

## ENVIRONMENTAL POLICY

Idromeccanica Lucchini's corporate management is committed, by providing all the necessary human, instrumental and economic resources, to implement objectives to improve and reduce its environmental impacts.

Idromeccanica Lucchini recognizes the crucial importance associated with the protection and conservation of the environment and biodiversity and is firmly committed to conducting its activities in a sustainable and responsible manner.

Respect for the environment is one of the key principles of this environmental policy, which is implemented by the company through the following actions:

- **Energy:** particular attention by the company is paid to the containment of energy consumption. In fact, the company is committed to seeking innovative solutions capable of making its production process more efficient with the aim of reducing the energy intensity associated with its activities. Idromeccanica Lucchini also strives to increase the share of its energy supply derived from renewable sources. For this reason, a photovoltaic plant has been put into operation, starting in 2022, which contributes significantly to the reduction of negative impacts on the environment.
- **Reducing GHG gas emissions:** through responsible production and consumption, companies are major players with an active role in reducing greenhouse gas (GHG) emissions, which are responsible for the global temperature rise and climate change. In this context, the company focuses on the efficiency of its car fleet, with the aim of reducing CO<sub>2</sub> emissions associated with transportation. The goal is to halve GHG gas emissions related to its operations by 2030.
- **Water use:** Idromeccanica Lucchini strives daily to implement cutting-edge technologies aimed at minimizing water consumption, with reference to the cultivation and irrigation of botanicals. Systems such as flow, reflux, hydroponics and aeroponics, which are currently in use, allow for high savings in water resources. Vertical Farm systems also optimize water use with savings the 95% compared to the open field.
- **Waste:** With the target of minimizing the environmental impacts related to waste generation, the company has strengthened the corporate culture related to this specific issue, supporting the implementation of plastic-free approaches among all the employees and towards visitors to its headquarter. Idromeccanica Lucchini also strives to identify specific quality standards for incoming inputs and to implement material evaluation processes for its suppliers in the future. Iron, aluminium and plastic, constitute the main types of waste associated with production facilities. The company strives to ensure proper disposal of materials and to encourage their reintegration within circular economy circuits.
- **Circular economy:** Part of the raw materials purchased by the company come from materials that have gone under recycling and recovery processes. Possible examples include ecopipe, used for most drip irrigation systems, and peat, used in Vertical Farm systems.

- **Sustainable sourcing:** The company is committed to managing its supply chain in a sustainable manner, with the goal of bringing positive impacts to the environment and the consumer. For this reason, Idromeccanica Lucchini prefers Italian and local suppliers wherever possible. In this way, the company increases the control relative to its supply chain and reduces environmental impacts referring to transportation. In addition, through the dissemination of an integrity pact, the company also promotes the spread of sustainability values with reference to the entire supply chain.
- **Partnership and innovation:** With the target of searching increasingly sustainable solutions, Idromeccanica Lucchini recently joined the “BioLamer” initiative promoted by the University of Bologna, with aims to research sustainable materials that can replace traditional plastic polymers. The company thus represents an active stakeholder capable of making a concrete contribution to research initiatives.

Guidizzolo, the 1<sup>st</sup> of February 2024

President of Idromeccanica Lucchini’s board of members

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