



# INTERPUMP GROUP

**2023-25 ESG JOURNEY**

**ECO-DESIGN GUIDELINES FOR GROUP PRODUCTS**

**20 December 2024**

- HIGHLIGHTS
- PRODUCT ECO-DESIGN GUIDELINES
- ANNEX



## ■ HIGHLIGHTS



- 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<sup>(1)</sup> implementation in July 2026

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



# 2023-25 ESG JOURNEY HIGHLIGHTS - A DELIVERING GROUP

## ANALYSIS AND MEASUREMENT

BUILDING GROUP  
ESG FOUNDATIONS

LEADING TO  
2030 AND 2050 DECARBONISATION TARGETS

2022

2023

2024

2025

2027

- E.1 - Carbon neutrality strategy
- E.4 - Circular economy (phase 1)
  - E.7 - Product ECO-design
- S.1 - Injury rate improvement <sup>(1)</sup>
- 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 <sup>(2)</sup>
  - G.6 - Updating on ESG journey <sup>(2)</sup>

- 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

<sup>(1)</sup> 2023-24 multi-year target - <sup>(2)</sup> Ongoing annual target

- HIGHLIGHTS
- PRODUCT ECO-DESIGN GUIDELINES



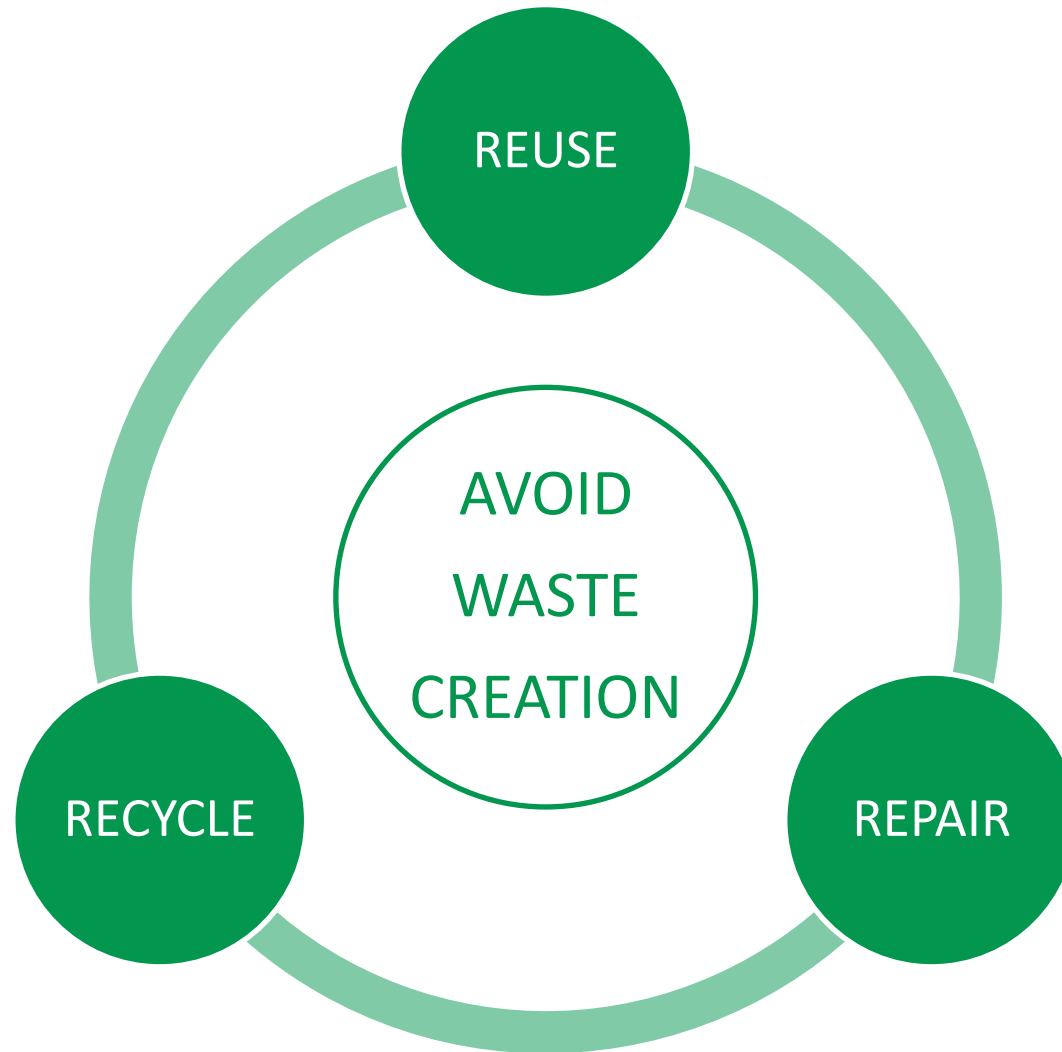
*“A falling tree makes more noise than a growing forest”*

Lao Tzu

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

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





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

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



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

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