



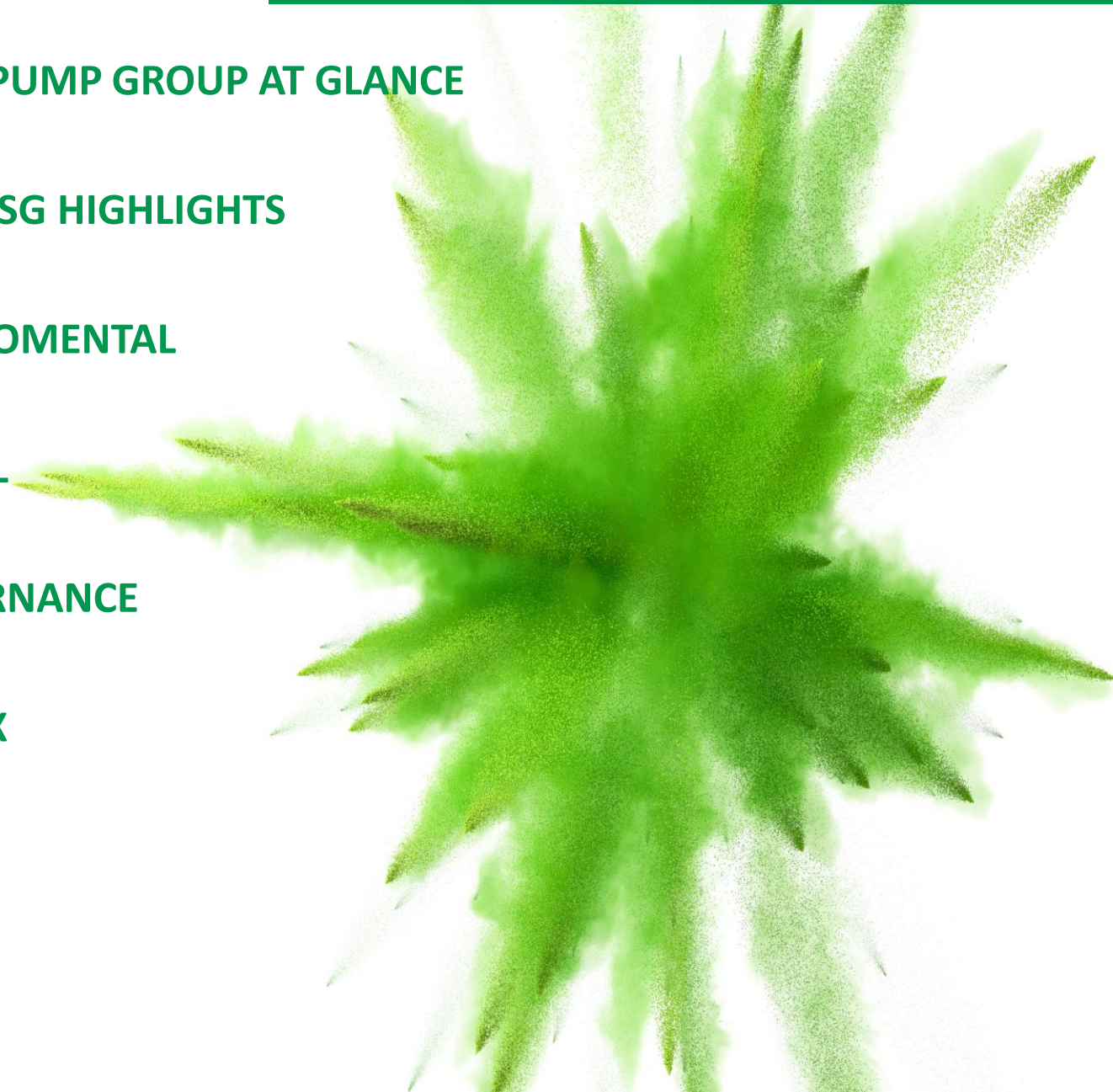
INTERPUMP GROUP



2023-25 ESG JOURNEY – 2024 ACTIVITIES OVERVIEW

January 2025

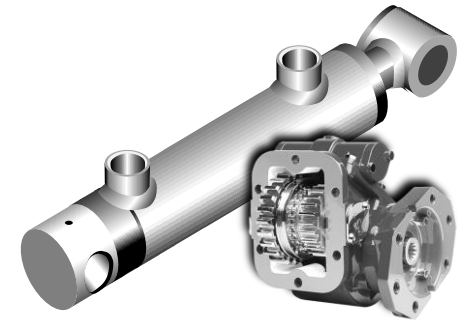
- **INTERPUMP GROUP AT GLANCE**
- **2024 ESG HIGHLIGHTS**
- **ENVIROMENTAL**
- **SOCIAL**
- **GOVERNANCE**
- **ANNEX**



▪ INTERPUMP GROUP AT GLANCE



- € 2.240m of turnover and € 536m of EBITDA (24% on net sales) in 2023 divided between two divisions
 - Hydraulics and Water Jetting
- **Hydraulics:** around 75% of Group sales, EBITDA margin around 22%
 - Wide range of components for mobile and non-mobile hydraulics: PTOs, cylinders, gear pumps, valves, hoses, fittings, ...
 - Additional businesses: reduction gears, hoses, fittings for non-hydraulic applications
- **Water Jetting:** around 25% of Group sales and EBITDA margin around 28%
 - High-pressure plunger piston pumps
 - Additional businesses: flow handling components for food&beverage, cosmetics and pharmaceutical components

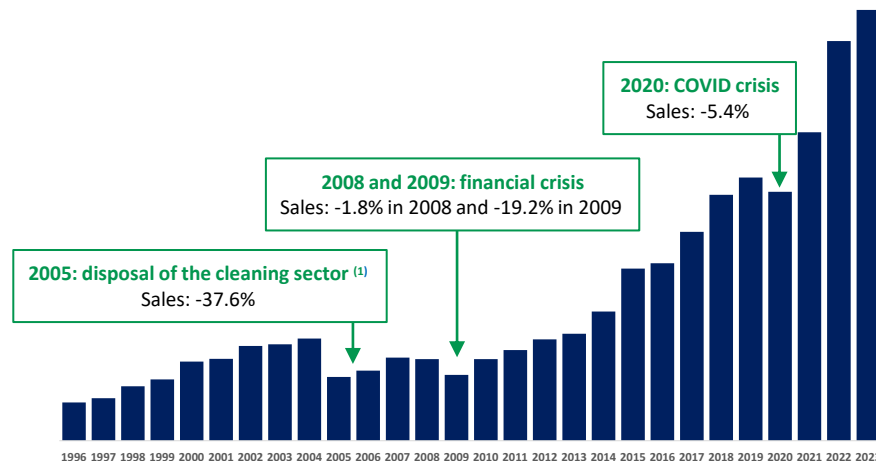


- Since IPO in 1996 a track record of excellence and resilience

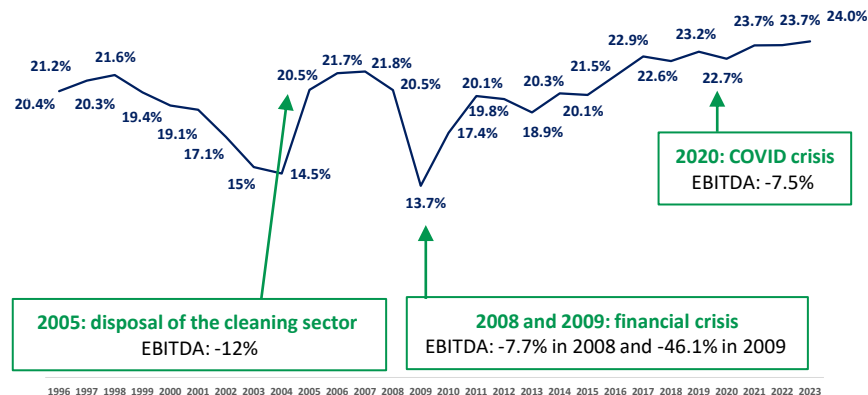
- Sales: only 4 years of decrease driven by strategic activities review ⁽¹⁾ or extraordinary external events
 - Diversification by division, geography, product and market application
 - Complementary nature of two divisions
 - Consistent organic growth enhanced by M&A

- EBITDA: only 5 years of decrease
 - Business model and cost structure flexibility
 - Integration capability
 - E.g. Hydrocontrol⁽²⁾ and IMM⁽³⁾ in 2014 and White⁽⁴⁾ in 2022

GROUP 1996-2023 SALES EVOLUTION
(€ million)



GROUP 1996-2023 EBITDA MARGIN EVOLUTION
(% on net sales)

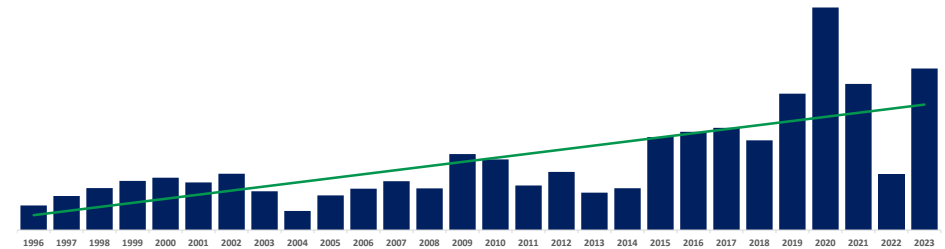


⁽¹⁾ April 2005: € 293ml of sales with an EBITDA margin of around 10% in 2004 - ⁽²⁾ May 2013: € 57m of sales with an EBITDA margin of around 12% in 2012

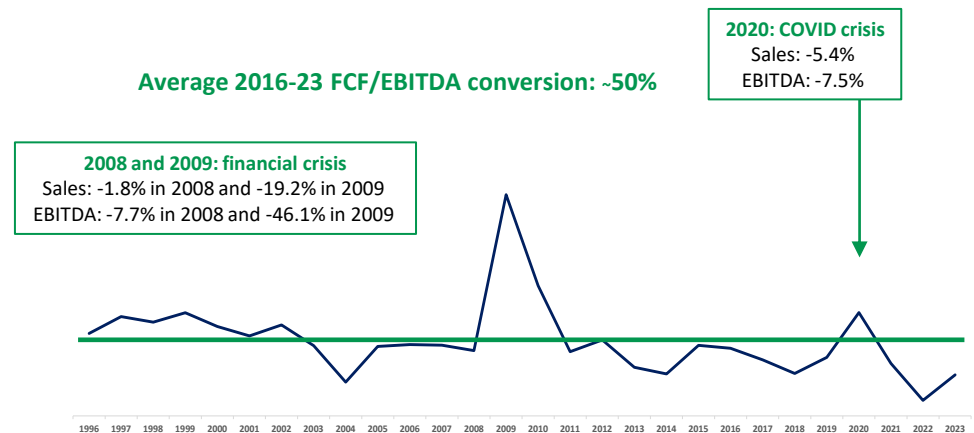
⁽³⁾ August 2013: € 62m of sales with an EBITDA margin of around 13% in 2013E - ⁽⁴⁾ June 2021: € 200ml of sales with an EBITDA margin of around 22% in 2022E

- FCF: growing generation and consistent exploitation in worsening environment
 - EBITDA excellence and resilience
 - TWC proactive management
 - Customer quality
 - Tactical supply chain approach
 - Inventories fast adaptation capability
 - CAPEX flexibility

GROUP 1996-2023 FCF EVOLUTION
(€ million)



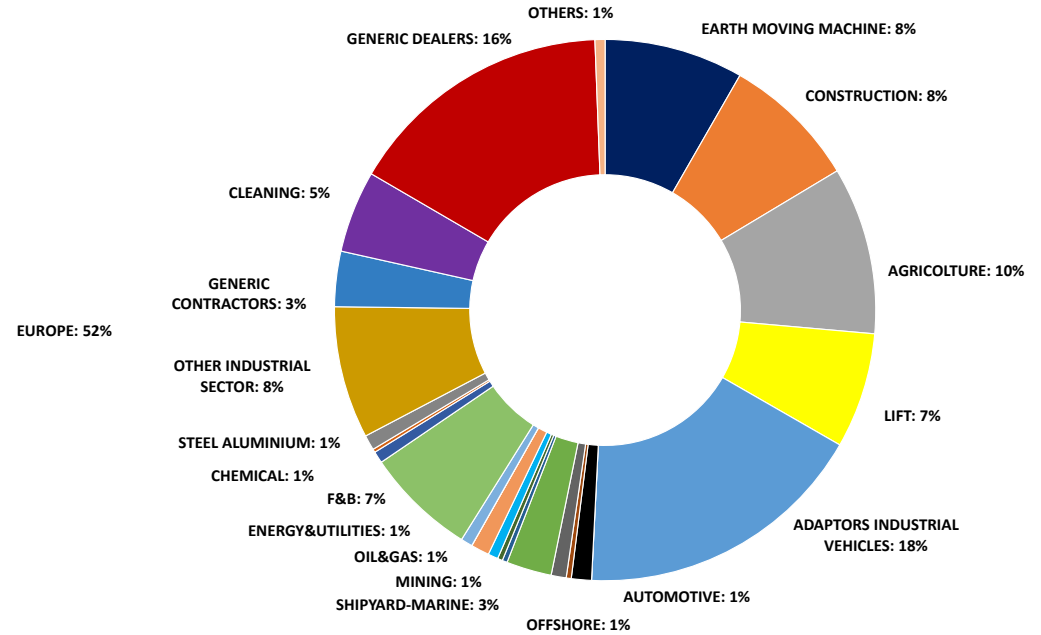
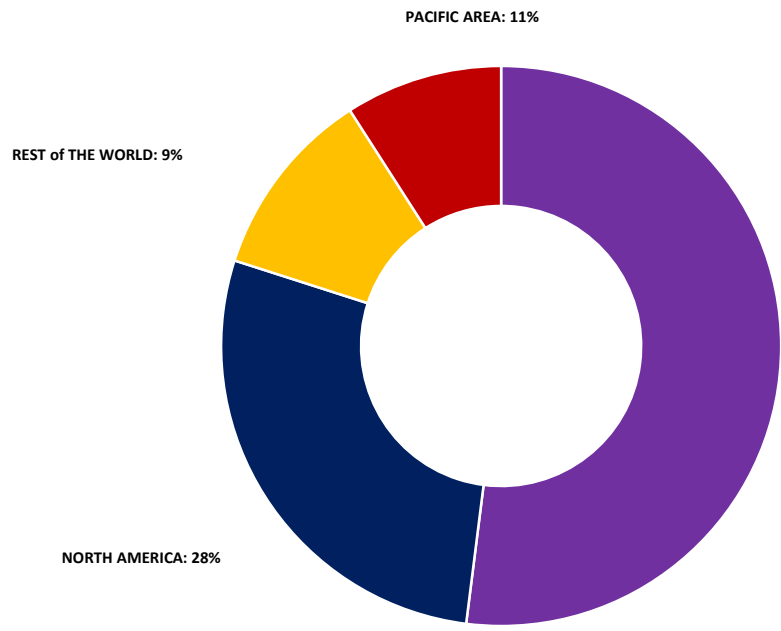
GROUP 1996-2023 CASH CONVERSION EVOLUTION





2023-25 ESG JOURNEY INTERPUMP GROUP AT GLANCE – SALES DIVERSIFICATION

GROUP
2023 sales: € 2.240m



Market application breakdown: incidence below 0.5% not indicated, incidence between 0.5-1% rounded to 1%



2023-25 ESG JOURNEY INTERPUMP GROUP AT GLANCE – MARKET DIVERSIFICATION

	HYDRAULICS	WATER JETTING	
		HIGH PRESSURE PUMPS DEVICES & SYSTEMS	FLOW HANDLING COMPONENTS
PRODUCTS	<ul style="list-style-type: none"> Power take-offs, cylinders, hydraulic motors & gear pumps, valves Rubber and flexible metal hoses, rigid pipes, pipe system design and connection flanges Linear, orthogonal/planetary reduction gears for lightweight to very large-scale applications 	<ul style="list-style-type: none"> Piston pumps 1-2,000hP used in high-pressure applications Standard or custom design Pump-based turnkey systems and assemblies 	<ul style="list-style-type: none"> Stainless steel agitators, mixers, manifolds, tanks, cleaning-in-place systems, heat treatment, centrifugal separators, low-pressure pumps
MARKET			
Dimension	> € 50 bn / yr	€ 1 bn / yr	€ 9 bn / yr
Features	<ul style="list-style-type: none"> Size and efficiency 	<ul style="list-style-type: none"> Niches market and high operators' fragmentation 	<ul style="list-style-type: none"> Extreme geographic & product diversification
Organic & external growth opportunities	<ul style="list-style-type: none"> Organic: long-term growth related to world GDP External: plentiful 	<ul style="list-style-type: none"> Organic: on going development across various industries External: limited 	<ul style="list-style-type: none"> Organic: leveraging on development & urbanization and nutritional awareness trends External: plentiful
GROUP COMPETITIVE ADVANTAGES	<ul style="list-style-type: none"> Product range and geographical production footprint allow to supply the largest OEMs <ul style="list-style-type: none"> Volatility reduced by diversification Flexibility to adapt to any market phase M&A strategy as a driver to improve visibility, product range and cross-selling opportunities Manufacturing of key components (e.g. directional control valves) ensures sticky and long-lasting business relationships 	<ul style="list-style-type: none"> Largest player in its niche Top-of-the-market product performance Premium positioning due to history and reputation After-sales revenues (~1/3 of sector total) 	<ul style="list-style-type: none"> Hygienically sensitive applications require the same skills needed at even higher levels for high-pressure pumps: sophisticated flow design, high-precision metal machining & surface treatments Focus on high-margin components

⁽¹⁾ Management estimates on 3rd parties' data



HYDRAULICS

INTERPUMP HYDRAULICS

MUNCIE POWER

Power take offs



WALVOIL – WHITE - EUROFLUID

Directional control valves, pumps & motors, compact hydraulics, electronics.

Motor & steering solutions



BERMA – DRAINTEC - DZ TRASMISSIONI REGGIANA RIDOTTORI - TRANSTECNO

Reduction gears



I.M.M.

Hypress and fluid solutions



TUBIFLEX - ALLTUBE

Metallic flexible hoses



GS-HYDRO – TEKNOTUBI

Rigid pipes & piping system



CONTARINI – PANNI - HYDRA DYNE HYDROVEN

Cylinders & rotary manifolds



AMERICAN MOBILE

Oil tanks



HYDRALOK

Hose assembling machine



WATER JETTING

HIGH PRESSURE PUMPS DEVICES & SYSTEMS



INTERPUMP PRATISSOLI ALFA VALVOLE

High flow/pressure plunger pumps



NLB

Production and rental of high-pressure pumps and complete systems



INOXIHP

Specialised solutions for the steel and mining industries



HAMMELMANN

High pressure pumps (up to 1.500 HP – 6.000 bar / 87K PSI) Design and supply of turnkey solutions



FLOW HANDLING COMPONENTS

BERTOLI

Homogenizers



INOXPA – FLUINOX PPC - YRP

Mixers, components & systems



MACFUGE MARIOTTI&PECINI

Mixers, agitators and centrifugal separators



I.MEC

Mechanical screens



WAIKATO

Milking system



PROCESS PARTERS YRP FLOW TECNOLOGY





HYDRAULICS



EARTH MOVING
Excavators
Backhoe loaders
Skid-steer loaders



TRUCK OUTFITTERS
Tipping trucks
Trash collection
Firefighting
Snow plowing
Towing - Car Carriers
Crane trucks



TRUCK
Factory-fitted
PTOs



AGRICULTURE
Farm tractors
Front loaders
Harvesting machines



CONSTRUCTION
Concrete mixing
Telescopic handlers
Conditioning
refrigeration
ventilation



INDUSTRIAL
Machine tools
Hydraulic power packs
Automated assembly lines



LIFTING
Mobile-fixed cranes
Elevators
Forklifts
Conveyor belts



DRILLING/TUNNELING
Tunnel-boring machines

WATER JETTING



FOOD, COSMETICS ⁽¹⁾
High-pressure homogenizers
Water-jet food cutting,
slicing, meat separation
High-pressure sterilization



AUTOMOTIVE
Rail engine heads deburring
Bodywork cutting
Welded seals cleanup



CONSTRUCTION
Hydro-demolition⁽²⁾
Surface preparation⁽²⁾
Infrastructures renewal⁽²⁾



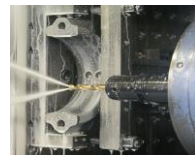
MARINE / SHIPYARDS
Water-blasting removal⁽²⁾
Hull cleaning⁽²⁾
Fuel pumps for methanol-
converted marine engines



TRUCKS
Lightweight high pressure
pumps for sewer trucks
Other utility vehicles



WATER PROCESSING
Misting
Reverse-osmosis
desalination



INDUSTRY
Machine drilling & cutting⁽²⁾
Pulp & paper
Fibers intertwining
Overspray removal



CONTRACTORS
Sell or rent general-purpose
high-pressure systems for
cleaning and maintenance
service (e.g. U.S. market)



STEEL / ALUMINUM
Descaling of steel bars⁽²⁾
Cleaning of tanks & vessels⁽²⁾

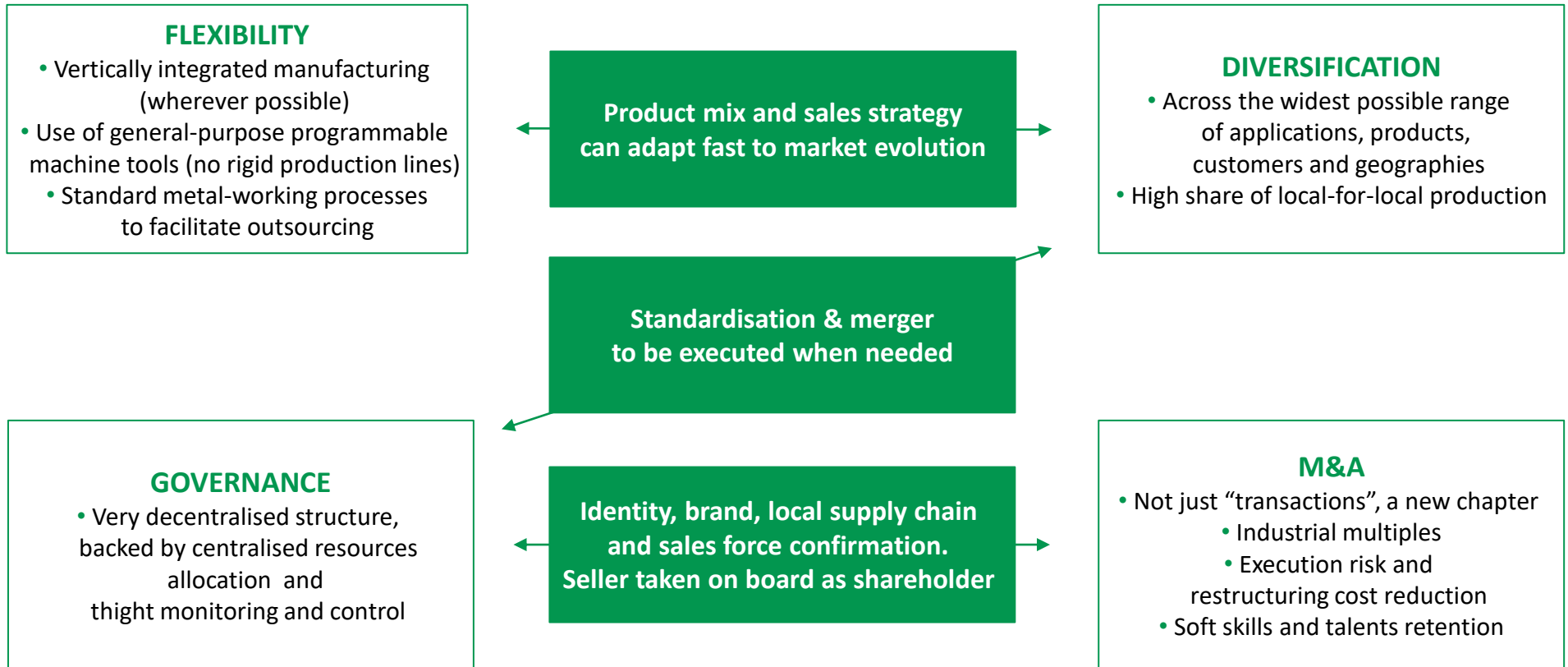


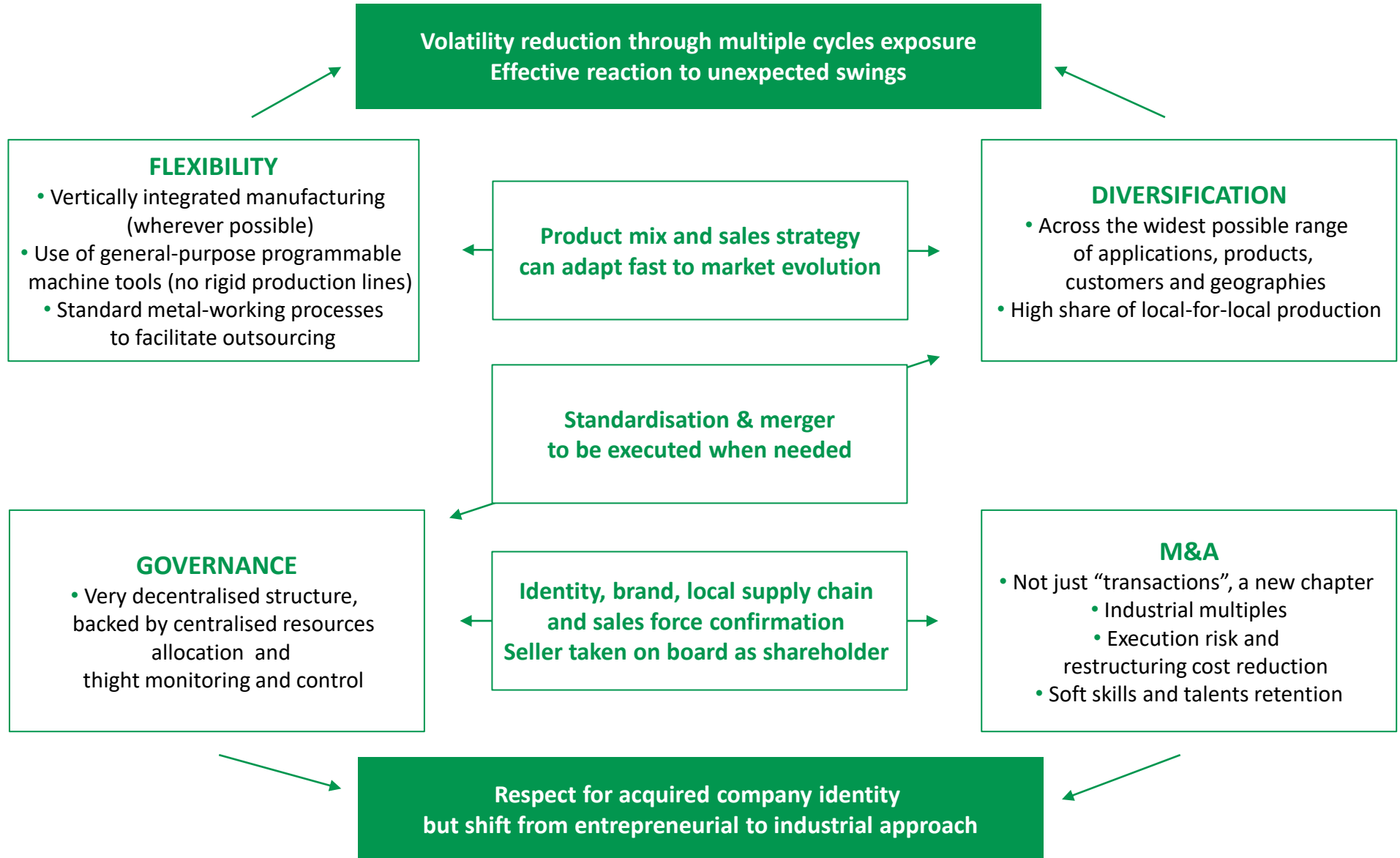
CLEANING
Mid/high-power cleaning⁽²⁾
Car washing systems
Airport tarmacs⁽²⁾
Fish-farming nets⁽²⁾



OIL & GAS
Anti-icing and pressure-
restoring fluids injections
Underwater pumping
Emergency valve operation
Platform decommissioning

⁽¹⁾ In addition to flow handling components - ⁽²⁾ Group can supply the entire turnkey system



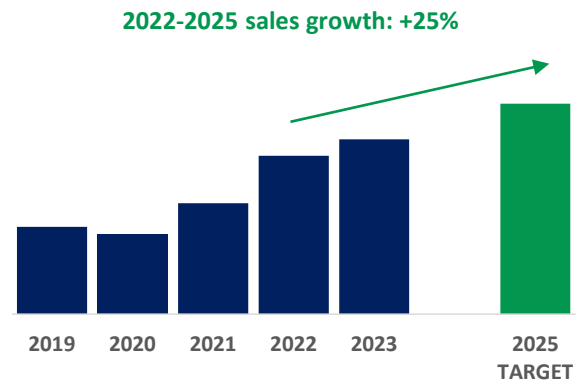




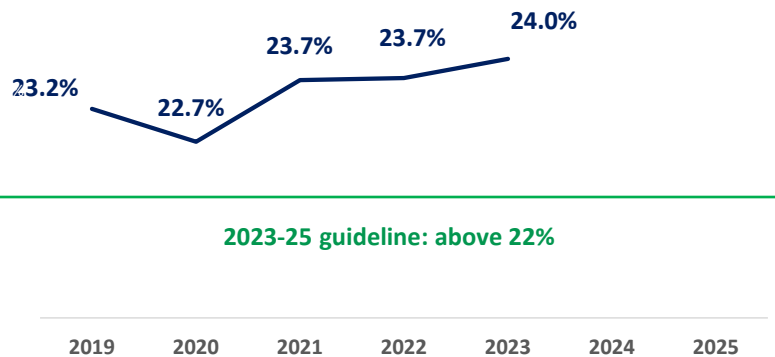
2023-25 ESG JOURNEY INTERPUMP GROUP AT GLANCE – 2023-25 COMMITMENTS

- 2023-25 commitments, 1 target with 2 guidelines⁽¹⁾
- One target: sales
 - around 25% of total growth⁽²⁾
- Two guidelines: profitability and leverage
 - Profitability: above 22% EBITDA margin including possible M&A temporary dilution effect
 - Leverage⁽³⁾: between 1.0x and 1.5x

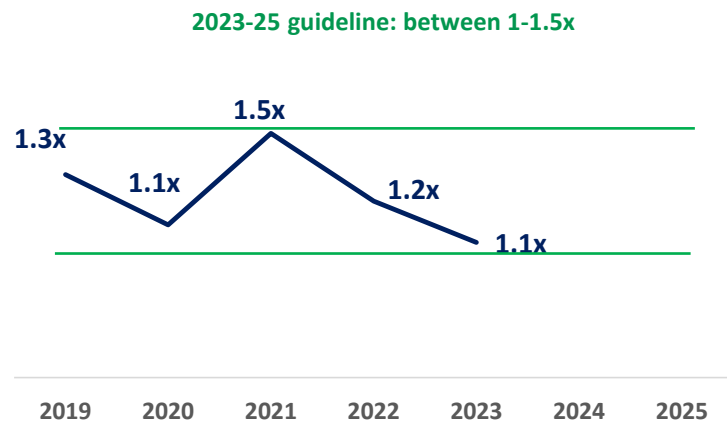
2022-25 GROUP EXPECTED SALES EVOLUTION⁽¹⁾



EBITDA MARGIN GUIDELINE (% on net sales)

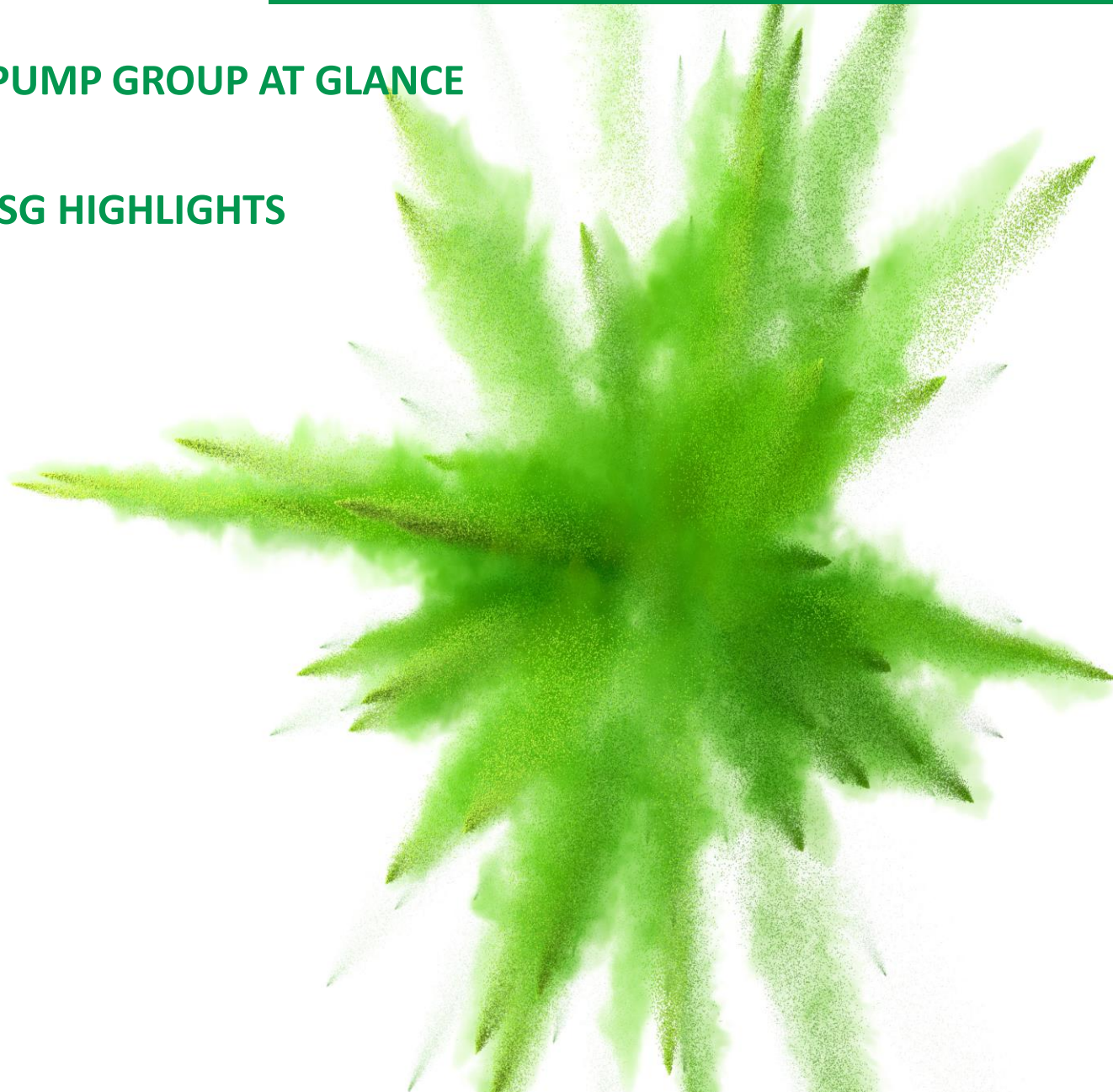


LEVERAGE RATIO GUIDELINE



⁽¹⁾ At contract FX rate - ⁽²⁾ From both organic growth and M&A - ⁽³⁾ Total debt/EBITDA ("Total Debt" = NFP including commitments for the acquisition of investments)

- **INTERPUMP GROUP AT GLANCE**
- **2024 ESG HIGHLIGHTS**



- All 2024 ESG Plan actions delivered⁽¹⁾
 - Building Group ESG foundation

- Multi annual actions delivery on track
 - S.4 action of 2025 - Global Mobility Program – anticipated to 2024

- Each action drove Group enhancement
 - CPPA⁽¹⁾: for the first time a coordinated and unitary execution
 - Eco-Design: definition of guidelines which will drive decisions and actions at subsidiaries level
 - Responsible Supply Chain: subsidiary best practice spread to most important Italian entities

- Group corporate functions leading the way

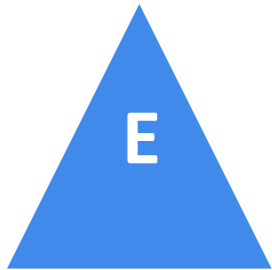
- Clear vision on possible next steps to pursue and enhance Group ESG Journey
 - Already working on 2026-2028 Plan

⁽¹⁾ S. 1 e G.5 actions data will be disclosed in March 2025, after having collected and processed all the data required for the annual financial and non-financial reporting

⁽²⁾ Corporate Purchase Power Agreement -

“A falling tree makes more noise than a growing forest”

Lao Tzu



2023-2025 KEY TARGETS

SUPPORTED GRI and SDG

<ul style="list-style-type: none"> ▪ Definition of Group “Carbon neutrality” strategy ▪ Reduction of Group “Carbon intensity” ▪ Increase of renewed electricity consumption 	<p>2023</p> <p>2025</p> <p>2025</p>
<ul style="list-style-type: none"> ▪ Injury rate improvement ▪ ESG supply chain evaluation ▪ ISO 45001 extension 	<p>2024</p> <p>2023 & 2024</p> <p>2027</p>
<ul style="list-style-type: none"> ▪ Establishment of Board ESG Committee ▪ Succession plan formalisation ▪ Tax compliance consolidation 	<p>2023</p> <p>2023</p> <p>2024</p>



305-1 and 2
302-1



403-9
308-1 / 414-1



207-1, 2 and 3





2023-25 ESG JOURNEY HIGHLIGHTS – A DELIVERING GROUP

ANALYSIS AND MEASUREMENT

BUILDING GROUP
ESG FOUNDATIONS

LEADING TO
2030 AND 2050 DECARBONISATION TARGETS

2022

2023

2024

2025

2027

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

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

ANALYSIS, MEASUREMENT, REVIEW AND FINETUNE













- **INTERPUMP GROUP AT GLANCE**
- **2024 ESG HIGHLIGHTS**
- **ENVIROMENTAL**

For additional information, see please presentations “Corporate Power Purchase Agreement presentation - 21 November 2024” and “Eco-Design Guidelines for Group products – 20 December 2024” on Group web site

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

	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
CLIMATE CHANGE	E.1	<p>Carbon neutrality strategy definition</p> <ul style="list-style-type: none"> ▪ To be applied to the entire Group perimeter and to all carbon emission categories (Scope 1, 2 and 3) ▪ Fundamental support to reach timely 2030 and 2050 EU target 		N.A.	Base year: 2022 Target year: 2023
	E.2	<p>Carbon intensity reduction</p> <ul style="list-style-type: none"> ▪ Focus on Scope 1 and 2 ▪ Main leverages: photovoltaic plants installation and renewable purchase energy agreement ▪ Italian manufacturing site as PPA starting point 	 305-1 and 2	Base year: 2021 Target year: 2025	Base year: 2021 Target year: 2025
	E.3	<p>Increase of renewable energy consumption</p> <ul style="list-style-type: none"> ▪ Main leverages: photovoltaic plants installation and renewable purchase energy agreement ▪ Italian manufacturing site as PPA starting point 	 302-1	K.P.I. Total renewable EE (GJ)/Total energy Base: 3% Target: 25%	Base year: 2021 Target year: 2025

PRODUCT LIFE CYCLE

ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
E.4	<p style="text-align: center;">Circular economy – Phase 1</p> <ul style="list-style-type: none"> Waste assessment and potential by-products analysis Network with partner entities at regional level Pilot project in IPG and IMM subsidiaries 	   	N.A.	Base year: 2022 Target year: 2023
E.5	<p style="text-align: center;">Circular economy – Phase 2</p> <ul style="list-style-type: none"> Feasibility study on Phase 1 project extension Italian manufacturing site as possible perimeter 	   	N.A.	Base year: 2023 Target year: 2025
E.7	<p style="text-align: center;">Product ECO-design</p> <ul style="list-style-type: none"> Phase 1: definition of a Group ECO-design policy Phase 2: implementation of Group policy through procedures reflecting business model heterogeneities 	   	N.A.	Base year: 2022 Target year: 2024

POWER PURCHASE POWER AGREEMENT MAIN FEATURES	
Plant technology	Photovoltaic – New plant
Plant location	Italy
PPA typology	Physical sleeved
Consumption volumes	20GWh ⁽¹⁾
Contract length	10 years, starting from 1° January 2025
Price	Fix
Contract perimeters	5 Italian Group companies IMM, Interpump Group, Interpump Hydraulics, Reggiana Riduttori and Walvoil
Energy destination	Self-consumption
Energy provider	Statkraft Markets GmbH

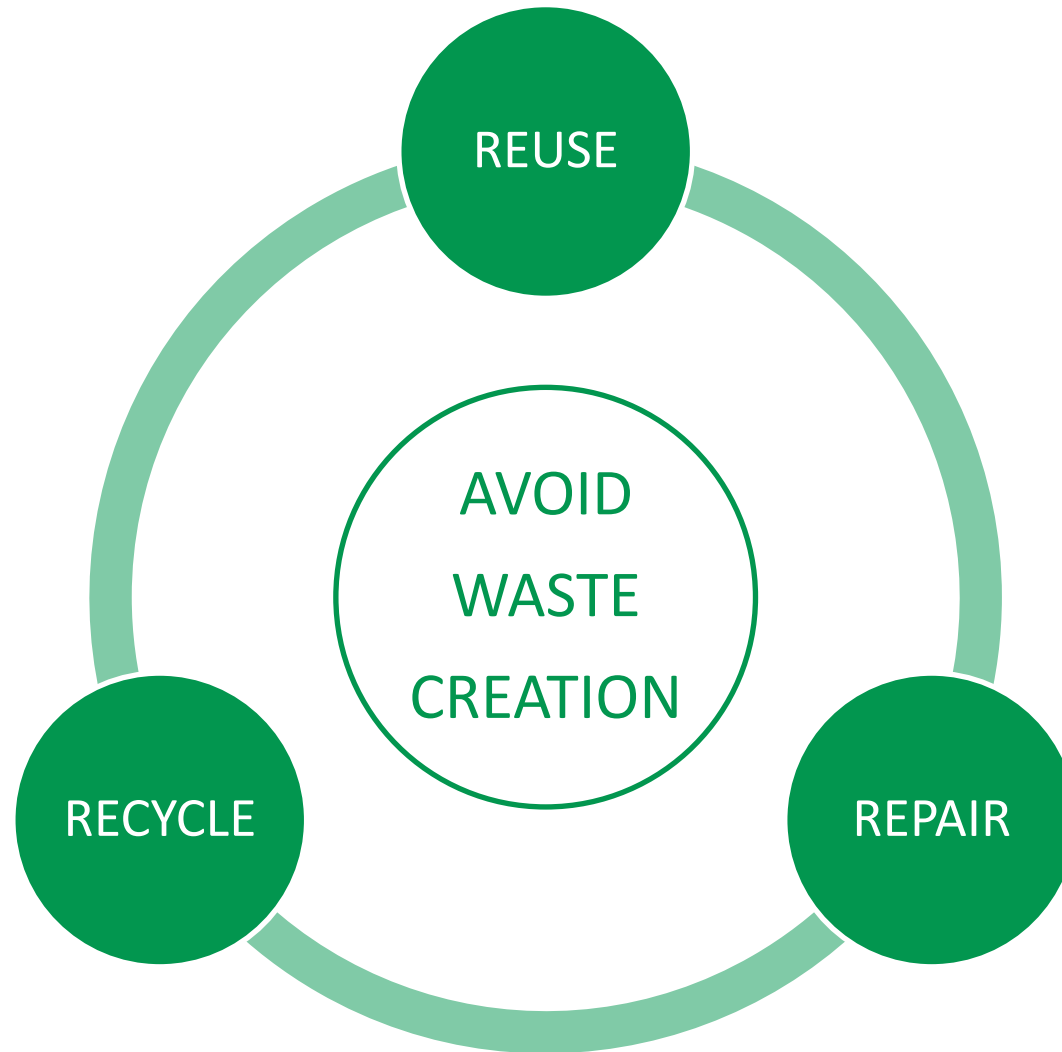
⁽¹⁾ Equal to around 35% of Italian electricity network withdrawals – 2025 expected data

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

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

- Ready for ESPR⁽¹⁾ implementation in July 2026

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








CORE PRINCIPLES	GOALS
Efficient material management	<ul style="list-style-type: none"> ▪ Increased use of renewable energy sources ▪ Seeking design solutions to reduce materials used while preserving performance levels ▪ Adopt cross-product logics to optimise production and warehousing (especially for intra-group collaborations)
Efficient water management	<ul style="list-style-type: none"> ▪ Designing products that optimise customers’ water consumption ▪ Recovery of water for reuse in the production cycle
Efficient energy management	<ul style="list-style-type: none"> ▪ Streamlining company production processes through updating technical knowledge, processes and plants ▪ Optimising consumption for customers
Harmful material use reduction	<ul style="list-style-type: none"> ▪ Reduction in the use of industrial products & processes with hazardous substances, replacing them instead with less toxic and polluting equivalents
Products useful life extension	<ul style="list-style-type: none"> ▪ Product design that also incorporates possible end-of-life scenario ▪ Sensorisation (“Internet of things”), planned maintenance and customer collaboration
Local supply chain & logistic improvement	<ul style="list-style-type: none"> ▪ Attention to local suppliers and promotion of collaboration based on proximity ▪ Optimisation of internal and external logistics

- **INTERPUMP GROUP AT GLANCE**
- **2024 ESG HIGHLIGHTS**
- **ENVIROMENTAL**
- **SOCIAL**

For additional information, see please presentation “Responsible Supply Chain – January 2025” on Group web site

- 4 main streams
 - Health & safety
 - **People development**
 - **Responsible supply chain**
 - Diversity & inclusion

	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
PEOPLE DEVELOPMENT	S.4	<p>Global mobility program</p> <ul style="list-style-type: none"> ▪ Define and implement a worldwide mobility program across Group subsidiaries 	 	N.A.	Base year: 2022 Target year: 2025
RESPONSIBLE SUPPLY CHAIN	S.5	<p>ESG supply chain evaluation model definition</p> <ul style="list-style-type: none"> ▪ Updated suppliers' evaluation model with environmental and social criteria ▪ Initial focus on “material” suppliers ▪ Execution of a pilot project in Walvoil Group 	 	N.A.	Base year: 2022 Target year: 2023
	S.6	<p>ESG supply chain evaluation model extension</p> <ul style="list-style-type: none"> ▪ First focus on Italy (100% of manufacturing subsidiaries) ▪ Feasibility study for a worldwide application 		N.A.	Base year: 2023 Target year: 2024



4 GOALS

Group strategy implementation

Mobility is a key lever for achieving growth, innovation and competitiveness. Managers' mobility is designed to support Group presence in key markets, facilitating the transfer of critical skills, meeting local needs of the hosted company.

Group 2023-25 ESG Journey alignment

Mobility promotes greater diversity, equity, and inclusion within the organization. It fosters cultural exchange and global collaboration, helping to create a more sustainable and responsible work environment.

Professional growth fast track

Mobility accelerates professional growth, acting as a catalyst for career advancement. It enhances skills development and fast-tracks the achievement of key career milestones, offering diverse experiences and exposure to different roles and environments.

Value creation

Mobility is key tool for driving growth by enabling strategic allocation of talent and expertise where needed. Deploying skilled employees in strategic roles directly contributes to operational efficiency, increasing productivity and supporting the implementation of new projects.

⁽¹⁾ Abstracts from "Interpump Group S.p.A. Global Mobility Policy"

- Approach: leverage on existing best practices at subsidiaries level
- Methodology: internally performed activities
 - Harmonise business model variety between and inside divisions
 - Overcome decentralised organisation at operational level
 - Consider the relatively small and streamlined structure of Group suppliers
- Principles: concreteness and applicability
 - Analysis of questionnaire received from Group’s customers
 - Benchmark with industry sectors best practices
 - Brainstorming with internal functions (e.g. Procurement, “Internal Audit, Risk & Compliance”)
- Goal: development of a methodology which overcomes both Group variety and decentralisation and suppliers’ features
 - Solid foundation for future next steps (e.g. sample enlargement, audit activities)

- Focus: “Cost of sales”, the most important cost item of P&L
 - 4 most important cost items
 - Purchase of raw materials, semi-finished products, finished products
 - External manufacturing costs
 - Consumable tools
 - Consumables

- Sample: all Italian manufacturing companies
 - 18 companies
 - Among most important Group subsidiaries: IMM, Interpump Group⁽¹⁾, Interpump Hydraulics, Reggiana Riduttori, Transtecno e Walvoil

- Coverage: at least 50% of “Cost of sales” sample

⁽¹⁾ The holding parent company is a manufacture entity too

2023 – S.5: ESG supply chain evaluation model definition

2024 – S.6: ESG supply chain evaluation model extension

- Walvoil evaluation model finetuned by ESG corporate function
 - Inclusion of Hydraulics other business model features
 - Adaptation to Water Jetting business model features

- Further finetuning
 - Involvement of Group “Internal Audit, Risk & Compliance” function
 - Sharing with other Italian subsidiaries Procurement functions

- Evaluation model final establishment and implementation
 - July: approval by Group Executive Committee
 - August: adoption from all Italian manufacturing companies

- Timetable
 - December as collection deadline
 - first reports at 1Q2025 end

2023 – S.5: ESG supply chain evaluation model definition

2024 – S.6: ESG supply chain evaluation model extension

Next steps

- Possible next steps
 - Based on 2024 data collection
 - Evaluation model finetuning
 - Based on 2025 and 2026 data collection
 - Process governance definition (e.g. function owner, information flow)
 - Suppliers’ action plan definition and implementation
 - Audit introduction
 - Sample enlargement (e.g. companies’ sample and/or cost items)

- Ready for CSDDD implementation in 2027

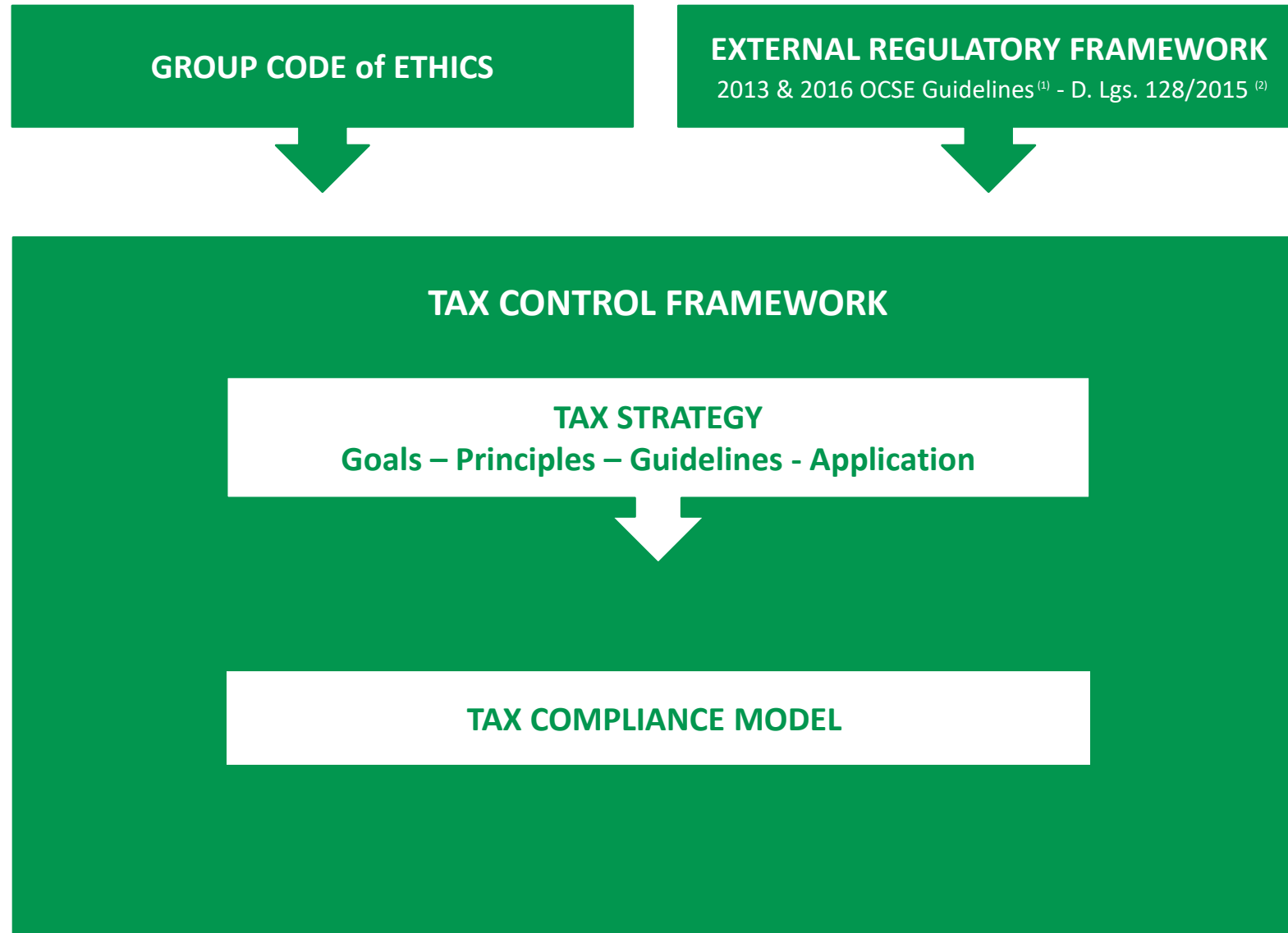
- **INTERPUMP GROUP AT GLANCE**
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For additional information, see please presentation “Tax Compliance Consolidation – 14 November 2024” on Group web site

- 3 main streams
 - ESG as governance cornerstone
 - Spread of ESG principles, actions and results inside and outside the Group
 - **Tax compliance consolidation in line with best practices**

ALIGNMENT TO TAX BEST PRACTICES

ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
G.4	<p>Tax compliance consolidation in line with best practices</p> <ul style="list-style-type: none"> ■ Tax strategy formalization ■ Tax governance and tax risk management and control enhancement ■ Internal compliance review for OECD Pillar II 	<p>207-1, 2 and 3</p>	N.A.	<p>Base year: 2022</p> <p>Target year: 2024</p>
G.5	<p>GR1 207-4 information updating</p> <ul style="list-style-type: none"> ■ Country-by-country report refresh and annual updating 		N.A.	<p>Base year: 2022</p> <p>Target year: annual</p>



⁽¹⁾ 2013: Cooperative Compliance Framework – 2016: Building Better Tax Consolidation Framework - ⁽¹⁾ And further D. Lgs. 221/2023

TAX CONTROL FRAMEWORK
Detect, measure, manage and control the tax risk



4 GOALS

Tax culture spread

Sustainable development
and Group asset integrity

Tax regulations application
consistency and reliability
and litigation prevention

Tax and reputational risk
minimization

4 PILLARS

Internal regulatory instruments

Role & Responsibilities

Processes

Information flows & Reporting

2025

- **Interpump Group S.p.A TCF model and controls testing**
 - “Test of design” and “test of effectiveness”
- **Evaluation of possible extension to other Group Italian entities**
 - Parameter: annual sales

2026-27

- Interpump Group S.p.A. TCF model finetuning
 - Annual ongoing activity
- Other Group Italian entities TCF model and controls testing

Pending release of implementation guidelines by Italian Tax Authorities

- Attestation from authorised certifier according to the new provisions of Legislative Decree 221/2023
- Interpump Group S.p.A. optional access to Italian Tax Cooperative Compliance Program ⁽¹⁾
 - Exclusion of administrative penalties related to tax risks reported in a timely and comprehensive manner, prior to the filing of tax returns or before the relevant tax deadlines have occurred
 - Non-punishment with respect to specific tax related crimes

2028

- Interpump Group S.p.A. TCF model finetuning
 - Annual ongoing activity
- Other Group Italian entities TCF model finetuning
 - Annual ongoing activity

Pending release of implementation guidelines by Italian Tax Authorities

- Interpump Group S.p.A. full access to Italian Tax Cooperative Compliance Program

- **INTERPUMP GROUP AT GLANCE**
- **2024 ESG HIGHLIGHTS**
- **ENVIROMENTAL**
- **SOCIAL**
- **GOVERNANCE**
- **ANNEX**

For additional information on Group 2023-2025 ESG plan, see please on Group web site the presentation “2023-2025 ESG Journey – 5th October 2022”

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The Group uses several alternative measures that are not identified as accounting parameters in the framework of IFRS standards, to allow better evaluation of the trend of economic operations and the Group's financial position. Such indicators are also tools that assist the directors in identifying operating trends and in making decisions on investments, resource allocation and other business matters. Therefore, the measurement criterion applied by the Group may differ from the criteria adopted by other groups and hence may not be comparable with them. Such alternative performance indicators are constituted exclusively starting from the Group's historical data and measured in compliance with the matters established by the Guidelines on Alternative Performance Measures issued by ESMA/2015/1415 and adopted by Consob with communication no. 92543 of 3 December 2015. These indicators refer only to performance in the period illustrated in this Interim Board of Directors' Report and the comparative periods and not to expected performance and must not be taken to replace the indicators required by the reference accounting standards (IFRS). Finally, the alternative indicators are processed with continuity and using uniform definition and representation for all the periods for which financial information is included in this Interim Board of Directors' Report.

The performance indicators used by the Group are defined as follows:

- **Earnings/(Losses) before interest and tax (EBIT):** Net sales plus Other operating income less Operating costs (Cost of sales, Distribution costs, General and administrative expenses, and Other operating costs)
- **Earnings/(Losses) before interest, tax, depreciation and amortization (EBITDA):** EBIT plus depreciation, amortization, writedowns and provisions;
- **Net indebtedness (Net financial position):** calculated as the sum of Loans obtained and Bank borrowing less Cash and cash equivalents;
- **Capital expenditure (CAPEX):** the sum of investment in property, plant and equipment and intangible assets, net of divestments;
- **Free Cash Flow:** the cash flow available for the Group, defined as the difference between the cash flow of operating activities and the cash flow for investments in tangible and intangible fixed assets;
- **Capital employed:** calculated as the sum of shareholders' equity and net financial position, including debts for the acquisition of equity investments;
- **Return on capital employed (ROCE):** $\text{EBIT} / \text{Capital employed}$;
- **Return on equity (ROE):** $\text{Net profit} / \text{Shareholders' equity}$.

The Group's income statement is prepared by functional area (also called the "cost of sales" method). This form is deemed to be more representative than its "type of expense" counterpart, which is nevertheless included in the notes to the Annual Financial Report. The chosen form, in fact, complies with the internal reporting and business management methods. The cash flow statement was prepared using the indirect method.

- Group “2023-2025 ESG journey”
 - The first project at Group level

- Concrete and precise actions: 20 targets to be delivered
 - 12 to be delivered in the next two years to build Group ESG foundations
 - 8 to be executed before 2025⁽¹⁾ to lead to 2030-2050 decarbonisation targets




- Concrete resources defined for the entire Journey ⁽²⁾
 - CAPEX: approximately 13m
 - OpEx: around € 9m of incremental costs until 2032
 - G&A: no material impacts is expected, resources placed at disposal in case

- Concrete correlation with top management remuneration policy
 - 2022-2024 Stock Option Plan linked to ESG targets ⁽³⁾
 - 2023-2025 bonuses will be correlated to execution

⁽¹⁾ 7 to be executed before 2025 and 1 before 2027 – ⁽²⁾ 2023-25 ESG Journey and 2023-32 Decarbonisation Strategy - ⁽³⁾ ESG targets to be achieved for the vesting and consequent exercisability of the Options and foresight of a clause which will allow the Board to align the new Stock Option Plan to I Section Group Remuneration Policy evolution (see please 2022-2024 Stock Option Plan for details)




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

- Formalisation of Group “E” strategy and policies is the cornerstone

ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
<div style="background-color: #008000; color: white; padding: 5px; writing-mode: vertical-rl; transform: rotate(180deg);">CLIMATE CHANGE</div> <p style="text-align: center; font-weight: bold; color: #008000;">E.1</p>	<p style="text-align: center; color: #008000; font-weight: bold;">Carbon neutrality strategy definition</p> <ul style="list-style-type: none"> ▪ To be applied to the entire Group perimeter and to all carbon emission categories (Scope 1, 2 and 3) ▪ Fundamental support to reach timely 2030 and 2050 EU target 	  	N.A.	Base year: 2022 Target year: 2023

	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
CLIMATE CHANGE	E.2	<p>Carbon intensity reduction</p> <ul style="list-style-type: none"> Focus on Scope 1 and 2 Main leverages: photovoltaic plants installation and renewable purchase energy agreement Italian manufacturing site as PPA starting point 	 305-1 and 2	<p>K.P.I. tCO₂eq/€ ⁽¹⁾</p> <p>Target: -30% (from 0.040 ⁽²⁾ to 0.028)</p>	<p>Base year: 2021 Target year: 2025</p>
	E.3	<p>Increase of renewable energy consumption</p> <ul style="list-style-type: none"> Main leverages: photovoltaic plants installation and renewable purchase energy agreement Italian manufacturing site as PPA starting point 	 302-1	<p>K.P.I. Total renewable EE (GJ)/Total energy</p> <p>Base: 3% Target: 25%</p>	<p>Base year: 2021 Target year: 2025</p>
PRODUCT LIFE CYCLE	E.4	<p>Circular economy – Phase 1</p> <ul style="list-style-type: none"> Waste assessment and potential by-products analysis Network with partner entities at regional level Pilot project in IPG and IMM subsidiaries 	 6 CLEAN WATER AND SANITATION, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION	N.A.	<p>Base year: 2022 Target year: 2023</p>
	E.5	<p>Circular economy – Phase 2</p> <ul style="list-style-type: none"> Feasibility study on Phase 1 project extension Italian manufacturing site as possible perimeter 	 6 CLEAN WATER AND SANITATION, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION	N.A.	<p>Base year: 2023 Target year: 2025</p>




⁽¹⁾ tCO₂eq/Total consolidated revenues - ⁽²⁾ Baseline 2021: tCO₂eq of 62.181 and total consolidated revenues of € 1.551m (see please 2021 NFS)

	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
WATER EFFICIENCY	E.6	<p>Water monitoring system</p> <ul style="list-style-type: none"> Phase 1: mapping of the installed water monitoring systems across the Group Phase 2: implementation of a continuous water monitoring system in all Group factories 	 <p>303-3 and 4</p> 	N.A.	<p>Base year: 2022 Target year: 2025</p>
PRODUCT LIFE CYCLE	E.7	<p>Product ECO-design</p> <ul style="list-style-type: none"> Phase 1: definition of a Group ECO-design policy Phase 2: implementation of Group policy through procedures reflecting business model heterogeneities 		N.A.	<p>Base year: 2022 Target year: 2024</p>

- 4 main streams
 - Health & safety
 - People development
 - Responsible supply chain
 - Diversity & inclusion

- “Pilot projects” will be crucial to capitalise on already existing best practices at subsidiaries level
 - Walvoil for “ESG supply chain evaluation model definition” and Muncie for “diversity & inclusion”






- Not material financial impacts in the implementation horizon

ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
<div style="writing-mode: vertical-rl; transform: rotate(180deg); background-color: #008000; color: white; padding: 5px; font-weight: bold;">HEALTH & SAFETY</div> <p style="text-align: center; color: #008000; font-weight: bold;">S.1</p>	<p style="text-align: center; color: #008000; font-weight: bold;">Injury rate improvement</p> <ul style="list-style-type: none"> ■ Keep injury frequency below 2019-21 average 	<div style="display: flex; align-items: center; justify-content: center;">  <div style="display: flex; flex-direction: column; align-items: center;">   </div> </div> <p style="text-align: center;">403-9</p>	<p style="text-align: center; font-weight: bold;">K.P.I.</p> <p style="text-align: center;">Injury rate ⁽¹⁾</p> <p style="text-align: center;">Average 2019-21: 2,2 ⁽²⁾</p>	<p style="text-align: center;">Base year: 2021</p> <p style="text-align: center; font-weight: bold;">Target year: 2024</p>

⁽¹⁾(Total n° of employees injuries above 1 day / Total n° of hours worked) x 200.000 - ⁽²⁾Please refer to Non-financial statements as of 31 December 2019, 2020 and 2021 for details

	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
HEALTH & SAFETY	S.2	<p>ISO 45001 extension</p> <ul style="list-style-type: none"> Focus on subsidiaries with manufacturing sites 	 	<p>K.P.I.</p> <p>% Group turnover</p> <p>Base: 22% Target: 45%</p>	<p>Base year: 2021 Target year: 2027</p>
PEOPLE DEVELOPMENT	S.3	<p>Increase of non-compulsory training</p> <ul style="list-style-type: none"> Focus on “below - in line” target subsidiaries Definition of Group guidelines and identification of training areas 	 	<p>K.P.I.</p> <p>About 35% increase average training hours x employee⁽¹⁾</p>	<p>Base year: 2021 Target year: 2025</p>
	S.4	<p>Global mobility program</p> <ul style="list-style-type: none"> Define and implement a worldwide mobility program across Group subsidiaries 	 	<p>N.A.</p>	<p>Base year: 2022 Target year: 2025</p>
RESPONSIBLE SUPPLY CHAIN	S.5	<p>ESG supply chain evaluation model definition</p> <ul style="list-style-type: none"> Updated suppliers’ evaluation model with environmental and social criteria Initial focus on “material” suppliers Execution of a pilot project in Walvoil Group 	 	<p>N.A.</p>	<p>Base year: 2022 Target year: 2023</p>



⁽¹⁾(Total n° of «non-compulsory» training hours / Total N° of employees)





	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
RESPONSIBLE SUPPLY CHAIN	S.6	<p>ESG supply chain evaluation model extension</p> <ul style="list-style-type: none"> First focus on Italy (100% of manufacturing subsidiaries) Feasibility study for a worldwide application 	  	N.A.	<p>Base year: 2023 Target year: 2024</p>
DIVERSITY & INCLUSION	S.7	<p>Diversity & inclusion model definition</p> <ul style="list-style-type: none"> Systematic and consistent mapping of HR evolution and development from a diversity & inclusion point of view Execution of a pilot project in Muncie 	 	N.A.	<p>Base year: 2023 Target year: 2025</p>

- 3 main streams
 - ESG as governance cornerstone
 - Spread of ESG principles, actions and results inside and outside the Group
 - Tax compliance consolidation in line with best practices




- “G” actions will follow the natural path of Group governance activities

- Almost all activities will be performed internally
 - Possible support on certain areas from specialised external consultants

	ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
ESG CORNESTONE	G.1	<p>Establishment of Board ESG Committee</p> <ul style="list-style-type: none"> ■ Separation between “Control & Risk” and “Sustainability” committees ■ Inclusion of executive directors 	 	N.A.	<p>Base year: 2022 Target year: 1H2023</p>

ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING	
ESG PRINCIPLES-ACTIONS-RESULTS SPREAD	G.2	<p style="text-align: center;">Code of Ethics revision</p> <ul style="list-style-type: none"> To reflect ESG principles in Code of Ethics 		N.A.	Base year: 2022 Target year: 1H2023
	G.3	<p style="text-align: center;">Succession plan formalization</p> <ul style="list-style-type: none"> Succession plan formalization (starting from Interpump Group S.p.A.) 		N.A.	Base year: 2022 Target year: 2023
ALIGNMENT TO TAX BEST PRACTICES	G.4	<p style="text-align: center;">Tax compliance consolidation in line with best practices</p> <ul style="list-style-type: none"> Tax strategy formalization Tax governance and tax risk management and control enhancement Internal compliance review for OECD Pillar II 		N.A.	Base year: 2022 Target year: 2024
	G.5	<p style="text-align: center;">GR1 207-4 information updating</p> <ul style="list-style-type: none"> Country-by-country report refresh and annual updating 		N.A.	Base year: 2022 Target year: annual

ESG PRINCIPLES-ACTIONS-RESULTS SPREAD

ACTION ID	DESCRIPTION	GRI and SDG	KPI	TIMING
G.6	<p>Updating on ESG journey</p> <ul style="list-style-type: none"> Periodic updating on actions implementation 	  	N.A.	<p>Base year: 2022 Target year: annual</p>