SARAS

2023 SUSTAINABILITY REPORT

Consolidated Disclosure of Non-Financial information in accordance with the Legislative Decree 254/2016

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LETTER TO STAKEHOLDER

2023 was marked by high volatility in energy markets, still influenced by the consequences of the Russian-Ukrainian conflict, albeit to a lesser extent than in 2022. Moreover, at the end of the year, the critical issues intensified with the outbreak of a new conflict in the Middle East, with evident risks connected to the geographical centrality of the region, in relation to the main trade routes between Europe and the East.

Once again, therefore, the European Union had to reflect on the strategic importance of secure and reliable energy supplies. There emerged a clearer orientation, from various Member States, regarding the need to pursue Energy Transition through new production sources with lower carbon intensity. At the same time, however, it is necessary to preserve an efficient core of traditional plants in Europe, ensuring supplies of petroleum products and gas even in moments of great geopolitical complexity, such as those we have been experiencing for the past two years.

Consistently with this context, last May we formalised the Group's new strategy, aimed at synergistically combining the traditional business with new renewable sources and future transition technologies. Thanks to the commitment and dedication of our people, we have worked again this year to optimize the performance and efficiency of the Sarroch industrial site, minimize the environmental footprint and the use of natural resources, and ensure safe, fair and inclusive working conditions.

We are proud of the important results achieved, not only in these areas, but also in terms of sustainable value creation: in 2023, the direct and indirect economic impact generated on the Sardinian territory by our Group's activities amounted to almost 720 million euros, which includes employee salaries, tax revenue and revenue from local authorities, and purchases of goods and services from suppliers located in Sardinia.

Our 2023 Sustainability Report, prepared consistently with previous years pursuant to Legislative Decree 254/2016 and according to the 2021 edition of the GRI (Global Reporting Initiative) standards, including those specific to the "Oil & Gas" sector (GRI 11), allows us to be even more specific, and to communicate our values and commitments to responsible and sustainable business conduct in a clear and transparent way. In fact, you will find a precise description on how we identify, evaluate and manage the real and/or potential impacts that can be associated both directly and indirectly with the Group's economic, environmental and social activities. This information is produced through an analysis methodology called "impact materiality".

However, this year our Report voluntarily also includes a second dimension of analysis, called "financial materiality" and associated with the risks and opportunities, arising from ESG topics, to which our Group is exposed. This choice to further improve Sustainability reporting stems from the desire to implement in advance the reporting obligations that will be introduced by the new Corporate Sustainability Reporting Directive (CSRD) starting from next year.

I am confident, therefore, that this document will give the right visibility and importance to the results we have achieved and will increasingly clarify the evolutionary path we have undertaken, thanks to the professionalism and efforts of our people, as well as the constant and fruitful collaboration with our reference territory.

Finally, I want to remind you that in February 2024, after over 60 years since the foundation of Saras Group by my father, Angelo Moratti, my family, and I communicated the ownership transfer to Vitol. It was a very difficult and emotional choice but made for the good of the Group. Vitol is a multinational with ambitious goals and a desire to grow Saras, bringing significant financial and commercial strength as well as internationally renowned professional expertise. The Sardinians and Sardinia, who have accompanied us with so much professionalism and affection over all these years, will find in the new Company even greater opportunities for work and success.

Therefore, my sincere wish is for everyone to achieve increasingly ambitious goals, and my heartfelt thanks for the journey we have taken together.

The President
Massimo Moratti

SARAS IN FIGURES

The following are the key figures who characterized the Group's activities in 2023:

VALUE CREATION

11.4 billion euros in revenues from ordinary operations

2.4 billion euros in total economic value generated

224.4 million euros investment

135 million euros spent by Sarlux to purchase goods and services from local suppliers

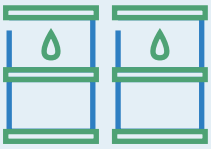
HUMAN RESOURCES

1,591 employees on 31st December 2023

86% of the workforce based in Sardinia

34,007 hours of total training, of which 10,304 hours allocated to HSE topics

REFINING



12.9 million tonnes of crude oil processed

0.6 million tonnes of complementary feedstock processed

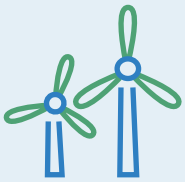
19.7% of the total of Italian refining capacity[1]

ELECTRICITY GENERATION FROM IGCC

3,550 GWh of electricity produced by IGCC and sold to the power grid

41.9% of Sardinia's electricity consumption[2]

RENEWABLE ENERGY



298.1 GWh of renewable electricity produced (wind)

208,000 people, equivalent annual energy consumption

193,200 tons of CO_2 emissions avoided, thanks to electricity production from renewable sources

1. Source: UNEM - Feb. 2024
2. Source: Terna "Monthly Report on the Electricity System" Dec. 2023

THE SARAS GROUP

[2.1; 2.2; 2.3; 2.6]

The Saras Group is one of the leading Mediterranean operators in the oil refining sector. Moreover, it produces and sells electricity essential for the stability and security of the Sardinian grid, using a combined both the IGCC combined-cycle gasification plant and renewable sources.

Alongside the global nature of its oil operations, the Group has solid local roots, particularly in Sardinia, where its activities generate significant contributions to the development of the local socioeconomic fabric, in a logic of long-term sustainability.

The Group Sustainability Report is published annually. This edition contains data, initiatives and projects referring to the period between 01/01/2023 and 31/12/2023 for the six companies fully consolidated in the Consolidated Financial Statements (Saras, Sarlux, Sardeolica, Deposito di Arcola, Saras Energia and Saras Trading), as required by Legislative Decree 254/2016.

The dissemination and archiving of the Sustainability Report takes place according to timelines aligned with those of the Annual Report of Saras SpA and the Group's Consolidated Financial Statements, in accordance with the procedures established by Borsa Italiana for regulated information. Specifically, dissemination is done via SDIR (System for Dissemination of Regulated Information) as well as by posting on the company website (www.saras.it), while storage is done in the MSA (Authorized Storage Mechanism).

Corporate activities and structure

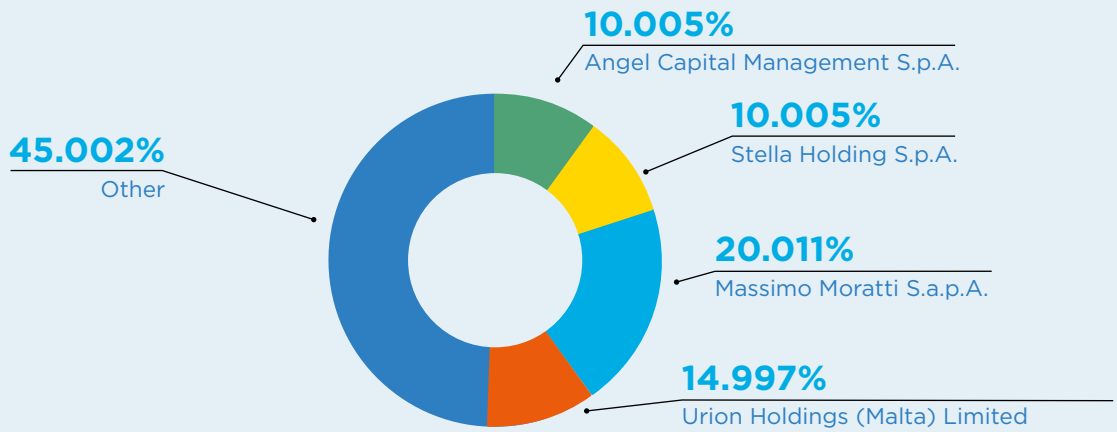
The parent company Saras SpA is an Italian joint-stock company, established in 1962 with registered office at SS 195 Sulcitana Km19, 09018 Sarroch (Cagliari), General Management and Administrative Headquarters in Galleria Passarella 2, 20122 Milan, and Local Unit in Via Barberini 47, 00187 Rome.

It has been listed on the FTSE Italia Mid Cap index of the Italian Stock Exchange since May 2006. There are 951 million ordinary shares outstanding, and the shareholders are mainly composed of the Moratti family (Massimo Moratti S.a.p.a., Angel Capital Management S.p.a. and Stella Holding S.p.a.) which, as of December 31, 2023, held a total of 40.022% of the share capital.

At the same date, 14.997% of the share capital was held by the Trafigura Group, based in Singapore and operating internationally in the trading of crude oil and petroleum products, through its subsidiary Urion Holdings (Malta) Limited.

Saras SpA acts as a coordinator and control for all the companies of the Group, and is directly active in the oil market at an Italian and international level. In particular, Saras sells and distributes petroleum products such as gasoline, diesel, aviation fuel, marine fuels and heating oil. In 2023, sales of petroleum products in the cargo market channel totaled over 9.7 million tonnes, while a further 2.2 million tonnes were sold in Italy in the off-grid channel.

SHAREHOLDING STRUCTURE AS OF DECEMBER 31, 2023



SARLUX Refining & Power

The Group's industrial activities are managed by the subsidiary Sarlux Srl, which owns and operates the Sarroch site, on the south-western coast of Sardinia, where it is located one of the largest refineries in the Mediterranean in terms of production capacity (about 15 million tons per year, equal to 300 thousand barrels per day), and one of the most advanced in terms of plant complexity (Nelson Complexity index equal to 11.7).

Sarlux ensures industrial operations aimed at the production of fuels, biofuels, basic products for the petrochemical supply chain and electricity, overseeing the daily operation of the plants, and governing the execution of operational programs and maintenance plans. In over 60 years of activity, Sarlux has gained a wealth of technology and knowledge that today places the Sarroch site among the primary benchmarks in terms of environmental sustainability and efficiency, both at national and European level.

At the beginning of the 2000s, the refining activity at the Sarroch site was accompanied by the production and sale of electricity, through the construction and subsequent start-up of an IGCC (Combined-Cycle Gasification) plant among the largest of its kind in the world (575MW of installed capacity), perfectly integrated with the refinery, and also managed by Sarlux. The IGCC plant is essential for the security and stability of the Sardinian electricity grid and, in 2023, produced and fed into the grid 3.55 TWh, which corresponds to about 41.9% of the electricity needs of the whole of Sardinia.

Finally, since the beginning of 2015, Sarlux has further expanded its site through the acquisition of the neighbouring petrochemical plants (formerly Versalis, ENI Group), expanding the production offer to certain categories of aromatics and intermediates in the petrochemical supply chain.

Finally, with effect from 1 July 2023, the subsidiary Sartec Srl, which offered environmental engineering services, monitoring, analysis systems, measurement, and analytical services, was incorporated through a merger into Sarlux Srl.

SARAS TRADING Supply & Trading

The subsidiary Saras Trading SA has been operating in the Geneva office since early 2016, and acts under an agency contract on behalf of the parent company. Its main activities consist in the purchase of raw materials and other raw materials necessary for the refinery, the sale of finished products,

the chartering of tankers used for the transport of these raw materials and refined products. In addition, taking advantage of its location in one of the main international hubs for the trading of oil commodities, Saras Trading also carries out independent trading activities on oil commodities.

SARAS ENERGIA Marketing

The subsidiary Saras Energia SAU was formed from the merger of Saroil (established in 1990) and Continental Oil (established in 1992) in Spain. After also engaging in direct sales activities through service stations, for several years it has been exclusively focused on the sales of petroleum products in the "off-network" channel throughout the Iberian Peninsula (i.e., wholesale sales to retailers, industrial enterprises, public entities, hauliers, condominiums, agricultural and fishing sector operators, etc.). In this context, it leverages the Group's extensive experience and benefits from valuable synergies with its affiliate, Saras Trading.

To carry out its commercial activities, Saras Energia mainly uses the depots of third-party operators (Decal and CLH), and also makes use of a wholly owned company called Terminal Logistica de Cartagena SLU (TERLOCAR), located in Cartagena, Spain. TERLOCAR has a total storage capacity of 114 thousand cubic meters, fully utilized (partly directly for the needs of the Group, and partly with lease agreements signed with third-party operators).

In the 2023 fiscal year, Saras Energia once again confirmed its position as a significant player in the Iberian market, with approximately 1 million tons of petroleum products sold.

SARDEOLICA Renewable Energy

Since 2005, the Group has been active in the production and sale of electricity from renewable sources, through its subsidiary Sardeolica Srl, which owns and operates a wind farm in Ulassai (Sardinia) with an installed capacity of 126MW, and a second wind farm in the Industrial Zone of Macchiareddu (Sardinia) with an installed capacity of 45MW, acquired in 2021.

Construction is also underway on a 79MW photovoltaic plant, also located in Macchiareddu, which will be able to exploit important synergies with the neighbouring wind farm, and will be operational in mid-2024.

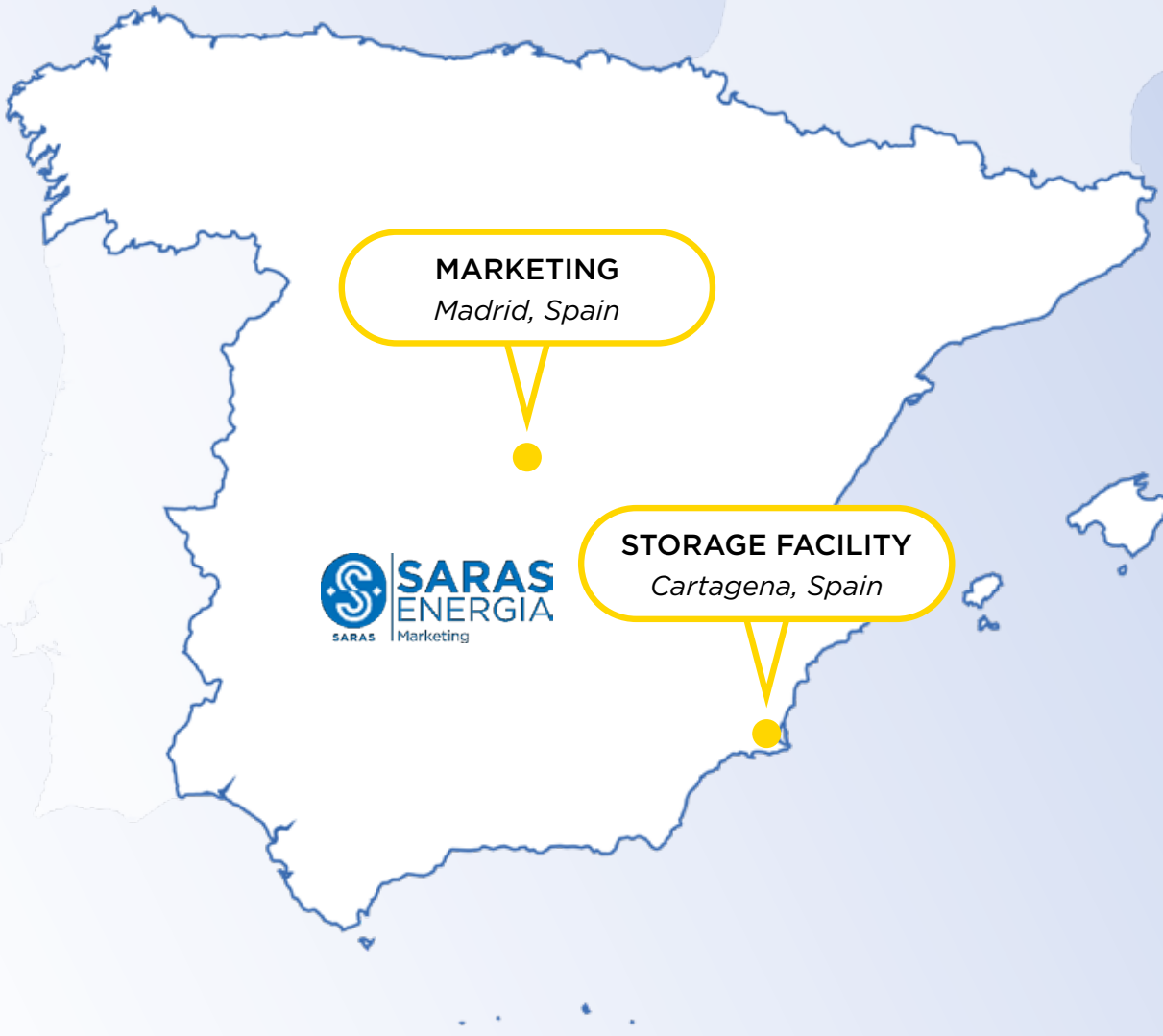
Sardeolica bases its activities on the utmost respect for the ecosystems and communities that host its sites. In fact, it protects the environment with particular attention to vegetation, birdlife, noise and electromagnetic fields. In addition, it supports local communities directly by generating employment, and indirectly through the development of related industries and economic spin-offs of various kinds, including the increase in tourism.

DEPOSITO DI ARCOLA Storage Activity

The subsidiary Deposito di Arcola Srl, established in 2011 in Arcola (La Spezia), owns and manages a hydrocarbon storage facility consisting of 26 above-ground atmospheric tanks with a total nominal capacity of 181.6 thousand cubic meters.

The Depot's activity consists in the reception by sea of finished products (diesel and gasoline), mainly coming from the Sarlux refinery in Sarroch. The products arrive by ship at the buoy field, located in the roadstead of La Spezia. The Arcola depot, where storage takes place, is connected to the buoy field by an oil pipeline with a total length of about 10 km, equipped with two pumping stations with a relaunch function, located respectively in the bases of Battigia and Pianazze. Finally, overland transfer takes place by means of special pumps that convey the petroleum products to the loading shelters of the tankers trucks.

SARAS


MARKETING
Madrid, Spain
STORAGE FACILITY
Cartagena, Spain
SARAS ENERGIA
Marketing

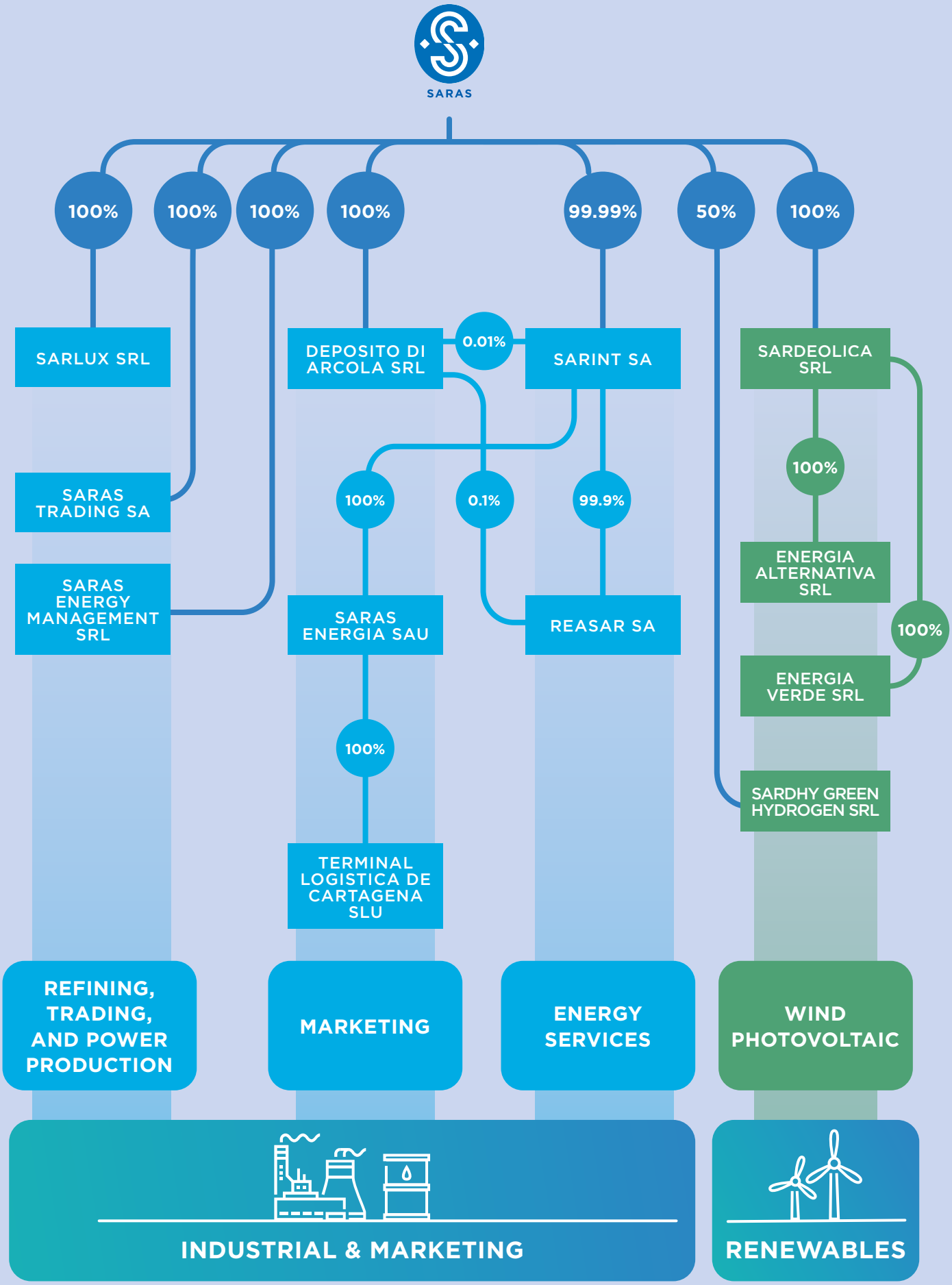

TRADING
Genève, Switzerland
HEADQUARTERS
Milan, Italy
SARAS TRADING
Supply & Trading
STORAGE FACILITY
Arcola, Italy
DEPOSITO DI ARCOLA
Storage Activity
MARKETING
Rome, Italy
WIND FARM
Ulassai, Italy
SARDEOLICA
Renewable Energy
WIND AND PHOTOVOLTAIC FARM
Macchiareddu, Italy
INDUSTRIAL SERVICE
Macchiareddu, Italy
INDUSTRIAL SITE
Sarroch, Italy
SARLUX
Refining & Power

From the point of view of the corporate structure, as of 1 January 2021 the Group reorganised its business lines, creating a segment called "Industrial & Marketing", which includes all activities relating to refining, electricity generation, and the sale of petroleum products in off-grid channels (so-called "Marketing" activities).

Furthermore, the segment previously known as "Wind" has been renamed **"Renewables"** to encompass potential developments in photovoltaics and green hydrogen production in the future.

In this regard, it's worth noting that on December 29, 2021, a NewCo named "SardHy Green Hydrogen Srl" was established between Saras SpA and Enel Green Power Italia Srl. This company's objective is the design, development, construction, connection to the national distribution grid, installation, and management of electrolysis plants powered by renewable energy for the production of green hydrogen for commercialization.

Lastly, within the "Industrial & Marketing" segment, in July 2023, Saras Energy Management Srl was established, fully owned by Saras Spa. Its purpose is to dispatch the electricity produced by the group's companies to the Sardinian electrical grid and purchase the electrical requirements for the refinery and the IGCC plant, optimizing intake and withdrawal flows. The company is scheduled to be fully operational starting from 2024.


SARAS
100%
100%
100%
100%
99.99%
50%
100%
SARLUX SRL
SARAS TRADING SA
SARAS ENERGY MANAGEMENT SRL
DEPOSITO DI ARCOLA SRL
0.01%
SARINT SA
100%
0.1%
99.9%
SARAS ENERGIA SAU
REASAR SA
100%
TERMINAL LOGISTICA DE CARTAGENA SLU
SARDEOLICA SRL
100%
ENERGIA ALTERNATIVA SRL
100%
ENERGIA VERDE SRL
SARDHY GREEN HYDROGEN SRL
REFINING, TRADING, AND POWER PRODUCTION
MARKETING
ENERGY SERVICES
WIND PHOTOVOLTAIC
INDUSTRIAL & MARKETING
RENEWABLES

Business Model

The core of the Group's activities is represented by the Sarroch industrial site. The business model developed by the Group is based on an integrated management process of production activities, planning, and commercial activities. This model has been specifically designed to maximize the potential of the production site, in a logic of long-term competitiveness aimed at creating sustainable value for all stakeholders.

Specifically, the Sarroch refinery is equipped with the following levers that determine its good positioning in the extremely competitive context of refining on an international scale: size, flexibility, complexity, coastal location, integration with electricity and petrochemical power generation.

The size, one of the largest refineries in the Mediterranean with about 300 thousand barrels per day of processing capacity, represents a lever for the optimization of fixed costs through economies of scale. It also allows the implementation of various types of energy efficiency, which contribute to the containment of variable costs.

Flexibility is represented by the ability to process multiple blanks, even very different from each other in terms of chemical-physical characteristics. This versatility derives from the numerous technological and metallurgical interventions made on the plants, and from the specific processing know-how developed by the site's staff in over 60 years of industrial operations. By way of example, in recent years the Sarroch refinery has processed over 30 different types of crude oil, thus mitigating geopolitical volatility, and also taking advantage of market conditions that, from time to time, make the choice of a certain class of crude oil more profitable.

The complexity lies in the ability to achieve high yields of high value-added products. Thanks to high-conversion plants, the Sarroch refinery produces more than 50% of medium distillates (diesel and aviation fuel) and about 30% of light distillates (mainly gasoline), while it optimally manages the heaviest part of the barrel – of lower value – through integration with the IGCC electricity generation plant. In this way, the margins of refining operations are optimized.

The coastal positioning makes it possible to supply crude oil and other raw materials by sea, from any supplier, without having to depend on pipelines or dedicated logistics facilities, as is the case with "inland" refineries. Similarly, it offers the possibility of selling finished products to customers potentially located anywhere in the world.

Finally, the integration with electricity generation and petrochemicals makes it possible to have products with greater added value, with a profile of greater resilience with respect to the volatility characteristic of oil markets.

The business model developed by the Group is able to enhance the aforementioned levers of value that the refinery possesses, thanks to accurate planning processes, and constant interaction with the team that deals with the purchase of raw materials and the sale of finished products. The speed of interaction between the parties involved is the key element that makes it possible to seize the opportunities present in the market, depending on what the operational availability of the asset is at a given time.

All this is carried out by the Group with the utmost respect for the environment, the health and safety of all those who work on the site and who live in the surrounding areas. The commitment, professionalism, dedication and fairness of our people are fundamental elements to ensure growth and prosperity for our business and the communities in which we operate.

Key markets

The Group's key markets are the oil market, which by its nature has an international vocation (both in terms of raw material suppliers and main customers), and the electricity market, in which the Group operates, making its sales exclusively domestically.

The following table shows revenues from the Group's operations, split by geographical area and net of intercompany eliminations. The revenue changes during the three years in question are mainly due to price fluctuations, which occur in the oil markets (raw materials and refined products) and, to a lesser extent, also to the production levels achieved by the Group in the various years (as a function of specifically scheduled maintenance cycles).

As can be seen, in 2023 revenues from ordinary operations amounted to €11.4 billion, down from 15.8 billion euros in the previous year, mainly as a result of the trend in petrol and diesel prices (-15% and -22% respectively compared to 2022 prices) and lower refinery processing (-5% compared to 2022 operations). It should also be noted that a similar trend was also recorded in terms of raw material costs: in fact, "Brent Dated" crude oil marked an average price of 82.6 $/bl in 2023, about 20% lower than the average of 101.5 $/bl recorded in 2022.

In terms of distribution by geographical area, in 2023 approximately 40% of the Group's revenues were generated in Italy, and this percentage rises to 59% when considering the entire European Economic Community (EEC).

Revenues from ordinary operations - Saras Group (Thousands of euros)

	2021	2022	2023
Italy	4,321,903	4,198,978	4,543,987
Spain	271,759	1,716,590	1,198,115
Other CEE	1,675,005	2,617,123	968,080
Extra CEE	2,273,937	7,085,788	4,584,964
USA	93,846	217,306	148,290
Total	**8,636,450**	**15,835,785**	**11,443,436**

Strategy

The Saras Group pursues a strategy aimed at creating sustainable value from an economic, financial, social, and environmental perspective, based on collaborative and trustworthy relationships with all stakeholders, and on respect for the values contained within the Code of Ethics and Sustainability Policy. The people of Saras, at all organizational levels, with their commitment, dedication, perseverance, and loyalty, constitute the fundamental resource for achieving the ambitious goals of the Group.

The Saras Group's Strategy is based on three guidelines:

- Continue the refining activity of petroleum products, aiming for maximum energy and operational efficiency, and optimizing asset availability and capacity utilization;
- Accelerate the development of Renewable Energies, both through organic growth projects and through the acquisition of authorized projects, which the Group will then proceed to implement;
- Positioning to seize the opportunities arising from the energy transition, depending on the technological and regulatory developments that will become prevalent in the coming years.

Considering the central role that oil will continue to play for many years to come in the mix of world energy consumption, and the need to ensure the stability and security of energy supplies for Sardinia, Italy and the entire Mediterranean basin, Saras' strategy aims to maintain and optimize the operation of the Sarroch site. This involves increasingly efficient, safe, and reliable management with the goal of limiting dependence on extra-EU imports and increasing energy security in the Mediterranean basin.

Saras recognizes that expertise, technological development, and digitalization are fundamental resources not only to efficiently manage the industrial site, but also to face the developments that will result from the Energy Transition. It therefore intends to make its skills available to evolve in a fair and effective way towards increasingly sustainable and competitive economic models. This approach not only contributes to the country's environmental goals, but also represents a vital economic driver for the Sardinia region.

Business continuity of the secure, efficient, and reliable site	Acceleration in the development of Renewable Sources	Preparing the Group for the Energy Transition
• Large, complex and efficient site • Flexibility in raw material processing and electricity production • Continuous Optimization	• Mainly organic development for wind power; also solar M&A • Eligible investments • Wind pipeline in Sardinia with high load factor sites	• Various technologies under development • Regulatory environment still evolving at EU and national level • Multi-pronged commitment
Long-term industrial sustainability	**Target of 1GW installed capacity by 2030**	**Opportunities in new decarbonized businesses**

European Taxonomy

The European Taxonomy Regulation

In recent years, the European Union has conceived a strategy for sustainable development and Ecological Transition inspired by the contents of the 2015 Paris Climate Agreement (COP21) and the 17 Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. The European Commission aspires to become the first "net-zero" climate impact continent by 2050 and to reduce greenhouse gas emissions by at least 55% by 2030 (compared to 1990 levels).

In this context, on 18 June 2020, the EU Regulation 2020/852 (the so-called Taxonomy Regulation) came into force, consisting of a classification system for economic activities. This system applied harmoniously in all EU countries as an enabler of the Green Deal defines the criteria for determining whether an activity can be considered environmentally sustainable (i.e. "green").

It is accompanied by a compulsory disclosure regime, covering both financial and non-financial companies. Indeed, the Commission hopes that thanks to the detailed information that companies

must provide about their activities, it will be possible to strengthen the transparency of communication towards investors, defeat the phenomenon of "greenwashing" and support planning for the Ecological Transition.

Specifically, the European Taxonomy defines the criteria for determining whether an economic activity can be considered environmentally sustainable, starting with the identification of six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and
4. marine resources
5. The transition to a circular economy
6. Pollution prevention and control The protection
7. and restoration of biodiversity and ecosystems.

Thus, an economic activity is defined as environmentally sustainable when it jointly fulfils the following conditions:

- contributes to the achievement of one or more of the six environmental objectives;
- does not cause significant harm to any of the other environmental objectives (DNSH principle "Do No Significant Harm");
- is carried out in compliance with the minimum guarantees for the protection of human rights (**International Bill of Human Rights**), in the OECD Guidelines for Multinational Enterprises, in the eight Conventions Fundamentals of the International Labor Organization (**ILO Fundamental Principles and Rights at Work**), and in the UN Guiding Principles on Business and Human Rights (**UNGPs**);
- respects the technical screening criteria adopted by the European Commission.

Concerning the aspect of "technical screening criteria", it should be noted that the regulatory framework places the Taxonomy Regulation at the top and is then completed by a series of Delegated Acts specifying the application methods.

Alongside the Delegated Acts relating to the technical screening criteria, there is another Delegated Act, aimed at specifying the disclosure requirements provided for by the Taxonomy Regulation, which specifies in particular the content and methods of presentation of the information to be provided by companies subject to the obligation to publish the Non-Financial Statement (DNF). This is **Delegated Regulation (EU) No. 2021/2178 of 6 July 2021**.

How Saras applied the Taxonomy Regulation

On the basis of the provisions of the Taxonomy Regulation and the Delegated Acts that specify its application methods, Saras has analysed its economic activities according to the following eco-sustainability assessment process, also making use of the IT tool made available by the European Commission, called "EU Taxonomy Compass" (https://ec.europa.eu/sustainable-finance-taxonomy/home):

1. the admissibility of each activity was verified, checking whether it falls within the list included in the Delegated Acts (either because it contributes directly on its own to the achievement of one of the environmental objectives, or because it can be classified as an enabling or transitional activity: "eligible activity");
2. it was verified that the technical screening criteria foreseen for each activity were met so that it could substantially contribute to the achievement of the climate objective without causing significant damage to the other environmental objectives (DNSH);
3. finally, the adoption of the minimum social safeguard measures required by art. 3 and 18 of the Taxonomy Regulation was verified when carrying out the activity.

With this process, it was established that the subsidiary Sardeolica Srl, which operates in the sector of electricity production from renewable sources, carries out environmentally sustainable economic activities, in accordance with the Taxonomy Regulation.

In particular, the **eligibility of Sardeolica's activities** was verified by also scrutinizing the Articles of Association (The company's object is the following activities: + the production of electricity; + the performance of public and private civil and industrial electrification works; + the construction and management of wind power plants of all kinds. The company's object also includes the construction of industrial centers for the production of electricity and related service centers), and it was found that these activities are specifically included in the Articles of Association with the following number and nomenclature: "4.3 - Electricity generation from wind power," NACE codes D35.11, F42.22.

Regarding the assessment of compliance with the technical screening criteria for Sardeolica's activity, as stipulated in Art. 19, it was taken into account that the production of electricity from wind renewable sources is consistent with a pathway aimed at limiting the global temperature increase to 1.5°C compared to pre-industrial levels, and therefore environmentally sustainable. It contributes substantially to the achievement of the first environmental goal (climate change mitigation).

With regard to the **assessment of the DNSH criteria for Sardeolica's activities**, as required by Article 17, the environmental impact of the activities themselves and the environmental impact of the products supplied by them (i.e. electricity) during the entire life cycle (full life-cycle assessment) were taken into account, in particular taking into account energy production and use.

Specifically, it was indeed verified that Sardeolica does not cause significant harm:

A. to climate change mitigation, as it does not produce greenhouse gas emissions;
B. to adaptation to climate change, as it does not worsen the adverse effects of the current climate and the projected future climate on people, nature or assets;
C. to the sustainable use and protection of water and marine resources, as it does not harm: (i) the good status or ecological potential of bodies of water, including surface water and groundwater; or (ii) good environmental status of marine waters;
D. to the circular economy, including waste prevention and recycling, in so far as: (i) the activity does not lead to significant inefficiencies in the use of materials or in the direct or indirect use of natural resources such as non-renewable energy sources, raw materials, water resources and soil, at one or more stages of the life cycle of products; also in terms of durability, repairability, possibility of improvement, reusability or recyclability of products; (ii) the activity does not lead to a significant increase in the generation, incineration or disposal of waste, with the exception of the incineration of non-recyclable hazardous waste; or (iii) no long-term disposal of waste is carried out, which may cause significant and long-term damage to the environment;

E. to the prevention and reduction of pollution, as Sardeolica's activity does not lead to a significant increase in emissions of pollutants into air, water or soil compared to the situation before its start-up; or
F. to the protection and restoration of biodiversity and ecosystems, as the activity: (i) does not significantly harm the good condition and resilience of ecosystems; or (ii) does not adversely affect the conservation status of habitats and species, including those of Union interest.

Finally, with regard to the **adoption of minimum social safeguard**, as provided for by Articles 3 and 18 of the Taxonomy Regulation and also by the "Final report on Minimum Safeguards" published in October 2022 by the experts of the "European Platform on Sustainable Finance", Sardeolica adopts an Organizational Management and Control Model Legislative Decree 231/2001 and all the Policies of the parent company (including the Policy for the Protection of Human Rights and the Sustainability Policy); moreover, in carrying out its activities it follows procedures in accordance with the International Charter of Human Rights, the OECD Guidelines for Multinational Companies, the eight Fundamental Conventions of the International Labour Organization, and the United Nations Guiding Principles on Business and Human Rights.

Through a six-step "Human Rights Due Diligence" process, the four "Substantive Topics" were verified, i.e. the key topics identified by the platform on sustainable finance, which is associated with compliance with minimum safeguards: Human Rights (including workers' and consumers' rights); Corruption; Tax system; and Competition. The first phase involved verifying the adoption of commitments for the respect of Human Rights within company policies and procedures; the second phase consists in the identification and assessment of current and potential negative impacts, also through stakeholder engagement in the manner provided for by the EMAS certification available to Sardeolica; the third phase analyses the actions/initiatives taken to interrupt, prevent, mitigate and remedy negative impacts; the fourth phase involves monitoring the implementation of the above-mentioned actions/initiatives and Achievements; the fifth phase concerns the public communication of the approach to respect for Human Rights (through the Group's Sustainability Policy) and the results of the actions taken to address, mitigate and, where possible, avoid actual and potential negative impacts; finally, the sixth and final step of the process consists of setting up appropriate complaint mechanisms, in which individuals and groups can express concerns about negative impacts (through the use of the Group Whistleblowing system).

KPIs for sustainable activities carried out by non-financial corporations

According to the provisions of Delegated Regulation (EU) No. 2021/2178, the disclosure obligations on environmentally sustainable activities of non-financial companies revolve around three KPIs: the share of turnover, the share of capital expenditures (CAPEX), and the share of operating expenses (OPEX) associated with environmentally sustainable activities.

This DNF therefore contains the following tables (turnover, capital expenditures and operating expenses respectively), which show the absolute numerical values and percentage shares, relating to the economic activities of the Saras Group that are aligned with the Taxonomy.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities (Regulation EU 2020/852)

Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria						"Does Not Significantly Harm" criteria (DNSH)						Taxonomy-aligned proportion of turnover [Year 2023]	Taxonomy-aligned proportion of turnover [Year 2022]	Category (E = Enabling Activity; T = Transition activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
		kEuro	%	%	%	%	%	%	%	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	%	E/T
A. Taxonomy eligible activities																		
A.1 - Environmentally sustainable activities (Taxonomy-aligned)																		
Electricity generation from Wind Power (segment "Renewables")*	**4.3**	**31,445**	**0.28%**	100%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	**0.28%**	**0.28%**	**A**
A.2 - Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
---	---	---	---															
Total (A.1 + A.2)	**4.3**	**31,445**	**0.28%**													**0.28%**	**0.28%**	**A**
B. Taxonomy-NON-eligible activities																		
Segmento "Industrial & Marketing"		**11,343,160**	**99.72%**													**99.72%**	**99.72%**	
C. Total Activities (A+B)																		
Total (A + B)		**11,374,605**	**100.00%**															

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities (Regulation EU 2020/852)

Economic activities	Code	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria						"Does Not Significantly Harm" criteria (DNSH)						Taxonomy-aligned proportion of CapEx [Year 2023]	Taxonomy-aligned proportion of CapEx [Year 2022]	"Category (E = Enabling Activity; T = Transition activity)"
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
		kEuro	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E/T
A. Taxonomy eligible activities																		
A.1 - Environmentally sustainable activities (Taxonomy-aligned)																		
Electricity generation from Wind Power (segment "Renewables")*	**4.3**	**45,991**	**20.50%**	100%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	**20.50%**	**17.90%**	**A**
A.2 - Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
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Total (A.1 + A.2)	**4.3**	**45,991**	**20.50%**													**20.50%**	**17.90%**	**A**
B. Taxonomy-NON-eligible activities																		
Segment "Industrial & Marketing"		**178,379**	**79.50%**													**79.50%**	**82.10%**	
C. Total Activities (A+B)																		
Total (A + B)		**224,370**	**100.00%**															

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities (Regulation EU 2020/852)

Economic activities	Code	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria						"Does Not Significantly Harm" criteria (DNSH)						Taxonomy-aligned proportion of CapEx [Year 2023]	Taxonomy-aligned proportion of CapEx [Year 2022]	"Category (E = Enabling Activity; T = Transition activity)"
					Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems			
		kEuro	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	E/T
A. Taxonomy eligible activities																		
A.1 - Environmentally sustainable activities (Taxonomy-aligned)																		
Electricity generation from Wind Power (segment "Renewables")*	**4.3**	**10,261**	**0.87%**	100%	0%	0%	0%	0%	0%	Yes	Yes	Yes	Yes	Yes	Yes	**0.87%**	**0.53%**	**A**
A.2 - Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																		
---	---	---	---															
Total (A.1 + A.2)	**4.3**	**10,261**	**0.87%**													**0.87%**	**0.53%**	**A**
B. Taxonomy-NON-eligible activities																		
Segment "Industrial & Marketing"		**1,167,281**	**99.13%**													**99.13%**	**99.47%**	
C. Total Activities (A+B)																		
Total (A + B)		**1,177,542**	**100.00%**															

SUSTAINABILITY AT SARAS

The attention dedicated to social and environmental responsibility is a constant in the history of the Group and finds immediate confirmation in the long list of investments made over the years and in the path to obtaining numerous environmental and social certifications, with the objectives of minimizing the impact on the environment (emissions, use of water resources, waste production) and producing high-quality fuels for its customers.

Regarding the environmental aspects, as early as the second half of the 1990s, Saras installed various seawater desalination plants and adopted specific technologies to reduce the use of primary water sources, by recycling and using clarified water derived from treatment, filtration and purification processes. These plants, after successive upgrades, were replaced in 2019 with a new seawater desalination plant, one of the largest in Europe, capable of producing 500m3/h of demineralised water for use in high-pressure boiler circuits.

For what concerns waste management, the efforts made over many years have been intensified starting from 2020, with initiatives that have led to a reduction in total waste production and also a significant reduction in the quantity leaving the refinery, thanks to the use of a thermo-dryer built at the Ecotec plant, co-located within the refinery perimeter.

In terms of air pollutant emissions, Saras values are well below the statutory limits, having implemented numerous measures to reduce them to a minimum, along with using low-sulphur fuels. In 2009, the TGTU plant was also built to treat the tail gas of the Claus-cycle sulphur plants, which further reduced SO2 emissions.

For what concerns greenhouse gas emissions, in recent years Saras focused on a series of investments aimed at improving plants and processes, ensuring an increase in energy efficiency and reconfiguring the power plant and the steam network with the electrification of some main machines. This has achieved the dual result of lowering CO2 emissions and also achieving increases in economic performance. In addition to the above, the Group continues to develop Renewable Sources. In particular, at the moment, it owns and manages wind parks in Sardinia with a total capacity of 171 MW; furthermore, activities began in 2023 to create a photovoltaic park with a capacity of 79 MW in the industrial area of Macchiareddu (Sardinia), which is expected to be operational by mid-2024.

In terms of the quality of refined products, Saras has always promptly achieved improvements in specifications: in particular, with regard to very low sulphur gas oils, a hydrocracking plant was installed at the Sarroch refinery at the beginning of the 90s, followed by a second one at the beginning of 2000, and both were upgraded in the following years. As for gasoline, important interventions and systems have been carried out since the 2000s. More recently, at the end of 2019, Saras started the production of the new fuel for marine engines with a low sulfur content (0.5% vs. 3.5% of the previous specification), through a sophisticated process that involves multiple aspects: from the selection of the blanks to be processed, to the use of suitable mixing techniques with low sulfur fluxes.

In terms of social responsibility and topics related to Health and Safety in the workplace, Saras is continuously committed to the protection of its own workers and those of third-party companies, through the rigorous application of the ISO 45001 Management System within the Sarroch industrial site. In addition, in the difficult period of the Covid-19 pandemic, the Group was able to implement a set of extremely effective prevention and contrast measures in all its corporate offices, thus managing to minimize the impacts of the pandemic while maintaining business continuity.

In February 2022, the Board of Directors of the parent company Saras SpA approved a detailed "Sustainability Policy", published on its website and easily accessible to all stakeholders, to for-

mally testify to its values and commitments in this area.

Saras Sustainability Policy, inspired by the United Nations Sustainable Development Goals (SDGs) and the values expressed in the Code of Ethics and the Corporate Purpose, formalizes the company's strategies, objectives, models of conduct and commitments, aimed at improving its Sustainability performance, the optimal management of the "ESG" topics in which the company is involved, and the creation of shared value with its stakeholders.

Finally, in February 2024, the Board of Directors of Saras SpA also approved the "Human Rights Protection Policy", which is also publicly available on the company's website. Indeed, freedom, democracy, protection of human rights, and respect for fundamental freedoms are among the founding principles of the European Union, which promotes

SUSTAINABILITY POLICY OF THE SARAS GROUP

Saras Sustainability Policy, which applies to all Group companies, is publicly available on the company's website (https://www.saras.it/it/sostenibilita/politica-di-sostenibilita-del-gruppo-saras) in the Sustainability dedicated section. Below is a short extract, in order to provide a brief overview of the areas covered:

- *Promotion of Ethical and Correct Behaviour, and Corruption Prevention*

In carrying out its activities, Saras pays the utmost attention and commitment to compliance with the Law, to the promotion of Ethical and Correct Behaviour, and to the prevention of all forms of Corruption

- *People, Human Rights Topics, Diversity, and Inclusion*

Dignity and respect for People are the basis of our corporate culture, and are essential elements of the Group's Sustainability. Respect for Human Rights, Equal Opportunities, Diversity and Inclusion, and the commitment against any form of discrimination have always characterized Saras' way of operating, which recognizes and implements internationally recognized principles

- *Social Topics, attention to Local Communities and dialogue with Stakeholders*

Saras Group recognises that maintaining and enhancing long-term relationships with its stakeholders and local communities is the basis for business success and for joint creation of value

- *Environmental Protection*

Managing operations and safeguarding the environment is essential for long-term sustainability, as well as for productivity and market competitiveness. Therefore, the Group carries out its activities by minimising its environmental footprint and considering, in the development of its projects, the protection of ecosystems and biodiversity

- *Topics of the Ecological Transition*

Technological innovation is one of the fundamental levers to pursue the objectives of the ecological transition in a sector that has a strategic role for the national, European and international economic system

- *Relations with Suppliers of Goods and Services*

Suppliers are essential counterparties for the achievement of the Group's Sustainability objectives, and Saras cultivates a relationship with them based on respect, loyalty, impartiality, and equal opportunities

them in all member countries through policy instruments, directives, and targeted actions. The Saras Group, which has always inspired its way of operating with full respect for human rights, therefore deemed it appropriate to formalize these guiding principles in a dedicated policy.

All companies within the Group strive to safeguard the dignity and rights of the people they work with, promote skills development, and recognize diversity as an asset. Furthermore, the Group promotes respect for these values along the supply chain of goods and services necessary for the activities of each of its subsidiaries and contributes, directly and indirectly, to the well-being of the communities in which it operates.

SARAS GROUP'S POLICY FOR THE PROTECTION OF HUMAN RIGHTS

The Saras Group's Human Rights Policy, which applies to all Group companies, is publicly available on the company website (https://www.saras.it/it/ sustainability/policy-the-protection-of-human-rights-of-the-saras-group), in the Sustainability dedicated section.

Among the external references from which this policy derives, the main ones are the "Constitution of the Italian Republic", the "UN Universal Declaration of Human Rights", the "Fundamental Conventions of the International Labour Organization (ILO)", the "EU Regulation 679/2016 (GDPR- General Data Protection Regulation)", the "Principles of the UN Global Compact on Human Rights, Labour, Environment and Anti-Corruption". There are also a number of internal references, which are explicitly cited, as well as other fundamental documents on the subject.

The policy is articulated in a first section concerning "Work Practices," where Saras outlines the methods through which it respects and safeguards human rights and fundamental freedoms, which are also guaranteed by the laws in force in the countries where the Group operates - namely Italy, Spain, and Switzerland. In detail, the Group expresses:

- Rejection of forced or compulsory labour and child labour
- Respect for diversity and non-discrimination
- Freedom of association and collective bargaining
- Protection of Health and Safety in the Workplace
- Fair and favourable working conditions

The second section of the Policy is then dedicated to the Saras model based on development in harmony with the environment and the communities concerned, inspired by the principles of precaution, prevention, protection and continuous improvement, and deals specifically:

- Relationship with the communities concerned and respect for their rights
- Prevention of corruption and fraud
- Respect for the rights of indigenous and tribal peoples
- Human rights in the supply chain
- Privacy & Sensitive Data

Group Management Systems, Accreditations and Authorizations

Saras has always promoted continuous improvement of its processes and transparency in disclosing its sustainability performance. For these reasons, in line with the Group's Code of Ethics and Sustainability Policy, each company, having defined its own reference context considering the needs and expectations of stakeholders identified with reference to the industrial, environmental, legislative, social, scientific-technological, and economic aspects, has equipped itself with suitable management systems certified according to the best international standards, tailored to the specific characteristics of the business segment it operates in.

The criteria and methods necessary to ensure the effective operation and control of the processes involved are described in the documented information of the Regulatory System (Policies, Guidelines, manual, procedures, operating instructions, etc.).

Audit

In addition to the audits prepared by the Internal Audit function of the parent company on the entire organization and the inspections by the control bodies on existing authorizations and mandatory management systems, each subsidiary is audited by the chosen independent certification body and prepares its own internal audit plan in relation to the management systems implemented.

Saras SpA

Since the early 2000s, the parent company has certified the quality of its processes according to the ISO 9001 standard (Quality Management System). This certification is constantly verified and renewed on an annual basis by independent auditors. The ISO 9001 certification was then extended, using the multi-site approach under the parent company's scheme, also to the Spanish subsidiary Saras Energia SAU in July 2020.

Sarlux Srl

The subsidiary Sarlux is active in the Industrial & Marketing segment, which specifically includes oil refining and electricity production activities carried out at the Sarroch industrial plant (Sardinia). These activities have been certified since 2004 according to the ISO 14001 standard (Environmental Management System). In addition, since 2008, the Sarroch plant has voluntarily adhered to the EMAS ("Eco-Management and Audit Scheme") registration protocol;

In line with the provisions of the EMAS Registration, since 2009 the Environmental Statement has been published annually, which illustrates to all interested parties:

- the activities carried out by Sarlux;
- the direct and indirect environmental aspects related to them;
- the environmental improvement objectives that the company has set itself.

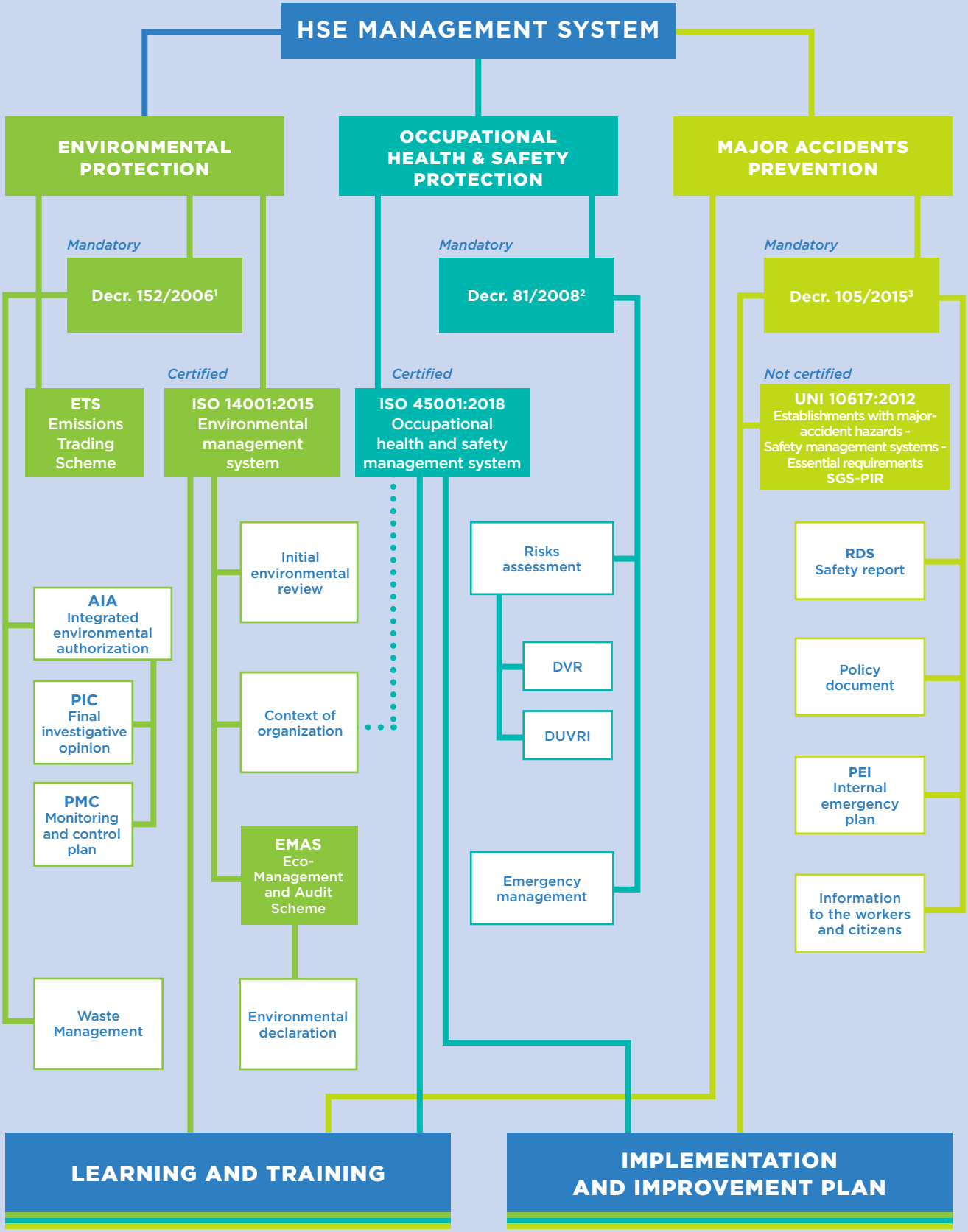
The document represents one of the main tools for continuous dialogue with internal and external stakeholders and aims to establish a transparent relationship in particular with the population, local authorities and workers, who are an active part of the correct management of the activities carried out. Following the validation visit, the document is publicly available on the company's website.

In 2007, the plant obtained the OHSAS 18001 certification for the Safety Management System (SGS), which in 2020 was migrated to the new ISO 45001 standard for the management of Health and Safety topics in the workplace.

Subsequently, the two systems were integrated with each other and with the Management System for the Prevention of Major Accidents (SGS-PIR), required by the Seveso Directive (ref. Legislative Decree 105/2015 and UNI 10617), synergistically using the common parts and introducing performance measurement and planning of objectives and improvement targets.

The HSE Management System derives from the Policy for the **Prevention of Major Accidents, the Protection of the Health and Safety of Workers and the Environment**, which integrates the aspects relating to the prevention of major accidents, health and safety at work and environmental pro-

POLICY FOR THE PREVENTION OF MAJOR ACCIDENTS, THE PROTECTION OF THE HEALTH AND SAFETY OF WORKERS AND THE ENVIRONMENT



1. *Italian law on environmental topics*
2. *Italian law on occupational health and safety*
3. *Italian law on the control of major-accident hazards involving dangerous substances, in implementation of the Directive 2012/18/EU*

tection, and constitutes the main management tool for achieving the continuous improvement of the plant; to this was added in May 2018 the implementation of the Management System ISO 50001 certified Energy Agency (EMS).

Finally, following the incorporation of Sartec, Sarlux's ISO 9001 certification has been implemented for the field of application including: Industrial Control Systems Engineering and Environmental Engineering; Sampling and analytical chemistry activities in the environmental field and chemical analyses for the characterization of crude oil and other hydrocarbons; Pilot plant testing of hydrotreating and hydrocracking processes.

Sardeolica SrL

In 2006, the subsidiary Sardeolica, active in the production of electricity from renewable sources, certified its Environmental Management System according to the international standard ISO 14001. Subsequently, in 2012 it certified the Quality Management System according to the ISO 9001 standard (then updated in 2015). Also in 2012, it certified the Safety Management System according to OHSAS 18001 (also updated in 2020 to the new ISO 45001 standard). In 2017 it certified the Energy Management System according to ISO 50001. Finally, in 2018 it also obtained EMAS accreditation.

Deposito di Arcola SrL

In February 2016, the Arcola Depot obtained the Single Environmental Authorization for the three different bases (Arcola, Pianazze and San Bartolomeo), pursuant to Presidential Decree 59/2013 and Legislative Decree 152/06 for wastewater discharges and diffuse emissions into the atmosphere. Subsequently, in September 2016 it obtained the Permanent Safety Certification (MISP) of the industrial site, following the construction of a physical barrier about 400m long and the strengthening of the hydraulic barrier. In compliance with the Seveso Directive (ref. Legislative Decree 105/2015), it has implemented the Management System for the Prevention of Major Accidents (SGS-PIR). In addition, at the end of 2022 it obtained ISO 14001 certification for its Environmental Management System and ISO 45001 for its Safety Management System.

Saras Energia SAU

With regard to activities in Spain, the subsidiary Saras Energia owns the aforementioned ISO 9001 Quality Management System certification; in addition, since October 2021 it has also achieved ISO 14001 certification of the Environmental Management System of the Cartagena depot (owned and managed by the subsidiary Terminal Logistica de Cartagena SLU - TERLOCAR for short).

Group Management Systems, Accreditations and Authorisations

Perimeter	Standard / Norm	Scope and Typology
SARAS	**ISO 9001:2015**	**Quality management system**
	Voluntary management system - certified by a third party	
SARLUX Refining & Power	**ISO 45001:2018**	**Occupational health and safety management system**
	Voluntary management system - certified by a third party	
	Decr. 105/2015	**Safety Management System for Major Accident Prevention (SGS-PIR)**
	Voluntary management system - certified by a third party	
	UNI 10617:2019	**Establishments with major-accident hazards - Safety management systems - Essential requirements**
	Voluntary management system - not certified by a third party	
	DEC-MIN 263/2017	**Integrated environmental authorization (AIA)**
	ISO 14001:2015	**Environmental management system**
	Voluntary management system - certified by a third party	
	Regulation EC no. 1221/2009 EC no. 1505/2017 EC no. 2026/2018	**EU Eco-Management and Audit Schemet - EMAS**
	Voluntary registration - data certified by a third party, Environmental Declaration approved by ISPRA	
	ISO 50001:2018	**Energy management system**
	Voluntary management system - certified by a third party	
	Directive 2003/87/EC	**EU Emission Trading System - ETS**
	Emissions data certification - third party in accordance with EU regulation n. 2067/2018 (AVR)	
	ISO/IEC 17025:2018	**Testing and calibration laboratories**
	ISO 9001:2015	**Quality management system**
	Application: Industrial control systems and environmental engineering. Sampling and analytical chemistry activities in environmental field and chemical analyses for characterisation of crude oils and other hydrocarbons Pilot Plant testing of hydrotreating and hydrocracking processes.	
	Voluntary management system - certified by a third party	
	IEC 61508:2010 IEC 61511:2016	**Functional safety**

SARDEOLICA Renewable Energy	**ISO 9001:2015**	**Quality management system**
	Voluntary management system - certified by a third party	
	ISO 45001:2018	**Occupational health and safety management system**
	Voluntary management system - certified by a third party	
	ISO 14001:2015	**Environmental management system**
	Voluntary management system - certified by a third party	
	ISO 50001:2018	**Energy management system**
	Voluntary management system - certified by a third party	
	Regulation EC no. 1221/200 EC no. 1505/2017 EC no. 2026/2018	**EU Eco-Management and Audit Scheme - EMAS**
	Voluntary registration - data certified by a third party, Environmental Declaration approved by ISPRA	
DEPOSITO DI ARCOLA Storage Activity	**Decr. 105/2015**	**Safety Management System for Major Accident Prevention (SGS-PIR)**
	Mandatory management system - verified by control bodies	
	Decr. 152/2006 DPR 59/2013	**Environmental Authorization**
	ISO 45001:2018	**Occupational health and safety management system**
	Voluntary management system - certified by a third party	
	ISO 14001:2015	**Environmental management system**
	Voluntary management system - certified by a third party	
SARAS ENERGIA Marketing	**ISO 9001:2015**	**Quality management system**
	Voluntary management system - certified by a third party	
	ISO 14001:2015	**Environmental management system** (subsidiary TERLOCAR)
	Voluntary management system - certified by a third party	

It is therefore clear that all the Group's activities with a significant impact in terms of health, safety, and the environment (Sarroch production site, generation of electricity from renewable sources, technological services) are ISO 45001 and ISO 14001 certified.

In detail, the workers covered by the Health and Safety Management System represent 87.4% of the Group's entire population; those covered by the Environmental Management System are 88.3%; On the other hand, it must be noted that these workers make up 100% of workers engaged in activities with significant impacts in terms of health and the environment.

In addition, again with a view to certifying and disseminating its performance in the field of sustainability, 86.4% of the Group's employees are covered by the energy management system and EMAS registration.

Saras workers who are based at the Sarroch plant are covered by the management systems implemented by the Sarlux subsidiary.

The workers of the subsidiary TERLOCAR (depot in Cartagena, Spain) are covered by the ISO 14001 Environmental Management System.

Saras Group Management Systems - Coverage

		2021	2022	2023
Total Group Employees	no.	1,572	1,576	1,591
Safety Management System - ISO 45001	no.	1,357	1,380	1,390
Employees covered by the management system	%	86.3	87.6	87.4
Environmental Management System - ISO 14001	no.	1,369	1,392	1,405
Employees covered by the management system	%	87.1	88.3	88.3
Community eco-management and audit scheme - EMAS	no.	1,220	1,242	1,375
Employees covered by the management system	%	77.6	78.8	86.4
Energy Management System - ISO 50001	no.	1,220	1,242	1,375
Employees covered by the management system	%	77.6	78.8	86.4
Quality Management System - ISO 9001	no.	450	442	405
Employees covered by the management system	%	28.6	28.1	25.5

ESG Targets

From the Group's new strategy, aimed at creating sustainable value (as extensively described in the dedicated chapter), specific ESG objectives are derived, consistent with the Sustainable Development Goals (SDGs) defined by the United Nations, and applicable to the characteristic management and industrial operations of the Group.

For monitoring these objectives and measuring the effort made in achieving a sustainable business model, a series of performance indicators (KPIs) have been introduced since the 2020 financial year. These indicators are then refined, updated, and re-evaluated on an annual basis.

Below are the selected indicators (KPIs) for the 2023 financial year, the average values of the results achieved in the 2020-2022 period, the target, and the actual result for 2023, followed by a brief commentary explaining the result and any deviations from the corresponding target set at the beginning of the year.

ESG	Key Performance Indicators - KPIs	Unit of Measure	Average 2020-22	Target 2023	Actual results FY 2023
E	CO2 emissions (per kton of crude oil + complementary fillers processed)	ton/kton	440	- 5% vs. Average 2020-22 (425)	**414.6** ✓
The FY result surpassed the target, particularly considering the optimized plant performance, despite the challenging cycle of maintenance and turnaround activities successfully completed during the year.					
E	SO2 and NOx emissions (per kton of crude oil + complementary fillers processed)	ton/kton	0.427	Stabile vs. Target 2022(< 0.450)	**0.410** ✓
SO2 emissions of 2637ton + NOx emissions of 2911ton. Goal Achieved					
E	Clients avoided SOx emissions (clients purchasing VLSFO 0.5%S vs. HSFO 3.5%S)	kton/anno	37.0	+15% vs. Target 2022> 40kton SOx avoided (680kton VLSFO)	**56.4** ✓
FY result better than Target, thanks to the excellent commercial performance (FY2023 VLSFO bunker sales via barge + cargo market equal to 940 kton), and also the ten-year IGCC stop has shifted processing to LS, with greater VLSFO production availability					
E	Refinery Consumption and Losses (as % of crude oil + total charges) Processed)	%	5.98%	Stabile vs. Target 2022 (6,14%)	**5.47%** ✓
Better result than Target, with effective plant set-ups (despite the shutdowns made during the year)					
E	Raw water consumption by regional consortium vs. total site water demand	%	28.1%	Stabile vs. Target 2022 (< 30%)	**28.85%** ✓
Better-than-target result. Withdrawal from CASIC (5,991,252 cubic meters) lower than last year's value (6,277,376 cubic meters). Lower site water requirements, resulting from the reduction of sea water withdrawal (T/A IGCC with Torre, Acciona and DAM stops).					
E	Waste output from Ecotec vs. total waste produced by Sarlux	%	14.8%	-20% vs. Target 2022 (< 20%)	**11.0%** ✓
Improved result of the target, thanks to the important contribution of the Thermo-Dryer which significantly reduces volumes					
E	Co-processing of vegetable oils at Sarlux desulphurisation plants	kton/year	41.7	+50% vs. Target 2022 (> 45kton)	**35.3** ✗
Lower result than the Target. In fact, in 2023 the processing of vegetable oils has been reduced due to the economic context (cost vegoil vs. gasoil)					
E	Electricity Production from Renewable Sources (Wind/Solar)	GWh	252.4	+15% vs. Media 2020-22 (> 290 GWh)	**298.1** ✓
A better result than the Target, thanks to the second half of the year, which recorded excellent windiness, especially at the Ulassai site					

ESG	Key Performance Indicators - KPIs	Unit of Measure	Average 2020-22	Target 2023	Actual results FY 2023
S	Diffusion of wearable DSA for Sarlux site staff	# of Tools	120	Increased DSA diffusion (200 instruments)	**200**
In line with the target. In the second half of 2023, 50 BL portable devices were purchased for the DSA project, bringing the total to 200 instruments					
S	Sarlux Accident Frequency Index + third-party companies working in Sarlux	#infortuni*Mln / #ore_lavorate	2.86	New Target set comprising third-party companies (< 2.9)	**2.25**
8 Sarlux accidents + 4 third-party companies working in Sarlux					
S	Safety remarks (BBS) at the Sarlux site	# of BBS Comments	19,220	Stable vs. Stable Average 2020-22 (about 20,000)	**20.099**
Result in line with the target, thanks to the training of new observers					
S	Direct impact in Sardinia (Group employee salaries + Goods & Services from local suppliers + Taxes paid locally)	EUR Mln	443	465 (+5% vs. 2020-22 average) Growth from recovery in investments and salaries	**719M€**
This value is well above the target, mainly due to the tax revenue paid in Sardinia, which in 2023 amounted to €533M (due to the extraordinary economic result achieved in 2022)					
S	Gender Diversity among the Group's Graduates	% women	30.7%	Stabile vs. Target 2022 (> 30%)	**30%**
Result in line with target					
S	Group Employee Training	hours/year	42,544	approx. 28,000	**34.007**
Better-than-target result					
S	Welfare - activation of the new program for Group employees	Yes/No	n/a	Target 90% dipendenti Gruppo	**95.8%**
The service was activated on April 1, 2023, and the indicator is calculated from the date of activation					
G	Incentives for Top Management linked to ESG objectives	ESG-Linked Bonus %/Total Bonus	n/a	> 15%	**20%**
Better-than-target result, and aligned with multi-sector best practices; recognized as an important Governance objective by ESG Rating Agencies and Stakeholders, for aligning and incentivizing Top Management towards Sustainable Development					
G	Internal audits carried out by Quality Management System (QMS) and Internal Audit (IA) functions	# of audits	52	Stabile vs. Target 2022 (53)	**54**
Better-than-target result. 53 audits carried out by Internal Audit (IA) + 11 audits carried out by Quality Management System (QMS)					
G	"Climate Change" and "Water Security" questionnaires organized by CDP on an annual basis	Yes/No	Yes	Saras ratings better than or equal to "B"	**Climate = B; Water = B**
Based on the scores assigned by CDP on 6 February 2024, Saras achieved a "B" rating for both "Climate Change" and "Water Security" aspects					
G	"ESG ratings" assigned to the Saras Group by Moody's V.E., Sustainalytics, MSCI, and S&P Global	Delta Offset % Algorithm	n/a	Saras Ratings > 3% of the industry average	**29%**
Analyzed and provided feedback on Sustainalytics and MSCI Ratings, achieving significant improvements (Sustainalytics from 31.8 to 26.5; MSCI from 4.9 to 5.6 and upgrade to letter A). In addition, the S&P Global Rating has also been revised (improved from 44 to 51). Finally, in an unsolicited manner, the Moody's Vigeo Eiris Rating was updated (improved from 44 to 45)					
G	ESG Supply Chain Monitoring	% of suppliers monitored	n/a	Sarlux supplier ESG monitoring (70% of suppliers - 50% responses)	**100% suppliers 57% feedback**
Better-than-target result: specifically, 333 questionnaires were sent, to 100% of suppliers subject to new qualification or retention. A total of 190 responses were received, which corresponds to 57% of qualified suppliers.					
G	Monitoring by the "Sustainability Committee"	# of meetings in which Sustainability topics are discussed	4	Increased to 5	**5**
Result in line with the target. Sustainability topics were addressed and examined at the meetings held on: 30 January; 06 March; May 10; July 24; 31 October					

As shown in the table, Saras Group has continued its path of continuous improvement, achieving significant progress in reducing environmental impacts (direct emissions of greenhouse gases (CO2), pollutants (SO2 and Nox), waste management and water resources, reducing indirect SOx emissions from customers, producing electricity from Renewable Sources), optimizing operational performance (reducing consumption and losses), in aspects of prevention and health and safety (distribution of wearable safety devices DSA to Sarlux site personnel, frequency rates of occupational accidents for Sarlux personnel and third-party companies working on the site, number of safety observations through the BBS protocol on the site), in social aspects (creating local value through salaries, investments, and purchasing goods and services), in aspects related to respect and development of people (training, gender equality, and respect for diversity, welfare through dedicated programs for Group personnel), and also regarding corporate governance topics (incentivizing top management also linked to ESG indicators, internal oversight of compliance and corporate performance through the Quality Management System and Internal Audit, positioning relative to sector averages for key ESG ratings, activation of ESG performance monitoring processes in the supply chain, and finally regular monitoring by the Control, Risk, and Sustainability Committee).

On the other hand, the only indicator that did not meet the set target is the one related to the co-processing of vegetable oils at the Sarlux desulfurization plants. However, in this case, the lower result compared to the target is primarily due to economic choices in a context of unfavourable raw material costs.

ESG Ratings

Discussions on climate change, the use of natural resources, respect for people and their rights, and corporate governance topics continues to grow in relevance, involving an increasingly active multiplicity of stakeholders, including primarily institutions, civil society and international investors.

In this context, companies operating in all sectors (industrial and services) are intensifying their commitment to offer greater transparency and insight into their sustainability credentials.

Today, several international rating agencies are active, producing analyses and assessments of environmental, social and governance performance for a vast number of companies on a global scale. These studies culminate in the attribution of an ESG rating to each company, which is then used by international investors to guide their investment choices.

The involvement of companies in the activities carried out by the Rating Agencies has therefore become an important commitment to ensure the accurate and truthful attribution of the rating, and the consequent corporate "investibility" in the eyes of international investors.

Therefore, starting from the beginning of 2021, Saras Group has started a process of analysis and critical review of the main ESG ratings, selected on the basis of the criteria of relevance in the eyes of international investors, which continued with remarkable results in 2023.

The following table summarises the evolution of the ratings assigned to Saras Group by the Agencies with which a collaboration has been activated in the three-year period 2021-23, and for comparison also the ratings obtained in 2019-20 when Saras had not yet provided clarifications and/or additional information with respect to that publicly available on its corporate website.

A substantial improvement can be seen in the "ESG Risk Rating Assessment" of the Saras Group assessed by the international agency Morningstar Sustainalytics, which went from a value of 41.3 ("severe" risk) in 2019-20, i.e. in the period prior to the feedback provided by Saras, to a value of 26.5 ("medium" risk) in 2023, after three successive iterations of analysis and feedback provided by Saras.

Saras Group Main ESG Ratings

Rater	Rating	Rating	Rating	Rating	Sector Average trend	Rating Scale
	Pre feedback	2021	2022	2023		
SUSTAINALYTICS a Morningstar company **ESG Risk Rating** Sector: **Oil&Gas Refining and Marketing**	41.3 Severe Risk (2019)	32.7 High Risk (as of September 23, 2024)	31.8 High Risk (as of December 16, 2022)	26.5 Medium Risk (as of November 29, 2023)	37.2 High Risk (as of November 29, 2023)	Severe -> Negligible 100 -> 0 (as of November 29, 2023)
S&P Global **Corporate sustainability Assessment**[1] Sector: **Oil&Gas Refining and Marketing**	27/100 referred to 2019 data (2020)	27/100 referred to 2020 data (as of March 18, 2022)[2]	44/100 referred to 2021 data (as of March 18, 2022)	51/100 referred to 20121 data (as of December 23, 2023)	31/100 (as of December 23, 2023)	Worse -> Better 0 -> 100 (as of December 23, 2023)
MSCI **ESG Ratings Report** Sector: **Oil&Gas Refining, Marketing, Transportation & Storage**	BBB 4.3 (2019)	BBB 4.6 (as of July 15, 2022)	BBB 4.9 (as of November 29, 2022)	A 5.6 (as of December 13, 2023)	A 5.5 (as of December 13, 2023)	CCC -> AAA (Worse -> Better) (as of December 13, 2023)
MOODY'S **ESG Assessment** Sector: **Energy Europe**	37/100 (2021)	37/100 (as of March 31, 2021)[2]	44/100 (as of August 30, 2022)	45/100 (as of November 30, 2023)	48/100 (as of November 30, 2023)	Worse -> Better 0 -> 100 (as of November 30, 2023)

1. Since CSA 2023 the rating score system known as "S&P Global ESG Score" has been replaced by the "S&P Global CSA Score".
2. Pre-feedback score

This new rating value corresponds to risk values well below the average of companies operating in the "Oil & Gas – Refining and Marketing" sector. In fact, Morningstar Sustainalytics calculates an average rating of 37.2 and a "high" risk level for this sector in 2023.

Morningstar Sustainalytics ESG Risk Rating Assessment is a tool of growing importance and interest to the international financial community, as it allows investors to measure a company's exposure to ESG risks specific to the sector in which it operates, and to assess how the company manages those risks. In fact, it combines the concept of exposure to an intrinsic risk of the sector, with the concept of management of this risk by company management. To date, it is available to all industrial, financial, and service sectors, covering over 13,000 companies.

The ESG Risk Rating Assessment uses a scale of one to five: negligible risk (score 0 – 9.99); low risk (10 – 19.99); medium risk (20 – 29.99); high risk (30 – 39.99); and severe risk (40 or higher). "Investors want to be supported to make sustainable investment choices and understand material ESG risks. The Morningstar platform sheds light on the risks and opportunities arising from ESG topics and different approaches to Sustainability, in order to help investors make informed decisions," Michael Jantzi, CEO of Sustainalytics, recently explained.

Equally important are the results achieved by the Saras Group in the rating developed by MSCI (Morgan Stanley Composite Index), which is among the world's leading providers of ESG indices, with over 1,500 equity and bond ESG indices designed to help institutional investors more effectively compare the ESG performance of the companies in which they intend to invest. and to incorporate climate risks and opportunities into their investment process.

MSCI's ESG Rating assigns a Grade that distinguishes companies into three classes: the so-called "leaders" (AAA, AA), the "average" (A, BBB, BB) and the "laggard" (B, CCC). Each sector, whether in the industrial or service sectors, has its own unique risks and opportunities, and companies receive the MSCI Grade based on their ability to manage the risks typical of their sector.

Obviously, leading companies are those that, within a given industry, demonstrate the best management skills. In addition to Grade, MSCI's ESG Rating also assigns a Score, which is a numerical score that quantifies performance within the sector to which it belongs.

Specifically, thanks to the growing feedback provided over the last three years, the new ESG Rating issued by MSCI in December 2023 shows a marked improvement in the Saras Score, which reaches Grade "A" with a score of 5.6 – a substantial improvement compared to previous years and in line with industry averages.

This improvement is mainly attributable to the Saras rating, which is significantly higher than the sector average in the management of risks belonging to the Social dimension (7.4 vs. 6.0), and in particular the health and safety policies at the operating site; and those relating to Governance (6.3 vs. 5.2), which are overall well aligned with best practices and investor interests. On the other hand, the environmental dimension of the Saras Group is penalized as the MSCI methodology gives a preponderant weight to the management of CO2 emissions (21% of the score). However, the oil refining segment (in which the Saras Group operates) has a typically higher carbon intensity than the entire integrated oil industry value chain. The latter, in fact, in addition to refining activities, also includes the exploration, extraction and production of hydrocarbons, their transport, and marketing activities in the network and extra-network channels.

In 2023, Saras continued its activity of review and subsequent feedback for the Corporate Sustainability Assessment (CSA) rating conducted by S&P Global. Thanks to the commitment made in this area since 2022, the Saras Group achieved a further significant improvement in its overall score in 2023, reaching a score of 51/100 (compared to the score of 44/100 last year and 27/100 in the two years prior to feedback). This result is significantly higher than the industry average, which in 2023 was 31/100.

Saras indeed obtained scores well above the industry average in all three E, S, G dimensions, also highlighting some further improvement opportunities, mainly related to the areas of "Supply Chain Management," "Climate Strategy & Biodiversity," "Human Capital Development," and "Talent Attraction & Retention."

To contextualize the significance of this result, it is worth noting that S&P Global's CSA was established in 1999 and has become the basis for numerous ESG indices over the past two decades. Today, it is one of the most extensive corporate sustainability databases globally, with over 10,000 companies participating in the assessment.

Based on their results in the S&P Global CSA, companies are then selected for inclusion in sustainability indices such as the Dow Jones Sustainability Indices (DJSI), the S&P 500 ESG, and many other indices that compare sustainability credentials among competing companies.

The CSA applies a best-in-class sectoral approach (no sector is excluded from evaluation) and compares companies in 62 sectors through questionnaires that assess a mix of cross-sectoral and sector-specific questions. Based on their performance, companies receive scores ranging from 0 (worst) to 100 (best) relative to 23 different financially relevant sustainability criteria in economic, environmental, and social domains. Ratings and sector rankings for all evaluated companies are published on the Bloomberg platform, making them publicly available and accessible to the entire financial community.

Another important rating agency with which Saras interacts and provides feedback is Moody's Vigeo Eiris (V.E.), which, through its methodology, provides ESG scores and ratings to over 5,000 large-cap companies, analysing hundreds of ESG data points and measuring the extent to which companies manage their exposure to factors considered important by their stakeholders for business success.

Moody's V.E. assessments are based on a dual materiality approach, which considers both the impact of ESG factors on Enterprise Value and also the social and environmental impact of business activities. The assessment uses a scale from 0 to 100 where the best performances achieve the highest scores.

Moody's V.E. methodology also examines physical climate risks, cyber and technological risks, and responsible taxation. For the "Oil & Gas" sector, there are 51 information frameworks analysed, allowing ESG factors to be appropriately weighted and analysed.

In Italy, in 2022, a dedicated MIB® ESG index was established for Italian blue-chip companies that exhibit the best ESG practices, based on ESG ratings formulated by Moody's V.E. This index combines the measurement of economic performance with ESG assessments in line with the principles of the United Nations Global Compact.

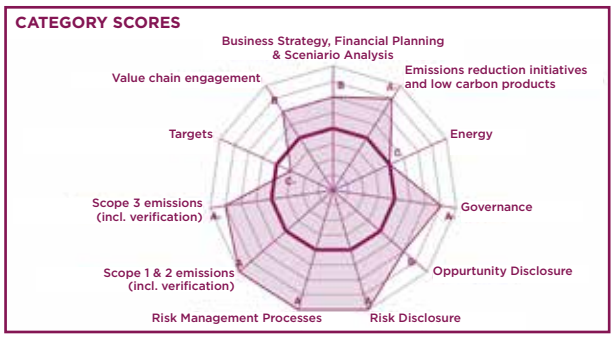
Thanks to the feedback provided by Saras in July 2022, Moody's V.E. was able to make a more accurate assessment of Saras' ESG Performance and Strategy, and this led to a 19% increase in the ESG rating, which went from 37 to 44, essentially aligning with the industry average (equal to 47). In 2023, the rating has further improved to 45, although Saras could not provide any feedback, as the evaluation window opens every two years, and the next opportunity for Saras to provide feedback to the agency will be in 2024.

Finally, as has been the case for several years now, Saras participated in the 2023 CDP questionnaires on "Climate Change" and "Water Security". Saras' assessment regarding "Climate Change" was rated as B, indicating "management", which denotes the ability to take coordinated actions on managing the impacts associated with climate change (in line with the European and Oil & Gas sector averages, both rated as "B", and better than the global average, which is "C"). This evaluation represents an excellent result for our Group, especially considering the higher carbon intensity of companies operating solely in the refining segment compared to companies operating integrated along the entire value chain of the oil industry.

Similarly, Saras' assessment regarding "Water Security" also resulted in a B rating, indicating "management", which denotes the ability to take coordinated actions on water resource management (in line with the global average, the European average, and the Oil & Gas sector average).

Climate Change 2023

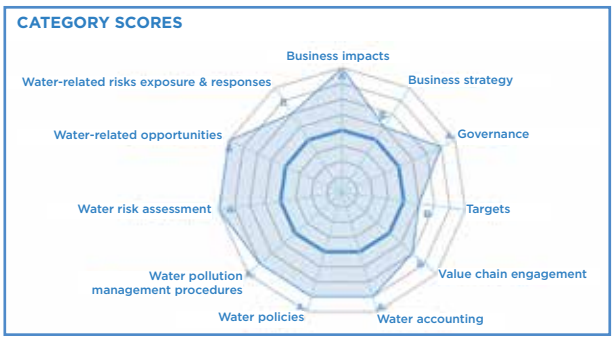
	2023	2022	2021	2020	2019
SARAS	B	C	B-	D	F
Oil & gas processing	B	B	B	B	
Europe	B	B	B	C	
Global Average	C	C	B-	C	



Leadership (A/A-): Implementing current best practices
Management (B/B-): Taking coordinated action on climate issues
Awareness (C/C-): Knowledge of impacts on, and of, climate issues
Disclosure (D/D-): Transparent about climate issues

Water Security 2023

	2023	2022	2021	2020	2019
SARAS	B	B	B	F	F
Oil & gas processing	B	C	B		
Europe	B	C	B		
Global Average	B	C	B		



Leadership (A/A-): Implementing current best practices
Management (B/B-): Taking coordinated action on water issues
Awareness (C/C-): Knowledge of impacts on, and of, water issues
Disclosure (D/D-): Transparent about water issues

CDP is an independent not-for-profit organization, supported by nearly 750 institutional investors managing a total portfolio of $136 trillion, and provides companies with a methodology to measure, manage and share information regarding their environmental impact and mitigation actions globally.

In 2023, over 21,000 companies worldwide participated in the CDP questionnaires, providing visibility on their greenhouse gas emissions and water resource management, and analysing related risks and opportunities. These companies represent approximately 60% of the total market capitalization on global markets.

By voluntarily participating in the CDP initiative, Saras reaffirms every year its commitment, transparency and attention to the issues of climate change, rational management of natural resources, and decarbonization.

The Group's Stakeholders

Sustainability Dialogue

For decades, Saras has held a dense participatory dialogue, often informal and sometimes structured with interviews and questionnaires, with stakeholders connected or shared with those of the company (the so-called "Stakeholders"), to identify the priority topics on which to act and strengthen collaboration with the territory of reference.

Among its stakeholders, the Group has identified some internal categories (employees of various levels, middle managers, executives, and top management) and others external (suppliers of goods and services, local communities, media, schools and universities, trade unions, bodies, institutions and representatives of the international financial community).

This broad representation guarantees a plurality of visions, which are essential to establish in an impartial manner the topics that are "material" for the Group.

Participation in associations

[2.28]

The oil and electricity sectors in which the Saras Group operates are influenced by national, European, and international laws and regulations. The Group therefore carries out continuous monitoring of the new measures approved and those under discussion and formation. It also maintains a dialogue with the Institutions and with the main operators in the sector, and actively participates in the Trade Associations (UNEM – previously called Unione Petrolifera, Fuels Europe, Concawe, ANEV, Elettricità Futura, etc.), through qualified presences in the governing bodies, in the specific commissions and in the various technical tables.

The main national and international associations and bodies to which the Saras Group belongs as of December 31, 2023 are listed below.

Associations	Description	Participating company
Italian Electrotechnical and Electronics Association (AEIT)	An association that aims to promote and encourage the study of electrical, electronic, automation, computer science and telecommunications and the development of related technologies and applications.	SARAS
Spanish Association of Petroleum Products Operators (AOP)	Spanish association that brings together the main companies operating in the Iberian territory in the field of oil exploration, extraction and processing, and distribution of petroleum products, with the aim of defending the general interests of member companies.	SARAS ENERGIA
Italian Association of Chemical Engineering (AIDIC)	Association aimed at disseminating technical and scientific knowledge and the results of technological and engineering development in the chemical, petrochemical, food, pharmaceutical, biotechnology, materials, safety and environmental sectors.	SARAS
Italian Association of Internal Auditors (AIIA)	A non-profit association and recognized as an Italian affiliate of the I.I.A. - Institute of Internal Auditors - world leader in standards, certification and training for the profession of Internal Auditor.	SARAS
National Association of Risk Managers and Corporate Insurance Managers (ANRA)	An association of risk managers and corporate insurance managers.	SARAS
Italian Maintenance Association (AIMAN)	Scientific/cultural and non-profit association, aimed at the dissemination and development of culture and professionalism in the Maintenance sector in Italy: an activity that plays a role of primary importance in industries and services, due to the great impact it has on the availability of plants, safety at work, quality and cost of the product.	SARLUX
ASSOLOMBARDA	Association of companies operating in the Metropolitan City of Milan and in the provinces of Lodi, Monza and Brianza, Pavia. The association protects the interests of its member companies in its relationship with institutional interlocutors and local stakeholders active in various areas: training, environment, culture, economy, work, civil society. It also offers specialist consulting services in all areas of business interest.	SARAS

Associations	Description	Participating company
AXONYM	It deals with the study and treatment of problems concerning the interests and development of the Italian economy.	SARAS
National Wind Energy Association (ANEV)	It promotes research and technological development aimed at the use of the wind resource and the rational use of energy, as well as the dissemination of correct information.	SARDEOLICA
Confindustria Southern Sardinia Cagliari, Carbonia-Iglesias and Medio Campidano	It represents and assists member companies in public institutions and administrations and in relations with political, economic, trade union and social organizations. It protects the economic and moral interests of local entrepreneurs.	SARAS SARLUX
Confindustria Central Sardinia	It represents and assists member companies in public institutions and administrations and in relations with political, economic, trade union and social organizations. It protects the economic and moral interests of local entrepreneurs.	SARDEOLICA
CONFINDUSTRIA ENERGIA (Federation of Energy Sector Associations of Confindustria)	Its purpose is to help define the industrial policy of the entire energy sector in close collaboration with European and national institutions and to protect the common interests of the associations of energy producers and distributors.	SARAS
Future Electricity	It is the main association in the Italian electricity world with over 700 operators with plants throughout the country and is among the most important sector associations at European level.	SARAS
Sustainable Fuels (formerly called EFOA - European Fuel Oxygenates Association)	It is dedicated to promoting ether as a component of fuels for a cleaner and more sustainable future	SARAS
Fuels Europe and Concawe	Divisions of the European Fuels Manufacturers Association, whose members are the companies that operate oil refineries operating in the European Union. In particular, Concawe conducts research on environmental, health and safety issues relevant to the oil industry.	SARAS
INNOVHUB – Experimental Stations for Industry (Former Experimental Station for Fuels)	Institutional reference point for the evaluation and control of the characteristics of fuels. He has specific expertise in the global assessment of issues related to energy, environmental and safety performance related to fossil fuels and alternative energy sources. Compulsory contributions (pursuant to Article 8 of Legislative Decree 540/1999 and Article 4, paragraph 4 of the Ministerial Decree of 1 April 2011) due by companies operating in the Fuels sector.	SARAS
International Oil Pollution Compensation Fund (IOPC Fund)	An international fund set up to provide financial compensation for oil pollution damage occurring in the Member States.	SARAS

Associations	Description	Participating company
Oil Companies International Marine Forum (OCIMF)	An association of oil companies that aims to be the leading authority to ensure the safe and environmentally responsible management of the operations of oil tankers, terminals, and offshore support vessels, promoting the continuous improvement of design and operation standards. In 2010 Saras, becoming an accredited member of OCIMF, acquired the right to operate in the field of "Vetting[1]" within the SIRE program, a risk assessment tool for tankers	**SARLUX**
Union of Energies for Mobility (UNEM), formerly UP	An association that brings together the main Italian companies operating in the field of oil processing and distribution of petroleum products.	**SARAS**
Italian National Standardization Body (UNI)	An association that has the purpose of developing, publishing and disseminating standards	**SARLUX**
UNICHIM	A body federated with UNI that deals with the unification and standardization in the field of graphic symbolism used in chemical engineering to describe a chemical plant through technical drawing. On behalf of UNI, it participates in ISO commissions and the European Committee for Standardization.	**SARLUX**

Relations with the financial community

Since its listing on the stock exchange in 2006, Saras has always attributed a central role to communication with the financial community to encourage long-term commitment from shareholders and increase the company's visibility among those who, although not yet shareholders, have shown interest in corporate dynamics.

In this regard, Saras has established and maintained continuous and transparent dialogue with investors, analysts, financial press, and all other interested parties. Therefore, in 2023, numerous meetings continued, both in person and virtually (using remote tools such as video conferences, website, etc.), with the aim of providing valuable periodic updates on market conditions and the Group's strategies.

Specifically, CEO, CFO, and Investor Relations of the Saras Group participated in 3 in-person Investor Conferences (in Milan and London), dedicated to investors specialized in the "Energy" and "Oil & Gas" sectors. Additionally, 8 other in-person meetings were held, dedicated to group meetings and "one-to-one" meetings with investors and analysts. In addition, regular dialogue with small shareholders and other interested parties continued through the Investor Relations function, via phone calls, email exchanges, and virtual meetings.

Finally, it is worth noting that in the just-concluded financial year, the website www.saras.it played an important informational role, with ample availability of updated and relevant material. Among the areas of interest, there was an increase in visits to the "Sustainability" section, which provides extensive visibility on ESG topics and the approach with which they are managed by the Group.

1. Vetting means a compliance survey of a ship, aimed at obtaining precise information on the safety and quality conditions of the inspected ship

Priorities for Saras

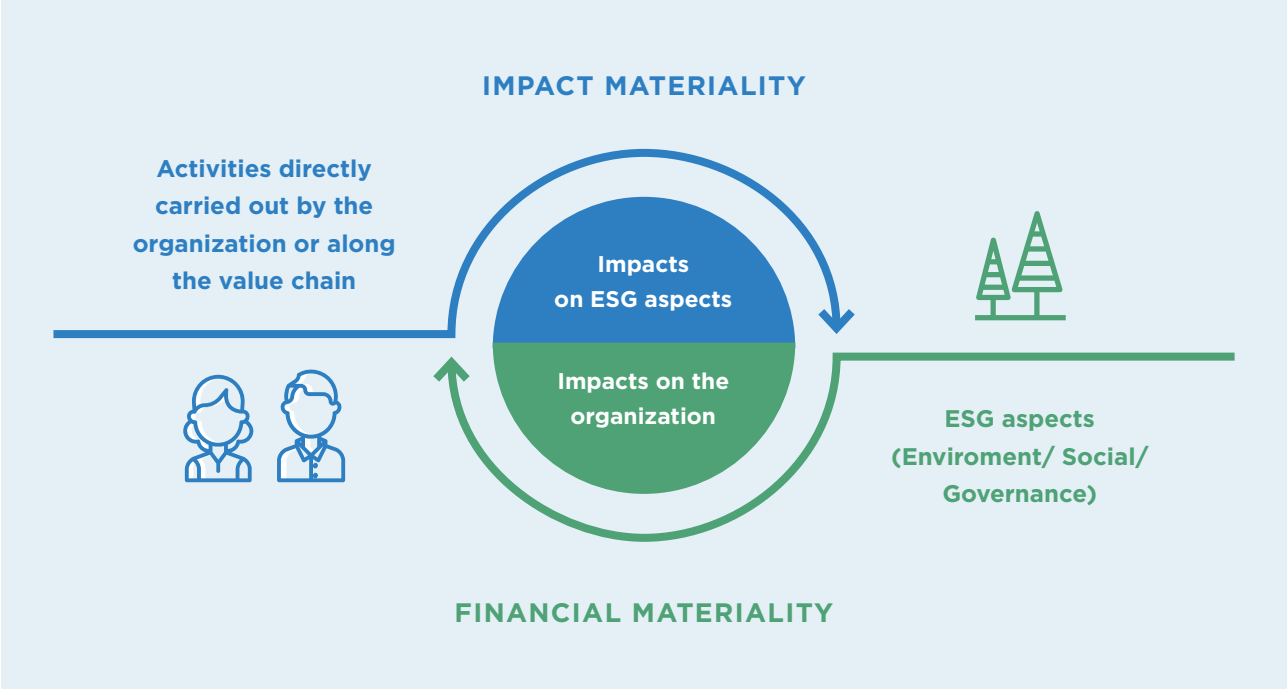
Materiality Analysis

Until the Sustainability Report of 2022, Saras' analysis focused exclusively on defining material topics as stipulated in the reporting standards "GRI 3: Material Topics 2021". Specifically, material topics were considered those associated with real and/or potential significant impacts that the organization generates on the economy, the environment, people, including impacts on human rights (directly and/or indirectly, i.e., through its own operations or through activities along the upstream and downstream value chain). This methodology is commonly referred to as **"impact materiality"**.

Starting from the present Sustainability Report of 2023, Saras voluntarily extended the materiality analysis to a second dimension, the financial dimension, in order to anticipate the reporting obligations that will be introduced by the new Corporate Sustainability Reporting Directive (CSRD) starting from documents referring to the 2024 financial year (thus prepared at the beginning of 2025).

In particular, risks and opportunities that may influence Saras from a financial perspective were also identified, affecting business development, economic results, financial position, cash flows, and access to and/or cost of short, medium, or long-term financing. This second dimension of analysis is called **"financial materiality"**.

This new analysis based on two dimensions – namely the relevance of impacts and financial relevance – is termed "dual materiality analysis" and entails that ESG topics are considered material when they are material for both or even just one of the two dimensions.



Continuity of Analysis and Impact Materiality

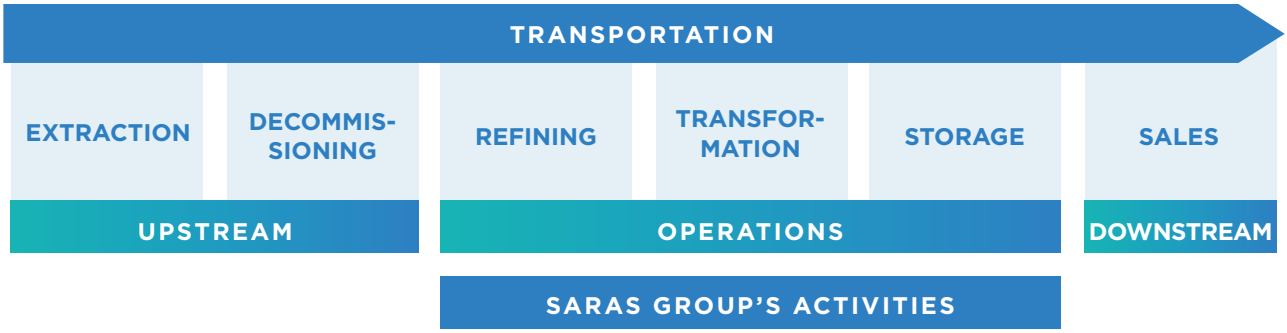
In continuity with what was already done last year, the impact analysis for the 2023 financial year covered the entire value chain in which the Saras Group operates, i.e. the hydrocarbons (oil and gas) industry as identified in the specific Standard "GRI 11: Oil and Gas 2021".

For the sake of completeness, it should be noted that last year the seven distinct phases of the hydrocarbon industry's value chain were identified, as schematically represented in the figure. These phases have all been taken into account, although the Saras Group is active only in a subset of these phases and, more precisely, in the refining, processing and storage of petroleum products.

To identify and analyse the main topics related to the environment, social responsibility and governance (ESG) from the perspective of the impacts generated by the company and its value chain, Saras had taken into account various sources (internal and external to the company), and carried out assessments that were then validated by the company's top management between December 2022 and January 2023.

In addition to the above-mentioned "GRI 11" Sector Standards, the main national and international legislation in force (e.g. European Green New Deal, Legislative Decree 254/2016), the issues addressed by international sustainability reporting and rating agencies (S&P Global, MSCI, Moody's V.E., CDP, etc.), Benchmarking studies with Italian and foreign comparable companies (ENI, API Group, Neste Oil,

1. The Corporate Sustainability Reporting Directive (CSRD) approved in November 2022 by the European Council, introduces several important innovations in sustainability reporting. The main ones include reporting according to new Standards unified at the European level called the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG) and adopted by Delegated Act on July 31, 2023; the "dual materiality" analysis (impact + financial materiality); and the placement of Sustainability information in the Management Report (Integrated Report).



Shell, BP, Equinor, etc.), the recognition of articles referring to the Saras Group and published by the Media (Ansa, Unione Sarda, Nuova Sardegna, etc.), the strategic orientation and internal documentation of the company (Sustainability Policy, Code of Ethics, Financial Statements, EMAS Declaration, AIA, etc.), as well as the indications of internal and external experts. A preliminary list of current and potential impacts was thus defined, divided into three categories: Environment, People, Economy (as shown in the graphic).

This year, however, compared to the analysis conducted the previous year, a new element has been introduced deriving from the consideration of some additional sustainability aspects defined in the new European Sustainability Reporting Standards (ESRS). In particular, all the topics and their sub-topics and sub-sub-topics listed in the ESRS 1 standard were examined with the aim of assessing any aspects that may not have been intercepted with the analyses previously illustrated.

Specifically, each impact that emerged from the 2022 materiality analysis was correlated with the topics and sub-topics of the ESRS. In addition, for the sub-topics that did not have any associated impact, benchmark analyses were carried out to understand the consideration of the same by the main companies comparable to Saras.

ENVIRONMENT	PEOPLE	ECONOMY
− GHG emissions	− Workers' Health and Safety	+ Indirect economic effects
− Atmospheric emissions	− Workers' human rights (child labour, forced labour)	+ Contribution to technological innovation
− Biodiversity	+ Developing employees' competencies	− Corruption and organised crime
− Soil degradation	+ Development and protection of the territory and local communities	− Privacy and Sensitive Data
− Water consumption and water stress	− Discrimination in the workplace	− Asset integrity and major accident management
− Waste production and disposal	− Relations with local communities and management of land ownership rights along the Value Chain	− Conflict and security management along the Value Chain
+ Contribution to the development of a circular economy	− Collective bargaining rights and freedom of association	− Anti-competitive behaviour
− Sites dismantling	− Odours	− Transparency on taxes and contributions
+ Contribution to energy transition	− Noise and noise pollution	− Lobbying on Governments
	+ Contribution to local energy security	

+ Positive impact − Negative impact

The results of this analysis were then validated by Saras' top management, which deemed it appropriate to integrate the list of impacts to be assessed compared to last year with three additional impacts:

Impacts	Typology	Motivation for inclusion
Marine resources	Negative impact	Regarding oil refining activities, spills and losses of petroleum products - from production plants, storage tanks, or connecting lines - can lead to an increase in water toxicity in localized areas. Water pollution can then negatively impact flora and fauna, resulting in habitat changes in the affected areas. In reference to the activities of the Saras Group, the Sarlux industrial site is responsible for almost all of the Group's discharges into the sea, all of which are regularly authorized. The Sarlux plant falls within the scope of Legislative Decree 105/2015 and is classified as at risk of a significant incident due to the presence of hazardous substances. The Group implements various measures aimed at mitigating the negative impacts associated with its discharge activities, including, for example, the Significant Incident Prevention Policy and the Internal Emergency Plan.
Whistleblower protection	Negative impact	Employees or external parties may become aware of situations of irregularities and, consequently, may decide to report such situations (whistleblowing) to the attention of company management, so that measures are taken to prevent/combat irregularities. However, it is necessary to provide employees and/or external parties with all the tools that allow them to express their concerns, without fear of retaliation. Failure to protect whistle-blowers has a negative impact as it discourages their valuable contribution and prevents the company and the competent authorities from identifying cases of corruption. The Saras Group has mitigated this negative impact by adopting a whistleblowing management system for all Group companies, which guarantees the confidentiality of the whistle-blower's identity and protects whistle-blowers against any form of retaliation.
Supplier Relationship Management	Positive impact	Several activities in the oil and gas sector are outsourced to external suppliers. For this reason, the involvement of suppliers in social or environmental development initiatives can help generate positive impacts throughout the supply chain, and promote the principles of sustainability in a virtuous way. Starting from 2023, the Saras Group has also introduced in its supplier evaluation system, inter alia, a screening of the adoption of policies and procedures regarding environmental, social and governance topics. This assessment of ESG credentials is carried out at the time of the qualification or renewal of the supplier's qualification and, however, is currently not binding for obtaining the qualification.

Impact Prioritization

After the identification of the list of relevant topics and their respective positive and negative impacts (drawn up in the first instance for the 2022 Financial Statements and with the additions set out above), the priorities were then re-evaluated, re-involving the company management for the 3 new impacts, and instead submitting the entire list to the evaluation of a selected group of external stakeholders, belonging to the categories of Suppliers, Financial Analysts, Media, Schools and Universities, and Bodies and Institutions. These stakeholders participated in one-on-one interviews, conducted in December 2023 by an independent consulting firm, which guided and supported them in the evaluation process.

Once again, as done last year in accordance with the GRI standards 2021, for actual impacts, relevance was determined on the basis of **Severity** (scale, scope, and irremediable character). For potential impacts, on the other hand, relevance was determined based on **Severity**, and also on the **basis of Likelihood** of occurrence.

SEVERITY

The **severity** of an impact is determined by:

1. **Scale:** how grave the impact is and which is the external context in which it happens, including geography.
2. **Scope:** how widespread the impact is and it can be measured by the happenings in the value chain,
3. **Irremediable character:** how hard it is to counteract or make good the resulting harm

Relevance assessment

LIKELIHOOD

The **likelihood** of an impact refers to the chance of the impact happening

- The likelihood of an impact can be **measured or determined qualitatively or quantitatively**
- The likelihood considers the mitigation measures adopted by the Company.

Priority assessment

The type of contribution provided by the company to the impact **was then taken into account**: i.e., the impact can be **caused directly** by the company, or the company can **contribute** to the impact, or the impact can be **linked to the company's activity** (in one or more elements of the value chain).

Based on Severity and Likelihood, each impact, both positive and negative, was then classified according to **5 degrees of significance** (very significant, relevant, moderate, not very relevant, irrelevant) and **the materiality threshold was established starting from the impacts that have moderate significance**.

Finally, **in order to integrate the new assessments collected from external stakeholders in December 2023 with those expressed by the company's top management and industry experts** already consulted for the 2022 Financial Statements, **a weighting aggregation method was applied**, assigning a weight of 50% to company management and industry experts, and distributing the remaining 50% equally among the 5 categories of stakeholders engaged (Suppliers, Financial Analysts, Media, Schools and Universities, and Bodies and Institutions).

As shown in the following table (which also shows the correlation to the topics and sub-topics provided for by the ESRS), the results of the new **"impact materiality" for the 2023 Financial Statements** remain almost unchanged compared to 2022.

Topic ESRS	Sub-Topic ESRS	Saras Impacts 2023	Correlation	Type		Assessment*
E1 Climate Change	• Climate change mitigation • Energy	• GHG Emissions	Direct and connected to the Value chain	Actual	Negative	
		• Active Contribution to the Energy Transition	Direct	Actual	Negative	
E2 Pollution	• Pollution of air	• Emissions into the atmosphere	Direct and connected to the Value chain	Actual	Negative	
	• Pollution of soil	• Soil Degradation	Direct and connected to the Value chain	Potential	Negative	
E3 Water and marine resources	• Water	• Water consumption and water stress	Direct and connected to the Value chain	Actual	Negative	
	• Marine resources	• Marine resources NEW	Direct	Potential	Negative	
E4 Biodiversity and ecosystems	• Direct impact drivers of biodiversity loss • Impacts on the extent and condition of ecosystems • Impacts and dependencies on ecosystem services • Impacts on the state of species	• Biodiversity	Direct and connected to the Value chain	Potential	Negative	
E5 Circular economy	• Waste	• Waste Production and Disposal	Direct and connected to the Value chain	Actual	Negative	
		• Contribution to the development of a circular economy	Direct	Potential	Positive	

Very significant
Significant
Moderate
Not very significant
Insignificant
Positive Impact
Negative Impact
Materiality Threshold

In particular, with regard to the impacts on the environmental matrix, covered by the new ESRS E1-E5 standards, the following topics were material, in line with what was already described in the last Sustainability Report.

"GHG emissions": The oil industry produces and processes hydrocarbons. Greenhouse gas emissions are generated through activities related to the value chain, as well as through activities carried out directly by the Group. In particular, by the subsidiary Sarlux during the refining and production of electricity (Scope 1 and Scope 2), and by customers who purchase and consume the fuels produced (Scope 3)

"Active Contribution to the Energy Transition": In 2021 Saras increased its presence in the renewable electricity generation sector; it currently owns wind farms with a total installed capacity of 176MW in Sardinia, and construction activities are underway for a 79 MW photovoltaic plant. In addition, the company is engaged in the production of biofuels and the development of a plant for the production of green hydrogen, as well as in the study of possible applications of carbon capture (CCS) at its industrial site in Sarroch.

"Emissions into the atmosphere": The Group's polluting emissions derive mainly from the combustion plants necessary for refining processes, for the production of electricity and steam. By their very nature, polluting emissions are influenced by the extent of processing and the types of raw materials used. Emissions into the atmosphere have a negative impact on air quality, human and animal health and ecosystems. Saras oversees the issue with the ISO14001 environmental management system and respects the limits imposed by the IEA.

"Soil Degradation": The Group's core business activities may have a negative impact on soil pollution, due to leaks and leaching of hydrocarbons on the soil (known as "oil spills"). In order to avoid/minimise any problems related to accidental releases on the ground and underground, the Group has been carrying out a multi-year programme of prevention interventions for some years now (e.g. containment basins of storage tanks and paving of pipelines).

"Water consumption and water stress": Sardinia, where the Group carries out its industrial activities, is characterized by low rainfall and "medium-high" water risk in the Aqueduct 3.0 Water Risk Atlas database. Water is used by the Group for multiple functions, the main one being the production of steam, as well as for the cooling circuits of the plants, to feed the fire-fighting network and for civil uses. To minimise regional water stress, the Group increases water-reuse and seawater desalination, and minimises the withdrawal of raw water from the industrial consortium.

"Biodiversity": The Group conducts refining activities in coastal areas, with potential negative impacts on surrounding flora and fauna. The potential loss of biodiversity negatively affects ecosystems and alters natural balances. Through the University of Cagliari, the Group carries out monitoring campaigns on the state of vegetation and marine waters and has measures in place for the prevention and protection of biodiversity. Expanding the analysis to the entire value chain, it is found that the processes of research, drilling, and hydrocarbon extraction can lead to significant negative impacts on the biodiversity of the areas affected by such activities.

"Waste Production and Disposal": The Oil & Gas sector is characterized by activities that produce waste, both hazardous and non-hazardous. The largest volumes derive from the extraction of crude oil and, if not properly managed, can generate a negative impact on the environment and human health. Directly, with refining processes, Saras generates waste (about 83% categorized as "hazardous") and has implemented processes to adequately manage this waste, minimizing the amount sent to landfills.

"Marine resources": this topic, newly introduced in the 2023 impact assessment, takes into account the potential negative impacts deriving from spills and leaks of petroleum products – from production facilities, storage tanks or connection lines – which could give rise to contamination and water degradation in marine areas close to the industrial site. In fact, the Sarlux industrial site falls within the scope of Legislative Decree 105/2015 and is classified as a major accident risk due to the presence of hazardous substances. Therefore, acknowledging this criticality, the Group has put in place adequate safeguards to minimise the likelihood of occurrence and to mitigate any negative impacts associated with its business.

Regarding impacts on the environmental matrix, it is noted that the "Contribution to the development of a circular economy" has been found to be immaterial. Although Saras promotes circular economy practices within its own business processes (to optimize the management of available material and energy resources, favouring recycling, reuse solutions, etc. where possible), at present, such practices have limited scope.

Finally, the impact labelled "Site dismantling," not associated with any ESRS standard, has also been found to be immaterial. Indeed, concerning the potential dismantling of facilities located at the Saras Group's industrial site, Italian regulations require the restoration of the sites to their pre-industrial establishment conditions.

Topic ESRS	Sub-Topic ESRS	Saras Impacts 2023	Correlation	Type		Assessment*
S1 Own workforce	• Working conditions	• Workers' health and safety	Direct and connected to the Value chain	Actual	Negative	
		• Workers' human rights (child labour, forced labour)	Direct	Potential	Negative	
		• Asset Integrity and Major Incident Management	Direct	Potential	Negative	
		• Rights of collective bargaining and freedom of association	Direct and connected to the Value chain	Potential	Negative	
S1 Own workforce	• Equal treatment and opportunities for all	• Employee skills development	Direct	Actual	Positive	
		• Discrimination in the workplace	Direct	Potential	Negative	
S2 Workers in the value chain	• Other work-related rights	• Management of conflicts and security along the Value Chain	Direct	Potential	Negative	
S3 Affected communities	• Communities' economic, social and cultural rights	• Contribution to local energy security	Direct	Actual	Positive	
		• Development and protection of the territory and local communities	Direct	Actual	Positive	
		• Indirect economic impacts	Direct and connected to the Value chain	Actual	Positive	
		• Odours	Direct	Actual	Negative	
		• Noise and noise pollution	Direct	Actual	Negative	
		• Relations with local communities and management of land property rights along the Value Chain	Direct	Potential	Negative	

Very significant
Significant
Moderate
Not very significant
Insignificant

Positive Impact
Negative Impact
Materiality Threshold

With regard to the impacts on the Social/People matrix, covered by the new ESRS S1-S3 standards, the following topics were material, and also in this case there is a strong alignment with what was already described in the last Sustainability Report.

"Workers' health and safety": Both along the value chain and in the activities carried out by the Group directly, there are risks to the health and safety of workers (direct and contractors). The Group effectively oversees this topic through an ISO 45001 certified management system, Policies, Guidelines, Procedures and Operating Instructions, constantly updated to the highest international standards, to regulate health and safety aspects.

"Asset Integrity and Major Incident Management": Accidents in the oil sector can have significant con-

sequences for workers, local communities, ecosystems, and cause damage to the organization's assets. The Group's industrial site is built and operated in compliance with the legal requirements and best practices of the sector, including systematic monitoring and controls to oversee Asset Integrity, and Asset Management Policies to ensure business continuity. In addition, the Group has implemented and maintains a Safety Management System for the Prevention of Major Accidents (SGS-PIR) pursuant to Legislative Decree 105/2015.

"Employee skills development" is a topic that generates very significant positive impacts as, through adequate training, people are valued and retention and the ability to attract new talent are increased. In addition, proper HSE training also has a positive impact on the health and safety of workers. Consciously, Saras therefore promotes various training initiatives capable of fostering internal growth that is always in line with the company's policies and values.

"Discrimination in the workplace": The conditions, locations, skills needed, and types of work associated with the oil and gas industry can be a barrier to entry, hinder employee diversity, and prevent work from being done in a fair and respectful environment. Selection processes can be conditioned by gender and ethnic favouritism. The Saras Group has expressed its commitment to equal opportunities in its Sustainability Policy, in the Code of Ethics and in the recent Human Rights Protection Policy.

"Contribution to local energy security": the energy transition aims to gradually reduce dependence on fossil fuels. To date, renewable sources do not guarantee coverage of the country's energy needs, despite national and EU regulatory pressures. In this transitional phase, Saras provides a very positive impact through its reliable, safe, and efficient management of its refining operations (which contribute to reducing the country's dependence on imports of refined products) and electricity production (essential for the continuity and security of the Sardinian electricity grid).

"Development and protection of the territory and local communities": Saras contributes positively to the economic and social development of the territory, especially of Sardinia, generating jobs and actively participating in the creation and development of related industries. The Group is also committed to creating sustainable value by promoting projects of a social nature. The relationship established with the territory that hosts the company's main activities is characterized by a common development path, where the territory and the company benefit symbiotically from each other.

"Indirect economic impacts": Investments in infrastructure, purchases of goods and services from local suppliers, and services provided by the Group have a positive impact on the well-being and long-term development of local communities. Oil and gas activities along the entire value chain can be an important source of investment and income for local communities and the countries that host them. The Saras Group makes a significant contribution to the economic and social development of the Sardinian territory, promoting employment and generating local economic growth.

"Odours": Odour emissions have negative impacts on the quality of life of the local community. Even before the entry into force of the Integrated Environmental Authorisation (IEA), the Saras Group has concretely expressed its sensitivity and commitment to the management of odour emissions (Odour Monitoring Plan) and has made various investments to minimise these impacts (such as, for example, the covering of API tanks).

"Noise and noise pollution": The Saras Group, through the noise pollution that characterizes part of its industrial operations, could have negative impacts causing a worsening of the quality of life and, in extreme cases, the migration of certain animal species to other geographical areas. The Group, aware of this potential impact, has set up systems for monitoring and managing the noise component.

Still with reference to the impacts on the Social/People matrix, it should be noted that the following 4 impacts were below the materiality threshold: "Human rights of workers (child labour, forced labour)", as the Saras Group always respects the human rights of all people, including its own workers and those of companies along the supply chain, according to the principles defined in its Code of Eth-

ics, in the Sustainability Policy, in the Policy on the Protection of Human Rights and in the laws in force.

The **"Rights of collective bargaining and freedom of association"** do not have a material impact on Saras, as the Group operates in Italy, Spain and Switzerland and always respects the collective bargaining rights and freedom of association of its employees, which are also recognised by the regulations in force in the aforementioned countries.

Finally, the **"Management of conflicts and security along the Value Chain"** and the **"Relations with local communities and management of land property rights along the Value Chain"** do not produce material impacts for Saras, which carries out its activities in Italy and Spain and in these countries, there are no areas of conflict and/or characterized by high political and social instability. In addition, the Group's suppliers are subjected to specific screening activities, through the KYC (Know Your Counterparty) procedure to avoid inappropriate commercial relationships. Finally, regarding the more than 60 years of activity carried out by the Group in Sardinia, there have never been any negative episodes that have damaged land ownership rights or damaged cultural and economic ties with local populations. On the contrary, the Group has always supported local communities, creating sustainable value, promoting social projects and favouring local suppliers, with the same technical and economic conditions.

Topic ESRS	Sub-Topic ESRS	Saras Impacts 2023	Correlation	Type		Assessment*
G1 Business conduct	• Corruption and bribery	• Corruption and Organized Crime	Direct and connected to the Value chain	Potential	Negative	
		• Anti-competitive behaviour	Direct	Potential	Negative	
		• Transparency on Taxes and Contributions	Direct and connected to the Value chain	Potential	Negative	
	• Political engagement and lobbying	• Lobbying Governments	Direct	Potential	Negative	
	• Protection of whistle-blowers	• Whistle-blower Protection NEW	Direct and connected to the Value chain	Actual	Negative	
	• Management of relationships with suppliers including payment practices	• Supplier relationship management NEW	Direct and connected to the Value chain	Actual	Positive	

Topic ESRS	Sub-Topic ESRS	Saras impacts 2023	Correlation	Type		Assessment*
Not associated with any ESRS		• Contribution to technological innovation	Direct	Actual	Positive	
Not associated with any ESRS		• Site dismantling	Direct	Potential	Negative	
Not associated with any ESRS		• Privacy and sensitive data	Direct	Potential	Negative	

Very significant
Significant
Moderate
Not very significant
Insignificant

Positive Impact
Negative Impact
Materiality Threshold

Finally, with regard to the impacts on the Economic/Governance matrix, covered by the new ESRS G1 standard, the following topics were material, reconfirming what was already described in the last Sustainability Report.

"Corruption and Organized Crime": Corruption in the oil and gas sector can occur throughout the value chain, but more frequently in upstream activities, in countries with high levels of poverty. Saras has implemented an Organization, Control and Management Model in compliance with Legislative Decree 231/01 to oversee the commitments made in this regard in the Code of Ethics, in the Sustainability Policy and in the Policy for the Protection of Human Rights.

"Transparency on Taxes and Contributions": Taxes and Contributions are important sources of income for local communities, especially in developing countries or in regions with less industrial presence. Lack of transparency or tax non-compliance can reduce tax revenues in some countries. The Saras Group manages its taxation in a transparent manner and, with regard to all subsidiaries based in Italy, follows the principles of tax consolidation, thus significantly mitigating the likelihood of generating this type of negative impact.

"Supplier relationship management": this topic, newly introduced in the 2023 impact analysis, takes into consideration the positive impacts deriving from the involvement of suppliers in social or environmental development initiatives, through the virtuous promotion of sustainability principles and the generation of benefits throughout the supply chain.

"Contribution to technological innovation": this is an topic that cannot be associated with any ESRS standard but is important in terms of the positive contribution that the Group provides. In fact, Saras considers technological innovation one of the most important strategic levers to remain competitive in the international context and pursue the objectives of the ecological transition. The Group conducts industrial development and digitalization activities aimed at operational excellence and maximizing value creation, in the interest of shareholders and in compliance with the best safety standards for employees, the community, and the territory.

Moreover, with regard to the Economic/Governance matrix covered by the new ESRS G1 standard, the following 3 impacts were found to be non-material: **"Anti-competitive behaviour"**, i.e. certain situations of market concentration and anti-competitive behaviour, which in the Oil & Gas sector could occur in particular in the "Upstream" and/or "Retail" service stations segments (where cases of cartels have been documented, monopolistic practices and market abuse, resulting in higher prices).

"Lobbying Governments" is not a relevant topic for Saras, which does not carry out lobbying and/or advocacy activities, and does not exert any influence on government activities, nor does it hinder in any way environmental policies and the achievement of the SDGs.

The **"Whistle-blower Protection"**, newly introduced in the 2023 impact analysis, is also below the materiality threshold as the Group has a state-of-the-art whistle-blower management system, which can be used by all subsidiaries, which is able to guarantee the confidentiality of the whistle-blower's identity, and which protects whistle-blowers against any form of retaliation.

Finally, the topic of **"Privacy and sensitive data"**, which cannot be associated with any ESRS standard, was found to have impacts below the materiality threshold. Saras is actively engaged in the management of IT security and the prevention of cyber-attacks, to protect the proper functioning of its industrial and operational assets, and to protect stakeholders from disruption or exposure of sensitive data. The Cyber Security Program, launched in 2018, effectively manages the risk related to the digital technologies used by the Group, while people's sensitive data is managed according to GDPR regulations, and no breaches have been recorded so far.

The results of the materiality analysis set out above were shared and approved by the Saras Board of Directors, through the special "Control, Risk and Sustainability" committee of the Board, to which they were presented by the manager in charge, the "Head of Sustainability & Investor Relations".

Finally, it is confirmed that in the following chapters of this Sustainability Report, the reporting of the aforementioned topics, for all Group companies, will

be done in continuity with previous years, adopting the methods indicated by the "GRI Topic Specific Disclosure", identified in the "Global Reporting Initiative Sustainability Reporting Standards" (GRI Standard – 2021 Edition).

Evolution Of Analysis and "Financial Materiality"

To meet the regulatory requirements introduced by the CSRD, Saras has for the first time integrated the perspective of financial relevance into the sustainability topic analysis process in this report. This involves identifying ESG (Environmental, Social, and Governance) risks and opportunities that have, or could potentially have, a significant financial influence on the Company.

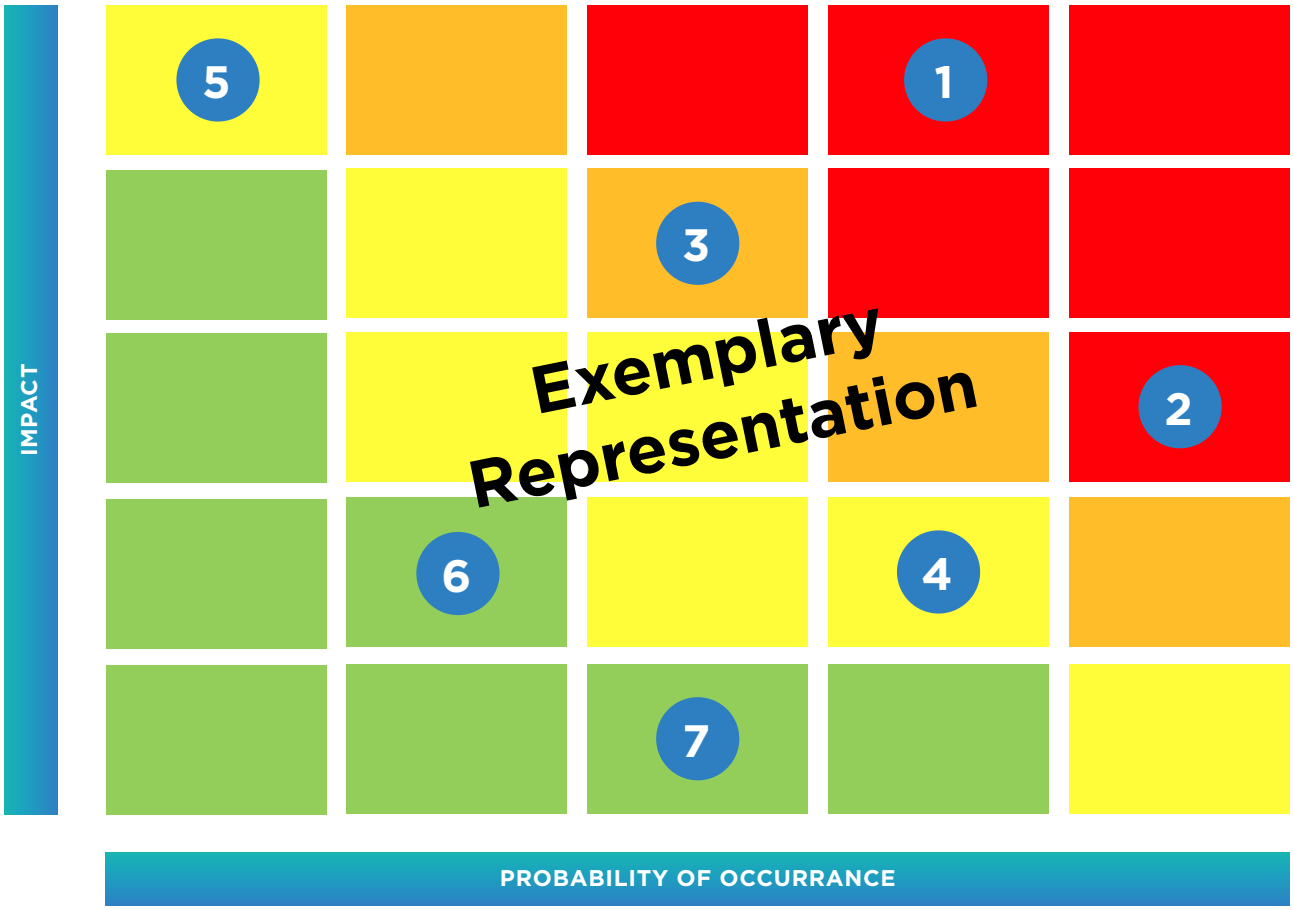
As mentioned earlier, this represents an initial voluntary exercise in anticipation of compliance, starting from next year, with the provisions of the new European Directive on sustainability reporting and the new ESRS reporting standards.

The identification of ESG-related risks associated with the Group's activities has been carried out based on the risks outlined in the company's Corporate Risk Profile (CRP), which serves as the reference document for the Group's significant risks and is updated semi-annually by the Risk Owners.

Initially, the ESG risks mapped by the Group in the CRP were correlated with the topics and sub-topics outlined in the ESRS, similar to what was done for the materiality analysis of impacts. Other ESG risks present in the Corporate Risk Profile but not associated with any of the ESRS topics and sub-topics were considered as "entity-specific" risks and were also included in the subsequent analysis and evaluation of relevance.

At this point, the list of identified risks underwent the process of relevance assessment (referred to as the "financial materiality" analysis), which, as required by the ESRS, was conducted over a longer time horizon than usual in the company's ERM system. Specifically, in the risk occurrence probability assessment matrix, a "long-term" dimension was added, in addition to the "short-medium term" dimension already used for mapping the company's CRP.

The first step in risk evaluation and prioritization is assessing the magnitude of the impact, considering aspects related to economic/financial damage, damage to the health and safety of individuals, and damage to the company's image/reputation. The magnitude scale used consists of 5 levels: "minor," "moderate," "significant," "relevant," and finally "extreme."



Subsequently, the probability of the risk occurring was measured, both in the "short-medium term" perspective (i.e., over the next 4 years) and also in the "long term" perspective (i.e., over the next 5 - 10 years). The probability scale used also consists of 5 levels: "rare," "unlikely," "possible," "likely," and finally "very likely."

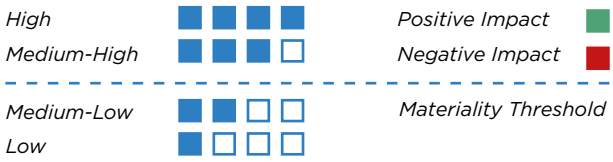
In this manner, the positioning of ESG risks within a 5x5 matrix was determined, as shown in the accompanying figure for illustrative purposes. The combination of probability degree and impact severity allowed the classification of risks into 4 relevance clusters: "Low" (green area, e.g., risks 6 and 7), "Low-Medium" (yellow area, e.g., risks 4 and 5), "Medium-High" (orange area, e.g., risk 3), and "High" (red area, e.g., risks 1 and 2). **The threshold of "financial materiality" was then set starting from the "Medium-High" relevance level.**

A similar process was followed for identifying opportunities, using the reference context, the expected energy transition scenario, and announced and/or anticipated regulatory developments. For the evaluation of opportunities, metrics of probability and positive impact generated (benefit) were also considered, each articulated on five levels, as previously described for risks.

The evaluation of risks and opportunities was conducted by the company's Top Management during an in-person focus group, managed, and coordinated by expert and independent consultants specialized in the new analysis methods introduced by the CSRD.

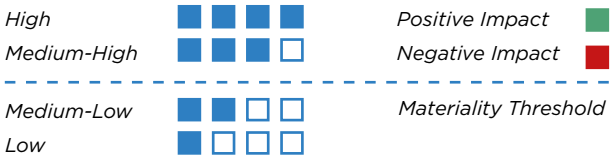
The table below presents the results of the "financial materiality" analysis, where risks and opportunities are presented in their "inherent" dimension - that is, without considering any risk mitigation actions or specific initiatives for exploitation of opportunities.

Topic ESRS	Sub-Topic ESRS	Risks and Opportunities	Type	Short-medium term Assessment	Long-term Assessment
E1 Climate change	• Climate change adaptation	• Climate change_Physical Risk	Risk		
		• Climate change_Transition Risk	Risk		
		• Poor risk oversight in the area of (electrical) regulations which is relevant to the business	Risk		
		• Delays or inefficiencies in the investment projects management	Risk		
		• Electricity Production from Renewable Sources (wind and photovoltaic development)	Opportunity		
		• "Low-carbon" Productions (biofuels; waste-to-fuels; etc.)	Opportunity		
		• Technologies for decarbonization (CCUS; Green Hydrogen; etc.)	Opportunity		
		• Energy efficiency (through targeted initiatives that save money and reduce GHG emissions)	Opportunity		
	• Climate change mitigation	• Poor risk oversight in the environmental area	Risk		
E2 Pollution	• Pollution of air • Pollution of water	• Exceeding statutory emission limits for water discharges/atmospheric emissions	Risk		
	• Pollution of water • Pollution of soil	• Environmental contamination	Risk		
	• Microplastics	• Additional risk assessed with Risk Owner during CRP update	Risk		
E5 Circular economy	• Resources inflows, including resource use	• Risk of disruption of supply by a supplier / unavailability of a strategic supplier	Risk		



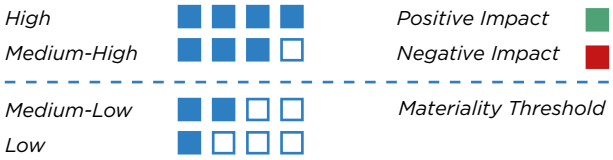
The table above correlates the topics and sub-topics outlined in the new ESRS standards E1-E5 with the risks and opportunities identified by the Saras Group in the "Environmental" domain and provides the findings of the new "financial materiality." Specifically, the following risks were deemed material: "Climate Change - transition," "inadequate environmental risk management," "exceeding legal emission limits for water discharge/atmospheric emissions," and "supply interruption from a supplier/ unavailability of a strategic supplier." Additionally, opportunities in the areas of "electricity production from renewable sources" and "energy efficiency" were considered material. It is noteworthy that opportunities related to "low-carbon production" and "decarbonization technologies," which were not material in the short to medium term, become material in the long term.

Topic ESRS	Sub-Topic ESRS	Risks and Opportunities	Type	Short-medium term Assessment	Long-term Assessment
S1 Own workforce	• Working conditions	• Serious, or potentially serious, injuries to people and breakage/ damage to facilities with environmental consequences	Risk	■■■■	
		• Biological risk/pandemic - "virus resurgence" scenario	Risk	■■■■	
		• Distributed plant control and management system (DCS) malfunction as a result of maintenance	Risk	■■■□	
		• Increased staff productivity (through effective training programs and sound professional development policies)	Opportunity	■■■■	
	• Equal treatment and opportunities for all	• Risks related to personnel management	Risk	■■■□	
		• Attractiveness as an employer for Talents (fostered by an inclusive, equitable, and equal Opportunity corporate culture)	Opportunity	■■□□	
	• Other work-related rights	• Loss of data as a result of cyber attack on the confidentiality of information contained in ICT systems	Risk	■■■■	
S3 Affected communities	• Communities' economic, social and cultural rights	• Change of national regulations or change of conditions in the Sardinian grid, with change of essentiality conditions of the IGCC power plant	Risk	■■■■	N/A
		• Improved corporate reputation (achievable with communication to stakeholders on corporate strategies, especially for Energy Transition)	Opportunity	■■□□	
S4 Consumers and end-users	• Personal safety of consumers and/or end-users	• Additional risk assessed with Risk Owner during CRP update	Risk		



The table above correlates the topics and sub-topics covered by the ESRS in the new ESRS S1-S4 standards, with the risks and opportunities identified by the Saras Group in the "Social" area and provides the results of the new "financial materiality". In particular, the risks of "Serious accidents, or potentially serious accidents, to people and breakage/damage to plants with environmental consequences", "Biological risk/pandemic – "Virus resurgence" scenario", "Malfunction of the distributed control and management system of plants (DCS) as a result of maintenance", "Risks related to personnel management", "Loss of data following a cyber-attack on the confidentiality of the information contained in the ICT systems", and "Change of national legislation or change of conditions in the Sardinian network, with modification of the essential conditions of the IGCC plant". It should be noted that this risk ceases to exist in the long run. On the other hand, as far as opportunities are concerned, it should be noted that the only material is that relating to "Increased staff productivity (thanks to effective training programs and valid professional growth policies)".

Topic ESRS	Sub-Topic ESRS	Risks and Opportunities	Type	Short-medium term Assessment	Long-term Assessment
G1 Business conduct	• Corruption and bribery	• Counterparty Risk of suppliers/ customers of petroleum products (oil)	Risk	■■■■	
		• Poor Risk oversight in the area of Market Abuse	Risk	■■□□	
		• Poor Risk oversight in the area of Anticorruption	Risk	■□□□	
		• Poor Risk oversight in the area of Anti-Money Laundering Checks on counterparts	Risk	■■□□	
	• Management of relation-ships with suppliers including payment practices	• Poor Risk oversight in the area of Taxation	Risk	■■■■	
		• Use of an inappropriate supplier or contractor in terms of skills, size, insurance, know-how, etc.	Risk	■■■□	
		• Expanding supplier base and generating synergies (resulting from involvement in energy transition and decarbonisation pathways undertaken by Saras)	Opportunity	■□□□	■■□□
	• Corporate culture	• Process Digitization and AI Technologies (for increased productivity and process efficiency)	Opportunity	■■■□	
	• Protection of whist-le-blowers	• Possible Additional Risk that will be evaluated with the Risk Owner when updating the CRP	Risk		
«Entity-specific» topic		• Cyber-attack on the availability of the system and the integrity of the information within the system	Risk	■■■■	
«Entity-specific» topic		• Access to Green Financing and Grants (bonds/loans for the development of specific projects)	Opportunity	■□□□	■■■□



The table above correlates the topics and sub-topics included by the ESRS in the new ESRS G1 standard, with the risks and opportunities identified by the Saras Group in the "Governance and Business" area and provides the results of the new "financial materiality". In particular, the "Counterparty risk of suppliers/customers of petroleum products (oil)", "Inadequate risk control in the tax field", "Recourse to a supplier or contractor inadequate in terms of skills, size, insurance, know-how, etc.", were material. As far as opportunities are concerned, the one relating to "Digitization of Processes and AI Technologies (for increased productivity and efficiency of processes)" was material.

In addition to the above, with reference to "entity-specific" topics, the risk of "cyber-attack on the availability of the system and the integrity of the information contained in the system", and the opportunity for "Access to Green Financing and Grants (bonds/loans for the development of specific projects)" in the long term, was material.

Finally, it should be noted that the detailed description of the risks, their causes and the ways in which the Group manages these risks, in order to reduce both the probability and the extent of the impact, is dealt with in a dedicated chapter, entitled "The internal control and risk management system".

Governance

[2.9]

The Governance of the Saras Group is structured according to the traditional model of administration and control, which includes:

- a **Board of Directors (BoD)** responsible for ensuring proper corporate management through the organisation of the corporate governance system and the entire organisational structure of the Group, and within which three committees have been established:
  - the **Remuneration and Appointments Committee**, which has also been entrusted with the main functions of the Related Parties Committee to be carried out whenever necessary, in accordance with the provisions of the relevant Procedure adopted by the Company pursuant to art. 2391-bis of the Italian Civil Code as implemented by the Consob Regulation adopted by resolution no. 17221 of 12 March 2010 and subsequent amendments;
  - the **Control, Risk and Sustainability Committee** has advisory and propositional functions vis-à-vis the Board of Directors. In particular, it defines, inter alia, the guidelines of the internal control and risk management system. It also supervises, evaluates, and monitors the Group's sustainability profiles; the Steering and Strategy Committee, which supports the Board of Directors in defining strategic guidelines for business, finance, as well as sustainability guidelines.
  - the **Steering and Strategies Committee** has support functions for the Board of Directors in specifying strategic business guidelines, including regarding finance, as well as sustainability guidelines.
- a **Board of Statutory Auditors** called, among other things, to supervise compliance with the law and the Articles of Association, and to check the adequacy of the Company's organisational structure, internal control system and administrative-accounting system;
- a **Shareholders' Meeting**.

The company adheres to the Corporate Governance Code, published in January 2020 (the "New Corporate Governance Code"), which came into force in 2021.

Board of Directors

[2.10; 2.11]

The board in office as of December 31, 2023, consisted of a total of 12 administrators, including 2 executives and 10 non-executives, among whom 6 were independent administrators. It is specified that the Chairman of the Board of Directors does not hold any role within the company organization.

Regarding the appointment and selection procedures, the Bylaws stipulate that the Board is elected by the Shareholders' Assembly through a list voting mechanism aimed at allowing the list that obtained the second best result and is in no way connected to the majority list, to appoint an Administrator.

To ensure the election of at least one minority Administrator, the Company provides that in addition to the candidates from the list that received the highest number of votes (excluding the last), the first candidate from the list that obtained the second-best result and is not connected in any way, even indirectly, with the shareholders who submitted or voted for the list that ranked first by number of votes, shall also be elected.

In determining the composition of the Board of Directors and in compliance with the suggestions of the Corporate Governance Code, the company applies diversity criteria, including gender diversity, while ensuring the primary objective of ensuring the adequate competence and professionalism of its members.

In particular, the lists for election that present three or more candidates must be composed of candidates belonging to both genders, so that a portion of candidates (rounded up) at least equal to that prescribed by current legislation on gender balance belongs to the underrepresented gender.

Furthermore, if this does not ensure, in practice, a composition of the Board of Directors compliant with the current legislation on gender balance, the candidate of the more represented gender elected last in progressive order on the list that received the highest number of votes is replaced by the first candidate of the less represented gender not elected from the same list, according to progressive order. If even this procedure does not ensure a Board of Directors compliant with the legislation on gender balance, the Assembly, by relative majority, replaces them, following the presentation of nominations of individuals belonging to the less represented gender.

The company's decision to adhere to the Corporate Governance Code requires that at least one-third of the board of administration be composed of independent administrators: compliance with this recommendation is verified annually and duly noted in the corporate governance report. The main information regarding the composition of the Saras Board of Directors as of December 31, 2023, is provided in the appropriate table.

During the 2023 financial year, the Board held 7 meetings, which were regularly attended by the various directors as well as the members of the Board of Statutory Auditors.

The average female presence on the Boards of Directors of Group companies is 25.7%, on the Boards of Statutory Auditors of Group companies it is 58.3%, and on SBs it is 41.2%. The parent company maintains a level of female quotas in line with the provisions of the law (one third of the members).

The majority of the members of the Group's governing bodies are over 50 years of age. More precisely, it is 71.4% in the Boards of Directors of Group companies, 91.7% in the Boards of Statutory Auditors of Group companies, and 100% in SBs.

Board of Directors as of December 31, 2023

Components	Charge	Year of birth	List*	Executive/ Non-executive	Indipendent	Control, Risk and Sustainability Committee	Remuneration and Appointments Committee	Steering Committee and Strategies
Moratti Massimo	Chairman and Chief Executive Officer	1945	M	Executive				Member
Balsamo Franco	Director, General Manager and Deputy CEO	1960	M	Executive				Member
Moratti Angelo	Administrator	1963	M	Non-executive				Member
Mancini Giovanni	Administrator	1965	M	Non-executive	X			President
Moratti Angelomario	Administrator	1973	M	Non-executive				Member
Moratti Gabriele	Administrator	1978	M	Non-executive				Member
Moratti Giovanni Emanuele	Administrator	1984	M	Non-executive		Member		Member
Canalini Valentina	Administrator	1983	M	Non-executive	X	Member		
Cerretelli Adriana	Amministratore Lead Independent Director	1948	M	Non-executive	X	President	Member	
Fidanza Laura	Administrator	1973	M	Non-executive	X	Member	Member	
Luchi Francesca	Administrator	1961	M	Non-executive	X		President	
Pepino Silvia	Administrator	1976	m	Non-executive	X	Member		

* M = majority list, m = minority list. It is hereby acknowledged that the current composition of the Board of Directors is that resulting from the Shareholders' Meeting of appointment on 28 April 2023.

Diversity of governance bodies by gender as of December 31, 2023

	Board of Directors				Board of Statutory Auditors				Supervisory Board			
	F	M	Tot	%F	F	M	Tot	%F	F	M	Tot	%F
*Saras Spa**	5	7	12	42%	3	2	5	60%	2	2	4	50%
Sarlux Srl	2	4	6	33%	3	2	5	60%	1	2	3	33%
Sartec Srl	1	3	4	25%	-	-	-	0%	-	-	-	0%
Sardeolica Srl	1	2	3	33%	1	0	1	100%	2	1	3	67%
Deposito di Arcola Srl	0	3	3	0%	0	1	1	0%	1	2	3	33%
*Saras Energia SAU***	0	3	3	0%	0	0	0	0%	1	2	3	33%
*Saras Trading SA****	0	4	4	0%	0	0	0	0%	0	1	1	0%

Diversity of governance bodies by age as of December 31, 2023

	Board of Directors					Board of Statutory Auditors					Supervisory Board				
	30-50	>50	Tot	% 30-50	% >50	30-50	>50	Tot	% 30-50	% >50	30-50	>50	Tot	% 30-50	% >50
*Saras Spa**	4	8	12	50%	50%	0	5	5	0%	100%	0	4	4	0%	100%
Sarlux Srl	1	5	6	17%	83%	1	4	5	20%	80%	0	3	3	0%	100%
Sartec Srl	1	3	4	25%	75%	-	-	-	0%	0%	-	-	-	0%	0%
Sardeolica Srl	0	3	3	0%	100%	0	1	1	0%	100%	0	3	3	0%	100%
Deposito di Arcola Srl	0	3	3	0%	100%	0	1	1	0%	100%	0	3	3	0%	100%
*Saras Energia SAU***	2	1	3	67%	33%	0	0	0	n/a	n/a	0	3	3	0%	100%
*Saras Trading SA****	2	2	4	50%	50%	0	0	0	n/a	n/a	0	1	1	0%	100%

* In Saras, the Board of Directors has changed the composition of its Members, while remaining unchanged in terms of number and gender. The Shareholders' Meeting of 28 April 2023 appointed the Directors Valentina Canalini and Silvia Pepino to replace the Directors Patrizia Radice and Isabelle Harvie Watt and, following the resignation of Dr. Pier Matteo Codazzi, dated 15 March 2023, Dr. Franco Balsamo was appointed Director, who was also given the positions of General Manager and Deputy CEO of the Company. Mr. Massimo Moratti has assumed the position of Chairman and Chief Executive Officer.

** Sarlux Srl, through a Merger by incorporation effective from 01/07/2023, has incorporated Sartec Srl.

*** Saras Energy Management srl was incorporated on 19/07/2023 and registered in the Business Register on 20/07/2023.

**** In Saras Energia SAU, the Ethics Committee is the equivalent body to the Supervisory Body.

***** At Saras Trading S.A., the Supervisory Function is the equivalent body to the Supervisory Body.

Board Committees

The committees established within the Board of Directors have instructive, propositional, and/or advisory tasks concerning matters for which there is a particularly felt need for in-depth examination, ensuring that effective and informed discussion can take place on these matters as well. The committees are appointed by the Board of Directors and serve for the entire term of the Board itself, convening whenever the respective Chairman deems it appropriate, or upon request from at least one member, the Chairman of the Board of Directors, or the Chief Executive Officer, and in any case, with a frequency adequate to the proper performance of their functions. In particular:

The **Remuneration and Appointments Committee** has advisory and proposal-making functions vis-à-vis the Board and also plays a leading role in the development and verification of the performance of incentive systems (including any share ownership plans or monetary plans) aimed at management, and has, among other things, the task of:

- formulate proposals for the definition of the remuneration policy for executive directors and other directors who hold offices as well as set performance objectives related to the variable component of such remuneration;
- submit proposals or express opinions on remuneration;
- assisting the Board in the development of remuneration policy;
- monitor the actual application of the remuneration policy and verify, in particular, the actual achievement of performance objectives;
- periodically assess the adequacy, overall consistency, and concrete application of the Policy for the remuneration of directors and top management.
- carry out preliminary activities and formulate proposals for share-based remuneration plans. At the Board meeting of 3 May 2023, the Remuneration and Appointments Committee was also assigned the main functions of the Related Parties Committee to be carried out whenever necessary in accordance with the provisions of the relevant Procedure adopted by the Company pursuant to art. 2391-bis of the Italian Civil Code as implemented by the Consob Regulation adopted by resolution no. 17221 of 12 March 2010 and subsequent amendments;

The **Control, Risk and Sustainability Committee** [2.13]
it has advisory and propositional functions towards the Board of Directors. In particular, it shall:

- provide opinions to the Council on, inter alia, the following:
  - define the guidelines of the internal control and risk management system, so that the main risks relating to the Group are correctly identified, as well as adequately measured, managed and monitored,
  - determine the degree of compatibility of these risks with the management of the company in line with the strategic objectives identified,
  - assess, at least once a year, the adequacy of the internal control and risk management system in relation to the characteristics of the company and the risk profile assumed, as well as its effectiveness,
  - approve, at least once a year, the work plan prepared by the Head of the Internal Audit function;
- evaluate, after consulting the Board of Statutory Auditors, the results presented by the statutory auditor;
- assess, together with the manager responsible for preparing the company's financial reports and after consulting the statutory auditor and the Board of Statutory Auditors, the correct use of accounting principles and their consistency for the purposes of preparing the consolidated financial statements.

Furthermore, with reference to the responsibilities in the field of sustainability, the Control, Risk and Sustainability Committee shall:

- examine the implementation of the sustainability guidelines and plans and the consequent processes;
- assess sustainability topics related to the interaction between business activities and stakeholders and formulate proposals on environmental and social initiatives, monitoring their implementation over time;
- examine the sustainability report submitted annually to the Board of Directors with particular

reference to the general approach of the Sustainability Report and the structure of its contents, as well as the completeness and transparency of the information provided through the same report;
- monitor the Company's international sustainability initiatives and participation in them, aimed at consolidating the company's reputation on the international front;
- express, at the request of the Board of Directors, an opinion on other sustainability topics.

The Committee reports to the Board every six months on the activities carried out and on the adequacy of the internal control and risk management system.

The **Steering and Strategy Committee** has consultative, propositional and support functions for the Board of Directors in defining strategic guidelines for business, finance, as well as sustainability guidelines.

The internal control and risk management system

Saras pays the utmost attention in the Group's activities to compliance with the law, the promotion of ethical and correct behaviour and the prevention of corruption.

The Board of Directors is responsible for setting the guidelines of the internal control and risk management system in line with the company's strategies, and periodically verifies its adequacy and effective functioning. To carry out this activity in the best possible way, the Board of Directors of Saras (BoD) avails itself of the support of:

- the Chief Executive Officer (CEO) and the Deputy CEO, to implement the guidelines defined by the Board of Directors, taking care of the design, implementation and management of the internal control and risk management system and constantly verifying its adequacy and effectiveness;
- the Control, Risk and Sustainability Committee, with the task of supporting, with appropriate preliminary activities, the Board's assessments and decisions relating to the internal control and risk management system, as well as its responsibilities in the field of sustainability;
- the Internal Audit and Risk Officer Function, in charge of verifying that the internal control and risk management system is adequate and functioning.

The internal control and risk management system is formalised within a Group regulatory system and has been further strengthened with the adoption of an Organisational, Management and Control Model ("Model") pursuant to Legislative Decree 231/2001.

In fact, each Group company has adopted its own Model which aims to prevent the potential risks of committing the crimes to which each company is exposed, indicating its management responsibilities as well as the controls in place so that the crimes cannot be carried out.

In 2023, with a view to continuously revising and updating the Model in order to adapt it to regulatory and organizational changes, the Models of all Group Companies were updated following the amendments made to Legislative Decree 231/01 by Legislative Decree 24/2023 implementing Directive (EU) 2019/1937 on the protection of persons who report violations; in particular, the amendment concerned the General Part of the Model (sanctioning system and reporting to the Supervisory Body). The Organisational, Management and Control Models of the Companies were approved by the respective Boards of Directors in November 2023.

Saras has also represented its values, principles, and rules of conduct in the Group's Code of Ethics and Sustainability Policy, to which Saras and all its subsidiaries conform in the conduct of their business activities. The values set out in the Code of Ethics and the Sustainability Policy are also the basis of the relationships that the Group establishes with its counterparties.

The Code of Ethics, the Model, the Articles of Association, and the "Purpose" (the aforementioned corporate vision and mission document) represent the reference framework in line with which all the Governance documents relating to the internal regulatory system, the organisational system and the system of powers of the Group are developed and approved.

The activities and initiatives aimed at verifying the implementation and improvement of the control and risk management system of the Group companies are carried out, in addition to the operational functions and within the Quality, Safety and Environment Management Systems, by the Internal Audit function and defined through an annual Audit Plan (which runs from the beginning of March, after approval by the Board of Directors of Saras, at the end of February of the following year) which is processed from:

- the Corporate Risk Profile, a document that identifies the Group's significant risks and is monitored every six months by the Risk Owners;
- indications from the top management and control bodies of each Group company;
- audits carried out in previous years and their results.

In 2023, the Internal Audit function carried out 43 audits on the internal risk management control system (ICRMS) and on the compliance areas of the Organisational Models.

The results of the audits carried out did not reveal any particular criticalities regarding the adequacy and implementation of the control measures adopted by the Companies. Also with reference to the checks on the state of implementation of the Model, compliance with the provisions of the Model itself was found. For the areas of improvement identified, in agreement with the heads of the departments concerned, corrective actions were determined in order to improve the effectiveness of the management of controls and risk mitigation tools in place, and appropriate action plans were defined. The implementation of improvement actions by the responsible departments within the defined timeframe is monitored by the Internal Audit function.

INTERNAL REGULATORY SYSTEM

The Regulatory System contains all the documented information of the Organization, which is made available to all personnel through a special section of the company intranet site. It is divided into four hierarchical levels, each of which corresponds to a regulatory instrument:

1 **POLICIES** systematically collect the general principles and rules that inspire all the activities carried out within the Group. Saras has adopted this regulatory tool for the management of people, integrity of operations, operational excellence, stakeholders, information security, Global Compliance, Sustainability and Corporate Governance;

2 **THE GUIDELINES** these are the tools through which the Group exercises its role of guidance and coordination with regard to its functions and organisational units and with regard to its subsidiaries. There are two types of guidelines issued by Saras, the Governance/Compliance Guidelines and the Process Guidelines;

3 **PROCEDURES** define the operating procedures by which the Group's activities are to be carried out;

4 **THE OPERATING INSTRUCTIONS** these are the detailed documents of the operating procedures described in the procedures for the specific functions/organizational units/organizational positions/professional area involved.

The Operating Procedures and Instructions are specific regulatory instruments of the individual Group Companies that set out in their operating methods the principles, indications and controls defined by the relevant Policies and Guidelines.

[307-1; 416-2; 419-1]

In 2023, no violations of environmental standards, socio-economic regulations and laws or impacts on the health and safety of customers purchasing products sold by the Saras Group were ascertained, except as specified below:

1. On 11 July 2023, the Italian Competition Authority (AGCM) initiated proceedings against a number of Italian companies, including Saras, aimed at ascertaining the existence of possible violations of art. 101 of the Treaty on the Functioning of the European Union ("TFEU"), regarding the pricing policy adopted in the last three years on the "bio" component of transport fuels. Saras received a notice of investigation on July 19, 2023. To date, only partial access to the procedural documents has been granted and Saras has not been notified of the communication of the preliminary findings ("CRI"). On 19 October 2023, Saras submitted to the Authority a set of commitments pursuant to art. 14 ter of Law No 287/90. By decision of 21 November 2023, the Authority ordered its rejection. On 23 January 2024, Saras was then notified by the AGCM of a request for information on how to comply with regulatory obligations on biofuels. The Procedure will therefore follow the ordinary course which provides for the sending of the CRI if, at the end of its investigation, the Authority deems its accusations to be well-founded. The company reiterates that it has nothing to do with the alleged violations and confirms that it has not received any sanctioning notification. The Procedure must be concluded, unless extended, by 31 December 2024."
2. In September 2023, Saras received an administrative fine in the amount of €500,000 (referring to the year 2022)[1] pursuant to art. 9, paragraph 9 of Legislative Decree 66 of 2005 as amended, for not having achieved the objective of reducing the carbon intensity of fuels released for consumption by at least 6% compared to a standard value identified by EU legislation of 94.1 gCO2/MJ. This failure to achieve the target is due to certain operational difficulties resulting from the impossibility of exploiting a blending of biofuels beyond the legal limits (due to the limitation of 5% transfer from one year to the next) and a limited availability on the market of Upstream Emissions Reduction certificates.
3. On 6 October 2023, a warning was issued by the MASE for failure to comply with the AIA requirements relating to the PMC, pursuant to paragraph 2 of art. 29-quattordieces of Legislative Decree 152/06. The company has received the warning within the terms provided for by the law.
4. Following the Minutes prot. no. 17744 of 11.07.2022 of the Cagliari Fire Brigade Command, Sarlux was notified of certain requirements pursuant to art. 20 of Legislative Decree no. 758 of 19.12.1994 in relation to Presidential Decree 151 of 2011 and on 15 November 2023 Sarlux was notified of the communication of compliance with the requirements by the same Command. As a result of compliance, an administrative sanction was imposed.

Risk management and Corporate Risk Profile

Saras' risk management policy, the guidelines of which are defined by the Board of Directors and implemented by the Chief Executive Officer (CEO) and the Deputy CEO, is based on the constant identification, assessment, and management (reduction, elimination, or acceptance) of the main risks related to the Group's objectives, with reference to strategic areas. operational and financial institutions.

The top management is in charge of periodically assessing the management of the company's significant risks, identifying the most efficient and effective control system and management programs to ensure the correctness of its operations, while

1. Analogous administrative penalties, each amounting to 500 thousand euros, were imposed on Saras in 2021 (referring to the year 2020) and in 2022 (referring to the year 2021) for failing to achieve the company's carbon intensity reduction target. Operational challenges stemming from the pandemic emergency and its effect on energy usage were the reasons behind the failure to meet the target in 2020. In 2021, the failure to achieve the target was due to operational difficulties resulting from the inability to exploit a blend of biofuels beyond legal limits (due to the 5% transfer limitation from one year to the next) and the inability to resort to Upstream Emissions Reduction certificates, as they were not yet adequately regulated by national and EU legislation.

the risk is operationally managed by the person in charge of the relevant process, based on the indications of the top management.

The Corporate Risk Profile is the document in which the Company identifies the complete picture of the significant risks to which it is exposed (both operational and compliance risks), and the Risk Officer function is responsible for monitoring and updating the same, based on the information on risk management and assessment collected from the Group's Risk Owners.

The results of the six-monthly Risk Assessment monitoring and the annual update of the Group's Corporate Risk Profile are shared, as far as they are competent, with senior management and are presented to the Control, Risk and Sustainability Committee and the Board of Directors of the Parent Company.

During 2023, the assessments carried out by the Risk Owners on the risk portfolio considered the direct and indirect effects of the complex geo-political scenario, consequently assessing not only the impacts but also the suitability of the risk management measures adopted by the Company.

The risks of the Saras Group

The types of risks that the Saras Group must manage are both financial – such as exchange rate, interest rate, credit, and liquidity risk – and **operational and compliance risks**.

The main risks with repercussions on sustainability topics (environmental, social, governance & business) are listed below:

Scope	Risk	Potential Risk Events
Climate change	Climate change (transition risk and physical risk)	• evolution of the political, regulatory, technological and market context on Decarbonization and Energy Transition that may generate risks on the business and/or a negative assessment by financial stakeholders of the sustainable business strategy. • intensification of weather phenomena with repercussions on business continuity and the supply chain.
Environment	Risk in the field of environmental compliance	• Inadequate risk management in the environmental field
	Environmental contamination	• Environmental contamination, accidental spillage of petroleum product into the sea • Environmental, soil and groundwater contamination due to accidental spillage of petroleum product due to leakage, rupture or operational errors
	Exceeding the legal emission limits for water discharges/emissions into the atmosphere	• Exceeding the legal emission limits for water discharges/emissions into the atmosphere
Occupational Health and Safety	• Serious accidents, or potentially accidents, to people and breakage and damage to systems with environmental consequences	• Serious or potentially serious accidents to people during the production process • Serious or potentially serious accidents involving contractors directly or indirectly. • Inadequate risk management in the field of Health and Safety in the Workplace • Significant breakage or damage to systems during the production process • Inadequate management of maintenance work on plants and machinery • Unauthorized entry of people and vehicles into the Sarroch industrial site
	Biohazard/Pandemic	• Biohazard/Pandemic - Virus resurgence scenario

Scope	Risk	Potential Risk Events
Cybersecurity	Cyber-attack on the availability of the system and the integrity of the information contained in the system	• Cyber-attack on the availability of the distributed plant control and management system (ICS) • Cyber-attack on the integrity of the information contained in the distributed plant management and control system (ICS) • Malfunction of the Distributed Plant Management and Control System (ICS) as a result of maintenance (Sarlux)
	Loss of data as a result of a cyber-attack on the confidentiality of information contained in ICT systems	• Cyber-attack on the confidentiality of information contained in ICT systems. • Violation of Privacy Policy • Inadequate supervision of the Cyber Security Model (NIS/231) with potential cyber-attack on ICT/ICS systems
Regulatory developments	risk in the field of tax compliance	• Inadequate monitoring of compliance risk in the tax field
	Essentiality Regime	• Change in national legislation or change of conditions in the Sardinian electricity grid, with modification of the essential conditions of the IGCC power plant
	Risk in the field of Market Abuse compliance	• Inadequate monitoring of compliance risk in the area of Market Abuse
	Anti-corruption compliance risk	• Inadequate oversight of compliance risk in the Anti-Corruption area
	Risk in the context of Anti-Money Laundering audits on counterparties	• Inadequate risk management in the area of Anti-Money Laundering Checks on counterparties
	Risk in the field of (electrical) regulations applicable to the business	• Inadequate risk management in the field of (electrical) regulations applicable to the business
Third-party risk	Recourse to a supplier or contractor that is inadequate in terms of skills, size, insurance, know-how, etc.	• Recourse to a supplier or contractor that is inadequate in terms of skills, size, insurance, know-how, etc.
	Risk of Interruption of Supply by a Supplier / Unavailability of a Strategic Supplier	• Disruption of supplies by a strategic (non-oil) supplier • Risk of unavailability of a strategic utility supplier
Counterparty Risk (oil)	Counterparty risk of suppliers/customers of petroleum products (oil)	• Inadequate risk management in the field of International Sanctions • Risk of non-"acceptable" Commercial Counterparties (e.g. under embargo, with a "bad" reputation)
Personnel management	Risks related to personnel management	• Inadequate risk control in the field of labour law • Organizational structure unable to support the outlined strategy • Key managerial positions that are vacant • Employees' strike and social partners' protests. • Friction and/or resistance of staff to accept changes in strategy, organization or operating methods. • Loss of staff with key skills or specific know-how

For each of the above risks, the main mitigation actions are outlined below:

Risk	Cause	Management Methods and Mitigating Factors
Climate Change		
• Climate change (transition risk and physical risk)	• Changed market/ regulatory scenario. Unsuitable/delayed reaction to the evolution of the scenario related to Climate Change and energy transition issues. • Natural event. Overload and/or damage to company assets resulting in slowing down and/or blocking production.	• Initiatives to increase energy efficiency; maintenance/ upgrade of the asset to improve environmental performance and adapt production (biofuels). Carbon Capture and Utilisation and Green Hydrogen projects. Development of renewables and green businesses. • Insurance coverage; Inclusion of contractual clauses related to weather events (force majeure); HSE management system; interventions for rainfall management; optimisation of water supply; specialized staff training on technical and HSE topics; operating procedures for the management of these events and for the safety of the plants.
Environment		
• Environmental contamination • Exceeding the legal emission limits for water discharges/emissions into the atmosphere • Risk in Environmental Compliance	• Operational error; accident; Violation of operating procedures	• Adoption of an Environmental Management System compliant with ISO 14001:2015 and the Community Eco-Management and Audit Scheme (EMAS). Dissemination of the culture of environmental sustainability through training and continuous information activities. Enhanced operational planning. Monitoring of activities (internal/external audits). Presence and application of a sanctioning system. • Preparation of sets of procedures aimed at defining the methods for identifying and managing the risks deriving from the production process and operational changes.
Occupational Health and Safety		
• Serious or potentially serious accidents to persons • Breakage and damage to systems with environmental consequences	• Inadequate training on safety issues. Inadequacy of safety rules. Violation of security rules and/or procedures (e.g.: "forcing" blocks) and/or operational error. • Insufficient monitoring of the contractor or on-site staff. Interference between the staff of the different companies.	• Adoption of an Occupational Health and Safety management system and obtaining EN ISO 45001 certification. Dissemination of the culture of safety through training and continuous information activities. Enhanced operational planning. Monitoring of activities (internal/external audits). Presence and application of a Sanctioning System. Process Safety Management and system automatisms (safety and integrity of the systems). Use of BBS (Behaviour Based Safety). Enhancement of predictive monitoring (e.g. "digital" monitoring, definition of analytical monitoring sets). • Preparation of sets of procedures aimed at defining the methods for identifying and managing risks arising from the production process and operational changes (risks to health, safety and major accidents). • Improvement of the DUVRI (for the management of interference risks). Points-based rating system for all contractors. • Implementation of three categories of maintenance interventions: preventive, predictive and "breakdown". Preparation of intervention sheets and periodic checks. Complete overhauls of some critical systems with the collaboration of the manufacturer. Existence of a process for the selection of maintainers. Enhanced predictive monitoring.

Risk	Cause	Management Methods and Mitigating Factors
Cyber Security		
• Cyber-attack that compromises the integrity, availability and/or confidentiality of the information in the system	• Poor level of security of the systems	• Centralized management of Cyber Security and dedicated support functions both on the ICT side and on the ICS side (Industrial Control System of refinery plants), with the aim of addressing cybersecurity threats, supporting the business in choosing the most appropriate safeguards, increasing awareness of the importance of monitoring and controlling activities and disseminating techniques and technologies available to support Information Security. • Ongoing Cyber Security project aimed at improving the positioning of the Saras Group towards the potential risks of cyber-attacks (Cyber Security Posture) in accordance with the Maturity and Security Level objectives defined in the company program. Risk Assessment activities in order to identify the main areas of cyber risk, to direct the allocation of resources and the prioritization of activities on the areas identified as most critical. • Staff training and awareness-raising actions. Supervision of regulatory developments on the subject.
Privacy		
• Violation of Privacy Policy	• Constant evolution of the reference legislation and increase in the attention of Regulators in the privacy field • Failure to comply with the privacy instructions given to internal staff • Violation of the privacy instructions provided to Providers who process data on behalf of the Company.	• Definition of roles and responsibilities of organizational supervision (Resp. Privacy, appointment of Data Managers, appointment of Persons Authorised to Processing, appointment of System Administrators (AdS) and appointment of External Data Processors). • Constant monitoring of regulatory developments and sanctioning measures issued by the Guarantor Authority. Data Protection training and awareness for internal staff. Preparation of DPA (Data Protection Assessment) for the regulation of relations with Data Processors. • Preparation and formalization of the DPIA (Data Protection Impact Assessment). Definition and adoption of Privacy Compliance Guidelines in accordance with the provisions of the GDPR.
Third-party risk		
• Use of a supplier or contractor that is inadequate in terms of skills, size, insurance, know-how, etc. • Risk of Supply Disruption by a Supplier / Unavailability of a Strategic Supplier	• Inadequate supplier selection process and/or incorrect assessment/estimation of key competencies. • Damage to the consortium aqueduct. Strategic oxygen supplier's production shutdown unexpectedly. Blackout.	• Structured supplier qualification process that provides for an "ok" from the Asset Management function for critical commodity groups and, if necessary, also the involvement of additional technicians and experts. Every single offer, even if from a qualified supplier, must still be validated by a technician. • Presence of seawater desalinators, synergistic collaboration with the strategic oxygen supplier, presence of auxiliary electricity generators. The construction of a new desalination plant is in the start-up phase.
Counterparty risk (oil)		
• Counterparty risk of suppliers/customers of petroleum products (oil)	• Continuous changes in the international scenarios in the field of Duties, Sanctions and Interdictions	• Internal procedures and guidelines for the prior assessment of the counterparty's reliability (clearance activities - Know Your Counterpart). Use of specialized companies/use of tools and information sources. Request for data and information from the customer. • Presence of organizational safeguards. Continuous contacts and activation of any internal and external legal opinions. Use of various information sources such as OFAC, Reuters (Thompson World Check) and Bloomberg lists necessary to monitor states and counterparties at risk.

Risk	Cause	Management Methods and Mitigating Factors
Regulatory developments		
• Inadequate protection of the risk of regulatory changes • Incorrect / delayed reaction to an evolution of the applicable legislation	• Evolution of EU and national legislation. • Increasing attention from Regulators	• Formalized organizational controls dedicated to the control of compliance with the regulations. Presence of formalized and defined policies and procedures at the organizational level. Presence of training and communication plans. Monitoring of the channels responsible for the communication of regulatory news. Participation of the Group in industry associations. Revision of production structures and planning of the necessary investments. • Structured monitoring system on regulatory changes and evolutions and possible impacts and presence of a reporting system to management and top management and, where required, to the outside world.
Personnel management		
• Risks related to personnel management	• Inability to follow the evolution of the competitive environment • Misalignment of roles and responsibilities with respect to strategic objectives. • Absence of a proper succession plan. • Internal/external conditions influencing the retention of higher-professional resources	• Involvement of staff to better manage organizational changes with related possible repositioning. Structural interventions to improve organizational flexibility. • More articulated discussions with the social partners on the organization of work and on the tools that can be used to create greater efficiency and productivity (including needs and opportunities that corporate "welfare" can feed). • Improvement of planning and control processes and activities for a more efficient use of resources. Review and update roles and responsibilities. Recovery of operational capacity. • Knowledge and supervision of the skills of internal staff (potential replacements able to fill the position). External mapping of professionalism with reference to the oil sector. • Continuous monitoring of the evolution of the scenarios and resources present: external (labor market) and internal (hiring planning, handover, retirements). Turnover management.

Analysis of the effects of the geo-political scenario on the Corporate *Risk Profile*:

Also in 2023, as in 2022, there was a combination of events, some of which were interrelated, that destabilized the global macroeconomic context and the energy and financial markets. Please refer to the chapter "Geopolitical Context 2023 and Saras in Figures" for more information.

As a result, the evaluations made by the risk owners on the risk portfolio took into account the direct and indirect effects of the complex geopolitical scenario, assessing not only the impacts but also the adequacy of the risk management measures adopted by the Company.

The Group's Corporate Risk Profile includes a total portfolio of 93 risks. In the second half of 2023, a reduction in the assessment, in terms of probability and impact, of 4 risk events (with assessment ranging from medium to medium-high) was reported for the areas of energy transition, international sanctions, tax, and concessions and authorizations.

From the in-depth analyses with the risk owners, it emerged a substantial adequacy of the measures implemented for risk management and mitigation, as well as a positive framework on the adequacy of the control and risk management activities adopted by the Company.

It is worth noting that particular attention was paid, especially in the first half of 2023, to market risks, tax risks, and risks related to international sanctions; for the latter area, a thorough analysis of the existing control system was carried out, and additional measures were identified to strengthen its effectiveness.

Respect for Human Rights

Respect for human rights, diversity, and inclusion, as well as the commitment against any form of discrimination, have always characterized Saras' way of operating. In line with national and international regulations[1], the Group has expressed its commitment to respecting human rights within its Code of Ethics and Policies, particularly in the Human Rights Protection Policy approved by the Board of Directors in February 2024, and works to promote them in all its controlled companies.

The Group also safeguards human rights along the supply chain of goods and services necessary for the activities of each of its controlled entities through careful assessments of the suitability of suppliers of goods and services (non-oil). In addition to verifying technical and economic capabilities, supplier companies must comply with regulations in the areas of human rights, health, safety, and the environment.

Saras Group shares with companies the Human Rights Protection Policy, its Code of Ethics, and the Sustainability Policy, demanding respect for the values contained in these documents and thus promoting human rights protection. Specifically, during the 2023 fiscal year, no incidents of discrimination were reported.

Regarding the screening of risks related to human rights respect, Saras has not identified any critical topics internally, and this result was also confirmed by the 2023 materiality analysis, which revealed that the topic of human rights respect is not material for the Group.

Specifically, concerning the respect and protection of workers' human rights (child labor, forced labor, etc.), in addition to the principles of the Code of Ethics and Policies, full guarantee is provided by the laws in force in the countries where the Group operates - namely Italy, Spain, and Switzerland. These laws are indeed in line with the principles contained in the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, the Fundamental Conventions of the International Labour Organization, and the United Nations Guiding Principles on Business and Human Rights.

Conversely, the Group is aware that cases of human rights violations of workers could occur in certain areas of the petroleum value chain, particularly in the "Upstream" segment, which engages in hydrocarbon exploration and production activities, even in countries with inadequate human rights protection conditions. In this regard, the Group does not engage in commercial relations with countries included, in various capacities, in international "Blacklists" or subject to embargo measures.

Similar considerations apply to the respect for Collective Bargaining Rights and Freedom of Association, which the Group protects for all its workers. This leads to the conclusion that even this category of risks and impacts is not material for Saras.

It is worth noting, however, that Collective Bargaining Rights and Associative Freedom may not be respected in certain companies in the petroleum value chain, once again predominantly operating in the "Upstream" sector, in countries where such rights are sometimes neglected or denied. In this case as well, in compliance with the principles contained in the Code of Ethics and the company's Sustainability Policy, Saras Group does not engage in commercial activities with such counterparts.

1. Constitution of the Italian Republic, United Nations (UN) Universal Declaration of Human Rights, Fundamental Conventions of the International Labour Organization (ILO), EU Regulation 679/2016 (GDPR- General Data Protection Regulation), Principles of the UN Global Compact on Human Rights, Labour, Environment and Anti-Corruption, Guidelines of the Organisation for Economic Co-operation and Development (OECD) for Multinational Enterprises, UN Women's Empowerment Principles, UN Sustainable Development Goals, United Nations Convention against Corruption (UNCAC).

Privacy & Sensitive Data

[418-1]

The Saras Group has adopted a continuous improvement model for the personal data protection system to address regulatory changes and ensure full Data Protection compliance for the Group. In this context, Saras has identified and implemented appropriate technical and organizational measures to enhance the protection of the processed personal data, in accordance with the principle of accountability and following a risk-based approach.

The purpose of the privacy program is to define the structure, basic expectations, objectives, plans, and processes of business initiatives involving the processing of personal data. It also defines the key components to ensure information safeguarding, aiming to achieve the following principles:

- Strengthening the ability to proactively identify, assess, and mitigate significant risks related to the processing of personal data and the use of confidential information.
- Foster greater trust from data subjects in the effective safeguarding of their confidential information.
- Encourage a cultural change where safeguarding confidential information and protecting personal data are prerequisites for all business activities, promoting awareness initiatives directed at the workforce involved in personal data processing activities.

To this end, the Group has established a robust Data Governance model, which has been implemented through the adoption of a Data Protection Organizational Model, aimed at clear and effective distribution of roles and responsibilities, both within the Group and within each Company, regarding the personal data processing operations carried out. Saras' Data Protection Organizational Model is based on the identification, consistent with the organizational structure, of specific structures and roles responsible for performing tasks related, on one hand, to Governance and Oversight, and on the other hand, to Implementation and Management of the Data Protection System, establishing mechanisms for task distribution and allocation accordingly.

Furthermore, in a continuous improvement perspective, the Group is constantly engaged in updating the mapping of processing activities carried out, as well as monitoring data flows both internally and externally to the Organization, exclusively relying on partners and suppliers who provide guarantees of reliability and a high degree of compliance with Data Protection regulations and applicable standards in information security.

The Group also commits to providing transparent information to data subjects regarding the processing operations carried out and ensuring timely responses to all requests received from data subjects, through the provision of a dedicated email address for receiving reports (privacy@saras.it) and the adoption of appropriate internal processes for their timely management in compliance with regulatory standards. In the course of 2023, no complaints, reports, complaints, and/or disputes regarding privacy violations were recorded from data subjects, nor from Authorities or regulatory bodies. Additionally, the total number of detected data leaks, thefts, or losses reported was zero.

Prevention of corruption

Saras condemns corruption in all its forms and is committed to promoting the legality and ethics of business.

The Saras Group has carried out an analysis of the corruption risks to which it may be subject, has identified the functions/areas potentially most exposed to such risks, the responsibilities and the control measures envisaged and adopted to prevent acts of corruption.

The Group has therefore long had a Code of Ethics and a Regulatory System consistent with it; since 2015, it has included in its Organizational Model the crimes of corruption provided for by Legislative Decree 231/2001; and since 2014 has formalised a Group Anti-Corruption Guideline, which addresses and describes behaviours and processes also in the field of corruption and fraud prevention.

The Anti-Corruption Compliance Guideline aims to provide a systematic framework of reference on anti-corruption, designed and implemented to prevent corruption in relations with public or private entities, as well as to ensure compliance with the anti-corruption laws in force in the individual countries in which the Group companies operate. It sets out the rules of conduct, the general principles of control, identifies the main risks, sensitive areas and specific control principles for these areas.

The Compliance Guideline on Fraud Prevention completes the framework for addressing ethical issues, framing the concept of "fraud" in the business context, providing the general principles of control, indicating the actions for the prevention, detection and management of fraudulent conduct, the sensitive areas, and the specific control principles for these areas.

Regarding these issues, there is a channel for communicating and managing reports concerning potential irregularities (alleged violations of laws, the Group's Code of Ethics, the Organisational Model and the provisions of the company's Regulatory System) defined in a specific procedural document.

Since December 2022, following the entry into force of the EU Whistleblowing Directive 2019/1937, the whistleblowing system has been integrated with a Whistleblowing Platform (produced by a market leader company specialising in the management of protected whistleblowing systems) accessible from the website of the parent company Saras and from the websites of its subsidiaries, to employees, suppliers, customers, partners or other external stakeholders, which guarantees the stringent requirements imposed by the new legislation.

In addition, following the publication, in March 2023, of Legislative Decree no. 24 transposing the European Directive and the issuance of the ANAC Guidelines (the body identified as the control body on the subject), the Company has updated the Group procedure "Management of reports of potential violations" and its Organization, Management and Control Model.

[205-3]

The audit activities carried out in 2023 also covered topics related to the prevention of corruption, especially in the areas considered most sensitive, concluding that no corruption incidents were detected in 2023.

Key Risk Indicator (KRI)

The Group has embarked on a path aimed at optimising and strengthening the company's internal control system through a fraud prevention project.

Since 2015, analyses have been carried out on "sensitive" processes (such as Procurement, Off-Network Sales, Maintenance, Materials Warehouse and Oil Logistics Management) aimed at assessing the anti-fraud safeguards in place at the Company, to detect any weaknesses and define possible "remediation" actions.

In some of the processes examined, Key Risk Indicators (KRIs) have been implemented aimed at the continuous and automated monitoring by department managers of certain phenomena to intercept any anomalies or potential cases of fraudulent conduct. The KRIs are monitored by the department heads and, during audits, by the Internal Audit.

In 2023, the analysis of the indicators by the department heads did not reveal any critical issues.

INVESTIGATIONS BY THE PUBLIC PROSECUTOR'S OFFICE OF CAGLIARI

It should be noted that on 24 December 2021, the Public Prosecutor's Office at the Court of Cagliari notified the Company of the closure of the investigations, of which the Company itself had been informed since September 2020 in relation to the involvement, at the time, of only some of its executives.

These investigations concern purchases from the Autonomous Region of Kurdistan, through the trading company Petraco Oil Company, of crude oil allegedly "of criminal origin as they lack SOMO certification (Iraqi National Hydrocarbon Company) and therefore illegally stolen from the Iraqi State" and concern the crimes referred to in art. 479 and 648 Ter of the Criminal Code as well as, with reference to the Company, the administrative offence referred to in art. 25 octies of Legislative Decree 231/2001 in relation to art. 648 ter of the Criminal Code.

The GUP of Cagliari, accepting the requests of the defences in full, at the end of the hearing on 29 November 2022 pronounced a sentence of non-prosecution against the Company and all the executives under investigation because the fact does not exist. Within the terms of the law, the Public Prosecutor's Office appealed the sentence in relation to the position of the natural persons, while the sentence against Saras SpA became final.

At the time of drafting these financial statements, following the appeal of the Public Prosecutor only against natural persons, the trial was assigned to the First Section of the Court of Appeal of Cagliari (R.G. 174/2023). A first hearing was held on March 5, 2024, and a further hearing was set for replies, on May 21, 2024.

Mechanisms to request clarification and raise concerns

The Saras Group has adopted a whistleblowing management system for all Group companies, in Italy and abroad.

[2.26]

As required by the Group's Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree no. 231 of 2001, the EU Whistleblowing Directive 2019/1937 and Legislative Decree 24/2023, the Saras Group has adopted a whistleblowing management system that allows it to receive and manage reports, including anonymous ones, received by Saras and its subsidiaries in Italy and abroad.

Reports can be made by anyone, employees, suppliers, customers, partners, or other external stakeholders, even anonymously, and are processed in such a way as to guarantee the confidentiality of the whistle-blower's identity and protect whistle-blowers against any form of retaliation, discrimination or penalization for reasons related, directly or indirectly, to the report.

Reports of potential irregularities may concern conduct carried out by people of the Saras Group in violation of the law, the Group Code of Ethics, Model 231, and serious violations of the provisions of the Company Regulatory System.

The results of the investigation conducted by Internal Audit on the reported cases are submitted to the attention of the Control, Risk and Sustainability Committee, as well as, for the reports of their respective competence, to the Supervisory Body and the top management of each Subsidiary concerned.

Classification of potential irregularities

Bribery - in violation of laws and/or internal regulations, accepting money, favours or benefits from public or private persons or companies or giving money or other benefits to public or private persons or companies, in order to obtain an advantage for oneself and/or the company.

Conflict of Interest - accepting or granting illegitimate favours, soliciting personal and career advantages for oneself or others, misusing one's position in the Company or information acquired in one's work in relationships with suppliers, customers, or other third parties for personal interests.

Competition - anti-competitive practices aimed at distorting free market competition.

Financial Crime – falsification, alteration of information or data in company books, reports, forms or other documents used internally or externally.

Fraud - misappropriation of company money, assets, equipment; events of shortages or unjustified loss of materials, products, equipment, money, and valuables; misuse of company materials or assets.

Harassment and discrimination – physical, verbal, sexual and/or psychological harassment and abuse; discriminatory behaviour based on race, gender, nationality, political opinion, sexual orientation, social status, age, and religious beliefs.

International Trade Controls - violation of rules or regulations that restrict or prohibit the transfer of goods to specific countries or counterparties.

Human rights and health of individuals – violation of laws, guidelines, regulations, or procedures relating to workplace safety and/or human rights.

Serious damage to the environment – violation of environmental laws, guidelines, regulations, or procedures.

Other violations of the Code of Ethics or of laws and regulations - violations, which do not fall under the previous examples, of national or European Union regulatory provisions, of the Code of Ethics, of the Organization, Management and Control Model, of the Policies, of the Regulations; violation of guidelines, company procedures; disclosure of information covered by secrecy or inside information.

SARAS GROUP WHISTLEBLOWING SYSTEM

As part of the system for reporting potential violations of laws, the Group's Code of Ethics and the Model pursuant to Legislative Decree 231/01, following the entry into force of the EU Whistleblowing Directive 2019/1937 and Legislative Decree 24/2023, the Saras Group has adopted an IT platform for reporting potential irregularities (so-called "Whistleblowing"), which has been added to the channels already present (e-mail and mail), and is accessible from the Saras website and from the websites of its subsidiaries, in all the languages used at Group level (Italian, English and Spanish).

The new platform is able to meet the most stringent requirements of European legislation, and is accessible 24 hours a day, 7 days a week not only to Group employees, but also to suppliers, customers, partners or other external stakeholders, ensuring maximum protection of the whistle-blower and full compliance with the European Whistleblowing Directive 2019/1937 and Legislative Decree 24/2023.

The report is made via an encrypted connection, and the IP address and geolocation are not stored at any time. Whistle-blowers are given access to a confidential Inbox so that they can receive updates on the status of the report and be able to communicate any further information (even while remaining anonymous).

The data provided by whistle-blowers are stored in a database of an independent company that ensures maximum protection of the information; All data stored in the database is encrypted using state-of-the-art technology. Access to the data contained in the Whistleblowing platform is allowed only to personnel authorised to manage reports.

Communication of critical issues and Reports

[2.16]

Reports of potential violations, sent by employees/ collaborators or external third parties, may concern conduct carried out by people of the Saras Group in violation of the law, the Group Code of Ethics, Model 231 and serious violations of the provisions of the Company Regulatory System.

Reports are managed by the Internal Audit function in line with internal procedures and in accordance with the requirements of the EU Whistleblowing Directive 2019/1937 and Legislative Decree 24/2023. All reports received are reported to the Control, Risk and Sustainability Committee at Group level. In the event of reports relating to violations of the Code of Ethics or the "Organisation, Management and Control Model", the reports are communicated to the Supervisory Body of the company concerned ("SB"), as indicated in the respective Organisation, Management and Control Models.

In 2023, 2 reports were received, anonymously, concerning:

- the HSE area is related to the training course provided on the IEP (Internal Emergency Plan) in e-learning, which did not explicitly highlight which of the emergency procedures mentioned in the course were not yet in force;
- the extra-network commercial area in Italy, in which misconduct by a resource in the commercial sector was reported, with the granting of discounts to customers beyond the delegation limits. No acts of corruption were highlighted.

In both cases, the Internal Audit Manager carried out an investigation and the appropriate action was taken; In both cases, the whistle-blower was given feedback on the results of the verification (through the reporting platform).

Conflict of Interest

[2.15]

Transparency with regard to situations that may generate conflicts of interest is guaranteed first of all by the information that must be provided in relation to transactions with related parties, pursuant to IAS 24, paragraph 9 ("Financial statements on transactions with related parties") in the Financial Statements published by the Company, as well as by the annual publication of the Report on Corporate Governance where, In particular, the composition of the company's shareholders is reported as well as the main content of any shareholders' agreements.

The Company adopted a Procedure for Transactions with Related Parties amended in 2021 to take into account the new regulatory regime applicable following the issuance of Legislative Decree 49/2019 transposing Directive (EU) 2017/828 (so-called "Legislative Decree 49/2019"). "Shareholder II" or SHRD2") and, consequently, Consob Regulation no. 17221 of 12 March 2010 as amended.

This Procedure sets out the procedures for approving and executing transactions carried out by the issuer, or its subsidiaries, with related parties, defining the specific transactions (or the criteria for their identification) that must be approved by the Board of Directors after obtaining the opinion of a special Committee for Transactions with Related Parties, made up of independent directors.

On a quarterly basis, the Company's directors, statutory auditors and strategic managers are required to disclose all entities in which they (or their immediate family members) exercise control, joint control or significant influence or in which they (or their immediate family members) hold, directly or indirectly, a significant share of not less than 20% of the voting rights in order to prevent any conflicts of interest.

Material Impact Management and Sustainability Reporting

[2.12; 2.13; 2.14]

The Board of Directors supervises due diligence and other key processes to identify and manage the Group's material impacts on the economy, the environment and people, both directly through the specific "Direction and Strategies" and "Control, Risk and Sustainability" committees of the Board, and indirectly through a specially established management role called "Head of Sustainability & Investor Relations". reporting directly to the Deputy Chief Executive Officer and General Manager.

Among the various tasks of the Head of Sustainability & Investor Relations is the preparation of the Consolidated Statement of Non-Financial Information pursuant to Legislative Decree 254/2016 and according to GRI standards (the so-called Sustainability Report), also including verification activities by the auditing firm and the production of specific summary documents for internal and external communication purposes of the Group.

In addition, the Head of Sustainability & Investor Relations reports periodically to the Board of Directors, in particular on the occasion of the identification and reporting of ESG objectives and the approval of the Sustainability Report. Specifically, it illustrates the draft of the Sustainability Report to the Control, Risk and Sustainability Committee which, after making changes/additions deemed appropriate, proposes it for discussion and approval by the Board of Directors.

The Head of Sustainability & Investor Relations also oversees the development of ESG initiatives (such as, for example, the analysis of the alignment between the Corporate Sustainability Strategy and the UN Sustainable Development Goals, engagement activities with stakeholders, and activities related to the management of ESG ratings), and more generally promotes the culture of sustainability at all levels of the organization.

Collective knowledge of the highest governing body

Regarding the measures adopted to develop collective knowledge, skills, and experience of the highest governing body regarding sustainable development, as mentioned earlier, the Board of Directors of Saras has established the Control and Risks Committee and Sustainability, with advisory and propositional functions towards the Board, also concerning sustainability topics.

Specifically, during the 2023 fiscal year, the Committee received briefings from the Chief Energy Officer and the Head of Sustainability & Investor Relations on the following topics:

- Examination and evaluation of the draft Sustainability Report for the year 2022.
- Examination and evaluation of the Key Performance Indicators system in the Environment, Social, and Governance (ESG) area: results for 2022, definition of indicators for 2023, and their respective target values.
- Information regarding ongoing activities related to the review of ESG Ratings.
- Briefing on the updates introduced by the Corporate Sustainability Reporting Directive (CSRD) and the new ESRS standards prepared by EFRAG (European Financial Reporting Advisory Group).

Additionally, the Committee received briefings on activities related to the energy transition from the Chief Energy Officer and the Chief New Initiatives Officer:

- Progress of the project for the construction of the Helianto photovoltaic park, which will cover an area of approximately 100 hectares, with an installed capacity of about 80MW and an expected annual production of 144 GWh, expected to start operating in June 2024.
- Progress of new initiatives in the field of wind projects in Sardinia.
- Initiatives related to decarbonizing the production cycle of the refinery: the establishment of the Sardhy Green Hydrogen Company (50% Enel Green Power and 50% Saras) for the production of green hydrogen; projects aimed at improving the energy efficiency of the Refinery and reducing direct CO_2 emissions.
- Initiatives related to decarbonizing the product

with the production of Biofuels, Hydrotreated Vegetable Oil (HVO), and Sustainable Aviation Fuel (SAF).
- Studies on Carbon Capture & Utilization to produce e-fuels and on Waste to Fuel for the use of waste materials, such as end-of-life tires (ELTs), for fuel production.

Evaluation of the performance of the highest governing body

[2.18]

The Board of Directors shall carry out, at least once every three years and in any case with a view to its renewal, an assessment of the size, composition and functioning of the Board and of the Committees within it, as well as the role that the Board of Directors has played in defining strategies and monitoring the performance of operations and the adequacy of the internal control and risk management system.

The self-assessment process, with the support of the Remuneration and Appointments Committee, is coordinated by the Chairman who is responsible for monitoring the implementation of any improvement actions defined because of this assessment. This process provides for the sharing of a detailed questionnaire with the Directors, with the possibility, where requested by the Directors, of specific interview sessions on the topics they consider relevant for the assessment. In addition, each Committee periodically reports to the Board of Directors on its activities.

The self-assessment process as well as the activities of the Board Committees are reported in the Report on Corporate Governance, published on the Company's website, and made available to shareholders at the Shareholders' Meeting to approve the Financial Statements.

Remuneration policies

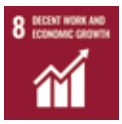
[2.19; 2.20]

All the information required under Disclosure GRI 2-19 and 2-20 is available in the Report on the remuneration policy and fees paid (the "Report") of Saras SpA, approved by the Shareholders' Meeting on 28 April 2023 and published on the company's corporate website.

The Report indicates, among other things:

I. the procedure used for the drafting, revision and implementation of the Remuneration Policy adopted by the Company (the "Policy");
II. The remuneration policy with reference to:
    - to the members of the Board of Directors;
    - to the most senior executives;
    - to the members of the Control Bodies;
III. the ways in which the Policy contributes to the Company's corporate strategy, the pursuit of long-term interests and the sustainability of the Company;
IV. the way the Company considered the vote expressed in the previous year by the Shareholders' Meeting.

OUR PEOPLE



Human Resource Management

The commitment, professionalism, dedication, and integrity of its people are fundamental elements for the Saras Group to ensure growth and prosperity for its business and the communities it serves.

Investing in people, including initiatives that facilitate continuous learning and the ability to contribute to change, remains crucial to ensuring the sustainability of our business and "embarking together on a Transformation that enhances our value."

To this end, Saras bases its relationships with people on transparency, integrity, and mutual trust, valuing the professionalism and merit of its employees. It ensures - without any discrimination - opportunities for growth and professional development while respecting the principle of recognizing the contributions made. This is achieved through fair and consistent remuneration systems aligned with the responsibilities assigned.

The Group is constantly committed to promoting a work environment that feeds the sense of belonging to an organisation capable of increasing the value perceived by the community it belongs to.

Staff is selected based on the profiles of candidates matching the company's needs, by the principles of transparency, fairness, and equal opportunities.

The reference documents for this matter are the Code of Ethics, the Policies and, in particular, the "Human Resources Process Guidelines". This latter document, valid for all Group companies, aims to regulate the activities and processes related to the management of human resources, and the organisational system and internal communication. It also aims to identify the roles and responsibilities of the various actors involved in the Human Resources process.

With the aim of supporting its evolution from pure refiners to sustainable energy players, the Group has made some significant organizational changes geared towards developing a business model that complements the refining industry with renewable energy, in continuity with the path already initiated in recent years.

Alongside the Market Units for refining and electricity generation, both from conventional and renewable sources, a new organization dedicated to New Initiatives has been established. This entity is responsible for coordinating the development of projects aimed at seizing the opportunities offered by new technologies for decarbonization and promoting the integration of new energy sources within the refining activity.

Simultaneously, the Energy organization has focused on developing projects and partnerships aimed at achieving the goal of 1 GW of installed renewable capacity by 2028 and on initiatives to accelerate the convergence between conventional and renewable energy businesses.

Concurrently, the Energy organization concentrated on developing projects and partnerships aimed at the 2028 goal of 1 GW installed renewable capacity and on initiatives that foster the convergence between the conventional and renewable energy sectors.

The organizational framework also encompasses the Oil Supply Chain organization, which now reports directly to the Deputy CEO. This area of the business is charged with guiding the definition of processing programs, harmonizing inputs from the Industrial and Commercial organizations to optimize operational and commercial leverage.

As part of the Group's evolutionary journey, the Industrial organization saw the legal merger of Sartec into Sarlux on July 1, 2023. This new corporate configuration provides the agility necessary to achieve

efficiency goals crucial for sustainable business operations, thanks to the resultant organizational and process synergies. The merger also signifies a significant investment in the Group's workforce, recognizing that their skills and participation are vital for strategy execution.

Post-merger, Sarlux defined a new employer structure. In alignment with this framework and as a continuity of past organizational progress, the integration of the Industrial organization was finalized to enhance its contribution to the Group's strategic goals. This includes executing production plans and increasing asset availability. Key factors of this change included the vertical integration of production processes, emphasis on critical processes for efficiency and sustainability, skill development for embracing change, and interdepartmental synergy.

Among the Corporate Staffing Units, the repositioning of the Sustainability & Investor Relations organization is particularly significant, now reporting directly to the Deputy CEO. This move underscores the strategic importance of sustainability for the Group's future.

Workforce

As of 31/12/2023, the Group's had 1,591 employees, most of whom were based in Italy (96% of the total) and, in particular, in Sardinia (86%).

The Group company with the highest concentration of personnel is Sarlux Srl, which at the end of 2023 had a workforce of 1,203 people (76% of the total), which shows an increase compared to the previous year following the merger by incorporation of Sartec into Sarlux. Since July 1st, 2023, the employment relationship of employees coming from Sartec has continued with Sarlux without any interruption and without change in the place of work.

The Saras Group companies pay great attention to ensuring the development of professionalism that meets their production and organizational needs, with a long-term sustainability logic regarding the "employability" of each employee. In this regard, it is also explained how 99.9% of the Group's workforce has a permanent contract.

From the perspective of employment type, the Group demonstrates a certain homogeneity: 97% of women and nearly all men work full time. Moreover, where conditions allow, the Group is committed to meeting requests for part-time employment. The Group does not employ staff under contracts with uncertain or on-call hours.

Total number of employees by country

Country		2021	2022	2023
Italy	**no.**	**1,504**	**1,512**	**1,529**
Lombardy	*no.*	121	120	126
Sardinia	*no.*	1,355	1,364	1,374
Liguria	*no.*	15	15	15
Lazio	*no.*	13	13	14
Spain	**no.**	**34**	**32**	**34**
Switzerland	**no.**	**34**	**32**	**28**
Total	**no.**	**1,572**	**1,576**	**1,591**

Total number of employees by company

Company		2021	2022	2023
Saras Spa	*no.*	250	251	271
Sarlux Srl	*no.*	1,073	1,087	1,203
Sartec Srl	*no.*	137	123	-
Sardeolica Srl	*no.*	29	36	40
Deposito di Arcola Srl	*no.*	15	15	15
Saras Energia SAU	*no.*	34	32	34
Saras Trading SA	*no.*	34	32	28
Total	**no.**	**1,572**	**1,576**	**1,591**

Total number of employees by employment contract, by gender

	2021			2022			2023		
	F	M	Total	F	M	Total	F	M	Total
Permanent	209	1,360	1,569	201	1,366	1,567	201	1,388	1,589
Temporary	2	1	3	2	7	9	1	1	2
Total	**211**	**1,361**	**1,572**	**203**	**1,373**	**1,576**	**202**	**1,389**	**1,591**

Total number of employees by employment contract, by region

	2021			2022			2023		
	Permanent	Temporary	Total	Permanent	Temporary	Total	Permanent	Temporary	Total
Italy	**1,501**	**3**	**1,504**	**1,503**	**9**	**1,512**	**1,527**	**2**	**1,529**
Lombardy	120	1	121	118	2	120	126	0	126
Sardinia	1,355	0	1,355	1,357	7	1,364	1,372	2	1,374
Liguria	15	0	15	15	0	15	15	0	15
Lazio	11	2	13	13	0	13	14	0	14
Spain	**34**	**0**	**34**	**32**	**0**	**32**	**34**	**0**	**34**
Switzerland	**34**	**0**	**34**	**32**	**0**	**32**	**28**	**0**	**28**
Total	**1,569**	**3**	**1,572**	**1,567**	**9**	**1,576**	**1,589**	**2**	**1,591**

Total number of employees by employment type, by gender

	2021			2022			2023		
	F	M	Total	F	M	Total	F	M	Total
Full time	201	1,360	1,561	196	1,372	1,568	195	1,388	1,583
Part time	10	1	11	7	1	8	7	1	8
Total	**211**	**1,361**	**1,572**	**203**	**1,373**	**1,576**	**202**	**1,389**	**1,591**

[202-2]
In the operationally significant location[1] for the Group, the Sarlux industrial site, the percentage of senior management[2] belonging to the identified local community (understood as being born or lived most of the time in Sardinia) is 71%.

Workers who are not employees

[2.8]
As far as non-employee workers are concerned, they can be identified with the workers and technicians who work under a contract in ordinary and extraordinary maintenance activities, which take place at the industrially relevant site of Sarroch.

The number of these workers is significantly influenced by the activities taking place at various times of the year. For this reason, this figure can only be assessed in terms of "average daily attendance" which, for 2023, turns out to be 1,288 people.

Turnover

[401-1]
The Saras Group conducts the personnel search and selection process in accordance with the general principles outlined in the Code of Ethics, the Group's Policies, and the Human Resources Guideline.

Specifically, the Group seeks individuals with skills that align with the company's requirements and profiles that match the needed criteria, ensuring fairness and equal opportunities for all candidates. The Group aims to achieve gender balance among candidates and evaluates them solely based on job-related qualifications, disregarding any personal attributes unrelated to the job requirements.

Following the annual organizational needs assessment, personnel selection occurs through a transparent and documented process. Initially, internal searches are prioritized, including Job Posting activities.

External searches are conducted if internal resources are not available or if an internal solution is not feasible. In 2023, the Group hired 45 individuals. The age distribution indicates that 49% are under 30 years old, with 87% being male and the remaining 13% female.

In 2023, there were 30 exits from the Group (of which 19 from Italian companies), equal to a turnover of 1.89% (% terminated vs. total workforce at the end of the year), mainly due to voluntary resignations during the year. Most of the releases were in the 30-50 age group.

1. For the Group, the industrial site, belonging to the wholly owned subsidiary Sarlux, the heart of the production activity with the largest number of employees located in the same place of work, was considered an "operationally significant location".
2. Senior management means the Chief Executive Officer and the executives of its first and second rows.

Total number and rate of new employee hires by age

	2021				2022				2023			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Italy + Switzerland	4	8	0	12	20	8	1	29	21	17	3	41
Spain	0	1	0	1	0	1	1	2	1	2	1	4
Total	**4**	**9**	**0**	**13**	**20**	**9**	**2**	**31**	**22**	**19**	**4**	**45**
% vs. headcount at December 31, 2023	**0.25%**	**0.57%**	**0.00%**	**0.83%**	**1.27%**	**0.57%**	**0.13%**	**1.97%**	**1.38%**	**1.19%**	**0.25%**	**2.83%**

Total number and rate of new employee hires by gender

	2021			2022			2023		
	F	M	Total	F	M	Total	F	M	Total
Italy + Switzerland	3	9	12	5	24	29	5	36	41
Spain	0	1	1	1	1	2	1	3	4
Total	**3**	**10**	**13**	**6**	**25**	**31**	**6**	**39**	**45**
% vs. headcount at December 31, 2023	**0.19%**	**0.64%**	**0.83%**	**0.38%**	**1.59%**	**1.97%**	**0.38%**	**2.45%**	**2.83%**

Total number and rate of employee turnover by age

	2021				2022				2023			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Italy + Switzerland	7	35	84	126	2	11	10	23	3	15	10	28
Spain	0	2	0	2	0	3	1	4	0	2	0	2
Total	**7**	**37**	**84**	**128**	**2**	**14**	**11**	**27**	**3**	**17**	**10**	**30**
% vs. headcount at December 31, 2023	**0.45%**	**2.35%**	**5.34%**	**8.14%**	**0.13%**	**0.89%**	**0.70%**	**1.71%**	**0.19%**	**1.07%**	**0.63%**	**1.89%**

Total number and rate of employee turnover by gender

	2021			2022			2023		
	F	M	Total	F	M	Total	F	M	Total
Italy + Switzerland	20	106	126	11	12	23	6	22	28
Spain	1	1	2	3	1	4	1	1	2
Total	**21**	**107**	**128**	**14**	**13**	**27**	**7**	**23**	**30**
% vs. headcount at December 31, 2023	**1.34%**	**6.81%**	**8.14%**	**0.89%**	**0.82%**	**1.71%**	**0.44%**	**1.45%**	**1.89%**

Total number and rate of new employee hires and departures by region

	Hires		Departures	
	n.	%	n.	%
Sardinia	21	1.32%	11	0.69%
Lombardy	14	0.88%	8	0.50%
Liguria	0	0.00%	0	0.00%
Lazio	1	0.06%	0	0.00%
Switzerland	5	0.31%	9	0.57%
Spain	4	0.25%	2	0.13%
Total	**45**	**2.83%**	**30**	**1.89%**

Absenteeism

Concerning the company's absenteeism rate, it was calculated as the ratio between days of absence and the total number of theoretical workable days, also taking into account the differences in the total number of theoretical workable days amongst daily staff and shift staff (254 and 219 in Italy respectively).

The calculation excludes justifications of absence such as holidays, recovery of unpaid overtime hours, service reasons, business trips, and generally all types of compulsory abstention from work; on the other hand, all other justifications are included in calculating the absenteeism rate.

As can be seen in the table below, relating to the 2023 financial year, the various Group companies recorded values between approximately 1.38% and 6.7%, with a significant reduction for the main companies Saras and Sarlux compared to the previous year.

Absenteeism

	Daily / Shift Workers	Days of Absence	Theoretical Workable days	Annual Number of Employees	Absenteeism Rate (%)	Weighted Average by Company (%)
Saras Spa	D	1,951,01	249	222	3.53	3.51
	S	38,00	219	6	2.89	
Sarlux Srl	D	8,260,76	249	526	6.31	5.72
	S	7,616,61	219	661	5.27	
Sardeolica Srl	D	459,61	249	39	4.79	
Deposito di Arcola Srl	D	12,00	249	3	1.61	6.68
	S	209,01	219	12	7.95	
Saras Energia SAU	D	128,00	246	20	2.56	3.93
	S	173,00	246	11	6.51	
Saras Trading SA	D	78,60	253	23	1.38	

Diversity Equity & Inclusion

[405-1]

The Group is constantly working to spread and consolidate a corporate culture based on inclusion and belonging to a single organization, through a common approach to all initiatives in the field of people management.

During 2023, efforts were made on the topics of Diversity Equity & Inclusion, to raise awareness in the organization and encourage inclusive behaviour, so that the concrete commitment to the enhancement of diversity and a fair and inclusive work environment becomes a distinctive feature of the Group.

> *"Diversity is a fundamental driver to achieving our strategy, and accompanying change, while enriching working relationships. My commitment is oriented towards concrete actions to achieve an equitable and inclusive workplace, where each person feels part of our project, can express himself/herself openly and authentically and sees his/ her own contribution recognized, in alignment with our corporate values."*
>
> FRANCO BALSAMO, DEPUTY CEO

Two pilot editions of a workshop on gender dynamics were therefore carried out, designed in collaboration with an internationally renowned consultant who is an expert in the DE&I topic. The initiative stimulated awareness of cultural biases and discussion on how to overcome them to promote equal opportunities in the company, laying the foundations for the development of a program on inclusive leadership. Strongly supported by the Deputy CEO and launched with a session involving senior leaders, this program will continue in 2024 with new sessions dedicated to the Group's management, to be subsequently extended to a wider corporate population.

Since 2023, Saras has also contributed to the activities of the Equal Opportunities Observatory, established by Confindustria Energia and Trade Unions to respond to the needs of businesses and workers, with the aim of promoting and spreading the culture of equity and inclusion. In the first months of work, the Observatory analysed the best practices implemented in companies in the energy sector and developed the Diversity Equity & Inclusion guidelines, identifying the areas of intervention for the active awareness of organisations and their people on DE&I topics.

At the same time, the Group has started the study and analysis of the UNI/PdR 125:2022 practice relating to certification for gender equality, to know its positioning with respect to the requirements of this practice, assess the opportunity to adopt a management system that complies with the same requirements and consequently define a concrete action plan.

Learning & development programs are based on and stimulate participants to develop a common and shared approach, capitalizing on the distinctive experiences and skills developed in their respective geographical and business areas. In the composition of the groups of colleagues called to participate in the initiatives, particular attention is paid to ensuring gender heterogeneity as well as organizational and geographical origin.

In particular, the focus of the "people manager training" (a training and development course aimed at the Group's people managers, now in its sixth edition) is the "enhancement" of employees, passing through the study of "perceptual biases" to arrive at the adoption of inclusive behaviours that contribute to creating a work environment in which each person can express himself or herself according to his or her characteristics.

The path, which involves young people who have recently joined all the Group companies, promotes integration and exchange between cultures and comparison between generations thanks to meetings with senior managers. In particular, in 2023 the initiative was dedicated to the development of soft skills with a focus on "personal effectiveness" and "inclusive culture".

Unica is the Digital learning platform that is accessed by all the Group's people, who are involved, based on their role and professional profile, in the same learning initiatives both in presence, in synchronous/asynchronous distant learning, and in e-learning.

The Mentoring Program aimed at the Group's young talents is active, with the aim of supporting the development of their potential through discussion with senior colleagues, who will accompany them in the acquisition of self-awareness and in a process of empowerment. In addition to wanting to seize the opportunities for intergenerational integration with this initiative, mentoring aims to enhance the specificities of the professional profiles involved, thanks to the combination of Mentors and Mentees from different areas and locations of the organization.

MENTORING PROGRAM

Objective: to develop fundamental skills to face the challenges of the future and for the sustainability of the Group (inclusion, critical thinking, self-development and conscious networking).

December 2022 - October 2023: Second edition of the Saras Group's Corporate Mentoring program carried out with 32 colleagues from the various organizations and locations:

- 16 Mentors, 12 men and 4 women between the ages of 45 and 62, identified among the Group's managers
- 16 Mentees, 10 men and 6 women between 26 and 38 years old

MENTORS' COMMENTS

"I learned the precious value of conscious and effective listening and shared experience."

"I have experienced in the field the usefulness and power of questions to the mentee rather than the use of affirmations. I learned that it takes time to build a relationship of trust and that it is important to express any doubts rather than interpreting the other's thoughts. The generational difference was very useful in understanding the professional needs of younger colleagues."

"As much as the protagonist is the Mentee, the preparation of the meetings and the ideas that the Mentor can offer are very important for a good outcome of the course."

MENTEES' COMMENTS

"Mentoring has been one of the most beautiful journeys I have ever been on. I had never had the chance to relate so openly to someone so far along in my career without feeling in awe. It gave me a whole new perspective. I appreciated that my mentor came from a completely different company than mine, giving me a broader view of the company."

"A great experience. I met an exceptional person as well as an excellent professional. The route has been totally customized according to my needs. There was a continuous discussion and enrichment on many topics. The practical experiences I was able to have along the way were very useful."

"The mentoring process has allowed me to have a fairly clear vision and I continuously feed my development plan to achieve the goal. I cultivate transversal relationships within the entire Group to expand knowledge, interests, skills and to facilitate work activities."

Official internal communications are regularly made in both Italian and English, so that all Group employees are updated on organizational developments, the regulatory system, HR projects and policies, and the main initiatives of interest to the Group.

To encourage internal mobility between organisations and offices, including at an international level, the Group uses a Job Posting system, which gives visibility to the opportunities for professional development and growth available in the organisation and allows employees of all companies to submit their applications, in a work environment that enhances the plurality of different characteristics. skills and experience.

To facilitate a better work-life balance, allowing everyone to fully express their contribution to achieving business results, flexibility in the management of work activities and agile working are in place. Both initiatives represent tools to enhance work-life balance, both for those who are parents or have a role of care and assistance for family members, and more generally for all employees, who can benefit from it in terms of well-being.

The Group respects the principle of equal opportunities and is committed to avoiding any kind of discrimination, in the belief that diversity fosters a stimulating work environment and allows work groups to express their full potential.

Regarding the distribution of the population by gender, an analysis of the breakdown by category shows that the female component is higher in the managerial categories (20% of middle managers and 20% of directors and managers).

The percentage of women among employees is lower (15%), which is decidedly influenced by the number of employees who hold operational roles at the Sarroch site. Net of these roles, in fact, the female clerical component rises to 24%.

Finally, the "blue-collar" category, which is almost entirely attributable to the above-mentioned operational roles, shows a clear prevalence of the male component.

From the point of view of distribution in the Group's organisation, 55% of women work within the structures belonging to the Market Units, while the remaining 45% are employed in the Corporate Staffing Units, again net of staff in operational roles.

Overall, women account for 30% of graduate employees.

Rate of employees by employmennt category, by gender 2023

	Italy + Switzerland		Spain		Total		%		
	F	M	F	M	F	M	F	M	Tot.
Directors and Managers	12	51	1	2	13	53	20%	80%	4.2%
Middle Managers	52	203	0	0	52	203	20%	80%	16%
White Collars	117	761	17	3	134	764	15%	85%	56.4%
Blue Collars	2	359	1	10	3	369	1%	99%	23.4%
Total	183	1.374	19	15	202	1.389	13%	87%	100%
	1,557		**34**		**1,591**		**100%**		

Gender diversity among graduates Italy+Switzerland

	2021	2022	2023
% Total graduate women	**31.0%**	**30.2%**	30%

From an age group perspective, at the end of the 2023 fiscal year, employees between the ages of 30 and 50 represent the largest segment of the Group (56% of the total). Within the categories of "Employees" and "Workers," the majority of employees fall within the 30-50 age range, while for the categories of "Managers" and "Executives and Managers," there are respectively 66% and 70% of employees over 50 years old. Overall, the average age of the Group is 47 years old.

[406-1]
No incidents of discrimination were detected in 2023.

Rate of employees by employmennt category, by age 2023

	Italy + Switzerland			Spain			Total			%		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Directors and Managers	0	17	46	0	3	0	0	20	46	0%	30%	70%
Middle Managers	0	87	168	0	0	0	0	87	168	0%	34%	66%
White Collars	20	513	345	0	15	5	20	528	350	2%	59%	39%
Blue Collars	58	254	49	1	6	4	59	260	53	16%	70%	14%
Total	78	871	608	1	24	9	79	895	617	5%	56%	39%
	1,557			**34**			**1,591**			**100%**		

Educational capacity of the workforce

Regarding the level of education, as reported in the table below, 27% of employees have a degree or higher qualification, and 70% have a high school diploma.

Focusing on the types of degrees, the breakdown by field of study, consistent with the nature of the Group's business, shows that the clear majority (76%) of the degrees belong to the STEM (Science, Technology, Engineering, and Mathematics) field, 18% are in economics, law, or politics, and the remaining 6% are in humanities.

Employees by qualification 2023

	University degree		High School Diploma*		Middle school certificate**		Total
	n.	%	n.	%	n.	%	n.
Saras Spa	155	57%	110	41%	6	2%	271
Sarlux Srl	217	18%	940	78%	46*	4%	1,203
Sardeolica Srl	13	33%	27	68%	0	0%	40
Deposito di Arcola Srl	2	13%	12	80%	1	7%	15
Saras Energia SAU	11	32%	21	62%	2	6%	34
Saras Trading SA	25	89%	3	11%	0	0%	28
Total	**423**	**26.6%**	**1,113**	**70%**	**55**	**3.4%**	**1,591**

* Including educational qualifications achieved through post-high school non-university training

** Includes 1 elementary school leaving certificate

Employees by type of University Degree

	Law /Politics/ Economics		Engineering/ Architecture		Sciences		Humanities		Total
	n.	%	n.	%	n.	%	n.	%	n.
Saras Spa + Sarlux Srl	62	17%	232	62%	58	16%	20	5%	372
Sardeolica Srl	0	0%	9	69%	4	31%	0	0%	13
Deposito di Arcola Srl	1	50%	0	0%	1	50%	0	0%	2
Saras Energia SAU	5	45%	3	27%	2	18%	1	9%	11
Saras Trading SA	10	40%	11	44%	0	0%	4	16%	25
Total	**78**	**18.4%**	**255**	**60.3%**	**65**	**15.4%**	**25**	**5.9%**	**423**

Remuneration systems

[2.30; 405-2]

The contract applied by the Group's Italian companies is the CCNL Energy and Petroleum.

In consideration of the high level of education, skills and professionalism required by personnel working in the Oil & Gas industrial sector, this Contract and the subsequent second-level bargaining, also typical of this contract, place the salary levels of the Group companies to which this CCNL applies at the high end of the market, at values comparable with those of other national companies, periodically verified through benchmarks with external companies specialized in such comparisons. The contractual salary levels are applied indifferently to all staff, strictly following the contractual provisions without discrimination. For personnel employed in Italy, the salaries of the first entry into the Group are higher by a value ranging from a minimum of 14% to a maximum of 20% than those provided for by the reference CCNL, as a consequence of the second-level negotiation with the Trade Unions, which takes into account various factors linked, on the one hand, to the overall productivity of the Group, including the achievement of particular objectives that the organization intends to pursue (both operational and ESG), and on the other hand to the individual contribution of each one, connected to the continuity of performance and presence in the workplace. Under no circumstances does the salary of new recruits differ on the basis of gender. As for the ratio between the total annual remuneration of the highest-paid person in the organisation (Deputy CEO and General Manager) to the median total annual remuneration of all employees, it is 48.9. As required by the GRI 2-21.a standard, this ratio is calculated by considering the total annualised remuneration of the current Deputy CEO and General Manager, in office since 15 March 2023, and the median total remuneration of the rest of the Group's entire population (which includes the fixed and variable short-term component of remuneration - performance bonuses, MBO and one-off, as well as the annualised target long-term variable component, where recognised). For the calculation of the median, FTE remuneration was taken into account, converted into euros in the case of remuneration paid in Swiss Francs. Finally, it should be noted that the ratio between the percentage increase in the total annual compensation of the organization's highest-paid employee and the median percentage increase in the total annual compensation of all employees is 10%.

As of 1 July 2023, the subsidiary Sartec, to which the CCNL Metalmeccanica integrated by second-level company bargaining applied, was incorporated into Sarlux and the CCNL Energy and Petroleum was consequently applied to all its employees.

Overall, 100% of the employees of Italian companies have an employment relationship governed by a National Collective Labour Agreement.

Ratio of basic salary and remuneration of women to men[1]

Ratio of remuneration		**2021**	**2022**	**2023**
Directors and Managers	%	76.20%	85.49%	---[2]
Middle Managers	%	95.02%	95.94%	84.66%
White Collars	%	79.45%	82.73%	71.14%
Blue Collars	%	---	---	---[3]
Ratio of basic salary		**2021**	**2022**	**2023**
Directors and Managers	%	100.00%	100.00%	---[2]
Middle Managers	%	100.00%	100.00%	100.00%
White Collars	%	100.00%	100.00%	100.00%
Blue Collars	%	---	---	---[3]

1. For the Group, the industrial site, belonging to the wholly-owned subsidiary Sarlux, the heart of the production activity with the largest number of employees located in the same place of work, was considered an "operationally significant location".
2. As of December 31, 2023, Sarlux has no women in the position of manager.
3. The figure has not been calculated as it is not relevant, given the small number of women in the blue-collar category (their number has remained unchanged at 2 over the entire three-year period).

Finally, national contracts and regulations also apply to personnel employed in the Group's foreign companies. In particular, Spanish contract legislation establishes minimum wage levels, which are updated annually.

The data in the table regarding the 2023 remuneration ratio for managers and employees are influenced by several factors related to the merger by incorporation of Sartec into Sarlux. These factors include the methods of contractual harmonization between the National Collective Labor Agreement (CCNL) for Metalworking and the CCNL for Energy and Oil sectors, the difference in percentage ratios between the number of women and men from Sartec and the total number of women and men at Sarlux, and the method of calculating remuneration for Sarlux employees coming from Sartec.

Welfare

[401-2]

The focus on the "well-being" of our people has always been a defining element of Group management, and the offering of welfare services has been continuously enriched and made more comprehensive over time. All welfare services are provided to both full-time and part-time employees or those with fixed-term contracts.

In particular, following second-level bargaining, there is a structured welfare services plan in place at Saras and Sarlux that meets important needs of employees and their families. This plan was extended from July 2023 - following the merger by incorporation of Sartec into Sarlux - to over 100 additional employees. The welfare services offered by the Saras Group mainly cover areas such as health and wellness prevention, work-life integration, benefits, and other facilitations.

The health and wellness area includes various services aimed at the prevention of the most common diseases and for monitoring one's state of health, the following main services such as:

- health prevention and medical assistance, in addition to mandatory health surveillance (see chapter "Health and Safety");
- Oncological and cardiological preventive examinations and examinations;
- Free and contracted dental medical services;
- a medical second opinion service, which allows the use of the opinion and consultation of another doctor or another institution to confirm an initial diagnosis and/or a therapeutic indication;
- reimbursements for medical expenses or specialist visits, which from 01/01/2024 may also be requested for psychiatric, psychological and speech therapy treatment, through the Solidarity Fund financed by the company and workers, which also provides a contribution to the legitimate heirs or testamentary heirs in the event of the employee's fatality;
- a social assistance service provided by qualified personnel;
- annual voluntary flu vaccination campaigns, carried out at company offices
- An innovative digital platform for primary care that allows employees and their families to access a wide range of healthcare services via app at any time.

The corporate welfare system also includes an articulated offer of other institutions and services aimed at supporting the balance and integration between work and personal life of employees, among which the following mainly emerge:

- the implementation of the Group's Policy for Smart Working, defined in agreement with the Trade Unions and in force since April 2022, which provides for up to 2 days/week for all employees who hold a role compatible with this working method;
- the application of a flexible work management system, based on the empowerment of people, which provides for flexible daily hours, if compatible with organizational needs
- the availability of subscriptions to the consortium transport systems in Sardinia and public transport systems for employees of the Milan office, who can also take advantage of the subscription 365 days a year for personal travel);
- the company catering service in the Sarroch plant, through two canteens that also provide meals on continuous and alternating shifts, and the provision of "ticket restaurants" in the other locations.

Finally, the Group provides its employees with various benefits and facilities that allow them to achieve significant savings on personal and family expenses, such as:

INNOVATIVE WELFARE FOR HEALTH AND WELL-BEING

As further confirmation of its constant attention to the health of its people, starting this year the Saras Group has made available to employees and their families an innovative digital platform of basic medicine services (so-called virtual primary care), which enriches the corporate welfare offer to protect health and well-being.

Through the dedicated app, you can access the following health services:

- consultations and general medicine visits via chat and video, also for children of paediatric age
- Electronic prescription of pharmaceutical prescriptions and specialist services
- Booking of specialist visits and diagnostic tests in partner facilities
- Psychological support courses, with a free initial interview.

The services are accessible every day, 24 hours a day, and available throughout Italy. In some of the main cities, the beneficiary can also purchase and request home delivery of medicines via app.

The trend of use of the platform by employees and their families has been growing steadily over the months both in terms of the number of subscribers and the number of services provided, mainly video consultations and prescriptions.

- insurance coverage in the event of occupational and non-occupational injuries and for cases of necessity and medical emergencies occurring abroad during business trips
- a platform provided by a leading company in the sector through which employees who have decided to transform all or part of their performance bonus into welfare can take advantage of goods and services
- the possibility of taking advantage of subsidized loans and agreements with insurance companies and banks
- the online tax assistance service for the compilation and submission of the tax return
- a digital platform for the purchase of products and services at advantageous prices compared to the market
- the availability of activities organized by CRAL, in which employees and family members can participate, and access to Assocral conventions
- for employees' children, participation in summer stays at Kinderheim and study trips abroad, which in 2023 recorded considerable participation, reaching the historic result of over 100 participants, and the availability of merit scholarships for higher and university studies.

In 2023, for the second consecutive year, a Welfare Plan was defined, which is developed over the two-year period 2023-2024 and provides for the provision of a welfare credit for the reimbursement of household utilities and for the use of goods and services. The initiative is aimed at significantly supporting employees and their families and this year it was also very popular with the beneficiaries. More information about the Plan is available in the dedicated box.

WELFARE PLAN 2023-2024

The 2023-2024 Welfare Plan was defined by the Company and agreed with the RSUs in specific trade union agreements, in order to grant all employees of the Group's Italian companies a per-capita welfare credit useful for supporting them and their families in the current difficult economic context.

In particular, the credit can be used until 31/12/2024 for the reimbursement of expenses for domestic users of the integrated water, electricity and natural gas service, incurred by the employee himself or by a family member (DL. 48/2023 converted by Law 85/2023) or for the purchase of goods and services present in the corporate welfare platform (articles 51 and 100 of the TUIR), according to the ceilings provided for by the legislation for workers with or without tax-dependent children.

As required by law, the Plan allows the amounts to be disbursed to beneficiaries without any tax or social security contributions, with an additional benefit for employees.

EXTRA-WORK ACTIVITIES FOR THE BENEFIT OF WORKERS AND THE COMMUNITY TO WHICH THEY BELONG

The Workers' Recreational Club (CRAL) has been active since 1974 and is involved in developing recreational, cultural, tourist, and sports activities for employees and their families, as well as numerous social and solidarity initiatives within the Saras Group.

The initiatives are financially supported through membership by individuals and the company contribution, allocated annually on the basis of the quality of the proposed projects and, occasionally, also through donations from public or private bodies.

In the wake of the more traditional purposes of the company clubs, CRAL also makes available to members a varied range of agreements for access to the market to goods and services at preferential conditions (discounts on tourist packages, tickets and subscriptions to theatrical and cinema initiatives, etc.).

In 2023, CRAL exceeded 1,000 members for the first time in its history, who are supporting members of the specialized sports sections (sailing, canoeing, running, tennis, cycling, windsurfing, trekking, padel, sup) and the food and wine and travel and tourism sections. During the year, the activities of the sections took place regularly: sports tournaments, trips and trekking in Sardinia, a rich program of themed summer evenings at the headquarters, food and wine courses and tastings.

Worthy of note are the solidarity initiatives carried out by CRAL, always very well attended by employees, such as fundraising in favor of associations engaged in cancer research and voluntary participation in the preparation of Christmas lunch at the Caritas canteen in Cagliari.

Voluntary pension provision

The complementary pension fund used in Saras Group companies is Fondenergia. In 2023, employees of the Group (excluding executives) enrolled in Fondenergia numbered 1293 out of a total of 1419 employees covered by the Energy and Oil National Collective Labor Agreement (CCNL), accounting for 91% of the population. For all those who enrolled in Fondenergia after January 1, 2017, the transfer of accrued severance pay (TFR) is equal to 100%.

Based on the contract provisions, the contributions currently being made are those established in 2019, amounting to 2% of the employee's salary and 2.725% or 2.775% on the company side, respectively, for those hired before and after December 31, 1995. Consequently, the estimated annual company contribution for 2023 is approximately €2,050,000.

Before the merger by incorporation into Sarlux on July 1, 2023, Sartec employees joined the Cometa complementary pension fund, reserved for workers in the metalworking industry.

Parental leave

[401-3]

All Group employees are entitled to parental leave. The following table shows the data for the last three years.

Saras Group - Parental leave

		2021			2022			2023		
		M	F	Tot	M	F	Tot	M	F	Tot
Total number of employees that took parental leave, by gender	*no.*	14	4	18	36	7	43	54	16	70
Total number of employees that returned to work in the reporting period after parental leave ended, by gender	*no.*	14	4	18	36	7	43	54	16	70
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	*no.*	14	4	18	36	7	43	n/d	n/d	n/d
Return to work rate of employees that took parental leave, by gender	*%*	100	100	100	100	100	100	100	100	100
Retention rate of employees that took parental leave, by gender	*%*	100	100	100	100	100	100	n/d	n/d	n/d

Employee engagement and internal communication

Nurturing employee engagement, or their level of involvement with their work and the company, is a regular focus within human resources management. Processes and initiatives are consistently developed to increase this engagement.

Through the fully operational internal Job Posting system, employees are offered new opportunities for development and professional growth. This system values the experiences and skills within the Group, addressing organizational needs transparently and equitably through the selection process. Throughout the year, Job Posting has enabled more than half of the vacant positions to be filled with internal resources, proving to be an effective method for enhancing engagement and retention, especially among younger employees.

Another positive impact on engagement comes from the Performance Management process, which serves as the cornerstone for proper and fair personnel management. It initiates development actions aimed at generating motivation and connection with the organization, ultimately enhancing productivity.

All training, enhancement and development activities are relevant for their effect on the sense of belonging and the depth of the connection between people and the company. On the one hand, in fact, continuous technical-specialist updating helps to increase awareness of one's value in a constantly evolving business context. On the other hand, initiatives aimed at developing soft skills and people management competencies contribute to strengthening people's identity and involvement.

In particular, one of the fundamental aims of the Mentoring programme aimed at the Group's young talents is to increase the motivation of the people involved and to strengthen their bond with the organisation, also for the purposes of retention, through the participation and active support of management.

Internal communication is mainly oriented towards supporting the implementation of the strategy and the achievement of the organization's objectives, enhancing the importance of people's contribution, and promoting a way of working based on empowerment, trust, autonomy and the ability to deal with change.

During 2023, among the most significant activities were the communication of organizational and corporate structure changes, a fundamental opportunity to highlight the link with the strategic guidelines, as well as the objectives and innovations deriving from the revisions of business processes and the adoption of new working tools.

At the end of the process launched in 2022, a summary of the results of the "Our Transformation" Employee Survey was shared through the company intranet, aimed at detecting how people live their role and interactions with colleagues and how they interpret the ongoing organizational evolution.

During the first half of the year, an intense internal communication plan was developed, working in synergy with the training plan, to accompany the migration of email functionalities and collaboration and productivity tools to the Microsoft 365 platform. This communication effort reached all employees of the Group, thanks to the support of a large group of champions from all departments and through various channels used to inform and engage colleagues in the adoption of new ways of working.

This year, as well, meetings dedicated to presenting the Sustainability Report were held, representing an important engagement moment for the Group's management. During these meetings, ongoing initiatives aimed at steering company activities towards a more sustainable future are shared.

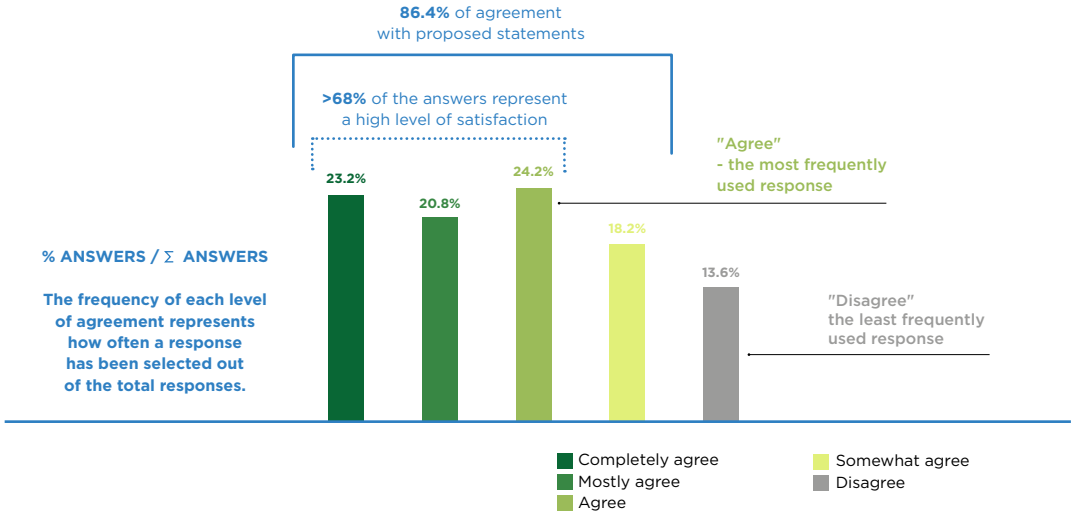
It's also worth mentioning that, in support of the introduction of the digital platform for medical services in the company's welfare offering for employees and their families, a dedicated communication plan was implemented to inform about available services and how to access them. This was done to maximize the utilization of these services by beneficiaries whenever necessary.

RESULTS EMPLOYEE SURVEY "OUR TRANSFORMATION"

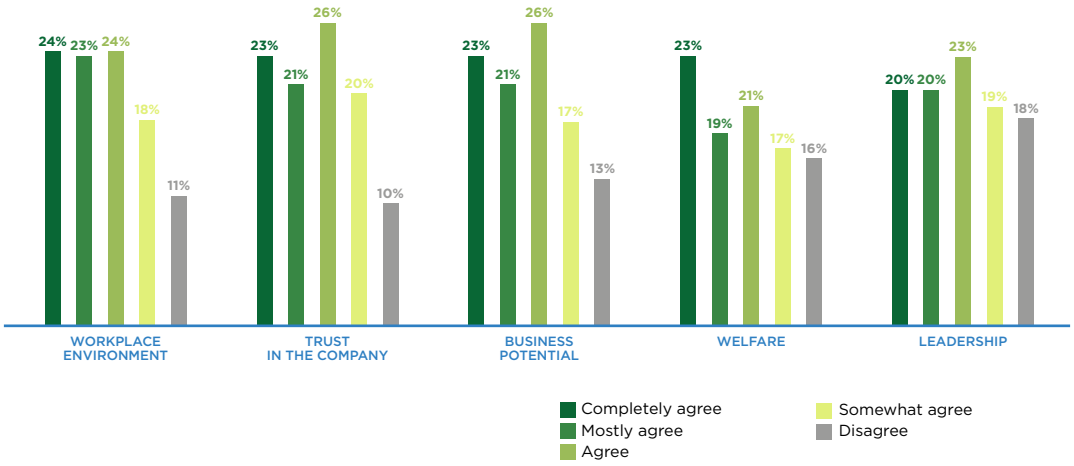
The survey, conducted in 2022, involved all Group employees, recording a response rate that confirmed the willingness of colleagues to contribute to the company's transformation journey.

Overall, there was widespread agreement with the statements proposed, with a high degree of satisfaction with the topics related to the working environment, trust in the company and business potential. The responses to welfare and leadership topics, which were also globally positive, indicated the need to define specific communication actions and to continue the process of supporting people management processes.

Distribution of opinions on an agreement scale



Distribution of opinions by thematic area



Skills development

[404-1; SOC-7 C1, C2]

Learning and Development

The Learning and Development process is guided by the principles expressed in the 'Our People' Policy and is described in the 'Human Resources Process Guideline'.

During the year, the Group promoted learning initiatives capable of fostering the growth and development of people in line with policies, reference corporate values and the specific personal and professional characteristics of our people, with the aim of always maintaining the sustainability of its business in the current context of energy transition.

With the aim of achieving an ever-greater sustainability of training, we continue to adopt the methodological approach based on the development of "Learning Agility", which encourages the self-learning of content, concentrating its consolidation during moments of discussion and re-elaboration in the classroom or directly in the contexts of working life.

The main macro-areas of intervention concern:

- the development of specialized technical skills: training activities for specific professional figures;
- the development of "soft skills" and managerial skills: training activities aimed at developing transversal skills to multiple company roles;
- raising awareness of sustainability, which draws attention to an approach to work based on respect for ESG principles;
- compliance training: training and training activities on topics governed by regulations (e.g. HSE training, Code of Ethics and Antitrust, etc.).

Total training hours

	2021	2022	2023
Saras Spa	3,076	4,154	3,197
Sarlux Srl	25,325	26,117	28,399
Sartec Srl	3,889	2,894	-
Sardeolica Srl	1,445	1,762	1,312
Deposito di Arcola Srl	97	100	2,666
Saras Energia SAU	757	407	664
Saras Trading SA	160	105	169
Total	**34,749**	**35,539**	**34,007**

Average hours of training by gender

	2021			2022			2023		
	F	M	Total	F	M	Total	F	M	Total
Saras Spa	14	10	12	14	18	17	16	9	12
Sarlux Srl	21	23	23	25	24	24	22	24	24
Sartec Srl	32	25	27	28	22	23	-	-	-
Sardeolica Srl	66	48	51	120	35	49	53	29	33
Deposito di Arcola Srl	7	7	7	3	7	7	10	18	18
Saras Energia SAU	1	10	5	13	12	13	19	20	20
Saras Trading SA	40	12	22	3	3	3	3	7	6
Total	**20**	**22**	**22**	**21**	**23**	**23**	**19**	**22**	**21**

Avarage hours by employment category

	2021				2022				2023			
	Dir	MM	WC	BC	Dir	MM	WC	BC	Dir	MM	WC	BC
Saras Spa	19	14	8	-	14	34	5	-	9	19	8	-
Sarlux Srl	27	14	23	26	43	29	19	31	8	20	19	36
Sartec Srl	9	15	32	7	37	17	25	13	-	-	-	-
Sardeolica Srl	-	69	38	56	-	26	83	40	4	19	40	33
Deposito di Arcola Srl	-	-	8	5	-	59	4	2	-	53	21	7
Saras Energia SAU	42	-	21	18	20	-	11	14	2	-	14	35
Saras Trading SA	18	-	1	-	1	-	4	-	11	-	4	-
Total	**21**	**15**	**21**	**27**	**20**	**30**	**18**	**30**	**9**	**19**	**17**	**35**

The "SarasLearning" digital learning platform continues to be the training environment within which to use all the content for the development of technical and managerial skills and soft skills.

Also in 2023, the investment in the most recently hired colleagues, who participated in soft skills development programs with a focus on "personal effectiveness" and "inclusive culture", was renewed.

Training for operational roles remains a crucial step in developing know-how, both in technical specialization and behavioural aspects, for the complete assumption of new roles. It also serves as an opportunity for knowledge and skill transfer to newer generations.

Following new hires for operational roles, training paths for "Plant Operators" were activated in 2023. These paths not only covered technical specialist content but also paid particular attention to role interpretation and the importance of "Soft Skills."

The Group continued to invest in its managers through initiatives aimed at Leadership development, including individual coaching and People Management programs, involving an increasingly larger number of people.

The Mentoring project also continues, where in the second edition, preparatory training for mentors was conducted, and individual mentor-mentee paths were implemented.

In line with the strong focus on management topics, two important initiatives have been carried out aimed at maintenance and investment personnel with the aim of consolidating skills for effective and efficient "Works Management" and Project management, sharing and strengthening methods and approaches in line with our values and our culture of efficiency.

Training was regularly provided on:

- Privacy
- Organization, Management and Control Model pursuant to Legislative Decree 231/2001
- Code of Ethics
- Anti-corruption

which, in addition to being always available to everyone on SarasLearning, is an integral part of the onboarding process attended by all new hires.

With regard to the training initiatives across the entire Group, a number of projects of significant impact have been carried out that deserve to be reported in this document.

In view of the migration to Microsoft 365, to facilitate the process of familiarization and intensive adoption of the new tools, more than 20 meetings were organized in live webinars to reach all colleagues in the Group. This program is part of a broader change management project and has represented an important moment of change in the way of working, based on the sharing and protection of data and information.

A new training campaign on Cyber security has also been launched, involving all the Group's people in a digital learning course, aimed at stimulating awareness of behaviours that could put personal and corporate security at risk.

Cybersecurity training

		2023
Total hours of specific training	*no.*	3,709
Number of employees trained	*no.*	1,276
% of trained employees	*%*	80

With regard to training on sustainability, in anticipation of the preparation of the integrated report, all colleagues involved in the ESG reporting process participated in meetings to raise awareness and deepen the topics of the EU Taxonomy, double materiality and the Corporate Sustainability Reporting Directive.

The topic of sustainability has also been included in the onboarding program and chosen as the topic for the mandatory 2023 update for Workers' Safety and Environmental Representatives (RLSAs).

Sustainability/ESG training

		2023
Total hours of specific training	*no.*	303
Number of employees trained	*no.*	135
% of trained employees	*%*	8

Finally, a programme of meetings was launched aimed at providing tools to deal with the risk of fraud with greater awareness, should it occur, and to learn about the process of managing reports of potential irregularities. In 2023, the 10 directors and managers of the Italy/Switzerland area (0.6% of the Group's workforce) who hold roles most exposed to risk participated in the initiative. In 2024 the course will be extended to the rest of the population of the Gruppo. La attendance of the course is mandatory pursuant to the Organizational Model, Legislative Decree 231/01 and Legislative Decree 24/2023 on Whistleblowing.

TRAINING AND DEVELOPMENT PROJECTS

People management training

Objective

The course aims to provide managers with methods and operational tools for managing their resources with a focus on the enhancement of people, the management of cognitive biases, feedback and the creation of connections.

Recipients

Two editions were held involving a total of 27 People managers (senior and middle managers).

Evaluation of the effectiveness of the intervention

Collection of feedback from participants and their Managers on the application of learning in the daily exercise of the role.

Cyber Security

Objective

The Cyber Guru Awareness program is a path that aims to increase the awareness of its employees on Cyber risks and provide best practices to be able to defend themselves.

Recipients

The course is intended for all colleagues in the Group.

Method and articulation

It consists of 12 modules, in digital learning, to be attended throughout the year. 45% of colleagues attended the course regularly and 80% attended at least one piece of training content.

Evaluation of the effectiveness of the intervention

Thanks to this initiative, reports of attempted phishing by users have increased significantly.

Performance appraisal

[404-3]

As part of the performance management process, the Saras Group annually carries out the evaluation of all directors and managers, middle managers and graduates and numerous other employees identified on the basis of role, using the Performance & Potential matrix, which makes it possible to map the current performance and future potential of people.

This assessment supports the processes of transformation and acquisition of new skills in teams, intervenes in the development of human capital within the organization, supports the professional growth of employees and improves their motivation, contributes to the management and enhancement of people's skills and merits.

In 2023, 547 employees were involved in the performance evaluation, representing more than 65% of the Group's employees, net of those who hold plant operational roles at the Sarroch site.

Percentage of employees receiving regular performance and career development reviews* 2023

	F	M	Total
Directors and Managers	100%	100%	100%
Middle Managers	100%	100%	100%
White Collars	22%	60%	28%
Blue Collars	-	-	-
Total	30%	72%	35%

* Excluding the Chief Executive Officer, his direct reports and employees terminated between 01/01/2023 and the conclusion of the evaluation process

Trade Union Relations

Saras Group maintains an open, transparent and continuous dialogue with trade union organisations, to promote a constructive climate and one of mutual responsibility.

The correct management of relations with trade union organisations is assured by promoting regular information, consultation, and negotiation activities in line with the company's policies, the Code of Ethics and the national reference legislative framework.

In the broader field of industrial relations, the Group is constantly committed to maintaining an open dialogue with business associations and institutional interlocutors in the field of social security, welfare and employment in the countries in which it operates.

The principles that guide these relationships are further specified in the Policies dedicated to the Human Resources chapter, in particular in the sections "our people" and "our interlocutors". The industrial relations management process is described and formalised in the "Our People" section of the Policies and within the "Human Resources Process Guidelines".

Relations with trade unions (both at the local and regional level) are developed by the Trade Union Relations company's departments responsible for ensuring the uniqueness and consistency of messages with business strategies and objectives, not discriminating against any stakeholder, so long as they are expressed through processes involving the constitution of democratic representation and in line with the rules in force. Relations that enable mutual interests and positions to be presented in a transparent, thorough and consistent manner, avoiding all forms of collusion.

[402-1]

In Italy – in particular, at the industrial site in Sarroch – the trade union negotiations, which have a significant impact on the organisation of work, normally involve discussions with the Unitary Trade Union Representative (RSU) and, when required by the nature of the topic, the activation of the appropriate mixed trade union and company technical committees.

Also, in Spain, the chosen model of relations with the trade unions resulted in each significant operational or organisational change falling under "Modificaciones sustanciales de las condiciones de Trabajo", as defined by the labour legislation.

In the first months of 2023, as usual, the activities with the Social Partners focused on sharing the organizational and management methods of the clusters of shutdowns that affected the Sarroch industrial site throughout the year, with particular attention to the ten-year shutdown of the IGCC plant.

In February, the petrol contribution for the two-year period 2023-2024 was renewed and a new digital service for primary care was introduced.

The companies Saras, Sarlux, and Sardeolica identified new productivity and profitability indicators (KPIs) for 2023, following the definition of the Performance Bonus platform for the three-year period 2022-2024, as per the previous definition made in 2022.

In April, July and November, a plan for the recruitment of plant operators was shared with the RSU aimed at filling part of the vacancies of shift staff for the organization of the refinery.

Between May and June, the trade unions discussed the merger by incorporation of Sartec, the Group's engineering company, into Sarlux, which involved the transition of more than 100 employees from the National Collective Labour Agreement for Metalworking to the Energy and Petroleum National Collective Bargaining Agreement. This activity ended with the trade union agreements of 8 and 26 June,

through which the Company and the RSUs of both companies agreed on the methods of management and harmonization of all economic and non-economic institutions of former Sartec employees.

In October, the subsidiary Deposito di Arcola signed an agreement with the RSUs and the local trade unions that provides for a gradual reduction in the workforce, as a result of the impossibility of renewing the concession for an embarkation/disembarkation point following the redefinition of the activities of the Port of La Spezia. This reduction will take place in two steps, the first of which will be implemented on 01/01/2024 and the second scheduled for 01/05/2024.

The redundant employees were offered the opportunity to be transferred to the Sarroch site or to the Milan office or to adhere to an incentivized consensual termination. Employees who did not adhere to any of the above options were able to take advantage of paths to support relocation to other realities in the area, created with the support of Confindustria La Spezia.

In November, Saras and RSU signed an agreement as substitute sources of the Solidarity Fund, with which some changes to the statute and regulations of the fund are operational, including the expansion of reimbursable health services starting from January 1, 2024.

As far as the Sarroch site is concerned, in anticipation of the CGIL and UIL regional general strike on 27 November, a meeting was signed on the need to reconcile the exercise of the right to strike with the need to guarantee the safety of people, the protection of production plants and the protection of the environment.

In December, specific agreements relating to the Welfare Plan for the period 2023-2024 were signed with the provision of a welfare credit for the reimbursement of expenses for domestic utilities of the integrated water, electricity and natural gas service, incurred by the employee himself or by a family member and for the purchase of goods and services according to the fringe benefit ceilings provided for by law for workers with or without children fiscally chargeable.

MOBILITY MANAGEMENT

The Sarlux site is located in the context of the industrial agglomeration of Sarroch, located in the metropolitan city of Cagliari, about 20 km from the capital. As a result, the vehicular flow due to home-work travel, in addition to the residential one, is high.

The Saras Group, in line with its Sustainability Policy, promotes sustainable mobility with a reduced impact on the community. In fact, through the "Mobility Management" function, over the years, it has developed and continues to implement an internal and external mobility system aimed at satisfying the needs of employees, capable of creating greater integration with the surrounding area, greater safety with the reduction in the number of cars circulating on the road, and lower environmental impact in terms of emissions and consumption.

A dedicated collective transport service has always been active, which arrives in the industrial area of Sarroch from the main centres of southern Sardinia, and is used by the employees of Saras, Sarlux, the co-located companies (Eni, Versalis, Sasol, etc.) and the numerous contractors who work within the site. In addition to the benefits in terms of costs, the impact of mobility on the territory, efficiency and environmental care, this also entails a positive return for people. In fact, thanks to the use of collective transport, psycho-physical well-being increases and the negative effects typical of "commuting" are reduced.

As part of the activities related to mobility, in order to prepare a company Home-Work Travel Plan (HWTP), two surveys were carried out by means of an anonymous questionnaire, in which about 70% of the employees involved participated. The answers, elaborated by an external supplier, made it possible to collect useful information to make our mobility more sustainable and the offer of related services more responsive to the needs expressed; in fact, it emerged that more than 65% of colleagues who use the car would be willing to switch to Car Pooling and that this choice

would have been favoured by the existence of a dedicated app.

In addition to the collective transport service, from 2024 Saras has chosen to make a car-pooling platform (Jojob Real Time Carpooling) available to workers, dedicated to those who want to share the home-work journey and contribute to increasingly sustainable mobility.

Using the app, you can:

- share the commute with colleagues who are on the same route, or close to a common starting point;
- offer a ride by making the car available and organize the journey with passengers;
- find a ride thanks to fellow drivers who will be available to share the journey.

For travel within the site, with the ambition of changing the culture of mobility, shared mobility solutions have been chosen such as "Car Sharing" (26 cars, 2 of which serve the Macchiareddu headquarters) and the on-demand bus that responds to the logic of "it moves only when needed" and "I consume only what is needed, when I need it." Both solutions can be used with easy-to-use apps that will merge into the single internal mobility app in 2024 for greater simplicity in choosing the mode of travel.

At the same time, the internal shuttle bus remains in operation which, thanks to the new, more modern means of transport with a lower environmental impact, carries out the collective transport service between the South and North Plants and from the offices to the porters at set times (with a large influx). In order to encourage greater use of collective mobility, based on the observations and requests of colleagues, the number of stops available has been increased to make the service more and more responsive to work needs.

Finally, with a view to increasingly efficient and sustainable mobility, the future goal has been set to experiment with "Bike Sharing" within the site.

The results of this complex mobility system are evident from the table below

Mobility system at the Sarroch industrial site

		2022	2023
Extra-site mobility – typology and volumes			
Consortium transport (home-work buses)	*no. of subscribers*	706	718
Intra-site mobility – typology and volumes			
Car sharing	*no. of rentals made*	15,261	16,070
On-call bus	*no. of people transported*	2,273	8,990
Working Time Start/ End Bus	*no. of people transported*	nd	91,500

Health & safety

Safety is our energy

"We want to see ourselves, and be seen, as an industrial group made up of people who live and promote a culture of safety through our daily actions."

Safety Culture

[SHS-1 C1]

Saras, aware that safe work is one of the basic human rights, has always been strongly committed to promoting and encouraging a culture of safety at all levels of the company through a raft of initiatives, ongoing training activities and checks designed to ensure optimum performance, compliance with principles, respect for best practices and adherence to the highest national and international standards for safety in the workplace. The Group also cooperates with Confindustria, UNEM[1], INAIL[2] and trade unions to promote this culture in the local area and amongst people with whom it interacts, particularly suppliers.

Health and safety management

[403-1; 403-8; SHS-2 C2]

In addition to promoting and developing an appropriate cultural approach to safety, it is necessary to establish correct operating methods, and also to make the necessary investments to make the workplace safe. Finally, an adequate monitoring and surveillance system must be applied to verify that people's behaviour is consistent with the established procedures.

More specifically, in order to best protect the health and safety of employees, contractor personnel as well as any person who has access to production sites, the Group has developed and adopted Policies, Guidelines, Procedures, Operating Instructions and good practices that regulate every aspect of health and safety, from updating plant safety requirements in accordance with regulatory developments, to periodic risk assessment, training, and promotion and awareness-raising activities both internally and in local communities.

Specifically, the Saras Group's commitment is based on the following fundamental principles/actions:

- Compliance with mandatory and voluntary regulations, implementation of the best international standards, sharing and comparison with industry peers;
- Design of workplaces/facilities as well as provision of equipment and tools suitable for carrying out work activities that ensure the best and safest conditions;
- Assessment of all health and safety risks and adoption of a systematic approach to eliminating them at source or, when not possible, minimize them while ensuring maximum protection for all workers (internal and external);
- Reducing incidents (injuries, emergencies, and near misses) and occupational illnesses through appropriate prevention measures, the effectiveness and adequacy which are periodically reviewed;
- Adoption of safe and responsible behaviors at all organizational levels, as well as the direct commitment of managers who must be safety leaders;
- Promotion and dissemination of a culture of health and safety and, in general, of organizational wellbeing, also shared with local communities;
- Information, education, and training programs

1. Union of Energies for Mobility
2. National Institute for Insurance against Accidents at Work

aimed at effectively combining technical and health and safety aspects;
- Definition of specific and measurable objectives, periodically monitored, verified and possibly updated, including through the involvement of top management;
- Selection of suppliers of goods and services, also based on health and safety criteria and their involvement in performance improvement programs;
- Selection of suppliers of goods and services, also based on health and safety criteria;
- Implementation of health and safety management systems.

From an organizational perspective, each company within the Group, in line with the Code of Ethics and the Sustainability Policy and the Human Rights Protection Policy, organizes its own security system, adopts policies and procedures, and potentially implements management systems, based on its operational and business needs.

As can be seen in the chapter "Group Certifications, Authorizations and Accreditations", all Group activities with significant impact in terms of health, safety (Sarroch production site, generation of electricity from renewable sources, technological services), are ISO 45001 certified.

In detail, the workers covered by the Health and Safety Management System represent 87.4% of the Group's entire population; on the other hand, it must be remembered that these workers make up 100% of workers engaged in activities with significant impacts in terms of health and safety.

ISO 45001 Safety Management System – Saras Group – Coverage

		2021	2022	2023
Employees covered by the management system	%	86.3	87.6	87.4

In particular, the subsidiary Sarlux, owner of the operationally significant site, in accordance with the Group's Sustainability Policy[1], has defined its own Policy and has implemented an integrated HSE[2] Management System for aspects relating to the Prevention of Major Accidents, the protection of the Health and Safety of Workers and the Protection of the Environment, in compliance with the requirements of the standards (national and international):

- UNI ISO 45001:2018 "Occupational health and safety management systems"; (Voluntary Safety Management System – Certified);
- Legislative Decree no. 105/2015 "Implementation of Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances"; (Mandatory Safety Management System);
- UNI 10617:2019 "Establishments with a risk of major accidents - Safety management systems - Essential Requirements"; (Voluntary Safety Management System – not certified).

Work Hazard Identification Process and Risk Assessment

[403-2; SHS-2 C1]

The Saras Group adopts a precise methodology for identifying hazards in the workplace to assess, mitigate, and manage residual risks carefully. In particular, the identification of hazards is carried out as part of the risk analysis and assessment process.

The methodology provides for the subdivision of workplaces into homogeneous areas, to make the hazard analysis and subsequent risk assessment more precise, punctual and targeted. For each of the areas thus identified, an inventory of hazards and their sources is carried out. In this phase, both the hazards due to the working environment and those associated with the operating methods adopted (job hazards) are identified.

The census takes into account those potential hazards that the analysis of the drafters, the experience of the operators, the historical data and the

1. https://www.sarlux.saras.it/wp-content/uploads/2021/09/Politica-PIR-SSA_14052021.pdf
2. https://www.sarlux.saras.it/it/sicurezza-sistema-hse/

plant engineering examination, indicate as credible. For ease of classification and codification, the hazards that exist within any industrial activity are divided into five macro-categories:

- Ordinary (sharp and/or harmful objects, work at height, etc.);
- Ergonomic (manual handling of loads, incongruous operating postures, etc.);
- Specific (physical agents, microclimate, ionizing radiation);
- Process (Fire, explosion, etc.);
- Details (Work-related stress, Gender and age differences, etc.).

In addition, as part of the hazard census, depending on the type of work environment, a census of any chemical, carcinogenic and mutagenic agents that may be present is also carried out.

Our Group is also committed to a systematic process of identification and assessment of risks from work-related stress. Preventing, detecting and managing stress in work situations helps to promote the culture of organizational well-being towards which Saras tends.

As far as the assessment is concerned, the methodology developed by INAL "Assessment and Management of the Risk of Work-Related Stress – Manual for use by companies in implementation of Legislative Decree 81/08 and subsequent amendments" was applied, which provides:

- **Creation of the Evaluation Management Group** - The Evaluation Management Group, among other things, identifies the Homogeneous Groups of Workers (GOLs).
- **Preliminary Assessment** - This phase involves the adoption of checklists divided into the three families indicated by the Permanent Advisory Commission such as, Sentinel Events (Business Indicators), Work Content Factors and Work Context Factors. Each indicator is associated with a score that contributes to the overall score of the area. The scores of the 3 areas are summed. The sum of the scores attributed to the 3 areas makes it possible to identify the positioning in the "table of risk levels", expressing the score obtained as a percentage, compared to the maximum score.
- **In-depth assessment** - If the preliminary assessment highlights elements of risk, i.e. "such as to require the use of corrective actions, appropriate corrective actions are planned and adopted..."; If the latter are found to be "ineffective", we proceed with the "in-depth assessment", which involves assessing the subjective perception of the workers.

More details are available in the Corporate Risk Assessment Documents (DVR) which are regularly prepared and periodically updated by the individual Group companies in accordance with articles 17, 26 and 28 of Legislative Decree 81/2008.

The **Risk Assessment Document (DVR)** contains:

- The assessment of all risks to safety and health at work, specifying the criteria adopted for the assessment;
- An indication of the prevention and protection measures implemented and the personal protective equipment adopted, following the assessment;
- The programme of measures deemed appropriate to ensure the improvement of safety levels over time;
- The identification of the procedures for the implementation of the measures to be implemented, as well as the roles of the company organization that must provide for them, to which only persons with adequate skills and powers must be assigned;
- The identification of tasks that may expose workers to specific risks that require recognized professional ability, specific experience, adequate training and training.

Participation, consultation of workers and communication

[403-4; SHS-1 C3]

In line with what is expressed in its Policies, the Saras Group respects the right of workers to have adequate representation and the freedom to establish and/or join workers' organizations or trade union representatives without fear of retaliation or intimidation and promotes the consultation of workers, including through the social partners, in the definition of policies, processes and procedures aimed at improving the working environment and protecting health and safety. safety.

The involvement of all workers is ensured through:

- consultation of Workers' Safety and Environmental Representatives;
- meetings with the staff concerned;
- Communications/communications to employees via intranet site, regulatory system, certified and non-certified e-mail.

In addition, in accordance with the following regulations:

- Legislative Decree no. 81 of April 9, 2008, as amended and supplemented - Consolidated Law on Health and Safety at Work;
- Legislative Decree no. 105 of 26 June 2015 - Implementation of Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances;
- Legislative Decree no. 138 of 6 June 2016 - Regulation governing the forms of consultation on internal emergency plans (IEPs) of personnel working in the plant, pursuant to Article 20, paragraph 5, of Legislative Decree no. 105 of 26 June 2015;

the Manager/Employer seeks the opinions, before making decisions, of the Sarlux Workers' Safety and Environmental Representatives (RLSA) and of the Third-Party Companies (RLS) operating in the Plant on a long-term basis.

The Workers' Representatives for Safety and the Environment (RLSA) are appointed by law to protect workers' rights in the field of safety at work and are elected by the workers through the intermediary of the company's Trade Union Representatives. Moreover, the figure of the RLSA is also provided for by the CCNL Energy and Petroleum, applied to the Group companies active in those sectors; one of these is Sarlux, where six RLSAs have been elected.

In the above-mentioned collective agreement adopted in Sarlux, the result of continuous and open discussions with the trade unions and Confindustria, a specific section has been provided entirely dedicated to the regulation of HSE topics, within which the strategies, objectives, responsibilities, activities and system of industrial relations built to manage HSE topics are described.

In particular, the establishment of a National Joint Body has been envisaged – with the participation of representatives of Confindustria, trade unions, UNEM (Union of Energies for Mobility) and some companies representing the sector, including Saras – aimed at supporting and monitoring all actions relating to health, safety, and the environment, including training and information activities.

From an operational point of view, to ensure the consultation process of the workers of the Sarroch site, the "Health, Safety, Environment and Prevention of Major Accidents Committee" is established, which meets at least four times a year.

Sarlux periodically consults the Workers' Safety Representatives of the contractors. In addition, it promoted an inter-company comparison between the RLS of the companies operating in the industrial agglomeration of Sarroch, guaranteeing the necessary logistical support for the organization of the meeting.

Consultation and participation of workers

		2023	
		Target	**Result**
Periodic Safety Meeting[1] *– Saras Group*	*no.*	4	4
Health, Safety, Environment and Major Accident Prevention Committees - Sarlux	*no.*	≥4	18
Regular Contractor Meeting - Sarlux	*no.*	≥4	4

1. pursuant to Article 35 of Legislative Decree 81/2008 "Consolidated Law on the Protection of Health and Safety in the Workplace" of April 9, 2008.

NATIONAL CONFERENCE 2022-23 RLSA-RSPP

Integrated sustainability and decarbonization goals: analyses and methods

On November 22 and 23, the national conference of "workers' representatives for safety and the environment" (RLSA) and "prevention and protection service managers" (RSPP) was held in Cagliari and Sarroch.

The conference is part of the activities aimed at disseminating and enhancing the best practices for risk prevention and technological innovations aimed at environmental protection adopted in companies. The event was promoted by the National Joint Body – with the participation of representatives of Confindustria Energia, trade unions, UNEM (Union of Energies for Mobility) and some companies representing the Energy and Petroleum sector, including Saras.

The conference, the first organized after the covid period, was attended by the top management of the Saras Group, which hosted the event and collaborated in its organization, category representatives of national unions and representatives of Confindustria Sardegna Meridionale.

Referring to the theme of the conference "**Integrated sustainability and decarbonisation objectives: analyses and methods**", Carlo Guarrata, CEO of Sarlux, during the institutional greetings, said *"We must always think in a new way [...] The application of advanced technologies allows us to maximize our refining performance while ensuring sustainability and respect for the environment."*

From the speeches on the first day of the meeting, it was clear that there was a need to involve stakeholders and interested communities, in order to target the company's initiatives related to the companies' medium-long term sustainability strategy. Saras' strategy is part of this line, which sees the Group committed to ensuring operational continuity of the site (in a safe, reliable and efficient way), increasing production from renewable sources, and preparing for the energy transition. At the same time, activities aimed at the development of the territory and support for projects for the

enhancement of the social fabric continue.

From the debate that involved the participants on the morning of the first day, the challenges that workers in our sector will face in the future were clearly highlighted. Concretely, these are:

- decarbonise production cycles and products, thanks to efficiency and the development of new technologies, also making use of digitalisation and artificial intelligence processes;
- focus on the social repercussions that the new scenarios entail, with particular attention to the development of that "safety culture" in which RLSA/RSPP, companies, trade unions and employers' associations play an active role.

In the afternoon, a workshop was held that allowed participants to practice the use of a software on climate change, developed by the MIT Sloan Sustainability Initiative, which makes it possible to explore the impact of parameters such as electric transport, energy price and improvement of agricultural practices, with respect to temperature, air quality, sea level rise, etc.

On the second day, the participants had the opportunity to visit the Sarroch industrial site, where further moments of discussion took place both with the operational staff during the visits to the control rooms of the refining plants and the IGCC combined cycle power plant, and with the staff who follow the digitization and machine learning projects.

At the end of the two days of work, the success of the Conference was confirmed in terms of the number of participants, but above all as a moment of confrontation and growth for the people of the "Energy and Oil" sector, which is confirmed as a strategic asset for the country.

Technological innovation in the field of health and safety

The Saras Group recognizes technological innovation as a strategic lever capable of improving health and safety processes for individuals. To this end, in 2019, a technological solution was developed with the aim of enhancing the safety conditions of plant operators, called Digital Safety Advice (DSA). In 2023, thanks to the distribution of an additional 50 devices, the target of 200 total distributed devices was achieved. The project is based on a personal safety monitoring device with constant and intrinsically safe connection, provided to the operational staff of the industrial site.

Through a remote control panel, it is possible to know in real time the safety status of individuals in the plants. Providing DSA to operational staff constitutes a specific ESG (Environmental, Social, and Governance) KPI (Key Performance Indicator), as seen in the dedicated chapter. It was also noted that in the biennium 2020-21, the distribution of DSA was temporarily suspended due to the pandemic. In 2022, planned distribution resumed, and currently, the DSA device is used by workers at the Sarroch operational site.

ESG KPIs - Digital Safety Advice

		2021		2022		2023	
		Target	Result	Target	Result	Target	Result
DSA distribution[1]	*no.*	150	105	150	150	200	200

1. The balance is intended to be a progressive total of distributed devices. Specifically, in 2023, the following were distributed 50 additional devices

Worker Information, Education, and Training

[403-5; SHS-1 C2; ENV-6 C4]

The Saras Group guarantees all workers access to the main information on health and safety protection, through various channels, including:

- Corporate Intranet - HSE Section and Regulatory System;
- Dedicated posters, newsletters, emails, and communication campaigns;
- Informational meetings in the classroom and online via the Saras Learning platform.

All Health and Safety training delivered within the Group is designed and delivered by Trainers qualified according to current standards and with years of experience. At the end of each training intervention, both classroom and online, a verification test is carried out that aims to verify the actual learning of the learners.

With regard to HSE compliance training (education and training on topics governed by laws/external bodies), these activities are attributable to:

- Specific training and additional special training for the figures who require it (signing of work permits, additional special training for supervisors, emergency team, tower crane operation, electrical manoeuvring personnel, etc.) both for the first appointments made necessary following job changes and new hires, and for the periodic updates provided for by the ASR (State-Regions Agreement) or by other applicable regulations;
- Training of all personnel involved in the Emergency Plan;
- Simulation of accident scenarios from Safety Report;
- Specific training for workers who may work in environments suspected of pollution or confined;

- Information on Major Injuries Risks (Legislative Decree 105/15) through four online forms distributed to all staff.

The following table details some information, education and training activities related to the health and safety of workers and environmental protection.

Information, Training and Education - Health, Safety and Environment - Saras Group

		2021	2022	2023
Health and Safety	h	6,210	9,726	6,361
Types of courses such as: *Hazard identification and risk assessment-Training use of protective equipment; Safety organization and management; Training on special hazards (covid-19 prevention and protection, radiation protection-confined environments); Emergency prevention and management measures (accidental releases, firefighting, first aid-BLSD); Worker training on prevention of major accidents related to hazardous substances-part health and safety*				
Environment	h	2,837	3,758	3,943
Types of courses such as: *Waste management and waste collection; Atmospheric discharge control; Water effluent control; Odorigenic substance detection; Noise pollution prevention; Worker training on major accident prevention related to the use of hazardous substances - environmental part; Marine pollution prevention - spill management.*				
Total HSE Training	**h**	9,047	13,484	10,304

Reporting, Analysis and Event Management

[403-2; 403-4; SHS-1 C1; SHS-1 A1; SHS-3 C3]

Individual empowerment and active participation in worker prevention are fundamental pillars for Saras on which to build a "culture of safety." To this end, the Group:

- Promotes the importance of detecting near misses and hazardous conditions;
- Recognizes the "value of error" as an opportunity for improvement;
- It promotes an organizational culture capable of going beyond the "culture of guilt";
- Protects and supports workers who report accidents and dangerous situations;
- Provides feedback and communicates any actions taken as a result of the report.

Reported Near miss

		2021	2022	2023
Near miss[1]	*no.*	35	30	72
- Saras Group employees	*no.*	30	18	17
- Contractors	*no.*	5	12	55

1. This term is used to indicate unforeseen and sudden deviations from the normal routine of work in the presence of situations that have not allowed the occurrence of negative consequences. Near misses are potentially harmful events, as they are linked to the presence of situations or agents that have the intrinsic characteristic of "dangerousness" which, however, have not caused damage to people or property.

Anyone who becomes aware, or is present when an incident occurs, is required to report it immediately. Building on this general rule, it seems clear that Near Miss reporting represents a fundamental element in safety management at the site. In fact, through the knowledge and subsequent analysis of episodes that could have evolved towards negative consequences (without this happening in the reported case) it provides a powerful preventive tool that allows you to anticipate and eliminate the root causes before they are the factors of an accidental event.

A total of 72 incidents were reported during 2023, of which 17 by Group personnel and 55 by Contractors.

Comparing the trend over the three-year period, there is a substantial stability in internal reports, and an increase in reports from Contractors.

Each accident is analysed for the specific purpose of learning both the direct and indirect causes of an accident and taking the necessary measures to prevent the recurrence of the same event or similar events, and its effects and collateral circumstances to its evolution and taking measures to contain the consequences of any future similar events.

The process is developed through the following phases:

1. assessment of the severity of the event;
2. determination of the level of analysis;
3. analysis;
4. report writing;
5. follow-up management of actions derived from analysis.

The analysis is divided into two different phases:

First level analysis

- Organization of accident information downstream of fact gathering;
- Description of accident causality and development of hypotheses for possible specialized investigation;
- Restoration and safety actions (corrections) and any corrective actions to be taken immediately.

Second-level analysis

- Analysis of the causes that produced the accident, elaboration of a consequent action plan aimed at identifying and formulating corrective and preventive actions.

Development of a safety culture: the BBS protocol

[403-2; SHS-1 C1; SHS-3 C3]

The Saras Group promotes a culture of safety at all levels of the company through training, sharing, and verifying the effectiveness of safety activities. This involves continuous research, training, and the creation of safe working conditions to progressively reduce accidents and injuries for Saras Group workers and contractors, aiming for "zero accidents".

In a mature and technologically advanced company such as that of the Saras Group, the "human factor" becomes the key component of the occupational safety management system. It is therefore necessary to reduce risky behaviours (often the main cause of accidents and injuries), focusing on what people do and understanding why they do it, then identifying intervention strategies aimed at changing and modifying behaviours considered "at risk" or otherwise wrong.

In this context, the implementation of the Behaviour Based Safety (BBS) protocol at the Sarroch site is inserted. More precisely, according to the behavioural theories, from which the BBS derives, behaviours are the result of learning through negative reinforcement (punishments) and above all positive reinforcement (rewards), in a sequence of "antecedents" (or activators) that induce "behaviours", which in turn then lead to "consequences" (these three phases make up the "three-contingency model: A-B-C").

In general, the BBS protocol includes the following phases:

- Definition of expected observable behaviours;
- Observation and data collection;
- Feedback and direction of behaviours towards the expected ones;
- Measurement of the results obtained.

Operationally, the BBS protocol, implemented at the Sarroch site, is divided into three phases:

1. All workers, on a rotating basis:
- observe the behaviour of colleagues during the performance of their duties;

- record the observations of the behaviour on a special form;
- give feedback to the observed colleagues;
- they write down and enter data and comments into the system.

2. The HSE Implementation Committee (composed of Operations Managers, Operations Supervisors, HSE Analysis) once a month:
- analyzes department event reports;
- analyses graphs on observations and behaviours;
- defines priorities for HSE maintenance activities;
- defines improvement objectives for behaviour;
- elaborates the outline for the Shift Supervisors – Operators meetings.

3. Following the analysis activities of the HSE Implementation Committee, a team meeting is convened to communicate the results of the analysis and define improvement objectives.

The application of the BBS protocol at the Sarlux site started in 2015 with a pilot project in some areas of the plant (Energy, Utilities, Movement and Assets), and quickly extended to the entire plant and all operational functions. By now, from 2018 onwards, there were percentages of safe behaviour of over 98%, which emerged from the analysis of the checklists compiled in a significant number (up to 22 thousand "all workers" observations in just one year), a sign that the culture of safety has deeply penetrated all areas of the company.

Since 2020, in consideration of the pandemic event, changes have been made to the BBS protocol, integrating the observation sheets with specific checks on behaviours aimed at preventing the spread of Covid-19 (e.g. knowledge of the hygiene rules recommended by the Ministry of Health, avoiding crowded places, maintaining social distancing, using masks, applying ventilation of environments, etc.). This update of the protocol has also proved to be particularly effective in the planting areas, to minimize the possibility of contagion.

Finally, as a further demonstration of the attention that the company's management pays to this tool, it should be noted that since 2019 a specific ESG KPI of the Saras Group has been included, which refers to the total number of observations made during the application of the BBS protocol, at the Sarlux industrial site.

The table below shows the progress of the protocol over the last three years.

In 2023, out of 20,099 (16,404 in 2022), 12,385 feedbacks were provided (9,159 in 2022), recording 98.8% of safe behaviour (98.6% in 2022).

In 2023, activities continued to update the Protocol currently applied, with the aim of maintaining and increasing the results achieved over the years and reducing the behaviours identified as contributing causes of the accidents that occurred in the last three years. In the first half of 2023, contractors were involved through a seminar on the application of BBS in industrial sites, following which the Advanced Training Course "BEHAVIOR BASED SAFETY Guiding safety behaviours to leave nothing to chance" was organized in Cagliari by Confindustria Southern Sardinia and AARBA, which was attended by numerous Sarlux Contractors..

ESG KPIs - Behavioural based safety - BBS

		2021		2022		2023	
		Target	Results	Target	Results	Target	Results
Observations carried out	*no.*	22,000	18,920	22,000	16,404	22,000	20,099
Feedback	*no.*	-	9,207	-	9,159	-	12,385
Safe behaviour	*%*	-	98.7	-	98.6	-	98.8

Worker Health Promotion

[403-3; 403-6; SHS2-C3]

For the Saras Group, the promotion and management of health are extremely important topics, and are carried out mainly through three activities:

- emergency management, through a first aid service;
- mandatory health surveillance;
- the provision of benefits in the form of medical services not required by law.

At the Sarroch site, mandatory health surveillance activities are carried out by two competent doctors, one of whom is a coordinator (rif. art. 41 of Legislative Decree 81/2008), who are supported by some specialists who provide additional health services, not provided for by legislative constraints. Doctors specialising in cardiology, ophthalmology and dentistry are available to Sarlux and Sartec employees.

The health surveillance activities for the staff of Saras (Milan/Rome office), Arcola Depot (La Spezia) and Saras Energia (Spain) are carried out by specialists who operate in their respective offices. Finally, for Sardeolica (Ulassai and Macchiareddu sites), health surveillance activities are carried out by the competent doctor present at the Sarroch industrial site, in collaboration with a doctor's office for the specialist examinations required for the task. In addition, an agreement has been concluded with a specialist in Ulassai for dental care.

Mandatory health surveillance

Mandatory health surveillance includes medical examinations, blood chemistry tests, control of urinary metabolites, spirometry tests to verify respiratory function, eye examinations, audiometric examinations, and electrocardiograms.

In particular, 5,979 health services were carried out in 2023. Of these, 93% involved the staff of the subsidiary Sarlux and Saras workers based in Sarroch. Saras offices in Milan and Rome (approximately 1.4%); Saras Energia (about 2.6%); Sardeolica (about 1.8%) and finally the Arcola Deposit Srl (about 1.1%). It should be considered that the variability of the numbers, from one financial year to another, is a function of the legal cadence of visits for mandatory surveillance, which for some job positions is biennial, while for other roles it is annual.

In accordance with the regulations in force on the protection of the Health and Safety of workers, and in particular paragraph 1 of Article 243 of Legislative Decree 81/08, workers exposed to carcinogens and mutagens are registered in a special register in which the activity carried out, the carcinogen or mutagen used and, where the exposure value to that agent is known. This register, called the "Register of Exposed Persons", established by the Employer, is periodically updated through the competent doctor.

Additional Health Benefits

The Group also allows its employees to benefit from numerous additional health services free of charge, in addition to what is required by law. During 2023, approximately 3,325 additional health services were provided pro Sarlux and Saras Sarroch (from July 2023 the pool also extends to employees of the former Sartec subsidiary), of which approximately 33.5% dental care, 64.5% blood tests (PSA and/or lipid balance), while the remaining 2% is divided between cardiology services and mammograms.

The Saras Group promotes, on a voluntary basis, the flu vaccination campaign that has been taking place since October 2023 for the Milan office and for its subsidiaries based in Sardinia.

Occupational health services - Saras Group

		2021	2022	2023
Mandatory health surveillance	*no.*	5,600	4,833	5,979
Additional health benefits	*no.*	3,500	3,150	3,325

Saras Group's performance in the field of Health and Safety

[403-9; 403-10; SHS-2 C3; SHS-3 C1; SHS-3 A1]

The Saras Group is committed to the creation of working conditions aimed at progressively reducing cases of emergency and injury for the workers of the Saras Group and its contractors, this commitment is better explained with the choice of the company management to include a specific ESG KPI with the aim of improving the injury index of the operationally relevant site.

In particular, the injury frequency index for the entire Group was 4.25, up from 1.98 in 2022. The performance was determined by the increase in the number of events recorded (10 in 2023 vs 5 in 2022) against a decrease in the number of hours worked, which is the denominator of the ratio with which the frequency index is calculated. The number of days of absence due to injury also increased (672 in 2022 vs 243 in 2022), bringing the severity index from 0.10 to 0.29. Of the total 10 events, 8 are attributable to the subsidiary Sarlux and 2 to the parent company Saras. As far as gender distribution is concerned, there were 7 events involving male and 3 female staff.

It is important to mention that, among the Group's subsidiaries, the result of Sardeolica stands out, which, as of December 31, 2023, has recorded over 4,800 days without injuries, crossing the milestone of 13 continuous years without injuries (starting from October 2010, the start of direct management).

These services are the consequence of a culture of safety that is strongly rooted in people and constantly reinforced through special training programs and daily and periodic control and inspection activities.

For the subsidiary Sarlux, in assessing its HSE performance, it is necessary to take into account the merger of Sartec on 1 July 2023. Specifically, Sarlux in 2023, with a number of hours worked of 1,719,663 (1,608,371 in 2022), recorded 8 accidents, 5 of which occurred in the plant area and 3 in the office area and related appurtenances (there were 4 in 2022, of which 3 in the plant area and 1 in the office area and related appurtenances); Consequently, the frequency index (the ratio between the number of accidents and millions of hours worked) is 4.65, while the severity index (the ratio between the number of days of absence and thousands of hours worked) is 0.28.

With regard to the gender distribution, relating to Sarlux, there were 7 events involving male and 1 female staff.

Health and safety - Saras Group performance

		2021	2022	2023
Work-related injuries	no.	7	5	10
• *of which high-consequence work-related injuries*	no.	0	0	0
• *of which fatalities*	no.	0	0	0
First-aid	no.	3	1	0
Rate of work-related injuries (LTIFR)[1]		2.85	1.98	4.25
Rate of high-consequence work-related injuries[2]		0	0	0.00
Rate of fatalities		0	0	0.00
Rate of recordable work-related injuries (TRIFR)		4.07	2.37	4.25
Hours worked	h	2,457,303	2,530,485	2,350,254
Lost days	no.	155	243	672
Severity Index[3]		0.06	0.10	0.29
Work-related ill health	no.	0	0	0
Rate of work-related ill healths[4]		0	0	0

1. It is the number of accidents registered and reported to the competent social security institution, divided by the hours worked in the year, multiplied by 1,000,000, pursuant to the UNI 7249:2007 standard
2. It is the number of accidents from which the worker cannot recover, does not recover, or it is unrealistic to expect that he or she will recover completely by returning to the state of health prior to the accident within 6 months, divided by the hours worked in the year, multiplied by 1,000,000
3. It is the number of days lost due to an accident, divided by the hours worked in the year, multiplied by 1,000, in accordance with the UNI 7249:2007 standard
4. It is the total number of cases of occupational disease divided by the hours worked in the year, multiplied by 1,000,000

Injury Rates – Saras Group

	2021				2022				2023			
	Injuries	IF[1]	IG[2]	Near miss	Injuries	IF	IG	Injuries	Injuries	IF	IG	Near miss
Saras Spa	0	0	0	0	0	0	0	0	2	4.69	0.45	0
Sarlux Srl	5	3.08	0.09	21	4	2.49	0.14	12	8	4.65	0.28	17
Sartec Srl	1	4	0.02	0	0	0	0	4				
Sardeolica Srl	0	0	0	1	0	0	0	0	0	0	0	4
Deposito di Arcola Srl	1	39	0.32	7	1	35.6	0.39	2	0	0	0	0
Saras Energia SAU	0	0	0	1	0	0	0	0	0	0	0	0
Saras Trading SA	0	0	0	0	0	0	0	0	0	0	0	0
Total	**7**	**2.85**	**0.06**	**30**	**5**	**1.98**	**0.10**	**18**	**10**	**4.25**	**0.29**	**21**

1. This is the number of injuries registered and reported to the competent social security institution, divided by the hours worked in the year, multiplied by 1,000,000, pursuant to the UNI 7249:2007 standard
2. It is the number of days lost due to an injury, divided by the hours worked in the year, multiplied by 1,000, pursuant to the UNI 7249:2007 standard

Injuries classification for Saras Group 2023

	Total injuries recorded on the workplace			Injuries with serious consequences (excluding fatalities)	Injuries leading to fatalities	Total Frequency Index	Injury Frequency Index	First Aid Frequency Index	Frequency index for serious consequences	Frequency index for fatalities	Near miss
	Total	Injuries	First Aid								
Saras Spa	2	2	0	0	0	4.69	4.69	0	0	0	0
Sarlux Srl	8	8	0	0	0	4.65	4.65	0	0	0	17
Sardeolica Srl	0	0	0	0	0	0	0	0	0	0	4
Deposito di Arcola Srl	0	0	0	0	0	0	0	0	0	0	0
Saras Energia SAU	0	0	0	0	0	0	0	0	0	0	0
Saras Trading SA	0	0	0	0	0	0	0	0	0	0	0
Total	**10**	**10**	**0**	**0**	**0**	**4.25**	**4.25**	**0**	**0**	**0**	**21**

Injuries type – Saras Group

		2021	2022	2023
Fall on level ground, slip	no.	5	2	5
Fall from height	no.	0	0	0
Impact, crushing, cutting	no.	1	3	3
Manual handling of loads	no.	0	0	0
Projection of solid fragments and/or liquid substances	no.	0	0	1
Burns	no.	1	0	0
Electrocution	no.	0	0	0
Traffic accident injury	no.	0	0	0
Other	no.	0	0	1

Injuries causes[1] - Saras Group

		2021	2022	2023
B7. Inattention	no.	5	3	3
B6. Neglected instructions or standards	no.	1	0	4
C4. Defective tools	no.	1	0	0
D8. Slippery floors or other places	no.	0	0	2
C7. Inadequate or faulty design	no.	0	0	0
C. Unsafe conditions for materials or equipment	no.	0	1	0
B9. Physical or mental condition of the employee	no.	0	1	0
B10. Incorrect body position	no.	0	0	0
Other	no.	0	0	1

1. as per the INAIL classification system

Product & Substance Management

[403-7; SHS-5]

The Saras Group wants to pursue continuous improvement also through the adoption of substances that are less dangerous for Health and Safety at Work (Legislative Decree 81/2008), on the Danger of Major Accidents related to dangerous substances (Legislative Decree 105/2015) and interactions with the environment (Legislative Decree 152/2006) when technically and economically suitable alternatives exist. Intrinsic Safety principles[1] apply to hazardous substances, such as:

- Intensification, through the use of smaller quantities of hazardous substances in storage or in the process;
- Substitution, replacing hazardous substances with less hazardous ones;
- Mitigation of the hazard, by using a physical form of the substance or conditions of use less dangerous;
- Limitation of effects, through the design of plants in such a way as to minimize the consequences of any release of dangerous substances or energies;
- Simplification, through the design of simplified management systems in order to reduce the probability of operating errors.

A substance (chemical element and/or its compounds) or preparation (mixture or solution composed of two or more substances), liquid, gas or solid, which constitutes a hazard to the health or safety of workers and/or the environment within the meaning of EC Regulations 1907/2006 REACH and 1272/2008 CLP, is defined as "hazardous".

The hazardousness of the substances received, used in the processes and/or produced and stored, is reported in the relevant Safety Data Sheets (SDS), available on the company intranet and periodically checked and reviewed.

The SDS make it possible to assess any risk to the health and safety of people and the protection of the environment deriving from the use and handling of substances.

1. Plant safety based on the approach of avoiding hazards and/or limiting risks instead of controlling them (UNI 10617:2019)

Safety management and environmental protection in procurement processes

[SHS-1 C2]

Suppliers are essential counterparties for the achievement of the Group's sustainability objectives.

In particular, during the evaluation phase of potential and current suppliers (including any subcontractors), Saras requires:

- compliance with the Laws;
- the promotion of ethical and correct behaviour and the prevention of corruption;
- compliance with the principles set out in its Code of Ethics and Sustainability Policy;
- compliance with the Policies on Health Protection, Environment, Safety and Prevention of Major Accidents.

The health and safety aspects of contractors' environmental protection are monitored both in advance (supplier qualification) and during the execution of the contract, through numerous control processes (dedicated audits and inspection activities on operational sites) and tools such as the SAP Ariba platform.

Of particular interest in the HSE area are the activities of contractors within the operationally relevant site of Sarroch, in this area, also in 2023 the site inspection activities of third-party companies continued with the aim of verifying compliance with procedures and provisions in terms of health, safety and the environment. The inspection activity was carried out in compliance with the annual schedule according to a calendar that provides for meeting all the companies present on the site at least once a year.

Specifically, 57 inspections were carried out in 2023, involving 40 companies for a total of 215 workers involved.

In order to achieve the objectives and targets set out in the HSE Policy and to promote effective involvement of contractors, the Group organises and provides information activities to third-party companies regarding risks and dangers of production processes, rules and procedures for managing the environment and safety.

Mainly contractors are employed in maintenance activities (planned and plant shutdown) carried out at the production site, Sarlux promotes cooperation and coordination also by organizing, at least quarterly, a periodic meeting between the Sarlux Manager[1]/Employer (4 held in 2023) and the representatives of the companies operating in the Plant (Employers, Operational and Safety Managers, Workers' Representatives).

HSE Inspections Construction Sites Contractors - Sarlux

	2021		2022		2023	
	Target	Result	Target	Result	Target	Result
no.	90	93	67	136	44	57

Contractor worksite inspection activities for the purpose of verifying compliance with health, safety and environmental procedures and regulations

Information on HSE Topics - Contractors

		2021	2022	2023
Information provided to contractors	h	2,481	4,992	15,682

HSE pre-access plant information; Safety and environmental protection in maintenance activities, Information on risks of interference with the production process

1. Any natural or legal person who manages or owns an establishment or plant, or to whom the economic and decision-making power determining the technical operation of the establishment or plant has been delegated (UNI 10617:2019)

Contractors' performance in the field of Health and Safety

[403-9; 403-10; SHS-3 C1]

With regard to the accident indices relating to contractors (which in fact operate mainly at the Sarroch site), the data are reported in the appropriate tables, and show, for contractors of the entire Group, a sharply decreasing frequency index, equal to 1.10 (compared to 6.15 in 2022), mainly attributable to contractors operating in the Sarlux subsidiary, which close the year 2023 with 4 events (none of which with a fatal outcome). As a result, the severity index also improved, from 2.81 in 2022 to 0.10 in 2023 in view of the significant reduction in days lost due to accidents, which stood at 368 compared to 8224 in 2022.

Injuries performance has been the subject of careful consideration with the contractors themselves, who have been stimulated to promote initiatives and define the best strategies for improving performance. Sarlux also analysed all the events and verified what actions could lead to a reduction in their number and magnitude. In this regard, as already indicated, the B-BS methodology and its protocols will be presented to the Contractors, with the aim of making known a model that, if correctly applied, can lead to significant benefits on HSE performance.

Health and safety - Contractors

		2021	2022	2023
Work-related injuries	no.	3	18	4
• *of which high-consequence work-related injuries*	no.	0	0	0
• *of which fatalities*	no.	0	1	0
First-aid	no.	0	6	0
Rate of work-related injuries (LTIFR)[1]		1.29	6.15	1.10
Rate of high-consequence work-related injuries[2]		0	0	0.00
Rate of fatalities		0	0.34	0.00
Rate of recordable work-related injuries (TRIFR)		1.29	8.19	1.10
Hours worked	h	2,332,981	2,928,775	3,646,061
Lost days	no.	92	8224	368
Severity Index[3]		0.04	2.81	0.10

1. This is the number of accidents recorded and reported to the relevant social security agency, divided by the hours worked in the year, multiplied by 1,000,000, in accordance with UNI 7249:2007
2. This is the number of injuries from which the worker cannot recover, does not recover, or is not realistically expected to recover fully by returning to pre-injury health within 6 months, divided by the hours worked in the year, multiplied by 1,000,000
3. This is the number of days lost due to injury, divided by the hours worked in the year, multiplied by 1,000, in accordance with UNI 7249:2007

Injury Rates - Contractors

	2021				2022				2023			
	Injuries	IF[1]	IG[2]	Near miss	Injuries	IF	IG	Near miss	Injuries	IF	IG	Near miss
Saras Spa	0	0	0	0	0	0	0	0	0	0	0	0
Sarlux Srl	3	1.32	0.04	2	17	5.86	2.83	11	4	1.11	0.10	55
Sartec Srl	0	0	0	0	0	0	0	0				
Sardeolica Srl	0	0	0	0	0	0	0	0	0	0	0	0
Deposito di Arcola Srl	0	0	0	3	1	79.30	0.79	1	0	0	0	2
Saras Energia SAU	0	0	0	0	0	0	0	0	0	0	0	0
Saras Trading SA	0	0	0	0	0	0	0	0	0	0	0	0
Total	**3**	**1.29**	**0.04**	**5**	**18**	**6.15**	**2.81**	**12**	**4**	**1.10**	**0.10**	**57**

1. This is the number of accidents recorded and reported to the relevant social security agency, divided by the hours worked in the year, multiplied by 1,000,000, in accordance with UNI 7249:2007
2. This is the number of days lost due to injury, divided by the hours worked in the year, multiplied by 1,000, in accordance with UNI 7249:2007

Injuries classification for Contractors - 2023

	Total injuries recorded on the workplace			Injuries with serious consequences (excluding fatalities)	Injuries leading to fatalities	Total Frequency Index	Injury Frequency Index	First Aid Frequency Index	Frequency index for serious consequences	Frequency index for fatalities	Near miss
	Total	Injuries	First Aid								
Saras Spa	0	0	0	0	0	0	0	0	0	0	0
Sarlux Srl	4	4	0	0	0	1.11	1.11	0	0	0	55
Sartec Srl											
Sardeolica Srl	0	0	0	0	0	0	0	0	0	0	0
Deposito di Arcola Srl	0	0	0	0	0	0	0	0	0	0	2
Saras Energia SAU	0	0	0	0	0	0	0	0	0	0	0
Saras Trading SA	0	0	0	0	0	0	0	0	0	0	0
Total	**4**	**4**	**0**	**0**	**0**	**1.10**	**0.10**	**0.00**	**0**	**0**	**57**

Injuries type - Contractors

		2021	2022	2023
Fall on level ground, slip	no.	0	0	1
Fall from height	no.	0	1	0
Impact, crushing, cutting	no.	2	7	1
Manual handling of loads	no.	0	0	0
Projection of solid fragments and/or liquid substances	no.	0	0	0
Burns	no.	1	2	0
Electrocution	no.	0	0	0
Traffic accident injury	no.	0	1	0
Contact with hazardous substances	no.	0	6	2
Other	no.	0	1	0

Injuries causes[1] - Contractors

		2021	2022	2023
B7. Inattention	no.	0	1	0
B6. Neglected instructions or standards	no.	0	5	1
D9. Hazardous conditions caused by the contractor	no.	1	0	0
C1. Insufficiently protected equipment	no.	1	0	0
C7. Inadequate or incorrect design	no.	1	0	0
A2. Incomplete instructions	no.	0	0	1
A8. Shortcomings in the design of the work	no.	0	5	0
A6. Assignment of tools, utensils or means of protection unsuitable for the work or in poor condition	no.	0	2	1
B3. PPE provided but not used	no.	0	1	1
B9. Physical or mental condition of the employee	no.	0	1	0
C5. Defective equipment (excluding motor vehicles)	no.	0	1	0
Other	no.	0	2	0

1. As per the INAIL classification system

With regard to the performance of Contractors operating at the Sarlux Sarroch Plant in 2023, against a number of hours worked of 3,611,778 (2,900,137 in 2022), 4 accidents were recorded (17 in 2022); Consequently, the frequency index is equal to 1.11 while the severity index (the ratio between the number of days of absence and thousands of hours worked) is 0.10.

Furthermore, if we consider that 73% of the hours worked in the Group are attributable to Sarlux personnel and that 99% of the hours worked by Contractors take place at the Sarlux site, it is clear that there is a need to establish an improvement target focused on this aspect.

In fact, from the 2023 financial year, a specific ESG KPI is introduced.

Therefore, the "All Workers" frequency index (Sarlux workers and Sarlux Contractors) is 2.25 for 2023 (it was 4.66 in 2022).

ESG KPIs - Injury rates Sarlux + Contractors

	2023	
	Target	Result
Rate of work-related injuries (LTIFR) Sarlux employees + Contractors	<2.90	2.25

Process Safety, Local Community Safety, Asset Integrity and Major Incident Management

[11.8; 403-2; 403-8; SHS-6; ENV-5 C1; ENV-5 C4]

Asset Integrity

The Saras Group's production facilities are built and operated in compliance with legal requirements and considering industry best practices.

Plant, machinery, equipment, and facilities are subject to:

• Systematic monitoring and controls to safeguard Asset Integrity

Maintenance strategies are defined in compliance with the objectives of health, safety, environment, quality, plant reliability: effective asset management must first and foremost comply with safety and environmental protection standards.

The technical functions define the most appropriate maintenance strategy for the equipment, adopting, where technically applicable, preventive maintenance policies (aimed at anticipating failure with analytical maintenance approaches) and/or the use, when available and effective, of diagnostic technologies and predictive control systems.

• Asset Management policies to ensure regular business continuity

The reference maintenance policies are cyclical maintenance, predictive maintenance, inspection maintenance and fault maintenance.

On the basis of the maintenance policies adopted, the Maintenance Plans are drawn up, i.e. all the interventions that must be carried out over time to allow the correct functionality of the equipment and regular operational continuity.

The plans are periodically updated on the basis of the evidence deriving from the diagnostic tests carried out and taking into account any feedback coming in particular from HSE, Production, Processes and Maintenance.

For updates, corrective actions and improvement proposals arising from performance monitoring activities, unforeseen events analysed, any revisions to maintenance and inspection strategies, RCA (Root Cause Analysis) and FA (Failure Analysis) and operational reports are also incorporated.

Major accident prevention and management

In order to ensure the health and safety of the community and mitigate the environmental impact due to the typical activities of the company's production process, specific emergency management procedures (e.g. unplanned or uncontrolled release of hazardous material) have been implemented calibrated to credible risk scenarios.

Aspects of environmental relevance are also monitored, such as:

- Air quality and management of emissions into the atmosphere;
- Water quality and discharge management;
- Impacts on soil, subsoil and biodiversity.

In particular, the Sarlux plant falls within the scope of Legislative Decree 105/2015 (Seveso Directive) and is classified as a major accident risk due to the presence of dangerous substances.

Pursuant to the aforementioned Legislative Decree no. 105 of 2015, Sarlux has:

- Prepared the Safety Report;
- Defined a Policy for the prevention of major accidents;
- Implemented, implemented and maintained a Safety Management System for the Prevention of Major Accidents (SGS-PIR);
- Defined an Internal Emergency Plan (IEP);
- Considered, in the evaluation of possible accidental events, the domino effect;
- Useful information for the elaboration of the External Emergency Plan (PEE) has been sent to the Prefecture of Cagliari.

- **The Safety Report**

The Safety Report (pursuant to Article 15 of Legislative Decree 105/2015) is a technical document that is used to identify any possible major accidents within a plant, with the aim of implementing prevention and protection systems regarding deviations from normal operation of a significant entity.

The first Safety Report (RdS) was drawn up following the entry into force of the Italian legislation that implemented the first European directive on establishments "at risk of major accidents", dating back to 1989.

In fact, the activities carried out at the Sarlux plant involve the presence and use of substances associated with different characteristics and levels of danger. The purpose of the RF is precisely to study possible risks in order to prevent and mitigate them.

The analysis of the conceivable accident scenarios has led to the exclusion that events of this type could have significant consequences outside the perimeter of the plant. The possible involvement of external areas is limited to limited areas, in the direction of the state road 195 and the access road to Porto Foxi, in which there are, however, no residential settlements.

The document has been drawn up after a careful and in-depth analysis of its activities in relation to the risk associated with them, deriving from the manufacturing processes and substances used.

Since the first edition, it has been constantly updated in accordance with the applicable legislation and in order to incorporate all the plant changes made over time. It was last updated in May 2021.

All types of hazardous substances characterized by a low flash point (e.g. crude oil, gasoline, liquefied petroleum gas), toxicity (e.g. hydrogen sulphide), environmental hazard (e.g. diesel fuel, kerosene) are studied in the RdS. Based on the quantity and types of substances present and the processes in which they are used, possible accidental events and scenarios have been identified, such as fires, explosions, clouds of toxic gases, releases of hazardous substances on land or at sea.

The potential consequences of the identified accident scenarios were studied, in terms of impact on the safety of people, inside and outside the site, and on the environment.

The related Internal Emergency Plans of South and North Plants and the specific Emergency Plans are aligned with the updates of the Safety Report, as well as the information transmitted to the Prefecture for the planning of the external emergency of the industrial plants at risk of major accidents in the industrial agglomeration of Sarroch.

Throughout 2023, activities aimed at meeting the requirements in force to date continued, the progress of which is periodically communicated to the supervisory authorities (Regional Technical Committee - CTR).

The Internal Emergency Plan (IEP)

Having defined the risk scenario for the entire plant (South and North plants), through the preparation of the Internal Emergency Plans (IEPs), the company has identified procedures to be adopted and behaviours to be followed so that a hypothetical accident event is managed with maximum effectiveness and minimum consequences, thanks to a coordinated intervention of men and means, in order to prevent and limit damage to people, to the environment and to the company's assets, to help any injured persons, to keep accidents under control, limiting the extent of their effects. For a timely and effective intervention, alarm and emergency reporting procedures are also of fundamental importance to alert, in relation to the type of event, all the company figures involved. The information system for rescue forces, authorities and local communities is also of great importance within the Plan. Communication and signalling tools (push-button fire alarms, telephones, fixed and portable two-way radios supplied to key company structures or figures, internal and external intercoms, closed-circuit video cameras) are widely distributed throughout the plant area and allow the real-time activation of men and structures. The fire-fighting water distribution system consists of a capillary network that covers the entire area of the plant. All storage tanks are protected by fire-fighting cooling systems; Of these, the most critical ones have automatic activation systems that intervene in the event of an excessive increase in the temperature of the structures. Similar systems are installed on all pressure

tanks, LPG storage and loading facilities and any other structure for which the rise in temperature may be a critical element for safety. The plant is also equipped with twelve fire-fighting vehicles (eight in the South Plants and four in the North Plants) with dust and foam accumulators, fast and easy to handle, which allow timely intervention in emergency situations and constitute an additional support to the fixed systems. Safety equipment and systems are, in any case, subject to periodic checks and regular and accurate maintenance interventions.

Emergency management personnel carry out regular education and training. Periodically, emergency and evacuation simulations are carried out involving all the people present on site (internal and external).

The Marine Anti-Pollution Plan

The Marine Anti-Pollution Plan is the document prepared to deal with any emergencies arising from the presence of hydrocarbons at sea in the mirror overlooking the Sarlux site in Sarroch. Emergency situations that may affect the sea result from the accidental release of hydrocarbons from the maritime terminal. In such cases, a series of equipment and means are available that allow you to deal with the event quickly, according to the indications prepared by the Plan.

The plant has four boats, operating 24 hours a day, and an articulated system of equipment (skimmers, floating breakdowns, etc.) that guarantee the full and prompt response capacity of the plant. Still with regard to the prevention of releases into the sea, scheduled inspections are carried out on board ships during product loading and raw material unloading operations, with a high percentage of ships checked and exercises to verify that the structure is always perfectly capable of reacting.

The staff in charge of the marine anti-pollution plan carry out regular training and training.

Torrential rainfall management

A specific operating instruction called "Torrential Rainfall Management" is in force at the plant, which aims to manage the actions to be carried out previously, if foreseeable, and following exceptional weather events, coordinated with those provided for in the marine anti-pollution operational plan.

The various departments work to exploit the full storage capacity of the tanks to which rainwater flows and of the dedicated crude oil tanks, in order to prevent emergency situations that may require the opening of the spillways towards the sea.

Torrential rain management personnel carry out regular training and training.

In order to ensure the health and safety of the Local Community, closely connected to the Internal Emergency Plans is

The External Emergency Plan (EEP)

a document drawn up by the Prefecture of Cagliari through an investigation process involving numerous local authorities, representatives of law enforcement and emergency services, including the Region, the Metropolitan City of Cagliari, the municipalities of Sarroch, Capoterra, Villa San Pietro and Pula, the Fire Brigade, ASL and the Port Authority. The Plan concerns the Sarroch industrial area as a whole and takes into consideration hypotheses of accidental events affecting one of the sites in the area, belonging to the various companies present (Sarlux, Sasol Italy, Costiero Gas Livorno, Air Liquide, Versalis) and from which harmful consequences may arise for the outside of the plants. Also in this case, the starting point was the Safety Reports of the various production sites and the analysis of the hypothesized accident scenarios, then the analysis of the territory, considering the urban settlements and infrastructures present, to predict the best ways to manage an accident in order to ensure the safety of the population.

The document is available and downloadable in digital format by accessing the website of the Prefecture - Territorial Office of the Government of Cagliari - section "Activities - Civil Protection" - "Provincial Civil Protection Plans".

Process Safety Events (PSE)

Safety of processes constitutes a primary commitment for Saras. With the aim of safeguarding the well-being of individuals, the environment, assets, and corporate reputation, the previously described Safety Management System has been implemented. It is monitored through dedicated audits, with the purpose of preventing and mitigating risks associated with uncontrolled releases of hazardous substances that could evolve into significant incidents, by applying high managerial and technical standards.

The application of the Safety Management System results in the correct and safe management of assets throughout their lifecycle, from design to con-

Process Safety Events[1] – Sarlux

		2021	2022	2023
Events tier 1 -PSE_1		2	0	0
Events tier 2 - PSE_2	no.	1	2	1
Tier 1 event frequency rate[2] - $PSER_1$	no.	1.23	0.00	0.00
Tier 2 event frequency rate - $PSER_2$		0.62	1.24	0.58

1. As defined by API RP 754;
2. Defined as the total number of Tier 1 events per million hours worked, similarly for Tier 2 events; "Process Safety Events Rate" (PSER)
3. Note: Levels 1 and 2 indicate the severity of the consequences of the accident (from most serious to least serious) in terms of the quantities of hazardous substances released and damage caused to persons or property

struction, from operation to decommissioning, from maintenance to change management. The commitment to preventing significant incidents also translates into transparent disclosure of process safety events based on performance indicators.

These indicators are defined by the API Recommended Practice 754 – Process Safety Performance Indicators for the Refining and Petrochemical Industries.

The events to be reported are defined as: unplanned or uncontrolled releases of primary containment loss (LOPC) that result in one or more of the consequences indicated in the standard.

In 2023, there were no level 1 events (PSER1 = 0.00), while a level 2 event was recorded, which normalized with respect to hours worked results in a rate ($PSER_2$) of 0.58.

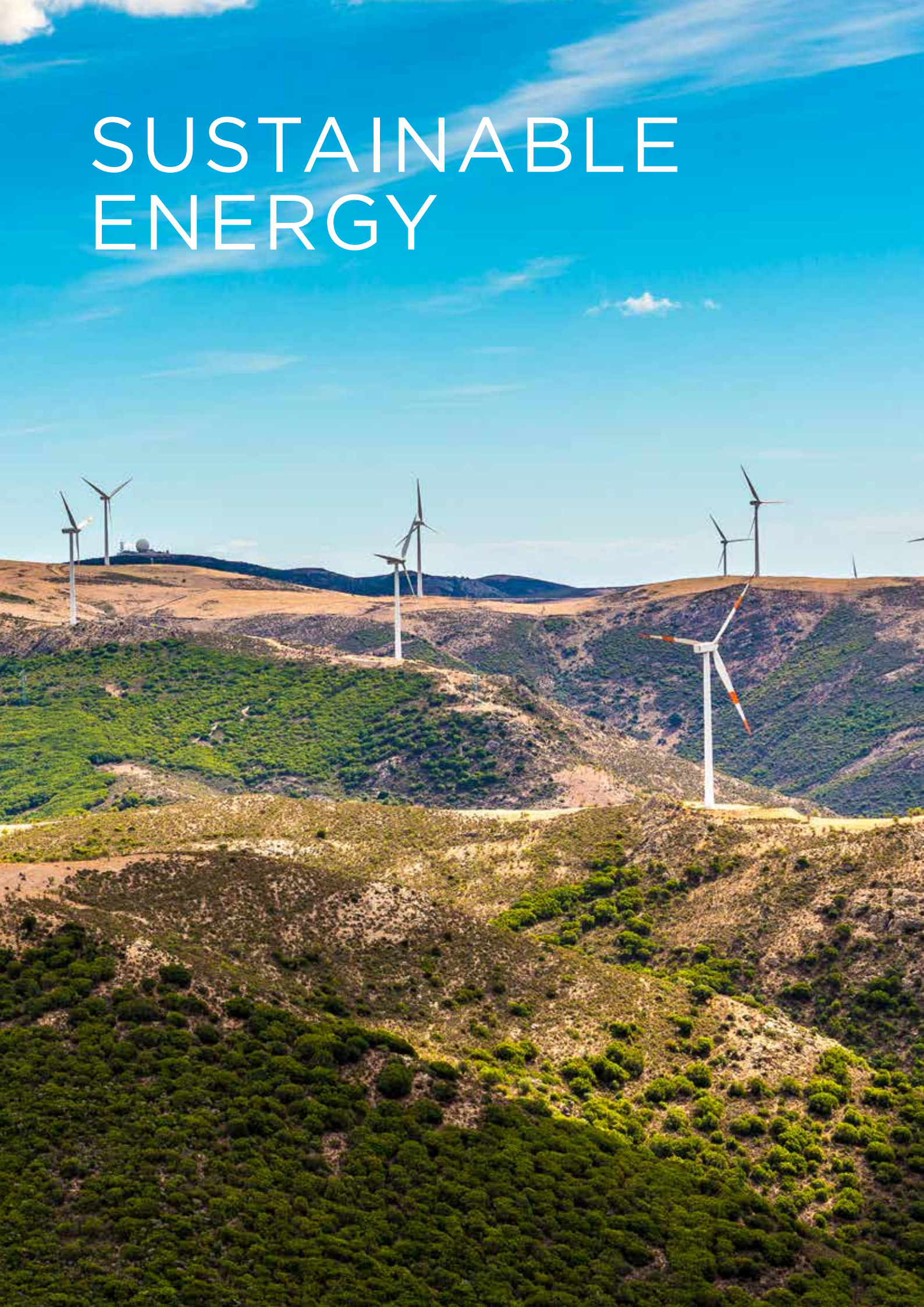
Prevention of major accidents at the Arcola Depot

The Arcola Depot also falls within the scope of Legislative Decree 105/2015 (Seveso Directive) and is classified as a major accident risk due to the presence of dangerous substances.

Pursuant to the aforementioned Legislative Decree no. 105 of 2015, the Deposit has:

- Prepared the Safety Report;
- Defined a Policy for the prevention of major accidents;
- Implemented, implemented and maintained a Safety Management System for the Prevention of Major Accidents (SGS-PIR);
- Defined an Internal Emergency Plan (IEP);
- Considering, in the assessment of possible accidents, the domino effect;
- Sent to the Prefecture of La Spezia the useful information for the elaboration of the External Emergency Plan (EEP).

SUSTAINABLE ENERGY



Operating with respect for the environment is essential for long-term sustainability, as well as for productivity and competitiveness in the markets. Therefore, the Group carries out its activities by minimizing the environmental footprint and considering, in the development of its projects, the protection of ecosystems and biodiversity.

Being a responsible and sustainable company means combining business development with the preservation of the natural environment, as well as support for the social context in which the company itself is established and carries out its activities. Since its foundation, the Saras Group has pursued this goal on a daily basis, in all its operational areas.

The Group has adopted a specific Sustainability Policy, with the aim of guiding its work and better protecting the environment, preserving biodiversity, people and communities concerned, in the awareness of the fundamental importance of these elements for achieving a just and inclusive energy transition.

The Group's economic results never disregard the preservation of the natural environment in which it operates, and Saras adopts an industrial development model in harmony with the environment and the territory, achieved through the most modern and effective management standards, inspired by the principles of precaution, prevention, protection, and continuous improvement.

Each Group company, in relation to its impacts, has defined:

Environmental protection and energy management policies, implementing and maintaining effective over time, the related Management Systems certified according to the best international standards;

Designed and adopted specific **technological and efficiency measures** with the aim of:

- Responsible resource management;
- Increase in the production of electricity from renewable sources;
- Technological innovation;
- Reduction of impacts on the environmental matrix, in particular:
  - reduction of the energy footprint;
  - reduction of the carbon footprint (GHG emissions);
  - reduction of the water footprint (consumption and discharges);
  - reduction of emissions into the atmosphere (non-GHG emissions);
  - waste reduction;
  - prevention of accidental releases to the ground and subsoil, spill management.

Energy management and rational use of energy

[302-1; 302-2; 302-3; 302-4]
Energy consumption not only represents a high operating cost, but also an environmental aspect which the Saras Group pays particular attention to, especially with regards to the activity of the industrial site of Sarroch, whose "energy footprint" matches almost entirely the Group's one.

As for the subsidiary Sarlux, which operates one of the largest integrated industrial sites in the Mediterranean, the commitment to improving energy efficiency has been in place since the late Seventies and early Eighties, and has continued steadily over the years, with the strategic objective of always improving the plant's overall environmental footprint. In recent times, various investments have been made in energy efficiency and electrification of large machines, which have allowed the decommissioning of some steam boilers powered by traditional fuels. In addition, important heat recovery interventions have also been carried out which, together with management activities, have made it possible to reduce consumption.

As evidence of its constant commitment to energy efficiency, Sarlux has decided to adopt a certified Energy Management System (EMS), compliant with the UNI CEI EN ISO 50001:2018 standard since 2018. On the basis of accurate analyses of the activities carried out, the energy objectives and targets, the performance and monitoring indicators, as well as the energy interventions and improvement plans converge in order to constantly reduce energy consumption, safeguard environmental resources and the reference ecosystem.

As further proof of the Group's commitment to these topics, Sardeolica has also obtained the certification of the Energy Management System with which it has been equipped since year 2017.

Energy consumption

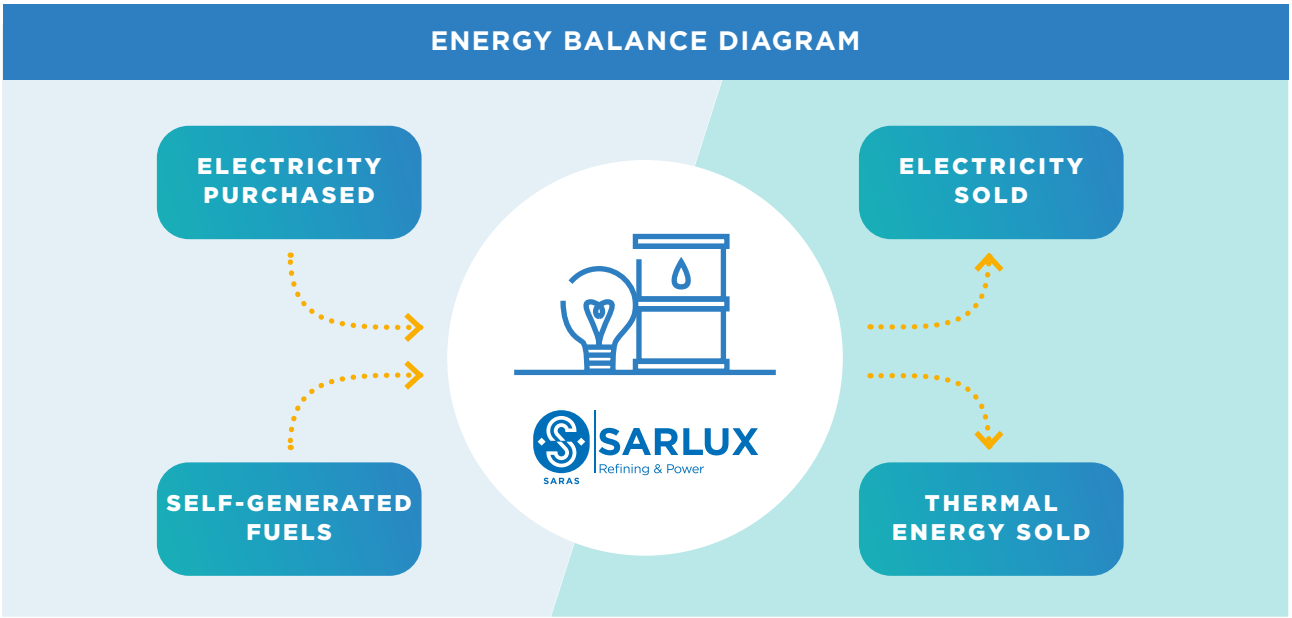
For the industrial site of the subsidiary Sarlux, energy consumption represents a significant environmental aspect with a significant economic impact. From the point of view of reporting, the methodology adopted since the first Sustainability Report provides for the identification of energy flows entering the production site and those leaving it.

In particular, incoming ones have been divided into two broad categories:

- **Self-produced fuels:** i.e. all fuels produced within the plant and used within the plant for energy purposes. This category includes:
  - **fuel gas:** gas produced by the refining cycle and self-consumed mainly in the furnaces of the plants;
  - **low-sulphur fuel oil**, used as a marginal fuel in plant furnaces;
  - **coke:** carbon residue with a high calorific value, which is produced and thermally converted within the FCC (Fluid Catalytic Cracking) plant;
  - **syngas:** fuel produced by the gasification of heavy residues from oil processing (TAR) which, after being properly treated, is used for the production of electricity, steam and hydrogen;
  - **Diesel fuel:** mainly used for starting gas turbines.
- **Electricity taken from the national transmission grid:** the only energy carrier physically exchanged with the outside of the site.

The figure below shows the simplified diagram of the site's energy balance.

The table below presents the data for the three-year period 2021–2023 on incoming energy at the Sarlux plant in Sarroch, divided into the above-mentioned components.



On the other hand, as far as the energy flows leaving the plant are concerned, there are only two vectors:

- **Electricity: divided into the component sold to the national electricity grid (higher contribution) and the component distributed to the co-located companies within the site:** produced both by the IGCC combined cycle and by the "Impianti Nord" (Northern Plants) cogeneration thermoelectric plant and sent mainly to the national grid (except for a small part which is distributed to the co-located companies);
- **Thermal energy:** transferred to the co-located farms through steam produced within the plant.

The values of energy coming out of the plant, divided into electrical energy and thermal energy, again for the three-year period considered, are shown in the following table.

Energy input at the site

		2021	2022	2023
Fuel Energy from Non-Renewable Sources	GJ	**62,794,852**	**66,562,548**	**61,081,583**
Fuel Gas	GJ	21,257,795	22,407,647	21,409,144
Fuel Oil	GJ	6,123,506	5,018,291	4,962,581
Coke	GJ	8,594,754	8,518,270	7,133,654
Syngas	GJ	25,671,137	30,506,134	25,495,607
Gasoil	GJ	1,147,660	112,207	2,080,597
Energy from Renewable Sources	GJ	**0**	**0**	**0**
Electricity from the national grid	GJ	**3,994,962**	**3,920,196**	**3,556,684**
Total gross input energy	**GJ**	**66,789,813**	**70,482,745**	**64,638,267**

Off-site energy

		2021	2022	2023
Electrical Energy	GJ	12,984,590	15,126,005	13,156,591
exchanged with the national electricity grid	GJ	12,839,300	14,971,129	13,011,063
distributed to co-located companies	GJ	145,290	154,876	145,527
Thermal energy distributed to co-located companies	GJ	48,992	38,826	42,126
Total output energy	**GJ**	**13,033,582**	**15,164,831**	**13,198,717**

Energy consumed outside the organization

"Indirect energy consumption" and related emissions are impacts generated by third parties, upstream and downstream of its production process, such as customers and suppliers, and also attributable to the group's operations.

These impacts are a fundamental aspect because through their management, as far as possible, the Group has the opportunity to contribute to the dissemination of virtuous processes and behaviours from an energy and environmental point of view.

Therefore, the Group, and in particular, the Sarlux subsidiary that manages the industrial site, undertakes to:

- Promote its Energy Policy to third-party companies operating on the site;
- Propose contracts for the supply of services indexed to energy consumption, through the identification of suitable consumption specifications.

Aware of the emission contribution of indirect energy consumption, the Group has started an assessment process, even in the absence of direct information.

In a first phase, this process led to the reporting of the consumption of the companies located within the industrial site that carry out activities directly related to the production process and outsourced to third-party companies.

Upstream activities:

- Desalination for the production of demineralized water;
- Purification aimed at the internal reuse of process water.

Downstream activities:

- Pre-treatment with volume reduction of sewage sludge.

The following tables present the data for the three-year period 2021–2023 on the energy used by third-party companies to carry out activities within the industrial site.

Energy consumed outside the organisation split by energy source

		2021	2022	2023
Fuel Energy (Non-Renewable Sources)	GJ	0	0	0
Energy from Renewable Sources	GJ	0	0	0
Electricity from the grid	GJ	78,038	82,265	79,583

Energy consumed outside the organisation split by activity				
		2021	2022	2023
Desalination for demineralised water production	GJ	52,809	54,994	51,223
Purification for internal reuse of process water	GJ	12,387	14,009	13,226
Pre-treatment with sewage sludge volume reduction	GJ	12,841	13,262	15,134

Energy intensity

The energy performance of the plant is monitored through the Specific Consumption Index (ICS), calculated as the ratio between net energy (i.e. the difference between total energy input and total energy output) and the total processing of raw materials and complementary fillers carried out in the year, confirms the reduction recorded in 2022 compared to 2021 and records a further slight improvement.

Specific Consumption Index "ICS"				
		2021	2022	2023
Total gross input energy	GJ	66,789,813	70,482,745	64,638,267
Total output energy	GJ	13,082,574	15,164,831	13,198,717
Total net energy	GJ	53,707,239	55,317,914	51,439,550
Rough machining and complementary fillers	Kt	13,786	14,208	13,515
Specific Consumption Index	GJ/t	3.90	3.89	3.81

Rational use of energy and energy efficiency

The high cost of energy and the growing awareness of environmental issues have made the issue of energy efficiency increasingly central to the Saras industrial context.

A fundamental step to improve the company's performance in terms of energy efficiency is to achieve a full knowledge of the plant's energy consumption, in order to better identify potential areas for improvement in the short, medium and long term.

For this reason, one of the cornerstones on which the Energy Management System implemented by the company is based is the training of personnel on energy issues and the rational use of energy.

For Saras, the improvement of its energy performance, and not only, is a continuous process that from year to year takes shape through initiatives ranging from the optimization of the use of the existing asset to the introduction of the most modern means provided by digitalization.

Finally, with the aim of reducing specific CO_2 emissions, alongside the initiatives to reduce consumption, careful assessments are underway on the optimization of the mix of fuels used, which will increasingly lead to the use of fuels with low climate-changing emissions.

Contribution to Local Energy Security

Electricity Production

With its production, the Saras Group makes a decisive contribution to meeting the electricity needs and security of the Sardinian grid. In particular, the IGCC plant has been included in the list of essential plants drawn up by TERNA, the operator of the national transmission grid, since 2021, proving to be essential to ensure the adequacy of the island's electricity system.

In addition to the mere satisfaction of the load, the IGCC control unit makes a significant contribution in terms of voltage regulation and support to the grid in fault transients, thanks to the high short-circuit power. These characteristics will be increasingly important as the penetration of renewable sources in the electricity system increases, as RES, by their physical nature, have limited regulatory capacity.

Furthermore, the IGCC system is also essential for the re-ignition of the national electricity system: in the event of a blackout, in fact, it constitutes a so-called "re-ignition core", from which it is possible to relaunch voltage to other nodes of the grid, in order to obtain its gradual re-ignition.

It should be noted that during 2023 the IGCC plant was affected by a major scheduled maintenance shutdown that led to a reduction in annual electricity production. The interventions carried out will make it possible to guarantee the continuity of production and the availability of the plant for the years to come.

Thanks to the production of energy from renewable sources, it was possible to avoid 193,200 tons of CO_2 emissions and contribute to the equivalent annual energy needs of 208,000 people.

Electricity Production

From non-renewable sources		2021	2022	2023
IGCC plant *(Combined Cycle with Integrated Gasification) Installed power*	MW	575	575	575
Production	GWh	3,524	4,099	3,550
From renewable sources				
Wind Power Plants Installed power	MW	171	171	171
Production	GWh	259	273	298
Total electricity production				
Total installed power	MW	746	746	746
Total EE production	GWh	3,783	4,372	3,848

Greenhouse gas emissions (GHG)

The main type of anthropogenic climate-altering substance is carbon dioxide (CO_2), which results from combustion processes. It leads to the so called 'greenhouse e"ect', which is a global phenomenon consisting of an increase in the ability of the earth's atmosphere to retain part of the energy coming from the sun in the form of heat. In turn, this retained heat leads to rising temperatures, with numerous environmental, social and economic implications.

In this regard, the European Union has developed a European Union Emissions Trading Scheme (EU ETS), with the aim of reducing emissions from the industrial sectors with the greatest impact on climate change. Directive 2003/87/EC, including all subsequent amendments, commonly referred to as the "EU Emission Trading System", provides that, from 1 January 2005, large-scale emitter installations in the European Union cannot operate without a greenhouse gas emissions permit.

Each authorised plant exposed to a significant risk of transferring activities outside the European Union (Carbon Leakage), as in the case of Sarlux, receives a certain amount of emission allowances (called "European Union Allowances" – EUAs, equivalent to 1 tonne of CO_2eq) free of charge, based on its historical level of activity (plant charge/production data) and reference standards developed by the European Commission (benchmarks) through a process that covered all industries in the Union.

At the end of each year, companies must surrender enough emission allowances to cover the emissions actually achieved. Therefore, if in the course of its production activity, the company emits more CO_2 than the allocation of emission allowances received free of charge, it will have to purchase the missing allowances on the market or in European public auctions. If, on the other hand, it has emitted less CO_2 than the free allocation, it can sell the surplus allowances to other operators, or keep the unused allowances to cover future needs.

This has led to the creation of an emissions allowance market that incentivises the reduction of emissions and encourages investment in clean and low-CO_2 technologies.

In the course of its application, the ETS Directive has resulted in significant reductions in emissions from European companies: more precisely, in 2020 emissions from sectors covered by the system are 21% lower than in 2005.

More details are available on the website of the European Commission, in the section dedicated to "Energy, climate change, environment" at the following link:
https://ec.europa.eu/clima/policies/ets_en.

2023 was the third year of the fourth phase of application of the ETS, which ran from 2021 to 2030.

The activities carried out at the Sarroch site (refining, electricity production and manufacture of organic-based chemicals) fall within the scope of the ETS Directive.

Regardless of the allocation method, the overall number of allowances available to operators decreases over time, effectively requiring a reduction in greenhouse gas emissions in the ETS (manufacturing industry) sectors.

All of the Group's GHG emissions are attributable to the CO_2 component, while other climate-altering substances (CH_4, N_2O, HFC, PFC, SF_6, NF_3) are negligible.

Direct GHG Emissions Certification

Sarlux guarantees, in accordance with the provisions of national and EU legislation on the accounting of greenhouse gas emissions, the application of a data collection and management system in order to communicate by 31 March of each year the greenhouse gas emissions GHG Scope 1) released into the atmosphere monitored in accordance with the provisions of EU Regulation no. 2018/2066 of the commission of 19 December 2018. The communication must be accompanied by a declaration of verification issued by an accredited verifier and prepared in accordance with the provisions of Regulation 2018/2067.

The process of verifying greenhouse gas emission data (GHG Scope 1), necessary for the preparation of the report to be sent by 31 March of each year, is an effective and reliable tool to support quality assurance and control procedures. Compliance with the provisions of the greenhouse gas emission permit and the monitoring plan approved by the competent authority shall be verified.

The verifier carries out the activities for the purpose of providing a verification statement (certification) stating that the communication is not vitiated by material inaccuracies.

Direct GHG emissions

[305-1]

A detailed analysis of the CO_2 emissions of the Sarroch industrial site shows a direct correlation with the total amount of raw materials processed in the refinery, and with the amount of electricity produced by the IGCC plant.

More precisely, in 2023 the total processing of crude oil and complementary feedstocks at the refinery amounted to 13,515 kton, down by about 4.9% compared to 2022.

Also for 2023, the IGCC (Integrated Gasification Combined Cycle) combined cycle power plant was admitted by ARERA (Regulatory Authority for Energy, Networks and the Environment) to the Essentiality regime, consequently, electricity production followed the profile of TERNA's requests and, overall, in 2023 amounted to 3,550 GWh, down by about 13% compared to 2022. It should be noted that during 2023 the IGCC plant was affected by a major scheduled maintenance shutdown that led to a reduction in annual electricity production.

Based on the above-mentioned production assets, the absolute value of CO_2 emissions from the IGCC plant amounted to 3.3 million tons in 2023, down 10% compared to 2022.

Direct GHG emissions (Scope 1)

		2021	2022	2023
Refinery	$tCO_2eq/year$	1,967,804	2,002,247	1,839,943
IGCC	$tCO_2eq/year$	3,193,972	3,623,257	3,280,314
Northern Plants	$tCO_2eq/year$	537,127	479,391	483,180
Total Entire Site	**$tCO_2eq/year$**	**5,698,903**	**6,104,895**	**5,603,437**

Indirect GHG emissions

[305-2]

Scope 2 emissions relate to emissions deriving from the generation of electricity purchased and consumed by Saras Group companies. The calculation of Scope 2 CO_2 emissions, as required by the GRI Sustainability Reporting Standards, was carried out according to two distinct methodologies: the "Location-based method" and the "Market-based method".

The Location-based method relies on average emission factors related to regional, sub-national, or national energy generation: for our calculations, emission factors (gCO_2/kWh) made available by ISPRA were used.

On the other hand, the Market-based method relies on CO_2 emissions from energy suppliers from which the organization purchases electricity through contracts, or on factors related to the reference market: for the Saras Group, emission factors (gCO_2/kWh) related to the European Residual Mix were used.

Analysing the indirect emissions of GHG, known as Scope 2 emissions, determined using the two different methodologies, we can observe that the increase over the years is mainly due to the global resurgence in petroleum consumption, followed by an increase in refinery processing.

Energy indirect (Scope 2) GHG emissions

		2021	2022	2023
Location based	tCO_2eq/year	289,714	284,128	305,515
Market based	tCO_2eq/year	511,850	499,794	452,140

Energy indirect (Scope 2) GHG emissions by company

		2023	
		Location based	Market based
Sarlux	tCO_2eq/year	304,256	450,277
Sartec	tCO_2eq/year	342	506
Sardeolica	tCO_2eq/year	297	439
Arcola	tCO_2eq/year	582	861
Saras	tCO_2eq/year	38	56
Total		**305,515**	**452,140**

Note: Saras Trading's Scope 2 GHG emissions are negligible. Sartec emissions refer to the period January 1 to June 30, 2023. As of July 1, 2023, Sartec was merged into Sarlux.

Other indirect GHG emissions

[305-3]

The other indirect GHG emissions, the so-called Scope 3 emissions, are generated as a consequence of the company's activity, but come from sources that are not owned or controlled by the organization, but that occur within its value chain: that is, they include all emissions related to the company's activity that do not fall under either Scope 1 or Scope 2 (e.g. emissions related to the supply chain, the use of the goods produced, the transport of the products, the mobility of employees, etc.).

The accounting and reporting standards for the corporate value chain of the "GHG Protocol Corporate Value Chain Standard" group Scope 3 emissions into 15 specific categories that include business activities common to many organizations.

Below are the relevant categories for the activities carried out by the Saras Group and the related methodology used to calculate emissions.

Analysing in detail the indirect emissions of GHG, the so-called Scope 3 emissions, we can observe that they are strongly influenced by the processing of raw product at the Sarlux plant, in fact categories 1 (Purchase of goods and services), 9 (Transport and distribution of refined products) and 11 (End use of goods and services) represent almost total emissions (97%).

Category (Scope 3)		Definitions	Applied Methodology	Factors Sources
1	Purchased goods and services	Extraction, production and transport of goods and performance of services purchased by the organisation (e.g. raw materials, crude oil, printer toner, IT support)	Average data method	Ecoinvent 3.8, metodo IPCC 2021: GWP 100
2	Capital goods	Cradle-to-gate[1] life cycle of useful assets (e.g. owned equipment, machinery, buildings and vehicles)	Spend-based method	Environmentally-Extended Input-Output (EEIO)
3	Fuel and energy related activities	Extraction, production and transport of energy and fuels used by the company (e.g. extraction and transport of natural gas, diesel, electricity grid losses)	Average-data method	DEFRA 2022
4[2]	Upstream transportation and distribution	Transport and distribution of products and services purchased by the organisation (e.g. raw materials, crude oil)	Distance-based method	Ecoinvent 3.8, metodo IPCC 2021: GWP 100
5	Waste generated in operations	Disposal and treatment of waste generated by the organisation	Waste type specific method	Ecoinvent 3.8, metodo IPCC 2021: GWP 100
6[2]	Business travel	Business trips by means not owned by the organisation (e.g. by train)	Distance-based method	Ecoinvent 3.8, metodo IPCC 2021: GWP 100
7	Employee commuting	Home-work journeys of employees in vehicles not owned by the organisation	Distance-based method	Ecoinvent 3.8, metodo IPCC 2021: GWP 100
9[2]	Downstream transportation and distribution	Transport and distribution of refined products and services sold by the organisation (e.g. transport of product from the warehouse to the customer)	Distance-based method	Ecoinvent 3.8, metodo IPCC 2021: GWP 100
11	Use of sold products	End use of goods and services (e.g. energy consumption of a machine)	Fuel-based method	DEFRA 2022

1. "from cradle to gate" refers to an LCA analysis of a product from the extraction of raw materials to its exit from the plant

2. The data for this category has been estimated

Other indirect (Scope 3) GHG emissions

	2021	2022	2023
tCO_2eq/year	39,583,005	41,904,255	40,740,357

Other indirect (Scope 3) GHG emissions by category

	2021		2022		2023	
	tCO_2eq/ year	%	tCO_2eq/ year	%	tCO_2eq/ year	%
1 - Purchased goods and services	3,985,311	10.089%	4,070,497	9.729%	3,795,624	9.072%
2 - Capital goods	47,446	0.120%	61,589	0.147%	169,008	0.404%
3 - Fuel-and-energy-related activities	64,282	0.163%	63,079	0.151%	57,046	0.136%
4 - Upstream transportation and distribution	14,755	0.037%	19,008	0.045%	13,328	0.032%
5 - Waste generated in operations	13,503	0.034%	16,232	0.039%	12,963	0.031%
6 - Business travel	616	0.002%	616	0.001%	1,076	0.003%
7 - Employee commuting	1,873	0.005%	1,883	0.005%	1,896	0.005%
9 - Downstream transportation and distribution	218,730	0.554%	199,253	0.476%	182,092	0.435%
11 - Use of sold products	35,156,114	88.997%	37,405,257	89.406%	36,507,323	87.260%
Total	**39,502,630**		**41,837,413**		**40,740,357**	

Intensity of GHG emissions [305-4]

ESG KPIs – Intensity of GHG emissions (Scope 1)

		2021		2022		2023	
		Target	Result	Target	Result	Target	Result
CO_2 emissions / processing	t/kt	<414	413	<414	430	<425	414,6
Rough machining and complementary fillers	kt	-	13,786	-	14,208	-	13,515

As explained for pollutant emissions, it is also significant for CO_2 to analyse the emission index, i.e. the tons of CO_2 emitted per thousand tons of crude oil and complementary fillers processed in the refinery. In 2023, the final result shows a clear improvement compared to 2022, with 414.6 tons of CO_2 emitted for every thousand tons of crude oil and complementary fillers processed at the site (vs. 430 tons of CO_2 emitted per kton processed in 2022).

This difference can be explained both by the different trend of industrial operations, also by the important cycle of maintenance activities carried out in 2023 (including the ten-year shutdown of the IGCC gasification plant). In addition, to facilitate comparison between peers at a global level, the intensity of GHG emissions (scope 1 + scope 2) is disclosed for revenues expressed in millions of euros.

Saras Group:GHG emissions intensity (Scope 1 + Scope 2)

		2021	2022	2023
Energy indirect GHG emissions (Scope 1 + Scope 2 location based) / Revenue	tCO_2eq/M€	693	403	516
Energy indirect GHG emissions (Scope 1 + Scope 2 market based) / Revenue	tCO_2eq/M€	719	417	529

Reduction of GHG emissions

[305-5]

The process of reducing the carbon intensity of the Group's industrial activities began several years ago, thanks to two lines of action. The first is represented by the production of electricity from renewable sources which, unlike traditional electricity generation, avoids burning fuels and therefore does not emit CO_2; the second is the energy efficiency measures at the Sarroch industrial site which, thanks to energy recovery and optimal use of energy, reduce the use of combustion in the refinery furnaces and the use of steam, reducing CO_2 emissions overall.

Since 2016, Saras has been actively monitoring the emissions avoided thanks to the energy efficiency processes of the Sarroch site. Most of the interventions concerned the reduction of fuel consumption by increasing the efficiency of furnaces, boilers, and preheating trains. There were also activities aimed at maximising energy recovery, optimising consumption through the introduction of new automatic control logics, maximising direct hot flows between plants, maintaining the efficiency of the steam network, reducing the emission factor of the fuel mix by maximising the consumption of fuel-gas produced by the plants, and the upgrading of the blow-down gas recovery system. Finally, there have been interventions to electrify large machines, with the use of electric motors to replace steam turbines. In the last two years, new interventions have been identified, and their implementation will take place over the next few years. Below are the results achieved in the last three years.

Reduction of GHG emissions

		2021	2022	2023
Avoided CO_2 emissions (Energy Efficiency + Renewables)	kt	306	308	332

DASHBOARD CO_2

As part of the initiatives aimed at improving production efficiency, with specific attention to identifying existing opportunities in the "Planning and Operations" area to achieve significant reductions in CO_2 production at the Sarroch site, a tool called "CO_2 Dashboard" has been implemented aimed at improving the process of tracking, reporting, and modeling CO_2 emissions.

In this sense, a dedicated acquisition and calculation system has been completed, capable of monitoring in "near-real-time" mode, on a daily basis, the CO_2 emissions in relation to the fuels actually used for each plant and comparing them with the emissions envisaged by the economic-production plans. The information can be analysed through a set of interactive forms available on company systems.

The Dashboard allows to:

- provide the organization with a tool for daily monitoring of CO_2 emissions
- Collect information from different sources in order to compare final and planned
- Provide high-level views for management
- Provide detailed views for engineers to compare performance against the target for each unit
- support the improvement of planning models for energy and emissions
- support emissions reporting and accounting
- support the management of the CO_2 quota purchase process.

Emissions into the atmosphere

One of the potential risk factors for human health is related to air quality. Over the years, the development of human activities has led to a significant increase in emissions into the atmosphere (both of pollutants and climate-altering substances), causing direct and indirect harmful effects for humans and for the various environmental matrices. A large part of emissions derives from the production of energy in the broadest sense, so the rational use of energy mitigates these effects, and contributes to achieving a more sustainable life.

However, a distinction must be made between emissions of pollutants, which have negative effects on a local scale, and greenhouse gas emissions (so-called climate-altering substances), the impact of which can be observed on a global scale.

As far as pollutant emissions are concerned, the European Union includes emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO), non-methane volatile organic compounds (NMVOCs), ammonia (NH_3), dust and fine particulate matter (dust). More precisely, pollutants such as NO_x and SO_x have negative effects on ecosystems, air quality, agriculture, and even human and animal health. The deterioration of air quality, acidification, the degradation of forests and the need to protect public health have led, over time, to local and international regulations for the control of emissions of these pollutants, particularly stringent in developed countries, and first and foremost in Europe. Moreover, these regulations have made it possible to start a positive trend of reducing emissions of regulated pollutants, achieving appreciable improvements in the air quality of local communities, as well as improving relations with the stakeholders involved.

Management of emissions into the atmosphere

In consideration of the local and global importance of the above-mentioned phenomena, the Saras Group considers it essential to work as efficiently as possible, so as to minimise all types of emissions, whether of pollutants or climate-changing gases. Moreover, the sectors in which the group operates (crude oil refining, electricity production and production of organic-based chemicals) are among those which, due to their specific production technology, have a non-negligible impact in terms of emissions. With this in mind, Saras has therefore implemented state-of-the-art measures for the management, monitoring and control in order to continuously improve – reduce – its emissions, including the Environmental Management System, ISO 14001 certified and the EMAS Registration - Regulation 1221/2009 - a voluntary tool created by the European Community.

Specifically, air quality outside the Sarroch site is monitored in real time by two monitoring networks (one owned by Sarlux, whose data is only read in real time by site personnel, and the other owned by ARPAS), which make it possible to identify variations in significant air quality parameters and check that the concentration values of pollutants are always below the limits set by law, so that immediate action can be taken in the event of anomalies.

The authorisation reference for atmospheric emissions from the Sarlux plant is the AIA Decree (Integrated Environmental Authorisation).

In accordance with the regulations, emissions into the atmosphere can be divided into:

- Ducted emissions to smokestacks
- Non-ducted emissions.

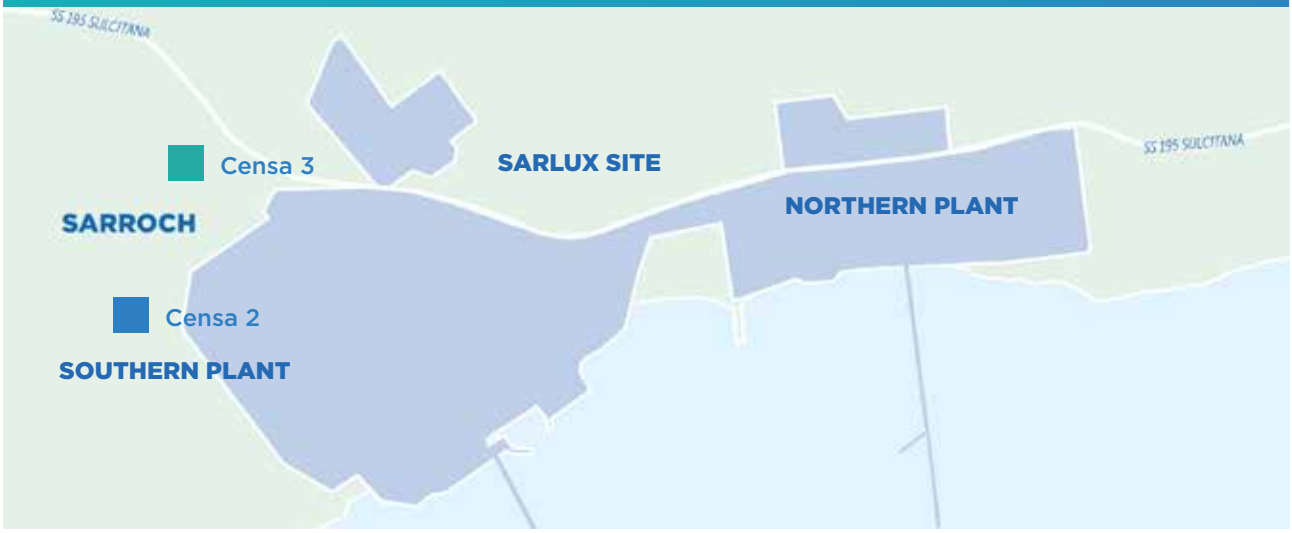
Stack emissions

All of the Group's emissions derive from the operationally significant site in Sarroch, and

represent a significant environmental aspect for the activities carried out at the Sarlux site, under normal conditions and under specific abnormal or emergency conditions.

On 4 November 2017, the new AIA decree DEC-MIN-0000263 of 11 October 2017 came into force, introducing the following changes for emissions into the atmosphere:

LOCATION OF PUBLIC NETWORK (ARPAS) MONITORING UNITS



- the concept of "refinery bubble" - now Integrated Emissions Management - remains valid, with the inclusion of the two additional emission points, the Reforming NORD and the ETC NORD
- Integrated Emissions Management provides limits, both in terms of mass flow and concentration, only for SO_2 and NO_x
- CO and Particulate Matter are not covered by Integrated Emissions Management but have limits only in terms of concentration and referred to individual emission points
- among the plants that have their own limitations, the IGCC system as well as the BTX NORD have been upgraded.

The emission limits introduced in 2016, relating to the point concentrations on a monthly basis of Large Combustion Plants (GICs) fuelled by multi-fuel, remain in place, which have led to a further commitment aimed at continuous improvement, which has made it possible to optimise emission performance.

In addition, in 2021, an application was submitted to amend the AIA decree aimed at increasing the use of gaseous fuel (Fuel Gas, self-produced fuel) in multi-fuel plants (which use both Fuel Gas and Fuel Oil for heat production), in order to improve environmental performance. The procedure ended with the issuance of Ministerial Decree 95 of February 22, 2022.

The main pollutants present in conveyed emissions are SO_2, NO_x, CO and dust.

In general, the absolute values of emissions are a function of the variability in the quantity of raw materials processed at the plant (as a function of the different maintenance interventions carried out from year to year on the plant units), and also of the variability in the chemical and physical characteristics of these materials (such as, for example, the sulphur content and type of raw materials processed).

As already mentioned in past years, the most significant comments on the trend of emissions refer to the analysis of emission indices, i.e. the ratios between the total quantity of pollutant emitted and the total annual processing.

Sulfur dioxide (SO_2)

[305-7; ENV 5 C1; ENV 5 C2]

SO_2 emissions are due exclusively to the presence of sulphur in the fuels used for the generation of heat for the processes of refining, power generation (IGCC) and manufacture of chemicals on an organic basis (North Plants).

For the purposes of environmental mitigation, there are:

- desulphurisation plants in which medium distillates (kerosene and diesel oil) are subjected to catalytic hydrogenation processes to remove sulphur and improve product quality;
- DEA Fuel Gas treatment plants for the removal of sulphur compounds

- SRU (Sulphur Recovery Unit) plant consisting of Claus plants with an adjoining section of TGTU (Tail Gas Treatment Unit) for the treatment of tail gases that allow a total recovery of sulphur contained in the gases of over 99% to transform it into elemental sulphur with a consequent reduction of sulphur dioxide (SO_2) emissions into the atmosphere.

In recent years, the mass flow values (t/year) have always been well below the permissible limit value.

Sulfur oxides (SO_2) Emissions

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
Mass flow - entire site	t	2,970	-	2,878	-	2,637	-
Mass flow - integrated emission management	t	2,785	4,300	2,584	4,300	2,194	4,300
SO_2 emission index per revenue	t/€mln	0,344	-	0,182	-	0,230	-
Revenue	€mln	8,636	-	15,836	-	11,443	-
SO_2 emission index per processing unit	t/kt	0,215		0,203		0,195	
Rough machining and complementary fillers	kt	13,786	-	14,208	-	13,515	-

1. Annual Mass Flow Limit Value - Integrated Emissions Management

The trend in SO_2 emissions over the last three years is confirmed to be decreasing both in terms of absolute values in mass flow (2637 tons in 2023 vs 2878 tons in 2022) and in terms of emission index referring to the raw material processed (0.195 tons/kton in 2023 vs 0.203 tons/kton in 2022).

The metric relating to the emission index for revenues is also introduced, specifying that in the business segment overseen by Saras, revenues may have significant variations from one year to the next as a result of the market prices of raw materials and finished products.

ESG KPIs - Avoided SO_x emissions of customers

		2021		2022		2023	
		Target	Result	Target	Result	Target	Result
Avoided SO_x emissions of customers (customers purchasing VLSFO 0.5%S vs. HSFO 3.5%S)	kt/year	>40	44.7	> 35	43	> 40	56.4

SO_2 Emissions - Integrated emission management concentration values

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
SO_2 concentration - integrated emission management	mg/ Nm^3	266	400	246	400	222	400

1. Monthly average limit value - integrated emissions management

SO_2 Emissions - IGCC concentration values

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
SO_2 concentration - IGCC	mg/ Nm^3	8	35	11	35	17	35

1. Monthly average limit value - IGCC

SO_2 Emissions - concentration values Northern Plants

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
Concentration SO_2 - BTX E2	mg/ Nm^3	10.2	35	9.3	35	7.2	35
Concentration SO_2 - BTX E3	mg/ Nm^3	10.2	35	9.3	35	7.2	35

1. Monthly average limit value

ESG KPIs 2023 - SO_2 + No_x Emissions

		2023	
		Target	Result
SO_2 + NO_x Emission index per procesing unit	t/kt	<0.450	0.410

In addition, thanks to the sales of VLSFO (0.5% sulphur) instead of HSFO (3.5% sulphur), SO_x emissions of 56,400 t were avoided by our customers in 2023.

Since the 2023 financial year, a specific ESG KPI has been introduced, which globally compares SO_2 and NO_x emissions in relation to the raw material processed.

EMISSION CONTINUOUS IMPROVEMENT (ECI)

The **ECI project** is part of the activities related to the improvement of the environmental performance of the production site and among the activities of adaptation to climate change.

In fact one of the most relevant aspects of climate change that we have been witnessing in recent years is that of scorching summers, in which very high ambient temperatures are reached.

The high external temperatures have important repercussions in the environmental impact mitigation plants of the Refinery, where temperature is a fundamental parameter. For example, the sections dedicated to the treatment of non-condensable fuel gas for the removal of sulphur compounds. In these cases, it is necessary to ensure high performance of the refrigeration equipment of process fluids.

The Refinery is required to operate all the washing systems in such a way as to comply with the SO_2 limit on chimney fumes of 35 mg/Nm^3, in any season, even the hottest. In fact, the monthly average of the measurements taken by the analyzers of furnaces with duty greater than 50 MW must not exceed 35 mg/Nm3.

More specifically, sulphur dioxide (SO2) is one of the products of the combustion of sulphur compounds present in the fuel gas of the furnace burners of the various refinery plants. The sulphur compounds present in the "gas network" are hydrogen sulfide H2S and mercaptans (i.e., methane, ethane, propane and butane with sulfur atoms).

By reducing the percentage of sulphur compounds present in fuel gas, the SO_2 present in the flue gas coming out of the furnace chimneys is reduced.

Fuel gas is produced by the refinery processes which is collected in a common collector from which the furnaces draw power for their burners. In this collector the gas arrives after washing from the sulphur compounds.

Washing consists of a chemical-physical process in which a chemical solvent, based on ammonia in an aqueous solution, encounters, inside columns called absorbers, the gas rich in sulphur compounds, capturing them and returning a gas characterized by very low sulphur values. One of the most important parameters to ensure the smooth operation of the wash is to keep the temperature of this solvent at 45°C.

The summer of 2022 was particularly severe from the point of view of external temperatures, representing a time of test for the amino washing system that governs the site's SO_2 emissions. At that time, the refinery identified the areas, equipment and phenomena to be improved.

In autumn 2022, the activities that would have made it possible to maintain high efficiency for the entire system were planned, facing the summer of 2023 in compliance with the emission limit, and at the same time ensuring maximum production availability of the plants.

The activities put in place, designed at the end of 2022 and carried out for summer 2023, which together made up the **Emission Continuous Improvement** project, were:

- **Crude quality/SO_2 emissions correlation model**
  Prediction of SO_2 emissions as a function of the type of crude oil being charged to the toppings.

- **Reclaiming Amine**
  Purification of the solvent, giving it back

maximum absorbency.

- **Gas washing and amine regeneration column simulations**
  Knowledge of the operation of individual equipment and operating window identifications

- **Fuel gas network mapping**
  Identification of the qualities of the gases at the different points of the network, through sampling and gas chromatography.

- **Amine cooling of DEA plants**

- **Amine tank cooling**
  insertion of three dedicated cooling towers, in order to overcome the inefficiency of the fixed plant equipment, and thus reach the low temperatures necessary for the proper functioning of the gas washing system, despite the high ambient summer temperatures.

- **VSB head-gas cooling**
  Installation the fourth dedicated cooling tower, located on the head vapours of the visbreaking plant, to allow the condensation of mercaptans, the sulphur species that the amine solvent is unable to absorb, thus preventing it from reaching the gas network.

- **Cooling of MHC1 diesel casting at storage**
  Use of heat exchangers from the TAME plant not in production to reduce the temperature of the diesel fuel leaving MHC1 towards the tanks, thus reducing the amount of fugitive emissions from the tanks, called VOCs (Volatile Organic Compound), proportional to the temperatures of the product contained in them.

Results

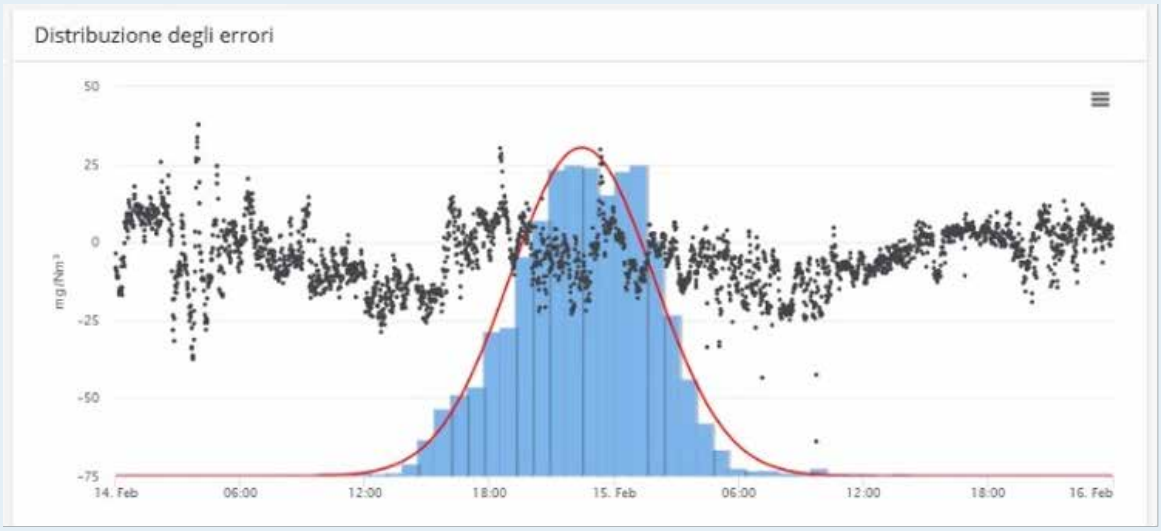
The SO_2 emissions baseline of 35 mg/Nm^3 has never been a constraint for 2023 production, even on the hottest days of the particularly hot summer.

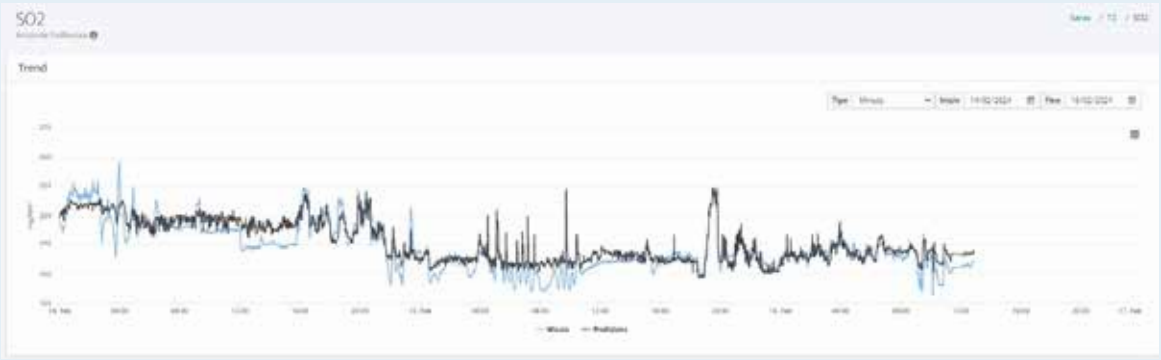
The implementation of the projects indicated has allowed a reduction in emissions in a range between 4 and 8 mg/Nm^3, and it has not been necessary, thanks to this result, to remodulate the plant set-up to meet the emission limit relating to SO_2 emissions.

PREDICTIVE EMISSIONS MONITORING SYSTEMS (PEMS)

The improvement of environmental performance cannot be separated from continuous and precise monitoring of emissions. To this end, the development of predictive systems based on machine learning, which can be integrated with traditional analytical measurement systems, continues.

To date, in fact, three different PEMS (Predictive Emissions Monitoring Systems) have been implemented, and therefore are already in the acquisition and prediction phase, for chimneys that belong to the category of Large Combustion Plants (GIC).





Nitrogen oxides (NO_x)

[305-7; ENV 5 C1; ENV 5 C2]

NO_x emissions are only marginally affected by the quality of the fuels used but are highly dependent on combustion technology and technique.

The installation over time in the plant's furnaces of burners with low NO_x production (Low NO_x) combined with the training of operating personnel have allowed a significant reduction in emissions from the refinery.

In recent years, the mass flow values (t/year) have always been well below the permissible limit value.

Nitrogen Oxide Emissions (NO_x)

		2021		2022		2023	
			Limite AIA[1]		Limite AIA[1]		Limite AIA[1]
Mass flow - entire site	t	3,148	-	3,111	-	2,911	-
Mass flow - integrated emission management	t	2,181	2,500	2,295	2,500	2171	2,500
No_x emission index per revenue	t/€mln	0.365		0.196		0.254	
Revenue	€mln	8,636		15,836		11,443	
No_x emission index per processing unit	t/kt	0.228	-	0.219	-	0.215	-
Rough machining and complementary fillers	kt	13,786	-	14,208	-	13,515	-

1. Annual mass flow limit value - integrated emission management

The concentration values are below the applicable limits.

NO_x Emissions - concentration values integrated emission management

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
NO_x concentration - integrated emission management	mg/Nm³	222	280	228	280	227	280

1. Monthly average limit value - integrated emission management

In the course of 2023, there were no exceedances of the monthly average limit value.

NO_x Emissions - IGCC concentration values

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
NO_x concentration - IGCC	mg/Nm³	31	50	30	50	24	50

1. Monthly average limit value - IGCC

In the course of 2023, there were no exceedances of the monthly average limit value.

In the three-year period considered, the values are below the emission limits for all chimneys.

NO_x Emissions - concentration values Northern Plants

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
Concentration NO_x - BTX E2	mg/Nm³	132.1	200	133	200	132	200
Concentration NO_x - BTX E3	mg/Nm³	130.2	200	131	200	130	200

1. Monthly average limit value

Carbon monoxide (CO)

[ENV 5 A1]

No mass flow limits are prescribed for CO, the emission values are given for representational purposes. For smokestacks covered by Integrated Emission Management, limit values are prescribed in CO.

Limit values in terms of concentration are set for individual emission points, all of which were met in 2023.

Carbon Monoxide Emissions (CO)[1]

		2021	2022	2023
Mass flow - entire site	t	214	275	256
CO emission index per unit of processing	t/kt	0.016	0.019	0.019
Rough machining and complementary fillers	kt	13,786	14,208	13,515

1. There are no mass flow limits for CO

Emissions CO - IGCC concentration values

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
Concentration CO - IGCC	mg/Nm³	2.80	25	4.8	25	4	25

1. Monthly average limit value - IGCC

Dust emissions

[305-7; ENV 5 A1]

There are no mass flow limits for dust, in terms of concentration, there are limit values for individual emission points, all of which were met during 2023.

Particulate matters[1]

		2021	2022	2023
Mass flow – entire plant	t	126	113	91
Particulate matter emission index	t/kt	0.009	0.008	0.007
Crude oil and complementary feedstock processed	kt	13,786	14,208	13,515

1. There are no mass flow limits for dust

Particulate matter emissions – concentrations in IGCC

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
Particulate matter enissions – concentrations in IGCC	mg/Nm^3	0.17	5	0.06	5	0.07	5

1. Monthly average limit value - IGCC

Non ducted emissions

[305-7; ENV 5 C1; ENV 5 C2]

Non ducted emissions are mainly due to:

- raw material and product storage activities and from water treatment wastewater treatment (diffuse emissions)
- small "physiological" emissions from sealing components such as valves and flanges (fugitive emissions) from raw material and product handling lines.

Diffuse and fugitive emissions are not technically channelled. They can be contained through the installation of appropriate sealing systems and through monitoring and maintenance activities.

The substances present in diffuse and fugitive emissions are Volatile Organic Compounds (VOCs), consisting of light hydrocarbons, capable of evaporating under present environmental and process conditions. The areas from which the diffuse springs originate are those dedicated to storage, shipping, production processes and wastewater treatment.

Since 2008, a unitary and integrated methodological approach has been applied at the Sarroch industrial site ("Smart LDAR Mixed" procedure) for the application of the monitoring program for fugitive emissions of volatile organic compounds (VOCs), commonly referred to as the LDAR (Leak Detection and Repair) Protocol and aimed at detecting and repairing process components that accidentally release VOCs into the environment.

The Smart LDAR Mixed procedure provides, in summary, the investigation of all the process components monitored with a specific infrared thermal camera (FLIR GasFindIRTM series thermal imaging cameras), the quantification of the leaks detected by means of the portable samplers provided for in the EPA Method 21 protocol - "Determination of Volatile Organic Compound Leaks", the sampling and subsequent statistical inference of the accessible components found not at a loss during the investigation with the camera, the statistical analysis of the data collected during the monitoring, the estimation of the total mass flow of the emitted gases, the recording of all the data related to the monitoring in a dedicated information system and the execution of the repair of the process components detected at a loss.

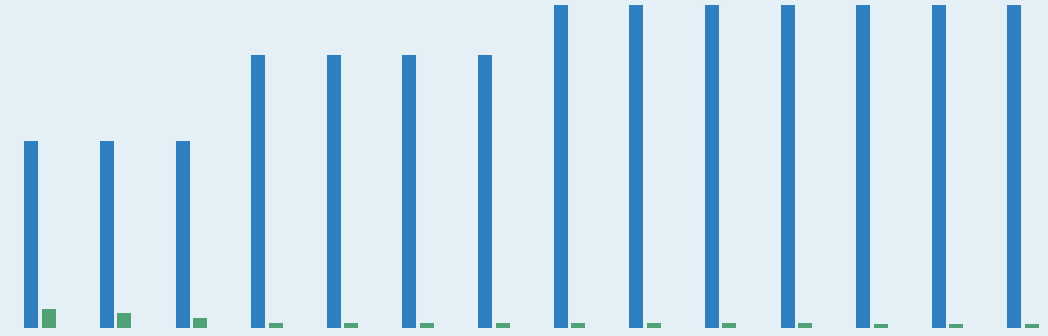
The estimation of the mass flux of the emitted gas is conducted on the basis of the method of the correlation equations reported in the EPA-453/R-95-017 - "Protocol for Equipment Leak Emission Estimates" (Nov. 1995) with the emission factors updated to February 1999. The overall result of the Smart LDAR Mixed application at the Sarlux industrial site in Sarroch indicates that from 2010 to date the percentage reduction in VOC emissions due to fugitive emissions has been more than 91%. This result was achieved through targeted, timely and decisive interventions on the process components detected at a loss during the monitoring campaigns. The timeliness is due to the joint action of various Sarlux departments, including the Environmental Monitoring Service, the Site HSE Service and the Maintenance Service.

The AIA decree DEC-MIN-263 of 2017 and subsequent amendments and additions and the PMC12 Monitoring and Control Plan (Ministerial Decree 159 of 14/04/2022) prescribes the monitoring of fugitive emissions and therefore the application of the LDAR Protocol not only in the normal operating conditions of the plants, but also in the most severe operating conditions, i.e. during plant transients (plant shutdowns and restarts). This activity, already planned and carried out by Sarlux (as a useful tool for the prevention of emissions), in the period 2018-23 did not show significant emission events of VOCs from fugitive emissions in transients.

The estimation of VOC emissions emitted by each of Sarlux's storage tanks and by the process wastewater treatment (TAS) and ballast water treatment lines (TAZ) has been carried out on a monthly basis since 2018.

The estimation of VOC emissions emitted by each of the storage tanks was carried out using the calculation criteria implemented in the CFR-E software, based on the AP-42 calculations published by the Environmental Protection Agency (EPA), using all the information regarding the stored fluids, the meteorological and climatic parameters, the characteristics of the tank containment systems, their

EFFECT OF APPLYING THE SMART LDAR METHODOLOGY TO SARLUX S.R.L. FACILITIES, PERIOD 2010-2013



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of components	148,466	148,902	221,103	221,103	221,103	222,289	260,751	260,766	260,766	260,766	260,766	260,766	260,766	260,766
Mass flow Kg/h	12.52	11.22	5.71	1.45	1.52	1.65	2.27	1.70	1.32	1.22	1.14	1.17	1.19	1.12

geometry and their movement.

The total estimated VOC emissions for the period January ÷ December are 418.3 t, of which about 371.1 t come from the tanks of the South Plants, while about 47.2 t come from the tanks of the North Plants.

The estimation of air emissions from the different sections of the TAS and TAZ water treatment was carried out through the application of the Toxchem software.

The TAS line treats water from process plants and wastewater treatment plants, rainwater with petroleum products from plant areas and sanitary water. Therefore, the fluid under consideration is, in general, characterized by a considerable variety of substances, including hydrocarbons, heavy metals, surfactants, phenols and nutrients.

The TAZ line treats potentially contaminated ballast and rainwater (i.e. from roads, yards).

The presence of volatile organic compounds in the wastewater that passes through the different sections of the plant that are open and, in some cases, subjected to air stripping operations results in the release of a fraction of these substances into the air, contributing to VOC emissions.

The Toxchem Software is a model developed by the EPA for estimating organic matter emissions from wastewater treatment. The software, appropriately implemented based on the process diagrams to which it refers, is able to estimate VOC emissions into the atmosphere on the basis of information regarding the compounds present in the wastewater, their chemical-physical characteristics, and the geometric characteristics of the tanks.

The total estimated VOC emissions from the TAS and TAZ lines for the period January ÷ December are 13.04 t of which 11.98 t from the TAS line and 1.06 t from the TAZ line.

The total figure of 441 tons considers the abatement achieved by non-automated systems consisting of specifically sized spray nozzles, installed on the ST-99, ST-25, ST-26, ST-27, ST-29 and ST-98 tanks equal to 2.1 tons in 2023.

Volatile organic compounds (VOC) emissions

		2021	2022	2023
Total mass flow (diffuse + fugitive emissions) – entire plant	t	480	445	441

Blow Down System Management - Gas flares

The Blow Down Torches system is a technical device subservient to plant safety, arranged to receive any discharges of gaseous and liquid products from plant equipment as a result of anomalies occurring during operation, or generated during emergency, transient, plant shutdown or start-up situations. More precisely, such a system is present to protect all sections or circuits of both plants and services on which properly calibrated safety valves are installed.

The Sarlux site is equipped with two Blow Down - Emergency Flares systems, one related to the Southern Plants (refinery and the IGCC plant), consisting of two flares and related equipment, and one related to the Northern Plants, consisting of a single flare.

The quantity of gas conveyed to the Blow Down - Flares system is shown below, expressed in kt/year and t/day.

Combustion gases in flare system

		2021		2022		2023	
			Limit AIA[1]		Limit AIA[1]		Limit AIA[1]
Mass flow – entire plant	kt/ yeat	42.9	-	36.9	-	42.7	-
Daily mass flow[1]	t/ day	118	285	101	275	116	265

1. Limit value daily quantity sent to flare (t/g), In the table, the limit is compared with the daily average on an annual basis.

Odours

The Saras Group, even before the entry into force of the Integrated Environmental Authorization (AIA) in April 2009, has concretely expressed its sensitivity and commitment to managing the topic of odorous emissions, which, although they do not have harmful implications for people's health, are unpleasant and annoying for local communities.

The refining activities can indeed result in the presence of odorous emissions, which sometimes lead to a negative perception by the community towards the plant.

In 2004, an initial instrumental investigation was conducted with the aim of identifying the sources of odours perceived outside. In the following years, there were sessions of in-depth analysis leading up to 2008 when an experimental phase commenced. This phase allowed for the development of a monitoring methodology using combinations of analytical techniques, modelling, and olfactometric assessments. This methodology is subject to updates required by the relevant regulations, particularly complying with the provisions of Ministerial Decree no. 309 of June 28, 2023, regarding the approval of guidelines for the implementation of Article 272-bis of Legislative Decree 152/2006 concerning odorous emissions from plants and activities, developed by the "Emissions Coordination" as envisaged by Article 281, paragraph 9, of Legislative Decree 152/2006.

In 2009, various sampling and analysis activities were conducted within the plant (sources) and at sensitive points in Sarroch (sensitive receptors) to validate the methodology and define the Odorous Emissions Monitoring and Control Plan. In reference to the provisions stated in the Integrated Environmental Authorization (Instructional Opinion of January 12, 2009), in October 2009, the Monitoring and Control Plan (PMC) was communicated to the Ministry of Environment. This document describes the methodology, timing, and communication methods for the results obtained.

The methodology is based on an integrated approach that involves studying emission sources, identifying odour-causing compounds (tracers) using instrumental and sensory techniques, and employing modelling to study the atmospheric dispersion of odour compounds. This allows for an accurate assessment of the olfactory impact induced by the emission source on sensitive receptors.

It should be noted that the important results achieved in understanding the phenomenon of odour production and dispersion are the result of important investments made by the Group in the field of research, which have made it possible to equip itself with an accredited olfactometric laboratory, in compliance with the relevant international standard (UNI-EN 13725:2022), consisting of an olfactometric chamber and analytical instrumentation capable of detecting the olfactory thresholds of compounds osmogenic, which are notoriously very low.

The AIA Monitoring and Control Plan provides for two six-monthly monitoring campaigns: a summer one in the spring/summer period (June-July) and a winter one in the autumn/winter period (November-December). For each campaign, surveys are carried out both inside the plant and in the sensitive points of Sarroch. The first monitoring campaign was carried out in June 2010. In the monitoring campaigns carried out in the following years, the odour concentration of the air samples collected in the vicinity of the emission sources and sensitive receptors was mapped, and the chemical compounds present in the same samples were mapped. It also emerged that the use of the analytical methodology for the control and management of

the problem of odorous emissions from the site needed to be consolidated over time by increasing the statistical sample (number of analytical measurements) to deepen the study of the possible correlations between the odorous impact and the analytical concentrations found. The results achieved to date have not allowed to detect a clear and constant correlation at sensitive receptors between the measured odour concentration and the detected chemical compounds. The chemical compounds detected in the air samples collected in the emission sources, inside the site, are present in the air samples collected at sensitive receptors in concentrations below the respective Odour Threshold value, except for a few very rare cases that cannot have scientific relevance.

In particular, it is evident that the measurement of odour concentrations in air samples that present a chemical speciation such as not to allow the identification of individual chemical compounds as responsible for this impact, can have two explanations: synergistic effect of the compounds present in the air sample taken and the presence of compounds that escape current chemical analysis.

Although a cause-and-effect relationship has not been defined between the individual compounds emitted by the site's sources and the olfactory impact found on sensitive receptors, starting from the results of the application of the Monitoring Plan, detailed studies have been launched that have made it possible to plan and implement investments to minimize the olfactory impact.

Over the years, technological investments have been made on floating roof tanks, as better described below.

During 2023, investigation and in-depth activities continued to identify further mitigation measures that also take into account the monitoring of recent years.

Among the main interventions, it is worth mentioning the extension of the cover of the API process tanks to the "head" areas, the construction and maintenance of the double seals between the mantle and the roof of the floating roof tanks, chemical misting systems for the abatement of emissions in some tanks and further activities currently being studied, always on the tanks.

For the year 2023, the monitoring shows results in line with those found in previous years. In particular, the monitoring carried out during the summer and winter campaigns shows that the compounds detected at the sensitive receptors are present in traces and no chemical elements/compounds with an odorous impact have been detected.

From the comparative chemical analysis between sensitive receptors and the emission sources inside the Sarlux Plant, no chemical elements/compounds have been detected that can be defined with certainty as tracers of the production activities of the Industrial Plant under monitoring.

During the potentially more severe operating conditions conducted during the year 2023, i.e. the transients (stop and restart) of the Plant Units under study, no significant emission events were found compared to normal operating conditions.

The necessary experimentation is currently underway for the preparation of a network of "electronic noses", properly called IOMS ("Instrumental Odour Monitoring Systems").

API Tank sealing[1]

This intervention stemmed from the gap analysis carried out in 2014 on the Sarroch plant with respect to BAT ("Best Available Techniques"), which showed that it would be possible to further contain the emissions spread by these oily water treatment tanks.

The following year, a plant adaptation study was carried out that involved the use of floating aluminium panels with double-sealed gaskets to cover the more than 1,200 square meters of surface of the tanks. This huge investment was then launched in 2016 and was completed in 2017.

To accurately assess the effects, monitoring was carried out before the start of the works, during

1. API tanks (from the American Petroleum Institute, the institute that first determined the design standard) are devices for the treatment of oily water, such as, for example, refinery discharges.

the execution phase and after the completion of the installation. The data available to date confirm a significant reduction in emissions of Volatile Organic Compounds (VOCs), in line with the forecasts of the project design.

During 2023, the coverage of the API tanks was extended to the "head" areas, with the completion and commissioning of Tank D as well.

Interventions and Studies on Tanks

Over the years, investments have been made to equip the floating roof tanks with double seals, installed between the mantle and the roof. In addition, the ST99, ST25, ST26, ST27, ST29 and ST98 tanks have been equipped with an odour mitigation/abatement system, carried out by means of non-automated systems, consisting of specifically sized spray nozzles. These systems have made it possible to achieve a reduction in odour concentration of more than 80%.

In 2023, the Technical and Economic Feasibility Study was prepared for the inclusion of a system for mitigating/abateing odours emitted by the breath valves of the ST-25 fixed-roof tank of the "Tank Park" plant.

The system consists of a chemical dosing station, with relative interconnecting and a nebulization section.

The dosing station is designed for the simultaneous management of 4 tanks.

The misting section consists of 4 misting basins, each to be connected to the flange of each of the 4 tank breath valves chosen specifically for this activity.

A spray crown will be mounted on the top of each basin for the treatment of the osmogenic vapours emitted by the valves. The function performed by the basins is twofold: on the one hand, to create a "calm zone" in which the emission can be treated with minimal drag effect by the wind, and on the other hand, to collect the liquid phase produced by the spraying, avoiding runoff that is harmful to the integrity of the tank roof. The latter will be collected at the base of the tank treated by special piping.

The breath valves selected for this activity (RAMPINI – Mod. 111MS P), are equipped with a plate limit switch and a flanged connection to which the basins described above can be connected.

The system will be designed and built for use in automated mode, i.e. that allows the commissioning and shutdown of the system without the intervention of operating personnel. In order to ensure continuity of treatment even in the event of failure of an element, the realization will allow use in manual mode. The activation logic of the system will be functional to the signal of the limit switch of the breath valve plate, i.e., the activation input will be given by the opening signal of even one of the breath valves. The check on the condition of the valve will determine the conditions of system shutdown when all the plates are lowered. All the appropriate blocking logics will be put in place to safeguard the integrity of the machines and system elements.

The chemical is owned by Chimec and is called CH 9176 Star.

While waiting for the new mitigation/abatement system to be operational, the ST-25 tank has been equipped with a manually activated odour abatement system.

The ST-24 tank is out of order.

The odour emission mitigation system for the ST24-ST25 tanks uses the same abatement technology already successfully used on the ST-98, ST-99, ST-26, ST-27 and ST-29 tanks: using a system of appropriately sized nozzles, a liquid solution of water and chemical is sprayed directly on the emission points of the tanks; the efficiency of this technology in mitigating odorous emission phenomena has been verified to be greater than 80% with respect to odour concentration.

During 2023, the laboratory phase of the project to use the "NP8 scrubber" technology for VOC abatement was completed. The aim of the study was to evaluate, in a controlled environment, the effectiveness of the new technology for capturing VOCs in airflow, in particular produced from diesel and gasoline. The capture of VOCs takes place through the use of "Magneto sponges", micrometric sponges with a very high surface area for the

broad-spectrum adsorption of VOCs and odorous substances. The application of the technology takes place through the use of a wet scrubber, in which the effective reaction between the air current to be treated and the liquid phase containing the micro sponges is obtained. The laboratory test phase conducted in 2023 made it possible to verify a abatement efficiency of at least 55% of the VOCs contained in the treated stream. The result obtained was positively evaluated for the transition of the experimentation to the pilot scale of industrial use. To this end, the Vapor Recovery Unit (URV) serving the tanker loading shelter of the National Depot has been selected as an industrial test bench for the collection of the aerial stream to be treated. To conclude, if the results obtained at the end of the industrial experimentation phase at the National Repository are in line with expectations, the "NP8 Scrubber" technology will be applied to different areas of the Plant.

Among the prevention activities aimed at reducing VOC emissions, the performance of the diesel casting cooling system from the MHC1 Unit, put into operation at the end of December 2023 by cooling on the E11 and E12 exchangers of the TAME Unit, is continuing. During the first month of operation, the system produced a reduction in the average weight storage temperature of 3.3 °C on the ST201, ST202, ST203, ST205, ST207, ST208 fixed roof tanks. This reduction resulted in a reduction in VOC emissions of 13.2 % (approx. 0.8 t/m). This result should allow, as early as 2024, a significant reduction in VOC emissions into the air.

Noise and Noise Pollution

The topic of noise immissions into the external environment is confined to the Sarroch production site. The Monitoring and Control Plan provides for systematic checks on an annual basis aimed at characterizing the noise impact in the surrounding environment through phonometric measurements.

Measurements are repeated over the years at certain measurement points, some of which are located within and on roads adjacent to the site boundary, others on access roads and within the built-up area of Sarroch.

The monitoring network includes six indoor locations, three of which are at the plant boundaries, and ten outdoor locations (characterizing noise emissions), six of which are at the built-up area (characterizing noise immissions); their locations can be seen in the plan below.

The limits to be complied with at the measurement points are contained in the Municipal Acoustic Classification Plan, which, by dividing the territory into homogeneous acoustic zones to which specific limits pertain, defines the values of the emission (TABLE A) and immission (TABLE B) limits to be complied with at the points subject to sampling.

During the annual monitoring and control activity, only continuous measurements capable of detecting two full 24-hour periods are carried out, so that the acoustic phenomenon can be analysed continuously and consistently referenced with the plant's emissions that have been continuously monitored during the same time periods.

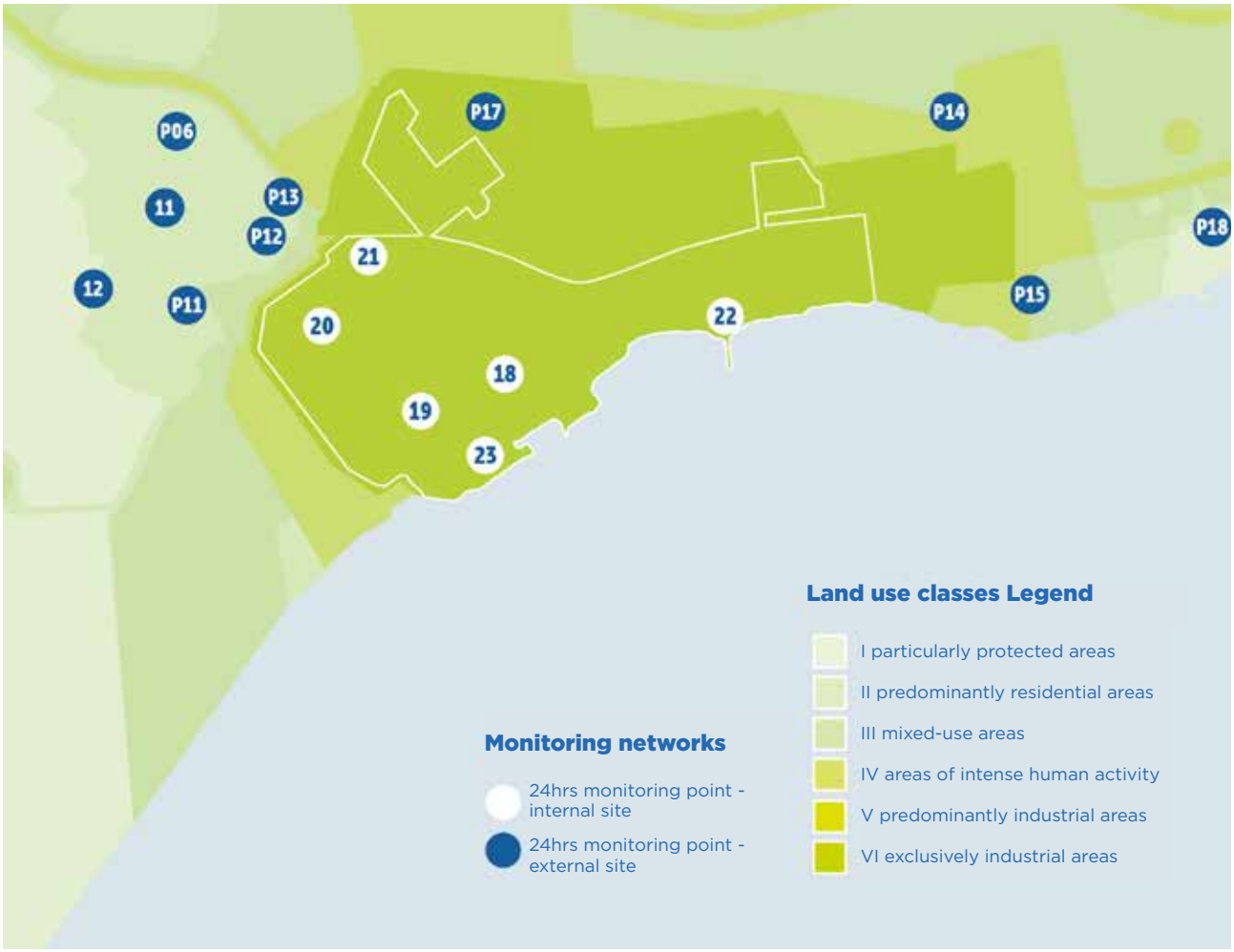


TABLE A - Municipal noise classification - Emission limit values

Areas classification by use	Leq	Daytime limits (06:00 -22:00)	Nighttime limits (22:00 -06:00)
I particularly protected areas	dB(A)	45	35
II predominantly residential areas	dB(A)	50	40
III mixed-use areas	dB(A)	55	45
IV areas of intense human activity	dB(A)	60	50
V predominantly industrial areas	dB(A)	65	55
VI exclusively industrial areas	dB(A)	65	65

The table below (TABLE A1) shows the emission values detected in the three-year period 2021-2023 in some of the monitored stations within the production site (no. 19 and no. 21) which allow the values to be compared with the emission limit values (TABLE A) provided for the industrial area, considering that the presence of compliance in the internal areas will be a guarantee of compliance in the external areas.

With regard to the applicable emission limits, those provided for by the Municipal Noise Classification for the class of territory in which the points fall are reported below.

TABLE B1 shows the emission values for the last three years recorded in the external environment, at three locations located in the town of Sarroch, close to the boundaries of the industrial site, no. 11, no. P12 and no. P06, which make it possible to detect the emission value attributable to the Sarlux production site in comparison with the limits set by the Municipal Noise Classification.

TABLE A1 - Noise emission values at representative points near the Sarlux site boundaries

Acustic classification	Point of measurement	Measured values [dB(A)] (L90 values)			Emissions limit (applicable near emission sources)	
		Year	Day	Night	Day	Night
VI	19	2021	62.5	64.0	65	65
		2022	62.5	58.0		
		2023	53.5	47.0		
	21	2021	56.0	54.5		
		2022	58.5	52.5		
		2023	53.5	56.0		

TABLE B - Municipal noise classification - immission limit values

Areas classification by use	Leq	Daytime limits (06:00 -22:00)	Nighttime limits (22:00 -06:00)
I particularly protected areas	dB(A)	50	40
II predominantly residential areas	dB(A)	55	45
III mixed-use areas	dB(A)	60	50
IV areas of intense human activity	dB(A)	65	55
V predominantly industrial areas	dB(A)	70	60
VI exclusively industrial areas	dB(A)	70	70

TABLE B1 - Noise immission values at representative points located in the center of Sarroch

Acustic classification	Point of measurement	Measured values [dB(A)] (L90 values)			Emissions limit (applicable near emission sources)	
		Year	Day	Night	Day	Night
III	11	2021	50.0	47.5	60	50
		2022	51.0	46.5		
		2023	48.5	45.0		
II	P12	2021	49.5	42.5	55	45
		2022	51.0	44.5		
		2023	44.5	42.0		
	P06	2021	44.0	39.5		
		2022	43.5	40.0		
		2023	43.0	38.0		

We observe that the points of measurement no. P12 and P06 are located in "Class II – predominantly residential areas", while point 11 is located in "Class III – mixed type areas".

In a complex situation such as that of the Sarlux plants, statistical analysis makes it possible to obtain more reliable results, and the most representative indicator proves to be the L90 index. This percentile level represents the noise level for 90 percent of the measurement time.

This parameter can be considered to include industrial noise, which is continuous and substantially stationary over time, in the sense that the measured value excludes accidental noise events and includes noise generated by the Sarlux production site, other industrial sites and noise events of significant duration not attributable to the activities taking place at the production site (e.g., noise from vehicular traffic). It is therefore the parameter that can characterise the specific contribution of the plant.

Waste management

The Saras Group adopts a development model in harmony with the environment and the territory, inspired by the principles of precaution, prevention, protection, and continuous improvement. It has also adopted, implemented and maintained effective over time, Policies and Management Systems certified according to the best international standards, as well as designed and adopted specific technological and efficiency interventions, in order to reduce the production of waste, promoting recycling and reuse with a view to circular economy.

As can be seen from the table of waste produced, 99% of the total (hazardous and non-hazardous) derives from the activities of the Sarroch production site. As a result of the maintenance of storage facilities and tanks, there may be variations in terms of the quantity and quality of waste from one year to the next.

As far as the types of waste produced are concerned about 87% of the total in 2023 was classified as "hazardous", as it derives almost entirely from industrial processes.

Saras Group - Waste generated by composition, by company [306-3]

		2021			2022			2023		
		H	NH	Total	H	NH	Total	H	NH	Total
Saras Spa	*t*	0	0	0	0	0	0	0	0	0
Sarlux Srl	*t*	40,236	8,001	48,237	47,894	9,437	57,331	45,355	6,493	51,848
Sartec Srl	*t*	4	18	22	6	11	17			
Sardeolica Srl	*t*	4	130	134	4	66	70	6	50	56
Deposito di Arcola Srl	*t*	555	151	706	613	583	1195	325	54	380
Saras Energia SAU	*t*	105	10	115	101	9	110	109	6	115
Saras Trading SA	*t*	0	0	0	0	0	0	0	0	0
Total	**t**	**40,904**	**8,310**	**49,213**	**48,618**	**10,106**	**58,723**	**45,795**	**6,604**	**52,399**

H: Hazardous

NH: Non-hazardous

Saras Group - Waste generated by destination [306-3]

		2021				2022				2023			
		H	NH	Total		H	NH	Total		H	NH	Total	
Treatment	*t*	40,803	7,241	48,044	98%	47,825	9,590	57,414	98%	45,291	6,475	51,766	99%
Landfill	*t*	101	1,069	1,069	2%	793	516	1,309	2%	504	129	633	1%
Total	**t**	**40,904**	**8,310**	**49,213**		**48,617**	**10,106**	**58,723**		**45,795**	**6,604**	**52,399**	

H: Hazardous

NH: Non-hazardous

As far as the national legislation for waste management is concerned, in Italy Legislative Decree 152/06 of 03/04/2006 applies, which dictates the guidelines for proper waste management. This management must be aimed at preventing the production of waste where possible and, if this is not possible, it must prioritise first and foremost the sending of the waste produced towards recycling and/or recovery activities (classified with alphanumeric codes from R1 to R13), including:

- R1: Use for energy production
- R4: recovery of raw materials
- R13: Storage of waste for one of the operations R1 to R12

and, only as a last resort, sending to disposal activities (classified with alphanumeric codes from D1 to D15), including, for example:

- D1: Direct disposal to landfill
- D9: Chemical and physical treatment
- D10: Disposal by incineration
- D15: Preliminary filing before one of the operations D1 to D14

In addition to the national legislation, for the Sarlux industrial plant, the AIA Decree issued to the company (DEC-MIN-000263 of 11/10/2017 – Review of the Integrated Environmental Authorization issued to the company Sarlux Srl for the operation of the "Refinery, Combined Cycle Gasification Plant (IGCC) and North Plants" complex in Sarroch), reaffirms the requirements deriving from Legislative Decree 152/06 and also prescribes a specialized monitoring system.

Saras Group: Details on waste recovery / recycling [306-4]

		2021			2022			2023	
		Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste										
Reuse	*t*	0	0	0	0	0	0	0	0	0
Recycling	*t*	0	528	528	0	211	211	0	163	163
Other forms of recovery	*t*	580	2,194	2,774	24	2,659	2,683	106	2,105	2,211
Total	**t**	**580**	**2,722**	**3,302**	**24**	**2,870**	**2,894**	**106**	**2,268**	**2,374**
Non-hazardous waste										
Reuse	*t*	0	0	0	0	0	0	0	0	0
Recycling	*t*	726	6218	6,944	1,538	6,440	7,978	1,703	4,333	6,036
Other forms of recovery	*t*	280	17	297	648	9	658	0	65	65
Total	**t**	**1,006**	**6,234**	**7,241**	**2,186**	**6,449**	**8,636**	**1,703**	**4,398**	**6,101**
Total waste recovered	**t**	**1,586**	**8,956**	**10,542**	**2,210**	**9,319**	**11,530**	**1,809**	**6,665**	**8,474**

The share of waste sent for recovery or recycling is equal to 8,475 tons (16% in relation to the total amount of waste produced). 2023 was characterized by a contraction in waste produced by activities such as new constructions due to the remodulation of investments and the production of waste due to groundwater that goes for disposal.

With the aim of representing in more detail the various destinations of the waste sent for recovery, the quantities managed within the site, at the authorized internal plants (Onsite) and those managed at treatment plants outside the site (Offsite) are reported in the appropriate table.

Especially:

- in the portion indicated "Onsite Recycling" reference is made to materials recovered from disused equipment, ferrous materials, recovered by the two third-party companies that manage the two authorized treatment plants, located within the site; this share also includes the quantity of liquid aqueous waste from groundwater remediation operations.
- in the quota indicated in "Offsite Recycling" the quantities of wood, plastics, concrete, bitumen, lead batteries, excavated earth and rocks and packaging are reported;

Finally, with regard to waste sent for disposal activities (D1:D15) in 2023, the value stands at 43,924 tons.

A small part of this quantity (633 tonnes) is sent directly to landfill, while the main part (referred to as "Other disposal operations") concerns waste sent for preliminary storage or physico-chemical treatment.

Saras Group: Details on waste disposal [306-5]

		2021			2022			2023		
		Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste										
Incineration (with energy recovery)	*t*	0	0	0	0	0	0	0	0	0
Incineration (without energy recovery)	*t*	0	2	2	0	4	4	0	11	11
Landfill	*t*	0	99	99	608	181	789	0	503	503
Other forms of disposal	*t*	33,555	3,946	37,501	31,063	13,867	44,930	29,998	12,910	42,908
Total	**t**	**33,555**	**4,047**	**37,602**	**31,671**	**14,052**	**45,723**	**29,998**	**13,423**	**43,422**
Non-hazardous waste										
Incineration (with energy recovery)	*t*	0	0	0	0	0	0	0	0	0
Incineration (without energy recovery)	*t*	0	2	2	0	2	2	0	0	0
Landfill	*t*	0	1,067	1,067	0	514	514	0	130	130
Other forms of disposal	*t*	0	0	0	0	954	954	0	374	374
Total	**t**	**0**	**1,069**	**1,069**	**0**	**1,470**	**1,470**	**0**	**504**	**504**
Total waste sent to disposal		**33,555**	**5,116**	**38,671**	**31,671**	**15,522**	**47,194**	**29,998**	**13,927**	**43,926**

Sarlux In-depth analysis

With reference to the figure below, the main operational steps of waste management at the Sarlux plant, before it is sent off-site for disposal or recovery activities, are described below:

- the waste generated, suitably divided into homogeneous categories, is generally sent to the temporary storage areas (point no. 2);
- in the case of *filter cake* deriving from the IGCC plant, storage can be carried out in the preliminary storage areas/reserve area or sent to the dedicated temporary storage areas before being sent outside for the recovery of the metals contained (points no. 3);
- in the case of ferrous scrap, a recovery operation is carried out in a special area, entrusted to an authorized third-party company, which selects and reduces the volumes, without altering the type and quantity by mass (point no. 1);
- Waste oils are taken directly from the equipment where possible
- waste consisting of plastic, glass, aluminium and paper is collected separately and delivered to the dedicated area of responsibility of the municipality of Sarroch;
- most of the waste generated, mainly consisting of hydrocarbon-contaminated waste, is sent to an on-site plant (point no. 4), which separates the solid phase from the liquid phase (oil phase and aqueous phase); the recovered liquid phase is conveyed to the wastewater treatment plant (TAS), the solid phase undergoes a subsequent inerting treatment and/or, starting from the end of 2019, a thermo-drying treatment (TDS). Thanks to the use of the in-house treatment plant, it has been possible to reduce the amount of waste from the TAS plant by about 90%.

The treatments carried out by the inerting plant make it possible to significantly reduce the mass quantity of waste and to modify its type, by mixing it with an inert matrix. The management of the plant in question is entrusted to a specially authorised third-party company.

To monitor the parameter of waste leaving the internal treatment plant (Ecotec) compared to the total waste produced, a specific ESG KPI has been introduced.

ESG KPIs - Waste

	2021		2022		2023	
	Target	Result	Target	Result	Target	Result
Outgoing waste from Ecotec vs. total waste produced by Sarlux	<30.5%	10%	<25%	11.3%	<20%	11%

Improved result of the target, thanks to the important contribution of the Thermo-Dryer which significantly reduces volumes

The two companies that take charge of the waste delivered within the site account for the waste they send outside in their annual declaration, downstream of the treatments carried out. These authorized companies have been selected and are verified over time, also through specific audit activities.

As for the solid waste coming from the filter presses of the IGCC plant (called "filter cake" because of its physical consistency), it contains high percentages of metals such as iron, vanadium, and nickel, and is sent to Germany for recovery and use as a raw material for the steel industry. For this operation, annually the notifier must acquire suitable authorization for the transboundary handling of waste, in accordance with EEC/EU Regulation no. 1013/2006 of 14/06/2006, relating precisely to waste shipments, in 2023 Sarlux and 2 other suppliers have taken on the role of notifiers for the shipment of the "filter cake". For transport, all the indications of the ADR were scrupulously followed, also with the help of an ADR consultant.

Finally, Sarlux is authorised to receive and treat waste consisting of bilge water, slop and ballast water from ships. This activity is carried out as a completely free service both for ships mooring in the maritime terminal and for ships that deliver the aforementioned types of waste to Sarlux, by tanker from regional ports. The treatment of these types of aqueous waste is carried out in the ballast water treatment plant. In the same plant, aqueous liquid waste from groundwater remediation operations is treated.

As can be seen, in 2023 the total waste production of the Sarlux site was in line with those of previous years, net of fluctuations related to the type of maintenance and investment activities.

From the data recorded, the total waste delivered to the internal inerting/thermal drying plants is in line with what was reported in 2022.

Over the last few years, in order to seek better solutions to ensure a reduction in the quantities of waste produced and thanks to the collaboration of all the functions involved, some previously identified actions have been activated, such as:

- new approaches to the management of some plants that produce process sludge as waste (Reactivator), which has led to a reduction in quantities;
- alternative management for certain types of waste, which are no longer sent to the third-party company's plant located within the Sarlux site;
- optimization of catalyst life cycles;
- use of new adsorbent materials with better performance and a longer useful life in treatment plants (quartzite instead of activated carbon), thus reducing the amount of waste generated.

In addition, in the continuous search for solutions that improve and reduce the environmental impact related to the disposal of waste produced, the following improvements have been implemented in recent years:

- wooden packaging is also intended for recycling, for a better reuse of the resource, compared to recovery alone for the purpose of energy production;
- the management of reclaimed concrete at an authorized plant in Sardinia, instead of being sent to landfills;
- the management of recovered bitumen at an authorized plant in Sardinia, instead of being sent to landfills;
- activated a channel for the management of industrial plastic for recovery at an authorized plant in Sardinia, optional with respect to sending it to landfills;
- A channel has been activated for the management of certain types of waste deriving from refractory material for recovery.

Going deeper by category, it appears that in 2023, a total of 51848 tons of waste were managed at the Sarroch production site managed by the subsidiary Sarlux.

Municipal waste management - Separate waste collection

The commitment to the reduction and proper management of waste is well present in the Group's corporate culture, in fact, the waste that can be assimilated to urban waste produced is differentiated by type with a view to promoting recycling. The percentage of sorted waste on total municipal waste is one of the performance indicators of the Environmental Management System certified according to ISO 14001 and compliant with the EMAS (Eco-Management and Audit Scheme) regulation.

This management has been active since 2006 at the Sarroch production site and was subsequently extended to all the Group's companies. The following table shows the quantities of waste by sorting and their percentage incidence on the total municipal waste sorted.

Approximately 97% (by weight) of the Group's total separate waste collection, in the 2023 financial year, was carried out at the Sarroch site, which has an average of about 2,200 daily presences, for a total production of municipal waste (separate and undifferentiated dry) of 313 tons, down from the production of 370 tons in 2022.

The table shows the significant increase, both in absolute and percentage terms, of the separated fraction compared to the total municipal waste. In percentage terms, with 82% of municipal waste recycled, the Sarroch plant ranks among the most virtuous national realities (ISPRA site - National Waste Registry, Urban waste), with an important contribution to the results of urban waste management in the area. These results are the result of the initiatives, constantly carried out over the years, to raise the involvement and awareness of those who work on the site.

In the 2023 financial year, the following were carried out:

- Harmonize and optimize collection points and collectors, introducing a widespread and targeted micro-collection, the result of the observation and needs reported by users in the places where waste is produced (refreshment points and canteens, plant area, etc.);
- Facilitate communication and discussion through the creation of a company email to which you can report any special needs and need for intervention;
- Introduce "on-call" services aimed at cleaning and small maintenance in waste production areas;
- Introduce a "bulky" collection service (especially obsolete furniture).

Saras Group: Municipal waste – Separated collection

		2021		2022		2023	
Paper	*t*	84	48%	72	47%	122	47%
Plastic	*t*	21	12%	23	15%	59	23%
Glass and cans	*t*	22	13%	15	10%	6	2%
Decomposable	*t*	48	27%	44	28%	75	29%
Total	**t**	**175**		**154**		**263**	

Municipal waste – Sarlux site collection

		2021		2022		2023	
Differentiated	*t*	153	46%	159	43%	256	82%
Non differentiated	*t*	180	54%	211	57%	57	18%
Total municipal waste	**t**	**333**		**370**		**313**	

Spills

[306-3; ENV-6]

The Saras Group has adopted specific policies and implemented technical and management tools in order to prevent accidental releases into water, soil and subsoil.

Prevention of water contamination

As far as sea transport is concerned, given the large number of ships carrying out loading or unloading operations at the Sarroch site (about 800-900 ships per year), since 2009 the Group has adopted a "Vetting" policy (i.e. those criteria for selecting and controlling ships, aimed at acquiring precise information on the safety and quality conditions of the ship inspected, in order to establish its suitability for mooring at the piers of the Sarroch industrial site), with the aim of preventing accidents and releases of dangerous substances into the sea.

In particular, the procedure provides that the ships used must be of the "double hull" type, a requirement that is reinforced through the monitoring of both incoming and outgoing oil tankers directed towards the Sarroch terminals and regular inspection activities conducted by Saras staff (also in other ports), according to international criteria and "Pre-mooring inspections" on a spot basis, carried out at anchor before the mooring manoeuvre.

The reference specification for the controls is the "Minimum Safety Criteria" document, adopted by Saras first and now by Sarlux in accordance with the ship inspection protocols established by the OCIMF (Oil Companies International Marine Forum), an organization that promotes the improvement of safety, responsible environmental management in the transport of oil and its derivatives, and in the management of maritime terminals.

Prevention of soil and subsoil contamination

With regard to the protection of soil and subsoil at the Sarroch industrial site, the Group continues to carry out a multi-year programme of contamination prevention interventions, in order to avoid any problems relating to accidental releases on the soil and subsoil.

In particular, in addition to having adopted adequate process control systems, numerous waterproof pavements have already been built, and others will be built over the next few years, in the containment basins of the storage tanks and in the "pipe-ways", i.e. the pipe tracks, along which the transfer lines of petroleum products wind, connecting the various tanks and plants to each other. These interventions make it possible to protect soil and subsoil in the event of accidental spills.

Similarly, the installation of double bottoms in storage tanks continues, also aimed at protecting the soil and subsoil in case they allow the same phenomenon to be avoided in the soil and subsoil, in the event of any problems on the bottoms of the tanks. During the transition period to double bottoms, a verification process was put in place with the "noise emissions" technique, which makes it possible to detect any anomalies on the bottom of the tanks in advance.

Spills

During 2023, there were no spills into the sea and no significant spills on land. The table below shows the trend over the last five years.

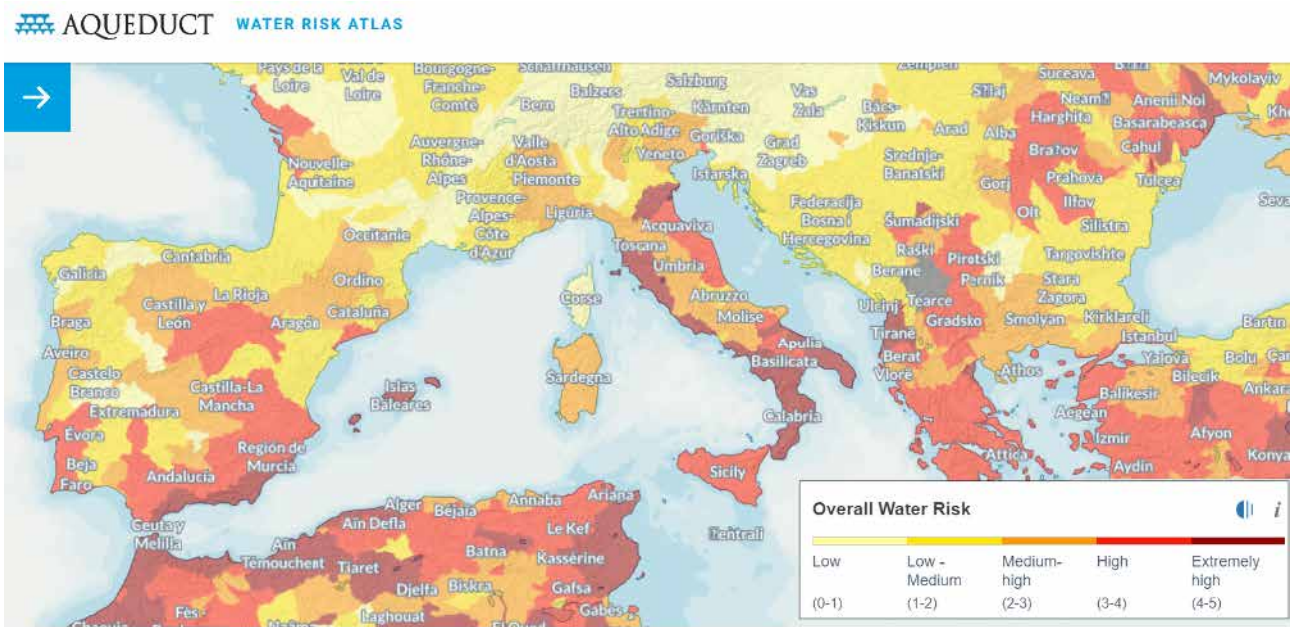
Spills

		2019	2020	2021	2022	2023
Events	no.	1	1	1	1	0
Location		Sarlux - Northern Plant	Deposito di Arcola	Sarlux - Northern Plant	Sarlux - Southern Plant	-
Impact		sea	sea	soil	soil	-
Volume	m^3	0.7	8	33	42	0
	bbl	4.5	50	207	264	0

Water resource management

[11.6; 303-1; 303-2; 303-3; 303-4; 303-5; ENV 1; ENV 2]

Effective management of water resources has always been an topic of fundamental importance to which the Saras Group has dedicated commitment and investment. Aware that Sardinia is a region subject to medium-high water stress1, due to low rainfall and the risk of frequent droughts, the Group is committed to managing water resources in a sustainable way, minimizing the withdrawal of this precious shared resource.



1. Refer to: Aqueduct Water Risk Atlas database, provided by World Resource Institute (https://www.wri.org/applications/aqueduct/water-risk-atlas)

Interaction with water as a shared resource

In line with its policies, the Group has adopted technological and management solutions in order to reduce its water footprint and keeps the results of its water resource management under constant monitoring, both in compliance with current legislation and in the context of voluntary certification systems (ISO14001 and EMAS).

Moreover, as already reported in the chapter dedicated to ESG Ratings, there is a general recognition of the Saras Group's good management capabilities of water resources, which is also confirmed by the positive assessment expressed by CDP on the topic of "Water Security"; In fact, Saras has received a "B" score, which indicates the ability of the company's management to "take coordinated actions" on the management of water resources.

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The need to reduce withdrawals from primary sources, and therefore the impact on the communities concerned, is particularly felt at the Sarroch production site, as Sardinia is a region with medium-high "water stress".

As shown in the table dedicated to water withdrawal, the Sarroch industrial site, on the southern coast of Sardinia, uses about 99% of the almost 75 million cubic meters withdrawn by the Group in 2023.

Compared to the above-mentioned levy, the Group's consumption is equal to approximately 12 million cubic meters, and there has been a downward trend in recent years.

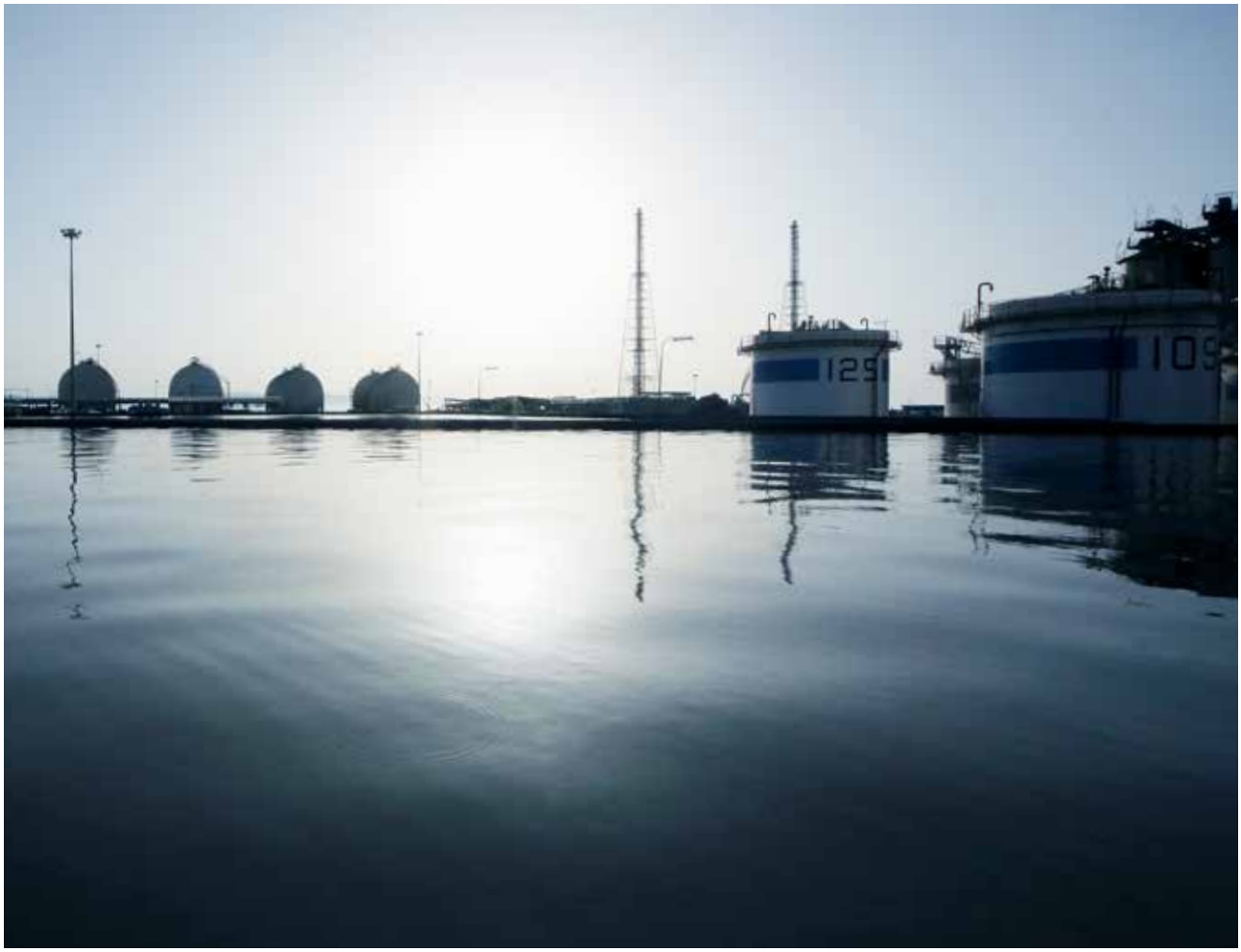
With reference to the Sarroch industrial site, water is used for multiple functions:

- Cooling circuits, which represents the largest volumetric component;
- Process, among which the main use is the production of steam for technological uses (thermal energy transport, stripping with steam and electricity production);
- Fire-fighting network and civil uses.

In terms of site water requirements (the amount of water needed to keep the plants running and the services related to production), it is guaranteed through:

- An external withdrawal of raw water from an industrial consortium ("fresh water"), approximately 5.99 million cubic meters in 2023, down from 6.28 cubic meters in 2022;
- A component of seawater that is desalinated (part of the amount withdrawn and not re-introduced to the receiving body).
- A recycling component within the system ("water reuse").

In the following diagram, the simplified water cycle at the production site is represented in graphic form.

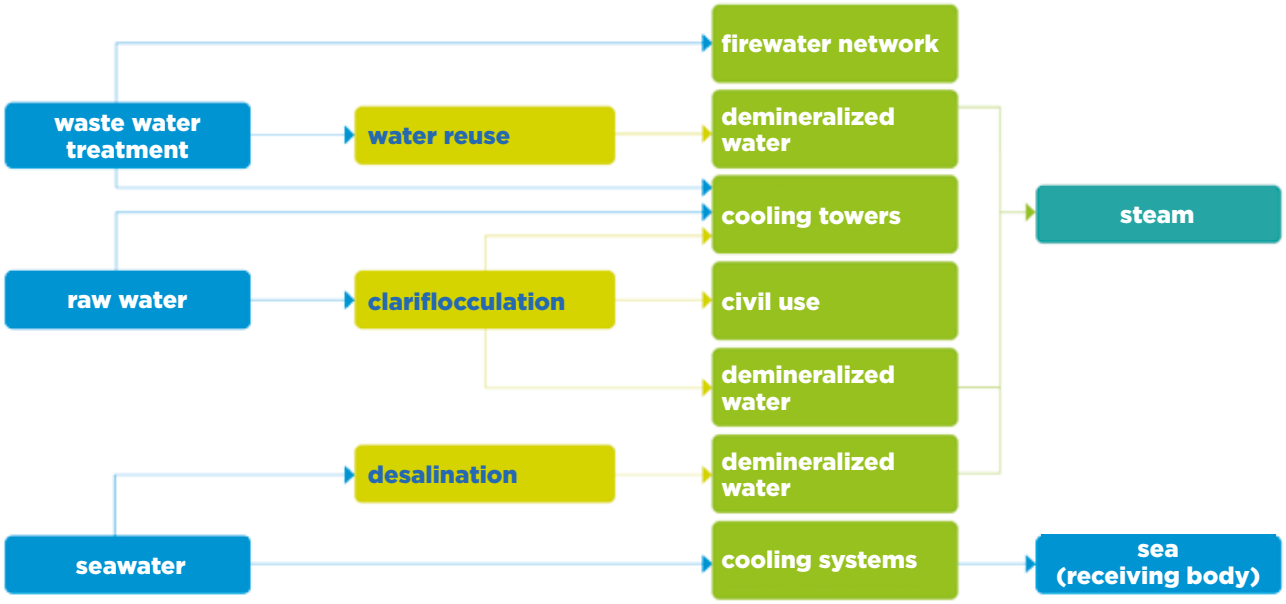


Saras Group - Water withdrawal [303-3]

Water withdrawal by source [m³]	2021		2022		2023	
	All areas	Areas with water stress	Areas with water stress	Areas with water stress	All areas	Areas with water stress
Third-party water	**6,064,602**	**6,064,170**	**6,280,123**	**6,280,063**	**5,992,558**	**5,992,488**
Freshwater (TDS≤1000 mg/l)	6,064,602	6,064,170	6,280,123	6,280,063	5,992,558	5,992,488
Other water (TDS>1000 mg/l)	0	0	0	0	0	0
Surface water	**0**	**0**	**0**	**0**	**0**	**0**
Freshwater (TDS≤1000 mg/l)	0	0	0	0	0	0
Other water (TDS>1000 mg/l)	0	0	0	0	0	0
Groundwater	**897,900**	**0**	**872,685**	**0**	**848,238**	**0**
Freshwater (TDS≤1000 mg/l)	897,900	0	872,685	0	848,238	0
Other water (TDS>1000 mg/l)	0	0	0	0	0	0
Seawater	**59,264,685**	**59,264,685**	**60,371,482**	**60,371,482**	**68,080,873**	**68,080,873**
Freshwater (TDS≤1000 mg/l)	0	0	0	0	0	0
Other water (TDS>1000 mg/l)	59,264,685	59,264,685	60,371,482	60,371,482	68,080,873	68,080,873
Produced water	**0**	**0**	**0**	**0**	**0**	**0**
Freshwater (TDS≤1000 mg/l)	0	0	0	0	0	0
Other water (TDS>1000 mg/l)	0	0	0	0	0	0
Total water withdrawal from all areas with water stress		**65,328,855**		**66,651,545**		**74,073,361**
Total water withdrawal	**66,227,187**		**67,524,290**		**74,921,669**	

Saras Group: Water consumption [303-5]

	2021	2022	2023
Total water consumption [m³]	15,195,665	16,051,754	14,649,879



As previously stated, to reduce the withdrawal of primary water sources and thus make an increasing amount of raw water available to the territory, for agricultural uses and for other activities unrelated to the Group, over the years Saras has carried out numerous interventions, both in the field of investments and processes, aimed at progressively reducing water needs. At the same time, but with the same objective, the recovery of internal water that would otherwise be discharged to the receiving body has been maximized, and the installed capacity of desalination systems has been maximized over the years.

Among the main interventions carried out in recent years to maximize the recovery of inland water (water reuse) are the following:

- in 2017, work began on the start-up of a 140 m^3/h plant capable of recovering process water in order to produce water suitable for reuse in cooling circuits;
- In 2018, the new seawater desalination plant came into service for the production of 500 m^3/h of demineralized water to be used in high-pressure boiler circuits. The start-up was gradual, and the insertion of all sections of the new plant took place in April 2019. Once the maximum capacity was reached, starting from May of the same year, the old desalination units built in the 90s, which were no longer energy efficient, were stopped.

The following table shows the breakdown of site water requirements by source of supply. The percentage column shows, year by year, the incidence of the type of supply on total consumption.

The new desalination plant and the constant commitments to increase reclaimed water have made it possible to significantly reduce the withdrawal of raw water from the industrial consortium, which in 2023 stood at 28.9% of the site's total water needs. Considering the baseline of the 2015 financial year, where more than 9.5 million cubic meters of water were withdrawn, the almost 6 million withdrawn in 2023 represent a decrease in the water impact on the territory of 37%. Moreover, as already mentioned in the past, the yield of the new desalination plant is higher than that of the previous plants, which are no longer in operation, and this makes it possible to produce the same amount of demi water with less seawater withdrawal.

It is also appreciated that since 2021, the use of raw water from the consortium represents the lowest item among the 3 types (while, just in 2015 it was the main source of supply). In fact, in the year just ended, the "Water Reuse" type was also overtaken, thanks to the numerous interventions carried out over the years to optimize operational management, and increase the volumes reused in internal processes.

Since 2020, a specific ESG KPI on the reduction of withdrawal from local water resources has been monitored.

Site water demand by source [Mm³]

	2021		2022		2023	
	Mm³	%	Mm³	%	Mm³	%
Water reuse Intenal recycle	6.38	29.7%	6.42	28.6%	6.13	29.5%
Raw water by regional consortium	6.06	28.2%	6.28	28.0%	5.99	28.9%
Seawater External withdrawal	9.07	42.2%	9.74	43.4%	8.64	41.6%
Site water demand	**21.4**		**22.4**		**20.8**	

ESG KPIs - Water impact reduction

	2021		2022		2023	
	Target	Result	Target	Result	Target	Result
Raw water consumption by regional consortium vs. total site water demand	< 30	28.1	< 30	28	< 30	28.9

From the point of view of water storage, two tanks of raw water are used at the Sarroch site, which are always managed on a full basis. Therefore, there are no significant changes between the total volume of water stored at the end of the reporting period, compared to the total volume of water stored at the beginning of the reporting period.

Moving on to the analysis of the total water withdrawal, this value is given by the sum of the raw water from the industrial consortium and the water taken from the sea. Moreover, it should be borne in mind that most of the seawater is returned to the receiving body with qualitative characteristics practically equivalent to the water withdrawn, with only minor variations in temperature and/or salt concentration.

With the aim of providing an even more in-depth representation and in line with what is required by the 2018 update for the GRI-303 indicator, an analysis of the quality of the water resource withdrawn for industrial use in the so-called "water stress areas" has been introduced starting from the 2020 financial year: i.e., those regions in which it is not possible to fully meet the water needs, both human and ecological, in terms of availability, quality and/or accessibility.

To provide this analysis, the Group first established that, among its activities, the only one that has significant water withdrawal for process uses is the Sarroch industrial site. In the other sites there is no consumption of water for industrial or process uses, but only for civil uses.

Subsequently, as already mentioned in the previous paragraphs, the Group consulted the public database called "Aqueduct 3.0 Water Risk Atlas" of the World Resources Institute, and was able to confirm

Site water withdrawal

	2021		2022		2023	
	m³	%	m³	%	m³	%
Raw water from industrial consortium	**6,060,035**		**6,277,376**		**5,991,252**	
Of which, fresh water (TDS ≤ 1,000 mg/L)	6,060,035	100%	6,277,376	100%	5,991,252	100%
Of which, other qualities of water (TDS > 1,000 mg/L)	0	0%	0	0%	0	0%
Seawater	**59,264,685**		**60,371,482**		**68,080,873**	
Of which, fresh water (TDS ≤ 1,000 mg/L)	0	0%	0	0%	0	0%
Of which, other qualities of water (TDS > 1,000 mg/L)	59,264,685	100%	60,371,482	100%	68,080,837	100%
Total	**65,324,720**		**66,648,858**		**74,072,125**	

that Sardinia actually falls within the areas of medium-high water stress.

Finally, a breakdown of water withdrawals from the Sarroch industrial site was prepared according to the concentration level of total dissolved solids (TDS). In particular, based on the laboratory analyses carried out on the samples of raw water introduced into the industrial distribution network by the Tecnocasic consortium, this industrial network has an average TDS of approximately 273 mg/L in 2023, and a maximum value of 358 mg/L.

Total dissolved solids (TDS) are an important parameter to characterize the quality of water and the types of use for which it is suitable, as they indicate the amount of minerals and saline impurities dissolved in the water. Water suitable for domestic applications in the sanitary field must preferably have a TDS of less than 500 mg/L; the water used for agriculture must have a TDS of less than 1200 ppm, so as not to damage sensitive crops.

Usually, the TDS of water is calculated indirectly, starting from the electrical conductivity. In fact, pure water is a poor conductor of electricity, while water with high amounts of dissolved solids (typically salts) conducts electricity better, as dissolved salts dissociate, forming ions that carry electric charges (positive or negative).

The formula used is:

TDS (mg/L) = Ke * EC (µS/cm)

where "EC" is the electrical conductivity of the liquid, measured in microSiemens per centimeter, and "Ke" is the conversion factor, which depends on the chemical composition of the dissolved solids and can vary greatly (range between 0.54-0.96), with 0.67 being the most commonly used value.

Management of impacts related to water discharge

The following table shows the Group's discharges broken down by type and destination.

Saras Group: Water discharge [303-4]

	2021		2022		2023	
	All areas	Areas with water stress	Areas with water stress	Areas with water stress	All areas	Areas with water stress
Water discharge by destination [m³]						
Seawater	56,495,176	56,495,176	56,981,207	56,981,207	63,849,277	63,849,277
Surface water	1,003,435	0	1,003,435	0	1,003,435	0
Groundwater	3,148	2,716	1,405	1,345	70	0
Total water discharge in areas with water stress		**56,497,892**		**56,982,552**		**63,849,277**
Total water discharge	**57,501,759**		**57,986,047**		**64,852,782**	
Water discharge by freshwater and other water [m³]						
Freshwater (TDS≤1000 mg/l)						
Discharges from process	7,308,159	6,304,292	7,349,728	6,346,233	5,415,953	4,412,448
Discharges from cooling systems	0	0	0	0	0	0
Other water (TDS>1000 mg/l)						
Discharges from process	17,819,767	17,819,767	15,869,087	15,869,087	15,677,175	15,677,175
Discharges from cooling systems	32,373,833	32,373,833	34,767,232	34,767,232	43,759,654	43,759,654
Total water discharge in areas with water stress		**56,497,892**		**56,982,552**		**63,849,277**
Total water discharge	**57,501,759***		**57,986,047***		**64,852,782**	

(*) The discharges for 2021 and 2022 differ from the values published in the previous Sustainability Report (58,478,692 cubic metres in 2021 and 58,963,352 cubic metres in 2022, respectively); this difference, less than 2%, is due to the discharges from the Arcola Deposit, which in previous years were overestimated in a precautionary manner. Recent technological improvements have made it possible to evaluate the data more accurately.

More precisely, the discharges into the sea at the Sarroch site, regularly authorized and monitored, are divided between those of the process downstream of the biological and neutralization plants, and those related to desalination and cooling.

While process discharges are properly related to production activities, desalination and cooling discharges are related to production services.

Site water discharges – "sea" receiving body [m³]

	2021	2022	2023
Discharges from desalination	17,819,767	15,869,087	15,677,175
Discharges from process	6,301,103	6,344,377	4,411,928
Discharges from cooling systems	32,373,833	34,767,232	43,759,654
Total (TDS > 1,000 mg/L)	**56,494,703**	**56,980,696**	**63,848,757**

All the discharges at the Sarroch industrial site have TDS of more than 1,000 mg/L. In fact, the desalination and cooling discharges come from seawater. Process discharges then derive from water taken by the industrial consortium which, in use, undergoes a concentration, and the TDS increases from the starting value (on average equal to 250 mg/L, as mentioned in the previous chapter) up to levels above the threshold of 1,000 mg/L. In fact, in terms of conductivity, process discharges have values close to 2,000 microSiemens per centimeter, which translates into TDS values around 1,350 mg/L.

Emissions to water

The Sarroch industrial site, in accordance with the Integrated Environmental Authorization, is equipped with a series of discharges into the sea used in normal operation and, exceptionally, in the event of emergency events; For each of the discharges into the sea, the quantities introduced into the receiving body and its chemical and physical characteristics are monitored with monthly sampling and analysis by an accredited external laboratory and daily sampling and analysis performed by the in-site laboratory.

The significant parameters in terms of quantity that characterise emissions into the water conveyed to the main discharge are the following:

- COD (Chemical Oxygen Demand)
- Total hydrocarbons
- Total nitrogen.

Water intensity

With the entry into force of the CSRD Directive, it will also become mandatory to report on water intensity information (ESRS E3-4), calculated as water consumption in cubic meters per million euros of revenues. Saras has decided to bring forward this obligation from this financial year. In addition, to facilitate peer comparison at a global level, the parameter "water withdrawal in cubic meters for revenues expressed in millions of euros", a parameter used in the ESG rating area, is disclosed.

Saras Group: Water Intensity

		2021	2022	2023
Total water consumption	*m^3*	15,195,665	16,051,754	14,649,879
Net revenue	*M€*	8,636	15,836	11,443
Water Intensity (consumption / revenue)[ESRS E3-4]	**m^3/M€**	**1,759**	**1,014**	**1,280**
Total water withdrawal	*m^3*	66,227,187	67,524,290	74,921,669
Water Intensity (consumption / revenue)	**m^3/M€**	**7,668**	**4,264**	**6,547**

Protection of Biodiversity

The Saras Group, within its Sustainability Policy approved by the Board of Directors, makes explicit its commitment to the protection of ecosystems and biodiversity, requiring its suppliers to comply with the principles set out therein.

[11.4; 304-1; 304-2; 304-3; ENV 3; ENV 4]
In fact, operating in respect of the environment is essential for long-term sustainability,

as well as for productivity and competitiveness on the markets. Therefore, the group carries out its activities minimizing the environmental footprint and considering, in the development of its projects, the protection of ecosystems and biodiversity.

Potential impacts deriving from the Group's activities, products and services on the biodiversity of protected areas or areas of high biodiversity outside protected areas can be traced back to the subsidiary Sarlux, whose Sarroch industrial site is located along the coast, near protected land areas, and is therefore responsible for preserving marine fauna and flora.

To prevent these potential impacts from becoming actual, Sarlux has adopted a specific "Policy for the prevention of major accidents, the protection of the health and safety of workers and the environment"; This policy results in an integrated management system certified for environmental and biodiversity aspects according to ISO 14001 and EMAS (Eco-Management and Audit Scheme) standards.

To verify that there are no negative impacts on ecosystems, with a possible and consequent loss of biodiversity, targeted monitoring campaigns are carried out, better illustrated in the following paragraphs.

Land Areas

The natural terrestrial areas surrounding the Sarroch plant are:

- the "Gutturu Mannu" Regional Natural Park, about 3 km west of the refinery;
- the Pond of Cagliari, about 6.7 km to the east;
- the Monte Arcosu Forest, about 11 km to the west.

The state of air quality represents the main activity for the preservation of terrestrial biodiversity, and can be monitored, in addition to chemical indicators, also with biological indicators (biomonitoring), such as, for example, the abundance/deficiency of various moss species (mosses).

For over 20 years, on behalf of Sarlux, the Department of Life and Environmental Sciences of the University of Cagliari has been carrying out a campaign to monitor the state of health of the vegetation in a large area of the Sarroch hinterland.

Starting from 2022, it was considered appropriate to add a new monitoring station, within the area considered, responding to the needs of the survey and also considered suitable for studies related to the exposure of moss-bags (i.e. special bags containing water mosses, used for the monitoring of heavy metals and other trace elements, being able to be easily transplanted from a clean source to the place of study, where they remain for the desired time).

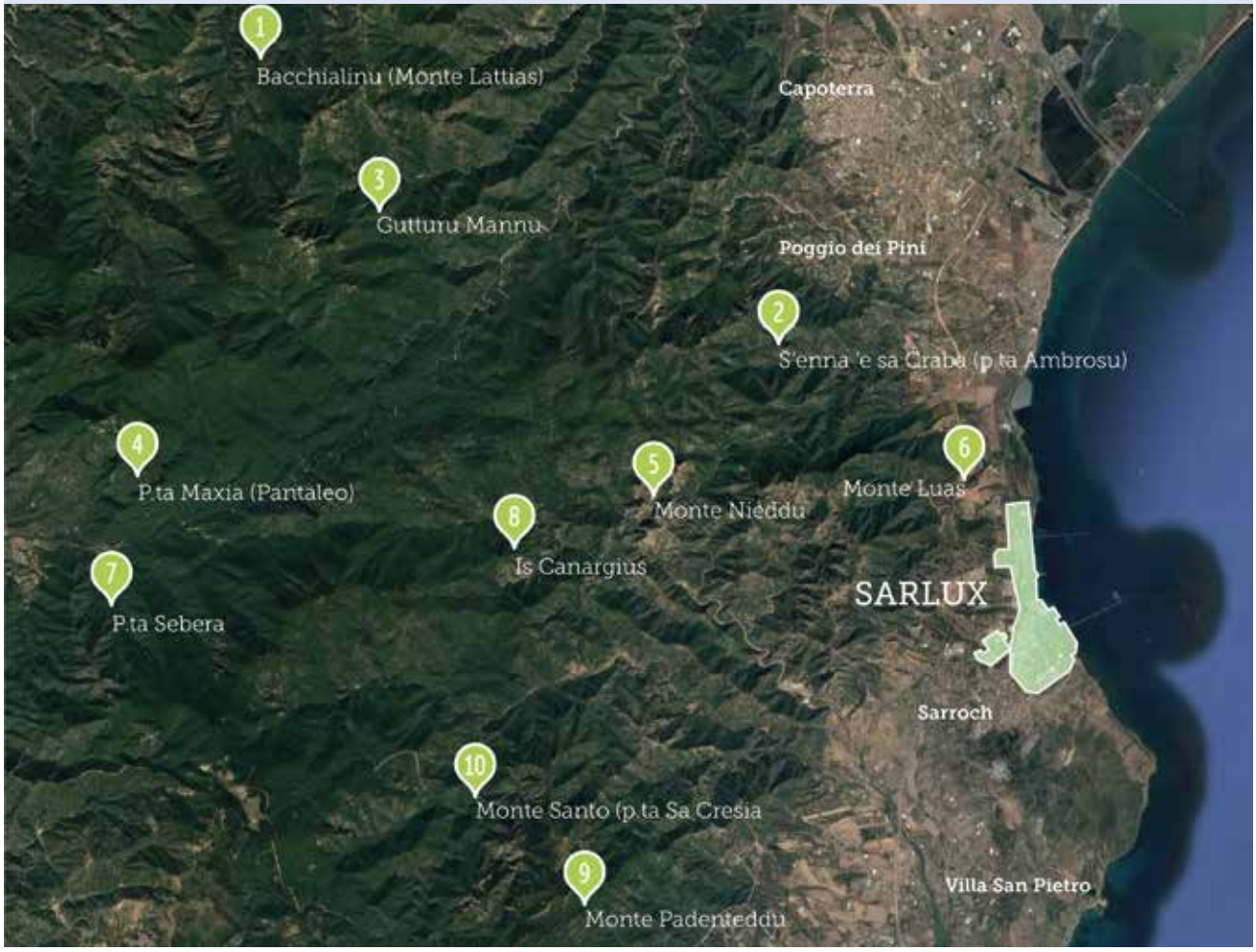
The picture that emerges, also in 2023, from the analyses carried out using bio-indicators shows a state of quality that is in the intermediate range with respect to the extremes of the IAP1 index (Atmospheric Purity Index) evaluation scale; In fact, the results of the monitoring carried out at the 11 control stations fall for the most part into class 3 and to a lesser extent into class 4.

A monitoring campaign on the state of health of the vegetation is also carried out in the survey area. The survey is carried out through visual inspection of different plant species and through verification of the bioaccumulation of pollutants. The results of the field surveys show that the bioaccumulation of these substances in the survey area is lower than the Italian and European annual averages.

IAP classes	IAP values	Air quality assessment	Naturalness/alteration
7	IAP = 0	*Very poor*	*Very high alteration*
6	1 < IAP < 10	*Poor*	*High alteration*
5	11 < IAP < 20	*Low*	*Medium alteration*
4	**21 < IAP < 30**	*Mediocre*	*Low naturalness/ low alteration*
3	**31 < IAP < 40**	*Medium*	*Medium naturalness*
2	41 < IAP < 50	*Moderate*	*High naturalness*
1	IAP > 50	*Good*	*Very high naturalness*

1. The IAP index has been proposed by P.L.Nimis, "Guidelines for the bioindication of the effects of pollution through the biodiversity of epiphytic lichens", Department of Biology, University of Trieste, 1999, and has been adopted in several studies on air quality also by regional environmental protection agencies.

LOCATION OF AIR QUALITY BIOMONITORING STATIONS



Marine waters

For more than 20 years, marine biology experts have been carrying out a periodic survey of the state of quality of marine water in the stretch of sea in front of the Sarlux site. To describe the state of seawater quality, the Trophic Status Index (TRIX) is monitored, an indicator that allows a summary judgment to be made. This indicator is calculated based on a mathematical formula that takes into account chemical quantities (percentage of dissolved oxygen, phosphorus and nitrogen concentrations) and biological quantities (chlorophyll "a") detected in marine waters.

Throughout the three-year period 2021-2023, the state of quality of marine waters is in the highest range of the classification (high-good), testifying to the excellent results deriving from the Group's commitment to protecting the sea.

In addition, in addition to the Trophic Indicator, the CAM1 index (Classification of Marine Waters) has been introduced for several years now, based on specific algorithms for the Sardinian sea, which transforms the measured values into a synthetic judgment on the state of sea quality.

In line with the results of the TRIX index, in the three-year period under review, the CAM index also showed a "medium-high" water quality in all the survey areas, with the exception of winter 2021, a period in which the water quality is due to the particularly rainy period that led to the transport of nutrients and sedimentable substances from some watercourses that flow into the Gulf of Cagliari. Overall, considering annualized average values, the analysis allows us to conclude that the water quality for the year 2023 was "medium-high" for both surface and bottom waters.

Trophic index (TRIX) – water quality and condition

Trophic index	Trophic state	Water conditions
2-4	High	Good water transparency, absence of abnormal water colors; absence of undersaturation of dissolved oxygen in benthic waters.
4-5	Good	Occasional clouding of the waters; occasional coloration of the waters; occasional hypoxia in benthic waters.
5-6	Mediocre	Poor water transparency; abnormal water colors; hypoxia and occasional anoxia of benthic waters; states of suffering at the benthic ecosystem level.
6-8	Low	High turbidity of the water; widespread and persistent anomalies in the color of the waters; widespread and persistent hypoxia/anoxia in benthic waters; die-off of benthic organisms; alteration/simplification of benthic communities; economic damage in the sectors of tourism, fishing and agriculture.

Trophic index (TRIX) – 2021 - 2023

	Quality level – Surface water	Quality level – Bottom water
January 2021	good	good
July 2021	high	high
January 2022	high	high
July 2022	high	high
January 2023	high	high
July 2023	high	high

The stretch of sea under analysis is also affected by thermal discharges, i.e. wastewater with higher temperatures than ambient water. The applicable legislation provides that the temperature increase in the receiving body must not exceed a value of 3°C over 1,000 meters away from the point of entry.

Every six months, in accordance with the IRSA (Manual of Analytical Methods for Water) method, a check is carried out on the temperature differences found at 1,000 meters from the point of discharge from the seawater cooling circuit of the IGCC and the North Plants, along a semi-circumference centered at the discharge point itself. The results of the checks carried out in the last three years fall within the range of variability of coastal marine waters.

CAM index (specific for the Sardinian Sea)

	Surface water quality level	Bottom water quality level
January 2021	low	medium
July 2021	high	high
January 2022	medium	medium
July 2022	high	high
January 2023	medium	medium
July 2023	high	high

The CAM (Marine Water Classification) index is the index used in monitoring the coastal marine environment that transforms measured values into a summary judgment of the sea quality status.

Ulassai Wind Farm

One of the fundamental elements that has characterized the Ulassai park, since the early stages of its design, is the attention to the territory in which it is located. Every aspect of it has been designed keeping the interests and needs of the inhabitants and the environment at the center and, in fact, the very creation of the park has given rise to new forms of income for the territory.

In compliance with the requirements given in the authorization, Sardeolica systematically carries out targeted monitoring campaigns (both in the pre-construction, construction and post-construction phases), to ascertain the state of the main environmental components, with particular reference to vegetation, birdlife, noise and electromagnetic fields. These studies have been repeated several times during the now 17 years of operation of the plant.

The main results of the above-mentioned control activities, carried out prior to the construction process, during the construction of the plant and during the operation phase, confirmed the integration of the plant with the ecosystems concerned: as far as the birdlife is concerned, no situations of incompatibility between the plant and the species, present or nesting, in the area have been detected. Monitoring on sample areas did not reveal any incidents of collision of birds or bats with the turbines. The monitoring has also made it possible to attest to the presence of at least one pair of golden eagles nesting in the area, which are still present today.

Also with regard to the flora, no negative impact was recorded by the University of Cagliari, which followed the monitoring. Moreover, the presence of personnel in the area acted as a deterrent to forest fires.

In order to raise awareness among young people about sustainable development and the energy transition, every year we welcome several school groups of all levels in the area who request to visit our plants: a very important opportunity to be able to view an industrial reality that coexists perfectly with the surrounding area in respect of the environment and biodiversity.

The wind farm has also become an attraction in the area, together with the Su Marmuri Caves and the Ulassai Art Station. In this regard, it should be noted that even important environmental associations are considering wind farms as modern attractive elements towards the use of places outside the most frequented, little-known tourist circuits and which today represent one of the most interesting laboratories for the energy transition:

"It is the charm of these large and modern machines to produce energy from the wind inserted between mountains and woods, gentle hills cultivated with wheat, but also observation points towards wonderful views ranging from the sea to the mountains" (Legambiente, "Parchi del vento" the first tourist guide dedicated to Italian wind farms).

The Ulassai wind farm is among these, as an example of sustainable industrial installation, in fact, it has been included in Legambiente's 2022 ed. 2022 Tourist Guide available on the website https://parchidelvento.it/portfolio-items/parco-eolico-ulassai/

Technological innovation

Saras believes that technological innovation is one of the most important strategic levers to continue to play a leading role in the country's energy landscape, remaining competitive in the international context and pursuing the objectives of the Energy Transition.

The oil refining and electricity generation sectors, in which the Group operates, are of cardinal importance for the regional, national and international economic system. Technological innovation is crucial in the search for appropriate solutions to increase process efficiency, reduce consumption and losses, increase the quality of refined products and optimize processes.

Therefore, Saras conducts industrial development and technological innovation activities aimed at maintaining technological excellence, achieving operational excellence, maximizing value creation, in the interest of stakeholders and in compliance with the best safety standards for employees, the community, and the territory.

The Sarlux plant in Sarroch is one of the most advanced in Europe, in the field of integrated refining plants. It has technologically advanced, flexible, versatile and high-conversion units. Since 2001, it has been integrated with a gasification and combined cycle generation plant (IGCC) that produces electricity, and also supplies the refinery with large quantities of hydrogen and steam. Finally, since the end of 2014, the Group has also become the owner of the petrochemical plants previously owned by Versalis, achieving further integration along the value chain.

There are also other interconnected industrial sites, such as Sasol and Air Liquide, which have developed over the years in symbiosis with the Saras Group, and today represent important realities in the industrial landscape of Sardinia.

With regard to the outlook, the Group's Business Plan focuses on strategies for the development and maintenance of the Sarroch industrial site in full efficiency, in the medium/long term, to ensure continuity and sustainability of the business, also considering the necessary adjustments to market developments and the relevant regulations.

In summary, the Plan identifies the improvement options and the optimal investment directions in the areas of energy efficiency, hydrogen production, long-term management of the IGCC cycle, logistics structure, enhancement of petrochemical units, as well as obviously optimizing the production cycle and ensuring compliance with environmental regulations.

Saras for the Energy Transition

Traditionally, Saras has pursued an industrial philosophy geared toward change and continuous evolution, to be always prepared and capable to cope with changing market requirements, social expectations, and environmental sustainability.

Therefore, in the coming decades, the energy sector will undergo epochal changes, and only companies that can adapt to this evolution will be able to continue generating sustainable economic and social value.

For this reason, Saras has developed a strategy and a path to achieve the decarbonisation and energy efficiency targets set by the European Green Deal and the National Integrated Energy and Climate Plan (PNIEC). Structured multi-year actions are envisaged to always ensure greater efficiency and operational safety, as well as the continuity of oil supplies to the country and the stability of the Sardinian electricity grid.

In concrete terms, the Group's main areas of commitment in the Energy Transition path are fully aligned with the pillars identified by the PNIEC: electricity production from Renewable Sources, development of biofuels, energy efficiency, and decarbonisation.

This consistency is backed up by the guarantees that Saras can offer as a credible and capable industrial operator, with which the country can plan a "smooth transition" process, in the interests of all parties.

Electricity production from renewable sources

Saras considers production from renewable sources to be a key lever to contribute to decarbonization, exploiting established technologies that are also sustainable from an economic point of view (wind and solar), thus able to create value not only for the company, but also for the territory and local communities involved, which can benefit both from the renewable energy produced and in terms of employment and economic induced activities.

Saras' Business Plan conceives significant investments to expand its installed capacity up to 500MW, starting from the existing 126MW of the Ulassai wind farm, (located in east-central Sardinia), and the additional 45MW of the Macchiareddu wind farm, (located in the southern Sardinia), managed by its subsidiary Sardeolica.

It will leverage the technical and operational skills acquired from Sardeolica in almost 15 years of managing and developing the Ulassai wind farm and the Group's core industrial know-how.

Geographically, the Group will give priority to projects located in Sardinia, where strong cooperation with local communities has long been established, and where there are several locations with high development potential, both for wind farms and photovoltaic parks.

In particular, after obtaining the Single Authorisation in April 2022, the subsidiary Sardeolica has started construction work on a 79MW photovoltaic plant, located in the Macchiareddu Industrial Zone,

which will exploit important synergies with the neighbouring Macchiareddu wind farm (for example, sharing the electrical substation for connection to the national grid). The total area of the photovoltaic park is about 100 hectares, and an electricity production of about 145GWh/year is expected, thanks to the excellent sunshine conditions.

Sardeolica also holds a portfolio of wind projects in Sardinia, progressing through different stages of development. Specifically, as of the drafting of this Report, there are approximately 610MW of projects in the execution phase, with 8 of them (with a total power of over 470MW) already undergoing their respective Environmental Impact Assessment procedures.

Biofuels development

At the European level, the development of biofuels is regulated by the recent RED III Directive (Renewable Energy Directive III in force since 20 November 2023), developed in continuity with the previous RED I and REDII and the 2015 Paris Agreements, which provide for limiting the increase in the global average temperature to within +2°C compared to pre-industrial values, with the ambitious target of +1.5°C. The new directive requires renewables to account for 42.5% of the European Union's energy consumption by 2030 (up from 32% previously), but the ambition is 45%. The target is set out by requiring the share of renewable energy in the transport sector to be at least 29% by 2030 or to achieve a reduction in greenhouse gas emissions intensity of at least 14.5% by 2023.

Italy has implemented the REDII Directive and has made explicit, first, the obligation to release for consumption biofuels in mixtures, with the introduction of CICs (Certificates of Release for Consumption) as a tool for managing the obligation; subsequently, starting from 2023, the obligation to release pure biofuels (HVO) for consumption was introduced.

The production and marketing of biofuels is only possible after obtaining the "Sustainability Certifications for the production of biofuels and bioliquids", the objective of which is to document and ensure the calculation of the amount of greenhouse gases generated in the entire biofuel production chain.

Saras is in possession of two different certifications: NIS (National Italian Scheme), used in Italy, ISCC EU (International Sustainability and Carbon Certification), recognized and essential in Europe.

As far as the Saras path for the development of biofuels is concerned, the first production activities date back to 2008 with a FAME plant (then sold at the end of 2014), which used the trans-esterification process, treating the triglycerides sent to the plant for charging with methanol.

Subsequently, in 2016, the first test of processing vegetable oil in co-processing with fossil diesel fuel was carried out, thus replacing trans-esterification with a different chemical process consisting of hydrogenation and isomerization.

This process has been consolidated and continuous since 2019 and consists of feeding traditional hydrogenation plants with a mixture of vegetable oils and diesel of mineral origin. The product obtained has the same qualities as traditional diesel, but with the advantage of being a fuel with better characteristics in terms of environmental impact, as the CO2 emissions associated with the entire life cycle of the fuel are reduced compared to those of the corresponding product of fossil origin.

To date, Saras has a co-processing capacity of about 230 ktons/year for processing vegetable oils, thanks to the investments made in logistics. Among the investments completed in 2023, it is worth mentioning the construction of new infrastructure to supply vegetable oils by tanker, which also allows local oils to be processed, promoting the development of a circular economy.

In parallel with the activities described above, since 2021 Saras has launched a series of studies and in-depth studies aimed at the production of pure HVO (Hydrotreated Vegetable Oi), through the revamping of some existing production units. A test of the production of pure HVO from vegetable oils was performed on the MHC1 mild hydrocracking unit. This process was preliminarily evaluated on a pilot scale, then simulated with specific software (Hysys), and finally carried out on an industrial scale. The test was carried out with existing industrial equipment and allowed the collection of fundamental data for the further development of this te-

chnology, which differs from co-processing mainly because the vegetable oil is processed pure and therefore gives rise to a 100% sustainable biofuel.

In light of the good results obtained from the industrial test and further in-depth studies carried out on a pilot scale, in order to expand the portfolio of sustainable products that can be produced to contribute to the reduction of carbon emissions in the transport and refining sector, a study has been launched for the conversion of two desulphurization units in a plant for the production of pure HVO and sustainable jetfuel of the HEFA (Hydrogenated Ester and Fatty Acids) type with a capacity of 200 kt/year.

Finally, with the aim of expanding the range and quality of oils to be used as raw materials for the production of biofuels, Saras has launched studies for the construction of plants for the pre-treatment of vegetable oils, including those derived from waste. The potential charge at the moment is estimated at about 100 ktons/year.

Green hydrogen

A further initiative of the Group concerns the production of green hydrogen, which represents one of the means proposed by the European Commission for the energy transition and is also able to integrate with the electricity grid, compensating for volatility and any production surpluses from renewable sources.

The Group has technological capabilities and know-how in the management of this energy carrier, as it already produces hydrogen at the Sarroch refinery (from IGCC and Reforming units) at a rate of approximately 140kNmc/hour.

With the aforementioned wealth of experience and after careful evaluations, on December 29, 2021 Saras established, in partnership with Enel Green Power, the new company SardHy Green Hydrogen Srl, with the aim of building a plant for the production of green hydrogen from water electrolysis at the Sarroch Refinery, seizing the funding opportunities under IPCEI (Important Projects of Common Interest).

The project involves the use of a 20MW electrolyser, powered by renewable energy. The expected production will be up to about 4kNmc/hour of green hydrogen and up to about 2kNmc/hour of oxygen. Both products will be used in the facilities at the Sarroch site, in order to reduce their carbon footprint.

At the end of September 2022, SardHy Green Hydrogen was among the Italian beneficiaries of public grants, approved by the European Commission, as part of IPCEI "Hy2Use", to support the first industrial applications in the hydrogen value chain. The first concession decree was published last December 2023.

To date, the first authorization procedures are underway, and preliminary engineering and procurement activities have been started. Finalizations are underway for the financing methods with the entities, the possible start-up of the plant in the first quarter of 2026 is assumed.

Decarbonisation of the Sarroch industrial site through CCS

Saras is studying a project for the capture and permanent storage (CCS) of the CO_2 produced by the IGCC plant, in order to achieve a "Long-Term" production structure of the Sarroch industrial site, capable of meeting regional and national electricity and oil needs, and at the same time aligned with the decarbonization objectives of the European Union. In particular, on 15 September 2021, Saras signed a Memorandum of Understanding (MoU) with Air Liquide, with the initial aim of exploring the applicability at the Sarroch site of the "CryocapTM" cryogenic technology, designed and patented by Air Liquide, for the capture of approximately 1.5 Mton/year of carbon dioxide. This development would substantially reduce the carbon footprint of the industrial site, in line with the commitments made by the European Community on climate issues.

A first feasibility study has been completed for both the CO_2 capture process from the IGCC plant and the industrial site, on the FCC unit, using a cryogenic process, which is an alternative to traditional solvent absorption processes, for less space and environmental impact. The plant scheme also provides for a strong integration and optimization with the existing plants of the refinery as well as a reorganization and reconfiguration of the wiring diagram of the site. As part of the above-mentio-

TYPES OF VEGETABLE OILS PROCESSED IN SARAS

Vegetable oils are qualitatively divided into 1st, 2nd and 3rd generation oils: the first are edible vegetable oils, those belonging to the second group are non-edible vegetable oils and the last are oils derived from waste.

Since vegetable oils are not the only source of sustainable fuels, the RED Directives go beyond this qualitative distinction and divide oils into two macro-classes – traditional and advanced oils – also introducing the concept of "single counting" and "double counting" oils.

"Single counting" oils present a contribution in terms of sustainability proportional to their energy content, while "double counting" oils are conventionally associated with a double contribution, to recognize the fact that these oils are derived from waste. In the RED II Directive and in the corresponding Italian transposition decree, all materials belonging to each category are listed.

The first vegetable oils processed in Saras were the so-called traditional 1st generation oils, i.e. edible vegetable oils, such as rapeseed, soybean, sunflower and palm. These oils have the advantage of having low concentrations of impurities that are harmful to the catalysts of hydrogenation plants and have been essential to acquire the necessary skills to carry out more complex processes.

Starting in 2021, the first processing of POME oil (Palm Oil Mill Effluent), a product recovered from wastewater from the palm oil production process, was carried out in Saras. This oil is defined as "double conting" and advanced and its processing was consolidated in 2022. Compared to traditional oils, POME and in general all "double counting" oils are more complex to process and for this reason the amount that can be processed in co-processing is typically lower than that of traditional oils. Since 2023, RUCO (Repurposed Used Cooking Oil) has also been processed.

In order to further expand the flexibility on the fillers that can be processed, a specialist study was carried out for the construction of a vegetable oil pre-treatment plant, which could in the future also be used to recover used cooking oils and waste animal fats from the local supply chain. In the general framework of the circular economy, an assessment of the availability of these oils and fats was also carried out with the aim of activating contacts with the main operators of the collection chains in Sardinia and Italy. verifying employment opportunities for HVO production.

ned feasibility study, the topic of temporary storage and logistics of liquid CO_2 management was also developed, by ship, to possible permanent CO_2 storage sites in the Mediterranean. Complementary activities to storage are underway that involve the upgrading of CO_2 to e-fuels. These include the construction of a pilot plant, which is the subject of funding in the "Hard To Abate" sector, which involves the use of CO2 and green hydrogen for the synthesis of fuels. The start-up of this experimental unit is expected by 2025.

Preparatory activities are currently underway to search for possible funding, necessary to be able to carry out further in-depth design activities, to be able to better define the integration of the new units with the existing ones in the industrial site and start the first phases of detailed engineering.

CO_2 CONVERSION - HARD TO ABATE (HTA)

As part of the innovative path undertaken by Saras in the decarbonisation and energy transition process, there is a pilot plant for the conversion of CO_2 into new generation fuels, including e-fuels, at a rate of approximately 300 tonnes/year, and which will be installed at the Sarroch refinery with an operation scheduled for 2025.

This initiative involves the transformation of captured CO_2 and, for the aforementioned project supplied by cylinders, with green hydrogen produced by the electrolyser into synthetic fuels.

The CO_2 will first be converted into carbon monoxide CO in a catalytic stage (reverse water gas reaction) which, when mixed with hydrogen, will lead, through a Fischer Tropsch (FT) stage, to hydrocarbons. To optimize the process, an experimental partial oxidation phase CPO will also be inserted, which allows the reuse of FT offgas with a consequent increase in fuel production.

Although the capacity of the plant is marginal compared to the size of the refinery, the plant is part of an experimental industrial context and will allow to identify the improvement aspects both in terms of the chemical process and in terms of plant management, thus allowing the subsequent scale-up with a higher level of TRL (Technology Readiness Level)

The initiative, in collaboration with the Politecnico di Milano and the engineering companies Nextchem and Simeco, received funding that was the subject of a Decree and a concession agreement last October 2023.

Waste to Fuel

The group is looking at opportunities related to the conversion of plastic waste and end-of-life tyres into secondary material through the pyrolysis process.

Through a collaboration established for the supply of an innovative low-temperature pyrolysis technology, Saras' goal is to contribute to the circularity of the waste management system in Sardinia. The pyrolysis of plastic and ELTs, in fact, through the chemical decomposition of polymers, will allow the production of Pyrolysis Oil, which can be processed to obtain fuel similar to kerosene, and a solid carbon residue, which can be exploited, through drying and treatment processes, such as Carbon Black in the plastics, steel production and tire industries.

The project will allow the conversion of about 14,000 tons per year of end-of-life tires and plastics, providing a sustainable alternative to their current disposal. To date, in fact, the management of non-recyclable waste, which is often economically expensive and complicated to carry out logistics, mainly takes the form of thermal energy recovery in waste-to-energy processes, which are inefficient and have a high impact on CO_2 emissions.

Saras is evaluating the presentation of the project on different strands of Italian and European funding to enhance the innovative and environmental protection nature of the initiative.

Digitalization

In 2023, in continuity with the activities developed in previous years and in line with the strategic objectives of progressive ecological transition and decarbonisation, initiatives were launched, through new digital tools, aimed at improving industrial sustainability.

In particular, in line with the regulatory evolution on Sustainability management, which introduces new content and reporting methods, the possibility of adopting a "best in class" collaborative platform in the ESG field has been studied. A digital ecosystem to involve all the companies that interact with SARAS, and more generally with the Territory, in a common path of measurement, improvement and growth on sustainability performance;

Initiatives aimed at improving production efficiency also continued, with particular attention to identifying existing opportunities in the "Planning and Operations" area to achieve significant reductions in CO_2 production at the Sarroch site.

In this sense, a dedicated acquisition and calculation system has been completed, capable of monitoring CO_2 emissions in "near-real-time" mode, on a daily basis, on the basis of the actual fuels used for each plant and comparing them with the emissions envisaged by the economic-production plans. The information can be analysed through a set of interactive dashboards available on the company's systems.

Another related objective, currently under development, concerns the improvement in the management of the hydrogen network for services, with the creation of a dynamic optimizer which, through the coordination of advanced controls of consumer and producer plants, will allow optimal distribution and consumption. It will also bring a significant benefit generated by the minimization of discharges from the hydrogen network to the fuel gas network.

At the same time, the revision of the multi-variable control systems of the plants continues, with a redesign of the control strategies, for greater energy efficiency and the acquisition of the latest technologies available on the market ("best in class"), with adaptive capabilities and superior performance, in particular on Mild Hydrocracking diesel desulphurization plants.

With regard to the continuous and careful control of emissions, we continue with the development of predictive systems based on machine learning, which can be integrated with traditional analytical measurement systems. To date, in fact, three different PEMS (Predictive Emissions Monitoring Systems) have been implemented, and therefore are already in the acquisition and prediction phase, for chimneys that belong to the category of Large Combustion Plants (GIC). The work team involved saw the participation of external specialist companies and various internal company functions, in order to make the best use of the high skills on these delicate topics.

The integration of PEMS prediction data into environmental information systems is currently underway for their use to replace, in case of disability, the data coming from the Emission Monitoring Systems.

With a view to improving maintenance and safety management processes, a new tool has been completed to optimize maintenance scheduling (Weekly Maintenance Target), which aims to facilitate the accessibility and sharing of information (such as maintenance requests, priorities, planning, progress and completion of activities). The development of an integrated software system for the management of access and attendance in the plant has also been completed, which aims to extract value from data, in order to provide decision-making support in the management and distribution of personnel dedicated to maintenance activities.

In 2023, activities aimed at technological transformation and transversal efficiency of the processes of the various business lines continued; in particular, on the topic of Digital Twins (DTwin), for which in past years a platform based on 3D virtual modelling interconnected to the company systems had been developed for the strategic asset South Pier of the site, various experiments were conducted in order to integrate the potential of the platform with the company's Maintenance, Investments and Engineering processes.

On the subject of Supply Chain optimization, the development and testing of a new technological

solution, based on "artificial intelligence & analytics", for production scheduling continues, with the aim of conducting faster analysis of multiple scenarios, which can be ordered on the basis of specific business drivers, and thus reducing the natural differences between Planning and Scheduling.

During 2023, the simulation development program and the experimentation of Hybrid Models continued, combining classic simulations, based on first principles (Hysys simulator) with artificial intelligence techniques to obtain more robust and high-performance models. In particular, the implementation of the Neural Networks (First Principle Driven Hyb Model) focused on simulating the quality of the FCC plant products has been completed.

Also in 2023, activities continued to disseminate the "culture of simulation" through the administration of training on simulators aimed mainly at tenure. Similarly, training was also carried out with regard to Digital Applications to update users on new features and accompany new additions to the organisation.

Also in the data science area, in support of the digitization process, in 2023 the code refactoring activities for Digital applications and the updating of machine learning models were completed to ensure adaptation to current production scenarios (IGCC, Blow Down, Crude Compatibility, Inferential).

Among the new initiatives, 2023 saw the creation of AI-based image analysis software for real-time tracking of the position of flares in flares in order to increase the effectiveness of refinery flare monitoring.

A dashboard has also been developed to aggregate and monitor the information relating to flare discharges recorded by Site Technicians, with the aim of providing dynamic decision support for the identification of improvement and preventive maintenance actions on the equipment that contributes to the discharges.

An additional dashboard has been created to collect the findings of the checks carried out periodically on the refinery tanks, for the monitoring and rapid management of any anomalies.

Finally, with a view to systemically integrating AI into processes, in 2023 the design of the MLOps platform for the development and deployment of machine learning models to bring Machine Learning and AI initiatives into production in a controlled manner was completed and is a fundamental step to enable their large-scale adoption and digitization process.

Cybersecurity

Cyber risk is confirmed as one of the main risks for all international organizations, as highlighted by the Global Risks Report 2023, prepared by the World Economic Forum, which places the risk of cybercrime among the top 10 risks of the coming years.

The increased adoption of IT systems, including the digitalisation of networks through the integration of new technologies such as the Internet of Things, brings with it increasing exposure to various illicit activities by different actors with different objectives and modes of action. These include cybercriminals, cyber hacktivists, and state-sponsored groups, which, thanks to technological developments, have increasingly sophisticated tools to improve the effectiveness of their attack techniques.

At the same time, we are witnessing an increasing ease of access to malicious technologies for criminals (e.g. ransomware as a service), the spread of attack methods that are not only more accessible but also more aggressive, and a shortage of IT security professionals (about 4 million cybersecurity professionals missing worldwide – WEF estimates): the concurrence of all these phenomena has led to an aggravation of cybersecurity risk.

In Italy, 2023 was characterized by an extraordinary increase in cyberattacks, both quantitatively and qualitatively, due to the severity of their impact.

As also indicated by CLUSIT (Italian Association for Information Security) in its report "2023 Report on ICT Security in Italy and October 2023", 1,382 cyber-attacks were recorded in the first half of 2023, the highest number ever, with a growth of + 21% compared to the same period of the previous year.

In addition to the increased frequency, the assessment of the average severity of these attacks (the severity index of the attacks analysed) has drastically worsened, acting as a significant damage multiplier.

All the phenomena described above have led to an evolution of Cybersecurity from a technical approach limited to insiders (the so-called IT security) to a more global and strategic approach, certainly characterized by an important technical component but also by an organizational, business and risk management vision.

The Group's technological evolution has shifted the perimeter towards virtualized and cloud infrastructures, with the presence of outsourcing, a geographically distributed perimeter of systems and with an increasing pervasiveness of technologies in industrial and non-industrial processes.

Cybersecurity management in the Saras Group has undergone an evolutionary path consistent with the business transformation undertaken and with the evolution of threats in the new ICT (Information Communication & Technology) and ICS (Industrial Control Systems) technological context.

For the Company, cyber security plays a fundamental role aimed at preventing or dealing with very heterogeneous events that can extend from the compromise of individual workstations to the degradation of entire business processes with potential effects on the ability to deliver. In this context, a correct approach to cybersecurity management is therefore necessary, also to ensure full compliance with the increasingly stringent sector regulations issued both at European and Italian level, which require the management and control controls to be raised by companies that provide essential services for the country system.

To prevent and contain the impact of cyber-attacks, the Group has adopted a Cybersecurity structure that combines the technical approach, based on the protection of systems in a predominantly centralized, physical, internal and static context (i.e. with substantially known and stable levels of risk exposure) with the governance approach, based more on the analysis of the operating context. on the adaptation of prevention and protection tools according to the risk, on the continuous monitoring of cybersecurity posture and on the continuous training and awareness of people (which have proven over time to be the weak link in the defense chain).

For this reason, Saras has promoted various activities for the entire company population:

- information, e.g. by alerting staff to ongoing phishing campaigns by specific e-mails;

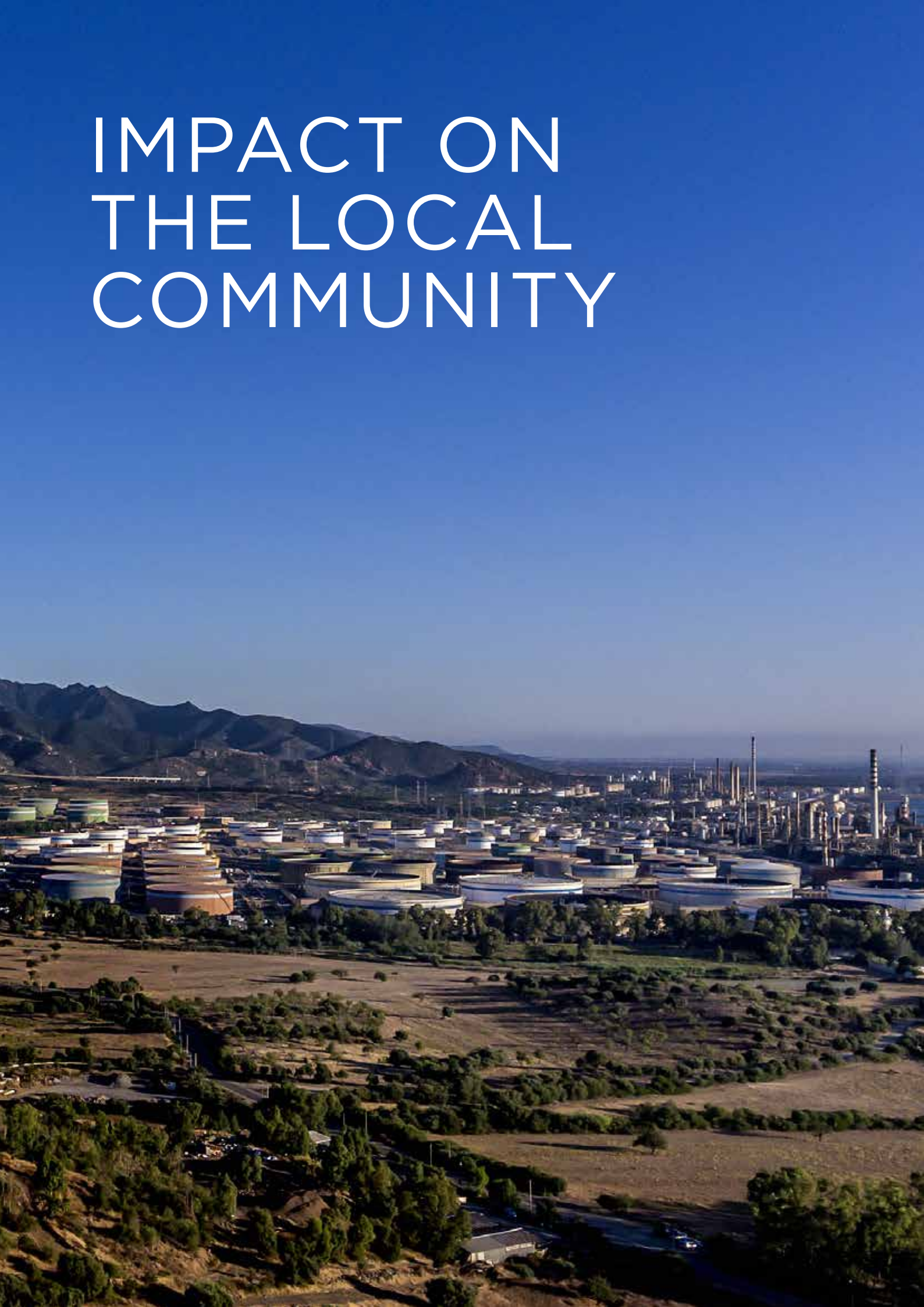
- training, through awareness sessions in order to increase awareness on cybersecurity topics;
- ad hoc sessions dedicated to cyber security as part of cross-functional meetings;
- awareness-raising, for example, by designing, for example, periodic Ethical Phishing campaigns, i.e. simulations of fraudulent e-mails to train users in recognizing possible suspicious communications.

Defense measures to prevent and contain the impacts in face of cyber attacks

To strengthen the defence of cyber security, integrated strategies have been adopted on several fronts:

- **Prevention:** the level of technological and organisational security at the parent company, its foreign subsidiaries and industrial sites was strengthened, through the implementation of assessment and technological enhancement programmes.
- **Detection:** The focus was on increasing and refining the ability to detect suspicious behaviour or anomalies in systems.
- **Answer:** Reactive procedures have been established to address security incidents in a timely manner, isolate threats and restore operational normality.
- **Threat analysis:** Constant monitoring of emerging threats and vulnerabilities has been implemented to adjust defences.
- **Training and awareness:** A corporate culture of IT security was promoted through awareness campaigns on the importance of IT security and best practices to be adopted and a comprehensive training programme, consisting of 12 monthly training modules accessible through SarasLearning for all Group staff.
- **Access management:** Measures have been implemented to control and manage permissions, restricting access to only authorized users.
- **Monitoring and auditing:** Continuous surveillance and review of network activities and systems was carried out to identify potential violations or anomalous behaviour.
- **Countermeasures to mitigate cyber risk:** Countermeasures have been constantly updated to reduce cyber risk and be in line with industry-specific regulatory obligations.

IMPACT ON THE LOCAL COMMUNITY



Development and protection of the territory and the affected communities

The Saras Group, now a robust international presence, was founded in 1962 in Sardinia and quickly became intertwined with local communities. Committed to fostering sustainable value and promoting social initiatives for the collective good, the Group's ongoing dialogue with the region stimulates social, economic, and cultural advancement, benefiting both the company and the community alike.

[11.5; 413-1; SOC-13 A5; ESRS - S3]

Local community relations

The Group's relationship with the territory where it operates and with the affected communities, as outlined in the Human Rights Policy and Sustainability Policy, is characterized by a commitment to comprehensively understand, assess, and measure impacts in terms of human rights, socioeconomic development, environmental protection, and biodiversity.

The Group's policy called "Our Stakeholders," outlines the approach in managing relations with local communities, recognizing them as strategically important stakeholders. In fact, the territory in which the Sarlux industrial site operates includes communities that are tied to their traditions, active and proactive in cultural and sports areas, and attentive to the environment and social needs.

With these stakeholders, the Group establishes an interaction characterized by shared values and goals and supports their projects with the greatest impact and value for the territory, useful for supporting the social fabric and enhancing history and traditions.

To make this commitment effective, relations with the communities concerned are managed by the "General Counsel & Corporate Affairs" function, whose head is a member of the Executive Committee.

In relation to the significant impacts, the Group has adopted a Corporate Risk Management model through which it ensures a periodic assessment of the impacts on the communities concerned in order to monitor its work and the impact on the territory, and to plan any actions to prevent or mitigate the significant negative impacts on the communities concerned [S3-4].

The economic value distributed to the community in 2023 amounts to €2,710k (€1,923k in 2022). Only the cumulative data is disclosed and not the details of the individual initiatives to protect the privacy of the data subjects.

Involvement of Affected Communities

For decades, Saras Group has maintained a close dialogue with its stakeholders. This is done both through direct and indirect dialogue. Indirect interactions include "stakeholder engagement", an activity carried out on an annual basis, which is essential to identify priority topics and impacts for the communities concerned on which to act and strengthen collaboration with the local area. This process is managed by the "Sustainability & Investor Relations" department, which is supported by an external consulting firm to ensure maximum freedom of expression for the people interviewed, the data are then provided to Saras in anonymous and aggregated form. [S3-2]

Among the activities involving the affected communities, the dissemination of results and environmental and social impact assessments play a role of central importance for the Group. Consistent with this last statement, also this year, dedicated meetings were held in the council chamber of the Municipality of Sarroch. In July, the Environmental Statement of the subsidiary Sarlux was presented to the Environment Commission. While, in November, the Group's Sustainability Report was illustrated. These meetings are part of the ongoing dialogue that has always linked the Group to the Local Communities [413-1].

The importance of such dialogue is also demonstrated by the adoption of a public reporting system accessible through the corporate website[1]. Through this system, members of the concerned communities can report any irregularities or concerns related to the company's operations regarding environmental, social, and/or governance topics, even anonymously, initiating an internal due diligence process. Within this framework, no incidents or violations of the rights of the affected communities were detected in 2023 [S3-3; S3-4].

A concrete example of systematic engagement and sharing of the objectives of local stakeholders in the design and/or monitoring phase is represented by the renewable energy projects of the subsidiary Sardeolica.

In fact, since the development of the initial idea, specific meetings are organized with the community where the work is planned, this dialogue is also continuous during all phases of the project: development of the idea, detailed design, construction, commissioning, and operational management of the plants.

Environmental impact assessments of the various projects are publicly available.

Initiatives for the development of affected communities

One of the objectives that Saras is committed to achieving with great dedication is to spread business culture and make its value and importance understood. For this reason, it promotes training activities for students in schools and maintains continuous relationships with universities aimed at fostering knowledge, skills, and professional standards that enable young people to be promoters of social development that cannot disregard topics such as employment, sustainability, and economic growth, especially in a region facing challenges of unemployment, particularly among youth, and depopulation of inland areas.

In this perspective, activities, especially those concerning cross-cutting paths for students' skills and career guidance, are extended to the entire region of Sardinia.

Saras is a solid and strategic partner for the entire region, the Group is recognized for its constant commitment and contribution to local communities, and the partnership between Saras and the Municipality of Sarroch is very active.

In fact, among the various collaborations in 2023, the Group, through its subsidiary Sarlux, joined the

Muidas – Concert at dawn at Sa turri 'e su scogliu di Sarroch

1. The mentioned platform was produced by a companyspecializing in managing whistleblowing protected systems and it is accessible at the link: https://www.saras.it/it/governance/gestione-delle-segnalazioni

Sarroch Territorial Network, an initiative of the municipal administration aimed at all companies in the area to promote welfare initiatives and actions of inclusive value.

During the last financial year, an **"Extraordinary Plan 2023"** was prepared to support social, cultural and sporting initiatives. On this occasion, Sarlux's CEO met with the municipal administration of Sarroch and the world of local associations, to share needs and ethical values with a view to the dialogue that, for more than 50 years, has linked the Group to local communities.

The 2023 Extraordinary Plan allows multiple sports and cultural associations, attentive to social needs and the environment, to develop projects dedicated to their activities. This plan enriches the cultural and sporting life of the community and supports the social context, with particular attention to the young, the elderly and the less advantaged.

Also in 2023, the Group supported numerous initiatives dedicated to the themes of sport, culture, social commitment, and traditions.

Initiatives in the field of sport

In 2023, as highlighted below, several sports associations, supported over the years by the Group, achieved important successes that rewarded the work done with perseverance and dedication.

- The *Sarroch Boxing Academy*, whose athletes this year won the title of Italian Junior Champion and numerous medals were awarded by the Italian Olympic Committee (CONI) with an important bronze medal as a testimony to the exceptional sporting season;
- *Sarlux Sarroch Volley* won the men's Serie B championship and made its debut for the first time in its history in the national championship of Serie A;
- The *Veloclub Sarroch* association, which involves over 50 athletes and won the first cyclo-cross sprint trophy organized in Sardinia;

- *Amatori Rugby Capoterra* competes in the national championships of the Men's Serie B and promotes the women's sector with an impact of about 250 members in the area;
- the *ASD Gioventù Sarroch*, made up of young people from Sarroch, is enrolled in the third category football championship and is affiliated to the Cagliari Academy where some young athletes have found an outlet to support the excellent sporting growth;
- the *ASD Kayak Sarroch*, especially in the summer season, has involved 5 to 14 aged children in various activities related to the sea and dedicated to socialization, rediscovery of the territory and sports practice;

The *ASD Podismo Sarroch* and the *Tennis Club Sarroch* are very attentive to the youth sectors and have implemented summer projects that have involved children aged 5 to 14 in various activities dedicated to socialization, fun and above all sport, creating real training centers for young sportsmen.

Initiatives in the field of culture and social aggregation

There was no shortage of moments of social aggregation, among which the following stand out:

- the *Shark Max Days*, which combine leisure and education, with sporting events, musical concerts and entertainment for children, the aim is to teach and enhance the culture of sea protection to over 60 students of primary and secondary schools.

- The *Diapason Association*, which teaches various musical genres to its members and at the end of the course, organizes the Sa*Rock festival, an established musical event of importance in Sardinia, now in its second edition;
- The *workshop of ideas* prepares concerts in the most beautiful naturalistic and landscape contexts of the Sarroch area also for the 2023 edition of Muìdas;
- the non-profit organization *S'Arrocca* with experts in ancient history organizes the *Filarchaios* archaeological campus which has given over 50 children the opportunity to rediscover the archaeological heritage of the area rich in Nuragic finds.
- The *Santa Vittoria Association*, which takes care of the organization of activities for the traditional feast of Sant'Efisio.
- Significant for social topics was the sponsorship of the 2023 edition of the *Cagliari SoloWomenRun* women's marathon, an event of regional importance that saw the participation of 12,000 athletes.

Saras' contribution to social well-being makes the Group a point of reference for the sector, for the community and for all the stakeholders with whom it interacts.

Finally, in 2023 Saras supported the cultural initiative *Seven Evenings, Seven Squares, Seven Books,* a *Literary Festival of great media and tourist appeal*, now in its thirteenth edition and taking place in the squares of Perdasdefogu.

Knowledge Sharing Initiatives

Saras for School

The right to education is a value that leads to cultural growth, development, and well-being: it means giving everyone the opportunity to have the tools for their own fulfilment. For this reason, Saras, through the Group's companies, has activated various paths to meet the demands of schools and contribute to innovative and more effective teaching.

In recent years, more than a thousand students enrolled in higher education institutions have participated in the ministerial courses "Transversal Skills and Orientation" (PCTO), thus being able to see the world of work up close and observe the complex system of knowledge and technological innovation that develops in an industrial group.

In 2023, more than 185 students from nine high schools participated in in-depth educational program activities at the Sarlux refinery with a focus on the topics of energy transition and sustainability.

In 2023, the Saras Group's initiatives aimed at students were enriched with new content, in line with the technical and intellectual evolution of industrial production, through a focus on very topical topics, such as Cyber Security and Information and Communications Technology, in which students were interested and motivated.

The activities, designed specifically for each course, were led by experts and managers of the Saras Group who dealt with industrial topics, often using simulations to represent the Group's way of working and convey what is useful for entering the world of work.

In addition, the students particularly appreciated the possibility of being able to have a direct confrontation with a production reality and to integrate the theoretical skills provided by the study plans.

I found the company to be a very welcoming environment. I had no difficulty in following the training course that was proposed to us and which allowed us to bring into reality the contents learned in class. The lunch experience in the company canteen is also beautiful.
ALESSANDRO, ENRICO FERMI INSTITUTE OF HIGHER EDUCATION IN THIESI

During the company visit to Saras, I had the opportunity to better understand what I studied at school on the structural and managerial aspects of industrial companies.
ILARIA, ENRICO FERMI TECHNICAL INSTITUTE OF HIGHER EDUCATION IN THIESI

I think that the visit to Sarlux was very useful to understand the importance of teamwork to carry out communication activities with reference to different contexts.
GIUSY, ENRICO FERMI TECHNICAL INSTITUTE OF HIGHER EDUCATION IN THIESI

The part dedicated to the objectives and tools of Cyber Security is very interesting, and the explanation of how the company tries to minimize the vulnerability of its systems is very important.
JACOPO, ENRICO FERMI TECHNICAL INSTITUTE OF HIGHER EDUCATION IN THIESI

For over 20 years, the support offered by Saras has continued for lower secondary schools

to combat early school leaving and promote the cultural growth of students, in particular from the State Comprehensive Institute of Sarroch and Villa San Pietro, municipalities that gravitate around the Sarlux industrial site.

In the context of the "Saras for schools" educational paths, the Group, as every year, has donated textbooks to the Institute which, in the name of sustainability and circular economy, are given on loan for use to over 100 students, so that, at the end of the year, the same books can be passed on to new students who will come, except in cases where it is necessary to adopt new editions. Over the years, Saras has supported the school with the supply of tablets, laptops, and printers.

In addition, in 2023, the school library of the Sarroch Comprehensive Institute was updated with 200 new books.

The Group's commitment, which began in the early years of Saras' presence, has allowed over time the creation of a chemical laboratory and sports facilities, also equipped with defibrillators.

On the themes of sustainable development and alternative energies, numerous visits were organized by students at higher technical institutes in the area of Ulassai where the Sardeolica wind farm is located.

The park, in its construction and subsequent operation, has been designed considering the needs of the inhabitants and the environment. In addition to the creation of direct and indirect local jobs and the payment of municipal taxes, Sardeolica has forged important ties with the Professional Institute of Industry and Crafts of Perdasdefogu, from which most of the Park's maintenance technicians come.

Technical training plans have been activated for the resources to be used to meet the employment needs of the plants, intended for a higher number of resources than those required to develop technical know-how that can also be used in other employment contexts. The staff comes from the territory of the municipalities involved in the plant, directing the choice between those residing in the host municipality and, in the absence of availability, coming from other municipalities in the area.

The Capture of the Wings of the Wind - Maria Lai

Saras for universities

As part of the Memorandum of Understanding with the University of Cagliari, Saras continued its corporate social responsibility activities in 2023, through the exchange of know-how with the University.

To complete the training of future engineers, three seminars were organized, aimed at the development of scientific and technological innovation: one with the Department of Mechanical, Chemical and Materials Engineering, one with the Italian Association of Industrial Plant Teachers, one with the Department of Electrical and Electronic Energy.

In addition, to facilitate orientation at the entrance to the university, two projects have been organized in collaboration with Higher Institutes, one carried out at the Aula Magna of the Faculty of Engineering in Cagliari, the other at the Aula Magna of the Giua Institute of Higher Education in Cagliari.

During the meetings, managers and engineers of the Saras Group presented the company: an industrial site fully integrated between refining, energy production and petrochemicals, oriented towards a sustainable transition that represents a value for the

Award Ceremony for Chemical Engineering Student Scholarship

territory in terms of economic and social growth.

An important aspect is given by the presentation of the innovations in progress on the topics of energy saving and environmental sustainability, according to the guidelines of the European Green Deal and the national NECP.

Finally, also in 2023 Saras joined initiatives organized by the Italian Association of Chemical Engineering (AIDIC) and the Italian Thermotechnical Association (ATI) and contributed, together with AIDIC and other Sardinian companies, to offer scholarships to the best graduates in Chemical Engineering.

I wanted to thank the whole Saras Team for the "Knowing to innovate" event. It was very nice to see the Aula Magna full of young students. These are certainly experiences to be repeated.
DANIELE COCCO, DEAN OF THE FACULTY OF ENGINEERING AND ARCHITECTURE

It was a pleasure to see first-hand the Saras Group's ongoing commitment to schools and universities. I was also positively surprised by the high and attentive participation of the "industrial" schools.
ANDREA PORCU, DEPUTY DIRECTOR OF THE ORG. RU SOCIAL AFFAIRS AND INDUSTRIAL RELATIONS CONFINDUSTRIA SOUTHERN SARDINIA

The experience has had a great value in the growth of our students' skills. It allowed us to approach a working reality but also to get to know the various roles present in a company. In addition, it gave the opportunity to see the transformation processes learned in technology lessons. The students followed with interest and participation. Personally, I have grasped the sense of satisfaction of our students, which involves and provides motivational stimuli even to us teachers.
FRANCESCA CASULA, PCTO COMMISSION OF THE ASPRONI-FERMI INSTITUTE OF HIGHER EDUCATION AND TUTOR OF THE "CHEMISTRY" COURSE

Extremely positive feedback regarding the day. Different aspects were touched upon, both from a strictly technical point of view and from a more practical one, on the transversal skills that engineers must have. From a technical point of view, both new topics, such as biofuels, and traditional ones, such as maintenance, were addressed, but still highlighting the innovative aspects with which they are addressed. I also appreciated the multidisciplinary nature of the topics presented, which embraced all the different types of industrial engineers (mechanical, chemical, electrical) and non-industrial engineers (environmental in the first place). Personally, I appreciated the specific slot on sustainability, which is a topic that cuts across the various business areas, but, as in the case of Saras, it plays a central role in the group's policy.
PIER FRANCESCO ORRÙ, UNIVERSITY DELEGATE FOR THE U4I (UNIVERSITY FOR INDUSTRY) GROUP OF THE RUS (NETWORK OF SUSTAINABLE UNIVERSITIES)

Local value creation

The Saras Group embodies a "glocal" culture, as it simultaneously identifies with the global dimension of the oil markets and the local dimension of its reference communities.

The Group's commitment is constantly aimed at fully understanding the economic repercussions that characterize its activities, both in terms of national and international dimensions, and with reference to stakeholders located in Sardinia, who are most involved with the Group's activities.

For this reason, in recent years, Saras has commissioned various sector studies aimed at analysing the economic impact of the Group's activities on the territory and the ways in which it influences growth, in terms of direct and indirect economic, social, and environmental aspects. More precisely, according to the methodology developed by the company "Smart Lab" (a spin-off of the University of Cagliari operating in the field of Business Intelligence), the impacts of the Group can be fundamentally attributed to three types:

- **remuneration to employees** (direct impact, i.e. the salaries paid by the Group companies - Saras, Sardeolica, Sarlux and Sartec - to their employees who work and reside in Sardinia; and indirect impact, i.e., the multiplier effect produced by what each employee in turn spends and consumes in the territory);
- **tax revenue** (direct impact, i.e. the amount of tax revenue from the Treasury and local authorities made by the Group; and indirect impact, i.e. also in this case, the multiplier effect produced by the expenditure of the Region and local authorities on the territory
- **productive activities** (direct impact, i.e. through the expenses and investments made by the Group's companies towards suppliers of goods and services located in Sardinia; and indirect impact, i.e., the so-called "multiplier effect" produced by the expenses and investments that suppliers, in turn, make on the production system).

As can be seen in the table, the pandemic in 2020-21 caused a sharp drop in oil consumption and revenues from characteristic management; consequently, there was also a reduction in tax revenue, extending until 2022. However, in 2023, thanks to the strong economic result achieved in 2022, tax revenue paid in Sardinia grew significantly, exceeding 530 million euros, particularly due to components such as Corporate Income Tax (IRES), Regional Tax on Productive Activities (IRAP), and also Excise Taxes.

Regarding expenditure on purchases of goods and services from local suppliers, the trend of gradual recovery that began in 2022 continued in 2023, after cost containment measures were implemented during the pandemic period to safeguard the company's financial solidity and healthy economic balance. In particular, purchases from local suppliers in 2023 amounted to 135 million euros, an increase of approximately 30% compared to purchases made in 2022.

Finally, it can be observed that in 2023, the total amount of wages paid to Group employees based in Sardinia remained substantially in line with the previous year.

Overall, for 2023 there was an impact of employee salaries of approximately €152 million/year (one-third direct and two-thirds indirect effects), up 2% compared to 2022. The impact of tax revenue amounted to approximately €969 million/year (approximately 55% direct and 45% indirect fall-out), an increase of approximately 85% compared to 2022. And finally, the impact of production activities amounted to €270 million/year (equally divided between direct and indirect effects), 28% higher than in 2022. Finally, it should be noted that no significant infrastructure investments were made during 2023.

[203-1]

Economic impact of Saras Group's activities in Sardinia (million euro)

	2021	2022	2023
Remuneration to Group's employees	45	50	51
Tax Revenue generated in Sardinia by the Group	313	289	533
Productive Activities (Goods & Services purchased from local suppliers)	68	105	135
Total of direct impact	**426**	**444**	**719**
Indirect impact of Remuneration	89	99	102
Indirect impact of Tax Revenue	256	237	436
Indirect impact of Productive Activities	68	105	135
Total indirect impact	**414**	**441**	**673**
Impact of Remuneration (direct + indirect)	**134**	**149**	**152**
Impact Tax Revenue (direct + indirect)	**570**	**526**	**969**
Impact Productive Activities (direct + indirect)	**136**	**210**	**270**

Supplier and procurement management

In the Saras Group's growth, suppliers have always been an essential partner with whom to cultivate a relationship based on respect, loyalty, impartiality, equal opportunities, and the achievement of maximum competitive advantage.

To concretize this commitment, the "Procurement Process Guidelines" have been drawn up, which codify for the entire Group the phases and activities of the procurement process for goods/materials, contracts/services/consultancies – including supplier qualification and their periodic monitoring. These guidelines also provide precise rules and identify the roles and responsibilities of the main parties involved in the Procurement process.

In accordance with the guidelines, the "Qualification Procedure" has also been drafted with the aim of formalizing the criteria and methods for supplier qualification, and the "operating instructions" that describe in detail the management of the operational phases related to the qualification process for suppliers of goods and services.

Since the end of 2019, the SAP Ariba platform has become operational (for managing procurement tenders for goods and services and supplier qualifications), as well as the certified electronic signature process for contracts. The latter has allowed for the total dematerialization of the process, increasing transparency and traceability of the activities involved.

The Group regularly discloses the Group's Code of Ethics and Sustainability Policy to all its suppliers, business partners and external collaborators and requires compliance with the values contained therein during the performance of supply activities.

Saras' supply chain includes two types of procurement:

- raw materials, including mainly crude oil and other complementary fillers (i.e., the so-called semi-finished products);
- goods and services necessary to safely and regularly conduct the activities of the various business segments in which the Group operates.

Raw materials

The raw materials entering the production cycle consist mainly of crude oil purchased from numerous producing countries worldwide. On average, over the last three years, there have been approximately 30 countries of origin, including mainly countries from the Middle East, Caspian Sea region, North Africa, and West Africa.

Naturally, in the process of purchasing raw materials, the Group complies with all national and international laws regarding the trade of petroleum products. In particular, due to the continuation of international sanctions and embargoes against Russia, the Saras Group did not purchase any crude oil, semi-finished products, or refined petroleum products of Russian origin in 2023. Instead, purchases of crude oil of US origin effectively doubled, starting in 2022, and are included in the "Other" category in the table of raw materials by origin.

From an operational point of view, the Group carries out a fundamental activity of continuous "scouting" of the market, in search of the raw materials that from time to time present the most favorable economics. This activity is carried out by the subsidiary Saras Trading SA, based in Geneva (Switzerland), and which carries out on behalf of Saras the purchases of crude oil and other raw materials for the Sarroch refinery and the subsequent sale of finished products, obtained from the refining processes.

Thanks to its position in one of the world's leading exchanges for oil commodities, Saras Trading develops intense commercial relationships with numerous counterparties, and is able to be particularly timely in seizing the opportunities offered by the market.

In 2023, the Sarroch refinery processed a quantity of crude oil of approximately 12.9 million tons (Mton), divided into about 35 different types in chemical and physical composition, confirming the great flexibility of its plants. To these were then added about 0.6 Mton of semi-finished products. It should be noted that these quantities are lower than in 2022, as they are influenced by important maintenance activities carried out in 2023 (including the ten-year turnaround of the IGCC plant), which inevitably affected both the level of processing and the type of raw materials processed.

Raw materials processed by origin

		2021	2022	2023
North Africa	%	14	18	27
North Sea	%	11	3	5
Middle East	%	26	18	13
Caspian Sea	%	32	20	17
West Africa	%	15	34	21
Other	%	0	7	16
Total	**%**	**100**	**100**	**100**

Raw materials processed

		2021	2022	2023
Crude oil	*kt*	12,978	13,168	12,885
Complementary feedstock (semi-finished products)	*kt*	809	1,040	630
Total raw processing and complementary feedstock	**kt**	**13,786**	**14,208**	**13,515**

Goods and services

Plant maintenance and new construction activities are the main items that contribute, each year, to the Group's expenditure on goods and services.

The activities carried out by contractors range from the simplest maintenance operations on plant parts, to maintenance operations on large machines (such as compressors and turbines), on continuous analysis instruments and on process control systems.

With regard to the construction of new plants or parts of plants, the activities are related to the installation of metal and/or reinforced concrete structures and the prefabrication and assembly of large mechanical, electrical, instrumental equipment, etc.

In all the above cases, the professionalism made available by the contractors covers the entire spectrum of specialties necessary for large oil and petrochemical industrial plants, ranging from civil and metal carpentry, to mechanical, electrical, and instrumental specialties.

The contractors were established in the Sarroch area as the site was consolidating in size and complexity, and most of them have been operating on a contract basis since the construction of the refinery in the early 1960s.

Over the years, some have grown considerably, have specialized, and have acquired skills and professionalism that have allowed them to expand their activities, first in other industrial sites in Sardinia, and then also nationally and internationally.

As can be seen from the table, the vast majority of the Group's supplies refer to the subsidiary Sarlux, which manages the Sarroch industrial site and which, from the outset, has contracted out almost all of the activities for plant maintenance and new buildings to third-party companies.

Group data in 2023 show an increase in supplies (426 million vs 355 million in 2022) with a substantially stable number of suppliers used (1,216 suppliers vs 1,278 in 2022), as shown in the table. This amount of expenditure, an increase compared to the previous year, was realigned with pre-pandemic levels, where, in order to safeguard the company's capital solidity and healthy economic and financial balance, cost containment and expense rationalization measures had been initiated.

Suppliers of goods and services - Saras Group

	2021		2022		2023	
	no.	€mln	no.	€mln	no.	€mln
Saras Spa	96	19	100	21	94	18
Sarlux Srl	507	189	535	299	583	351
*Sartec Srl**	208	4	200	8	104	3
Sardeolica Srl	118	8	126	19	142	46
Deposito di Arcola Srl	74	2	81	1	65	2
Saras Energia SAU	223	6	182	5	198	5
Saras Trading SA	39	1	54	2	30	1
Total	**1,265**	**230**	**1,278**	**355**	**1,216**	**426**

* Sartec data refer to the period January 1 to June 30, 2023. As of July 1, 2023, Sartec was merged into Sarlux and it ceased to exist.

More precisely, in 2023, Sarlux used a total of 583 suppliers (of which 286 of goods and 297 of services), for a total supply of €351 million, up from €299 million in the previous year.

Also, in terms of local impact, the amount of supplies from suppliers with registered office in Sardinia has increased. More precisely, it amounted to €19 million (vs. €18 million in 2022) in terms of materials. Similarly, it amounted to €116 million (vs. €87 million in 2021) for services.

With regard to the subsidiary Saras Energia SAU, registered in Spain, the share of suppliers based in Spain was approximately 79% of the total in 2023. In particular, more than 65% of the expenditure on suppliers was made in the provinces of Madrid (€1.8 million), where the company's headquarters are located, and Murcia (€2 million) where the hydrocarbon storage of the wholly owned subsidiary Terminal Logistica de Cartagena SLU is located.

Local suppliers Sarlux

	2021								
	Materials			Services			Total		
	no.	€ mln	%**	no.	€ mln	%**	no.	€ mln	%**
*Local suppliers**	34	11	20%	91	57	43%	125	68	36%
Other	210	45	80%	172	76	57%	382	121	64%
Total	**244**	**56**		**263**	**133**		**507**	**189**	
	2022								
*Local suppliers**	37	18	16%	93	87	46%	130	105	35%
Other	239	92	84%	166	102	54%	405	194	65%
Total	**276**	**110**		**259**	**189**		**535**	**299**	
	2023								
*Local suppliers**	44	19	21%	108	116	45%	152	135	38%
Other	242	73	79%	189	143	55%	431	216	62%
Total	**286**	**92**		**297**	**259**		**583**	**351**	

* By "local" we mean with registered office located in the territory of Sardinia

** Percentage calculated on the respective procured

Supplier assessment

The Group's assessment of potential and current suppliers takes into account multiple factors, the main ones being product quality and technical capabilities, compliance with current regulations, and sustainability aspects (respect for human rights, environmental protection and compliance with occupational health and safety regulations).

Adequate procedures have been put in place to regulate relations with third parties who interact with the activities, in particular those of the production plant, to ensure that the conduct of the personnel of third-party companies complies with the Group's policies on the protection of safety, health and the environment. Before entering the plant, the personnel of third-party companies, in addition to operating in compliance with their company's organizational plan for safety, receive additional basic information on the interference risks related to the areas of the plant in which they will have to operate.

The commitment of third-party companies in achieving and maintaining certifications of quality, environmental and safety management systems is encouraged and positively evaluated. As a demonstration of this commitment, there has been a growing trend also in the last three years. As for 2023, it appears that 65.6% of the 587 companies currently on the "vendor list" were ISO 9001 certified, 31.3% ISO 14001 certified, and 31.3% ISO 45001 certified.

Management Systems - Suppliers

		2021	2022	2023
ISO 9001 certified suppliers	%	62.0	64.4	65.6
ISO 14001 certified suppliers	%	26.8	28.1	31.3
ISO 45001 certified suppliers	%	26.6	28.6	31.3

Each company, during the qualification and inclusion in the "vendor list", is analyzed and evaluated for the typical activities of its product category, demonstrating that it meets the basic legislative requirements inherent in administrative, contribution, insurance regularity and that it operates to protect human rights, especially those related to health and safety, and in respect of the environment outside and inside the industrial site.

Suppliers are also constantly monitored during the renewal and maintenance of the supply contract, especially as the documents provided are about to expire.

The Group also carries out a continuous check of the regularity of contributions of its contractors (DURC). This periodic activity, by picking up on the "weak signals" that normally anticipate company defaults and identifying from time to time the actions to be taken to minimize the impact of these possible critical topics, has the ultimate goal of maintaining a high level of economic competitiveness in the area and a high level of local economic development.

Considering that suppliers are essential partners for the achievement of the Group's sustainability goals, and that Saras cultivates business relationships with them based on respect, loyalty, impartiality and equal opportunities, at the end of 2022 it was decided to launch a new procedure for monitoring the ESG credentials of the supply chain.

Specifically, a specific questionnaire has been developed, which measures the main ESG topics, and which will be provided to suppliers starting from the beginning of 2023, during the new qualification and/or qualification update phase.

This monitoring, initially limited only to "core" suppliers (thus excluding consulting firms, professional firms and single-member companies), is aimed at the subsequent implementation of an additional ESG assessment area in the current "vendor rating" mechanism.

The answers to the questionnaire provide a snapshot of suppliers' situation with regard to the adoption of policies and procedures on environmental topics (air and GHG emissions; water and waste management; biodiversity; energy efficiency, etc.), on social topics (employee welfare and well-being; respect for diversity, inclusion and equal opportunities; protection of human rights, etc.) and also with regard to Governance topics (anti-corruption regulations; existence of the function dedicated to Sustainability/Corporate Social Responsibility; establishment of corporate objectives in the ESG area).

In order to better monitor this process, a specific ESG KPI has been introduced.

ESG KPIs - ESG Supply Chain Monitoring

		2023	
		Target	Result
ESG Supply Chain Monitoring - Sarlux	% of suppliers monitored	70% of suppliers 50% responses	100% suppliers 57% responses

Better-than-target result: specifically, 333 questionnaires were sent, to 100% of suppliers subject to new qualification or retention. A total of 190 responses were received, which corresponds to 57% of qualified suppliers

New suppliers who have been assessed using social criteria

		2023
New suppliers who have been assessed using social criteria	no.	190*
	%	57

New suppliers who have been assessed using environmental criteria

		2023
New suppliers who have been assessed using environmental criteria	no.	190*
	%	57

* A total of 13 suppliers were included in the vendor list during the 2023 financial year and assessed according to environmental and social criteria [308-1] [414-1].

From the second half of 2024, a dedicated platform (developed on an Open-es basis) accessible from the Saras website will be operational for the ESG assessment and monitoring of the supply chain.

DIGITALIZATION PROCESSES – ESG ASSESSMENT OF SUPPLIERS

With a view to involvement and systemic improvement, aiming to facilitate the journey towards sustainability within its supply chain, Saras has developed a dedicated platform. This platform enables the Group to evaluate and monitor the ESG (Environmental, Social, and Governance) performance of its suppliers. It also provides suppliers with a useful tool to assess themselves and organize their own path of growth and improvement in sustainability credentials. Access to the supplier ESG evaluation platform will be available through the corporate website of the company.

Within the platform, the supplier will have to enter the required information based on the four pillars of sustainability according to the World Economic Forum: People, Planet, Prosperity and Principles of Governance. The data and information upload path considers the specifics of the company.

The platform enables visualization of the strengths and areas for improvement of each supplier, facilitating the preparation of a development plan and the subsequent actions to be taken.

With this tool Saras, digitize the process of **assessing and monitoring the ESG performance of suppliers**.

Economic value generated and distributed

The Saras Group has an international connotation stemming from its operations in global oil markets and the widespread geographic distribution of its shareholders. However, the Group also maintains a strong connection with its reference territory, as it serves as a fundamental driver for the economy of Sardinia, generating and distributing economic value to various categories of stakeholders.

More specifically, to obtain the net economic value generated by the Group, it must be looked initially at the total revenues generated plus the Excise duties collected on behalf of the Public Administration; from that, it must be deducted the cost of raw materials, the changes in the value of the inventory, the cost for services and use of third-party goods, other operating costs, and the net value of financial charges/income.

The large majority of the value generated is paid to the Public Administration in the form of excise duties, taxes and duties. A percentage generally between 10 and 20% is retained by the company (of which the majority is dedicated to depreciation), and the remaining part is distributed (to Personnel, Shareholders, Capital Providers, and the Community).

As can be seen in the table, the **Net Economic Value Generated** in 2023 was close to 2.4 billion euros. This level is historically very high, although lower than the record value of €2.6 billion in 2022, which was due to last year's exceptional revenues (€15.8 billion), resulting from the sudden increase in the prices of all petroleum products, in the months following the start of the Russian-Ukrainian conflict. In 2023, on the other hand, although oil markets remained tense in a global context still animated by geopolitical and macroeconomic factors, prices declined, thus also reducing revenues, which marked 11.4 billion euros.

Gasoline and diesel marked -15% and -22% respectively in 2023 compared to 2022 prices. Electricity sales prices also fell, with the PUN marking €127/MWh in 2023, or -58% compared to the average of €303/MWh in 2022; In addition to the "price" effects, however, it should be noted that the decline in revenues in 2023 is also attributable to lower quantities sold, both of petroleum products and electricity. In fact, the processes of the Saras refinery in 2023 were 5% lower than the processes of 2022, and the electricity production of the IGCC plant was also reduced by 14% compared to 2022, due to the ten-year turnaround stoppage.

Moreover, the costs of petroleum raw materials (crude oil and complementary feedstocks) also fell significantly in 2023, with the reference crude oil "Brent Dated" recording an average price of 82.6 $/bl, about 20% lower than the average of 101.5 $/bl recorded in 2022. Overall, raw material costs and changes in inventories amounted to approximately €9.4 billion in 2023, compared to €12.9 billion in 2022.

With regard to the change in costs for services and use of third-party assets, there was a reduction from approximately €1,557 million in 2022 to approximately €1,148 million in 2023, as a result of the combined changes in expenses for the purchase of electricity, expenses for the purchase of CO2 emission allowances, and expenditure on oil and industrial services.

Finally, there was an increase of approximately €250 million in the amount of excise duties, both collected and paid, compared to 2022, depending on changes in the quantity and volume of petroleum products released for consumption on the Italian market.

Proceeding with the analysis of the **Economic Value Retained** by the company, in 2023 it amounted to approximately 342 million euros (of which de-

preciation, amortization and write-downs of approximately 209 million euros, and profit for the year of approximately 134 million euros).

Finally, from the analysis of the various items that make up the Distributed Economic Value, it can be observed that in the 2023 financial year:

- €1,534 million was paid to the Public Administration in the form of Excise Taxes;
- €115 million was paid for taxes and duties to the Public Administration;
- €164 million was paid to personnel in the form of salaries, social security contributions, provisions for severance pay and other personnel costs (and this amount translates directly into the spending power of households, thus helping to generate additional value for the territory);
- €181 million was allocated to the remuneration of Shareholders, based on the profit of approximately €420 million in 2022, in line with the company's policy on the distribution of dividends;
- €38 million was allocated to Capital Providers to remunerate loans received;
- Finally, some EUR 2.7 million was allocated to the Community in the form of donations, sponsorships, contributions, and membership fees.

Economic value (thousands of Euro)

		2021	2022	2023
Total revenue		**8,636,448**	**15,835,784**	**11,443,437**
Costs for raw materials and inventory changes		-7,183,640	-12,866,976	-9,439,390
Costs for services and use of third-party goods		-1,000,254	-1,557,373	-1,148,357
Other operating expenses		-18,656	-52,151	-26,438
Net financial charges/income		-26,751	-45,228	6,360
Excise duties collected		1,537,490	1,286,954	1,540,730
Net economic value generated	**A**	**1,944,637**	**2,601,009**	**2,376,342**
Economic value retained / (released)	**B**	**205,954**	**623,450**	**341,722**
of which depreciation and amortisation		198,525	204,715	209,541
Economic value distributed	**C=(A-B)**	**1,738,683**	**1,977,559**	**2,034,620**
of which to PA for Excise duties paid		1,534,088	1,287,021	1,534,038
of which to PA for taxes		40,991	484,070	114,624
of which to Personnel		142,570	174,543	164,252
of which to Shareholders		0	0	180,690
of which to Capital Providers		19,538	30,004	38,314
of which to the Community		1,496	1,923	2,701

Tax system

The Saras Group has in place constant monitoring of tax regulations in the countries in which it operates and applies tax legislation in a timely and responsible manner, ensuring adequate oversight.

The management of taxation is coordinated by the parent company's tax function in addition to local garrisons in all Group companies. The Group in addition employs tax consultants to optimally comply with the tax legislation of each individual state in which it operates.

The Group has adopted procedures and guidelines dedicated to tax matters that define roles, responsibilities, operating methods and describe the phases of the processes relating to the fiscal, tax and customs fields.

In addition, the Group has for some time activated a series of tax simplifications and optimizations, such as the "tax consolidation" regime for companies operating in Italy, in order to optimize direct taxes, and the institution of the "VAT Group" in order to optimize indirect taxes.

Currently, the Group has various risk control processes in place, including the process required by Law 262/2005 and the Corporate Risk Profile, where tax related risks are an integral part.

At the same time, the Saras Group is considering implementing, in the coming years, an even stricter system for the management and monitoring of tax risks (Tax Control Framework) as an effective governance and control tool.

Regarding the taxable income of the foreign subsidiaries in Spain and Switzerland, it should be noted that the percentage of their contribution to the consolidated value is not significant; As a result, the company does not include the country-by-country reporting required by the GRI 207-4 indicator, as it is deemed to be not material.

Finally, the Group acts according to the values of honesty, transparency, and fairness in the management of tax activities. These values are applied to the Tax Authorities using an approach of full cooperation and transparency.

Financial assistance received from the government

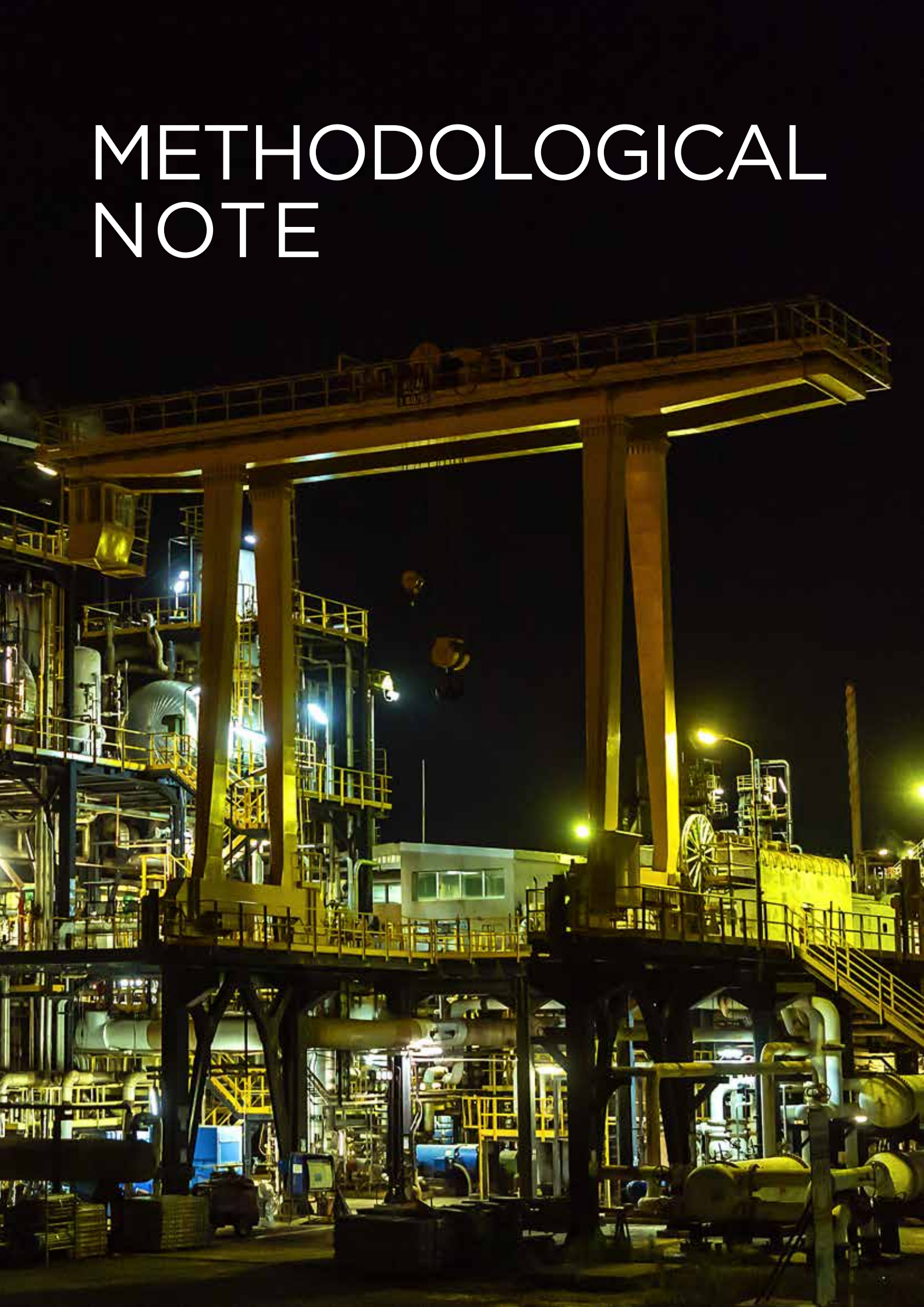
Regarding the GRI 201-4 (Financial Assistance Received from the Government) reporting, it should be noted that:

- The so-called "Sostegni Bis" Decree has allowed large Italian companies to access state-guaranteed loans. In 2022, the Group therefore subscribed a €312 million loan, 70% backed by guarantees issued by SACE.
- SardhyGreenHydrogen, a joint venture between Saras Spa and Enel Green Power Spa, created for the development of green hydrogen production in Sardinia, was recognized in 2022 among the Italian beneficiaries of the €5.2 billion public grant approved by the Commission IPCEI Hy2USE, to support research and innovation about green hydrogen in Europe.
- It should be noted that Sarlux has obtained a decree granting funding for a HTA0000024 project, called ALCODE, CUP C57B23000150004 under the PNRR "funded by the European Union – NextGenerationEU for the M2C2 measure, Investment 3.2 "Use of hydrogen in hard-to-abate sectors" which provides for "promoting research, development and innovation in the field of industrial processes in order to develop initiatives for the use of hydrogen in the sectors industrial plants that use methane as a source of thermal energy (cement, paper mills, ceramics, glass industries, etc.).
- Finally, Sarlux received state aid under the "Energy Transition Fund in the Industrial Sector" for the period 01.01.2022 – 31.12.2022. The disbursement was made by the company Acquirente Uni-

co SpA for an amount of €6.5 million. The fund is intended for companies operating in one of the sectors or subsectors listed in the annexes to the ETS Guidelines after 2021 (European Commission Communication 2020/C 317/04), which are deemed to be exposed to a concrete risk of carbon leakage outside the EU, due to indirect emission costs passed on to electricity prices.

- In addition, Sarlux, Sardeolica and Deposito di Arcola benefited from the electricity tax credit for a total amount of €31 million for 2023 and €122 million for 2022. Specifically, during 2022 and 2023, the legislator issued numerous regulatory provisions that grant companies, under certain conditions, a tax credit equal to a share of the expenses incurred for the purchase of electricity to a variable extent depending on the reference period. Especially:
  - energy-intensive companies such as Sarlux are granted a tax credit of 20% to 45% of the expenses incurred for the purchase of electricity, for the first three quarters, for the period October/November, for the month of December 2022, as well as for the first and second quarters of 2023;
  - companies other than those with a high consumption of electricity (such as Deposito di Arcola and Sardeolica), are granted a tax credit of 10% to 35% of the expenses incurred for the purchase of electricity, for the second and third quarters, for the period October/November, for the month of December 2022, as well as for the first and second quarters of 2023.

METHODOLOGICAL NOTE



The Saras Sustainability Report for the year 2023 constitutes the 2023 Consolidated Non-Financial Statement (NFS), pursuant to Legislative Decree 254/2016, and represents the seventh reporting document on the Group's non-financial impacts. More precisely:

- It has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), made available by the Global Sustainability Standards Board (GSSB), according to the In Accordance option and according to the different editions and updates specified in the GRI Content Index;
- as set out in the GRI 3: Material Topics 2021 reporting standards, it aims to identify and describe the Group's material topics, i.e. those associated with actual and/or potential significant impacts that the organisation generates on the economy, the environment and people, including impacts on human rights, both directly and indirectly (i.e. through activities carried out along the upstream and downstream value chain), through the methodology called impact materiality; moreover, it voluntarily includes the financial materiality dimension in the materiality analysis, in order to implement in advance the reporting obligations that will be introduced by the new Corporate Sustainability Reporting Directive (CSRD) starting from the documents referring to the 2024 financial year (therefore prepared at the beginning of 2025);
- for purposes other than that of complying with the requirements of Legislative Decree 254/2016, integrates additional KPIs on certain specific topics, taking into consideration the indications of the Sustainability reporting guidance for the Oil & Gas Industry issued by the International Petroleum Industry Environmental Conservation Association (IPIECA), as well as new reports introduced by the CSRD and the new European standards called ESRS (European Sustainability Reporting Standards). These indicators are clearly identified within the text and are to be considered additional to the information prepared in accordance with the GRI Standards to meet the requirements of Articles 3 and 4 of Legislative Decree 254/16.

Reporting process and scope

The material topics and the associated impacts, risks and opportunities, which are reported in this document, are the result of the analysis and engagement activities with stakeholders and consultants who are experts in the sector, which the Group conducted first in the period between December 2022 and January 2023, and subsequently in December 2023 (for more details, see the chapter Priorities for Saras).

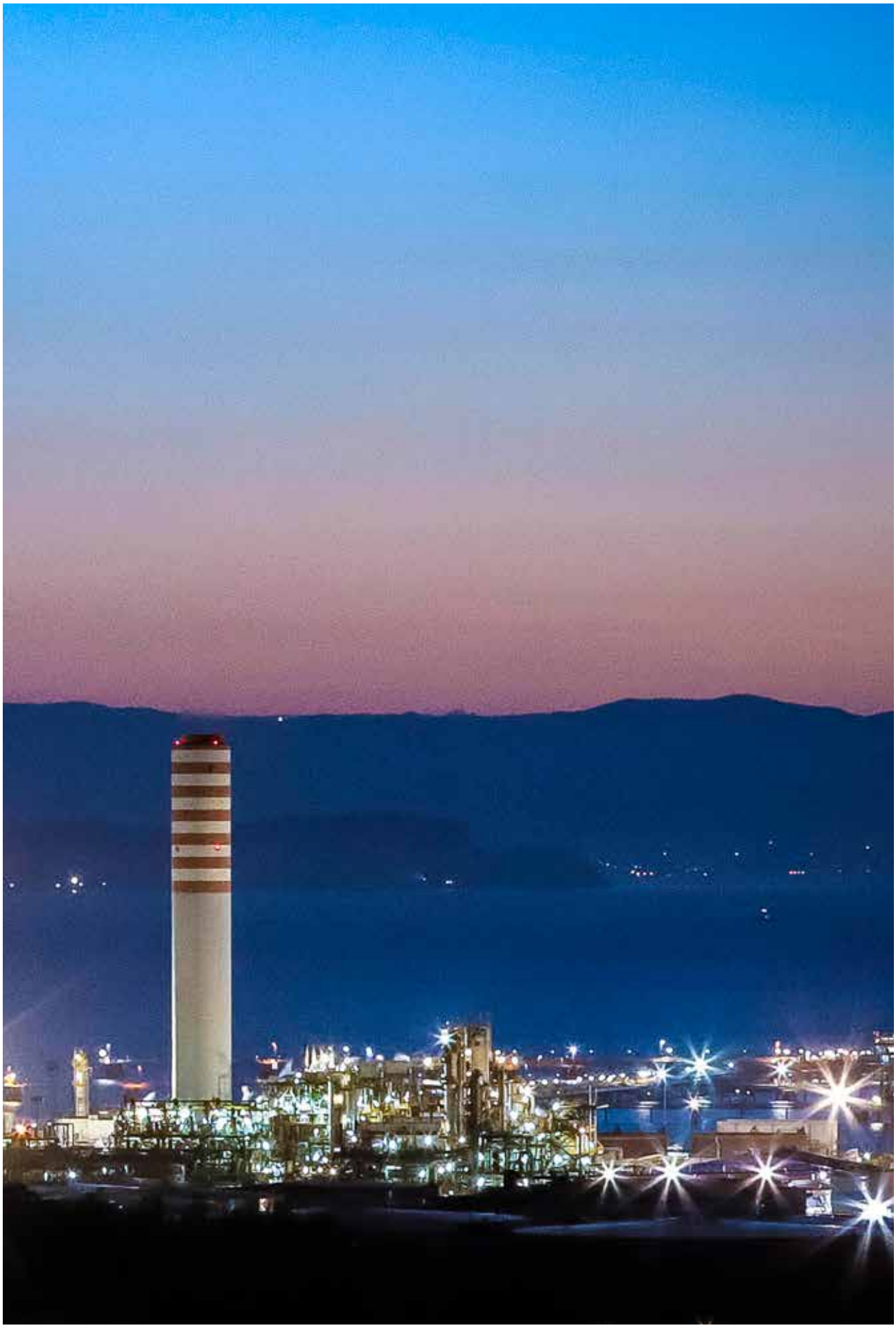
The Sustainability Report will continue to be published annually and will be disseminated through the communication tools usually used by the Company. The timing for its publication is aligned with that for the publication of the Financial Statements of Saras SpA and the Group's Consolidated Financial Statements. In addition:

- all data, initiatives, and projects refer to the period between 01/01/2023 and 12/31/2023 and pertain to the companies fully consolidated within the Group's Consolidated Financial Statements, as required by Legislative Decree 254, unless otherwise indicated below or in the text. Whenever possible, data from the previous two reporting periods are provided for comparison purposes, aiming to provide more detail and highlight the main trends and changes that have occurred;
- the economic data come from the Financial Statements of Saras SpA and the Consolidated Financial Statements of the Group and, therefore, include the six main companies of the Group (Saras, Sarlux, Sardeolica, Deposito di Arcola, Saras Energia and Saras Trading); it should also be noted that, with effect from 1 July 2023, the subsidiary Sartec Srl, which offered environmental engineering services, monitoring, analysis, measurement and analytical services, was incorporated through a merger into Sarlux Srl, and therefore the data referring to it are included in Sarlux data;
- the company's social data include the six main consolidated Group companies in the Consolidated Financial Statements; for the subsidiary Sartec, the same considerations as in the previous point apply;
- unless explicitly indicated, environmental data refer to the perimeter of the entire Group;
- the calculation of Scope 1 CO_2 emissions at the

Sarroch site is performed on a suitable Monitoring Plan, defined in accordance with specific European and Italian guidelines, which is based on the measurement, through instruments constantly subject to verification, of fuel consumption and on the application of specific emission factors for each fuel. The Monitoring Plan was approved by the Ministry of the Environment with Resolution No. 47/2016-DEC ETS-REG with protocol No. 0000051 CLE of 22.12.2016. The laboratory within Sarlux is one of the leading Italian laboratories operating in a refinery and the third in Italy to obtain the necessary accreditation to carry out controls on certain fuels used. With regard to the calculations of Scope 2 and Scope 3 CO_2 emissions, the methodology adopted is explained in the specific dedicated chapter;

- Supplier data for Sarlux and Saras takes into account that some companies supply both materials and services. It is also specified that the percentage of local suppliers for the Group, calculated based on procurement data, is provided only for the subsidiary Sarlux (representing the most significant entities in the Sardinian territory) and for the subsidiary Saras Energia.
- Quantitative indicators not related to any general or topic-specific disclosure of the GRI Standards, reported in the pages indicated in the Content Index, are not subject to limited assurance by EY S.p.A. Similarly, the Evolution of analysis and Financial Materiality paragraph is not subject to limited examination by EY S.p.A.

The Sustainability Report, as a Consolidated Non-Financial Statement, is subject to limited assurance by the independent firm EY. The assurance report, which describes the details of the principles adopted, the activities carried out and their conclusions, is set out in the Appendix. Finally, this document (DNF) was approved by the Board of Directors of Saras S.p.A. on 15/03/2024.



GRI CONTENT INDEX

Statement of use	Saras Group has reported in accordance with the GRI Standards for the period between 1 January 2023 and 31 December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	GRI 11: Oil and Gas Sector 2021

Standard GRI / Other source	Disclosure	Location	Omission			GRI sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Corporate activities and structure - pp.9-16				
	2-2 Entities included in the organization's sustainability reporting	Corporate activities and structure - pp.9-16				
	2-3 Reporting period, frequency and contact point	Corporate activities and structure - pp.9-16				
	2-4 Restatements of information	Water Resource Management - p.186				
	2-5 External assurance	Indipendent audit report - pp.239-241				
	2-6 Activities, value chain and other business relationships	Corporate activities and structure - pp. 9-16				
	2-7 Employees	Human Resource Management - pp.85-95				
	2-8 Workers who are not employees	Workers who are not employees - p.88				
	2-9 Governance structure and composition	Governance - p.62				
	2-10 Nomination and selection of the highest governance body	Board of directors - pp.63-65				
	2-11 Chair of the highest governance body	Board of directors - pp.63-65				
	2-12 Role of the highest governance body in overseeing the management of impacts	Material Impacts Management and Sustainability Reporting - p.82				
	2-13 Delegation of responsibility for managing impacts	The Control, Risk and Sustainability Comittee - p.66-67 Material Impacts Management and Sustainability Reporting - p.82				
	2-14 Role of the highest governance body in sustainability reporting	Material Impacts Management and Sustainability Reporting - p.82				
	2-15 Conflicts of interest	Conflict of Interests - p.81				
	2-16 Communication of critical concerns	Communication of Critical Issues and Reports - p.81				
	2-17 Collective knowledge of the highest governance body	Collective knowledge of the highest governing body - pp.82-83				
	2-18 Evaluation of the performance of the highest governance body	Evaluation of the performance of the highest governing body - p.83				
	2-19 Remuneration policies	Remuneration policies - pp.83				
	2-20 Process to determine remuneration	Remuneration policies - pp.83				
	2-21 Annual total compensation ratio	Remuneration systems - pp.96				
	2-22 Statement on sustainable development strategy	Letter to stakeholder - p.5 Strategy - p.18				

Standard GRI / Other source	Disclosure	Location	Omission			GRI sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	2-23 Policy commitments	Letter to stakeholder - p.5				
	2-24 Embedding policy commitments	Letter to stakeholder - p.5				
	2-25 Processes to remediate negative impacts	Prioritisation and materiality - pp.45 - 60 Mechanisms for requesting clarification and raising concerns - pp.79-80				
	2-26 Mechanisms for seeking advice and raising concerns	Mechanisms for requesting clarification and raising concerns - pp.79-80				
	2-27 Compliance with laws and regulations	The internal control and risk management system - pp.67-70				
	2-28 Membership associations	Trade Union Relations -pp. 42-22				
	2-29 Approach to stakeholder engagement	The Group Stakeholders- p.41				
	2-30 Collective bargaining agreements	Remuneration systems - pp.96				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality analysis - p.45	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	Materiality analysis - p.45-60				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	Economic value generated and distributed - pp.222-223				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic value generated and distributed - pp.222-223				11.14.2 11.21.2
		Materiality analysis - p.45				11.14.3
	201-4 Financial assistance received from government	Economic value generated and distributed - pp.222-223				11.21.3
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Resource Management - pp. 85-107				11.14.1
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Workforce - pp. 86-88				11.14.3
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	Creation of Local value - pp.213-214				11.14.1
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Creation of Local value - pp.213-214				11.14.4
	203-2 Significant indirect economic impacts	Creation of Local value - pp.213-214				11.14.5
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	Supplier and procurement management - pp.215-221				11.14.1
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Goods and Services - pp.217-218				11.14.6
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	Goods and Services - pp.197-198				11.20.1
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Prevention of corruption - p.77				11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	Competence development - pp.103-106				11.20.3
	205-3 Confirmed incidents of corruption and actions taken	Prevention of corruption - p.77				11.20.4

Standard GRI / Other source	Disclosure	Location	Omission			GRI sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	Tax System - pp.224-225				11.21.1
GRI 207: Tax 2019	207-1 Approach to tax	Tax System - pp.224-225				11.21.4
	207-2 Tax governance, control, and risk management	Tax System - pp.224-225				11.21.5
	207-3 Stakeholder engagement and management of concerns related to tax	Tax System - pp. 224-225				11.21.6
	207-4 Country-by-country reporting	Tax System - pp. 224-225				11.21.7
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable energy - p.139				11.1.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy management and rational use of energy - pp.140-144				11.1.2
		Energy management and rational use of energy - pp.140-144				11.1.3
	302-3 Energy intensity	Energy management and rational use of energy - pp.140-144				11.1.4
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	Water resource management - pp.180-188				11.6.1
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water resource management - pp.180-188				11.6.2
	303-2 Management of water discharge-related impacts	Water resource management - pp.180-188				11.6.3
	303-3 Water withdrawal	Water resource management - pp.180-188				11.6.4
	303-4 Water discharge	Water resource management - pp.180-188				11.6.5
	303-5 Water consumption	Water resource management - pp.180-188				11.6.6
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity - pp.189-193				11.4.1
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity - pp.189-193				11.4.2
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity - pp.189-193				11.4.3
	304-3 Habitats protected or restored	Biodiversity - pp.189-193				11.4.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity - pp.189-193				11.4.5

Standard GRI / Other source	Disclosure	Location	Omission			GRI sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	Greenhouse Gas Emissions (GHG) - pp.146-151				11.1.1
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions (GHG) - pp.146-151				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions (GHG) - pp.146-151				11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions (GHG) - pp.146-151				11.1.7
	305-4 GHG emissions intensity	Greenhouse Gas Emissions (GHG) - pp.146-151				11.1.8
	305-5 Reduction of GHG emissions	Reduction of GHG emissions - p. 151				11.2.3
	305-7 Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	Air pollutant emissions - pp.152-164				11.3.2
Effluents and Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Spills - p.179				
GRI 306: Waste 2016	306-3 Significant Spills	Spills - p.179				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste management - pp.172-178				11.5.1
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste management - pp.172-178				11.5.2
	306-2 Management of significant waste-related impacts	Waste management - pp.172-178				11.5.3
	306-3 Waste generated	Waste management - pp.172-178				11.5.4
	306-4 Waste diverted from disposal	Waste management - pp.172-178				11.5.5
	306-5 Waste directed to disposal	Waste management - pp.172-178				11.5.6
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Suppliers assessment - pp.219-220				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Suppliers assessment - pp.219-220				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Resource Management - pp.85-95				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Turnover - pp.88-89				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Welfare - pp.97-99				11.10.3
	401-3 Parental leave	Parental leave - p.100				11.10.4 11.11.3
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Resource Management - pp.85-95				11.10.1
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Trade Union Relations - pp.108-109				11.10.5

Standard GRI / Other source	Disclosure	Location	Omission			GRI sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	Health and Safety - pp.112-113				11.9.1
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Group Management Systems, Accreditations and Authorisations - p.28 Health and safety management - p.112-113				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	Work Hazard Identification Process and Risk Assessment - pp.113-114 Reporting, Analysis, and Event Management - pp.120-121 Development of safety culture: the BBS protocol - pp.121-123 Safety of Processes, Local Communities, Asset integrity and Major Accident Management - pp.133				11.9.3
	403-3 Occupational health services	Worker Health Promotion - p.123				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	Participation, worker consultation and communication - pp.115 Reporting, Analysis, and Event Management - pp.120-121				11.9.5
	403-5 Worker training on occupational health and safety	Worker Information, Education, and Training - p.123				11.9.6
	403-6 Promotion of worker health	Worker Health Promotion - p.123				11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Product and substance management -p.127				11.9.8
	403-8 Workers covered by an occupational health and safety management system	Group Management Systems, Accreditations and Authorisations - pp.28 Health and safety management - p.112-113 Safety of Processes, Local Communities, Asset integrity and Major Accident Management - pp.133				11.9.9
	403-9 Work-related injuries	Saras Group's Performance in Health and Safety - pp.124-127 Contractors' performance in health and safety - pp.129-132				11.9.10
	403-10 Work-related ill health	Saras Group's Performance in Health and Safety - pp.124-127 Contractors' performance in health and safety - pp.129-132				11.9.11
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics	Competence development - pp.120-127				11.10.1
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Competence development - pp.122				11.10.6 11.11.4
	404-2 Programs for upgrading employee skills and transition assistance programs	Competence development - pp.103-107				
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance appraisal - p.107				

Standard GRI / Other source	Disclosure	Location	Omission			GRI sector standard ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity Equity & Inclusion - pp.91-95				11.11.1
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity Equity & Inclusion - pp.91-95				11.11.5
	405-2 Ratio of basic salary and remuneration of women to men	Remuneration systems - pp.96				11.11.6
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	Diversity Equity & Inclusion - pp.91-95				11.11.1
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Diversity Equity & Inclusion - pp.91 Human Rights Respect - p.75				11.11.7
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	Development and protection of land and local communities - p.205-212				11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Development and protection of land and local communities - p.205-212				11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	Materiality analysis - p.45-60				11.15.3
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	Suppliers assessment - pp.219-221				11.10.1
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Suppliers assessment - pp.219-221				11.10.8
	414-2 Negative social impacts in the supply chain and actions taken		All indicator	Information unavailable/ incomplete	Information not available as Saras does not currently have data collection systems for the information concerned	11.10.9
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	The internal control and risk management system - pp.67-70				11.3.1
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	At the moment, Saras does not conduct specific assessments regarding this topic.				11.3.3

Topics in the applicable GRI Sector Standards determined as not material	
Topic	**Explanation**
11.7 Closure and rehabilitation	The topic is not relevant to Saras' business since, as far as the refinery activities are concerned, the Italian legislation provides for the restoration of the state of the places to the pre-industrial settlement conditions.
11.12 Forced labor and modern slavery	The topic was not material for the Saras Group as it does not operate in territories with a significant probability of forced labor and modern slavery.
11.13 Freedom of association and collective bargaining	The Saras Group operates in Italy, Spain and Switzerland and respects the collective bargaining rights and freedom of association of its employees, therefore this type of impact is not material.
11.16 Land and resource rights	The topic is not material for Saras given the company's limited geographical expansion. In fact, Saras has always operated mainly in Sardinia, without limiting the resources of local communities or incurring their involuntary transfer.
11.17 Rights of indigenous peoples	The topic is not material as Saras carries out its industrial operations in Italy and Spain, territories not in the vicinity of indigenous communities.
11.18 Conflict and security	The topic is not material as Saras carries out its industrial operations in Italy and Spain, territories in which there are no situations of conflict.
11.19 Anti-competitive behavior	Given the limited type of activities carried out by Saras compared to operators in the Oil & Gas sector, this topic is not relevant.
11.22 Public policy	Since the Group does not directly carry out lobbying activities, the impact is not material.

GRI Standard / Other source	Disclosure	Location
Other relevant aspects		
Economic performance		
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	Voluntary pension provision - p.100
Market presence		
GRI 202: Market Presence 2016	201-1 Direct economic value generated and distributed	Remuneration systems - p.96-97
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Raw materials - p.216
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Raw Materials - p.216
Supplier environmental assessment		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Suppliers assessment - pp. 219-221
Training and education		
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Competence development - pp.103-106
	"404-3 Percentage of employees receiving regular performance and career development reviews"	Performance appraisal - p.107
Customer health and safety		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Risk management and Corporate Risk Profile - pp. 67-70
Customer privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Privacy and Sensitive Data - pp.76

REPORT BY THE INDIPENDENT AUDIT FIRM IN THE SUSTAINABILITY REPORT

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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of Consob Regulation adopted with Resolution n. 20267 of 18th January 2018 (Translation from the original Italian text)

To the Board of Directors of
Saras S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30th December 2016, n. 254 (hereinafter "Decree") and article 5, paragraph 1 item g) of Consob Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of Saras S.p.A. and its subsidiaries (hereinafter the "Group" or "Saras Group") for the year ended on 31st December 2023 in accordance with article 4 of the Decree and approved by the Board of Directors on 15th March 2024 (hereinafter "DNF"). Our limited assurance engagement does not cover the information included in the paragraph "European Taxonomy" of the DNF, that are required by art.8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and

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professional behavior. In the reference year of this engagement, our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the Saras Group's consolidated financial statements;
4. understanding of the following aspects:
   - Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
   - policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
   - main risks generated or suffered related to the matters indicated in the article 3 of the Decree.

   With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below;
5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.

Building a better working world

In particular, we have conducted interviews and discussions with the management of Saras S.p.A. and with the personnel of Sarlux S.p.A. and of Sardeolica S.r.l. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level
  a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for the Sarroch refinery of the subsidiary Sarlux S.r.l., that we have selected based on its activities, relevance to the consolidated performance indicators and location, we performed a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of Saras Group for the year ended on 31st December 2023 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.
Our conclusions on the DNF of the Group do not refer to the information included in the paragraph "European Taxonomy" of the DNF itself, that are required by art.8 of the European Regulation 2020/852.

Milan, 5 April 2024

EY S.p.A.
Signed by: Marco Malaguti
Auditor

This report has been translated into the English language solely for the convenience of international readers.

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