SARAS GROUP SUSTAINABILITY POLICY



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THE SUSTAINABILITY MODEL ADOPTED BY SARAS GROUP

The Saras Group is one of the main oil refining operators in the Mediterranean Basin. In addition, it produces and sells electricity to the Sardinian network, using also renewable sources. Along with the global characteristics of its oil business, the Group also has solid local roots in Sardinia, where its activities generate relevant contribution both at social and economic level, according to a long-term sustainability approach.

The Group companies conduct their businesses transparently and sustainably, creating collaborative relationships, based on reciprocal trust, with all their Stakeholders; moreover, they fully comply with all applicable Laws, as well as with the principles and values established in our Code of Conduct and in our Model of Organization, Management & Control ex Legislative Decree 231/01.

"To be innovative, sustainable and a reference point among energy providers" is one of the main daily objectives pursued by Saras employees, coherently with the Group's Founding Values; this is done always with great determination, sense of responsibility, moral integrity, honesty, transparency, passion, and pride.

The Group's Sustainability Strategy is coherent and aligned with the United Nations Sustainable Development Goals (SDGs), and with the "Step Higher" Focus adopted by Saras, as a way to produce continuous improvement, create shared value, and increase its operational, economic and social performances.

Saras business objectives are achieved with a solid Governance System, structured according to a proven and effective Administration and Control model. The management and development strategies of the Group's assets are based on accurate, preliminary risk analysis, concerning both business and sustainability issues. According to the results of such risk analysis, the "Control, Risk & Sustainability Committee" (CRS Committee), within the Saras Board of Administration, ascertains their compliance with the Group's sustainability programmes, evaluates all interactions between business activities and the instances of the Stakeholders, proposes environmental and social activities, and monitors their implementation over a certain timeframe.

SCOPE

This Sustainability Policy applies to all Group's companies, is communicated internally and externally, and it defines the objectives and strategic directions which the Saras Group is committed to follow, with regards to:

- Promotion of Ethical and Correct behaviours, and Corruption prevention;
- People-related topics, protection of Human Rights, Diversity and Inclusion;
- Social topics, Focus on local Communities and Dialogue with Stakeholders;
- Environmental protection;
- Ecological Transition topics;

- Relations with suppliers of Goods and Services.

The Saras Sustainability Policy applies to companies belonging to the Group, and is communicated both inside and outside the organization.

- PROMOTION OF ETHICAL AND CORRECT BEHAVIOURS, AND CORRUPTION PREVENTION

IN CARRYING OUT ITS ACTIVITIES, SARAS PAYS THE UTMOST ATTENTION AND IS COMMITTED TO COMPLYING WITH ALL APPLICABLE LAWS, PROMOTING ETHICAL AND CORRECT BEHAVIOUR, AND PREVENTING ALL FORMS OF CORRUPTION.

The Board of Directors, with the support of the CRS Committee, establishes the guidelines of the Internal Control & Risk Management system, in coherence with Saras strategies; it also verifies their adequacy and effectiveness, on a periodic basis. Moreover, the Board is supported by the Chief Executive Officer, in charge of the governance of the system, and by the Internal Audit department, which verifies its adequacy and implementation.

Saras formalised its values, principles and rules of conducts in its Code of Conduct, to which all the Group's subsidiaries must comply in their business conduct. The values contained in the Code of Conduct are the foundations on which all the Group's business relationship are conducted.

"Code of Conduct", "Model of Organization, Management & Control" ex Legislative Decree 231/01, and "Corporate Bylaws" represent the reference framework within which the company developed and approved all its Governance documents, with regards to the Internal Regulatory system, Organizational System, and Power System.

The Internal Regulatory System includes Politics and Guidelines, which address and describe the correct behaviour and processes to be followed for Fraud and Corruption prevention.

More precisely, the Group defined a reference framework in the field of fighting corruption and preventing frauds, designed and implemented to prevent corruption phenomena in relations with public or private subjects, besides guaranteeing compliance with the anti-corruption laws in force in the individual countries in which the Group's companies operate. It indicates the rules of conduct and the general control principles, it identifies the main risks, sensitive areas and the specific control principles in these areas.

Finally, the Group activated a dedicated channel for the reporting & management of potential irregularities or alleged breaches of the Laws, of the Group's Code of Ethics, of the Organisational Model and, more in general, of what is provided for in the company's Regulatory System; such reports can be filed, in Italy or abroad, against the Group subsidiaries, by suppliers, employees, and/or third parties (so called "Whistleblowing").

The Group guarantees that any report will be treated in the appropriate manner, in order to protect the confidentiality and identity of the whistleblower, in compliance with legal obligations. Indeed, Whistleblowers acting in good faith, will be protected against any form of retaliation, discrimination or penalization for reasons connected, directly or indirectly, to their report.

- PEOPLE-RELATED TOPICS, PROTECTION OF HUMAN RIGHTS, DIVERSITY AND INCLUSION

DIGNITY AND RESPECT FOR PEOPLE ARE AT THE CORE 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 ALL FORMS OF DISCRIMINATION HAVE ALWAYS CHARACTERISED THE WAY SARAS OPERATES, THAT RECOGNISES AND IMPLEMENTS ALL THE INTERNATIONALLY RECOGNISED PRINCIPLES.

More specifically, the Group:

- Respects the fundamental rights of the people, and guarantees equal opportunities and inclusion, regardless of any sensory, cognitive and motor disabilities, and without distinction of race, gender, nationality, political opinion, sexual orientation, social status, age and religious beliefs;
- Aims to create a work environment in which each person can express themselves at their best, overcoming stereotypes, prejudices and discrimination;
- Prohibits any form of illegal, child, forced or brutal labour;
- Condemns physical, verbal, sexual and/or psychological harassment and abuse, as well as threats,

intimidation, behaviour aimed at inducing people to violate the Law, the Code of Ethics, the Group's Policies and any behaviour that damages the individual personality;

- Guarantees safe working environments that comply with Health & Hygiene regulations, and promotes and disseminates the Culture of Safety. Protects the right to life of its employees, the staff of third-party companies and of the local Communities, also through the adoption of Management Systems (Health, Safety & Environment) compliant and certified according to international standards;
- Guarantees fair remuneration systems, consistent with the responsibilities assigned, and compliant with current legislation, collective agreements and industry standards, including in terms of benefits and working hours, and undertakes to ensure equal pay;
- Supports the balance between professional and personal life through a flexible system of work management, based on responsibility and trust, and offers welfare services aimed at reconciling the Group's sustainability, with the well-being of its employees;
- Respects the right of workers to have adequate representation and the freedom to form and/or join workers' organizations or trade unions, without fear of retaliation or intimidation; promotes consultation of workers, including through the trade unions, in the definition of policies, processes and procedures aimed at improving the working environment and protecting Health & Safety;
- Guarantees the right to privacy of employees and collaborators, in compliance with the relevant legislation, also through operating standards that specify the methods of processing and storing the information collected;
- Invests in the training and development of people, through initiatives that promote continuous learning and the ability to contribute to the change necessary to ensure the sustainability of the business, and ensures professional growth in compliance with the principle of recognition of the contribution which every employee has provided.

- SOCIAL TOPICS, FOCUS ON LOCAL COMMUNITIES AND DIALOGUE WITH STAKEHOLDERS

SARAS GROUP ACKNOWLEDGES THAT MAINTAINING AND ENHANCING LONG-TERM RELATIONS WITH ITS STAKEHOLDERS AND LOCAL COMMUNITIES IS THE CORNERSTONE OF BUSINESS SUCCESS AND JOINT CREATION OF VALUE.

The Saras Group puts great attention in managing its relationship with Stakeholders and the local Communities. Purposely, it adopted a dedicated Policy, called "Our Stakeholders", which outlines the approach to develop and enhance these interactions. Additionally, for all the aspects concerning the financial communication with Shareholders, investors, financial analysts, proxy advisors and, more in general, with the financial markets, the Group adopted another Policy, called "Management of the dialogue with Shareholders and other Financial Subjects". Please refer to these specific Policies for further details.

On the other hand, Saras entertains a frequent, participative dialogue with its Sardinian stakeholders, aimed at identifying the Environmental, Social and Governance priorities, on which the Group can act to increase its long-term sustainability, create shared economic value, and solid collaborative interactions with the local Communities. More precisely, the Group's Sustainability approach rotates around the following initiatives:

- Evaluation and measurement of the economic, social & environmental impact of the Group's activities;
- Disclosure of the Sustainability performances (using, for instance, the Sustainability Report, the Environmental Declaration prepared according to the scheme of the voluntary EMAS certification, and the dedicated pages on the corporate websites of the Group's companies), including actions taken and results achieved, with a truthful and transparent representation, compliant with international Standards and with the assurance of the independent external auditors;
- Promotion of social projects which create value for the local Communities, according to two main criteria: firstly, their social context (i.e. subjects in need of support, like youngsters, elderly, and less affluent people); secondly, their physical reach (i.e. the geographical distance from industrial site owned and operated by the Group);
- Support to Primary Schools, donating specific teaching materials, oriented towards the new technologies (i.e. computers, tablets, etc.), and to Secondary Schools, with dedicated programmes aimed at developing Transversal Skills and Orientation tools;

- Promotion of scientific & technological innovation, also through the Memorandum of Understanding signed with the University of Cagliari, and through training and development activities, aimed at spreading business culture;
- Donations and sponsorships to amateur and professional sports associations.

- 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.

Saras development model is harmonised with the Environment and the local communities, and it is inspired to principles of caution, prevention, protection, and constant improvement. Furthermore, over the years, Saras implemented Policies and Management Systems certified in accordance with the best international standards, maintaining them always efficient and adequate to its development. Finally, the Group deployed specific efficiency and technology initiatives, aimed at:

- Responsible use of Natural Resources;
- Optimisation of Energy footprint;
- Reduction of atmospheric emissions of pollutants and greenhouse gases (GHG);
- Increase of power production from renewable sources;
- Minimisation of waste, also through recycle & reuse, according to a circular model;
- Reduction of water usage and discharges;
- Prevention of accidental spills on soil and subsoil.

- ECOLOGICAL TRANSITION TOPICS

TECHNOLOGICAL INNOVATION IS ONE OF THE FUNDAMENTAL LEVERS FOR PURSUING THE OBJECTIVES OF ECOLOGICAL TRANSITION IN A SECTOR THAT PLAYS A STRATEGIC ROLE IN THE NATIONAL, EUROPEAN AND INTERNATIONAL ECONOMIC SYSTEM.

Saras recognizes the strategic relevance of the oil industry because it can guarantee the continuous and reliable supply of oil products and energy to the Nation, while reducing dangerous dependencies from imports.

Moreover, for its long-term sustainability, Saras considers of paramount importance to preserve its readiness and positive attitude towards change and innovation; in this way, the Group remains prepared to embrace relevant market evolutions, mounting social pressures, and developments of the environmental legislation.

For the above reasons, since 2006 Saras established a wholly owned subsidiary, fully dedicated to energy production from renewable sources. Additionally, the Group prepared a mid-term Roadmap to strengthen its Sarroch industrial assets, and to prepare them for the decarbonisation and energy efficiency targets, established by the European Green Deal and the PNIEC (National Integrated Plan for Energy and Climate).

All relevant details concerning the multi-year projects and initiatives included in the Group's Roadmap for the Ecological Transition are described in Saras Industrial Plan, which is publicly disclosed to all Stakeholders, on a regular basis.

- RELATIONS WITH SUPPLIERS OF GOODS AND SERVICES

SUPPLIERS ARE ESSENTIAL PARTNERS FOR THE ACHIEVEMENT OF THE GROUP'S SUSTAINABILITY TARGETS. SARAS RELATIONSHIP WITH ITS SUPPLIERS IS BASED ON RESPECT, FAIRNESS, IMPARTIALITY AND EQUAL OPPORTUNITIES.

More precisely, during the evaluation of the current and potential suppliers (including subcontractors), Saras requires:

- The respect of all the Laws;
- The promotion of Ethical and Correct behaviours, and Corruption prevention;
- The respect of the principles contained in its Code of Ethics and Sustainability Policy;
- The compliance with "Environmental, Health & Safety" Policies, and also with the "Prevention of Major Accidents" Policy.

MONITORING AND DISCLOSURE

To measure and monitor its commitment in achieving a sustainable business model, the Group defined specific ESG indicators, disclosed on a yearly basis within Saras Sustainability Report, both in terms of targets and results.

Moreover, the Group is engaged in periodical reviews of its ESG Ratings, elaborated by the main international agencies; with the aim to obtaining a truthful and accurate representation of its sustainability credentials, towards all its external Stakeholders.

POLICY UPDATES

The CRS Committee periodically oversees the correct adoption of this Policy, and its adequacy of the related provisions, considering the evolution of national and international best practices, as well as the applicable Legislation. Subsequently, it formulates all the necessary updates and integration proposals, to the approval of the Board of Directors.

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