



SUSTAINABILITY REPORT

2022-23

Sonatrach Raffineria Italiana S.r.l.

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“As for the future, your task is not to foresee it,
but to enable it.”

“Pour ce qui est de l’avenir, il ne s’agit pas de le
prévoir, mais de le rendre possible”

Antoine de Saint-Exupéry

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Via Alessandro Manzoni n.38
20121 - Milan (MI)

Augusta Refinery
Contrada Marcellino
96011 - Augusta (SR)

Naples Depot
Via Nuova delle Brecce, 127
80147 - Naples (NA)

Palermo Depot
Via Messina Marine, 813
90121 - Palermo (PA)

Augusta Depot
S.P. Ex S.S.114 Km.135, 415
96011 - Augusta (SR)

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LETTER TO STAKEHOLDERS

[GRI 2 - 22]



We are pleased to present the third Sonatrach Raffineria Italiana Sustainability Report, a document that reflects our commitment to economic, social and environmental sustainability. As SRI, we have been on a sustainable development journey since 2018, with the fundamental understanding that the well-being of our people and the community in which we operate is the guiding star we must follow to achieve our goal of creating a truly sustainable and positive business.

The Sustainability Report is an important tool that allows us to measure and improve our journey towards creating an increasingly positive impact for the territory and our community, especially in these complex times. The Oil & Gas industry is at a critical juncture, driven by global challenges such as reducing carbon emissions and changing community expectations. In this context, we feel an even greater responsibility to operate safely, efficiently and in an environmentally responsible manner, and to contribute to the progress of the society in which we operate.

Our mission is twofold: to provide the market with reliable and secure energy, and to do so with an approach that values sustainability and innovation. We are committed to ensuring the continuity of our operations while minimising our impact on the environment through the use of sustainable practices and advanced technologies. We have launched major initiatives and made significant investments to reduce emissions, optimise energy consumption and promote the transition to low-carbon solutions.

Safety and health are and will remain absolute values for us. We continually invest in training, infrastructure improvement and corporate culture to ensure that our employees, collaborators and partners work in a safe and secure environment. Recent years have further highlighted the importance of organisational resilience and caring for people, principles that we will continue to promote with determination.

In terms of social impact, we are aware of our role in local communities. We therefore maintain an ongoing and transparent dialogue with the territories in which we operate, supporting social, economic and cultural development initiatives. We will continue to invest in the training and skill development of our people and those in neighbouring areas, supporting local employment and promoting the development of socially responsible projects.

We also see the energy transition as a great opportunity. We believe that the Oil & Gas sector, with its expertise and resources, can play a key role in diversifying the energy mix and promoting renewable energies. Our strategy is to research technologies for the progressive decarbonisation of our processes and to explore the potential of new technologies related to the refining of non-fossil raw materials.

All of this is possible because of your trust and support. Thank you for the cooperation and trust you place in us every day.

We are proud of the progress we have made, but we are also aware of the challenges ahead and the work that remains to be done.

We will continue to operate transparently, inspired by the values that guide us, as reflected in our Code of Ethics.

We will continue to improve and evolve, true to our vision of responsible growth with an eye to future generations.

Rosario Pistorio
Managing Director

METHODOLOGICAL NOTE

[GRI 2-1, 2-2, 2-3, 2-5]

This document is the **third** Sustainability Report of **Sonatrach Raffineria Italiana S.r.l.** - hereinafter also referred to as **SRI or Company** - with the aim of informing all Stakeholders, in a transparent manner, of the actions carried out during the 2022 and 2023 financial years (from 1 January to 31 December) in terms of environmental, social, economic and human rights profiles.

The main company offices covered in the Sustainability Report are listed below:

01.
**Augusta Refinery - Contrada Marcellino
P.O. Box 88 - 96011 Augusta
(Syracuse)**
02.
**3 Storage depots: Palermo, Naples and
Augusta**

Aware of the importance of sustainability, **Sonatrach Raffineria Italiana S.r.l.** has defined its own strategy with clear objectives that are reflected in the descriptions, data and indicators presented in this Report. The Report has been prepared with reference to the Global Reporting Initiative (GRI) Standards defined in 2021. The GRI is an internationally recognised not-for-profit organisation that has developed a set of standards adopted by most organisations for reporting and measuring their ESG performance. In order to enable comparability of data over time and to assess the company's business development, a comparison is made with the data for the two-year period from 2022 to 2023.

In line with the guidelines of the new Corporate Sustainability Reporting Directive (CSRD), **Sonatrach Raffineria Italiana S.r.l.** has decided to implement the analysis of Double Materiality and, in particular, the identification of inside-out and outside-in impacts, strictly following the methodology provided, but going beyond a logic of mere compliance (the company is not currently subject to the Directive), with the aim of integrating practices and definitions in a strategic perspective, with a long-term vision of data transparency, accuracy and comparability.

With regard to both the GRI standards and the CSRD, the involvement of different categories of stakeholders, both internal and external, in the preparation of an organisation's Sustainability Report is crucial. **Sonatrach Raffineria Italiana S.r.l.** has carried out stakeholder mapping and engagement activities for the preparation of the Report, using two authoritative references: the updated Global Reporting Initiative (GRI) standard in its latest edition (2021) and the AccountAbility 1000SES (AA 1000SES) standard, which guarantee the completeness and transparency of the engagement activities at different levels.

The international reference of the **Sustainability Accounting Standards Board (SASB)**, an independent not-for-profit organisation that identifies the most relevant environmental, social and governance issues related to the financial performance of companies in specific sectors, was also taken into account.

Details of the analysis carried out by SRI can be found in the chapter called **“DOUBLE MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT”** in this document, which describes the stakeholder engagement process and the development of the double materiality analysis methodology in line with the **AA1000SES**, GRI, **SASB** and CSRD standards. The use of estimates has been minimised in order to present a fair view of performance and to ensure the reliability of the data. Where they exist, they are based on the best available methodologies and are appropriately identified in the text with references and citations to authoritative sources.

This document, approved by the Board of Directors of Sonatrach Raffineria Italiana on 20 November 2024, has been drawn up on a voluntary basis and has not been subject to a third-party audit (assurance). If you have any questions about reporting or the information reported, please contact:

comitatodisostenibilita@sonatrachitalia.it





AA1000SES Standard

The AA1000SES standard is dedicated to understanding and including stakeholder requirements into a corporate social responsibility process, and provides a practical framework for the methodical implementation of stakeholder engagement. The standard describes how to integrate stakeholder engagement into an organisation's governance, strategy and operations to promote an integrated and strategic approach to corporate sustainability issues.

SASB- Sustainability Accounting Standards Board

SASB- Sustainability Accounting Standards Board is a globally recognised not-for-profit organisation established in 2011 to develop sector-specific standards on ESG issues. It provides a framework for companies to report on sustainability risks and opportunities in a financially relevant and meaningful way. These standards are designed to be globally applicable and focus on environmental, social and governance (ESG) issues that can have a significant impact on the financial performance of companies.

GRI - Global Reporting Initiative

The Global Reporting Initiative (GRI) is an internationally recognised, not-for-profit organisation that has been helping companies and organisations communicate and measure their environmental, social and governance (ESG) performance since the late nineties. It has defined and regularly updates the GRI Sustainability Reporting Standards, which enable organisations of all sizes, sectors and geographical locations to report on their economic (GRI 200 series), social (GRI 400) and environmental (GRI 300) activities in a single document. Sustainability reports prepared in accordance with these standards are complete, accurate and comparable over time and between different companies. A key element of the GRI is the involvement of each organisation's internal and external stakeholder categories.

Legislative Decree No. 125 of 6 September 2024

Legislative Decree No. 125 of 6 September 2024, published in Official Gazette No. 212 of 10 September 2024, implements **European Directive 2022/2464/EU (known as the CSRD - Corporate Sustainability Reporting Directive)** of the European Parliament and of the Council of 14 December 2022, which entered into force on 5 January 2023, amending Regulation 537/2014/EU, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to corporate sustainability reporting.

A wider range of large companies, as well as listed SMEs, are required to report on sustainability under a new set of rules designed to ensure that investors and other stakeholders have access to information to assess the impact of companies on people and the environment, and to enable investors to properly assess the financial risks and opportunities arising from climate change and other sustainability issues.

Companies subject to the CSRD are required to report in accordance with the **European Sustainability Reporting Standards (ESRS)**. The principles are prepared as a project by the European Financial Reporting Advisory Group (EFRAG), an independent, multi-stakeholder, international body that has developed the rules and requirements for companies to report on their sustainability impacts, risks and opportunities (IROs) in line with the CSRD. Corporate sustainability reporting also requires guarantees on the sustainability information reported by companies and will provide the digital taxonomy of sustainability information.

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ABOUT US

[GRI 2-6]

Sonatrach Raffineria Italiana S.r.l. is a company incorporated under Italian law and belongs to the Algerian Sonatrach Group, whose share capital is wholly owned by its sole shareholder, Sonatrach Petroleum Investment Corporation B.V. The company, **which employs over 760 people**, is active in the refining of crude oil and the storage and distribution of petroleum products through the Augusta Refinery (Syracuse) and its three depots for petroleum products located in southern Italy, in Augusta (Syracuse), Naples and Palermo. The Company is also one of Europe's leading producers of bases for lubricants, bitumens and paraffins.

The Company owns both primary refining and conversion plants for the transformation of semi-finished products into finished products and has approximately 280 tanks with a total storage capacity of approximately 3 million cubic metres, in addition to the total storage capacity of approximately 140,000 cubic metres of the three petroleum product depots. The depots provide logistical support for sales activities and are used to store and distribute finished products, mainly petrol and diesel oil. There is also a jet fuel depot in Naples. Products are delivered to the depots mainly by sea or, in the case of Augusta, by pipeline.

Within the Sonatrach group, Sonatrach Raffineria Italiana S.r.l. provides both additional crude oil refining capacity and the production of diesel oil, low-sulphur petrol and bitumens to meet Algeria's domestic demand. Intra-group relations began as early as 2019 with the use of Algerian Sahara Blend crude oil, which is permanently included in the blend of crude oils processed by the Augusta Refinery.

Finally, the steady growth in Algeria's domestic demand, with the consequent expansion and modernisation of the road network and infrastructure, was facilitated by significant imports of bitumen from the Augusta Refinery.

MISSION

Sonatrach Raffineria Italiana constantly strives to reconcile its refining and distribution activities with the environmental, economic and social needs of its host territory and community. The mission of Sonatrach Raffineria Italiana is to:

- Ensuring the supply of several strategic sectors in the Mediterranean region, including transport, chemicals and manufacturing;
- Promoting a sustainable development model based on the continuous improvement in the efficiency of production processes and the importance of reusing resources;
- Ensuring energy security through the integrity and flexibility of its operations, with a focus on the environment and the surrounding territory;
- Developing excellence in the energy sector with passion and commitment;
- Acting responsibly and transparently towards all stakeholders.

VISION

Sonatrach Raffineria Italiana continues its development in the Mediterranean, confirming its role as a reliable and competitive company in the production and distribution of energy products. Sonatrach Raffineria Italiana is guided by a vision that combines ambitious goals and values:

- The maintenance of a leading position in the production and distribution of energy products in the Mediterranean region;
- The enhancement of aptitudes and passions and the development of professional excellence;
- The gradual decarbonisation of processes and products through the use of new raw materials and innovative technologies;
- The celebration of diversity in an environment that is fully inclusive.

The Algerian Sonatrach Group, through its subsidiary Sonatrach Petroleum Investment Corporation B.V., has indirect control over the Company, constantly monitors its management and operations and provides financial support in line with its investment plans. The business relationship with its subsidiary **Naftal S.p.A.**, to which the company supplied bitumen last year and will continue to do so until 2024, continues to develop, covering most of the needs of the local Algerian market; the support provided by the parent company, Société Nationale pour la Recherche,

la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures S.p.A., in the procurement of crude oil and the sale of finished products is confirmed by the service contract that has been in place since the start of the Company's operations; SRI has also developed its own sales department for all domestic sales by road tanker, pipeline and ship, particularly for "speciality" products such as lubricating oil bases, Bitumens and Paraffin, and Fuel Oil.

The Sonatrach Group

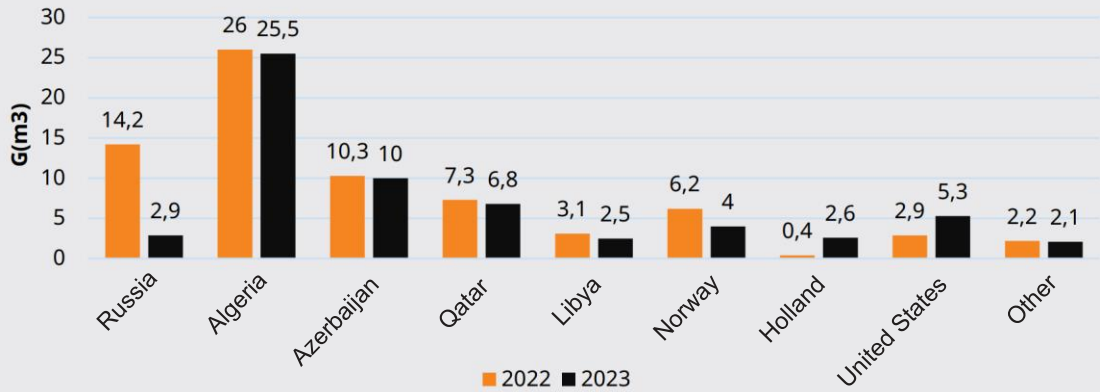
The **Sonatrach Group** (an acronym for "National Company for Research, Production, Transport, Transformation and Commercialisation of Hydrocarbons") is an Algerian state-owned company founded on 31 December 1963. Today, it is one of the **world's leading oil companies** and the largest African company in terms of turnover. A virtuous example in the Algerian economy of research excellence and talent development, focusing on the entire value chain for national economic and energy development.



Sonatrach is one of the largest gas exporters: **it covers about 19% of the European market (source: ARERA 1) and supplies about 42% of Italy's needs through the Transmed pipeline, which has been in operation since 1983.** It is an integrated Company with more than 100 national and international companies operating both upstream and downstream and is one of the world's largest suppliers of LPG, natural gas and LNG. Business relations with our country have been boosted by the recent agreements signed between Algeria and Italy.



FIGURE 1
Italian natural gas imports by country of origin.



Source: Ministry of the Environment and Energy Security
<https://www.arera.it/comunicati-stampa/dettaglio/arera-i-numeri-dei-servizi-pubblici>

The core values of Sonatrach
Raffineria Italiana

Today, “values” are the ideals in which the company believes, but also the foundations of everyday life. A company’s values form the basis of its strategy for the future, its business success, its attitude to reality and its responsibility to its stakeholders. Throughout its history, SRI has always rejected this set of core values:



Security



Protection of workers’
health and rights



Environmental, social,
governance sustainability



Ethics



Honesty, fairness, integrity



Equal opportunity and
equity



Personnel growth



Striving for excellence



Trust and team spirit

“

Our achievements, performance and results are the result of applying and respecting the Group's principles and values, as well as our business conduct, which has always been deeply rooted in respect for ethics, honesty and equal treatment. Safety and integrity of Operations, respect for the environment, personnel training and motivation, and synergy with the territory in which we operate are the pillars on which our company is built. Efficiency, flexibility and market competitiveness are our priorities. Our reputation is built on facts, not opinions.

”

Rosario Pistorio (engineer)
Managing Director
Sonatrach Raffineria Italiana

The operating assets of Sonatrach Raffineria Italiana

Products such as Propane, Propylene, Light Virgin Naphtha, Petrol, Alkylate, Diesel Oil, Kerosene, TF1A, Light Cycle Oil, Slurry, RSFO, LSFO, Bitumen and bases for Lubricating oils are sold mainly by ship and road tanker through the loading bays of the Refinery and the three depots. The Company's target markets are mainly the Italian market and those of the Mediterranean countries, including Algeria, Spain, France, Turkey and Egypt. The main industrial sectors are energy and fuels, manufacturing, industry and shipping.

The Company's main customers are the world's largest Oil and Oil Trading Companies including: BP, Naftal, Vitol, Gunvor, Lyondell Basell, Sasol, ENI Versalis, Saras, CEPSPA, Shell, ExxonMobil and Total. The Augusta Refinery has a highly flexible configuration:

- Large conversion capacity for the production of fuels (such as Petrol, Kerosene, Diesel oil).
- Lubes of global significance.
- Leader in bitumen exports.
- Centralised and modern control room.
- Excellent position in the Mediterranean, close to several sources of crude oil (North Africa and the Caspian Sea) and the possibility of serving the emerging markets of Africa and Asia.
- Crude oil processing capacity of 206,000 barrels per day.
- An area of 220 hectares with a perimeter of 16 kilometres.
- Approximately 280 tanks with a capacity of approximately 3 million cubic metres.
- Up to 550 T/H of steam production.
- Up to 52 MW of electricity from cogeneration.
- Connection to the regional methane network and to the electricity network.
- Biological wastewater treatment at the public wastewater treatment plant in Priolo Gargallo (Syracuse).
- 2 sea terminals.
- 85% of production exported by sea.
- Pipelines: external hydrogen supply; exports of LPG, Naphtha, Jet Fuel, Sulphur, Diesel oil, Petrol and Propylene.
- Land loading terminal for LPG, Jet Fuel and Bitumen.

Depots

The three depots have a total storage capacity of 140,000 m³. They provide logistical support for sales activities and are used to store and distribute finished products, mainly petrol and diesel oil, and in the case of the Naples site, Jet Fuel.

140,000 m³
Storage capacity 3 depots

Naples

Operating 24 hours a day, 6 days a week.

Storage capacity of approximately 100,000 m³.

9 automated loading/unloading bays.

More than 170 vehicles per day in normal operation, with 310 vehicles setting the daily record.

The products are delivered by ship to the Petroli Vigliena dock, which is connected to the depot by 12' pipe bundles, in joint use with Kuwait Petroleum Italy.

The depot receives an average of 80 ships a year.

Products in storage: Automotive Diesel oil, Petrol, Denatured Diesel oil and Jet Fuel.



Palermo

Operating 13 hours a day (5.30 am to 6.30 pm), 6 days a week.

Storage capacity of approximately 32,000 m³ on 6 automated loading/unloading bays.

Normal operation of 55 vehicles per day.

Products are delivered by sea, approximately 50 ships per year.

Products in storage: Automotive Diesel oil, Petrol and Denatured Diesel oil.

Offshore Equipment: 3 buoys and 2 underwater lines.



Augusta

Operating 16 hours a day (4.30 am to 8.30 pm), 6 days a week.

Storage capacity of approximately 8,000 m³.

5 automated loading/unloading bays.

Products are delivered from the Augusta Refinery via two dedicated 6" and 8" pipelines, 2.5 km and 0.5 km respectively.

Products in storage: Automotive Diesel oil and Petrol.

Normal operation of 80 vehicles per day.



[GRI 2-28]

Sonatrach actively participates and plays an important role in several National trade organisations:

UNEM
(Vice-presidency)

Confindustria Syracuse
(Vice-Presidency)

Confindustria Syracuse
(Board of Arbitrators)

Confindustria Sicily
(Advisory Board)

Confindustria Energy
(General Council)

Assonime
(Council)

Associazione Italiana
Manutenzione (AIMAN –
Coordination of the Sicily
section)....

THE AUGUSTA REFINERY:
TODAY’S FIGURES



206,000
Barrels/Day

Crude oil processing capacity



800 thousand
Ton/Year

Production of lubricants



550
Ton/Hour

Steam production



220 hectares

Surface



280+

Tanks



3 mil m³

Storage capacity



52
Mega Watts

Production of electricity



800+ ships/year

Two sea terminals.



RESPONSIBLE GOVERNANCE

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RESPONSIBLE GOVERNANCE

Governance structure and composition

[GRI 2-9,10,11]

Managing Director*	
Process Onsite	Process Offsite
Maintenance & Asset integrity	Technical*
Finance	Commercial
HR & Compliance*	Project & Planning*
Business Service*	Security & Occupational Health
Sustainability, Public & Government Affair*	

(*) member of the Sustainability Committee

Sonatrach Raffineria Italiana S.r.l. was established on 28 June 2018 and has its registered office in Milan. On 1 December 2018, the Company acquired a business unit that includes, among other things, the Augusta refinery and fuel depots in Augusta, Palermo and Naples. The management of the Company is currently entrusted to a **Board of Directors** consisting of 5 (five) members and the control functions are entrusted to a **Board of Statutory Auditors** consisting of 3 (three) regular auditors and 2 (two) alternate auditors. The auditing of the accounts is entrusted to **Independent Auditors**.

The Company adopted a number of governance tools to ensure its functioning and to monitor how decisions taken by the corporate bodies are made and implemented. The governance tools adopted by the Company can be summarised as follows:

Articles of Association:

In accordance with the law provisions in force, it contains a number of provisions relating to the social relations between shareholders and the management of the Company.

Code of Ethics:

It expresses the ethical and deontological principles that the Company recognises as its own and requires compliance with by all those who work to achieve the Company's objectives. The Code of Ethics expresses, among other things, lines and principles of conduct aimed at preventing also the offences referred to in Model 231, as a useful tool for operating in compliance with the regulations in force.

Company organisation chart:

The company organisation chart defines the organisational structure of the company, both in terms of functions/first level of reporting to the Managing Director of the Company and in terms of the internal organisation of each company function.

System of proxies and powers:

Defines the model of corporate responsibility towards the Company's counterparties and formalises the powers of representation in a comprehensive manner.

Job Description:

The Company adopted internal documents that define, among other things, operational roles and responsibilities, functional and hierarchical reporting.

Procedural Regulatory System:

The Company adopted a comprehensive set of procedures (guidelines, policies, procedures and instructions) aimed at regulating the main business processes in accordance with the adopted ethical principles, applicable best practice and the provisions of the Model 231 Control Standards, which are updated over time in line with the organisation.

SGSAE

The Safety, Environment and Energy Management System (see details on page 36 and side figure) is a system that enables all activities to be carried out in an environmentally responsible manner and ensures the safety and health of the company's employees, contractors working at the Augusta Refinery and the company's three petroleum product depots, and the external community.

Safety Management System for the Prevention of Major Accidents (SGS-PIR):

The Company is committed to adopting, implementing, maintaining and continuously improving its Safety Management System for the Prevention of Major Accidents, with particular reference to safety performance, in order to manage and control all activities that could affect the safety of workers, the external community and the protection of the environment and its equipment. This commitment is continuously communicated to all those working at the site, and appropriate measures and controls are put in place to verify the effectiveness of the implementation.

[GRI 2-23]

SAFETY, ENVIRONMENT AND ENERGY MANAGEMENT SYSTEM		
 LPS (Loss Prevention System)	 Safety, Environment and Energy Management System	 Reliability Management System
 Company Policies	 Code of Ethics	 Model 231
 Controls Management	 ISO 9001 certification	 ISO 14001 certification
 ATIEL Lubricants Certification	 CE marking of Bitumen certification	 ISO 50001 certification
 ISO 45001 certification		

Economic, social and environmental responsibility towards internal and external stakeholders, compliance with laws and regulations, and fairness in the management and implementation of activities drive SRI to promote and adopt high ethical standards throughout the supply chain. The compliance policies and internal regulations developed and disseminated to promote the creation of a business model that is responsible towards the environment, the market, employees, suppliers and all those who have a direct or indirect relationship with the Company contribute to this objective.

During 2023, the Company also implemented the requirements for obtaining the **ISO 27001 certification** for the information security management system and the **ISO 17025 certification** for the competence requirements of test and calibration laboratories. The above certifications will be obtained by the Company during 2024. Finally, the Company is considering activities to obtain gender equality certification based on UNI/PdR 125:2022 practices (gap assessment expected by 2024), as well as the **ISO 31000** certification for risk management and the **ISO 46001** certification for water efficiency management.

The complexity of the situations in which the Company operates, the challenges of sustainable development and the need to take into account the interests of all stakeholders in the Company's business, reinforce the importance of clearly defining the values and responsibilities that the Company recognises, accepts, shares and assumes, in order to help build a better future for all. For these reasons,

since its incorporation in 2018, the Company has adopted, among other things, an organisation, management and control model pursuant to Legislative Decree No. 8 June 2001, No. 231 (hereinafter referred to as the "Model 231"), a Code of Ethics and a set of Business Conduct Policies, compliance with which by the Company's directors, auditors, management and employees, as well as by all those who work to achieve the Company's objectives, including customers, suppliers, consultants and independent contractors, each within the scope of their functions and responsibilities, is of fundamental importance. The documentation relating to these management elements can be consulted at any time on the home page of the Company's official website: www.sonatrachitalia.it

In accordance with Legislative Decree No. 231 of 8 June 2001, the Company has also appointed a **Supervisory Body** consisting of three members, all of whom are external to the Company.

THE CODE OF ETHICS AND BUSINESS CONDUCT POLICIES

[GRI 2-23,24]

The Company's Board of Directors adopted a Code of Ethics and a set of business conduct policies that outline the principles and values that underpin the Company and its business. These principles and values must be complied with by all directors, employees and collaborators of the Company when carrying out their work, both internally within the Company and externally in relations with authorities and institutions, in commercial transactions with suppliers, customers and consultants, and more generally in relations with all stakeholders.

The principles and values set out in the Code of Ethics adopted by the Company are based on the principles contained in the Code of Ethics of its parent company, Sonatrach (Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures), and are set out in the business conduct policies adopted by the Company's Board of Directors, which must therefore be read in conjunction with the Code of Ethics.

The Company is committed to communicating the principles and values contained in the Code of Ethics and the Business Conduct Policies to all employees, contractors, suppliers, customers and anyone who does business with the Company, in order to promote a corporate culture based on the principles of legality, transparency and fairness. Given the importance of the principles and values set out in the Code of Ethics and the business conduct policies, the Company has also appointed an Ethics Committee, composed of Company employees appointed by the Board of Directors, whose responsibilities include monitoring compliance with the Code of Ethics and the Policies on Business Conduct.



The principles and values expressed in the Sonatrach Raffineria Italiana S.r.l. Code of Ethics are as follows:



Legality



Ethics



Transparency



No conflicts of interest



Anti-corruption measures



Protection of workers' health



Environmental protection and efficient use of energy



Sustainability



Security



Equal opportunity



Non-discrimination in the workplace



Professionalism



Employee training



Improving the social context

The Code of Ethics and the business conduct policies are available on the Company's website at www.sonatrachitalia.it

THE ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

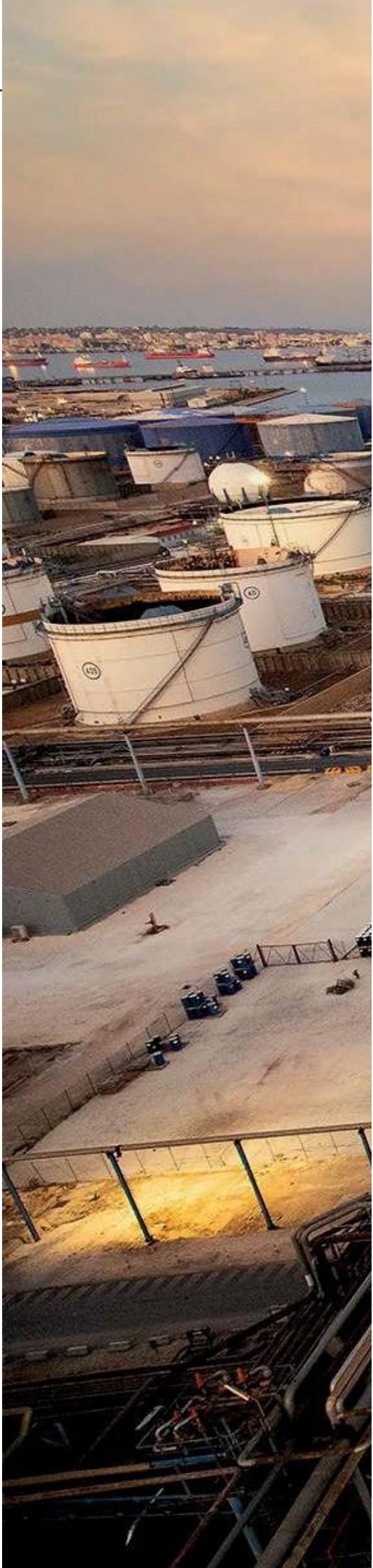
[GRI 2-10,11,12,15,16,17 - 26]

The Company has adopted an organisation, management and control model pursuant to Legislative Decree No. 231/2001, consisting of a general part and a special part, which describes the controls adopted by the Company in order to prevent the commission of criminal offences (predicate offences) by persons in positions of representation, administration or management of the Company, as well as by other senior managers subject to the direction and supervision of the persons in positions of representation, administration or management.

The aforementioned organisation, management and control model is constantly updated by the Company in the light of the law amendments introduced by Legislative Decree No. 231/2001, which also aims to extend the list of predicate offences, and is implemented by the Company through the adoption and updating of internal procedures aimed at implementing the principles and rules contained in the special part of the organisation, management and control model.

In accordance with Law 179/2017 "Provisions for the protection of persons who report crimes or irregularities of which they have become aware as part of a public or private relationship" and in implementation of the provisions of paragraph 2-bis of Article 6 of Legislative Decree 231/2001, as well as Legislative Decree No. 24/2023 "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report violations of the European Union law and on the protection of persons who report violations of national regulations", the Company has implemented the provisions of the aforementioned regulations, the procedure known as **Whistleblowing** for reporting offences and irregularities.

Pursuant to paragraph 1 of Article 4 of Legislative Decree No 24/2023, Reports may be made using an IT platform capable of guaranteeing the confidentiality of the identity of the whistle-blower, accessible from the [sonatrachitalia.it](http://www.sonatrachitalia.it) website or directly through the link: <http://www.sonatrachitalia.it/whistleblowing>





[GRI 2-15,16]

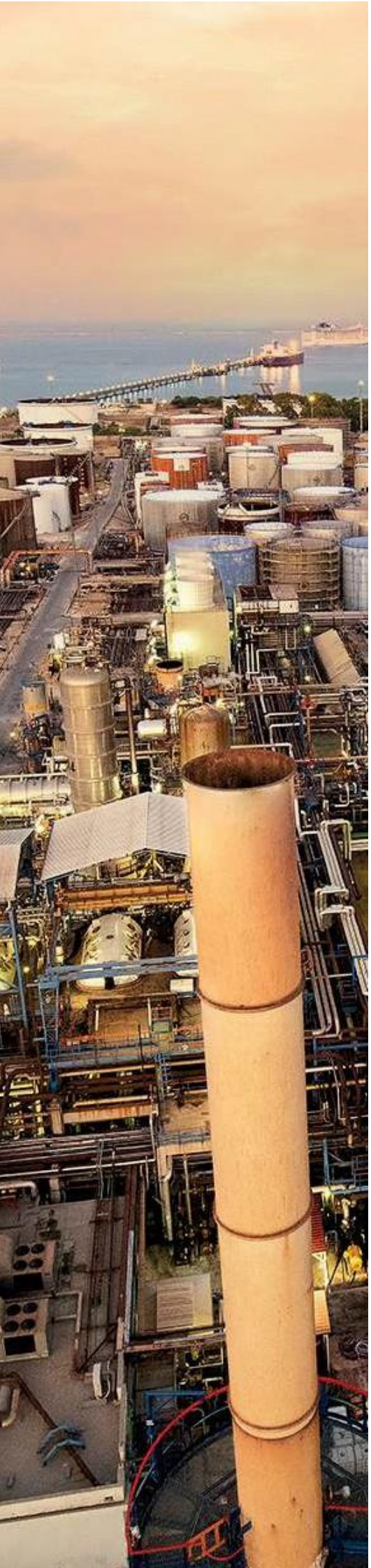
All reports are made within the framework of the regulatory provisions on whistleblowing, with particular reference to the protection of the whistleblower against any form of retaliation and/or discrimination, as well as the protection of the whistleblower in good faith. The Company has also adopted a specific procedure for the management of reports in accordance with the relevant regulations. The procedure in question is to be considered as an integral and essential part of Model 231 and the whistle-blowing procedure is to be communicated to the addressees in the same way. The Ethics Committee may establish specific operational procedures for the management of whistle-blowing, always taking into account the regulatory provisions and the requirements of the Organisational Model.

Finally, the Company regularly organises internal training and updating sessions on the provisions of the Code of Ethics, the business conduct policies and the organisation, management and control model pursuant to Legislative Decree No. 231/2001, in order to emphasise the importance of the principles and values on which the Company is founded and to ensure that all the Company's activities are carried out in compliance with applicable law. Training is complemented by self-learning courses and the dissemination of reports to the entire company population.

The definition and reporting of potential **conflicts of interest** are governed by the management procedure called "Managing potential conflicts of interest". Potential conflicts of interest are analysed by determining the level of risk, which in turn determines the approval process for mitigating actions (depending on the level of risk: line manager, ethics committee or managing director; in all cases, HR & Compliance approval is also required). Conflicts of interest relating to members of the board of directors in for-profit Companies require the approval of the Managing Director, who may consult with the BoD as he/she deems necessary.

This procedure is mainly focused on conflicts of interest with relatives, relatives in law and cohabitants, as well as with members of the board of directors. However, conflicts of interest are defined as "any situation in which one's own interests and those of the Company may conflict. An employee who provides or uses confidential information arising from the employment relationship for his or her own benefit is also considered to have a conflict of interest". The procedure requires employees to report any cases of potential conflict of interest.

The **total number and the nature of critical concerns** that were communicated to the highest governance body during the reporting period is zero.



CERTIFICATIONS AND
MANAGEMENT SYSTEM

SGSAE

The **Safety, Environment and Energy Management System** is a system that enables all activities to be carried out in an environmentally responsible manner and ensures the safety and health of the Company’s employees, contractors working at the Augusta Refinery and the company’s three petroleum product depots, and the external community. The Energy Management System integrated into the SGSAE “framework”, is the set of policies, procedures and work processes that are formalised and implemented with the aim of managing all operations (from the development of new projects to their implementation, from the procurement of materials and services to the training/information of employees, from the management of production processes to the maintenance of plants) while ensuring energy savings. Saving energy is not just about using less, it is about using the resources available effectively and efficiently. The SGSAE, ISO 14001, 45001, 9001 and 50001 certified by accredited bodies, consists of 11 chapters, each of which deals with an aspect directly or indirectly related to the operations, within which 23 elements are then identified that examine in more detail specific activities for the integrity of operations. Management has designated a “Sponsor” and an “Administrator” for each element of the SGSAE system. The latter are those who have the primary responsibility for the maintenance of the Element for which they are responsible, the achievement of its objectives and compliance with the requirements of the Element entrusted to them. The knowledge and correct application of the SRI SGSAE system by Sonatrach personnel and Contractors is ensured by the SGSAE Committee, chaired by the Managing Director.

In particular, the SGSAE Committee defines the necessary measures, control programmes and the allocation of appropriate resources. The duties of the SGSAE Committee also include reviewing system indicators and approving the appointment of new Sponsors and Administrators who will actively participate in the Committee meetings related to the relevant element by presenting results and plans to the Refinery Management Team.

In addition, the performance of the integrity of operations, which is monitored periodically as part of the Management’s overall process of identifying and controlling the Refinery’s objectives, is carried out in parallel against two other types of performance indicators:

- Monthly Performance Letter including “Flawless Operation Indicators”; these are sent monthly to Sonatrach’s Senior Management and to the BoD (SRI Board of Directors).
- Performance Indicators for Business Teams prepared by Refinery Business Team Leaders (BTLs) and Terminal Depot Managers, subject to stewardship, and shared regularly throughout the year at Accountability meetings with SRI management.



Management system audit activities

2022 and 2023 were two years full of activities aimed at continuous improvement of the integrated management system, both in terms of synergy with the activities of the Sustainability Committee and the additional certified management systems, and in terms of updating the SGSAE system documentation. These standards provide guidelines for the implementation and enforcement of occupational health and safety, environmental and energy management systems and have a High Level Structure (HLS) with the aim of continuously improving environmental, energy and occupational health and safety performance.

The expected results of an integrated management system include:

- Improvement of health and safety as well as environmental and energy performance;
- fulfilment of compliance obligations;
- achievement of the company targets set by the SGSAE.

In 2022 and 2023, several internal and external audits were carried out to check the implementation and effectiveness of the SGSAE on several fronts.



2022 - JIG SELF ASSESSMENT AND EXTERNAL INSPECTION AT THE NAPLES DEPOT

What is the JIG?

The EI/JIG 1530 standard provides mandatory requirements and best practice recommendations to ensure the maintenance of Jet Fuel quality in refineries and storage, distribution and transportation systems, including those serving airports. It is a very complex document, covering several aspects of both a structural and managerial nature, such as:

- plant design/construction requirements
- product manufacturing (including additive dosing)
- analysis and certification of production batches
- storage and handling
- procedures for landfill ship deliveries and road tanker loading.

Why is it important to comply with the EI/JIG 1530 standard?

There is no obligation to “comply” with the standard. It is a strategic and considered decision to improve the operational safety of one of the oil industry's most quality-critical end products, given the potential impact of its use.

Self-Assessment

A self-assessment was carried out in July, August and September 2022, initially remotely, and concluded with a one-week on-site visit from 12 to 15 September. This enabled a list of gaps and opportunities for improvement to be identified, together with a corresponding action plan.

For some limited gaps, where the closure time exceeds 3 months from the date of completion of the self-assessment, an Alternative Means of Conformance (AMC) with associated

Quality Risk Assessment must be formalised. The primary objective of the AMC is to ensure an equivalent level of control until the gaps, some of which are structural (i.e. fixed-limit TK), are closed in order to ensure the storage and delivery of quality product.

For the Naples Depot, at the last PQC (Product Quality Committee) on 6 October, a special “AMC Review Committee” was set up, coordinated by the Quality Advisor, which has already approved the first AMCs.

External inspection

On 18 and 19 October, the Company was visited by an external inspector on behalf of a potential customer to verify that the Naples Depot was operating in accordance with the requirements of the JIG standard. The result of the inspection was positive, in line with the findings of the self-assessment, and was judged to be fairly satisfactory.

The external inspector particularly appreciated the organisation, helpfulness and transparency of the interviewees and the entire SRI organisation.

2023 - ISO 9001, ATIEL, CE MARKING OF BITUMEN AND ISO 14001 RECERTIFICATION SURVEILLANCE AUDITS

From 10 to 12 July 2023, the Refinery underwent its annual surveillance audit by SGS as part of the ISO 9001 (Quality Management System - QMS), ATIEL (specific certification for the production of lubricant bases), CE marking of Bitumen and ISO 14001 (SGSAE - Environment) certifications. This was a special year for ISO 14001, as the previous certificate (valid for three years) expired on 31 July 2023.



The external audit team consisted of:

Lead auditors, responsible for the ISO 9001 and ATIEL surveillance audits, who conducted the “system” interviews, less related to the operational part and responsible for the ISO 14001 recertification.	Auditor for ISO 9001 and ISO 14001 re-certification surveillance audits, carrying out most of the on-site audits.
Auditor for ISO 14001 re-certification.	Auditor responsible for CE marking of bitumen.

All external audits were successfully completed with no major or minor “non conformities” found, only opportunities for improvement.	and the team who accompanied the external auditors during the on-site, laboratory and control room audits.
The external audit team particularly appreciated the helpfulness and transparency shown by the whole organisation, especially the colleagues who were personally involved in the interviews	This has been made possible by annual internal audits to ensure compliance with all SGSAE requirements.

SGA

The Company has also adopted a **Reliability Management System** (SGA), which aims to define the best working practices, the virtuous behaviour of the relevant figures and the standard of expected reliability results. The SGA consists of 15 elements, each of which aims to define and reinforce specific aspects necessary to achieve reliability results. In particular, the first element defines the importance of the commitment and leadership of the Company Management. The last element contains within itself the necessary conditions for the whole system to revalue itself and be self-sustaining towards continuous improvement. All other elements cover aspects such as risk assessment, proper design, long-term plans and strategies, operating parameters, process and maintenance operations, and so on.

LPS

LPS stands for Loss Prevention System™ and is an integrated system, embedded in the wider management system, to prevent personal injury, environmental accidents and ensure product quality.

ISO 9001

The ISO 9001:2015 “Quality Management Systems” certification is a reference standard for quality management that applies to all types of organisations. ISO 9001 is a reliable control tool for continuously monitoring the quality of crude oil refining activities and the production of finished petroleum products, in order to identify areas for improvement and respond appropriately to market and customer demands.

ISO 14001

ISO 14001:2015 is a certification that demonstrates compliance with environmental management system requirements. This certification is an effective control tool that allows the Company to achieve greater control over compliance with environmental regulations and standards, improve the efficiency of various processes, meet the demands of stakeholders sensitive to certain issues, or simply adopt ethical and responsible business practices.

ISO 50001

ISO 50001:2018 certification is reconfirmed for the Augusta Refinery, maintaining the ISO-certified management system integrated into its own SGSAE. One of the main objectives of the standard is to improve energy efficiency, use and consumption by enabling continuous improvement in energy performance.

ISO 45001

The completion of SRI's ISO45001 certification process was confirmed by the achievement of stage 2 certification by the RINA certification body. In fact, the internal ISO 45001:2018 audit was successfully completed at all the Company's sites, followed by the surveillance audit to maintain the ISO 45001 certification of all the Company's operating sites by a qualified external Certification Body. ISO 45001 certification is based on occupational health and safety management and requires organisations to continually improve and provide assurance to all stakeholders that they are complying with specified safety policies.

CE Marking of Bitumen

The CE marking of Bitumen guarantees the quality of the product and its conformity with the requirements of European regulations.

Atiel

The company is a member of the Technical Association of European Lubricant Manufacturers (ATIEL, Associazione Tecnica dei Produttori Europei di Lubrificanti), which aims to promote the highest standards in the industry by networking the various manufacturers and exchanging experience on new technologies and best practice.

Protection of personal data

The Company guarantees the protection of personal data (in accordance with EU Regulation 679/2016, Legislative Decree 196/2003, as amended by Legislative Decree 101/2018, and any primary or secondary regulations that incorporate, amend or reform the same, which may be in force from time to time) of employees and their family members, as well as of any visitors, suppliers, customers or third parties with whom it comes into contact in the context of employment relationships or as independent contractors.

Compliance

[GRI 2-27]

There were no instances of non-compliance with laws and regulations during the year under review.

VISION OF SUSTAINABLE DEVELOPMENT

The concept of sustainable development was first introduced in the 1987 report of the World Commission on Environment and Development, Our Common Future, or the Brundtland Report, as an approach that “meets the needs of the present without compromising the ability of future generations to meet their own needs”. The satisfaction of these needs, both present and future, draws attention to the close link between the development of economic activities, the development of the social context and the protection of the environment. Three aspects that, according to the sustainable approach, must

be considered inseparable within a development concept that takes into account the impact of each individual company in terms of the environmental, social and economic pillars.

To respond to the needs of sustainable development, over the years SRI has developed a culture of Sustainability that permeates the entire Organisation, emphasising an integrated vision of the different components between environmental, social and economic values in the conduct of business.

SUSTAINABLE DEVELOPMENT GOALS, SDGS

In August 2015, the United Nations General Assembly, attended by more than 150 leaders from around the world, adopted the 2030 Agenda for Sustainable Development. The 2030 Agenda comprises 17 Sustainable Development Goals (SDGs), with a total of 169 targets. The SDGs and targets set global priorities for 2030 and define an integrated plan of action for people, the planet, prosperity and peace, which requires an integrated approach to sustainability, taking into account ESG or environmental, social and economic, aspects.

OBIETTIVI PER LO SVILUPPO SOSTENIBILE



[Key words: sustainable development goals; defeating poverty; defeating hunger; health and well-being; high-quality education; gender equality; clean water and sanitation services; clean and affordable energy; decent jobs and economic growth; businesses, innovation and infrastructure; reducing inequalities; sustainable cities and communities; responsible consumption and production; combating climate change; marine life; life on earth; peace, justice and sound institutions; partnership for goals]

The Development Goals address different types of players who can make a decisive contribution to the creation of a sustainable and virtuous economic, social and environmental system for all: from international organisations and non-governmental organisations to legal institutions, market actors and private initiative.

This is an approach that, particularly for the Oil & Gas sector, must take into account the stimulation and strengthening of innovation, the adoption of new technologies in the field of safety in order to improve efficiency, the attraction of talent and the involvement of the territory in which it operates. With regard to this last aspect, it should be stressed that the integration and measurement of social responsibility performance is a more than valid tool for validating the adoption of a sustainable development strategy, especially in sectors that are particularly sensitive to social and environmental factors.

For Sonatrach Raffineria Italiana, sustainable development and social responsibility mean an ongoing commitment to improve the quality of life of the community in which we live, through a proactive approach to ethical behaviour, social and economic development and environmental principles, involving the Company's employees, customers, supply chain and the community at large. Therefore, the company intends to play a leading role in those strategic aspects that take into account factors such as employment, economic and social well-being and environmental protection. The Company constantly strives to promote virtuous ethical, social and environmental behaviour through continuous improvement of its activities, not only by integrating ESG issues into its business management, but also by contributing to the achievement of the sustainable development goals of the 2030 Agenda.

The results of the Sustainability Impact Rating 2023 (SI Rating, see next chapter) on the alignment of the Company's activities with the 17 goals of the UN 2030 Agenda for Sustainable Development are presented below. The results represent the percentage of alignment of the Company's activities with the 169 targets contained in the 17 objectives above, through correspondence to specific SI Rating indicators and their weights, determined by the relevance of the topics and sub-topics.



So far, the challenges posed by the SDGs are ambitious for most individual companies. This implies both a multi-sectoral and multi-disciplinary approach to the pursuit of these goals. The greatest contribution can therefore be made by adopting a strategy based on a multi-stakeholder framework, understood as a dialogue between local and national players to identify which SDGs are priorities and to provide a coordinated and collective response to them.

Within the Oil&Gas sector, the following stakeholders can be identified as key to establishing a level of collaboration that works for sustainable development:



The oil & gas sector is central to the global economy. Oil and gas remain the backbone of the entire energy system and therefore play an important role in the social and economic development of any country. It is clear from this assumption that the sector in which SRI operates has the potential to contribute to all the sustainable development goals in a variety of ways, both by increasing its own positive impacts and by taking action to reduce negative impacts.

Integrating the Sustainable Development Goals (SDGs) into business requires not only action on investment, but above all the definition of strong leadership capable of embarking on a path that is beneficial to all in the long term. For a company like Sonatrach Raffineria Italiana, the integration of the Sustainable Development Goals (SDGs) is necessary to demonstrate its commitment to maintaining its “social licence to operate”, which is fundamental to enabling an increasingly close and integrated relationship with the external community.

Sonatrach Raffineria Italiana intends to align itself with the Sustainable Development Goals (SDGs), and is committed to strengthening its contribution to the achievement of the goals most closely related to the company’s business characteristics.

Simply producing a sustainability report in line with internationally recognised standards and KPIs, and publishing and sharing it with all stakeholders, is another step for SRI towards achieving the SDGs.

MISSION

Sustainability Management and approach to stakeholder engagement

[GRI 2-12,13,17,18,29]

Sustainability management is entrusted to a Sustainability Committee, which has responsibility, monitoring and control functions to ensure that the achievement of sustainability goals is always a motivating force for the organisation to make necessary and conscious improvements, in line with international standards and leading the way beyond mere industry compliance. The Sustainability Committee, established in 2019, continued its stewardship and improvement activities in 2022-2023 in the areas identified as important for achieving an

effective sustainability governance process at all levels of the company. The Sustainability Committee is also responsible for managing the involvement of the Organisation’s internal and external stakeholders, following a validated process of mapping, identifying and analysing the needs and consequent purposes of involvement through processes, tools, levels and methods divided into different clusters. On this aspect, please refer to the chapter “Double Materiality Analysis and Stakeholder Engagement”.

The Sustainability Committee

The “Sustainability Committee”, comprising the Managing Director, Technical Manager, Business Service Manager, HR & Compliance Manager, Project & Planning Manager and Sustainability, Public & Government Affair Manager, ensures that the achievement of sustainability targets is always a driving force for the organisation to make necessary and conscious improvements. The Committee:

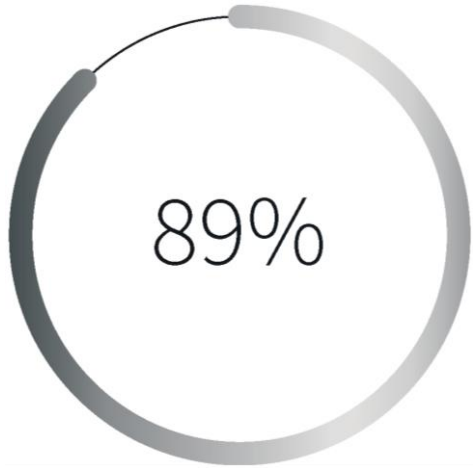
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|--|---|--|
| Reviews the progress of the company's sustainability strategy. | Promotes the integration of ESG factors into corporate strategies | Urges the adoption of national and international best practice |
| Expresses opinions and makes proposals in the ESG areas | Promotes transparency and completeness of information on sustainability | Supports the communication of sustainability initiatives. |

SI RATING

At the end of 2023, the result of the Sustainability Impact Rating 2023 (SI RatingTM) was presented to internal and external stakeholders. The third SI Rating certification confirmed the improvement of all ESG parameters, further confirming that the company can be considered a virtuous example where continuous improvement is the basis of all company policies. As you know, in 2019 SRI adopted the SI RatingTM of ARB SB S.r.l. as a tool to measure its sustainability, a tool validated by the international certification bodies RINA and SASB (Sustainability Accounting Standards Board).

Therefore, SRI continues to measure the sustainability of its industrial activities against ESG (Environmental, Social and Governance) criteria and the seventeen United Nations Sustainable Development Goals (SDGs).

The **Sustainability Impact Rating** (SI Rating) is a proprietary tool designed and developed by ARB S.B.P.A. to help organisations assess their environmental, social and governance (ESG) sustainability. It uses an algorithm based on international guidelines and standards such as the SASB Materiality Map® (Sustainability Accounting Standards Board); ISO sustainability certifications; industry best practice and European directives and regulations. The tool is designed to help the organisation measure, monitor and communicate its sustainability performance and align its activities with the UN Sustainable Development Goals (SDGs). It is a strategic tool that objectively helps the organisation to understand the ESG risks and opportunities associated with its business activities and to integrate these factors into its business development plan.



**SONATRACH
RAFFINERIA ITALIANA
S.R.L.**
SI Rating Silver
81-90%



Environmental rating **92%**



Social rating **84%**



Governance rating **89%**



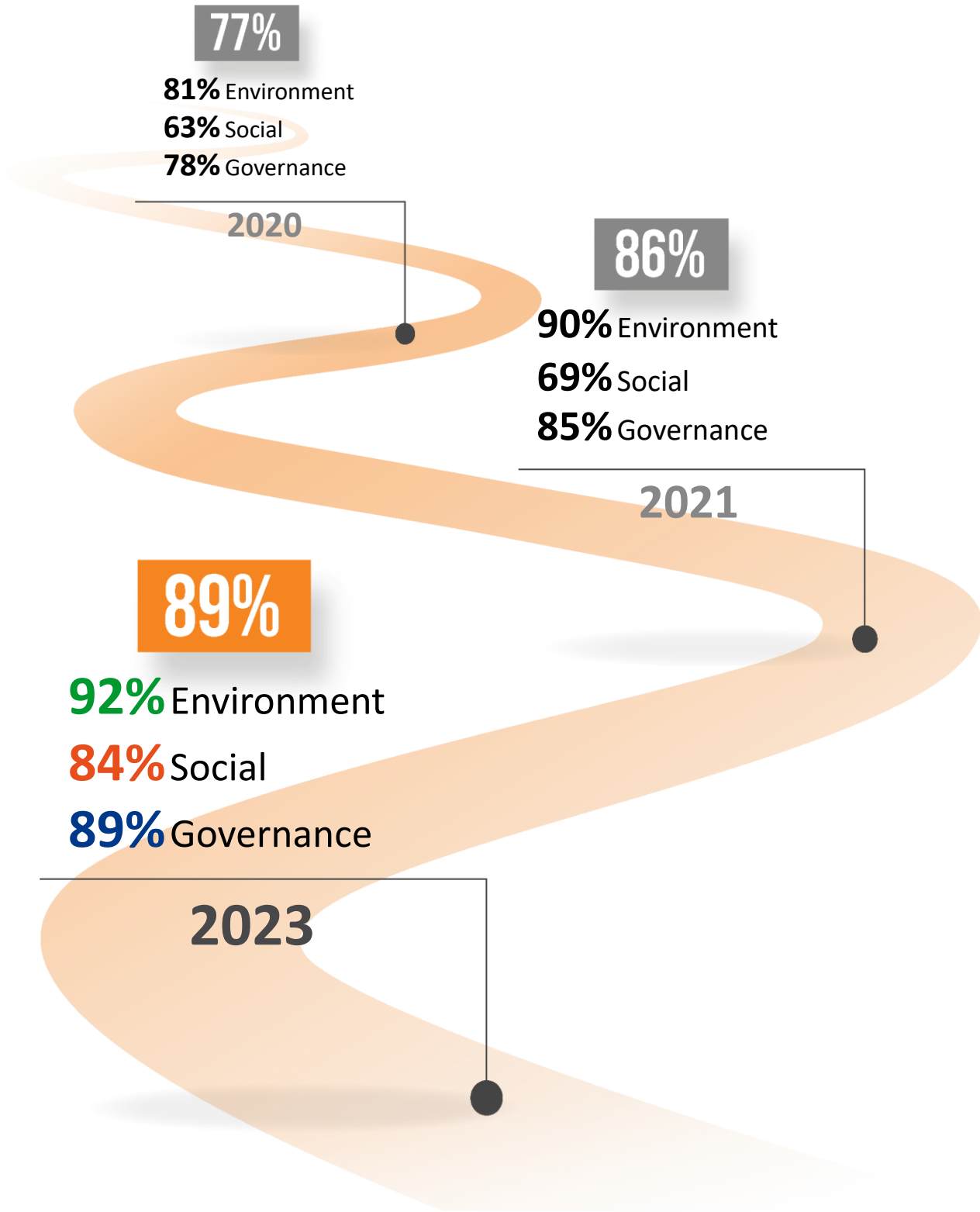
2023 results

After the results achieved in 2020 with a rating of 77/100, and in 2021 with a rating of 86/100, **SRI further improved its performance in 2023**, achieving an overall rating of 89/100. The environmental rating score (92/100) increased by 2 percentage points compared to the previous result. There was a significant increase in the social rating to 84/100 (up from 69/100). The Governance macro area achieved an overall score of 89/100 (up from 78/100 and then 85/100). These results underline the company's commitment to **continuous improvement** on each of these topics, and show how its SRI activities are perfectly aligned with those aspects of governance that are considered critical and high impact in its sector. As in 2021 and 2020, the 2023 edition analyses and assesses the actions taken, the tools used and the best practice, reflecting SRI's commitment to implementing sustainability principles that go beyond strict compliance with current regulations. The results are therefore the result of the company's robust integrated management systems (health, safety, environment, reliability, controls, energy, quality), the application of more than **80 best practices on environmental, social and governance issues**, the continuous and detailed analysis of water and carbon footprints and, finally, the submission of two sustainability reports (according to GRI standards) in 2020 and 2022. Sonatrach scored 89% for 2023.

Depending on the type of company analysed, the SASB materiality map identifies which issues are most and least important in the business sector in which the company operates. The algorithm was developed on a user-friendly platform for companies that want to assess the impact of their business operations on ESG sustainability principles.

By analysing the tools and best practice adopted by the company, it is possible to obtain a score, on a scale of 1 to 100, which indicates the company's level of sustainability, both at a general level and in relation to each issue.

Therefore, the tool allows Sonatrach Raffineria Italiana to understand the sustainability issues most relevant to its business, assess the effectiveness of its management strategy and identify which Sustainable Development Goals (SDGs) can also be supported and achieved through the company's contribution.



Assessment objectives

Aware of the importance of defining a sustainability strategy in the current economic context, Sonatrach Raffineria Italiana S.r.l. has decided to measure the level of sustainability of its activities using the SI Rating analysis tool. This action includes among its company priorities the measurement, reporting and monitoring of its environmental, social and governance (ESG) impacts. SI Rating also measures how Sonatrach Raffineria Italiana S.r.l. is aligned with the **2030 Agenda for Sustainable Development Goals** through its daily activities and choices. The sustainability journey undertaken through SI Rating® will enable sustainability to be characterised, measured and reported. The objective of the assessment is to use the objective data obtained from the analysis of the tools and best practice adopted and implemented by the company over the past year to outline actions that will lead to continuous improvement in the level of sustainability management.

Scope of assessment

The scope of the assessment considered refers to the management of the operating office of the Augusta refinery. The assessment is based on an analysis of the size of the company. The company qualifies as a “large enterprise” according to the parameters of the EU Recommendation 361/2003 and was included in the “Oil & Gas - Refining & Marketing” sector according to the **Materiality Map® and SASB’s Sustainable Industry Classification System® (SICS®)**, which includes: “Refining and Marketing (R&M) companies that refine petroleum products, market petroleum and gas products and/or operate service stations and convenience stores, which constitute the downstream operations of the oil and gas value chain. The types of refinery products and crude oil inputs influence the complexity of the refining process used, with different expenditure requirements and intensity of environmental and social impacts”.





DOUBLE MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT

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STRATEGIES FOR IMPROVING SUSTAINABLE MANAGEMENT

Following Sonatrach Raffineria Italiana's decision to commit to sustainable management of its business, the Sustainability Committee identified a series of targets to be achieved over the two-year period from 2024 to 2025. These objectives, listed below, will guide the company's plans for the period in question and will be reviewed and updated periodically in the light of the Company's business performance.

Our people

Training

- focus on the demand for new skills Selecting resources
- continue to promote the use of local resources
- continue the work towards numerical gender equality by increasing the proportion of women

The integrity of our operations

SGSAE

- carrying out assessments for continuous improvement
- obtaining ISO 27001 certification for information security management systems and ISO 17025 certification for requirements for the competence of test and calibration laboratories.
- completing the UNI-PdR 125 certification process for gender equality

LPS

- focus on personnel safety and on process security

Environment and Energy

Surveillance audits

- maintaining ISO 14001 / ISO 50001 certifications

Energy & CO₂

- Design and implementation of changes aimed at energy efficiency, green energy production and reduction of CO₂ emissions (including a 15MWp photovoltaic plant on 28 hectares of currently unused land).

Air

- Installation of a network of electronic noses at the borders of the Augusta Refinery to prevent and manage any odour phenomena.

Water

- continuing operational optimisation processes to reduce withdrawal from the aquifer and improve wastewater
- further and continuous improvement of the existing wastewater pre-treatment systems by completing the installation of Surfcleaner also in the pre-treatment sections

Waste

- maximising the proportion of waste for recovery

CSR (Corporate Social Responsibility)

- monitoring the requirements and expectations of key external stakeholders (Municipalities, political and business representatives)
- supporting for projects targeting the most vulnerable communities in the territory

Security

Zero disabling injuries

Surveillance audits

- maintaining ISO 45001 certifications

Quality

Surveillance audits

- maintaining ISO9001, ATIEL, CE marking of Bitumen certifications

DOUBLE MATERIALITY ANALYSIS AND STAKEHOLDER ENGAGEMENT

In line with the reference methodology and the rigorous analytical approach typical of the activities of **Sonatrach Raffineria Italiana S.r.l.**, the Company updated the mapping of internal and external stakeholders in 2023 and carried out a materiality analysis according to the Double Materiality approach.

Sonatrach Raffineria Italiana S.r.l., assessed the extent to which it meets the expectations and interests of its stakeholders and identified areas where it could improve its commitment.

Stakeholder engagement is a key element in the implementation of **SRI** sustainability practices. This approach facilitates the creation of synergies and shared solutions, leading to more effective and accountable results. Through this proactive strategy, SRI can identify and manage critical concerns or conflicts, prevent disputes and enhance the company's reputation and credibility. Moreover, listening to stakeholder needs can create new opportunities for collaboration, innovation and development, contributing to the long-term success and sustainability of the organisation.

Stakeholder engagement is key to building trust, promoting transparency and ensuring the sustainable success of an organisation. An open and ongoing dialogue enables us to identify common needs, address issues and create shared value.

Stakeholder engagement is a key element in the adoption of **SRI** sustainability practices and is the foundation for the inclusive and transparent preparation of the Corporate Sustainability Report.

This process is guided by international standards that define the objectives and methods to be followed. Two authoritative references have been adopted: the Global Reporting Initiative (GRI) standard in its latest edition (2021) and the AccountAbility 1000SES standard (AA 1000SES), which ensure the completeness and transparency of engagement activities.

The main stages of **Sonatrach Raffineria Italiana**'s stakeholder engagement process are outlined below, in line with the GRI 3 Standard, Edition 2021: this process has led to the identification of material topics for the company and the assessment of their impact.

01 Context analysis and identification of material topics

The first phase involved a contextual analysis to identify the key issues for SRI, taking into account the company's activities, business relationships, the sustainability context in which it operates and stakeholder expectations. In addition to reviewing internal documentation, a benchmark analysis was carried out, focusing on key competitors and industry best practice. Reference was also made to the SASB (Sustainability Accounting Standards Board) standard for the relevant sectors (for more information on the SASB standard, see the Methodological Note in this document).
The material topics are:

01. Water and Effluents	02. Anti-corruption, antitrust and anti-monopoly policies	03. Continuity of operations and economic impacts
04. Diversity, inclusion and non-discrimination	05. Waste Management	06. Managing greenhouse gas (GHG) emissions
07. Responsible supply chain management	08. Technological innovation and transition	09. Relationship with local communities
10. Occupational health and safety	11. Human capital management and development	12. Quality management systems and certifications
12. Transparent tax strategy	13. Air quality protection	

02 Detection of impacts

Following the identification of the material topics, the positive and negative double materiality impacts (inside-out and outside-in impacts in line with the European Corporate Sustainability Reporting Directive CSRD) that Sonatrach Raffineria Italiana could generate or absorb (in financial terms) as a result of its activities in terms of economic, environmental and social topics were identified.

The methodologies used to identify impacts are based on:

01.

Consultation of international sustainability standards such as GRI, SASB, EFRAG
02.

Industry Benchmark
03.

Analysis of scientific studies/papers, studies on potential sustainability impacts for the specific sector

This methodology was applied to all 14 material topics listed above.
04.

Relevant impacts from the analysis of company documentation

03 Stakeholder identification

Sonatrach Raffineria Italiana operates in a dynamic environment and has relationships with various stakeholders that can influence or be influenced by its activities. In such a scenario, transparency of information and open dialogue are critical to driving sustainable growth and creating long-term value.

In mapping the company's stakeholders, the following categories were identified:

- 

Employees
- 

Investors
- 

Customers
- 

Suppliers
- 

Competitors
- 

Government and Regulatory bodies
- 

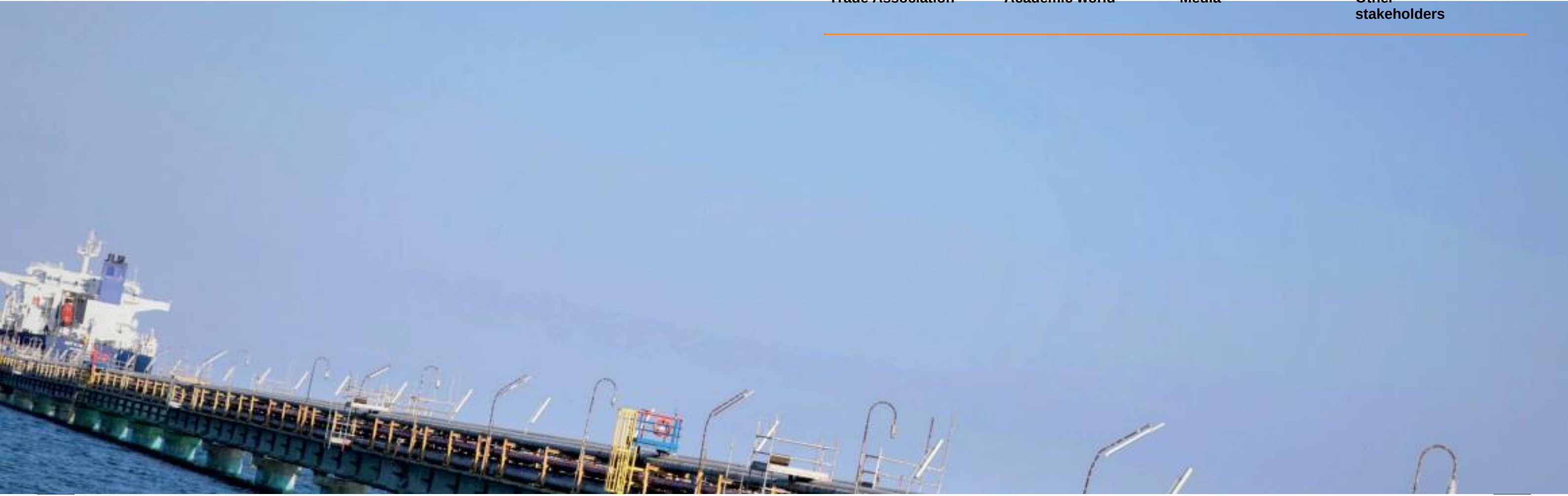
Law firms
- 

Trade Association
- 

Academic world
- 

Media
- 

Other stakeholders



04 Stakeholder engagement questionnaire

Once the mapping was complete, the company engaged its internal and external stakeholders through a specific questionnaire. This tool allowed a systematic and standardised collection of their opinions on the importance of the impact that Sonatrach Raffineria Italiana could generate and absorb on the issues considered crucial. The questionnaire guaranteed the anonymity of the participants and allowed them to express themselves quickly and transparently through three main sections.

First part

In the first part, the entire Stakeholder engagement process was introduced with a short message explaining the context, the role of the stakeholders, the objectives of the sustainability process that the Company has set itself and the common goal of publishing a sustainability report covering the two-year period from 2022 to 2023.

Second part

In the second part, after the selection of the stakeholder category, an informative section was presented with some definitions useful for understanding the survey.

Third part

In the third section, stakeholders were asked to indicate the level of importance they attach to the company’s potential positive and negative impacts on each material topic. Significance was determined using a closed-ended response on a linear scale from 1 (zero) to 5 (very high). The stakeholders were then able to easily assign a numerical rating to each ESG (environmental, social and governance) topic submitted for assessment.

05 Results of the questionnaire

The results of the questionnaire were processed taking into account the percentages of the different stakeholder categories involved in the construction of the materiality matrix, i.e., 9 out of 12 categories showed the following figures:

87%

Employees

5%

Suppliers

2%

Trade Association

2%

Other stakeholders

<1%

Customers

<1%

Government and regulatory bodies

<1%

Law firms

<1%

Academic world

<1%

Media

A total of 50 impacts, divided into positive and negative inside-out and outside-in impacts, were analysed for 14 material topics identified in the first phase of the materiality analysis, which provided individual actual and measurable impacts within the analysis.

The impacts identified by the analysis and presented to the stakeholders, together with the relative level of impact attributed by them, are listed below:

MATERIAL TOPIC	IMPACT	ACTUAL/POTENTIAL	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	SPECIFIC LEVEL OF IMPACT	OVERALL LEVEL OF IMPACT
Air quality protection	inside-out	Actual	Continuous improvement of air quality around the production plant through the use of the latest Best Available Techniques (BAT) in the industry, structured and continuous monitoring and the maintenance of a certified environmental management system (ISO 14001).	+	Very high	Very High
	outside-in	Potential	Possible business interruptions due to non-compliance with the limits imposed by the Integrated Environmental Authorisation (AIA) or complaints from the local community due to odours generated by the activities.	-	Very high	
Occupational health and safety	inside-out	Actual	Improved well-being in the workplace through the implementation of an ISO 45001 certified occupational health and safety management system.	+	Very high	Very High
	inside-out	Potential	Potential industrial accidents due to non-compliance with the occupational health and safety management system.	-	Very high	
	outside-in	Actual	Reduction of minor injuries through the existence of an occupational health and safety management system.	+	Very high	
	outside-in	Potential	Risk of criminal and administrative proceedings against the company for lack of or inadequate protection of occupational health .	-	Very high	
Water and effluents	inside-out	Actual	Reduction of water stress in the area by adopting BAT - Best Available Techniques - that allow water to be reused within the refinery.	+	Very high	Very High
	outside-in	Actual	Improved image and public acceptance by the local community through better management of the water resources as a common good and greater attention to waste.	+	High	
	outside-in	Potential	Potential risks of improper wastewater management and monitoring, which could result in the release of hazardous substances to the detriment of flora, fauna and human health.	-	Very high	

MATERIAL TOPIC	IMPACT	ACTUAL/POTENTIAL	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	SPECIFIC LEVEL OF IMPACT	OVERALL LEVEL OF IMPACT
Human capital management and development	inside-out	Actual	Developing employee skills and improving career opportunities through targeted training.	+	High	High
	inside-out	Potential	Potential risk of job insecurity due to failure to develop employees’ skills.	-	Low	
	outside-in	Actual	Increased Staff development opportunities through effective training programmes.	+	Medium	
	outside-in	Potential	Potential risk of serious injury to persons and/or equipment due to lack of occupational health and safety training.	-	Very high	
Waste management	inside-out	Actual	Reducing the wastage of resources through waste management systems that promote efficient waste separation and aim to extend the life cycle of raw materials.	+	High	High
	inside-out	Potential	Possible impact on flora, fauna and human health through seepage into soil and subsoil, resulting in contamination of groundwater.	-	Very low	
	outside-in	Actual	Increased visibility in the market by establishing partnerships with academic institutions to carry out R&D projects related to the circular economy.	+	Very high	
	outside-in	Potential	Possible sanctions due to errors in the waste management process, such as careless selection of waste recovery/disposal service providers.	-	Medium	
Managing greenhouse gas emissions (GHG)	inside-out	Actual	Contribute to climate change mitigation by participating in the energy transition through the replacement of steam-powered equipment with electric utilities, the identification of alternative energy sources and the implementation of technologies to capture and reuse greenhouse gases (CCU and CCS).	+	High	Medium
	inside-out	Potential	Increased specific greenhouse gas emissions contributing to the climate crisis due to leakage from equipment and plants or inappropriate technologies.	-	Low	

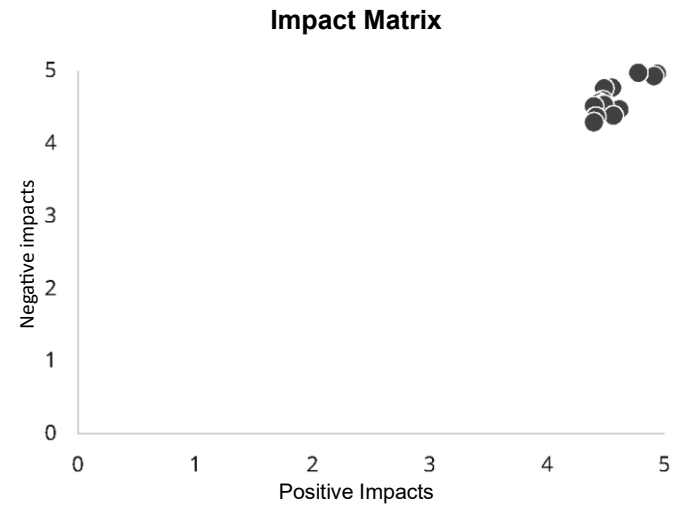
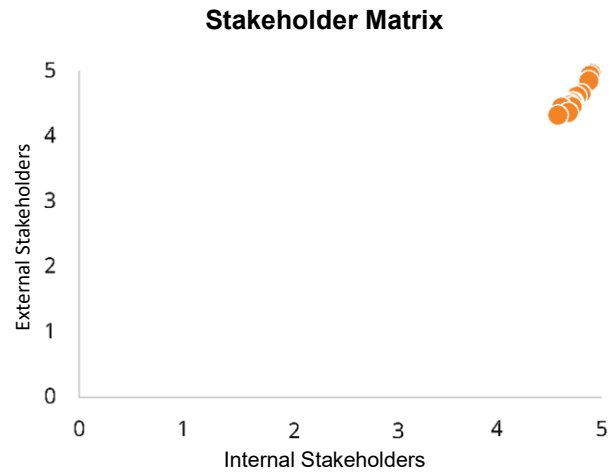
MATERIAL TOPIC	IMPACT	ACTUAL/POTENTIAL	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	SPECIFIC LEVEL OF IMPACT	OVERALL LEVEL OF IMPACT
Managing greenhouse gas emissions (GHG)	outside-in	Actual	Increased competitiveness in the energy market to support the green transition through strategic partnerships for the development of green hydrogen projects.	+	High	Medium
	outside-in	Potential	Potential increase in operating and management costs due to incidents caused by extreme events such as floods, fires and heat waves as a result of climate change.	-	Very low	
Continuity of operations and economic impacts	inside-out	Actual	Improved company reputation through economic contribution to Algerian and Italian GDP.	+	Very low	Medium
	inside-out	Potential	Loss of jobs and consequent increased pressure on remaining workers due to lower economic income caused by fluctuating oil prices and refining margins.	-	High	
	outside-in	Actual	Reduction of energy costs (in Italy among the highest in industrialised countries).	+	High	
	outside-in	Potential	Potential loss of customers due to lack of economic investment in development projects that support the transition to low and zero carbon energy.	-	Low	
Anti-corruption, antitrust and monopolistic policies	inside-out	Actual	Increased attractiveness as a place to work by providing anti-corruption and crime prevention training to employees in all areas of the business.	+	Medium	Low
	inside-out	Potential	Potential damage resulting from activities that, if not properly managed, may involve risks such as corruption and/or unlawful behaviour.	-	Very low	
	outside-in	Actual	Attractiveness and interest of investors due to the existence of management systems and/or organisational models for anti-corruption and crime prevention.	+	Medium	

MATERIAL TOPIC	IMPACT	ACTUAL/POTENTIAL	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	SPECIFIC LEVEL OF IMPACT	OVERALL LEVEL OF IMPACT
Anti-corruption, antitrust and monopolistic policies	outside-in	Potential	Possible economic impact on business in the markets where Sonatrach operates as a result of corruption and/or illegal behaviour, including tax evasion, monopoly or lobbying practices.	-	Medium	Low
Diversity, inclusion and non-discrimination	inside-out	Actual	Improving well-being at work by promoting an accessible, safe and inclusive workplace that respects individual and social diversity (family-friendly remuneration system, remote working, company car).	+	Medium	Low
	inside-out	Potential	Possible discriminatory incidents related to valuing diversity and inclusion, such as favouring or discriminating against ethnic groups present in certain local communities when recruiting or exploiting migrant workers.	-	Low	
	outside-in	Actual	Attracting and retaining talent by maintaining an inclusive working environment that promotes gender equality and eliminates incidents of discrimination.	+	Low	
	outside-in	Potential	Harm caused by documented incidents of discrimination based on gender, disability, religion, nationality and ethnicity.	-	High	
Transparent tax strategy	inside-out	Actual	All forms of corruption must be clearly distinguished from the economic importance of the oil sector. Transparent tax and financial management enables a clear move away from corruption in the oil sector and encourages public and government debate.	+	High	Low
	inside-out	Potential	Possible damage to reputation and image with the authorities due to lack of tax transparency, e.g. poor financial reporting.	-	Very low	
	outside-in	Actual	Increasing the possibility of obtaining substantial subsidies from governments, targeted at the energy transition process of interest to all relevant stakeholders (e.g., investors or civil society).	+	Medium	

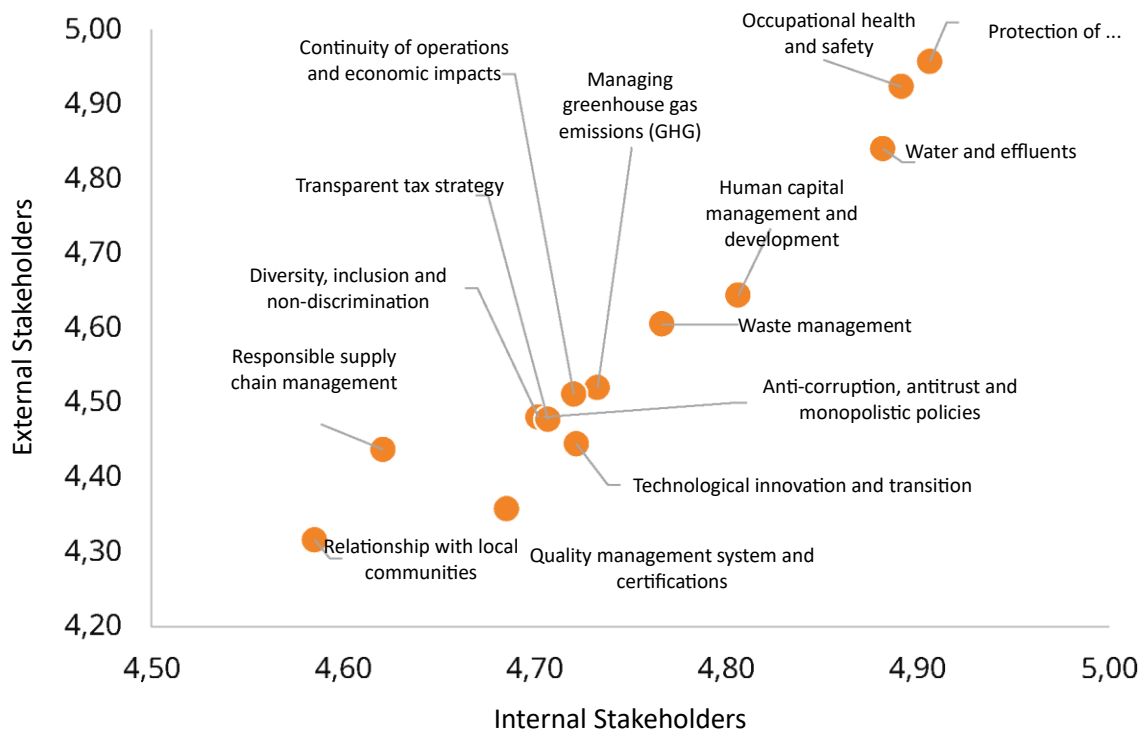
MATERIAL TOPIC	IMPACT	ACTUAL/POTENTIAL	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	SPECIFIC LEVEL OF IMPACT	OVERALL LEVEL OF IMPACT
Technological innovation and transition	inside-out	Actual	Improving company reputation through process decarbonisation programmes (e.g. CO ₂ capture, storage and reuse, biofuel production, etc.).	+	High	Low
	inside-out	Potential	Lack of innovation due to lack of investment in biofuels.	-	Low	
	outside-in	Actual	Possibility of obtaining tax benefits by maintaining all management systems in compliance with voluntary and non-voluntary standards (ISO certification, MOG 231, etc.).	+	Low	
	outside-in	Potential	Risk of losing market share to key competitors due to lack of investment in ecological transition and innovation projects.	-	Very low	
Responsible supply chain management	inside-out	Actual	Enhancing the company's reputation through a virtuous system of supplier screening, where possible selecting suppliers that meet certain standards, including on ESG issues.	+	Medium	Very low
	inside-out	Potential	Potential risks of supply chain disruption due to non-compliance with increasingly stringent human rights standards and regulations.	-	Very low	
	outside-in	Actual	Reduced operating costs through ESG-compliant suppliers that promote more efficient processes to reduce and lower disposal costs.	+	Low	
	outside-in	Actual	Dependence on a single supply chain, with potential economic and political damage to the business caused by a lack of diversification in the supply of raw materials.	-	Medium	
Quality management system and certifications	inside-out	Actual	Employee retention and reduced turnover thanks to an Integrated Management System that combines multiple certifications in the areas of quality ISO 9001, environment ISO 14001 and occupational health and safety ISO 45001, enabling clear and effective structuring of processes and documentation, improving system performance and the work itself.	+	Very low	Very Low

MATERIAL TOPIC	IMPACT	ACTUAL/POTENTIAL	DESCRIPTION OF THE IMPACT	TYPE OF IMPACT	SPECIFIC LEVEL OF IMPACT	OVERALL LEVEL OF IMPACT
Quality management system and certifications	inside-out	Potential	Possible inhibition of innovation and operational delays due to excessive bureaucracy introduced within the company by incorrect application of management systems and certification protocols.	-	Medium	Very Low
	outside-in	Actual	Reduction of costs related to minor injuries due to the existence of an occupational health and safety management system.	+	Low	
	outside-in	Potential	Potential loss of market and investment due to failure to adapt to new technologies that improve the performance of the end product.	-	Very low	
Relationship with local communities	inside-out	Actual	Increased procurement and local sourcing of products and services to better support surrounding communities.	+	Low	
	inside-out	Potential	Potential risks of high personnel turnover due to low levels of development and industrialisation in local communities.	-	Very low	

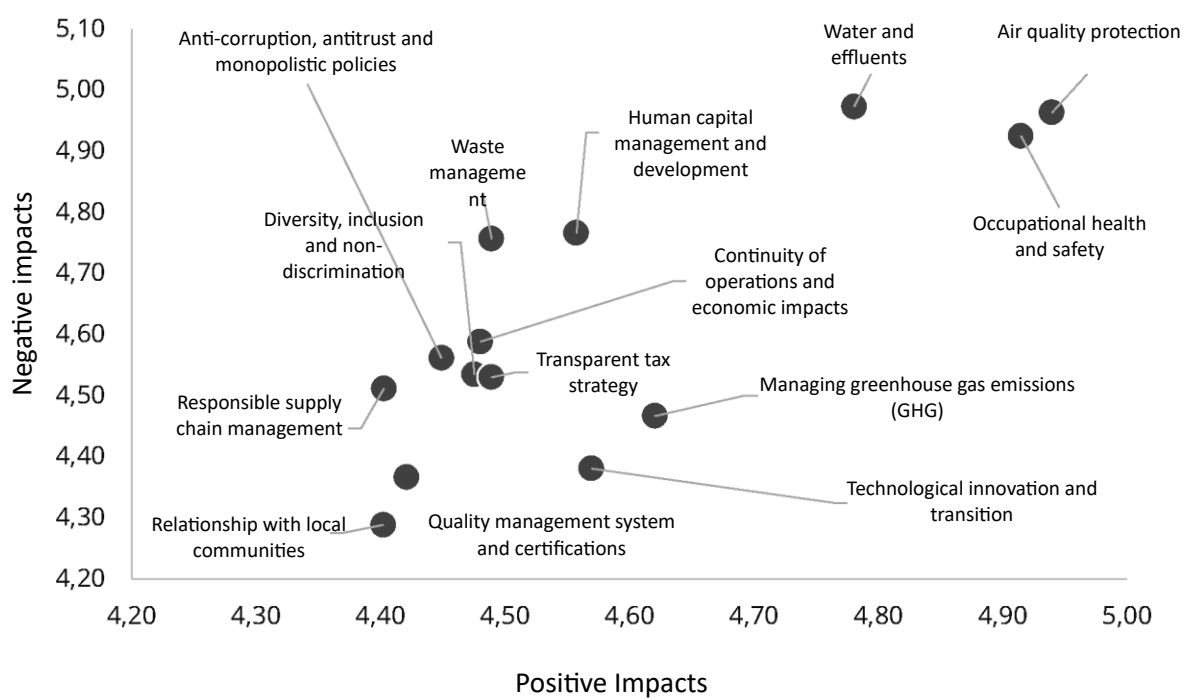
FIGURE 2
Overall results of the impacts analysed in the sustainability questionnaire - impact matrices

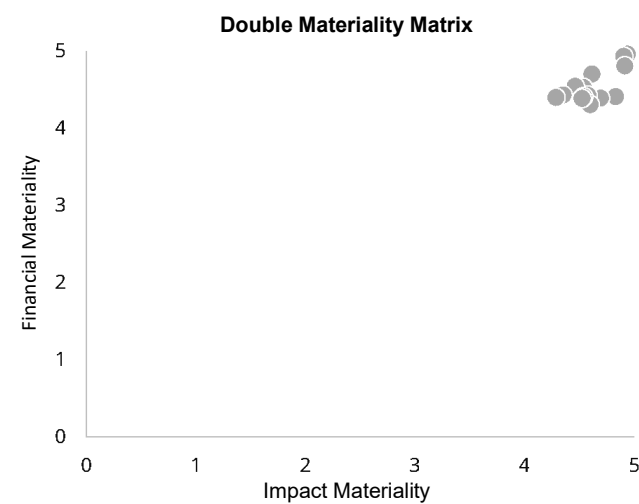


Stakeholder Matrix - Focus



Impact Matrix - Focus





Specifically, for internal and external stakeholders:

- The topics of “Air quality protection”, “Occupational health and safety”, “Water and Effluents” have a VERY HIGH overall level of impact*;
- The topics of “Human capital management and development” and “Waste Management” have a HIGH overall level of impact*;
- The topics of “Managing greenhouse gas emissions (GHG)” and “Continuity of operations and economic impacts” have a MEDIUM* overall level of impact;
- The topics of “Anti-corruption, antitrust and monopolistic policies”, “Diversity, inclusion and non-discrimination”, “Transparent tax strategy” and “Technological innovation and transition” achieved a LOW* overall level of impact;
- The topics of “Responsible supply chain management”, “Quality management system and certifications” and “Relationship with local communities” achieved a VERY LOW overall level of impact*.

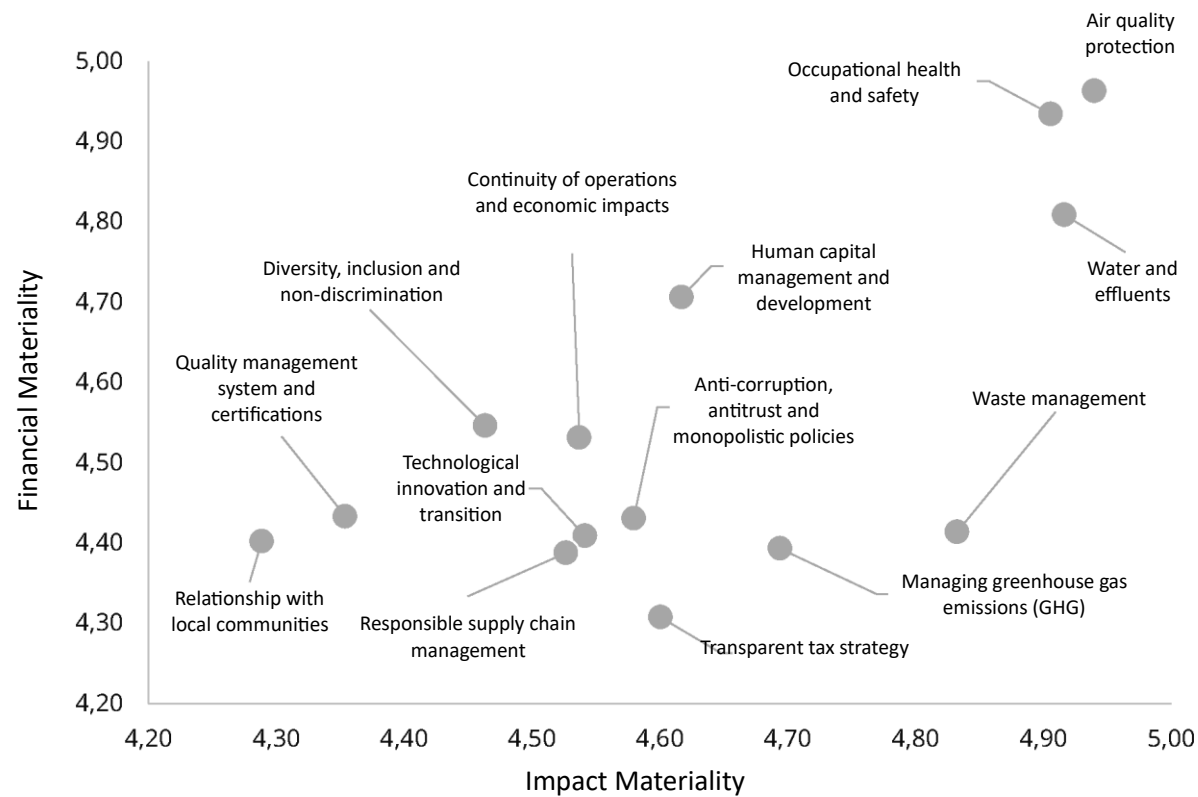
Of which:

- 3 impacts have a VERY HIGH* level of specific impact
- 2 impacts have a HIGH* level of specific impact
- 2 impacts have a MEDIUM* level of specific impact
- 4 impacts have a LOW* level of specific impact
- 3 impacts have a VERY LOW* level of specific impact

Overall, the level of significance of the identified inside-out and outside-in impacts showed good stakeholder engagement, indicating that **Sonatrach Raffineria Italiana S.r.l.**'s sustainability strategy is focused on the most relevant material topics in the sector.



Double Materiality Matrix - Focus



SONATRACH RAFFINERIA ITALIANA (SRI) - SUSTAINABILITY QUESTIONNAIRE FOR MAYORS WITH DIRECT INTERVIEW

For Sonatrach Raffineria Italiana (SRI), sustainable development and social responsibility mean an ongoing commitment to improving the quality of life of the local community through a proactive approach to ethical behaviour, social and economic development and environmental principles.

To ensure that the journey towards sustainability is inclusive, from the choice of topics relevant to the Company’s reality, SRI has involved the following mayors, who represent the community of citizens and key stakeholders of the company, through a participating method:

- Giuseppe Di Mare, Mayor of Augusta (Syracuse)
- Giuseppe Carta, Mayor of Melilli (Syracuse)
- Pippo Gianni, Mayor of Priolo (Syracuse)

The Sustainability Committee of SRI asked the above mayors for their opinion on the relevance of sustainability topics of importance to the company. The interview began with the following question:

“From a sustainable development perspective, how important do you think sustainability topics are in the activities of Sonatrach Raffineria Italiana (SRI) in relation to the community you govern? “

Starting with **social issues**, the topic of **attracting and finding talent** was very important. In this sense, work is underway in Sicily to set up sections of ad hoc degree courses with universities in order to mitigate the risk of brain drain.

Internally, the Mayors focus on **Training and retraining employees** in terms of skills and internal growth opportunities. This is particularly true for the future training of professionals who will have to intervene in the energy transition process.

It is important to encourage the recruitment of **people from the local communities** surrounding Sonatrach Raffineria Italiana’s plants with the aim of contributing to the economic and social development of the company’s target community, given the same skills required.

With regard to the **Health of people** living near the refinery, **SRI’s role in the SRI-supported Melilli Municipality-ASP Syracuse project** on the epidemiological study of prostate cancer was of great importance.

There is also a strong belief that schools should **promote sustainability education** and sustainable mobility initiatives to the school-age population, including through public events.

Continuing with **environmental issues**, the preservation of groundwater is considered an important issue. In general, water management is seen as a valuable resource for the local area and plays a key role in human health, tourism and agriculture.

In terms of the pathway to carbon neutrality by 2050, the Mayors place a strong emphasis on the progressive reduction of **climate-changing gas emissions** from refineries, with a short-term focus on CO2.

The topic of **odour** management through the identification of sources and the study of winds by improving **monitoring** systems and collecting reports from citizens is very important.

To meet all these challenges, the Mayors see the need for **governance** that encourages investment to make the **refinery progressively more sustainable** and open to structural change.

In addition, the Mayors believe that SRI’s strategic industrial planning for the next five years must continue to respond to companies’ sustainability efforts, as it has done in the past.

Finally, with regard to the ongoing **energy transition**, the Mayors interviewed consider **technological innovation** to be very relevant to SRI activities. This will help the development of the industrial zone towards a future low-carbon economy and the continuation of the industrial activity itself.



*METHODOLOGICAL NOTE LEVEL OF IMPACT

Specific level of impact

The specific level of impact is obtained by averaging the values of each perceived impact associated with a given topic, considering separately the distributions of the averages of the positive and negative impacts, and classifying the first quintile (values less than or equal to the 20th percentile) as having a “Very Low” level of impact, the second quintile (values from the 20th percentile up to and including the 40th percentile) as having a “Low” level of impact, the third quintile (values from the 40th percentile up to and including the 60th percentile) as having a “Medium” level of impact, the fourth quintile (values from the 60th percentile up to and including the 80th percentile) as having a “High” level of impact and the fifth quintile (values above the 80th percentile) as having a “Very High” level of impact.

Overall level of impact

Similar to the specific level of impact, the overall level of impact is obtained by averaging the perceived impact values of the specific topic (both positive and negative), taking into account the distribution of the impact averages and ranking the first quintile as having a “Very Low” level of impact, the second quintile as having a “Low” level of impact, the third quintile as having a “Medium” level of impact, the fourth quintile as having a “High” level of impact and the fifth quintile as having a “Very High” level of impact.

It should be noted that the ranking necessarily establishes a hierarchy in which, however similar the values of the topics may be, higher and lower values are identified and then qualitatively categorised as indicated above. This ranking is therefore relative to the topics themselves and not absolute (e.g. topic X has a higher score than topic Y with the resulting categorisation, but topic Y may still have a high score, albeit lower than topic X).





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ECONOMIC VALUE GENERATED AND DISTRIBUTED

[GRI 201-1]

This chapter will explain how Sonatrach Raffineria Italiana creates wealth and distributes it to stakeholders throughout the value chain. This analysis provides a clear and transparent picture of the organisation’s financial impact on employees, investors, suppliers and the wider local community over the two-year reporting period from 2022 to 2023.

The economic value created and distributed to stakeholders is a key social indicator adopted by SRI,

reflecting its economic and social commitment, and is also in line with the Sustainable Development Goals (SDGs) of the 2030 Agenda, in particular SDG 8 “Decent work and economic growth” and SDG 9 “Industry, innovation and infrastructure”. In 2022 and 2023, SRI strengthened its commitment to all stakeholders by providing excellent services and contributing to the creation of shared value. SRI’s commitment to ensuring high quality services has enabled it to maximise the economic value generated and distribute it fairly over the two-year period from 2022 to 2023.

The **value added generated and distributed** is defined as the economic value generated during the reporting period and the value redistributed, in various forms, to specific categories of stakeholders. A portion of the economic value will be retained by the Company; this value has been realised based on the income statement items used in SRI’s Statutory Financial Statements as at 31 December 2022 and 31 December 2023.

TABLE 1

Economic value generated and distributed by Sonatrach Raffineria Italiana over a two-year period (2022-2023)

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED	2023	2022
Economic value directly generated (Revenues)	€5,935,406,231.29	€7,320,869,711.09
Economic value distributed	€5,857,067,505.30	€6,700,903,367.75
Economic value retained	€78,338,725.99	€619,966,343.34

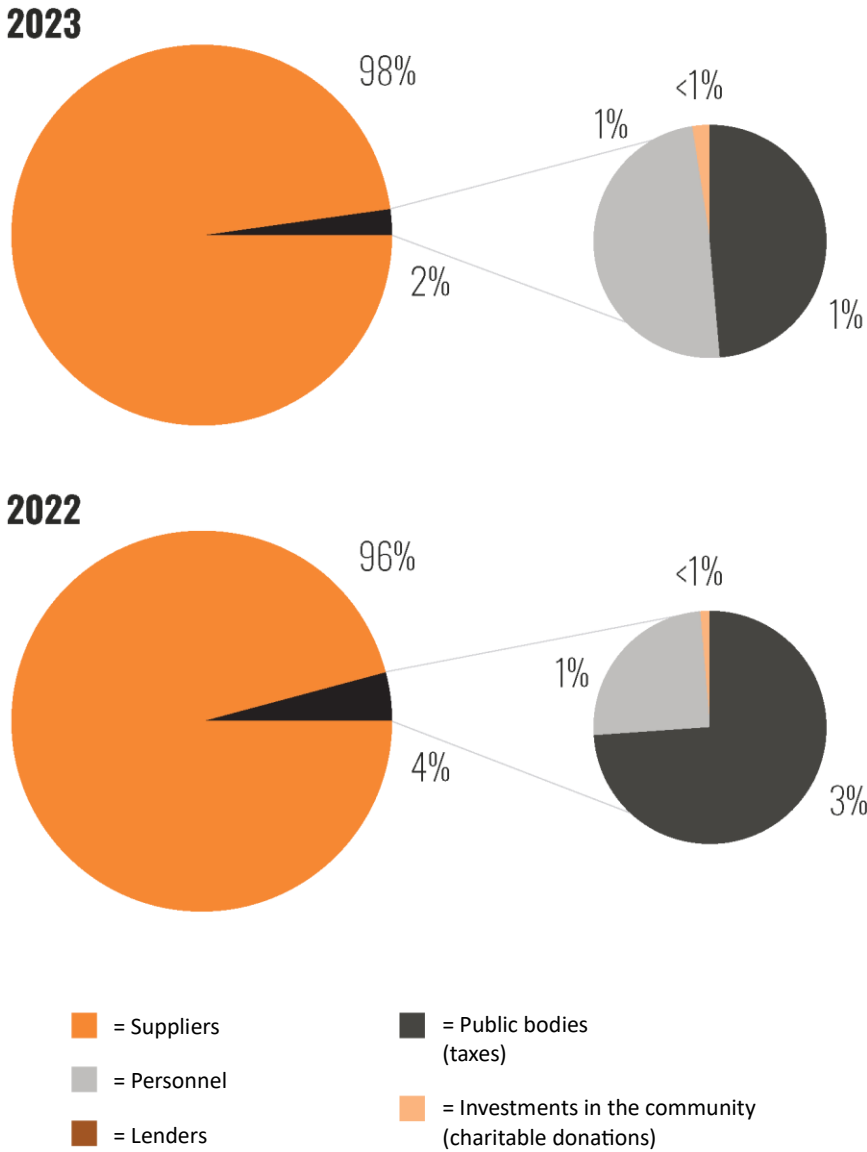
TABLE 2

Breakdown of the economic value generated and distributed by Sonatrach Raffineria Italiana over a two-year period (2022-2023)

BREAKDOWN OF ECONOMIC VALUE DISTRIBUTED	2023	2022
Suppliers	€5,728,714,467.85	€6,428,311,626.37
Personnel	€69,791,627.40	€66,299,807.13
Lenders	€27,702,551.76	€32,053,367.59
Public bodies (taxes)	€30,775,722.29	€174,134,566.66
Investments in the community (charitable donations)	€83,136.00	€104,000.00
TOTAL	€5,857,067,505.30	€6,700,903,367.75



FIGURE 3
Percentage of economic value distributed by Sonatrach Raffineria Italiana in the two-year period (2022-2023)



The economic value distributed is the portion of the economic value created by SRI that is redistributed to the various stakeholders throughout the value chain. It is distributed to suppliers, employees, shareholders, local communities, lenders and governments (e.g. through the payment of taxes and levies). This indicator measures the direct economic impact of the company on its environment and society, showing how the resources generated are used to support operations, pay employees, pay taxes, provide services and contribute to general economic well-being. Therefore, SRI is committed to ensuring that its investors are adequately remunerated, that transparency and stability are guaranteed, and that solid and long-term relationships are maintained with its suppliers, preserving the historicity of the relationship where it exists. Finally, the Company promotes the well-being of the community in the broadest sense, through initiatives aimed at improving the quality of life in the surrounding area and supporting the economic development of the territory in which it operates.

In 2023, the **economic value distributed** amounts to **€5,857,067,505.30**. The latter is down by -14% compared to 2022 because, as always, it is linked to the performance of the Oil&Gas sector in the global market.

However, over the two-year period considered in the analysis, the weight of the different items remains almost unchanged. During the reporting years, the economic value of SRI is distributed as follows: almost the entire economic value (more than 95% in both years) is accounted for by the item suppliers, while the remainder is accounted for by the item related to personnel costs, by the distribution to lenders and by the payment of taxes.

These figures show that SRI sees its services provided to stakeholders, mainly related to suppliers, as an integral part of the company's strategic vision to achieve its medium to long-term goals. Globally, the company has always regarded the contributions of its stakeholders as crucial to the success of its operations.

The table shows the most relevant items of the main economic results over the two-year period from 2022 to 2023, reclassified according to the value added scheme.



The economic results of SRI over the two-year period from 2022 to 2023 are broken down below:

TABLE 3

Main economic results of SRI over the two-year period (2022-2023)

MAIN ECONOMIC RESULTS	2023	2022
Revenues	€5,935,406,231.29	€7,320,869,711.09
Gross operating margin (EBITDA)	€85,109,597.00	€760,456,477.00
Operating profit (loss) (EBIT)	€42,700,939.00	€718,878,234.00
Net Result	€48,720,858.00	€432,221,365.00

In 2023, the SRI's revenues decreased significantly, mainly due to significantly lower market prices compared to 2022. The latter was indeed exceptional for a number of external, mainly geopolitical reasons. However, this was offset by an increase in production in 2023, which maintained a positive margin thanks to strategies to optimise the production mix at the refinery. Revenues consists mainly of sales of petroleum products, including:



Diesel oil



Petrol



Jets and kerosene



Lubricants



Naphta



Bitumen

There is a remaining part of the revenue breakdown, which is distributed between sales of propylene, paraffins, propane, sulphur and other petroleum products, and includes excise duties passed on to customers. These revenues decreased even though the volume sold in 2023 was 5% higher than in the previous year.



SONATRACH RAFFINERIA ITALIANA INVESTMENTS

[GRI 203-1]

Sonatrach Raffineria Italiana is committed to building a sustainable and long-term business by providing high quality services and products to its customers. The Company's investment strategy focuses on continuously improving its services and products to make them more competitive, reliable and innovative in their markets. The organisation also makes targeted investments to optimise the efficiency of its operational and infrastructure assets.

The investments made by SRI in 2022 and 2023 mainly refer to the purchase of goods and equipment related to HSE (Health, Safety & Environment), i.e. the management of aspects related to the business ecosystem of these activities and/or processes.

Sonatrach's investments over the two-year period from 2022 to 2023 are broken down below:

TABLE 4

Main investments made by SRI in the two-year period (2022-2023)

INVESTMENTS MADE	2023	2022
Environment, Health and Safety (HSE)	25.1	9.1
Technology (process improvement)	4.7	3.2
Reliability	10.7	13
TOTAL	40.5	25.3

The main areas affected were therefore as follows:



In 2023, SRI signed an Agreement with the Ministry of Enterprises and Made in Italy (MIMIT) for a series of projects considered by the Ministry to be “potentially strategic for Italy”. SRI is planning an environmental protection investment programme of more than €70 million at the Augusta industrial plant. More specifically, the plan consists of two projects:



The two initiatives will save 2.5 to 3 million cubic metres of water per year and reduce CO² emissions by at least 25,000 tons in one year.

The Ministry defined the two strategic projects in relation to the relevant industrial context of which SRI is a part and reached an Agreement by allocating €23.2 million in subsidies drawn from the “Development and Cohesion Fund 2021-2027”.

The projects show how Sonatrach Raffineria Italiana continues to strive to ensure that all its production processes achieve the highest levels of efficiency and sustainability, always working with care and respect for the land and the environment. The agreement with MIMIT underlines the importance of SRI's path towards innovation and sustainable transition, and shows that it can also count on the support of institutions that have recognised the high strategic value of the proposed projects.

FINANCIAL ASSISTANCE
RECEIVED FROM GOVERNMENT

[GRI 201-4]

The financial assistance received from the government refers to the contributions granted by the Public Administration to SRI. The company has always worked in close collaboration with the public authorities, maintaining both a relational and economic balance. This relationship is mainly managed from a tax perspective by obtaining tax reliefs and concessions.

In the 2022-2023 reporting years, SRI benefited from the following types of financial assistance:

- In 2023, subsidies for R&D investments and other relevant subsidies amounting to €1,307,428 to finance projects under the Energy Transition Fund in the industrial sector;

- In 2023, tax relief and tax credits for “gasivore” (gas-intensive) and “electrivore” (electricity-intensive) companies amounting to € 10,695,083 (+83% compared to the previous year);

- In 2023 subsidies for R&D investments amounting to €1,932,397, for a tax hyper-amortisation for investment projects falling under “Industry 4.0”. In 2022, this subsidy was also paid out in the same amount;

TABLE 5

Main types of assistance that SRI received from the government in the two-year period from 2022 to 2023

TYPE OF ASSISTANCE	2023	2022
R&D Investment grants and other types of relevant grants	€1,307,428	€0.00
Tax relief and tax credits	€10,695,083.00	€5,843,758.07
R&D Investment grants and other types of relevant grants	€1,932,397.00	€1,932,397.00
TOTAL	€13,934,908.00	€7,776,155.07

THE SUPPLY CHAIN OF SONATRACH
RAFFINERIA ITALIANA

[GRI 204-1]

Sonatrach Raffineria Italiana relies on a well-established and diversified supply chain (i.e. all its suppliers of non-oil goods and services), with long-standing suppliers helping to maintain the strategic balance that is essential to ensure high operational efficiency along the entire value chain. They are selected according to strict criteria based on transparent and objective economic assessments, in full compliance with the principles of fair competition and equal treatment.

This approach not only improves the reliability and quality of services, but also stimulates the economic development of local communities. SRI recognises the importance of value added through conscious and responsible choices, and promotes collaborations that create mutual and sustainable benefits for the entire business ecosystem. Moreover, due to the characteristics of its core business, the company works with an important network of foreign suppliers. The supply is broken down as follows:

TABLE 6

Total SRI supplier-related spending over two-year period (2022-2023)

SUPPLIERS	2023	2022
No. of hours worked by third-party companies	1,820,000	1,724,541
Turnover paid to contractors (€.00)	241,190,000.00	203,000,000.00
of which LOCAL (prov. of SR)	38%	40%
of which regional (excluding prov. of SR)	4%	6%
of which Italian (excluding regional)	37%	34%
of which foreign	21%	20%

The total turnover paid to the contractors of Sonatrach Raffineria Italiana in 2023 amounted to €241,190 million, an increase of +19% compared to the previous year (difference of €38.190 million).

The local reference perimeter for 2023 has been maintained as that within the province of Syracuse (SR). Within this perimeter, spending on local suppliers accounts for 38% (slightly lower than in 2022); if the whole of Sicily is taken into account, the percentage rises to 42%.

This data shows a strong link with the territory to which SRI belongs, which not only contributes to the economic development of the territory, but also fosters a growing capacity for dialogue and active participation, thus improving its business proposition. The close cooperation with the local communities consolidates the relationship between Sonatrach Raffineria Italiana and the Province of Syracuse (and Sicily, given the aforementioned perimeter), thus supporting a path of sustainable and inclusive growth.

PERCENTAGE OF MANAGERS AND SENIOR MANAGERS HIRED FROM THE LOCAL COMMUNITY

[GRI 202-2]

SRI recognises the strategic value of a strong relationship with the local area and community, particularly in terms of human capital development. With its main operating office in Sicily, the company considers the integration of members of the local community among its supervisors to be fundamental and a key element in strengthening its resilience. The inclusion of local managers not only enriches the company's human capital,

but also stimulates local economic growth and improves SRI's ability to better understand and respond to community needs. Almost 90% of managers come from the territories in which the company operates.

The table below shows the distribution of senior management across the local community:

TABLE 7
Number and total % of senior management hired from the local community in the two-year period (2022-2023)

SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY	2023	2022
Total senior management	13	14
Resident senior management from the local community	11	12
Percentage of senior management hired from the local community	85%	86%

"Senior Management" refers to the Management Team of the Company (including the Managing Director).

Geographically, however, the regional area of Sicily was considered as the reporting boundary. Whereas, with regard to "significant locations of operation", the following operating offices were identified:

Augusta
Refinery

Naples Depot

Palermo
Depot

TAX MANAGEMENT OF SONATRACH RAFFINERIA ITALIANA

[GRI 206-1, 207-1, 207-2, 207-3]

Through responsible and efficient tax management, all Companies have a crucial role to play in contributing to the achievement of Sustainable Development Goal (SDG) 10, which aims to reduce inequalities both within countries and globally, thereby promoting a more inclusive and equitable society. A sound tax policy allows companies to play an active role in **redistributing** wealth and reducing economic and social inequalities.

In addition to SDG 10, good tax governance also contributes indirectly to the achievement of other goals of the 2030 Agenda, such as SDG 1 "No poverty" and SDG 17 "Partnerships for the Goals". By ensuring that the State has sufficient resources to fund essential public services, social programmes and infrastructure, companies **help improve the lives** of the most vulnerable. This support is particularly important in the context of poverty reduction, as tax revenues from company activities can be used to fund social protection, education and health programmes.

Companies are also helping to strengthen SDG 17 by fostering **partnerships** between the private sector, governments and civil society. Collaboration between these players is essential to tackle global challenges such as climate change, inequality and poverty. Therefore, by taking an integrated and collaborative approach, companies not only create economic value, but also promote a **fairer** distribution of resources and foster **sustainable and inclusive growth models**.

Finally, responsible tax management helps build **trust** between the company and the community, demonstrating how business can be a positive force for economic and social progress.



SRI's tax approach is referenced in the Organisation and Management Model in accordance with Legislative Decree 231/2001 (MOG 231) and the Code of Ethics, which constitute the architecture within which the organisation operates and implements its Tax Strategy. The Company considers the tax risk management process and its working methods and application tools to be fundamental in ensuring a **transparent** and **cooperative** approach with the tax authorities.

The principles and rules contained in the Business Conduct Policies also constitute **fundamental standards** of conduct to be observed in carrying out any activity related to the Company, including those of a tax nature. It is the policy of the Company to ensure compliance with all applicable laws and regulations in the running of its business. Therefore, the company intends to pursue a tax strategy based on the principles of **honesty, fairness and tax compliance**, characterised by collaboration and transparency with tax authorities and third parties, in order to **minimise** any significant impact in terms of risk, be it tax or reputation.

The company is also committed to taking advantage of the **incentives and tax relief** offered by the Legislator in accordance with the requirements and in line with the tax strategy.

Each principle and rule contained in the Business Conduct Policies constitutes a fundamental standard to be observed in the carrying out of any activity, including from a tax perspective. The internal manual, validated by SRI's CFO, represents the governance body delegated at the executive level within the organisation chart, which periodically reviews and approves the tax strategy following new interventions and business opportunities, with the ultimate aim of continuously monitoring and ensuring the correct tax management and the fulfilment of all requirements over time.

SRI views tax as an element of business activity that must be managed as such, in accordance with the principle of **legality**, with the aim of **safeguarding the company's assets** and pursuing the overriding interest of **creating value** for shareholders, the environment and the surrounding territory in the medium to long term. Therefore, the Company complies with all tax laws and considers the timely payment and filing of tax returns to be essential. A tax policy that is not in line with the principles of sustainability would not meet the expectations of a sustainable company policy as set out in the Code of Ethics.

SRI, which operates in the oil sector and in particular in the refining sector, has a computerised control system (known as **INFOIL**) that allows the competent Customs Offices to monitor in real time the movement of petroleum products managed by the company, and an internal manual that defines a set of rules, regulations and controls drawn up in collaboration with the authorities, with the aim of identifying, monitoring and minimising tax risk, understood as the risk of committing a tax offence or being contrary to the principles and objectives of the system.

The Company requires that all company procedures - governing operations and activities with tax implications - identify the rules that each relevant function must follow from time to time in order to avoid the risk of incurring tax violations in connection with such operations. All procedures and internal desk manuals of each company function therefore set out the rules and control steps that must be followed - including by the TAX function - to avoid violations.



Approach to tax is related to the organisation’s business and sustainable development strategies

Decisions made by the tax function follow and support business and commercial decisions, enabling the company to allocate financial resources more effectively, explore new market opportunities and remain competitive. In particular:

- The Tax Department is routinely consulted by the various business functions that require tax support when implementing new business or making changes to existing flows to ensure compliance with industry regulations.
- Tax planning is used to manage cash flow more efficiently. For example, an attempt is made to defer the payment of taxes whenever possible through the use of special tax regimes (e.g., VAT warehouse). This allows the company to reduce its recourse to the credit market (if necessary), which in turn reduces the financial burdens that may weigh on it.
- Guidelines are provided for the use of incentives such as tax deductions, tax credits and subsidies for eco-sustainable projects, with the aim of accessing tax policies that promote sustainable business practices to encourage the reduction of environmental impacts and to stimulate companies to pursue energy efficiency, reduction of CO2 emissions and the development of new clean technologies.
- A tax strategy is implemented that does not engage in or favour transactions or activities that lack economic substance or from which undue tax benefits may reasonably be expected, and does not propose transactions to its counterparties that pursue such objectives.
- The Tax Department keeps abreast of legislation on a daily basis by consulting digital periodicals and specialised databases, and promptly communicates updates to the relevant business functions to ensure that business is conducted in accordance with national/EU legislative developments and clarifications of tax administration practice. Tax governance, control and risk management

Within the perimeter defined by the SRI Code of Ethics, the Tax Department, which reports to the CFO, operates and implements the Tax Strategy. The Company attaches fundamental importance to the tax risk management process and its related working methods and application tools in order to minimise the risk of operating in violation of tax regulations, i.e. contrary to the principles or purposes of the tax system, and to ensure transparency and mutual cooperation in relations with the Tax Authorities.

In the ongoing development and implementation of the tax strategy, the company’s principles are pursued both through appropriate governance systems, including manuals, specifications agreed with the relevant authorities, procedures, organisational structures and communication tools, and through consistent and proportionate means and resources in line with the company’s activities. In particular, the governance system provides for:

01.

A desk manual for the TAX function, shared with management and supervisory bodies, which aims to establish principles of conduct in tax matters in order to:

- Reduce tax risk, understood as the risk of violating tax rules or abusing the principles and purposes of the tax system, either due to uncertainty of interpretation caused by the possible ambiguity or lack of clarity of certain tax rules, or due to the incorrect and/or untimely fulfilment of requirements.
- Continue to ensure the correct and timely determination and payment of taxes legally due and the fulfilment of related obligations.

Therefore, the manual defines a set of rules and controls aimed at identifying, controlling and minimising tax risk, understood as the risk of committing tax offences or violating the principles and objectives of the law.



02.

A structured system of company and disciplinary procedures, drawn up in conjunction with the relevant Control bodies, which regulates operations and activities with tax implications and identifies the rules that each relevant function must follow from time to time in order to avoid the risk of committing tax violations in connection with such operations. All procedures and internal desk manuals of each company function therefore set out the rules and control steps that must be followed - including by the TAX function - to avoid violations.

03.

A competent and independent TAX function with:

- a clear allocation of roles to people with the appropriate skills and experience;
- a segregation of duties criterion.

The principle of segregation of duties is expressed in the need to ensure the necessary separation between operational and control functions in order to avoid conflicts of interest. To this end, the following is provided in general:

01.

first-level control implemented by the operational functions over the processes and procedures for which they are responsible;

02.

second-level control, delegated to the TAX function;

03.

third-level control, delegated to external control bodies.

Moreover:

- from the point of view of customs and excise duties, the company has, as required by law and in parallel with the above-mentioned management system, a real-time computerised control system that allows the Customs Agency to monitor immediately the stages related to the production, holding and handling of oil products. This monitoring is carried out by means of a system of radar measuring instruments that allow the Customs Offices to check the movement of raw materials and products at any time. All the production stages, from the arrival of the raw materials to the processing and extraction for the sale of the finished products, are regulated in advance by special Specifications drawn up in collaboration with the authorities and validated by the INFOIL group, which is based at the headquarters of the competent Customs Office. The Refinery is also constantly monitored and compared by the Customs Agency's Factory Technical Office.
- In terms of VAT, specific Specifications for the management of the VAT warehouse have been drawn up with the office that regulates the tax management of introduction and extraction operations. Every month, a file is sent to the competent Customs Office containing all the information on the operations carried out during the previous month, in order to facilitate controls.
- The Tax Department is involved in the analysis of draft contracts, after involving the relevant functions, by analysing the tax treatment of the flow for direct and indirect tax purposes. It also assists internal functions on other topics with tax implications by preparing internal emails and/or opinions aimed at ensuring the company's substantive compliance with current regulations, and by organising specific and periodic Tax training refresher courses.

Finally, the Tax Department is routinely consulted by the various business functions that require tax support when implementing new business or making changes to existing flows to ensure compliance with industry regulations. In such cases, the Tax Department formalises the requests for advice received from the various internal functions in order to ensure the correct application of the tax rules by preparing internal emails or opinions.

The TAX function actively participates in working groups organised by trade associations or other bodies such as:

- UNEM
- Confindustria
- Chambers of Commerce
- Assonime

The purpose of these working groups is to engage in discussions and provide a forum for the exchange of views on business-relevant topics. These meetings are also designed to focus on specific topics and are useful opportunities to consolidate and strengthen the network of relationships between participants. In addition, the working tables are intended to:

- developing the **Associations' service and representation functions** towards their member companies as effectively as possible;
- sharing updates, interpretations and practices used by companies to identify **best practice** in relation to tax regulations;
- representing the **interests of companies** before the Inland Revenue, including by way of ruling hypothesis;
- defining positions also on interpretative **regulatory changes** to be presented to the institutions.

In the ongoing development and implementation of the Tax Strategy, the company's principles are pursued both through appropriate governance systems, including manuals and procedures, organisational structures and communication tools, and through consistent and proportionate means and resources in line with the company's activities.

When sensitive topics with potential tax implications are identified that require greater regulation in the internal process, the Tax Department proposes to the internal function - the owner of the process - the **implementation of principles** of behaviour, decision-making rules, operating methods through the introduction of new company policies and procedures to introduce the appropriate corrective measures and thereby reduce tax risk. This structured system of company policies and procedures sets out the rules that each relevant function must follow in order to **avoid the risk** of committing tax offences in relation to the transactions themselves.

The second-level control delegated to the Tax Function ensures that the functioning of the internal control system is constantly **monitored** and that corrective action is taken in the event of shortcomings or errors.

The Tax Section Head reports periodically to the Board of Statutory Auditors/Independent Auditors on the main results achieved following the introduction of corrective measures resulting from any shortcomings in the monitoring activity. The Tax function conducts periodic **internal audits to identify potential risks**, prevent and mitigate violations, and implement corrective and preventive actions. The objective of Internal Audit is to ensure that the internal functions involved in the relevant processes comply with the Company's controls, policies and procedures and that they are able to identify/prevent risks, including those arising from possible regulatory changes.

In cases of doubt as to the interpretation of tax regulations or difficulties in their application, SRI pursues a reasonable line of interpretation based on the **principles of legality**, using external experts where necessary and activating the appropriate procedures for dialogue with the tax authorities.

From a customs and excise point of view, the Inland Revenue has a computerised control system (known as INFOIL) which enables it to monitor in real time the processes of introduction of raw materials - processing - production - and sale of finished products. The system allows for a continuous exchange of information/communication, and the Customs Agency's Factory Technical Office provides constant monitoring and comparison for the company.

In terms of VAT, a file containing all the information on the previous month's movements is sent each month for the management of the VAT warehouse, in agreement with the competent office, in order to facilitate control activities.

The Company established a **whistleblowing** channel for anonymous reporting, which is available on its website for employees, customers, contractors, consultants and anyone else who has a relationship with SRI. Instructions for anyone wishing to make a report are available on the Whistleblowing - Sonatrach Raffineria Italiana page (sonatrachitalia.it). The Ethics Committee has its own internal procedure for dealing with reports.

The company reference policy for all internal reporting is policy 22 "Procedures and transparency of communications".



Approach to confronting tax authorities

The Company is committed to maintaining a relationship with the tax authorities that is characterised by the utmost transparency and cooperation. In particular, SRI undertakes to:

- Resolve any issues, including interpretation issues, promptly before filing tax returns or other documents with tax implications;
- represent the interests of the company before the Inland Revenue or Customs Agency or other tax authorities through the trade associations or Assonime - including by seeking legal advice from the Agencies/Bodies in the event of doubt as to interpretation;
- provide correct, accurate and timely information and to respond promptly to questions and requests for information from the Inland Service and Customs Agency or other tax authorities;
- define and regulate all customs/excise operations prior to the implementation of any new business through work processes/regulations agreed in advance with the competent authorities.

Tax is responsible for managing potential tax audits and responding to requests for information from the competent Authorities, coordinating data collection activities and possibly involving the required functions. As part of the performance of these functions, the Tax Section Head may be required to interface with the Tax Authorities, subject to the granting of specific powers by persons holding valid proxies, for example to discuss the Company's position in cross-examination prior to the issue of official documents, or to request the issue of authorisations, licences, etc.

The Company, which is active in the oil sector and in particular in the refining sector, has a computerised control system (known as INFOIL) which enables the Customs Agency to monitor the production, storage and handling of oil products at all times. All stages of production range from the introduction of the raw materials to the processing and extraction of finished products for sale; the latter are governed by specific Regulations drawn up in conjunction with the Authorities.

Specific regulations were also drawn up for the management of the VAT warehouse with the office in charge of control regulating the tax management of introduction and extraction operations. On a monthly basis, the file containing all the documents relating to the handling of goods in the VAT warehouse is made available to the competent Authorities in order to facilitate controls.



The approach to supporting public policy on taxes

The Company regularly and actively participates in working groups organised by trade associations or other bodies (UNEM, CONFINDUSTRIA, ASSONIME, etc.) with the aim of:

01.
Representing the interests of companies before the Tax and other Authorities;
02.
Defining common positions, including on interpretative regulatory changes to be presented to the institutions.
03.
Participating in public consultations to express opinions on future regulatory actions.

In UNEM, SRI is regularly present in the following working groups: i) Excise and customs issues, ii) Direct Taxes, iii) Energy and Petroleum Analysis, iv) Lubricants Subgroup, and v) LNG and Bio-LNG. While in Confindustria, the Company is regularly present in the following working groups:

- 
1) Credit, finance and tax;
- 
2) Sustainability and Corporate Social Responsibility;
- 
3) Energy transition

Processes for gathering and considering Stakeholder views and concerns

The Head of the TAX Department may be asked to report to the Board of Statutory Auditors, for example, on relevant tax issues of interest to the Company: tax-relevant projects defined with Management or Authorisations/Licences obtained from the Tax Administration are examples of this.

The Tax Section Head reports periodically to the Board of Statutory Auditors on the main planned tax activities, the main results achieved following the introduction of corrective measures resulting from any shortcomings in the monitoring activity.

On a quarterly basis, the TAX department group sends all accounting documents and information to the Independent Auditors in charge of the audit, in order to periodically check the proper keeping of the accounts. As regards controls and the signing of annual declarations, see the previous paragraphs.

In cases of doubt as to the interpretation of tax regulations or difficulties in their application, SRI pursues a reasonable line of interpretation, based on the principles of legality, using external experts where necessary and activating the appropriate procedures for dialogue with the tax authorities.





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VISION OF ENVIRONMENTAL SUSTAINABILITY

Sonatrach Raffineria Italiana's commitment to environmental sustainability is a top priority. Its environmental policy is based on balancing the economic and environmental requirements of the communities in which it operates, with the aim of continuously improving its environmental performance. In strict compliance with international and European regulations, the company promotes sustainable business practices, empowers its employees and works with government agencies and industrial organisations to develop environmental procedures based on sound scientific principles. It also undertakes to constantly monitor its operations to ensure that they remain within the limits permitted by law. Prevention, risk mitigation and emergency response actions are taken immediately when exceptions occur. The organisation supports research to better understand the impact of its activities on the environment and to make its operations more sustainable. As part of its commitment and responsibility to the environment, the company has recently approved projects to reduce CO2 emissions and reduce the use of groundwater and surface water.

Environmental sustainability is a core value of SRI. The Company recognises that every business depends on the environment and natural resources and is increasingly integrating these principles into its daily operations. SRI is aware of the impact of its activities, both locally and globally, and is committed to monitoring and reducing these impacts to ensure the protection of the territory and the environment.

These improvements in the environmental macro area are mainly due to the strategic collaborations established in the area of sustainability,

the numerous investments made over the past decades in the use of Best Available Techniques (BAT) and the continuous training of internal stakeholders, which has created a strong sense of responsibility and motivation within the entire team.

SRI's greatest strength is the high quality of its personnel. The expertise, professionalism and dedication of the directors, managers and employees ensure the company's competitiveness and long-term success.

AUTHORISATIONS, TOOLS AND BEST PRACTICE

SRI, which operates in the Oil & Gas sector, is subject to a number of regulations governing its operations. In the Italian legislative panorama, for the locations of the perimeter considered in this document, the main acts to which it is subject in environmental matters are as follows:

01.

Legislative Decree 152/2006 Consolidated Environmental Law;

02.

Legislative Decree No. 105 of 26 June 2015 transposing Directive 2012/18/EU of 4 July 2012 Seveso III

03.

REACH Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals;

04.

CLP Regulation (EC) No. 1272/2008 on classification, labelling and packaging of substances and mixtures;

In the context of this complex regulatory framework, there are a number of general principles of environmental protection that SRI promotes and respects, in full compliance with current regulations and in the balance between economics and sustainability. These include the Principle of Environmental Action, the Principle of Sustainable Development, the Principles of Subsidiarity and Fair Collaboration, and the Right of Access to Environmental Information and Participation for Collaborative Purposes. Compliance with these legal principles gives rise to the “Environmental procedures” of VIA, VAS, AIA and AUA, the former being an assessment and the latter an authorisation regime.

For the Augusta Refinery, SRI has an AIA “Integrated Environmental Authorisation” (DVA-DEC-2018-0005450 of 6 March 2018) issued by the Ministry of the Environment and Energy Security (MASE, then MATTM) and subsequently updated by several partial reviews, the most recent of which relate to wastewater management, including the new water recycling plant (M.D. 222 of 13 June 2024) and the efficiency of the deparaffining plant for the production of lubricating oils (M.D. 287 of 8 August 2024).

Instead, the Depots are equipped with AUA “Autorizzazione Unica Ambientale” (Single Environmental Authorisation) (AUA Palermo: no. 328 issued on 23 August 2019 by the provincial police and environmental department of the Metropolitan City of Palermo/AUA Naples: no. 6843 issued on 25 September 2019 by the environmental protection area of the Metropolitan City of Naples).

Integrated Environmental Authorisation Title I, Part II, art. 5 paragraph 1, letter o- bis Legislative Decree 152/06	Single Environmental Authorisation Deed of settlement: Regulation issued by Presidential Decree No. 59 of 13 March 2013
The AIA provides for measures to prevent or reduce emissions into the air, water or soil, including measures relating to waste, in order to achieve a high level of environmental protection. In terms of competences, Article 7 of the Environmental Code states that projects related to activities listed in Annex XII of the Code and their substantial modifications are subject to an AIA at state level. This is the case of SRI with an authorisation issued by the MASE (DVA-DEC-2011-000519 of 3 October 2011), which requires the application of Best Available Techniques for the achievement and continuous improvement of the activities subject to authorisation. The competent authority periodically reviews the AIA by confirming or updating the relevant conditions.	Without prejudice to the provisions of the Integrated Environmental Authorisation, and in order to simplify the authorisation process, the AUA is subject to Regulations for the following authorisations: a) Discharge authorisation; b) Prior notification for the use of certain water bodies for agricultural purposes in accordance with Article 112 of Legislative Decree No. 152/06; c) Authorisation for atmospheric emissions for plants pursuant to Article 269 of Legislative Decree 152/06; d) Acoustic notification or authorisation; e) Authorisation to use sewage sludge in agriculture; f) Waste Communication. SRI has an AUA issued by the Metropolitan Cities of Naples and Palermo through SUAP. The Authorisation is valid for 15 years from the date of issue.

The AIA Annual Report: the results of continuous environmental improvement

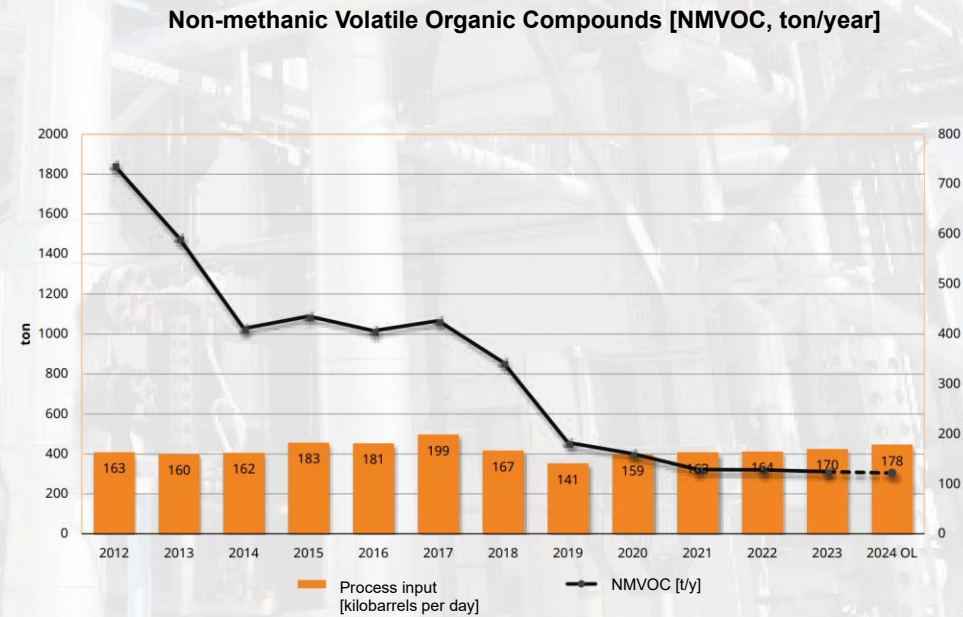
The Augusta Refinery obtained the Integrated Environmental Authorisation (AIA) for its operation by Decree DVA-DEC-2011-000519 of 3 March 2011, which was subject to subsequent reviews, of which the measure issued by MD No. 158 of 8 May 2018 represents the AIA currently in force as from 1 June 2018. Recently, the AIA has been subject to some partial reviews for new projects under implementation (MD 222 of 13 June 2014 and MD 287 of 8 August 2014). These Ministerial Decrees are accompanied by the Final Investigation Opinion (PIC), which sets out all the requirements to be met, and the Monitoring and Control Plan (PMC), which defines the methods and frequency of implementation of the requirements. The AIA for the operation of the refinery is published on the website of the Ministry of the Environment and Energy Security <https://va.minambiente.it/it-IT/Oggetti/Info/1901>. In accordance with the provisions of the AIA PMC, by 30 April each year the refinery must submit to the competent Authority (the Ministry for the Environment and Energy Security - MASE), the Control Body (ISPRA), the Region, the Libero Consorzio Comunale of Siracusa, the Municipalities of Melilli and Augusta and the ARPA of Siracusa an annual report describing the operation of the plant during the previous year. SRI submitted the Annual Reports for 2022 and 2023 on the monitoring and activities of the PMC always on time. The main purpose of each Annual Report is to certify compliance with AIA requirements (e.g. required emission limits) and to provide any environmental monitoring data required by AIA requirements. This report is based on the PMC and its contents are as follows:

1. General plant information (e.g., number of actual operating hours of production departments, etc.).
2. Declaration of compliance with the AIA in which the operator declares that the plant has been operated in compliance with the requirements and conditions of the Integrated Environmental Authorisation;
3. Refinery consumption (e.g., raw material consumption, water consumption, energy consumption, etc.);
4. Emissions for the entire plant: AIR (e.g., total annual masses of SO2, NOx, CO, dust, etc.);
5. Emissions for the entire plant: WATER (e.g., effluent monitoring results, etc.);
6. Emissions for the entire plant: WASTE (e.g., amount of waste produced and recovered by the Refinery, etc.);
7. Emissions for the entire plant: NOISE (e.g., results of acoustic impact assessment campaigns)
8. Emissions for the entire plant: ODOURS (e.g., results of the olfactometric campaign carried out);
9. Results of the Leak Detection and Repair (LDAR) programme;
10. Torch (e.g., amount of gas burned in the candle, composition, etc.);
11. Sulphur recovery units (e.g., monthly averages of % sulphur conversion);
12. Monitoring of tanks, pipeways and oily drainage (e.g., results of tank inspection and maintenance programme, etc.).

All information required for the preparation of the Annual Report is collected and monitored on a monthly basis by the Environment function, supported by the Technical, Process, Maintenance and Asset Integrity functions within the Environmental Steering Committee (ESC). A dedicated “AIA team” was also set up within the ESC, comprising representatives from the Environment, Technique, Process, Maintenance and Inspection functions, whose role includes coordinating activities relating to compliance with AIA requirements and periodically reviewing compliance. The information gathered is then reviewed and validated by Management during the preparation of the Annual Report before being submitted to the relevant Authorities.

The Annual Report is an excellent collection of data that SRI uses as a benchmarking tool against others in the industry. For example, an analysis of the calculated and reported NMVOC (Non-Methane Volatile Organic Compound) atmospheric emission data for the Augusta refinery shows a significant reduction in emissions over the last few years (Figure 5), which is the result of numerous investments (e.g. VRU installation, API tank covering, etc.) and the effectiveness of the management systems used at the refinery, for which it is also ISO 14001:2015 “Environmental Management Systems” certified.

FIGURE 4
2012-2024 trend in NMVOC emissions



Moreover, in support of the AIA, the company applies additional tools and best practice that allow for continuous monitoring of environmental impacts, including:

01.

Adoption of an integrated management system covering Health, Safety, Environment and Energy (HSE), with certification of the environment and energy parts according to the ISO 14001 and ISO 50001 international standards;

02.

Adoption of a common communication protocol with stakeholders and external authorities for reporting and managing special events;

03.

Participation, together with other companies in the territory, in the CIPA (Consorzio Industriale Protezione Ambiente, Industrial Consortium for Environmental Protection), which ensures widespread air quality control through a network of control units owned by the Consortium and interconnected with those of ARPA Sicilia and the Free Syracuse Consortium.

04.

Participation in the working groups of Confindustria and UNEM (Unione Energie per la Mobilità, Energy for Mobility Union), which promote and represent new companies active in environmental topics and process innovation.



DUCTED, DIFFUSE AND FUGITIVE EMISSIONS

[GRI 305-7]

SRI manages, controls and monitors its authorised atmospheric emissions as required by mandatory regulations and in line with the objectives of its environmental policy.

The company's policy includes as one of its specific objectives the development of a continuous improvement plan of environmental performance, with explicit objectives and targets for the reduction of ducted, fugitive and diffuse air emissions.

The company has implemented strict monitoring protocols at its operating sites to ensure compliance with the requirements of the Environmental Authorisations. In particular, the refinery and depots are equipped with well-defined procedures and automated control systems that allow continuous monitoring of environmental parameters. These tools and processes are used to continuously verify compliance with law requirements and authorisations in force. Moreover, the Company established a regular and accurate reporting system that enables the results to be communicated to both Company Management and the relevant control bodies.

The Emission Monitoring System (EMS) is the most advanced and suitable technology for continuous emission monitoring. It consists of analysers that measure in real-time emissions from refinery stacks (CEMS) and/or from predictive systems (PEMS) that provide accurate emission estimates based on various operational parameters. The system sends emission data to ARPA Sicilia via dedicated internal servers. Variables are automatically validated by the Emission Control System and then re-checked by the person in charge, who also takes care of any overwriting of data that is subsequently found to be invalid. If a non-conformity (NC) is detected at any of the limits, this would be reported to the authorities according to the AIA time frame.

SRI monitors its atmospheric emissions by measuring the concentrations emitted both from individual sources such as stacks and at the refinery level by using the “refinery bubble” concept (required by BAT). According to this concept, the refinery is considered as a whole and therefore the emissions and the volumes of flows of all the emission sources included in the bubble definition are evaluated.

In line with the AIA, the organisation monitors air pollutants such as nitrogen oxides (NOX), sulphur oxides (SOX), persistent organic pollutants (POPs) and volatile organic compounds (VOCs).

All environmental controls and monitoring adopted by the company are based on the requirements of the “Monitoring and Control Plan” (PMC) section of the relevant AIA. In 2022 and 2023, the emissions were well below the AIA, as shown in the figure below.

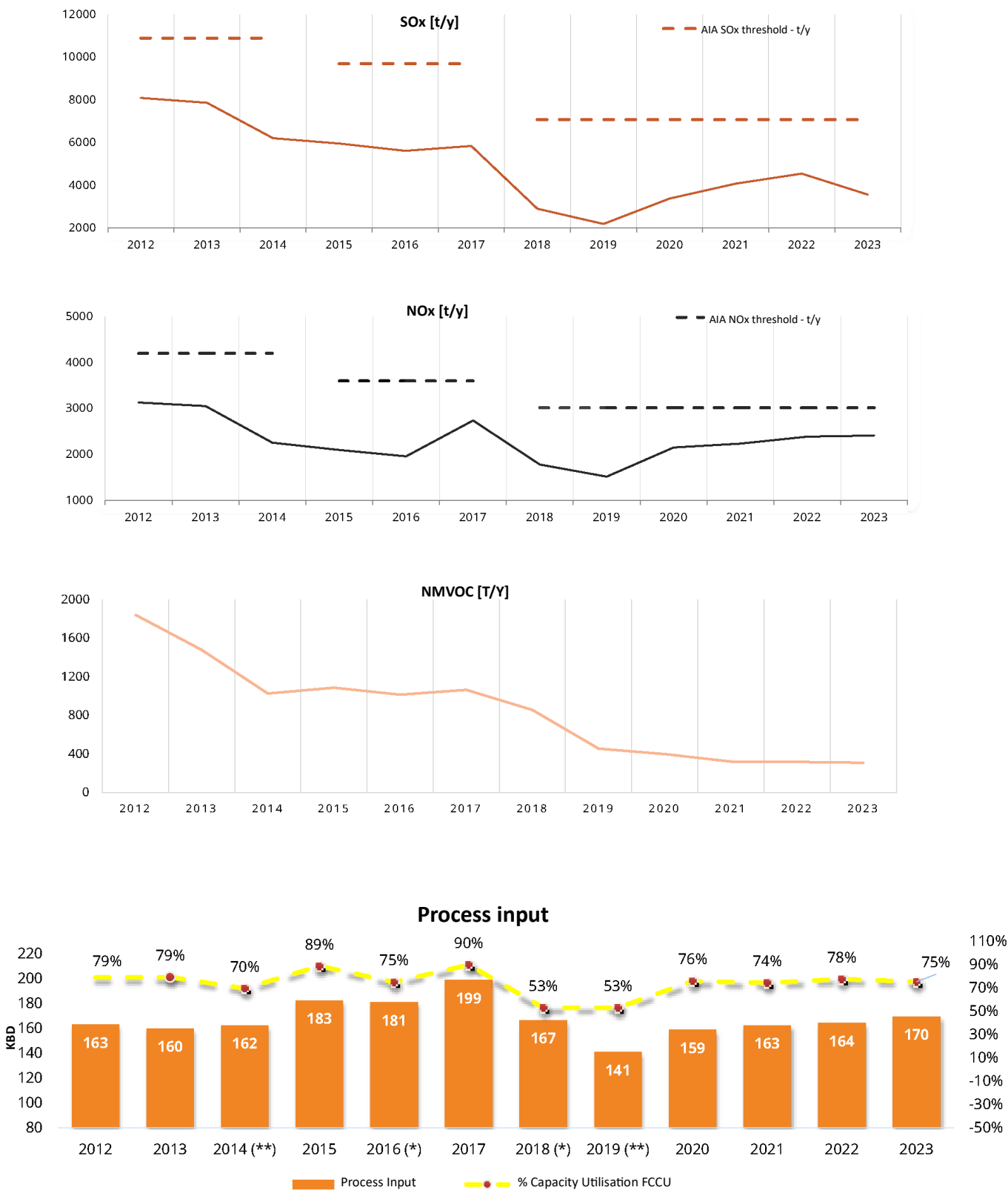
Ducted, diffuse and fugitive emissions

Ducted emissions are released from an emission point characterised by certain key parameters (location and size of the emission point, chemical and physical and quantitative characteristics of the emission). Diffuse emissions include any dispersion into the atmosphere from non-point sources such as tanks and containers, evaporation from free surfaces, dispersion from equipment handling products in a gaseous state, etc. A relevant subset of this type of emissions consists of fugitive emissions resulting from the gradual leakage of part of the equipment designed to contain/move a fluid (gaseous or liquid). Examples of fugitive emissions are emissions from pumps, valves, etc.



FIGURE 5
2012-2023 trends for the main emission components

TREND EMISSIONS VS CAPACITY UTILISATION APS & CAT CRACKER



The table below shows a general improvement in air quality. For example, the organisation has achieved a reduction in SOx (by weight) and has largely maintained NOx levels.

TABLE 8
Air pollutants (2023-2022)

	2023 (TON)	2022 (TON)
Nitrogen oxides - NO _x	2,414.00	2,392.00
Sulphur oxides - SO _x	3,568.00	4,552.00
Persistent organic pollutants - POP ¹	0.0000031	0.00000596
Volatile organic compounds - VOC	311.77	320.10

It can be seen that persistent organic pollutants (POPs) decreased the most between 2023 and 2022 by 48%. This was followed by sulphur oxides (-22%), volatile organic compounds (-3%) and nitrogen oxides (-1%). In particular, for stacks equipped with CEMS/PEMS systems, the values of nitrogen oxides (NOx) and sulphur oxides (SOX) have been measured by the continuous Monitoring System. On the other hand, for stacks not equipped with CEMS/PEMS systems, the values for persistent organic pollutants (POPs), nitrogen oxides (NOX) and sulphur oxides (SOX) were obtained by the continuous indirect system using predictive calculations or confirmed by periodic stack measurements (e.g., Concaue or stoichiometric approach). VOCs refer to non-methane volatile organic compounds, in line with the European E-PRTR methodology, and the values shown in the table are derived from periodic stack measurements, fugitive emissions and the use of diffuse emission models (e.g., the tank-wastewater system model).

¹The values reported for persistent organic pollutants (POPs) refer to the contribution of Polychlorodibenzodioxins (PCDDs) + Polychlorobenzofurans (PCDFs) and Polychlorobiphenyls (PCBs). In this case, the mass flow measurement for PCDD+PCDF and PCBs was calculated using the concentration data measured during the six-monthly sampling campaigns of the multi-fuel stacks listed below: C.23 - 24 (F101 T5), C.29 (FCCU), C.34 (SG1170), C.42-43 (F801/2).

SRI has improved its air quality performance over the last decade through the adoption of an Environmental Management System that promotes continuous improvement and the application of the BATs, and has implemented several projects that have reduced emissions of pollutants into the atmosphere. Some of these projects are listed below:

01.

The use of burners with a low nitrogen oxide production (LOWNOx burners);
02.

The use of a new catalyst (DeSOx catalyst) to reduce sulphur oxide emissions from the catalytic cracking unit (FCCU);
03.

The vapour recovery unit (VRU) at the docks for volatile products (with RVP>4kPa);
04.

The covering of the tanks that make up the wastewater treatment plant;
05.

The installation of double seals in the floating roof tanks and of caps and support hoses on the surge pipes;

Fugitive emissions are subject to both EU and national mandatory pollution prevention and control regulations. The monitoring and measurement of this type of emission is therefore carried out using the LDAR (Leak Detection And Repair) technique. If leaks are detected, this technique requires immediate maintenance action.

Odour emissions

The management of odour emissions is regulated by the Integrated Environmental Authorisation through the Monitoring and Control Plan. According to this plan, the company monitors the substances present in the Refinery annually to assess their odour impact. This assessment is carried out using a combination of models and measurements, resulting in several sub-scenarios. A technical analysis is then prepared and sent to the relevant authority.

As far as external receptors are concerned, they have been identified in accordance with the provisions of DGR of 15 February 2012 - no. IX/3018 of the Lombardy Region and the Managerial Decree No. 309 "Guidelines for the application of Article 272-Bis of Legislative Decree 152/2006 on odour emissions from plants and activities. In this case, 14 receptors were identified, representing built-up areas, scattered houses and places of public interest.

The olfactometric analysis is carried out in accordance with EN 13725:2022 to determine the odour concentration associated with atmospheric dispersion modelling for fallout assessment. The monitoring of odour emissions is carried out according to regulatory and technical guidelines that identify the odour parameter,

expressed in OER (Odour Emission Rate) and measured in odorimetric units per second. These guidelines are adopted by POLIMI (Politecnico di Milano) for carrying out the odour impact assessment. In particular, the model selected and its settings comply with the provisions of the above-mentioned Managerial Decree and the specific SNPA guidelines on the application of models in the odour impact assessment (SNPA Resolution No. 38/2018, Chapter 5, Paragraph 5.4).

Moreover, the organisation is planning to install a network of electronic noses at the perimeter of the plant to prevent and manage possible odour phenomena outside the production site. In any case, based on the olfactometric analyses carried out for 2022 and 2023, there is no significant impact of the Refinery on the surrounding environment during its normal operation, as the overall emission scenario of the plant does not affect any built-up areas. In fact, the simulated peak ground-level odour concentration at individual receptors is less than 1 odour unit per m3 for 98% of the hours in the year considered. These analyses are carried out annually (to date), with measurement campaigns in both summer and winter.



The monitoring of odour emissions and reports from the community

As required by the Monitoring and Control Plan (PMC), which is an integral part of the Integrated Environmental Authorisation, the company carries out annual monitoring campaigns of odour emissions attributable to its activities. The aim of the analyses is to identify, analyse, assess and control the odour impacts caused by production processes.

The monitoring of the odour impact of emissions into the atmosphere is subject to an annual assessment, entrusted to qualified consultants who carry out chemical and olfactometric investigation and characterisation campaigns, the main purpose of which is to determine the odour concentration of samples taken from a range of potential sources present in the plant, thus obtaining data useful for assessing the odour impact of the plant.

Moreover, the regular consultation of reports and technical notes issued by the Environmental protection control bodies, and the analysis of any reports of poor air quality sent to the various players in the Syracuse industrial hub by delegations of citizens from the localities close to the Refinery, are the daily focus of SRI's environmental department.

If the daily monitoring and/or consultation of the Daily Reports produced by CIPA (Consorzio Industriale di Protezione Ambiente, Industrial Consortium for Environmental Protection) and the ARPA Sicilia homepage (which includes, among other things, the link to the NOSE portal, which shows the number of citizens who have reported odours above their tolerance threshold on any given day) indicate the presence of odour nuisance elements, an in-depth internal investigation of the Refinery's operating scenario is launched.

Under these circumstances, the Environment Team contacts the various technical operating departments, which prepare their drafts in tabular and graphic form, accompanied by a technical note describing the layout of the Refinery at the times when reports of odour nuisance were received in the areas falling within the municipal territories of Augusta and Melilli.

The information collected, together with other monitoring and assessments of the specific climatic situation, is ultimately incorporated into technical reports produced by the Environment team, with the aim of feeding and enriching the internal documentation set to which reference can be made for after-effect assessments and, where necessary, to facilitate the reconstruction of Refinery scenarios in a given historical period.

In particular, according to the KPIs of System 10.2 (Sustainability, External and Government Relations), in 2023 the refinery received three requests for in-depth investigations (11 and 12 April and 9 July 2023) from the Melilli Civil Defence with reports of odour phenomena.

The checks carried out immediately did not reveal any anomalies in the operation of the plants or any correlation with the reported events.

This analysis was also supported during the Extraordinary Council meeting of the Municipality of Melilli on 17 April 2023.

Volatile organic compound (VOC) emissions from refineries in Europe and Italy

The study of emissions of volatile organic compounds (VOCs) from refineries has recently been intensified by the scientific community. More specifically, an article published in Atmosphere in 2020, entitled “Definition of an Emission Factor for VOC Emitted from Italian and European Refineries”, aims to provide a specific “Emission Factor” (EF) for European and Italian refineries. EF is a value that relates VOC emissions to the operational activity of a refinery.

In Italy, the ISPRA database contains annual VOC emission values for industrial plants, but not for individual refineries. The study is important because it compares total emissions with the operating capacity of refineries to identify trends that are useful for generalisation.

The conclusions show an overall EF of 188 ± 166 g VOCs per ton of crude oil processed in European refineries, which is in line with the range of 50-1000 g/ton in the BAT Ref of the European IPPC Bureau.

Current VOC emissions from the Augusta Refinery

Through environmental investments over the past decade, the refinery has achieved a significant reduction in VOCs. This is also evidenced by the (increasingly accurate) estimates made over the years and already submitted to the Ministry of Ecological Transition and ISPRA in the Annual Reports.

TABLE 9
 Tons of total VOCs emitted by SRI from 2015 to 2023

	2015	2016	2017	2018	2019	2020	2021	2022	2023
TOTAL VOCS ton/year	1089	1016	1066	858	457	400	322	320	312

SRI achieved a reduction in VOC emissions of approximately 71% compared to 2015 through targeted emission reduction measures.

Sonatrach Raffineria Italiana's current VOC emissions are well below the average for European and Italian refineries. In particular, using the emission factor identified in the scientific article by Roveda et al., compared to a plant capacity (understood as crude oil processing capacity) of between 8.3 million tons of crude oil/year (2022) and 8.1 million tons of crude oil/year, the VOC emissions from the refinery should be approximately 1,500 tons of VOC/year. As previously reported, the Augusta refinery emitted 320 tons/year of VOCs in 2022 and 312 tons/year of VOCs in 2023. It can therefore be argued that, to date, the refinery emits approximately 20-25% of the VOC emissions of sites of a similar size.



Summary - How volatile organic compounds and odour emissions have been reduced

01.

The refinery has installed a vapour recovery unit (VRU) at the loading and unloading docks to reduce volatile organic compound (VOC) and odour emissions. These implementations are consistent with the provisions of the current AIA, which provides that:

- a VOC recovery efficiency of the VRU greater than or equal to 95%;
- a VOC concentration at the stack of the new unit of less than 10 g/Nm3 and benzene of less than 1 mg/Nm3;

03.

The refinery continued its annual Leak Detection and Repair (LDAR) programme in 2022 and 2023.

- In this area, the wider adoption of Flame Ionisation Detector technology in the years under review, compared to the previous use of Optical Gas Imaging techniques, allowed a reduction in VOCs due to the higher sensitivity of the method.

02.

The tank covers that make up the water pre-treatment system (the second phase of the project was completed in 2019) allow for a VOC reduction efficiency calculated at more than 90%;

Sound emission campaigns

In November 2023, the refinery carried out a noise impact measurement campaign to check compliance with the sound emission limits of the Integrated Environmental Authorisation. The assessment was carried out in several stages: definition of regulatory references, territorial framework, acoustic survey on the refinery fence and analysis of the results according to zone limits.

Two types of noise limits were considered: immission and emission limits, which apply to the perimeter of the refinery and refer to the noise perceived outside. The limits vary according to the acoustic zoning defined by the Municipalities, with different values for different areas (residential, industrial, etc.).

The measurements were carried out by TAUW Italia S.r.l. between 6 and 7 November 2023 using sound level meters. The data collected was compared with the noise limits established by the Acoustic Zoning Plan for the Municipality of Melilli, in accordance with the D.P.C.M. of 14 November 1997, and those established by the D.P.C.M. of 1 March 1991 for the Municipality of Augusta. The Melilli points fall into noise classes ranging from IV (Areas of intense human activity) to VI (Areas of exclusively industrial activity), with respective daytime limits ranging from a minimum of 65 dB(A) to a maximum of 70 dB(A) and night-time limits ranging from a minimum of 55 dB(A) to a maximum of 70 dB(A).

Differential limits have been assessed for a number of Melilli points outside the industrial-only zone, which must be kept within 5 dB(A) during the day and 3 dB(A) at night.

Measurements confirmed full compliance with regulatory limits at all sites, both day and night, in line with the results of previous four-year campaigns.

WATER RESOURCE
MANAGEMENT
[GRI 303-1]

Water in all its forms is a common good and an inalienable right of every human being. It is also an essential resource for the smooth functioning of many activities in society. Effective management of water resources, both in terms of quantity and quality, is therefore essential to ensure access not only for society as a whole, but especially for local communities. In the operational context of SRI, interaction with the resource occurs mainly for cooling, industrial processes, fire-fighting, demineralised water production and civil use.

The refinery’s water needs are met by **drawing** water from a variety of sources, including:

01.

Fresh water taken from **Lake Lentini**. This water supplies the refinery’s industrial and sanitary facilities, in particular:

- water for sanitary use;
- water for the production of demineralised water;
- water for cooling and industrial processes.

02.

Seawater from the Augusta roadstead, taken from the basin of the Port of Augusta via a special collector. This is used to feed the circuit of a cooling tower (Cooling Tower 8) used to cool the process equipment of the plants of the Lube-2 unit;

03.

Fresh water from the Marcellino **river**, used when necessary to replenish the fire-fighting network. In the two-year period from 2022 to 2023, no such water was taken.

04.

Fresh water from authorised **artesian wells**, both inside and outside the refinery. This type of water is used where the previous ones are not sufficient, with a commitment to minimise consumption.

The refinery has two water **discharge** systems:

01.

The water discharge that manages industrial process water, conveying it to the consortium treatment plant of Priolo Gargallo, managed by Industria Acqua Siracusana (IAS). Before being sent to this plant, the water is pre-treated in gravity oil separators known as “API separators” and then equalised in dedicated tanks before being sent to the consortium plant for final treatment.

02.

The water discharge collects the cooling water from the sea and returns it to the sea after the periodic inspections set by the AIA. The water extracts heat from the process fluid and returns to the sea within certain maximum temperature and quality parameters;



Governance of the water resource

SRI relies on a number of corporate bodies, including several committees, to manage its water resources. At a strategic level, the Sustainability Committee oversees committees and groups with decision-making autonomy, such as the Environmental Steering Committee.

The main purpose of the Environmental Steering Committee is to share with the Management team the environmental performance of the refinery and depots in order to ensure the best management of activities/operations in accordance with the requirements of, inter alia, the Integrated Environmental Authorisation Decree, the Single Environmental Authorisations and Legislative Decree 152/06 as amended, and to identify any areas for improvement. It also presents and discusses the status of implementation of activities related to ongoing environmental procedures/activities.

Its main tasks include discussing and evaluating the key environmental performance results shared and monitored at the monthly Environmental Meeting with refinery and depot representatives, key environmental performance indicators and possible areas of focus and improvement, as well as the progress of Action Team activities (Waste Water Action Team, Sewer Action Team, AIA Team), Best practice and other initiatives to improve environmental performance.

TABLE 10
Number and rate of recordable work-related injuries (2023-2022)

ENVIRONMENTAL STEERING COMMITTEE (E.S.C.)	
CHAIRMAN	HR & COMPLIANCE MANAGER
Secretary	Environment Manager
Members	Process On-site Manager Process Off-site Manager Project & Planning Manager Technical Manager Sustainability, Public & Government Affairs AIA & Environmental Engineering Coordinator Waste & Remediation Coordinator (*) Terminal Operation Manager (*) Legal & Governance Section Head (*)

*Attendance depends on the topics discussed at the meeting.

The functions of the **Sewer Action Team** are to plan the inspection/maintenance of the refinery’s sewer system and submit it to the ESC Committee for prior approval, to monitor the execution phases through periodic reviews, and to resolve potential conflicts with other planned and/or unplanned activities.

The **Waste Water Action Team** is the team that ensures continuous procedural and structural improvement in the management of effluent quantity and quality by:

01.

Using a troubleshooting process (analysing and solving problems)
02.

Defining a control plan for internal intake points
03.

Supporting the water conservation process already in place and removing any barriers to implementation
04.

Studying the wastewater and/or infrastructure (capex/opex) improvement proposals by supporting, among other things, the ongoing study on the optimisation of the refinery water cycle, of which the team will have to review the contents and prioritise the measures to be taken.
05.

Regular updates to be presented by a representative of the Team to the ESC committee during the quarterly Stewardship.

Management of impacts related to the use of water resources

[GRI 303-1]

Specific analyses are carried out to assess the current and future impact of water use, including medium- and long-term consumption projections. In addition, the health of the aquifer is assessed annually through specialised geological studies, the results of which are shared with the Syracuse Civil Engineering Department.

In order to responsibly manage the impact of water use, monthly monitoring of consumption is carried out through a number of tools: the ISO 14001 management system,

monthly management meetings, accountability meetings of the business teams and the aforementioned monthly Environmental Steering Committee involving key stakeholders.

Targets for water use and continuous improvement are set annually during the preparation of the following year's integrated plan, with a timeframe of up to five years beyond the planning period.

The procedure then defines the criteria for verifying the compliance of the two Refinery discharges into the sea and the Consortium Biological Treatment Plant, respectively, with the law and other applicable requirements. Finally, it defines the roles and responsibilities of the various Refinery functions in the management and control of effluents.

In managing the impacts of the water discharge, SRI follows the reference measures of the European Bureau for Research on Industrial Transformation and Emissions (JRC) of the European Commission and the Best Available Techniques of the oil and gas refining industry².

At the refinery, as mentioned in the chapter on the governance of the water resource, the **Waste Water Action Team** has been established; it organises weekly meetings to monitor performance and provides a quarterly report to management on the progress of improvement actions identified during the team's activities, such as improvements in the monitoring of process effluents, a better and more proactive maintenance management of heat exchangers, or diversion of reclaimed water. Monthly technical meetings are also held to assess the progress of effluent quality parameters.

Following the seizure of the Priolo Gargallo Consortium Biological Treatment Plant (IDBC), managed by Industria Acqua Siracusana S.p.A. (IAS), on 15 June 2002, for the alleged involvement in the crime of environmental disaster of the industrial plants that send their wastewater to the IDBC, an investigation is underway to verify, among other things, the functioning of the IDBC itself.

²<https://eippcb.jrc.ec.europa.eu/index.php/reference/refining-mineral-oil-andgas-0>

Management of water discharge-related impacts

[GRI 303-1, 303-2]

Strict quality standards govern the management of water discharge-related impacts. For discharges into the sea, these minimum standards are defined by the Integrated Environmental Authorisation (AIA), which sets limits in accordance with Table 3 of Legislative Decree 152/06. On the other hand, the discharge to the Consortium plant is regulated both by the contract with Industria Acqua Siracusana (IAS), the operator of the Consortium biological treatment plant, and by the Integrated Environmental Authorisation.

The quality trends of effluents are monitored on a daily basis and as part of periodic stewardships to ensure continuous improvement.

As for the depots, the Augusta depot sends the wastewater to the Refinery for treatment, while the Naples and Palermo depots discharge it into the public sewage system after appropriate treatment in both cases.

The latter two depots are subject to a Single Environmental Authorisation (AUA).

SRI takes internal measures to manage effluents in accordance with its authorisations. In particular, specific procedures are in place for depots, while a refinery-specific procedure for managing effluents has recently been revised with a view to continuous improvement. This procedure regulates the qualitative and quantitative management of the refinery's effluents to the sewage system, in order to ensure the proper functioning of the pre-treatment plant. It also specifies how to deal with planned extraordinary process effluents, sudden extraordinary process effluents, adverse weather events ('heavy rainfall') and water from the groundwater remediation system.



Environmental matrix monitoring activities were also carried out at all the Company's operating sites, including hydrochemical monitoring of the aquifer and verification of the performance and effectiveness of groundwater remediation systems (Emergency Safety Systems - MISE - at the Naples Depot and the Augusta Refinery, for which the preliminary procedure for approval of the Operational Safety Systems - MISO - by the MASE is underway, and MISO at the Palermo Depot), activated where necessary according to the specific nature of each site. These monitoring activities are carried out in accordance with Monitoring Protocols defined and approved by the competent authorities.

The results of the periodic monitoring, also carried out in the presence of the control authorities to validate the data thus obtained, show the trend of the monitored parameters (KPIs) during the 2022 and 2023 financial years (both in terms of flow rate and specific substances), in accordance with the requirements of the Reference Protocols. All results are periodically submitted to the competent authorities, after periodic updating of the documentation.

Water Recycling Project

To reduce the amount of water withdrawn for industrial processes, SRI started a project in 2019 to recover the wastewater at the end of the treatment for its production cycles. For the "Wastewater Recycling" installation at the plant, the company submitted the documentation for the non-substantial amendment of the Integrated Environmental Authorisation on 23 March 2023 and, in April, the start of the procedure (Procedure ID 84/14318) pursuant to Articles 7 and 8 of Law 241/90 and Legislative Decree 152/06, as amended, for the partial review of the Integrated Environmental Authorisation was notified. The review procedure for the above-mentioned water recycling project was still underway on 31 December 2023 and was subsequently approved by Ministerial Decree 222 of 13 June 2024, which will remain in force until the end of 2024.

The project, which is currently underway, will be completed by June 2026 and will save 2.5 to 3 million cubic metres of water per year. The main objectives are to increase the level of environmental protection resulting from the company's activities, in the absence of standards quantifying the minimum requirements for water conservation/recycling in the plants, and to significantly reduce the volume of water leaving the site (55-70% reduction) and improve the quality of the water leaving the site, which will be compatible with discharge into the sea (in accordance with Legislative Decree 152/2006 and BAT for the industry), allowing the final separation from the Consortium treatment plant of Priolo Gargallo.

Withdrawal

[GRI 303-3]

As mentioned above, the company's water supply comes from a variety of sources, including groundwater, surface water and seawater. Since the start of operations, Sonatrach Raffineria Italiana has been authorised to draw from the aquifer through 21 wells (totalling more than 10,700,000 m3/year).

In addition to the withdrawal from the aquifer, surface water from Lake Biviere of Lentini is also used under a contract signed with the Regional Institute for the Development of Productive Activities (IRSAP). SRI is committed to minimising the use of groundwater, preferring instead to draw surface water from Lentini's Lake Biviere, even if this is more expensive than the potential use of ordinary wells.

Twelve of the seventeen wells from which water is actually withdrawn, representing 70% of the well fleet, are located within the refinery perimeter and provide an average of 65% of the water withdrawn annually. The refinery area in which these twelve wells are located is independent and well defined hydrogeologically.

The company also applies the same control standards to the five wells outside the perimeter of the Augusta refinery as it does to the twelve internal wells, i.e. the practice of checking the static and dynamic levels and chloride content of individual wells every two weeks. As a result of these checks, measures can be taken to reduce the withdrawal or even to shut down individual wells if their withdrawal is not necessary for the optimised supply framework.

TABLE 11

Water withdrawal in Megalitres (1ML=1,000,000 litres) 2022-2023]

ALL AREAS - 100% VERY HIGH WATER STRESS		
Water withdrawal by source (ML)	2023	2022
Surface water	2,503	2,188
Groundwater	8,065	7,776
Of which fresh water (□1,000 mg/l total dissolved solids)	8,065	7,776
Seawater	2,072	2,227
Produced water	0.00	0.00
Third-party water resources	0	0
Total water withdrawal (ML)	12,640	12,191

In 2022 and 2023, the focus was on maximising surface water withdrawal by optimising withdrawal from wells (under the guidance of the Waste Water Action Team), aware that the relevant areas are highly water stressed (>85%)³.

³Source: *Aqueduct Risk Atlas*. For water stress, the medium-high level (>40%) was considered.

Discharge

[GRI 303-4]

Sonatrach Raffineria Italiana is committed to using the best technologies to protect the quality of water resources and to comply with all legal requirements.

As first highlighted in 2019, SRI started the implementation phases of the “Wastewater Recycling” project (a new osmosis filtration plant), which will be commissioned in 2026 and will be able to recycle a large part of the wastewater by reducing its withdrawal from the aquifer for industrial use.

Currently, as mentioned above, the effluents from the refinery are discharged into the sea and to the Consortium biological treatment plant and are regulated by the standards of the Integrated Environmental Authorisation (AIA). The Augusta depot sends the wastewater to the Refinery for treatment, while the Naples and Palermo depots discharge it into the public sewage system (in accordance with AUA limits) after appropriate treatment in both cases. The entries below refer to the discharge of the refinery and the Augusta depot.

In fact, the Augusta refinery is currently equipped with a wastewater pre-treatment plant that allows the separation of supernatant hydrocarbons in the wastewater. The pre-treatment tank contains devices (Surfcleaner) that remove oil from the water before it is sent to the Consortium biological plant, which then carries out the final treatment of the water.

Specifically, the Surfcleaner technology enables the recovery of oil, diesel oil, petrol, plastics, sludge and debris, and combines changes in the speed and direction of the inflow with gravimetric separation, preventing the accumulation of substances on the water surface and minimising VOC emissions.

In 2023, a pilot installation of this system was also carried out in the pre-separator, which showed a further improvement in water quality. The final installation of the system is planned for 2024 following the excellent results of the pilot.

The self-adjusting floating system (Figure 6) is suitable for continuous operation and is capable of recovering 100% of the surface oil with a water content of less than 0.5%. The low water content allows the oil separated from the wastewater to be recovered and reused.

TABLE 12

Water discharge in Megalitres (1ML=1,000,000 litres) [2022-2023]

DISCHARGE IN ALL AREAS - 100% VERY HIGH WATER STRESS	2023	2022
Water discharge by destination (ML)		
Surface water (total in ML)	-	-
Seawater (total in ML)	1,968	2,129
Third-party water resources (total in ML)	4,656	4,636
Total water discharge (ML)		
Surface water + groundwater + seawater + third-party water (total)	6,624	6,765

FIGURE 6

Self-adjusting floating system



Consumption

[GRI 303-5]

TABLE 13

Water consumption in Megalitres (1ML=1,000,000 litres) [2022-2023]

Water consumption (ML)	WATER CONSUMPTION IN ALL AREAS, INCLUDING WATER-STRESSED AREAS		WATER-STRESSED AREAS	
	2023	2022	2023	2022
Total water consumption ⁴	6,026	5,428	6,026	5,428
Total water storage at the end of the reporting period	18	27	-	-
Total water storage at the beginning of the reporting period	27	25	-	-
Change in water storage	-8	+2	-	-

In general, the company aims to optimise consumption as much as possible by maximising water recovery within the production cycle. However, in 2023, total water consumption increased by 11% from 2022 to 2023, partly due to some technical elements that were immediately identified and addressed in 2024, and further actions planned during the general shutdown in 2025.

In addition to monitoring water withdrawals and consumption, the health of the aquifer is also monitored. For example, the monitoring of chlorides to prevent contamination of the groundwater by seawater, and of static and dynamic levels of the aquifer, makes it possible to verify that there is no

impact on the aquifer from the use of water resources. This type of monitoring is carried out every two weeks. For these analyses, we use a qualified external consultant to monitor trends and produce an independent report on an annual basis.

The following graphs show the progressive improvement over the years in specific water consumption, i.e. total consumption per ton of crude oil processed, and the progressive improvement in the static levels of the wells. Specific consumption varies over the years as the equipment is serviced every five years, making its use more efficient.

³Consumption is calculated as the difference between water withdrawal and discharge [GRI 303-3 and 303-4], combined with consumption from water storage.

FIGURE 7

Trend in specific water consumption over the years (i.e., total consumption to tons of crude oil processed) - [2018-2023]

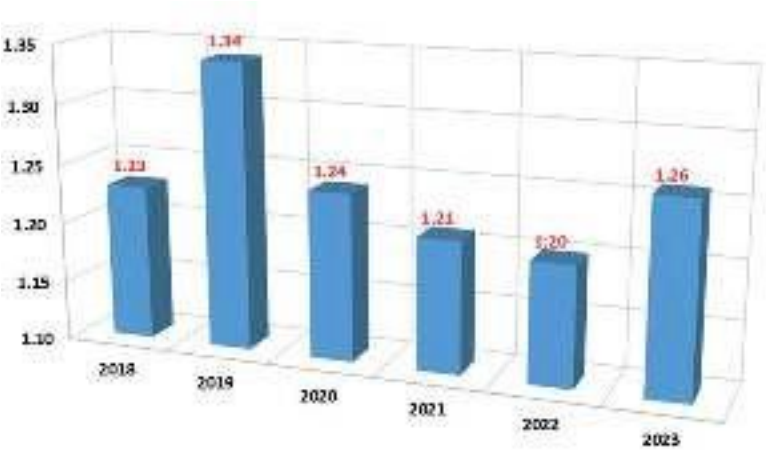
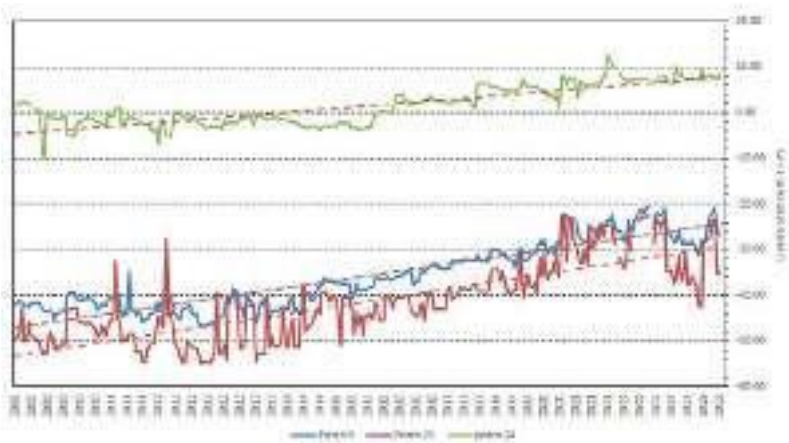


FIGURE 8

Progressive improvement of the static levels of the wells from 2009 to 2023



SUBSOIL ENVIRONMENTAL SAFETY, A MANAGEMENT MODEL
RECOGNISED BY THE CONTROL BODIES AS INDUSTRY BEST
PRACTICE

Activities on soil and groundwater

The Augusta refinery is part of the Site of National Interest (SIN) of Priolo Gargallo. Always striving for excellence, the refinery is also very sensitive to the environment in which it operates. With this in mind, in the early 2000s the company began an intensive study of the environmental matrices and implemented all the Emergency Safety Systems (MISE, pursuant to Legislative Decree No. 152/2006) aimed at reclaiming the site and ensuring a gradual process of environmental improvement of the soil and groundwater.

The soil at the refinery has been characterised since 2001, following more than 900 environmental surveys and the chemical laboratory analysis of more than 4000 soil samples taken during the various survey campaigns, in accordance with current environmental regulations. The results of the update of the last Risk Analysis, submitted to the competent Authorities in 2019, showed that the thresholds related to the surface soil (Risk Threshold Concentration) were exceeded only in 10 sub-areas that were immediately made safe, corresponding to about 0.08 km2 or about 3.6% of the total Augusta refinery area).

FIGURE 9
Extensive soil characterisation activities at the Augusta Refinery



Similarly, the capillary characterisation of the surface groundwater, carried out first under Ministerial Decree 471/99 and later under Legislative Decree 152/2006, allowed the definition of a precise conceptual model of the site (MCS) from which the design and implementation of an effective hydraulic containment and recovery system of past contamination, constantly monitored and integrated where necessary, has been carried out, up to the current structure of the Augusta refinery (with over 300 monitoring piezometers and/or withdrawal/recovery wells).

Each of the environmental control units constructed has been designed to operate 24 hours a day, ensuring that groundwater outflow is contained in accordance with a management model recognised as Best Practice by the relevant authorities.

The consolidation of an updated Hydrochemical Monitoring Protocol approved by the competent Authorities highlights the process of improving the environmental quality status of the site (Figures 10 and 11). A comparison of the historical data with the current data shows that the systems adopted, together with the measures taken to eliminate the sources, allowed a steady and effective recovery of the residual contamination, which is now in a phase of natural biodegradation, as evidenced by the reduction in the number of exceedances of the data measured in-situ compared to the concentration threshold ("CSC") established by Legislative Decree 152/2006 as amended.

The results of the periodic monitoring carried out with the involvement of the competent Supervisory Authorities shall be validated by them.

FIGURE 10
Percentage exceedance of CSCs for the most interesting parameters from 2007 to 2023

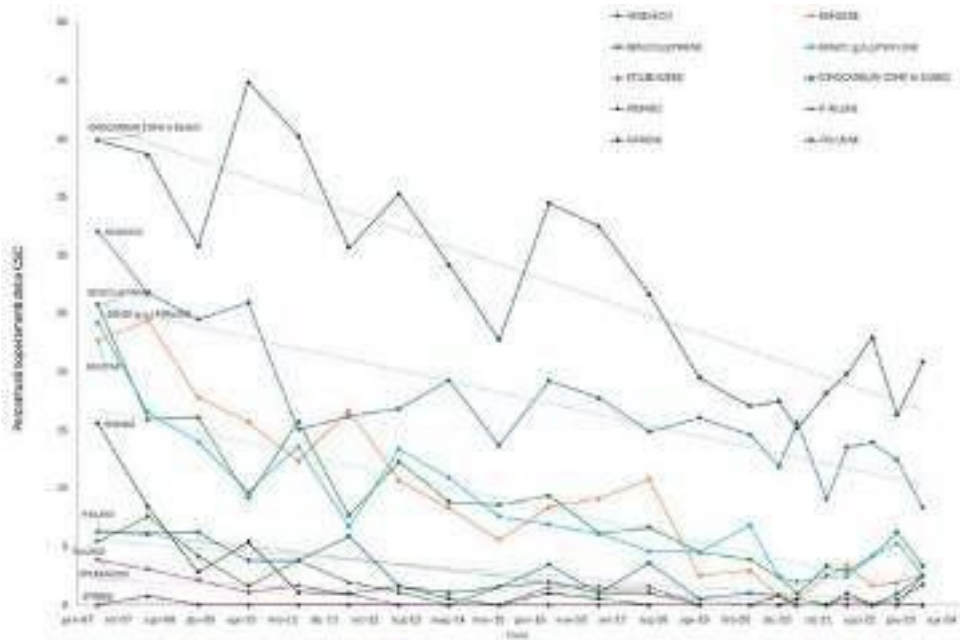
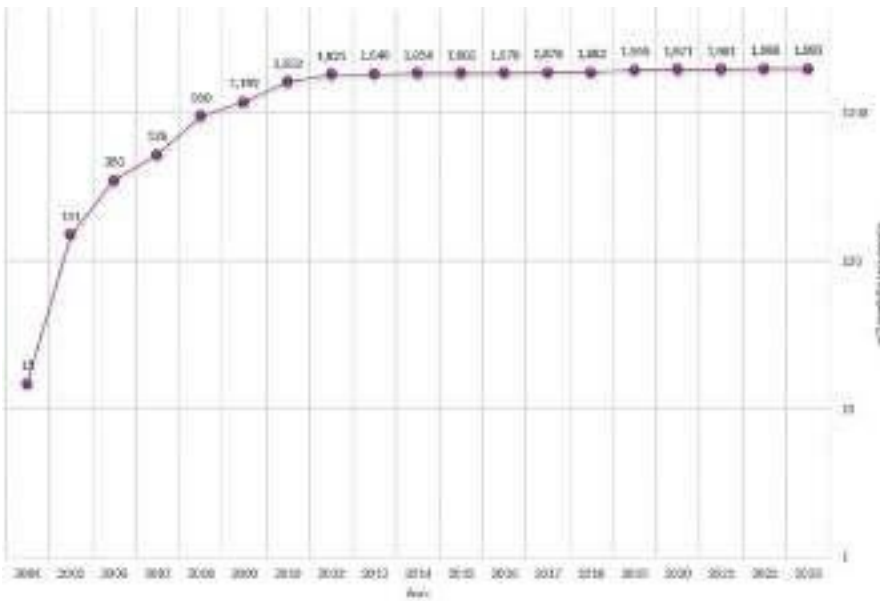


FIGURE 11
Trend in the volume of supernatant recovered from 2004 to 2023 by MISE systems installed on site



The results of the monitoring activities are periodically reported to the aforementioned Authorities in accordance with the reference protocols.

During 2022 and 2023, for each of the two years of reference, the following were implemented:

- two hydrochemical groundwater monitoring campaigns
- management and monitoring of hydraulic containment systems;
- preparation and submission of the “Update Report on the Environmental State of the Subsoil” to the competent Authorities.

The company is also continuing the complex preliminary process with the Ministry of the Environment and Energy Security (MASE) that will lead to the finalisation of the MISO (Operational Safety Systems) project for the Augusta refinery (and the Naples depot). The pronouncement on this document by the competent Authorities will allow the completion of the procedure started in the early 2000s, as required by the reference regulations (Legislative Decree 152/2006).

RESPONSIBLE WASTE MANAGEMENT

[GRI 306-1, 306-3, 306-4, 306-5]

The management of waste generated by the organisation’s activities focuses on several key operations. These include the cleaning of equipment and tanks with a significant presence of sludge from unrefined petroleum tanks or high-density or viscous petroleum products, the disposal of spoils, the handling of sludge from chemical clean-up and spent catalysts.

Specifically, SRI’s process flow includes the use of crude oil as a raw material in activities such as catalytic cracking, desulphurisation of petrol and diesel oil, storage of raw materials and products, and petrol refining. These activities generate waste mainly in the form of spent catalysts, tank bottoms and residues from equipment washing.

The amount of waste varies from year to year mainly due to the number and type of tanks requiring maintenance, activities required to ensure tank integrity and compliance with Environmental Authorisations. Moreover, the variation also depends on the volume of excavation work, such as that resulting from the number of improvement projects carried out at the site, bearing in mind that the Refinery and the Naples Depot are located in an area designated as a Site of National Interest, where the reuse of excavated soil and rock is subject to strict restrictions.

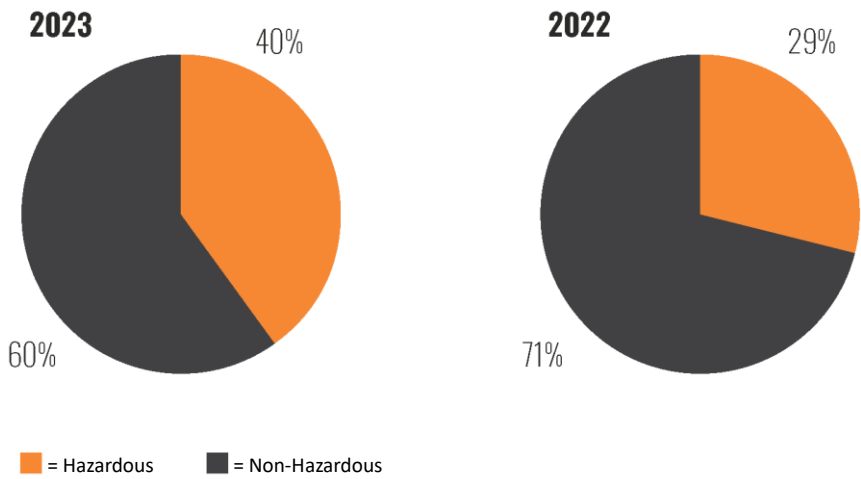
In 2022 and 2023, Sonatrach produced the following quantities of waste at the Augusta refinery:

TABLE 14
Breakdown of waste generated in tons [2022-2023]]

	2023	2022
Total waste (ton)	11,729	8,829
Municipal waste	87	97
-of which hazardous	-	-
-of which non-hazardous	87	97
Special Waste	11,642	8,731
-of which for disposal	6,317	3,471
-of which for recovery	5,325	5,260
Special Waste	11,642	8,731
-of which hazardous	4,611	2,541
-of which non-hazardous	7,031	6,190

The 33% increase in the amount of waste in 2023 compared to 2022 is mainly due to an increase in maintenance activities aimed at tank integrity and compliance with authorisation requirements, which resulted in a higher production (approximately 80% higher than in 2022) of materials from tank reclamation for disposal, in addition to materials such as iron, steel, soil and rock for recovery, as detailed in the breakdown by waste category in the [annexes](#). In both 2022 and 2023, 99% of the waste generated by the refinery was classified as special, with the percentages shown below:

FIGURE 12
Percentage breakdown of special waste generated [2022-2023]



As for the Augusta, Naples and Palermo depots, which are also listed in the annexes, they produced 602 tons of hazardous special waste and 733 tons of non-hazardous special waste in 2023.

MANAGEMENT OF WASTE-RELATED IMPACTS

[GRI 306-2]

SRI implemented a waste management system that includes waste separation both in the operational areas, with numerous ecological islands for wood, Personal Protective Equipment (PPE), paper and plastic, and in the offices.

This initiative, together with a subsequent internal segmentation phase, reduced the amount of mixed waste, maximised recovery and improved Good Housekeeping at the plants. Thanks to an agreement with the Waste Oils Consortium, lubricating oil from rotating machinery is sent to specialised management plants, while catalyst waste is sold rather than disposed of, thus reducing overall waste generation. Advanced technologies, such as LABO/Centrifugation, are used in tank reclamation to minimise waste generation and maximise oil phase recovery to create value-added products. Moreover, where possible, waste such as excavated soil is sent to recovery plants rather than landfill.

Waste management is regulated by a specific procedure for the Refinery, updated in 2023, and by another for the depots, which provides for continuous monitoring by the monthly Environmental Steering Committee and biannual audits according to the ISO14001-SGSAE management system. The waste generated is managed with the support of an intermediary, which is responsible for sorting and interfacing with the destination plants, subject to periodic audits and regulatory compliance checks with legislation by certified third parties. Finally, for certain types of waste from maintenance activities, the maintenance person is responsible for their management, ensuring that no waste is processed within the boundaries of the company.

The intermediary's operations are subject to periodic audits carried out by competent personnel - Critical Operations Checks And Measures (OCVM) - and to regulatory compliance audits by certified third parties, with a particular focus on waste management. A verification programme is also in place at the destination plants. For certain types of waste from maintenance activities, the maintenance person is the generator of the waste and completes the appropriate form. This comprehensive control system ensures that all waste is managed in accordance with laws and regulations.



CLIMATE CHANGE

[GRI 305-1; 305-2; 305-4]

The petroleum refining sector has a keen interest in the dynamics of climate change and how it can contribute, both in the management of its processes and in the development of its products, to reducing the direct and indirect impacts associated with CO₂ emissions.

The direct contribution is that associated with the refining and energy generation processes, both electrical and thermal, that these processes require. On the other hand, the indirect contribution is related to the fact that the fuels and combustibles produced generate emissions during their use.

Therefore, taking into account the needs and expectations of stakeholders and the regulatory framework affecting the quality of refinery products, refining companies have always paid attention to the following aspects:

01.
From the point of view of production process management, the amount of exogenous energy should be reduced, but all endogenous contributions from refining processes should be increased in terms of energy;
02.
technological solutions should be adopted to reduce the proportion of process CO₂ emissions;
03.
with a view to the development of its petroleum products, the biofuel fractions present should be increases according to their intended use, in order to reduce emissions during the use of these products.

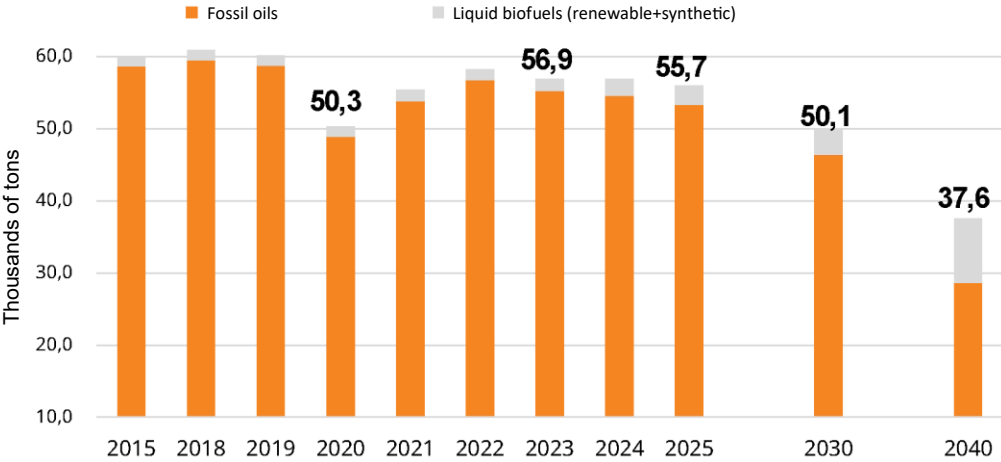
In other words, when managing a refinery, no matter how complex, one of the fundamental objectives is energy self-sufficiency:

- through the implementation of technologies that allow all the gaseous streams generated by the refining process to be recovered and reused for energy purposes;
- through the presence of cogeneration units that produce the thermal energy (steam) and electricity required for its process;

- through measures to reduce the input of exogenous energy, which very often consists of natural gas.

Therefore, as the regulatory framework developed to combat climate change evolves, it is important to bear in mind that the refining sector has always used technologies and processes that enhance all streams resulting from refining processes, even those with low energy content, in order to meet its energy needs.

FIGURE 13
Fossil and bio/e-fuel consumption trends



In any case, the awareness of being classified as an energy-intensive business and the focus of the regulatory and market environment on reducing CO₂ emissions associated with refining processes is an ongoing challenge for SRI. The use of renewables and electricity, while crucial, will not be sufficient on its own to meet all energy needs (and the projection of all indicators confirms this, see Figure 13). It is therefore necessary to explore ways of integrating and collaborating between different energy sources, with a focus on technological innovation. Institutions will also need to work actively to support companies in this direction by providing funds. “Technology neutrality” will remain the watchword, as the basic idea is that each fuel can contribute to the energy transition path in its own specific way. This is why, alongside the new fuels, there are also the traditional ones, which are becoming more “decarbonised” every day thanks to increasingly sophisticated refining processes and new technologies.

To get to the heart of the matter, it is particularly important to consider the stringent regulations in Europe on CO₂ emissions:

01.

from industrial processes through the Emission Trading regulations, which have been in place since 2005 and set stringent emission reduction targets for 2030 and 2040, with the intention of achieving climate neutrality by 2050, in line with the Paris Agreement;

02.

from aviation, which will be included as an activity subject to the Emission Trading regulations from 1 January 2013;

03.

from maritime transport, which will be included as an activity subject to the Emission Trading regulations from 1 January 2024;

In addition to these regulations, there are others that affect the quality of fuels for different uses in order to reduce certain pollutants.

The challenges facing the Refining sector are many, but they are now part of the technical, cultural and managerial background with which all organisations accept and manage these challenges, also thanks to the drive and support provided by trade associations to help companies understand this constantly evolving context.

SRI has responsibly adopted these international messages and goals. For these reasons, it is preparing to turn these challenges into opportunities to make the company better and more competitive through the adoption of technologies and the development of low-carbon business models.

Basically, the actions to reduce CO₂ emissions can be grouped into the following lines of action:

- continually improving the energy efficiency of the company's processes so that measures to reduce fuel consumption at the various plants also reduce combustion emissions;
- monitoring the technological evolution of refining processes so that the company's investment plans take into account the adoption of the best available technologies, depending on the evolution of the market to be served;

- monitoring the development of the supply of alternative fuels, such as green hydrogen and/or bio-methane, which are the subject-matter of specific national and EU strategic plans, with a view to replacing certain exogenous contributions, in particular natural gas;
- evaluating the use of bio-based fillers as alternatives to fossil fuels, also to increase the biofuel content of finished products;
- monitoring the development of EU automotive policy, in particular for the development of alternative fuels, such as e-fuels produced by blending CO₂-derived carbon with green hydrogen, to meet market needs to ensure the supply of the existing car fleet (carbon capture technologies for the reuse of carbon from CO₂ -CCU);
- finally, monitoring the development of EU policies to promote the creation of infrastructure networks that favour the implementation of measures for the capture and final storage of residual CO₂ (CCS technologies), at the end of the implementation of the above measures.

This programme is constantly updated to reflect changes in the context, including the market, which is guiding SRI in:

01.

making the Augusta refinery more flexible for possible future arrangements;

02.

improving the sustainability of the site in line with national and EU guidelines.

This includes the electrification of large machines (currently powered by gas and steam) and energy optimisation projects to be implemented during the planned maintenance shutdown in 2025. The implementation of these projects will reduce CO₂ emissions by approximately 25,000 tons in one year.

Together with other international partners, projects for the production of green hydrogen have been considered, and SRI is also participating in the study of confindustria commissioned by "The European House Ambrosetti" to verify low-carbon technological solutions for the entire industrial hub of Augusta and Priolo.



The latter study, to be completed by 2024, is expected to produce a roadmap that considers the availability of effective, safe and competitive decarbonisation tools as a lever for territorial development: the study will be an important reference point for the Company as it aims to:

01.

illustrate the directions in which global value chains are evolving in the light of regional/national decarbonisation targets;

02.

promote the industrial opportunities associated with the decarbonisation of the Hub;

03.

identify the different decarbonisation processes available to companies in the Hub, with a focus on the energy, chemicals and cement sectors, also in synergy with the Port of Augusta;

04.

identify and describe the critical success factors at system level that can facilitate the growth of the Hub and attract investment (e.g., availability of CCS infrastructure, availability and cost of renewable energy, constraints to hydrogen production);

05.

discuss and disseminate to relevant local and central institutions the policy measures needed to support the energy transition process in the Hub and to foster the creation of new growth opportunities enabled by the decarbonisation process.

For the purpose of reporting GHG emissions associated with the Augusta Refinery, we have considered the following emission contributions:

Scope 1

Scope 1 - direct emissions associated with refining and self-generation processes of thermal and electrical energy. In this context, the reporting process started with the data reported under the EU Emission Trading, in accordance with the principles of the relevant EU regulations and specified in the Official communications, which are also subject to verification by accredited third parties (ETS - Regulation 2066/2018 - calculation methodology for fuel emissions and mass balance method for process emissions), to which were added the additional, much smaller contributions related to the fuel consumption of the company car fleet and the accidental release of greenhouse gases from air conditioning/cooling systems. The gases included in the reporting of direct emissions are carbon dioxide (CO2), hydrofluorocarbons (HFCs) and sulphur hexafluoride (SF6).

Scope 2

Scope 2 - indirect emissions associated with the portion of electricity purchased from the grid. There are no imports of other energy sources (e.g., heat). The evaluations were carried out on the basis of the electricity consumption data of the distribution network (refinery electricity balance) and using the average Italian emission factors obtained from ISPRA (Italian Thermal Park - ISPRA data). For 2022, it is equal to: 0.3893 t/MWh. For 2023, the factor is equal to: 0.3729 t/MWh. The only greenhouse gas included in the calculation is CO2.

At present, the evaluations do not include the contribution of Scope 3, which summarises the indirect activities associated with logistics, both upstream, for the receipt of raw materials, and downstream, for the shipment of finished and semi-finished products (including depots), and whose reporting process is currently being consolidated.



TABLE 15

Analysis of direct and indirect greenhouse gas emissions (2022 - 2023)

	2023	2022
Scope 1 (t CO ₂ eq)	2,034,604	2,029,520
ETS share associated with refining - combustion processes ⁴	1,381,752	1,349,727
ETS share associated with refining - processes ⁵	555,270	580,705
Of which from FCCU (Fluid Catalytic Cracking Unit)	554,482	579,835
Of which from water decarbonisation	720	720
Of which from powerformer regeneration coke	69	150
ETS share associated with self-generation of energy	97,362	98,918
Other contributions	220	170
Scope 2 (t CO ₂ eq)	13,760	6,935
Scope 1 + Scope 2 (t CO ₂ eq)	2,048,364	2,036,455

Analysis of the data shows that the change in Scope 2 emissions between 2022 and 2023 is largely related to the chosen energy supply structure, which favours energy imports over domestic production.

An indicator used by the organisation to monitor climate-impacting emissions is emission intensity, which is calculated as the ratio of the company’s total greenhouse gas emissions to production volume; emission intensity did not show any significant changes during the reporting period, indicating a stable operating situation compared to a plant set-up optimised for current conditions. Table 16 shows the emission intensity values recorded during the reporting period.

⁴The ETS share associated with refining - combustion processes covers all fuel intended to be burned in a combustion unit.
⁵The ETS share associated with the refining process is an emission contribution directly generated by the process, i.e. COKE from FCC.

TABLE 16

Emission intensity (2022 - 2023)

	2023	2022
Scope 1 + Scope 2 (ton CO ₂ eq)	2,048,145.90	2,036,284.72
Production volume (Cwt)	52,003,780	52,159,107
GHG emission intensity (tonCO ₂ eq/CWt)	0.039	0.039

In terms of CO₂ emission reduction programmes, the company achieved environmental improvements as a result of the energy efficiency measures implemented, which are discussed in the following chapter. Specifically, the greenhouse gas reductions total 2,716.9 tons of CO₂ in 2023 and 3,015.2 tons of CO₂ in 2022. Table 17 shows the CO₂ reductions for some of the energy efficiency measures implemented.

TABLE 17

Greenhouse gas reductions (2022 - 2023)

	2023	2022
Optimisation of cogeneration (ton CO ₂)	703.4	1179.1
Hydrocom R5 (ton CO ₂)	171.7	-
FCC stripping steam (ton CO ₂)	1841.9	1836.1
Total (ton CO ₂)	2,716.9	3,015.2

In addition, the company is in the process of studying and evaluating the results of the energy efficiency measures that have been and are being implemented, as well as analyses related to interventions in the refinery’s technological set-up that may determine the results achievable after the 2025 and 2030 shutdowns.



Electrification project for the protection of the environment

As part of the overall environmental development programme, key project initiatives have been identified to reduce dependence on external energy sources and improve the sustainability of the site in the short term. Specifically, as part of this programme, SRI has decided to implement an electrification project to improve the energy efficiency of some production processes, while ensuring a reduction in CO2 emissions through the electrification of some gas/steam powered utilities. On the other hand, the electrification process increases the need for electricity, which can be produced locally using renewable energy sources such as solar power and some land in neighbouring areas. This project mainly involves replacement with more efficient components. The components involved are the GT-301 turbine, the C-301 compressor and the MP-515. These measures are planned to take place between 2024 and 2025. Moreover, SRI plans to install an ~15 MWp photovoltaic plant on 28 hectares of land, with panels mounted on single-axis trackers and new electrical infrastructure, to meet increased electricity demand. This work is expected to be completed in 2026. The following table shows the environmental benefits of this electrification project, including the reduction of CO₂ emissions.

TABLE 18
Net emission reductions from the electrification project

PARAMETER	NET REDUCTION IN EMISSIONS [TONS/YEAR]
NO _x	~140
CO	~ 25
PM	~ 7
CO ₂ (site)	~ 28,000
CO ₂ (extra site)	~ 10,000

ENERGY

[GRI 302-1; 302-3; 302-4]

A refinery is generally considered to be an “energy-intensive” activity, as it requires a large amount of energy to operate. Typically, it generates and uses electrical and thermal energy to heat process fluids and generate steam.

Figure 14 shows the weight of each energy source in the total energy dimension of the site, taking into account internal transformations. More specifically:

01.

Electricity is the sum of high-voltage (HV) and medium-voltage (MV) imported amounts and self-consumed amounts, net of losses;

02.

Thermal energy is that which is self-produced and self-consumed, in the form of steam;

03.

Natural gas (NG) is the portion of the FG45 network that feeds the furnaces of the plants;

04.

Refinery Gas (RFG) is the portion that feeds the furnaces of the plants via the FG45 network and the GTC301 gas turbine of the PDU plant via the FG200 network;

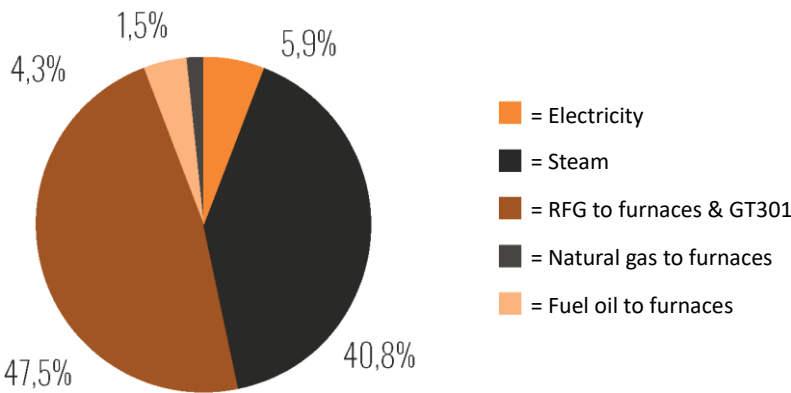
05.

Fuel oil is the portion that feeds the furnaces of the plants (F101 T5 and F801-2 EFU2).

TABLE 19
Composition of the energy dimension of the site in 2022

		[TOE]	[%]
ELECTRICITY [MWh]	407,240	37,062	6.1%
STEAM [kWh]	2,693,784	257,406	42.1%
FG45 @ FORNI & FG200 @ GT301 [ton]	262,092	290,128	47.5%
FUEL OIL TO FURNACES [ton]	26,858	26,820	4.4%
	TOTAL	616,859	100%

FIGURE 14
Composition of the energy dimension of the site in 2022



SRI's goal is to continuously improve the refinery's energy efficiency. To this end, the organisation has voluntarily implemented an Energy Management System in accordance with the ISO 50001 international standard since December 2021 and uses the cogeneration plant for the production of both electricity and thermal energy as described above. The introduction of this power plant has enabled energy consumption to be made more efficient, as the cogeneration of electrical and thermal energy allows savings to be made compared with the separate production of the same quantities of electrical and thermal energy. These savings are summarised in the table below.

TABLE 20
Energy savings with cogeneration

YEAR	SAVINGS [IN GJ] ⁷
2019	~ 830000
2020	~ 800000
2021	
2022	
2023	

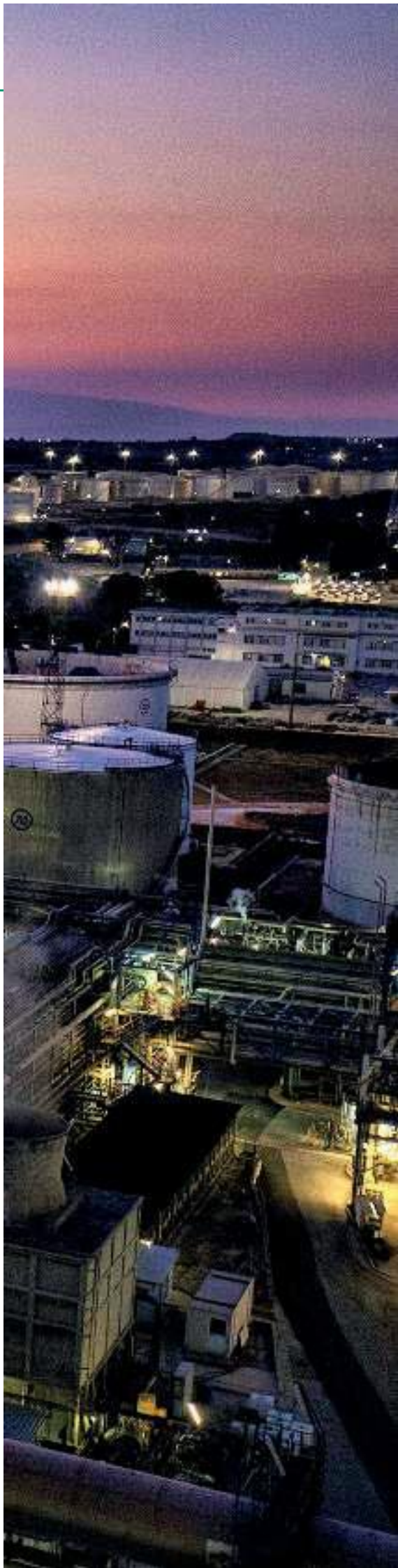
The table shows that the total savings amount to 4550000 GJ (approx. 1263900 MWh) and considering that a typical household consumes about 3 MWh/year, the savings obtained are equivalent to the consumption of about 85000 households per year. In other words, given that the average consumption of an electric car is 13.5KWh/100km, the savings of 1263900 MWh is equivalent to the consumption of approximately 18725 cars per 100000km/year. And if we look at the electricity consumption data published by ISTAT for the years in question, we can see that the savings over five years are equivalent to the annual consumption of a city such as Florence and slightly less than that of a city such as Catania or Palermo.

Since the end of 2013, the refinery's cogeneration plant has consisted of two cogeneration units for the production of electricity and steam (via the GTG101 and GTG501 gas turbines with the SG1170 and WHB501 recovery boilers, respectively) and two conventional boilers (SG151 and SG1200).

In addition to these boilers, which produce steam under high pressure, there is also the CO boiler (which burns the CO produced by the partial combustion in the catalyst regenerator of the FCC plant).

The net efficient electrical power of the two turbines is 53 MW. The annual electricity demand of the Refinery is approximately 400 GWh.

⁷Fuel savings have been calculated from measured data using the methodology set out in the Ministerial Decree (MISE) of 5 September 2011 on High-Efficiency Cogeneration and the application Guidelines published by the same Ministry.



Energy efficiency has become even more of a priority in the day-to-day operation and control of the refinery's plants. For example, the organisation has also introduced the energy component into the daily operations report. Specifically, three macro tables were created: one for KEVs (Key Energy Variables), one for relevant energy impact applications and one for steam turbopumps. The KEV table summarises 5 variables selected on the basis of recurrence and/or energy impact and indicates the target to be achieved for each parameter analysed. This table shows the potential energy loss (Lost Opportunity) in terms of energy (MWh/year) and economic loss (cost in k\$/year) if the variables take values outside the target ranges. The energy-using applications table focuses on monitoring the "service factor", which measures the activation or deactivation of energy-using applications. If this factor falls below a critical threshold of 90%, it means there is a need for intervention/analysis. Finally, the table on steam-using turbopumps collects data on steam-using turbopumps where direct discharge into the atmosphere represents a significant energy loss. This table monitors whether turbopumps are running or stopped, along with steam consumption and associated energy losses.

All of this ensures that the entire refinery population can "live" the trend of the key energy impact variables. Daily monitoring is further enhanced by the dedicated energy team who, with the support of the whole organisation, monitor the IPEs (Energy Performance Indexes) and intervene if any of them show a different trend than expected. An energy analysis is carried out annually to identify key SEUs (Significant Uses of Energy) to ensure a robust and effective intervention/initiative plan.

The Refinery calculates and monitors its overall energy performance using three different indexes:

IPG

IPG, which is an energy performance indicator that coincides with SEC (Specific Energy Consumption), identified in the ENEA study on efficiency in the refining sector, referred to in the article "Energy Performance of Italian Oil Refineries Based on Mandatory Energy Audits" of 12 January 2022 (by Herce, C.; Martini, C.; Salvio, M.; Toro, C.) published in Energies 2022, 15, 532 (<https://doi.org/10.3390/en15020532>);

EEI

EEI (Energy Efficiency Index), which measures energy efficiency by comparing energy consumption (depending on the type/capacity of the appliance) with that of standard models;

EnPI

EnPI (Energy Performance Index) GRI, calculated according to the standards of the Global Reporting Initiative.

Although the three indexes are based on models that have their own peculiarities, they show a very similar trend over the years and examining them together allows us to identify anomalies in their calculation.

The SEC of the first point is calculated in terms of the primary energy, electricity and heat consumed throughout the refinery. In general, this index is obtained by comparing the total energy consumption of the refinery - expressed in toe of primary energy - with the total production of the site, expressed in tons.

For each of these SECs, the benchmark value was calculated on the basis of the refinery's production, using ENEA's linear regression formulas, as shown in the table below:

TABLE 21
SEC benchmark value based on refinery output

	SEC MODEL	UNIT	VALUE (MEAN ± SD)	PRODUCTION RANGE [MT]
Primary	0.1596-3.124 x10 ⁻⁵ /t	toe/t	0.0963 ± 0.0341	3-15
Electrical	98.46-1.530 x10 ⁻⁸ /t	kWh/t	68.20 ± 19.34	3-15
Thermal	5082-1.178 x10 ⁻⁸ /t	MJ/t	3421.71 ± 1316.84	3-15



The production value of the refinery is always above 6,000,000 tons, below which the model itself begins to lose reliability.

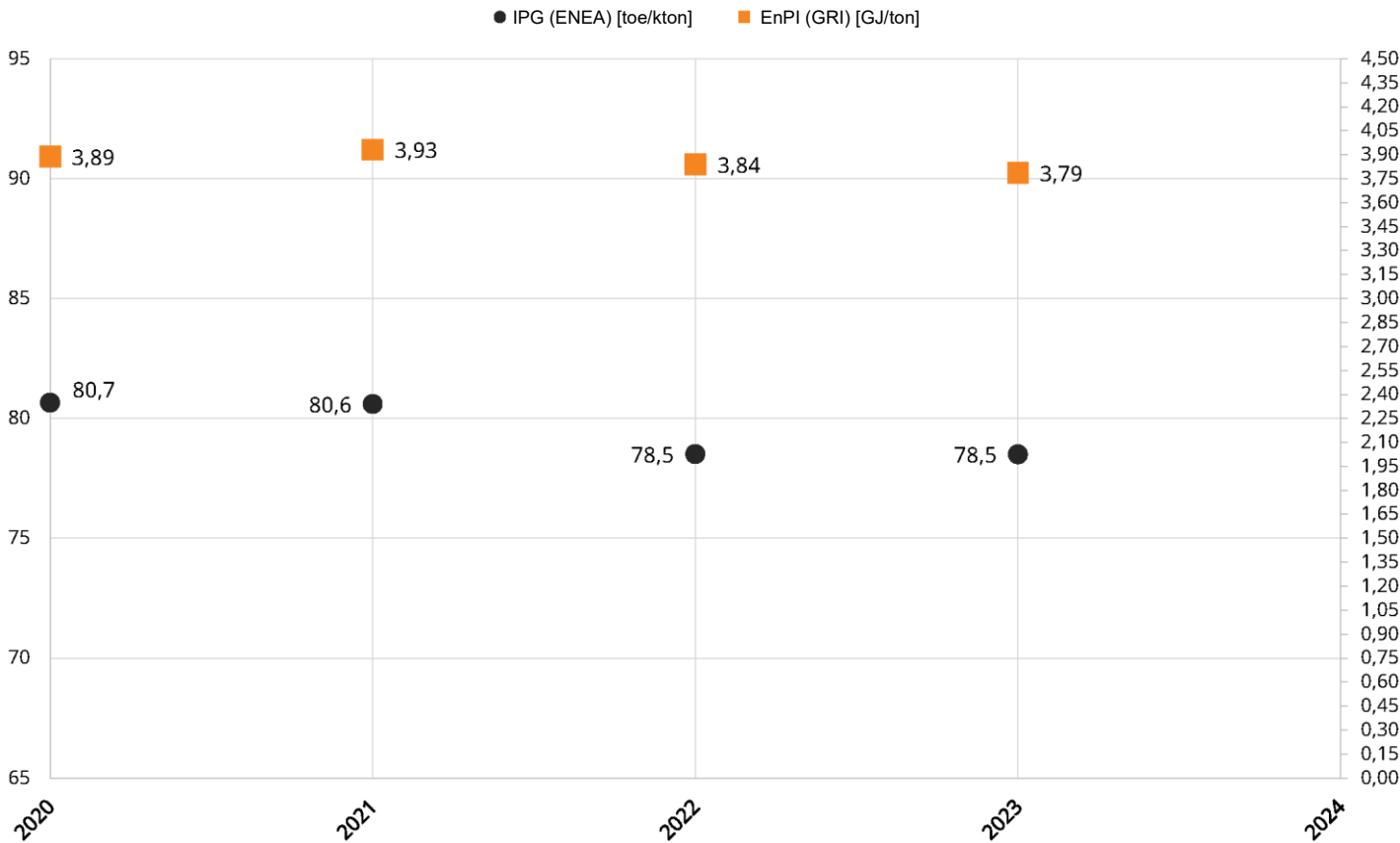
The EEI index, which is calculated until 2023, has been carefully evaluated and will no longer be used as from 2024 as it is no longer representative of the refinery structure.

The last index, which for simplicity can be called “EnPI GRI”, is always a ratio between the energy consumed in the Refinery

and its production. The numerator of this index is the difference between all energy inputs into the refinery and energy outputs, expressed in GJ. Thus, self-produced energy, as in the SEC calculation, is not explicit.

Therefore, the EnPI GRI Index does not take into account site transformation efficiencies, which are included in the SEC at the LA.1 level of the company’s energy structure.

FIGURE 15
Energy performance indicators (2020-2024)



Between 2022 and 2021 and between 2023 and 2022, there is an improving trend as a result of the Organisation’s focus on and commitment to energy (the improvement in energy efficiency is accompanied by a reduction in the indexes).

Table 22 shows the energy intensity indicators, including not only the Refinery, whose energy intensity is shown above (EnPI GRI), but also the values for the three Depots.

TABLE 22
Energy intensity indicators by the Augusta Refinery and depots (2022 - 2023)⁸

	AUGUSTA REFINERY	NAPLES DEPOT	AUGUSTA DEPOT	PALERMO DEPOT
2023 (GJ/ton)	3.79	0.006	0.004	0.013
2022 (GJ/ton)	3.84	0.006	0.005	0.012

It can be seen that in both 2023 and 2022 the Naples depot handled the most compared to the other two depots, but the Augusta depot was the most efficient.

⁸The energy intensity indicators were calculated by dividing the total energy consumed at each site by the amount of goods produced, in the case of the Refinery, or handled, in the case of the depots. For the three depots, the electricity consumption of each site has been included in the numerator, except for the Naples depot where diesel oil consumption has been excluded as it is negligible. The denominator for the depots corresponds to the goods handled at each depot. However, for the Refinery, the energy consumption of this site, which uses other energy sources in addition to electricity, was included in the numerator. The denominator for the refinery is the amount of goods produced by the Refinery.



Table 23 illustrates the energy consumption of Sonatrach Raffineria Italiana during the reporting period and shows the energy intensity indicators, including not only the Refinery, whose energy intensity is shown above (EnPI GRI), but also the values for the three Depots.

TABLE 23

Energy consumption of the organisation (2022 - 2023)

	2023 (GJ)	2022 (GJ)
Fuel consumed in fixed plants ⁹	30,010,331.57	29,804,092.30
Natural gas	4,862,490.93	4,185,486.76
Diesel oil	10.60	26.28
Refinery gas	18,110,152.79	18,207,748.82
Petroleum coke	5,688,314.19	5,978,198.01
Fuel oil	1,349,363.06	1,432,632.43
Electricity purchased ¹⁰	153,236.68	84,908.42
Of which from certified renewable sources	-	-
Total electricity produced and consumed	1,409,607.43	1,480,657.59
Of which from renewable sources	-	-
Total company fleet consumption	3,507.41	2,424.49
Of which diesel oil	1,542.76	896.86
Of which petrol	1,964.65	1,527.63
Total energy consumption	31,576,683.10	31,372,082.80
Of which renewable	-	-
% Renewable energy on total consumption	-	-

Energy efficiency measures were implemented in 2022 and 2023. Moreover, preliminary studies have been completed for initiatives to be implemented between 2024 and 2025. The latter activities can only be carried out during the general maintenance of the refinery (such as the electrification of GTC 301, MP 515 and the development of the stand-alone PDU project).

⁹The conversion factors used for fuels of fixed plants were taken from the “National Standard Parameter Table - Coefficients used for the CO2 Inventory in the UNFCCC National Inventory” for the years 2023 and 2022 (source: ISPRA 2023). In particular, these factors take into account the calorific value of each fuel.

¹⁰Purchased electricity includes electricity imports from all sites.

Looking at the period under review in more detail, the following measures were taken to reduce energy consumption:

Optimisation of the cogeneration plant

Since the year following the revamping of the old cogeneration unit (2013), the refinery’s cogeneration plant has always been recognised by the GSE as a high-efficiency cogeneration plant, receiving White Certificates each year as detailed below:

TABLE 24

Primary Energy Saving (PES) and number of White Certificates achieved by the Refinery HEC

YEAR	PES	WHITE CERTIFICATES
2023	11.2%	23,483
2022	11.6%	25,592
2021	10.6%	22,490
2020	10.2%	19,173
2019	10.6%	19,790
2018	10.9%	22,292



Reducing dependence on natural gas

The Refinery uses natural gas to support the low pressure fuel gas network and to feed the GTG501-WHB501 cogeneration unit. As the price of natural gas and electricity gradually increased from September 2021 to 2022, the Refinery minimised its dependence on natural gas by structuring the flexibility available in terms of alternative fuels for the low-pressure gas network. At the same time, it gave a strong impetus to the goal of optimising power self-generation with the two GTG101 and GTG501 turbogenerators.

This resulted in a significant improvement in the performance of both machines, which translated into a significant increase in Primary Energy Saving (PES). As shown in Table 24, the PES increased by approximately one percentage point compared to the average of previous years as a result of the plant optimisation. According to data published on the GSE website, SRI's High-Efficiency Cogeneration (HEC) production unit ranks in the "top 5" nationally, exceeding the 10% threshold thanks to the exceptional energy size of the Augusta site (30,000 TJ/year):

4th place
in 2022

3rd place
in 2021

5th place
in 2020

4th place
in 2019

SRI is the first refinery in Italy to achieve this target, surpassed only by electricity producers.

These are the technologies introduced during the reporting period that resulted in energy savings:

Installing the Air Fogging system

This is a cooling system for the air entering the GTG501 turbine, which saved approximately 13,000 GJ of electricity in 2023. To evaluate the energy savings, a mathematical model of the turbogas was implemented in the EBSILON Professional environment. This model was calibrated and validated using experimental data from the machine. The results show an increase in electricity production and methane consumption, with an overall increase in efficiency.

GTG 101

The modification of the machine's WIS resulted in savings of approximately 20,000 GJ of thermal energy in 2022 and 12,000 GJ in 2023. The energy savings were calculated by modelling the reduction in consumption based on the correlations between the cogeneration of steam from the GTG101 turbine flue gas as a function of increased steam recovery to the SG 1170 recovery boiler.

In 2024, the GTG101-SG1170 thermal integration will be further maximised by further increasing the GTG101 flue gas recovery to the SG1170 boiler, eliminating the various operating constraints (maximum flue gas box pressure, maximum turbofan suction duct temperature, etc.), with an additional 1.5-2 t/h of "free" steam production.

Introduction of Hydrocom

Hydrocom is a control system for the C862-B compressor of the Powerformer no. 5 plant, with which approximately 2,800 GJ of electricity was saved in 2023. The model used to evaluate the energy savings is based on an average power consumption of 128 A (with the old flow control system, RFR) and 105 A (with the new HydroCOM control system), the power saved is approximately 89kW, equivalent to approximately 780 MWh;

FCCU stripping steam

This project reduced thermal energy consumption by approximately 30,000 GJ.



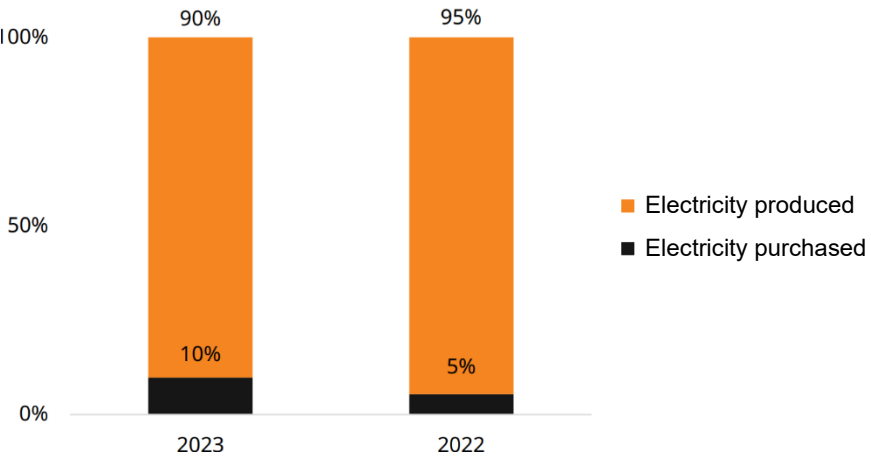
Moreover, regular maintenance is carried out at the Refinery to maintain/improve its energy efficiency by

01.
repairing insulation (of lines and high temperature tanks);
02.
relamping (from obsolete to LED technology);
03.
cleaning heat exchangers, particularly in the pre-heat trains;
04.
repairing steam leaks and replacing condensate drains.

Considering the amount of electricity used by SRI, the amount of electricity purchased is very small compared to the amount of electricity self-produced and used. In fact, in 2022, only 5% of the electricity was purchased, with the remaining 95% being self-produced and used. In 2023, self-produced and used electricity falls to 90% due to the construction of refineries and scheduled maintenance plans for plants and cogeneration systems. In any case, the refinery can rely on a high degree of electricity self-sufficiency, as evidenced by the low percentage of purchased electricity, and continuously monitors both the part related to the net electricity production and the part integrated with the thermal part.

Figure 16 shows the breakdown between electricity purchased and electricity produced and used in 2022 and 2023.

FIGURE 16
Electricity purchased vs. Electricity produced and used (2022-2023)



Moreover, SRI generally produces energy for its own consumption, but in certain production set-ups it can also sell energy to the grid. Specifically, 95% of the energy produced is used for own consumption, while the remaining 5% is sold to the grid. These percentages are reflected in both 2022 and 2023. The table below shows the energy produced and used, and the energy produced and sold to the grid.

TABLE 25
Energy produced and used vs. energy sold to the grid (2022 - 2023)

	2023	2022
Energy produced and used (GJ)	1,409,607.43	1,480,657.59
Energy produced and sold to the grid (GJ)	73,238.90	85,971.38

In particular, energy exports are higher at times when some plants are shut-down for scheduled maintenance.

With regard to purchased electricity (imports), the following table shows the values for the different sites of Sonatrach Raffineria Italiana, i.e., the 3 depots and the Augusta refinery.

TABLE 26
Energy purchased (2022-2023)

	2023	2022
Refinery (GJ)	141,185.40	72,684.50
Naples Depot (GJ)	7,067.88	7,135.74
Augusta depot (GJ)	2,675.71	2,732.51
Palermo Depot (GJ)	2,307.68	2,355.68
Total electricity purchased (GJ)	153,236.7	84,908.42

The table shows that in 2023 more than 90% of the electricity purchased by Sonatrach Raffineria Italiana was used at the Augusta refinery.

Energy efficiency and the ISO 50001:2018 standard

The company decided to formalise its operational procedures for managing, monitoring and optimising energy in accordance with the rules of ISO 50001, i.e. to structure and certify an Energy Management System (EMS) in accordance with international standards, which will complement and integrate the existing and established systems for Quality (ISO 9001), Environment (ISO 14001) and SGSA (Health, Safety, Occupational Health and Environment).

ISO 50001:2018 is a voluntary international standard - developed by the International Organisation for Standardisation (ISO) for all manufacturing sectors - that suggests actions to improve energy efficiency and thus save energy. This primarily means using fewer resources such as natural gas and electricity, reducing emissions into the atmosphere such as CO2/ SO2/NOx and being more sustainable.

An Energy Management System is a set of strategies, procedures and work processes that are formalised and implemented with the aim of managing all operations (from the development of new projects to their implementation, from the procurement of materials and services to the training/information of employees, from the management of production processes to the maintenance of plants) while ensuring energy savings. Saving energy means not only using less of it, but also using the available resources effectively and efficiently.

On the other hand, without an energy monitoring system, it is not possible to certify the impact of the system itself with “technical” tracking, nor to calculate the “consumption baseline”, i.e., the starting point for continuous optimisation (one of the main requirements of ISO 50001).

This is already fully in place at Sonatrach Raffineria Italiana. For example:

- the process of tracking KEVs, Key Energy Variables, on a plant-by-plant basis, and continuously monitoring their deviations (GAPs) from pre-defined targets, with identification of the relevant Lost Opportunity Costs (LOC);
- the CAR (High-Efficiency Cogeneration) qualification process, which the Augusta refinery has had since 2014 and which requires very advanced monitoring of energy consumption and use;
- the ETS process for monitoring and reporting CO2 emissions, which is also highly structured and based on a monitoring system whose accuracy is certified annually by a third-party verifier.

ISO 50001 helps to prioritise focus areas and structure formal procedures for action. In fact, the whole system set up within a complex organisation such as a refinery must necessarily be based on a set of documents containing procedures and instructions, previously agreed by all the players involved, which are useful for defining the working methods with which all the activities mentioned are to be carried out.

The Augusta refinery was awarded ISO 50001 certification by an accredited third party in December 2021. The annual surveillance audits after 2021 have always been carried out by the accredited third party with positive results and no non-conformities have ever been found. An inspection visit will be scheduled in December 2024 to confirm continued certification.





FOCUSING ON PEOPLE

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THE FOCUS OF SONATRACH RAFFINERIA ITALIANA ON PEOPLE AND THE RELATIONSHIP WITH THE TERRITORY

The team in numbers
[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1]

Sonatrach Raffineria Italiana can count on a competent team thanks to a human resources management system that aims to value not only individual skills but also the spirit of participation necessary for the organisation to achieve its objectives while maintaining high quality standards.

Sonatrach Raffineria Italiana's team is made up of specialised, professional, goal-oriented people who have a sense of belonging to the organisation and who contribute to the added value of the company's business performance. In the 2023 reporting period, the number of employees was 756.

The personnel are distributed throughout southern Italy, in particular at the headquarters of the Augusta Refinery (Syracuse), which also houses a depot, and at the two coastal depots in Naples and Palermo.

All employees are covered by national collective agreements, supplemented by second-level collective agreements. Over 99% are full-time, permanent employees. For workers, Employees and middle-managers, the reference is the **National Collective Bargaining Agreement for Energy and Oil**, while for managers it is the **National Collective Bargaining Agreement for Industry Managers**.

All SRI employees have access to the **FASIE - Fondo di Assistenza Sanitaria Integrativa Energia (Supplementary Health Care Energy Fund)**, a supplementary health care fund that complements the services of the National Health Service, in accordance with the agreements signed between Confindustria Energia and the trade unions. Insurance cover is also provided in the event of death or permanent disability during the term of the employment relationship.

In the case of **Suppliers**, participants are sent SRI's standard contract at the tender stage, which, if awarded, sets out the terms and conditions of the relationship between SRI and the winning Supplier. The company requires its suppliers to take a number of steps to support workers' rights to freedom of association and collective bargaining (e.g.,: Art. 6 - Independence and Obligations of the Supplier, Art. 11 - Liability of the Supplier, Art. 13.3 - Compliance with Laws and Regulations, Art. 19.3 - Compliance with the Law). An **ethical and reputational check is also carried out during the qualification phase** and the supplier is continuously monitored during the execution of works, also by requesting documentation.

Since 2023, Sonatrach has restated some of its social data, and in particular, the breakdown of personnel by geographical location now refers to the South and Islands area. This differs from the 2020-2021 report, which showed the breakdown between Sicily and outside Sicily.

The numbers and composition by age, workplace and gender of those hired in 2023 and 2022 are analysed below.

TABLE 27
Total workforce by gender (2023-2022)

YEAR	MEN	WOMEN	TOTAL
2023	681	75	756
2022	674	65	739

FIGURE 18
Total workforce by gender (2023-2022)

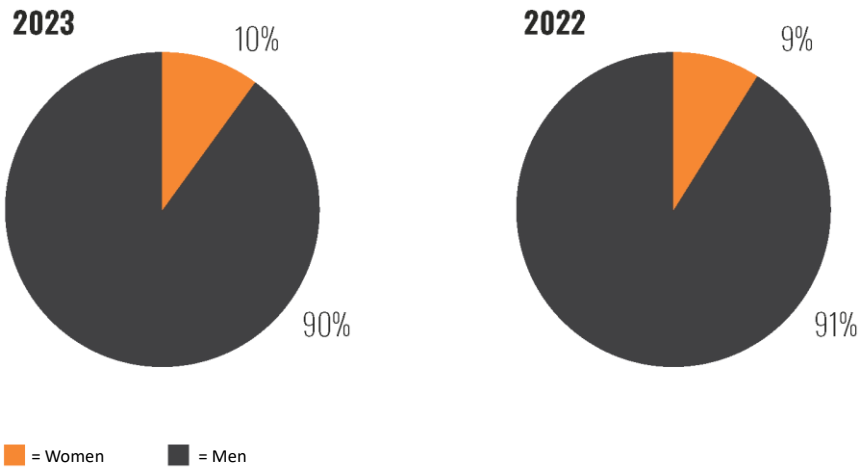


FIGURE 17
Total workforce (2023-2022)



The overall hiring rate for 2023 is 5.8%, with a 1% increase in the overall percentage of female employees and on track to reach the national statistical average for the Energy Sector of 15% (Source: Confindustria Energia).

In general, compared to previous years, SRI had significantly more new hires in 2021-2022 due to retirements and internal restructuring, while the movement so far has been rather stable, indicating a general stabilisation of the organisation.

In terms of employee turnover, both 2023 and 2022 have a similar number of employees, around 30, with 6 women and 24 men, and low turnover rate of 4%, an improvement from 4.7% in 2022. Specifically, there was a turnover of 30 employees, of which 3 were under 30 years old, 16 were between 30 and 50 years old and 11 were over 50 years old, representing a fairly stable and physiological turnover.

TABLE 28
New hires by age and gender (2023-2022)

HIRES IN 2023				
	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Men	10	15	4	29
Women	8	7	-	15
Total	18	22	4	44
Hiring rate (*)	2.4%	2.9%	0.5%	5.8%

HIRES IN 2022				
	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Men	33	24	2	59
Women	2	6	-	8
Total	35	30	2	67
Hiring rate (*)	4.7%	4.1%	0.3%	9.1%

(*) Hiring rate: new employee hires as at 31/12 of the reporting period/number of permanent employees as at 31/12 of the reporting period.

TABLE 29
Employee turnover rate by age and gender (2023-2022)

EMPLOYEE TURNOVER IN 2023				
	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Men	2	11	11	24
Women	1	5	-	6
Total	3	16	11	30
Turnover rate (*)	0.4%	2.1%	1.5%	4.0%

EMPLOYEE TURNOVER IN 2022				
	UNDER 30 YEARS OLD	30-50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Men	3	13	11	27
Women	-	8	-	8
Total	3	21	11	35
Turnover rate (*)	0.4%	2.8%	1.5%	4.7%

(*) Turnover rate: employee turnover as at 31/12 of the reporting period/number of permanent employees as at 31/12 of the reporting period.



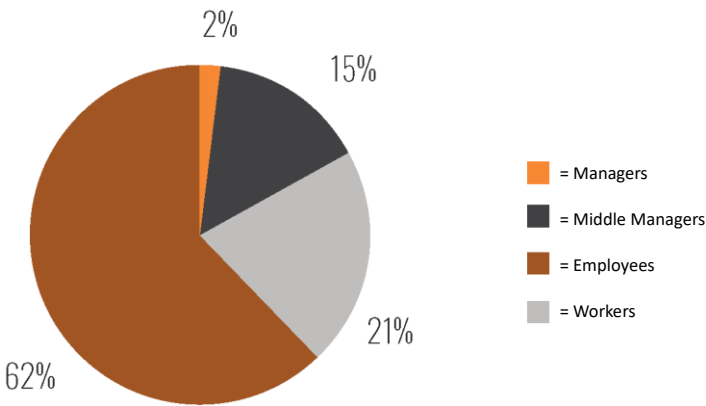
The process of strengthening key areas for reliability improvement such as technical, IT and maintenance, which had been covered by the previous management with delocalised departments, continued.

Based on the composition of the team and the different roles performed, it is possible to get an overview of how SRI is structured by employee category.

FIGURE 19
Breakdown of employees by category (2023-2022)



FIGURE 20
Percentage breakdown of employees by category (2023)



Supplementary welfare for employees
[GRI 401-2]

Sonatrach Raffineria Italiana offers each employee an annual welfare package that includes a range of benefits ranging from **scholarships, paid leave for children and parental care for elderly parents to health care**. A detailed list of the various initiatives is given below:

01.

Three days’ paid leave at the company’s expense to **place a child up to the age of three in day care, in the event of serious illness and/or hospitalisation** of children under 12, to care for **elderly parents** (aged 70 and over) in the event of hospitalisation and/or immediate discharge, day hospitalisation and to undergo **specialist medical examinations**.

02.

Scholarships for children of current employees attending secondary school or university.

03.

A voluntary and optional **preventive medicine programme** for all employees every two years.

Diversity and equal opportunity

[GRI 405-1, GRI 405-2, GRI 406-1]

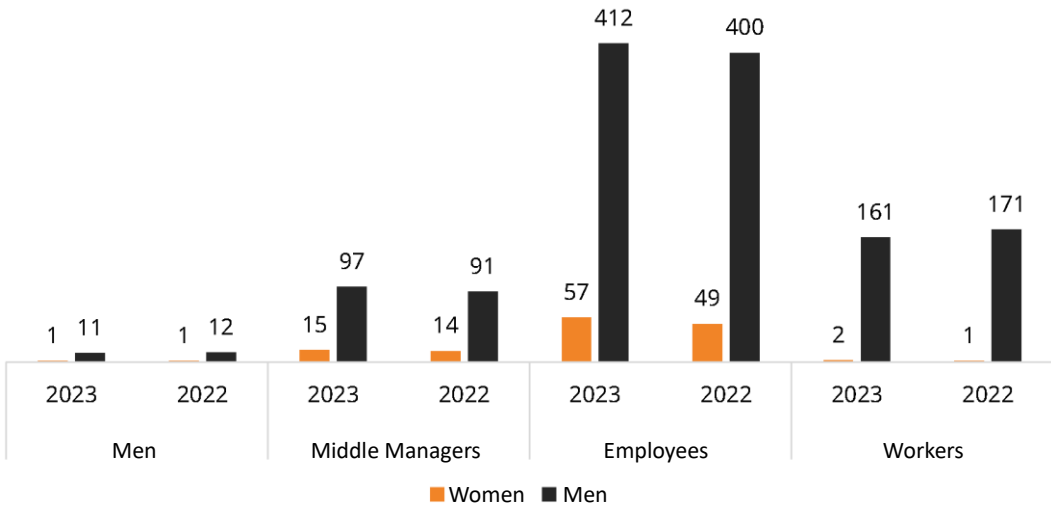
Gender equality is recognised internationally by organisations and experts as a lever for sustainable development and by Goal 5 of the UN 2030 Agenda, which is entirely dedicated to gender equality.

In this respect, companies can play a crucial role in overcoming **gender stereotypes** by working on their **company culture**. In this sense, it is possible to start with an initial analysis of the current situation regarding the distribution of personnel and the pay gap between men and women, and then to have an objective and timely overview from which to implement possible ways of promoting gender equality. With this in mind, SRI started the UNI- PdR125 certification process, whose gap assessment with a certifying body was scheduled for 2024.

In the meantime, SRI has already started to implement measures that promote a better work-life balance for its employees than the basic regulations. The overall ratio of male to female employees is influenced by the type of activity in which the company is engaged and the labour market in which it operates. The presence and distribution of male and female employees is closer to the national average for the energy sector in the “employer” area, while it is clearly male in the shift work area.

The annual **basic salary** was taken as the sum of the minimum wage, CREA, previous seniority increments, EAR and EDR in various capacities. Total **remuneration** was used as the social security tax base.

FIGURE 21
Breakdown of employee categories by gender (2023-2022)



In terms of gender differences, the category includes the Managing Director, who is classified as a manager but is considered a separate category in terms of role and responsibility from other managers (Line Managers). As a result, only Line Managers are included in the remuneration of the Manager sector.

TABLE 30
Percentage difference in basic salary and remuneration between women and men (2023-2022)

WOMEN/MEN BASIC SALARY GAP %	2023	2022
Managers	11.6%	8.1%
Middle Managers	1.0%	4.0%
Employees	18.2%	15.3%
Workers	0.4%	12.7%

WOMEN/MEN REMUNERATION GAP %	2023	2022
Managers	11.0%	10.0%
Middle Managers	15.0%	15.2%
Employees	39.1%	36.5%
Workers	6.9%	18.7%

Basic salaries and remunerations are expressed as a percentage ratio between the basic annual salary or remuneration of women in the various categories and the basic annual salary or remuneration of men in the same categories.

No incidents of discrimination were recorded during the reporting period

- It is the company policy of Sonatrach Raffineria Italiana to make every effort to:
- developing and supporting training programmes, recruitment sources and practices that facilitate the employment of ethnic minorities and people with disabilities;
 - developing and offering forms of work organisation that enable employees to reconcile their professional and family requirements;
 - promote equal employment opportunities between men and women, including the adoption of training and development programmes that facilitate their equal representation in the Company;
 - promote working relationships in the company that are free from sexual harassment, racial discrimination or any other form of discrimination;
 - provide suitable workplaces to enable people with disabilities to carry out their assigned tasks;
 - emphasise management responsibility for these topics at all levels of the organisation.

Parental leave and return rate
[GRI 401-3]

Sonatrach Raffineria Italiana promotes parental leave by extending the mandatory paternity leave (10 days) by **three days at the company’s expense**, to be taken within the first year of the child’s life.

The table below details the parental leave taken by employees and shows that in both 2023 and 2022, 100% of employees who requested it returned to work and resumed their regular duties.

TABLE 31
Parental leave and return to work (2023-2022)

2023	MEN	WOMEN	TOTAL
Number of employees entitled to parental leave	681	75	756
Number of employees that took parental leave	19	13	32
Number of employees that returned to work after parental leave ended	19	13	32
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	19	13	32
Return to work rate	100%	100%	100%

2022	MEN	WOMEN	TOTAL
Number of employees entitled to parental leave	674	65	739
Number of employees that took parental leave	5	6	11
Number of employees that returned to work after parental leave ended	5	6	11
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	5	6	11
Return to work rate	100%	100%	100%

TRAINING
[GRI 404-1, GRI 404-2, GRI 404-3]

Sonatrach Raffineria Italiana is convinced that people are its greatest competitive advantage, which is why a training plan is drawn up and implemented for each employee. The plan is tailored to the requirements of the job, for which various macro-areas of expertise are identified: **safety, both basic and adapted to the actual risks to which the job may be exposed, mandatory training, company policies, technical training related to the job to be performed, and training in transversal/soft skills.**

The plan is managed through an IT platform that allows for the monitoring of deadlines and periodicity, and the production of reports that are useful for the construction of performance indicators on the status and quality of the training process. The platform also allows the company to complement these initiatives with a business climate analysis.

The modules are delivered through both face-to-face training with qualified trainers, both internal and external to the organisation, and through self-study material with final comprehension questionnaires. There are also active partnerships with leading Italian and international higher education institutions.

In order to meet its training targets, which are equivalent to 12-15 days of training per employee per year and place it at the top of the industry rankings, **SRI invests around €1 million per year between external providers and internal structures**, and has recently begun to draw on inter-professional funds to cover part of the training costs and offer its employees an increasingly broad and specific range of training.



Training for new employees
[GRI 401-3]

For the initial training of newly hired process operators, SRI organises **a classroom training period of approximately three months** during which qualified instructors explain policies, safety procedures, principles of plant operation and expected standards of behaviour.

Training to **strengthen supervisory and leadership skills**, involving supervisors at all levels of the Organisation, has increased significantly since 2022, following several climate analyses that identified this need.

The company also plans the integration of new resources in good time to ensure a proper handover, maintenance of skills and specific training for the people who will replace the planned departures.

The total and average number of **hours spent on training** is shown below, demonstrating the strong commitment of both SRI and its employees to updating their personal and technical skills. In 2022 and 2023, the average number of hours of refresher training per employee was 103.87 and **93.57 hours**, respectively.

TABLE 32
Average training hours per employee (2023-2022)
Total = Total number of training hours provided to employees / Total number of employees

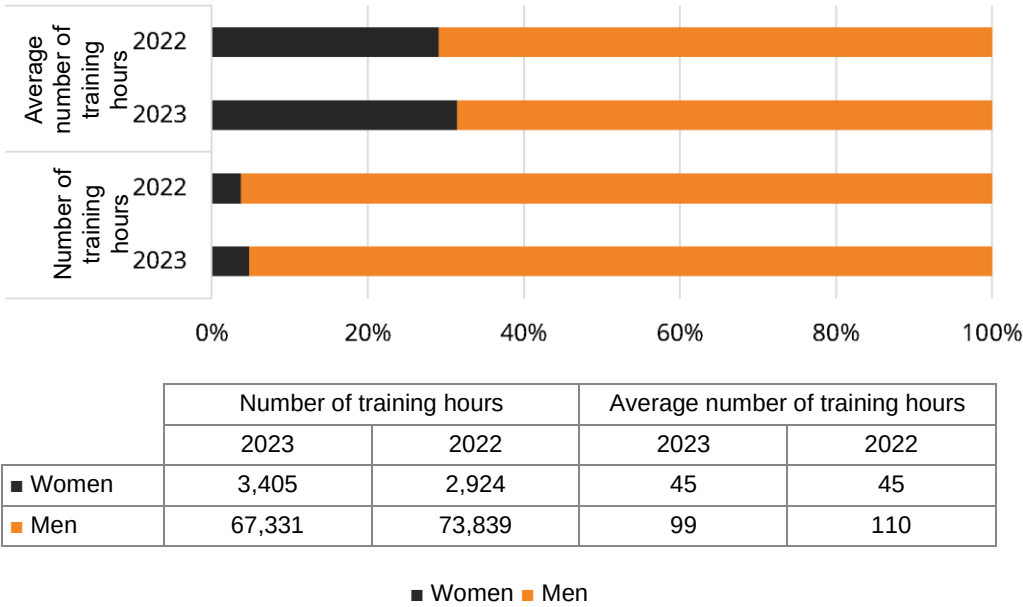
Average number of training hours per employee

93,57 103,87

2023 2022

FIGURE 22
Average training hours and average number per capita by gender (2023-2022)

Average training hours per employee = Total number of training hours provided to male employees / Total number of male/female employees



The average number of hours of training for men is strongly influenced by training courses for newly hired workers, which are open to both sexes but for which almost all applicants are male.

TABLE 33
Average number of training hours per employee by category (2023-2022) Average number = Total number of training hours provided for each employee category /Total number of employees in the category

CATEGORY	TOTAL NUMBER OF TRAINING HOURS		AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE	
	2023	2022	2023	2022
Managers	128	270	11	21
Middle Managers	2,267	4,326	20	41
Employees	23,983	31,268	51	70
Workers	44,358	40,898	272	238

The Performance Management System

SRI's performance management system is based on a process of continuous evaluation by line managers of knowledge acquired, objectives achieved and potential, and includes a defined minimum number of appraisal interviews to promote a culture of feedback. The evaluation includes the category of field operative roles, for which it is carried out through continuous feedback from line managers based on daily performance observations, with timely individual discussions.

This approach was further structured in 2023 through the further improvement of forms suitable for formalising the evaluation in line with the company's competency dictionary. To participate in the appraisal process, the employee must have completed more than half of the reporting period.

TABLE 34
employees who received a periodic performance evaluation by category and gender (2023-2022)

BY CATEGORY			
		2023	2022
Managers	number	12	13
	%	100.00	100.00
Middle Managers	number	106	101
	%	94.64	96.19
Employees	number	438	419
	%	93.39	93.32
Workers	number	153	0
	%	93.87	0.00

BY GENDER			
		2023	2022
Women	number	59	54
	%	78.67	83.08
Men	number	497	479
	%	72.98	71.07

TABLE 35
Employees who received a potential evaluation (professional development) by category and gender (2023-2022)

BY CATEGORY			
		2023	2022
Managers	number	13	13
	%	100.00	100.00
Middle Managers	number	101	101
	%	96.19	96.19
Employees	number	419	419
	%	93.32	93.32
Workers	number	0	0
	%	0.00	0.00

BY GENDER			
		2023	2022
Women	number	59	54
	%	78.67	83.08
Men	number	497	479
	%	72.98	71.07

EXTERNAL SUPPLIERS AND ATTENTION TO SOCIAL ASPECTS

[GRI 414-1, GRI 414-2]

Sustainable supply chain management means addressing **environmental, social and economic impacts and promoting good governance** practices through life cycle analysis of goods and services for all stakeholders to make the right transition.

In its guiding principles, Sonatrach Raffineria Italiana pays particular attention to its suppliers (contractors, subcontractors and/or consultants), whom it requires to contribute to sustainable development and to be economically and socially responsible, as well as environmentally friendly, and to adopt and respect, wherever possible, the principles of transparency, fairness and competition.

In order to implement these principles, a **pre-contract assessment of the supplier based on the criteria of ISO 14001, ISO 45001, ISO 50001** is also envisaged and, where applicable, the qualification will be updated every 6 months/3 years based on the outcome of the initial qualification.

The number of new and existing suppliers screened using social criteria is as follows:

TABLE 36
Number of new suppliers and number of suppliers screened (2023-2022)

	2023	2022
Number of new suppliers acquired during the reporting period (*)	66	59
Number of suppliers screened using social criteria	47	45
EU-based	37	37
Non EU-based	10	8

(*) The suppliers listed here are both material and service suppliers. They include new suppliers, existing suppliers and also changes of company name (e.g., due to reorganisations, mergers, etc.), which are therefore new suppliers.

CULTURAL AND SOCIAL INITIATIVES AND PARTNERSHIPS WITH LOCAL SCHOOLS AND UNIVERSITIES

[GRI 413-1]

In 2022-2023, Sonatrach Raffineria Italiana focused on maintaining an appropriate corporate image. It tried to **respond proactively to the expectations of the territories in which it operates**, with targeted actions resulting from a careful analysis of the Community’s needs, carried out with the involvement of the main stakeholders (institutions, schools, the world of volunteering, etc.), in line with the objectives set out in the “2022 Sustainability Report” (Ref: p. 29 - “Strategies for improvement”).

The objectives achieved were characterised by a constant presence in the territory, an increasingly open and synergic dialogue with local institutions, the school world and the Community in the main sectors of the world of culture and volunteering.

With regard to local interventions (with specific social objectives), priority continued to be given to **charities and associations working with the disabled or directly with the local Health Authorities to carry out studies and projects for the territory.**

The various ways in which SRI engages with the local community are mainly through requests from local institutions, discussions with the Mayors of the area where the refinery is located, and direct requests from voluntary associations operating in the area.

In terms of sustainability topics, the company’s “Sustainability Committee” continued its **stewardship and improvement activities** also for 2022 and 2023 **in the areas identified as important to achieving an effective sustainability governance process.**

The “Sustainability Committee”, comprising the Managing Director, Technical Manager, Business Service Manager, HR & Compliance Manager, Project & Planning Manager and Sustainability, Public & Government Affair Manager, ensures that the achievement of sustainability targets is always a motivating force for the organisation to make necessary, conscious and continuous improvements.



The main Cultural initiatives promoted by the Committee for 2023 and 2022 were the following, some of which continue from the previous 2020-2021 report:

01.

Together with the State Police, it promoted the road safety dissemination programme in schools through the "ICARO Project" (2022 and 2023) and participated in the "Dal sangue versato al sangue donato" (From Shed Blood to Donated Blood) project (2022).

02.

It organised a regional event for AIMA Sicilia - Associazione Italiana Manutenzione (Italian Maintenance Association) to share experiences and discuss strategic issues such as industrial asset management. The event provided analysis and comparisons dedicated to the world of Maintenance, with key insights into Asset Integrity Management, equipment ageing and composite repairs. Key round table discussions were organised with experts from industry and academia. (2023)

Social Initiatives

- The partnership with the ASP-Municipality of Melilli for oncological prevention and epidemiological laboratory continued: "SI PUO'" (YOU CAN) project (2022)
- With the "Promuovere Onlus" Association of Syracuse, the home oncology assistance project continued (2022 and 2023).
- The "Il Cireneo" Association of Augusta supported several families in economic difficulties (2022 and 2023).
- The "IL FARO" Association of Augusta supported swimming projects for people with disabilities (2022 and 2023).
- The "Buon Samaritano" Association of Augusta supported the "Mensa per i poveri" (Canteen for the Poor) project (2022 and 2023).
- The "Nuova Augusta" Association for the disabled supported the "Attività Sociale e Sportiva 2022 e 2023" (2022 and 2023 Social and Sporting Activities) project.
- The "NOVE" Association for the Blind of Augusta supported the "Attività Sociale 2022 e 2023" (2022 and 2023 Social Activities) project.
- For the Ministry of Justice - Brucoli Prison, the educational project called "Il Mio canto libero" (2022 and 2023) was supported.
- The "Disability care" project of the Municipality of Melilli supported the purchase of a minibus for the disabled (2023)

The PCTO (Percorsi per le Competenze Trasversali e per l'Orientamento, Courses for transversal skills and orientation) of the Megara High School in Augusta

The PCTO of SRI and the fourth class of the Megara High School in Augusta, "La Scuola e l'Industria: un binomio per lo sviluppo del territorio" (School and Industry: a partnership for the development of the territory), started in January 2023. Doing PCTO means working with schools to develop students' skills as the human capital of the future, encouraging young people to contribute to the social and economic life of the production centre, and meeting and learning about the potential of tomorrow's workforce. Advanced human capital is one of the main factors of competitiveness and this type of PCTO project can reduce the mismatch between labour demand and training supply by creating stable relationships between schools and companies.



Interventions in Schools and Universities

2023

- 19 May - University of Catania - TOPIC: Odour emissions management in Sonatrach Augusta Refinery
- 6 June - University of Catania - TOPIC: Base oil production overview

2022

- 13 January - Sole 24H BS - Integrated sustainability: a new standard for companies
- 4 May - University of Catania - An overview on Base Oils production and optimisation process
- 11 May - University of Catania - Evolution of Processes of Company Management for Integrated Sustainability in view of the Energy Transition to 2050
- 11 May - Milan Politecnico - “Odour emissions and their management at the Sonatrach Refinery in Augusta”
- 10 June - CUOA Business School - Executive MBA - Integrated sustainability, a new standard for companies: the business case of Sonatrach Raffineria Italiana
- 24 November - Tor Vergata University of Rome - Integrated sustainability and energy transition: the challenge of refining, a strategic sector in the Country’s energy plan
- November - seminar at the University of Palermo on SRU optimisation (Chemical eng. week)

Company Visits

- 11 March 2022 - MBA Michigan University - students and director of the Wayne Hutchinson of Michigan State University - Eli Brod College of Business MBA (Master of Business Administration) programme, visiting Sicily
- 14 December 2022 - University of Catania - Technical visit by students from the Chemical Engineering for Industrial Sustainability course
- 7 February 2023 - “Einaudi” Higher Education Institute of Syracuse
- 24 February 2023 - “Galileo Galilei” senior high school in Catania specialising in science education
- 18 December 2023 - University of Catania - Technical visit by students from the Chemical Engineering for Industrial Sustainability course
- November 2023 - March 2024 - Courses for transversal skills and orientation (PCTO) with the Megara senior high school in Augusta specialising in science education



OCCUPATIONAL HEALTH AND SAFETY

[GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-7, 403-8]

Occupational health and safety is a cornerstone on which Sonatrach Raffineria Italiana bases all its business activities. To monitor the health and safety of its employees, the company complies with Italian Law 81/08 and EU-OSHA (EU) 2019/126, and also uses an injury classification system in line with the US Occupational Safety and Health Administration (OSHA) standard.

SRI regards safety as a “value” that must be maintained, both for its own employees and for all external stakeholders, including suppliers, contractors and the local community. The confrontation with these stakeholders is also reflected in the participation of the workers through the presence of the RLSAs (Workers’ representatives for safety and the environment), which are specific to the National Collective Bargaining Agreement for Energy and Oil.

As mentioned in the “Responsible Governance” Chapter, in order to ensure a high standard of safety, an Integrated Safety, Environment and Energy Management System (SGSAE) has been implemented over the years, which is dedicated to occupational health and safety and includes within its scope the protection of all employees, the activities they carry out and the working environment of SRI, as well as contractors whose activities are regulated by the system element called “Third Party Services”, which is part of the SGSAE. The system covers 100% of employees and non-employees whose work and/or workplace is under the control of SRI.

Safety includes hazard identification, risk assessment and accident investigation. The process used to identify hazards, assess risks and apply the appropriate hierarchy of controls is described in the Risk Assessment Document (RAD) and the “Risk Analysis and Assessment Safety Procedure”. The competence of those who carry out the risk assessment is guaranteed, on the one hand, by the implementation (and regular updating) of specific training courses for HSOs and ASPPs (Managers and officers of prevention and protection services) in accordance with Legislative Decree 81/2008 and, on the other hand, by the promotion of collaboration initiatives with external experts and certified bodies.

In general, the general principles of the “SGSAE” are derived from the highest corporate policy on Health, Safety, Environment and Energy. Moreover, in accordance with Legislative Decree No. 105 of 26 June 2015, each of the Company’s operating sites has a Major Accident Prevention Management System (SGS-PIR), which is an integral part of the overall SGSAE risk management system.

In 2023, the company completed major safety and environmental projects such as further upgrades to cybersecurity infrastructure, further upgrades to refinery firefighting equipment, completion of the refinery deck safety upgrade project and other safety upgrades, improvements identified following Refinery and depot HAZOPs, and the continuation of multi-year activities to maintain sewer pipelines, infrastructure and tanks.

During the two 2022 and 2023 reporting years, the company conducted environmental, health and safety, and energy compliance audits at all operating sites (Augusta refinery and depots).

Moreover, the **ISO 45001:2018 Occupational Health and Safety Management System certification**, number OHS-4905, was successfully obtained at all the company’s operating sites on **17 January 2023** with an audit carried out by RINA, an external Certification Body, and will be valid until 16 January 2026. The process started in 2022 and has been successfully completed at all SRI sites.



The UNI ISO 45001 standard - Occupational health and safety management systems

The widespread use of occupational health and safety management systems is due not only to the attention paid to the topic by legislators, which has helped to increase knowledge and awareness of the topic, but also to the effectiveness of the introduction of these models in reducing injuries. Health and safety in the workplace is a major concern for companies, particularly in relation to injuries. A comparison of the injury rates of companies with and without a Health and Safety Management System by production sector shows a significant reduction in occupational injuries and illnesses for those with a system.

ISO 45001 provides a framework for improving safety, reducing occupational risks and improving health and well-being, enabling organisations to proactively improve their health and safety performance. Moreover, with its focus on leadership, worker involvement, risk assessment and outsourcing management, it reinforces the management and organisational approach to support the adoption of a corporate culture that views occupational safety and health not just as a legal requirement, but as an integral part of the work process and an opportunity for overall improvement and growth in business performance.

The UNI ISO 45001 standard, which is an evolution of BS OHSAS 18001, adopts its considerations and working methods, such as the adoption of the High Structure Level (HSL) in accordance with other management system standards such as ISO 9001 and ISO 14001. This structure will be the key to developing integrated management systems for quality, safety, environment and energy. In fact, prevention in a company means having an organisation that allows the smooth but effective management of occupational health and safety aspects.

SRI also has an ISO 14001 certified Environmental Management System, an ISO 9001 certified Quality Management System and an ISO 50001 certified Energy Management System.

Occupational health and medicine

[GRI 403-3, GRI 403-4, GRI 403-6, GRI 403-7, GRI 403-8]

The health surveillance of workers at the Augusta Refinery and the Augusta and Palermo depots is carried out by the company's occupational medicine service, which consists of a doctor specialising in occupational medicine and registered as an occupational health specialist, and two nurses.

At the Naples depot, health surveillance is carried out by an external doctor registered as an occupational health specialist. Specialised examinations carried out on workers are related to occupational hazards (laboratory tests, audiometry, spirometry, etc.). Moreover, the Augusta Refinery has a 24-hour first aid service with qualified medical and nursing personnel and a height and confined space rescue service. The management procedures are set out in a specific contract as the H24 infirmary is staffed by third-party personnel and not SRI personnel.

The occupational health specialist is the Data Controller for the purpose of fulfilling the obligations deriving from the law, the employment contract and the collective agreement that may be applicable in accordance with EU Regulation 679/2016 as amended and the Italian and European laws that supplement and apply it as amended.

All workers' health information is stored in a separate database that can only be accessed by authorised health personnel.

In 2023 and 2022, the preventive medicine programme for all employees continued, on a voluntary and optional basis every two years. This is a programme run by an external health facility that the worker can attend after booking

through the SRI health office. The results of the tests, protected by the confidentiality rules governing the processing of health data, are communicated directly to the data subject by the health facility itself.

A specific job-related risk assessment is also carried out and the worker is trained, informed and instructed in prevention and protection measures, as well as undergoing regular medical surveillance to certify continued fitness for work.

There were 510 regular visits in 2023 and 482 in 2022. The planned monitoring of biological indicators of workers' exposure to benzene was also successfully completed in both 2023 and 2022, with all results well below the law limits.

In 2023, 87 doses of flu vaccine were administered with no reports of adverse reactions, and in 2022, 70 doses of flu vaccine and 56 doses of CoVID19 were administered, again with no reports of adverse reactions.

The medical checks of the Company's personnel carried out during the financial years 2022 and 2023, as part of the health surveillance system pursuant to Article 41 of Legislative Decree No. 81 of 9 April 2008, as amended, did not reveal any pathologies related to the performance of work activities.



PERSONNEL SAFETY

[GRI 403-9]

In order to monitor its performance in the area of personnel safety, the company continued to use an injury classification system based on the US Occupational Safety and Health Administration (OSHA)¹ standard, in line with the requirements of GRI 403 - 9 Work-related injuries.

The Personnel Safety Performance Index (OSHA-TRIR), or the Rate of recordable work-related injuries, was also 0.13 in 2023, exactly the same as in 2022.

TABLE 37
Number and rate of recordable work-related injuries (2023-2022)

NUMBER OF INCIDENTS	2023	2022
Total number of work-related injuries	2	2
Of which high-consequence work-related injuries (excluding fatalities)	0	0
Of which fatalities as a result of work-related injury	0	0
Total number of recordable work-related injuries	2	2
Total hours worked per year	1,298,243.81	1,244,727.01
Rate of recordable work-related injuries (*)	0.13	0.13

(*) Rate of work-related injuries: (Number of injuries x 200,000) / total number of hours worked per year. Frequency index multiplier considered: 200,000

¹The Occupational Safety and Health Administration (OSHA) is an agency of the US Department of Labour. Its mission is to ensure occupational safety and health through the establishment of appropriate standards and the supervision of their enforcement, training, outreach, education and assistance activities.

Total recordable Injury rate (TRIR) at Sonatrach Raffineria Italiana

The TRIR is a measure of occupational health and safety that is useful for comparing working conditions across workplaces and industries. It is calculated by combining the actual number of safety incidents with the total hours worked by all employees in a standard employee group (100 employees working 40 hours per week, 50 weeks per year).

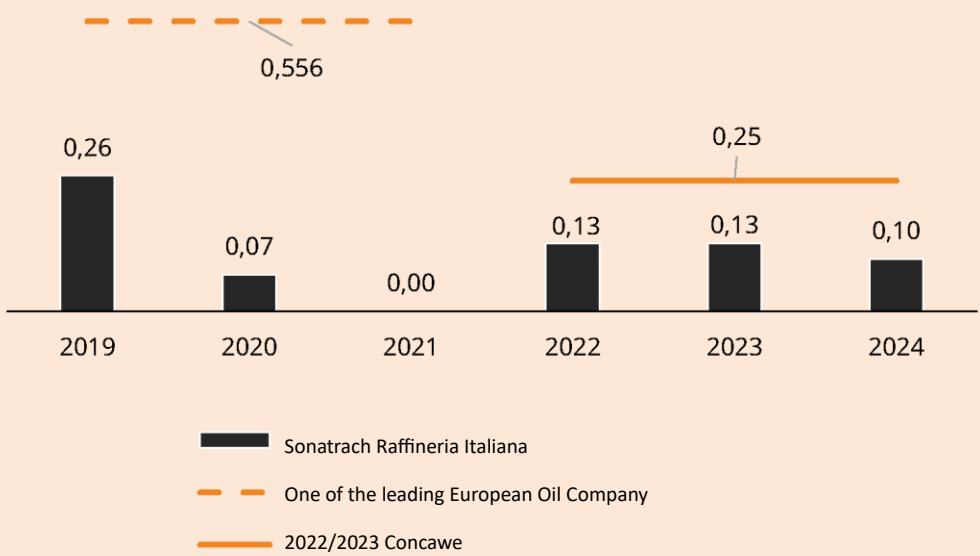
TRIR (Total Recordable Injury Rate) = total number of reportable injuries * 200000/total hours worked).

Figure 23 shows Sonatrach’s performance from 2019 to 2023, compared with the European figures for oil companies and the figures presented in the “European downstream oil industry safety performance” report by Concawe - Environmental Science for European Fuel Manufacturing.

TABLE 38
Number of reportable work-related injuries (2023-2019)

TYPE OF INJURY	2023	2022	2021	2020	2019
Lost Time Injuries SRI	0	0	0	0	0
Lost Time Injuries Cont.	0	1	0	0	0
Restricted Work Injuries SRI	1	0	0	0	2
Restricted Work Injuries Cont.	0	1	0	0	2
Medical Treatment Injuries SRI	0	0	0	1	0
Medical Treatment Injuries Cont.	1	0	0	0	3
Tot Reportable	2	2	0	1	7
First Aid SRI	5	6	8	2	11
First Aid Cont.	2	3	4	4	31

FIGURE 23
Total recordable injury rate (TRIR) (2023-2019)



During the 2023 financial year, there were no injuries or lost time injuries (OSHA methodology) at the refinery, and only one injury (sprained ankle) that required a temporary change from the person's usual job (Restricted Work Injury - OSHA methodology). In 2022, there were two incidents in the Refinery that resulted in lost time injury or restricted work injury. In accordance with the management system, such incidents were analysed and the necessary measures were taken immediately to prevent their recurrence.

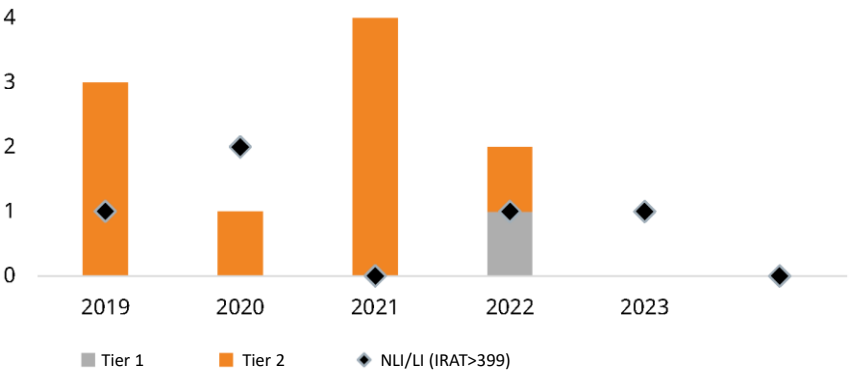
There were no reportable incidents at the depots in the 2023 and 2022 financial years, which means that Augusta, Palermo and Naples have reached 32, 23 and 35 years of continuous operation without reportable injuries, respectively.

Finally, in 2023, there were two commuting incidents reported promptly to INAIL, one to an employee of the Augusta refinery and one to an employee of the Augusta depot, while in 2022, there were zero.

In the 2023 financial year, the update of the Single Risk Assessment Document (DVR) for the Naples depot was completed and issued, and the update for the Augusta refinery was completed in 2024.

The results for Process Safety were also excellent, with no incidents in 2023 and two in 2022. Process Safety controls analyse all the factors that contribute to process safety in more or less complex plants, with a view to preventing equipment accidents and reducing the risk of accidental chemical releases in processing plants.

FIGURE 24
Trends in Process Safety (2023-2019)



²Lost Time Injury (LTI): is a work-related injury that results in at least one day's absence from work in addition to the day on which the injury occurred.

³Restricted Work Injury (RWI): is a work-related injury that results in the inability to perform all normally assigned work functions during a scheduled shift/day and as a result of which the injured person may be assigned to another job on a temporary or permanent basis after the date of injury.



Thanks to the Company’s management systems, process control and the constant efforts and productivity of its workforce, safety results have been consistently achieved, enabling the company to maintain a high level of efficiency and competitiveness at all times. These results are also confirmed by the excellent performance recorded in the Sustainability Impact Rating (SI Rating). In fact, the company scored 90% in the topic of “Occupational health and safety”, which was considered material and therefore highly relevant.

Effective risk management requires good risk assessment. Through a good risk management process, the company identifies, analyses, quantifies and ultimately manages the risk related to a given factor.

Goal of Zero Accidents

A topic of some importance, particularly in the sector in which Sonatrach Raffineria Italiana operates, is that of work-related injuries. The company had no fatalities or high-consequence injuries in the two-year period from 2023 to 2022. The process for reporting potential hazards and critical situations (known as “near misses” or “close calls”) is described in the “Incident and Close Call Management” safety procedure. A special awareness programme is in place to encourage employees to report any potential hazards in order to ensure an increasingly safe working environment and thus continuous improvement. This procedure is part of the more general LPS - Loss Prevention System that SRI uses within its SGSAE. LPS is an internationally recognised system that encourages positive behaviour and discourages questionable behaviour, not through repression but through a structured coaching system.

Worker participation includes:

- Involvement of the PPS in risk assessment and analysis and updating of the RAD and Accountability
 - Regular meetings with the RLSA pursuant to art. 35 81/08
 - Regular SSHE (Safety, Security, Health, Environment) meetings with employees and contractors
 - Participation in a Comprehensive Risk Assessment in accordance with the “Risk Analysis and Assessment” Safety Procedure.
 - Participation in the Health, Safety, Environment and Energy Management System through Admin and CoAdmin and at regular SGSAE Committee meetings.
- Safe Operation Committee (SOC) consisting of Managers, specific functions and a representative of the RLSAs
 - Consultation on the analysis and/or selection of new Personal Protective Equipment (PPE)
 - Consultation on the update of the Major Accidents Policy and the update of the Internal Emergency Plan pursuant to Legislative Decree 105/2015



World day for occupational health and safety

28 April is World Day for occupational health and safety, when the International Labour Organisation (ILO) works with workers, employers, governments and health and safety organisations to promote a new “safety culture” to reduce and prevent occupational accidents and diseases. SRI participated with special sessions dedicated to topics such as basic safety, preventive medicine, identifying barriers to mitigate any risk, and the value added of the role of the “safety leader”, i.e. those individuals within the organisation who not only lead by example in terms of safety compliance, but also inspire by putting safety at the heart of everything they think and do.

ANNEXES

[306-3,4,5] Waste sorting at the Augusta refinery. Consolidated data available in the “Responsible Waste Management” section of this report

E.E.R.	SPECIAL/MUNICIPAL	H/NH	DESTINATION	DISPOSAL/RECOVERY OPERATION	UNIT OF MEASUREMENT	2023	2022
05/01/03*	special	Hazardous	Disposal	D15	tons	2075.19	
05/01/03*	special	Hazardous	Disposal	D10 D15	tons		358.23
05/01/04*	special	Hazardous	Disposal	D15	tons	146.51	275.41
05/01/06*	special	Hazardous	Disposal	D15	tons	192.60	758.23
05/01/17	special	Non-hazardous	Disposal	D15	tons	1240.36	9.32
06/01/01*	special	Hazardous	Disposal	D15	tons	6.01	
06/01/01*	special	Hazardous	Disposal	D15	tons	6.01	
06/06/02*	special	Hazardous	Disposal	D15	tons	9.51	2.57
08/03/18	special	Non-hazardous	Disposal	D15	tons	0.65	0.23
12/01/16*	special	Hazardous	Disposal	D15	tons	4.75	3.04
13/01/05*	special	Hazardous	Disposal	D15	tons	1.67	
13/02/05*	special	Hazardous	Disposal	D15	tons	13.13	0.42
13/03/07*	special	Hazardous	Disposal	D15	tons	0.17	3.54
15/01/01	special	Non-hazardous	Disposal	D15	tons	4.03	0.04
15/01/06	special	Non-hazardous	Disposal	D15	tons	2.82	0.50
15/01/10*	special	Hazardous	Disposal	D10 D15	tons	70.43	47.87
15/02/02*	special	Hazardous	Disposal	D10 D15	tons	34.41	
15/02/02*	special	Hazardous	Disposal	D15	tons		35.98
15/02/03	special	Non-hazardous	Disposal	D10-D15	tons	12.67	21.69
16/03/03*	special	Hazardous	Disposal	D15	tons	360.22	5.66

E.E.R.	SPECIAL/MUNICIPAL	H/NH	DESTINATION	DISPOSAL/RECOVERY OPERATION	UNIT OF MEASUREMENT	2023	2022
16/07/08*	special	Hazardous	Disposal	D15	tons	73.75	
16/08/02*	special	Hazardous	Disposal	D15	tons	34.99	48.48
16/08/03	special	Non-hazardous	Disposal	D15	tons	5.43	
16/08/04	special	Non-hazardous	Disposal	D15	tons	13.84	
16/10/01*	special	Hazardous	Disposal	D15	tons	533.60	
16/10/02	special	Non-hazardous	Disposal	D15	tons	225.47	
16/11/06	special	Non-hazardous	Disposal	D15	tons	5.41	
16/11/06	special	Non-hazardous	Disposal	D1-D15	tons		35.30
17/01/01	special	Non-hazardous	Disposal	D1 D15	tons	292.80	140.06
17/01/06*	special	Hazardous	Disposal	D1-D15	tons	21.77	5.33
17/02/01	special	Non-hazardous	Disposal	D15	tons	49.67	64.07
17/02/03	special	Non-hazardous	Disposal	D15	tons	24.69	18.94
17/02/04*	special	Hazardous	Disposal	D15	tons	49.59	53.20
17/03/01*	special	Hazardous	Disposal	D15	tons	38.22	69.19
17/04/09*	special	Hazardous	Disposal	D15	tons	35.87	11.87
17/05/03*	special	Hazardous	Disposal	D15	tons	363.81	
17/05/03*	special	Hazardous	Disposal	D10-D15	tons		428.97
17/05/04	special	Non-hazardous	Disposal	D15	tons	82.21	
17/05/04	special	Non-hazardous	Disposal	D1-D15	tons		467.10
17/06/03*	special	Hazardous	Disposal	D15	tons	0.53	
17/06/04	special	Non-hazardous	Disposal	D15	tons	1.64	
17/08/02	special	Non-	Disposal	D15	tons	1.41	0.24

16/03/04	special	Non-hazardous	Disposal	D15	tons	122.43	136.11
16/03/05*	special	Hazardous	Disposal	D15	tons	95.11	29.00
16/03/06	special	Non-hazardous	Disposal	D15	tons	3.81	
16/03/06	special	Non-hazardous	Disposal	D1	tons		280.58
16/05/06*	special	Hazardous	Disposal	D15	tons	0.84	0.65

		hazardous					
17/09/03*	special	Hazardous	Disposal	D15	tons	6.32	19.04
17/09/04	special	Non-hazardous	Disposal	D15	tons	41.79	
17/09/04	special	Non-hazardous	Disposal	D1-D15	tons		10.17
18/01/03*	special	Hazardous	Disposal	D10	tons	0.03	0.03
19/13/02	special	Non-hazardous	Disposal	D15	tons	8.03	

E.E.R.	SPECIAL/MUNICIPAL	H/NH	DESTINATION	DISPOSAL/RECOVERY OPERATION	UNIT OF MEASUREMENT	2023	2022
20/01/01	special	Non-hazardous	Disposal	D10	tons	9.30	
20/03/01	municipal	Non-hazardous	Disposal	D10	tons	87.04	
20/03/01	municipal	Non-hazardous	Disposal	D10	tons		97.47
05/01/14	special	Non-hazardous	Disposal	D15	tons		0.15
15/01/02	special	Non-hazardous	Disposal	D15	tons		0.53
16/08/07*	special	Hazardous	Disposal	D15	tons		110.39
17/03/02	special	Non-hazardous	Disposal	D1-D15	tons		9.89
17/04/07	special	Non-hazardous	Disposal	D15	tons		8.74
05/01/03*	special	Hazardous	Recovery	R13	tons	225.83	
05/01/04*	special	Hazardous	Recovery	R13	tons	72.03	
05/01/06*	special	Hazardous	Recovery	R13	tons	26.75	
13/02/05*	special	Hazardous	Recovery	R13	tons	16.26	
13/02/05*	special	Hazardous	Recovery	R13	tons		16.97
13/02/05*	special	Hazardous	Recovery	R13	tons		
13/03/07*	special	Hazardous	Recovery	R13	tons	3.49	
13/03/07*	special	Hazardous	Recovery	R13	tons		2.61
15/01/01	special	Non-hazardous	Recovery	R13	tons	1.41	
15/01/01	special	Non-hazardous	Recovery	R13	tons		10.60
15/01/01	special	Non-hazardous	Recovery	R13	tons		
15/01/02	special	Non-hazardous	Recovery	R13	tons	0.80	
15/01/02	special	Non-hazardous	Recovery	R13	tons		

E.E.R.	SPECIAL/MUNICIPAL	H/NH	DESTINATION	DISPOSAL/RECOVERY OPERATION	UNIT OF MEASUREMENT	2023	2022
16/01/03	special	Non-hazardous	Recovery	R13	tons		0.18
16/01/03	special	Non-hazardous	Recovery	R13	tons		
16/02/11*	special	Hazardous	Recovery	R13	tons	2.05	
16/02/11*	special	Hazardous	Recovery	R13	tons		2.51
16/02/11*	special	Hazardous	Recovery	R13	tons		
16/02/13*	special	Hazardous	Recovery	R13	tons	0.59	
16/02/13*	special	Hazardous	Recovery	R13	tons		0.21
16/02/13*	special	Hazardous	Recovery	R13	tons		
16/02/14	special	Non-hazardous	Recovery	R13	tons	21.16	
16/02/14	special	Non-hazardous	Recovery	R13	tons		6.55
16/02/14	special	Non-hazardous	Recovery	R13	tons		
16/03/05*	special	Hazardous	Recovery	R13	tons	0.95	
16/06/01*	special	Hazardous	Recovery	R13	tons	3.25	
16/06/01*	special	Hazardous	Recovery	R13	tons		1.51
16/06/02*	special	Hazardous	Recovery	R13	tons	0.65	
16/06/02*	special	Hazardous	Recovery	R13	tons		
16/08/02*	special	Hazardous	Recovery	R13	tons	83.09	
16/08/02*	special	Hazardous	Recovery	R13	tons		145.46
16/08/04	special	Non-hazardous	Recovery	R13	tons	1281.43	
16/08/04	special	Non-hazardous	Recovery	R13	tons		1528.96
16/08/04	special	Non-hazardous	Recovery	R13	tons		
17/01/01	special	Non-hazardous	Recovery	R5 R13	tons	362.16	

15/01/03	special	Non-hazardous	Recovery	R13	tons	31.74	
15/01/03	special	Non-hazardous	Recovery	R13	tons		14.19
15/01/03	special	Non-hazardous	Recovery	R13	tons		
15/01/04	special	Non-hazardous	Recovery	R13	tons	1.17	
15/02/02*	special	Hazardous	Recovery	R13	tons	4.87	
16/01/03	special	Non-hazardous	Recovery	R13	tons	0.54	

17/01/01	special	Non-hazardous	Recovery	R13-R5	tons		246.19
17/01/01	special	Non-hazardous	Recovery	R13-R5	tons		
17/03/01*	special	Hazardous	Recovery	R13	tons	2.10	
17/03/02	special	Non-hazardous	Recovery	R5 R13	tons	120.27	
17/03/02	special	Non-hazardous	Recovery	R5	tons		53.42
17/04/02	special	Non-hazardous	Recovery	R13	tons	10.06	

E.E.R.	SPECIAL/MUNICIPAL	H/NH	DESTINATION	DISPOSAL/RECOVERY OPERATION	UNIT OF MEASUREMENT	2023	2022
17/04/02	special	Non-hazardous	Recovery	R13	tons		14.73
17/04/05	special	Non-hazardous	Recovery	R13	tons	1728.66	
17/04/05	special	Non-hazardous	Recovery	R13	tons		1199.88
17/04/11	special	Non-hazardous	Recovery	R13	tons	10.01	
17/04/11	special	Non-hazardous	Recovery	R13	tons		6.08
17/05/04	special	Non-hazardous	Recovery	R5-R13	tons	1057.43	
17/05/04	special	Non-hazardous	Recovery	R5-R13	tons		505.99
17/09/04	special	Non-hazardous	Recovery	R5-R13	tons	255.27	
17/09/04	special	Non-hazardous	Recovery	R5-R13	tons		1387.22
20/01/21*	special	Hazardous	Recovery	R13	tons	0.29	
20/01/21*	special	Hazardous	Recovery	R13	tons		0.74
20/03/07	special	Non-hazardous	Recovery	R13	tons	0.24	
20/03/07	special	Non-hazardous	Recovery	R13	tons		7.99
08/03/18	special	Non-hazardous	Recovery	R12	tons		0.08
15/01/10*	special	Hazardous	Recovery	R13	tons		0.15
16/07/08*	special	Hazardous	Recovery	R12	tons		104.26
16/08/01	special	Non-hazardous	Recovery	R13	tons		3.98

PALERMO depot waste sorting

	2023	2022
Total waste (ton)	615.00	14.00
Special Waste	615.00	14.00
-of which hazardous	150.00	11.00
-of which non-hazardous	465.00	3.00

NAPLES depot waste sorting

	2023	2022
Total waste (ton)	698.00	283.00
Special Waste	698.00	283.00
-of which hazardous	439.00	68.00
-of which non-hazardous	259.00	215.00

AUGUSTA depot waste sorting

	2023	2022
Total waste (ton)	22.00	16.00
Special Waste	22.00	16.00
-of which hazardous	13.00	3.00
-of which non-hazardous	9.00	13.00

GRI
INDEX

Sonatrach has reported the information cited in this GRI Content Index for the period from 1 January 2022 to 31 December 2023 with reference to the GRI Standards.

Dichiarazione d'uso	Sonatrach ha presentato una rendicontazione con riferimento agli Standard GRI per il periodo 2023-2022
Versione GRI 1	GRI 1 - Principi Fondamentali - versione 2021
Standard di settore GRI pertinenti	GRI 11 – Settore petrolifero e gas - 2021

For comments, requests, opinions and suggestions for improvement regarding the sustainability activities of Sonatrach Raffineria Italiana and the information contained in this Sustainability Report, please contact



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