SARAS

ESG REPORT 2024

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CEO message

2024 is a year of great changes for Saras which was acquired by Vitol, a global energy and commodities company. This acquisition represents a change in operations for Saras, and represents an extraordinary growth opportunity, which requires the commitment and skills of all our people.

As part of the new structure, we have outlined the strategic role of Saras as an efficient energy operator, which integrates its refining activity with that of electricity production, including from renewable sources.

At the same time, we have adopted a new industrial operating model, to increase flexibility in the selection and processing of the crude oils, based on clear responsibilities, transparency in information flows, optimal time management and timeliness of activities.

Thanks to everyone's commitment, we have achieved notable results in reducing our environmental footprint, and we share with Vitol the importance of continuing to define ESG targets, which demonstrate our commitment to responsible and sustainable business conduct in the long term.

We also guarantee safe, fair and inclusive working conditions, and generate value for all our stakeholders, especially local ones. In particular, the activity of Saras and its subsidiaries produces an average annual impact on the GDP of the Sardinia Region of 1.8 billion euros, activated directly, indirectly and induced by employee salaries, by tax revenue paid to regional Authorities, and by purchases of goods and services from suppliers located in Sardinia. Furthermore, around 26 thousand full-time employees can be traced back to Saras, including direct, indirect and induced jobs.

This 2024 ESG Report, prepared on a voluntary basis and in continuity with previous years, therefore aims to communicate Saras values and give visibility to the commitment and professionalism of our people, which allow us to concretely implement the necessary changes and continue, year after year, on our development path towards sustainable growth.

Chief Executive Officer

Franco Balsamo

Creation of value, Community and People

Approximately **26,000** direct, indirect and full-time induced workers in the three-year period 2022-2024[1]

€1.77bn average annual total contribution to Sardinia's GDP in the 2022–2024 three-year period[1]

€11bn turnover

€178.4m investments

88% of own workforce based in Sardinia

39% Purchases from local suppliers

1. Source: OpenEconomics – May 2025 update
2. Source: UNEM – May 2025
3. Source: TERNA – Monthly Report on the Electricity System, December 2024

Materials, Energy and Environment

12.5m tons of crude oil
+ **1m** tons of complementary feedstock processed

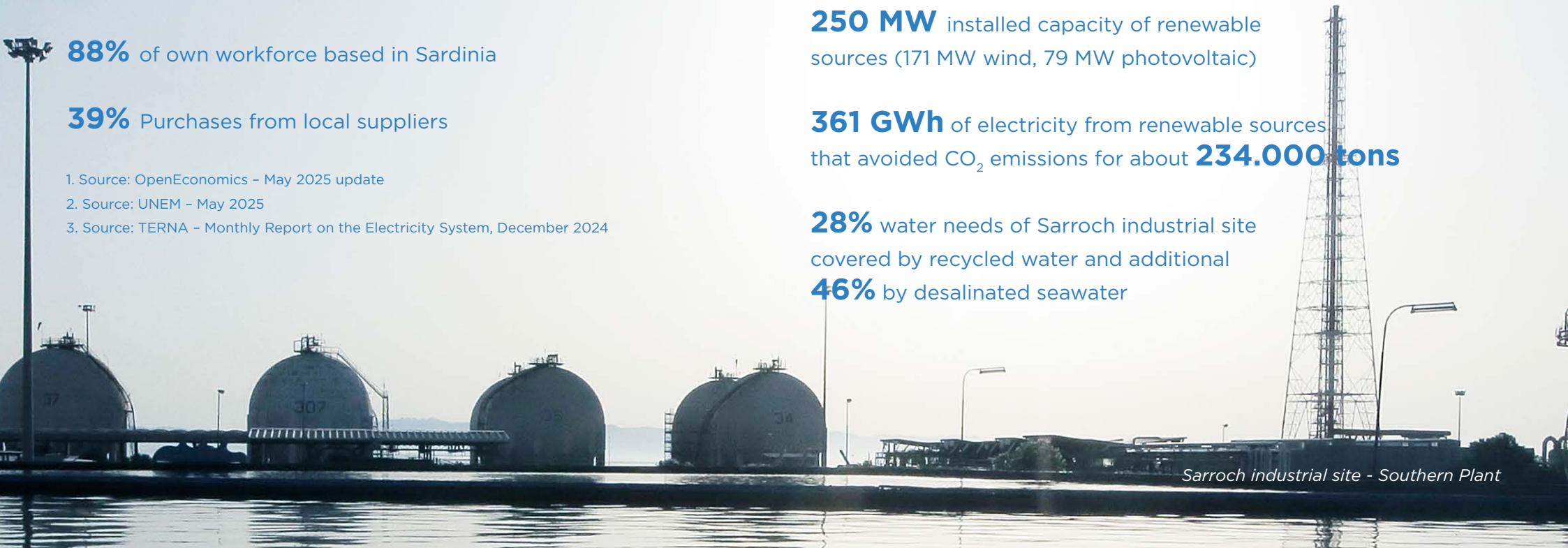
21% of total Italian refining capacity[2]

3,955 GWh of electricity produced by IGCC and sold to the power grid, equivalent to about **47%** of Sardinia's electricity consumption[3]

250 MW installed capacity of renewable sources (171 MW wind, 79 MW photovoltaic)

361 GWh of electricity from renewable sources that avoided CO_2 emissions for about **234.000 tons**

28% water needs of Sarroch industrial site covered by recycled water and additional **46%** by desalinated seawater



Sarroch industrial site - Southern Plant

Activities and Corporate structure

Saras is one of the main Mediterranean players in the oil refining sector, and since September 2024 is wholly owned by the Vitol Group. The refining activity is combined with the production and sale of electricity, both through a combined cycle gas plant (IGCC) essential for the stability and security of the Sardinian network, and then also through renewable sources (mainly wind).

The global nature of oil operations is accompanied by solid local roots in Sardinia, where its activities generate significant contributions to the development of the socio-economic fabric, in a spirit of long-term sustainability.

In particular, the industrial activities are managed by the subsidiary Sarlux Srl which, at the Sarroch site in the south-western coast of Sardinia, owns and operates one of the largest refineries in the Mediterranean in terms of production capacity (about 300 thousand barrels per day), and one of the most advanced in terms of plant complexity (Nelson Complexity index of 11,7).

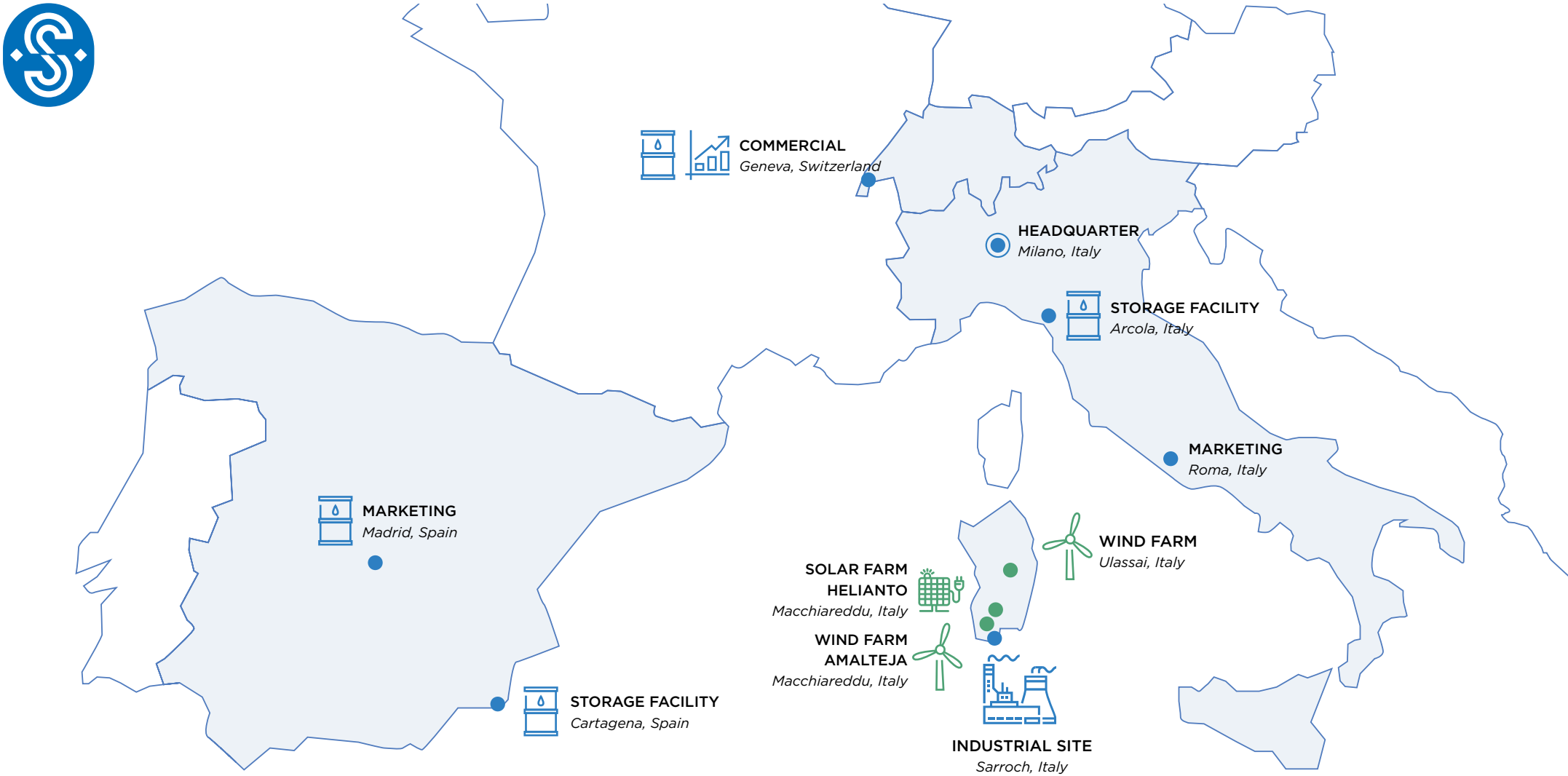
The Sarlux refinery produces petroleum products (mainly transport fuels such as diesel and petrol, but also lpg, jet, fuel oil and heating oil), and certain biofuels, overseeing the daily operation of the plants, and governing the execution of operational programmes and maintenance plans, always in the utmost respect of environmental and health and safety concerns. In the early 2000s, the refining activity at the Sarroch site was integrated with the production and sale of electricity, through one of the largest IGCC plants in the world (575MW installed power, with electricity production of about 4TWh/year). Finally, from 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 also to certain categories of aromatics and intermediates in the petrochemical chain.

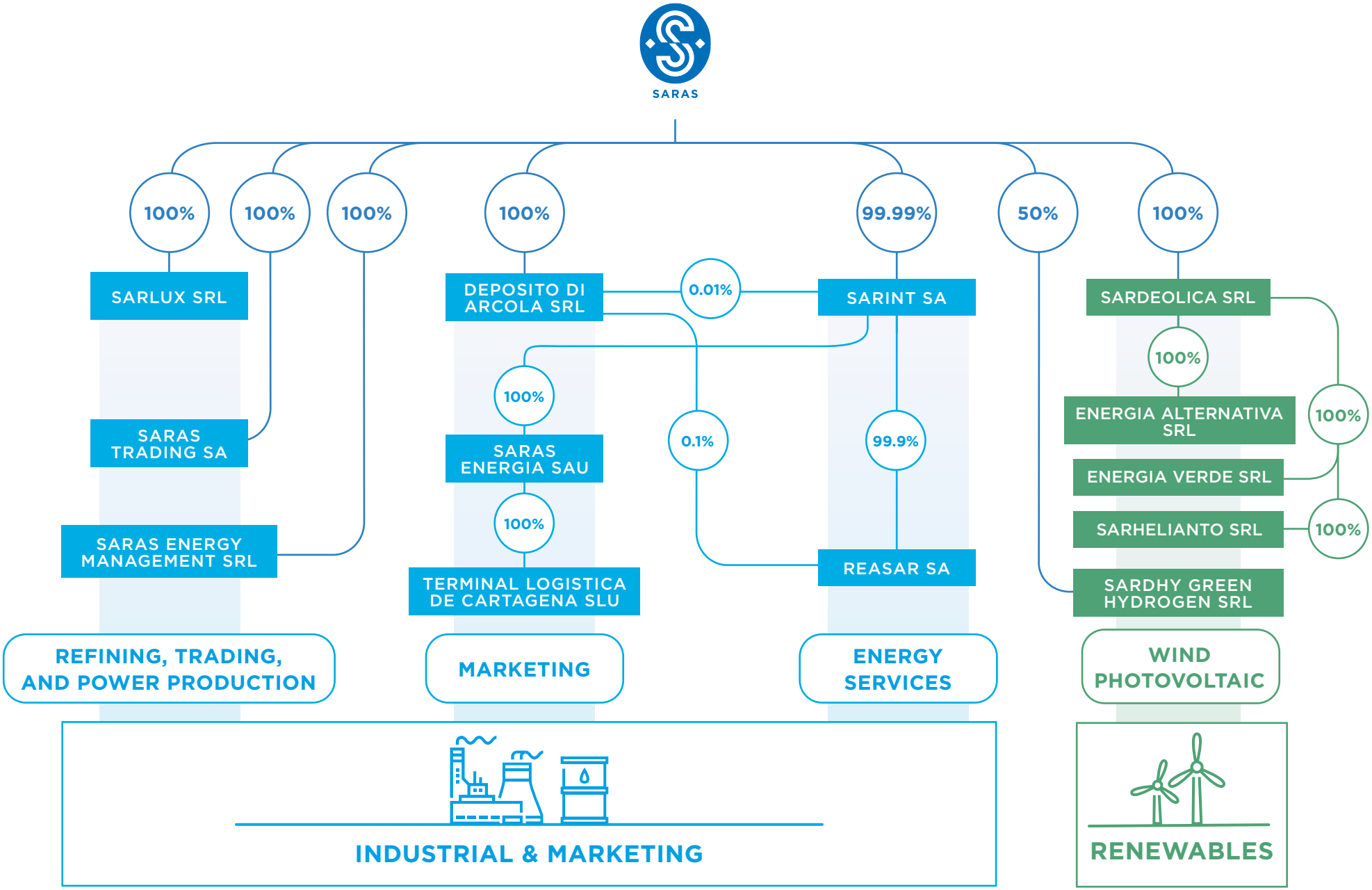
Since 2005, Saras has also been active in the production and sale of electricity from renewable sources, through its subsidiary Sardeolica Srl, which owns and operates a wind farm in Ulassai (Sardinia) with an installed capacity of 126MW, a second wind farm in Macchiareddu Industrial Zone (Sardinia) with an installed capacity of 45MW, acquired in 2021, and a 79MW photovoltaic plant, also located in Macchiareddu, built and commissioned since mid-2024.

Sardeolica imposes its activities on the utmost respect of the ecosystems and communities that host its sites, protecting vegetation and avifauna, and minimising noise and electromagnetic fields. In addition, it supports local communities directly by generating employment, and indirectly through the development of related industries and various economic spillovers, including the increase in tourism, as the park of Ulassai is included in the tourist guide of Legambiente called “I Parchi del Vento”.

From a corporate structure perspective, Saras reorganised its business lines on 1 January 2021 by creating a segment called ‘Industrial & Marketing’, which includes all activities related to refining, electricity generation, and the sale of petroleum products in off-grid channels (so-called ‘Marketing’ activities).

There is also a second segment called ‘Renewables’, which includes the activities previously belonging to the wind segment, so that potential developments in the field of photovoltaics and other activities linked to the energy transition can be covered.


COMMERCIAL
Geneva, Switzerland
HEADQUARTER
Milano, Italy
STORAGE FACILITY
Arcola, Italy
MARKETING
Roma, Italy
MARKETING
Madrid, Spain
WIND FARM
Ulassai, Italy
SOLAR FARM
HELIANTO
Macchiareddu, Italy
WIND FARM
AMALTEJA
Macchiareddu, Italy
STORAGE FACILITY
Cartagena, Spain
INDUSTRIAL SITE
Sarroch, Italy


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%
SARAS ENERGIA SAU
100%
TERMINAL LOGISTICA DE CARTAGENA SLU
0.1%
99.9%
REASAR SA
SARDEOLICA SRL
100%
ENERGIA ALTERNATIVA SRL
100%
ENERGIA VERDE SRL
SARHELIANTO SRL
100%
SARDHY GREEN HYDROGEN SRL
REFINING, TRADING, AND POWER PRODUCTION
MARKETING
ENERGY SERVICES
WIND PHOTOVOLTAIC
INDUSTRIAL & MARKETING
RENEWABLES

Business model

The industrial site of Sarroch is at the heart of Saras activities. The refinery has a "merchant" business model, which focuses on operational efficiency, high availability and reliability values, and especially flexibility in the mix of raw materials processed. This latter characteristic results not only from the technological sophistication of the primary distillation plants and the subsequent conversion units, but also from accurate and rapid planning processes carried out in constant coordination with industrial and commercial operations. The operation is always characterised by the utmost respect for the environment, and for the protection of the health and safety of all those who work on the site and who live in the neighbouring territories.

Commercial activities benefit in particular from the integration with the Vitol Group, which allows to supply raw materials of extremely broad origin and types, within a global strategy and operation. In addition, the integration with Vitol also expands the options and channels available for the sale of refined products.

Finally, from the point of view of industrial operations, the Sarroch site has the following levers which determine its good competitive position in the international context:

- *The size*, among the largest in the Mediterranean with about 300 thousand barrels per day of processing capacity, represents a lever for the optimisation of fixed costs through economies of scale. It also enables energy efficiencies of various kinds, which help to keep variable costs down.
- *The flexibility* is represented by the ability to process multiple rough materials, even very different among them due to chemical and physical characteristics and derives from the numerous technological and metallurgical interventions made on the plants, and the specific processing know-how developed by the site staff in over 60 years of industrial operations.
- *The complexity* is represented by the ability to achieve high yields of high value-added products. Thanks to high conversion facilities, the Sarroch refinery produces more than 50% average distillate yield (gas oils and aviation fuel) and about 30% light distillates (mostly gasoline), while optimally managing the heavier part of the barrel - of lower value - through integration with the IGCC power generation facility.
- *The coastal positioning* allows to supply raw materials and other raw materials by sea without depending on pipelines or dedicated logistic structures, as happens instead for the "inland" refineries. Similarly, it offers the possibility of relocating finished products to consumption centres potentially located anywhere in the world.
- Finally, *integration with electricity generation and petrochemicals* allows for more value-added products, with a more resilient profile than the volatility characteristic of oil markets.

Sarroch industrial site - Northern Plant

OUR APPROACH TO SUSTAINABILITY

Sarroch industrial site

The focus on social and environmental responsibility has always been present in the history of Saras and its subsidiaries and is confirmed by the long list of investments made over the years to obtain numerous environmental and social certifications, with the objectives of minimising the impact on the environment (emissions, water use, waste generation) and producing high quality fuels for their customers.

As regards the attention to environmental aspects, already in the second part of the 1990s, it installed seawater desalination plants and adopted specific technologies to reduce the use of primary water sources, through recycling and use of clarified water from treatment, filtration and purification processes. These plants, after successive upgrades, were replaced in 2019 with a new seawater desalination plant, among the largest in Europe, capable of producing 500m^3/h demineralised water for use in high pressure boiler circuits.

On the waste side, the commitment that has been in place for many years, has been further intensified since 2020, with initiatives to reduce both total production and outgoing quantities outside the refinery, using a thermo-desiccator at the Ecotec plant, co-located within the refinery perimeter.

In terms of air emissions of pollutants, Saras is well below the legal limits, having carried out numerous measures to minimise them, in addition to the use of low-sulphur fuels. In 2009, the TGTU installation for tailpipe gas treatment of the Claus sulphur plants was also built, which allowed for further reductions in SO_2 emissions.

Regarding climate gas emissions, in recent years Saras has focused on a series of investments aimed at improving plants and processes, ensuring increased energy efficiency and reconfiguring the power plant and the steam network with the electrification of some main machines. This has resulted in a double result of lowering CO_2 emissions and achieving economic performance gains.

On the quality side of the refined products, Saras has always been quick to achieve improvements in specifications: in particular, as regards very low sulphur gas oils, hydrocracking was already installed in the Sarroch refinery in the early 1990s, followed by a second in early 2000, and both were upgraded in the following years.

In the case of petrol as well, major projects and installations have been carried out since the 2000s. More recently, at the end of 2019, Saras started the production of the new fuel for low sulphur marine engines (0.5% vs. 3.5% of the previous specification), through a sophisticated process involving multiple aspects: from the selection of crude to process, to the use of suitable mixing techniques with low sulphur fluxants.

Finally, on the social responsibility and health and safety issues at work, Saras is continually committed to protecting its own workers and third-party companies through the strict application of the ISO 45001 Management System within the Sarroch industrial site.

Capoterra Lagoon – Greater Flamingos (Phoenicopterus roseus)

Code of Ethics

The Saras Code of Ethics, which is publicly available on the Company's website in the Governance and Sustainability section (https://www.saras.it/it/governance-e-sostenibilita/statuto-e-codice-etico), contains the values, principles and rules of conduct by which Saras and its subsidiaries and associates conform to the conduct of their businesses.

Saras recognises the importance of ethical and social responsibility and carries out its activities with the utmost attention to occupational health and safety aspects and in compliance with the principles of environmental protection. For this reason, Saras aspires to maintain and develop relationships of trust with its partners, shareholders, employees, collaborators and interlocutors and pursues its objectives by seeking the balance of interests involved.

In particular, Saras considers its suppliers, customers, the institutions, the social partners, its industrial partners, the community and the general public and all the organisations which are affected directly and indirectly by the activities by the Saras and its subisidiares as its own stakeholders.

Saras acknowledges respect for the law and of regulations in force in all Countries in which it operates as an absolutely necessary principle in the relations with employees and collaborators, customers, suppliers and other stakeholders and does not tolerate any type of fraudulent or corruptive behaviour towards or by third parties. It therefore requires its employees, collaborators and anyone who engages in stable or recurring business with the Saras and its subsidiares to comply with such principles.

Sustainability policy

The Saras Sustainability Policy, which applies to all subsidiaries, is publicly available on the Company's website in the Governance and Sustainability section (https://www.saras.it/it/sostenibilita/politica-di-sostenibilita-del-gruppo-saras), and defines the guidelines and objectives that Saras is committed to pursue with respect to:

- *Promotion of Ethical and Correct Behaviour, and Prevention of Corruption:* In conducting its activities, Saras places the utmost attention and commitment to upholding the Law, promoting Ethical and Correct Behaviour, and preventing all forms of Corruption
- *People-related issues, Human Rights Protection, Diversity and Inclusion:* The dignity and respect of people are at the heart of our corporate culture, and are essential elements of Sustainability. Respect for Human Rights, Equal Opportunities, Diversity and Inclusion, and commitment against all forms of Discrimination have always characterised the way in which Saras operates, which recognises and implements internationally recognised principles
- *Social issues, attention to local communities and dialogue with stakeholders:* Saras recognises that maintaining and enhancing long-term relationships with its stakeholders and local communities is the basis for business success and common value creation
- *Environmental protection:* Environmentally friendly operation is essential for long-term sustainability, as well as for productivity and competitiveness in markets. Saras therefore carries out its activities by minimising the environmental footprint and considering the preservation of ecosystems and biodiversity in the development of its projects
- *Ecological transition themes:* Technological innovation is one of the key levers to pursue the objectives of the ecological transition within a sector that has a strategic role for the national, European and international economic system
- *Relations with Suppliers of Goods and Services:* Suppliers are indispensable counterparts for achieving the Sustainability objectives, and with them Saras cultivates a relationship based on respect, loyalty, impartiality, and equal opportunities

Human rights policy

Saras has always guided its way of working with full respect for human rights and fundamental human freedoms, in line with the founding principles of the European Union. The Human Rights Protection Policy, which is publicly available on the Company's website in the Governance and Sustainability section (https://www.saras.it/it/sostenibilita/politica-la-tutela-dei-diritti-umani-del-gruppo-saras), applies to Saras and all of its subsidiaries, which protect the dignity and rights of individuals with whom they cooperate, value skills development and recognise diversity as a resource.

Moreover, Saras promotes the respect of these values also along the supply chain of goods and services necessary for the activities of each of the subsidiaries and contributes, directly and indirectly, to the well-being of the communities in which it carries out its activities.

Among the external references from which this policy derives, the main ones are the "Constitution of the Italian Republic", the "Universal Declaration of Human Rights", the "Fundamental Conventions of the International Labour Organisation (ILO)", the "EU Regulation 679/2016 (GDPR- General Data Protection Regulation)", the "Principles of the UN Global Compact on Human Rights, Labour, the Environment and the Fight against Corruption".

The document is divided into a first section on "Working practices", which expresses the way in which Saras respects and protects human rights and fundamental freedoms, which are also guaranteed by the laws in force in the countries in which it carries out its activities - Italy, Spain and Switzerland. In detail, Saras expresses: (i) The rejection of forced or compulsory labour and child labour; (ii) The respect for diversity and non-discrimination; (iii) The freedom of association and collective bargaining; (iv) The protection of Health and Safety at Work; (v) Fair and favourable working conditions.

There is also a second section of the Policy, dedicated to the Saras model, which is 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 with: (i) The relations with the communities concerned and respect for their rights; (ii) The prevention of corruption and fraud; (iii) The respect for the rights of indigenous and tribal peoples; (iv) Human rights in the supply chain; (v) Privacy and sensitive data.

Governance

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

- a Board of Directors responsible for ensuring the proper management of the business through the organisation of the corporate governance system and the entire organisational set-up of Saras;
- a Board of Statutory Auditors responsible for, among other things, ensuring compliance with the law and the Statutes, and for monitoring the adequacy of the Company's organisational structure, internal control system and administrative and accounting system;
- a Shareholders' Meeting.

The Board of Directors in office at 31 December 2024 comprises a total of 4 directors.

Sea waters facing the Sarroch industrial site

Management systems and authorisations

Saras has always promoted the continuous improvement of its processes and the transparency of its performance. For these reasons, in line with the Saras Code of Ethics and Sustainability Policy, each company, after having defined its reference framework in consideration of the needs and expectations of the interested parties, identified in relation to the industrial, environmental, legislative, social, scientific-technological and economic fields, has equipped itself with appropriate management systems certified according to the best international standards, depending on the specific characteristics of the business segment targeted.

The criteria and the necessary methods to ensure the effective functioning and control of the processes involved are described in the documented information of the Regulatory System (Policies, Guidelines, Manual, Procedures, Operating Instructions, etc.).

In addition to the internal audits carried out by the Saras Internal Audit function, and the auditing of control bodies on existing authorisations and statutory management systems, each audited company also receives regular external audits by the independent Certification Bodies, in relation to the management systems implemented.

All Saras activities with significant impacts in terms of health, safety and environment (Sarroch production site, renewable electricity generation, technology services) are ISO 45001 and ISO 14001 certified as detailed in the table.

Workers covered by the Health and Safety Protection Management System and the Environmental Management System account for 91.2% of the entire population of Saras and its subsidiaries; on the other hand, it should be borne in mind that these workers constitute 100% of the workers engaged in activities with significant impacts in terms of health and environment. Finally, Saras workers based at the Sarroch plant are covered by the management systems implemented by the subsidiary Sarlux.

Management system

	Saras	Sarlux	Sardeolica	Saras Energia	Deposito di Arcola
Safety management system- ISO 45001		✓	✓	✓	✓
Environment Management System- ISO 14001		✓	✓	✓	✓
Community Eco-Management and Audit Scheme - EMAS		✓	✓		
Energy management system - ISO 50001		✓	✓	✓	
Quality management system - ISO 9001	✓	✓	✓	✓	
Integrated Environmental Authorisation - AIA		✓			
Single Environmental Authorisation - AUA					✓

Internal control and risk management system

Saras places the utmost attention in Saras' and its subsidiaries' activities to the respect of the law, the promotion of ethical and fair behaviour, and the prevention of corruption.

The Board of Directors is responsible for establishing 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. In order to carry out this work as effectively as possible, the Saras Board of Directors (Board of Directors) has the support of:

• the Chief Executive Officer (CEO) to implement the guidelines defined by the management body, ensuring the design, implementation and management of the internal control and risk management system and continuously verifying its adequacy and effectiveness;
• the Control, Risk and Sustainability Committee, with the task of supporting the Council's assessments and decisions on the internal control and risk management system, as well as its responsibilities for sustainability, by means of an adequate enquiry - this Committee was dissolved in October 2024, after the withdrawal of Saras shares from the 'Euronext Milan' electronic market listing following the change of ownership of the company;
• the Internal Audit Function and Risk Officer, which is responsible for verifying that the internal control and risk management system is adequate and functioning.

The internal control and risk management system is formalised within a regulatory system of Saras and its subsidiaries and has been further strengthened by the adoption of a Model of Organisation, Management and Control ("Model") under D. Lgs. 231/01 Each subsidiary has adopted its own Model which aims to prevent the potential risks of commission of the offences to which each company is exposed, indicating its management responsibilities as well as the controls in place so that the offences cannot be carried out.

In 2024, in view of the continuous revision and update of the Model in order to adapt it to the legislative and organisational changes, the Models of the Saras and Sarlux companies were updated following the changes made, to the D. Lgs. 231/01, from the Law of 9 October 2023, n. 137 and Legislative Decree 2 March 2023, n. 19, implementing Directive (EU) 2019/2121. The Models of Organisation, Management and Control of the Companies were approved in the respective Board of Directors of July 30 (Sarlux Board of Directors) and July 31 (Saras Board of Directors).

Saras also represented its values, principles and standards of behaviour in the Code of Ethics and the Sustainability Policy, which Saras and all subsidiaries conform to when conducting their business activities, and on which the relations and relations established with all counterparties are based.

The Code of Ethics, Model and Company Statutes also represent the coherent framework to which all Governance documents relating to the internal regulatory system, organisational system and system of powers are developed and approved.

The activities and initiatives aimed at verifying the implementation and improving the control and risk management system of the subsidiaries are carried out, in addition to the operational functions and in the framework of the Quality, Safety and Environment Management Systems, by the Internal Audit function and defined by means of an annual Audit Plan (which runs from March, after approval by the Saras Board of Directors, to March of the following year) which is drawn up from:

• the Corporate Risk Profile, which identifies significant risks for Saras and is monitored every six months by the Risk Owners;
• information obtained from the top management and supervisory bodies of each company;
• the audits carried out in previous years and their results.

In 2024, the Internal Audit function carried out 43 audits on the Internal Control Risk Management System (SCIGR) and on the compliance areas of Organisational Models.

The results of the audits carried out did not reveal any particular concern about the adequacy and implementation of the control measures adopted by the Companies. Compliance with the provisions of the Model was also found with regard to the Model Implementation Checks. For the identified areas of improvement, corrective actions have been determined, in agreement with the heads of the functions concerned, in order to improve the effectiveness of the control management and risk mitigation tools in place, and appropriate action plans have been defined. The implementation of improvement actions by the responsible functions within the defined timeframe is monitored by the Internal Audit function.

In 2024, no violations of environmental rules, regulations and laws in the socio-economic field or in the health and safety impacts of customers purchasing products sold by Saras were found.

Moreover, it is recalled that the procedure initiated on 11 July 2023 by the Italian Competition Authority (AGCM) against several Italian companies, including Saras, to establish the existence of possible infringements of Art. 101 of the Treaty on the Functioning of the European Union ('TFEU'), on the pricing policy adopted in the last three years on the bio component of motor fuels. Saras received a notice of enquiry on 19 July 2023. To date, only partial access to the file has been granted and the communication of the results of the investigation ('CRI') has not been notified to Saras. On 19 October 2023, Saras submitted to the Authority a set of commitments pursuant to Article 103 of the EEA Agreement. 14b. 287/90 By decision of 21 November 2023, the Authority ordered its rejection. On 23 January 2024, the AGCM sent Saras a request for information on how to comply with the legal requirements for biofuels. The procedure will therefore follow the normal course of the ICC's despatch if, following its investigation, the Authority finds that its allegations are well founded. The company reiterates its non-involvement in the alleged infringements and confirms that it has not received any penalty notification. The procedure, following the extension of the AGCM, must be concluded by 30 September 2025.

In 2021, the Public Prosecutor's Office at the Court of Cagliari opened criminal proceedings against Saras SpA and some of its managers in relation to the purchase of crude oil from the Autonomous Region of Kurdistan, without the authorisation of SOMO (Iraqi National Hydrocarbons Company), challenging the situations referred to in Articles 103 and 109 EC. 479 and 648b of the c.p. and, with regard to the Company, the administrative offence referred to in art. 25 g of D. Lgs. 231/2001 in relation to art. 648b of the Criminal Code. On 29 November 2022, the Judge at the Preliminary Hearing of Cagliari (GUP) decided that there was no need to proceed against the Company and all the executives under investigation because the fact did not exist.

This judgement was confirmed by the Court of Appeal of Cagliari, and subsequently on 11 March 2025, also by the Court of Cassation. With the decision of the Court of Cassation, the acquittal of the GUP has definitively become final. Finally, in March 2025, Saras received an administrative fine of 500,000 euros (referring to the year 2023) pursuant to Article 9, paragraph 9 of Legislative Decree 66 of 2005, as amended, for failing to meet the target of reducing the carbon intensity of fuels placed on the market by at least 6% compared to a standard value set by EU regulations of 94.1 gCO_2/MJ. This failure to meet the target was due to certain operational difficulties resulting from the inability to blend biofuels beyond legal limits (with a 10% carryover limit from one year to the next) and to a limited market availability of Upstream Emissions Reduction certificates.

Risk management and Corporate Risk Profile

Saras' risk management policy, the guidelines for which are defined by the Board of Directors and implemented by the Chief Executive Officer (CEO) (who, in line with the provisions of the Corporate Governance Code, is responsible for establishing and maintaining the internal control and risk management system), is based on the constant activity of identifying, evaluating and managing (reducing, eliminating or accepting) the main risks associated with the objectives of Saras and its subsidiaries, with reference to the strategic, operational and financial areas.

The Top management is responsible for periodically evaluating the management of the company's significant risks by identifying the most efficient and effective control system and management programmes to ensure the correctness of its operations, while the risk is operationally managed by the manager of the relevant process, according to the indications of the top management.

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

The results of the semi-annual Risk Assessment monitoring and the annual update of the Saras Corporate Risk Profile are shared, as far as relevant, with senior management and are presented to the Saras Board.

Saras' risks

The types of risks Saras has to manage are both financial - such as foreign exchange, interest rate, credit and liquidity risk - and operational and compliance risk. The following are the main risks with implications for sustainability issues (environment, social, governance & business).

Scope	Risk	Potential Risk Events	Management Methods and Mitigation Factors
Climate Change	Climate change (transition risk and physical risk)	• Evolution of the policy, regulatory, technological, market environment for Decarbonisation and Energy Transition that may generate business risks and/or a negative assessment by financial stakeholders of the sustainable business strategy • Intensification of weather phenomena affecting business continuity and the supply chain.	• Initiatives to increase energy efficiency; maintenance/asset upgrade to improve environmental performance and adapt production (biofuels). Carbon Capture and Utilisation and Green Hydrogen projects. Development of renewables and green business. • Insurance coverage; Inclusion of weather-related contractual clauses (force majeure); HSE management system; rain management interventions; optimisation of water supply; specialised training of personnel on technical and HSE topics; operational procedures for the management of these events and for the safety of the facilities.

Scope	Risk	Potential Risk Events	Management Methods and Mitigation Factors
Environment	Environmental compliance	• Inadequate environmental risk management	• Adopt an Environmental Management System in line with ISO 14001: 2015 and the EMAS Eco-Management and Audit Scheme. • Dissemination of a culture of environmental sustainability through training and ongoing information activities. • Strengthening operational planning. Monitoring of activities (internal/ external audits). Presence and application of a system of penalties. • Set up procedures to define how risks arising from the production process and operational changes are identified and managed.
	Environmental contamination	• Environmental contamination, accidental spillage of oil products at sea • Environmental contamination, soil and groundwater from accidental spillage of oil product due to leakage, breakage or operational errors	
	Exceedance of statutory emission limits for water discharges/ emissions to air	• Exceedence of statutory emission limits for water discharges/ emissions to air	
Health and Safety at Work	Serious or potentially serious accidents to persons and disruption and damage to installations with environmental consequences	• Serious or potentially serious accidents to persons during the production process • Serious or potentially serious accidents to persons directly or indirectly involving contractors • Inadequate risk management in the area of Health and Safety at Work • Major breakdown or damage to plant during production process • Inadequate management of maintenance on plant and machinery • Unauthorised entry of persons and vehicles into the Sarroch industrial site	• Adopt a Health and Safety at Work management system and obtain the EN ISO 45001 certification. • Dissemination of safety culture through training and ongoing information activities. Strengthening operational planning. Monitoring of activities (internal/external audits). Presence and application of a system of sanctions. • Process Safety Management and system automation (safety and integrity of installations). Behaviour Based Safety (BBS) usage. Enhanced predictive monitoring (e.g. digital monitoring, definition of analytical monitoring sets). • Set up procedures to define how to identify and manage risks arising from the production process and operational changes (health, safety and major-accident hazards). • Improvement of DUVRI (for interference risk management). Point rating assignment system for all contractors. • Implementation of three categories of maintenance tasks: preventive, predictive and “breakup”. Preparation of response forms and periodic monitoring. • Comprehensive reviews of some critical installations with the cooperation of the manufacturer. A maintenance selection process exists. Enhanced predictive monitoring.
	Biological risk/ pandemic	• Biological risk/pandemic - “Virus resurgence” scenario	

Scope	Risk	Potential Risk Events	Management Methods and Mitigation Factors
Cybersecurity	Computer attack on system availability and system integrity	• Computer attack on the availability of the distributed control and management system (ICS) • Computer attack on the integrity of the information contained in the distributed system for control and management of installations (ICS) • Malfunction of the distributed system for control and management of installations (ICS) following maintenance (Sarlux)	• Centralised management of Cyber Security and dedicated support functions both ICT and ICS (Industrial Control System of Refinery Facilities) side, with the aim of addressing cyber security threats, supporting the business in choosing the most appropriate protections, increasing awareness of the importance of monitoring and control of activities and disseminating available techniques and technologies to support Information Security. • Ongoing Cyber Security project aimed at improving Saras' positioning towards potential cyber security posture risks in accordance with the maturity and security level objectives defined in the company's programme. • Risk Assessment activities to identify key areas of cyber risk, to target resource allocation and prioritisation of activities on the areas identified as most critical. • Training and awareness-raising measures for staff. Presiding over regulatory developments in this area
Privacy	Data loss due to cyber attack on confidentiality of information contained in ICT systems	• Cyber attack on confidentiality of information contained in ICT systems • Infringement of the Privacy Policy • Inadequate surveillance of the Cyber Security Model (NIS / 231) with potential cyber attack on ICT/ICS systems	• Defining roles and responsibilities of organisational supervision (Resp. Privacy, appointment of Data Manager, appointment of Authorised Data Processors, appointment of System Administrators (AdS) and appointment of External Data Processors). • Continuous monitoring of the legislative developments and the sanctions issued by the Supervisory Authority. Data Protection training and awareness for internal staff. Data Protection Assesment (DPA) for data processor relationships. • Preparing and formalising the Data Protection Impact Assesment (DPIA). Definition and adoption Compliance guidelines in the area of Privacy in accordance with the provisions of the GDPR.

Scope	Risk	Potential Risk Events	Management Methods and Mitigation Factors
Regulatory developments	Tax compliance risk	• Inadequate enforcement of compliance risk in the area of taxation	• Formalised organisational chairs dedicated to compliance monitoring. • Existence of formalised and organisational-defined policies and procedures. • Presence of training and communication plans Monitoring the channels for communicating new legislation. • Saras' participation in industry associations. Revision of production structures and planning of the necessary investments. • Structured system for monitoring regulatory changes and developments and possible impacts and the presence of a reporting system to management and management and, where required, to the outside world.
	Essentiality regime	• Change of national legislation or change of conditions in the Sardinian electricity grid, with change of the essential conditions of the IGCC plant	
	Compliance Market Abuse Risk	• Inadequate enforcement of market abuse compliance risk	
	Anti-Bribery Compliance Risk	• Inadequate compliance risk management in Anti-Bribery	
	Counterparty Anti-Money Laundering Verification Risk	• Inadequate risk management in the Counterparty Anti-Money Laundering Controls	
	Risk in the area of (electrical) regulation applicable to the business	• Inadequate risk management in the (electrical) regulatory framework applicable to the business	
Third-party risk	Use of an inadequate supplier or contractor for skills, size, insurance, know-how, etc.	• Use of an inadequate supplier or contractor for skills, size, insurance, know-how, etc.	• Structured supplier qualification process that provides for critical commodity groups an "ok" from the Asset Management function and, if necessary, also the involvement of additional technicians and experts. Even if an individual bid is from a qualified supplier, it must still be validated by a technician. • Presence of seawater desaladers; synergistic collaboration with strategic oxygen supplier; presence of auxiliary electric power generators. • A new plant capable of desalinating is in the start-up phase.
	Risk of supply disruption by a supplier/ unavailability of a strategic supplier	• Disruption of supplies by a strategic (non-oil) supplier or risk of unavailability of a strategic supplier of utilities (e.g. damage to the consortium aqueduct; unexpected halt of production of the oxygen supplier; blackout)	
Counterparty risk (oil)	Counterparty risk of suppliers/customers of oil products (oil)	• Inadequate control of risk in the area of International Sanctions • Risk of commercial counterparties that are not "acceptable" (e.g., under embargo, with a "bad" reputation)	• Internal procedures and guidelines for the preliminary assessment of counterparty reliability (clearance activities) - Know Your Counterparty). Use of specialized companies/utilization of tools and information sources. Request for data and information from the client. • Presence of organizational controls. Ongoing contacts and activation of any necessary internal and external legal opinions. Use of various information sources such as OFAC lists, Reuters (Thomson World Check), and Bloomberg, which are necessary for monitoring high-risk countries and counterparties.

Scope	Risk	Potential Risk Events	Management Methods and Mitigation Factors
Personnel management	Risks related to personnel management	• Inadequate control of risk in the area of labor law • Organizational structure not able to support the outlined strategy • Key vacant managerial positions • Employee strikes and protests by social partners • Friction and/or resistance from personnel to accept changes in strategy, organization, or operating methods. • Loss of personnel holding key skills or specific know-how	• Involvement of personnel to better manage organizational changes with possible related repositioning. Structural interventions to improve organizational flexibility. • More in-depth discussions with social partners on work organization and the tools that can be used to create greater efficiency and productivity (including needs and opportunities that corporate welfare may foster). • Improvement of planning and control processes and activities for more efficient use of resources. Review and update of roles and responsibilities. Recovery of operational capacity. • Knowledge and monitoring of the skills of internal personnel (potential substitutes able to fill the position). External mapping of professionals, with particular reference to the oil sector. • Continuous monitoring of the evolution of scenarios and available resources: external (labor market) and internal (hiring planning, handovers, retirements). Turnover management.

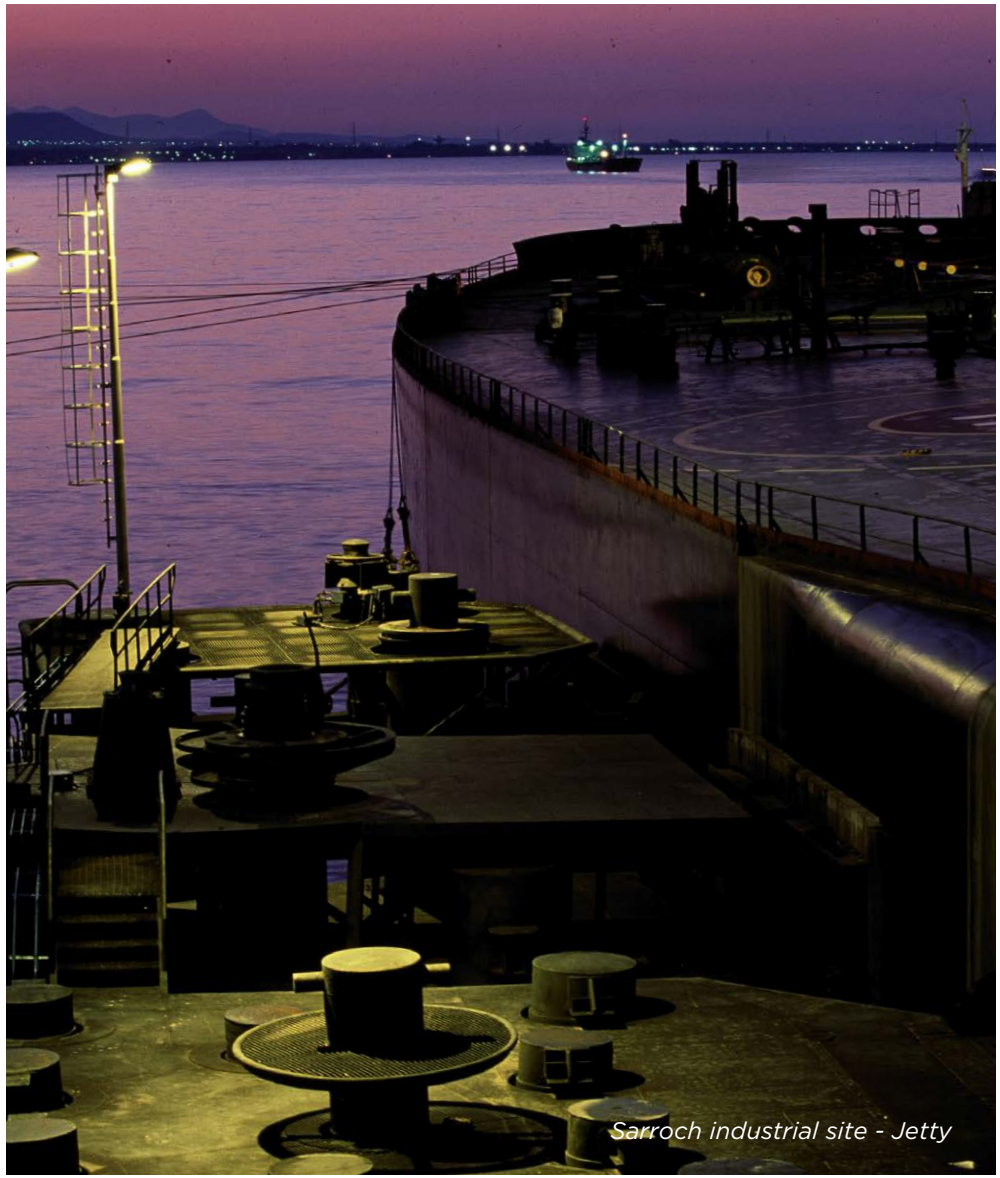
Analysis of the effects of the geopolitical scenario on the *Corporate Risk Profile*

Like the previous year, 2024 was also characterized by a complex scenario. On the geopolitical front, conflicts continued in various regions of the world (Russia/Ukraine, Middle East, Yemen, etc.), with destabilizing effects on global commodity and energy markets. On the commercial front, tensions between the United States and China intensified. On the economic front, interest rate policies and central bank strategies (particularly the Federal Reserve and ECB) weighed heavily. Further regulatory uncertainty arose in relation to policies to combat climate change and energy transition initiatives. Finally, in the technological sphere, the exponential growth of artificial intelligence now represents a source of opportunities but also opens up the possibility of new risks.

As a result, the assessments carried out by risk owners on the overall portfolio of 91 risks in the "Corporate Risk Profile" of Saras and its subsidiaries took into account the direct and indirect effects of this scenario, evaluating not only the impacts but also the adequacy of the risk management measures adopted by Saras and its subsidiaries.

It was found that in 2024, risk assessments increased in the areas of cybersecurity and antitrust, while a reduction was reported in the assessment, in terms of probability and impact, of two risk events related to "derivative instruments" and "adverse press articles," following the aforementioned delisting of Saras shares from the "Euronext Milan" electronic market (on 11/09/2024).

From further discussions with risk owners, there emerged a substantial adequacy of the controls implemented for risk management and mitigation, and a positive picture regarding the suitability of the risk control and management activities adopted.


Sarroch industrial site - Jetty

Prevention of Corruption

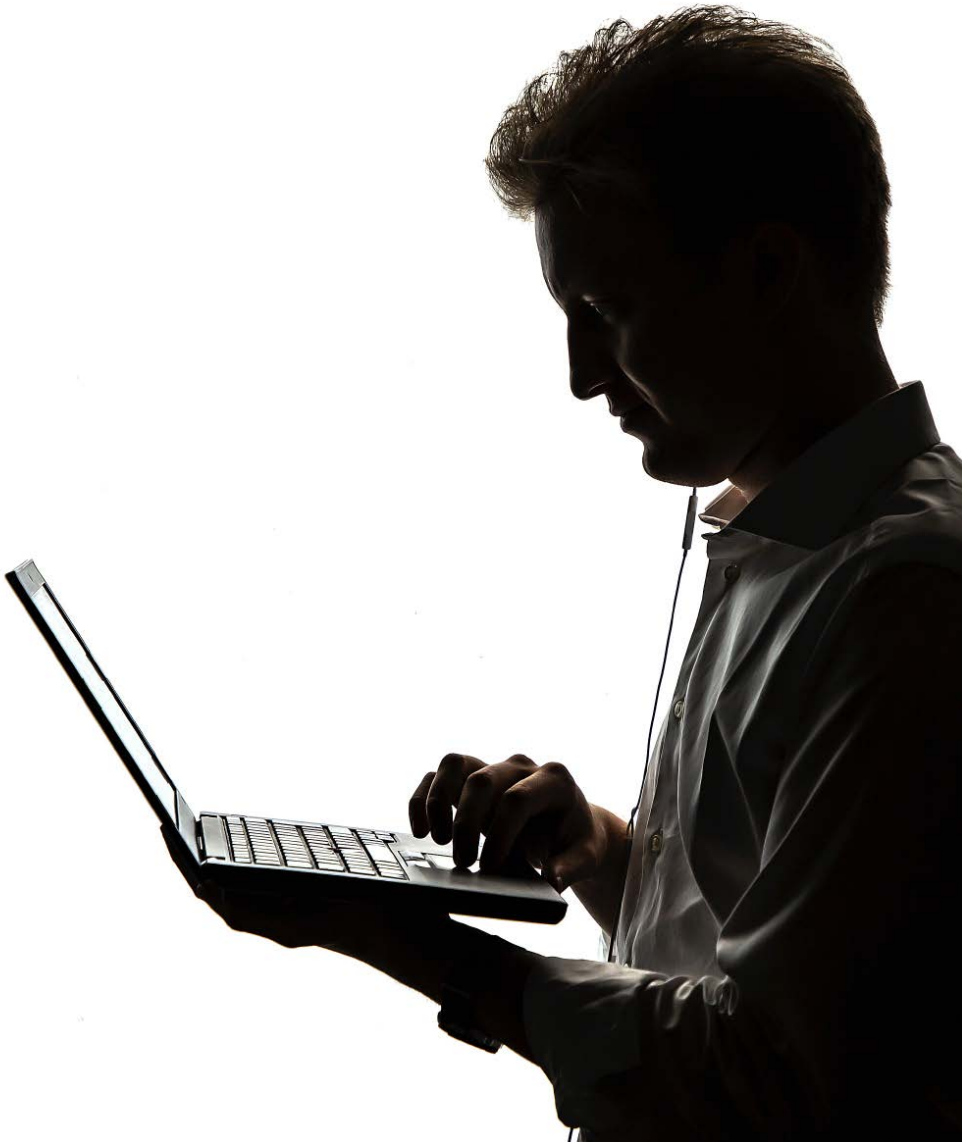
Saras condemns corruption in all its forms and is committed to promoting legality and business ethics.

Saras has conducted an analysis of the corruption risks to which it may be exposed, identifying the functions/areas potentially most exposed to such risks, the responsibilities, and the control measures established and adopted to prevent acts of corruption.

Saras has since long adopted a Code of Ethics and an internal Regulatory System consistent with it; since 2015, it has included corruption offenses under Legislative Decree 231/2001 in its Organizational Model; and since 2014, it has formalized an Anti-Corruption Guideline, which addresses and describes behaviors and processes for the prevention of corruption and fraud.

The Anti-Corruption Compliance Guideline aims to provide a systematic reference framework for anti-corruption, designed and implemented to prevent corruption in dealings with public or private entities, and to ensure compliance with anti-corruption laws in the countries where the subsidiaries operate. It sets out rules of conduct, general control principles, identifies main risks, sensitive areas, and specific control principles for those areas.

The Compliance Guideline on fraud prevention complements the ethical framework, defining “fraud” in the corporate context, providing general control principles, indicating actions for prevention, detection, and management of fraudulent conduct, sensitive areas, and specific control principles for those areas.



A communication and reporting channel for potential irregularities (alleged violations of laws, the Code of Ethics, the Organizational Model, and the company's Regulatory System) is active, as defined in a specific procedural document.

Following the entry into force of the EU "Whistleblowing" Directive 2019/1937, the reporting system was integrated with a reporting platform (provided by a market-leading company specializing in secure whistleblowing systems), publicly accessible from the Saras website and those of its subsidiaries, ensuring full compliance with strict regulatory requirements.

Additionally, after the publication in March 2023 of Legislative Decree No. 24 implementing the European Directive and the issuance of ANAC Guidelines (the designated supervisory authority), the company updated its "Management of Potential Violations Reporting" procedure and its Organization, Management, and Control Model.

As part of the training program on the Company's Internal Control System and Code of Ethics, and in accordance with Legislative Decree 24/2023 on Whistleblowing, the Internal Audit function, supported by "Learning & Development," developed and delivered a training course on "Fraud and Corruption Prevention and Whistleblowing Management." The course aimed to raise awareness within the organization about the tools in place to address fraud and corruption risks and to deepen understanding of reporting potential violations (reporting methods and protections).

The course content was presented in December 2023 to the first line (N-1) and the Deputy CEO (CEO of the Company since 18/06/2024), and in January 2024, six live webinar editions were held for functions most exposed to risk (procurement, legal, commercial, HR, administration and finance, shipping of Saras and Sarlux), with a total of 140 participants. The course was also made available to all employees via the e-learning platform.

Audit activities carried out in 2024 also covered anti-corruption topics, especially in the most sensitive areas, concluding that no incidents of corruption were detected in 2024.

In 2024, a report was received regarding alleged irregularities in the appointment of Maritime Agencies. Following the investigations carried out, the report was assessed as "unfounded" due to a lack of supporting evidence.

Sarroch industrial site - IGCC control room

MECHANISMS FOR REQUESTING CLARIFICATIONS AND RAISING CONCERNS

The "Whistleblowing" platform adopted by Saras and its subsidiaries meets the strictest regulatory requirements and is accessible 24/7. Reports can be made by anyone—employees, suppliers, customers, partners, or other external stakeholders—even anonymously, and are handled in a way that ensures the confidentiality of the whistleblower's identity and protects them from any form of retaliation, discrimination, or penalty related directly or indirectly to the report.

When using the platform, reports are submitted via an encrypted connection; IP addresses and geolocation data are never stored. Whistleblowers are provided with access to a private inbox to receive updates on the status of their report and to communicate additional information (even while remaining anonymous).

The data provided by whistleblowers is stored in a database managed by an independent company that ensures maximum protection of the information. Access to the data contained in the Whistleblowing platform is granted only to personnel authorized to handle reports.

Reports of potential irregularities may concern conduct by Saras personnel in violation of laws, the Code of Ethics, the 231 Model, or serious breaches of the company's Regulatory System.

Classification of potential irregularities

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

Conflict of Interest - accepting or granting illegitimate favors, soliciting personal or career advantages for oneself or others, improperly using one's position in the company or information acquired through work in dealings with suppliers, customers, or other third parties for personal interests.

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

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

Fraud - misappropriation of company money, assets, or equipment; incidents of unexplained shortage or loss of materials, products, equipment, money, or valuables; improper use of company materials or assets.

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

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

Human Rights and Individual Health - violation of laws, guidelines, regulations, or procedures regarding workplace safety and/or human rights.

Serious Environmental Damage - violation of laws, guidelines, regulations, or procedures regarding the environment.

Other violations of the Code of Ethics or laws and regulations - violations, not covered by the previous examples, of national or European Union regulations, the Code of Ethics, the Organization, Management and Control Model, Policies, or Regulations; violation of company guidelines or procedures; disclosure of confidential or privileged information.

Key Risk Indicator (KRI)

Saras has undertaken a process to optimize and strengthen 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 evaluating the anti-fraud controls in place within the company, identifying any weaknesses, and defining possible remediation actions.

In some of the processes examined, risk indicators (Key Risk Indicators - KRI) have been implemented to enable continuous and automated monitoring by function managers, in order to detect anomalies or potential cases of fraudulent conduct. The KRIs are monitored by function managers and, during audits, by Internal Audit.

In 2024, the analysis of indicators by function managers did not reveal any critical issues.

INTERNAL REGULATORY SYSTEM

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

- **Policies**: systematically collect the principles and general rules that guide all activities carried out by Saras and its subsidiaries. This regulatory instrument is used for the management of people, operational integrity, operational excellence, stakeholders, information security, Global Compliance, Sustainability, and Corporate Governance.
- **Guidelines:** are the tools through which Saras exercises its role of guidance and coordination towards its functions and organizational units, as well as its subsidiaries. There are two types of guidelines issued by Saras: Governance/Compliance Guidelines and Process Guidelines.
- **Procedures**: define the operating methods by which activities must be carried out by Saras and its subsidiaries.
- **Operating Instructions**: detailed documents describing the operating methods outlined in the procedures for the specific functions/organizational units/organizational positions/professional areas involved.

Procedures and Operating Instructions are regulatory instruments specific to each subsidiary, which translate the principles, guidelines, and controls defined by the relevant Policies and Guidelines into their own operating methods.

Privacy and Sensitive Data

Saras has adopted a model of continuous improvement for its personal data protection system in order to address regulatory developments and ensure full Data Protection compliance. In this context, Saras has identified and implemented appropriate technical and organizational measures to strengthen the protection of personal data processed, 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 corporate initiatives involving the processing of personal data. It also defines the key components to ensure the safeguarding of information, in order to pursue 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;
- Fostering greater trust from data subjects in the ability to effectively safeguard their confidential information;
- Encouraging a cultural shift in which safeguarding confidential information and protecting personal data are prerequisites for all business activities, by promoting awareness initiatives aimed at employees involved in personal data processing activities.

To this end, Saras has implemented a robust Data Governance model, which has also been put into practice through the adoption of a Data Protection Organizational Model. This model is aimed at the clear and effective distribution of roles and responsibilities, both within Saras and within each subsidiary, in relation to the processing of personal data. The Saras Data Protection Organizational Model is based on the identification—consistent with the company's organization—of specific structures and roles responsible for tasks related, on one hand, to Governance and Oversight and, on the other, to Implementation and Management of the Data Protection System, establishing mechanisms for the distribution and allocation of tasks.

It should also be noted that, as part of its commitment to continuous improvement, Saras is constantly engaged in updating the mapping of processing activities, as well as monitoring data flows both within and outside the Organization. For this purpose, Saras relies exclusively on partners and suppliers that offer guarantees of reliability and a high degree of compliance with Data Protection regulations and applicable information security standards.

Saras is also committed to providing data subjects with transparent information regarding processing activities and to ensuring prompt responses to all requests received from data subjects, by providing a dedicated email address for notifications (privacy@saras.it) and by adopting appropriate internal processes for their timely management in compliance with regulatory standards.

In 2024, no complaints, reports, claims, and/or disputes regarding privacy violations were received from data subjects or from authorities or regulatory bodies. The total number of detected data leaks, thefts, or losses was also zero.

Cybersecurity

Cyber risk remains one of the main challenges for corporate governance, as highlighted by the World Economic Forum's Global Risks Report 2024. The report emphasizes how the growing spread of artificial intelligence (AI) is expanding the "attack surface," enabling increasingly sophisticated threats such as deepfakes and advanced phishing.

In Italy, the Clusit Report 2025 notes a 15.2% increase in serious cyber incidents in 2024, with a total of 357 significant attacks. Of these, 78% are attributable to cybercrime, while the remaining 22% involve forms of hacktivism. The most common techniques remain malware, phishing, and social engineering, the latter having increased by 35% compared to the previous year.

The growing interconnection of systems and the spread of the Internet of Things (IoT) amplify risks, especially for critical strategic infrastructures. In the energy sector, after a 15% decrease in successful attacks in 2023, the first three months of 2024 showed a strong resurgence, with malware responsible for 96% of incidents, highlighting the need to strengthen cyber defenses in these contexts.

In response to these challenges, Saras has adopted an integrated cybersecurity management model, also extended to its subsidiaries, which combines technical, organizational, and governance aspects. The cybersecurity structure balances a technical approach—focused on protecting centralized and physical systems with established risks—with a governance approach based on continuous analysis of the operational context, adaptation of prevention tools, constant monitoring of security posture, and ongoing staff training.

The main areas of intervention are:

- Prevention: strengthening technological and organizational defenses through periodic assessments (cyber risk assessment) and continuous updates of infrastructures and services.
- Detection: implementation of advanced systems for the timely monitoring of anomalies and threats.
- Response: definition of operational procedures for effective incident management and rapid restoration of critical functions.
- Continuous threat analysis: proactive monitoring to adapt defensive countermeasures.
- Training and awareness: awareness activities, dedicated training programs, and phishing simulations, recognizing the crucial role of people as the first link in the defense chain.
- Access control: strict management of authorizations to limit access to authorized users only, thereby reducing the risk surface.
- Monitoring and audit: ongoing activities to ensure regulatory compliance and the resilience of the security system.

Saras attaches the utmost importance to complying with European and national regulations on cybersecurity, with particular attention to the NIS2 Directive (Network and Information Security 2). This regulation, recently introduced to strengthen the security of networks and information systems for entities providing essential and important services, imposes strict obligations regarding risk management, prevention, detection and response to cyber incidents, as well as coordination with the competent authorities.

For this reason, Saras has launched a compliance programme, integrating into its organisational and technological processes all the measures required by NIS2, including:

- Definition of consistent and up-to-date cybersecurity strategies, based on continuous analysis of threats and vulnerabilities;
- Adoption of procedures for incident management, ensuring a prompt and coordinated response;
- Ongoing training and awareness-raising for all staff, so that each individual understands their role in protecting information systems;
- Carrying out regular audits and checks to ensure compliance with best practices and regulatory requirements;
- Active collaboration with national and supranational authorities for the timely sharing of information relating to threats and incidents.

Through this commitment, cybersecurity takes on an important role within Saras's corporate governance system.

Tax transparency

Saras maintains constant monitoring of the tax regulations in the countries where it operates and applies tax legislation promptly and responsibly, ensuring adequate oversight.

Saras has established procedures and guidelines dedicated to tax matters, which define roles, responsibilities, operating methods, and describe the phases of processes relating to tax, fiscal, and customs matters.

Finally, Saras acts according to the values of honesty, transparency, and fairness in the management of its tax activities. These values are applied in dealings with Tax Authorities, using an approach of full cooperation and transparency.

Ulassai Wind Farm –
Art Installation "The Capture of Wind's wings" by Maria Lai

PERFORMANCE

Sarroch industrial site - Southern Plant

Environment

Operating with respect for the environment is essential for long-term sustainability, as well as for productivity and competitiveness in the markets. Therefore, Saras conducts its activities by minimising its environmental footprint and, in the development of its projects, takes into account the protection of ecosystems and biodiversity.

Capoterra Lagoon – Greater Flamingos (Phoenicopterus roseus)

Our environmental culture

Being a responsible and sustainable company means combining business development with the preservation of the natural environment, as well as supporting the social context in which the company is based and operates. Since its foundation, Saras has pursued this objective daily across all its operational areas.

It has adopted a dedicated Sustainability Policy, aimed at guiding its actions and further protecting the environment, preserving biodiversity, people, and the communities involved, in the awareness of the fundamental importance of these elements for achieving a just and inclusive energy transition.

Economic results are never pursued at the expense of the natural environment in which Saras operates, and the company adopts an industrial development model in harmony with the environment and the local area, achieved through the most modern and effective management standards, inspired by principles of precaution, prevention, protection, and continuous improvement.

Each subsidiary, according to its own impacts, has defined:

- Environmental protection and energy management policies, implementing and maintaining over time the relevant Management Systems certified according to the best international standards;
- Designed and adopted specific technological and efficiency measures with the aim of:
  - responsible resource management;
  - increasing electricity production from renewable sources;
  - technological innovation;
  - reducing impacts on the environmental matrix, in particular:
    - reduction of energy footprint;
    - reduction of carbon footprint (GHG emissions);
    - reduction of water footprint (consumption and discharges);
    - reduction of atmospheric emissions (non-GHG emissions);
    - reduction of waste;
    - prevention of accidental releases on soil and subsoil, and management of accidental spills.

Sarroch industrial site - Southern Plant

Climate change

Saras carries out its industrial activities by using energy rationally, aiming for continuous improvement and increased energy efficiency, in order to minimise its environmental footprint and reduce climate-altering emissions.

Ulassai Wind farm

Greenhouse gas (GHG) emissions

With regard to anthropogenic greenhouse gas emissions, the main emitted species is carbon dioxide (CO_2), generated predominantly by the combustion of fossil fuels. This gas is the primary cause of the greenhouse effect, a global phenomenon that increases the Earth's atmosphere's ability to retain solar energy as infrared radiation, resulting in higher average global temperatures. This warming has significant environmental, socioeconomic, and health impacts.

As part of climate mitigation policies, the European Union has established the Emissions Trading Scheme (EU ETS), aimed at the progressive decarbonisation of the most emission-intensive industrial sectors. The mechanism is based on setting an overall emissions cap and allowing operators to trade emission allowances, thus incentivising environmental efficiency and the adoption of low-carbon technologies.

Regardless of how allowances are allocated (free of charge or via auction), the total quantity available under the ETS is subject to a progressive reduction over time, imposing a structural decrease in emissions in regulated sectors, particularly in manufacturing. The total greenhouse gas (GHG) emissions attributable to Saras and its subsidiaries are almost entirely due to CO_2. Emissions of other greenhouse gases, such as methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), are negligible in quantitative terms.

Sarroch industrial site

Direct GHG emissions – Scope 1

Scope 1 emissions are direct greenhouse gas (GHG) emissions that originate from sources owned or directly controlled by an organisation. They represent the first category defined by the Greenhouse Gas Protocol, an international standard for emissions reporting.

In the case of a facility such as Sarroch, Scope 1 emissions include:

- CO_2 emissions resulting from crude oil refining processes, combustion in furnaces and boilers, and catalyst regeneration;
- CO_2emissions from the IGCC plant resulting from electricity generation.

Scope 1 emissions are under the direct control of the company and therefore represent the primary area for action to reduce environmental impact.

A detailed analysis of CO_2 emissions from the Sarroch industrial site, which account for all Scope 1 emissions, shows a direct correlation with the total quantity of raw materials processed at the refinery and the amount of electricity produced by the IGCC plant.

Specifically, in 2024, the total processing of crude oil and complementary feedstocks at the refinery amounted to 13,475 kton, remaining essentially unchanged compared to 2023. Also in 2024, the IGCC (Integrated Gasification Combined Cycle) power plant was recognised by ARERA (Regulatory Authority for Energy, Networks and Environment) as an Essential Plant.

As a result, electricity production followed TERNA's requirements, reaching a total of 3,955 GWh, an increase of about 11.4% compared to 2023.

Based on these production levels, the absolute value of CO_2 emissions from the IGCC plant was 3.6 million tonnes in 2024, an increase of 10.4% compared to 2023.

Direct GHG emissions (Scope 1)

		2023	2024
Refinery + Northern Plant	tCO_2eq	2,323,123	2,309,081
IGCC	tCO_2eq	3,280,314	3,622,242
Totale Entire Site	tCO_2eq	5,603,437	5,931,323

Certification of direct GHG emissions

The subsidiary Sarlux, which manages the Sarroch site, ensures, in compliance with national and EU regulations on greenhouse gas emissions accounting, the implementation of a structured system for data collection and management, aimed at the annual reporting—by 31 March—of greenhouse gas emissions (GHG Scope 1) released into the atmosphere, monitored according to the provisions of Commission Regulation (EU) No. 2018/2066 of 19 December 2018. This report must be accompanied by a verification statement issued by an accredited verifier, prepared in accordance with Regulation (EU) No. 2018/2067.

The verification process for greenhouse gas emissions data (GHG Scope 1), required for preparing the report to be submitted by 31 March each year, is an effective and reliable tool supporting quality assurance and control procedures. The verification includes checking compliance with the provisions of the greenhouse gas emissions permit and the monitoring plan approved by the competent authority.

The verifier carries out the necessary activities to issue a verification statement (certification), confirming that the report contains no material misstatements.

Indirect GHG emissions from energy consumption – Scope 2

Scope 2 emissions refer to emissions resulting from the generation of electricity purchased and consumed by Saras and its subsidiaries. The calculation of Scope 2 CO_2 emissions has been carried out using two different methodologies: the Location-based method and the Market-based method.

The Location-based method is based on average emission factors for energy generation at the regional, subnational, or national level. For our calculations, the emission factors (gCO_2/kWh) provided by ISPRA were used.

The Market-based method, on the other hand, is based on the CO_2 emissions associated with the energy suppliers from whom the organisation purchases electricity via contract, or on factors relating to the relevant market. Emission factors (gCO_2/kWh) relating to the European Residual Mix were used.

A detailed analysis of indirect GHG emissions, i.e. Scope 2 emissions, determined using both methodologies, shows that the increase recorded in recent years is mainly due to the recovery in global oil consumption, which has led to an increase in refining activity.

Indirect GHG emissions - Scope 2

		2023	2024
Location - based	tCO_2eq	306,784	337,928
Market - based	tCO_2eq	454,019	500,107

GHG emissions intensity

With regard to emissions, whether GHG or non-GHG, it is important to analyse the emission index, that is, the tonnes of CO_2 emitted per thousand tonnes of crude oil and complementary feedstocks processed at the refinery.

The table below shows the values for the last two years. Additionally, to facilitate comparison with similar companies globally, the intensity of GHG emissions (Scope 1 + Scope 2) relative to revenue, expressed in millions of euros, is also disclosed.

GHG emissions intensity - Scope 1 – relative to processing

		2023	2024
CO_2 emissions / processing	t/kt	415	440
Processing of crude oil and complementary feedstocks	kt	13,515	13,475

GHG emissions intensity (Scope 1 + Scope 2) relative to revenue

		2023	2024
GHG emissions intensity (Scope 1 + Scope 2 location based) / Ricavi	tCO_2eq/M€	0.517	0.574
GHG emission intensity (Scope 1 + Scope 2 market based) / Ricavi	tCO_2eq/M€	0.535	0.594

Other indirect GHG emissions – Scope 3

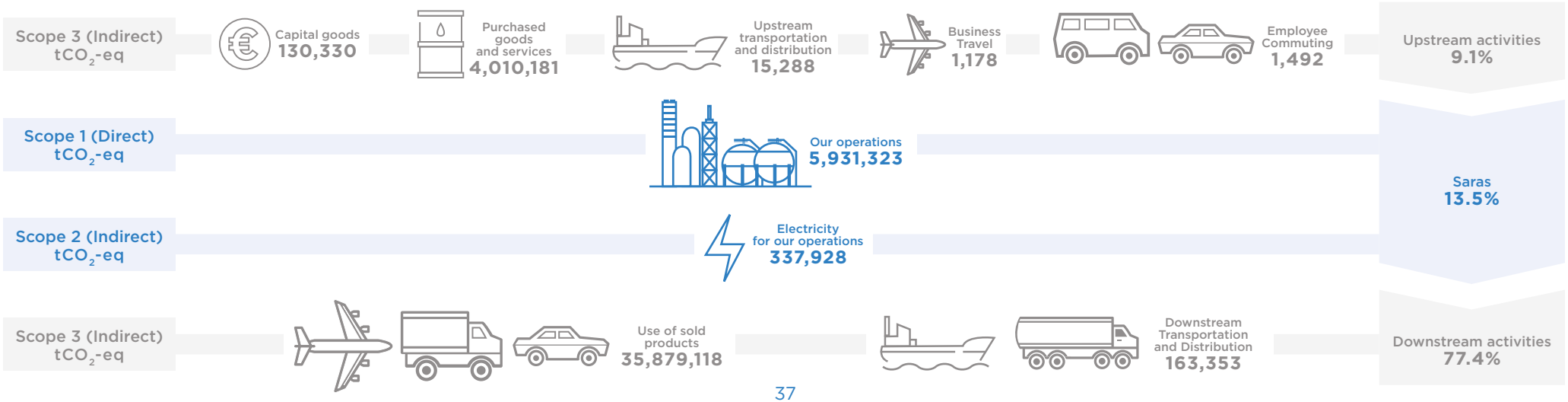
Other indirect GHG emissions, known as Scope 3, are generated as a consequence of the company's activities but originate from sources that are neither owned nor directly controlled by the organisation. However, they occur within its value chain. They therefore include all emissions related to business activities that do not fall under Scope 1 or Scope 2 (for example: emissions related to the supply chain, use of sold products, product transport, employee mobility, etc.). The accounting and reporting principles for the corporate value chain, defined by the GHG Protocol Corporate Value Chain Standard, group Scope 3 emissions into 15 specific categories, which cover activities common to many organisations.

Below are the categories relevant to the activities carried out. A detailed analysis of Scope 3 indirect GHG emissions shows that they are strongly influenced by crude oil processing at the Sarlux facility. In particular, categories 1 (Purchased goods and services), 9 (Transport and distribution of refined products), and 11 (End use of sold products) account for almost all emissions, representing 99% of the total.

Indirect GHG emissions - Scope 3

		2023		2024	
1. Purchased goods and services	tCO_2eq	3,795,624	9.32%	4,010,181	9.95%
2. Capital goods	tCO_2eq	169,045	0.41%	130,330	0.32%
3. Fuel-and-energy-related activities	tCO_2eq	57,046	0.14%	74,490	0.18%
4. Upstream transportation and distribution	tCO_2eq	13,328	0.03%	15,288	0.04%
5. Waste generated in operations	tCO_2eq	12,963	0.03%	19,673	0.05%
6. Business travel	tCO_2eq	1,076	0.00%	1,178	0.00%
7. Employee commuting	tCO_2eq	1,896	0.00%	1,492	0.00%
9. Downstream transportation and distribution	tCO_2eq	182,092	0.45%	163,353	0.41%
11. Use of sold products	tCO_2eq	36,507,323	89.61%	35,879,118	89.04%
Total	tCO_2eq	40,740,394	100.00%	40,295,104	100.00%

Breakdown of total GHG emissions



Reduction of GHG emissions

The process of reducing the carbon intensity of Saras's industrial activities began several years ago, following two main lines of action. The first is the production of electricity from renewable sources which, unlike traditional electricity generation, avoids fuel combustion and therefore does not result in CO_2 emissions. The second line of action consists of energy efficiency measures at the Sarroch industrial site which, through energy recovery and optimal energy use, reduce the need for combustion in refinery furnaces and the use of steam, thereby contributing overall to the reduction of CO_2 emissions.

Since 2016, Saras has actively monitored emissions avoided thanks to energy efficiency improvements at the Sarroch site. Most initiatives have focused on reducing fuel consumption by increasing the efficiency of furnaces, boilers, and preheating trains. Additional activities have aimed to maximise energy recovery, optimise consumption through new automatic control systems, maximise direct hot flows between plants, maintain steam network efficiency, reduce the emission factor of the fuel mix by maximising the use of fuel gas produced by the plants, and enhance the blow-down gas recovery system.

Finally, electrification measures have been implemented for large machinery, replacing steam turbines with electric motors. In the past two years, new initiatives have been identified, which are expected to be implemented in the coming years.

Thanks to the production of energy from renewable sources, it has also been possible to avoid approximately 233,900 tonnes of CO_2 emissions and meet the annual energy needs of around 259,500 people.

Ulassai Wind farm

Energy management and rational use of energy

Saras considers Energy Management a central element of its activities and, in line with its Policies, believes that this focus is a strategic reference point for its industrial and production operations. Saras regards the pursuit of continuous improvement in energy performance as fundamental, as it is a key contributor to business, environmental, climate, and sustainability outcomes.

A crucial step in improving company performance is achieving a thorough understanding of energy consumption, in order to more accurately identify potential areas for improvement in the short, medium, and long term.

For this reason, one of the cornerstones of the implemented Energy Management Systems is staff training on energy issues and the rational use of energy. For Saras, improving energy performance — and more broadly, overall performance — is a continuous process that, year after year, is realised through initiatives ranging from optimising the use of existing assets to introducing the most modern tools offered by digitalisation.

The energy consumption of the Sarroch site, one of the largest integrated industrial sites in the Mediterranean, constitutes the predominant part of the overall energy footprint. Starting from this awareness, the commitment to improving energy efficiency began as early as the late 1970s and early 1980s and has continued regularly over time.

Finally, with the aim of reducing specific CO_2 emissions, alongside initiatives to reduce consumption, careful assessments are underway to optimise the fuel mix used, which will gradually lead to the use of fuels with lower climate impact.

Energy flows at the Sarroch site

		2023	2024
Net energy consumption	**GJ**	**40,075,211**	**40,975,312**
Energy entering the site			
Primary energy drawn from the electricity grid	GJ	7,733,634	8,530,342
Self-produced fuels	GJ	60,996,001	64,150,350
Fuel Gas	GJ	21,409,144	22,400,991
Fuel Oil	GJ	4,962,581	4,677,723
Coke	GJ	7,133,654	6,838,125
Syngas	GJ	25,495,607	29,921,736
Gasolio	GJ	1,995,015	311,775
Total energy entering the site	**GJ**	**68,729,636**	**72,680,693**
Energy leaving the site			
Primary energy fed into the electricity grid from IGCC	GJ	27,787,677	30,958,872
Primary energy fed into the electricity grid from Northern Plants	**GJ**	**503,507**	**341,399**
Primary electricity from Northern Plants to co-located facilities	GJ	135,508	123,506
Primary electricity from Southern Plants to co-located facilities	GJ	180,926	191,327
Primary thermal energy from Northern Plants to co-located facilities	**GJ**	**46,807**	**90,277**
Total energy leaving the site	**GJ**	**28,654,425**	**31,705,381**

Contribution to local energy security

Through its production activities, Saras makes a significant contribution to meeting electricity demand and ensuring the security of the Sardinian grid. In particular, the IGCC plant has been included in the list of essential plants drawn up by TERNA, the national transmission system operator, since 2021, proving fundamental for guaranteeing the adequacy of the island's electricity system.

Beyond simply meeting demand (covering around 46.7% of Sardinia's electricity needs[1]), the IGCC power station also plays a key role in voltage regulation and network support during fault transients, thanks to its high short-circuit power and the inertia of its rotating machinery. These features will become increasingly important as the share of renewables in the electricity system grows, since renewables, by their physical nature, have limited regulation capacity.

Furthermore, the IGCC plant is crucial for the restart of the national electricity system: in the event of a blackout, under certain conditions, it can serve as a so-called "black start" unit, from which voltage can be restored to other nodes in the grid to enable its gradual re-energisation.

Thanks to the production of energy from renewable sources, it has also been possible to avoid approximately 233,900 tonnes of CO_2 emissions and meet the annual energy needs of around 259,500 people.

GHG emissions avoided thanks to renewable energy production

		2023	2024
Emissions avoided	tCO_2eq	193,169	233,876
Equivalent annual energy demand	persone	208,025	259,468

Electricity production

		2023	2024
From non-renewable sources			
IGCC plant (Integrated Gasification Combined Cycle)			
Installed capacity	MW	575	575
Electricity production – IGCC	GWh	3,550	3,955
From renewable sources			
Wind farms			
Installed capacity	MW	171	171
Electricity production - Wind	GWh	298	299
Solar farm			
Installed capacity	MW	0	79
Electricity production – Solar	GWh	0	62
Total installed capacity – Renewables	MW	171	250
Electricity production – Renewables	GWh	298	361
Total installed capacity – IGCC + Renewables	MW	746	825
Electricity production – IGCC + Renewables	GWh	3,848	4,316

1. TERNA Monthly Report on the Electricity System – December 2024

Electricity production from renewable sources (RES)

Saras considers production from renewable sources a key lever for contributing to decarbonisation, making use of well-established and economically sustainable technologies (wind and solar), which are able to create value not only for the company but also for the local area and communities involved, who benefit both from the renewable energy produced and from related economic and employment opportunities.

Through its subsidiary Sardeolica, Saras owns and operates:

The Ulassai wind farm with 126 MW of installed capacity,the Macchiareddu wind farm, known as “Amalteja”, with an additional 45 MW of capacity, the “Helianto” photovoltaic park with 79 MW of capacity and covering around 100 hectares. The latter enables significant synergies with the neighbouring Macchiareddu wind farm, such as sharing the electrical substation for connection to the national grid.

“Amalteja” Wind farm and “Helianto” Solar farm - Macchiareddu

Ulassai Wind farm

Non-GHG emissions

Saras aims to reduce its impact on the "air" environmental matrix through specific measures to improve combustion, reduce particulate matter, and minimise emissions from the Sarroch site, which are already well within the regulatory limits.

Sarroch industrial site

All emissions of substances defined as pollutants by the European Union (SO_x, NO_x, CO, VOC, PM) originate from the Sarroch industrial site, managed by the subsidiary Sarlux. These emissions represent a significant environmental aspect for the site's activities, both under normal conditions and in specific abnormal or emergency situations.

SO_2 emissions are solely due to the presence of sulphur in the fuels used for heat generation in refining processes, electricity production (IGCC), and the manufacture of organic-based chemical products (Northern Plants). For environmental mitigation, dedicated plants are in place (DEA, SRU, TGTU). The historical series of mass flow values (t/year) has always been well below the authorised limit.

NOx emissions are only marginally affected by fuel quality but are strongly dependent on combustion technology and techniques. The installation over time of low-NOx burners in the site's furnaces, alongside operator training, has enabled a significant reduction in refinery emissions. The historical series of mass flow values (t/year) has always been well below the authorised limit.

Volatile Organic Compounds (VOC), consisting of light hydrocarbons capable of evaporating under environmental and process conditions, are present in diffuse and fugitive emissions. The sources of these diffuse emissions are storage, shipping, production processes, and wastewater treatment areas. In 2024, VOC-related emissions were further reduced.

Non-GHG emissions

		2023	2024
Sulphur dioxide (SO2)	t	2,637	2,813
Nitrogen oxides (NOX)	t	2,911	2,874
Volatile organic compounds (VOC)	t	441	395
Carbon monoxide (CO)	t	256	243
Particulates	t	91	82
Combusted gases in the flare system	t	42,700	43,200

Emission indices

		2023	2024
SO_2 emission index per unit of processing	t/kt	0.195	0.209
NO_x emission index per unit of processing	t/kt	0.215	0.213
SO_2 emission index per revenue	t/€mln	0.230	0.259
NO_x emission index per revenue	t/€mln	0.254	0.265
Revenue	€mln	11,443	10,847
Crude oil plus complementary feedstock processed	kt	13,516	13,475

Water and marine resources

Effective management of water resources has always been a matter of fundamental importance to which Saras has dedicated commitment and investment. Aware that Sardinia is a region subject to water stress, Saras is committed to managing water resources sustainably, minimising the withdrawal of this precious shared resource.

Sarroch industrial site - Northern Plant

Water withdrawals

The Sarroch industrial site accounts for around 99% of Saras's total water withdrawals. Water is used for multiple purposes:

- Cooling circuits, which represent the largest volumetric component;
- Process use, where the main application is steam production for technological purposes (thermal energy transfer, steam stripping, and electricity generation);
- Firefighting network and civil uses.

Water consumption

In terms of site water requirements (the amount of water needed to ensure the operation of the plants and services connected to production), this is ensured through:

- An external withdrawal of raw water from the industrial consortium ("fresh water");
- A portion of seawater that is desalinated (a share of the amount withdrawn and not returned to the receiving body);
- An internal recycling component within the system ("water reuse")

Since 2021, following optimisation measures in the water management system, the percentage of fresh water sourced from third parties has become the least significant supply compared to the other two main sources: seawater withdrawal and water reuse.

In terms of water storage, the Sarroch site uses two raw water tanks, which are constantly operated at full capacity. Therefore, there are no significant changes between the total volume of water stored at the end of the reporting period and that stored at the beginning.

Flow breakdown – Sarroch site

		2023		2024	
Fresh water from third parties external withdrawal	m^3	5,992,558	28.9%	6,030,178	26.2%
Recycled and reused water (water reuse) internal system flow	m^3	6,129,504	29.5%	6,407,297	27.9%
Sea water external withdrawal	m^3	8,644,044	41.6%	10,564,819	45.9%

Water discharges

The Sarroch industrial site, in accordance with the Integrated Environmental Authorisation, is equipped with a series of sea outfalls used both during normal operations and, exceptionally, in emergency situations. For each outfall, the quantity discharged into the receiving body and the relevant chemical-physical characteristics are monitored through monthly sampling and analysis by an accredited external laboratory, as well as daily sampling and analysis by the site's internal laboratory.

The significant parameters, in terms of quantity, that characterise emissions in the waters discharged through the main outfall are as follows:
- COD (Chemical Oxygen Demand)
- Total hydrocarbons
- Total nitrogen

More specifically, the sea outfalls at the Sarroch site are divided between:
- Process discharges, downstream of the biological and neutralisation plants;
- Discharges related to desalination and cooling.

While process discharges are directly linked to production activities, those from desalination and cooling relate to services supporting production.

Biodiversity and ecosystems

Saras carries out its activities by minimising its environmental footprint and, in the development of its projects, takes into account the protection of ecosystems and biodiversity.

"Gutturu Mannu" Regional Nature Park – View of the Gulf of Cagliari

Within its Sustainability Policy, approved by the Board of Directors, Saras explicitly states its commitment to protecting ecosystems and biodiversity, requiring its suppliers to adhere to the principles set out in the policy. Operating with respect for the environment is essential to ensure long-term sustainability, as well as productivity and competitiveness in the markets. Therefore, Saras conducts its activities by minimising its environmental footprint and, in the development of projects, takes into account the protection of ecosystems and biodiversity. The potential impacts of the activities, products, and services of Saras and its subsidiaries on the biodiversity of protected areas, or areas of high biodiversity outside protected areas, can be attributed to the subsidiary Sarlux, whose industrial site in Sarroch is located along the coast, near protected terrestrial areas. As a result, Sarlux has the responsibility to preserve 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 workers' health and safety, and the environment." From this policy derives an integrated management system certified, for environmental and biodiversity aspects, according to ISO 14001 and EMAS (Eco-Management and Audit Scheme) standards. To ensure that no negative impacts on ecosystems occur, resulting in loss of biodiversity, targeted monitoring campaigns are carried out, as described in more detail in the following sections.

The natural terrestrial areas surrounding the Sarroch site are:

- the "Gutturu Mannu" Regional Natural Park, located about 3 km west of the refinery;
- the Cagliari Lagoon, located about 6.7 km to the east;
- the Monte Arcosu Forest, located about 11 km to the northwest.

Off-site ecological reforestation in a nature-oriented buffer zone

Air Quality Monitoring Using Fixed Stations

To monitor the state of air quality, two monitoring networks are present in the areas surrounding the Sarroch production site: one owned by the subsidiary Sarlux and one managed by the public environmental authority, the Regional Environmental Protection Agency of Sardinia (ARPAS).

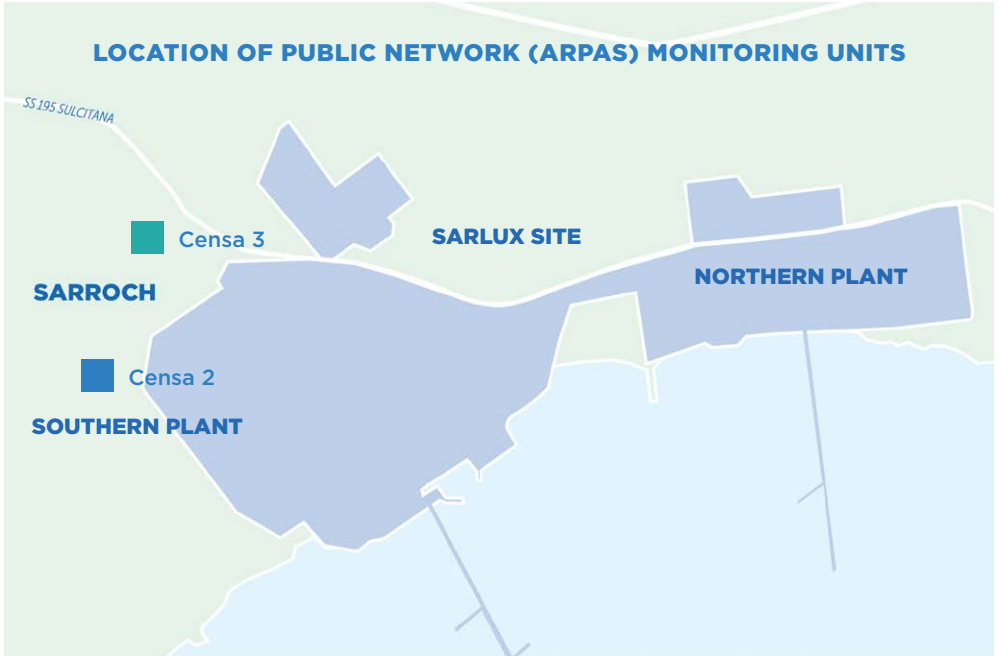
The data collected by the monitoring stations reflect the contributions of all emission sources in the area, whether industrial, urban, or extra-urban, such as vehicular traffic.

The stations that are part of the monitoring network managed by Sarlux are located in the areas of Villa d'Orri, Sarroch, Porto Foxi, and Deposito Nazionale.

The public authority manages two stations named Censa 2 and Censa 3, which measure the concentration levels of the following pollutants:

- Sulfur dioxide (SO_2)
- Nitrogen dioxide (NO_2)
- Carbon monoxide (CO)
- Hydrogen sulfide (H_2S)
- Particulate matter (PM_{10})
- Fine particulate matter ($PM_{2.5}$)
- Ozone (O_3)
- Benzene (C_6H_6)

The Sarlux network, managed in parallel with that of ARPAS, provides real-time information on changes in key air quality parameters, in order to ensure that the concentration levels of monitored substances remain below the limits set by current regulations and to enable immediate action if necessary.



Air quality monitoring using bioindicators

Air quality status is a fundamental activity for the preservation of terrestrial biodiversity and can be monitored not only through chemical indicators but also through biological indicators (biomonitoring). Among these, epiphytic mosses—mosses that grow on tree trunks—are the most commonly used bioindicators for air quality monitoring, as they provide an indication of biodiversity, i.e., the abundance of different moss species. The presence of atmospheric pollutants (mainly sulphur and nitrogen oxides) can alter biodiversity values and the composition of related populations. For over 20 years, on behalf of Sarlux, the Department of Life and Environmental Sciences at the University of Cagliari has carried out a monitoring campaign on the health of vegetation in a large area of the Sarroch hinterland.

Since 2022, it was considered appropriate to add a new monitoring station within the area under study, deemed suitable for the investigation's needs and also appropriate for studies involving the exposure of moss-bags (special pouches containing aquatic mosses, used for monitoring heavy metals and other trace elements, as they can be easily transplanted from a clean source to the study site, where they remain for the desired period).

The results from analyses using bioindicators, including those from 2024, show that air quality falls within the intermediate range of the IAP[1] (Atmospheric Purity Index) evaluation scale. In fact, the results from monitoring at the 11 control stations mostly fall into class 3 and, to a lesser extent, class 4.

A monitoring campaign on the health of vegetation is also carried out in the study area, involving visual observation of various plant species and verification of the bioaccumulation of pollutants. The results from field surveys indicate that the bioaccumulation of such substances in the study area remains below 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.

Ubicazione delle stazioni di biomonitoraggio della qualità dell'aria

Land use change

Changes in land use, along with those related to fresh and marine water, are factors that have a direct impact on biodiversity loss. These can include:

- the transformation of natural habitats;
- the impact on protected species and/or protected areas;
- the occupation and fragmentation of land due to the construction or operation of facilities.

For these reasons, it is necessary to:

- to monitor and quantify land use in terms of its impact on biodiversity;
- valutare se le attività aziendali contribuiscono alla degradazione degli habitat naturali;
- to adopt measures to reduce the impact, for example through the renaturalisation of areas, the creation of ecological corridors, or the sustainable use of land.

A key environmental performance indicator, useful for assessing and communicating one's environmental impact, is "land use in relation to biodiversity", which relates the total area of production sites to aspects such as:

- the total area used for production activities, buildings, infrastructure, etc.;
- the sealed surface area, that is, land covered by concrete or asphalt, which prevents vegetation growth and alters natural habitats;
- the presence or absence of green areas, natural or semi-natural habitats within or around the company site;
- interference with local ecosystems, such as habitat fragmentation or proximity to protected areas.

A "nature-oriented area" refers to portions of company land that actively contribute to the conservation or restoration of biodiversity.

In the case of the land owned by the subsidiary Sarlux, which operates the Sarroch industrial site, 0.4% of the area within the site is classified as nature-oriented, along with an additional 4.8% located outside the site boundaries but still within company-owned land.

The sealed surface area accounts for 27.7%, while the remaining 67.1% is unsealed.

Off-site ecological reforestation in a nature-oriented buffer zone

Enhancement of local ecosystems
The “Green Barrier” project

As part of a broader environmental and landscape redevelopment strategy, in 2024 Saras completed the “Green Barrier” project, a mitigation initiative involving the areas surrounding the Sarlux industrial complex.

The area involved covers a total of around 93 hectares, within which various native tree species have been planted, achieving the dual goal of enhancing biodiversity and creating new public spaces accessible to local residents.

Specifically, a total of 6,084 Mediterranean trees and shrubs were planted, and the number of olive trees in the existing olive grove was increased.

For each intervention area, planting layouts were identified featuring plant species[1] consistent with the ecological context of the area, using trees and shrubs belonging to the thermo-Mediterranean bioclimatic zone.

The choice to use species suited to the local environment also maximises the success of the initiative while minimising plant health and maintenance activities.

The project plan shows the three areas into which the project is divided:

- Area 1 (buffer zone): located in the industrial area to the northwest of the site
- Area 2 (agricultural park area): to the west of the site, beyond the Sulcitana state road
- Area 3 (equipped buffer park): between the south-west perimeter of the site and the town of Sarroch

1. They refer to the geometric arrangement of plants in agricultural land, such as in an orchard or vineyard. This arrangement includes the distances between plants and between rows, and is designed to optimise the use of resources such as light, water, and nutrients.

Marine waters

For over 20 years, periodic monitoring of the quality of marine waters in the sea area in front of the Sarlux site has been carried out by marine biology experts. To describe the quality status of the seawater, the Trophic State Index (TRIX) is monitored—an indicator that provides a concise assessment. This indicator is calculated using a mathematical formula that takes into account chemical parameters (percentage of dissolved oxygen, phosphorus and nitrogen concentrations) and biological parameters (chlorophyll "a") measured in the marine waters.

Throughout the 2023–2024 period, the quality status of the marine waters was found to be in the highest classification band (high-good), demonstrating the excellent results achieved by Saras and its subsidiaries in protecting the sea.

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)

	Quality level Surface water	Quality level Bottom water
January 2023	high	high
July 2023	high	high
January 2024	high	high
July 2024	high	high

Sarroch industrial site

In addition to the Trophic Index, for several years now the CAM[1] index (Classification of Marine Waters) has also been used. This index is based on algorithms specific to the Sardinian sea and converts measured values into a concise assessment of the sea's quality status.

In line with the results of the TRIX index, during the period under review the CAM index also indicated "high" water quality in all survey areas. Overall, considering annualised average values, the analysis shows that water quality in 2024 was "high" for both surface and bottom waters.

The sea area under analysis is also affected by thermal discharges, i.e., wastewater with higher temperatures than the surrounding seawater. The applicable regulations require that the temperature increase in the receiving body must not exceed 3°C at a distance of more than 1,000 metres from the discharge point.

Every six months, in accordance with the IRSA method (Manual of Analytical Methods for Water), a check is carried out on the temperature differences detectable 1,000 metres from the discharge point of the seawater cooling circuit from the IGCC and Northern Plants, along a semicircle centred on the discharge point itself. The results of the checks carried out in the last two years fall within the variability range of coastal marine waters.

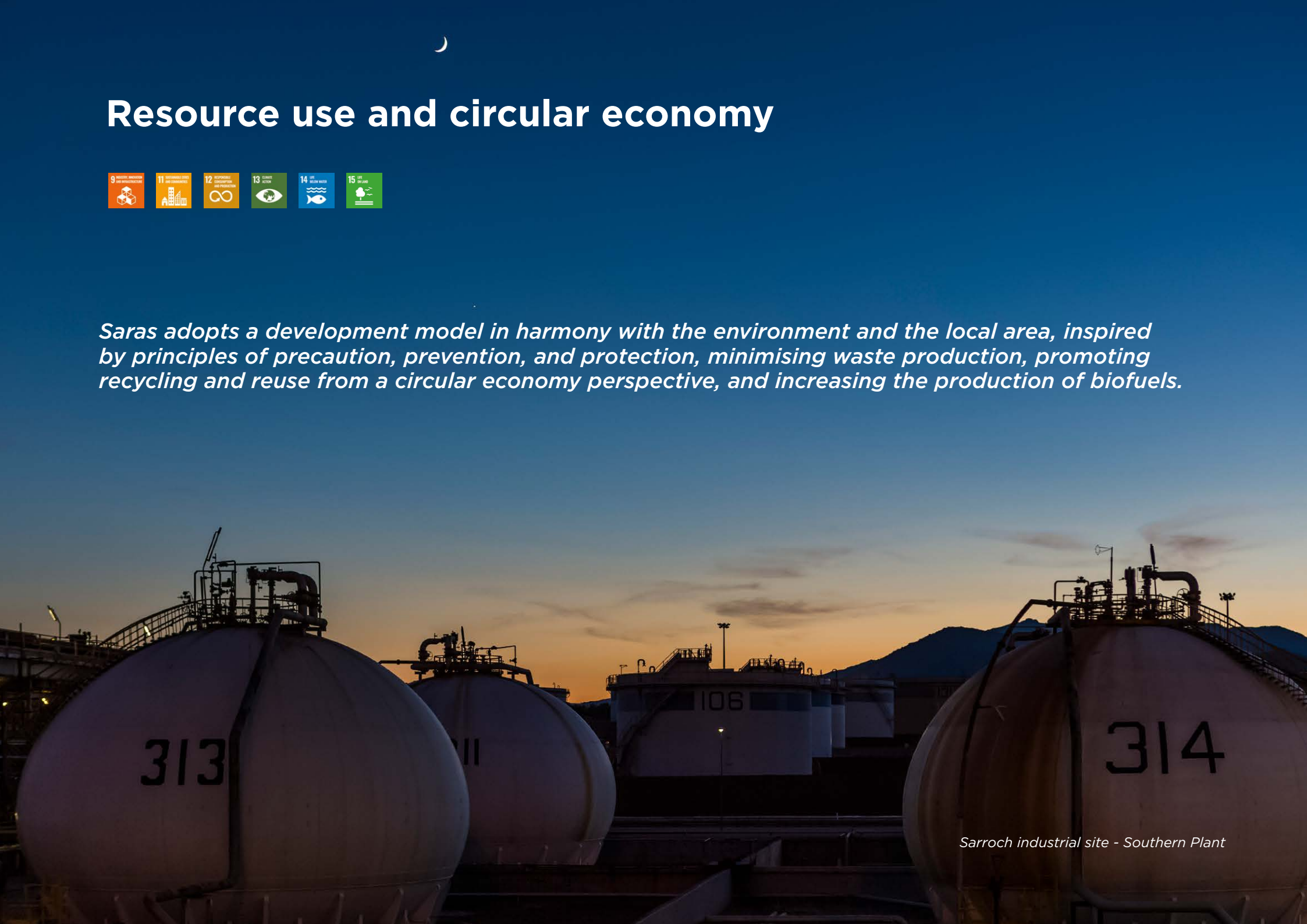
CAM index (specific for the Sardinian Sea)

	Livello qualità Acque di superficie	Livello qualità Acque di fondo
January 2023	medium	medium
July 2023	high	high
January 2024	high	high
July 2024	high	high

1. 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.

Resource use and circular economy

Saras adopts a development model in harmony with the environment and the local area, inspired by principles of precaution, prevention, and protection, minimising waste production, promoting recycling and reuse from a circular economy perspective, and increasing the production of biofuels.



Sarroch industrial site - Southern Plant

Raw materials

The raw materials entering the production cycle consist mainly of crude oil, purchased from numerous producing countries worldwide, with the largest shares coming from the Caspian Sea countries, West Africa, North Africa, and the Middle East. Naturally, in the procurement process, Saras complies with all national and international laws on the trade of petroleum products. In particular, due to ongoing international sanctions and the embargo against Russia, Saras did not purchase any crude oil, semi-finished, or refined petroleum products of Russian origin in 2024. Purchases of US-origin crude, which are included in the "Other Countries" category in the raw materials by origin table, have instead increased.

Raw materials processed by origin

	2023	2024
North Africa	27%	25%
North Sea	5%	7%
Middle East	13%	13%
Caspian Sea	17%	21%
West Africa	21%	21%
Other countries	16%	13%
Total	**100%**	**100%**

Raw materials processed

		2023	2024
Crude oil	kt	12,885	12,464
Complementary feedstocks (semi-finished products)	kt	630	1,011
Total	**kt**	**13,515**	**13,475**

Production of refined petroleum products

From the perspective of refined petroleum product output, the high-conversion configuration of the Sarroch refinery enables very high yields of middle distillates (marine, agricultural, and heating gasoil; automotive diesel; and jet fuel for air transport), as well as significant yields of light distillates (petrol for vehicles and naphtha). In contrast, heavy distillates make up only a small percentage of production, including TAR, which is destined for gasification and subsequent electricity generation.

Since 2009, the production of automotive fuels has been regulated to significantly reduce sulphur content, which today must be below 10 ppm for both petrol and diesel. The desulphurisation treatments applied during production to reduce sulphur content in fuels for sale therefore help to reduce SO_2 emissions from road traffic. At the same time, the amount of recovered sulphur increases; this can be considered a secondary raw material, as it is obtained from an industrial process (oil refining) and is used as an input in other sectors, helping to reduce the use of primary natural resources. This avoids the need for natural raw materials (minerals) to be refined, resulting in energy and resource savings.

Production of petroleum products

		2023		2024	
Liquefied petroleum gas (LPG)	kt	266	2.0%	211	1.6%
Naphtha	kt	651	4.1%	271	2.0%
Petrol (gasoline)	kt	2,967	22.6%	3,396	25.2%
Middle distillates	kt	6,557	48.5%	6,661	49.4%
Fuel oil 0.5%S (VLSFO)	kt	940	7.0%	678	5.0%
Other	kt	1,396	10.3%	1,472	10.9%

Biofuels

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), which builds on the previous RED I and RED II directives and the 2015 Paris Agreement, aiming to limit the increase in average global temperature to within +2°C compared to pre-industrial levels, with the ambitious target of +1.5°C. The new directive requires that renewables account for 42.5% of the European Union's energy consumption by 2030 (up from the previous 32%), with an aspirational target of 45%. This is further specified by requiring that the share of renewable energy in the transport sector be at least 29% by 2030, or that a reduction in greenhouse gas emissions intensity of at least 14.5% be achieved by 2023. Italy has transposed the RED II Directive and, first and foremost, introduced the obligation to blend biofuels into fuel, with the introduction of CICs (Certificates of Release for Consumption) as a management tool for this obligation. Subsequently, from 2023, the obligation to release pure biofuels (HVO) for consumption was introduced. The production and marketing of biofuels is only possible after obtaining "Sustainability Certifications for the production of biofuels and bioliquids", which are intended to document and guarantee the calculation of greenhouse gases generated throughout the entire biofuel production chain. Saras holds two different certifications: NIS (National Italian Scheme), used in Italy, and ISCC EU (International Sustainability and Carbon Certification), recognised and essential in Europe.

As for Saras's path in biofuel development, its first production activities date back to 2008 with a FAME plant (later sold at the end of 2014), which used the transesterification process, treating triglycerides with methanol as feedstock for the plant.

Subsequently, in 2016, the first test was carried out for processing vegetable oil in co-processing with fossil-derived gasoil, thus replacing transesterification with a different chemical process consisting of hydrogenation and isomerisation.

This process has been established and ongoing since 2019, and involves feeding traditional hydrogenation units with a blend of vegetable oils and mineral gasoil. The resulting product has the same qualities as conventional diesel, but with the advantage of being a fuel with better environmental characteristics, as the CO_2 emissions associated with the entire life cycle of the fuel are lower than those of the equivalent fossil-derived product.

Biofuels

		2023	2024
Vegetable oil processing	kt	35.3	31.9


Sarroch industrial site - Southern Plant

To date, Saras has a vegetable oil co-processing capacity of around 230 kton/year, thanks to investments made in logistics.

Among the investments completed in 2023 is the construction of new infrastructure for supplying vegetable oils by tanker truck, which from 2024 has enabled the import of RUCO (Repurposed Used Cooking Oil) tankers from Sardinia, thus initiating the development of a circular economy.

In parallel with the above activity, Saras is conducting various studies and research aimed at the production of pure HVO (Hydrotreated Vegetable Oil).

In 2024, a new investment was also completed in the fluid catalytic cracking (FCC) unit, thereby enabling this plant to also produce sustainable biofuels, particularly petrol for vehicles.

Finally, also in 2024, the “front end engineering” was started and completed for the construction of a pre-treatment plant for vegetable oils, which will allow an expansion of the range of sustainable raw materials that can be processed at the facility.


Sarroch industrial site - Southern Plant

Waste management

Saras adopts a development model in harmony with the environment and the local area, inspired by principles of precaution, prevention, protection, and continuous improvement. It has also adopted, implemented, and maintained effective Policies and Management Systems certified to the highest international standards, as well as designed and implemented specific technological and efficiency measures to reduce waste production, promoting recycling and reuse from a circular economy perspective.

Over 97% of total waste (both hazardous and non-hazardous) comes from activities at the Sarroch production site. Due to maintenance activities on plants and storage tanks, there may be year-on-year variations in the quantity and type of waste produced.

Waste produced

		2023	2024
Non-hazardous	kt	6,604	14,908
Hazardous	kt	45,795	43,877
Total	**kt**	**52,399**	**58,785**

Waste produced by company (2024)

		Non-hazardous	Hazardous	Total
Sarlux	kt	14,159	43,025	57,184
Sardeolica	kt	9	5	14
Arcola	kt	733	749	1,482
Saras Energia	kt	7	98	105
Total	**kt**	**14,908**	**43,877**	**58,785**

As for the types of waste produced, around 74.6% of the total in 2024 was classified as "hazardous", as it almost entirely originates from industrial processes. With regard to the national regulations for waste management, in Italy Legislative Decree 152/06 of 03/04/2006 applies, which sets out the guidelines for proper waste management. This management should aim to prevent waste generation where possible and, if this is not possible, should prioritise, first and foremost, reuse and the sending of waste for 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 pending submission to one of the operations from R1 to R12

and, only as a last resort, sending waste for disposal activities (classified with alphanumeric codes from D1 to D15), including for example:

- D1: direct landfill disposal
- D9: physico-chemical treatment
- D10: disposal by incineration
- D15: preliminary storage prior to one of the operations from D1 to D14

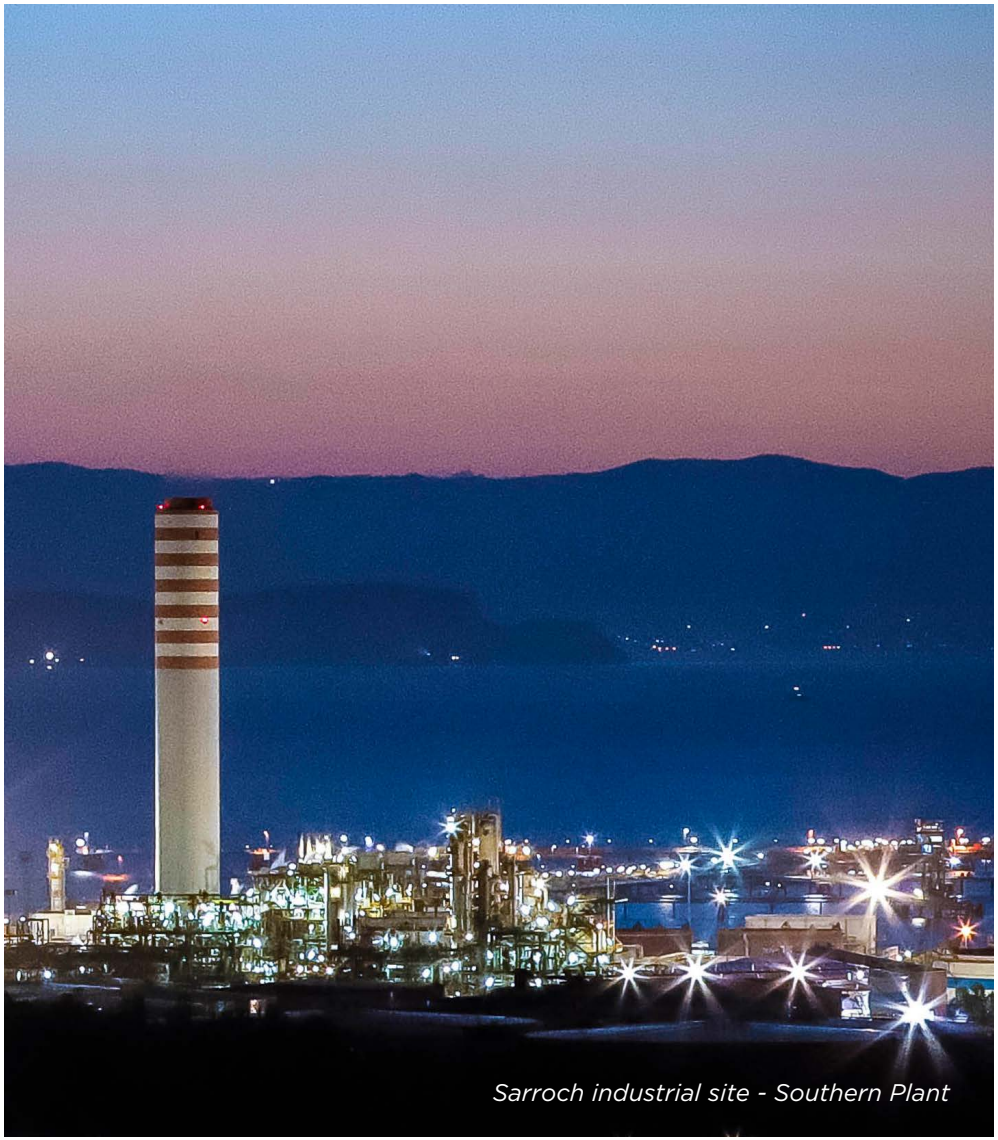
In addition to national regulations, for the Sarlux industrial site the AIA Decree issued to the company (DEC-MIN-000263 of 11/10/2017 and subsequent amendments – Review of the Integrated Environmental Authorisation issued to Sarlux Srl for the operation of the "Refinery, Integrated Gasification Combined Cycle (IGCC) Plant and Northern Plants" complex in Sarroch) reiterates the requirements of Legislative Decree 152/06 and also prescribes a specific monitoring system.

In recent years, in order to find improved solutions to reduce the amount of waste produced, and thanks to the collaboration of all the functions involved, several previously identified actions have been implemented, such as:

• new management approaches for certain 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 facility located within the Sarlux site;
• optimisation of catalyst life cycles;
• use of new, higher-performing adsorbent materials with a longer service life in treatment plants (quartzite instead of activated carbon), thereby reducing the amount of waste generated.

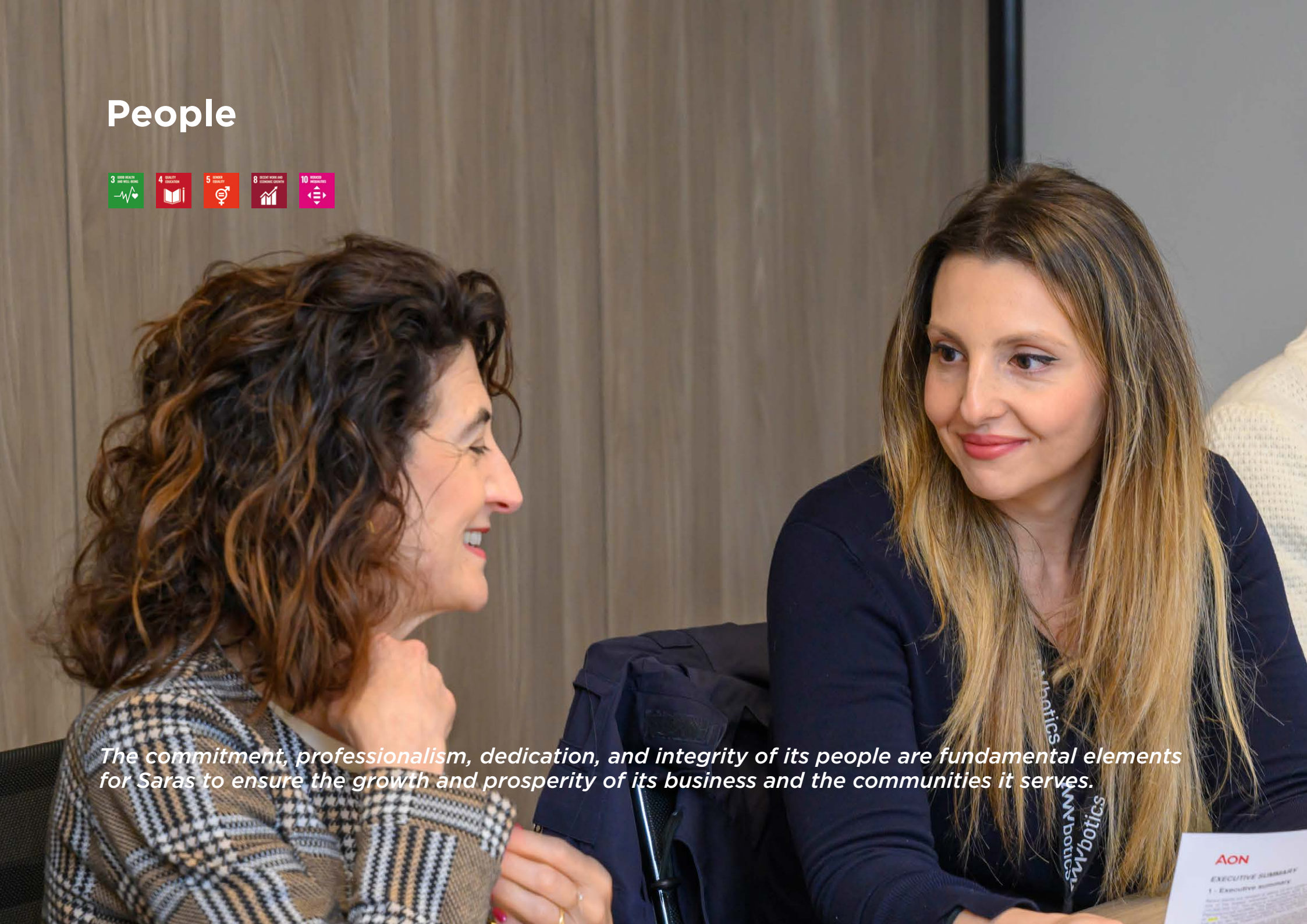
Furthermore, in the ongoing search for improved solutions that reduce the environmental impact associated with waste disposal, the following improvements have been implemented in recent years:

• wooden packaging is now also sent for recycling, to enable better resource reuse compared to solely recovering it for energy production;
• management of concrete for recovery at an authorised facility in Sardinia, instead of sending it to landfill;
• management of bitumen for recovery at an authorised facility in Sardinia, instead of sending it to landfill;
• a channel has been established for the recovery of industrial plastic at an authorised facility in Sardinia, as an alternative to landfill disposal;
• a channel has been established for the recovery management of certain types of waste derived from refractory material.
• a channel has been established for the recovery of rock wool.



Sarroch industrial site - Southern Plant

People



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

Culture

The commitment, professionalism, dedication, and integrity of its people are fundamental elements for Saras to ensure the growth and prosperity of its business and the communities it serves. Investing in people, including through initiatives that facilitate continuous learning and the ability to contribute to change, remains essential to guarantee the sustainability of the business.

To this end, Saras bases its relationships with people on transparency, integrity, and mutual trust, valuing professionalism and merit, and ensuring—without any discrimination—opportunities for growth and professional development in line with the principle of recognising individual contributions, through fair and appropriate remuneration systems consistent with assigned responsibilities.

The company is also constantly committed to fostering a working environment that nurtures a sense of belonging to an organisation capable of increasing the value perceived by the community of which it is part. Recruitment is carried out based on the match between candidates' profiles and company needs, in compliance with the principles of transparency, impartiality, and equal opportunities.

The reference documents in this area are the Code of Ethics, Policies, and, in particular, the "Human Resources Process Guideline": this document, valid for Saras and all its subsidiaries, aims to regulate processes and activities relating to human resource management, the organisational system, and internal communication, as well as to identify the roles and responsibilities of the various parties involved in the Human Resources process.

People engagement

As part of human resources management, processes and initiatives are regularly developed to increase the engagement of people within the organisation—that is, their level of involvement with their work and the Company.

Through internal Job Posting, new opportunities for professional development and growth are offered, making the most of the experience and skills already present in the Company to meet organisational needs, while ensuring transparency and fairness in the selection process. Over the year, Job Posting enabled more than half of vacant positions to be filled with internal candidates, confirming its effectiveness in increasing engagement and retention, especially among younger employees.

Another positive impact on engagement comes from the Performance Management process, which serves as the starting point for fair and proper people management and for launching development actions that generate motivation, connection with the organisation, and improved productivity.

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

In particular, the Mentoring programme for the Company's young talents has among its main aims the increase of motivation for those involved and the strengthening of their bond with the organisation, including for retention purposes, through the active participation and support of management.

Training and skills development

The training and development process is inspired by the principles set out in the "Our People" Policy and is described in the "Human Resources Process Guideline".

To achieve increasingly sustainable training, Saras continues to adopt a methodological approach based on the development of "Learning Agility", which encourages self-learning of content, with consolidation taking place during classroom discussions or directly in work contexts.

The main areas of focus are:

- the development of technical and specialist skills necessary to maintain the high level of competence of the persons working in the organisation;
- the development of soft skills and managerial competencies, necessary to perform the various company roles effectively and efficiently;
- awareness-raising on sustainability, which draws attention to a work approach based on respect for ESG principles;
- compliance training, to develop knowledge, approaches, and behaviours fully aligned with regulations (e.g. HSE training, Cyber Security, Code of Ethics, and Antitrust, etc.).

During the year, Saras promoted learning initiatives aimed at supporting the growth and development of its people in line with company policies, core values, and the specific personal and professional characteristics of its employees, with the goal of maintaining high business sustainability. Job-specific training for operational roles remains a fundamental step in developing both technical and behavioural know-how, ensuring the full assumption of new roles, as well as providing an opportunity to transfer knowledge and skills to new generations. Following new hires for operational roles, in 2024 training programmes for "Plant Operators" were again launched, focusing not only on technical and specialist content but also on the interpretation of the role and the importance of soft skills.

Following the acquisition by Vitol, Saras supported its people in adopting a new way of working, inspired by objectives of operational excellence, efficiency, and flexibility, to ensure the fastest and most effective integration possible. The company has also invested in its managers with initiatives aimed at developing leadership, continuing individual coaching programmes and people management training.

Work-life balance

To support a better balance between professional and personal life, enabling everyone to fully contribute to achieving business results, flexibility in work arrangements and agile working are currently in place. Both initiatives serve as tools to enhance work-life balance, whether for parents or those with caregiving responsibilities, or more generally for anyone who may benefit in terms of wellbeing.

Diversity Equity & Inclusion

Saras works continuously to promote and strengthen a corporate culture based on inclusion and a sense of belonging to a single organisation, through a common approach to all people management initiatives. In line with the previous year, the Company has also contributed to the activities of the Equal Opportunities Observatory, established by Confindustria Energia and Trade Unions to address the needs of companies and employees, with the aim of promoting and spreading a culture of equity and inclusion.

Relations with social partners

Saras maintains an open, transparent, and ongoing dialogue with Trade Unions, in order to foster a constructive climate and mutual responsibility. Proper management of relations with social partners is ensured by promoting regular information, consultation, and negotiation activities, in line with company policies, the Code of Ethics, and the relevant national legislative framework.

In the broader context of industrial relations, the Company is constantly committed to maintaining open dialogue with business associations and institutional stakeholders on social security, welfare, and labour issues in the countries where it operates.

Relations with Trade Unions (both locally and territorially) are managed by the relevant company functions to ensure the consistency and coherence of messages with company strategies and objectives, without discriminating against any party, provided representation is established through democratic processes and in line with current regulations. These relationships allow for the transparent, rigorous, and consistent comparison of mutual interests and positions, avoiding any collusive behaviour.

Remuneration systems

The contract applied by Saras and its Italian subsidiaries is the National Collective Labour Agreement for Energy and Petroleum (CCNL Energia e Petrolio). Given the high level of education, skills, and professionalism required for 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 these companies at the higher end of the market, at values comparable to those of other national companies, periodically verified through benchmarking with external companies specialising in such comparisons. Contractual salary levels are applied equally to all personnel, strictly and without discrimination, in accordance with contractual provisions. For staff employed in Italy, entry-level salaries are between 12% and 18% higher than those set by the relevant CCNL, as a result of second-level bargaining with Trade Unions. This takes into account various factors, including overall company productivity (including the achievement of specific operational and ESG objectives) and individual contributions, linked to continuity of service and workplace presence. In no case do the salaries of newly hired employees differ on the basis of gender.

Welfare

Attention to people's wellbeing has always been a hallmark of Saras's management, and the range of welfare services offered has been expanded and made increasingly comprehensive over time. All welfare services are available to every employee, whether full-time or part-time, including those on fixed-term contracts. These welfare services essentially cover the areas of health and wellbeing prevention, work-life integration, and benefits and other forms of support.

Workforce

As of 31 December 2024, the total workforce (Saras SpA and subsidiaries) consisted of 1,553 employees, the majority of whom work in Italy (96% of the total), and in particular in Sardinia (88%). Staff are mainly concentrated in Sarlux Srl, which at the end of 2024 had 1,193 employees (77% of the total).

Saras pays great attention to developing the professional skills needed for its production and organisational requirements, with a view to ensuring the long-term employability of every employee. In this context, it is also notable that 99.9% of the total workforce is employed on a permanent contract.

There is also a certain uniformity in terms of employment type: 97% of women and all men work full-time. However, where appropriate, Saras is committed to meeting requests for part-time employment. No employees are on zero-hours or on-call contracts.

At the Sarlux industrial site, which is the most significant operational facility[1], 75% of senior management[2] belong to the local community (defined as people born or having lived most of their lives in Sardinia).

Employee distribution by country

		2023	2024
Italy, of which:	n.	1,529	1,494
Lombardy	n.	126	111
Sardinia	n.	1374	1365
Liguria	n.	15	5
Lazio	n.	14	13
Spain	n.	34	33
Switzerland	n.	28	26
Total	**n.**	**1,591**	**1,553**

Workforce by company

		2023	2024
Saras	n.	271	258
Sarlux	n.	1,203	1,193
Sardeolica	n.	40	38
Deposito di Arcola	n.	15	5
Saras Energia	n.	34	33
Saras Trading Sa	n.	28	26
Total	**n.**	**1,591**	**1,553**

Training

		2023	2024
Total hours	h	34,007	41,029

1. The Sarroch industrial site, owned by the wholly owned subsidiary Sarlux, has been considered an "operationally significant facility" as it is the core of production activity with the largest number of employees located at the same workplace.
2. Senior management refers to the Chief Executive Officer and the first and second line managers reporting to them.

Health and safety

Safety is our energy. We want to recognise ourselves and be recognised as an industrial organisation made up of people who live and promote a culture of safety in their daily actions.

Sarroch industrial site - Southern Plant

Safety culture

Saras, aware that safe work is one of the fundamental human rights, has always been strongly committed to promoting and spreading a culture of safety at all company levels, through numerous initiatives, ongoing training activities, and checks to ensure maximum performance, adherence to principles, best practices, and the highest national and international occupational safety standards. Saras also collaborates with Confindustria, UNEM[1], INAIL[2], and Trade Unions to ensure that this culture is spread throughout the area in which it operates and among its stakeholders, especially suppliers, by involving them in development and awareness programmes.

Health and safety management

In addition to promoting and developing an appropriate safety culture, it is necessary to establish correct operating procedures and make the necessary investments to ensure a safe workplace. It is also essential to implement an adequate monitoring and supervision system to verify that people's behaviour is consistent with established procedures.

More specifically, to best protect the health and safety of employees, contractor personnel, and anyone accessing the production sites, Saras has developed and adopted Policies, Guidelines, Procedures, Operating Instructions, and best practices that govern every aspect of health and safety—from updating plant safety requirements in line with regulatory developments, to periodic risk assessments, training, and both internal and community-focused awareness and promotion activities.

In practice, Saras's commitment is based on the following key principles/actions:

- Compliance with mandatory and voluntary regulations, implementation of the best international standards, and sharing and benchmarking with industry peers;
- Design of workplaces and plants, as well as provision of suitable equipment and tools for carrying out work activities, ensuring the best and safest conditions;
- Assessment of all health and safety risks and the adoption of a systematic approach to eliminate them at source or, when this is not possible, to minimise them while ensuring maximum protection for all workers (internal and external);
- Reduction of accidental events (injuries, emergencies, and near misses) and occupational diseases, through appropriate preventive measures whose effectiveness and adequacy are periodically verified;
- Adoption of safe and responsible behaviours at all organisational levels, as well as the direct commitment of managers, who must act as safety leaders;
- Promotion and dissemination of a culture of health and safety, and more generally of organisational wellbeing, shared also with local communities;
- Information, training, and instruction programmes aimed at effectively combining technical aspects with health and safety considerations;
- Definition of specific and measurable objectives, periodically monitored, reviewed, and, if necessary, updated, also involving top management;
- Selection of suppliers of goods and services also based on health and safety criteria, and their involvement in performance improvement programmes;
- Implementation of health and safety management systems.

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

Occupational Accident Events and Injury Rates/Indicators

		2023	2024
Fatalities	**n.**	**0**	**0**
Employees	n.	0	0
Contractors	n.	0	0
Injuries - LTI	**n.**	**14**	**16**
Employees	n.	10	6
Contractors	n.	4	10
Medical treatments – MTC	**n.**	**0**	**0**
Emplyees	n.	0	0
Contractors	n.	0	0
First aid – FAC	**n.**	**0**	**4**
Employees	n.	0	2
Contractors	n.	0	2
Recordable injuries – TRI	**n.**	**14**	**16**
Employees	n.	10	6
Contractors	n.	4	10
Injury frequency rate – LTIF[1]		**2.33**	**2.71**
Employees		4.25	2.57
Contractors		1.10	2.80
Total Recordable Injury Rate– TRIR[2]		**2.33**	**2.71**
Employees		4.25	2.57
Contractors		1.10	2.80

1. LTIF (Lost Time Injury Frequency) = (number of lost time injuries / total hours worked) x 1,000,000
2. TRIR (Total Recordable Injury Rate) = (number of recordable incidents / total hours worked) x 1,000,000

Promotion of workers' health

For Saras, the promotion and management of health are extremely important topics, and are mainly carried out 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.


Sarroch industrial site - Southern Plant

Prevention and management of emergencies

To ensure the health and safety of the community and mitigate the environmental impact resulting from typical company production processes, specific emergency management procedures have been implemented (e.g. unplanned or uncontrolled release of hazardous material), tailored to credible risk scenarios.

Activities carried out at the Sarlux plant involve the presence and use of substances with various characteristics and levels of hazard. The purpose of the Safety Report (RdS) is precisely to study possible risks in order to prevent and mitigate them.

Environmental aspects of significance are also monitored, such as:

- Air quality and management of atmospheric emissions;
- Water quality and management of discharges;
- 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 hazard site due to the presence of hazardous substances.

Pursuant to the aforementioned Legislative Decree No. 105 of 2015, Sarlux has:

- Prepared the Safety Report;
- Defined a Major Accident Prevention Policy;
- Implemented, applied, and maintained a Safety Management System for the prevention of Major Accidents (SGS-PIR);
- Defined an Internal Emergency Plan (PEI);
- Taken into account, in the assessment of possible accident events, the domino effect;
- Provided the Cagliari Prefecture with the information needed to prepare the External Emergency Plan (PEE).

Local communities

Saras has been active in Sardinia since the early 1960s and integrated itself with local communities from the very beginning, committing to creating sustainable value and promoting social projects dedicated to the community.

Ulassai Wind Farm –
Art Installation "The Capture of Wind's wings" by Maria Lai

Engagement of interested communities

Ongoing dialogue with the local area supports the social, economic, and cultural development of the community, benefiting both the company and society as a whole.

The relationship with the local area, as set out in the "Our Stakeholders", "Human Rights Protection", and "Sustainability" Policies, is characterised by Saras's commitment to understanding and assessing the impacts of its activities in terms of socio-economic development, environmental and biodiversity protection, and respect for human rights, recognising that interested communities are strategically important stakeholders.

With these stakeholders, Saras establishes direct interaction based on shared values and objectives, supporting projects that have the greatest impact and value for the area, helping to sustain the social fabric and enhance its history and traditions.

Among the many initiatives to support the development of interested communities are the promotion of training activities for young people in schools and universities, as well as various social, cultural, and sporting initiatives.

A concrete example of engagement and shared objectives with local stakeholders is the design of new renewable energy projects by our subsidiary Sardeolica. Meetings are organised with the local community to keep them informed, gather feedback, and address any concerns at every stage of the project: from the development of the initial idea to subsequent design, construction, commissioning, and operational management of the plants. Environmental impact assessments are always made public.

Knowledge-sharing initiatives

Saras and its subsidiaries support the right to education as a value that leads to cultural growth, development, and wellbeing. For this reason, we have launched various initiatives to meet the learning needs of schools and contribute to more innovative and effective teaching. Among the most significant initiatives, Saras has participated for many years in the ministerial "Transversal Skills and Orientation" (PCTO) programmes; we provide educational programmes for secondary schools, with student visits and lessons held at the Sarlux refinery, focusing on energy transition, sustainability, cybersecurity, and information and communication technologies; we donate textbooks, tablets, laptops, and printers; and we also organise specific training courses for students from local schools of various levels and universities, aimed at promoting business culture and supporting the development of new entrepreneurial activities.

Initiatives in the fields of sport, culture, and social engagement

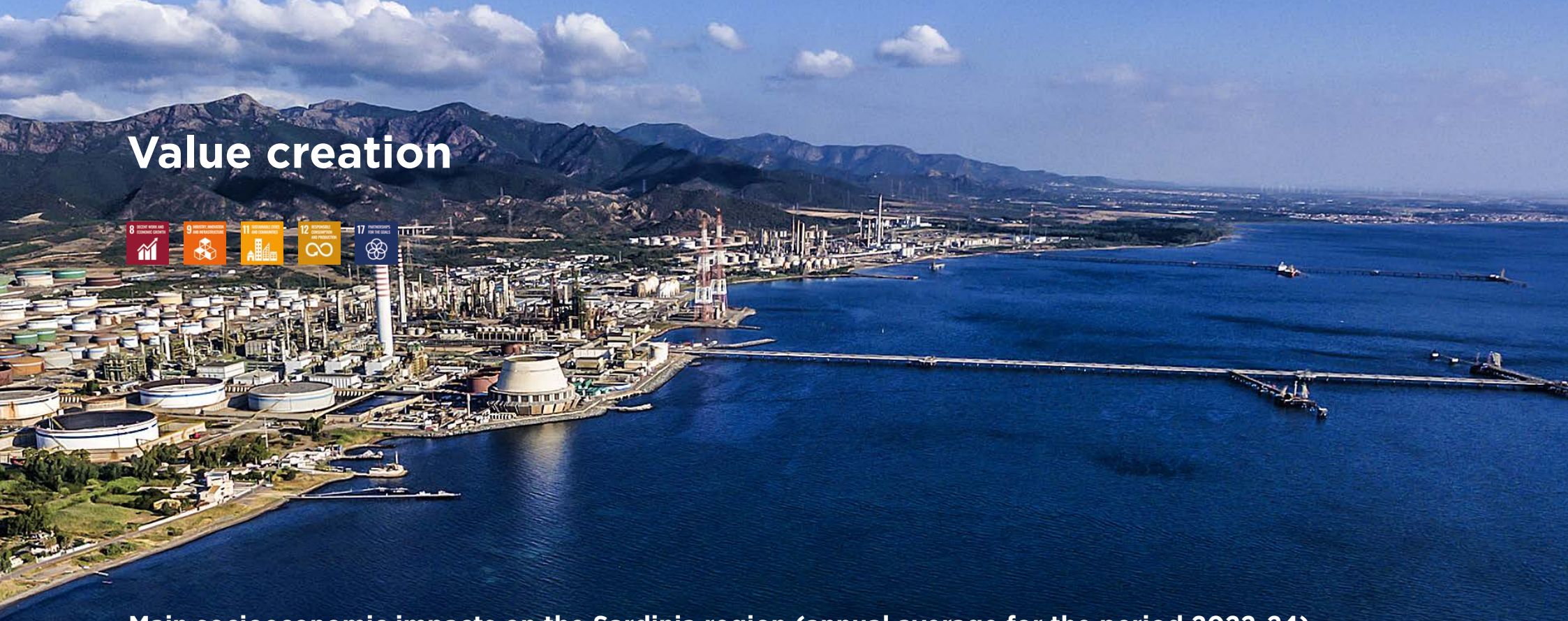
Every year, Saras provides support and sponsorship to various sports associations, creating the conditions for their commitment, perseverance, and dedication to be recognised. Just to mention a few examples of associations supported by Saras: the Sarroch Boxing Academy; the Sarlux Sarroch volleyball team (in the men's Serie A), Veloclub Sarroch; Amatori Rugby Capoterra (in the men's Serie B), ASD Gioventù Sarroch, ASD Kayak Sarroch, and many others.

Saras was among the founders and main sponsors of the Cagliari Football Academy, the academy of Cagliari Calcio that brings together 42 football schools in Sardinia, combining play, collaboration, commitment, and training. This project, with initiatives and training courses, involves over 4,000 young people.

Finally, Saras provides various forms of support and sponsorship for initiatives in the fields of culture and social engagement:

- *"The Shark Max Days",* an event that combines leisure and learning, with sports activities, music concerts, and entertainment for over 60 primary and secondary school students, aimed at educating and promoting a culture of marine protection;
- *"The Diapason Association",* which teaches various musical genres to its members and, at the end of the course, organises the Sa*Rock festival, a well-established and prominent music event in Sardinia;
- *The Proloco of Pula,* for organising events including the Pula Letteraria festival, aimed at attracting tourists to ancient Nora and promoting its traditions;
- The non-profit association *S'Arrocca,* with experts in ancient history, which organises an archaeological camp called "Filarchaios", where around 50 children have the opportunity to rediscover the archaeological heritage of the area;
- *The Santa Vittoria Association,* which organises activities for the traditional Sant'Efisio festival.

Value creation



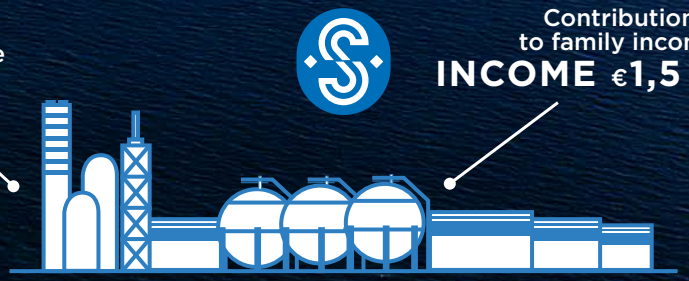
Main socioeconomic impacts on the Sardinia region (annual average for the period 2022-24)

ECONOMIC AND SOCIAL IMPACT ON THE LOCAL ECONOMY
Socioeconomic impact assessment of Saras on the Sardinian economy

ECONOMIC VALUES
Employee wages €51 million
Tax revenue €417 million
Expenditure on supplies and investments €156 million

Total contribution to **GDP** added value **€1,77** BILLION

Contribution to family income **INCOME €1,5** BILLION



Direct, indirect and induced full-time employees **EMPLOYED 26** K FTE

FTE = Work unit equivalent to a full-time worker

Contribution to the tax revenue **REVENUE €417** BILLION

OPENECONOMICS

May 2025 update

Saras has a “glocal” culture, as it identifies both with the global dimension of the oil markets in which it operates and with the local dimension of the reference communities, which are the most affected by industrial activities at the Sarroch site. With regard to the latter, to fully understand the economic impact on the area associated with its business activities, Saras has commissioned several specialist studies. Specifically, the independent company “OpenEconomics Srl” assessed the direct, indirect, and induced impacts of Saras and its subsidiaries active in Sardinia in terms of Gross Domestic Product (GDP), Employment, Household Income, and Tax Revenue.

The quantitative estimate of these variables was obtained using the Social Accounting Matrix, which provides a representation of the economy based on national statistical data (from ISTAT, Eurostat, and OECD) and allows simulation of the behaviour of value chains in a given economic region in response to a specific spending stimulus.

To apply this analytical methodology to the activities of Saras and its subsidiaries in Sardinia during 2022–24, the following were analysed: expenditure on the remuneration of employees based in Sardinia, tax revenue paid to the Regional Government, expenditure on the purchase of goods and services from Sardinian suppliers, and investments made in Sardinia.

These expenditures were then used as a stimulus in the economic model to quantify the direct, indirect, and induced contribution to local GDP and Employment each year. Expenditure, in all its components, affects the local economy by creating a “demand shock” for local products and services. This demand directly activates the sectors in which the expenditure is made, spreads indirectly through inter-sectoral links in the local economy, and is induced through household income spending. In particular, the following definitions apply:

- **DIRECT impact**: the impact generated on the demand for goods and services by the productive sectors involved in the activities of Saras and its subsidiaries.
- **INDIRECT impact**: the impact resulting from increased demand and supply in the activated supply chains.
- **INDUCED impact**: the effect of reinjecting labour and capital income into the economic system and the reinvestment of tax revenues in the form of public spending.


Sarroch industrial site

As shown in the table, the SAM model makes it possible to distinguish between direct, indirect, and induced impacts. Specifically, 27% of the GDP generated by Saras and its subsidiaries' expenditure in Sardinia comes from the direct impact, i.e. the demand for goods and services by the productive sectors involved in the company's activities. The share of indirect GDP - meaning the impact resulting from increased demand and supply in the activated supply chains, both upstream and downstream - is 7%, while almost two-thirds (66%) of the total GDP impact is induced, that is, it derives from the reinjection of labour income received by households into the economy as consumption and from the reinvestment of tax revenues as public spending.

Sarroch industrial site - Northern Plant

On average, over the 2022–24 period analysed, the impact on GDP generated by Saras and its subsidiaries' expenditure in Sardinia was €1.77 billion; this corresponds to about 4% of the total GDP generated by the Sardinia Region, according to ISTAT.

Similarly, the total employment generated by Saras and its subsidiaries is of the same order of magnitude, as Saras's presence contributes, through its direct, indirect, and induced impact, to about 5% of total employment in Sardinia (ISTAT source).

Inputs to the OpenEconomics SAM Model [M€]

	Average 2022-24
Employee remuneration	51
Tax revenue paid	417
Expenditure on supplies + Investments	156
Total	**624**

Outputs generated by the SAM Model [M€]

		Average 2022-24
GDP – total contribution to value added		1,767
direct impact on GDP	*27%*	476
indirect impact on GDP	*7%*	118
induced impact on GDP	*66%*	1,174
Full-time employees (direct, indirect, and induced)		26,000

Supplier and procurement management

Suppliers have always been essential partners for Saras, with whom it cultivates relationships based on loyalty, impartiality, equal opportunities, and the achievement of mutual competitive advantages.

To put this commitment into practice, the "Procurement Process Guidelines" have been drawn up, which codify for Saras and all its subsidiaries the various phases and activities involved in the procurement of goods/materials, contracts/services/consultancy—including supplier qualification—and their periodic monitoring. These guidelines also provide clear rules and identify the roles and responsibilities of the main parties involved in the Procurement process.

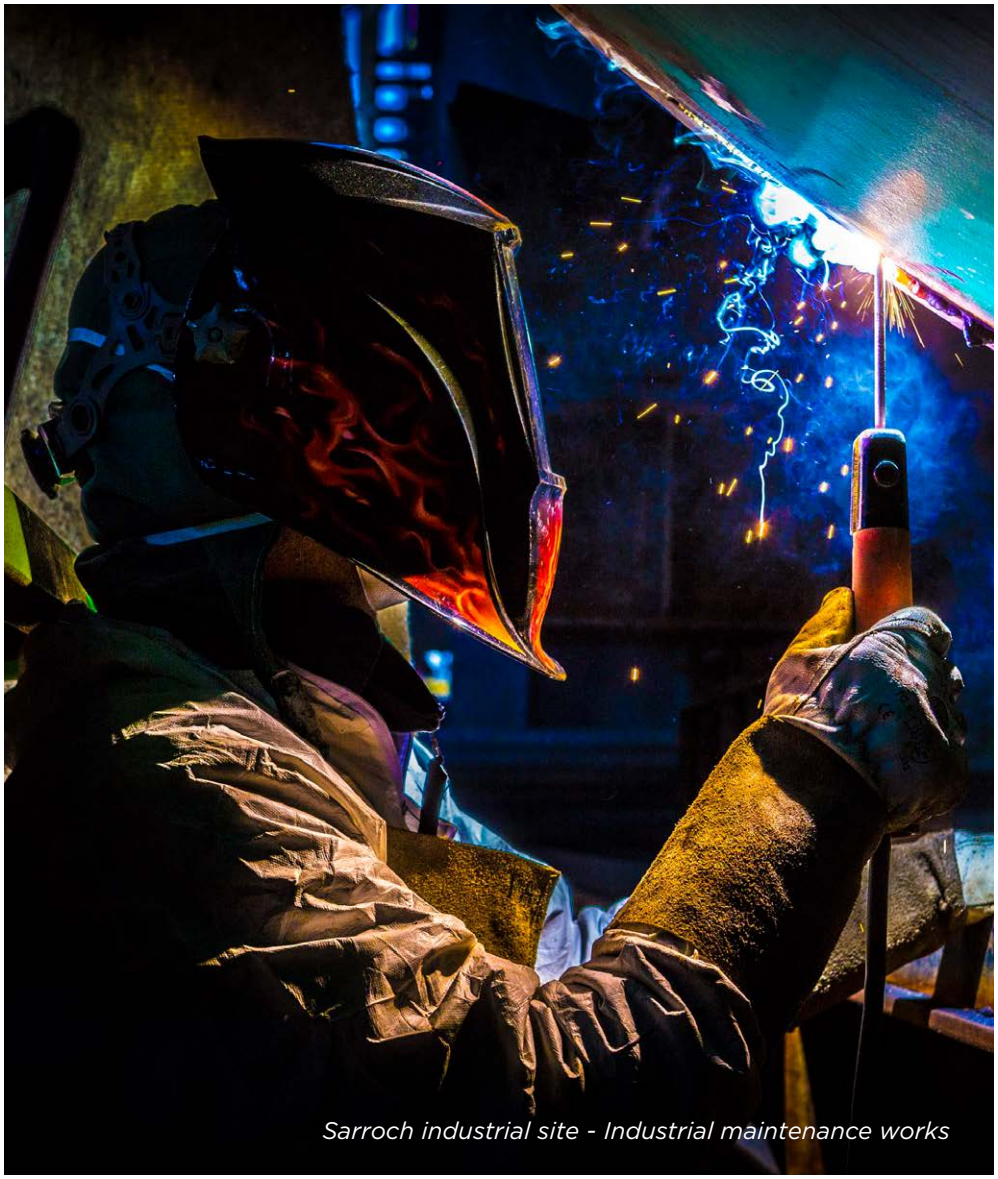
In line with the guidelines, a "Qualification Procedure" has also been prepared to formalise the criteria and methods for supplier qualification, as well as "operating instructions" that describe in detail the management of the operational phases related to the qualification process for suppliers of goods and services.

Since the end of 2019, the SAP Ariba platform has been operational (for managing tenders for goods and services and supplier qualifications), as well as the certified electronic contract signing process. The latter has enabled the complete digitisation of the process, as well as increased transparency and traceability of the activities involved.

Saras regularly communicates its Code of Ethics and Sustainability Policy to all suppliers, business partners, and external collaborators, and requires compliance with the values contained therein during the course of supply activities.

The Saras supply chain includes two types of procurement:

- raw materials, mainly crude oil and also other complementary feedstocks (i.e. so-called semi-finished products), already extensively covered in the "Resource use and circular economy" section, to which reference is made;
- goods and services required to conduct the activities of the various business segments in which Saras operates safely and regularly, as detailed below.



Sarroch industrial site - Industrial maintenance works

Goods and Services

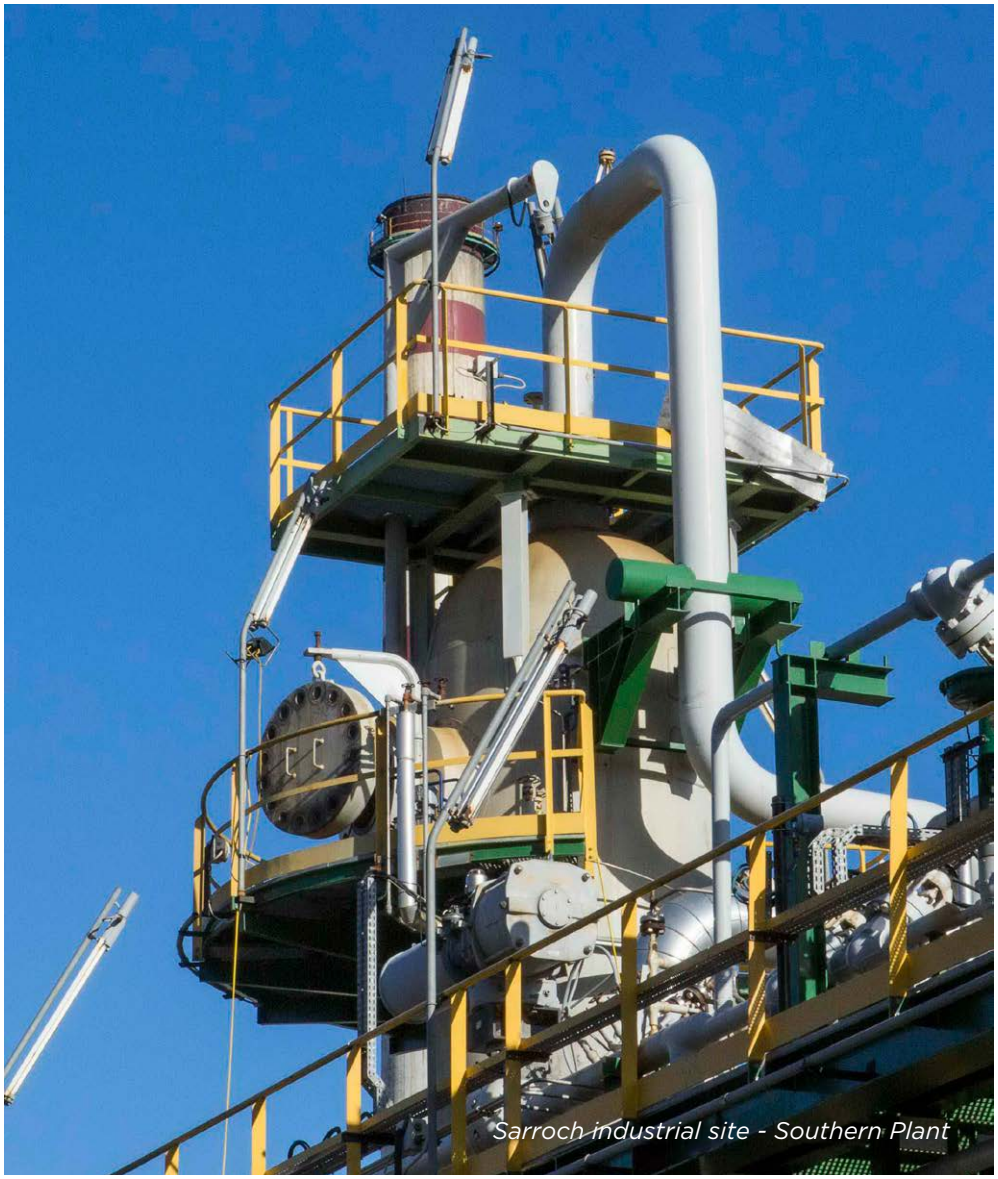
Plant maintenance activities and those related to new constructions are the main items contributing each year to the expenditure on goods and services by Saras and its subsidiaries.

The activities carried out by contractors range from the simplest maintenance operations on plant components to maintenance on large machinery (such as compressors and turbines), continuous analysis instruments, and process control systems.

As for the construction of new plants or plant components, activities include the installation of metal and/or reinforced concrete structures and the prefabrication and assembly of large mechanical, electrical, and instrumentation equipment. In all these cases, the expertise provided by contractors covers the full range of specialisations required by large oil and petrochemical industrial sites, from civil and metalwork to mechanical, electrical, and instrumentation specialities.

Contractor companies have been established in the Sarroch area as the site has grown in size and complexity, and most have been operating as contractors since the early 1960s, when construction of the refinery began.

Over the years, some have grown considerably, specialised, and acquired skills and expertise that have enabled them to expand their activities, first to other industrial sites in Sardinia, and then nationally and internationally.



Sarroch industrial site - Southern Plant

As shown in the table, the vast majority of supplies refer to the subsidiary Sarlux, which manages the Sarroch industrial site and outsources almost all maintenance and new construction activities to third-party companies.

The 2024 data show substantial stability in the total value of supplies (€423 million vs €426 million in 2023), with a slightly lower number of suppliers used (1,111 suppliers vs 1,216 in 2023), as shown in the table.

Suppliers of good and services - Saras and its subsidiares

	2023		2024	
	N.	€mln	N.	€mln
Saras Spa	94	18	94	19
Sarlux	583	351	615	382
*Sartec**	104	3	-	-
Sardeolica	142	46	139	14
Deposito di Arcola	65	2	67	2
Saras Energia	198	5	161	4
Saras Trading	30	1	35	2
Total	1,216	426	1,111	423

* The Sartec data refer to the period January–June 2023, as the company was subsequently merged into Sarlux and therefore ceased to exist.

More specifically, in 2024, Sarlux used a total of 615 suppliers (304 for goods and 311 for services) for a total supply value of €382 million, an increase compared to €351 million in the previous year. In terms of local impact, the value of supplies from companies with registered offices in Sardinia also increased. Specifically, it amounted to €24 million (vs. €19 million in 2023) for materials, and €123 million (vs. €116 million in 2023) for services.

Local suppliers – Sarlux

	2023								
	Materials			Services			Total		
	n.	€mln	%**	n.	€mln	%**	n.	€mln	%**
*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	

	2024								
	Materials			Services			Total		
	n.	€mln	%**	n.	€mln	%**	n.	€mln	%**
*Local suppliers**	40	24	19%	117	123	48%	157	147	39%
Other	264	102	81%	194	133	52%	458	235	61%
Total	304	126		311	256		615	382	

* Local refers to having a registered office located in the territory of Sardinia.
** Percentage calculated on the respective procurement value

As for the subsidiary Saras Energia SAU, registered in Spain, the share relating to suppliers based in Spain was around 75% of the total in 2024. In particular, more than 62% of supplier expenditure was made in the provinces of Madrid (€1.6 million), where the company's headquarters are located, and Murcia (€1.8 million), where the wholly owned subsidiary Terminal Logistica de Cartagena SLU's hydrocarbon depot is located.

Supplier assessment

The evaluation Saras carries out on potential and current suppliers takes into account numerous 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 health and safety at work regulations).

Appropriate procedures have been put in place to regulate relationships with third parties interacting with company activities, especially those at the production site, to ensure that the behaviour of third-party personnel complies with Saras's policies on safety, health, and environmental protection. Before entering the site, third-party personnel, in addition to following their own company's organisational safety plan, receive further basic information on the specific risks associated with the site areas where they will be working.

Each company, during qualification and inclusion in the Saras "vendor list", is analysed and evaluated for the typical activities of its product category, demonstrating compliance with basic legislative requirements regarding administrative, contribution, and insurance regularity, and commitment to human rights protection—especially health and safety—and environmental protection both inside and outside the industrial site. Suppliers are constantly monitored during contract renewal and maintenance, especially as the expiry of submitted documents approaches.

Saras also continuously checks the contribution compliance of its contractors (DURC). This periodic activity, by identifying "weak signals" that usually precede company defaults and determining actions to minimise the impact of any issues, ultimately aims to maintain high economic competitiveness and a high level of local economic development.

Given that suppliers are essential partners for achieving Saras's sustainability objectives, since early 2023 a process has been launched to monitor the ESG credentials of the supply chain. Specifically, during new qualification and/or qualification updates, suppliers are given a specific questionnaire that measures key ESG topics.

This monitoring, initially limited to "core" suppliers (excluding consultancy firms, professional practices, and sole proprietorships), is aimed at the subsequent implementation of an additional ESG evaluation area in the current "vendor rating" mechanism.

The questionnaire responses provide an overview of suppliers' adoption of policies and procedures regarding Environmental topics (atmospheric and GHG emissions; water and waste management; biodiversity; efficient energy management, etc.), Social topics (employee welfare and wellbeing; respect for diversity, inclusion, and equal opportunities; human rights protection, etc.), and Governance topics (anti-corruption rules; existence of a dedicated Sustainability/Corporate Social Responsibility function; establishment of corporate ESG objectives).

Methodological note

Sarroch industrial site - Southern Plant

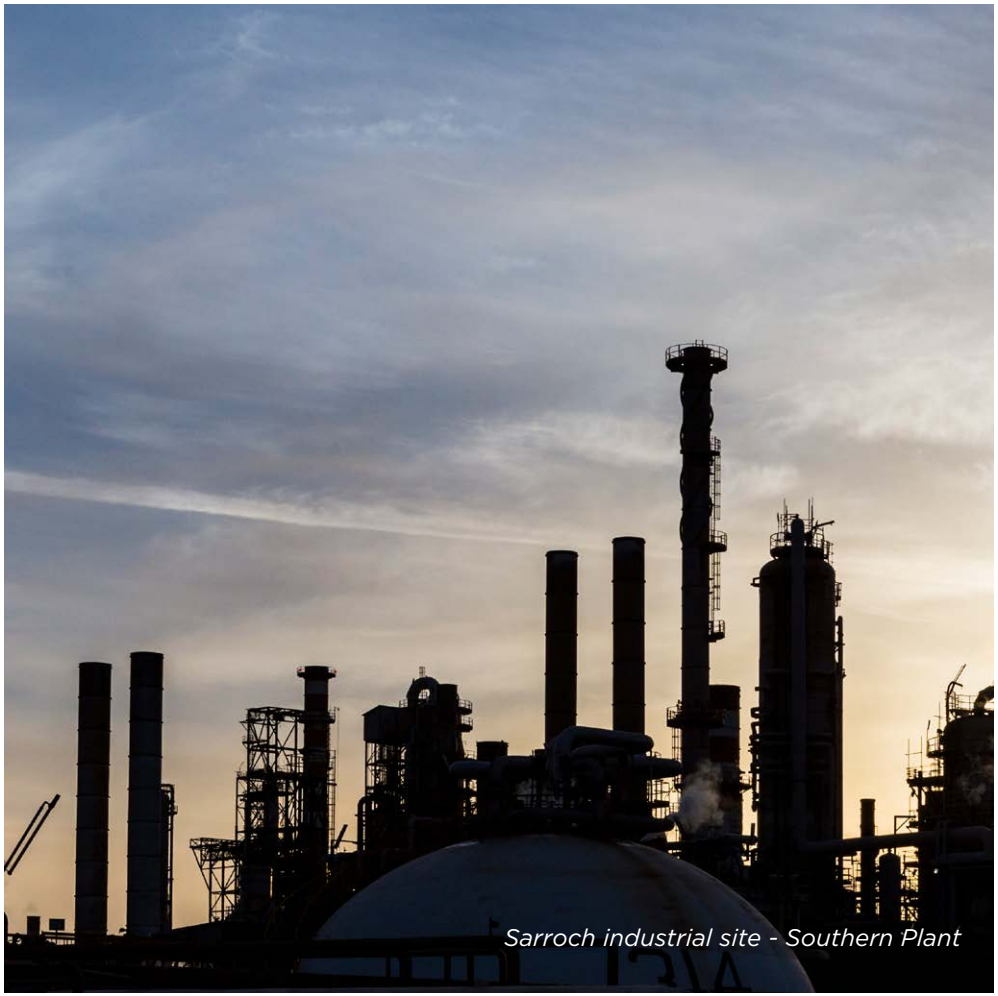
Reference period and scope of the Report

The Saras ESG Report for the 2024 financial year, prepared on a voluntary basis, outlines the management approach to Sustainability, the initiatives, programmes, and results achieved. It represents an evolution from the Saras Sustainability Report, published from 2017 to 2023, which also fulfilled the requirements of Legislative Decree 254/2016.

Unless otherwise indicated, all data, initiatives, and projects described in the 2024 ESG Report refer to the period from 01/01/2024 to 31/12/2024, and the reporting scope includes Saras and its fully consolidated subsidiaries (specifically: Sarlux, Sardeolica, Deposito di Arcola, Saras Energia, and Saras Trading).

The calculation of "Scope 1" CO_2 emissions at the Sarroch site is carried out on the basis of a dedicated Monitoring Plan, defined in accordance with specific European and Italian guidelines. This plan is based on the measurement—using instruments that are regularly checked—of fuel consumption and 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, protocol no. 0000051 CLE of 22.12.2016. The Sarlux internal laboratory is one of the first laboratories in an Italian refinery and the third in Italy to obtain the necessary accreditation to carry out checks on certain fuels used.

With regard to suppliers of Sarlux and Saras, it should be noted that some companies supply both materials and services. Finally, the percentage of local suppliers, calculated on procurement data, is provided only for the subsidiary Sarlux, which is the most significant entity in Sardinia, and for the subsidiary Saras Energia, which has a significant presence in the province of Murcia, where the Cartagena petroleum products depot is located.


Sarroch industrial site - Southern Plant