



# Let's put the *future* in motion

Sustainability report 2022 - 5° edition



GRUPPO **api**





A wide-angle photograph of a modern, multi-lane highway bridge that curves gracefully through a mountainous landscape. The bridge is illuminated with warm lights, and the sky above is a vibrant mix of orange, yellow, and blue, suggesting a sunset or sunrise. The mountains in the background are silhouetted against the colorful sky.

# Mission

**Let's energize Italy on the move.**

***'We are at the heart of the energy transition and work passionately to seize the opportunities'***





# Ninety years of mobility, looking to the future

The year of publication of this Sustainability Report coincides with an important anniversary for our Group: that of ninety years in business. Few companies can tell such a long and impressive story, which has gone through many phases of Italian development.

For our Group, ninety years of history means believing in Italy and feeling the responsibility to put Italians on the move every day. The years that we are living through, and those that lie ahead, present us with the challenge of transition and the goal of sustainability: a challenge that we face every day, with the competence of our people, the strength of our network, the efficiency of our industrial plants.

To get Italy moving again in a more sustainable way. These are the elements we proudly recount in this Report, which, now in its fifth edition, expresses our ongoing commitment to transparency and dialogue with stakeholders.

**Ugo Brachetti Peretti**

President

italiana petroli S.p.A.



# Message to stakeholders

{GRI 2.22}

The year 2022, which we recount in this report, was one in which the world of energy and mobility faced unprecedented challenges and demonstrated its centrality in several ways. First, 2022 was the year of war in Europe. A war that was fought on the streets of Ukraine but which had an immense impact on the security of energy supplies. Energy companies such as IP have responded decisively to this challenge, assuring Europe's citizens and businesses of the continuity of energy supply and fuel production during the most critical phases. The second challenge was that of volatility: never before have market conditions reached extreme peaks: from the negative oil costs during the lockdown pandemic, we have moved on to the energy commodity peaks of summer 2022. Peaks that, combined with the rapid recovery of Western economies after the pandemic, brought back to the continent a phenomenon that seemed forgotten: inflation. We have responded to these challenges with the ability to navigate prudently and responsibly in changing waters, minimising risks, and always working to offer our customers the best conditions. The third challenge does not begin or end in 2022: the transition to a more sustainable mobility model. A challenge that has seen Europe give itself increasingly incisive tools, starting with the National Recovery and Resilience Plans, but also set itself increasingly ambitious goals: in the spread of advanced biofuels and synthetic fuels; in the development of green hydrogen to cut emissions from industry and transport; in the spread of a widespread network of electric recharging. IP has not neglected these challenges because it feels responsible for being at the centre of the transition and an important element in ensuring Italy's energy security.

A responsibility that increases with the Group's growth in size, which will see an essential step in the coming months: at the end of 2022, IP signed a binding





agreement with Esso Italiana to acquire its assets and fuels and refining business. The transaction, the effectiveness of which is conditional on the approval of the Antitrust Authority and other authorities, will strengthen the Group's production volumes, doubling its refining capacity (from approximately 5 to almost 10 million tonnes/year) thanks to the control of the Trecate Refinery and the logistics system connected to it. A deal that will enable us to take up the challenge of energy security in the mobility sector as a major player and that will enable the Group's next steps towards sustainability. Because we are convinced of one thing: transition happens through the work of those who improve and transform the existing. By refining better and better, emissions from industrial cycles and the fuels produced are lowered. This is what we are doing, for example, working on the co-processing of advanced bio-fuels and planning the production of green hydrogen in-house in our plants. By working innovatively on Italy's most significant distributor network, the electricity transition is really facilitated. That's what we are doing, accelerating the installation of ultra-fast rechargers capable of making the electric travel experience as comfortable and competitive as the liquid-fuelled one. Not forgetting the contribution to emissions reduction that will come from Natural Gas, especially for heavy transport, to which we have dedicated new LNG filling station openings. And it is by investing in people and their skills the most effective solutions can be developed to make the transition happen. And we are doing this through increasingly close relations with the best Italian research centres - CNR and IIT, first of all, with the best universities - LUISS, the Polytechnic of Turin, and the Polytechnic University the Marches. But also by training IP people in the activities of our Corporate Academy.

It is no coincidence that it is IP people who populate the cover of this report this year: it is through their work and enthusiasm that IP's vision of sustainability is realised in practice every day.

Finally, we know that there is no sustainability without transparency.

For this reason, in drafting this year's report, we decided to voluntarily adhere to the new, very strict industry standards defined this year by the Global Reporting Initiative (GRI). We have strengthened reporting on key aspects such as indirect emissions (scope 3) of climate-changing gases, legality and anti-corruption

initiatives, training actions, and support for our operators and suppliers. We did this not only not so much to be ready when, in a few years, sustainability reporting also becomes a community obligation. But because we believe that dialogue and sharing with our stakeholders is a vital element in driving change and empowering our strategies.

**Alberto Chiarini**

CEO

italiana petroli S.p.A.

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01

# The Group



The IP Group is the biggest private reality in Italy operating in the fuel and mobility sector, thanks to its network of distributors and to a logistics industrial ecosystem covering the entire national territory, and supplying the main Italian airports and maritime ports.

The industrial activities of the Group are headed by italiana petroli S.p.A., owned by the Brachetti Peretti family.

The president is Ugo Brachetti Peretti and the Chief Executive Officer is Alberto Chiarini.



## 1.1 The history

1933

Cavaliere del Lavoro Ferdinando Peretti took over API anonima petroli italiana, operating in the marketing and distribution of petroleum products on the local market in the Marche region, to build a coastal depot on the Adriatic at Falconara Marittima (AN). In 1950, the depot was expanded into a refining and storage facility. 'Api Raffineria' is born.

Throughout the 1950s API's business grew, until the fuel and heating fuel distribution network also began to develop. API also successfully overcame the world's first oil crisis between '56 and '57, years characterised by a shortage of crude oil reserves and high prices. API could count on a share capital of 2 billion lire and a processing capacity of one million tonnes of crude oil at the end of this first oil crisis.

It was during this decade of economic boom that the artificial island 3,758 metres off the coast of Falconara was realised through a bundle of submarine pipelines to allow oil tankers to dock by sea. The years of Italy's economic boom for api also corresponded to an increase of over 30% in sales, up to 1,928,000 tonnes processed annually in the mid-1960s. The network has 900 petrol stations: among them is also the first motorway petrol station.

1977

Aldo Brachetti Peretti (appointed Cavaliere del Lavoro in 1978) became the new President and CEO, upon the death of founder Nando Peretti.

The distribution network comprises around 1,700 sales outlets, of which almost 90% are owned. While the service Following years of continuous improvement in safety, product quality, environment and energy saving.

Network was being strengthened, the first self-services were realised, the Refinery was equipped with a 16km-long marine pipeline to allow the mooring of large oil tankers, up to a size of 400,000 tonnes.

The Refinery embarked on a programme of restructuring and optimisation of the production cycle. In 1989, API holding S.p.A. was founded, operating mainly in the energy diversification sectors, such as developing electricity from renewable sources. In 2007, Ferdinando Brachetti Peretti became its Delegate.

Chairman Aldo Brachetti Peretti led the company until the beginning of the new millennium, which opened with the start-up of the ICGG power plant in Falconara.





## 2000

The new millennium sees, on the one hand, growth in the fuel sector. On the other hand, the development in the new field of renewable energy sources.

On the fuel network side, in 2005, API bought the company IP from Eni. A move that increases the then 5% market share to over 12%. The API network changes colour, adopting the blue and orange of IP, which has since become the Group's only trademark on Italian roads.

In 2007, Ferdinando Brachetti Peretti took over as head of API *nòva energia*, a company of the Group dedicated to developing renewable energy sources. Significant investments are initiated and brought to maturity in photovoltaics, and wind power, including through a joint venture with Spain's Iberdrola, and in biomass, with the company Biomasse Italia, which builds important power plants in Calabria.

Since 2007, Ugo Brachetti Peretti has taken on the role of Executive Chairman of API - *anonima petroli italiana*. In this position, he contributed to refocusing the Group's activities on the mobility sector with the strengthening of the distribution network, relaunching the role of the Falconara Marittima Refinery, and transforming the family business into the leading private Italian player in the fuel and mobility sector. With the acquisition of TotalErg, a joint venture between Erg of Genoa and France's Total, in 2018, IP consolidates its position as Italy's leading private mobility retailer.

## 2022

In the complex context of the 2020-2021 pandemic, IP is launching a commercial revolution at its stations: it is replacing traditional fuels with OPTIMO, the premium fuel that reduces consumption and environmental impact, and is offered at the price of regular fuel, to allow everyone access to a higher quality product and more sustainable mobility.

In December 2022, IP signed a binding agreement to acquire the oil assets of Esso italiana.

The agreement, whose closing is conditional on the approval of the Antitrust Authority and other competent authorities, will allow the Group to strengthen its production volumes, doubling its refining capacity (from approximately 5 to almost 10 million tonnes/year) thanks to its 100% control of the Trecate Refinery and the logistics system linked to it.

## 1.2 2022: a year between war and restart

2022 has marked the passage from the pandemic to the war. The instability in the global economy, already evident in late 2021 due to rising prices of commodities and numerous bottlenecks in international trade, is amplified by Russia's invasion of Ukraine in February, with its consequences affecting mainly EU countries, while China is still struggling with lockdowns. Geopolitically, the war has the effect, unexpected for many, of compacting the West into a unified response based on the one hand on economic sanctions against Russia and the other on a rich programme of military aid to Ukraine. Thanks in part to the resistance of Ukrainian citizens, the effect is to turn what Russia had called a 'special military operation' into a long positional war whose end, twelve months later, seems still far off. From an economic point of view, there are two simultaneous effects of the war. First: a crisis in European energy supplies due to the Western need to break the more than decade-long dependence on Russian gas supplies. The race to diversify sources of supply has led to price spikes that have had a knock-on effect on the costs of all supply chains. The most critical moment of the phenomenon occurred at the end of August, with gas quoted at EUR 350/MWh driven by the rush of European countries to fill their winter storages. The values gradually normalised, returning in January 2023 to the values of September 2021, around 55 euro/MWh. Diversifying sources and the exceptionally mild autumn weather made the downsizing possible. The energy crisis also contributed to the second economic effect of 2022, the inflationary one. The West has witnessed an increase of the cost of living unprecedented in recent decades: in the US in June, it reached 9%. In the euro area in October, the inflation peak was 10.6%.

Central Bank measures, with the increase in rates and the end of quantitative easing, have helped to curb this phenomenon.

The rate fell to 6.5 per cent in December in the US and 8.5 per cent in January 2023 in the euro area. Today, inflation expectations seem to be stabilised between 2% and 2.5% in both the US and the Eurozone.

From the economic point of view, Italy also performed well in 2022, after the first post-pandemic rebound in 2021, doing better than Germany and France in percentage terms. As a result, annual GDP growth was estimated by the Parliamentary Budget Office at 3.8% and is confirmed for 2023 at 0.6% and marginally revised upwards for 2024 (to 1.4%).

Looking at the Italian market, 2022 saw a recovery in oil consumption of 5.3% (+2,962,000 tonnes) compared to 2021, totalling 58.4 million tonnes, still 3% lower than in 2019.

The consumption of automotive fuels (petrol+diesel) amounted to 31.6 million tonnes, an increase of 4.8 % (+1,455,000 tonnes) compared to the previous year, which was also higher than the figures for 2019 (+1.6 %).

Specifically, compared to 2021, the increases were respectively:

- +11.5% of total petrol;
- +2.8 per cent of transport diesel, diesel sold on the network showed an increase of 5.9 per cent.

Gasoline sold on the network grew by 11.8 per cent, network diesel by 5.9 per cent, while negative performances compared to 2021 are given by heating oil (-15.2 per cent), lubricants (-4.7 per cent) and bitumen (-17 per cent).

Jet fuel recovered almost 1.6 million tonnes compared to 2021, although it is still 23.6% lower than in 2019.

In 2022, new passenger car registrations contracted by 9.7 per cent compared to the previous year, which is more than -31 per cent if the comparison is with 2019. Petrol cars accounted for 27.8% of the total (vs 30% in 2021), diesel cars for 19.6% (vs 22.2% in 2021) and HEV hybrids for 34.2% (vs 28.9% in 2021).

As for other fuels, in 2022, the weight of LPG cars was 9%, CNG 0.8%, and rechargeable electric cars 8.6% (9.4% in 2021), 4.9% PHEV/Plug-in and 3.7% BEV.

In June 2022, IP participated in the Public Technical Consultation on the draft decree containing the criteria and modalities for the granting of the non-repayable benefits provided for in Mission 2, Component 2, Investment 4.3 of the PNRR, to incentivise the construction of charging infrastructures for fast and ultra-fast electric vehicles, restructuring the fuel distribution network and with the ultimate aim of creating a charging network evenly distributed over the entire national territory.

Background Data - Italy	Delta 2022 vs 2021
GDP	+3.8%
Consumption of road fuels (petrol and diesel)	+4.8%
Jet consumption (for air transport)	+74.4%
New car registrations	-9.7%

### New car registrations – Italy 2022

N.

<b>Total number</b>	<b>1,335,487</b>
Of which Electric	49,536
Of which petrol and diesel	633,489
Of which LPG	118,791
Of which methane	10,724
Of which Hybrid-Petrol	394,830
Of which Hybrid-Gasoline	60,159
Of which Plug-in Petrol	64,036
Of which Plug-in Diesel	3,911
Of which Hydrogen	11

### World energy demand 2021\*

14,215 million TEP

Of which oil source	31%
Of which coal source	26.9%
Of which natural gas source	24.4%
Of which hydro source	6.8%
Of which renewable source	6.7%
Of which nuclear source	4.2%

\*ultimo dato disponibile

Data source: IP Budget, Ministry of Environment and Energy Security, Data Book 2023 by UNEM - Union of Energies for Mobility, ANFIA.



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## 1.3 IP Numbers [GRI 2.3; 2.7; 2.8; 3.2]

The key figures of the consolidated reporting boundary are shown below with their respective values and refer to the period 01.01.2022 - 31.12.2022.

People

**1,069**

Crude oil  
processing capacity

**5.5**  
Mton

Energy consumption

**10,193**  
Tjoule

Injuries per million  
hours worked

**1.93**

Ancillary workers  
(estimated)

**16,700**

Sales outlets

**4,525**

Capacity  
product storage

**2,5**  
Mm<sup>3</sup>

Direct CO<sub>2</sub> emissions

**0.526**

Net debt

**-90**  
M€

Suppliers

**1,650**

Total product sales

**8.321**  
Mton

Days of absence for  
thousands of hours worked

**0.03**

Total training hours

**20,111**

Training hours IP people

**17,649**

Training hours Managers

**1,677**

Hours of training  
for students

**785**



## 1.4 Values

[GRI 2.23]

Since 1933 IP has been energising Italy on the move. It has grown over the years by strengthening its logistics and distribution network to be ever closer to the mobility needs of Italians.

Today, the Group is at the heart of the energy transition and works passionately to seize its opportunities. But, for IP, an effective sustainability strategy necessarily starts with recognising the Values that dictate its priorities for action. The Values draw inspiration from the Group's history, guide its actions and future development; they influence business decisions and responsible choices towards stakeholders; they influence behaviour and strengthen the level of integration of IP People.

### Integrity

No compromises are allowed for those working in and with IP. IP implements transparent procedures and adopts a linear Governance designed to isolate any abnormal behaviour, in the firm belief that integrity and sustainability can never be separated and that compliance is the basis for competition in the marketplace.

### Mobility

A sustainable society is not a society that moves less but one that moves better. In line with its mission of 'Giving energy to Italy that moves', IP wants to satisfy the Italians' need to move anywhere and with any form of energy.

Being an enabler of mobility is part of the Group's DNA. It means offering solutions that preserve the extraordinary value of freedom, emancipation and opportunity that mobility holds for society to move better, more sustainably and more accessible to all. The distribution network is a key infrastructure of the transition, which requires working towards ambitious emission reduction targets without depriving people, all people, of the ability to move around.

### Rispetto

IP is aware of its role in the country in which it operates and of the responsibilities that its size and mission give it.

This means that IP, in everything it does, acts with respect, recognising that its activities have an impact not only on its own people and customers but also on partner companies, often smaller ones, local communities, and the environment. IP creates value for the stakeholders, contributes to the support and development of the territories in which it operates and the communities living there, invests in its assets best practices, techniques and technologies in the field of safety, health and environmental protection.

It recognises customers' changing needs and habits who increasingly look at sustainability as a factor in their choice of the products and services. For IP, sustainability is an instrument of competitiveness.

### Expertise

Development and growth do not go without quality work. Work that is not only safe and honest but rich in skills.

Thanks to the training and commitment of the Academy company, IP is committed to creating a shared culture on ESG (Environmental, Social and Governance) goals and to updating the best skills.

Consistent with the Values that characterise the attitude of IP People, each individual is given the responsibility to make consistent decisions towards his or her stakeholders and to steer day-to-day activities following the principles identified in the Group's Sustainability Policy.

## 1.5 Impacts and material topics

[GRI 2.12; 2.29; 3.1; 3.2]

The Global Reporting Initiative published, at the end of the year 2021, the new GRI standards of international reporting, which introduced important changes in the methodology for identifying relevant issues.

In line with developments in the international reporting of non-financial activities, and with particular reference to Standard GRI number 3, IP has renewed its methodology for the process of identifying its material issues and has described those considered relevant in this document.

The methodological process, aimed at the real analysis of the context and impacts of the Company, is divided into five main phases that can be briefly described as follows:

1. **Analysis** of the relevant issues described in the previous four non-financial reporting.
2. **Verification and comparison** of the material issues indicated as potentially relevant by the new GRI industry standard Oil & Gas, also published in 2021.
3. **Attendance and involvement** with key Departments and Functions involved to select relevant material issues in 2022.
4. **Sharing** of the set definitive impacts and related material issues in the Sustainability Committee.
5. **Adoption** of the final list of impacts and related material issues described in this Report.

The severity and likelihood for each impact were considered in the verification phase. It was possible to identify those relevant to IP through comparison with the main Directorates.

Interviews with the managers gave evidence of the main positive and negative, external and internal impacts of the Group that the individual departments considered to be closely related to business activities and thus affecting the stakeholders of IP.



The impacts relevant to IP shared and approved by the Sustainability Committee are listed and described below but will be developed later in the appropriate chapters:

### **Generation of climate-changing emissions**

The Group contributes to the generation of greenhouse gas emissions along its value chain, particularly in activities related to refining and utilisation of finished products.

Through a short-, medium- and long-term strategy, the organisation works to mitigate its carbon footprint by introducing fuels with a lower environmental impact immediately. On the other hand, in the medium and long term, it invests in research and innovation. Since 2022, IP has introduced the new IPlanet Function in its corporate organisation to implement new forms of energy for more sustainable mobility.

### **Failure to adapt to climate change**

The physiological timing of the transition of the entire energy sector to a low-carbon economy could lead to adverse environmental impacts due to the failure to adapt to climate risks. Intending to have a specific direction on the real forms of energy to be introduced in its production and mobility sector, IP invests in scientific collaborations with authoritative partners from the world of academia and research; it has introduced from 2021 the Research and Industrial Development Function and, at the same time, has concretised the development and distribution at its points of sale of an innovative fuel - OPTIMO - that can immediately reduce the climate-changing gas emissions of the current car fleet.

### **Environmental impacts of plant decommissioning**

Closing plants or Network Sales Points could lead to negative environmental impacts in the area, e.g. soil and water contamination. At the end of the physiological lifecycle of an asset, or as a result of the need for a change of route, it is possible that the closure of a roadside outlet may occur. Removing the equipment is followed by remediation and environmental restoration.

### **Loss of biodiversity**

The Group's activities could alter the integrity of the natural ecosystems of the territories in which it operates and generate negative impacts on local flora and fauna. To mitigate pressure on ecosystems, the Company is committed to adopting the best available techniques and technologies and to reducing at source, where possible, its environmental impacts from industrial assets.

### **Waste production**

From the Group's production activities, mainly at its industrial sites, also hazardous waste. The company works to minimise waste production and maximise its recovery percentage. Limiting waste and incentivising proper waste separation by reducing the quota for disposal helps to mitigate negative impacts. The Company is committed, including through its suppliers, to maximising its waste recovery and recycling.

### **Use of water resources**

In the practice drill of its activities, particularly in the refining processes, the Company uses water resources through withdrawals and discharges, influencing their availability.

To prevent and mitigate impacts from withdrawal and discharge, the Company adopts valuable techniques that allow the correct treatment of process water and the recirculation of purified water in new production cycles to reduce its withdrawal.

### **Impact on workers' health and safety**

The operations, which characterise the Group's activities, can expose workers (including outsiders) to the risk of accidents. To prevent and mitigate the occurrence of such events, the Company is continuously engaged in activities that create a shared culture of safety and sustainability with all people working with and for IP: to this end, it provides annual training courses and provides adequate information in the area of HSE (Health, Safety and Environment). The belief is that continuous training can raise standards of quality and achieve ever higher levels of competence and safety. And finally, it adopts a Health, Safety and Environmental Management System, certified according to nationally and internationally recognised standards.

## Non-discrimination and equal opportunities

The peculiarity of a highly operational sector such as the oil industry can lead to the composition of occupational groups with a high prevalence of men, especially in the blue-collar category, in sales, service and consulting in the field.

The Group's capillary presence in Italy often enables it to draw on professionalism from the territories in which the company operates with its assets. To ensure equal access to employment opportunities for all, the Group operates in line with the ethical principles of its Code and a system of dedicated procedures. Selections and recruitment occur according to merit criteria, competence and professionalism, without political, trade union, religious, language, nationality or gender discrimination. At the same time, it guarantees freedom of association to its workers and those of its suppliers. In addition, it allows its workers access to welfare plans. It provides dedicated skills development training with an annual schedule and through the synergy of the Human Resources Department and the Corporate Academy Function.

## Contribution to the development and welfare of local communities

The Group is present all over Italy, and thanks to its industrial and commercial sites, generates positive socio-economic and cultural impacts both along the entire value chain and towards local communities. The company is committed to supporting the local communities in the territories where it operates through direct aid and charitable, educational and sports initiatives. The organisation's nationwide presence also allows the company to have supply relationships throughout Italy. Through the Purchasing Department, in cooperation with the Sustainability, Audit and HSE Function, the company works to strengthen the link between sustainable development initiatives and business strategies by measuring the improvement of both internal and supplier performance, based on the implementation of sustainable development initiatives in the supply chain.

## Anti-competitive behaviour

Anti-competitive behaviour can affect the free functioning of the oil market to the detriment of competition. The company operates in line with the principles of its Code of Ethics and acts on several fronts to re-establish fair competition between operators in the downstream: it constantly improves and monitors the 'supply chain' of products on the market; OPTIMO, petrol and diesel are equipped with anti-fraud tracer to guarantee the supply chain of origin; it has

































an integrated Compliance, Antitrust and Privacy Function; it adopts a system of procedures aimed at guaranteeing that its activities are carried out in compliance with competition and market rules. In particular, concerning the antitrust matter, the activity is carried out through the prior engagement of the function, which is called upon to carry out the compliance by design of business transactions. The function suggests the necessary measures, including organisational measures, to ensure full compliance with the regulations concerning the company's activities and its relations with its stakeholders. Finally, the adoption of a 'multi-compliance' protocol implements both Legislative Decree 231/2001 and the guidelines on antitrust compliance, as well as the indications found in various provisions of the Garante della Privacy.

## Anti-corruption

The absence of a transparent system of procedures can lead to unlawful behaviour and distortion of the financial and investment market. The company adopts an Organisation, Management and Control Model (MOGC), according to Legislative Decree 231/2001, which regulates and defines the company structure and the management of its sensitive processes. It has also set up a Supervisory Board (SB) to supervise the operation of and compliance with the Model and report on the need for adjustments. It comprises a system of procedures and rules and a structured system of delegated powers to reduce the risk of committing offences. The Code of Ethics is integral to the Group companies' MOGCs and corporate procedures. Everyone working in the Group, without distinction or exception, is committed to observing and enforcing these principles within the scope of their duties and responsibilities. All of the Group's activities must be carried out with honesty, integrity and good faith, respecting the rights of third parties, employees, shareholders, business and financial partners and, in general, of anyone involved in the Company's activities.

In ensuring full and continuous compliance of the company's actions with applicable regulations, industry regulations and internal company rules, the Compliance Function sets itself the key goal of preventing sanctions. It becomes the driving force behind a business safe and sustainable. With the support of the Audit & Security Function, within which the Internal Audit, Security and Operational Inspections Units operate, the Organisation continuously monitors corporate risk areas, working in parallel with the Corporate Academy Function for annual training on relevant topics.



Material theme	SDG	Book
Climate change		Respect
Resilience and transition	   	Respect and mobility
Management of closed Points of Sale		Respect
Protection of ecosystems and birdlife	 	Respect
Waste management	    	Respect
Protection of Water Resources	   	Respect
Protecting People at Work	 	Respect
Fair, quality and skill-rich work	   	Expertise
Creating value for territories and along the supply chain	    	Respect
Fair behaviour	 	Integrity and Respect
Intact governance, anti-corruption and privacy	 	Integrity and Respect





IP connects material issues to the 2030 Agenda's Sustainable Development Goals and its Values, showing how the latter really influence strategic decisions to pursue socially, environmentally and economically sustainable growth over time.

This document is divided into four main areas, representing the four Group Values. Whereas the colours that subdivide the chapters allow the guiding principles of IP actions to be associated with the areas (General, Material Issues and Sector Specific, as well as the identification of the scope, Environment, Social and Governance) of the GRI reporting standards (Global Reporting initiatives).

The description of the activities introduced by the Organisation to mitigate the impacts identified is developed in the relevant chapters of this Report, along with objectives and indicators to assess them and their effectiveness of the actions implemented.

Turning from the international to the European level concerning the standardisation of reporting methods, it should be noted that on 14 December 2022, the Corporate Sustainability Reporting Directive (CSRD) was published in the Official Journal of the European Union. Directive (EU) 2022/2464 is inherent to corporate sustainability reporting and amends EU Regulation 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU. Italy will have to transpose the directive into its national legislation in the coming months. The publication of the Directive concludes a process which started in previous years and which also led, as an intermediate step, to the publication of the first set of independent and general European standards, still not yet final at the time of the publication of this document, by EFRAG (European Financial Reporting Advisory Group).

The technical body, which deals with accounting principles at the international level, has the task of developing the European Sustainability Reporting Standards (European Sustainability Reporting Standards), which will further specify all components of reporting. The publication of the second set of ESRS principles, which will be sector-specific, is expected in spring 2023.

The introduction of CSRD means that thousands of companies will be obliged to report on their sustainability with different phases of application starting on 1 January 2024, progressively involving also Small and Medium-sized Enterprises (SMEs), which will be able to opt-out until 2028.

This is the context of IP's non-financial reporting process, in which transparency and accountability narrate the responsible path undertaken voluntarily on sustainability aspects.

02

# Integrity



## 2.1 The Corporate Governance

{GRI 2-1; 2.2; 2.9; 2.10; 2.11; 2.12}

italiana petroli S.p.A. is characterised by a corporate-type organisation, consisting of three distinct bodies: the Shareholders' Meeting (deliberative body), the Administration (management body, the Board of Directors, traditional type) and the control body (the Board of Statutory Auditors).

The perimeter of industrial and operational activities represents the consolidation of italiana petroli, a joint-stock company identified by the brand IP and 99.82% controlled by the Brachetti Peretti family.

italiana petroli S.p.A. consolidates and controls 100% of the following major operational companies:

- **api Raffineria di Ancona S.p.A.:** industrial refining plant and storage of petroleum products;
- **IP Industrial S.p.A.:** (formerly Raffineria di Roma S.p.A.) depot for storage and processing of petroleum products in Rome and some depots in the North West;
- **IP Services S.r.l.:** operating in the field of direct management of oil Points Sale;
- **Campana energie rinnovabili S.r.l.,** abbreviated as **CER S.r.l.:** active in the production of electricity through the exploitation of wind energy;
- **Bitumtec S.r.l.:** operating in the field of modified bitumen production;
- **Api Oil UK L.t.d.:** active in the trading of petroleum products.

The diagram depicts the Group's leading companies operating in downstream and wholly owned subsidiaries. On the other hand, the investee companies, e.g. Sigea S.p.A. at 65% and Sarpom s.r.l. at 24.96%, however fully listed and described in the consolidated financial statements, are not represented. On 14 December 2022, the merger project for incorporating IP Food & Services S.p.A. into IP Services S.r.l. was approved.



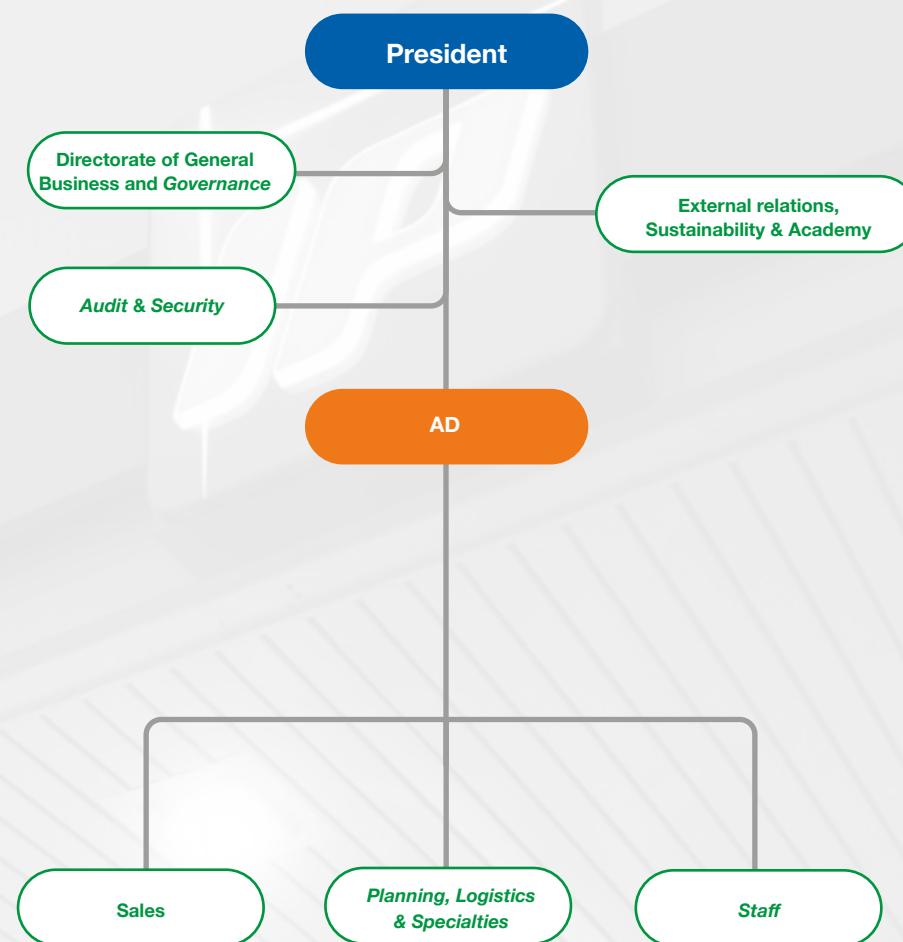
On 13 April 2022, the Shareholders' Meeting of Italiana Petroli resolved the composition of the current Board of Directors.

The Board of Directors, 90% of whose members are in the over-50 age group, is the hub of corporate governance and has the broadest powers for the ordinary and extraordinary administration of the Company.

It carries out its activities following the Code of Ethics, an integral part of the Organisation, Management and Control Models.

The composition of the Board of Directors of Italiana Petroli S.p.A.:	Genre	Age group
President, <b>Ugo BRACHETTI PERETTI</b>	M	Over 50
Councillor, <b>Aldo Maria BRACHETTI PERETTI</b>	M	Over 50
Councillor, <b>Mila PERETTI</b>	M	Over 50
Councillor, <b>Ferdinando Maria BRACHETTI PERETTI</b>	M	Over 50
Managing Director, <b>Alberto CHIARINI</b>	M	Over 50
Councillor, <b>Leonardo BALESTRA DI MOTTOLA</b>	M	30-50
Councillor, <b>Ferdinando CARABBA TETTAMANTI</b>	M	Over 50
Councillor, <b>Claudio COSTAMAGNA</b>	M	Over 50
Councillor, <b>Fabrizio LIBERATORI</b>	M	Over 50
Councillor, <b>Roberto MARAZZA</b>	M	Over 50

The company organisation, introduced in 2022 and schematically represented below, aims to guarantee transparency, flexibility and speed of execution: it envisages, reporting directly to the Managing Director, the Sales, Planning, Logistics & Specialties Departments and all the Staff Functions supporting the business.



## 2.2 Form 231 and Code of Ethics

{GRI 2.26; 2.27}

IP has adopted and effectively implemented an organisational, management and control model (MOGC), according to Legislative Decree 231/2001, which regulates and defines the company structure and the management of its sensitive processes, and has established a Supervisory Body (SB), endowed with autonomous powers of initiative and control, with the task of supervising the functioning and observance of the Model and reporting any need for updating.

The SB has a collegial composition and is entrusted with the task of verifying reports with the guarantee of homogeneity of treatment and anonymity in line with the provisions of the regulations and policies of the company in force. Legislative Decree No. 231/2001, which has undergone several additions over time, introduced into the Italian legal system the 'Discipline of the administrative liability of legal people, companies and associations also without legal personality' and provides for a range of sanctions (pecuniary, interdictory, confiscation, publication of the sentence) where such offences are committed by directors, employees and/or collaborators of the company in the interest or to the advantage of the company, and the company's liability is ascertained in court.

All of the Group's MOGCs have been constructed ad hoc in a manner that corresponds to the reality of the individual companies: based on their own characteristics, their activities, their production processes and the stakeholders with whom they interact.

The models are based on procedures and rules to reduce the risk of committing offences and on an articulated system of delegated powers.

Amongst the procedures drafted and adopted by IP as well as extendable to the Group, are those relating to:

- anti-corruption,
- safety of persons,
- procurement management,
- computer and data security,
- environment,
- payments and accounting flows,
- participation in public tenders,
- Application for public funding and contributions,
- whistleblowing.

The Code of Ethics is integral to the Group companies' MOGCs and company procedures in their interpretation and application. The addressees of the ethical rules are employees (and similar figures), apart persons, members of corporate bodies, suppliers, and consultants.

The rules contained in the code mainly concern the following areas:

- relations with the Public Administration
- transparency in accounting;
- conflict of interest regulation;
- preservation of the share capital and the rights of the company's creditors;
- environmental protection;
- protection and enhancement of human resources;
- The discipline of customer relations and supplier selection.





All those who work in the Group are committed to observing and enforcing these principles are within the scope of their duties and responsibilities.

All of the Group's activities must be carried out with honesty, integrity, and good faith, respecting the rights of third parties, employees, shareholders, business and financial partners, and anyone involved in IP activities.

The organisation's policies and procedures, including those on anticorruption, are communicated to the entire corporate population, including the governing bodies, and are always available on the corporate intranet.

Observance of the Code of Ethics ensures the proper functioning, reliability and protection of the reputation of the Group.

To create a shared culture of the IP world with all its addressees, a new version of the Code of Ethics is being worked on, evolving from a mere prescriptive compendium to a modern statement of the Company's Values, which characterise and distinguish IP's corporate culture.

From being merely a container of legal and procedural obligations, the IP Code of Ethics will serve the function of being a promoter of a widely felt culture of ethics and shared responsibility.

The model of the Group ensures that stakeholders, if aware of it, may give notice of conduct contrary to ethical standards and the company's policies to the Supervisory Board (see <https://www.gruppoapi.com/who-we-are/model-organisation-and-management>), even in anonymous form.

It should be noted that API Oil UK has adopted the Bribery act and the Human Slavery act under English law.

Significant fines and non-monetary penalties for non-compliance with laws or regulations in social and economic matters will be confirmed in 2022.

IP's Compliance team won the prize of the 'Inhousecommunity Awards Italia 2022' contest, now in its seventh edition and organised by Inhousecommunity.it, a newspaper of the LC Publishing group, for having distinguished themselves on the application of the integrated compliance methodology, i.e. the synergic and combined implementation of regulations in terms of audits, procedures, risk assessment and management.



## 2.3 The Governance of sustainability

{GRI 2.12; 2.13; 2.14; 2.24; 2.25; 2.28}

Responsibility and transparency are pivotal principles for a sustainable company; they are the necessary elements for strengthening and nurturing daily confrontation with all stakeholders.

The relationship between IP and its stakeholders starts by listening to their needs and sharing data and information on the Group's activities, which are essential to creating two-way communication. Intending to build a structured path of listening and involvement, IP decided to report on non-financial activities voluntarily as early as 2019 by adopting a Sustainability Report.

The Report is the external representation of the Group; it is the main tool for monitoring social, economic and environmental efforts and highlights the qualitative and quantitative improvement targets that IP sets and reviews annually.

In 2022, IP adopted a Sustainability Policy and Guideline, which it disseminated widely among its stakeholders: for IP, an effective sustainability strategy necessarily starts with the recognition of the Values that inspire the company's organisation.

Using the Sustainability Guidelines for Reporting on IP's Non- financial Activities, the Group intends to guide how to incorporate the principles of economic, social and environmental sustainability in the procedures of the Group, as well as in the activities carried out in the Company.

The path of change initiated by IP in recent years is geared towards long-term sustainable economic, social and environmental development: integrating Sustainability principles into its Business and daily operations contributes directly and indirectly to achieving the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

The Group's actions are guided by its Values, set out in the Sustainability Report and linked to the objectives to be pursued. Consistent with the Values that characterise the attitude of IP People, each individual is attributed the responsibility to make consistent decisions towards his or her stakeholders and to steer day-to-day activities following the principles identified in the Group's Sustainability Policy and Guidelines.

IP has introduced a robust Governance sustainability structure as follows:

- Sustainability Committee
- External Relations, Sustainability and Academy Function
- Central Working Group
- Thematic referents

The Chief Executive Officer chairs the Sustainability Committee, which consists of the Director of Human Resources, the Director of Administration, Finance and Control, who are also members of the Board of Directors, the Head of External Relations, Sustainability and Academy, the Director of Legal Affairs and Compliance and the HSE Manager.



The Committee has the task of:

- Indicating the sustainability goals and guidelines to be followed by the entire Group;
- Directing the work, approve the work plans, promote and validate the actions proposed by the Central Working Group;
- Supervising the proper achievement of the set objectives;

The External Relations, Sustainability and Academy Function, is responsible for the progress of the Project and the realisation of the Sustainability Report; it leads the central working group consisting of the Heads of Management Control, HSE, Corporate Organisation and Compliance; it monitors the results and updates the benchmark indicators; it promotes the culture and values of sustainability through training initiatives.

The Central Working Group coordinates and supports the thematic contact persons of the various corporate functions; it drafts the Sustainability Report; it liaises with the Auditor to certify compliance with the international reference standards and prepares the final document for approval by the Board of Directors.

The Thematic Referents are the employees representing the functions to which they belong covering all business areas involved in collecting sustainability data.

Contribute operational support in the retrieval of data assigned by the Working Group; contribute to the preparation of the draft Sustainability Report by proposing initiatives, activities and projects relevant to the reporting of non-financial activities.

To ensure a continuous comparison with the best public and private experiences in the field of sustainability and to support the dissemination of the values and culture of sustainability, starting from the goals set out in the United Nations 2030 Agenda, the Company has signed a multi-year agreement with ASviS (Italian Alliance for Sustainable Development).





## 2.4 An integrated system serving the country: territorial presence and markets served

{GRI 2.1; 2.6; 3.3}

The Group operates an integrated logistics system that covers all the main backbones of the country and has a high storage capacity that allows IP to supply the main airports and numerous Italian ports.

IP is present along the Adriatic coast with the following assets: the Falconara Marittima Refinery (API Raffineria di Ancona), the Barletta depot (owned) and the Pescara depot, where the company has a 30% stake. On the Tyrrhenian ridge, the Group operates through the Rome logistics hub (IP Industrial S.p.A.), which guarantees the supply of jet fuel to Fiumicino and Ciampino airports, the Savona coastal depot, the Trecate depot, and the Bitumtec site in Volpiano (TO), dedicated to the production of modified bitumens.

Thanks to deposits in Trecate, Nizza Monferrato, a 25% share in the Sarpom refinery in Trecate and a 40% share in Sigemi's logistics system, IP contributes significantly to the supply of the Po Valley and, more specifically, of Piemonte and Lombardia.

IP's logistics infrastructure is an advanced and integrated platform which, thanks to direct connections via pipeline with the Trecate Refinery (Malpensa) and IP Industrial's Rome site (Fiumicino), has become one of the largest suppliers of jets of the Milan and Rome airports.

To this, the production of marine fuel (bunker) from the Raffineria di Ancona must be added, supplying the fleets of the major companies operating passenger transport at the nearby port.

Below is the complete list of warehouses storing product owned by IP:

- **'social' (IP-owned) assets:**

Raffineria di Ancona (Falconara M.); IP Industrial (Roma); Depositi di S. Martino di Trecate, Savona, Barletta, IP Industrial Nord Ovest (Nizza Monferrato - AT); Molo Beverello (NA);

- **deposits of third-party holding companies:**

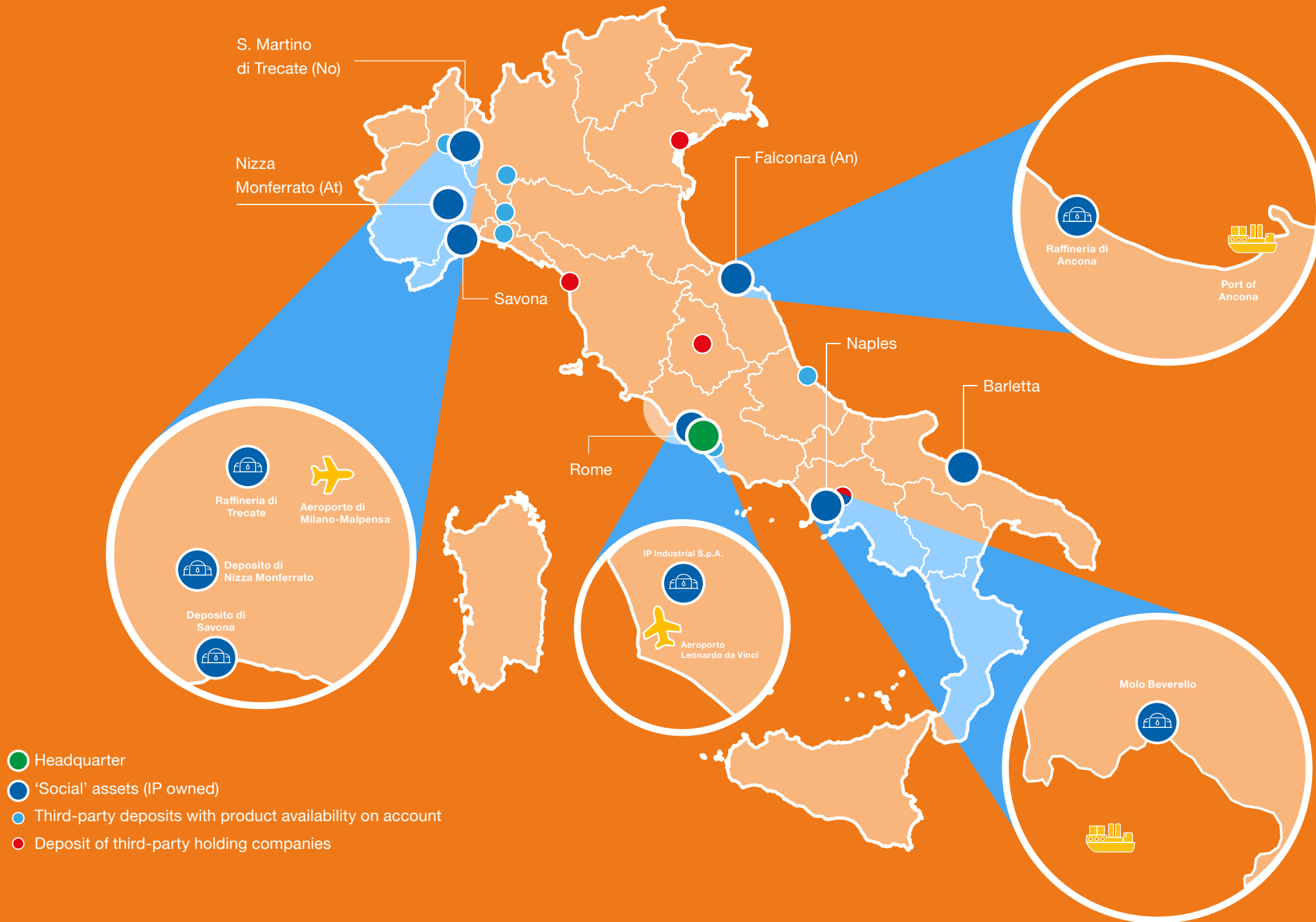
De.Co. Roma, Raffineria Sarpom, Sigemi (Arquata Scrivia - AL, Lacchiarella - MI, S. Quirico - GE), Abruzzo Costiero (PE);

- **Third-party deposits with product availability on account:**

Petroven (VE), Costieri D'Alesio (LI), Folignoli (PG), Saccla (NA).

The current description does not consider the assets to be acquired with the completion of the Esso Italiana acquisition, for which a binding agreement has been signed and which will be finalised in 2023 following the antitrust investigation. Acquisition includes:

- Esso's entire fuel sales activities in Italy;
- 75% of the SARPOM refinery in Trecate (province of Novara), of which IP already holds the rest of the shares;
- the ownership of the depots in Genoa, Arluno and Chivasso;
- that of Engycalor Energia Calore, which controls the bitumen depot in Naples and is involved in sales to business customers;
- 12.5% of the company Disma manages the air-fuel depot at Malpensa Airport.





IP's articulated logistical and industrial system supports the fuel distribution and sales activities of more than 4,500 IP-branded service stations distributed throughout Italy. It also allows IP to supply customers from the Extranet channel throughout Italy. In this channel, the volumes delivered are split 50-50 between the Northern and Central-Southern Area and mainly exploit proprietary bases, ensuring coverage on the Tyrrhenian and Adriatic sides. Extranet uses a sales structure consisting of direct sellers and local agencies to ensure the most effective proximity to retailers and end customers.

Representation of product marketing capacity 2022		
	Mton	Of which export
Network	3.576	
Extranet	2.556	0.015
Jet	0.850	
Specialties	0.667	
Bunker (bunker + marin diesel)	0.183	
Fuel Oil	0.489	0.480
<b>Total</b>	<b>8.321</b>	<b>0.495</b>

As an integrated mobility enabler, the areas of business in which IP operates are not limited to the fuels sector but also involve lubricants and bitumen, which represent the basic glue for asphalt production and thus the essential element in road construction.

Thanks to the Bitumtec centre of excellence and the processing account with the company Valli Zabban, IP is committed to putting bitumen into trade that will give rise to draining asphalts, which are useful for creating safer conditions for drivers and lengthening the life cycle of road surfaces.

The production and use of high-performance lubricants allow, especially in

combination with OPTIMO, better performance of engines and further contribute, albeit indirectly, to the overall reduction of emissions and waste. A well-lubricated engine consumes less and requires fewer oil changes.

The product catalogue also includes IP Geo-Ecoguard, a lubricating oil dedicated to powered cutting equipment and designed not to damage the balance of the ecosystem of the forest areas where it is used. Its balanced formulation based on vegetable oils, particularly resistant to low ambient temperatures, makes it more than 90% biodegradable.

Total sales reached 50,000 kg in the year 2022. The Group's total refining capacity is approximately 5.5 million tonnes and is composed of the entire capacity of the Raffineria di Ancona, the share of the capacity of the Sarpom Refinery in Trecate (Novara) and the contract for processing at the Alma Refinery (Ravenna). In addition, Falconara and Alma Ravenna specialise in the production of bitumen and fuels, while Trecate is mainly engaged in the production of fuels.

IP has a highly usable storage system (primary logistics) with a capacity of approximately 2.5 million cubic metres. The origin of crude oil and products purchased in total by the Group in 2022 for release for consumption or processing is as follows:

Crude oil area of origin		Products area	
Middle East	81%	Middle East	47%
North Africa	9%	Far East	18%
East.Europe and Caucasus	5%	Eastern Europe and Caucasus	18%
North America	2%	Europe	15%
Central Africa	2%	Northern Europe	2%
Europe	1%		

Concerning the supply of petroleum products, only suppliers of proven reliability and international trustworthiness have always been selected, reinforced by the requirement for certifications of origin proving the goodness of the supply chain.

IP's widespread logistics system enjoys high supply and distribution autonomy. Approximately 76% of the fuels released for consumption come from their bases. The extensive integrated logistics system allowed the design, the introduction and the development of innovative OPTIMO fuels. Product purchases from third-party bases represent solutions for further streamlining the system to balance and optimise distribution costs by reducing transport mileage.

The secondary logistics function operates in a context of a constant search for efficiency by pursuing the optimisation of transport from the primary bases to the Points of Sale through daily trip planning.

The objective is the minimisation of kilometres travelled through the maximization of the load allocated to the individual plant. In 2022, tanker trucks transported a total of 23.8 Mkm.

To ensure maximum safety on every journey, which also has a positive impact on compliance with the law, IP requires that the entire contracted fleet of vehicles be equipped with GPS.

In this regard, IP has joined the CCISS road safety platform, which has seen several agreements signed between stakeholders to monitor the transport of dangerous goods better and improve road safety and security.

## Our locations:

### **italiana petroli S.p.A. - IP Services s.r.l.**

Via Salaria, 1322  
00138 Roma (RM)  
tel: 06 - 84931

### **api Raffineria di Ancona**

Via Flaminia, 685  
60015 Falconara (AN)  
tel: 071 - 91671

### **IP Industrial S.p.A.**

Via di Malagrotta, 226  
00165 Roma (RM)  
tel: 06-655981

### **Bitumtec s.r.l.**

Via Amalfi, 4  
10088 Volpiano (TO)  
tel: 011-970401

The business of trading petroleum products on the international market is carried out by apioil UK Limited with its registered office in London (UK).

### **apioil UK Limited**

Kingsway House - 103 Kingsway  
WC2B 6QX London (United Kingdom)  
tel: 0044 (0) 207 405 2640



03

# Mobility

## 3.1 The distribution network: a strategic infrastructure for transition

{GRI 2-1; 3.3}

Enabling mobility has always been in the DNA of IP. Getting Italians to move is a core value because the word movement holds within it the precious meaning of freedom and emancipation.

The need today is to move in an increasingly sustainable way, using the best available technologies and making them accessible to all. A sustainable community is not a community that moves less, but one that moves better. With this objective, IP intends to lead the energy transition, particularly towards more sustainable mobility. The Group has the largest and most extensive distribution network in Italy: more than 4500 IP-branded points of sale represent a strategic infrastructure to facilitate the transition and on which the most innovative forms of energy and services can be grafted for the mobility of all Italians.

IP invests in its network with the awareness of meeting the needs of consumers who own conventional vehicles and, at the same time, enabling the diffusion of alternative forms of fuel that facilitate the transition to sustainable mobility. Every technology has a role to play in the transition: liquid fuels, which will power the majority of the fleet for many years to come and which must always be made cleaner and safer; electric recharging, which needs to be made fast and widespread to enable its use also outside urban centres; methane, hydrogen, up to new generation biofuels and synthetic fuels.

The path of innovation of its Network is developed along two-time dimensions: in the immediate term, with the introduction of OPTIMO, a Premium product sold at the same price as a traditional fuel, and in the medium term, working on the construction of new service stations equipped with natural gas, LNG, electric fast and ultrafast and all other technologies, such as hydrogen, that could be a concrete option for mobility.

To give substance to the development and innovation project on distribution to meet the needs of customers and to look at the reduction of indirect emissions, IP introduced the **IPlanet** function in November 2022. The new organisation will be responsible for shaping the distributor of the future, developing a format multi-energy to offer travellers opportunities and solutions that help reduce environmental impact without restricting freedom of movement. More than 4,500 petrol stations throughout Italy represent a strategic infrastructure in which to invest to address the transition to more sustainable mobility and to respond to the needs of Italians on the move.





more than

**700,000**

supplies per day



more than

**1,150,000**liters per Sales Point  
(av. annual disbursement)

about

**2,000**

non oil activities

**4,525**

Total Sales Points

**539**

installations with LPG

**62**

installations with methane

**36**Sales Points  
with electric charging**100% Regioni servite**

more than

**50,000**

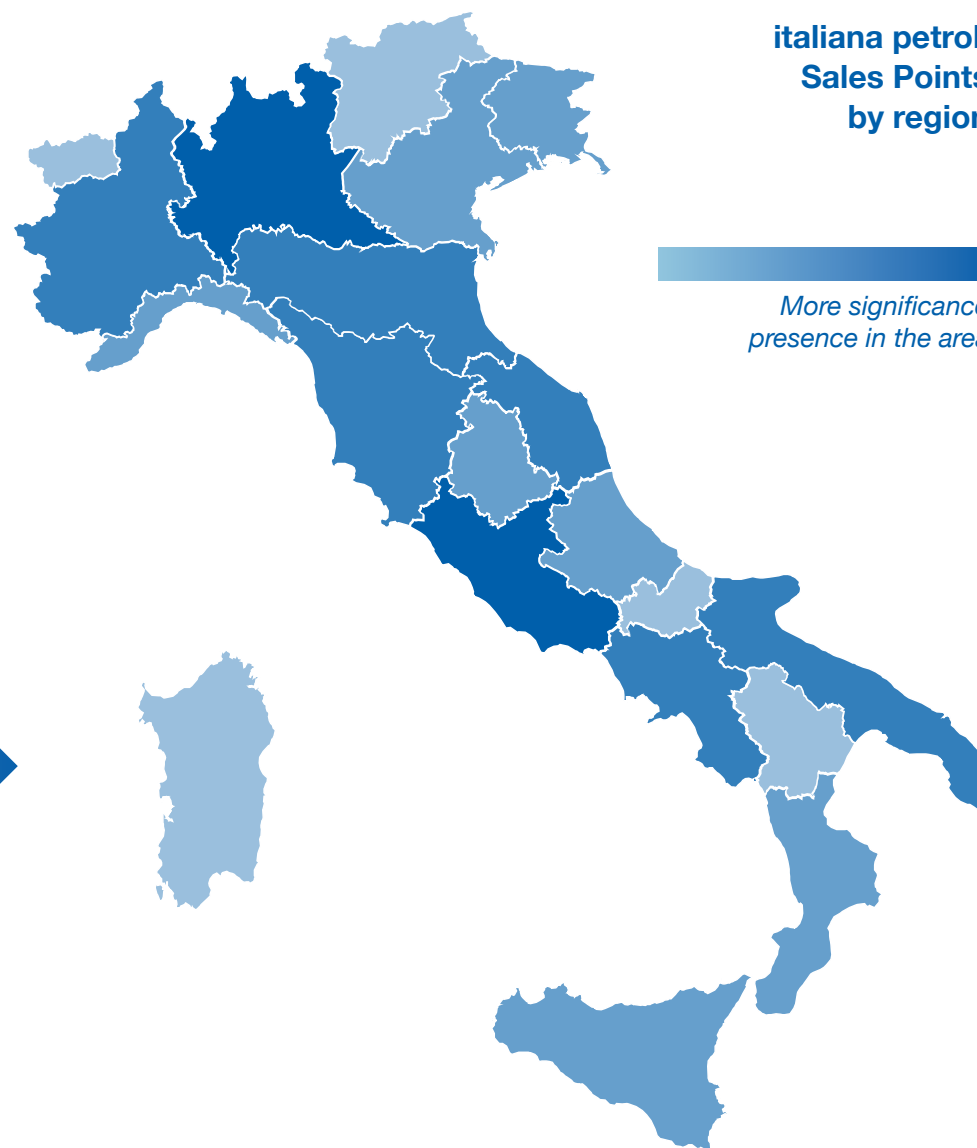
b2b fuel card clients



more than

**500,000**

oil papers







GRUPPO **api**

## 3.2 **OPTIMO** the IP revolution

In line with the Sustainable Development Goals (SDGs - Sustainable Development Goals) of the United Nations 2030 Agenda, IP has initiated a revolution by introducing the innovative OPTIMO product to its distribution network.

OPTIMO petrol and diesel are IP's innovative premium products that reduce CO<sub>2</sub> emissions and fuel consumption. They improve engine performance and are sold without a price premium over conventional fuels to give everyone access to a product with less environmental impact.

IP, with the launch of its product Premium, has embarked on an ambitious and innovative project for the industry. Thanks to OPTIMO, IP is working in the immediate future to make the approximately 40 million internal combustion vehicles in circulation in the country more sustainable while at the same time building an alternative energy supply for more sustainable mobility.

A paradigm shift that will enable the millions of motorists who refuel at the Group's service stations to reduce their consumption, CO<sub>2</sub> emissions and maintenance costs (given the same driving style and other vehicle conditions) by becoming protagonists of the energy transition with their cars right away. OPTIMO fuels also contain a special molecule that allows them to be identified and tracked for legality. OPTIMO petrol and diesel are innovative products, which IP makes available at no additional cost compared to traditional fuels without burdening the end consumer with the additional costs of the transition to more sustainable mobility.



**IL CARBURANTE PREMIUM AL PREZZO DEL NORMALE**

**OPTIMO**

**LA SCELTA È SOLO UNA.**

**OPTIMOIP.IT**

## 3.3 The benefits of OPTIMO



### QUALITY



**It keeps the engine clean,**  
thus reducing the maintenance  
costs



**Improves performance**  
of the engine

#### ENGINE CARE AND EFFICIENCY

OPTIMO removes combustion residue and lubricating oil from the engine (effect Clean-up) and keeps it clean (effect Keep-clean), protects the engine from corrosion and reduces friction between mechanical parts: more efficient combustion improves engine performance, also reducing maintenance costs.



### ENVIRONMENT



**Reduces consumption**  
and saves money at every  
refuelling.



**Contributes to the reduction**  
of CO<sub>2</sub> and environmental impact

#### ENVIRONMENTAL IMPROVEMENT

Reducing consumption implies reducing CO<sub>2</sub> emissions. The deployment of OPTIMO, in 97% of the IP service stations, has allowed, in the year 2022 alone, a reduction in atmospheric emissions of more than 300,000 tonnes of CO<sub>2</sub>, equivalent to reducing the total direct emissions of the Group's industrial activities by more than 50%. More details can be found on page 75, section 4.3.2, OPTIMO's performance on Category 11.



### LAWFULNESS



**Contains an anti-fraud tracer,**  
which guarantees the origin and  
quality of the product.

#### TRACEABILITY ANTI-COUNTERFEITING

OPTIMO contains a tracer, which makes it possible to certify the product's chain of origin. IP can verify and assure the quality and performance, specifications of its products. In this regard, 460 checks were carried out in 2022 alone. The tracer performs a real anti-counterfeiting function that enables IP to provide its v in combating the scourge of illegal fuel trafficking, which generates tax evasion and puts car engines at risk.

## 3.4 Electric

IP started the electrification of its dealer network a few years ago.

By the end of 2022, there will be 36 charging stations with 103 Charging Points. IP has introduced a dedicated team in its organisation, called IPlanet, in 2022 to accelerate the deployment of electric charging infrastructure on its distributors, flanking and complementing the traditional offer of oil products. The action plan envisages action firstly on service areas located on extra-urban road corridors that can facilitate travel by electric vehicles on medium and long distances. The use of these vehicles is, in fact, almost wholly restricted to urban travel. IP service stations have the structural characteristics to apply standards of modularity and flexibility in line with market developments.

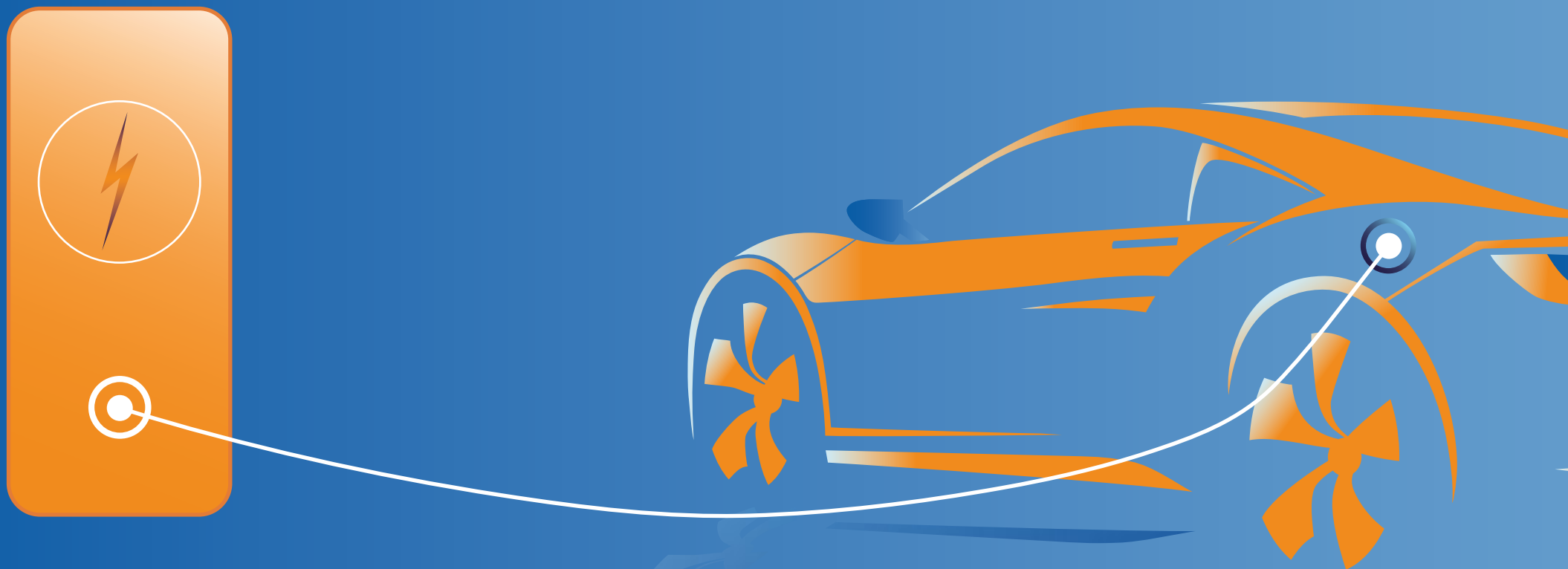
Hyperfast columns of up to 300 Kwh are to be installed in each format, allowing energy to be filled up in a short time, thus bringing the customer experience with an electric car closer to that of a traditional vehicle owner. Photovoltaic modules, integrated with innovative storage and Energy Management systems, will enable charging stations to utilise renewable energy fed into the microgrid, thus making electric mobility truly sustainable. In the year 2022, in line with the forecasts of the sustainable mobility facilitation project 'EV Station 2.0', supported by the European Commission, the project activities were finalised, and the authorisation activities started for the construction of the first five (5) charging stations, for a total of twenty-six (26) on-the-go charging points. These stations result from collaboration with Atlante Italia, a company of the NHOA Group (NHOA.PA, formerly Engie EPS). The union of intentions on the mobility of the future prompted the two companies to sign an agreement in June 2022, which provided for testing the first station microgrids on petrol stations. The latter, thanks to storage systems, photovoltaics and advanced Energy Management systems, will play a key role towards Italian energy independence. In addition to the five stations mentioned above, the start of planning activities and authorisation procedures for constructing 25 stations in 2023, totalling 150 charging points.

A further 15 charging stations are planned along the Italian motorway network, in line with the indications of the sub-concessions for the assignment of these areas to the Group.

A dedicated digital platform for the operation of these stations has been finalised and is being tested. The corresponding IP Charging App will be launched when the first IP-branded charging stations open.

In 2022, IP completed its commitments under the partnership, agreements initiated in previous years. In particular, within the framework of the agreement with Enel X for the 'E-VIA' project, the last two (2) Hyperfast recharging infrastructures planned at the Brescia and Agrate Brianza Points of Sale were opened. In addition, contracts were finalised for six (6) super-fast recharging points at the motorway service areas of Villarboit Sud and Montebaldo Est. They are expected to be opened for sale by the first quarter of 2023. In 2023, work will start constructing 40 stations, totalling 180 Charging Points.

## ELECTRICAL POINT-OF-SALE NETWORK



**36**

**Sales outlets  
with electric charging**  
as of 31 December 2022

**103**

**Recharge points**  
of which 28 ultrafast and 75 fast  
as of 31 December 2022

**180**

**New charging points  
by 2023**  
of which 150 ultrafast



## 3.5 Natural Gas

There are 62 IP-branded distributors equipped with natural gas refuelling: five (5) consist of new openings in 2022, resulting from the collaboration with Snam4mobility, which started in 2018. Ten (10) CNG filling stations will be built in 2023.

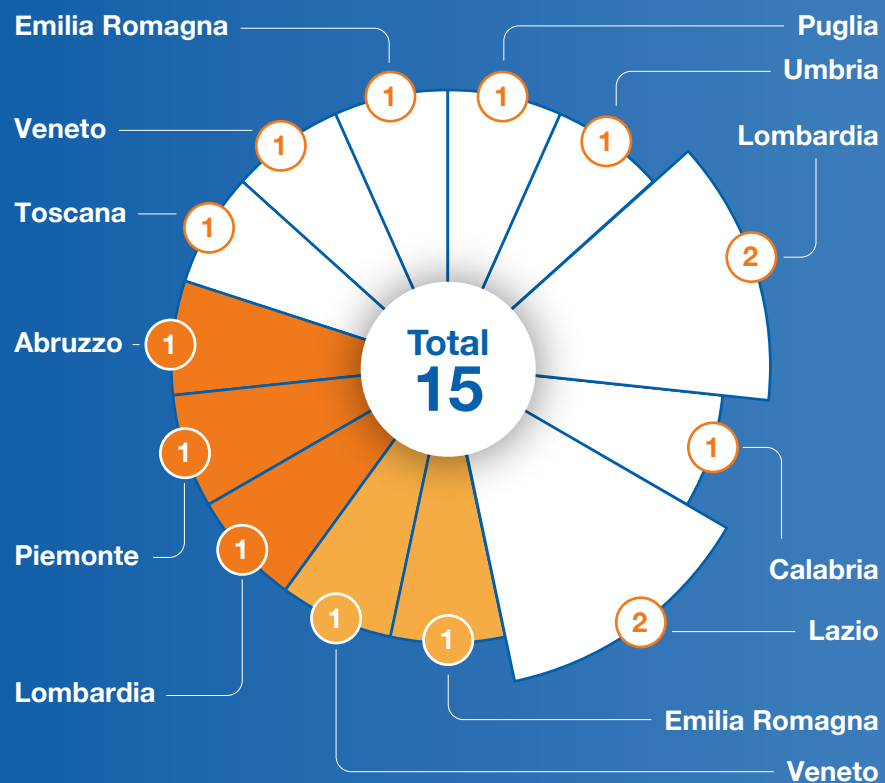
Also, part of the plan to promote increasingly sustainable mobility is the two (2) openings of LNG (liquefied natural gas) motorway service stations in Limenella Sud and Sillaro Est, which also supply compressed natural gas.

The use of LNG in heavy-duty transport results in reduced CO<sub>2</sub> emissions and clear benefits of reduced environmental impact in terms of nitrogen oxides and fine particles.



## METHANE SALES POINT NETWORK

- New LNG openings 2022
- New CNG openings 2022
- New CNG openings 2023



62

**Sales Outlets**  
natural gas totals  
*of which 5 new  
openings in 2022*

+

10

**New Sales Points**  
2023

## 3.6 Hub multi-services

IP looks at its distributors as a hub multiservice: an inclusive model of the retail, automotive and FMCG worlds. With around 2000 non-oil IP activities, it can enrich its offer to customers, combining new forms of energy with new mobility services.

In addition to existing collaborations, new partnerships with leading national and international companies were signed by IP in 2022.

The agreements fit into the following main areas: Food, Catering, cafeteria and Car Care.

Each opening of such a new business not only guarantees services to the customer, but also generates work in the territory.

### New openings in 2022:



#### In the food

In Genoa, Panini Durini's first 'made in Italy' catering concept was opened, offering, in addition to the bakery, breakfasts, small catering, office catering and convenience stores.



#### In catering

Thanks to the collaboration with Burger King, a restaurant was opened in Rome in Via del Tintoretto, and two new openings are planned (Brescia and Padua).



#### In the cafeteria area

A partnership has been signed between IP and Caffè Vergnano to enhance the value of the proprietary bars with an format innovative and appealing: the first opening is in Rome via della Magliana.



#### In the Car Care area

A Framework Agreement was signed with Acquarama, which provides for 30 openings over the next 4 years, of which 9 concentrated in 2023 for the direct operation of car wash stations. With Move UP, contracts were signed in 2022 for two outlets in Rome, while in Brescia, work has started on the operational opening of a car rental service by February 2023.







04

Respect

## 4.1 Cretingvalore economic, social and environmental value

{GRI 2.1; 2.6; 2.25; 2.29; 201-4}

For IP, the real challenge of sustainability is to create shared value for the company and all its stakeholders. This is how the value dimension takes on not only economic but also social and environmental connotations.

### 4.1.1 Ket economic indicators

On 10 March 2023, the Board of Directors approved IP's draft consolidated financial statements and this Report. Net sales for 2022 are EUR 9,168 million, EBITDA adj. is EUR 565 million, net profit EUR 234 million and net financial position EUR 90 million. The largely positive results should be read in the Italian and international energy context, which in 2022 conditioned energy prices and margins.

In June 2022, IP subscribed to a medium-term loan of EUR 360 million with a six-year term, 70 per cent of which is backed by a guarantee issued by SACE under the 'DL Sostegni bis' and the SACE regulation.

The loan agreement also provides for the provision of a revolving credit facility (RCF) for EUR 100 million.

The loan was organised and underwritten by a pool of leading financial institutions, comprising Banco BPM, Intesa Sanpaolo Divisione IMI Corporate & Investment Banking and UniCredit as Mandated Lead Arrangers and Lenders, and BPER Banca (through the C.&I.B. division), Banca Popolare di Sondrio, Banco di Sardegna and MPS Capital Services as Lenders. UniCredit and Intesa acted as Global Coordinator of the transaction, and UniCredit was also Agent.

The loan was disbursed in a lump sum, and the repayment plan provides a 12-month grace period and repayment in 20 regular quarterly instalments starting on 30 June 2023 and ending on 31 March 2028, the loan's maturity date.

As of 31 December 2022, all covenants are fulfilled.

### 4.1.2 The economic value generated and distributed

The gross economic value distributed in 2022, deductible from the approved financial statements prepared following IAS and IFRS, thus excluding VAT and excise duties, is EUR 8,822 million.

	2022 (milioni di euro)
<b>Economic Value Generated (A)</b>	<b>9,187</b>
<b>Economic Value Distributed (B)</b>	<b>8,822</b>
- of which raw materials and products	7,751
-of which operating, financial and other costs	1,071
<b>Economic Value Withheld (A-B)</b>	<b>365</b>

For a complete view and understanding of how the oil products are sold after being marketed, the significant tax component, collected and subsequently paid on behalf of the state, i.e. excise and national consumption taxes, must be added to the economic value generated.

In 2022 these components amount to EUR 3,017 million between excise duties and taxes to consumption.

Thereby, in total, it appears that, including excise duties, the Distributed Value is 12,204 (excluding VAT) million euro.

	2022 (milioni di euro)
Raw materials and products	7,751
Operating, financial and other costs	1,071
Excise and consumption taxes	3,017
<b>TOTAL distributed value</b>	<b>12,204</b>

Below is the segmentation of the value distributed for each group of stakeholders:

	2022
Operating costs	70.9%
Payments to the public administration	27.7%
Salaries and employee benefits	0.8%
Payments to the public administration	0.5%

In 2022, the contribution to support local areas and charitable organisations, which also operate in the Falcone area, is approximately €118,023.

A typical sector feature, which should be mentioned, concerns the application of VAT on the full sales price, including excise duties: the total value of the VAT balance for 2022 amounts to approximately 693.6 M€.

#### 4.1.3 The price at the pump

During 2022, the cost of a barrel of crude oil imported into Italy was strongly influenced by the international tensions generated by the Russian-Ukrainian conflict and increased compared to the previous year by more than USD 30 per barrel in international crude oil prices (Brent dated), even exceeding USD 100 per barrel.

Industrial prices for retail fuels were also affected by the difficult political-economic scenario, performing in line with international prices for refined products (Platt's) in the Eurozone.

In this international context, the so-called 'Italian cut off' weighted (petrol and diesel), i.e. the delta between average Italian prices compared to the average of the Eurozone countries net of all taxes, stood at almost -4 cents per litre in 2022.

The consumer price (at the pump) per 1,000 litres of fuel, which includes taxes, despite the cut in excise duty enacted by the government for the period from March to December, was also affected in 2022 by the high tax burden from which the difference in Italian prices compared to the Eurozone average derives almost entirely: for diesel fuel, taxes weigh 51%, for petrol 53%.

	PETROL		DIESEL FUEL	
Price at the Pump	1,811.2	100%	1,815.6	100%
- of which excise duty	541.0	30%	430.0	24%
- of which VAT	326.6	18%	327.4	18%
- of which industrial cost	943.6	52%	1058.2	58%

<sup>3</sup> Source RIP SRL article from the Staffetta Quotidiana entitled 'Stacchi Italia' of 26 December 2022.

<sup>4</sup> Source Ministry of Enterprise and Made in Italy.

#### 4.1.4 The value of the supply chain

Through a process of virtuous collaboration between all the 'actors' involved in purchasing activities, including suppliers who play a decisive role, IP is convinced that it is possible to initiate a systemic approach in which social, environmental and economic aspects are jointly considered in a principle of globality (intersectoral, international and intergenerational) and sustainability.

IP's organisation provides for centralising procurement activities for goods and services entrusted to the Procurement Department.

Exceptions to this are the procurement of crude oil and petroleum products, which the Planning manages, Logistics and Specialties Department. The definition of commercial agreements (e.g. agents and network agreements), which the Sales Department manages, and specific intellectual services related to the principle of 'intuitu personae'.

The IP procurement process aims to procure products and services that optimise the overall cost while ensuring quality, safety and environmental requirements. In compliance with these principles, to ensure the most significant competitive advantage, the procurement process is carried out with the involvement of qualified suppliers and the comparison of their technical and economical offers through the use of tools IT, aimed at ensuring the transparency and traceability of the entire process.

The process of purchasing goods and services can be summarised as follows:

- **identification of the best technical and commercial solutions:** the aim is to ensure maximum satisfaction of internal customer requirements while adopting solutions with the least impact on economic, environmental and safety aspects;
- **supplier selection:** the selection of suppliers and their inclusion in the supplier register is an ongoing process that takes place through an objective assessment of qualification aimed at verifying ethical, economic, financial, technical and managerial safety and environmental reliability, as well as the

ethical-social profile and attention to sustainability issues. For specific product categories, which are deemed critical, are also carried out by means of audits at the suppliers' premises. Particular attention is paid to anti-corruption efforts and policies to combat undeclared work. The qualification of suppliers is valid for a maximum of five years, but through the annual evaluation (the Vendor Rating), their level of performance is monitored, thus verifying compliance with IP targets and maintenance of qualification criteria;

- **priority to Italian suppliers:** the desire is to stimulate the national economy;
- **fidelity and respect for the company's code of ethics:** with the aim of creating a relationship of lasting trust and high satisfaction, purchasing choices follow clear and defined procedures in observance of transparency and equal treatment between competitors;
- **verification of compliance and congruence between goods and services purchased and expected performance:** purchases are made based on compliance with required technical characteristics and actual needs, in the pursuit of continuous efficiency and reduction of waste.

During the same year, 930 were qualified, 660 of them as renewals of expired qualifications and 270 as new ones. Withdrawal of qualification was determined for 1 supplier.

From 2023 onwards, the Group, through the Purchasing Department in cooperation with the Sustainability and Audit Function, will work to strengthen the link between sustainable development initiatives and corporate business strategies by measuring the improvement of performance, both its own and of suppliers, based on the implementation of sustainable development initiatives in the supply chain.

The Company is committed daily to promoting the improvement of the environmental performance of the supply chain and the adoption of solutions to enhance the sustainable profile of the products and services it provides, including the optimisation of energy consumption, the use of recycled or recovered materials, and the optimal management of waste generated.



In this regard, the on-boarding of suppliers and their periodic evaluation, together with the requirements of economic and financial soundness, IT security, privacy and compliance to current legislation, ESG aspects will be considered as well. Furthermore, through 2023, various supplier-listening and engagement initiatives will be developed.

**1,650**

Numbers of suppliers with a qualification in place

**930**

Number of qualifications in the year 2022

**95%**

of Italian suppliers

**9,000**

No. of purchase orders created in the year 2022

**215**

Order value (net of EE and methane) Mln€

**88%**

of the value of orders to Italian suppliers

**76%**

purchases relating to services

#### 4.1.5 Relations with local communities {GRI 3.3; 413.1; 413.2}

The Group's 90-year history is intertwined with that of the territory and communities in which it operates. IP also produces economic value for the local communities that host its assets and is convinced that real development can only exist if shared.

The Group is aware that it must face upcoming events and challenges with social responsibility to systemise with the local communities hosting its assets. Each year, IP promotes initiatives throughout the country targeting young people, academia and communities to encourage coexistence between industrial sites and the land in the conviction that work and protecting health, safety and the environment are concepts that should never be separated.



## Initiatives undertaken

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### **External Emergency Plan (EEP): POLLEX simulation**

In health, safety and environmental protection, the EEP of API Raffineria di Ancona was widely disseminated to the population of Falconara Marittima. In agreement with the Municipality of Falconara, the Site supported the production and printing of the informative brochure to be distributed to the population.

On 13 December, the POLLEX 2022 practice drill involved the API Refinery industrial site and the relevant bodies. The purpose of the simulation was to test the flow and fluidity of communications, the readiness of interventions, and the efficiency and effectiveness of the management of a practical emergency case, reproduced with the EEP guidelines for marine pollution emergencies.

The simulated event consisted of the partial fuel oil spillage while loading a ship at the refinery jetty. As this was a spill limited to a small quantity, initially classified with the lowest level of emergency (level of attention) due to the presence of sea currents towards the coast, the event moved into the early warning/alert range. The change in the type of emergency led to the involvement of the authorities and administrations in charge.

On this occasion, the activation of the COC by the Municipality of Falconara was tested.

To also verify the management of the medical emergency and, therefore, the intervention of 118, the presence of an injured person was simulated.

### **Odor.Net**

ARPAM and the Municipality of Falconara Marittima, with the full cooperation and active support of API Raffineria di Ancona, have implemented specific measures to monitor air pollution in the area, through a plan to control 'odour' emissions into the air that may affect the Falconara area. The project, presented in May 2019, allows any citizen to make reports, in real-time, through a simple APP (for smartphones and tablets) called 'Odor.Net ARPAMarche'.

The Refinery's direct contribution to the purchase and implementation of sampling devices in the area is inspired by the principle of transparency and cooperation between citizens, institutions and industrial sites.

### **Coming to the aid of flood-affected schools**

The flooded areas in the Marche region received support from API Raffineria di Ancona and the entire Group. In particular, the companies supported the school communities of Senigallia and Serra de' Conti, which were swept away by the devastating floods of 15 September 2022, by contributing to the construction of a chemistry lab and the purchase of games and educational tools, respectively. The societies also supported the 'Eroicamente insieme' concert, organised for 23 October at the Teatro delle Muse in Ancona, in memory of the lives broken by the destructive wave of water and mud. The hope is to contribute to an early return to normality, but above all, to a return to safe classrooms equipped to conduct teaching in the most advanced manner.

### **Refinery logistics centre of solidarity**

Solidarity has no boundaries: the company has joined the Francesca Rava Foundation and the Crocerossine d'Italia to support refugees and medical aid just hours after the Russian attacks on Ukrainian territory on 24 February.

In particular, a logistics and collection centre was set up at the refinery for medical supplies from

all over the country to be transported to the borders of Poland and then transferred to the front line. The most acute health emergency concerned the care of the wounded, particularly children, with the urgent need to provide kits of first aid, electrocoagulators, monitors for vital parameters, antibiotics, anticoagulants and thermal blankets.

### **Fundraising for research**

By funding the fight against disease, research can reach new heights of scientific progress to protect human health.

IP also supports the activities of the Lorenzo Farinelli Foundation, whose mission is to fight Non-Hodgkin's Lymphoma and support scientific research against blood cancers. In addition to supplying a nucleic acid extractor for the Bologna Hospital, the Foundation set up a research grant to the Haematology Clinic of the Ospedali Riuniti in Ancona. For the second year running, API Raffineria di Ancona supported, together with the Ospedali Riuniti Foundation and the Ancona Oncology Clinic, the activities of the Falconara Marittima Lega Navale society by joining the 'A Dragon for Life' project. An initiative aimed at women who have undergone breast surgery and aims to encourage participation in physical recovery activities to overcome the confines of the disease and the social distancing that can increase feelings of loneliness.

### **For a culture of sustainability**

Innovation and ecological transition play a significant role in a company that wants to combine its business to the fullest and care for its stakeholders. Testimony to this commitment is the direct support for the education and dissemination campaign on energy issues organised in the region by Confindustria. A focus with authoritative experts, including the CEO of API Raffineria, in four in-depth meetings on:

- the evolution of energy infrastructure,
- future scenarios and possible alternative solutions,
- the energy and gas market,
- electric and non-electric mobility, also with technological innovation.

### **For young people**

Still on the front of proximity to the communities and the needs of the territory and its youngsters, in 2022, the Company renewed its support for the 'apisport for kids' project, supporting various local sports associations that intend to promote sport and its educational function among the very young: Under 14 and Under 16 volleyball championships, summer Beach Volleyball courses, sailing courses and football school for children. Not only for sport and health but to encourage correct information through the use of reliable sources and to promote the reading of newspapers among the youngest, the company sponsored the 'Journalism Championships' project, held for the entire school year in middle schools in the province of Ancona.

World Energy Council (WEC)

## Membership

Association		Description
	World Energy Council (WEC)	An international forum bringing together industrial, institutional and academic stakeholders in the energy sector; it produces and disseminates the results of studies, reports and research in the energy field.
	FuelsEurope e Concawe	Divisions of the European Petroleum Refiners Association, whose members are the companies operating oil refineries in the European Union. In particular, Concawe researches environmental, health, and safety issues relevant to the oil industry.
	Unindustria	The Union of Industrialists and Enterprises of Rome, Frosinone, Rieti and Viterbo represents and protects enterprises producing goods and/or services with an industrial organisation; it promotes and encourages the development of entrepreneurial activities, also by seeking forms of cooperation with economic, political and social institutions and organisations.

#### 4.1.6 Serving customers {GRI 2.26}

The customer is the true protagonist of the world retail IP. Satisfying the needs and improving the purchasing experience of its customers at all contact occasions is one of the main objectives of the Group. It does so by continuously evolving the increasingly innovative and digital offer to make the relationship between company and customer ever more fluid.

After 2 years of the pandemic, the relationship between customers and brand has inevitably changed. Customers are more attentive, and trust seems to have become a founding element of the customer-company relationship. The touchpoints with which customers engage with companies have changed. IP considers it essential to be there for its customers at different times of their day, and to improve communication channels, not only to convey its offer but also to listen to their voice.

In 2022 IP was ranked first in Italy's Best Customer Service 2022- 2023, a survey conducted by the independent company Statista with the collaboration of Corriere della Sera, ahead of important competitors in the industry. The market research involved more than 15,000 consumers who expressed opinions on the services offered by 2800 competitors divided into 200 categories. Customer service was evaluated on the following topics and given scores from 1 to 5:

- Service availability (including staff availability and customer service availability)
- Customer orientation (including problem solving)
- Professional competence (quality and relevance of the information received)
- Quality of Communication
- Variety of solutions offered

IP offers a customer support service through dedicated toll-free numbers for the various requirements regarding products, services, billing, information requests and complaints concerning any aspect that may affect a petrol station. IP customer service operators answer more than 99% of calls, with the answer within

30 (understood as any stakeholder), who can contact the Group's External and Institutional Relations Function to request information or report issues concerning IP assets.

100% of the reports the External and Institutional Relations office receives are handled and resolved.





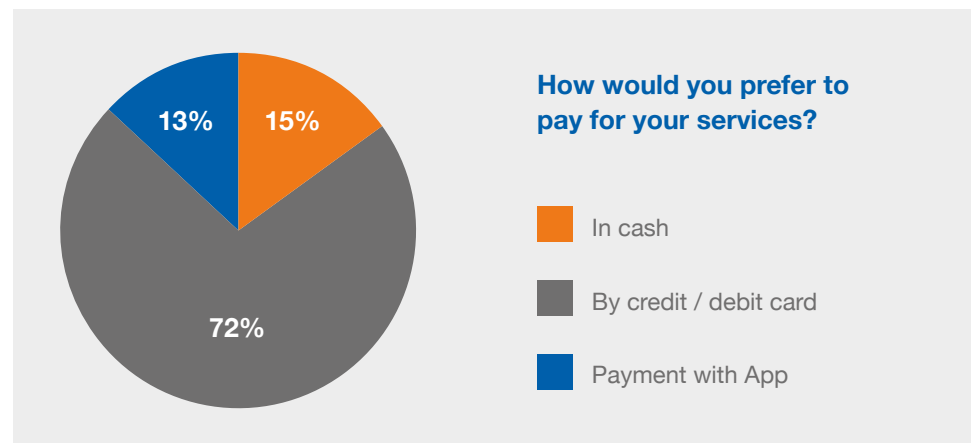
#### 4.1.7 **Stakeholder engagement: listening to customers** {GRI 2.29}

A structured process of listening to the stakeholder customers is the basis of an offer of products and services that meet consumers' needs.

In a market with products considered a commodity, IP faces the challenge of change. However, it distinguishes itself by introducing OPTIMO, an innovative and superior product for everyone at the same price as a traditional product. With this offer, IP starts a revolution in its distributors and makes a product with unique features available to its customers.

In 2022, there were two occasions to meet with IP network customers.

In May 2022, through the IP Box Plus APP, 1,680 customers were questioned about their preference for additional services on IP dispensers and the payment method. Eighty per cent (80%) of the sample confirmed the usefulness of the services offered, showing mainly interest in bill payment services, telephone top-ups, and parcel delivery and collection. The sample surveyed clearly expressed an interest in having the possibility to pay by card and ATM (72%) or via APP (13%). Only 15% expressed a willingness to make payments for services in cash.



In November 2022, on the other hand, the quiz game you know 'OPTIMO&WIN' initiative was launched, conveyed via QR Codes set up in IP Points of Sale. Customers were able to participate in a quiz game about IP's new product, OPTIMO.

With an 'educational' purpose, the game quiz allowed participating customers to receive promotional coupons to be used for online purchases on a multi-brand platform.

Three multiple-choice questions are devoted to the relative plus of OPTIMO:

- Special Fuel identity
- performance and advantages
- price

A final question is aimed at detecting the client's interests. Out of more than 3,000 participants, more than 98% of the customers showed that they knew the benefits of the new IP product.

### La APP Stazioni IP

IP Stations is the App with which IP customers can easily geolocalise the network of sales outlets and view the nearby Point of Sale offer. Depending on where you are, you can locate your nearest IP sales outlet and view all its offers. Within the app, it is also possible to register for the loyalty IP Box Plus programme and join the digital payment mode IP Pay.



### IP Box Plus

In 2022, the IP Box Più loyalty programme continued, enabling thousands of customers to accumulate Discounts and Points for Fuel Vouchers and Amazon Vouchers. The programme was animated by marketing actions aimed at offering Customers additional benefits, such as the 'Discounted Return' initiative, implemented during the periods of the most significant mobility of Italians (Easter holidays, summer weekends, Christmas holidays) through which Customers were able to accumulate more discounts, and through the conduct of Co-marketing with MagicLand, the largest Amusement Park in Central and Southern Italy, through which Customers had the opportunity to purchase online, exclusively, fixed-price and discounted admission tickets.



### 4.1.8 Payment Methods

Attention to the customer and his or her freedom of choice, also in payment, and simplification of the shopping experience are the elements characterising IP's strategy.

#### IP Pay

Through the IP Stations App, by joining the IP Box Più programme, it is possible to activate IP Pay, the Mobile Payment service that allows you to pay for fuel at enabled IP stations in a simple, fast and secure way.

To incentivise the use of the digital payment, an offer to award triple IP Box Più points with each refuelling was launched in 2022.

Thanks to this operation, this not only facilitated the acceleration of the collection of points and achievement of rewards but also a 42% increase in the number of customers using IP PAY payments.

In the same year, there is a trend of 25% growth over 2021 regarding IP distributors accepting the IP PAY payment method.

#### Digital payments

IP adopts the multi-acquiring model through agreements with major acquirers in Italy: NEXI, Intesa San Paolo, UniCredit, ICCREA and Poste Italiane.

The development of payment systems, the many partnerships signed, and the overhaul of point-of-sale management systems will facilitate the growth of transaction in the no-cash mode. At all directly operated Points of Sale, it is possible to refuel in pre-pay mode also with the PartnerApps: Telepass pay, Tinaba, Poste Pay, Unipol, and UniCredit.



## Card payments



## Mobile payments



Telepass Pay



Postepay



Unipol Sai



Apple Pay



Tinaba



#### 4.1.9 IP support for managers {GRI 413.1}

In October 2022, IP signed an agreement with the trade unions of fuel distributors to help operators meet the extra costs resulting from the increase in fuel bills.

The aim is to protect thousands of small businesses working on the IP-owned service areas to jointly tackle the increase in energy costs in the operation of fuel stations by recognising a contribution calculated based on the difference between the energy costs of 2021 and 2022.

The agreement also provides for the Managers to share specific commercial objectives in the wake of greater IP customer loyalty, which began with the renewal of the so-called 'colour agreement' in 2020, which redefined the relationship between the Group and the Managers in an innovative way.

IP was the first company in the sector to sign such an agreement, confirming the positive partnership between the most significant private Italian fuel company and its operators.





## 4.2 Integrity, anti-corruption and privacy

{GRI 205-1; 205-2; 205-3; 206-1}

### 4.2.1 Management and protection of corporate assets

During 2022, the Audit & Security Function, within which the Internal Audit, Security and Operational Inspections Units operate, continuously monitored the relevant corporate risk areas to protect corporate assets.

The year 2022 saw an increase in predatory attacks on external payment terminals - OPT (61 events in the year compared to 38 in 2021) with a increase in the risk index<sup>5</sup> from 3.8% in 2021 to 7.1% today.

The protection rate (thefts per 100 outlets) also deteriorated from 1.26 per cent in 2021 to 2.35 per cent in 2022.

The analysis of the figure referring to the IP perimeter remains positive when compared to the result for the fuel sector of the OSSIF (ABI's Research Centre on Anti-Crime Security), which for the year 2021, the only available reference, presents a risk index of 2.5%, down from 5.2% in 2020.

In 2022, work continued improving point-of-sale protection through video surveillance operations centres. For 2023, IP will continue this activity and implement protection equipment in an additional 50 sales outlets.

To counter the phenomenon of e-money cloning, a campaign to upgrade OPTs was launched in 2022, which includes the installation of an antiskimming device. The programme will run across the entire Group-owned network and will be completed by 2026.

In the area of pipeline protection (infrastructure enabling the transfer of product via pipeline), in line with the performance of the previous year, also 2022 recorded no attacks on IP infrastructure.

This result is particularly relevant when one considers that attacking oil pipelines can put public safety at risk, disrupt public services and have repercussions on environmental matrices (water and subsoil).

To continue with pipeline protection actions, IP continues to invest in upgrading technology to protect oil pipelines, in particular, by making technological upgrades to thermal imaging cameras and activating new developments for video analysis that enhance the effectiveness of the system.

The positive results achieved over the years resulted from the continuous improvement that IP researches and guarantees through technological and procedural interventions and through participative security, which sees the company engaged in close cooperation with the Police Forces.

It is also important to mention that IP, which has always contributed to OSSIF's analyses and strategies, is included in the Permanent Technical Committee on Crime predatory, to monitor criminal phenomenology and elaborate related counter strategies in continuity with what has been done so far.

Among the actions carried out by IP, it is essential to emphasise the audits and inspections performed by the Audit & Security Function through the Internal Audit and Operational Inspections Units to prevent commercial fraud and verify compliance with company procedures, regulations and contractual provisions.

<sup>5</sup> % ratio between no. of events and no. of sales points.



Inspections are governed by specific reference procedures (Procedure Audit Points of Sale and Procedure for the Management of Operational Inspections), which not only describe activities, but also provide a valuable reference for identifying risk areas and related mitigation actions.

In 2022, the following were performed:

- 326 point-of-sale inspections;
- 1,030 inspections during the transfer and unloading of fuel products on PVs, of which 410 were carried out remotely (via CCTV system) and 620 physically with personnel interventions on the ground.

The *Audit & Security Function* is also constantly engaged in auditing the quality of the OPTIMO product through audits targeted on points of sale and tankers. In 2022, a total of 460 field verifications were carried out through on-site sampling of the product to verify the presence of the 'marker'.

Please note that the Safety Data Sheets for chemicals and/or their mixtures for all the Group's products are public and can be found on the Company's website. Sheets are indispensable documents for hazard communication and the correct and safe handling of products throughout the supply chain. They contain specific information on health and environmental hazards and fulfil the criteria for classification according to the applicable EU legislation (Regulation (EC) No 1272/2008). It also includes relevant uses of the product, physico-chemical properties, toxicological information and measures to be taken for the effective protection of human health and the environment. Safety Data Sheets have become an integral part of Regulation (EC) No. 1907/2006 (REACH) concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals.

Regulation (EC) No 453/2010 provides guidance on how to complete the schedules. IP provides a dedicated mailbox, [sicurezza@gruppoapi.com](mailto:sicurezza@gruppoapi.com), to provide information on MSDSs to anyone interested.

The evidence gathered during the activities mentioned above represents the result of a 'continuous improvement' of the qualitative and quantitative protection of the company's assets. With this in mind, the **Audit & Security Department**, in collaboration with the Training Department and in continuity with previous years, organised training and information sessions in 2022 with the commercial areas of the Sales Department and the technical areas of the Network Maintenance and Investment Department, involving over 100 resources.

With the aim of transferring and acquiring knowledge, experience and stimuli for further research, they focused on the following macro-areas and topics:

- **Internal Audit:** First Level Audits on PV, audits on PV, verification areas, supporting tools and reporting;
- **Operational Inspections:** the means and systems of unloading used, unloading operations at points of sale, methods of carrying out inspections, accidental mixtures;
- **Security:** predatory events and attacker profiling, cash management, foreign exchange housekeeping, housekeeping PV, fraud on OPT.

#### 4.2.2 Business risks

IP conducts an annual audit programme concerning risk management and mitigation. This programme may be supplemented, as necessary, with activities to prevent and mitigate emerging risks. The programme is part of the internal control system, completing the monitoring of the areas considered most at risk with third-level checks. During 2022, 14 process audits were conducted, resulting in 138 recommendations and improvement plans.

The process of managing audit activities, governed by specific procedures (Procedure Management audit activities and Procedure Management of the register of controls and follow up), is developed in several stages including, for example, letter of initiation audit, meeting to present the activity with the owner of the process, sharing of main findings. The audit report, in a collaborative effort, is discussed with the owner of the audited activity before its finalisation and subsequent implementation of the remediation.

During 2022, the macro-areas covered by the audit activity were: Primary Logistics, Information Systems, Marketing and Commercial Network, Purchasing, Health and Safety, Human Resources.

The recommendations also concerned the 231 risk areas of relevance, mapped out in the Organisation, Management and Control Model and referring to the Company's main operational processes, such as, by way of example only, Qualification of Suppliers, Agreements and Transfer of Petroleum Products. These were complemented by monitoring activities in the area of both Covid-19 and Legislative Decree 231/01 and the tests of compliance ex-L. 262/05.

The audits conducted did not reveal any critical issues concerning compliance with internal environmental and socio-economic laws and regulations, nor any impact on the health and safety of the Group's customers.

In the same audits, no episodes of corruption, anti-competitive behaviour and violations of antitrust and monopolistic practice regulations, as well as





discriminatory behaviour, were found.

In this context, IP has issued a specific procedure, “Relations with the Public Administration”, to inform and raise awareness among employees and third parties associated with the company’s activities of “the responsibility and consequent sanctionability of companies for certain offences committed (or even attempted) by directors or employees in the interest or for the benefit of the company itself”.

The purpose of the procedure is to regulate the principles and procedures to be followed by the Company’s employees when dealing with representatives of the public administration, including during inspections under Legislative Decree no. 231/01.

The procedure applies to the employees of Italiana Petroli (wherever they operate and wherever they are located) and to third parties (e.g. temporary workers, consultants and other self-employed collaborators, as well as all persons who enter into contracts for work, services or supplies) who, in the course of their activities, come into direct contact with representatives and/or employees of the Public Administration. Before the meeting with the PA, interested personnel must send a specific e-mail to the dedicated mailbox, specifying the information regarding the meeting. The archive of all email exchanges between senders and recipients is made available to the SB, which receives a half-yearly report from the External Relations, Sustainability and Academy Department with the indicators of the reports.

In 2022, there were 136 communications mainly from the following Institutional Relations and Commercial Network Functions, identified as the main functions that may have Relations with the PA. Anti-corruption training was completed in December 2021, involving the entire company perimeter (1201 people) on a 60-minute course on Legislative Decree 231.

In 2022, starting in December and throughout 2023, a course on whistleblowing will be available through IP’s online platform.



The absence of significant fines and non-monetary penalties for non-compliance with environmental laws or regulations in 2022 is noted.

On 09/12/2022, as part of Whistleblowing, the Government approved the draft legislative decree implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law.

IP, already since July 2022, uses an active portal for reporting 'alleged' wrongdoing (Whistleblowing) developed by an external company.

The advanced software, hosted on the partner's systems, guarantees confidentiality and anonymity for whistleblowers; it meets the requirements set out in the standard such as, for instance, separating the whistleblower's identification data from the content of the report, handling reports transparently through a defined procedural process, or keeping the content of reports confidential throughout the entire report handling phase. For greater protection of the reporter, the management of the new reporting tool has been entrusted to the Supervisory Board.

The use of the new portal entailed updating the procedural body (Procedure 'Handling of Reports') and the design of a dedicated training course, the delivery of which started at the end of 2022 and will end by the first quarter of 2023.

In 2022, there were no reports of unlawful conduct (Whistleblowing) or violations of the Organisation, Management and Control Model and Code of Ethics.

Concerning the risks stemming from the parallel fuel market, IP considered it appropriate to make a concrete contribution to re-establishing fair competition among downstream operators, increasing the use and diffusion of digital forms of payment, improving and constantly monitoring the 'supply chain' of products and implementing, in cooperation with the Police Forces, concrete actions to monitor and combat criminal phenomena. In this sense, in continuity with what has been done in previous years and through the Audit & Security Function - Security Unit, it also ensures the acquisition, analysis and collation of information and data from the territory for close contact and sharing with the competent Authorities.

#### 4.2.3 The instruments for preventing anti-competitive behaviour and behaviour inherent in public and private corruption

To enable the Organisation to safely achieve its fundamental objectives while preserving the Company's good name and public confidence in its operational and managerial correctness, particularly concerning antitrust profiles, the function has put in place an antitrust compliance plan with the following objectives:

- Recognition of the value of competition in the code of ethics;
- Issuance of specific antitrust guidelines that are incorporated into the Organisation, Management and Control Model and form an integral and essential part thereof. These guidelines are accompanied by the relevant rules of conduct and system of sanctions;
- Information activities: all of the organisation's anti-corruption policies and procedures are communicated to all employees, including senior management, and are always available on the company intranet;
- Training activities (to be launched during the year 2023);
- Introduction of the Antitrust Compliance Officer from May 2022;
- Process monitoring and auditing activities;
- Channels for reporting violations (whistleblowing) in compliance with the Antitrust guidelines, overseen by the Antitrust Compliance Officer.

The Integrated Compliance, Antitrust and Privacy Function is, in fact, a tool that the company has made available to the people working in the Group, to guide behaviour and achieve compliance with corporate actions also concerning antitrust and anti-corruption issues.

The core of the function's activity is the assessment of non-compliance risks and the control of the existence of appropriate measures for the prevention and mitigation of risks - of a legal, financial and reputational nature - arising from the violation of laws and regulations, as well as internal company rules.

IP adopts several tools to avoid corrupt behaviour:

- New anti-corruption guidelines and rules of conduct set out in the MOGC General section;
- Recognition of the value of anti-corruption in the code of ethics;
- Relations with the public administration procedure;
- System of sanctions injected into the MOGC general part;
- *Whistleblowing* channel manned by the SB that ensures the possibility of reporting critical corruption-related conduct, also in anonymous form;
- Training on the topics started in 2022 and was planned for 2023.

#### 4.2.4 Internal Whistleblowing and Antitrust: a protocol of multiple utility

With a view to Integrated Compliance, IP intends to adopt an approach that moves from a holistic reading of the rules and indications of the Competition and Market Authorities (AGCM) and Privacy, thereby avoiding unnecessary procedural layers and duplicated instruments.

Responding with a traditional approach to the legislator's demands, packaged in different regulatory packages (Legislative Decree 231/01, GDPR, Antitrust regulations), and to the indications of the different Supervisory Authorities (Privacy and Antitrust) may imply hypertrophic rules and procedures. With a traditionally thought-out corporate organisational design, one effectively foregoes the conveniences offered by a combined legal and regulatory implementation reasoning.

The whistleblowing, as a tool to deter and prevent unlawful conduct (including antitrust) inspires the realisation of the IP 'multi-compliance' protocol project, in implementation of both Legislative Decree 231/2001 and the guidelines on antitrust compliance (issued by the Italian Antitrust Authority), as well as the indications found in various provisions of the Data Protection Authority.

The holistic reading of standards and guidance allows for the creation of multi-compliance protocols, with amplified usefulness and the elimination of duplication that burdens business organisation.

The design of the whistleblowing protocol from a multi-compliance perspective is an innovative synthesis opportunity to implement corporate legality, which IP has initiated and will conclude by 2023.

#### 4.2.5 Ethics and digital sustainability

Achieving digital sustainability requires a respectful treatment of stakeholders, considering them as persons and not as mere entities to be measured, profiled and analysed in all their decisions and interactions.

In line with this objective, all API Group companies pursue as an ethical value everyone's right to the protection of personal data. Such data must be processed fairly, for specified purposes, on the basis of a legitimate premise laid down by law (e.g. exercise of a right, legitimate interest) or with the consent of the person to whom the data belong (the data subject).

The right to the protection of personal data is a fundamental right of the individual under the Charter of Fundamental Rights of the European Union (Art. 8). Protected in particular by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and by the Code on the protection of personal data (Legislative Decree no. 196 of 30 June 2003), adapted to the provisions of Regulation (EU) 2016/679 by Legislative Decree no. 101 of 10 August 2018.

There are three basic elements in the protection of a company's information assets:

- **Confidentiality**, to be defined as such, must be guaranteed for the entire lifecycle of the information, including any phases of movement or transmission by IT means (mail, network, physical media).

- **Integrity**, i.e. the certainty that the information cannot be modified except by authorised persons.
- **Availability of data**, i.e. that authorised parties can have constant access to information when they need it. This means ensuring the efficiency in the operation of the systems hosting the data (Servers) and the means required to access them (Network, PDL).

Each Group company is aware that the definition of sustainability, taking into account ESG (Environmental, Social and Governance) factors, has evolved: the traditional vision, focused on environmental aspects, has become an all-encompassing one of the various goals of the 2030 Agenda, supporting the different dimensions of development, including the protection of personal data, through an appropriate and integrated organisational model.

It is essential for individual Group companies to make correct choices concerning the sources of data, the architecture of information, the 'explainability' of processes and results, and, more generally, the fundamental principles of the proper handling of personal data. Objective, pursued by all companies through careful organisational choices, in particular, by equipping themselves with an ad hoc organisational model, duly formalised, and through the appointment of a Data Protection Officer of the Group.

In this regard, we would like to point out the absence in 2022 of substantiated complaints received concerning breaches of customer privacy.

A computer attack like 'ransomware' has the potential to undermine the confidentiality, integrity and availability of data, forcing the owner of the information to pay a 'ransom' to regain possession of the data or to prevent it from being released to the public or tampered with.

When such an attack occurs, data is encrypted on the victim's systems, and the key to decrypt it is only provided against payment (almost always in electronic currency - bitcoin).







The countermeasure for this type of attack is to equip oneself with a backup ‘offline’ (thus not susceptible to corruption), to be restored if necessary.

In light of this, the attackers modified their strategy by adding an ‘exfiltration’ phase of the data (i.e. a complete but not massive copy, not to trigger alarms in the attacked system).

Once the attacker is in possession of a copy of the information, in addition to the ransom demand to regain possession of it, he adds the threat of making it public, thereby nullifying the validity of the back-up copy kept by the victim.

From the CLUSIT 2022 Report on ICT Security in Italy and the analyses carried out on the attack events cyber, it emerged that the main causes are identified in three main areas (sometimes also present simultaneously):

- Obsolete computer systems
- Updates and patches not consistently made
- Carelessness and lack of awareness on the part of users

Of these three elements, unfortunately, the human factor is the main cause for over 80 per cent of the cases of the occurrence of a cyber attack. This means that infrastructure protection alone cannot guarantee data protection.

The key element that needs to be focused on is raising awareness and educating people on the subject.

The combination of conscious behaviour and careful use of IT resources makes it possible to prevent most attacks.



## 4.3 The integrated management of health, safety, environment and quality

{GRI 2.25; 403-1; 403-2; 403-3; 403-6; 403-7; 403-4; 403-5; 403-8; 403-9; 403-10}

The creation of value also passes through the practical application of organisational models capable of governing and preventing risks: IP adopts a health, safety and environmental management system certified according to nationally and internationally recognised standards.

Personal health, safe operations and environmental protection are primary values in IP's corporate culture: safeguarding people's health, working to prevent all forms of accidents and injuries, both for its workers and for external personnel working at industrial sites, are a priority and permanent goals.

Using best management practices to prevent and minimise risks related to its activities is the basis for the Group's certifications. A maintenance programme completes the IP strategy.

All the Group's companies and industrial sites have obtained renewal or maintenance of ISO 45001 (Occupational Health and Safety Management System) certification, and for the asset industrial sites only, also that of ISO 14001 (Environmental Management System).

At the Refinery, the Integrated Management System was first certified in 2002 and has since evolved according to the principle of continuous improvement in parallel with the plant and organisational changes made. In September 2022, the audit related to the Road Bitumen Factory Production

Control System (UNI EN 12591/2009) was carried out and successfully concluded. Api Raffineria di Ancona was the first refinery in Italy to obtain the AIA (Integrated Environmental Authorisation), which was renewed in 2018, followed by a number of partial reviews. Bitumtec's plant also holds UNI EN 12591 certification for the bitumen production.

In the execution of the Group's activities, processes and procedures are of essential importance for the achievement and renewals of certifications, such as ISO 9001:2015 (Quality Management System). Italiana petroli obtained its first ISO 9001 certification in 2019, and in 2022 the renewal took place, in which the Process Owners actively participated and which contributed to highlighting to the Auditors the process improvements achieved over the years. ISO 9001 certification covers all Italiana Petroli S.p.A process, IP Industrial, Bitumtec and the Raffineria di Ancona laboratory.

All personnel working in Italy are subject to health surveillance. The Company verifies that the competent doctor is registered on the special list, prepared by the Ministry of Health, of doctors possessing the qualifications and requirements set out in Article 38 of Legislative Decree no. 81/2008. Health checks may also be requested by the individual worker. To guarantee systematicity, ease of access and timeliness of health investigations, both those that are scheduled and those that become necessary from time to time, they are carried out in-house, within the Company; in the event of specific organisational reasons

and for special investigation needs, recourse may be made to facilities of the National Health Service or to specialised bodies and institutes, as well as to the structure of the Competent Doctor. From the statistical reports under Article 35 Legislative Decree 81/08 there is no evidence in 2022 of final convictions in cases of occupational diseases. Just as there are no past judgments to that effect.

The following table shows the safety data for employees and personnel of external companies who worked at the industrial sites:

#### Security performance (internal staff) - 2022

Hours worked	1,552,916
No. accidents	3
Days of absence (excluding day of occurrence)	43
Number of accidents per million hours worked	1.93
Number of days of absence per thousand hours worked	0.03

#### Security performance (third-party companies at industrial sites) – 2022\*

Hours worked	680,349
No. accidents	2
Days of absence (excluding day of occurrence)	27
Number of accidents per million hours worked	2.94
Number of days of absence per thousand hours worked	0.04

\*The reporting boundary for injuries and hours worked by contractors includes the following companies: Api Raffineria, Italiana Petroli SpA, Bitumtec, IP Industrial.

From the performance data on safety in 2022, an improvement in the severity indices towards 2021 emerges. It should be noted that 1,054 employees (99%) of the Group work in companies with a Health and Safety Management System. The processes of their work are covered by a system that is both audited internally and certified by independent third parties.

Three accidents occurred in the Group to employees: one concerned an event at the Savona depot, and two others at the API Raffineria di Ancona site. Initially, an analysis was conducted to identify the causes. Subsequently, the appropriate corrective actions were defined and implemented, with consequent updating of training and information on the correct behaviour to be adopted. Injuries are ascribable to aspects of a behavioural nature.

In total, IP incurred HSE investment expenditure of about EUR 19.9 million in 2022, of which:

- 14.5 million related to industrial sites;
- Approximately EUR 5.4 million related to the network's sales outlets and headquarters (offices).

In addition to the continuous investment activity for the improvement of commercial and industrial sites, IP is also engaged in the remediation and environmental restoration of the network's points of sale. These activities result mainly from the removal of equipment due to the physiological life cycle, road changes and urban evolution.

Proceedings	Total
Number of active proceedings as at 31/12/2021	315
Number of open proceedings	9
Number of proceedings closed	32
Number of active proceedings as at 31/12/2021	292

The trend of reducing the number of network sites involved in environmental proceedings is confirmed. The company is constantly engaged in preventive and maintenance work to minimise possible contamination. IP has internal and external resources dedicated to the management of site remediation processes and committed to the continuous optimisation of the costs and timescales of remediation proceedings. Following the event of 24 February, which consisted of a diesel leak from a fuel oil line washing utilities at Unit 1850 (Thermal Cracking) and which affected the Refinery, an extraordinary verification of the SGS-PIR was ordered (Legislative Decree 105/2015). The Internal Emergency Plan (IEP) was immediately triggered when the event occurred. The leaked product, probably due to contact with the surrounding hotter external parts, started a fire, which the Site Emergency Response Team promptly extinguished in cooperation with the Ancona Fire Brigade.

In the six meetings organised (from June to October 2022) by the Working Group, including the Fire Brigade, INAIL, and ARPAM, policy, training for employees and contractors, procedures for operating production facilities and maintenance activities were reviewed.

A simulation of the EIP was also carried out in order to test internal coordination, external communications, the management capabilities of the EMS team, and the operation of the inherent alarm and lockout logics of the systems.



### 4.3.1 Environmental management: emissions

{GRI 305-1; 305-2; 305-4; 305-7}

The emissions of an organisation fall into two macro-groups:

- Direct emissions from the company's own sources or controlled by the company (Purpose 1);
- Indirect emissions resulting from the company's activities, but whose source or source is controlled by other companies (Purpose 2 and 3).

The methodological standards that define how to identify, calculate and report the climate gas emissions (direct and indirect) of an organisation are:

- **GHG Protocol** (WRI, 2011). *Standards and guidelines for greenhouse gas accounting and reporting by organisations (from the World Resource Institute, WBCSD). The GHG Protocol comprises two standards:*
  - GHG Protocol Corporate Accounting and Reporting Standard: Guide to the companies to quantify and report on their GHG emissions;
  - GHG Protocol Project Quantification Standard: a guide for quantifying GHG reductions from mitigation projects;
- **UNI ISO 14064 (UNI, 2019) Standard** for quantifying and reporting organisation-wide greenhouse gas emissions and their removal (of the International Standard Organisation). It belongs to the 14060 family of standards on GHGs.

Seven greenhouse gases are to be monitored: carbon dioxide CO<sub>2</sub>; methane CH<sub>4</sub>; nitrous oxide N<sub>2</sub>O; hydrofluorocarbons HFC<sub>s</sub>; perfluorocarbons PFC<sub>s</sub>; - sulphur hexafluoride SF<sub>6</sub>; nitrogen trifluoride NF<sub>3</sub> (listed since 2013).

The Group is directly involved in the management of greenhouse gas emissions at its industrial site API Raffineria di Ancona, which is subject to the 'Emission Trading' Directive 2018/410/EU.

The European Guidelines require the adoption of an adequate monitoring and reporting system of the emissions certified by accredited third parties.

The following table shows the total 2022 data of direct emissions to the atmosphere - expressed in tonnes per year - for the Group's industrial sites and offices.

2022	TON
Emissions of NOx (nitrogen oxides)	359.7
Emissions of SO2 (sulphur oxides)	258.2
Emissions of PST (total suspended particulate matter)	3.60
VOC emissions (non-methane volatile organic compounds)	154.2

*The emission limits under the AIA, renewed in 2018 and concerning only the Refinery in Ancona, are 1,000 tonnes per year for SO<sub>2</sub> and 470 tonnes per year for NO<sub>x</sub>.*

The Raffineria di Ancona (like all IP industrial sites) has a specific 14001-certified management system in which the following are defined:

- responsibilities for the fulfilment of obligations;
- the ways in which CO2 is used in programming activities;
- emissions optimisation;
- the minimisation of related risks.

In relation to the reduction of diffuse emissions, in October 2022, the Dedicated Services Conference approved the timetable, presented by API Raffineria di Ancona, for the installation of vapour recovery systems on bitumen tanks. The project started in 2022 has two steps of implementation: the first by August 2024, and the second will be completed by June 2025.

The Group's direct CO<sub>2</sub>eq emissions are 525,903 tons. Grid electricity purchases (Scope 2) emissions are 75,074 tons. It should be noted that from the total emissions, 20,897 tons were recovered in 2022 through sales at the API Raffineria di Ancona site.

Greenhouse gas emission intensity is calculated by relating direct (scope 1) and indirect (scope 2 and scope 3) emissions to the total tonnes sold by the Group.

Specifically, the result for direct emission intensity is 0.063209466 tonnes of CO<sub>2</sub>eq of product sold, the result for scope 2 is 0.011790761, and the result for scope 3 is 3.41957339.

IP considers it essential to adopt clear methodological standards that can guide the Company in identifying, calculating and reporting direct and indirect climate-altering gas emissions, with evidence of actions taken to mitigate them.

Based on this assumption, IP gives evidence of its Direct Emissions (scope 1), Indirect Emissions (scope 2 and scope 3) and, at the same time, of the commercial and industrial projects launched in the short term, as will be seen in the appropriate chapter with the qualitative assessment of the influence of OPTIMO fuel on the GHG emissions of the Italian fleet, as well as those planned for the medium and long term.



### 4.3.2 Indirect emissions {GRI 305-3}

On 20 February 2022, a contract was concluded between the company IP and the Institute of Science and Technology for Sustainable Energy and Mobility of the National Research Council (CNR-STEMS) on the estimation of indirect greenhouse gas emissions from API Group activities (Scope 3 GRI 305 Standards).

The agreement provides for the division of activities into three macro-phases:

- Definition of guidelines for calculating indirect greenhouse gas emissions from API Group activities (Scope 3 GRI 305 Standards);
- Estimated indirect greenhouse gas emissions from API Group activities (Scope 3 GRI 305 Standards);
- Qualitative assessment of the influence of OPTIMO fuel on the GHG (GreenHouse Gas) emissions of the Italian fleet.

In order to identify and quantify indirect sources of greenhouse gas emissions related to the Group's activities, CNR-STEMS used the guidelines of the Greenhouse Gas Protocol Corporate Value Chain Accounting and Reporting Standard.

GHG emissions are expressed in terms of CO<sub>2</sub>eq (CO<sub>2</sub> equivalent).

CO<sub>2</sub>, in fact, is the main greenhouse gas, and is taken as a reference for expressing concentrations of the other GHGs. In particular, each gas is characterised by a Global Warming Potential (GWP), which is a relative measure of the heat trapped in the atmosphere per unit mass, compared to the heat trapped by the same mass of CO<sub>2</sub>. To obtain the GHG emissions in CO<sub>2</sub>eq, the sum of the products between the emissions of each gas and the respective GWP, which is always related to a specific time interval, is performed.

Indirect GHG emissions (related to Scope 3) come from sources not owned or controlled by the organization started to include emissions produced in the entire value chain (Scope 3).

The companies, from an initial perimeter related to internal activities (Scope 1 and 2), have started to include emissions produced in the entire value chain (Scope 3).

For a company, the valuation of Indirect Emissions:

- provides for the identification of the categories to be included in this evaluation, chosen from those considered to be the most important;
- needs to delineate the boundaries of the organisation to classify emission sources as direct and indirect emissions (approach equity share or control);
- provides for the description of the value chain.

Two approaches are used to define the organisational boundaries of an organisation:

- **Control:** The organisation accounts for all quantified GHG emissions or removals from installations over which it has financial or operational control (financial or operational control);
- **Fair apportionment:** the organisation accounts for GHG emissions or removals from its installations in proportion to its equity share (ownership share).

The indirect GHG emissions estimated in Scope 3 include emission sources from activities upstream (upstream) or downstream (downstream) of the organisation's controlled activities.

In general, upstream activities are the activities and services purchased and/or performed by an organisation before the achievement of the product to be sold.

Downstream activities, on the other hand, concern the products and services sold by the organisation.

Fifteen categories are identified as follows divided between upstream and downstream activities:

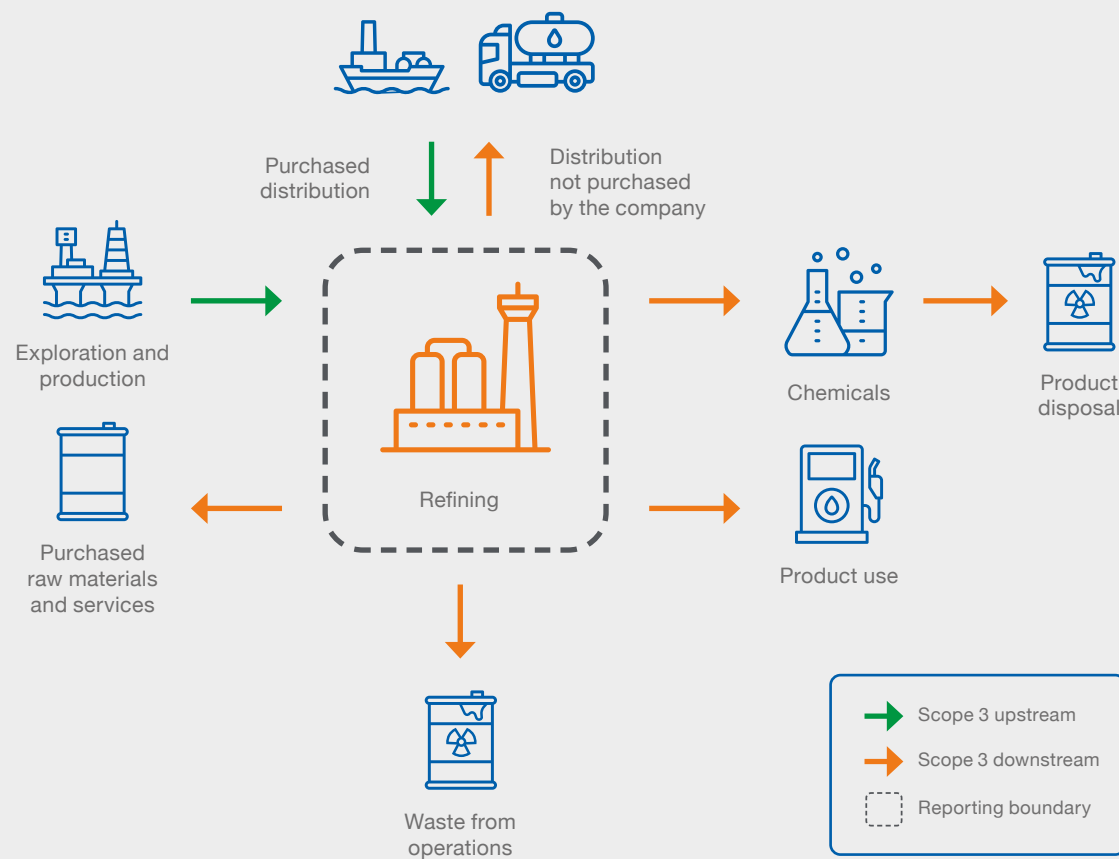
### Upstream Categories

- Goods and services purchased
- Capital goods
- Fuel and energy-related activities (not included in Aim 1 and Aim 2)
- Upstream transport and distribution
- Waste generated by activities
- Business trips
- Home-work commute of employees
- Leased assets upstream

### Downstream categories

- Transport and downstream distribution
- Processing of products sold
- Use of products sold
- End-of-cycle treatment of products sold
- Downstream Leased Assets
- Franchising
- Investment

Below is a simplified picture of the categories to be included in the calculation of indirect emissions for a refinery.



IP is an operator that manages the entire ‘downstream’ oil cycle, from crude oil procurement, refining, storage, and logistics to distribution and sales.

For each category, a general description of the category, the methodology for estimating the GHG emissions related to the activities of the category, and the application of the estimate to the IP case in the year 2022 have been provided.

The total value is 28,450,851 tCO<sub>2</sub>eq and corresponds to the sum of the estimated contributions for each category, taking the average value for the categories characterised by more emission values.

All estimated indirect GHG emissions for each Category, relevant to the activities of the Group, are summarised in the table below and refer to the year 2022.

Category	Description emissions	GHG, t CO <sub>2</sub> eq
Category 1	Goods and services purchased	4,415,439
Category 3	Energy and fuels	38,669
Category 4	Upstream transport and distribution	155,196
Category 5	Waste disposal	2,372
Category 7	Home-work commute of employees	1,290
Category 8	Leased assets upstream	1,322
Category 9	Transport and downstream distribution	29,648
Category 10	Processing of products sold	442,099
Category 11	Use of products sold	23,065,663
Category 12	End-of-life of products sold	299,153
<b>TOTAL</b>		<b>28,450,851</b>



In the year 2021, indirect emissions amounted to 24,718,104 tCO<sub>2</sub> eq. The increase in indirect emissions from the year 2022 to the year 2021 is mainly due to the increase in sales (category 11) and, thus, in goods or products purchased (category 1).

Categories with the highest indirect greenhouse gas emissions contribution correspond to Category 11 and Category 1. These two categories account for more than 96% of the total estimated indirect GHG emissions for 2022. Processing and end-of-life of products sold account for about 3.0% of total emissions.

All other categories dealt with in the estimation of indirect emissions contribute about 1% and, in some cases, completely negligible in percentage terms.

### 4.3.3 OPTIMO's performance in Category 11 {GRI 305-5}

The petrol-powered vehicle showed a fuel consumption reduction of over 2% over the entire cycle. The Laboratory for Vehicle Emission Testing of the Institute of Science and Technology for Energy and Sustainable Mobility - CNR conducted an experimental activity to evaluate the benefits of OPTIMO on the pollutant emissions and consumption of three types of vehicles.

The experimental tests covered:

- a Euro 4 petrol-powered passenger car (Lancia Y)
- a Euro 4 diesel passenger car (Opel Corsa)
- a Euro 4 diesel light commercial vehicle (Fiat Ducato)

The selected vehicles, which meet the Euro 4 standard, are considered sufficiently representative of the Italian car fleet in circulation.

Although the vehicles are Euro 4 homologated, and therefore with emission standards assessed on the NEDC cycle (New European Driving Cycle), the tests were conducted on the dynamometer on the new WLTC (World Harmonised Light Vehicle Test Cycle) valid for Euro 6 vehicles under Regulation (EU) 2017/1151, as it is considered more realistic than the previous homologation cycles. The study was conducted using the WLTC cycle because it is considered to be more dynamic. In fact, the cycle is more comparable to real driving in urban, suburban and motorway environments. The emissions and consumption of each vehicle were characterised with both a base fuel and OPTIMO fuel.

The results refer to cold and warm engine starting conditions (COLD and WARM), to the four phases of the driving cycle, characterised by increasing average speeds (low, medium, high, extra-high), and to the overall cycle. Using OPTIMO reduced CO<sub>2</sub> emissions for all vehicle classes and test conditions tested.

The most significant reduction is seen for the two diesel vehicles (>7%) that benefited most from the cleaning of the fuel injection system the petrol-powered

vehicle showed a fuel consumption reduction of over 2% over the entire cycle.

Starting from the experimental results, the estimated benefits of OPTIMO were obtained by applying the fuel consumption reductions, measured in the tests, to the average fleet of vehicles circulating in Italy.

The first step in the calculation methodology is to assess the average consumption and CO<sub>2</sub> emissions of the Italian vehicle fleet. This assessment constitutes the reference condition for the emissions of the circulating fleet powered by commercial fuels. The next calculation step involves estimating the emissions of the same fleet concerning the use of OPTIMO fuel.

IP is evaluating further tests to be launched in 2023 to improve the representation of the car fleet and refine the estimation of the benefits of OPTIMO. Taking into account the results of the tests carried out on Euro 4 vehicles, which are particularly representative of the Italian fleet in circulation, and based on the estimated consumption of the fleet in circulation using reference fuels, it was possible to estimate the consumption and CO<sub>2</sub> emissions of the same fleet using OPTIMO. Three different uses were studied for both vehicle categories: urban, extra-urban and motorway.

The estimate was made by applying the consumption reductions measured experimentally with OPTIMO to the consumption estimated with the base fuel of reference.

Ultimately, the Group was also able to estimate the reduction in emissions resulting from using the OPTIMO product, confirming a reduction in the environmental impact of over 2%, equivalent to over 300,000 tonnes of CO<sub>2</sub> eq avoided.

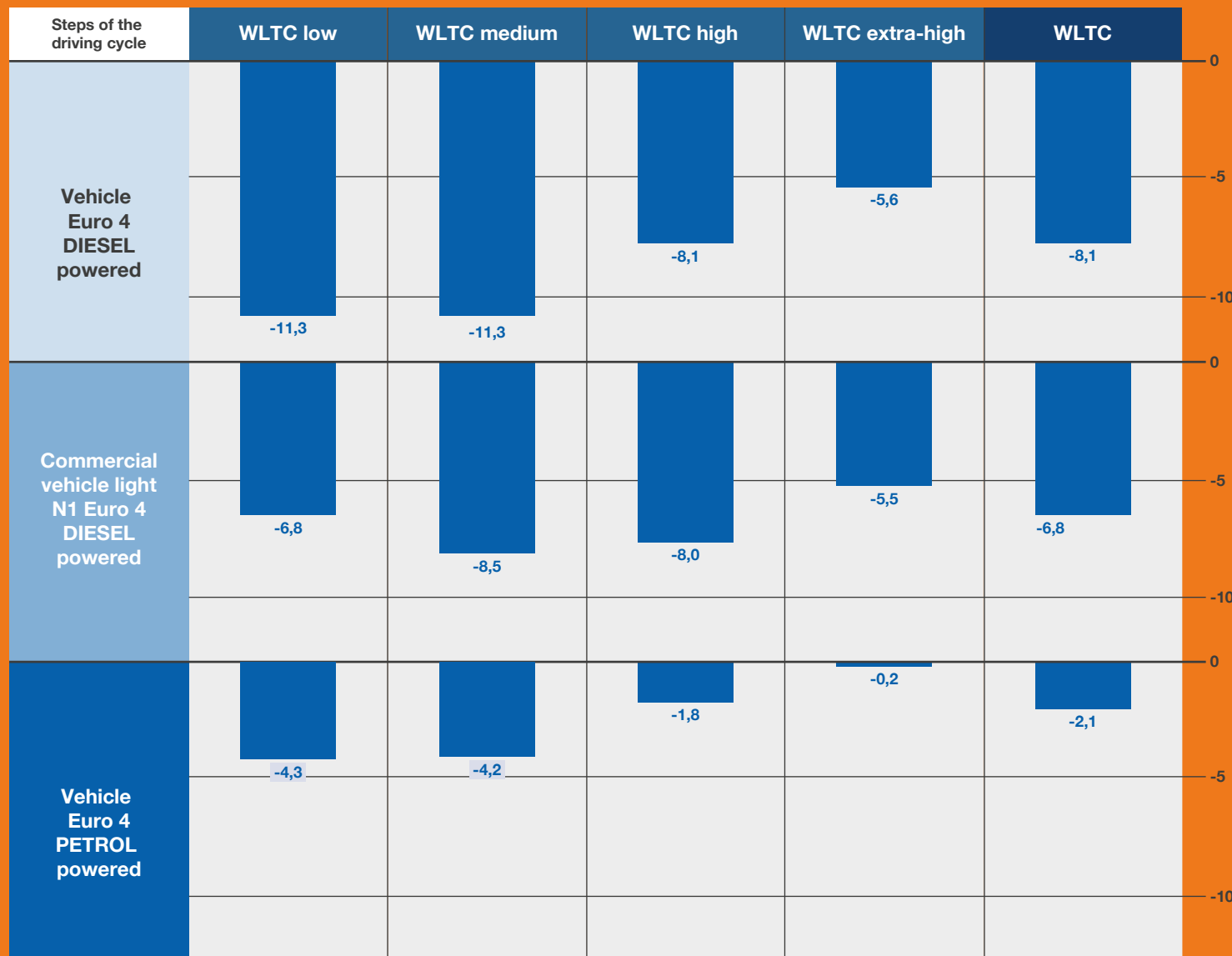
The amount of CO<sub>2</sub> avoided corresponds to a reduction in the Group's direct emissions of more than 55%.



# OPTIMO: CO<sub>2</sub> emission reduction

WLTC: World Harmonised Light Vehicle Test Cycle

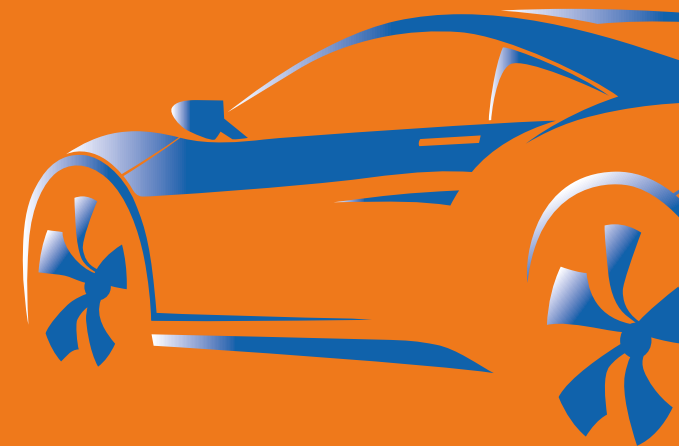
dati in %



The graphs represent the reduction of CO<sub>2</sub> emissions in percentage terms of OPTIMO additive products compared to standard diesel or petrol products



The data are statistically significant at 95% confidence level



#### 4.3.4 Energy Consumption and Renewable Energy {GRI 302-1; 302-3; 305-7}

The Group's energy consumption amounts to 243,436 TOE (tonnes of oil equivalent), corresponding to 10,193 TJoules. It follows that the energy intensity calculated by relating the energy consumption expressed in GJoules to the total tonnes of products sold by the company is 1.22251.

Details by source are given in the table:

Carrier	TJoule	Consumption (TEP)
Energia elettrica	1,866	44,568
Gas naturale	1,613	38,516
Gasolio	10	235
Fuel gas (autoprodotta)	6,586	157,296
Olio combustibile	118	2,822
<b>Totale consumo energetico</b>	<b>10,193</b>	<b>243,436</b>

IP, through the company CER campana *energie rinnovabili s.r.l.*, owns a wind power plant in the countryside of Castelfranco in Miscano, in the province of Benevento.

The park consists of 50 wind turbines with a unit power of 600 kW for 30 MW of installed power.

The plant produces an average of 35,000 MWh per year, covering the average needs of about 12,000 households. A proposal for a comprehensive ('repowering')

modernization of the wind farm is under development, with the replacement and reduction of the current wind turbines with the installation of only five wind turbines.

It is recalled that the National Integrated Energy and Climate Plan (NIEC) specified the targets on energy from renewable sources to 2030, targets by which Italy committed to increasing the share of renewables in all final consumption to 30% by 2030 and, in particular, to cover 55% of electricity consumption with renewable sources.

The targets set by the PNIEC, broken down by source, envisage for wind energy the need to install an additional 10 GW of power by 2030, with an annual increase of 1 GW starting in 2021.

The Modernisation Project is consistent with the objectives set out in the PNIEC in that it increases production by upgrading an existing plant by installing more modern wind turbines.

The growth in energy production also entails with the same proportion of CO<sub>2</sub> equivalent production abatement. A modernisation proposal is underway the CO<sub>2</sub> potentially saved, reference is made to the information contained in the ISPRA document 343/2021 'Efficiency and decarbonisation indicators of the national energy system and the electricity sector', correlating the estimate with the total CO<sub>2</sub> emission factor from gross thermoelectric production (454.6 gCO<sub>2</sub>/ kWh).

What results is that the construction and operation of the project in the project will not emit 30.96 ktCO<sub>2</sub>/year that a plant fuelled by conventional fuels would have emitted for the same electricity production.

Furthermore, compared to the current wind farm, whose annual energy production amounts to approximately 23,000 MWh with a potential CO<sub>2</sub> saving of approximately 10.45 ktCO<sub>2</sub>/year, the repowering project would guarantee

approximately three times as much electricity production and a proportional reduction in the number of turbines on site from 50 to 5. Briefly:

	Existing Wind Plant	Modernization project
<b>No. of wind turbines</b>	50	5
<b>Annual productivity of the plant [MW/year]</b>	23,000	68,100
<b>CO2 equivalent emissions avoided in one year [ktCO2/year]</b>	10.45	30.96

IP also has a group of photovoltaic plants, owned and jointly owned, distributed throughout the country with an installed capacity of more than 4 MW.

A plant with an installed capacity of approximately 96.7 kW is located on the warehouse roof adjacent to the Group's headquarters in Rome. Nel territorio di Corridonia (MC), invece, è presente un impianto a terra con potenza di 676 kW.

Tra gli impianti in compartecipazione si citano, anche, 11 distributori carburante con pensilina a copertura di impianti fotovoltaici per un totale di 134 kW.





#### 4.3.5 Research, Innovation and Industrial Development to address the Transition change {GRI 3.3}

Extreme weather phenomena are occurring with increasing violence, frequency and unpredictability. While working to mitigate climate change, it is necessary to increase society's capacity, including companies, to adapt to change by increasing their resilience.

The energy transition and, more specifically, the transition to a more sustainable is ongoing. It will accelerate in the coming years. Transition is a challenge that involves everyone and requires new knowledge.

IP knows that to make sustainability, you must invest in research and development, create links with the territory, where the company operates, and be ahead of technological and scientific trajectories.

The company considers it essential to create a positive relationship with local communities and invest in the territory by collaborating and building valuable projects for the community.

For the entire IP ecosystem, sustainability takes on a threefold significance:

- **industrial:** preserving an industrial supply chain in Italy, safe and the use of the best techniques and new technologies;
- **environmental:** accelerating the replacement of traditional fuels with higher quality fuels and enabling the spread of alternative fuels, such as biofuel and e-fuel;
- **economic:** making available to all superior mobility products;

Industry can lead the transition and stimulate the pursuit of a change through the adoption of a holistic approach.

The profound transformation that IP aims to implement in the energy field, playing its central role as an enabler and transformer of mobility from conventional as well as



sustainable, it is supported by the scientific world to combine industrial choice, research and technological innovation.

As of 2021, IP has incorporated an area of Research & Industrial Development into its corporate organisation, through which it will undertake the energy transition of its product portfolio from fuels to specialities.

The company is making an energy transition by moving on two-time frames, short to medium-term and long-term.

In the short to medium term, in addition to the existing car stock with OPTIMO, IP has already incorporated bio-based and non-fossil feedstocks into its diesel production chain (co-processing) and is conducting studies to produce advanced biofuels such as HVO (*Hydrogenated Vegetable Oil*) and SAF (*Sustainable Aviation Fuel*) within its own infrastructure.

In the long term, IP works on two fronts:

- promoting and structuring scientific collaborations to research and innovate in new carbon-neutral alternative fuel production technologies, while providing a solid foundation for its strategic planning;
- the development, within the framework of the scientific partnerships already in place, of initiatives and projects of industrial prospective, focused on research and innovation and framed within programmes of national (PNRR) and continental significance (Horizon Europe).

IP is working in Naples with the Institute of Science and Technology for Energy and Sustainable Mobility (STEMS) of the CNR; in Turin, with the Politecnico, the IIT (Italian Institute of Technology - Centre for Sustainable Future Technologies) and Envipark (Science and Technology Park for the Environment) on new energies for mobility of the future and for the industry.

The collaborations are part of the research and innovation path for sustainability that IP started in recent years, and that led to the introduction of the new Research &

Industrial Development function, dedicated to assessing and proposing industrial initiatives in the field of sustainability and transition.

Within the framework of scientific collaborations, IP signed an agreement with the Politecnico di Torino for the co-financing at 50% of a PhD scholarship for innovative research in the field of technology with PNRR funds (Mission 4C2 - Investment 3.3) to be developed at the University with periods of work in foreign research facilities and internship at its own organisation.

The focus of the research is developing a new technology for producing synthetic fuels from CO<sub>2</sub> recovery using sustainable hydrogen.

Through partnerships from the worlds of science, research and academia, IP intends to equip itself with additional tools, such as scientific boards, to ensure a sound basis for its strategic planning of transition to the choice of future technological solutions.

These agreements will allow IP to design the evolutions of the coming years, rooting industrial choices on a deep analysis of technological development in the energy world.

In particular, the four-year collaboration framework agreement with the National Research Council (CNR) is aimed at joint research, innovation and dissemination activities on the topics of air quality, the environmental impact of public and private mobility, improving the performance of transport vehicle engines and fuel quality. As seen in the previous chapter, the first strand of cooperation, implemented with the partner authoritative STEMS of the CNR, concerns precisely the engine performance of the new Premium OPTIMO fuel and its lower impact compared to base fuels in terms of fuel consumption and CO<sub>2</sub>.

In Ancona, with the Marche Polytechnic University, the collaboration focuses on three macro-areas: **training, sustainability issues**, in particular stakeholder engagement processes, and **customer**.

## Pilot cities

### TORINO



**THEMES:** new energies for mobility

**PARTNER:** Politecnico, IIT, Envipark

In **Turin**, in synergy with the three institutions (ENVIPARK, POLITO and IIT) IP initiated a cooperation agreement on the themes of: Biofuels, Aviation and Maritime Fuels, Hydrogen and CO<sub>2</sub> (reduction, storage and usage). The infrastructure and knowledge of the actors will operate in an integrated manner: the research competences of POLITO and IIT will be complemented by the innovation support function provided by Envipark.

IP will be able to plan for the transition by seizing its opportunities; identify technologies capable of intervening in the sustainability of existing mobility stocks (as it is already doing today with OPTIMO) and work prospectively on the development of emerging trends.

### ANCONA



**THEMES:** Sustainability, customer

**PARTNER:** UNIVPM

In **Ancona**, with the Università Politecnica delle Marche (UNIVPM) IP has initiated a collaborative relationship outlining four areas of partnership.

### NAPLES



**THEMES:** Motors and Emissions

**PARTNER:** CNR (STEMS motor institute)

In **Naples**, IP collaborates with the CNR on research and innovation technological activities on three themes: sustainable mobility, air quality and fuel quality. As addressed in the 'mobility' chapter, the collaboration started in February 2020, and the first result concerns the tests conducted by STEMS - CNR on the performance of OPTIMO.

As part of a concrete path of change related to the issues of sustainability and energy transition, STEMS defines guidelines for the calculation of indirect greenhouse gas (GHG) emissions resulting from the Group's activities and their estimation, while assessing OPTIMO's qualitative influence on its customers' GHG emissions.

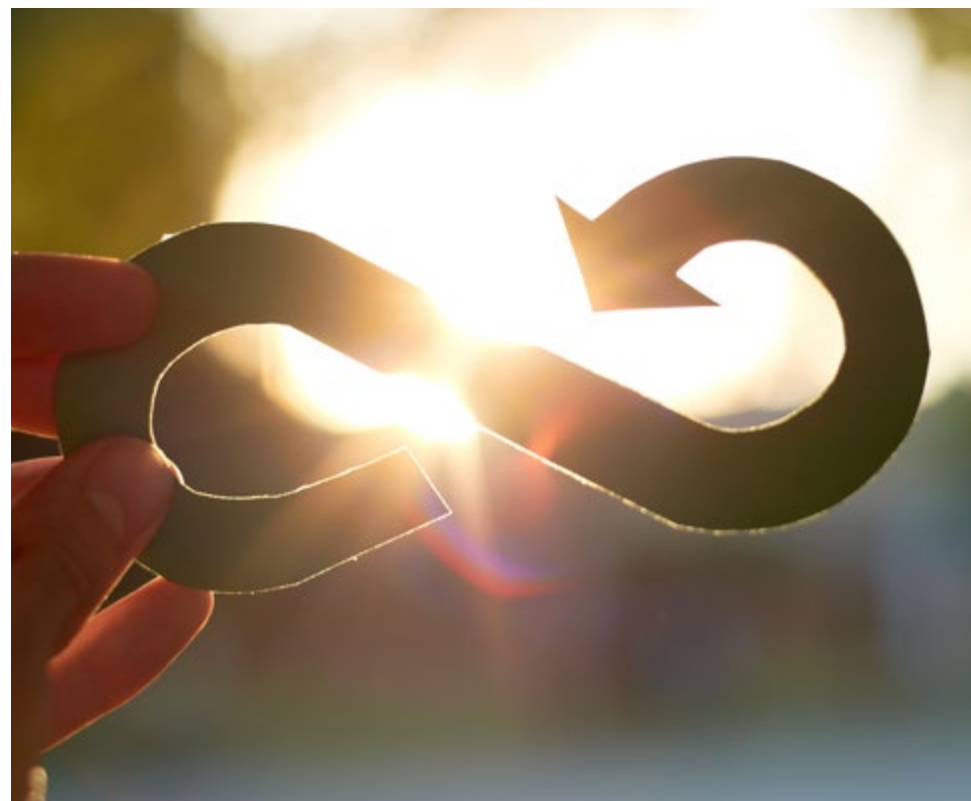
#### 4.3.6 Waste Management {GRI 306-1; 306-2; 306-3}

In the field of waste management, the Group's commitment is aimed at the absolute respect of current legislation and at maximizing the share of waste to be recovered, thus reducing the amount subject to disposal.

<b>Waste from production activities</b>	<b>TON</b>
<b><i>Dangerous</i></b>	<b>3,698</b>
Of which for recovery (including energy)	676
Of which disposal	3,021
<b><i>Non-hazardous</i></b>	<b>3,130</b>
Of which for recovery (including energy)	2,918
Of which for disposal	212
<b>Waste from Remediation Activities</b>	<b>TON</b>
<b><i>Dangerous</i></b>	<b>41</b>
Of which for recovery (including energy)	0
Of which for disposal	41
<b><i>Non-hazardous</i></b>	<b>105</b>
Of which for recovery (including energy)	0
Of which for disposal	105

Overall, a total of 6.828 tons of waste have been generated from productive activities, of which 3.595 tons, equal to 52.7%, were sent for recovery. While 146 tons, of which 105 classified as non-hazardous, have been disposed of and came from reclamation activities on industrial sites.

At the Falconara Marittima Refinery, thanks to co-processing activities, 6,000 tonnes of biofuels were produced from waste, residues, for which a double energy content is considered for the purpose of calculation of release for consumption obligations for petrol and diesel suppliers. The certification, issued in July 2021 by SGS Italia S.p.A. and referring to the National Certification System, effectively recognises IP's supply chain's ability to sustainably produce double counting and advanced biofuels from raw materials. This is a first contribution to the circular economy: in co-processing, in fact, mainly waste is processed that would otherwise have to be disposed of. The co-processing of renewable raw materials takes place at Api Raffineria di Ancona, where three 30-tonne tanks are set up.





#### 4.3.7 Water Withdrawals and Discharges {GRI 3.3; 303-1; 303-2; 303-3; 303-4; 303-5}

In terms of water abstraction, the Group has a requirement of **6,979,235 m<sup>3</sup>**, with an average reuse of over 46%. The value of water discharges is 3,191,709 m<sup>3</sup> of freshwater. Annual water consumption, understood as the difference between water withdrawals and discharges, is 3,787,526 m<sup>3</sup>.

In the table, the breakdown of water withdrawals by source:

Source	Withdrawals (m3)
<b>Fresh water</b>	<b>6,921,558</b>
<i>From surface waters</i>	<i>81,000</i>
<i>Subsoil</i>	<i>3,461,456</i>
<i>From aqueduct</i>	<i>87,524</i>
<i>From treatment and recovery</i>	<i>3,239,018</i>
<i>From more</i>	<i>52,560</i>
<b>Seawater</b>	<b>57,677</b>

3,239,018 m<sup>3</sup> of water was reused following recovery and treatment. The best value of water reuse comes from projects implemented for this purpose at the Group's two main industrial sites, Falconara and Rome.

Furthermore, at the Falconara site, in compliance with the new limits on discharges into surface waters, a pre-treatment plant was added to the water sent to the TAS: the test, which lasted approximately five months, was positive, with results in line with the performance expected.

The plant has, therefore, definitively entered the water treatment cycle.



## 4.4 Biodiversity

[GRI 2.25; 304-2]

Pursuing the harmonious coexistence of assets and their host territory is a necessary goal to be achieved. IP takes actions to mitigate the presence of its activities and invests in the best existing solutions and environmentally friendly technologies.

In line with the need to study the state of marine ecosystems, IP participates in the Horizon Eu candidate project 'MedREEFRISK', coordinated by Alma Mater Studiorum - University of Bologna. The project aims to deepen the knowledge of Mediterranean coastal ecosystems by combining advanced research and higher education initiatives.

On the mitigation front, on the other hand, there is the project to modernise the CER company's wind farm, which envisages a reduction in the number of aerogenerators with the same power output. The proposed action is precisely within the scope of action to reduce the interference of the Company's activities with nature.

Replacing old wind turbines with more modern ones would lead to a convergence of the logic of spatial and environmental improvement and capacity development.

Adopting innovative solutions could return approximately 21,000 square metres of land to its original use. Today, the park covers an area of over 36,000 square metres; thanks to modernisation, the area occupied will be about 15,000 square metres.

The new, more powerful, but numerically smaller structures (90 per cent fewer wind turbines) favour a reduction in the visual and landscape perception in relation to the surrounding landscape.

Naturalistic engineering techniques may be used for the renaturalisation of the environments on which the wind farm now stands. Regarding the formations present in the area, indigenous tree and shrub species will be chosen in analogy with what is present on the edges of the area. Naturalistic engineering techniques may qualify as a suitable tool for interventions aimed at the creation (neo-ecosystems) or extension of habitats pre-existing to human intervention.

The main environmental restoration operations using natural engineering techniques that can be carried out on the site of the wind farm consist mainly of sowing (by seeding, hydroseeding or with a protective blanket), sowing leguminous plants, selecting crops in succession, appropriate cover crops, incorporating organic material into the soil, preferably composted, including on the surface, planting native tree and shrub species and organic fertilisation to increase humus and biological activity.

The types of potential impacts on wildlife and ecosystems, actions and consequent pressures during construction and operation that may cause potential interference (loss and fragmentation of habitat or habitat species, damage to or disturbance of species, effects on the integrity of the site), on species of flora and fauna, and on habitats to determine the level of impact (nil, low, medium or high).

Tubular turbine models, which do not provide suitable perches for birds of prey to rest, or special paints that make the rotating blades more visible are precautions that decrease the risk of collisions, disturbance or threats to bird populations. Appropriate monitoring and inspections to verify possible nesting in the areas allow work to be started or not.

In the operational phase, to avoid problems for sensitive species such as the



Montagu's harrier and red kite, but more generally for the birdlife that might interact with the wind farm, the company will implement a camera system capable of detecting the presence of birds and their flight path and consequently blocking the wind turbine blades. In particular, using cameras as a system for preventing possible collisions is similar to using radar. For example, systems such as DTBird - DTBat, are used to automatically monitor bird and bat populations and reduce the risk of species collision with terrestrial or marine wind turbines. The system automatically detects birds, activating an acoustic signal (for birdlife) and stopping the wind turbine (for birdlife and bats).

Please note that the Project does not fall within areas belonging to the Network Natura 2000 (SCI/SAC and SPA).

05

# Expertise

# 5.1 Creating quality work

{GRI 2.7; 2.25; 2.30; 3.3}

## 5.1.1 People and the organisation

There are 1,069 IP People as of 31 December 2022, for a total of 1,552,916 hours worked in the year.

The percentage of female employment is 22%, while about 19% of women take up a position of responsibility (managers and middle managers) in the company.

Averages derived from the consolidation of data at Group level are influenced by specific occupational groups in which the presence of men is higher, e.g. in sales, service and consulting in the territory and the production area.

Employees grading level 2022	Tot.	M	F
Executives	48	44	4
Executives	267	210	57
Office workers	530	360	170
Manual workers	224	221	3
Total	1.069	835	234





Company	Region	N. Employees
Api Raffineria di Ancona S.p.A.	Marche	338
Bitumtec s.r.l.	Piemonte	12
IP Food & Services S.p.A.	Lazio	4
IP Industrial S.p.A.	Lazio	74
	Piemonte	3
IP Services S.r.l.	Lazio	1
Italiana Petroli S.p.A.	Campania	20
	Emilia Romagna	14
	Lazio	423
	Liguria	39
	Lombardia	34
	Marche	11
	Piemonte	19
	Puglia	29
	Toscana	12
	Abruzzo	10
	Veneto	9
SIGEA S.R.L.	Liguria	2
<b>Total</b>		<b>1054</b>

In the regional breakdown, 15 employees of other Group companies are not considered in the table but are distributed as follows: 13 people work in the Marche region for the company 'La cantina srl', and 2 people work in the UK for the company 'apioil UK Ltd.'

The total number of part-time permanent employees is 23 (of whom 20 are women), while 12 are employed on a fixed-term basis (of whom 3 are women). The turnover for the year was - 3.2%. In 2022, the recruitment rate is 6.1%.

During 2022, the total number of terminated employees is 99, of whom 71 are men, and 28 are women. In particular, 20.2 per cent were under 30 years of age, 39.4 per cent were between 30 and 50 years of age, and 40.4 per cent were over 50 years of age. Geographically, the highest number of terminated employees occurred in the Lazio region (60.6%). Regarding recruitment, the total number of employees hired in 2022 is 65, of whom 49 are men, and 16 are women. 64.6 per cent are in the under-30 bracket, 26.2 per cent between 30 and 50 and 9.2 per cent over 50. Again, the highest number of recruitments is in Lazio (72.3%).

Employees age group 2022	Tot.	M	F
< 30	47	41	6
30 - 50	457	344	113
over 50	565	450	115
<b>Total</b>	<b>1,069</b>	<b>835</b>	<b>234</b>



The following table shows the type of contract and company.

Society	Fixed-term	Indefinite term	Tot
API Raffineria di Ancona S.p.A.	5	333	338
Full Time	5	333	338
Bitumtec s.r.l.	-	12	12
Part Time	-	1	1
Full Time	-	11	11
IP Food & Services S.p.A.	1	3	4
Full Time	1	3	4
IP Industrial S.p.A.	-	77	77
Full Time	-	77	77
Italiana Petroli S.p.A.	2	618	620
Part Time	-	20	20
Full Time	2	598	600
SIGEA s.r.l.	-	2	2
Full Time	-	2	2
IP Services s.r.l.	-	1	1
Full Time	-	1	1
Others*	4	11	15
Part Time	-	2	2
Full Time	4	9	13
<b>Totale</b>	<b>12</b>	<b>1,057</b>	<b>1,069</b>

During the year 2022, 49 persons took parental leave, of whom 30 women and 19 men.

There were two returns during the year, of which one woman took hourly leave. 100% of the management of IP is Italian. 99% of the staff have permanent contracts, while the contracts collectives present in the perimeter are:

- energy and oil, which covers almost all employees;
- Trade, relating to the companies IP Food & Services and IP Services.

The overall value of the unionisation rate stands at just over 39%.

During 2022, the IP organisation experienced a gradual renewal in reference to the structure and some Governance processes. These changes supported the change at the top of IP, which saw the appointment of Alberto Chiarini as the new CEO. Some organisational changes are specified below:

- The creation of a new General Affairs and Governance Department to direct and coordinate the activities of the Group Corporate Secretariat, to oversee the corporate governance system, to define the remuneration policy for the company, and to manage and develop real estate and general services.
- The structuring of supervision for the management of Fraud Prevention & Management activities to complement the activities of the Audit&Security function.

\*There are 4 fixed-term employees (all full-time) and 9 permanent employees (7 full-time) from the company 'La Cantina srl'. In addition, the company apioil UK employs 2 permanent, full-time employees.

With the aim of exploiting synergies and having greater operational effectiveness towards the customers and external stakeholders most concerned, both the Network Maintenance and Investment function, i.e. all the technical competences of the territory and central staff, and the operational activities related to non-oil were merged in the Sales Department.

In the procurement area, with particular reference to the procurement process of goods and services, specific professionals have been included in the middle management bracket to meet the needs of the start-up of new projects.

In 2022, in line to innovate the company's operational structures, 22 new young graduates joined the IP workforce, mainly in commercial roles and in the area of production and supply chain. Four women were placed in commercial service roles in the territory.

The recruitment and assessment phases provided for a balance of women in the total number of participants.

The activity of introducing new figures into the company was accompanied by the action of enhancing the value of the most senior figures by re-evaluating the experience gained and reconciling their personal and organisational life needs.

With the external support of the consulting structure of the Luiss Guido Carli University, a redefinition process of the Competence System was initiated, starting with the redefinition of the Leadership Model. The objective is to:

- redefine organisational and managerial behavioural expectations related to the achievement of new business and internal organisational change objectives;
- Nurture projects to redefine some key processes of people management and development (es.: performance management, talent management);
- Support the definition of training paths aimed in particular at the managerial development of the younger generations in the company (Millennials).

At the management level, the main initiatives in 2022 concerned:

- the signing of new agreements, referring to Group companies and relating to the Productivity Bonus and Company Welfare: the changes introduced have allowed the provision of additional benefits and recourse to the opportunities opened up during the year by the new regulations.
- A new agreement on the holiday and working time regime: improved compared to the past or to the former CCNL regulations concerning the regulation of holidays not taken, the recognition of greater hour flexibility in part time situations, bonuses linked to the disposal of backlogs of holidays, and full utilisation of holidays.

The Welfare Plan provided for employees aims to promote well-being and quality of life by choosing from the many services available on the AON portal. Beneficiaries can compose their package by selecting one or more of the following benefits: Health Care, School Education (Nursery, Kindergarten, Primary and Secondary Schools, Universities and Masters, Summer and Winter Camps, School Texts), Reimbursement of Interest on Mortgages and Financing, Family Assistance, Public Transport Subscriptions, Supplementary Pensions, Shopping and Holiday Vouchers, Recreation and Sports.

In addition to the novelties mentioned above, there is the maintenance of the shuttle service for employees (from the nearby railway station to the Headquarters), tax assistance and the availability of the IP Plus fuel card for employees with a dedicated discount to be used at all accepting petrol stations.

### 5.1.2 Training and the Corporate Academy

The IP Corporate Academy is the Group's main competence building and dissemination tool. The Academy is located in two physical locations: the IP headquarters in Rome via Salaria, where it has a multimedia training room and an auditorium with over 110 seats; and the seat in Falconara Marittima, a building entirely dedicated to training.

The IP Corporate Academy was the first corporate Academy to be accredited by the Marche Region as a training institution.



The Academy also makes use of an online training platform, which has enabled over the years to increase its ability to reach wider and wider audiences, including service area managers, with agile and user-friendly training content.

There are many partnerships that make up the training offer: with the Polytechnic University of Marche, with ASVIS (Italian Alliance for Sustainable Development), with the LUISS Business School, with the Polytechnic of Turin and with La Sapienza in Rome. Cooperation with these institutions guarantees the quality of the training and ensures the essential exchange of views and perspectives between the corporate world and the outside world.

In 2022, the Corporate Academy gave itself a multi-year strategic plan, which identifies four guidelines:

- TOP DOWN to share priorities and strategies
- BOTTOM UP to meet the training needs of the operational line
- GRASSROOT to focus on the personal development of employees
- COMMUNITY to serve the country

In addition to these main areas of training, there is a fifth one that responds to COMPLIANCE needs and contains the scheduling of compulsory training in, e.g. Health, Safety, and Environment (Seveso Law 105/2015), compulsory updates on privacy and Law 231 or Law 81 updates.

Activities under the first pillar (TOP DOWN) include partnerships with excellent training schools to address specific needs: ad hoc programmes to disseminate new management models, training on sustainability, energy transition and innovation, and a boot camp for new recruits.

This area also includes keynote lectures with leading figures and experts on specific contextual issues relevant to the Group.



#### TOP DOWN



The Academy to share priorities and strategies

#### BOTTOM UP



The Academy at the service of the operational lines

#### GRASSROOT



The Academy for the personal growth of employees

#### COMMUNITY



The Academy at the service of the Nation

#### COMPLIANCE

Compulsory training on Health, Safety, and Environment (Seveso Law 105/2015)  
Compulsory updates on privacy and Law 231  
Update Legislative Decree 81

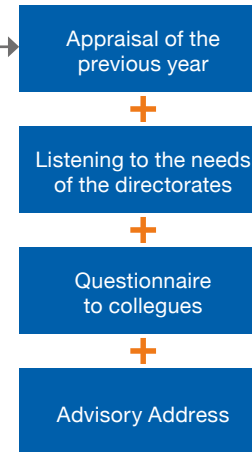
In the BOTTOM UP area are training activities geared towards the needs of the trade, e.g. of the commercial lines, and training activities in support of the Managers, at the forefront of the service areas.

The third pillar, GRASSROOT, pertains to all actions for tailor-made and customised training, oriented towards employees and their families for personal development by activating scholarships, coaching or courses built on specific needs.

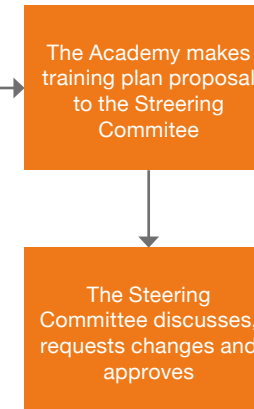
With the fourth line of action, COMMUNITY, the Academy's training activity is oriented outwards, creating specific training for partners and companies, schools, and universities.

To achieve these goals, the Academy has given itself a governance process that sees, together with HR, the direct involvement of top management and the Line in the form of a Training Steering Committee as a place for proposing, sharing and promoting the most relevant training programmes and actions.

#### INPUT



#### PROCESSING



#### ESECUZIONE



In the framework of this process, and in particular in the phase of identification of training needs, the activity of sharing with the RSUs the actions to be financed through the National Joint Funds (Fondimpresa and Fondirigenti) is also to be seen. The trade union agreements required to access funding are a moment of formal sharing of specific activities and a moment of listening to specific needs and points of view. All in the interest of both the company and the people with their professionalism. In this case, listening takes place through the mechanisms of trade union representation, as indeed recalled in the founding rules of the Funds.

As part of this programme, a significant training action involved the entire group of Group Executives, starting with a vision and sharing by the CEO concerning business development and the ability to seize the opportunities of the ongoing energy transition.

The training itself -conducted in partnership with the Business School of Luiss - involved a revival of strategy and people management themes, and resulted in co-designing a new Group Leadership Model. From the latter, it will be possible to redefine more specific and operational models of professional competence, functional to an improvement of some typical HR processes.

The year ended with the definition and sharing of the Pillars of the new Leadership Model. The Model will be spelled out in detail in early 2023.

At the same time, the training and sharing programme aimed at the most operational management, represented by the middle managers and coordinators of the various Functions and Companies of the Group, was launched.

Also, from the point of view of the activities implemented explicitly in 2022, attention was paid to the issues of legality, recalled by our values, with actions aimed at the Auditing Functions (with a view to anti-fraud and inspections) and the Technical, for a better understanding of the mechanisms and tools of the yard, in situations potentially most at risk of external intervention.

In the area of safety and HSE, in addition to the activities and programmes in fulfilment of legal obligations and in preparation of specific professionalism required by the company, a collaboration was reactivated with ACI Vallenga for the execution of Safe Driving courses for all personnel with company cars, activating a programme that will be more widely implemented in 2023.

The latter will be complemented by the organisation of voluntary meetings on urban commuting behaviour and stress management, a topic relevant to most of the people working at headquarters.

An agreement with ACI Vallenga will also be available to all persons working in the Group for access at discounted rates to the Safe Driving courses they offer to private individuals in the various modalities (car, motorbike).

### 5.1.3 Training data

The IP Corporate Academy activity in 2022 reached a total of 974 people. A total of 20,111 hours of training were provided. Of these, 17,649 hours were used by IP people, with an average of 18.1 hours per person; managers used 1,677 hours, and 785 hours of training were dedicated to the academic world, touching university students from the Sapienza University of Rome, the LUISS University, and the Marche Polytechnic University. This is a novelty compared to the past and confirms the increasing willingness of IP to use Corporate Academy as a tool for dialogue

with territories and partners outside.

The table below shows the distribution of training hours by gender and professional role.

Training Level 2022	Tot.	F	M
Executives	2,116	170	1,946
Executives	3,143	460	2,683
Office workers	6,943	1,377	5,566
Manual workers	5,447	-	5,447
<b>Total</b>	<b>17,649</b>	<b>2,007</b>	<b>15,642</b>

The greater number of hours utilised by the male population is attributable essentially to the amount of training in Environment, Health and Safety, preferably undertaken by blue-collar employees, who are all male.

Training in Group Companies	Year 2022 (%)
Italiana petroli (including IP services)	45.6%
Api Raffineria di Ancona	36.4%
IP Industrial	9.8%
Italiana petroli (Savona, Trecate and Barletta deposits)	6.6%
Bitumtec	1.3%
IP Food and Service	0.3%
<b>Totale</b>	<b>100%</b>

The table below summarises the main thematic areas of training. The focus on sustainability issues was realised with both online and in-presence modules accounting for 8% of the total hours.

Training by subject area	Anno 2022 (%)
HSE	49,5%
Mestiere	28,1%
Manageriale	12,9%
Sostenibilità	8,1%
Security	1,1%
Privacy e 231	0,3%
<b>Totale</b>	<b>100%</b>

Through the company's Academy training portal, since December 2022, all IP staff have the opportunity to learn more about whistleblowing.

A tool that reinforces the company's organisational model for the prevention of offences, enabling the reporting to the supervisory body (SB), even anonymously, of irregular conduct because it is contrary to the code of ethics and of the illegal conduct of which one becomes aware in the course of one's work.

#### 5.1.4 The Corporate Academy for Transition and Sustainability

Two important training seminars were organised by the IP Academy in Rome to support the Group's path towards transition: the first, held in July, on new energies for mobility; the second, in October, on the importance of sustainability reporting.

Both training sessions were made available to the entire IP population on the online training platform of the IP Corporate Academy, and for the colleagues of the functions most interested in the topic, participation was in-person.

Experts from the Politecnico di Torino attended the seminar on new energies for mobility at the Italian Institute of Technology and Environment Park in four hours of in-depth analysis and reflection on the future scenarios of energy and mobility. Four work modules planned. In the first module, Davide Damosso, Secretary General of Envipark, talked about European energy technology and regulatory macro trends: Hydrogen, Consumption Electrification, Biofuels and CO<sub>2</sub> Reutilisation as central axes, and the relevant regulatory developments.

In the second module, Professor Fabrizio Pirri, scientific head of the IIT in Turin, reported on the project, funded by the National Recovery and Resilience Plan, to create a research and innovation infrastructure on the subject of innovative fuels.

Project of which IP is one of the founders and which will be fully deployed in 2023.

In the third module, Professor David Chiaramonti, one of Europe's leading experts on biofuels, described the complex development trajectory of alternative fuels, focusing on the opportunities offered by the maritime and aviation sectors.

The fourth module, with Professor Massimo Santarelli of the Politecnico di Torino, deepened the topic of hydrogen, its industrial applications and the most robust production and transport methodologies.

The second training session involved the entire IP Sustainability Working Group and the thematic contacts of the functions that contribute to preparing the company's

Sustainability Report. Professor Cristiano Busco, Professor of Accounting and Reporting at Luiss Guido Carli University in Rome, spoke at IP Sustainability Day.

The professor's two-hour talk focused on the importance of reporting non-financial activities and the evolution of reporting standards over the past year.



In conjunction with the Università Politecnica delle Marche (UNIVPM), a seminar entitled 'Sustainability as usual? Sustainability after the pandemic and the war in Ukraine'. A profound and interesting two-hour discussion, held as has become a tradition in the setting of the Festival of Sustainability by ASVIS, the Italian Alliance for Sustainable Development, which involved over 100 students from economics courses. In addition to representatives from IP and ASVIS, and from the Department of Management (DIMA) of UNIVPM University, important companies from the Marche region and Gianclaudio Torlizzi, trader of raw materials and author of the book 'Materia Rara' (Raw Material) also participated.

The debate allowed us to investigate how the approach to sustainability has transformed after the last three years between the pandemic and war. Changes that have taken place both at the macro level, in geopolitics and global macro-economic trends, and at the micro level, and thus business choices.

From Governance to Sustainability Reporting to Stakeholder Engagement. These were the topics addressed in the two-hour seminar as part of the teaching of non-financial reporting by Masec of the Department of Management-UNIVPM of the Università Politecnica delle Marche.

Important reflections on how corporate values are represented, concretised and disseminated through the report. The training intervention was also an opportunity to launch a challenge among the 25 students to propose new methods and processes of dialogue with stakeholder customers to support the formulation of the company's strategy.

A challenge launched by IP for the students of non-financial reporting of the Masec - Management of sustainability and circular economy degree course at the Università Politecnica delle Marche, which led to the delivery and presentation of the students' work at the Academy in Falconara Marittima.

An intensive and constructive exchange of ideas with students on energy, sustainable mobility and the future.



06

GRI

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07

# Methodological note

{GRI 2.3; 2.4; 3.3}

The annual publication of this document is a voluntary choice of IP that has decided to embark on a path of evolution and change based on sustainability issues.

For the preparation of this Sustainability Report, the Group adopts the Sustainability Reporting Standards GRI Sustainability Reporting Standards (GRI Standards), published in 2021 by the GRI - Global Reporting Initiative.

Specifically, in accordance with GRI Standard 1 Foundation, paragraph 3, the organisation reports on the material issues related to the most significant impacts on economic, environmental and social aspects, providing a picture of its context in accordance with GRI standards with level of adherence with reference.

In addition, given the reference context, the Group considered specific indications of national legislation (Legislative Decree No. 254/2016).

This Sustainability Report is subject to a limited review by the independent company EY.

The audit report detailing the principles and activities performed are represented by the values in the Appendix.

Quantitative indicators that do not relate to any general or topic-specific disclosures of the GRI Standards, which are reported on the pages indicated in the Content Index, are not subject to limited review by EY S.p.A.

- The reporting boundary is that of Italiana Petroli S.p.A. and its consolidated companies for 2022, except for Sòlbergys SpA.
- For environmental data, the reporting boundary is as follows: Api Raffineria di Ancona SpA, Italiana Petroli SpA, IP Industrial SpA, IP Food & Services SpA, IP Services Srl, Bitumtec Srl, Cer Srl.

- All data, initiatives and projects refer to the period between 01/01/2022 and 31/12/2022 and refer to the companies 100% controlled and fully consolidated within the Group Consolidated Financial Statements, from which the economic data reported in this report originate.
- There were no changes in terms of scope or in terms of changes to the figure since the previous year's Sustainability Report.
- The processing capacity is inclusive of the relative share of the Sarpom Refinery, already held by IP and equal to 24.96%.
- Storage capacity refers to owned depots and those in which italiana petroli is a shareholder or has an open deposit account.
- The graphic representation of the Chapter's territorial presence does not include the depots of Marghera and Livorno, which are deposit accounts, and Terracina, Anagni, Perugia, Afragola and Settimo Torinese, which are deposit accounts of the b2c channel.
- The number of sales outlets is to be considered to include facilities temporarily suspended from sales as at 31.12.2022.
- The conversion factor used in the calculation of energy consumption: 1 TEP (10 million kcal) = 41.87 GJoules.
- The formulae used to calculate the accident indices are:  
Frequency index = number of accidents \* 1,000,000/hours worked.
- The NFP (net financial position) as of 31 December 2022, consistent with the consolidated financial statements, does not include the effect of IFRS 16 for EUR -143.2 million. The VAT balance figure reported in the economic indicators section relates to the API holding company (where the tax consolidation is carried out), so the perimeter is slightly larger than the one used in the entire report.

- The estimate of the IP supply chain is calculated by proportionally comparing the number of 4,525 existing points of sale with the 21,700 national distributors (figure provided by Unem, Unione Energie per la Mobilità, in its 2022 annual report and referring to the year 2020) and the number of workers employed in the sector amounting to 80,000 (declared to the 10th Production Activities Committee of the Chamber of Deputies on 1 October 2019).
- The emission factors used are taken from the national UNFCCC (United Nations Framework Convention on Climate Change) inventory updated in February 2019.
- One of the sources used for material analysis to identify material issues and link them to impacts is the GRI Oil & Gas Industry Standard 11.
- The number of refuellings per day was calculated by relating the sell-out figure, from January to December 2022, to the transaction number to determine the average refuelling in litres. The average replenishment was applied to the entire 2022 sell-in volume, thus determining the number of replenishments in the year. This value was divided by 365 days to determine the number of replenishments per day. This average replenishment was applied to the total 2022 sales volume to determine the number of replenishments per year, and then divided by 365 days to determine the number of replenishments per day.
- The average annual disbursement is identified by comparing the 2022 sell-in and sell-out to the number of open and temporarily suspended sales outlets as at 31.12.2022.
- The conversion factors used for the energy part are those published by FIRE (Italian Federation for the Rational Use of Energy).
- The estimation, in absolute value, of the lost CO<sub>2</sub> emissions resulting from the use of OPTIMO in the fuel distribution network channel starts from the elaboration of the analyses carried out by CNR-STEMS, from reliable data (sales figures and market shares) held by IP and from data made available by third and independent parties. Based on the unit information expressed

in terms of gCO<sub>2</sub>/km in terms of emission reductions, the fleet of vehicles belonging to the IP network was estimated based on its market share. The vehicle was characterised in terms of fuel type (petrol and diesel) and intended use (private or commercial) based on the catchment area of the Group's business cards. On the basis of the elements developed above, which identify the average mileage of vehicles by fuel and purpose of use, the mileage attributable to the IP network has been estimated. Finally, the completely avoided emissions were calculated based on the typical distribution of WLTC driving cycles (World Harmonised Light Vehicle Test Cycle).





# 08

# Annex

{GRI 2.8; 201-1; 302-1; 302-3; 305-1; 305-7; 306-2; 403-9; 404-1}

In this paragraph, the comparison of the main GRI indicators between 2020, 2021 and 2022 is included.

# indicator	Description	um.	2020	2021	2022
2.7	Information on employees and other workers				
	<i>total employees</i>	N.	1.167	1.103	1.069
	<i>of which women</i>	N.	284	247	234
11.14	Economic value directly generated and distributed				
	<i>Economic Value Generated</i>	MI€	2,785	4,560	9,187
	<i>Distributed Economic Value</i>	MI€	2,890	4,301	8,822
	<i>Economic Value Retained</i>	MI€	-105	259	365
302-1	Energy consumed within the organisation				
	<i>total energy consumed</i>	Tjoule	8,814	9,384	10,193
11.6	Water withdrawal				
	<i>total withdrawal</i>	Mm3	6.9	6.8	6.9
11.1	CO <sub>2</sub> emissions				
	<i>CO<sub>2</sub></i>	ton	440,532	544,148	525,903
11.3	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant emissions				
	<i>SO<sub>x</sub></i>	ton	199	218	360
	<i>NO<sub>x</sub></i>	ton	241	294	258
	<i>COV</i>	ton	181	151	154
11.5	Waste by type and disposal method				
	<i>total waste</i>	kton	6,144	5,558	6,828
	<i>waste sent for recovery</i>	kton	3,451	2,494	3,594
11.9	Accidents at work				
	<i>employee hours worked</i>	h.	1,570,158	1,632,896	1,552,916
	<i>number of employee accidents</i>	N.	5	2	3
	<i>number of accidents per million employee hours worked</i>	N.	3.18	1.22	1.93
	<i>hours worked by third-party companies in industrial areas</i>	h.	788,124	660,281	680,349
	<i>number of third-party accidents in industrial areas</i>	N.	2	3	2
	<i>number of accidents per million hours worked in industrial areas</i>	N.	2.5	4.54	2.94
11.10	average training hours				
	<i>total training hours</i>	h.	10,155	21,942	17,649
	<i>average training hours</i>	h.	8.7	19.9	18.1

# 09

# Certification

{GRI 2.5}

## Independent Auditors' Report on the 'Sustainability Report 2022' document



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### Independent auditors' report on the Sustainability Report 2022

*(Translation from the original Italian text)*

To the Board of Directors of  
Italiana Petroli S.p.A.

We were engaged to perform a limited assurance engagement on the Sustainability Report 2022 of Italiana Petroli S.p.A. and its subsidiaries (hereinafter also the "Group") for the year ended on December 31<sup>st</sup>, 2022 (hereinafter also "Sustainability Report").

#### Responsibilities of the Directors for the GRI Disclosure of the Sustainability Report

The Directors of Italiana Petroli S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), with reference to the selected GRI Standards described in the section "Methodological Note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of the Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of the Group regarding the sustainability performance as well as for the identification of the stakeholders and of the significant matters to report.

#### Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behavior.

Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

#### Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards, with reference to the selected GRI Standards described in the section "Methodological Note" of the Sustainability Report. Our work has been performed in accordance with the principle of "*International Standard on Assurance Engagements ISAE 3000 (Revised)* - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "*ISAE 3000 Revised*"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This standard requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was less lower than that required for a full examination according to the *ISAE 3000 Revised* ("*reasonable assurance engagement*") and, hence, it



does not provide assurance that we have become aware of all significant matters and events that would be identified in a reasonable assurance engagement.

The procedures we performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with the Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process for defining the material matters reported in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
2. comparison of economic and financial data and information reported in the section "4.1.2 the economic value generated and distributed" of the Sustainability Report with those included in the Group's consolidated financial statements;
3. understanding of the processes underlying the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report. In particular, we have conducted interviews and discussions with the management of Italiana Petroli S.p.A. and api Raffineria di Ancona S.p.A. and we have performed limited documentary evidence procedures to obtain information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level,
  - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and obtained supporting documentation to verify its consistency with the available evidence;
  - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- With reference to the refinery held by Raffineria di Ancona S.p.A., that we have selected based on its activity, its relevance to the consolidated performance indicators and its location, we carried out online meetings to discuss with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

## Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Italiana Petroli and its subsidiaries for the year ended on December 31, 2022 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, with reference to the selected GRI Standards described in the section "Methodological Note" of the Sustainability Report.



## Other aspects

The comparative information presented in the Sustainability Report for the years ended on 31<sup>st</sup> December 2020 and on the 31<sup>st</sup> December 2021 has not been examined.

Roma, March 28, 2023

EY S.p.A.

Signed by: Simone Rapone (Auditor)

*This report has been translated into the English language solely for the convenience of international readers*



10

# Glossary

**Agenda 2030:** The 2030 Agenda for Sustainable Development is a programme of action for people, planet and prosperity signed in September 2015 by the governments of the 193 UN member countries.

**ARPA:** Regional Agency for Environmental Protection.

**BtoB e BtoC:** Business to Business and Business to Consumer, in fact the transactions between 2 companies and those between companies and the end consumer.

**BUNKER:** any fuel oil used for the locomotion of ships.

**RCF:** Recycled Carbon Fuels, i.e. Fuels derived from recycled carbon. These are liquid and gaseous fuels produced from liquid or solid waste streams of non-renewable origin.

**COV:** the class of volatile organic compounds comprises several chemical compounds. Specifically, these are compounds based on carbon chemistry (organic chemistry) that have a marked tendency to change stage and move from the liquid phase to the aeriform phase (i.e. volatility).

**DATA BREACH:** data breach.

**EBITDA:** Earnings before interest, taxes, depreciation and amortisation.

**EFFRAG:** Reporting Advisory Group is the technical body which deals with accounting standards at the international level and is responsible for the development of the European Sustainability Reporting Standards (European Sustainability Reporting Standards).

**FIREWALL:** security component of the computer network that serves to filter traffic to and from the outside.

**FSC:** Forest stewardship council, establishing rules for the responsible management of forests.

**GNL:** Liquid Natural Gas, mainly methane, to facilitate its transport and storage.

**GPS:** Global Positioning System for satellite positioning and navigation.

**GRI:** Global Reporting Initiative is a not-for-profit body established with the aim of creating useful support for sustainable performance reporting for organisations of all sizes, from all sectors and countries around the world.

**HORIZON EUROPE:** is the European Union Framework Programme for Research and Innovation for the period 2021-2027. It is the successor of Horizon 2020.

**EHS:** Health, Safety & Environment.

**IAS/IFRS:** International Accounting Standards and International Financial Reporting Standards are standards of financial economic reporting.

**IGCC:** Combined cycle gasification plant.

**ISO 9001:** identifies a set of standards and guidelines developed by the International Organisation for Standardisation (ISO - International Organisation for Standardisation) that define the requirements for the implementation within an organisation of a quality management system, to conduct business processes.

**ISO 14001:** identifies a set of standards and guidelines developed by the International Organisation for Standardisation (ISO - International Organisation for Standardisation) which define the requirements for the implementation within an organisation of an environmental management system.

**ISO 45001:** defines the requirements for a Safety and Health of Workers (OSH) management system following applicable regulations and based on the hazards and risks potentially present in the workplace.

**MASEC:** Management sustainability and circular economy.

**OPT:** Outdoor Payment Terminal or outdoor payment terminal, what is commonly called 'self service'.

**Platt's:** is a provider of energy and commodity information and a source of reference price assessments in the physical energy markets.

**OSP:** Point of sale, in fact a payment terminal.

**PROXY:** serves to create a 'barrier of defence' towards the web, acting as a filter for incoming and outgoing connections and monitoring, controlling and modifying internal traffic.

**PNRR:** The National Recovery and Resilience Plan (PNRR) is the plan approved in 2021 by Italy to revive its economy after the COVID-19 pandemic. Provides for an investment and reform package divided into six missions. The Plan promotes an ambitious agenda of reforms, the four main ones being public administration, justice, simplification and competitiveness. The Plan is fully consistent with the six pillars of the Next Generation EU regarding the planned investment shares for green (37%) and digital (20%) projects.

**SDG's:** are the 17 Sustainable Development Goals - Sustainable Development Goals, SDGs - in a grand programme of action for a total of 169 'targets' or goals into which the 2030 Agenda is declined.

**TAF:** Treatment of groundwater.



# Contacts

{GRI 2.3}

The Report was edited by the External Relations, Sustainability and Academy.

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