Sustainability Report 2023

Raffineria di Milazzo S.C.p.A.

Sustainability Report 2023

"Our vision is to manufacture premium-quality fuels by leveraging cutting-edge technologies and a driven, skilled workforce, all while upholding our commitment to environmental stewardship, and the health and safety of individuals."

Raffineria di Milazzo S.C.p.A.

Contest

Letter to the Stakeholders

GRI 2-22

The year 2023 was characterised by a number of major events that directly affected our activities. The escalation of the Russian-Ukrainian conflict, the rise of high tensions in the Middle East due to the Israeli-Palestinian conflict in the Gaza Strip, and the trade instabilities in the Red Sea - a key hub for European ships - have confronted us with significant new challenges, mostly related to our contribution to maintaining the delicate balance between security, sustainability and energy accessibility, a commitment on which we have always focused.
In response to these global challenges, we promptly adjusted our production processes to handle different types of raw materials, which vary in their physical and chemical characteristics.
Prompt action turned such threats into opportunities.
In a year that brought with it unprecedented challenges, we have, in fact, demonstrated that resilience is not an abstract concept, but is instead fundamental to the achievement of important objectives. This has been a key consideration for us when evaluating investments, allowing us to align our plants with changing market needs through technological innovation and optimisation of safety conditions. This has also resulted in a major investment in the professional training of our employees, from managerial to more operational staff, keeping everyone constantly up-to-date on the latest innovations and best technical practices in the industry.
Increasingly, our resilience manifests itself as a virtue that pervades every aspect of our operations, enabling us to adapt quickly and efficiently to a constantly changing environment. This proved to be crucial not only in overcoming obstacles, but also in differentiating ourselves and strengthening our commitment to operational excellence.
We are one of the largest refineries in Europe and play a key role in the country's energy needs. The energy system is now being called upon to respond to new challenges - climate change and the environment - alongside the traditional challenge of fuelling growth and progress.
The complexity of the task, therefore, requires the use of all available instruments to provide an answer to the climate change issue without compromising the achievement of the other economic and social objectives of a sustainable transition.
Through our refining activities, we ensure a constant supply of petrol, diesel, jet fuel and other petroleum derivatives. A too rapid reduction would lead to a shortage of supply in relation to energy needs.
This shows that our business remains an indispensable and fundamental activity for the functioning of the Country.
We are of course aware that our business has, by its very nature, a significant impact on the environment. Precisely for this reason, our commitment translates into tangible activities and results towards ever greater energy efficiency. This not only leads to a reduction in CO_2 emissions but also to a lower consumption of natural resources. In addition, with regard to the impacts of energy consumption from renewable sources, our Company has made investments in the past and plans to make investments in the future to enhance its production capacity.
We also pay close attention to potential impacts on the local community, in which we are fully integrated.

In particular, we are committed to investing in technologies that aim to reduce emissions and more generally in the development of innovative solutions that enable us to reduce our impact.
At the same time, we are constantly investing in the development of the region also through cooperation with local authorities and organisations. In the last three years we have achieved impressive results in terms of safety, reaching the target of zero recorded accidents.
This ambitious achievement is the result of an ingrained safety culture in the company, handed down from the most experienced employees to newcomers. For years, we have been devoting considerable resources to investments in environment and safety, and in assessing and monitoring activities, proving how fundamental these pillars are to our Company.
We have never stopped focusing on young people: we firmly believe in the value of the new generations. Collaboration with schools and academia underlines our commitment to future skills. This win-win exchange enriches the students with industrial knowhow, preparing them to become the professionals of tomorrow. We look to the future with awareness, responsibility and determination, investing in people, territory, innovation and security.

Walter Rizzi
Presidente RAM

2023 Highlights

ECONOMIC ASPECTS

1 out of 5 vehicles

Our products meet the automotive fuel needs of almost 1 out of 5 vehicles in Italy[1]

9 million tonnes

Finished products shipped (+4% compared to 2022)

71.3 mln of €

Total investments (+59% compared to 2022)

SECURITY ASPECTS

0 INJURIES

SOCIAL ASPECTS

645 people in RAM

98% Personnel from the province of Messina **of whom 54%** Personnel from Milazzo

1,157 personnel

in third-party companies

850 people

between students and teachers who visited the Refinery from 11 institutes of the region

34 hours

of annual training hours per employee, on average

ENVIRONMENTAL ASPECTS

99.9%

Reliability Factor in plants

10,898 tonnes

Waste recovered, equal to 58% of total produced (+33% compared to 2022)

[1] This figure is calculated considering the sales of automotive fuels (petrol+diesel) in Italy in 2023 - according to UNEM (31.5 million tonnes) - and the RAM production of petrol and diesel in the same year, which amounts to 6 million tonnes. This corresponds to 19% of the national demand in 2023. Source: https://www.unem.it/comunicato-consumi-petroliferi-dicembre-2023/.

1. ABOUT US

GRI 2-1, 2-6

The Milazzo Refinery, known by its acronym RAM, represents an important player in Italy and abroad, being one of the main references in the area of oil refining. Our plant plays a crucial role in the production of fuels and the supply of raw materials for the petrochemical industry. Founded over 60 years ago, the Refinery occupies an area of **212** hectares between the municipalities of Milazzo and San Filippo del Mela, located in the province of Messina, and it is recognised as a key element in the local economy and identity, mainly employing the labour force of the "Valle del Mela". We represent one of the most sophisticated and technologically advanced facilities in the area of oil refining, both nationally and internationally.

With an **effective processing capacity of 10.6 million tonnes of crude oil**.[2]
A distinctive aspect of RAM is that it is a Joint Venture. Consequently, our shareholders own both the raw materials they use in our refining processes and the finished products that come out of our production cycle, of which they also manage distribution activities.
In all our activities, we are committed to **responsible practices**, by adopting innovative solutions for reducing environmental impact and ensuring high safety standards in the workplace. We are committed to maintaining an active dialogue with neighbouring communities in order to generate added value and promote a sustainable environment for all stakeholders involved.

[2] As shown in the Appendix of the Annual Report 2023 published by UNEM, we rank third in Italy. https://www.unem.it/download/appendice-statistica-relazioneannuale-2023/?wpdmdl=66415&refresh=663a6a74d8d8ff1715104372 (p. 22).

RAM: a strategic asset for the Country

In the dynamic context of energy transformation on a global scale, our Refinery plays a crucial role for Italy on several fronts:

1. **Energy security**: RAM is one of the largest refineries in Europe and plays a key role in the country's energy needs. Any decrease in our production could lead to shortages in the national fuel supply.
2. **Impact on the local economy:** RAM is a major economic force in the province of Messina, playing a key role in stimulating employment and attracting investment to the region. We are the main economic player in the area, employing directly 645 employees and more than 1,000 employees from third-party companies.
3. **Technological Innovation**: it is our priority to adopt advance technology in the area of oil refining in Italy. We are constantly investing in research and development, aiming for innovative solutions to increase energy efficiency and reduce CO_2. We actively collaborate with universities and research centres to foster innovation and technological progress in our industry.

Responsibility and professionalism in respect of the territory

10.6 **million tonnes**
Annual balanced processing capacity

71.3 **mln €**
Investments

212 **hectares**
of extension

"It is a priority for us to continue to operate and grow while contributing to a sustainable development, respecting environment, people and the territory that hosts us."

Walter Rizzi,
Chairman of RAM

Our structure

1957
Establishment
The Refinery is established under the name "Mediterranea Raffineria Siciliana Petroli S.p.A."

1961
Start of operations
In October 1961 the Refinery starts operations

1982
Agip Petroli
Agip Petroli buys shares and restarts part of plant after the shutdown due to energy crisis

1987
Change of company name
The company is changed into "Raffineria Mediterranea S.p.A."

1994
Merger into Agip Petroli
Raffineria Mediterranea S.p.A. merges into Agip Petroli

1995
New company name
Raffineria di Milazzo S.p.A. was established.

1996
Joint Ventures
Kuwait Petroleum Italia acquires 50% of the company's shares establishing the joint venture with Eni

2000
Consortium company
Raffineria Milazzo becomes an S.C.p.A.

2003
Eni's take over
Eni takes over Agip Petroli in the joint venture following the merger

2004
Change of registered office
The registered office is moved from Rome to Milazzo

2014
Acquisition of 'Servizi Milazzo Srl'
The business unit of plant operator HMU2 is acquired with the creation of 'Servizi Milazzo Srl'

2016
'Termica Milazzo' acquisition
'Termica Milazzo' is acquired, with the consequent transfer of its registered office to Milazzo

2017
Merger of Milazzo Services
Merger by incorporation of Servizi Milazzo Srl into Raffineria di Milazzo S.C.p.A.

2018
Connection with Termica Milazzo
The electrical connection with Termica Milazzo is completed

2020
Merger of Termica Milazzo
Merger by incorporation of Termica Milazzo into Raffineria di Milazzo S.C.p.A.

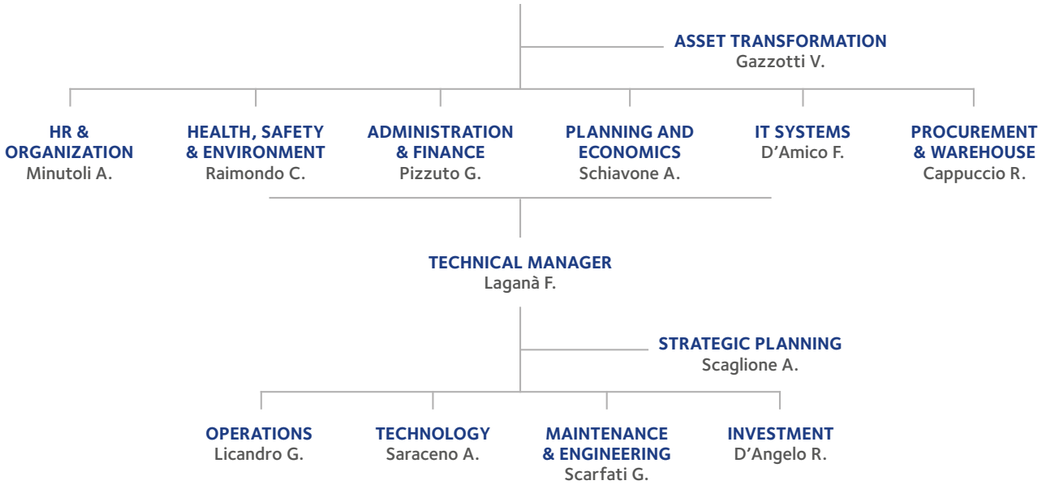
1.1 How we are organised

GRI 2-1, 2-9, 2-10, 2-11

Since 1996, the year in which the **joint-venture** between **Eni S.p.A.** and **Kuwait Petroleum Italia S.p.A.**, known commercially as **Q8**, was established, RAM has been constantly committed to pursuing the objectives outlined in the Shareholders' Agreements[3], focusing on long-term competitiveness, international excellence in health, safety and environment, and flexibility in processing different types of crude oil. This is also thanks to the establishment of a system of governance structures, bodies and mechanisms that can regulate and steer decision-making towards sustainability, safety and operational excellence.

Under our governance model, the Shareholders' Meeting appoints the Chairman and Vice Chairman and the Board of Directors (BoD) appoints the two Managing Directors, each representing one of the two shareholders, with equal powers.

Our Management[4]



The General Manager, who leads the company in cooperation with the Functional Managers, is also appointed by the BoD. The General Manager, together with management, is responsible for proposing investment projects to the shareholders, aimed at improving the company in the long term and managing its day-to-day operations. Control activities are entrusted to the Board of Statutory Auditors, which consists of three Standing Auditors and two Alternate Auditors. This body plays a key role in monitoring the operational and financial performance of the company. Furthermore, PricewaterhouseCoopers S.p.A (PwC) continued to perform the statutory audit of the Annual Report and the limited review of the Sustainability Report, ensuring the transparency and accuracy of the financial and sustainability information disclosed. RAM's activities are led by a management team with the best technical and management skills.

In accordance with the Integrated Management System (IMS) guidelines, we have also established various committees and subcommittees. These bodies monitor and manage specific aspects of the management system, working in cooperation with all Functions and Units of the Refinery.

Committees

1st level CSSA Management Committee (Safety, Health, Environment and Energy Committee)	It defines, implements, monitors and coordinates development plans to achieve the defined objectives and performance indicators.
2nd level Function Committees and 3rd level Unit Committees	They ensure that Health, Environment and Safety information, coming from the CSSA (Health, Environment and Safety)
SAE Subcommittee (Subcommittee for the analysis and verification of unintended incident and accident reports)	It analyses and verifies reports of accidents and incidents including economic losses.
SPAD Subcommittee (Subcommittee for Company's Accident Prevention Promotion)	It coordinates the SGI activities of external companies and contractors.
SMMI Subcommittee (Subcommittee for improvements and changes in our plants)	It analyses and verifies improvement and changes in our plants and processes.
SVSC Coordination (Coordination for verifications of site safety) of Technical Management	It manages logistics and monitors the activities of site visits and safety inspections.

[3] Shareholders' agreements are entered into by the shareholders, both when the company is established and during its operation, with the aim of achieving shared objectives.

[4] The function chart is up-to-date as of the date of approval of this Sustainability Report by the Board of Directors.

1.2 The principles and ethics that guide us

GRI 2-27, 205-3 (11.20.4), 206-1 (11.19.2)

COMPLIANCE WITH THE LAW

RESPECT FOR THE ENVIRONMENT

TRANSPARENCY

HONESTY

PROPRIETY

CONFIDENTIALITY

Our Values

Core values such as **sustainability, corporate social responsibility, ethics, transparency and professionalism** are embedded in our company DNA. These values are reflected in the daily compliance with laws, regulations and ethical practices, with a constant focus on the propriety of actions and behaviour. Committed to adopting international best governance practices, we address the **challenges of sustainable development with responsibility** and engage our stakeholders in dialogues on sustainability and corporate responsibility. Driven by a deep respect for human rights, we reject all kinds of discrimination, corruption and child or forced labour. We place great emphasis on values such as dignity, freedom, human equality and the right to work, which are the cornerstones of our operational standards of excellence. These values form the basis of our Code of Ethics, which provides rules that guide us in our daily work.

'Zero tolerance' to any form of violence and discrimination

Since 2022, we have introduced a company procedure to ensure a working environment **free of violence and harassment** of any kind. This initiative requires the commitment of all employees, including those who interact with third parties such as suppliers and contractors, as well as any person involved in company activities. The guidelines and principles of our Code of Ethics not only emphasise the core values of respect, professionalism, non-discrimination and equal opportunities, but also provide safe channels for reporting possible abuses, ensuring the protection of the whistleblower.
In order to further instil this commitment in the corporate culture and to disseminate the principles and the guidelines of the Code of Ethics, we have provided our employees with a total of 736 hours of training through the 'zero tolerance' training class.

Measure we adopted for a healthy workplace

GRI 406-1 (11.11.7)

Our approach to ensuring a healthy workplace for our workers is based on the principles set out in the **Organisation, Management and Control Model** pursuant to Legislative Decree No. 231/2001 and our Code of Ethics. We at RAM strongly condemn all forms of physical or psychological violence, harassment or bullying, promoting a culture of respect through exemplary actions, training and awareness-raising.

Business Ethics and Integrity

Our Code of Ethics

Our **Code of Ethics** was created with the intention of providing a clear and consistent set of ethical standards to be adopted by not only directors, management and employees, but also by every person involved in the achievement of our goals. It represents an indispensable guide for behaviour and conduct within the organisation. Violation of these rules could have major consequences, compromising not only the position of the individuals involved but also the integrity of the organisation and its long-term success. The Code of Ethics is an integral part of Model 231, the tool we have adopted to guide our activities in compliance with regulations.

Model 231[5]

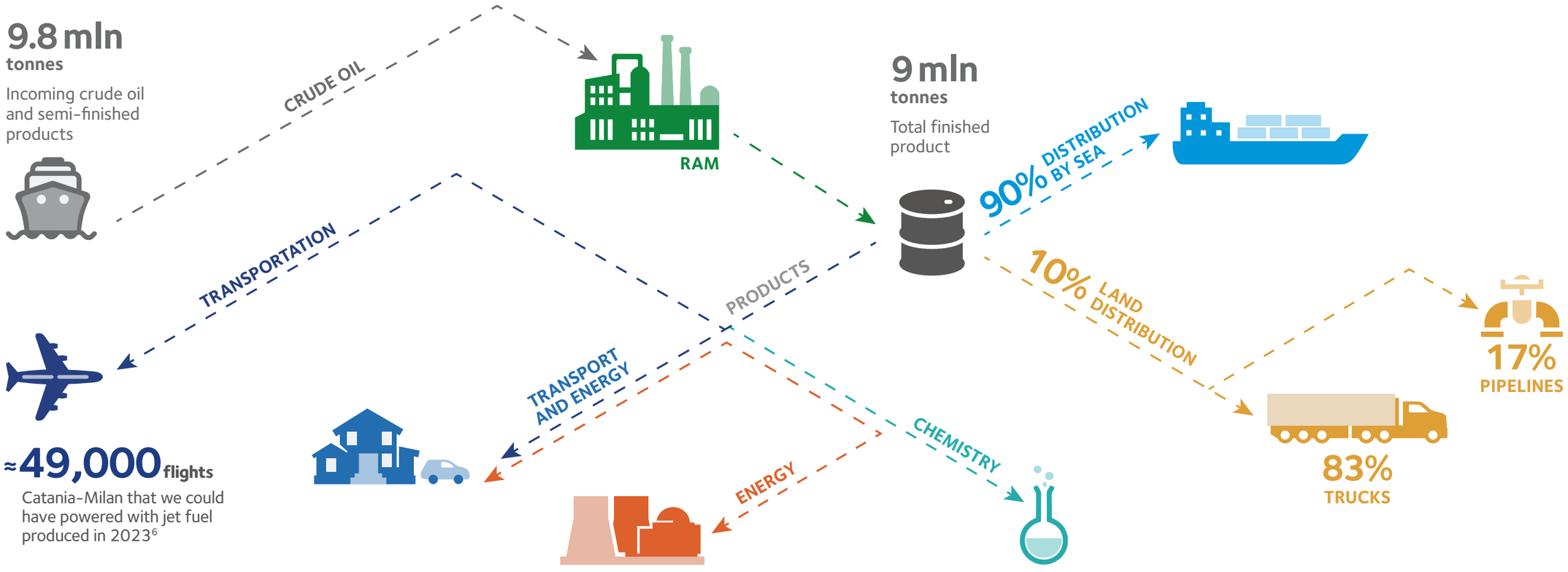
In our commitment to operational excellence and social responsibility, we have implemented the Organisation, Management and Control Model required by Legislative Decree No. 231 of 2001. This model, known as Model 231, constitutes a safeguard that promotes **transparency, integrity and accountability**.
According to the decree, companies have their own administrative responsibility, separate from that of individuals, for crimes committed by their representatives or employees acting in the interest or for the benefit of the company. The implementation of Model 231 led to the establishment of a Supervisory Board (SB), responsible for monitoring the effective application and adequacy of the model. Through continuous training programmes and awareness-raising initiatives, at RAM we ensure that all our employees are fully informed of the responsibilities and procedures required to maintain maximum legal compliance in every business area.

[5] Model 231 (www.raffineriadimilazzo.it).

1.3 Products and logistics

GRI 301-1

Our products and main distribution channels



Specific products and quantities

	TRANSPORTATION			ENERGY		ELEMENTS FOR CHEMISTRY		
million tonnes	0.31	1.72	4.20	0.03	0.90	0.09	0.09	1.69
	Jet Fuel Jet engine fuel	**Petrol** Fuel for internal combustion engines	**Diesel** Powering diesel engines, including those in ships	**LPG (Liquified Petroleum Gas)** Motor fuel, heating and heat generation fuel	**Fuel Oils** Also used as industrial and as fuel by thermal power plants	**Sulphur** Used in industrial processes and as a fertiliser in agriculture	**Propylene** Raw material for polymers, plastics and other chemical compounds	**Naphtha** Used in industrial chemistry

[6] The distance between Milan and Catania is 1,015 km. For each km, approximately 0.00599 t of jet fuel is consumed. This figure is drawn from the ratio of jet fuel produced, consumption per kilometre and distance Milan-Catania.

For the **storage of products** RAM makes use of an extensive system comprising **116** fixed tanks with a total capacity of **4 million cubic metres** and underground tanks for storing LPG. We have adopted a rigorous programme of testing to ensure the long-term reliability of our storage systems while minimising environmental impact in compliance with current legislation and using the best available technology.
The **handling of products by sea** is of value to the local economy and to the stakeholders of the Milazzo-Messina port system. In fact, the handling of both incoming and outgoing products takes place mainly by sea via our two wharves and in close cooperation with the harbour master's office and port services.
The port of Milazzo plays an important role in Sicily's economy. Due to its strategic location, it is an important infrastructure for the development of the region's industry, logistics and tourism.

585 **ships**
which operated on the wharves

17.8 **mln tonnes**
Crude oil handled, refined products and liquefied gases

6.41 **mln €**
Revenue accrued by the Port Authority of the Strait of Messina thanks to the fees paid by ships for loading and unloading products at the Refinery

1.2 **bln €**
VAT receipts for the import by sea of crude oil and semi-finished products from countries outside the European Union

777 **k €**
Annual State fee paid by RAM

Wharf 1
470 m long and 30 m wide with 2 mooring points

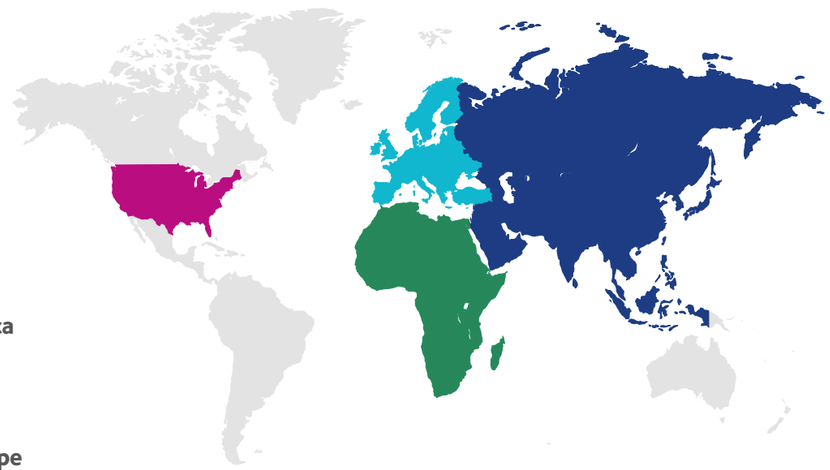
- Incoming material (Unloading from ships): Ethanol, ETBE
- Outgoing material (Loading to ships): LPG, petrol, diesel, jet fuel

Wharf 2
650 m long and 30 m wide with 6 mooring points

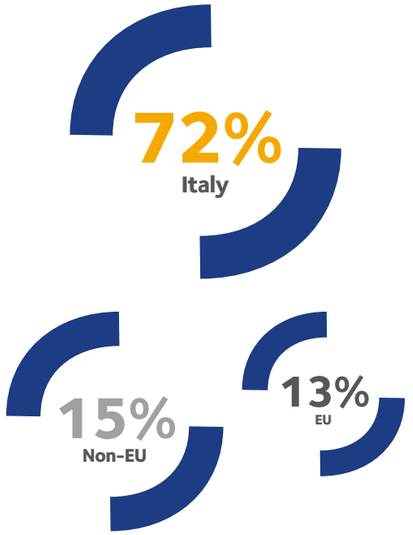
- Incoming material (Unloading from ships): Crude oil, semi-finished products
- Outgoing material (Loading to ships): Propylene, LPG, petrol, diesel, jet fuel, fuel oil, semi-finished products

Origin of Crude Oil[7]

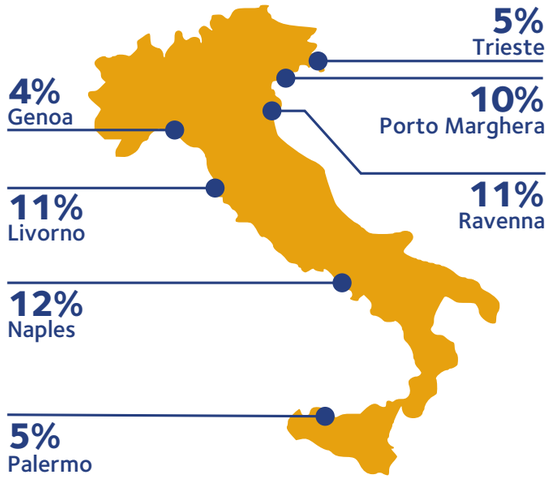
63% Asia
21% USA
14% Africa
2% Europe



Distribution of products by sea



Main ports of distribution by sea

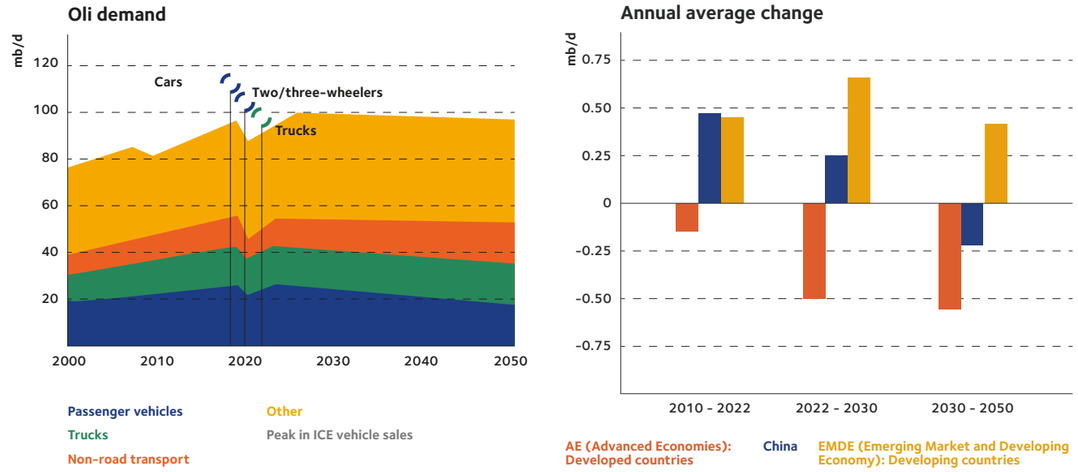


[7] The information provided refers to the destination indicated by the customer, it should be noted that this may vary as RAM does not handle logistics.

The geopolitical context in 2023 and the global energy crisis

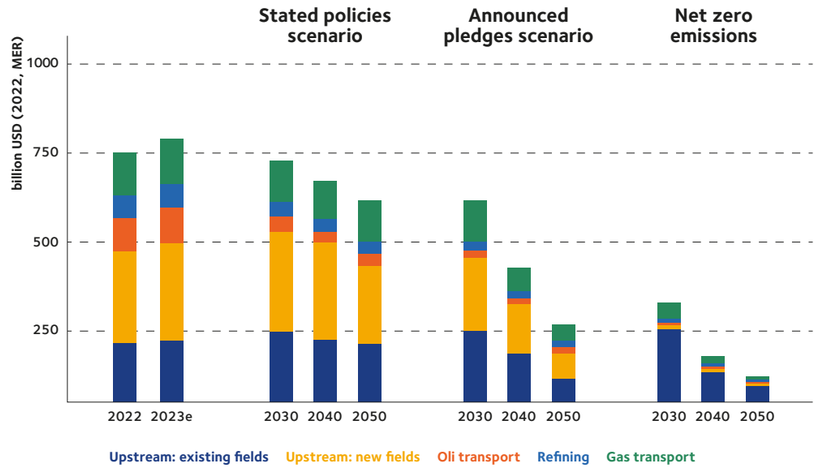
2023 was a year of profound geopolitical and energy transformations worldwide; we faced numerous challenges such as fuel shortages, rising prices, armed conflicts, inflation and economic slowdown.
Although the immediate tensions of the global energy crisis have eased somewhat since 2022, instability still permeates energy markets and the world economy. Fossil fuel costs have fallen from their 2022 highs; however, markets are still in a state of **uncertainty** and **volatility**.
The macroeconomic landscape shows signs of pessimism, with **persistent inflation**, high lending rates and debt levels.
The constant conflict, in particular between Russia and Ukraine and between Israel and Palestine with the resulting instability in the Red Sea, through which passes the **12%** of the global seaborne oil trade, has had a significant impact on the geopolitical environment.
In the face of this complex international scenario, in 2023, Europe diversified its sources of supply with regard to energy resources and stored gas until the reservoirs reached their maximum capacity.
Thanks to a combination of a mild climate, structural energy saving initiatives and increased energy production from alternative sources such as nuclear power and renewables, Europe has seen a marked reduction in gas and energy prices which helped to improve energy security.
Also for the **oil supply**, continuing from 2022, Europe continued to diversify its sources by entering into agreements with other oil producers, such as Qatar, the US and Azerbaijan.
Market prices for the purchase of energy raw materials have improved a lot since 2022: suffice it to say that the price of WTI oil stands at **USD 77.58** per barrel of oil in 2023[8], a much lower price than in 2022 and more in line with the average of USD 70 per barrel in 2021.
The **World Energy Outlook (WEO) 2023**[9], published by the International Energy Agency, is an authoritative source for an in-depth understanding of the geopolitical decisions that will shape the global energy landscape of the future. This document also explores the Stated Policies Scenario (STEPS), thus outlining the trajectory determined by policy strategies.
The legacy of the global energy crisis could be the beginning of the end of the fossil fuel era: as the drive towards clean energy is now sufficient, global demand for coal, oil and natural gas will peak by 2030. The shares of coal, oil and natural gas in the global energy supply – locked for decades at around **80%** – begin to decline, and reach 73% by 2030 in the STEPS scenario. This is an important change. In fact, oil demand is expected to peak before 2030. However, the descent from the peak will be slow and gradual over the various STEPS up to the 2050 scenarios.

[8] Brent crude oil price annually 1976-2024 | Statista.
[9] World Energy Outlook 2023 – Analysis - IEA.



Global oil demand by sector and average annual change by region in STEPS, 2000-2050 (Source: WEO 2023).

Although the era of fossil fuel growth is on the decline, this does not mean the end of investment in this sector. Until recently, meeting the projected demand according to the stated policy scenario (STEPS) would have implied increased investment in oil and gas over the next decade. Now, however, with the increasing trajectory of green energy and the predicted reduction in demand for fossil fuels, such an increase seems less likely.



Global investments in oil and natural gas by scenario, 2022-2050 (Source: WEO 2023).
These scenarios are developed by the World Economic Outlook (WEO) to identify three potential evolutions of the decarbonisation process and the fight against climate change.

Italian oil consumption in numbers[10]

In December 2023, total oil consumption in Italy fell by **2.2%** compared to the same month in 2022, mainly due to the drastic reduction in the use of fuel oil in thermoelectric power generation. Total sales to the market, which exclude consumption related to industrial refining activities, showed a slight decrease of **1.3%** (-55,000 tonnes). This decrease was mainly due to the decline in sales of products in the distribution network, which was partly attributable to two fewer working days compared to December 2022.
In detail, the consumption of **motor fuels (petrol + diesel)** amounted to 31.5 million tonnes, slightly down (-0.5%, -147,000 tonnes) compared to 2022, but about 350,000 tonnes above the pre-pandemic level.
In the aviation sector, on the other hand, fuel volumes (jet fuel) increased by 22% (+66,000 tonnes) compared to December 2022. For the first time in almost three years, volumes exceeded those of 2019 (+3.1%). The holidays at the beginning and end of the month led to an increase in tourist traffic, an important growth driver for consumption and employment in the Italian economy, given that tourism contributes around 11% of national added value.
Overall, oil consumption in 2023 reached approx **57.4 million tonnes**, with a decrease of 1.5% (-895,000 tonnes) compared to 2022. This trend is particularly visible in the consumption of refineries for the production of electricity and heat, which dropped by 15.8% in 2023 mainly due to the reduction in the use of petroleum products, especially refinery gases, which had played an important role in replacing natural gas earlier in the year[11].

[10] Oil Consumption Release December 2023 - Unem.
[11] Ibid.

1.4 Sustainability for RAM

GRI 2-23, 2-24

We have adopted a policy of **Corporate Social Responsibility** (CSR) as a fundamental guide for our corporate strategies and policies. This policy, steeped in the company's values and ideals, aims to bring a tangible and significant improvement to the social life of the area in which we operate. The main objective is to pursue sustainable development that focuses on safety in the workplace, respect for the environment and protection of the health of workers and citizens.
Our commitment to sustainability goes beyond mere formal declarations; it manifests itself through concrete actions and tangible measures built into our daily operations. Through continuous monitoring of our production processes, we actively strive to minimise the environmental impact of our activities, ensuring a **responsible management of resources and reducing our carbon footprint**.
Furthermore, in line with our values and the objectives defined in our Corporate Social Responsibility policy, we have identified a number of Sustainable Development Goals (SDGs) that guide us in our activities. These goals, inspired by the ideals of sustainable development promoted by the United Nations, represent ambitious challenges that we are committed to actively pursue, thus contributing significantly to the progress and wellbeing of society.

Priority SDGs for RAM

Affordable and clean energy	In an ongoing effort to improve our processes, we focus on energy efficiency to reduce our environmental impact and optimise the resources we use.
Decent work and economic growth	We actively support the economic development of the region, promoting job creation both within our company and among partner companies and local suppliers.
Industry, innovation and infrastructure	We invest in training, education and innovation locally and nationally, supporting projects that foster community growth and progress.
Responsible consumption and production	We adopt the principles of the circular economy, implementing practices such as recycling and reuse of process water to reduce waste and minimise the use of primary resources.
Climate action	We use advanced technology to monitor and limit climate-changing emissions and we strive to protect the environment and public health.
Life below water	Thanks to our advanced technologies, we contribute to the protection of the water and marine system, mitigating potential negative impacts from our production activities.

Certifications and the integrated management system

We have an **Integrated Management System** (IMS) that allows us to effectively monitor all aspects of safety, health, environment, energy and quality. During 2023, certifying bodies have conducted the **periodic reviews of certifications** ISO 45001, ISO 14001 e ISO 50001, which were regularly renewed. Our Chemical Laboratory is also certified, holding UNI EN ISO 9001:2015 certification, and UNI CEI EN ISO/ IEC 17025:2018 certification for specific analyses (Process Emission Trading and sea discharge control). The laboratory carries out analytical activities on raw materials, fuels, internal consumption and sea discharges.

Environment

UNI EN ISO 14001:2015

It manages the direct and indirect environmental aspects arising from the refining, product handling, and energy production activities.

Energy

UNI CEI EN ISO 50001:2018

It oversees all activities and operations carried out that have or may have an effect on the energy performance of the Refinery.

Health and Safety

ISO 45001:2018

It aims to prevent any harm to direct and indirect workers operating at the Refinery.

Major Accident Hazards

UNI 10617:2019

Its purpose is to prevent major accidents involving certain hazardous substances and to limit their adverse effects on human health and the environment.

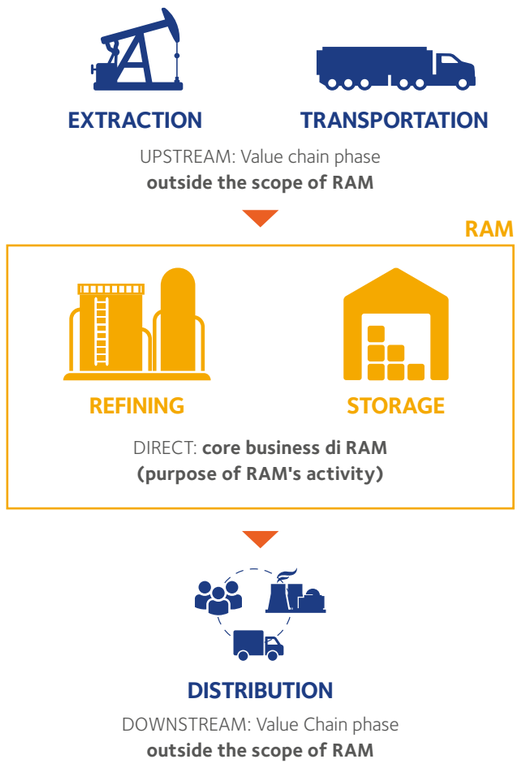
Quality

UNI EN ISO 9001: 2015

It includes the production, handling and storage of propylene.

Materiality analysis

In the course of 2023, we updated the materiality analysis process for identifying impacts, and consequently the material issues to be reported by RAM, in line with the Standards of the **Global Reporting Initiative** (updated to 2021).
The 2023 materiality analysis process has explored the entire value chain of the hydrocarbons sector (oil and gas) as outlined in the specific Standard 'GRI 11: Oil and Gas Sector 2021'. In order to better understand the impacts generated, all phases of RAM's value chain were mapped, also analysing some upstream and downstream phases of the value chain, not subject to the direct activity of the Refinery (i.e, extraction, transport and distribution phases). Five main stages were recognised, represented by the infographic below:



Taking the entire value chain into consideration, the following **impacts, generated directly and indirectly by RAM,** were identified through:

- a *benchmark analysis*: i.e. a comparison with other companies to highlight the most debated sustainability issues in the oil industry;
- a *media analysis*: i.e. a review of the main RAM products, in order to understand public perception;
- an analysis of the publications of leading international organisations and industry associations, to identify emerging sustainability trends at national, European and global level (S&P Global, MSCI, Moody's V.E., CDP, among others).

In conducting this activity, we focused on both positive and negative impacts, as well as the actual and potential impacts generated by RAM along its value chain.
The impacts thus identified were grouped into themes, which in turn were divided into three main categories: *Environmental, Social and Economic*. For a complete view, please refer to the related graphic representation.

RAM's material topics

ENVIRONMENT	**Management of energy consumption and climate-altering emissions** **Protection of ecosystems** **Air quality** **Protection of water resources** **Responsible waste management**
SOCIAL	**Safeguarding the local community** **Health and safety at work** **Employee diversity and development**
ECONOMIC	**Creation of value for the territory** **Business ethics and integrity**

After being identified and categorised, impacts were assessed using the criteria proposed by the Global Reporting Initiative's Reporting Standards (2021). Assessments include: severity for negative impacts; severity and likelihood for positive impacts. In detail:

- **Severity** – The severity of an impact is determined by:
  1. **Severity Scale**: how severe the impact is, also analysing the external context in which the impact occurs, including geography.
  2. **Scope of application**: how widespread the impact is along the value chain.
  3. **Irremediable character**: how difficult it is to counteract or remedy the resulting damage.
- **Probability** – Probability is the chance of the impact occurring:
  1. The likelihood of an impact can be measured or determined qualitatively or quantitatively.
  2. Probability considers the measures taken by the Company to prevent the impact and mitigate it.

Following a careful analysis of impacts in 2023, the most important material issues were found to be the following:

- **Management of energy consumption and climate-altering emissions**
- **Air quality**
- **Health and safety at work**
- **Creation of value for the territory**
- **Employee diversity and development**
- **Business ethics and integrity.**

Concerning the methodology used for the materiality analysis, as set forth in GRI Standard 3 'Material Topics', please refer to section 4.1 for details.

Dialogue with the Stakeholders

GRI 2-28, 2-29, 201-1 (11.14.2), 203-1 (11.14.4), 204-1 (11.14.6)

By virtue of our Social Responsibility policy, we are committed to maintaining a **constructive and open dialogue** with our stakeholders. This involves meetings with trade associations, public administrations staff and collaborating with the scientific community, as well as supporting charitable initiatives.

For us at RAM, each stakeholder related to our activities plays a crucial role in the operation of the Refinery and requires dedicated and targeted involvement. Our aim is to balance economic growth with respect for the environment and social welfare. The active involvement of our stakeholders is essential not only to ensure the optimal functioning of the Refinery, but also to guarantee transparency, **foster an atmosphere of mutual trust** and promote sustainable development that benefits all stakeholders. Therefore each stakeholder is valuable and deserves specific attention and focus.

Participation in National and International Conferences

During the course of the year, we took part in several **international conferences**, also actively contributing to:

- "European Refinery Technology Conference, ERTC 2023"- Baveno, Italy;
- "Petrochemical and Refining Congress" - Vienna, Austria;
- "Plenary Unichim oil product correlation circuits" - Milan, Italy;
- "Future Oil and Gas" - Aberdeen, Scotland;
- "AUTOMA 2023" - Vienna, Austria;
- "Turn Around and Inspection forum" - Amsterdam, The Netherlands.

MAIN STAKEHOLDERS AND ENGAGEMENT ACTIVITIES

Institutions
Dedicated meetings, Newsletter, Website

Schools and Universities
Website, internships, courses and testimonials in schools and visits to our factory

Press
Website, newsletter

Employees
Corporate intranet, newsletters, noticeboards, dedicated meetings

Trade Unions
Dedicated meetings, information releases, direct contacts

Suppliers
Dedicated online portal on the website, dedicated meetings

Local communities
Website, newsletter, participation, support of cultural and social initiatives

Associations
Membership, website, participation in their events, support for their initiatives, scientific conferences

1.5 Impact on the territory

Generation and distribution of value

GRI 201-1 (11.14.2), 203-1 (11.14.4), 207-1 (11.21.4)

Added value generated for the stakeholders

Our core business consists in **refining crude oil** on behalf of our shareholders, Eni S.p.A. and Kuwait Petroleum Italia S.p.A., and in return we receive a processing fee. As a result, our balance sheet is always a break-even one, i.e. it has no profit or loss. We entirely redistribute the economic value generated directly to our main stakeholders: staff, institutions, lenders and, of course, local communities.

Since the establishment of the Joint Venture in 1996, more than one billion investments have been made, allowing us to continuously improve our operational performance and contributing significantly to the socio-economic development of the region, creating job opportunities and supporting the local economy.

In 2023, we dedicated Euro **71.3 million euros** to our investments, of which 23 million euros (32%) was allocated to reducing our environmental impact and 11 million euros to improving our safety standards.

INSTITUTIONS

In 2023, the total value we allocated to direct and indirect taxes and fees, including local tax obligations such as IMU (Single Municipal Tax) and TARI (Waste Tax), was approximately **1,9 million euros**. In addition, we have made both mandatory and voluntary contributions to trade associations and *non-profit organisations* with which we maintain close partnerships.

STAFF

Considering that many of our employees come from the "Valle del Mela" and, in particular, from Milazzo, the value distributed to staff contributes to generating purchasing power and **indirect economic impacts on the local economy.**

TO FINANCIERS

The value distributed to lenders includes financial charges resulting from shareholder subsidies and bank loans..

TO THE COMMUNITY

The contributions we make to support the local community include **charity donations to various entities**.

In addition, we recorded operating costs of **36.5 million euros**, of which 27.5 million euros were for environmental protection and 9 million euros for safety.

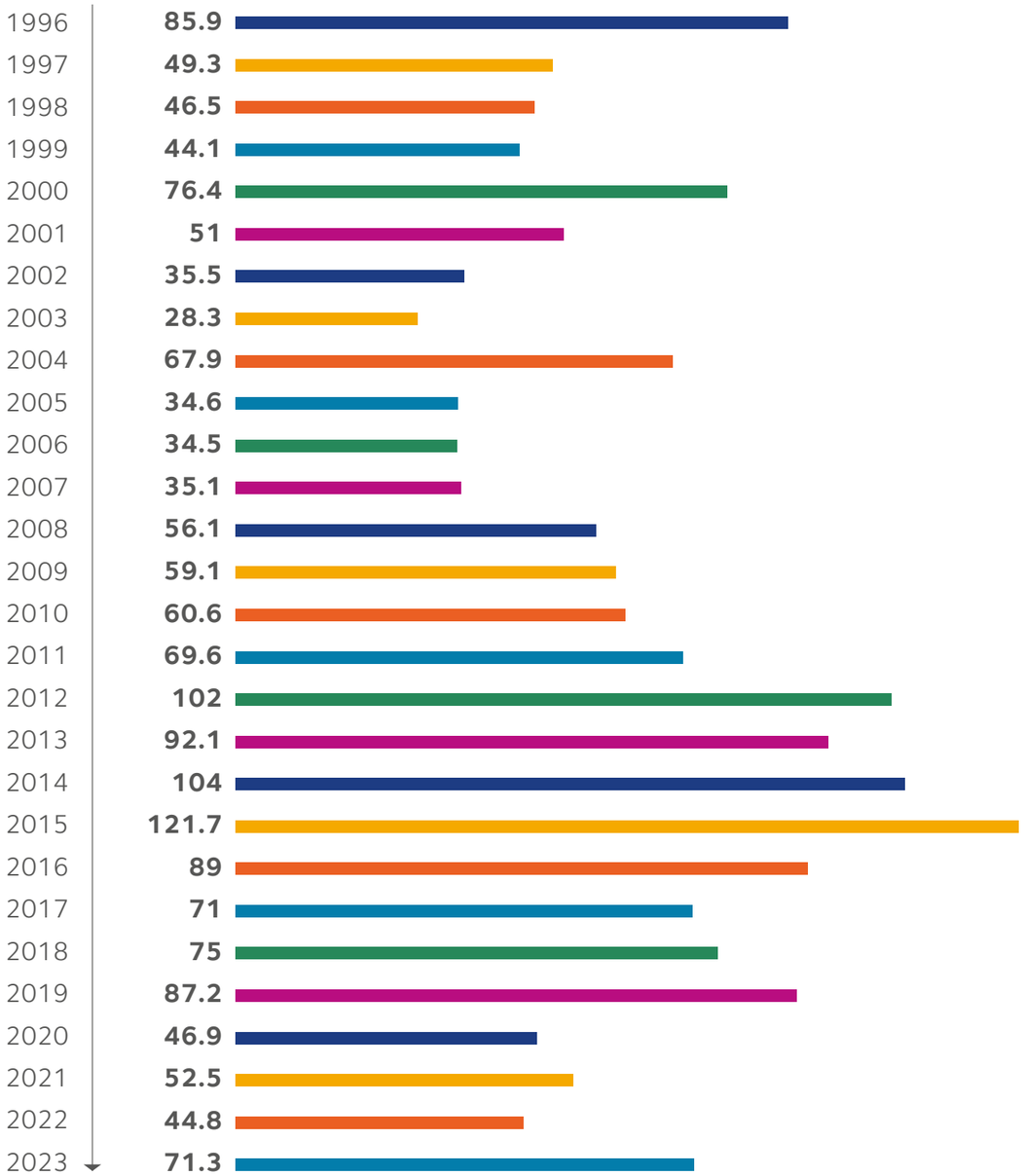
Allocation of distributed value

(values expressed in thousands of Euros)

	2021	2022	2023
To the Staff	53,807	53,314	**55,494**
To Financiers	6,230	10,053	**27,038**
To the Institutions	3,497	3,662	**3,514**
To the Community	1	28	**205**
Net Global Added Value	**63,535**	**67,056**	**86,252**
Amortisation/Depreciation	70,757	70,781	**72,381**
Gross Global Added Value	**134,295**	**137,837**	**158,633**

Investment trends since1996

(values in millions of Euros)



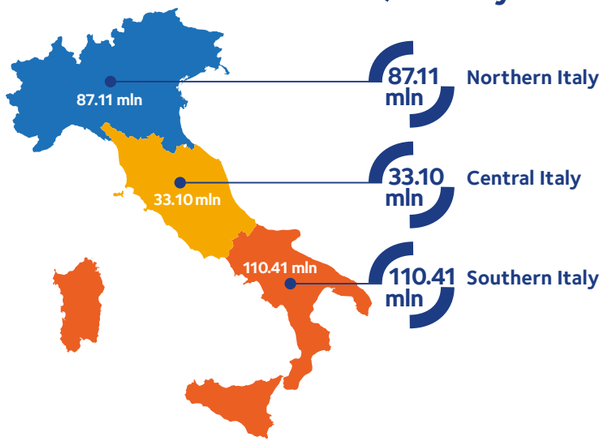
Creation of a sustainable supply chain

In carrying out our activities, we have always been committed to also promoting the development of our suppliers with a special focus on local suppliers. Creating value in the territory means contributing to the professional growth of the personnel working on the site and the suppliers investing in the community. In 2023, **1,157 employees of third-party companies** worked in our plant for more than 100 days. **90% of the employees** came from the province of Messina, with a significant **42%** directly from Milazzo, demonstrating our strong ties with the local community. In 2023, the turnover of our suppliers, for services and supplies provided to RAM, amounted to a total of **763.8 milion of euros**; a figure that takes into account both supplies received from entities associated with the RAM's governance structure (the shareholders) and those purchased from third-party companies. In particular, the turnover generated by the latter reached **348.4 milion of euros**, 2% more than in 2022.

Geographical distribution of third party companies turnover

348.4 mln di €

66% Italy



34% Abroad

To actively foster the development of our suppliers, we recognise the importance of promoting sensitivity to **ESG performance** within our supply chain. In 2023, we started the registration process for the OPEN-ES Portal. This digital platform is reserved to companies involved in the energy transition. It is not only a tool for measuring the sustainability of suppliers, but a catalyst for business transformation, promoting collaboration across sectors and offering a wide range of opportunities and innovative solutions in an intuitive and accessible way.
For this reason, we are committed to registering our suppliers on the **platform**, and this will be supported through initiatives to raise awareness and inform our partners about the opportunities and benefits of membership:

- participation in training and refresher courses;
- exchange of knowledge and experiences with other companies;
- continuous evaluation of their sustainability practices.

For us, it is essential not only to comply with the Management Systems in place, but also to ensure that our suppliers actively commit to them. We recognise the crucial role that suppliers play in contributing to our goals of excellence and sustainability.

RAM and suppliers: digitisation for a more effective communication

The initiatives we have launched for greater digitisation of processes are:

1. **Procurement**: Approval and digital signature of contracts and related documents, with creation of a digital archive to replace the paper archive.
2. **Warehouse Management**: Implementation of a barcode system to track the entry, storage and exit of materials, allowing more efficient management of purchases according to actual needs.

In 2023, we continued to monitor the fulfilment of the safety, quality and sustainability requirements of our suppliers. Considering **1,320 active suppliers**, 69% provided documentation of the ISO certifications we requested, with the following percentages:

- 81% with Certification **ISO 9001**;
- 28% with Certification **ISO 45001**;
- 43% with Certification **ISO 14001**.

Facilitated access to credit: RAM supports suppliers with Confirming

In 2023, we continued our commitment to the 'Supply Chain Programme' with Intesa Sanpaolo, aimed at strengthening Italian production supply chains. Through Confirming's digital platform, the programme offers favourable credit access conditions for our suppliers. In detail, it is an agreement in which the bank replaces RAM in the payment of suppliers, enabling them to obtain the necessary capital quickly.
During 2023, the service advanced 64 million euros in credits to beneficiary companies.
The Chain Supply Programme provides.

Initiatives for the development of local communities

GRI 203-2 (11.14.5)

We play a pivotal role in the Italian energy sector, transforming crude oil into fuel and other petroleum products, but we also strongly support the economic and social development of the entire local community. The production of our Refinery creates significant **linked industries employment**, generating hundreds of direct and indirect jobs, which translate into economic prosperity for the region. We are firmly committed to operating in an environmentally responsible manner. We adopt advanced technologies to minimise the environmental impact of our operations, such as using energy-efficient processes and equipment and taking measures to reduce pollutant emissions. But our commitment does not stop there. We firmly believe in **contributing and investing in the community** in which we operate.

Therefore, we dedicate resources to projects that directly benefit local communities. We support educational initiatives for young people, support local cultural and sports activities and invest in health projects to protect the health of our community members.
In addition, we actively cooperate with local authorities and active citizen organisations to ensure that our operations are safe, responsible and respectful of the needs of the community. Therefore, the **dialogue** and the **collaboration** with local community stakeholders are essential for us: we call this approach **'Industrial Symbiosis'**, to emphasise a mutually beneficial cooperation between companies, universities and organisations.

850
students and teachers who visited the Refinery

Dialogue with schools and universities

During the year 2023, we recorded intensive cooperation with several Italian universities and the realisation of numerous projects. 11 curricular internships, were initiated, covering not only technical subjects but also economic areas, and in some cases culminating in the writing of a dissertation. These internships were carried out in cooperation with the University of Messina, the Polytechnic of Turin, the University of Bologna, the Bocconi University, the E-Campus University and the Unimercatorum, the University of the Italian Chambers of Commerce. An internship also involved a student from the Technical High School in Bergamo.
In addition, a Research Doctorate, co-funded with the Department of Engineering of the University of Messina, included in the context of projects participating in the 'PNRR', was started. Lastly, the collaboration with the same department in the context of the new course of study in Management Engineering was strengthened with the inclusion of RAM in the Technical Committee for the definition of curricula and its participation in the 'IG Springboard' challenge, an initiative in which groups of students propose solutions to business problems.
Regarding activities with schools, numerous company visits were organised, which involved a total of 11 institutes between middle schools, high schools and universities with the participation of 850 students and teachers.
Also this year, we supported the guidance activity called 'Orient@giovani' promoted by 'Istituto Tecnico Ettore Majorana di Milazzo', focusing on a guidance session for young students of the region.
In addition, the project for the development of an e-learning course on cybersecurity, with a focus on information security in work and social life, managed by 'Istituto Comprensivo III di Milazzo', was implemented.

RAM and collaboration with the scientific community

RAM collaborated with the Chemical and Electrochemical Technologies Laboratory of the Engineering Department of the University of Palermo and the ENEA Casaccia Research Centre in Rome to develop an innovative strategy for the decarbonisation of crude distillation using solar heat.
The research, recently published in a renowned journal published by Elsevier, is based on the integration of a concentrating solar power plant (CSP) with two atmospheric distillation units using solar radiation data typical of Sicily and technical data provided by the RAM Refinery. This study demonstrates the potential of solar heat generated with CSP technology in the oil industry located in high insolation geographic areas such as the Mediterranean, as it can achieve a significant reduction in emissions of CO_2 and methane gas consumption.

2. A TECHNOLOGICAL AND OPERATIONAL EXCELLENCE

203-1 (11.14.4), 203-2 (11.14.5)

Our passion and commitment have guided us on a path of continuous improvement, a journey during which we have established ourselves as a model of operational excellence. This milestone represents the culmination of years of dedication, yet our quest for excellence continues onward.

'The topic of energy transition is undoubtedly of primary interest to RAM. Balancing environmental sustainability, decarbonization, employment, economic stability, and energy security is not simple, especially in a global landscape where there is not yet a single energy source or technological solution, alternative to fossil fuels, that is applicable to all traditional systems of production and consumption.
The transition will be gradual, and RAM will not hesitate to seize all the opportunities that will become available over the years to enhance the sustainability of its production cycle.
A systemic approach is required: it is necessary to integrate technologies, skills, resources, and services to outline new production models aimed at greater energy efficiency, waste recovery, and progressive decarbonization.
All this while never losing sight of our operational excellence, which is demonstrated by ensuring the utmost safety of our facilities and environmental protection, providing a safe working environment for all employees and for the area in which we operate.
We look to the future with awareness, offering our experience and expertise, and engaging in constant dialogue with all our stakeholders to define and journey together on this fascinating path of transition.'

Marcello Tarantino,
RAM General Manager

Our aim is not only to enhance the efficiency of our daily operations but also to drive innovation, foster growth, and bolster the all-around competitiveness of our company. The operational excellence we aim to achieve is not merely an internal goal. It is a principle that permeates every aspect of our work. It is reflected in our deep commitment to minimising the impact of our activities on the environment. This is evident in the rigour with which we ensure the safety of our plants and in the way we operate, always prioritising the safety of the workers. And finally, operational excellence is also reflected in the attention we pay to the territory in which we operate. We go beyond mere corporate practices, taking an interest in the impact and externalities that our activities have on people and the environment.

2.1 Our commitment to environment and land protection

203-2(11.14.5)

We at RAM are aware of our impact on the environment, so we are committed to investing in the **most advanced and sustainable technologies** to protect it. For us, being an active part of the territory implies a responsibility to operate safely, in order to preserve both the ecosystem and the communities in which we operate. This commitment is evident through the continuous adoption of innovative projects that aim to minimise our environmental impact: our dedication to sustainability is reflected in every operational aspect and is a fundamental pillar of our corporate mission.

23 mln €
Investments to improve the environmental impact

11 mln €
Safety investments

36.5 mln €
Operating costs incurred
- of which **27.5 mln €** for environmental protection
- of which **9 mln €** for safety protection

0 Frequency Index
of total accidents involving RAM employees and third party companies

0 Severity Index
of total accidents involving RAM employees and third party companies

58%
Waste for recovery (+33% by 2022)

'What fosters innovation within RAM? It is our people, the key elements in generating and developing innovative ideas. Thanks to the constant support of our shareholders, the ideas of our employees have been able to propel RAM towards the future with a mindset of continuous improvement. This has made the difference and allowed us to stand out in the national and European landscape, for example, in terms of investments in safety and environmental areas: our steps in this field have been significant, and there are not many examples of refineries in Italy that have followed a growth path similar to ours. External impulses have driven RAM to invest in a wide range of technologies (such as vapor recovery systems, reduction of NOx, SOx, and particulates), but these innovations have above all contributed to making our facilities more environmentally efficient and safer for our workers.'

Fortunato Laganà,
Technical Manager RAM

The best technologies for environmental protection

305-5 (11.2.3), 403-1 (11.9.2), (11.9.3), 403-8 (11.9.9)

We strive, by continuously investing, to modernise our plants with the aim of implementing the best technology available in the industry. Continuous innovations allow us not only to ensure total *compliance* with increasingly stringent regulatory requirements, but also to be in line with the **BAT (Best Available Technologies)**[12].
The adoption of these tools allows us to gradually reduce environmental impacts, which affect air, water, soil and the entire ecosystem, as well as improve the safety of our plants.

23 **mln €**
Investments to improve the environmental impact

241.5 **GWh**
Energy fed into the grid (-32% compared to 2022)

0.263 **tonnes of GHG**
Per tonne of product processed (-5% compared to 2022)

3.16 **mln m³**
Recovered water

10,898 **tonnes**
Waste recovered, equal to 58% of total produced (+33% compared to 2022)

[12] BAT are the best available technologies for oil and gas refining, with respect to emissions and consumption, identified by Implementing Decision 2014/738/EU, recommended by the Ministry of Environment and Energy Security. BAT guidelines are the reference tool for national public administrations to set the conditions for granting operating permits to our plants.

Integrated Environmental Authorisation (AIA - *Autorizzazione Integrata Ambientale*)

'**Integrated Environmental Authorisation**' (hereafter AIA) refers to the provision authorising the operation of a plant (or a part thereof) and defining the manner in which impacts on the various environmental matrices are to be managed and governed in relation to the application of the corresponding reference BAT.
In 1996, the European Union issued the IPPC Directive (*Integrated Pollution Prevention and Control*[13]) to prevent and reduce pollution in an integrated manner. This directive was later updated and replaced by Directive 2010/75/EU on industrial emissions. In Italy, the latter Directive was transposed through Legislative Decree No. 46 of 4 March 2014, which amended Legislative Decree 152/06. The latter includes the provisions for the management of the Integrated Environmental Authorisation for our plants covered by the regulation. The IPPC Directive is based on three key principles:

1. **Integrated approach:** the permits must consider all aspects of environmental impact, including air, water, and soil pollution, waste generation, raw material use, energy efficiency, noise, radiation, vibration, accident prevention, and post-closure area restoration, in order to ensure a high level of environmental protection.
2. **The use of Best Available Techniques (BAT)**: permit conditions must be based on Best Available Techniques.
3. **Consideration of local conditions:** authorities issuing permits evaluate several factors, including the technical characteristics of the plant, the geographical location and local environmental conditions.

IPPC legislation also promotes strong public involvement in decision-making and informs the public about the impacts of industrial activities, in line with the principles of the Aarhus Convention[14].

Monitoring and Control Plan (PMC - *Piano di Monitoraggio e Controllo*)

A key element of the AIA is the Monitoring and Control Plan (PMC)[15]. The latter is a tool that dictates how emissions should be regularly monitored and the results reported to the competent authorities. These plans detail the procedures for *monitoring* and *supervising* the plant operations and related emissions. These methods are then discussed and proposed during the dedicated Service Conference, which is the context in which the AIA issue is decided. In addition, during 2023, ISPRA and ARPA have conducted a periodic monitoring of compliance with the AIA decree.

Best Available Technologies (BAT)

The Best Available Technologies (hereafter referred to *BAT*), identified by the Implementing Decision 2014/738/EU, represent the most effective and advanced solutions in terms of plants, management and control methods, which are essential to ensure a high level of environmental protection. BAT are based on concrete evidence and on the involvement of multiple stakeholders supporting the establishment of legally binding emission limit values set forth in environmental permits, in order to effectively prevent and control industrial emissions to air, water and soil. The European Union's Industrial Emissions Directive defines BAT as '*the most effective and advanced stage in the development of activities and their methods of operation which indicate the practical suitability of particular techniques for providing in principle the basis for release limitations designed to prevent and, where that is not practicable, generally to reduce releases and their impact on the environment as a whole*.' Through the implementation of BAT-based policies, governments and industries enable a high level of environmental and health protection for an ecologically sustainable management of chemicals and waste. In addition, the application of BAT-based emission standards ensures a level playing field for the industry, promoting more efficient operations.

[13] Integrated Pollution Prevention and Control (by 2013) | EUR-Lex (www.europa.eu).
[14] The Aarhus Convention – Italian (www.isprambiente.gov.it).
[15] The drafting and updating of the PMC, attached to the Integrated Environmental Authorisation (AIA) Decree, are key activities set forth in Article 29-quater, paragraph 6, of Legislative Decree No. 152/2006.

Preserving the Atmosphere for a Sustainable Future

305-7 (11.3.2)

Reducing emissions and protecting the environment: our smokestacks

In 2023, during a partial review of the AIA, whose objective was to reach the lower levels of the BAT-AEL limits, the Refinery proposed **new interventions** aimed at reducing emissions on certain stacks. In particular, we proposed an intervention aimed at increasing the dust abatement efficiency of the electrostatic precipitator of the FCC unit and an intervention to reduce NOx (also within the FCC unit) through the implementation of SNCR technology[16].
The AIA review concluded by authorising these interventions.

Throughout the year, we have initiated the executive activities related to the two interventions that will allow us to achieve increasingly lower emission limits.
The new interventions to be added to those already completed over the years are:

1. **Low NOx burners**, installed in our furnaces, which, thanks to their specific design aimed at optimising combustion conditions, guarantee lower NOx emissions.
2. **The installation of management and control systems** of the latest generation to reduce dust from chimneys.
3. **VRUs (Vapor Recovery Units) with two-stage VOC (Volatile Organic Compounds) abatement capacity and GAROs (Gas Absorption Recovery Units)**, which actively contribute to the recovery of hydrocarbons and thus to the reduction of emissions into the atmosphere.
4. Processes that enable the **reduction of the sulphur content** in our products and its **recovery by producing liquid sulphur** in compliance with regulations on reducing the sulphur content in fuels such as petrol, diesel and LPG.
   Our fuels undergo hydrogen desulphurisation treatment, a process that produces hydrogen sulphide (H_2S) as a by-product. This H_2S is then removed by ammonia scrubbing columns, ensuring that our final products are low in sulphur.
5. **A new ammonia scrubber column** is used to further treat the self-produced gas to minimise the production of sulphur oxides (SOx) during gas combustion in the process furnaces. This column is capable of capturing more than 95% of the H_2S present in the inlet gas. Thus, the self-produced fuel gas undergoes a two-stage purification from H_2S. The amine used in the scrubbing columns is regenerated in special units, while the gas with a high H_2S content leaving the regeneration columns is used as feed for our sulphur recovery plants, known as SRUs (Sulphur Recovery Units). The sulphur recovery plants (SRU 1, 2 and 3) convert gas with a high H_2S content into liquid sulphur, a finished product that is then marketed. Sulphur recovery plants have efficiencies of over 99% in line with BAT.

[16] The Selective Non-Catalyc Reduction process is a method of reducing NOx by means of a controlled injection of reagent into the gas flow in the furnace combustion chamber.

Safety as a priority: the Refinery flare and GARO plants

As in all refineries, at RAM it is also possible to occasionally observe a flame burning at the top of the facilities. This flame, visible in the sky, serves as an important 'safety valve' for the facility and is known as the pilot flame.
It is, in fact, a system designed to effectively manage any excess gas during the plant operations, excesses that could pose a safety risk to workers if not properly managed. Excess gases are only vented to the torch in exceptional circumstances, and such events are always accurately recorded.
The presence of the ignited flame indicates that the safety mechanism has operated effectively, guaranteeing the protection of people and equipment. The gases sent to the flare are constantly monitored for both quantity and quality in accordance with the AIA. Over the course of 2023, there were 2,942 tonnes of gas sent to the flare, down by 2,676 tonnes compared to the quantities recorded in 2022 (5,618 tonnes). Thanks to the GARO1 and GARO2 plants, a total of 26,031 tonnes of gas were recovered, purified and reused.

Emissions for the main compounds
(values in tonnes)

	2021		2022		2023		AIA limit	
	RAM	CCT	RAM	CCT	RAM	CCT	RAM	CCT
NOx	1,360	173.8	1,552	109.8	**1,598**	**99**	2,000	350
CO	447	85.6	365	68.6	**311**	**59**	800	250
SOx	2,040		2,820		**2,377**		3,500	
PM	32		36		**43**		200	

Comparison of VOC emission data over the last three years
(values in tonnes)

	2021		2022		2023		AIA limit	
	RAM	CCT	RAM	CCT	RAM	CCT	RAM	CCT
COV	60		45		**234***		-	

CCT: Thermal Cogeneration Plant [*Centrale di Cogenerazione Termica*].
* Following the AIA inspection in 2023, we were instructed to recalculate the Volatile Organic Compound (VOC) emissions from the tanks using a different methodology.

Only what is measurable can be improved

'At RAM we believe in the importance of monitoring for the improvement of our processes and parameters.'

Modernisation of emission monitoring systems

We have started activities for the technological upgrade of the **emission monitoring systems** (EMS) installed on the Refinery's chimneys, with the aim of aligning them to recent technological advances. These activities were carried out with the idea of ensuring optimal control of the main substances such as NOx, SOx, CO and in order to also measure process parameters such as the flow rates of the emissions themselves, temperature and pressure. This project included the replacement and technological upgrade of some of the monitoring instrumentation. To date, the systems are being installed and are scheduled for completion by 2024.

Flare monitoring and efficiency improvement

As required by the authorities, our technicians have engineered an innovative tool of **measurement of some parameters** of the flare system in order to improve its combustion efficiency and reduce its impact on the environment. This new gas diagnostic method will make it possible to measure the calorific value of the gas, thus maximising flare combustion efficiency.

Innovation in inspection technology

A study was initiated using drones to search for **Fugitive Emissions**. The drones are equipped with OGI (Optical Gas Imaging) technology, which enables the detection of volatile compounds. In order to maximise efficiency and avoid direct overflight of the plants, a route was selected within the Refinery roads, thus ensuring easy accessibility. All flights were carried out in accordance with the Italian Directive, and covered by the appropriate authorisations. Drones are able to fly autonomously following pre-set routes and pick-up points. Alternatively, they can be tele-guided by a distant operator. This allows the repeatability of the acquired data, facilitating the comparison and analysis of information over time.

A system for vapour recovery during product loading process

To limit emissions during product handling operations by sea, our Refinery, one of the first in Italy, has long been equipped with three **vapour recovery units** (VRU). During 2023, additional measures were implemented to reduce emissions of volatile organic compounds during tanker loading. Specifically, we completed the tanker VRU improvement project, which upgraded the system by installing larger activated carbon filters than the existing ones, as well as integrating additional equipment to support its operation.

How they work - The three Vapour Recovery Units (VRU) are strategically located at the wharves to manage the gases emitted during ship loading, in order to **capture the volatile organic compounds** (VOCs) potentially released in this process. Through a system of pipes, the vapours from the ship's tanks are transferred to a VRU plant, which includes three parallel operating and interchangeable units. VOCs are subsequently extracted using first a vapour scavenging system through diesel fuel, then through selective membranes and finally through activated carbon. The tanker loading system also provides for the recovery of the vapours contained in the tanks. The vapours are conveyed into a system that works in a vacuum and consists of special regenerative activated carbon.

Emissions of greenhouse gases (GHG)

305-1 (11.1.5), 305-2 (11.1.6), 305-5 (11.2.3)

Our GHG, short for *Green House Gases*, are mainly associated with the crude oil refining processes, with a minimal part attributable to diffuse emissions. Reducing these emissions is one of our key priorities to ensure **environmental sustainability**: therefore, through the adoption of specific measures, we are committed to contributing to the transition to a low-carbon economy. Our Refinery is an active participant in the **system for greenhouse gas emission allowance trading** promoted by the European Union, namely the *European Union Emissions Trading Scheme* (hereafter abbreviated to EU ETS). The latter is a *cap and trade*[17] system which is the main instrument adopted by the EU to achieve its CO_2 emission reduction objectives in the industrial, aviation and marine sectors. The EU ETS, governed by Directive ETS 2003/87/EC, requires participants to offset through the market any surplus of emissions (purchase) or deficit (sale) compared to a standard emission target (free units). All of the Refinery's GHG emissions are certified by independent third parties. As of 1 January 2021, Phase IV of the EU-ETS (2021-2030) was started after the entry into force of the new EU Regulation 1122/2019.

In the reporting period, our direct emissions, i.e. the *Scope 1*[18] deriving from company-owned or controlled sources, amounted to 2.61 million tonnes of greenhouse gases. The GHG emissions per unit of processed product are 0.263 tonnes of GHG per tonne of processed product. Also this **figure is decreasing compared to 2022** (0.276 tonnes of GHG per tonne of processed product).

Scope 2 refers to all emissions produced in the supply of external electricity used by the Refinery.

STATIONARY COMBUSTION EMISSIONS	They include emissions from the combustion of fuels in equipment such as boilers, furnaces, burners, turbines, etc.
PROCESS EMISSIONS	They include emissions from chemical or physical transformation processes of materials associated with production activities. By way of example, emissions from hydrogen production plants (steam reforming) and catalytic cracking plants fall under this category.
FUGITIVE EMISSIONS	They include emissions to the atmosphere resulting from the unintentional loss of the gas phase from equipment containing a fluid (gas or liquid) that is over-pressurised relative to the external environment. Examples of fugitive emissions include: leaks from pipes, valves, flanges, pump and compressor seals, rotating surfaces, gas conveying systems, etc.

Direct and indirect emissions (Scope 1 and 2)

(Values expressed in t CO_2)

Emissions	
Scope 1 - Direct Emissions	**2,608,370**
of which by stationary combustion	1,545,022
of which by process	1,062,789
of which from fugitive emissions[19]	559
Scope 2 - Indirect emissions from power purchase	**37,164**

[17] A cap-and-trade system, also known as an 'emission quota system', is an economic approach aimed at limiting and reducing air pollution, in particular greenhouse gas emissions. It is called 'cap and trade' because it combines a cap on allowable emissions with a market (trade) in emission permits.

[18] RAM calculates its emissions according to ISO 14064-1. The gases included in the calculation refer only to CO_2 and the reporting scope is the Milazzo Refinery and the thermal cogeneration plant (CCT). The source used for the transformation factors is ISPRA 2022 and the calculation for Scope 2 emissions is according to the *location-based* method.

[19] No fugitive emissions from CH_4 were recorded.

Greater efficiency that reduces the amount of fuel needed

In the context of our crude oil primary distillation plants, Topping 3 and Topping 4 play a crucial role in the **separation of the different crude oil fractions** for the production of our finished products. Before entering the columns for **separation,** the crude oil passes through a complex system of heat exchangers known as a 'preheating train', where heat is exchanged with the hot fluids coming from the plants, allowing the valuable fractions to **Vaporize** thanks to the heat received. Subsequently, the crude oil is heated to the desired temperature through the use of fuels in a furnace, before separation into different fractions.
The efficiency of this **preheating** is very important, since a **greater efficiency** reduces the amount of fuel needed for heating in furnaces. However, due to the characteristics of the crude oil and the substances present within it, the preheating train is subject to a gradual build-up of deposits, i.e. 'Fouling' phenomena that reduce the efficiency of heat exchange. To mitigate this problem and reduce CO_2 emissions related to the use of additional fuels, RAM has implemented an innovative strategy. This strategy involves **the injection of an additive** called 'antifoulant', designed to prevent or limit the deposits of substances responsible for the build-up, known as asphaltenes.
Thanks to this solution, we were able to maintain the performance of our heat exchange train over time, avoiding increased fuel use in the furnaces and thus reducing CO_2 emissions overall. With this project, this year **we have saved, over the reporting period, 18,946 tonnes/year CO_2.**

CO_2 Emissions

-18,946 tonnes/year CO_2 =175,700,371 km
travelled by a car in one year[20]

[20] The average of 107.8g CO_2 consumed per km is considered, as indicated by the European Environment Agency (europa.eu) compared to a statistic on cars registered in 2020. European Environment Agency (www.europa.eu).

Digital innovation for sustainable production: Advanced Process Controls in action

Digital technology is a key pillar in supporting RAM processes, a pillar that extends from organisational management to production.
The **Advanced Process Controls (APC)** are advanced technological tools that enable optimal management of the plants on which they are implemented, improving production efficiency and promoting environmental sustainability. These tools are based on next-generation digital technologies, which, through process data analysis, create mathematical models to correlate variables and make short-term predictions that are useful for plant management. Thanks to their multivariable nature, APCs are able to meet operational and process constraints while ensuring **safety of production operations**.
For several years, RAM has been actively adopting these technologies, committing itself to a process of continuous improvement. In 2023, **internal workshops were organised,** involving **experts in the production process** and plants, in order to **optimise APC efficiency** and identify opportunities for improvement in terms of environmental sustainability.
As a result of these efforts, modifications to the APCs have been implemented, with tangible results: the most recent modifications to the Vacuum and CoBoiler APCs have enabled a **reduction in CO_2 emissions by approximately 12,000 tonnes/year CO_2.**

CO_2 emissions

-12,000 tonnes/year CO_2 =111,317,254 km
travelled by a car in one year[20]

[21] Ibid.

Odour monitoring

In the refining industry, we are fully aware of the potential impact that processes can have on the quality of the surrounding environment, particularly through the release of odours. For this reason, we have always been engaged in careful **monitoring** and **olfactory control**. In order to do so, we adopt a rigorous and in-depth procedure consisting of several steps.
First of all, we carried out a systematic identification of all possible sources of odour, in cooperation with Politecnico di Milano. This is conducted in strict accordance with the guidelines set out in the standard **UNI EN 13725:2004** about olfactometric analysis.
In addition, we employ experienced and suitably qualified personnel to carry out regular audits, which enable us to verify and control odour sources on an ongoing basis.
In parallel, we implement mitigation measures that effectively limit the emission of odorous substances into the surrounding environment.
We have been employing cutting-edge systems and are equipped with an odour monitoring network that employs 'electronic noses'. This project was developed thanks to the valuable collaboration with ISPRA, ARPA and a major Dutch company with similar experience in the industrial areas of Rotterdam and Amsterdam; we were the first refinery in Italy to test this system.
Our monitoring network consists of **13 electronic sensors** specifically programmed to detect odours and **2 anemometers**, positioned around the perimeter of the Refinery to measure wind direction and speed. Therefore, we are able to continuously and accurately monitor the state of air quality.
The results of the experimental activities are included in reports sent annually to external bodies and are subject to audits by the Control Authority as part of normal environmental monitoring procedures (ordinary AIA control). If the reference thresholds are exceeded, the staff on duty (*shift manager* - CdT - After hour emergency manager) is notified immediately.
The CdT analyses the report and, if the event is attributable to RAM activities, initiates all necessary procedures to remove the causes of the event.

Air quality monitoring in neighbouring municipalities

Continuous discussions with stakeholders and institutions led to an agreement between the Refinery and the neighbouring municipalities to install three air quality monitoring units. We purchased the three substations according to the indications received, and after an inspection with technicians from the Metropolitan City, the sites for the location of the substations were agreed upon. The sites identified after the survey are located in the municipalities of San Filippo and Milazzo.

2.2 A rational use of energy. Our contribution to the energy transition

302-1(11.1.2)

Our energy needs are covered by a mix of external and internal sources of supply, demonstrating the flexibility of our industrial system. From **external sources**, we mainly purchase natural gas and also supply electricity to the national grid. The importance of these sources lies in their reliability and ability to complement and support our energy self-production systems. In 2023, about 21% of our needs were supplied from outside
At the same time, a significant **79%** of our energy needs were covered by **internal sources**;
this demonstrates our commitment to increasing levels of self-sufficiency. This mainly includes the energy produced by our thermal cogeneration plant, powered by natural gas, which generates electricity and heat at the same time. Additionally, various fuels produced and reclaimed during the refining cycle are added..
Efficiency in the use of natural gas and the consequent reduction of atmospheric emissions are among the most significant outcomes of this technology, which not only ensures the operational safety of the Refinery, but also contributes to energy stability and a decrease in environmental impact.

Guided by light: exploring solar energy projects

We have a photovoltaic system that has produced 1.98 GWh of energy during 2023. To continue our commitment to greater energy sustainability, we are considering the construction of a new photovoltaic plant.

79%

Internally produced energy amounting to 8,100 GWh

7.137 GJ

Products from the photovoltaic park

Sources
(values expressed in GJ)

	2021	2022	2023
INPUT ENERGY			
Total energy consumption (Self produced + imported)	**32,084,228**	**37,092,525**	**38,079,750**
From external sources	**7,778,453**	**7,330,058**	**7,859,094**
of which from non-renewables	7,729,127	6,807,819	7,425,980
of which from National Grid	49,326	522,239	433,114
From internal sources	**24,305,775**	**29,762,467**	**30,220,656**
of which from non-renewables	24,301,300	29,758,198	30,216,064
of which from renewables (solar energy)	4,475	4,269	4,592
OUTPUT ENERGY			
Total energy fed into the national grid	**2,387,601**	**1,280,581**	**869,289**
of which into National Grid	2,384,547	1,277,957	866,744
of which from renewables (solar energy)	3,054	2,624	2,545
ENERGY SELF-SUFFICIENCY			
% energy self-sufficiency	**74%**	**80%**	**79%**
Total energy consumption (GJ) net of total energy fed into the grid	29,696,627	35,811,944	**37,210,461**

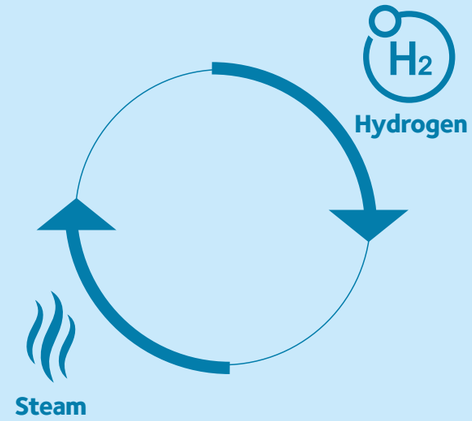
66 **million of mobile phones in one year**[22]
we could have charged with energy fed into the grid in 2023 equal to
241,469 MWh

Energy recovery from process fluids

An important project launched in 2023 is '*Power From Process Fluids*'. This project involves the installation of a new hydraulic recovery turbine that, by using the pressure difference of the process fluid, **will recover electrical energy** to be used within the plant itself.

[22] A 5W power supply is assumed to fully charge a mobile phone in about 2 hours. The result is 0.01 kWh for one full charge per day. In one year, the consumption is 3.65 kWh per year.

Circular use of energy vectors: hydrogen and steam



Hydrogen

As efficiency is achieved through the reduction of energy vectors, including **hydrogen** as the most important one, we are pursuing a project to integrate two hydrogen-consuming plants HDT2 and LCF through a sophisticated material flow interchange system. This project aims to redirect hydrogen flows from one plant to another in order to reduce the net amount of hydrogen required.
In addition, for hydrogen recovery we have designed a **new unit called PSA2** within our production cycle.
This project will significantly reduce greenhouse gas emissions, marking another step towards sustainability.
The PSA2 unit is designed to treat residual gases (off-gases[23]), which contain a lot of hydrogen, normally reused as fuel gas in furnaces. Through a compression system, the PSA2 unit will enable the efficient and selective separation of hydrogen from off-gases. This means that the hydrogen will not be burnt in the refinery furnaces but recovered and reused in the conversion and desulphurisation processes, thus reducing the refinery's net hydrogen demand. The new unit will therefore reduce the net emissions associated with the absence of production of the recovered hydrogen.

Steam

In 2023, we initiated several innovative projects as part of our LTS (Long Term Study) programme, aimed at optimising energy recovery in our processes.
One of the most significant project we have undertaken is to reduce the **Column Steam Reduction**. The objective of this project is to decrease the use of medium and low pressure steam in our distillation columns. After a feasibility study, we identified the possibility of reducing up to 1.9 tonnes per hour of steam within one column of the HDT plant. The saved steam represents a quantity that will not need to be generated, thereby aiding in the decrease of greenhouse gas emissions released into the air. Our efforts are aimed not only at reducing our need for steam but also at maximising its energy content. In this field, we are developing the "recovery of laminated steam" project, which aims to recover the energy content associated with the steam pressure drop through a recovery turbine, thus preventing such energy from being dissipated at the pressure reduction points of our network.

[23] PSA refers to a variable pressure adsorption method that allows hydrogen to be extracted from a combination of methane, CO_2, carbon monoxide and nitrogen. This technique works by injecting these gases into columns filled with a specific absorbent material. Since hydrogen does not interact with this material, it can be collected later. (Source: A new technology for hydrogen recovery | Hy2Seps-2 Project | Results in brief | FP7 | CORDIS | European Commission (www.europa.eu)).

2.3 Water resource management

303-1(11.6.2), 303-2 (11.6.2), 303-3 (11.6.2), 303-4 (11.6.2), 303-5 (11.6.2)

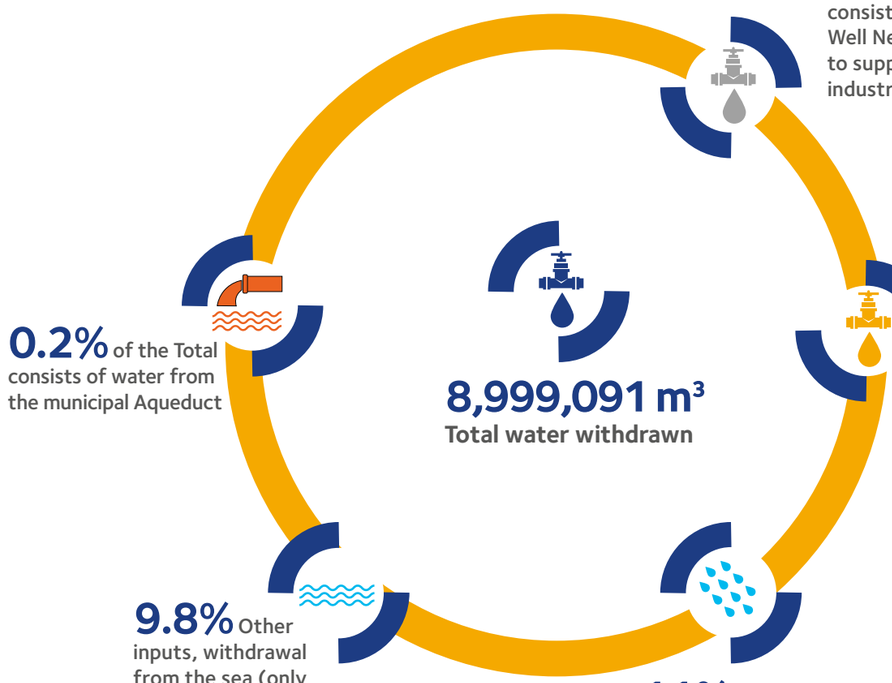
The preservation of water resources is crucial for our operations and the environment. We constantly strive to minimise the impact of our activities on groundwater, soil and subsoil by optimising consumption and maximising the recovery of water within our production cycle and the use of more available sources such as sea water.
Within our Refinery, we use water for various purposes, including cooling process fluids in the plants, feeding the fire-fighting system and producing demineralised water for steam generation. The latter is essential for power generation, heating of process fluids and cleaning of equipment before maintenance.
To monitor our consumption and **ensure efficient water management** we have developed in-house a software called 'Water Balance', which allows us to monitor directly and efficiently the entire water use in the Refinery.
In 2023, the water withdrawn by RAM amounted to approximately, **9 million cubic metres**. In order to minimise the impact on the environment, considering that Italy is a country with medium to high water stress, we supply water from a variety of sources, also using desalinated seawater; for this purpose, we have taken 954,337 cubic meters from the Thermal Cogeneration Plant (CCT - *Cogenerazione Termica*), which are obtained through a desalination process carried out within the plant itself.
We use **advanced technologies** such as the MISO project's Well Network[24]. In addition, an important contribution to water saving is made by the re-use of part of the water withdrawn, which has resulted in the recovery of 35% of the water used. In 2023, we reused 3,163,396 cubic metres of water, almost 37,725 cubic metres more than in the previous year.
In the following table is reported the **water withdrawals** with details of the source:

Water withdrawals
(values in m³)

	2021		2022		2023	
	RAM	CCT	RAM	CCT	RAM	CCT
Water from groundwater remediation activities (MISO)	2,018,685		2,419,713		**2,554,260**	
Groundwater withdrawal (industrial wells)	3,727,396		3,894,827		**4,565,717**	
Withdrawal from the sea	15,870	82,549,712	27,140	71,082,509	**24,380**	**65,410,056**
Withdrawal from aqueduct	11,698	1,361	16,251	1,396	**16,044**	**973**
Stormwater	511,730		479,754		**884,353**	
Water produced by CCT (water + steam)	1,142,812		814,484		**954,337**	
Total Water Withdrawals	**7,428,191**	**82,551,073**	**7,652,169**	**71,083,905**	**8,999,091**	**65,411,029**

[24] MISO means 'Operational Safety', which aims to treat the released water, create a hydraulic barrier to protect the sea, and also recover part of the water for the production cycle.

OUR WATER SUPPLY



3,163,396 m³
Total water recovered

1,265 **Olympic swimming pools**

2,500 m³ each,
which we could have filled with
3,163,396 m³ of recovered water

Water use is managed with equal care: the power station **takes water from the sea** for plant cooling and the production of desalinated water and steam and returns it, after use, in accordance with the parameters set by the "Autorizzazione Integrata Ambientale (AIA)".
For the Thermal Cogeneration Plant, the water withdrawn amounted to **65,411,029 cubic metres (65,411 megalitres)**, a decrease of 8% compared to 2022.

Most of the water, taken from the sea, is used for cooling the plants. The remainder is used for the production of demineralised water and steam. Only a small part of the water used for services is **drawn from the municipal aqueduct** and discharged entirely into the municipal sewage system. The quality of the water released into the sea complied with the requirements of the AIA permit decree and the parameters monitored below can be compared:

Sea discharge analysis
(values expressed in mg/l)

	2021		2022		2023		AIA Limit
	RAM	CCT	RAM	CCT	RAM	CCT	
BOD_5	12.42	<25	10.51	<5	**5.37**	**<5**	40
COD	49.77	47.1	43.51	<75	**27.59**	**13,1**	160
TSS	17.77	20.1	16.30	9	**10.60**	**8**	80
Hydrocarbons	0.59	<1	0.53	<0.2	**0.32**	**<0.2**	5

Calculation methodology: the data is a weighted average. These numbers are the result of a mass calculation on the data analysed in our laboratory. The process: we calculate the mass quantities of the individual pollutants by calculating them on a day-by-day basis using the concentration value for the day and the flow rate of the discharge into the sea; the total mass quantity is then divided by the mass of water discharged into the sea to obtain a weighted average concentration.

Protection measures

The water from our manufacturing processes, together with rainwater and washing water, is treated and purified through a chemical/physical and biological plant.
This plant, in its final stages, uses bacteria naturally present in the water, which feed on the substances to be purified, before the water is released into the sea.

During 2023, the amount of water released into the sea after purification treatment amounted to **4,661,951 cubic metres** for the Refinery and **64,542,109 cubic metres** for the Thermal Cogeneration Plant.
The monitored parameters, according to the **Monitoring and Control Plan** (PMC - *Piano di Monitoraggio e Controllo*), include BOD5 (Biochemical oxygen demand), COD (chemical oxygen demand), TSS (total suspended solids) and dissolved hydrocarbons.
The results of water management activities are carefully evaluated by **Authorities such as ISPRA and ARPA** during periodic inspections. As far as groundwater is concerned, we carry out systematic checks on its quality using the huge network of piezometer monitoring facilities at the Refinery. These samplings are also carried out in the presence of ARPA, the competent control body.

A project to protect soils and aquifers in Milazzo

We have developed the **Operational Safety (MISO)** of soils and groundwater in accordance with current environmental regulations. This has required an investment of approximately 24 million euros. The project involves the construction of a system of wells to extract groundwater, with the aim of emitting and re-injecting the purified water downstream of the site before the sea. A total of 18 'MISO' wells were drilled. In addition to the groundwater extraction system, the MISO project includes the connection of the extracted water to a new **groundwater treatment plant (TAF -** *Trattamento delle acque di falda***)** and the construction of a re-injection barrier for treated water.
In 2023, the MISO project became fully operational in accordance with the authorised design, which provided for the functionality in both periods of low piezometric and high water table, both as a treatment of the emitted water (TAF) and as a groundwater re-injection barrier downstream of the Refinery.
In particular, thanks to this project, **we treated a total of 2,554,260 cubic metres of water**. This amount of water is largely reintroduced through the hydraulic barrier while another part is used in the refining process.

Expansion of containment systems

During 2023, we completed a project involving the extension of a containment system to **prevent possible leaks in the pipes** crossing the Corriolo stream. This project involved placing a collection structure under each pipe.

Stormwater management

We have successfully started and completed the second phase of the **stormwater management project**. The main objective is to protect the refinery areas from rainwater from surrounding areas, such as the provincial road, and to prevent flooding during heavy rainfall. This project involves **collecting rainwater before it reaches the Refinery and directing it to the sea**.
The first phase of the project was carried out in cooperation with the Metropolitan City of Messina, focused on the areas of the municipality of S. Filippo and was completed in 2021. The second phase involved the conveyance of rainwater from the provincial road south of the Refinery, in the municipality of Milazzo, again in cooperation with the relevant authorities.

2.4 Responsible waste management

306-1 (11.5.2), 306-2 (11.5.3), 306-3 (11.5.4)

As part of its ISO 14001-certified Management System, RAM has implemented a dedicated waste management procedure with the aim of minimising the overall amount of waste produced. This is also achieved by maximising the quantities of waste sent for recovery.
Our daily activities, which include operational processes, maintenance and plant operations, produce a variety of wastes in terms of type and composition. These include sewage sludge from waste water treatment, residues from tank cleaning operations, used catalysts and other waste from plant maintenance activities, as well as municipal waste generated by canteen and office activities.
We pay particular attention to **waste management**, by adopting and promoting practices such as reduction, separate collection and recovery. These measures allow us to reduce the overall amount of waste produced and maximise the recovery of by-products deriving from our production processes.
Waste management is conducted considering the potential environmental and societal impacts from its production. This includes possible contamination of environmental components, health and safety risks for workers, and reputational and legal risks for the company if not managed in compliance with current regulations.
To address these risks, RAM has developed a system that includes the following **targeted management and operational procedures**:

- Operational procedures for waste management, including temporary storage in designated areas.
- Safety procedures and risk assessment for identifying the correct prevention and protection measures for workers.
- Policy of reducing waste sent to landfill, favouring the reuse and recovery of by-products.
- Selection and control of suppliers based on requirements for proper waste management, in line with current legislation and RAM standards.

The transport and recovery/disposal phases of industrial waste are entrusted to qualified and selected third-party companies in possession of appropriate authorisations, meanwhile, waste documentation management is supported by a custom software designed to ensure regulatory compliance.
Waste is classified according to EER (European Waste List) codes and is stored on site and sent to authorised disposal/recovery facilities according to its EER code.
RAM pays particular attention to recycling, adopting practices to increase the amount of materials sent for recovery, such as packaging, paper, plastic, wood and materials including excavated soil, catalysts and waste oil.
Waste management data is constantly **monitored and reported** in the annual MUD declaration and in the annual AIA report submitted to the competent authorities.

Total waste produced
(values in tonnes)

	2021	2022	2023
Hazardous waste	8,002	9,224	**8,950**
of which to landfill	5,044	6,202	6,222
of which to recovery	2,958	3,022	2,729
Non-hazardous waste	7,160	9,183	**9,745**
of which to landfill	3,068	3,980	1,575
of which to recovery	4,092	5,203	8,170

10,898 tonnes
of generated and recovered waste
(+33% compared to 2022) equal to

908 lorries of waste
avoided in landfills[25]

58% of total waste generated

[25] Considering a truck that transports large-sized waste with a capacity of 12 tons.

2.5 Ensuring the integrity of assets: the pillar for sustainable business management

Our constant pursuit of **maximum operational efficiency** accelerates overall performance and is the cornerstone of our growing productive successes. The efficient operation of our plants not only enables us to avoid costly production interruptions and promptly manage any disruptions, but also to proactively address and significantly reduce safety and environmental risks.

99.9%
Reliability Factor

64.1 mln €
Maintenance costs

Asset integrity and Process Security

203-1 (11.14.4), 403-2 (11.9.3)

The **Asset Integrity Management System (AIMS)** represents a consolidated set of processes, organisational structures, resources and procedures that work synergistically in order to ensure that an organisation's assets function efficiently and effectively. The core objective of an AIMS is to safeguard the integrity of assets, i.e. to ensure the safety of people, the protection of the environment, business continuity and the protection of corporate reputation.
During 2023, we achieved significant milestones in asset integrity management, including:

1. **The Reliability Factor**: with the aim of monitoring the reliability of the assets and the asset integrity management system, an excellent 99.9% was achieved. This achievement demonstrates the efficiency of the activities undertaken to ensure the optimal reliability of the assets.
2. **The issue of the AIMS Manual**: the Asset Integrity Management System Manual (AIMS) was introduced in 2022. It contains criteria, organisational structure, responsibilities and documentation to manage asset integrity in compliance with applicable regulations, international standards and the Asset Integrity Management Policy.
   This Manual was developed in line with:
   - the **Asset Integrity Management Policy** of the Milazzo Refinery;
   - the **international standard ISO 55001** 'Asset management – Management systems - Requirements', together with related guidelines.
3. **The Identification of Integrity Critical Elements (ICE):** specific studies have been undertaken to identify Safety Critical Elements (SCE), Environmental Critical Elements (ECE) and Operational Critical Elements (OCE) whose malfunctioning could respectively cause serious accidents (safety aspects), give rise to serious environmental consequences (environmental aspects) or cause slowdowns or interruptions in production (operational aspects).
4. **The compilation of the Asset Integrity Management Strategy Document**: In 2023, we defined and implemented a strategy for asset integrity management. This document is intended to provide guidelines and objectives for the **further improvement of the asset integrity management system**, aiming to ensure operational continuity and corporate sustainability.
5. In particular, the Asset Integrity Management System (**AIMS**) is intended to foster an organised and operational vision, which ensures maximum effectiveness in the management of assets within our Refinery for the pursuit of the objectives of:
   - safeguarding the safety of workers;
   - protecting the environment;
   - protecting corporate reputation;
   - preserving asset value;
   - ensuring business continuity;
   - making productive assets available;
   - supporting the safety management system in order to prevent and mitigate significant incidents.

In this way, AIMS stands as a fundamental pillar in the sustainable and efficient management of our Refinery. These achievements represent milestones in our ongoing commitment to effective, safe and sustainable asset management.
It is also worth highlighting the use of Integrity Operating Windows (IOWs), a method within the AIMS framework that allows real-time monitoring of both physical and chemical operating parameters, thereby contributing to the development of more effective inspection plans. This leads to **increased security and reduced costs** concerning asset management. In 2018, we launched a study for the design of IOWs and developed software specifically for this purpose. In the course of 2023, thanks to the acquisition of data also from the laboratory analyses we carried out, we continued to fine-tune this software. In doing so, new variables were aggregated to the system, further enhancing and refining the ability to monitor and manage the assets identified within the IOWs.

Hazop analysis to mitigate risks

In order to reduce possible risks and mitigate associated impacts, we have been implementing the HAZOP methodology. *The Hazard and Operability Analysis* is a systematic and structured method of risk analysis among the most recommended by international standards, which aims to identify and assess potential risks associated with the operation of an industrial plant. On a cyclical basis, a detailed inspections of all the Refinery's plants is conducted according to this methodology. This process is based on the careful analysis of all diagrams and detailed verification of each circuit in the installations, **using the '*What if*?' method**. In essence, we simulate deviations from normal operating conditions due to malfunctions, for example, by asking questions such as 'what happens if we increase the temperature?' or 'what happens if we increase the pressure?'. The answers to these questions allow us to identify areas of criticality and identify possible measures to improve the level of security. Once these opportunities are identified, improvements are implemented in the plant (process or operating procedure changes).
Conducting a HAZOP analysis is crucial from a sustainability point of view for several reasons:

1. **Safeguarding security**: Through HAZOP analysis, hazards related to plant operations can be identified at an early stage, allowing preventive measures to be adopted to protect the safety of workers and neighbouring communities.
2. **Risk Management**: The Hazard and *Operability Analysis* contributes to operational risk management, allowing the identification of preventive, mitigating and protective measures to improve plant reliability.
3. **Pollution prevention**: Through the early detection of potential plant failures or malfunctions, companies can adopt measures to prevent possible pollutant emissions into the environment.
4. **Culture of continuous improvement**: The HAZOP analysis promotes a continuous improvement approach by constantly reviewing and updating safety guidelines and practices.

Reaffirming our commitment for 2023, we will continue to schedule five-year HAZOP analyses for all of our 30 plants.

What is the reliability factor?

The Reliability Factor is a key indicator measuring the ability of plants to operate without interruption except for scheduled shutdowns, inspections or planned maintenance, and forced outages due to external factors.
This **parameter** is calculated by dividing the **actual operating time** of the plant by the total time that the **plant has been able to operate**. Essentially, it provides a **measure of the reliability** of our plant during periods of uninterrupted operation, except for scheduled maintenance or shutdowns.
The annual Reliability Factor assessment by our **maintenance engineers** is crucial to ensure the safety and operational effectiveness of our systems. Using appropriate criteria, they **identify areas for improvement to optimise the use of resources and reduce waste**.

How do we classify process risks?

Aware of our responsibilities for safety and the environment, we have adopted the process safety event classification system from the American Petroleum Institute (API) RP 754. This system segments process security indicators into four tiers. The first two tiers, Tier 1 and Tier 2, are defined according to calculation parameters and thresholds set by the API RP 754 standard, while Tiers 3 and 4 are set up internally by the organisation.

- **Area 1, or Tier 1**, refers to major incidents with potential significant consequences nationwide or for the community.
- Instead, **the Scope 2 or Tier 2** includes events that have lesser consequences than those classified as Tier 1.

Accurate recording and analysis of these events are essential to stimulate performance improvement and focus on basic aspects such as mechanical integrity and process safety. Throughout 2023, there were no Tier 1 or Tier 2 safety events in RAM's operations. This demonstrates the effectiveness of the safety measures implemented and our commitment to ensuring a safe and sustainable working environment.

Investments for structural safety: reservoir and land protection

The structural integrity of our reservoirs is of paramount importance to **preserve the soil and subsoil** from potential leaks. To this end, we have invested more than 90 million euros over the years in **the installation of double bottomed areas**, general and ongoing maintenance of structures and pipelines as well as periodic inspections. In 2023, we continued our refurbishment with the installation of double bottoms and waterproofing of the reservoirs, by commissioning 11 reservoirs thus bringing the total to 21 reservoirs in 2022/2023.

Plants maintenance

403-2 (11.9.3), 403-7 (11.9.8)

Refinery plant maintenance is divided into three main categories:

1. **Predictive Maintenance**: is performed following the identification of measured parameters and processed through mathematical models to determine the remaining time before possible maintenance evidence.
2. **Scheduled Maintenance**: plants are temporarily shut down according to pre-set times in order to perform preventive maintenance activities.
3. **Corrective Maintenance**: is carried out following a breakdown.

During 2023, we have adopted a strict maintenance plan at the Refinery, including several crucial activities:

- Carrying out all activities required by the Integrated Environmental Authorisation (AIA), including controls, monitoring and remedial action for systems with possible environmental impact.
- Carrying out regulatory-compliant inspection activities and risk-based assessments (RBI), carrying out scheduled work and managing inspection evidence.
- Carrying out major replacement and/or reconditioning work, with verification of proper functioning in accordance with safety regulations.
- Continuation of the application of the ministerial guideline on the synthetic ageing assessment of equipment in Seveso establishments.
- Continuation of routine maintenance activities on tanks, aimed at resolving indications from periodic inspections.

Technological innovation for predictive maintenance

In the context of predictive maintenance, non-destructive testing is essential to assess structural integrity without disrupting operations. In 2023, 'Permasense' technology was introduced, which uses piezometric ultrasonic probes to continuously monitor the thickness of equipment, transmitting the data wirelessly. The 'Plantweb Insight' software manages the acquisition and analysis of data, allowing anomalies to be identified at an early stage and corrective measures to be taken. Monitoring points are chosen on the basis of historical results and risk analysis, **optimising effectiveness and ensuring industrial safety**.
This advanced approach improves efficiency and reduces the risk of unexpected failures, while maintaining high safety and production standards. During 2023, in addition to scheduled routine maintenance, we carried out an intermediate shutdown involving 13 petrol line plants as well as a shutdown of the Thermal Cogeneration Plant.

General Maintenance Shutdowns

The '**Maintenance Shutdown**' is a crucial scheduled operation involving the entire plant, including equipment, product distribution circuits and machines. The main objective of this operation is to ensure that the plant operates with the **highest level of reliability and safety** and **prevent failures or malfunctions**.
This activity is essential to optimise plant performance and minimise the risk of accidents or environmental impacts.
In our plant, which comprises two production lines, one for gasoline and one for diesel, the Refinery is **never completely shutdown.**
In order to proceed with the maintenance, it is necessary to temporarily take some plants out of service in order to respect the asset integrity and operational needs of the company.
Prior to maintenance, it is essential to carry out a thorough clean-up to enable the necessary internal and external inspections to assess the condition of the installations.
The 'General Maintenance Shutdown - *Main Turn Around*' represents the most significant planned maintenance operation in a production plant. It is usually carried out every four or five years. In the middle of this cycle there are some intermediate and minor shutdowns.

Data on General Maintenance Shutdown - Main Turn Around, which has involved 13 plants

59
companies involved

≈900
workers involved

28 dd
shutdown duration

Data on the Shutdown of the Thermal Cogeneration Plant

31
companies involved

≈300
workers involved

69 dd
shutdown duration

2.6 Working Safely and Major Accident Management

We are deeply committed to workplace safety and accident prevention. These principles are at the core of our corporate culture and guide our daily actions. In fact, our goal is to ensure a safe working environment not only for all our employees and collaborators, but also for the communities located near our facilities.
To this end, we call for a collective commitment and the adoption of a **holistic approach to safety**. This involves a number of strategies, including training and awareness programmes to reinforce safety awareness and the implementation of a stringent maintenance protocol through regular inspections to ensure that our infrastructure and equipment is always maintained at peak efficiency and safety.
In addition, we are committed to ensuring safety at work and to **prevent accidents through a scrupulous maintenance** of the equipment, detailed risk analysis and emergency protocols that are always ready for action. By doing so, we strive to create a safe working environment for all employees and the region where we operate.

0 frequency index
of total accidents involving RAM employees and third party companies

0 severity index
of total accidents involving RAM employees and third party companies

Safety at RAM

403-4 (11.9.5), 403-6 (11.9.7), 403-9 (11.9.10)

We have established a close collaboration with our suppliers, asking them to **adhere to our core values** regarding **safety**, the **well-being of workers** and the **protection of the environment**. It is essential that our suppliers strictly conform to our **high standards**. This mutual commitment becomes particularly critical during crucial phases such as any 'Shutdown', when the presence of personnel from third-party companies increases significantly.
We closely monitor safety indicators, such as accident rates and severity, to ensure that standards remain high and that collaboration with our suppliers continues to be constructive and responsible.

Based on a careful assessment of the significant risks associated with the activities carried out at the Refinery, we adopt strict safety and risk control measures.
We promote a safety culture in which everyone, employees and suppliers, is responsible for following the rules and preventing accidents. In 2023, no accidents of any kind has occurred, with the **total accident frequency index involving RAM employees and third-party companies found to be 0** (in 2022 it stood at 0.63)
Also the total **severity index** involving RAM employees and third-party companies in 2023 **was 0** (in 2022 it stood at 4.8).

11 **mln €**
Investments on safety

Digital work permit: safety and efficiency

Part of the work within our Refinery involves high-risk operations such as mechanical maintenance, construction and electrical systems management. The Work Permit (PdL - *Permesso di Lavoro*) is a fundamental tool for risk analysis in the oil industry and is filled out by workers prior to accessing specific work areas. This document details the specific risks of the environment and activities involved, together with the prevention and protection measures required to ensure safety in the workplace. It is defined by the ability to assess risks in real time for the specific area and time in which operations will take place.
To make the management of work permits more efficient and secure, we have implemented the digitised system '**SafeWork**'. This application allows plant operators to use ATEX smartphones, mobile phones that simplify communication and collaboration among mobile users, the control room and back-end systems. Through the app **PdLMobile**, which allows the barcode of the permit to be read, authorisation of activities is given by means of a digital signature.
This approach not only helps save valuable time, but also increases the overall efficiency of operations, allowing for better risk management and ensuring a higher degree of safety in the workplace.

Work permits issued in 2023

46,706
Total permits issued, of which
1,006 in confined spaces[26]

We recognise the importance of effective leadership and collaboration with our suppliers to promote our principles of safety and environmental compliance. We also believe that a clean and well-organised working environment makes a significant contribution to achieving our goal of **zero accidents**.

We periodically monitor operations, conducting meetings with third-party companies to analyse risks and proposals for improvement. The Subcommittee for the Promotion of Accident Prevention of Companies (SPAD - *Sottocomitato per la Promozione Antinfortunistica delle Ditte*) regularly assesses critical issues and safety matters, sharing, in a positive context, technical solutions and other activities aimed at the pursuit of prevention and protection from risks in the workplace.
Each year, we evaluate the results of the previous year and plan the objectives for the following year, rewarding companies and workers who have distinguished themselves in terms of **sustainability and safety**.

[26] Confined spaces refer to a space with limited entry and exit and not suitable for prolonged human occupancy, such as the interior of a storage tank.

Management of major accidents

For us, working safely is fundamental for the protection of our workers and the environment. Our Refinery takes meticulous care in the prevention and management of major accidents, systematically implementing advanced safety policies that comply with applicable regulations.
The strategy of **incident management** is based on two fundamental pillars: prevention through proactive risk analysis and preparation for a rapid and effective response in case of emergencies.
Through prevention, a rigorous risk assessment process can be implemented, identifying and analysing all potential accident scenarios. This allows us to develop and implement specific mitigation measures, such as the adoption of cutting-edge security technologies, rigorous plant maintenance and continuous updating of operational procedures.
In addition, through **education and training** we are able to provide high quality training to our employees on safety best practices and emergency protocols, equipping them with the knowledge and skills necessary to prevent accidents and to act promptly in case of need. Thanks to continuous monitoring, we are also able to ensure constant control of operating conditions and prompt identification of any abnormal situation that could result in a potential accident.

Emergency management

To achieve high levels of security, we need to support the training of our staff. Therefore, we promote a continuous approach to education, including both theoretical and practical training for emergency management, including fire drills. Within this framework, we collaborate with the National Fire Brigade and **we have an internal Fire Fighting Team** and the *Search & Rescue* Team for interventions in confined spaces and at height. These specialists support the in-house fire-fighting team in emergencies, assisting in rescue operations and the recovery of injured ones.
In the event of an emergency, the Emergency Team is activated, under the leadership of the (Consegnatario di turno - CdT - After hour emergency manager). This includes the internal fire-fighting team and plant operating personnel. Conducted on a weekly basis, the simulations allow us to verify the emergency management methods in the field, testing in particular the fire-fighting systems in relation to the accident scenarios described in the Department Emergency Plans, in compliance with the indications set forth in the Safety Report approved by the Regional Technical Committee. This commitment is essential not only for the protection of personnel and facilities, but also of the environment. Indeed, effective emergency management can also prevent events that could negatively affect the environment, reinforcing our focus on sustainability.

Legislative Decree 105/2015: emergency plans and collaboration with institutions

Our company is subject to compliance with the provisions of **Legislative Decree 105/2015**, which regulates installations at risk of major accidents. The measures set forth in this legislation include:

- identification and analysis of **accident hazards**;
- adoption of **preventive and mitigation measures**;
- drafting of the **Safety Report**;
- drafting of the **Internal Emergency Plan** (PEI - *Piano di Emergenza Interno*);
- implementation of the company policy for the prevention of major accidents, through a **Safety Management System (SGS -** *Sistema di Gestione della Sicurezza***)** which meets regulatory requirements.

The **External Emergency Plan (PEE -** *Piano di Emergenza Esterno***)**, created for each major accident site to manage emergencies with potential effects outside the plant perimeter, aims to organise territorial resources to reduce or mitigate the effects of an industrial accident. The responsibility for drafting, approving and activating our External Emergency Plan falls on the Prefecture of Messina. We provide details of all potential accidental events that could affect the surrounding environment (as set out in the Safety Report approved by the Regional Technical Committee of the Fire Department) and actively participate in the dedicated working group, coordinated by the Prefecture, to ensure that the Plan is constantly updated, including conducting exercises to test the Plan itself.
In 2023, **no incident requiring the activation of the PEI or PEE have occurred**.
We have continued to train our RAM staff to deal with emergencies rigorously and have regularly conducted emergency drills involving external entities.

Technological advancement for safety: upgrading of fire-fighting systems

We have continued to carry out work on **upgrading and modernising the fire-fighting systems** in order to manage and minimise the risk. Furthermore, to ensure effective fire protection, studies to verify and integrate fire protection systems are always initiated during the modification and modernization activities of the plants, evaluating the new technologies available and deepening the knowledge on the potential use of new extinguishing foams with a lower environmental impact.

Fire response skills enhancement: advanced industrial training

We have organised an **advanced Industrial Fire Fighting course for our staff**, focused on dealing with hydrocarbon fires and the use of AFFF-AR foams. The course also included a basic CFBT module to understand fire behaviour in enclosed spaces. The aim was to refine various intervention techniques, such as the use of hand hoses for three-dimensional fires, the handling of jet fires and the intervention on fires in tanks with floating roof. In addition to theory lessons, there were practical tests supervised by instructors, followed by briefings and debriefings to analyse the training exercises.

3. RAM AND PEOPLE

'At this time of significant transformation for the energy sector, our people are the key to our success. Their passion, talent and dedication allow us to face all new challenges with confidence. We invest in their continuous development and in creating an inclusive and stimulating working environment that fosters personal and professional growth. We offer training and growth opportunities, promotion of a culture of constructive feedback and recognition of merit, and commitment to a work-life balance.'

Antonino Minutoli, RAM Head of Human Resources and Organisation

645 **permanent staff**

90% with open-ended contract

10% with professional internship contract

29 new hires

56% in continuous shift and 24-hour shift

39% with daily hours

5% in semi-shift of 16 hours

21,863 **hours**

of training provided in 2023 (+74% compared to 2022)

34 average training hours per employee (+69% compared to 2022)

3.1 Each of us

GRI 2-7, 2-8, 202-2 (11.14.3), 401-1(11.10.2), 403-3 (11.9.4), 404-2 (11.10.7), 405-1 (11.11.5)

People involvement has always been a key element for us at RAM. The constant focus on **improvement and enhancement** of resources is reflected in the acquisition and continuous updating of the skills necessary to meet the emerging challenges of our industry.
We promote individual growth within the organisation through various tools, including training courses, opportunities for external mobility at shareholder sites and role changes to acquire new skills. These strategies aim to maintain a valuable relationship between employees and the company, fostering the development of knowledge and soft skills.
In addition, the new skills acquired by our personnel enable us to better meet the challenges of the energy transition, thus contributing to greater job resilience in the long term.

Origin of employees

645 employees

98% from the province of Messina
of which **54%** from Milazzo
of which **27%** from other locations in the Valle del Mela[27]
of which **17%** from other towns in the province of Messina

1% from other towns in Sicily

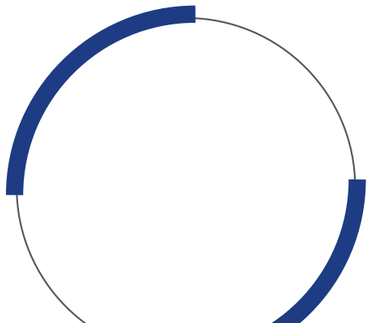
1% outside Sicily[28]

Origin of new recruits

29 employees hired in 2023

93% from the province of Messina
of which **41%** from Milazzo

7% from other towns in Sicily



How we build our Team

Our workforce consists of 645 permanent employees, divided into 7 executives, 70 managers, 315 office workers and 253 manual workers.
The executive team includes 5 executives in the over-50 age bracket and the remaining 2 in the 30-50 age bracket. Similarly, 59% of managers are in the over-50s bracket, while the remaining 41% are in the 30-50 age bracket. **The number of women in management positions continues to grow**:
36% over the three-year period 2021-2023, with a total of 15 resources.
The majority of employees come from Milazzo (54%), and if we include the neighbouring municipalities[29] we arrive at 80%, while considering the entire province of Messina we cover 98% of personnel. Of the total 645 employees, 90% have permanent contracts, with an average length of service of 21 years and an average age of 46. In 2023, we celebrated the 25th service anniversary of 25 employees.

We hired 29 new resources, 4 university graduates and 25 high school graduate, 93% of whom came from the province of Messina. Of the new recruits, 24 were hired with an internship contract and 5 with a permanent contract. These new recruits, 83% of whom are under the age of 30, represent **an important generational change** and offer opportunities to young people in the region, also helping to counteract the high unemployment rates in our region. The strategy we have adopted is even more important in an area such as ours and the entire Region of Sicily, which unfortunately has long had some of the highest unemployment rates in Italy (15.9% in 2023 compared to 7.9% nationwide)[30].
Overall, the number of university graduates shows a steady upward trend in recent years, accounting for 18% of the total workforce, with a total of 113 university graduates and 526 high school graduates in 2023. The figure for female graduates also shows a steadily growing trend, increasing by 32% over the three-year period 2021-2023.

The selection process

Our selection process is crucial for a company engaged in a complex and strategic business like ours, where interpersonal skills and the ability to work in a team are just as important as technical knowledge.
We work with the best recruiting companies to manage the selection process, which consists of three stages: analysis of the CVs received via our website, psychological-aptitude assessments and technical interviews.

[27] Barcellona – Pozzo di Gotto – Merì – San Filippo del Mela – Pace del Mela – Santa Lucia – Gualtieri.
[28] Lombardy, Lazio, Campania, Calabria.

[29] The municipalities involved bordering Milazzo are: Barcellona Pozzo di Gotto, Merì, Santa Lucia del Mela, San Filippo del Mela, Pace del Mela, Gualtieri.
[30] Bank of Italy – Regional Economies: The Economy of Sicily 2023/41, page 14 (bancaditalia.it).

Health and well-being of employees

We put our people at the centre of everything we do

The safety of our workers is fundamental to the success of our organisation. Also for this purpose, we have adapted our strategies and our health and safety management system in accordance with the **Occupational Safety Consolidation Act [***Testo Unico sulla Sicurezza del Lavoro***]** (Leg. Decree 81/2008). Our commitment, however, is not limited to mere compliance with regulatory requirements, but is also expressed in a real focus on the continuous improvement of working conditions and quality of working life through targeted corporate welfare.

In today's environment, the **well-being of our employees takes a key role**, and we apply to it health promotion and prevention programmes.
Through information campaigns and collaborations with experts in the field, we seek to strengthen the culture of well-being and safety in every area in which we operate, promoting a positive environment where each individual is actively involved in maintaining and improving his or her own health.

Health protocol (Leg. Decree 81/2008)

In compliance with the Consolidated Safety at Work Act [*Testo Unico sulla Sicurezza del Lavoro***] (Legislative Decree 81/2008), we set up a Health Protocol, also known as the Health Surveillance Plan. The plan is a set of medical and health tests to which all workers must undergo. The scheduled medical examinations are conducted by the attending physician in relation to the specific risks of different work environments and at different times of working life. This document lists the specific health tests for each task aimed at mitigating specific risks, including the frequency of medical exams, based on the Health Protocol defined by the attending physician, and considering the specific risks of each position and work environment, as specified in the Risk Assessment Document (DVR -** *Documento di Valutazione dei Rischi***). During 2023 we carried out as many as 607 medical examinations of our staff at the well-equipped facility we have built in RAM.**

Health Project

In July 2023 we launched the **Health Project**, a voluntary-based initiative aimed at prevention for our employees. This programme includes various **health screening** and **monitoring**. The project lasted two years and involved 294 employees in 2023.

Work-life balance and social interaction

We continued to offer employees a system of benefits and corporate welfare, including after-work activities and educational support services for employees' children.
In particular, for the latter we gave them the opportunity to participate in **summer programmes** and **camps.** During these experiences, they played sports, participated in creative workshops and addressed current issues such as **environment and inclusion**, and also improved their English language skills.
This also includes the implementation of the **Smart Work Policy** defined in 2022, which sets out how flexible work is to be managed by guaranteeing the possibility of working remotely for up to four days per month under normal conditions and to a greater extent for situations of particular relevance, such as for women, parents or employees with fragility.

Open Day: Facility open to employees' families

Among the extra-work activities we organised, on 25 November 2023 we held an **Open Day** to introduce the families of our employees to the day-to-day work inside the plant. The event, divided into two sessions, one in the morning and one in the afternoon, was attended by about **200 people**, who had the opportunity to visit the plant and interface with the activities we carry out.

3.2 Development and enhancement of resources

GRI 403-5 (11.9.6), 404-1 (11.10.6), 404-2 (11.10.7)

'We accompany our employees from the very beginning of their integration into the company, supporting them in their professional career path. Through competitive remuneration policies, performance bonuses and careful evaluation of professional contributions, we are committed to providing an environment that values both training and the development of soft skills.'

Antonino Minutoli, RAM Head of Human Resources and Organisation

Our dedication to employees is evident: RAM shows a high **retention rate** of 98%[31] and we believe this is the result of the special attention we pay to work-life balance and the many welfare programmes we offer. Our core principles for attracting and retaining staff are effective management, safety, advanced specialisation and professional growth through continuous training. We believe that continuous improvement is essential to any company's innovation strategy. These factors, combined with constant investments in innovative technology, enable us to make our company more sustainable and aligned with the challenges of the energy transition.

21,863 hours
of training (+74% compared to 2022)

34 hours
of training per employee on average (+69% compared to 2022)

Distribution of training hours[32] among employees categories

44% office workers

23% manual workers

11% managers

21% apprentices

1% executives

Through training, we strive to raise the skills of our employees in harmony with the company's growth objectives. For effective management and stimulating staff development, we focus on a process of **valorisation and evaluation** of individual capabilities. This process is the focus of all training activities, with the aim of building and preserving the skills base of employees. Furthermore, in view of our commitment to sustainability issues, we promote and disseminate our principles and initiatives internally, especially to newly recruited employees.

This process is aimed at spreading an environmentally friendly culture in our operations, as well as consolidating knowledge in the ESG area.
In 2023, staff training recorded an **increase in the number of courses provided and in dedicated expenditure** with the aim of enhancing the value of resources. Compared to previous years, when training was mainly focused on distance and e-learning modes, in 2023 we increased the number of in-person courses to ensure a higher degree of involvement and greater effectiveness.

[31] The figure is calculated by taking the total number of employees in force on 1 January (645) minus the number of terminations occurred during the year (12), all divided by the total number of employees in force on 1 January 2023.

[32] Of the total training hours provided to women (918 hours), 37% concerned middle managers, 35% female employees and 28% female apprentices. There are no women in management positions.

Our annual training plan

Our annual training plan covers various areas, from legal regulations to acquiring and maintaining certifications. **Technical training** is aimed at specific professionals to develop specialised skills in facility management, the use of advanced software tools and the adoption of digital transformation. In addition, we offer **transversal skills development activities** such as foreign languages and soft skills. Training is divided into three main categories: Compliance (required by law), Technical and Transversal.

Training delivered by type of course

Type of courses	Course description	Hours	% of total
COMPLIANCE TRAINING	The training covers topics governed by applicable regulations, required by law or provided for the retention of certifications.	10,013	46%
TECHNICAL TRAINING	Technical training is aimed at particular professionals for the development of specialised skills in plant management, the use of technologically advanced software and the exploitation of the potential of digital transformation.	8,934	41%
CROSS-TRAINING	Activities aimed at developing competences and skills that cross with technical ones, such as foreign languages and soft skills.	2,916	13%
		21,863	**100%**

The opportunities for growth among our shareholders

We firmly believe that the value of an organisation is intrinsically related to the growth and development of its employees.
Among our personnel management and development policies, we would like to highlight a particular opportunity arising from our particular corporate structure.
As a joint venture created by ENI and Kuwait Petroleum Italia, our employees enjoy an **extraordinary advantage:** the possibility of professional interchange with our shareholders. This opportunity results in the sharing of knowledge, experience and best practices across different business and corporate cultures, enriching professional and personal knowledge.
We are convinced that this interchange represents a fundamental element in the enhancement of human capital and a distinctive factor that makes the Milazzo Refinery a place where to **grow, learn and innovate**.

Following are details of the main courses delivered:

Training delivered per course

Courses	Course description	Hours
ZERO TOLERANCE	Training focusing on the dissemination among all RAM employees of the guidelines and principles expressed in our Code of Ethics. In fact, at RAM, we reject any behaviour that may constitute physical or psychological violence and any coercion, harassment and bullying, providing a '**Zero Tolerance**' approach.	736
MULTIFUNCTIONAL OPERATORS	Training for our most experienced operators working in all plants in the same department. The course helped to increase technical skills and awareness of safety risks related to different plants and equipment.	264
SMART OPERATOR	To encourage greater efficiency in the work performed by our employees and an increased focus on safety, we have developed a training plan for the adoption of innovative tools such as Smartphone EX-02, which allows operators to initiate work permit applications for safety purposes directly from their smartphones.	536

3.3 Compliance with the National Collective Labour Agreement and relations with trade union associations

GRI 2-30

As in the previous years, also in 2023, our business relations were characterised by an open and constructive dialogue with the **workers' representatives (RSU)** and Trade Union Organisations. Through a continuous and transparent exchange of information and dialogue, various topics of general and specific interest were addressed, discussed and defined. These include agreements to further improve corporate welfare and support of the isopension mechanism.

Trade union representatives in RAM

All our employees are hired in compliance with the **National Collective Labour Agreement (CCNL –** *Contratto Collettivo Nazionale di Lavoro***) for the Energy and Oil sector,** which establishes a structured system of representation. This system includes an RSU (*Rappresentanza Sindacale Unitaria* – United Trade Union Representation) elected by all workers and composed of 13 members, which also includes 5 RLSA (Workers' Representatives for Health, Safety and Environment), in addition to the company Secretariats and representatives of the Territorial Trade Union Secretariats FILCTEM-CGIL[33], FEMCA-CISL[34], UILTEC-UIL[35] and UGL Chimici - Energia.

Our commitment to the involvement of trade union representatives is aimed at fostering a positive working atmosphere based on cooperation and mutual trust, thus also ensuring the continuous improvement of our employees' working conditions.

[33] FILCTEM stands for *Federazione Italiana Lavoratori Chimica, Tessile, Energia, Manifatture* [Italian Federation of Chemical, Textile, Energy, Manufacturing Workers].

[34] FEMCA stands for *Federazione Energia, Moda, Chimica e Affini* [Energy, Fashion, Chemical and Related Product Federation].

[35] UILTEC stands for *Unione Italiana Lavoratori del Tessile, Energia e Chimica* [Italian Textile, Energy and Chemical Workers Union] .

4. METHODOLOGICAL NOTE

GRI 2-2, 2-3, 2-4

Since 2011, we have taken the initiative to publish a yearly Sustainability Report in order to keep all our stakeholders (including citizens, institutions, local communities, media, shareholders, lenders, employees, suppliers, customers, authorities, etc.) informed about the **company's environmental, social and governance (ESG) decisions, activities, impacts and results**.

In view of a legislative development that will force the company to comply with the new Corporate Sustainability Reporting Directive (CSRD), the document has been prepared according to the Global Reporting Initiative's 'GRI Sustainability Reporting Standards' updated in 2021, with a 'with reference' option. The reference period for this document is 1 January to 31 December 2023. The reporting scope of this Annual Report coincides with the entire company.

To ensure the highest quality of content, the following GRI principles were applied:

- **Accuracy**: a meticulous degree of detail has been applied to improve understanding of RAM's sustainability performance during the fiscal year 2023;
- **Balance**: the information disclosed gives an account of RAM's performance during the reporting period in a balanced manner, considering both past performance and future strategies of the company;
- **Clarity**: so that information is easily accessible to all, has been provided in simple language, graphs and tables illustrating the company's performance;
- **Comparability**: data are reported for the three-year period 2021-2023, so that performance can be compared over time. Furthermore, information is disclosed in accordance with GRI standards, so as to allow comparability with other players;
- **Completeness**: the impacts addressed in this Report are presented in their entirety and depict the most relevant environmental, social and economic aspects of RAM's activities, in order to enable a thorough evaluation of the company's performance in the financial year 2023;
- **Sustainability Context**: RAM performance is presented in the broader context of sustainable development;
- **Time relevance**: this document was published in 2024;
- **Verifiability**: RAM has collected and analysed the data so that the information can be reviewed to establish its veracity.

The information disclosed in this Annual Report presents the principle of *materiality* or *relevance*. The results of the materiality analysis are described in the 'Materiality Analysis' section.

To update the reporting approach and align it with the new Universal Standards - in particular the identification of impacts required by GRI 3 - the materiality analysis was carried out for the first time using GRI 11: Sector Standard Oil & Gas, a key innovation of the 2021 revision of the GRIs. This allowed the introduction of new topics in the materiality assessment, including: climate adaptation, energy transition, ecosystem protection, water resource protection, waste management, land value creation and the protection of human rights and equal opportunities.

4.1 Materiality analysis

GRI 3-1, 3-2

For details concerning the activities carried out for the materiality analysis, as stated in the GRI Standard 3 'Material Topics', please refer to paragraph 1.4.1.

Material topics	Associated impacts
MANAGEMENT OF ENERGY CONSUMPTION AND GREEN HOUSE GASES EMISSIONS	Generation of greenhouse gas emissions (Negative, Actual)
PROTECTION OF ECOSYSTEMS	Inefficiencies in the use of raw materials (Negative, Actual) Imbalance in ecosystems and biodiversity (Negative, Potential)
AIR QUALITY	Generations of pollutant emissions (Negative, Actual)
PROTECTION OF WATER RESOURCES	Consumption and depletion of water resources (Negative, Actual)
RESPONSIBLE WASTE MANAGEMENT	Impacts related to waste generation and disposal (Negative, Actual)
SAFEGUARDING THE LOCAL COMMUNITY	Negative impacts related to odour emissions (Negative, Actual)
HEALTH AND SAFETY AT WORK	Impacts on workers' health and safety (Negative, Actual)
EMPLOYEE DIVERSITY AND DEVELOPMENT	Development and enhancement of competences (Positive, Actual) Incidents of discrimination and lack of equal opportunities (Negative, Potential)
CREATION OF VALUE FOR THE TERRITORY	Contribution to the generation and distribution of economic value (Positive, Actual) Contribution to the development of the local economy (Positive, Effective)
BUSINESS ETHICS AND INTEGRITY	Impacts linked to the adoption of corrupt behaviour (Negative, Potential) Damage due to anti-competitive behaviour (Negative, Potential)

In 2023, the material topics were grouped in order of importance as follows:

1. **Energy consumption and greenhouse gas emissions management, air quality, and occupational health and safety**: These three material topics, identified as relevant, reflect numerous issues introduced by the GRI 11 Sector Standard for Oil & Gas, including biodiversity, climate change adaptation, water resource protection, and responsible waste management, alongside the enhancement of worker safety.
   Specifically, the issue of greenhouse gas emissions has always been central for RAM, particularly in strategies aimed at reducing these emissions to protect individuals and surrounding areas.
2. **Value creation for the local area, diversity, and employee development**: These two material topics, identified as relevant, highlight RAM's crucial role in producing positive externalities for the local economy, creating jobs, and encouraging new investments thanks to its solid management.

4.2 Methodology used for data collection

For the preparation of the following Report, we have collected social and environmental data, of both a quantitative/qualitative nature, using data collection forms and customised interviews.
RAM applies a precautionary principle in this report.
The qualitative and quantitative information contained in this Sustainability Report was gathered through interviews and through the exchange of documents with the data owners of the main corporate functions.
Below, in addition to what is described in the individual chapters, details about the main methodologies for calculating the non-financial Performance indicators in this Report are described:

- **The accident frequency index** is calculated by dividing the total number of recordable accidents (excluding commuting accidents) by the number of hours worked in the same period, and multiplying the result by 200,000.
- **The accident severity index** is calculated by dividing the total number of accidents that caused an absence from work of more than 180 days by the total number of hours worked in the same time period.
- **Greenhouse gas emissions** are calculated in accordance with the guidelines provided by the global standard *GHG Protocol Corporate Accounting and Reporting Standard*, developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD).
- The figure concerning the **number of staff in the workforce** was calculated by counting the number of employees in force at the end of the reporting period.
- The Refinery and the Thermal Cogeneration Plant are subject to two different Integrated Environmental Authorisations (AIA). The AIA limits for the Refinery and the Thermal Cogeneration Plant are defined by the corresponding AIA Decrees.

This document is subject to a limited audit (according to the criteria set forth in ISAE 3000 Revised) by PricewaterhouseCoopers S.p.A. (PwC).
The Sustainability Report is approved by the Board of Directors and made available on the www.raffineriadimilazzo.it, in the 'Sustainability' section.
Subsequently, the 'GRI Content Index' can be consulted, which lists the GRI indicators and the SDGs (Sustainable Development Goals of the UN 2030 Agenda) considered priorities for the Milazzo Refinery.

GRI Content Index

Terms of use	RAFFINERIA DI MILAZZO SOCIETA' CONSORTILE PER AZIONI has submitted a report in accordance with GRI Standards for the period between 1 January 2023 and 31 December 2023
GRI 1 has been used	GRI 1 – Material topics – 2021 version
Relevant GRI sector standards	GRI 11 – Oil and Gas Sector 2021

GRI STANDARDS	DISCLOSURE	SECTION	SECTOR STANDARD GRI REF. NO
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	2-1 Organizational	1. About us 1.1 How we are organised	-
	2-2 Entities included in the organization's sustainability reporting	Methodological Note	-
	2-3 Reporting period, frequency and contact point	Methodological Note	-
	2-4 Restatements of information	Methodological Note	-
	2-5 External assurance	Independent Auditor's Report	-
	2-6 Activities, value chain and other business relationships	1. About us 3.1 Each of us	-
	2-7 Employees	3.1 Each of us	-
	2-8 Workers who are not employees	3.1 Each of us	-
	2-9 Governance structure and composition	1.1 How we are organised	-
	2-10 Nomination and selection of the highest governance body	1.1 How we are organised	-
	2-11 Chair of the highest governance body	1.1 How we are organised	-
	2-22 Statement on sustainable development strategy	Letter to the Stakeholders	-
	2-23 Policy commitments	1.4 Sustainability for RAM	-
	2-24 Embedding policy commitments	1.4 Sustainability for RAM	-
	2-27 Compliance with laws and regulations	1.2 The principles and ethics that guide us	-
	2-28 Membership associations	1.4.2 Dialogue with the Stakeholders	-
	2-29 Approach to stakeholder engagement	1.4.2 Dialogue with the Stakeholders	-
	2-30 Collective bargaining agreements	3.2 Adherence to the National Collective Labour Agreement and relations with trade unions	-
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Methodological Note	-
	3-2 List of material topics	Methodological Note	-
GOVERNANCE DIMENSION			**SDGs 8.9**
CREATION OF VALUE FOR THE TERRITORY			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.4.2 Dialogue with the Stakeholders 1.5.1 The generation and distribution of value	-
GRI 201-1 (2016)	Direct economic value generated and distributed	1.4.2 Dialogue with the Stakeholders 1.5.1 The generation and distribution of value	11.14.2
GRI 202-2 (2016)	Proportion of senior management hired from the local community	3.1 Each of us	11.14.3
GRI 203: Indirect Economic Impacts (2016)	203-1 Infrastructure investments and services supported	1.4.2. Dialogue with the Stakeholders 1.5.1 The generation and distribution of value 2. Technological and operational excellence 2.5.1 Asset integrity and process safety	11.14.4
	203-2 Significant indirect economic impacts	1.5.2 Local community development initiatives 2. Technological and operational excellence 2.1 Our commitment to environment and land protection 2.1 Our commitment to environment and land protection	11.14.5
GRI 204-1 (2016)	Proportion of spending on local suppliers	1.4.2 Dialogue with the Stakeholders	11.14.6
BUSINESS ETHICS AND INTEGRITY			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2 The principles and ethics that guide us 1.5.1 The generation and distribution of value	-
GRI 205-3 (2016)	Confirmed incidents of corruption and actions taken	1.2 The principles and ethics that guide us	11.20.4
GRI 206-1 (2016)	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2 The principles and ethics that guide us	11.20.4
GRI 207-1 (2019)	Approach to tax	1.2 The principles and ethics that guide us 1.5.1 The generation and distribution of value	11.21.4
ENVIRONMENTAL DIMENSION			**SDGs 7,12,13,14**
PROTECTION OF ECOSYSTEMS			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.3 Products and logistics	-
GRI 301-1 (2016)	Materials used by weight and volume	1.3 Products and logistics	-
PROTECTION OF WATER RESOURCES			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3 Water resource management 2.2 A rational use of energy. Our contribution to the energy transition	-
GRI 303: Water and Effluents (2018)	303-1 Interactions with water as a shared resource	2.3 Water resource management	11.6.2
	303-2 Management of water discharge-related impacts	2.3 Water resource management	11.6.2
	303-3 Water withdrawal	2.3 Water resource management	11.6.2
	303-4 Water discharge	2.3 Water resource management	11.6.2
	303-5 Water consumption	2.3 Water resource management	11.6.2
Non-GRI stand-alone indicator GRI OG6 (2012)	Volume of hydrocarbons vented and burned in flares	2.2 A rational use of energy. Our contribution to the energy transition	11.1.5
MANAGEMENT OF ENERGY CONSUMPTION AND CLIMATE-ALTERING EMISSIONS			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1.3 Greenhouse gas (GHG) emissions 2.1.1 Best technologies for environmental protection 2.2 A rational use of energy. Our contribution to the energy transition	-
GRI 302-1 (2016)	Energy consumption within the organisation	2.2 A rational use of energy. Our contribution to the energy transition	11.1.2
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	2.1.3 Greenhouse gas (GHG) emissions	11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	2.1.3 Greenhouse gas (GHG) emissions	11.1.6
	305-5 Reduction of GHG emissions	2.1.3 Greenhouse gas (GHG) emissions 2.1.1 Best technologies for environmental protection	11.2.3
AIR QUALITY			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1.3 Greenhouse gas (GHG) emissions	-
GRI 305: Emissions (2016)	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.1.3 Greenhouse gas (GHG) emissions	11.3.2
RESPONSIBLE WASTE MANAGEMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3 Water resource management 2.4 Responsible waste management	-
GRI 306: Waste (2020)	306-1 Waste generation and significant waste-related impacts	2.4 Responsible waste management	11.5.2
	306-2 Management of significant waste-related impacts	2.4 Responsible waste management	11.5.3
	306-3 Waste generated	2.3 Water resource management 2.4 Responsible waste management	11.5.4
Autonomous indicator according to guidelines GRI 306-3 (2016)	306-3 (2016) Significant spills	2.4 Responsible waste management	11.8.2 11.8.3
SOCIAL DIMENSION			**SDGs 8**
PROTECTING THE LOCAL COMMUNITY (Non- GRI Theme)			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.5 Impact on the territory	-
HEALTH AND SAFETY AT WORK			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.2. The principles and ethics that guide us 2.1.1 Best technologies for environmental protection 2.5.1 Asset integrity and process safety 2.5.2 Plant maintenance 3.1 Each of us 3.2 Development and enhancement of resources	-
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational health and safety management system	1.2. The principles and ethics that guide us 2.1.1 Best technologies for environmental protection	11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	2.1.1 Best technologies for environmental protection 2.5.1 Asset integrity and process safety 2.5.2 Plant maintenance	11.9.3
	403-3 Occupational health services	3.1 Each of us	11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	2.6.1 Security for RAM	11.9.5
	403-5 Worker training on occupational health and safety	3.2 Development and enhancement of resources	11.9.6
	403-6 Promotion of worker health	2.6.1 Security for RAM	11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.5.2 Plant maintenance	11.9.8
	403-8 Workers covered by an occupational health and safety management system	2.1.1 Best technologies for environmental protection	11.9.9
	403-9 Work-related injuries	2.6.1 Security for RAM	11.9.10
EMPLOYEE DIVERSITY AND DEVELOPMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Each of us 3.2 Development and enhancement of resources	-
GRI 401-1 (2016)	401-1 New employee hires and employee turnover	3.1 Each of us	11.10.2
GRI 404: Training and Education (2016)	404-1 Average hours of training per year per employee	3.2 Development and enhancement of resources	11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	3.1 Each of us 3.2 Development and enhancement of resources	11.10.7
GRI 405-1 (2016)	Diversity of governance bodies and employees	3.1 Each of us	11.11.5
GRI 406-1 (2016)	Incidents of discrimination and corrective actions taken	During 2023, there were no reported incidents of discrimination	11.11.7

Independent Auditor's Report

GRI 2-5

Independent auditor's report on sustainability reporting

To the board of directors of
Raffineria di Milazzo SCpA

We have been engaged to undertake a limited assurance engagement on the Sustainability Report of Raffineria di Milazzo SCpA (hereinafter the "Company") for the year ended 31 December 2023.

Responsibilities of the Directors for the Sustainability Report

The directors of Raffineria di Milazzo SCpA 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 (the "GRI Standards"), as illustrated in the "Note on methodology" section of the Sustainability Report.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The directors are also responsible for defining the sustainability performance targets of Raffineria di Milazzo SCpA, as well as for identifying its stakeholders and material topics to be reported on.

Auditor's Independence and Quality Management

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers SpA

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Auditor's Responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, on whether the Sustainability Report complies with the requirements of the GRI Standards. We conducted our work in accordance with "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Information" (hereinafter also "ISAE 3000 *Revised*") issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. That standard requires that we plan and perform procedures to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

The work performed was less in scope than in a reasonable assurance engagement conducted in accordance with ISAE 3000 *Revised* and, consequently, we did not obtain assurance that we became aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgement and included inquiries, primarily of personnel of the Company responsible for the preparation of the information presented in the Sustainability Report, inspection of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1) We compared the financial information reported in "Added value generated for the stakeholders" section of the Sustainability Report with the information included in the Company's annual financial statements;

2) We obtained an understanding of the processes underlying the generation, collection and management of significant qualitative and quantitative information included in the Sustainability Report.
In detail, we inquired of and discussed with management personnel of Raffineria di Milazzo SCpA and we carried out limited analyses of documentary evidence, in order to obtain information about the processes and procedures supporting the collection, aggregation, processing and submission of non-financial information to the corporate function in charge of the preparation of the Sustainability Report.
Furthermore, for significant information, taking into account the activities and characteristics of the Company:

   a) with reference to the qualitative information presented in the Sustainability Report, we carried out interviews and obtained supporting documents to verify its consistency with available evidence;
   b) with reference to quantitative information, we performed both analytical procedures and limited tests to verify, on a sample basis, the accuracy of data aggregation.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Raffineria di Milazzo SCpA for the year ended 31 December 2023 is not prepared, in all material respects, in accordance with the requirements of the GRI Standards as illustrated in the "Note on methodology" section of the Sustainability Report.

Palermo, 21 June 2024

PricewaterhouseCoopers SpA

Signed by

Marco D'Alia
(Partner)

This report has been translated from the original, which was issued in Italian, solely for the convenience of international readers. We have not performed any controls on the Sustainability Report 2023 translation.

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RAFFINERIA DI MILAZZO S.C.p.A.

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We would like to thank everyone who was involved in creating this report.

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Raffineria
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