div><div>CITTÀ E COMUNITÀ SOSTENIBILI</div><div></div></div></div>
E.2	Group carbon intensity reduction	tCO <sub>2</sub> eq/€ <sup>1</sup>	2025	-30% From 0.040 <sup>2</sup> in 2021 to 0.028 in 2025	<div><div><div>7</div><div>ENERGIA PULITA E ACCESSIBILE</div><div></div></div><div><div>13</div><div>LOTTA CONTRO IL CAMBIAMENTO CLIMATICO</div><div></div></div><div><div>11</div><div>CITTÀ E COMUNITÀ SOSTENIBILI</div><div></div></div></div>
E.3	Increase the percentage of renewable electricity used in relation to Group total energy needs	% of Group total energy consumption (GJ)	2025	From 3% to 25% of energy consumption	<div><div><div>7</div><div>ENERGIA PULITA E ACCESSIBILE</div><div></div></div><div><div>7</div><div>ENERGIA PULITA E ACCESSIBILE</div><div></div></div><div><div>11</div><div>CITTÀ E COMUNITÀ SOSTENIBILI</div><div></div></div></div>

<sup>1</sup> tCO<sub>2</sub>eq / Total consolidated revenues Note that carbon intensity is calculated with reference to the Scope 1 and Scope 2 emissions, in turn calculated using the market-based method.

<sup>2</sup> 2021 baseline: tCO<sub>2</sub>eq equal to 62,181 and consolidated turnover of € 1,551m (see the consolidated Non-Financial Statement at 31 December 2021 for details)

## Environmental




























Action		KPI	Timing	Target	Reference SDG
E.4-5	Pilot project in the circular economy field	–	2023	Pilot project conclusion	<div><div><div>6</div><div>ACQUA PULITA E SERVIZI IGIENICO-SANITARI</div><div></div></div><div><div>9</div><div>IMPRESE, INNOVAZIONE E INFRASTRUTTURE</div><div></div></div><div><div>12</div><div>CONSUMO E PRODUZIONE RESPONSABILI</div><div></div></div><div><div>13</div><div>LOTTA CONTRO IL CAMBIAMENTO CLIMATICO</div><div></div></div></div>
	Applicability analysis of project extension to other legal entities	–	2025	Extension definition	<div><div><div>6</div><div>ACQUA PULITA E SERVIZI IGIENICO-SANITARI</div><div></div></div><div><div>9</div><div>IMPRESE, INNOVAZIONE E INFRASTRUTTURE</div><div></div></div><div><div>12</div><div>CONSUMO E PRODUZIONE RESPONSABILI</div><div></div></div><div><div>13</div><div>LOTTA CONTRO IL CAMBIAMENTO CLIMATICO</div><div></div></div></div>
E.6	Implementation of a continuous water withdrawal/discharge monitoring system at Group plants	–	2025	Monitoring system implementation	<div><div><div>6</div><div>ACQUA PULITA E SERVIZI IGIENICO-SANITARI</div><div></div></div><div><div>12</div><div>CONSUMO E PRODUZIONE RESPONSABILI</div><div></div></div><div><div>13</div><div>LOTTA CONTRO IL CAMBIAMENTO CLIMATICO</div><div></div></div></div>
E.7	Definition of Group guidelines for eco-design of products	–	2024	Group guidelines definition	<div><div><div>6</div><div>ACQUA PULITA E SERVIZI IGIENICO-SANITARI</div><div></div></div><div><div>9</div><div>IMPRESE, INNOVAZIONE E INFRASTRUTTURE</div><div></div></div><div><div>12</div><div>CONSUMO E PRODUZIONE RESPONSABILI</div><div></div></div><div><div>13</div><div>LOTTA CONTRO IL CAMBIAMENTO CLIMATICO</div><div></div></div></div>

Social					
Action	KPI	Timing	Target	Reference SDG	
S.1	Maintenance of 2022-24 average employee injury rate below average for last 3 years	Injury rate <sup>1</sup>	2024	Average 2019-21: 2.2 <sup>2</sup>	 
S.2	ISO 45001 extension to the Group's production companies	% Group turnover	2027	From 22% to 45%	 
S.3	Increase of average per capita hours of non-compulsory training at Group level	Average non-compulsory training hours per employee	2025	Increase of about 35%	 
S.4	Development of a Group global mobility program	–	2025	Program launch	 
S.5-6	Draft of supplier rating model applying environmental and social criteria (pilot project)	–	2023	Pilot project conclusion	  
	Model extension at Group level	–	2024	Extension to 100% of Italian manufacturing entities	  
S.7	Working environment assessment to promote diversity & inclusion principles (pilot project)	–	2025	Pilot project conclusion	

1 (Total no. of employee injuries lasting > 1 day / Total no. of hours worked) x 200,000

2 See the consolidated Non-Financial Statements at 31 December 2019, 2020 and 2021 for details.



Governance					
Action	KPI	Timing	Target	Reference SDG	
G.1	Establishment of Sustainability Committee and adoption of relevant regulations	–	1H 2023	Establishment of Sustainability Committee	 
G.2	Code of Ethics revision to adopt ESG principles	–	1H 2023	Code of Ethics revision	                 
G.3	Succession plan formalization	–	2023	Succession plan formalization	 
G.4	Consolidation of tax compliance in line with tax best practices	–	2024	Tax compliance model consolidation and best practice alignment	 
G.5	Annual update of information required GRI 207-4 on Country-by-Country Reporting	–	Annual	Country-by-Country Reporting	 
G.6	ESG Journey communication plan	–	Annual	Communication plan	  

The objectives of the ESG Plan include the separation of responsibilities for sustainability matters, currently assigned to the Control, Risks and Sustainability Committee of Interpump Group S.p.A., by appointing a specific Board committee known as the *Sustainability Committee*. This objective will be achieved upon renewal of the Board at the Shareholders' Meeting called for 28 April 2023. As in

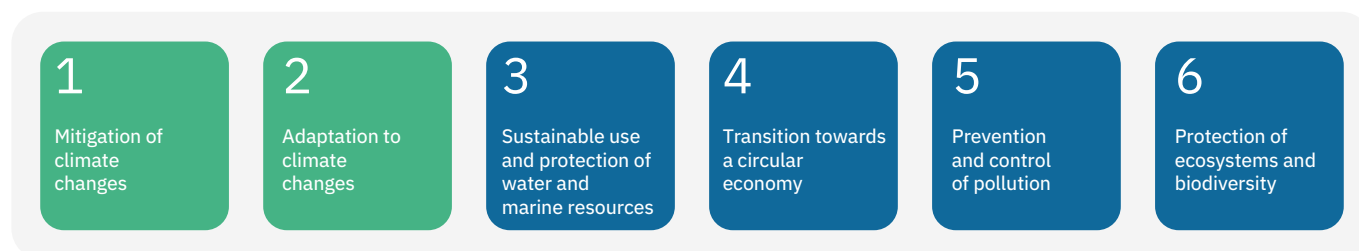
the case of the current CRSC, the General Counsel & ESG Director and the managers responsible for ESG matters will report to that committee about how the impacts of Group activities on the economy, the environment and individuals are managed.

# European taxonomy

The fight against climate change and the recent Covid-19 pandemic have evidenced the need to accelerate towards a European framework that favors investment in sustainable projects, with a view to protecting and strengthening the economy, businesses and society in general. The European Taxonomy intends to represent a solid tool for transparency, based on objective criteria for businesses and investors, introducing clear performance criteria for establishing which economic activities make a substantial contribution to the European Green Deal objectives. These criteria create a

common language that allows businesses and investors to communicate their “green” economic initiatives with greater credibility.

European Regulation 2020/852 (EU Taxonomy) defines the criteria by which a given economic activity can be considered eco-sustainable, by contributing to the achievement of six environmental objectives via the satisfaction of objective/technical criteria specified in the Regulation.



The European regulator envisaged gradual application of the Taxonomy Regulation by non-financial enterprises that, for 2021, had to report the portions of their turnover, capital expenditure and operating expenses deemed to be “taxonomy-eligible”, with reference to the first two environmental objectives, regardless of whether or not they satisfied the technical screening criteria defined in the Delegated Acts of the Regulation.

Commencing from 2022, in addition to their taxonomy-eligible turnover, capital expenditure and operating expenses, the non-financial enterprises required to publish a Non-Financial Statement are required to report on their “taxonomy-aligned” economic activities<sup>1</sup>, indicating the related portions of turnover, capital expenditure and operating expenses.

Interpump Group recognizes the importance of alignment with the principles contained in the European Taxonomy, with a view to accessing the finance available for sustainable investments, when such instruments offer favorable terms and conditions. This said, Interpump Group companies manufacture, assemble and sell intermediate components that, as specified in the “Questions and Answers on the EU Taxonomy Complementary Climate Delegated Act” document, issued by the European Commission on 2 February 2022, currently do not fall into the category of eligible activities identified in the technical screening

criteria; accordingly, there is not requirement to report on the above indicators in this NFS. Interpump Group will continue to monitor changes in the Regulation, with a view to complying with any future non-financial reporting requirements.

## Taxonomy-eligible and Taxonomy-aligned activities

Interpump Group has identified its percentage of Taxonomy-eligible economic activities by evaluating and analyzing the activities identified in the Taxonomy Regulation, with particular reference to their description and the applicable NACE codes.

Based on this analysis, for 2022 Interpump Group has identified the purchase and installation of **photovoltaic panels** as a Taxonomy-eligible economic activity.

With reference to the investment made in 2022 by Interpump Group to purchase and install photovoltaic panels, this CapEx was 0.7% of total consolidated capital expenditure during the year. Investments of this type confirm the Group's commitment to achieving the global decarbonization and greenhouse gas reduction goals.

With reference to the disclosures pursuant to art. 8, paras. 6 and 7, of Delegated Regulation (EU) 2021/2178, which envisage use of the templates provided in Attachment XII for the communication of fossil gas and nuclear-related activities, none of these forms have been included since they are unrelated to the activities of the Company.

<sup>1</sup> A Taxonomy-aligned activity is a Taxonomy-eligible economic activity that makes a substantial contribution to one of the Taxonomy objectives by satisfying the technical screening criteria while doing no significant harm to the other environment objectives and, at the same time, providing the minimum safeguards specified in the OECD Guidelines for multinational enterprises and the United Nations Guiding principles for business and human rights.

Focus of Photovoltaic Panels	UoM	2021	2022
Installed renewable power	MWp	1.7	2.4
Total installed renewable power	MWp	3.3	5.8
Increase in value of tangible fixed assets <sup>1</sup>	Eur Mln	1.9	1.0
% of renewable energy potentially produced out of the Group consumption	%	3.6%	4.6%
Renewable energy potentially produced per year at Group level	MWh/y	3,852	6,841
Average incidence of CO <sub>2</sub> per kWh (calculated using the Location-based method)	gCO <sub>2</sub> /kWh	356	418
Savings of CO <sub>2</sub> equivalent emissions	t CO <sub>2</sub> /y	1,371	2,862

European Taxonomy - Eligible Portion	KPI 2022
Revenues	0.0%
Opex	0.0%
Capex	0.7%

The technical screening criteria for determining if an activity is aligned with the requirements of the European Taxonomy call for an analysis of the physical risks associated with climate change for the business assets of the Group at its various locations. The assessment of these risks will be explored better in the decarbonization strategy that, as envisaged in the ESG Plan, will be finalized during 2023.

In the absence of this analysis, the 2021 investment in photovoltaic panels is treated as “non-aligned” in 2022.

European Taxonomy - Aligned Portion	KPI 2022
Revenues	0.0%
Opex	0.0%
Capex	0.0%

<sup>1</sup> With reference to the investment in photovoltaic panels, the increase in value of tangible fixed assets has been reported, rather than the cash outflow during the year. Given this change, the amount reported in the previous NFS is increased to EUR 1.9 M from 1.4 M.

The amounts in the following tables are consistent with the Group's financial reporting and include effects relating to Eurofluid Hydraulic S.r.l., which is excluded from the scope of this NFS

### Portion of turnover deriving from products and services associated with Taxonomy-aligned economic activities - Information for 2022

Economic activity (1)	Code(s) (2)	Total turnover (3)	Portion of turnover (4)	Criteria for "substantial contribution"						Criteria for "do no significant harm"						Minimum safeguards (17)	Taxonomy-aligned turnover, Year N (18)	Taxonomy-aligned turnover, Year N-1 (19)	Category (qualifying activity) (20)	Category (transitional activity) (21)
				Mitigation of climate change (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		min €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Q	T
<b>A. Taxonomy-eligible activities</b>																				
A.1 Eco-sustainable activities (taxonomy aligned)			0%	0%	0%												0%			
Turnover of eco-sustainable activities (taxonomy aligned) (A.1)			0%	0%	0%												0%			
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)			0%	0%	0%															
Turnover of taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)			0%	0%	0%															
Total (A.1 + A.2)		0	0%	0%	0%															
<b>B. Taxonomy non-eligible activities</b>																				
Turnover of taxonomy non-eligible activities (B)		2,078	100%																	
Total (A + B)		2,078	100%																	

### Portion of capital expenditure deriving from products and services associated with Taxonomy-aligned economic activities - Information for 2022

Economic activity (1)	Code(s) (2)	Total capital expenditure (3)	Portion of capital expenditure (4)	Criteria for "substantial contribution"						Criteria for "do no significant harm"						Minimum safeguards (17)	Portion of taxonomy-aligned capital expenditure, Year N (18)	Portion of taxonomy-aligned capital expenditure, Year N-1 (19)	Category (qualifying activity) (20)	Category (transitional activity) (21)
				Mitigation of climate change (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)					
		min €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Q	T
<b>A. Taxonomy-eligible activities</b>																				
A.1 Eco-sustainable activities (taxonomy aligned)																				
Capital expenditure on eco-sustainable activities (taxonomy aligned) (A.1)			0%	0%	0%												0%			
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)																	0%			
Installation, maintenance and repair of renewable energy technologies		1.0	0%	0%	0%															
Capital expenditure on taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities) (A.2)			0%	0%	0%															
Total (A.1 + A.2)		1.0	0.7%	0%	0%															
<b>B. Taxonomy non-eligible activities</b>																				
Capital expenditure on taxonomy non-eligible activities (B)		140.2	99.3%																	
Total (A + B)		141.2 <sup>1</sup>	100%																	

1 The amount of EUR 141.2 M includes the increases in tangible fixed assets during 2022 deriving from additions and changes in the scope of consolidation.

## Portion of operating expenditure deriving from products and services associated with Taxonomy-aligned economic activities - Information for 2022

Economic activity (1)	Criteria for "substantial contribution"								Criteria for "do no significant harm"								Portion of taxonomy-aligned operating expenditure, Year N (18)	Portion of taxonomy-aligned operating expenditure, Year N-1 (19)	Category (qualifying activity) (20)	Category (transitional activity) (21)
	Code(s) (2)	Total operating expenditure (3)	Portion of operating expenditure (4)	Mitigation of climate change (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Mitigation of climate change (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)				
		mln €	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	Q	T
<b>A. Taxonomy-eligible activities</b>																				
A.1 Eco-sustainable activities (taxonomy aligned)			0%	0%	0%												0%			
Capital expenditure on eco-sustainable activities (taxonomy aligned) (A.1)			0%	0%	0%												0%			
A.2 Taxonomy-eligible activities that are not eco-sustainable (taxonomy non-aligned activities)			0%	0%	0%															
Taxonomy-eligible OpEx that is not Taxonomy aligned			0%	0%	0%															
Total (A.1 + A.2)		0	0%	0%	0%															
<b>B. Taxonomy non-eligible activities</b>																				
Operating expenditure on taxonomy non-eligible activities (B) <sup>1</sup>		26.4	100%																	
Total (A + B)		26.4	100%																	

1 This item includes 2022 costs relating to industrial maintenance and repairs.



## Sustainable initiatives of Interpump Group

### Renewable energy sources

In recent years, 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 CO<sub>2</sub> emissions. The most significant initiatives in 2022 included the installation of almost 1,000 kWp on the roofs of the plants operated by I.M.M. Spa in Abruzzo and Puglia, as well as the investment by Interpump Hydraulics India Ltd in a total of 600 kWp.

Additional photovoltaic panels will be installed during 2023, especially at the plants of Interpump Group S.p.A., Interpump Hydraulics S.p.A. and Walvoil S.p.A.

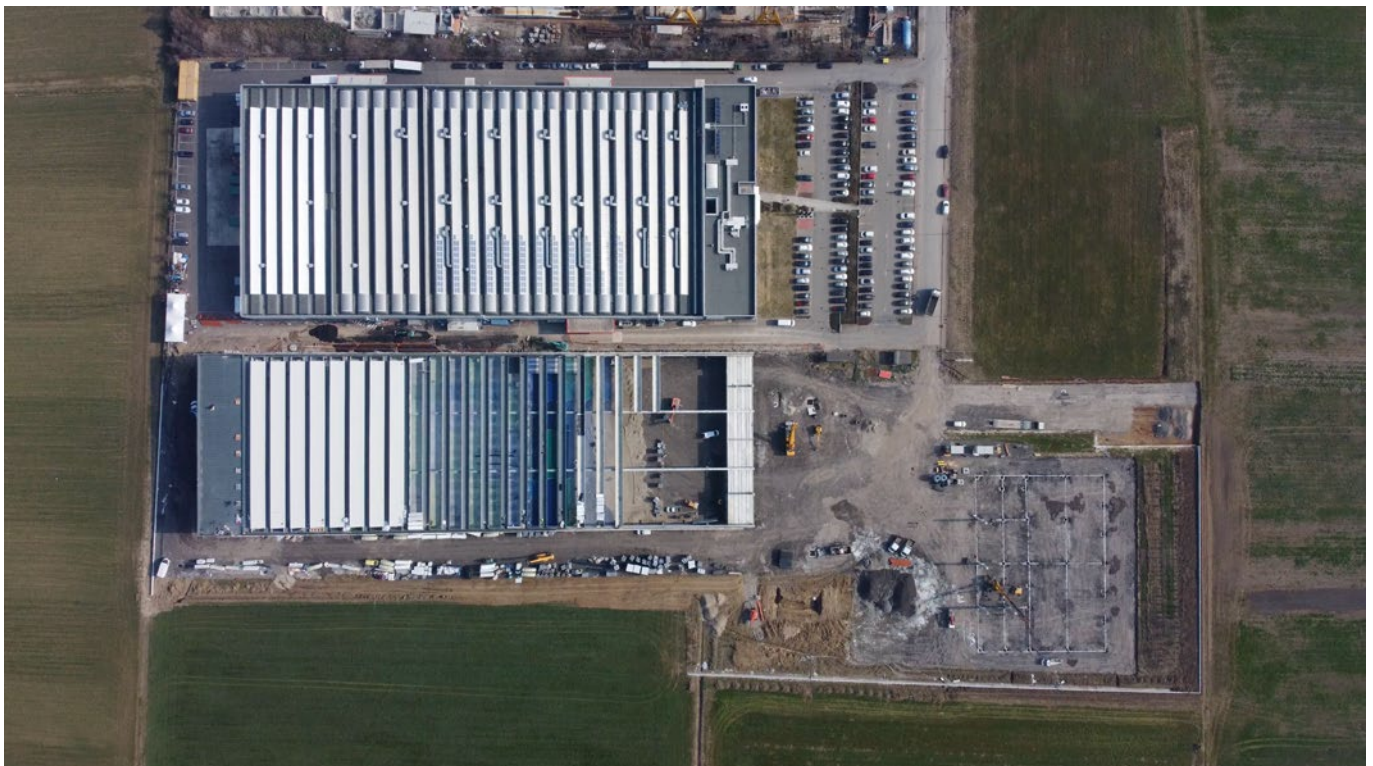
Photovoltaic panels are always installed on the roofs of plants, in order to establish a direct link between demand

and the energy source, as well as to avoid the occupation of land.

### Other initiatives

Other initiatives conducted by the Group include energy efficiency and emission reduction activities. These include: heat-pump HVAC systems not powered by natural gas; replacement of lighting systems with LED bulbs; intelligent temperature and lighting control systems; more efficient auxiliary production systems; auxiliary heat recovery systems that have saved methane gas consumption; replacement of office heating systems with more efficient solutions; adiabatic cooling systems at plants – given their higher energy efficiency with respect to conventional conditioning systems.

Fixed asset additions related to photovoltaic panels totaled about Euro 1.0 mln at Group level in 2022, with further additions linked to new projects in 2023 that are currently being finalized.



Construction of new plant for Walvoil S.p.A. (Corte Tegge, Italy)

## Climate change and the reduction of emissions

Climate change represents a threat and a challenge for all of humanity. The global rise in temperatures, due in particular to the increase in CO<sub>2</sub> and GHG levels in the atmosphere, is inexorably altering the balance of eco-systems with devastating social and economic effects.

This scenario inherently creates an element of uncertainty about the sustainable success of Interpump Group. Indeed, climate change exposes the Group to two principal types of risk:

- physical: being risks linked to extreme natural events that might cause physical injury to persons and material damage to plants, or even shutdown their operations. Such events are not limited to floods or fires, but also include pandemics caused by the alteration of natural ecosystems;
- transition: being compliance risks linked to sudden changes in rules and regulations and stricter requirements intended to reduce polluting emissions, as well as market and innovation risks deriving from the need to implement emerging technologies, with an impact on competitiveness, production and distribution costs, and even demand from end users for the products and services concerned.

With regard to the physical risks, the prevention and control systems implemented to monitor for potentially catastrophic natural events enable Group companies to mitigate as much as possible the impacts of such events on business activities, while the recovery strategies adopted are intended to restore operations promptly.

In terms of the transition risks, Interpump Group is committed to making its small contribution to the global fight against climate change, with a view to strengthening the resilience of its business model, reducing gradually its dependence on energy sources based on fossil fuels, and proposing technologically-innovative solutions to those customers that demand ever decreasing energy consumption and CO<sub>2</sub> emissions.

Analytical work is in progress to identify the physical climate risks and related vulnerabilities that might influence the economic activities of the Group, having regard for the expected duration of their life cycles. This

analysis of risks and vulnerabilities is being carried out using methodology consistent with the requirements of the European Taxonomy.

On approval of the ESG Plan 2023-2025, Interpump embarked on a path of sustainable growth with a view to generating further value for its stakeholders, especially by reducing the impacts of its activities on the environment. In order to progress along this path, Interpump Group is strongly committed to transforming its business by transitioning purposefully towards a carbon-neutral model by 2050. The strategy and operational procedures needed to achieve the above decarbonization objective will be defined during 2023, involving all companies within Interpump Group and covering all Scope 1, Scope 2 and Scope 3 categories of atmospheric emissions.

The transition towards a carbon-neutral model calls for gradual improvement of the energy efficiency of plants and productive installations. For this reason, Interpump Group is committed to investing in renewable sources of energy, such as the installation of photovoltaic panels and the purchase of renewable energy certificates, with a view to covering 25% of its energy requirements and achieving a 30% reduction in carbon intensity by 2025.

The path of sustainable growth and environmental protection taken by Interpump Group also means devising processes that support the circular economy of products, the more efficient management of water resources and the development of technical solutions for the eco-design of products.



# 5. Personnel- related area

# Management of personnel topics

GRI 2-25; GRI 3-3

Interpump Group considers employees and collaborators to be a factor of primary importance in its success. The Group protects and promotes the value of its human resources, in order to improve and expand the wealth of knowledge and skills possessed by each employee, pursuing and guaranteeing respect for human and workers' rights, the freedom and dignity of individuals, as well as the principles of justice, equity and solidarity. The Group also guarantees the physical and moral integrity of its employees and collaborators, providing working conditions that respect their personal dignity and working environments that are safe and healthy.

Interpump Group is committed to tackling the current challenges that the socio-economic environment and jobs market pose to the majority of organizations around the world. Among these, hiring and retaining experienced labor and new talents has become very difficult, while the definition of long-term strategies has been made more complex by the uncertainties that cloud the current labor market. These complexities combine with the essential need to guarantee all workers, not just employees, healthy and suitable working conditions that, to the extent possible, are free from hazards.

The principal policies adopted by Interpump Group to address personnel management and occupational health and safety are detailed in the Code of Ethics, the Guidelines on Occupational Health and Safety, and the Guidelines on Human Rights. In particular, via these policies, Interpump Group strives to:

- safeguard working conditions and trade union freedoms;
- prevent incidents, injuries and occupational diseases;
- guarantee respect for the occupational health and safety regulations in all countries in which the Group operates, spreading a culture founded on responsible behavior by all workers;
- support the adoption of procedures and protocols designed to guarantee the control of emergency

situations;

- develop the professional and managerial skills of its employees and collaborators;
- attract new talents and retain the best resources.

In this regard, the ESG Plan of Interpump Group includes as, short/medium-term objectives, actions to (i) contain the frequency of injuries, (ii) extend as much as possible the implementation of certified occupational health and safety management systems, (iii) increase the number of training hours delivered, and (iv) develop talent retention programs, including the Global Mobility program (see the *ESG Plan 2023-2025* section for further details).

Consistent with the strategies adopted over the years, the Group continues to invest in its collaborators, increasing the size of the workforce and, consequently, in the professional skills available. For this purpose, Interpump Group plans and organizes training courses designed to develop the abilities needed to perform the duties assigned and grow the managerial skills. Adequate preparation and training also increases the knowledge of operational processes, improving quality standards and, at the same time, mitigating injury risks. Group companies manage and monitor the business processes relating to their own employees, drawing as necessary on advice from external experts. In this regard, the Group is now working internally to improve the monitoring of personnel-related indicators and analyze their trends.

The Group maintains constant, transparent dialog with the trade unions, including the direct involvement of employees in order to listen to their requests and concerns.



# Human capital

GRI 2-7; GRI 2-8; GRI 2-30

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

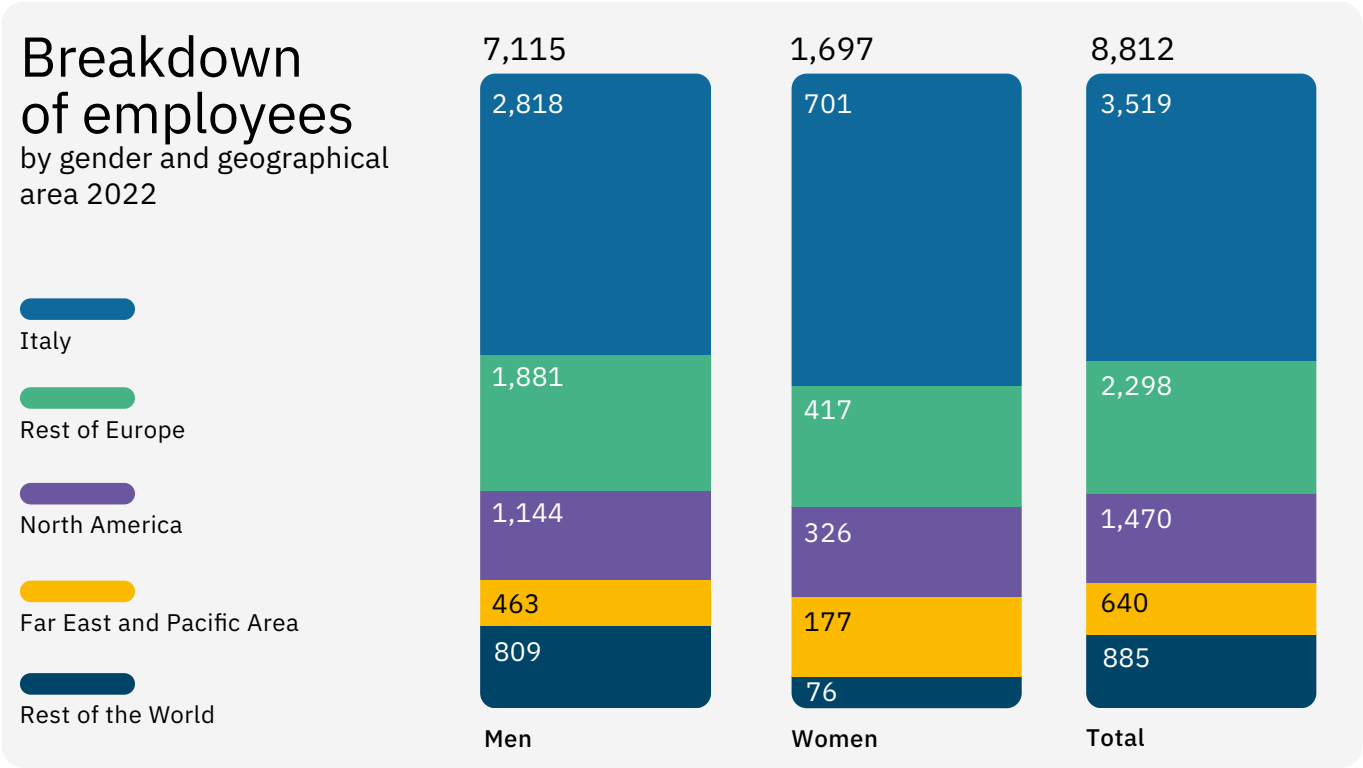
As a consequence of organic growth during the year and new acquisitions, Interpump Group now has 8,812 employees in total, up by 16.8% compared with the prior year<sup>1</sup>. Employment by the Group increased by 1,439 persons during the three-year period 2020-2022.

In geographical terms, Group employment at 31 December 2022 is distributed as follows: Italy (39.9%), other European countries (26.1%), North America (16.7%), Far

East and Pacific Area (7.3%), and the Rest of the World (10%). Employment is mostly concentrated in Italy, with 3,519 persons, followed by the United States, India, China and Germany. 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.

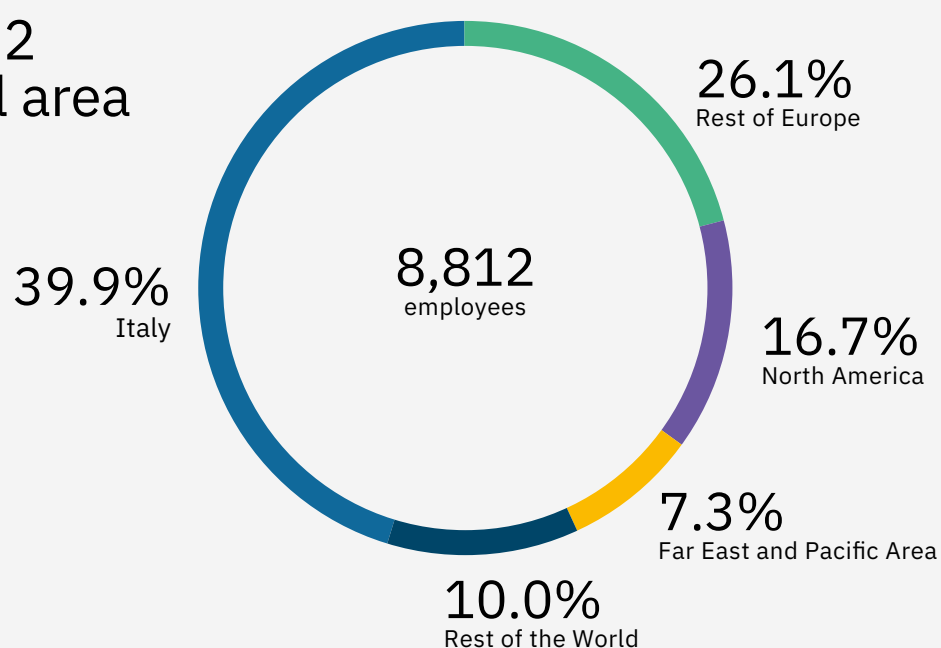
Given the nature of the sector in which the Group operates, the workforce mostly comprises men (80.7%), although the female component has risen in recent years (+27.3% compared with 2020 and +23.9% compared with 2021).

<sup>1</sup> The employees of the newly-acquired companies, included for the first time with the reporting scope of this document, were added to the workforce of Interpump Group at 31 December 2022 for reporting purposes; accordingly, they have not been included in the data for inbound and outbound turnover. In particular, this aspect comprises: 12 employees of Draintech S.r.l. (Italy), 333 of White Drive Motors and Steering LLC (USA), 125 of White Drive Motors and Steering GmbH (Germany) and 574 of White Drive Motors and Steering Sp. z o.o. (Poland).





## Employees 2022 by geographical area



The Group seeks to promote and consolidate long-term employment relationships, preferring permanent contracts (94.8%). This type of contract, covering 1,107 more persons than in 2021, is most common in Italy and North America.

By contrast, there are 463 employees on temporary contracts, compared with 305 in the prior year.

GRI 2-7 Permanent/temporary contracts by gender and geographical area

	Total			Italy			Rest of Europe			North America			Far East and Pacific Area			Rest of the World		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
<b>Permanent</b>	<b>7,175</b>	<b>7,242</b>	<b>8,349</b>	<b>3,269</b>	<b>3,311</b>	<b>3,393</b>	<b>1,461</b>	<b>1,492</b>	<b>2,078</b>	<b>1,035</b>	<b>1,077</b>	<b>1,446</b>	<b>555</b>	<b>573</b>	<b>600</b>	<b>855</b>	<b>789</b>	<b>832</b>
Men	5,885	5,921	6,747	2,629	2,660	2,722	1,220	1,245	1,705	846	875	1,124	402	420	438	788	721	758
Women	1,290	1,321	1,602	640	651	671	241	247	373	189	202	322	153	153	162	67	68	74
<b>Temporary</b>	<b>198</b>	<b>305</b>	<b>463</b>	<b>65</b>	<b>57</b>	<b>126</b>	<b>86</b>	<b>81</b>	<b>220</b>	<b>1</b>	<b>5</b>	<b>24</b>	<b>46</b>	<b>44</b>	<b>40</b>	<b>-</b>	<b>118</b>	<b>53</b>
Men	155	256	368	49	39	96	73	66	176	1	5	20	32	28	25	-	118	51
Women	43	49	95	16	18	30	13	15	44	-	-	4	14	16	15	-	-	2
<b>Total employees</b>	<b>7,373</b>	<b>7,547</b>	<b>8,812</b>	<b>3,334</b>	<b>3,368</b>	<b>3,519</b>	<b>1,547</b>	<b>1,573</b>	<b>2,298</b>	<b>1,036</b>	<b>1,082</b>	<b>1,470</b>	<b>601</b>	<b>617</b>	<b>640</b>	<b>855</b>	<b>907</b>	<b>885</b>
Men	6,040	6,177	7,115	2,678	2,699	2,818	1,293	1,311	1,881	847	880	1,144	434	448	463	788	839	809
Women	1,333	1,370	1,697	656	669	701	254	262	417	189	202	326	167	169	177	67	68	76

At 31 December 2022, 8,532 employees have a full-time contract (96.8%), while 280 employees have a part-time contract (3.2%). The latter type of contract has increased by 10.2% with respect to 2021 and 16.2% with respect to 2020; in general, it is mostly made available to female

employees (77.9%).

The Group did not employ any persons on zero-hours contracts during the three-year reporting period.

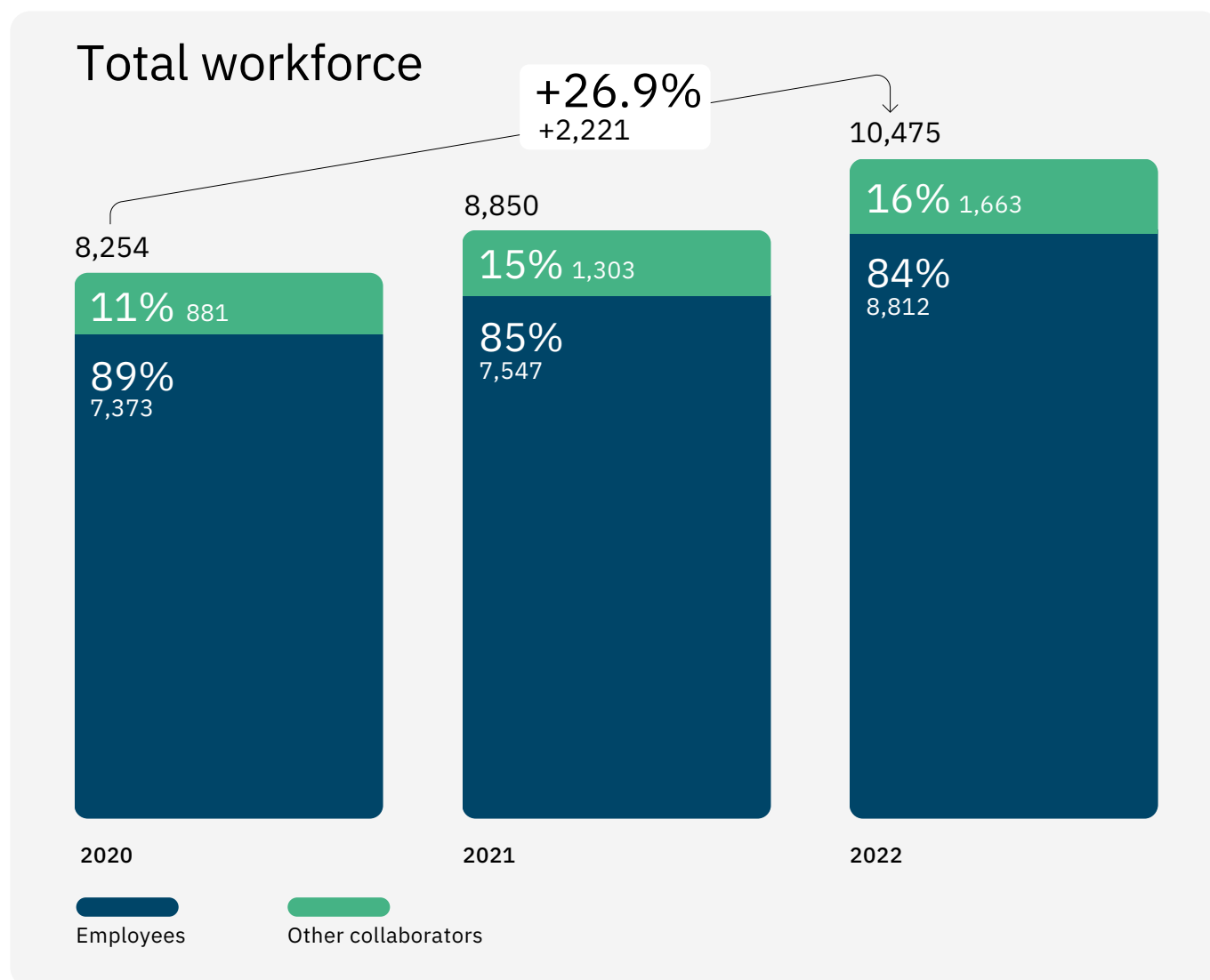
GRI 2-7 Full-time/part-time contracts by gender and geographical area																		
	Total			Italy			Rest of Europe			North America			Far East and Pacific Area			Rest of the World		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
<b>Full time</b>	<b>7,132</b>	<b>7,293</b>	<b>8,532</b>	<b>3,171</b>	<b>3,194</b>	<b>3,341</b>	<b>1,486</b>	<b>1,511</b>	<b>2,225</b>	<b>1,027</b>	<b>1,069</b>	<b>1,451</b>	<b>593</b>	<b>612</b>	<b>632</b>	<b>855</b>	<b>907</b>	<b>883</b>
Men	5,998	6,123	7,053	2,654	2,667	2,792	1,280	1,300	1,858	842	870	1,132	434	447	463	788	839	808
Women	1,134	1,170	1,479	517	527	549	206	211	367	185	199	319	159	165	169	67	68	75
<b>Part time</b>	<b>241</b>	<b>254</b>	<b>280</b>	<b>163</b>	<b>174</b>	<b>178</b>	<b>61</b>	<b>62</b>	<b>73</b>	<b>9</b>	<b>13</b>	<b>19</b>	<b>8</b>	<b>5</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>2</b>
Men	42	54	62	24	32	26	13	11	23	5	10	12	-	1	-	-	-	1
Women	199	200	218	139	142	152	48	51	50	4	3	7	8	4	8	-	-	1
<b>Total employees</b>	<b>7,373</b>	<b>7,547</b>	<b>8,812</b>	<b>3,334</b>	<b>3,368</b>	<b>3,519</b>	<b>1,547</b>	<b>1,573</b>	<b>2,298</b>	<b>1,036</b>	<b>1,082</b>	<b>1,470</b>	<b>601</b>	<b>617</b>	<b>640</b>	<b>855</b>	<b>907</b>	<b>885</b>
Men	6,040	6,177	7,115	2,678	2,699	2,818	1,293	1,311	1,881	847	880	1,144	434	448	463	788	839	809
Women	1,333	1,370	1,697	656	669	701	254	262	417	189	202	326	167	169	177	67	68	76

Interpump Group strives to maintain constructive dialog with trade unions, in compliance with the regulations in force in each country of operations. At 31 December 2022, 5,737 employees of the Group, representing 65.1% of the total, are covered by collective bargaining agreements.

Conversely, 3,075 employees are not covered by collective bargaining agreements: 99.3% have contracts not influenced by or based on other types of collective bargaining, while the remaining contracts (0.7%) reflect collective agreements reached by other organizations.

Geographical area	Total employees	Employees covered by collective bargaining agreements	(%)
North America	1,470	-	0%
Italy	3,519	3,519	100%
Rest of Europe	2,298	1,444	63%
Far East and Pacific Area	640	432	68%
Rest of the World	885	342	39%
<b>Total</b>	<b>8,812</b>	<b>5,737</b>	<b>65%</b>

In addition to 8,812 employees, Interpump Group has a further 1,663 workers who are not employees, comprising 16% of the total workforce after a rise during the year of 27.6% (+360 persons).



At 31 December 2022, the latter include 1,615 agency workers and 48 persons on other types of contract (2.9%), including contractors, subcontractors, self-employed persons and interns. Interpump Group uses these workers for various duties, including production activities, logistics

and reception services. All such collaborators, whose duties are coordinated by Interpump Group, are deemed to have a full-time contract.

## Employee composition

GRI 405-1

The composition of personnel within the professional categories was stable during the three-year period 2020-2022.

In particular, at 31 December 2022, 62.4% of employees

are blue-collar workers, 35.2% are white-collar workers and managers and 2.4% are executives. The female component is concentrated in the “white-collar workers and managers” category, comprising 32% of the total and reflecting increases of 170 and 193 compared with 2021 and 2020 respectively.

GRI 405-1 Employees by category and gender									
	2020			2021			2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Blue collars	4,046	502	4,548	4,143	519	4,662	4,822	676	5,498
White collars and managers	1,816	804	2,620	1,845	827	2,672	2,109	997	3,106
Executives	178	27	205	189	24	213	184	24	208
<b>Total</b>	<b>6,040</b>	<b>1,333</b>	<b>7,373</b>	<b>6,177</b>	<b>1,370</b>	<b>7,547</b>	<b>7,115</b>	<b>1,697</b>	<b>8,812</b>

Overall, the breakdown of employees by age group shows that 54.5% are concentrated in the 30 to 50 band, 30.2% are over 50, and the remainder (15.3%) are under 30. The age group distribution of employees was stable in the three-year reporting period. At 31 December 2022, 84 executives are in the 30-50 age group, while 124 are aged over 50.

At the same date, 52.2% of blue-collar workers are in the 30-50 age group (2,869 persons), while 30.4% are aged

over 50 (1,672 persons). Lastly, 60% of “white collars and managers” are concentrated in the 30 to 50 band (1,850 persons), 28% are above the age of 50 (864 persons), and the remaining 392 persons are under 30.

GRI 405-1 Employees by category and age group												
	2020				2021				2022			
	< 30	30 - 50	> 50	Total	< 30	30 - 50	> 50	Total	< 30	30 - 50	> 50	Total
Blue collars	839	2,454	1,255	4,548	854	2,474	1,334	4,662	957	2,869	1,672	5,498
White collars and managers	314	1,620	686	2,620	321	1,614	737	2,672	392	1,850	864	3,106
Executives	-	105	100	205	-	104	109	213	-	84	124	208
<b>Total</b>	<b>1,153</b>	<b>4,179</b>	<b>2,041</b>	<b>7,373</b>	<b>1,175</b>	<b>4,192</b>	<b>2,180</b>	<b>7,547</b>	<b>1,349</b>	<b>4,803</b>	<b>2,660</b>	<b>8,812</b>

## New employee hires and employee turnover

GRI 401-1

The number of new hires in 2022 totaled 1,726 persons, up by 20.9% with respect to the prior year and by 99.5% compared with 2020, which was heavily influenced by the pandemic. Leavers in 2022 totaled 1,440 persons, up by 15.6% compared with the prior year and by 50.2% compared with 2020. Most new hires and leavers in 2022 were men working in North America.

New hires were concentrated in the under 30 age group and in the 30-50 band, while leavers were concentrated in the 30-50 age group, with lower percentages for the under 30s and over 50s.

New hires and leavers during the reporting period are analyzed by geographical area below, indicating the turnover rates.<sup>1</sup>

1 The inbound turnover rate is calculated as follows:  
(number of new hires / total employees) x 100;

The outbound turnover rate is calculated as follows: (number of leavers / total employees) x 100

GRI 401-1 New hires																		
	Total			Italy			Rest of Europe			North America			Far East and Pacific Area			Rest of the World		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total new hires	865	1,428	1,726	96	293	351	253	286	417	206	350	520	102	202	185	208	297	253
Men	741	1,216	1,376	80	233	276	219	245	334	170	297	389	83	163	145	189	278	232
Women	124	212	350	16	60	75	34	41	83	36	53	131	19	39	40	19	19	21

Total new hires	865	1,428	1,726	96	293	351	253	286	417	206	350	520	102	202	185	208	297	253
< 30	386	652	757	44	98	131	62	85	166	84	139	212	55	104	75	141	226	173
30 - 50	374	596	749	45	165	180	136	130	183	86	147	211	46	86	98	61	68	77
> 50	105	180	220	7	30	40	55	71	68	36	64	97	1	12	12	6	3	3

Inbound turnover	11.7%	18.9%	19.6%	2.9%	8.7%	10.0%	16.4%	18.2%	18.1%	19.9%	32.3%	35.4%	17.0%	32.7%	28.9%	24.3%	32.7%	28.6%
Men	12.3%	19.7%	19.3%	3.0%	8.6%	9.8%	16.9%	18.7%	17.8%	20.1%	33.8%	34.0%	19.1%	36.4%	31.3%	24.0%	33.1%	28.7%
Women	9.3%	15.5%	20.6%	2.4%	9.0%	10.7%	13.4%	15.6%	19.9%	19.0%	26.2%	40.2%	11.4%	23.1%	22.6%	28.4%	27.9%	27.6%

Inbound turnover	11.7%	18.9%	19.6%	2.9%	8.7%	10.0%	16.4%	18.2%	18.1%	19.9%	32.3%	35.4%	17.0%	32.7%	28.9%	24.3%	32.7%	28.6%
< 30	33.5%	55.5%	56.1%	11.1%	26.0%	31.8%	26.1%	36.2%	44.1%	52.2%	74.3%	81.9%	39.0%	80.6%	63.0%	65.0%	91.5%	94.5%
30 - 50	8.9%	14.2%	15.6%	2.4%	8.7%	9.3%	17.0%	16.4%	15.9%	17.8%	29.8%	32.2%	11.6%	20.8%	22.5%	10.3%	11.3%	12.2%
> 50	5.1%	8.3%	8.3%	0.7%	2.7%	3.4%	10.8%	13.0%	8.8%	9.2%	16.0%	17.5%	1.6%	16.0%	14.1%	12.5%	5.0%	4.3%

GRI 401-1 Leavers																		
	Total			Italy			Rest of Europe			North America			Far East and Pacific Area			Rest of the World		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total leavers	959	1,246	1,440	155	247	239	323	271	359	244	304	405	98	183	162	139	241	275
Men	817	1,067	1,219	131	199	192	287	235	309	197	264	326	82	146	130	120	223	262
Women	142	179	221	24	48	47	36	36	50	47	40	79	16	37	32	19	18	13

Total leavers	959	1,246	1,440	155	247	239	323	271	359	244	304	405	98	183	162	139	241	275
< 30	279	423	548	31	47	49	47	55	85	85	89	151	51	82	59	65	150	204
30 - 50	432	551	614	45	100	108	172	133	174	117	145	175	36	89	92	62	84	65
> 50	248	272	278	79	100	82	104	83	100	42	70	79	11	12	11	12	7	6

Outbound turnover	13.0%	16.5%	16.3%	4.6%	7.3%	6.8%	20.9%	17.2%	15.6%	23.6%	28.1%	27.6%	16.3%	29.7%	25.3%	16.3%	26.6%	31.1%
Men	13.5%	17.3%	17.1%	4.9%	7.4%	6.8%	22.2%	17.9%	16.4%	23.3%	30.0%	28.5%	18.9%	32.6%	28.1%	15.2%	26.6%	32.4%
Women	10.7%	13.1%	13.0%	3.7%	7.2%	6.7%	14.2%	13.7%	12.0%	24.9%	19.8%	24.2%	9.6%	21.9%	18.1%	28.4%	26.5%	17.1%

Outbound turnover	13.0%	16.5%	16.3%	4.6%	7.3%	6.8%	20.9%	17.2%	15.6%	23.6%	28.1%	27.6%	16.3%	29.7%	25.3%	16.3%	26.6%	31.1%
< 30	24.2%	36.0%	40.6%	7.8%	12.5%	11.9%	19.7%	23.4%	22.6%	52.8%	47.6%	58.3%	36.2%	63.6%	49.6%	30.0%	60.7%	111.5%
30 - 50	10.3%	13.1%	12.8%	2.4%	5.3%	5.6%	21.4%	16.8%	15.2%	24.2%	29.4%	26.7%	9.0%	21.5%	21.1%	10.5%	14.0%	10.3%
> 50	12.2%	12.5%	10.5%	7.7%	9.1%	7.0%	20.5%	15.2%	12.9%	10.7%	17.5%	14.2%	17.7%	16.0%	12.9%	25.0%	11.7%	8.7%



## Development and qualification of the employees

GRI 404-1

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. Overall, 84,510 training hours were delivered in 2022, up by 8.9% compared with 2021 and by 58.4% compared with 2020.

Training hours per capita	2020	2021	2022
<b>Gender</b>			
Men	7.2	10.4	9.5
Women	7.5	9.8	10.1
Average hours per capita	7.2	10.3	9.6
<b>Category</b>			
Blue collars	6.7	9.7	7.8
White collars and managers	7.8	10.8	12.9
Executives	12.6	16.0	8.3
Average hours per capita	7.2	10.3	9.6

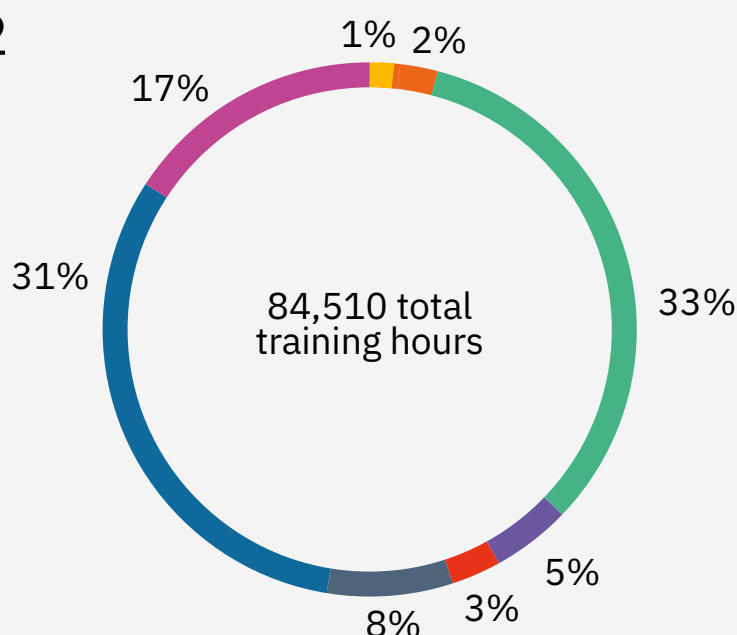
The per capita training hours delivered to Group employees averaged 9.6 hours in 2022, down slightly from 2021 (10.3 hours), but up considerably with respect to the average in 2020 (7.2 hours). This trend is attributable to normalization of the training hours delivered, following the unusual peak in 2021 on recovery of the courses that had been suspended in 2020, due to the pandemic. The slight discrepancy between the per capita hours delivered to male and female employees is attributable to the different distribution of the genders within the professional categories; in particular, per capita training hours in the “white collar and managers” category, in which women employees are mostly concentrated, averaged 12.9 hours over the year. Interpump Group organizes specific training courses for the various professional categories, depending on the duties

assigned to each persons and their responsibilities. The principal topics addressed by training in 2022 included:

- occupational health and safety;
- technical training;
- soft skills;
- foreign languages;
- leadership;
- compliance;
- cyber security;
- anti-corruption.

### Training hours in 2022 by topic

- Cyber security
- Anti-corruption and compliance
- Health and safety
- Foreign languages
- Leadership
- Soft skills
- Technical training
- Other



## 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; GRI 403-9

The protection of occupational health and safety has always been the main focus of attention for Interpump Group. For this reason, the Group has included specific Guidelines on health and safety in the Global Compliance Program, in order to standardize even further the management of this topic within the Group.

The Group does not manage the Health and Safety area centrally, requiring each subsidiary to identify specific internal functions responsible for governance of the related matters. For example, most Group companies have implemented systems designed to identify hazards in the workplace via the adoption of specific procedures. These procedures also envisage mitigation strategies for the risks identified, including the provision of specific training to employees in line with international best practices, such as the UNI EN ISO 45001:2018 certification obtained by 28% of Group companies (see the *Management Systems* section for further details).

With regard to reporting on potential hazards and/or workplace events, most manufacturing companies give their employees the opportunity to submit specific reports, via dedicated channels, to the appointed persons (e.g. the Workers' Safety Representative (WSR) or the Prevention and Protection Officer (PPO), in an Italian context). These persons are responsible for preparing internal procedures consistent with local regulations, updating them periodically and guaranteeing their timely dissemination to employees and the other categories of workers involved. The following principal activities contribute to the identification and minimization 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 guarantee the quality of the work performed and facilitate access to the services by all workers, specific professional roles - such as the Company Doctor or the PPO/WSR - carry out additional checks and medical examinations in the workplace, in compliance with the related local regulations.

In addition, where possible, Group companies strive to ensure employee participation and consultation with them regarding the assessment, improvement and implementation 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. Furthermore, where formal worker-management committees have been established, their activities include: health monitoring, risk assessment,

investigation of incidents and promotion of corrective actions to improve health and safety conditions in the workplace.

General training for the proper implementation of these systems is provided by most Group companies. Depending on the duties of each worker, specific training modules may also be activated to address the risks associated with their activities, including any physical, ergonomic or chemical hazards. 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, suppliers are requested to read and sign for acceptance the Code of Ethics adopted by the Group.

During 2022 employees suffered a total of 138 recorded injuries involving more than one day of absence, of which just one had serious consequences. In the same period, there were 122 injuries involving absence of less than 24 hours. Including agency workers and external firms, the number of injuries involving absence from work for more than 24 hours totaled 177 in 2022.

No fatalities were reported in any of the categories of worker during the three-year reporting period; accordingly, the fatality rate from work-related injuries is zero.

The number of injuries suffered by employees in 2022 was greater than in 2021, reflecting the increase in employment and the total hours worked; in fact, the overall injury rate of 3.31 is proportionately lower than in the prior year, when it was 3.41. Most injuries involving absence for more than 24 hours related to cuts (28.8%) and crushing (22%).

The overall injury rate of 3.19 is in line with the prior year; the change is explained by the considerable increase in the number of hours worked (+17.4% compared with 2021 and +35.9% compared with 2020).

The principal injury data and rates<sup>1</sup> for the three-year reporting period are presented below, with reference to the entire workforce of the Group.

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	2020	2021	2022
<b>A. Employees</b>			
Hours worked	12,485,874	13,842,720	15,696,866
<b>Total injuries</b>	<b>209</b>	<b>236</b>	<b>260</b>
of which with absence ≤ 1 day	88	83	122
of which with absence > 1 day and without high-consequence	120	153	137
of which with absence > 1 day and with high-consequence	1	-	1
<b>Total injury rate</b>	<b>3.35</b>	<b>3.41</b>	<b>3.31</b>
of which with absence ≤ 1 day	1.41	1.20	1.55
of which with absence > 1 day and without high-consequence	1.94	2.21	1.76
<b>Rate of high-consequence work-related injuries</b>	<b>0.02</b>	<b>-</b>	<b>0.01</b>
<b>B. Agency workers</b>			
Hours worked	1,384,097	2,207,414	3,050,872
<b>Total injuries</b>	<b>6</b>	<b>21</b>	<b>37</b>
of which with absence ≤ 1 day	-	1	2
of which with absence > 1 day and without high-consequence	6	20	35
of which with absence > 1 day and with high-consequence	0	0	0
<b>Total injury rate</b>	<b>0.87</b>	<b>1.90</b>	<b>2.43</b>
of which with absence ≤ 1 day	-	0.09	0.13
of which with absence > 1 day and without high-consequence	0.87	1.81	2.29
<b>Rate of high-consequence work-related injuries</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C. External companies</b>			
Hours worked	34,210	54,473	151,403
<b>Total injuries</b>	<b>2</b>	<b>-</b>	<b>4</b>
of which with absence ≤ 1 day	-	-	-
of which with absence > 1 day and without high-consequence	2	-	4
of which with absence > 1 day and with high-consequence	-	-	-
<b>Total injury rate</b>	<b>11.69</b>	<b>-</b>	<b>5.28</b>
of which with absence ≤ 1 day	-	-	-
of which with absence > 1 day and without high-consequence	11.69	-	5.28
<b>Rate of high-consequence work-related injuries</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>A+B+C. Total workforce</b>			
Hours worked	13,904,180	16,104,607	18,899,141
<b>Total injuries</b>	<b>217</b>	<b>257</b>	<b>301</b>
of which with absence ≤ 1 day	88	84	124
of which with absence > 1 day and without high-consequence	128	173	176
of which with absence > 1 day and with high-consequence	1	-	1
<b>Total injury rate</b>	<b>3.12</b>	<b>3.19</b>	<b>3.19</b>
of which with absence ≤ 1 day	1.27	1.04	1.31
of which with absence > 1 day and without high-consequence	1.86	2.15	1.87
<b>Total rate of high-consequence work-related injuries</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>

The indices for injuries involving more than one day of absence are summarized below for the 2022 reporting year.

Injury indices		2020			2021			2022		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	Injuries (no.)	118	3	121	136	17	153	118	20	138
	Injury rate (IR)	2.27	0.29	1.94	2.33	1.56	2.21	1.85	1.35	1.76
	Occupational diseases rate (ODR)	-	-	-	0.02	0.09	0.03	0.02	-	0.01
	Lost days rate (LDR)	51.99	12.01	45.16	42.89	19.58	38.91	38.11	30.71	36.75
	Average days lost per employee	0.50	0.11	0.43	0.42	0.18	0.37	0.37	0.28	0.35
	Fatalities (no.)	-	-	-	-	-	-	-	-	-
Agency workers	Injuries (no.)	6	-	6	18	2	20	28	7	35
	Injury rate (IR)	-	-	-	-	-	-	-	-	-

The above values for each employment category are analyzed by geographical area.

Injuries with absence > 1 day by geographical area							
Detail by geographical area		Total	Italy	Rest of Europe	North America	Far East and Pacific Area	Rest of the World
Employees	Injuries (no.)	138	75	37	9	9	8
	Injury rate (IR)	1.76	2.67	1.92	0.66	1.35	0.74
	Occupational diseases rate (ODR)	0.01	0.04	-	-	-	-
	Lost days rate (LDR)	36.75	59.67	27.65	16.32	43.50	7.09
	Average days lost per employee	0.35	0.55	0.24	0.16	0.44	0.09
	Fatalities (no.)	-	-	-	-	-	-

The absentee rate (AR) for employees increased from 3.8% in 2021 to 4.5% in 2022. This rate is expressed as a percentage: number of days of 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.

Employee absentee rate (AR)	2020	2021	2022
Men	2.9%	3.8%	4.4%
Women	3.3%	3.9%	4.9%
Total	3.0%	3.8%	4.5%



# 6. Environmental Area



# Management of environmental topics

GRI 2-25; GRI 3-3

Climate change is considered to be a major global threat that, in addition to contributing to the increasingly frequent and intense weather events, also puts at risk the survival of entire ecosystems and human activity as we know it. As part of daily operations, Interpump strives to combat this phenomenon, assessing carefully the potential risks and seeking to transform this challenge into opportunities, with a view to improving Group processes and mitigating their impact on the outside world. In order to contain its actual or potential negative impacts, Interpump Group is committed to reducing its GHG emissions, promoting and disseminating practices for the recovery of metals left over from production, and using water resources with care.

In fact, as envisaged in the Code of Ethics, Interpump adopts a preventive approach to the various environmental challenges, implementing policies designed to reduce progressively the direct and indirect impact of its activities and promote greater awareness about and commitment to environmental protection, both locally and with regard to the global challenges.

In order to contribute to the fight against climate change, Interpump Group has defined an investment plan that helps Group companies with the energy transition, such as by installing photovoltaic panels on buildings to increase the percentage of electricity produced and self-consumed, thus reducing the demand for electricity from the grid. On this topic, the objectives specified in the ESG Plan 2023-2025 include increasing the percentage of electricity from renewable sources with respect to the total energy requirement, and reducing the carbon intensity of the Group from Scope 1 and Scope 2 emissions (calculated using the market-based method). Additionally, in order to improve the monitoring of the entire value chain, Interpump Group has begun working on the calculation and reporting of its Scope 3 emissions, and on the definition of a decarbonization strategy by the end of 2023.

The Group is committed to improving its system for monitoring the withdrawal and discharge of water, as well as to launching projects regarding the circular economy and the eco-design of products (see the *ESG Plan 2023-2025* section for further details).

In order to prevent, reduce and mitigate the possible consequences of its activities on the environment, Interpump Group has adopted Guidelines on environmental protection, included in the Global Compliance Program, that have been disseminated to all subsidiaries. These Guidelines establish the actions that companies must implement, without any exceptions, in order to: (i) minimize their atmospheric emissions and ensure that they do not exceed the limits set by the local authorities in the countries where the Group operates; (ii) water discharges, spillages

and contamination of the environment; (iii) promote the proper management of waste deriving from their production processes; (iv) share and disseminate environmental protection values and principles with all parties involved in the supply chain.

In addition to applying the instructions contained in the Global Compliance Program, some of the larger Group companies have implemented management models and systems that structure and monitor their quality and environmental performance, with a view to constant improvement. Furthermore, most of them have obtained UNI EN ISO 14001 – *Environmental management systems* and UNI EN ISO 9001 – *Quality management systems* certifications. At 31 December 2022, about 26% of Group companies - contributing about 46% of consolidated revenues - have implemented environmental management systems compliant with ISO 14001 (see the *Management systems* section for more information about the incidence on Group turnover of the companies that have obtained such certifications). About 19% of Group companies have not only implemented environmental management systems pursuant to ISO 14001, but are also certified in accordance with that international standard. Those companies account for about 44% of consolidated revenues. Additionally among the various Group companies, the energy management system of Hammelmann GmbH is certified compliant with the ISO 50001 standard.

Interpump Group focuses on the use of energy and natural resources in the context of all productive processes, increasing the proportion of green energy, whether purchased with renewable energy certificates, or produced by photovoltaic panels owned by the Group. Within the sustainability strategies adopted, the Group promotes the optimization of consumption via, when necessary, the construction of or transfer to new manufacturing facilities equipped with energy-efficient systems.

Each Group company has adopted specific systems to monitor its energy and water consumption, reporting the values obtained to the Parent Company. Following adoption of the ESG Plan 2023-2025, the Group is now working internally to improve the monitoring of environmental indicators and analyze their trends.

In addition, numerous products sold by Group companies are devised and developed to help customers and end-users reduce their energy consumption and GHG emissions, thus contributing to the transition towards a more sustainable economy. The Group is currently developing supplier rating processes, in order to assess them in accordance with ESG criteria. Among the companies involved in this work, Walvoil S.p.A. is formalizing specific procedures to better manage this aspect.

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.

Finally, based on best practices connected to the environmental management systems implemented by certain Group companies and given the growing attention paid to sustainability matters, it is confirmed that no significant instances of non-compliance<sup>1</sup> of environmental laws or regulations were identified during the three-year reporting period.

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<sup>1</sup> Penalties in excess of 200 thousand euro are considered significant.

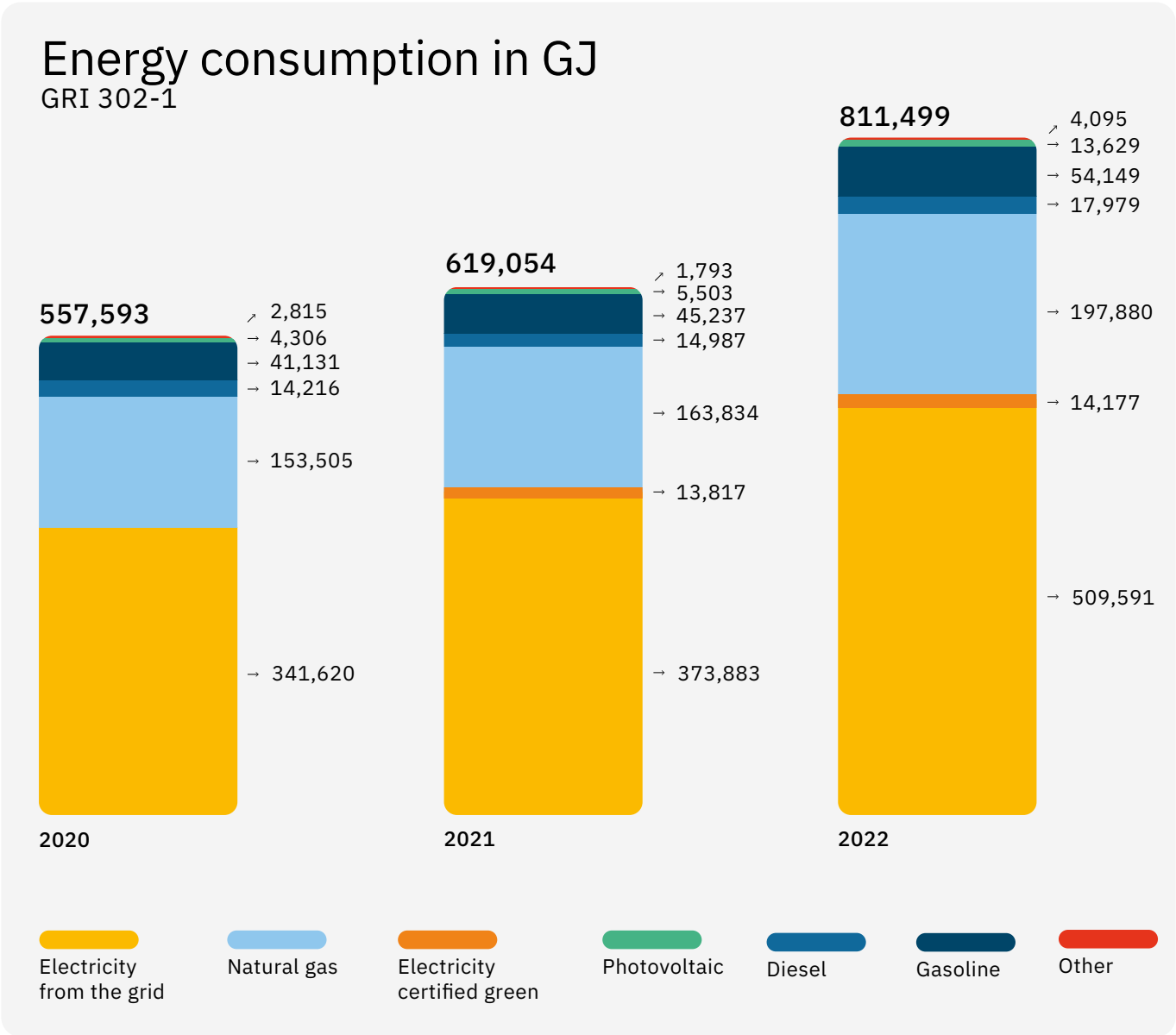
# Use of energy sources

GRI 302-1; GRI 302-3

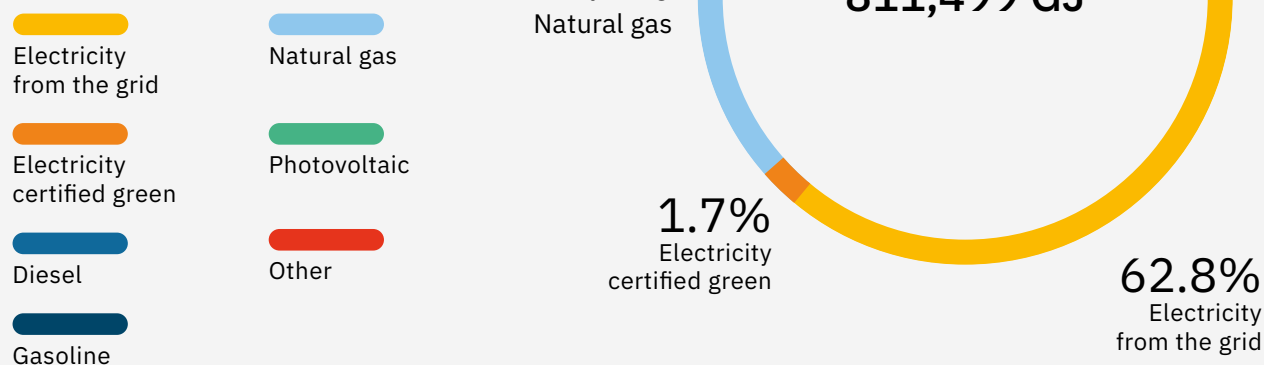
In 2022 Interpump Group consumed energy resources totaling 811,499 GJ (equal to 225.4 GWh), up by 31.1% compared to 2021. The above increase principally reflects inclusion of the plants of the White Drive Group within the reporting scope of this NFS. They were acquired in October 2021 and, therefore, excluded from the NFS for the prior year in accordance with the criteria stated in the “Methodological note”. Energy consumption rose by 192,445 GJ between 2021 and 2022, of which 177,626 GJ reflects the effect of the above-mentioned companies in the White Drive Group. Consistent with the commitments formalized in the ESG Plan, Group companies continued to invest in and install photovoltaic panels during 2022; in particular, the energy produced and then consumed at corporate sites increased from 1,529 MWh in 2021 to 3,786

MWh in 2022. Additional photovoltaic panels are being installed in 2023 and others will be added in 2024.

During 2022, certain Group companies, including Reggiana Riduttori S.r.l. and Trastecno S.r.l. purchased about 4.0 GWh of electricity from certified renewable sources, contributing to the reduction of Scope 2 emissions (equal to about 2% of the Group’s electricity requirement and equivalent to about 1,200 tonnes of CO<sub>2</sub>).



## Distribution of energy consumption 2022



Excluding the effect of including the companies in the White Drive Group, the increase in energy consumption in 2022

was due to the greater volume of production and business achieved following the market recovery.

### GRI 302-1

Energy consumption within the organization	UoM	2020	2021	2022
Electricity from the grid	MWh	94,894	103,856	141,553
Of which electricity from certified renewable sources	MWh	-	3,838	3,938
Natural gas	m³	4,286,899	4,571,278	5,514,309
Gasoline	Liters	440,127	459,815	553,528
Diesel	Liters	1,147,442	1,258,686	1,507,189
Photovoltaic	MWh	1,196	1,529	3,786
Other	GJ	2,815	1,793	4,095
<b>Total in GJ</b>	<b>GJ</b>	<b>557,593</b>	<b>619,054</b>	<b>811,499</b>

Even though Group sites have different energy profiles, most electricity is consumed by production activities, with a residual portion attributable to office equipment and, minimally, to heating as well. On the other hand, the predominant element of natural gas consumption is attributable to heat the workplaces, 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 intensity<sup>1</sup> was 0.39 GJ/ k€ in 2022, down by 0.01 GJ/k€ with respect to the prior year following lower energy consumption compared with the growth in turnover during the reporting year.

<sup>1</sup> 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	2020	2021	2022
Energy consumption	GJ	557,593	619,054	811,507
Consolidated revenues	k€	1,294,363	1,551,460	2,074,041
Energy intensity	GJ/k€	0.43	0.40	0.39



# 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 in 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.

GRI 305-1

Direct GHG emissions	UoM	2020	2021	2022
Fuels	ton CO <sub>2</sub> eq	12,700	13,491	16,399
Refilling refrigerant gases	ton CO <sub>2</sub> eq	724	925	1,008
<b>Total Scope 1 emissions</b>	<b>ton CO<sub>2</sub>eq</b>	<b>13,424</b>	<b>14,416</b>	<b>17,407</b>

The higher emissions deriving from fuels compared to 2021 (up 21.6%) were mostly due to including the plants of the White Drive Group within the scope of reporting. In this regard, the Scope 2 emissions mainly relate to purchased electricity and only marginally to purchased thermal energy. Except for the electricity self-produced by photovoltaic

In 2022 emissions deriving from fuels totaled 16,399 tonnes of CO<sub>2</sub>eq, while the contribution from the refilling of air conditioning and refrigeration systems was 1,008 tonnes of CO<sub>2</sub>eq. The total Scope 1 emissions of Interpump Group were therefore 17,407 tonnes CO<sub>2</sub>eq, up by 20.7% versus the prior year. The construction of new business locations and the renovation of existing facilities has significantly increased the consumption of refrigerant gas, which has a lower climate-altering impact.

panels, the energy required for Group activities is supplied by external entities. The related emissions, calculated using the location-based method, amounted to 60,908 tonnes of CO<sub>2</sub>eq in 2022.

GRI 305-2

Indirect GHG emissions - Location based methodology	UoM	2020	2021	2022
Indirect from electricity	ton CO <sub>2</sub> eq	37,884	38,413	60,886
Indirect from thermal energy	ton CO <sub>2</sub> eq	20	25	22
<b>Total Scope 2 emissions</b>	<b>ton CO<sub>2</sub>eq</b>	<b>37,903</b>	<b>38,438</b>	<b>60,908</b>

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

GRI 305-2

Indirect GHG emissions - Market based methodology	UoM	2020	2021	2022
Indirect from electricity	ton CO <sub>2</sub> eq	44,842	47,740	72,857
Indirect from thermal energy	ton CO <sub>2</sub> eq	20	25	22
<b>Total Scope 2 emissions</b>	<b>ton CO<sub>2</sub>eq</b>	<b>44,861</b>	<b>47,765</b>	<b>72,879</b>

As for the increase in energy consumption, the increase in CO<sub>2</sub> emissions with respect to the prior year was due to two factors: (i) firstly, the inclusion within the scope of reporting of the recently-acquired plants of the companies in the White Drive Group, (ii) and then, the increase in productive activity following the market recovery. Given that

the revenues within the scope of reporting were about 34% higher, the intensity of GHG emissions in 2022 was higher than in the prior year, rising from 0.034 tCO<sub>2</sub>/k€ to 0.038 tCO<sub>2</sub>/k€.

## GRI 305-4

GHG emission intensity	UoM	2020	2021	2022
GHG emissions Scope 1 and Scope 2 (location based)	ton CO <sub>2</sub> eq	51,327	52,855	78,315
Consolidated revenues	k€	1,294,363	1,551,460	2,074,041
<b>GHG emission intensity Scope 1 and Scope 2 (location-based)</b>	<b>tCO<sub>2</sub>/k€</b>	<b>0.040</b>	<b>0.034</b>	<b>0.038</b>
GHG emissions Scope 1 and Scope 2 (market based)	ton CO <sub>2</sub> eq	58,285	62,181	90,286
Consolidated revenues	k€	1,294,363	1,551,460	2,074,041
<b>GHG emission intensity Scope 1 and Scope 2 (market based)</b>	<b>tCO<sub>2</sub>/k€</b>	<b>0.045</b>	<b>0.040</b>	<b>0.044</b>

## Emissions intensity

(Total emissions tCO<sub>2</sub> eq/K€)





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

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

## GRI 305-7

Other significant air emissions	UoM	2020	2021	2022
Particulate	Tons	4.2	3.8	3.8
NOX	Tons	3.1	1.5	3.5
CO	Tons	0.0	0.1	3.5
Dioxins and Furane	qITEQ	-	-	-
IPA	Tons	-	-	-
COT	Tons	1.3	2.3	0.8
PB	Tons	-	-	-
ZN	Tons	0.0	0.0	0.0
HG	Tons	-	-	-
SOX	Tons	0.0	0.0	0.9
HCl	Tons	0.3	0.3	0.2
HF	Tons	0.1	0.1	0.0
NI	Tons	0.0	0.0	0.0
Oil mist	Tons	0.4	0.1	0.2

# Use of water resources

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

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 these purposes is mainly withdrawn from the public supply (69%), while the rest comes from owned wells (31%). Among the countries

in which Interpump Group operates, 19 are classified by the Acqueduct World Resources Institute as subject to medium/low levels of water stress (category <2), while 13 (including Italy) are classified as areas of medium/high water stress.

Water stress category	No. of countries
0 - Low (<10%)	13
1 - Low-medium (10-20%)	3
2 - Medium-high (20-40%)	3
3 - High (40-80%)	6
4 - Extremely high (>80%)	7
<b>Total</b>	<b>32</b>

The following data reflects total water withdrawals and discharges by Interpump Group, with details for those areas subject to medium/high water stress ( $\geq 3$ ). Around 342 thousand cubic meters of water were withdrawn in 2022, down 0.9% compared to 2021. These withdrawals are principally used to test high- and very high-pressure pumps before they are sold on the market, while the use of water for civil and fire-prevention purposes is secondary. The reduction in withdrawals during the year was mainly due to the installation of new equipment for the processing and recovery of water within the production cycle; examples

include the related investments made by Pioli S.r.l., an Italian subsidiary, and by NLB Corporation, a US subsidiary. With regard to water withdrawals, 99.6% can be classified as fresh water i.e. with total dissolved solids of less than 1g/liter. Around 84% of water not consumed in production processes is discharged into the sewer system.

GRI 303-3 – Water withdrawal

Source	UoM	2020		2021		2022	
		Group total	of which areas with medium/high water stress	Group total	of which areas with medium/high water stress	Group total	of which areas with medium/high water stress
<b>Public supply (mains)</b>	<b>m³</b>	<b>166,905</b>	<b>116,523</b>	<b>188,235</b>	<b>134,707</b>	<b>235,909</b>	<b>136,920</b>
of which: fresh water	m³	166,905	116,523	188,235	134,707	235,909	136,920
of which: other	m³	-	-	-	-	-	-
<b>Wells owned/licensed</b>	<b>m³</b>	<b>154,274</b>	<b>128,612</b>	<b>156,866</b>	<b>131,172</b>	<b>104,841</b>	<b>97,549</b>
of which: fresh water	m³	152,730	127,068	155,593	129,899	103,382	96,090
of which: other	m³	1,544	1,544	1,273	1,273	1,459	1,459
<b>Other sources</b>	<b>m³</b>	<b>-</b>	<b>-</b>	<b>298</b>	<b>-</b>	<b>1,497</b>	<b>-</b>
of which: fresh water	m³	-	-	298	-	1,497	-
of which: other	m³	-	-	-	-	-	-
<b>Surface water</b>	<b>m³</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which: fresh water	m³	-	-	-	-	-	-
of which: other	m³	-	-	-	-	-	-
<b>Total</b>	<b>m³</b>	<b>321,179</b>	<b>245,135</b>	<b>345,400</b>	<b>265,879</b>	<b>342,247</b>	<b>234,469</b>
of which: fresh water	m³	319,635	243,591	344,127	264,606	340,788	233,010
of which: other	m³	1,544	1,544	1,273	1,273	1,459	1,459

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 0.05 m<sup>3</sup>/k€, from 0.22 m<sup>3</sup>/k€ in 2021 to 0.17 m<sup>3</sup>/k€ in 2022.

Water withdrawals intensity	UoM	2020	2021	2022
Water withdrawal	m <sup>3</sup>	321,179	345,400	342,247
Consolidated revenues	k€	1,294,363	1,551,460	2,074,041
Water consumption intensity	m <sup>3</sup> /K€	0.25	0.22	0.17

## Water withdrawals intensity

(water withdrawals/revenues)

Consolidated revenues (m<sup>3</sup>)

Water withdrawals (K€)

**0.25**  
m<sup>3</sup>/K€

321,179

1,294,363

2020

**0.22**  
m<sup>3</sup>/K€

345,400

1,551,460

2021

**0.17**  
m<sup>3</sup>/K€

342,247

2,074,041

2022

Process water<sup>1</sup> discharged in 2022, totaling approximately 170 thousand cubic meters (-9.4% versus the prior year), went almost entirely into the sewers, in compliance with the authorizations granted.

<sup>1</sup> 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.

#### GRI 303-4 Water discharge

Destinations	UoM	2020		2021		2022	
		Group total	of which areas with medium/high water stress	Group total	of which areas with medium/high water stress	Group total	of which areas with medium/high water stress
<b>Sewer system</b>	<b>m³</b>	<b>159,079</b>	<b>127,452</b>	<b>161,203</b>	<b>128,740</b>	<b>149,548</b>	<b>105,824</b>
of which: fresh water	m³	155,425	124,920	155,502	124,834	144,691	102,927
of which: other	m³	3,654	2,532	5,701	3,906	4,857	2,897
<b>Surface water</b>	<b>m³</b>	<b>19,172</b>	<b>19,172</b>	<b>26,835</b>	<b>26,835</b>	<b>20,907</b>	<b>20,907</b>
of which: fresh water	m³	19,172	19,172	26,835	26,835	20,907	20,907
of which: other	m³	-	-	-	-	-	-
<b>Other</b>	<b>m³</b>	<b>1,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which: fresh water	m³	1,833	-	-	-	-	-
of which: other	m³	-	-	-	-	-	-
<b>Total</b>	<b>m³</b>	<b>180,084</b>	<b>146,624</b>	<b>188,038</b>	<b>155,575</b>	<b>170,455</b>	<b>126,731</b>
of which: fresh water	m³	176,430	144,092	182,337	151,669	165,598	123,834
of which: other	m³	3,654	2,532	5,701	3,906	4,857	2,897

# Waste management

GRI 306-1; GRI 306-2; GRI 306-3; GRI 306-4; GRI 306-5

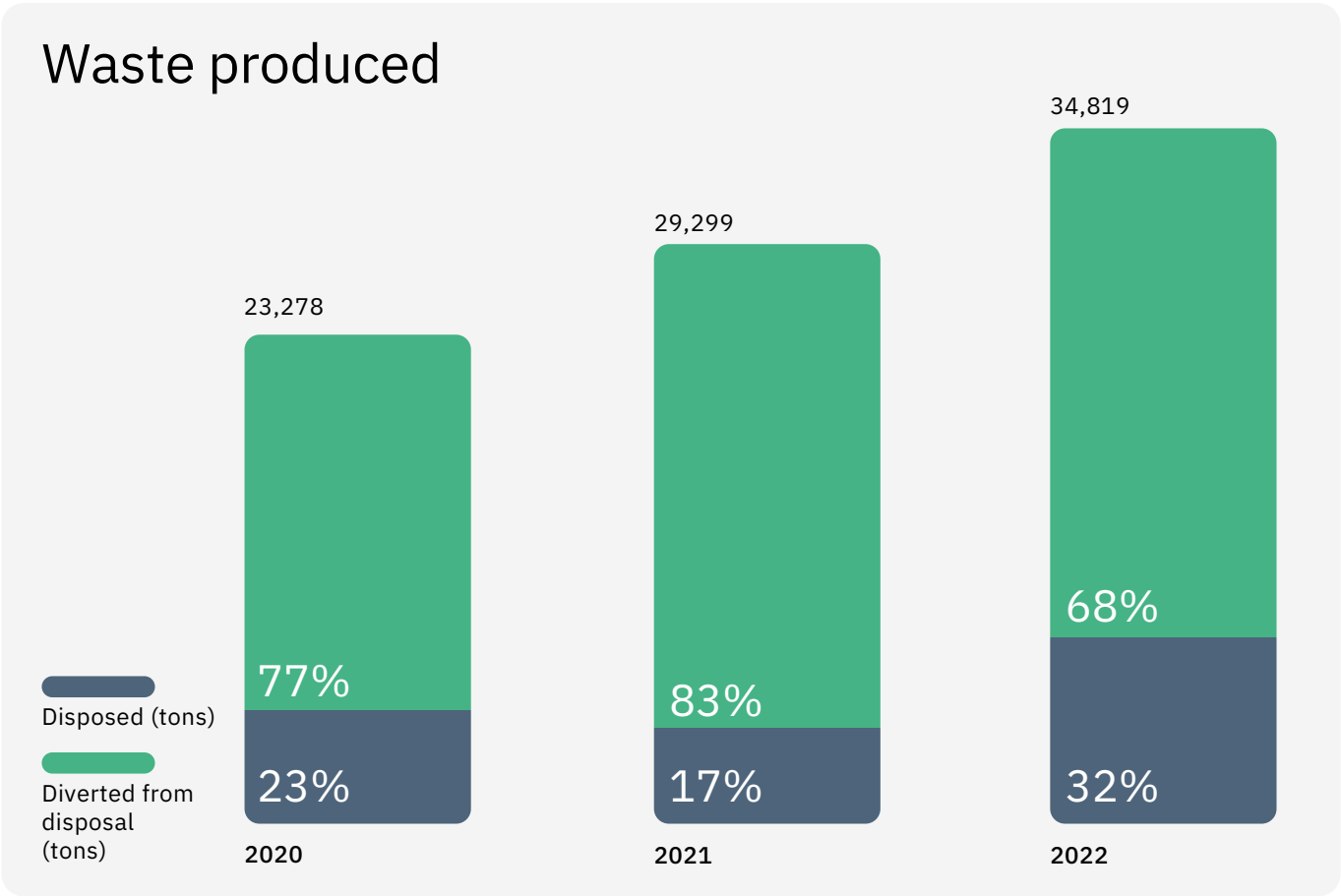
Despite the low impact of activities in terms of waste generation, Interpump Group pursues a strategy to reduce the quantities of waste. In particular, the Group's new ESG Plan commits to exploring the feasibility of a circular economy pilot project designed to make best use of processing waste.

The breadth of activities and geographical extension of Interpump Group means that waste management and disposal decisions must be made autonomously by each company, in compliance with applicable local 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.

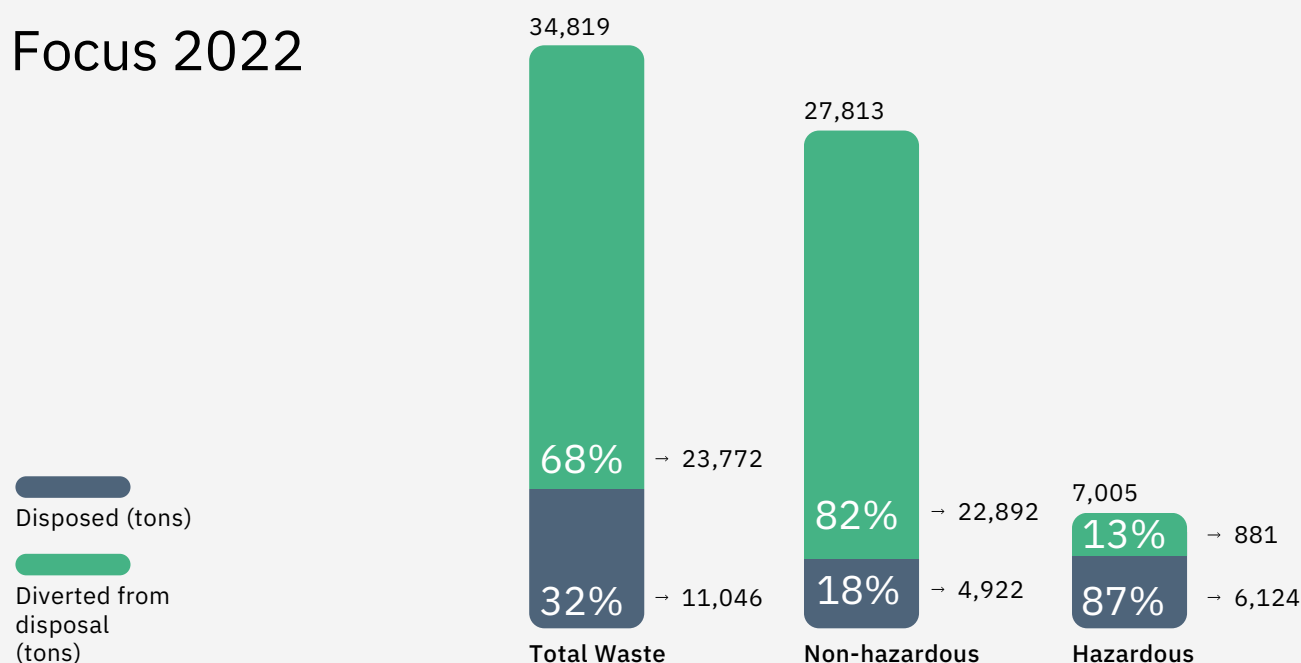
In 2022 Interpump Group generated a total of around 35

thousand tonnes of waste, of which 80% non-hazardous. Given that the increase in turnover was proportionately greater than the increase in waste, the incidence of waste per unit of turnover has fallen with respect to prior years.

Many Group companies have adopted waste and production waste management practices, resulting in a general reduction in the total quantity of waste produced, as well as an increase in recovery and recycling activities. The most common activities include, for example, the separation of emulsified water for the re-use of emulsion oils and compacting systems for the turnings produced from mechanical processes. This has reduced the volumes transported and, accordingly, the related GHG emissions. The following analysis of the waste produced indicates the quantity recycled, disposed, hazardous and non-hazardous (in tonnes).



## Focus 2022



In quantitative terms, the principal waste produced by Interpump Group consists of ferrous metal filings and turnings, which totaled 18.9 thousand tonnes in 2022. This flow represents 54.4% of the total waste generated in the year, which amounted to 34,819 tonnes. The percentage of metal wastes rose in 2022 due, above all, to including the companies of the White Drive Group within the scope of reporting.

The final destination of non-hazardous waste in 2022 was as follows:

- around 82% (22,892 tons) to operations diverted from disposal, including recycling, recovery of materials and re-use;
- around 18% (4,922 tons) to landfills and incineration.

As regards the 7,005 tons of hazardous waste produced:

- about 13% (881 tons) was diverted from disposal;
- about 87% (6,124 tons) was sent for disposal.

In addition to the entry of White Drive, the principal difference with respect to the prior year was the fire at the plant operated by IMM Romania, which involved sending rubble and scrap to landfill and other disposal operations.

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

### GRI 306-3

Non-hazardous waste	UoM	2020	2021	2022
12.01.01 - Ferrous metal filings and turnings	ton	12,520	17,179	18,943
12.01.02 - Ferrous metal powders and particulates	ton	1,084	848	851
12.01.99 - Unspecified waste	ton	713	904	827
15.01.01 - Paper and board packaging	ton	464	607	577
17.04.05 - Iron and steel	ton	1,074	914	1,871
20.03.01 - Non-differentiated urban waste	ton	1,281	947	608
Other	ton	2,732	3,607	4,137
<b>Total non-hazardous waste</b>	<b>ton</b>	<b>19,868</b>	<b>25,007</b>	<b>27,813</b>



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

quantity, (about 10.3% of the total waste generated in 2022).

GRI 306-3

Hazardous waste*	UoM	2020	2021	2022
12.01.09* - Emulsions and solutions for machinery	ton	1,806	2,284	3,599
12.03.01* - Water-based washing solutions	ton	602	658	552
13.08.02* - Other emulsions	ton	94	239	44
15.02.02* - Absorbents, filtering materials	ton	149	173	397
11.01.09* - Sludges and filtering residues	ton	133	166	132
Other	ton	624	773	2,282
<b>Total</b>	<b>ton</b>	<b>3,410</b>	<b>4,292</b>	<b>7,005</b>



Product assembly department at Reggiana Riduttori S.r.l. (San Polo d'Enza, Italy)

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 306-3; GRI 306-4; GRI 306-5

Destination of waste by type	2020	2021	2022
Values in Tons			
<b>1) Hazardous waste</b>	<b>3,410</b>	<b>4,292</b>	<b>7,005</b>
<b>Diverted from disposal</b>	<b>483</b>	<b>1,159</b>	<b>881</b>
of which prepared for re-use	-	4	19
of which recycled	-	124	137
of which other recovery operations	-	1,031	725
<b>Disposed</b>	<b>2,927</b>	<b>3,133</b>	<b>6,124</b>
of which incinerated (with energy recovery)	-	55	40
of which incinerated (without energy recovery)	-	124	163
of which landfilled	-	339	244
of which other disposal operations	-	2,615	5,677
<b>2) Non-hazardous waste</b>	<b>19,868</b>	<b>25,007</b>	<b>27,813</b>
<b>Diverted from disposal</b>	<b>17,389</b>	<b>23,163</b>	<b>22,892</b>
of which prepared for re-use	-	669	496
of which recycled	-	19,449	18,617
of which other recovery operations	-	3,046	3,778
<b>Disposed</b>	<b>2,479</b>	<b>1,844</b>	<b>4,922</b>
of which incinerated (with energy recovery)	-	137	248
of which incinerated (without energy recovery)	-	60	2,216
of which landfilled	-	953	1,085
of which other disposal operations	-	693	1,373
<b>Total (1+2)</b>	<b>23,278</b>	<b>29,299</b>	<b>34,819</b>
<b>Diverted from disposal</b>	<b>17,872</b>	<b>24,323</b>	<b>23,772</b>
of which prepared for re-use	-	673	516
of which recycled	-	19,573	18,754
of which other recovery operations	-	4,076	4,503
<b>Disposed</b>	<b>5,406</b>	<b>4,977</b>	<b>11,046</b>
of which incinerated (with energy recovery)	-	192	288
of which incinerated (without energy recovery)	-	184	2,379
of which landfilled	-	1,292	1,330
of which other disposal operations	-	3,308	7,050



# 7. Socio- economic Area

# Management of socio-economic topics

GRI 2-25; GRI 3-3

The distribution of companies around the world enables Interpump Group to maintain close, daily relations with countless stakeholders, such as suppliers, customers, shareholders, communities and public administrations. Over the years, Group companies - which differ in terms of their business activities and scale - have been able to maintain lasting relationships with all their counterparties, contributing to their growth and development via the creation and distribution of wealth.

Although these tight-knit interconnections between Interpump Group and local communities bring numerous advantages for all parties concerned, they may also be the source of risks. In fact, the Group recognizes that its business performance may have impacts on the suppliers from which raw materials, semi-finished products and services are purchased periodically, while ignoring at the same time the expectations of its customers and shareholders. Further, Interpump recognizes the need to maintain constant, two-way interaction with all shareholders and institutional investors, in order to guarantee the transparent communication of information.

In order to reduce any adverse negative impacts on the entire supply chain, the Group strives to disseminate a culture of diversification in the area of procurement, in order to protect its suppliers and guarantee the continuity of business operations. The purchasing processes within each Group company seek to obtain the maximum competitive advantage, while granting equal opportunities to each supplier and behaving in a fair and impartial manner, which are all principles in the Code of Ethics that every supplier must accept. In addition, as stated in the Group's Code of Ethics, it is expressly forbidden to accept undue pressure in the selection of suppliers that, by contrast, must be based on an objective assessment of the technological development, cost and quality of the services offered. Among the criteria analyzed, the Group also considers favorably the socio-environmental performance of its suppliers. Furthermore, the Group recognizes customer satisfaction as a main driver of its success and, accordingly, believes it fundamental to offer

cutting-edge solutions that best satisfy the requirements of its end-users and, in general, the market, pushing for high quality standards that are periodically checked with the customers concerned. The innovative solutions offered seek to reduce environmental impacts and energy consumption, while guaranteeing maximum safety to customers. Since Group products are used in the creation of other finished products by customers, their export must comply with current regulations, including those governing dual-use applications, and the international laws on embargoes.

In carrying out its activities, Interpump Group adopts suitable measures for the protection of personal data and guarantees that it is processed in compliance with current regulations. In order to protect all stakeholders, the employees and collaborators of the Group agree to manage information in the most private and confidential manner, in order to avoid its misappropriation and improper use. On the other hand, Interpump strives to provide all necessary information to its shareholders and institutional investors, enabling the market to understand operational details and corporate events that might influence significantly the value of the financial instruments issued.

Each company is responsible for monitoring the aforementioned initiatives and must inform the Parent Company about any infringements of the above rules. During the three-year reporting period, the number and value of fines levied for infringements of laws and/or regulations in the economic and social area were not significant.

With reference to the Socio-economic Area, Interpump Group has set short/medium-term objectives within the ESG Plan, including the definition and dissemination of a supplier rating model based on social and environmental criteria, the consolidation of tax compliance and the periodic publication of Country-by-Country (CBC) report.

# Customer health and safety

GRI 416-2

No non-conformities with the product safety regulations were identified during the three-year reporting period, that would have required activation of the product recall policy. Finally, during the three-year reporting period several Group

suppliers 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 suppliers.

# Economic value generated and distributed

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 Interpump Group during 2022 amounted to Euro 2,125 million (Net revenues - net result), of which 88% (Euro 1,878 million) was distributed.

Interpump Group has limited exposure in Russia and Ukraine and, accordingly, the principal effects of the conflict

primarily include the global economic-financial shock and, secondarily, the heightened indirect impact on the entire economic system (such as higher commodity prices, interest rates and inflation rates, with uncontrolled effects on both the supply chain, including supply breakdowns, and the competitive situation).

Value generated and distributed (in thousands of Euro)	2020	2021	2022*
<b>Total economic value distributed</b>	<b>1,184,759</b>	<b>1,460,775</b>	<b>1,878,255</b>
- Personnel	309,065	353,442	423,341
- Suppliers**	784,720	975,460	1,301,001
- Public administration	55,646	77,943	100,525
- Shareholders***	29,188	30,018	33,053
- Financial system	6,140	23,912	20,335
<b>Total economic value retained</b>	<b>129,035</b>	<b>172,845</b>	<b>247,187</b>
<b>Total economic value generated</b>	<b>1,313,794</b>	<b>1,633,620</b>	<b>2,125,442</b>

\* The schedule of economic value generated and distributed was calculated with reference to the consolidated income statement of the Group that, for 2022, includes Eurofluid Hydraulic S.r.l., which is not included in the reporting scope of this NFS.

\*\* This caption includes the amortization of intangible assets

\*\*\* The value distributed to shareholders comprises the dividend paid during the reporting period, determined on a cash basis. See the "Annual Report for 2022" on the corporate website [www.interpumpgroup.it](http://www.interpumpgroup.it) for further details.

# Tax responsibilities

GRI 207-1; GRI 207-2; GRI 207-3; GRI 207-4

Interpump Group S.p.A. acts in an honest, proper and transparent manner in the definition and implementation of its fiscal strategy, consistently 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, legal 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.

Tax management and its responsibility are 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 231 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 Group S.p.A. and the administrative managers at each subsidiary. Group companies adopt a internal control system that is overseen by the director responsible for the internal control system 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 enterprise risk management model and the accounting/administrative procedures for compliance with Law 262/2005 by those Group 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.

Among the initiatives envisaged in the ESG Plan 2023-2025, two are dedicated to tax matters.

In particular, Governance objective G.4 calls for the consolidation of tax compliance in line with tax best practices.

To achieve this objective, Interpump Group S.p.A. has elected to implement a model for the recognition, measurement, management and control of the tax variable (i.e. a tax control framework). Additionally, the Group will consolidate domestic and international tax compliance in order to manage new tax matters more effectively, such as the OECD Pillar Two.

Lastly, the ESG Plan's Governance objective G.5 envisages annual updates in the NFS of the information required by standard GRI 207-4 on CBC Reporting.



## Stakeholder engagement and management of concerns related to tax

GRI 207-3

No requests or reports on tax matters were received from stakeholders during the reporting period covered by this NFS. Any requests or reports will be analyzed by the corporate functions responsible for tax compliance.

All 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 principles embodied in the Code of Ethics and specific internal procedures. In the event of tax inspections, each Group company acts with transparency, propriety and professionalism in all communications with the competent authorities, responding promptly, completely and accurately to all questions and requests, making available all the necessary documentation.

## Fiscal reporting in the countries where Interpump Group operates

GRI 207-4

The following information on the fiscal reporting of 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. In 2021, Interpump Group operated through 108 countries, in 34 countries in the world with their own tax and fiscal legislation. In 2021, Interpump Group paid corporate income tax<sup>1</sup> totaling 52,780 thousand euro<sup>2</sup>.

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 2021.

2 See the information provided in the NFS 2021 about the reporting of 2020 data and the related scope of that reporting.

Amounts in k EUR

Tax jurisdiction	Revenues from sales to third parties	Revenues from intra-group operations with other tax jurisdictions	Total revenues	Pre-tax income (loss)	Income taxes paid on a cash basis	Income taxes accrued during the year	Capital declared	Retained earnings	No. of employees	Tangible fixed assets other than cash and cash equivalents
Italy	694,154	187,776	881,930	155,224	21,473	37,424	570,626	725,117	3,309	279,947
Austria	6,499	65	6,564	634	145	157	140	1,062	24	589
Denmark	4,910	385	5,295	419	85	79	201	1,137	17	906
France	34,226	920	35,146	5,212	869	1,252	3,772	4,842	69	3,242
Germany	89,688	32,772	122,460	30,720	8,253	9,345	54,768	86,343	538	29,062
Netherlands	17,888	849	18,737	1,320	155	270	261	5,683	36	2,408
Portugal	2,393	3,334	5,727	987	171	106	760	1,992	38	2,411
UK	32,415	2,423	34,838	3,499	214	617	18,141	50	138	6,083
Spain	49,209	25,618	74,827	13,124	2,734	3,070	26,987	27,820	324	11,756
Sweden	1,387	16	1,403	-11	18	-	117	-40	4	41
Switzerland	3,453	58	3,511	325	-	24	103	105	2	690
Bulgaria	866	9,710	10,576	1,217	137	122	3	8,483	166	3,565
Poland	29,560	6,193	35,753	6,700	869	1,200	35,067	5,077	583	28,928
Romania	5,492	9,380	14,872	1,819	88	242	3,209	6,823	186	10,103
Slovakia	221	1,189	1,410	123	2	26	340	566	32	446
Moldova	929	789	1,718	120	-	13	339	62	31	200
Ukraine	501	9	510	57	3	11	107	46	4	24
Russia	9,004	232	9,236	1,079	292	236	1,037	1,819	53	1,077
Canada	39,606	1,043	40,649	4,432	343	-490	11,244	3,298	207	18,018
USA	381,234	5,787	387,021	47,785	9,326	10,230	79,715	211,182	1,131	139,050
China	69,414	27,129	96,543	13,155	1,230	1,122	26,882	23,997	441	10,962
Australia	33,365	638	34,003	4,927	1,201	1,441	1,095	10,908	77	2,031
New Zealand	2,190	30	2,220	610	97	169	525	1,119	5	234
Singapore	1,982	18	2,000	276	38	48	654	29	3	43
South Korea	22,885	189	23,074	2,829	306	519	6,700	587	91	6,615
Hong Kong	961	9	970	263	-	-	114	782	-	-
Mexico	3,162	1,209	4,371	610	199	231	478	556	21	187
Brazil	18,104	476	18,580	2,522	497	448	10,109	-1,793	152	1,479
Chile	8,522	82	8,604	637	75	78	93	4,113	52	465
Colombia	3,962	38	4,000	598	-	187	91	515	16	75
South Africa	9,512	200	9,712	998	309	270	83	2,454	44	631
United Arab Emirates	1,059	128	1,187	32	-	-	373	-759	3	4
India	54,130	25,497	79,627	12,363	3,651	3,663	18,256	28,960	619	21,745
Zambia	182	-	182	3	-	-	-	-	2	1

Here below the companies included are given by country.

Country	Company name
Italy	Interpump Group S.p.A.
Italy	Teknova S.r.l.
Italy	SIT S.p.A.
Italy	Servizi Industriali S.r.l.
Italy	Inoxihp S.r.l.
Italy	Tubiflex S.p.a.
Italy	Interpump Hydraulics S.p.A.
Italy	Hydroven S.r.l.
Italy	Contarini Leopoldo S.r.l.
Italy	Oleodinamica Panni S.r.l.
Italy	IMM Hydraulics S.p.A.
Italy	Tekno Tubi S.r.l.
Italy	FGA S.r.l.
Italy	Innovativ Gummi Tech S.r.l.
Italy	Walvoil S.p.A.
Italy	Inoxpa Italia Srl
Italy	Interpump Piping GS S.r.l.
Italy	Pioli S.r.l.
Italy	Reggiana Riduttori Srl
Italy	Berma S.r.l.
Italy	Transtecno Srl
Italy	Gruppo IPG Holding S.p.A.
Italy	Leila Montipò e sorelle S.a.p.a.
Austria	GS-Hydro Austria GmbH
Denmark	Inoxpa Skandinavien A/S (Denmark)
Denmark	GS-Hydro Denmark AS
France	Hammelmann France
France	Interpump Hydraulics France S.a.r.l.
France	Unidro Contarini Sas (France)
France	Hypress France Sarl
France	Walvoil Fluid Power France Sarl.
France	Inoxpa Solutions France Sas
France	RR France Sarl
Germany	Hammelmann GmbH (Germany)
Germany	Interpump Fluid Solutions Germany GmbH
Germany	GS-Hydro System GmbH (Germany)
Germany	White Drive Motors and Steering GmbH
Netherlands	GS-Hydro Benelux B.V.
Netherlands	RR Holland BV
Netherlands	Transtecno BV (Netherlands)
Netherlands	Transtecno Aandrijftechniek B.V. (Netherlands)
Portugal	Improved Solutions Unipessoal Ltda (Portugal)
UK	Interpump Hydraulics UK
UK	Inoxpa (UK) Ltd
UK	GS- Hydro UK Ltd
UK	Hydraulics Ltd.
UK	Bristol Hose Limited
Spain	Hammelmann S. L. (Spain)
Spain	Inoxpa S.A.U. (Spain)
Spain	GS-Hydro S.A.U (Spain)
Spain	Suministros Franquesa S.A.
Spain	Transtecno Iberica the Modular Gearmotor s.a. (Spain)
Sweden	GS-Hydro Ab (Sweden)
Switzerland	Hammelmann Swiss GmbH
Bulgaria	Copa Hydrosystem OOD (Bulgaria)
Poland	NLB Corp. Sp. z o.o. (Poland)

Country	Company name
Poland	GS-Hydro Sp Z O O (Poland)
Poland	White Drive Motors and Steering Sp. z o.o.
Romania	IMM Hydro Est (Romania)
Slovakia	RR Slovakia A.S.
Moldova	Inoxpa Solutions Moldova
Ukraine	Inoxpa Ukraine
Russian Federation	Inoxpa LTD (Russia)
Canada	Hydra Dyne Technology Inc (Canada)
Canada	Galtech Canada
Canada	RR Canada Inc.
USA	General Pump Inc. (USA)
USA	NLB Corporation (USA)
USA	Hammelmann Corporation Inc. (USA)
USA	Muncie Inc. (USA)
USA	American Mobile Power Inc. (USA)
USA	Walvoil Fluid Power Corp. (USA)
USA	Inoxpa USA Inc
USA	GS-Hydro U.S. Inc.
USA	RR USA Inc.
USA	Transtecno USA LLC
USA	White Drive Motors and Steering, LLC
China	Hammelmann Pump System Ltd (China)
China	Wuxi Interpump Weifu Hydraulics Company (China)
China	Walvoil Fluid Power (Dongguan) Co., Ltd
China	Inoxpa Special Processing Equipment Co. Ltd (China)
China	GS-Hydro Piping Systems (Shanghai) Co. Ltd.
China	RR SUZHOU CO. Ltd (China)
China	Hangzhou Transtecno Power Transmissions CO., LTD (China)
Australia	Hammelmann Australia Pty Ltd
Australia	Mega Pacific Pty Ltd (Australia)
Australia	Walvoil Fluid Power Australasia
Australia	RR Pacific PTY LTD (Australia)
New Zealand	Mega Pacific NZ Pty Ltd (New Zealand)
Singapore	GS-Hydro Singapore Pte Ltd
South Korea	Walvoil Fluid Power Korea Llc.
South Korea	GS-Hydro Korea Ltd.
Hong Kong	HTIL (Hong Kong)
Hong Kong	GS-Hydro Hong Kong Ltd
Mexico	Inoxpa Mexico
Mexico	MA Transtecno S.A.P.I. de C.V. (Mexico)
Brazil	Interpump Hydraulics Brasil
Brazil	GS-Hydro do Brasil Sistemas Hidraulicos Ltda
Chile	Hydrocar Chile S.A.
Colombia	Inoxpa Colombia Sas
South Africa	Interpump South Africa Pty Ltd
South Africa	Inoxpa South Africa
United Arab Emirates	Interpump Hydraulics Middle East FZE
India	Interpump Hydraulics India Ltd
India	Walvoil Fluid Power (India) Pvt. Ltd.
India	Inoxpa India Private Ltd
India	RR India Private Limited
Zambia	Interpump South Africa Pty Ltd



## 8. Area related to respect for human rights

# Management of topics related to human rights

GRI 2-25; GRI 3-3

Interpump Group promotes sustainable development and strives to create long-term value for the benefit of its stakeholders, and the communities in which all Group companies operate. In carrying out its activities, Interpump promotes respect for human, social, economic and cultural rights, firmly protecting personal freedoms in all their forms, without any discrimination or violence, and does not tolerate any infringements of those principles, in strict compliance with current regulations and international conventions. In this regard, Interpump applies the OECD Guidelines and the United Nations Guiding principles for business and human rights.

The heterogeneous nature of operations, with a global reach and a supply chain also spread around the world, exposes the Group to contact with complex situations, more subject to workplace abuses and disputes, with limited safeguards for diversity or protections against discrimination and even inadequate working conditions; such circumstances may lead to infringements of the cardinal principles that underpin the protection of human rights.

The principal policies adopted by Interpump Group to govern matters related to human rights are documented in the Code of Ethics, the Whistleblowing procedure and the Guidelines on the protection of human rights, which must all be adopted in full by each company of the Group and disseminated to third parties as well. The Italian companies of strategic importance, considering their size or their organizational complexity, have adopted an Organizational Model pursuant to Decree 231/2001 ("231 Model").

In particular, via these policies and guidelines, Interpump Group:

- guarantees freedom of association for its employees and collaborators and, at the same time, guarantees the absence of discriminatory practices that might penalize them based on their membership of those associations;
- condemns any form of worker exploitation extracted by threats, intimidation, punishments or any other form of physical, psychological or verbal violence and/or by the serious withholding of freedoms;
- bans the exploitation of child labor;
- guarantees the absence of discriminatory practices in any form, whether based on race, religious belief, age, ethnic origin, civil status, disability, sexual orientation or on any other personal condition;
- ensures that all employees and collaborators are treated with respect for the guiding principles of diversity, equal opportunity and inclusion;
- guarantees adequate communications to and training for employees and collaborators about the importance of

human rights.

Interpump Group also promotes respect for human rights in its relations with third parties involved in the supply chain. Accordingly, as specified in the above policies and guidelines, Interpump requires its suppliers to maintain commercial relations, regarding procurement and the supply of goods and/or services in general, that respect the human rights contained in the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work (ILO Convention), as well as the human rights declared in any other current regulation or international treaty. In particular, Interpump Group:

- agrees with suppliers the principles and values embodied in the Code of Ethics and the 231 Model (where adopted);
- signs contracts with suppliers that contain mandatory clauses in which the third parties concerned confirm their understanding and agree to respect the principles and rules contained in the Code of Ethics and the 231 Model (where adopted);
- carries out sample checks and inspections to verify respect for human rights throughout the entire supply chain.

Any suspected or known violations of human rights are managed with top priority, via the specific reporting channels described in the Whistleblowing procedure.

No violations of human rights, of any kind, were identified during the reporting period covered by this NFS, or in the previous two years.

The Group takes steps to ensure that all identified violations of human rights and forms of discrimination are managed appropriately, with suitable disciplinary action taken against the employees and collaborators concerned, in accordance with the relevant collective bargaining agreements and/or the applicable domestic regulations.

# Non-discrimination and equal opportunities

GRI 406-1

A number of Group companies (for example: Muncie Inc. and Inoxpa SA) address the topic of diversity and inclusion (“D&I”) with management practices that are aligned with international best practices. In particular, Inoxpa, a Spanish company, has defined, formalized and approved a plan with specific objectives for managing this topic (Plan de Igualdad), establishing an ad hoc committee to monitor the plan (Comité Permanente de Igualdad) and performing audits to check on its proper implementation, with particular reference to the analysis of equal pay. Differently, in order to tackle the gender pay gap, Muncie Inc. has formalized its D&I principles in an Employee Handbook and carries

out salary reviews with reference to specific indicators. No instances of discrimination were reported during the three-year period under review.

The Group also guarantees the principle of equal opportunities and fair treatment for all employees and job applicants. See the *Employee composition* section for more information about Diversity and Equal Opportunities.

# Significant contracts that do not include human rights clauses

Contracts with suppliers following different approval processes based on the importance of the contract concerned; the approval steps and the hierarchy of controls become more demanding as their importance increases. In particular, for reporting purposes, individual purchase orders or contracts with a value in excess of 500,000 euro are classified as “significant contracts”.

During the three-year reporting period, 10 significant contracts were signed in 2020, 16 in 2021 and 12 in 2022; these contracts contain specific clauses linked to human rights and/or were subject to ad hoc assessments with regard to human rights.





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



# Management of anti-corruption topics

GRI 2-25; GRI 3-3

In the conduct of business, Interpump Group firmly believes that unethical conduct erodes the relationship of trust established with stakeholders. Accordingly, the Group strives to ensure that the actions of its employees and collaborators are guided *inter alia* by the principles of impartiality, fairness, honesty and propriety, as well as transparency and professionalism, avoiding any actual or potential conflicts between their interests and those of the business.

Episodes of corruption may occur anywhere within the value chain, or in the various countries in which the Group operates, with negative impacts on the communities and on market competition. For this reason, in the Code of Ethics and the Guidelines (Global Compliance Program) on Anti-corruption matters, the Group repudiates and condemns all forms of corruption, public or private, committing to take all necessary steps to prevent crimes of corruption in all their forms. The Group also adheres to the international conventions that forbid corruption in any form and/or on any scale, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and the UN Convention against Corruption.

In pursuing its policy of fighting against all forms of corruption, the Group strives to:

- disseminate a culture against any form of corruption;
- perform adequate due diligence work on contractual counterparties;
- adopt suitable communication and training programs;
- monitor constantly the operations of the business, including application of the 231 Model by all companies that have adopted it, given their strategic importance and/or size.

In particular, the Code of Ethics and the relevant Group guidelines forbid the financing of political parties, sponsorships for political purposes or payments that might indicate conflicts of interest, even to trade unions, thus

abstaining from any direct or indirect pressure in relation to political leaders.

The Group also strives to ensure that its activities comply fully and scrupulously with the antitrust regulations, as well as with the instructions of market regulators, guaranteeing them full collaboration with any formal requests made.

All illegal conduct is firmly prohibited and condemned, as are collusion, unlawful payments, the instigation of corruption, corruption and favoritism, whether carried out directly or indirectly via third parties. All employees, directors and collaborators of the Group must behave in an ethical and law-abiding manner in their relations with the outside world and third parties in general. Accordingly, the above guidelines address specifically the principal areas that might expose operators to corruption risks, including:

- management of hospitality, travel and entertainment expenses;
- management of gifts, presents and benefits;
- facilitation payments, being payments made to a Public Official to facilitate or accelerate an action or deed;
- relations with private partners and parties connected with the Public Administration;
- sponsorships, donations and contributions to political associations.

All confirmed or suspected infringements of the anti-corruption regulations are managed promptly by the Group via dedicated Whistleblowing channels.

No cases of corruption, of any kind, were identified during the reporting period covered by this NFS, or in the comparative periods.

# Prevention of corruption, fair competition and political donations

GRI 205-3; GRI 206-1; GRI 415-1

No cases of corruption were identified or reported during the three-year reporting period. Furthermore, no legal proceedings were initiated in relation to unfair competition,

anti-trust or monopoly practices involving the Group. Lastly, Interpump Group has not made contributions of any kind to political parties or associations.



10.

# Methodological note and GRI Content Index

# Methodological note

## GRI 2-5

This document is the Consolidated Non-Financial Statement (hereinafter, also NFS) of 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 presented as a separate document with respect to the Report on operations.

This NFS addresses the material topics envisaged in arts. 3 and 4 of Decree 254/2016 with reference to the 2022 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 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 Independent auditors 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. EY S.p.A. did not subject to limited examination any of the quantitative indicators provided in the pages indicated in the Content Index that do not refer to general or topic-specific disclosures required by the GRI Standards.

## Reference period

### GRI 2-3

This NFS, prepared annually, relates to the period from 1 January to 31 December 2022, consistent with the reference period for the Consolidated Financial Report. The Board of Directors of Interpump Group S.p.A. approved this NFS on 17 March 2023.

The document also contains non-financial data for 2020 and 2021.

To guarantee proper understanding of the 2022 data and its comparison with the two prior years, where significant the notes supporting the indicators show the changes in the scope of reporting, mainly due to the companies acquired during the three-year period, as well as the impact of exchange-rate fluctuations.

## Scope

### GRI 2-2

Compared with the scope of the Consolidated Financial Report (see the chart of Interpump Group companies at 31 December 2022, presented in the *Group profile* chapter), this document excludes the companies listed below, since they are non-operating, dormant and/or in liquidation: Bristol Hoses Ltd (UK), Interpump Piping GS S.r.l. (Italy), IMM Hydraulics Ltd (UK), NLB Poland Sp. Zoo (Rest of Europe), Teknova S.r.l. (Italy) and Transtecno USA LLC (North America). As a general criterion, the scope of reporting excludes companies purchased by Interpump Group during the second semester of the calendar year, in order to ensure a complete and accurate analysis and comparison of their data. Accordingly, this NFS 2022 does not include Eurofluid Hydraulic S.r.l., which was acquired subsequent to 30 June 2022.

The companies whose economic, social and environmental data has been consolidated in full are listed by geographical area below:

Scope of the consolidated Non-Financial Statement		
Italy	Rest of Europe	
Interpump Group S.p.A.	Copa Hydrosystem OOD (Bulgaria)	
Contarini Leopoldo S.r.l.	GS- Hydro UK Ltd	
Draintech S.r.l.	GS-Hydro Ab (Sweden)	
FGA S.r.l.	GS-Hydro Austria GmbH	
Hydroven S.r.l.	GS-Hydro Benelux B.V.	
IMM Hydraulics S.p.A.	GS-Hydro Denmark AS	
Innovativ Gummi Tech S.r.l.	GS-Hydro S.A.U (Spain)	
Inoxihp S.r.l.	GS-Hydro Sp Z O O (Poland)	
Inoxpa Italia Srl	GS-Hydro System GmbH (Germany)	
Interpump Hydraulics S.p.A.	Hammelmann France	
Oleodinamica Panni S.r.l.	Hammelmann GmbH (Germany)	
Pioli S.r.l.	Hammelmann S. L. (Spain)	
Reggiana Riduttori S.r.l.	Hammelmann Swiss GmbH	
Servizi Industriali S.r.l.	Hypress France Sarl	
SIT S.p.A.	IMM Hydro Est (Romania)	
Tekno Tubi S.r.l.	Improved Solutions Unipessoal Ltda (Portugal)	
Transtecno S.r.l.	Inoxpa (UK) Ltd	
Tubiflex S.p.A.	Inoxpa LTD (Russia)	
Walvoil S.p.A.	Inoxpa S.A.U. (Spain)	
	Inoxpa Skandinavien A/S (Denmark)	
	Inoxpa Solutions France Sas	
	Inoxpa Solutions Moldova	
	Inoxpa Ukraine	
	Interpump Fluid Solutions Germany GmbH	
	Interpump Hydraulics France S.a.r.l.	
	Interpump Hydraulics UK	
	RR Slovakia A.S.	
	RR France Sarl	
	RR Holland BV	
	Suministros Franquesa S.A.	
	Transtecno Aandrijftechniek B.V. (Netherlands)	
	Transtecno BV (Netherlands)	
	Transtecno Iberica the Modular Gearmotor s.a. (Spain)	
	Unidro Contarini Sas (France)	
	Walvoil Fluid Power France Sarl.	
	White Drive Motors and Steering GmbH (Germany)	
	White Drive Motors and Steering Sp. z o.o. (Poland)	
North America	Far East and Pacific Area	Rest of the World
American Mobile Power Inc. (USA)	GS-Hydro Hong Kong Ltd.	GS-Hydro do Brasil Sistemas Hidraulicos Ltda
Galtech Canada	GS-Hydro Korea Ltd.	Hydrocar Chile S.A.
General Pump Inc. (USA)	GS-Hydro Piping Systems (Shanghai) Co. Ltd.	Inoxpa Colombia Sas
GS-Hydro U.S. Inc.	GS-Hydro Singapore Pte Ltd.	Inoxpa India Private Ltd
Hammelmann Corporation Inc. (USA)	Hammelmann Australia Pty Ltd.	Inoxpa Mexico
Hydra Dyne Technology Inc. (Canada)	Hammelmann Pump System Ltd (China)	Inoxpa South Africa
Inoxpa USA Inc.	Hangzhou Transtecno Power Transmissions CO., Ltd (China)	Interpump Hydraulics Brasil
Muncie Inc. (USA)	Inoxpa Special Processing Equipment Co. Ltd (China)	Interpump Hydraulics India Ltd
NLB Corporation (USA)	Mega Pacific NZ Pty Ltd (New Zealand)	Interpump Hydraulics Middle East FZE
RR Canada Inc.	Mega Pacific Pty Ltd (Australia)	Interpump South Africa Pty Ltd
RR USA Inc.	RR Pacific PTY LTD (Australia)	MA Transtecno S.A.P.I. de C.V. (Mexico)
Walvoil Fluid Power Corp. (USA)	RR SUZHOU CO. Ltd (China)	RR India Private Limited
White Drive Motors and Steering, LLC (USA)	Walvoil Fluid Power (Dongguan) Co., Ltd	Walvoil Fluid Power (India) Pvt. Ltd.
	Walvoil Fluid Power Australasia	
	Walvoil Fluid Power Korea Llc.	
	Wuxi Interpump Weifu Hydraulics Company (China)	

## Reporting standards

This NFS has been prepared in conformity with the Reporting Standards of the Global Reporting Initiative (GRI) 2021. The new GRI 306 - Waste 2020 standard has been adopted from the 2021 reporting year.

This Statement includes a “Correlation Table for material topics and GRI indicators”, presented below, to show the coverage of the GRI indicators associated with each topic deemed to be material. In addition, for completeness, each chapter and/or section makes reference to the indicators addressed.

## Contact point

GRI 2-3

Write to [csr@interpumpgroup.it](mailto:csr@interpumpgroup.it) for more information about this NFS.

## Methods of calculation

The principal methods of calculation and assumptions made for the non-financial performance indicators included in this NFS are presented below, in addition to those already indicated in the text (e.g. specific calculation formulas).

### Personnel-related data

#### → Workforce

The personnel (e.g. workforce) data relates to natural persons (not standardized using FTEs) at 31/12 in the reporting period.

Consistent with previous reporting years, apprentices have been treated as full-time employees on temporary contracts. In 2020 and 2021, the data collected for collaborators who were not employees only included agency workers; from 2022, data collection has been extended to include: interns, contractors, subcontractors and self-employed persons. These persons are all considered as full-time workers.

#### → Health and safety

The indicators for matters related to health and safety 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:

1. Injury rate: no. of injuries \* 200,000 / hours actually worked.
2. Injury rate (incidents with high-consequence): no. of high-consequence injuries \* 200,000 / hours actually worked.
3. Lost days rate (LDR): no. of days lost \* 200,000 / theoretical hours worked.
4. Occupational disease rate: no. of occupational diseases \* 200,000 / hours actually worked.

#### → Annual total compensation

Given the heterogeneous nature of current employment legislation in the countries in which the Group operates, data collection only considered those persons employed

at 31/12. The remuneration of employees with part-time contracts and of those hired during the year has been normalized, to make it equivalent to that of an employee with a full-time contract from 1/1 to 31/12 in the reporting year (FTE remuneration). Employees who terminated the working relationship during the year were excluded from the calculation. Total annual remuneration includes:

- ↪ fixed components: normalized annual basic pay, including any references made to the collective bargaining and personal agreements;
- ↪ variable components, only if actually received (cash basis): remuneration for overtime hours, bonuses and awards, incentives, commissions, fringe and flexible benefits.
- ↪ Where applicable, long-term bonuses and stock options are also included. The last mentioned are measured at fair value, if specified in the *Remuneration Policy*, or treated as income in kind otherwise.

The scope of data collection is consistent with that of the comparative periods.

### Data relating to the Environmental Area

#### → Collection of environmental data

Where specific environmental data was unavailable, conservative estimates were made by choosing assumptions for environmental performance that were less favorable for the Company.

#### → Water withdrawal and discharges

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 suppliers, such as the public supply (mains), for which no exchange of materials is envisaged at any point in the productive process;
- ↪ water withdrawn 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 1 g/liter. In the absence of analyses confirming compliance with the 1 g/liter limit, the Group takes a prudent approach by classifying the water concerned in the “other” category.

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

#### → Emissions

Greenhouse gas emissions were calculated using the following formula: activity value (m<sup>3</sup> of natural



gas, kWh of electrical energy, etc.) multiplied by the respective emission factor. Also, losses of refrigerant gas (expressed in kg) were considered, multiplied by the respective Global Warming Potential (GWP).

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:** the emissions for electricity purchased from the grid were calculated using two methods, as required by the GRI Standards:
  - ↪ the Location-based calculation used the emission factors reported in the “International Comparisons” document published by Terna;
  - ↪ the Market-based calculation used the residual mix emission factors reported in the latest-available 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. With regard to those countries for which, at the time of preparing this NFS, residual mix factors are not publicly available from accredited sources, or which were lower than the location-based values, a

conservative approach was adopted by using the emission factors applied in the location-based calculation. Further, note that: (i) the emission factor applied to the sites located in the USA was the average calculated for the entire country; (ii) the 2022 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;

- **Scope 3 emissions:** The Group currently has no elements for reporting Scope 3 emissions, and is working on the calculation and reporting activities.

## Correlation table for material topics and GRI indicators GRI 3-1

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

Material topics	GRI Standard	Scope		
		Internal	External	Limitations
Environmental Area				
Energy and Climate change	GRI 302: Energy 2016 (302-1, 302-3)	Interpump Group	-	-
	GRI 305: Emissions 2016 (305-1, 305-2, 305-4)			
Water resource management	GRI 303: Water and Effluents 2018 (303-1, 303-2, 303-3, 303-4)	Interpump Group		
Polluting emissions	GRI 305: Emissions 2016 (305-7)	Interpump Group		
Waste management	GRI 306: Waste 2020 (306-1, 306-2, 306-3, 306-4, 306-5)	Interpump Group		
Socio-economic Area				
Economic performance	GRI 201: Economic Performance (201-1)	Interpump Group		
Tax	GRI 207: Tax (207-1, 207-2, 207-3, 207-4)	Interpump Group		
Customer health and safety	GRI 416: Customer Health and Safety 2016 (416-2)	Interpump Group		
Research, development and innovation	-	Interpump Group		
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 Group	Agency workers and external companies working on Group sites	Reporting partially extended to external boundary
Management of human capital	GRI 401: Employment 2016 (401-1)	Interpump Group		
Training	GRI 404: Training and Education 2016 (404-1)	Interpump Group		
Area related to respect for human rights				
Protection of human rights, non-discrimination and equal opportunities	GRI 405: Diversity and equal opportunity 2016 (405-1)	Interpump Group		
	GRI 406: Non-discrimination 2016 (406-1)	Interpump Group		
Anti-corruption Area				
Fight against corruption	GRI 205: Anti-corruption 2016 (205-3)	Interpump Group		
	GRI 415: Political Contribution (415-1)	Interpump Group		

Statement of use	Interpump Group S.p.A. has prepared this Statement in conformity with the GRI Standards for the period from 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	6-9	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization’s sustainability reporting	82, 90-91				
	2-3 Reporting period, frequency and contact point	90, 92, March 2023				
	2-4 Restatements of information	-				
	2-5 External assurance	90, 101-103				
	2-6 Activities, value chain and other business relationships	6, 10-12, 15				
	2-7 Employees	51-53				
	2-8 Workers who are not employees	54				
	2-9 Governance structure and composition	17-21				
	2-10 Nomination and selection of the highest governance body	17-21				
	2-11 Chair of the highest governance body	18-21				
	2-12 Role of the highest governance body in overseeing the management of impacts	18-21, 35-38, 39-42				
	2-13 Delegation of responsibility for managing impacts	17, 39-42				
	2-14 Role of the highest governance body in sustainability reporting	17-21, 35-38				
	2-15 Conflicts of interest	17-21				
	2-16 Communication of critical concerns	25-27				

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
	2-17 Collective knowledge of the highest governance body	18-21				
	2-18 Evaluation of the performance of the highest governance body	18-21				
	2-19 Remuneration policies	21-23				
	2-20 Process to determine remuneration	21-23				
	2-21 Annual total compensation ratio	21-23				
	2-22 Statement on sustainable development strategy	3, 25-26				
	2-23 Policy commitments	25-26				
	2-24 Embedding policy commitments	39-42				
	2-25 Processes to remediate negative impacts	13-14, 25-27, 50, 62-63, 78, 84, 87				
	2-26 Mechanisms for seeking advice and raising concerns	25-27				
	2-27 Compliance with laws and regulations	26-27				
	2-28 Membership associations	36				
	2-29 Approach to stakeholder engagement	35-38				
	2-30 Collective bargaining agreements	53				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	35-38, 94	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	35-38, 94				

## Economic Aspects

Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 78				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	79				

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 87				
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	88				
Anti-competitive behavior						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 87				
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	88				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 78				
GRI 207: Tax 2019	207-1 Approach to tax	80-82				
	207-2 Tax governance, control, and risk management	80-82				
	207-3 Stakeholder engagement and management of concerns related to tax	80-82				
	207-4 Country-by-country reporting	80-82				

## Environmental Aspects

<b>Energy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 62-63				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	64-66				
	302-3 Energy intensity	64-66				
<b>Water and effluents</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 62-63				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	70-72				
	303-2 Management of water discharge-related impacts	70-72				
	303-3 Water withdrawal	70-72				
	303-4 Water discharge	70-72				

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 62-63				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	67-69				
	305-2 Energy indirect (Scope 2) GHG emissions	67-69				
	305-4 GHG emissions intensity	67-69				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	67-69				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 62-63				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	73-76				
	306-2 Management of significant waste-related impacts	73-76				
	306-3 Waste generated	73-76				
	306-4 Waste diverted from disposal	73-76				
	306-5 Waste directed to disposal	73-76				

## Social Aspects

<b>Employment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 50				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	56				



GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 50				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	58-60				
	403-2 Hazard identification, risk assessment, and incident investigation	58-60				
	403-3 Occupational health services	58-60				
	403-4 Worker participation, consultation, and communication on occupational health and safety	58-60				
	403-5 Worker training on occupational health and safety	58-60				
	403-6 Promotion of worker health	58-60				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	58-60				
	403-9 Work-related injuries	58-60				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 50				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	57				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 50, 84				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	18-21, 55				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 50, 84				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	85				

GRI Standard	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 87				
GRI 415: Public Policy 2016	415-1 Political contributions	88				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	39-42, 78				
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	79				
Research, development and innovation						
GRI 3: Material Topics 2021	3-3 Management of material topics	13-14, 39-42				
-	R&D projects with sustainability goals completed or in the development phase during the reference year.	13-14				



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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 18<sup>th</sup> 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 31<sup>st</sup> December 2022 in accordance with article 4 of the Decree and approved by the Board of Directors on 17<sup>th</sup> March 2023 (hereinafter "DNF"). Our limited assurance engagement does not cover the information included in the paragraph "European taxonomy" of the DNF, that are required by art. 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.

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Capitale Sociale Euro 2.525.000,00 i.v.  
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi  
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## 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 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 NLB Corporation Inc., Hydra Dyne Technology Inc., Oleodinamica Panni 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 Wixom (USA) of NLB Corporation Inc., Ingersoll (Canada) of Hydra Dyne Technology Inc. and Cittadella (Italy) of Oleodinamica Panni 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 31<sup>st</sup> December 2022 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 "European taxonomy" of the DNF itself, that are required by art. 8 of the European Regulation 2020/852.

Bologna, 30<sup>th</sup> March 2023

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

**VAT No.** IT01682900350

