MANULI RYCO

SUSTAINABILITY REPORT 2025

LETTER TO STAKEHOLDERS

Dear Stakeholders,

This year has been marked by a particularly complex and evolving geopolitical landscape that has reshaped the operating environment for businesses worldwide. Regional conflicts, shifting trade alliances, and regulatory fragmentation have created significant uncertainty across markets. These dynamics have not only influenced global supply chains and resource availability but have also tested the resilience and adaptability of organizations like ours.

In this context, our ongoing efforts to integrate sustainability and responsible business considerations into our processes have been both challenged and strengthened. Evolving sanctions regimes have required us to reassess sourcing strategies, reinforce supply chain transparency, and diversify operational risks. At the same time, differing regional approaches to climate policy and sustainability regulation have demanded greater agility and alignment in our governance frameworks. Despite these pressures, we have remained solid in our long-term vision: to oversee our actions with the aim of tackling social and environmental issues pertinent to our operations. In 2025, we intensified our efforts to further integrate sustainability-related elements into decisions, in line with our internal policies and applicable frameworks, we strengthened due diligence processes, enhanced stakeholder engagement, and continued to improve our policies and internal practices related to human rights, environmental management, and ethical conduct across our operations.

Global tensions have also highlighted the importance of collaboration; organizations alone can't address systemic challenges. We have therefore continued to work closely with partners and local communities to promote stability, and initiatives aimed at promoting stability and supporting development-oriented objectives in the contexts in which we operate.

Looking ahead, we recognize that geopolitical complexity is likely to remain a defining feature of the global landscape. Our approach will continue to emphasize transparency and accountability; we aim to navigate uncertainty while upholding our commitments to all stakeholders.

We thank you for your continued trust and engagement. Your perspectives are essential as we continue to adapt our approach in response to evolving economic, social, and environmental challenges.

CHAIRMAN & CEO
Dardanio Manuli

RELEVANCE OF SUSTAINABILITY FOR MANULI RYCO

The group takes a structured and proactive approach to assessing and managing environmental, social and governance (ESG) risks and opportunities, recognizing their strategic relevance both to its own operations and to the broader global context in which it operates, particularly with regard to climate change.

In 2022, the group established the **Corporate Social Responsibility (CSR) department**, reporting directly to the Chief Executive Officer (CEO). The CSR department was, and still is, responsible for **defining the strategic priorities related to sustainability management** and for **overseeing the implementation of sustainability initiatives** across the group. The close synergy with the CEO, who is regularly updated on key developments and emerging issues, ensures that the **Board of Directors** is duly informed on the progress of the group's sustainability strategy.

Following the establishment of the CSR Department, the group carried out a comprehensive mapping of existing **sustainability data** and KPIs across all legal entities, laying the foundation for a structured **non-financial reporting system**. In parallel, the group developed a reporting framework for **Scope 3 Greenhouse Gas (GHG)** emissions, focusing on the most material and impactful categories across both Divisions, including their production plants and office locations. This initiative represented an important step toward strengthening the group's ability to monitor and assess indirect emissions throughout its value chain.

The group ensures alignment with evolving European sustainability regulations, including the **Corporate Sustainability Reporting Directive (CSRD)** and the **EU Taxonomy Regulation**. To support compliance, the group is progressively integrating these requirements into its governance processes, data collection systems, and reporting controls, with the objective of enhancing the quality, consistency, and transparency of sustainability disclosures while responding proactively to stakeholder and regulatory expectations. In addition, the group monitors and integrates, where applicable, emerging regulatory mechanisms such as the **Carbon Border Adjustment Mechanism (CBAM)**, aimed at addressing carbon leakage risks through the pricing of embedded emissions in imported goods, and the **EU Deforestation Regulation**, which seeks to prevent the placement of products associated with deforestation practices on the EU market. This proactive regulatory alignment enables the group to anticipate compliance obligations, strengthen supply chain due diligence, and support the transition toward a more sustainable and resilient business model.

The group believes that effectively addressing environmental impacts requires a **holistic strategy** that integrates operational excellence with **long-term sustainability goals**. This commitment is built upon initiatives that include the careful **selection of raw materials**, a strategic approach to **energy management** that accounts for site-specific geographical factors, and the implementation of targeted initiatives to minimize waste and scrap in alignment with circular economy principles. In this context, stakeholder engagement is crucial. Indeed, the group works closely with both **suppliers**, on compliance, ethics, and resource efficiency, and **customers**, many of whom are already advanced in their own sustainability journeys and provide valuable insights and higher standards that help accelerate the group's own progress.

Our contribution to the UN 2030 Agenda

The United Nations introduced the 2030 Agenda for Sustainable Development in 2015 as a comprehensive global action plan to promote sustainable development. It addresses major global challenges such as poverty, hunger, limited access to education, climate change, gender inequality, and insufficient availability of clean water and energy. The Agenda outlines 17 Sustainable Development Goals (SDGs) and 169 targets to be achieved by 2030.

In this context, the group considers the SDGs as a reference framework to help orient its sustainability approach and related initiatives. Through its projects and activities, the group seeks to align relevant aspects of its business operations with the objectives of the 2030 Agenda. In particular, the SDGs that are considered most relevant in relation to the group's activities and value chain are presented in the table below. [1]

1 - For further details, please refer to Chapter 4 Materiality analysis, which links material topics with the corresponding SDGs.

METHODOLOGICAL NOTE

Manuli Ryco S.p.A (hereinafter also referred to as “company”, “group” or “Manuli Ryco”) presents its third Sustainability Report (hereinafter also referred to as “report” or “document”) with the aim to provide internal and external stakeholders with comprehensive and transparent information on the group’s economic, social and environmental performance. The report highlights the achievements the company has made and the challenges it has faced during the reporting period, and sets forth future goals, showing the group’s commitment to sustainability and responsible business practices.

The reporting scope encompasses the entire consolidated group structure, including the Manufacturing Division (M DIV), the Service Division (S DIV) and the Wholesale Division (WHS DIV) following the organizational restructuring completed in previous years. Any scope limitations or exclusions are clearly identified within relevant sections.

This report has been drafted in accordance with the Global Reporting Initiatives (GRI) Standards 2021, meeting all mandatory disclosure requirements and providing a comprehensive overview of the group’s most significant impacts and their management approach. The complete GRI Content Index is provided in the appendix of this document. Given, indeed, the significant volatility and ongoing evolutions within the regulatory framework, the Company has opted to maintain the established GRI Standards for the current fiscal year to ensure a reliable and transparent reporting environment. This decision prioritizes the continuity and robustness of the disclosures over the uncertainty of transitioning during a shifting legislative phase. By leveraging these consolidated standards, the group maintains the highest degree of data integrity while simultaneously finalizing the necessary structural alignments for the full adoption of the European Sustainability Reporting Standards (ESRS). This strategic approach ensures a disciplined transition toward the Corporate Sustainability Reporting Directive (CSRD) requirements, reinforcing the central role of non-financial disclosure within our corporate governance starting from the next reporting cycle.

Building upon the sustainability journey that started in 2021, the group has advanced from an impact materiality assessment to a double materiality[2] approach. This enhanced methodology evaluates sustainability topics from two complementary perspectives: impact materiality, assessing the organization’s actual and potential impacts on people and the environment and financial materiality, evaluating how sustainability-related risks and opportunities may influence business performance and enterprise value. The double materiality assessment was conducted on a voluntary basis to align with the forthcoming Corporate Sustainability Reporting Directive (CSRD) requirements. The double materiality analysis incorporates systematic stakeholder mapping, structured engagement with internal and external stakeholders, and rigorous evaluation of each topic’s significance for both business value creation as well as societal and environmental impact.

Data presented in this report was systematically collected through ESGeo (https://esgeo.eu/), a specialized digital sustainability reporting platform configured specifically to meet the group’s specific reporting requirements. The data collection methodology combines structured quantitative data collection through standardized forms distributed to functional representatives, targeted qualitative interviews with key personnel across divisions, and multi-level verification processes to ensure data accuracy, completeness, and consistency.

Where the use of estimates has been necessary, these are explicitly disclosed, accompanied by detailed explanations and notes. Compared to previous reporting periods, certain data points have been revised to reflect updated information, including new emission factors or calculation methodologies, and to enhance the granularity of disclosures, in line with evolving reporting standards and best practices.

In line with the group’s financial statement, this sustainability report covers the period from January 1st, 2025, to December 31st, 2025. To facilitate year-over-year performance analysis, comparative data for 2024 is provided where available and relevant.

The development of this report was overseen by the Corporate Social Responsibility (CSR) department, with final review and approval by the Chief Executive Officer (CEO), ensuring senior management accountability for sustainability commitments and performance outcomes. Moreover, information related to economic performance was collected in close collaboration with the Chief Financial Officer (CFO). The synergy between the two teams ensured the integration of financial data with sustainability information, enabling consistent alignment with ESG metrics.

2 - Ref. ESRS 1 §3.2.

ENVIRONMENTAL IMPACT

Manuli Ryco is committed to **minimizing the environmental impact of its operations** through responsible resource management, energy efficiency initiatives, and the reduction of atmospheric emissions. The group pursues this commitment by continuously improving, when feasible, operational processes and promoting sustainable practices across its activities and products. This commitment also extends to product development activities. Indeed, Manuli Ryco integrates environmental considerations into **product design** by promoting durability, flexibility, energy efficiency, and increased recyclability of components.

Manuli Ryco's Environmental Policy

In 2024, the group strengthened its commitment to environmental sustainability through the update of its Environmental Policy, which defines the principles and guidelines governing the organization's environmental management approach. The Policy is aligned with applicable environmental laws and regulations, as well as internationally recognized standards, including ISO 14001.

The Policy promotes a proactive and continuous improvement approach aimed at preventing and mitigating environmental impacts while preserving natural resources for future generations. Key commitments include reducing energy, water, and raw material consumption; minimizing emissions and waste through recycling and reuse initiatives; safeguarding biodiversity; and ensuring the safe management of hazardous substances. The Policy also encourages the active involvement of employees, suppliers, and stakeholders in achieving shared environmental objectives.

Environmental responsibility is integrated into Manuli Ryco's broader sustainability strategy, which also encompasses ethical labour practices, respect for human rights, and support for local communities. Oversight of environmental matters is entrusted to the CSR Manager, while regular assessments and annual reviews ensure the Policy remains effective and responsive to evolving environmental challenges.

Since 2021, Manuli Ryco has progressively strengthened its environmental reporting processes and monitoring practices. During the reporting year, the scope of environmental indicators was consolidated, enhancing the comprehensiveness and quality of disclosed information. The reported data reflect the collective efforts and performance of the entire group, including production sites and entities within the Service Division.

In line with its commitment to transparency and continuous improvement, Manuli Ryco initiated a Life Cycle Assessment (LCA) of its best-selling products in collaboration with the Center for Validation and Technological Support for Sustainability (C4S) of the University Ca' Foscari[3]. The initiative combines academic expertise and operational knowledge to assess the environmental impacts associated with the products throughout their entire life cycle, from raw material extraction to end-of-life management. The LCA aims to identify opportunities to reduce carbon emissions and improve resource efficiency over time. The results of the assessment are expected to support the development of future products aligned with the group's sustainability strategy.

Life Cycle Assessment

As part of its commitment, Manuli Ryco is actively working to improve its control and accounting management functions in order to obtain primary data for **Life Cycle Assessment (LCA) activities**. During 2025, the group chose to apply the **Product Environmental Footprint (PEF)**[4] methodology to quantify the life cycle environmental impact of around **40 different hoses**, differentiated by family and nominal diameters.

The study has evaluated the analysed products' environmental footprint across all life cycle stages, from raw material extraction through to end of life, with **climate change** representing a primary impact category of focus. The project was developed through a multi-step process involving the collection of primary data with the support of the **R&D department**, enabling the identification of relevant technical, material, and operational information associated with the product system. The collected data were subsequently re-elaborated and harmonised to ensure consistency and comparability with the methodological assumptions of the analysis.

The assessment was conducted using the **SimaPro software**, with **Ecoinvent v 3.11 database**, drawing on a combination of industry-average data and supply chain information within a clearly defined system boundary. The characterization of results across the nominal diameters, grouped by product family, has revealed that the GAIA family achieves the best average environmental performance overall. More broadly, the study has identified the steel as the dominant contributing factor and the Polish electricity mix as a key driver of environmental outcomes across families. Furthermore, the in-depth analysis of end-of-life management has made it possible to explore the different treatment scenarios and their related impacts across multiple impact categories that warrant further investigation.

These results reinforce the group's commitment to strengthening primary data collection and to advancing LCA analyses as strategic instruments for long-term environmental decision-making. This trajectory is aligned with the evolving regulatory framework. The Ecodesign for Sustainable Products Regulation (EU 2024/1781) introduces the **Digital Product Passport (DPP)** as a mandatory instrument designed to make structured, lifecycle-based environmental data accessible and traceable across the entire value chain. Life Cycle Assessment sits at the core of this requirement as it provides the methodological backbone for quantifying impacts consistently across all product stages. Manuli Ryco has already taken its first steps in this direction, positioning the LCA work conducted in 2025 as a direct foundation for future DPP compliance.

3 - Developed by the Ca' Foscari University, the Center for Validation and Technological Support for Sustainability - C4S (Center For Sustainability - https://fondazione.unive.it/en/centri/c4s), aims to promote sustainability through concrete actions resulting from the integration between the academic-scientific world and the economic-social context.

4 - The Product Environmental Footprint (PEF) method, developed at European Union level and based on Life Cycle Assessment (LCA), provides rules to quantify and communicate environmental impacts of products, including goods and services. Building upon global standards as ISO 14040/44, PEF focuses on reducing impacts throughout the supply chain of products - from raw material extraction to waste management. It provides specific requirements for modelling material flows, emissions, and waste streams, enabling a thorough understanding and management of environmental impacts. For further details: https://green-forum.ec.europa.eu/green-business/environmental-footprint-methods/pef-method_en.

ENVIRONMENTAL IMPACT CONTINUED

Certification and Management Standards

International certifications play a key role in ensuring that environmental, quality, and occupational health and safety management practices are consistently implemented across the group's operations. By aligning with relevant internationally recognized standards, Manuli Ryco reinforces its commitment to continuous improvement, regulatory compliance, operational excellence, and stakeholder trust.

In particular, at the **Manufacturing Division**, certification coverage varies across sites, reflecting different operational characteristics and regional requirements. In line with the previous reporting years, **ISO 9001** remained the most widely adopted certification, with **nine sites certified**, demonstrating the group's strong commitment to maintaining robust quality management systems.

Moreover, during the reporting year, **four facilities** — Manuli Hydraulics Polska (Myslowice), Manuli Hydraulics (Suzhou), Manuli RYCO Hydraulics (Dalian), and Malaysia — obtained the **ISO 45001** certification, further strengthening the group's approach to occupational health and safety management and confirming alignment with internationally recognized best practices. Environmental management certification also expanded significantly during the years. Indeed, **ISO 14001** certification was achieved at **six sites** — Suzhou (China), Myslowice (Poland), Manuli Hydraulics Connectors (India), Radomsko (Poland), Manuli RYCO Hydraulics (Dalian), and Malaysia — doubling the number of certified sites compared to the previous years. Among the certified facilities, the plants in Myslowice and Suzhou stand out for holding all three major ISO certifications — **ISO 9001, ISO 14001, and ISO 45001** — demonstrating a fully integrated approach to quality, environmental, and occupational health and safety management systems.

The Service Division shows a broader adoption of **ISO 9001 certification**, highlighting the commitment of the group in reinforcing quality assurance across customer-facing and support operations.

ISO 14001 is largely held by the **Fluiconnecto OEM sites**, while **ISO 45001** has been primarily achieved in regional retail centers including **Asia Pacific (APAC), Middle East, South America, and Africa.**

The **RETAIL - Middle East and Singapore** hold the **API Q1 certification**, suggesting its niche application in regions with a focus on oil and gas services.

The **retail branches**, especially across developing markets such as **South America and Africa**, show encouraging uptake of occupational health and safety standards, which is a positive indicator of risk awareness and proactive safety culture, despite broader environmental certification (e.g. ISO 14001) being less prevalent across the division.

MANUFACTURING DIVISION

QUALITY POLICY

ISO 14001: 2015 | API Q1 | API 7K

- **Italy** Headquarters & Innovation Centre
- **Myslowice, Poland** Hydraulic Connectors, Refrigeration & A/C Systems
- **Radomsko, Poland** Hydraulic Hoses
- **Halesowen, United Kingdom** Mining & Drilling Hose Assemblies & Parts
- **Le Bignon, France** Assembling Machines
- **Suzhou, China** Hydraulic Hoses & Hose Assemblies
- **Dalian, China** Hose Couplings, Fittings, Adaptors, Pneumatic Couplings & Adaptors
- **Kuala Ketil, Malaysia** Hydraulic Hoses
- **Bangalore, India** Hose Connectors

ENVIRONMENTAL POLICY

ISO 14001: 2015

- **Suzhou, China** Hydraulic Hoses and Hose Assemblies
- **Myslowice, Poland** Hydraulic Connectors, Refrigeration & A/C Systems
- **Radomsko, Poland** Hydraulic Hoses
- **Bangalore, India** Hose Connectors
- **Dalian, China** Hose Couplings, Fittings, Adaptors, Pneumatic Couplings & Adaptors
- **Kuala Ketil, Malaysia** Hydraulic Hoses

HEALTH & SAFETY POLICY

ISO 45001:2018 (FORMER OHSAS 18001:2007)

- **Suzhou, China** Hydraulic Hoses And Hose Assemblies
- **Myslowice, Poland** Hydraulic Connectors, Refrigeration & A/C Systems
- **Dalian, China** Hose Couplings, Fittings, Adaptors, Pneumatic Couplings & Adaptors
- **Kuala Ketil, Malaysia** Hydraulic Hoses

SERVICE DIVISION

EUROPE

- **Eccles** United Kingdom
- **Pohorelice** Czech Republic
- **Le Bignon** France
- **Antwerpen** Belgium
- **Rotterdam** The Netherlands
- **Olomouc** Czech Republic
- **Castleford** United Kingdom
- **Jyväskylä** Finland

SOUTH AMERICA

- **Lima** Peru
- **Bogota** Colombia
- **Buenos Aires** Argentina

AFRICA

- **Johannesburg** South Africa
- **Gaborone** Botswana

NORTH AMERICA

- **Houston** United States
- **Pella** United States
- **Warrendale** United States

MIDDLE EAST

- **Dubai** United Arab Emirates
- **Muscat** Oman
- **Doha** Qatar

ASIA PACIFIC

- **Changwon** South Korea
- **Pune** India
- **Bangalore** India
- **Ahmedabad** India
- **Suzhou** China
- **Dalian** China
- **Melbourne** Australia
- **Penrose** New Zealand
- **Gul Dr** Singapore

● CLASS A OEM ● RETAIL

OUR PEOPLE

Manuli Ryco's long-term sustainability strategy is closely linked to the effective management and development of its human capital. The group places strong value on its people and is committed to fostering a working environment that promotes wellbeing and inclusion at all levels of the organization.

Manuli Ryco possesses a peculiar approach in terms of human resource management. To unify personnel management within the organization, employee-related issues are attributed to the group CFO who, besides the traditional tasks related to financial management, is responsible for creating adaptable guidelines and standardized operating procedures. Local leaders, including general managers and Human Resources managers, then adapt and apply these rules to address the specific requirements of the location in which they operate. This structure can effectively manage the operational needs of a group that operates in more than 40 countries, encompassing different barriers, languages and cultures.

In 2025, Manuli Ryco counted 4,855 employees, 69% of whom are blue-collar workers, 25% white-collars, and the remaining 6% managers. At present, employee working at Manuli Ryco are employed by the group, mainly on permanent contracts.[5]

Where applicable, the workforce is covered by trade unions and collective bargaining contracts. When collective bargaining agreements do not exist in the countries where the group operates, the company commits to fostering equitable work practices by strictly aligning to local labour laws and traditions. Participation to trade unions may differ from one country to another. In regions where trade unions are present, the group encourages teamwork and firmly rejects any form of pressure or threats aimed at deterring workers from joining. In countries where trade unions are not present, the organization actively works to ensure a collaborative atmosphere between workers and management.

The principles outlined in the Code of Ethics, which promote equal opportunity and denounce all types of discrimination, form the basis of Manuli Ryco's identity. This commitment fosters a company culture that appreciates the unique skills of every individual and encourages creativity and innovation. Overall, the low percentage (17%) of employees over 50 highlights a youth-heavy workforce, which has both advantages (such as energy, adaptability) but also risks (like the loss of experience or succession gaps). However, the group wants to highlight that a balanced age profile could help sustain institutional knowledge while fostering innovation. In terms of gender representation, the lower presence of women (21%) compared to men (79%) reflects the strong gender polarization found in the industry. The figures are in continuity with data reported over the last years.[6]

Lastly, there were no specific reports of discrimination in 2025.In order to guarantee a fair and equitable settlement, Manuli Ryco works closely with the local HR department and takes this matter very seriously. The internal audit team of the organisation swiftly and thoroughly investigates any suspicions of alleged discriminatory activities.

Diversity and Employees:

MEN
3,848

WOMEN
1,007

Number of Employees by Professional Category:

MANAGER
301

WHITE COLLAR
1,201

BLUE COLLAR
3,353

5 - The business itself requires periods where seasonal employees are added to the group's workforce, especially among the plants.

6 - For further information, please see the detailed tables at the end of the Document.

ENERGY CONSUMPTION

In 2025, the group had an overall energy consumption of **431,466.61 GJ**. Electricity usage amounted to **226,694.96 GJ** (**53%** of the total), followed by fuel consumption for energy purposes at **126,563.03 GJ** (**29%** of the total), and energy consumption for the company fleet at **74,288.14 GJ** (**17%** of total energy use).

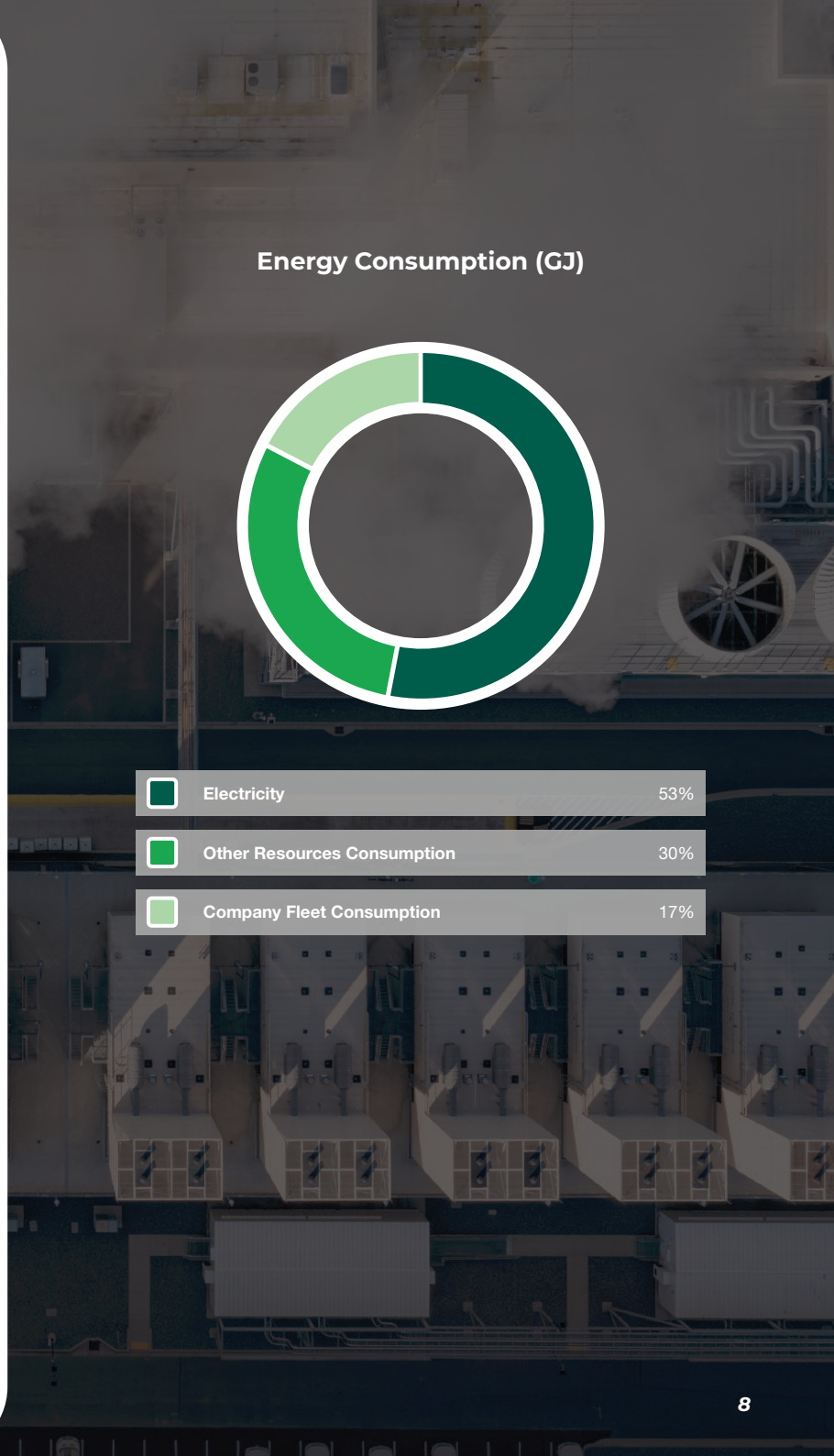
Consumption by Division

The group's energy consumption profile reflects the different operational characteristics of its business units, highlighting both challenges and opportunities in the transition toward more sustainable energy management.

The **Manufacturing Division** represents the largest share of overall energy consumption, accounting for **75%** of total energy use and **89%** of total electricity consumption. Energy demand within this division is primarily driven by **production activities** carried out at the manufacturing plants. A significant portion of the energy consumed is derived from non-renewable sources, particularly natural gas. Conversely, the **Service Division** has a strong incidence on the consumption related to the company fleet, representing **98%** of the total and **81%** of diesel fuel consumption. This reflects the operational characteristics of the Service Division, which relies on a fleet of more than **500** vans equipped to provide on-site support.[7]

Due to the scale and operational nature of the **Wholesale (WHS) Division**, its overall energy consumption remains limited compared to the other divisions. However, its energy use is currently entirely dependent on non-renewable natural gas sources.

BUSINESS UNITS	M-DIV	S-DIV	WHS-DIV
Total Energy Consumption	**75%**	**24%**	**1%**
Total Electricity	**89%**	**9.5%**	**1.5%**
Company Fleet Energy	**2%**	**98%**	**-**
Diesel Fuel	50%	81.3%	-
Gasoline Fuel	50%	15.4%	-
LPG	-	0.1%	-
Methane	-	3.1%	-
Electric Cars	-	0.1%	-
Total Non-Renewable Sources	**94%**	**5%**	**1%**



7 - The core business of the Service Division with complete description of its functions, and full detailed numbers, can be delved into the "who we are" section.

WASTE

In 2025, **14,781 tons of waste** was generated. Of this amount, approximately **91% is non-hazardous waste**; the main categories are metals (such as iron and steel), packaging, paper and cardboard packaging and waste not specified otherwise. The remaining percentage of **9% consists of hazardous waste**, which mainly includes plastic waste, halogen-free emulsions and solutions for machinery, hydrochloric acid and absorbents, filter materials, rags and protective clothing contaminated by dangerous substances[8].

To prevent the generation of waste and scrap within the Company's activities across the Divisions, the group has implemented various actions, including:

- At **Manuli Hydraulics Polska SA (Poland)**, it was implemented a system that lowered the use of absorbents and filter materials, and a waste oil recycling system was also proposed. Moreover, the business unit worked on implementing low-steel technologies in the electroplating plant and eliminate warehousing waste to minimize the amount of scrap produced while maximizing the utilization of processed steel;
- At **Fluiconnecto OEM s.r.o .(Czech Republic)**, to cut down on waste, the cutting machines only turn on when the tube's length is properly fixed;
- At **Manuli Hydraulics Manufacturing sp.z o.o. (Poland)**, a new spiral braiding machine was installed.

By implementing waste management and waste reduction initiatives, expanding recycling programs, and exploring additional measures aimed at limiting the environmental impacts associated with its operations, the group seeks to address the challenges related to waste generation. Within the Manufacturing Division, these efforts are focused on reviewing processes and practices with the objective of managing waste generation more effectively across operational activities.

In accordance with applicable local regulatory requirements, the group's entities rely on qualified third-party service providers for the collection, handling, and disposal of waste generated from their activities.

8 - The group is currently working on improving the reporting of waste, which is classified differently depending on the country.

Waste

Total Hazardous Waste	9%
Total Non-Hazardous Waste	91%

Waste Composition

Metals	64%
Chemical	5%
Oil	1%
Organic	3%
Other	11%
Paper	3%
Plastic	5%
Polymers	6%
Wood	2%

EMISSION

To establish a robust foundation for its **GHG emissions reduction strategy** and identify the main sources of emissions within its operations and value chain, the group systematically measures, monitors, and analyses its greenhouse gas emissions across Scope 1, Scope 2, and Scope 3 categories[9]. In particular, for the reporting year emissions amounted for:

Scope 1

Direct emissions occurring from sources owned or controlled by the group.

Scope 1 emissions are mainly related to the consumption of natural gas, primarily used to heat plants, and to the use of diesel and gasoline to power the company fleet. Manuli Ryco's scope 1 emissions amounted to **19.668,87 tCO_2**.

Scope 2

Indirect emissions associated with the group's energy consumption. Scope 2 emissions amounted to **41.017,70 tCO_2**[10].

The main source of atmospheric emissions in the Service Division for OEM Business Unit companies comes from the fumes produced during the cutting of rubber and cleaning of assembled products before they are shipped to customers. In the latter case, vertical initiatives have been initiated to enhance and reduce fuel consumption, including analyzing shipping needs and carriers to improve efficiency.

These emissions were reported in accordance with the principles and methodologies outlined by the Greenhouse Gas Protocol (GHG Protocol), aligning with the following methodological standards:

- Corporate Accounting and Reporting Standard;
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard;
- Technical Guidance for Calculating Scope 3 Emissions (Scope 3 Technical Guidance).

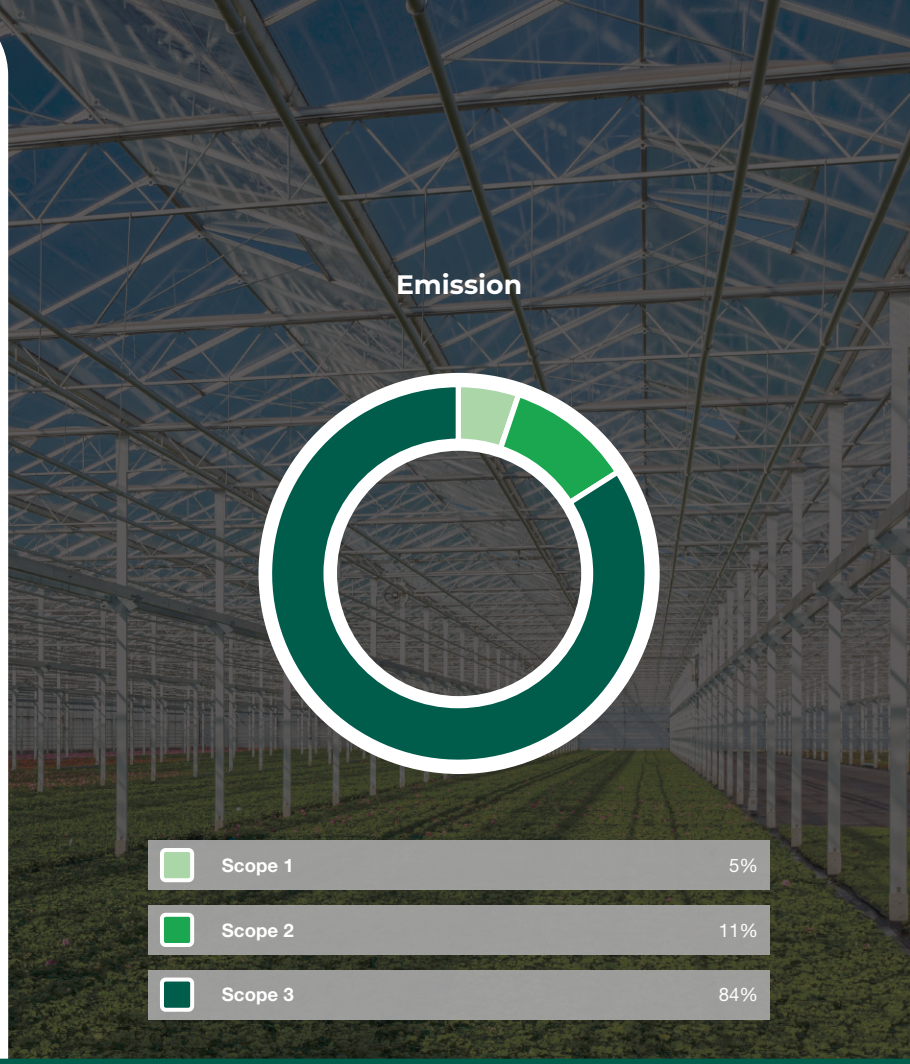
The calculation methodology adopted was defined considering the availability and quality of data, the principle of materiality, and the objective of achieving gradual improvement over time.

Where possible, the company gives priority to the use of physical data (e.g. weight, distance, etc.), resorting to average estimates or spend-based approaches only where there are clear limitations on primary data.

The data quality varies across categories and depends on the availability of primary data, geographical coverage and the level of detail provided by suppliers or internal systems.

The sources of emission factors were selected by prioritising internationally recognised databases that comply with the GHG Protocol guidelines, giving preference to process- or sector-specific sources over generic average values.

About the identification of the Scope 3 categories defined by the GHG Protocol for reporting purposes, the group has confirmed the assessment carried out in 2023, which led to the identification and selection of only those categories deemed relevant to the company's activities and business model.



Scope 3

As part of Manuli Ryco's commitment to transparent and comprehensive environmental reporting, in 2025 the group strengthened the process of identifying and quantifying indirect greenhouse gas (GHG) emissions, classified as Scope 3. In 2025, Scope 3 emissions amounted to **319.015,77 tCO_2**. In line with this principle, the following **Scope 3** categories were excluded on grounds of non-relevance to the business model of Manuli Ryco:

- **Category 8:** Upstream leased asset – Not relevant, as there are no assets under operating leases upstream in the value chain.
- **Category 10:** Processing of sold products - Not relevant, since the products sold do not require further processing or significant industrial processes.
- **Category 11:** Use of sold products - Excluded after a specific relevance analysis conducted as part of the life cycle analysis (LCA) that the group undertook for its products and that benefited from analyses of the sector's scientific literature and comparative analyses with certification initiatives (e.g. EPD) conducted on similar products and on products from the tire world.
- **Category 12:** End-of-life emissions of sold products – Not calculated yet; Future analyses will aim to assess the emissions associated with the treatment, recovery and disposal of end-of-life products.
- **Category 13:** Downstream leased assets – Not applicable, as the company does not own any assets leased to third parties.
- **Category 14:** Franchising - Not applicable, as the company does not operate through franchise models nor does it manage activities associated with such an operational structure.

9 - Calculations are conducted through the support of specialised consultants.

10 - The group is currently reporting only the location-based emission and is working to achieve the certification needed to indicate also the market-based emissions.

WATER

Water serves indeed as an important resource for the Manufacturing Division for various industrial and household needs, specifically the processing of materials (e.g. via the application of steam in the vulcanization process and in the extraction of hydraulic hoses' mandrels), the cooling of the test benches and equipment, the fire safety system, in dining areas and restroom facilities. The main water-use considerations in the **OEM Business Unit of the Service Division** relate to cleaning the equipment that interacts with the machines before they are delivered to the end customer. This is achieved by utilizing a particular chemical solution, which is disposed of by an external firm after the company treats it to reduce its ecological effects.

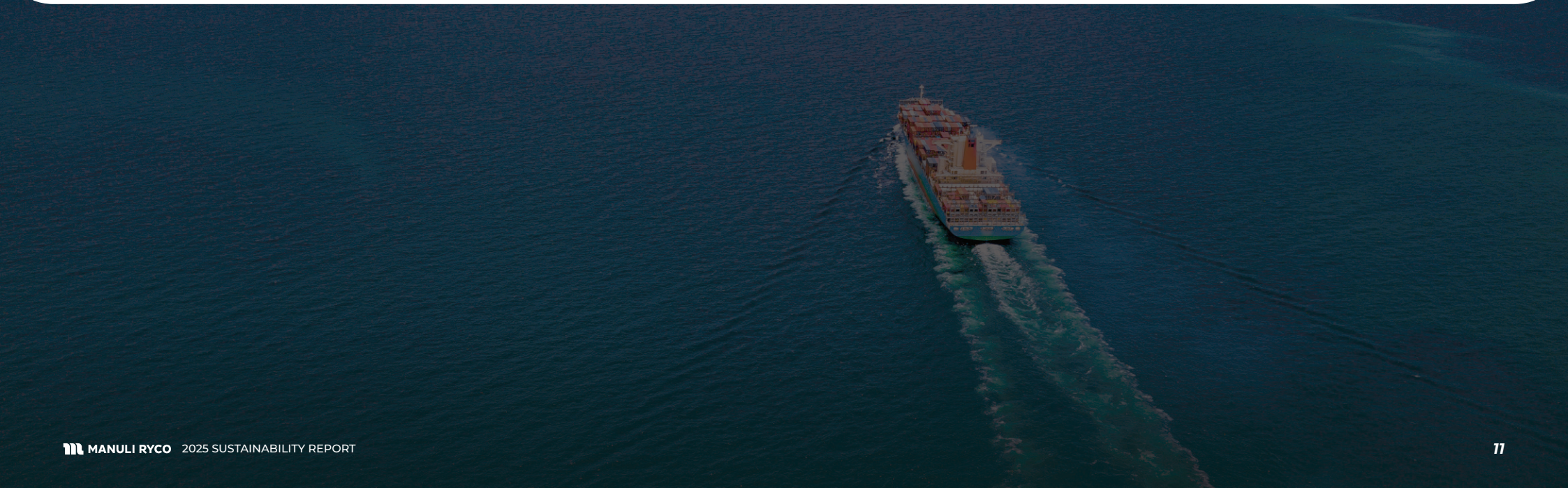
Local management of water resources is left to the **individual businesses** who, with the help of a third-party partner, monitor water withdrawals and discharges on a regular basis. In **2025**, the water withdrawn was **466.78 megalitres (ML)** while that discharged was **364.47 ML**; in total, therefore, water consumption was **102.31 ML**.

Various methods are used to assess the effect on water resources depending on the organizations in focus. For example, **Manuli Hydraulics Polska SA (Poland)** utilizes industrial water neutralization systems for managing wastewater, facilities that separate oils from used water, and conducts chromic acid-based tests in a specialized laboratory biannually. Additionally, **Fluiconnecto OEM s.r.o. (Czech Republic)** and the Service Division in general have created specific procedures to effectively mitigate and manage it in cases of significant risk.

Moreover, the fire safety system at **Manuli Hydraulics (Suzhou) Co. Ltd. The (China)** operations location was upgraded to a new underground system that facilitates prompt leak detection and simplifies maintenance access, decreasing water usage and waste by 17%[11]. Moreover, the Suzhou plant implemented a **water recycling system**. The recycling systems enable **85%** of used water to be returned to production, while **15%** of wastewater flows through the sewage pipe to the final disposal, where it will be treated and released in accordance with environmental standards. At medium term, **Manuli Hydraulics (Suzhou) Co. Ltd. (China)** plans to conduct a review of water management performance and the effectiveness of actions taken, establishing performance improvement targets based on the related findings.

Manuli Ryco takes into account regional water stress conditions in its water management approach, where water stress refers to situations in which water demand exceeds local availability. In such contexts, the group identifies **water-stressed areas** and implements measures aimed at reducing water consumption, improving the efficiency of water use, and, where applicable, reusing wastewater. It also invests in technologies designed to support more efficient **water management**. In parallel, Manuli Ryco engages with local stakeholders and communities to better understand local water-related challenges and to contribute to the development of shared solutions aimed at improving water availability and quality.

11 - It is to be noted that the figures given represents an estimate, which will be confirmed when further data is collected.



SUSTAINABLE USE OF MATERIALS

Manuli Ryco is committed to promoting the more efficient use of materials across the value chain and to implementing circular economy initiatives, which are considered key enablers for more sustainable production and consumption patterns. Nevertheless, despite the group's efforts to increase the use of recycled and renewable materials where technically feasible, the implementation of circular economy practices remains challenging for some product categories due to the intrinsic characteristics of the materials used. In particular, hoses are made of composite materials that are currently not recyclable, as the steel wires used for internal reinforcement are chemically bonded to the rubber compounds, making material separation and recovery even more difficult. Furthermore, the frequent presence of chlorine in rubber compounds adds an additional layer of complexity, further limiting the effective circularity of these products.

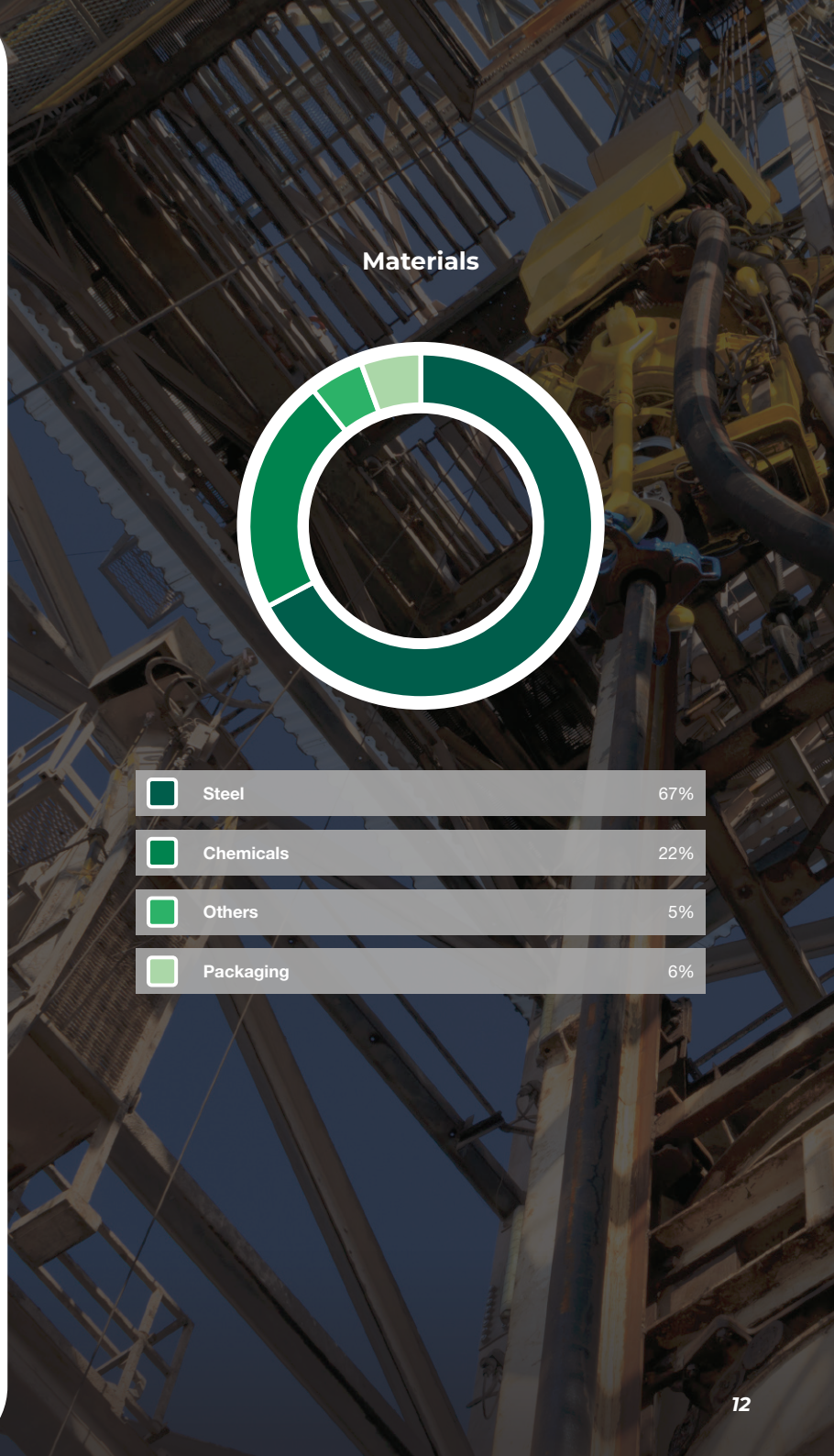
Concerning materials, in 2025, the positive trend recorded in the previous year regarding the **percentage of recycled and renewable materials used**, mainly in hose production, was confirmed. However, the adoption of these materials remains limited to specific applications where technical and quality requirements allow their use, which currently represents a relatively small share of the group's overall material consumption. In addition, the possibility of extending the use of these materials is largely limited to Europe, as in Asia it is not yet possible to source recycled materials offering the same quality standards as those available in Europe.

In 2025, **55,344 tons of materials** were used, **3,231 tons** of which were renewable and **52,113 tons** were non-renewable.[12]

In line with the core business of the group, the material composition analysis reveals a significant reliance on **steel**, which constitutes **67%** of total material use, and **chemicals**, hazardous and non-hazardous for a total of **22%**. Packaging materials represent **6%** of the total while other materials represent **5%**.

Concerning other materials, the group purchases and processes **synthetic rubbers, polymers**, and **chemicals** as additional raw materials for hose manufacturing. These materials are combined to create proprietary compounds that are formulated and manufactured internally. Rubber is blended with **carbon black**, which acts as a reinforcing agent providing specific mechanical properties, including abrasion resistance, together with other light fillers. Vulcanization is the primary process used to complete rubber production and impart characteristics such as strength and flexibility, by applying heat to create chemical bonds with **sulphur**.

Within this context, the management of raw materials represents a key element of the group's sustainability approach. The group seeks to strengthen traceability practices, supply chain oversight, and alignment with environmental and human rights related requirements, working in cooperation with suppliers to support compliance with applicable international standards. Particular attention is given to the requirements of the **European Union Deforestation Regulation (EUDR)**, which reinforces the due diligence processes aimed at preventing the sourcing of materials linked to deforestation or forest degradation. Through continuous monitoring.



12 - GRI 301 defines as renewable a "material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation" and non-renewable "resource that does not renew in short time periods".

IMPACT ON LOCAL COMMUNITIES

Manuli Ryco strives to create long-term value for the benefit of the communities in which the group operates. In carrying out its activities, Manuli Ryco promotes respect for human, social, economic, and cultural rights; firmly protecting personal freedoms in all their forms and in strict compliance with local regulations and international conventions. The group's efforts are focused on ensuring that local communities are not only protected from adverse impacts but also actively benefit from our presence through meaningful dialogue, investment, and long-term development initiatives.

The chart highlights the distribution of the group's community engagement initiatives, reflecting our multifaceted approach to supporting local communities. The largest share of the efforts is dedicated to **humanitarian aid** for future generations, accounting for **46%**, underscoring the company's commitment to improving basic services and facilities. A portion of the initiatives are also dedicated to the most vulnerable, such as the **elderly**, which represent **31%** of the total. Health and well-being initiatives are the main focus of the group that dedicates **14%** of the total to **medical research**. A small portion is present for **cultural preservation**, which accounts for **3%** while **6%** of the total is specifically dedicated to the support in the **local communities** in which the group is present. This distribution reflects the strategic focus on high-impact areas that align with both community needs and sustainability goals, consistent with the **GRI 413** standards.

Moreover, in all locations where the group has a physical presence, especially near the production facilities, Manuli Ryco strives to build strong, transparent, and respectful relationships with local stakeholders. Every year, Manuli Ryco allocates a dedicated budget for charitable donations. The main entities and associations that were beneficiaries of the **group's donations in 2025** are listed below.

Donations: Main Beneficiary of 2025

AIRC Foundation
for cancer research.

Soleterre Foundation
for the recognition and application of the Right to Health.

Hope ONLUS
for the assistance of Ukrainian orphans.

Standing Voice
to defend the rights of persons with albinism in Africa.

Istituto Europeo di Oncologia (IEO)
for cancer research.

Fondo Ambiente Italiano (FAI)
for the protection of Italy's historical, artistic and landscape heritage.

Telethon
for genetic and rare diseases research.

Distribution by Target

Humanitarian Aid (Youth)	46%
Humanitarian Aid (Elderly)	31%
Medical Research	14%
Local Communities Support	6%
Culture	3%

MANULI RYCO

2025 SUSTAINABILITY REPORT

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