

BREATHING THE FUTURE

Sustainability Report 2020

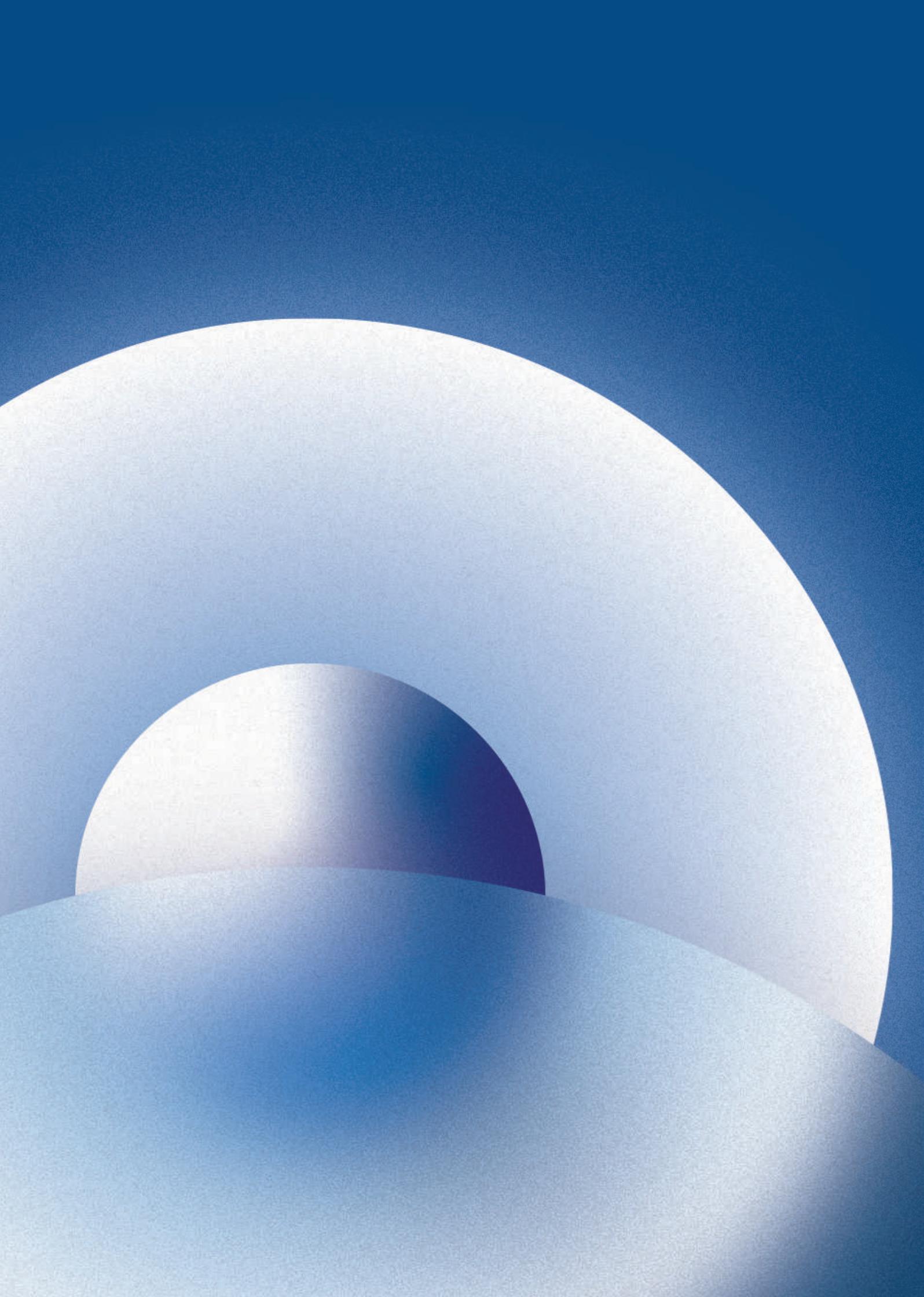


Breathing the future

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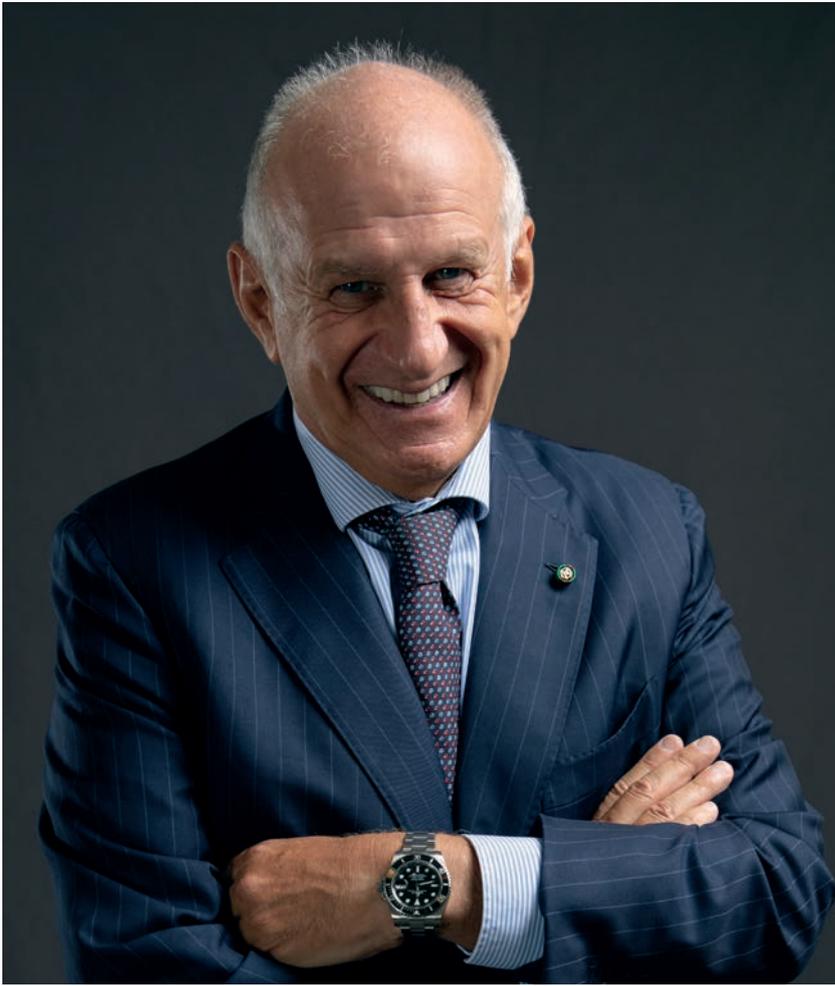
Sapio has a sustainable approach to life, and views it through the factors that are naturally relevant to its work and its values. The great conceptual container is that of air and breath, which goes from the general to the particular in the images of individual molecules.

A sustainability report is therefore first of all a choice.

The choice to believe that economic growth and sustainable development can go hand in hand in a new social capitalism.

We look back to our history to seek the future and with it care, protection and development in the primary element of life: the air.

BREATHING
THE FUTURE



Responsibility

Letter to the stakeholders

Sapio's relationship with the environment began when it was established in 1922. The attention to protecting not only people, but also our surroundings, has always been one of our most distinctive features.

Responsibility, entrepreneurship, personal growth, fairness, respect, education and ethical business dealings are the basis of the value system on which our company is founded and which have allowed our Group to grow without ever losing sight of our ultimate purpose: to be an example for the ecosystem we live in, helping to improve the lives of our patients and our customers.

Today at Sapio we tackle sustainable development on three levels: CARE, understood as caring for people, whether they are employees, customers, suppliers or patients; PROTECT, intended as the protection of the environment in which we live and operate; DEVELOP, understood as the continuous evolution and innovation of the company itself. In this sense, Sapio aims to improve the sustainability both of its internal processes, to significantly reduce its carbon footprint in line with the objectives of the UN Agenda 2030 (Sustainable Development Goals - SDG), and by providing support, know-how and training, to customers engaged in energy transition.

Based on these three pillars, we have chosen a strategy that addresses the safety and training not only of our people, but also of the ecosystem around us, involving reduction of our carbon footprint and the increased use of renewable energies in the energy mix.

At the same time, we continue to focus on the increasingly ambitious goals we have set for ourselves in terms of economic performance and technological innovation in products and services.

Sapio has always been committed to playing a proactive role in civil society, and above all in the last decade. This social role places us at the service of the community, where we strive to be a positive point of reference, an example for our stakeholders. Therefore, this is not only a Group that provides fundamental products and services, but that does so with a view to contributing to the well-being of people, the environment and the economic development of the countries in which it operates. And the sustainability report reflects this above all, in a clear, transparent way.

Allow me one last reflection, which I feel is necessary just under two years after the onset of the coronavirus emergency. I am convinced that the world will emerge changed from this pandemic; we have already seen this over the last year, and the effects will be even greater in the future. I am equally convinced that the search for sustainability will be a fundamental driving force and an opportunity for the economic recovery of our country and the rest of Europe. Only by working to restore the Old Continent to its role of strategic global player, will we be able to truly make a significant contribution to our future.

Alberto Dossi
President

METHODOLOGICAL NOTE

This document is the first Sustainability Report (“**Sustainability Report**” or “**Report**”) of Sapio Produzione Idrogeno Ossigeno S.r.l. (hereinafter “**Sapio**” or “**Sapio Produzione**” or “**Parent Company**”) and its subsidiaries (hereinafter the “**Subsidiaries**”) fully consolidated (hereinafter the “**Group**” or the “**Sapio Group**”) with reference to the 2020 financial year, from 1 January to 31 December.

In order to communicate the Group's sustainability performance in a transparent, comparable way, the Sustainability Report was prepared by reporting on a selection of the “GRI Sustainability Reporting Standards” (hereinafter the “**GRI Standards**”), as highlighted in the “**GRI Content Index**” of this document.

The contents reported on here were selected on the basis of the results of the materiality assessment carried out at the beginning of 2021, which made it possible to identify the material aspects for the Group and its stakeholders (hereinafter, the “**Stakeholders**”) also thanks to the participation and involvement of the Group management committee (“**Steering Committee**”) through an internal questionnaire circulated in February 2021.

The Materiality Matrix presented in the “**Identifying stakeholders and materiality analysis**” section of this document is the result of the analysis conducted.

The reporting scope of economic-financial data and information corresponds to that of the Sapio Group, including minority interests¹.

The scope of data and information relating to social and environmental aspects includes Sapio and its fully consolidated subsidiaries.

Any changes to this scope, or limitations and exclusions in the reporting, are appropriately indicated in the “**GRI Content Index**” section of this document.

The data relating to the previous year are shown for comparative purposes with the aim of facilitating the assessment of the Group’s business performance. In consideration of the acquisitions that took place in 2019 and 2020, it should be noted in particular that: the data of the company Chemgas S.r.l. have been fully included as of 2019; the data of the companies Domco 2 S.a.s, Domco S.a.s, Homeperf S.a.s., Sapio Santé France S.a.S and Sci Rouet S.a.s have been fully included starting from 2020. The evolution of performance in the 2019-2020 period is therefore to be interpreted in the light of the progressive expansion of the Group’s boundary.

To ensure the reliability of the data, the use of estimates has been limited as far as possible; those used, if any, are appropriately reported and based on the best available methods.

This document was submitted for examination and approval by the Sapio Board of Directors (“**Board of Directors**” or “**BoD**”).

This document has been subject to procedures performed in a limited assurance engagement in accordance with the criteria indicated by International Standard on Assurance Engagements (ISAE) 3000 (Revised) by the auditors Deloitte & Touche S.p.A. The limited assurance engagement was conducted by performing the procedures indicated in the “**Report of the Independent Auditors**” presented at the end of this document.

The reporting cycle of the Sustainability Report is annual. For information regarding the Sapio Group’s Sustainability Report, please contact **Sapio Sustainability Management** at the following address: sustainability@sapio.it.

¹ The consolidated economic-financial information for the Group is drawn up on the basis of management data deriving from the Group’s accounts.

Our Mission and Vision

The mission of the Sapio Group, especially in the last decade, has focused on making the company capable of exercising the role of a positive and proactive actor in civil society and with regard to its ecosystem. This means playing also a social role, therefore, at the service of the community.

Even if we can't see or touch them, gases are essential for everyone's life and for a better future. Every day Sapio is committed with passion, expertise and resources to offering innovative products, technologies and services that improve the quality of life, always with the utmost attention to the safety of its employees.

All of this is aimed at becoming today the architects of a better tomorrow for everyone.

Therefore, this is not only a Group that provides fundamental products and services for patients and customers, but an organization that does so with a view to contributing to the well-being of people, the environment and the economic development of the countries in which it operates. An open mindset

capable of accelerating and encouraging all-encompassing sustainability projects is therefore the basis of the Group's activities. This philosophy is concisely summarized in the claim "Perform to transform".

The Sapio Group's Values

KNOWING TO BE IN ORDER TO KNOW HOW TO DO: THE SAPIO LEADER

Within the Sapio ecosystem, the value of leadership is increasingly measured in our leaders' ability to guide the Group towards the goals they have set themselves, both "being a leader" in the way they behave, and "acting like a leader" in what they do. The leaders of today and tomorrow are constantly aware of the corporate purpose; they devote attention to civil society and the environment, with the aim of realizing the new paradigm of society for all stakeholders, not just those engaged with the leader's own specific department; they are polite towards colleagues and customers/patients; they are inspired by the values of profound honesty, intellectual and material; and they display great mental agility, combined with the ability to shift from one role to another with pragmatism and speed.

RESPONSIBILITY

This is one of the most important values on which our corporate culture is based. Being responsible means repaying the trust of the shareholders and guaranteeing the stakeholders our utmost commitment. Being "Solution driven", focusing on the solution and not on the problem, not procrastinating decisions, avoiding alibis and justifications, being a positive example for others are essential elements in the scale of Sapio's values. Likewise transparency, which must always be ensured for managers, employees and the entire Sapio ecosystem.

The Sapio Group is based on a value system shared by the entire company structure.

ENTREPRENEURSHIP

Together with responsibility this represents the added value on which our Group focuses. Taking responsibility for one's decisions, having the courage to be invested in first person, taking one's own responsibilities, displaying a spirit of initiative and creativity, rising to the challenge of going outside one's comfort zone, and knowing how to delegate and monitor while focusing on results: these are qualities required of the 4.0 leaders who characterize Sapio's present and future.

THE GROWTH OF PEOPLE

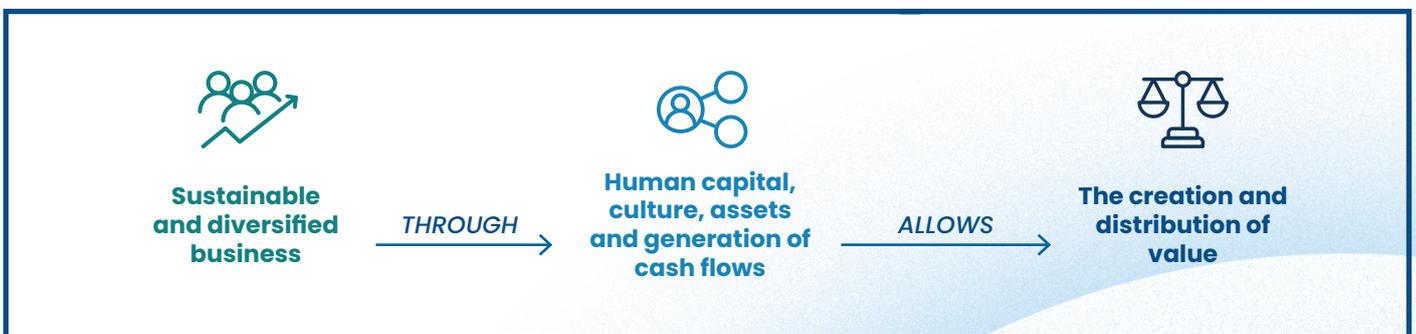
One of the strengths of the company for almost a hundred years has been its people, and it has shown a great capacity for attracting and retaining reliable and qualified employees. In the current world of uncertainty, this becomes even more important in the strategic development of the Group. Valuing skills above all else, celebrating the successes of staff and in particular being an example of passionate professionalism, working in a team, learning from mistakes and being open to change and diversity are essential qualities for those who work and want to grow at Sapio.

FAIRNESS

The value of fairness is one of the most complex to define and apply in a corporate community. Nonetheless, we believe that a growing company like ours cannot fail to continually seek to treat its employees and in general its ecosystem fairly. Rewarding merit, showing understanding for people and their problems, facilitating growth and internal mobility, giving and asking for continuous feedback, being consistent, and being committed to loyalty are crucial elements for building and developing a business community based on fairness.

In particular, in the two-year period 2020 – 2021, these values were included as KPIs in the system for assessing the corporate performance of its employees. What matters is not only achieving the goal, but also and above all how it is achieved.

Our sustainable business model



Our purpose

Being an example for the ecosystem in which we live by contributing to a safe, healthy and liveable world

Our value creation model

OUR RESOURCES

Human capital, assets and CF

Financial resources

- Equity from stakeholders
- Equity from banks
- Self-financing from CF generation

Human capital

- Talented staff
- Knowledge and experience

Assets

- Efficient production plants
- Sustainable procurement and distribution network

Culture

- Respect
- Trust
- Entrepreneurship
- Innovation

OUR BUSINESS

Growth of sustainable and diversified businesses

Industry



- Technical gases
- Special gases
- Hydrogen and biomethane
- On-site production, tanks and packages
- After-sales assistance

Health



- Medical gases
- Hospital installations
- Homecare
- Hyperbaric chambers
- Biogenetics
- Cryo banks
- Services to CRO
- Telemonitoring
- Video consultation

OUR VALUE CREATION

Responsible for value creation and distribution

For our customers

- Improvement of their performance & efficiency
- Reducing our carbon footprint

For our patients

- Improvement of their quality of life

For our people

- Focus on their health and safety
- Push for training and achieving maximum potential

For our suppliers

- Focus on their health and safety
- Local procurement and push towards sustainability

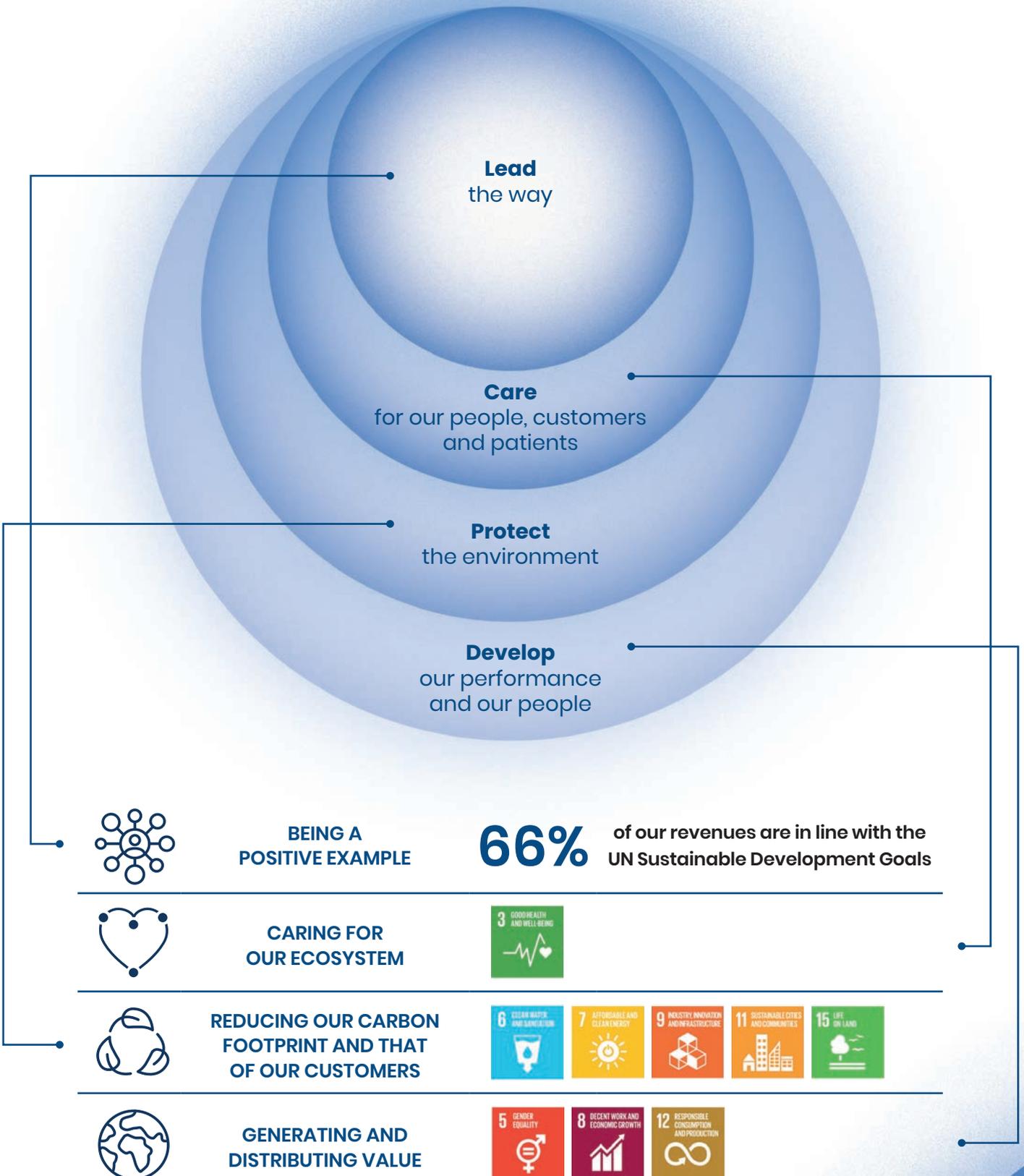
For our shareholders

- Ethical conduct
- Dividends

For our ecosystem

- Reducing our carbon footprint
- Contribution with local and state taxes
- Donations to our communities and scholarships

Our commitment to a sustainable future



The formula

Win Win Win

COMPANY

- Productivity recovery
- Path of distinctive sustainability on the market

EMPLOYEES

- More safety
- Flexibility/balance personal and working life

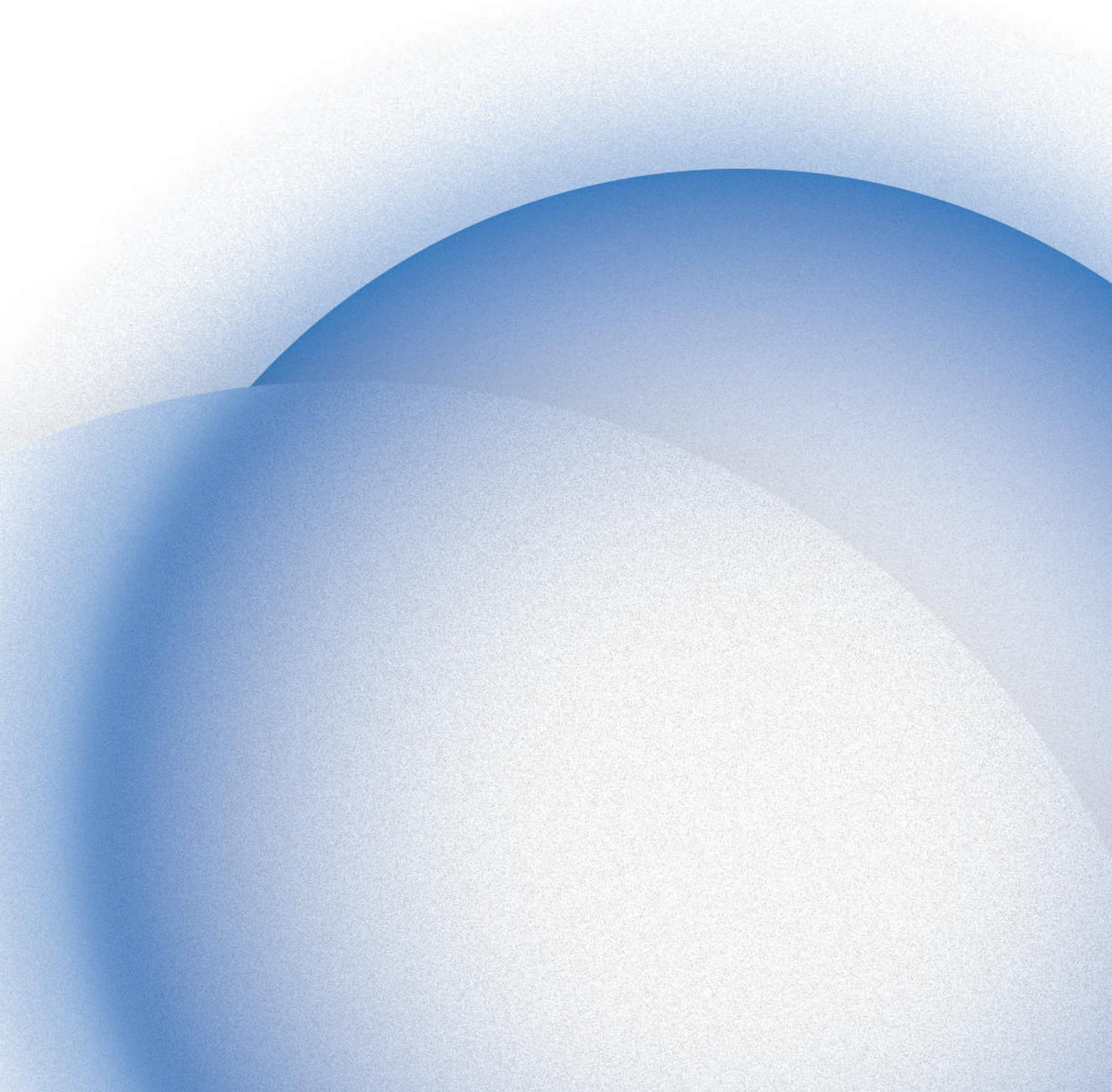
ENVIRONMENT

- Decrease of transport home-office
- Goal to be best-in-class for environmental protection

“We want to be the best company to buy from, to invest in, to work for”



Our New Extraordinary Transformation



NExT, New Extraordinary Transformation (“**NExT Plan**”) is a sustainable growth program aimed at transforming the way of thinking, skills, and working method to allow Sapio to become one of Europe’s leading independent players.

This is why the NExT Plan has deep roots in our field of activity, because it is based on the transformation that began in 2010, with a turning point that led to radical decisions, and at the beginning of the growth seen in the last decade. This growth was marked by change, first in business performance, where we now lead the sector, then in strategy and finally in corporate culture. Growth, expansion, and internationalization are the basis of the current objectives of the NExT Plan and the people who are part of the Sapio Group are the engine of this change that will allow us to make the Group’s model a virtuous example in the European industrial landscape.

NExT is therefore a plan that encompasses various meanings: the main one is “future”. To understand who we are, what we do and why we do it.

FOCUSING ON THE CUSTOMER:

knowing the customer means understanding their true needs, what drives their work, what their personal and professional goals are. Only by working on these elements is it possible to be recognized as a leading company capable of satisfying any development need.

HOME CARE HUMAN CURE:

we want to take care of our patients to be able to provide them with a valuable service by simplifying as far as possible the procedures with which it is provided. This means flexible management with a personalized health and social care approach, as well as being effective and sustainable.

SUSTAINABILITY:

sustainability has been part of Sapio's DNA since 1922 and above all can be seen in its concrete contribution to energy transition, a sector in which the company intends to be a leader at national level, both by supporting our customers in achieving their goals and by reducing the Group's carbon footprint.

INNOVATION AND DIGITALIZATION:

innovating means not only acting, but also and above all thinking outside the box. To facilitate this, the company is working on a standardized process accessible to all, through which each member of Sapio will be able to participate in innovation within the Group.

At the same time, the Group is investing in a strong digital culture, thus helping to speed up its internal processes and to create centres of excellence capable of developing skills on a global scale.

The pillars of NEXT Plo

SIMPLICITY AND EXCELLENCE:

Sapio has decided to apply flexible working models to its organization, based on caring for people and the achievement of goals, rather than on the physical presence in the office.



the
in



The Covid-19 emergency and the reaction of the Sapio Group

Right from the early hours of the Covid-19 emergency, the Group focused on two objectives: to protect the health of its employees and to ensure business continuity, which is essential for the Group and for the countries in which it operates.

During 2020, the oxygen demand to Sapio increased by an average of 20% compared to 2019, reaching 37% for the hospital sector, and with peaks of up to 150% (November 2020 vs 2019).

The main decisions taken for the Group's employees and contractors were as follows:

1 Protection of people

Sapio has taken out insurance policies for the benefit of its staff and subcontractors (transporters and maintenance workers), as well as all Life Cure assistants, about 750 including nurses, healthcare workers and doctors. At the same time, a psychological support program, called We Care, was set up to help the staff, with information initiatives on the danger of isolation, on how to face the uncertainties of the future, on the working methods set to change, as well as leisure activities such as yoga, fitness classes, language lessons, cooking or online social events. Finally, thanks to the waiver by the 3 Italian shareholders and the CEO of part of their remuneration for 2020, a Solidarity Fund with non-repayable contributions was set up, managed by an independent committee, to support employees and family members whose income had been severely hit by the coronavirus emergency.

2 Business continuity

To secure business continuity, critical areas have been identified, transversal to the departments, and each team was set up on the basis of specific skills rather than hierarchies, focusing on decision-making autonomy and absolute transversal intervention, thus shortening the chain of command and leveraging the entire talent pool of the company, from head office management to front-line staff in the field.

3 Ability to anticipate events by planning for possible scenarios

The Crisis Committee established at the outbreak of the pandemic in the first days of the emergency worked on projecting possible scenarios. The emergency required continuous changes, and one way to limit the risks and not to be caught off guard was to constantly ask ourselves "what if?". This attitude became a habit, and made it possible not only to anticipate problems, but also to continue training to keep the general situation under control and to increase the resilience of the members of the Crisis Committee.

4 Essentiality

The essentiality applied during an emergency must be understood above all as the abandonment of formalisms, the ability to focus on what is important and urgent, and at the same time, to establish priorities. This has led to the almost total elimination of conflicts, an exponential increase in speed, and constant creativity in seeking solutions and non-responsibility to everyday problems.

5 Enhancement of skills before hierarchies

The leadership model identified for the Sapio of the future, and definitive in the Horizon project, has its cornerstones in the trust and empowerment of people, as well as working towards goals and not based on the time spent in the office. This leads to a different relationship between individuals over and above hierarchies, creating a relationship in which the leader is no longer the person "with all the answers", but someone who knows how to invest their time in discussing with colleagues to communicate the context and collect ideas.

6 Timely and transparent communication

All employees during the covid19 emergency are informed of company decisions through the internal social Workplace, using the instant methods typical of social media platforms and through company monitors. All the collaborators, without distinction, therefore receive precise, complete essential information, without the need to go and look for it or rely on company "rumours".

7 Involvement of middle management

Middle management has taken on an increasingly decisive role during the pandemic. The unprecedented operation introduced by "working from home" has led to a better and greater sharing of information in various departments, confirming the fact that offices often create distancing instead of reducing it. This work of involving staff guaranteed enormous added value to the overall efficiency, productivity and unity of purpose of the entire Sapio team.

Sapio has never interrupted operations and, precisely during the emergency, the nature of the Group as an enterprise capable of generating social value has emerged even more, with a series of extraordinary initiatives aimed to support the health system and the country.





measures, conceived and implemented in record time, to support the intensive care hospital built in the premises of the former Fiera di Milano, in partnership with Allianz, with the donation of gas and medical gas distribution systems, until the end of the emergency, for a total of € 1,290,000, of which € 645,000 directly allocated by the Sapio Group.



upgrading of gas storage and supply systems in hospitals in the most affected areas, construction of new intensive care systems (San Raffaele Hospital in Milan and the Policlinico Militare Celio in Rome), for a total of 265 hospitals served;



activation in 15 days of a 20-bed sub-intensive ward in Rome to alleviate the pressure on intensive care units in hospitals that need beds for Covid patients;



implementation of the **#vuotanonserve** (“#nouseempty”) campaign, to encourage people to return unused oxygen cylinders, through coordination between companies in the Assogastecnici association, to manage reports and the recovery of cylinders;



HomeCare Covid+, a project in the Province of Varese which saw a team of 8 nurses committed to strengthening home service in the area, in partnership with ASST Valle Olona and ATS Insubria, with the aim of treating patients at home who had not yet recovered, but no longer required intensive care;



in Spain, the Sapio Life S.A.U. (“**Sapio Life España**”), provided in record time a service for 60 patients leaving the Alcazar de San Juan hospital (Ciudad Real) following infection from Covid-19, for whom the current oxygen therapy provider could not guarantee a service, thus preventing discharge.

Sustainability as a corporate pillar

Sustainability is one of our core values, the basis of every business decision. It is one of the fundamental pillars of the NEXt Plan and supports us in establishing the products and services we offer to our customers and patients, in the industrial market, and in our offer for energy transition and healthcare. In the field of industry and energy transition, we offer our customers the opportunity to be more sustainable, efficient

and productive, helping them to reduce their environmental impact through the use of our gases, CO₂ capture technologies, and of biomethane and hydrogen as an energy vector. In the field of healthcare, our primary objective is to push for the development of an accessible healthcare model, supporting the patient and aimed at making the healthcare system of the countries we serve ever more efficient.





SUSTAINABILITY

Sapio's goals for sustainable development

The 17 Sustainable Development Goals (“SDGs”) were developed within the United Nations in 2015 with the ambition to create a global plan of action for a world without inequity, poverty, aiming for environmental sustainability by 2030. It is the responsibility of every government institution, private entity and member of civil society to contribute to the achievement of these goals.

The Sapio Group embraces and supports the SDGs, adopting strategic and operational principles consistent with the proposed agenda. To this end, the Group has created its own “Sustainability Plan” based on 3 key principles: “**CARE**”, “**PROTECT**” and “**DEVELOP**”.

CARE

Care of our employees, our patients and our customers



HOW DO WE CONTRIBUTE?

The key elements of the Group's contribution are summarized in the following principles:

- the safety of our employees, suppliers and outsourcers: the pillar of Sapio's business
- the management and safety of our products and services
- customer satisfaction
- innovation of products and services
- the protection of customer data
- support of and relations with the local community

² The estimation method used takes into account all the Group's activities in the healthcare sector connected to the selected SDGs and for industrial sector activities, exclusively those whose turnover is associated with the specific initiatives listed in the “PROTECT – environmental protection” section.

Protect

Environmental Protection



HOW DO WE CONTRIBUTE?

The key elements of the Group's contribution are summarized in the following principles:

- Sapio's offer for customer sustainability
- Sapio's commitment to reducing its carbon footprint
- Cleaning of soil, water and waste fumes

Develop

Development of the performance of our company, suppliers and employees



HOW DO WE CONTRIBUTE?

The key elements of the Group's contribution are summarized in the following principles:

- economic performance of the Group
- sustainability of the supply chain
- governance, ethics and integrity
- getting the best out of our employees, the development of talent and diversity

In 2020 the Group also began measuring its turnover in terms of alignment with the SDGs². In light of the internal methods developed, we estimate that in 2020 66% of the activities carried out by the Group were connected with at least one of the aforementioned SDGs.

The contribution and goals of the Sapio Group

CARE		2020 RESULT	2021 GOAL
	Health and safety	LTI rate: zero accidents with serious consequences	Zero accidents
	Health and safety training	Guaranteed ongoing training on Health and Safety	Guaranteed ongoing training on Health and Safety
	“Great Place to Work” Certification	Certification for Group companies representing 65% of the Group’s turnover	Certification for Group companies representing at least 70% of the Group’s turnover
	Customer care - Industry NPS	87% satisfied Sapio customers	> = 90% satisfied Sapio customers
	Community service	>€1.4 million in donations and gifts to the community	Continuous integration and support of the communities in which we operate
PROTECT		2020 RESULT	2021 GOAL
	Renewable energy	Definition of a long-term plan to cover the Group’s energy needs from renewable sources	Coverage with renewable sources of 30% of the total electricity consumed
	Carbon footprint	Baseline of 250,700 tCO ₂ eq in 2020 (Scope 1 and Scope 2 Market Based Emissions)	Carbon footprint reduction by 20% vs 2019 (Scope 1 and Scope 2 Market Based Emissions)
	Focus on energy transition	Green hydrogen task force set up for industry and mobility	Continuous focus on green hydrogen, biomethane and sustainable mobility
	Supplier sustainability	Implementation of a sustainability questionnaire for Sapio suppliers	Sapio’s major suppliers certified according to sustainability criteria
DEVELOP		2020 RESULT	2021 GOAL
	Economic performance	Group turnover: €629 million	Group turnover: €650 million industry leader in terms of profitability
	Economic performance	66% of the turnover linked to SDGs	>66% of the turnover linked to SDGs
	Support to the local supply chain	92.7% supplies from the local supply chain	93% supplies from local supply chain
	Ethics and Integrity	Ethics and integrity at the heart of our work	Ethics and integrity at the heart of our work
	Turnover	14% turnover out	Turnover flat
	Diversity	38% foreign workforce 38% female workforce	40% foreign workforce 39% female workforce
	Training	Average of 9 hours’ training/employee	Increase in average hours of training/employee

The identity of the Sapio Group

For almost a hundred years at the service of the community

The Sapio Group, founded in 1922 with headquarter in Monza, operates in the industrial and medical gas sector, in homecare and in biotech all over Italy and in France, Germany, Spain, Slovenia and Turkey.

With a turnover in 2020 of over €629 million and 2,277 employees, it produces, develops and markets gases, innovative technologies and integrated services for the industrial sector. Technical gases are used in every production sector, from the food industry, the environment, energy, chemicals and pharmaceuticals, to electronics, engineering and metallurgical industries, glass and cement. The turnover of the industrial sector accounted for 41% of the Group's global turnover in 2020.

In the healthcare sector, Sapio supports healthcare facilities by supplying medical gases and medical devices for oxygen therapy, ventilator therapy, infusion, artificial nutrition, telemonitoring, sleep medicine, assisted home dialysis, advanced medications, and cryotherapy, as well as integrated home care and palliative care. Sapio is also present in the biotechnology sector with a biological resource centre capable of providing public and private research institutes (hospitals, universities, clinics and contract research organizations), biotech and pharmaceutical companies with complete solutions for the conservation of biological material, laboratory services and DNA sequencing. The turnover of the healthcare sector represented 59% of the Group's global turnover in 2020, up from 52% in 2019³.

Identity

³ The data refer to the perimeter of the Group in consideration of the acquisitions that took place during the year for the relevant period.

A continuous evolution

1922

On 17 November, SAPIO was established in Monza; its name was an acronym for Società Anonima Produzione Idrogeno e Ossigeno

2000

The project of the **1st Italian hydrogen-powered bus** starts: the Sapio Group puts eighty years of know-how in the world of hydrogen at the disposal of a project that would be completed for the 2006 Turin Olympics

1999

The second great challenge: the NMR Award was introduced. In 2002, this became the Sapio Award for Italian Research and later the **Sapio Award for Research and Innovation**

1998

In Germany Sapio acquires Vitamed GmbH, which operates in the healthcare sector. After the branch in Albania has been opened in 1996, the Group opened branches also in Austria and Greece

1998

The first great challenge as a model of ethical company: Dynamic Air Onlus is established, a project that comes to fruition with the Jubilee of 2000. At the end of the Holy Year, Dynamic Air continues to live in the pages of the magazine **D.A. - Per il superamento delle barriere culturali**

2003

BioRep, is set up, a biobank capable of providing storage services to public and private research institutes, guaranteeing the highest levels of quality and safety

2004

Life Cure, a Group company that provides integrated home care services, is set up. People are at the centre of care, and Life Cure revolves around them, personalizing care

2004

Hydrogen production begins at the new plant in Mantua

2006

Sistemi Iperbarici was born. First a division and then became a company of the Group since 2009, dedicated to the design, construction and maintenance of hyperbaric chambers and systems. A takeover in Slovenia leads to the birth of **Sapio Plini**

2009

Acquisition of **CER Group**

2012

Establishment of **Sapio Life Turkey**

2012

In Catania, work begins at the construction site for the **hydrogen and nitrogen production plant for ST Microelectronics**, where production begins in 2013

2013

Achievement of Elite Certification with Borsa Italiana S.p.A

1923

On **1 January**, the production of oxygen and hydrogen from electrolysis begins

1930s

The first air separation system for the production of gaseous oxygen is installed. The products distributed in cylinders are oxygen from fractionation, hydrogen from electrolysis and acetylene from calcium carbide

1950s-60s

In these years the so-called “cryogenic revolution” takes place, with the transition from a gaseous product, in cylinders, to liquid. These years also see the acquisition of **production plants** in Mantua, Marghera, Ferrara, Priolo and Porto Torres

1990

Air Products and Chemicals Inc., an American multinational in the technical gas sector, listed on the New York Stock Exchange, enters the company with a 49% stake. In this period the Group evolves in the hospital healthcare market, offering services and new solutions over and above the simple supply of medical gases. The Group starts offering liquid helium.

1989

Sapio Life, a company dedicated to the medical sector, is set up to meet the needs of the nascent homecare market

1973

The **Caponago** plant, the largest in the Group, is opened

2018

Launch of Next Plan
Alberto Dossi is elected **president of H2IT** - the Italian Hydrogen and Combustion Cells Association; in the same year Sapio launches the Biomethane division and the internal sustainability project

2015

Sapio invests in businesses related to its own, through the acquisition of **Eurotre** and **Argon**, a company producing and marketing non-refillable pressure vessels for compressed and liquefied gases, and the health information and services portal **Pazienti.it**

2014

Sapio takes over the French company **Synapse Santé S.a.s.** which operates in the home health care sector

2019

Sapio acquires three companies in the healthcare sector: **Medica Group**, in Italy, **GTI Medicare** in Germany and **Contse** (now Sapio Life S.A.U) in Spain

2020

Sapio launches the “Energy Transition and Sustainability” division and joins the **European Clean Hydrogen Alliance**

2020

Eurotre S.r.l. opens its headquarters in the United States, **Eurotre Inc.**, the first company of the Group to expand overseas

2020

At the height of the pandemic, Sapio completes the important takeover of **Homeperf**, a French group operating in home care

The Sapio Group in the world



● ITALY

● FRANCE

Aix-en-Provence, Calais, Lille, Metz, Amiens, Rouen, Caen, Rennes, Brest, Quimper, Reims, Vanves, Caen, Orleans, Gennevilliers, Nancy, Strasbourg, Belfort, Dijon, Nantes, Tours, Bourges, Clermont-Ferrand, Lyon, Annecy, La Rochelle, Saint-Etienne, Grenoble, Bordeaux, Avignon, Nice, Toulon, Marseille, Toulouse, Bayonne, Perpignan, Ajaccio, Bastia, Maxeville

● SPAIN

Madrid, Cartagena, Huelva

● GERMANY

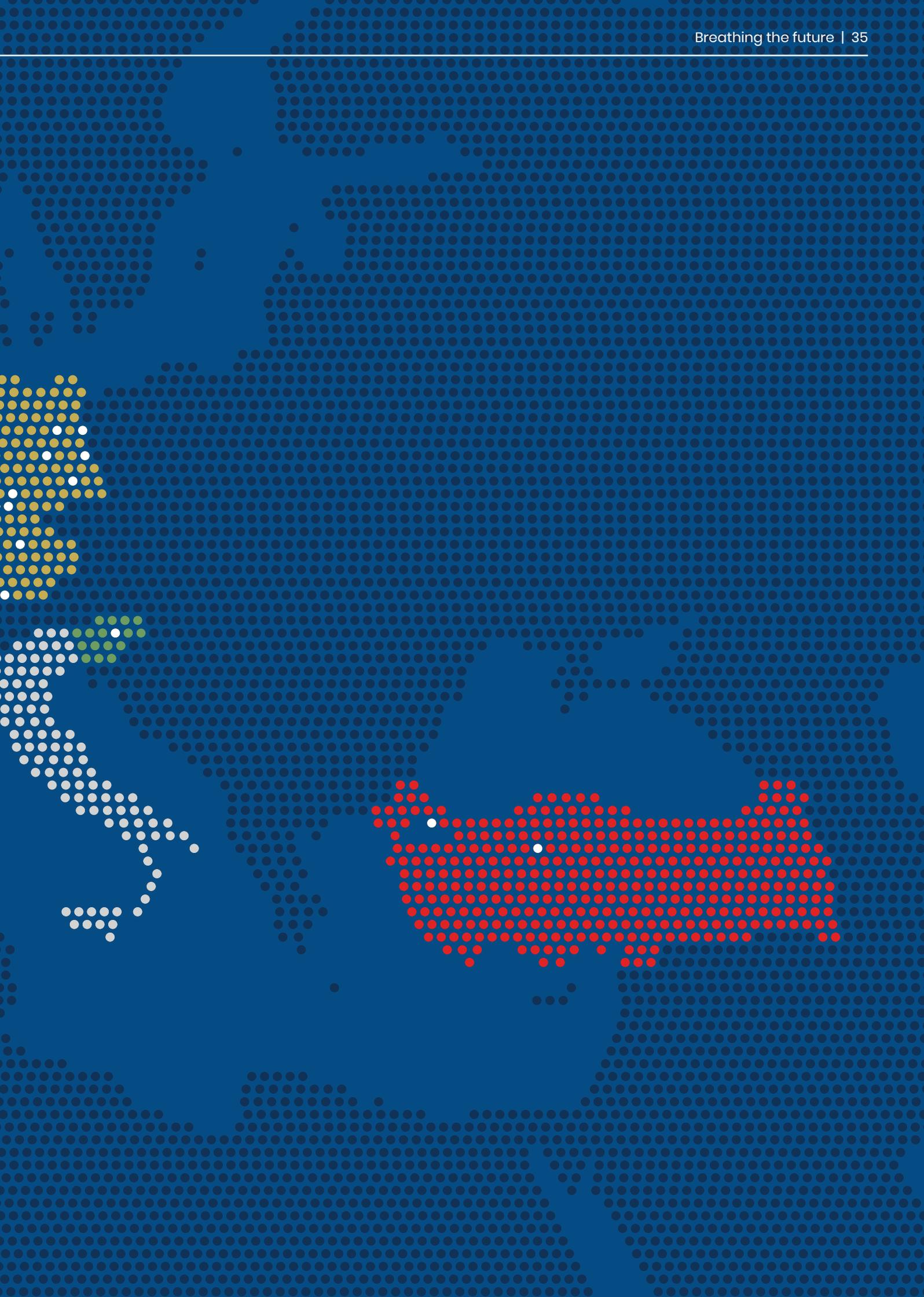
Homburg, Bremen, Unna, Köln, Berlin, Dresden, Erfurt, Cottbus, Reiskirchen, Karlsruhe, Eningen, Freiburg, Kempten, Strausberg, Hattingen, Dessau, Bielefeld, Idstein, Romhild, Nurnberg, Ulm, Neunkirchen, Hamburg

● SLOVENIA

Celje

● TURKEY

Istanbul, Ankara



The presence of the Group in Italy

HEADQUARTERS

Monza

COMMERCIAL OFFICES & INDUSTRY DEPOTS

Bigarello, Bologna, Brescia, Brogliano, Casteldaccia, Lissone, Lodi, Trapani, Canda, Granarolo dell'Emilia, Colle Umberto, Calderara di Reno, Fiorenzuola D'Arda, Mozzate, Treviglio, Forlì, Vergiate, Caponago, Marghera, Orte, Povoletto, Ferrara, Monfalcone, Monticelli d'Ongina, Verona

ASU/HPN PRIMARY PRODUCTION

Caponago, Porto Marghera, Orte, Brindisi, Ferrara

SECONDARY PRODUCTION

Taranto, Piacenza, Padova, Fermo, Collegno, Porto Torres, Pergine Valdarno, Crotone

HYDROGEN PRODUCTION

Mantova, Torviscosa, Catania, Castelmasa, Piombino, Ferrandina

HEALTHCARE OFFICES

Milano, Monza, Aragona, Chieti, Collegno, Crotone, Fermo, Fiano Romano, Limatola, Marigliano, Padova, Pergine Valdarno, Piacenza, Porto Torres, Roma, Taranto, Vaprio d'Adda

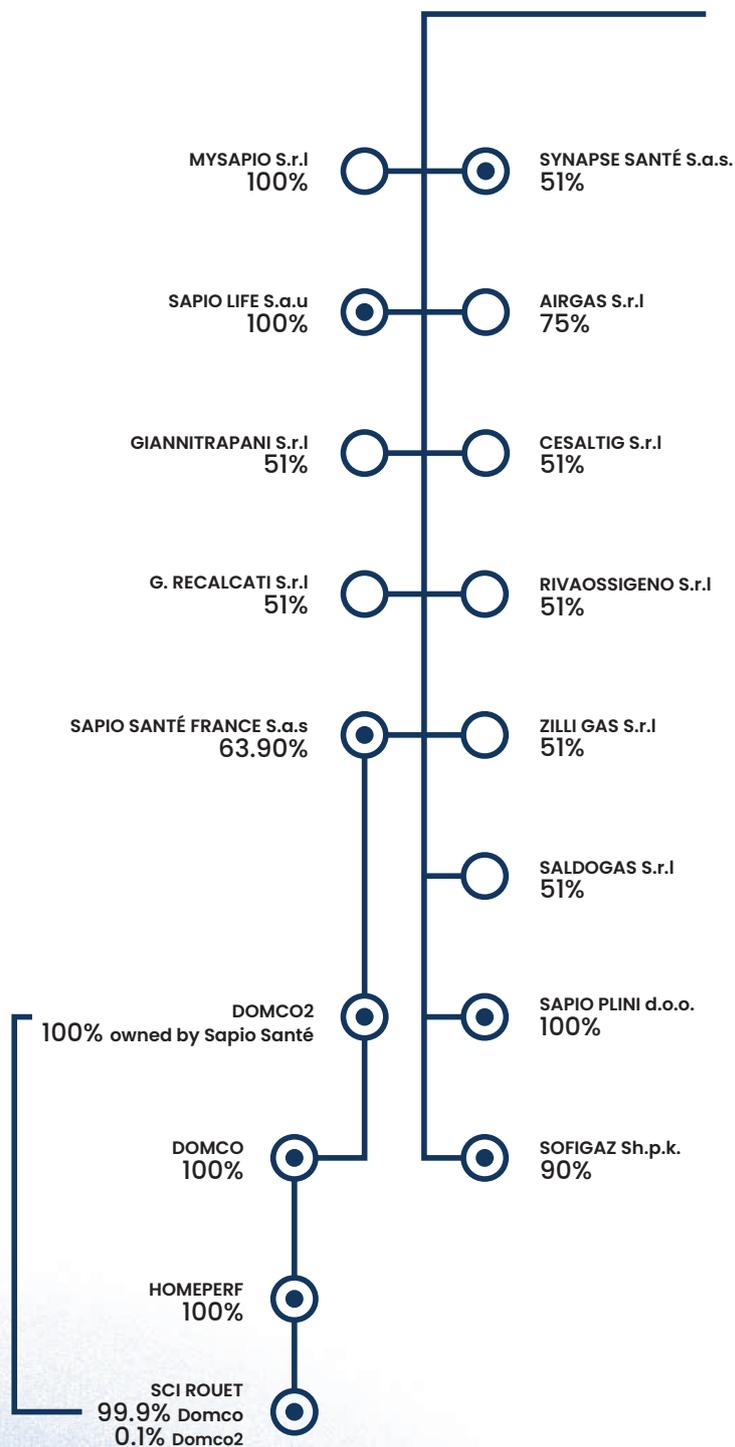
OTHER PRODUCTION SITES AND EQUIPMENT MAINTENANCE

Vaprio d'Adda, Castelnovo di Sotto, Comun Nuovo, Marrubiu, Pomezia

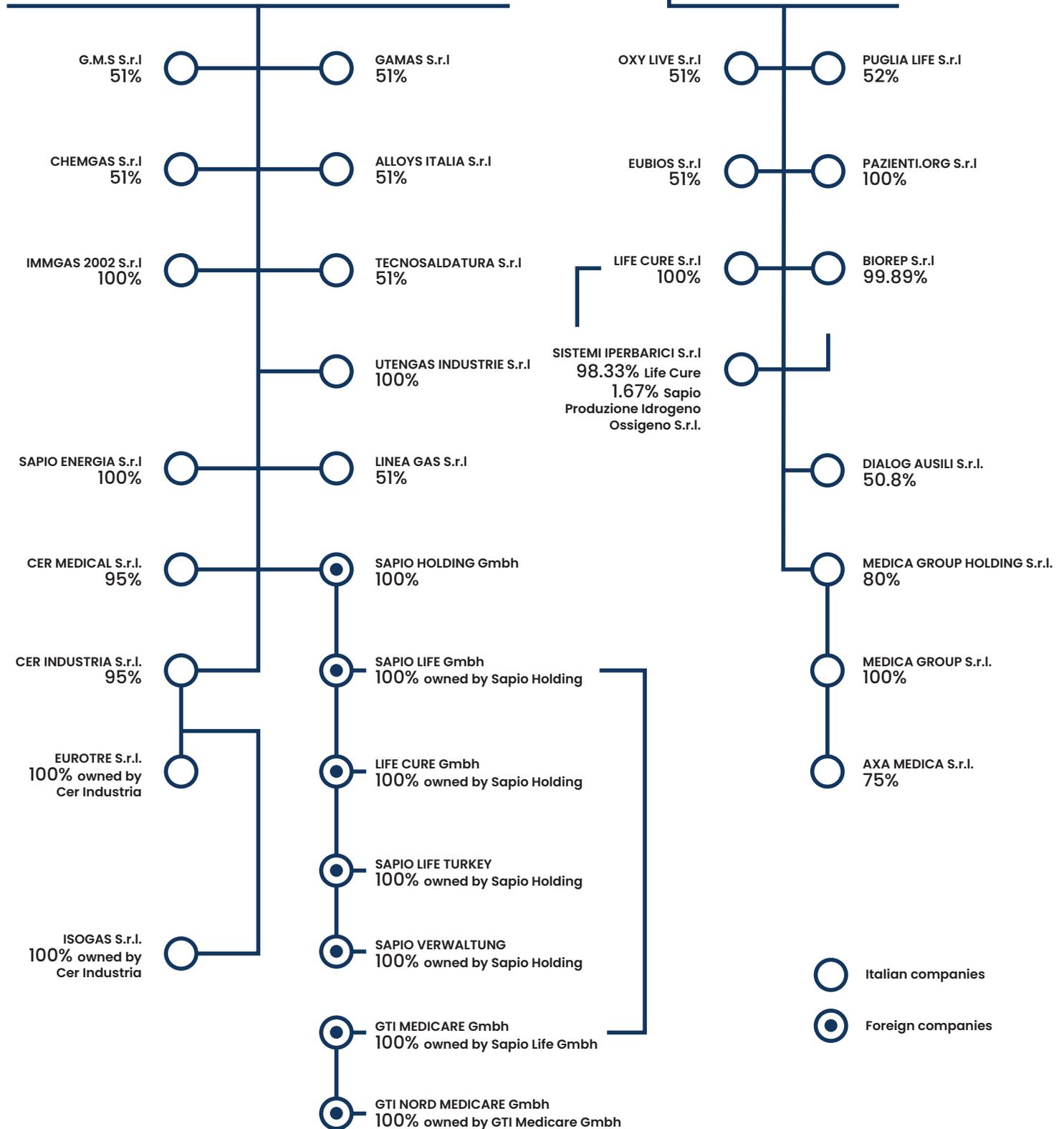
Our structure

Sapio Produzione, directly or indirectly, exercises the management and coordination of its subsidiaries. Furthermore, it performs a series of general and administrative services for the Subsidiaries, and shares best practices aimed at improving the quality of their products, services and efficiency. Great attention is paid to sharing the Group's goals and in particular those relating to the health and safety of employees and their growth.

Sapio directly controls the production companies, the industrial subsidiaries of the Group, the non-Italian companies and Sapio Life S.r.l. (“**Sapio Life Italia**”). Sapio Life Italia controls the companies of the Group dedicated to hospital and home care services in Italy (“**Health subsidiaries**”).



Sapio Produzione Idrogeno Ossigeno S.r.l. Head Office Milano



Our resources

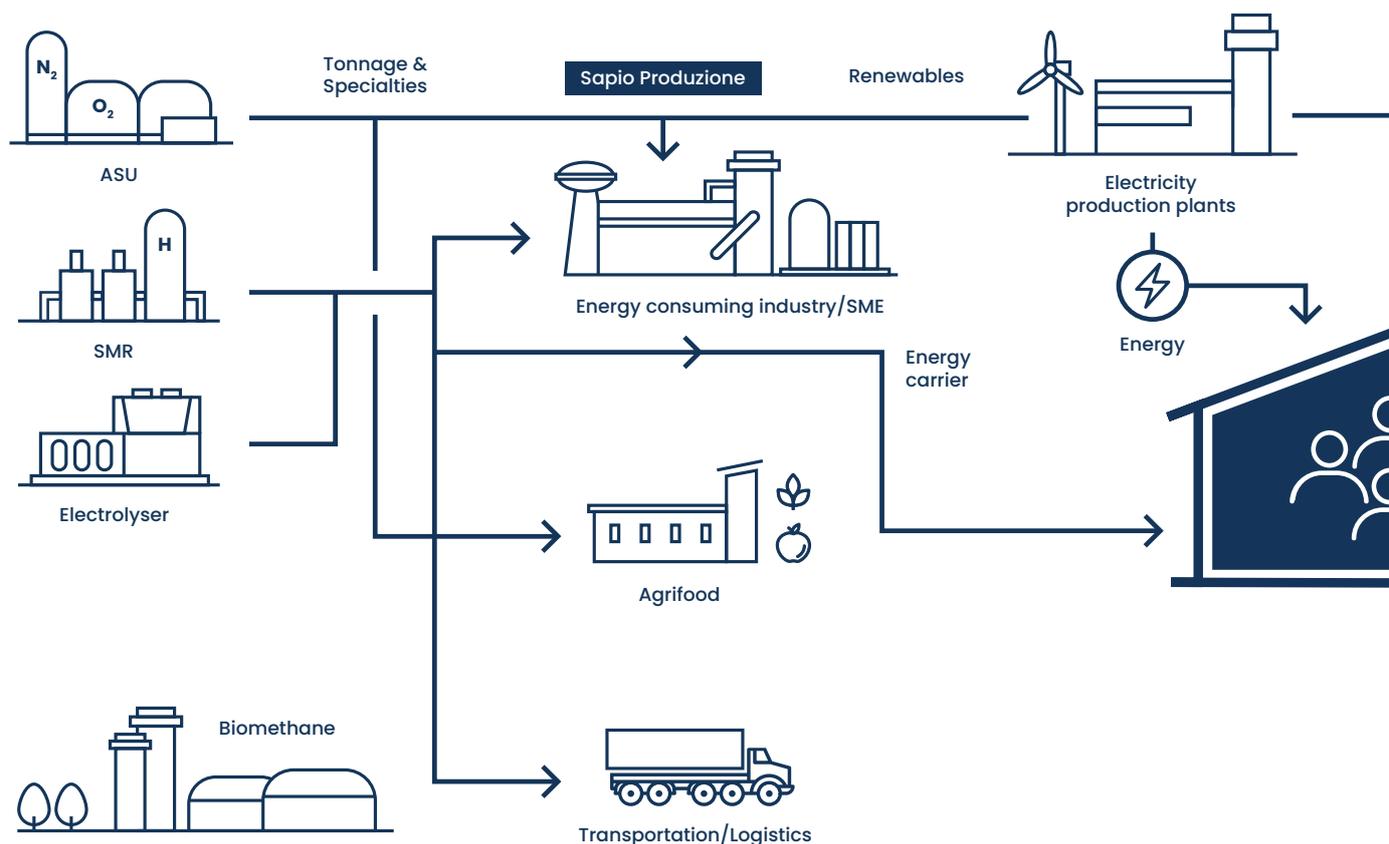
Our resources start with primary production, which includes various types of plants, mainly:

AIR SEPARATION UNITS (“ASU”)

for the production of oxygen, nitrogen and argon;

HYDROGEN PRODUCTION PLANTS (“H2PRO”)

Once the needs of the customers have been analysed, the optimal distribution profile for their needs is established: by means of piping connected continuously to the customer’s plant, using tanks installed at the customer’s premises, or by means of packs or cylinders. For certain customers whose work flows or operating methods are such as to require a dedicated supply, specific production units, planned **on-site**, are also provided at the customer’s premises. These installations are mainly dedicated to the production of oxygen, hydrogen and nitrogen. Sapio’s range of products also includes a wide range of gases and mixtures as specified in detail in the section "Our areas of business". Secondary production regards the production of compressed gas to be then distributed with packages or cylinders, directly or indirectly, throughout the national territory and abroad.



Sapio Life and the other companies in the Sapio Group operating in the healthcare market work as partners of their respective national health systems in the provision of home care and hospital services, as well as ancillary and adjacent services.

They have the task of enhancing and expanding the products and services aimed at the healthcare market, and act as an interface for the healthcare service, developing innovative solutions with a view to a better quality of life for users.

Today the health services of the Sapio Group are represented by two divisions, the "Health and Hospital Services Department", dedicated to the supply of products and services in public and private hospitals, and the "Homecare Department", dedicated to the supply of products and services at the patient's home.

In addition to the supply of medical gases and activities relating to their use, the Sapio Group provides hospital and total gas management services to hospitals in Italy. Thanks to the synergy with the companies of the Group, the offer for the hospital sector is completed with cryobiology services, the

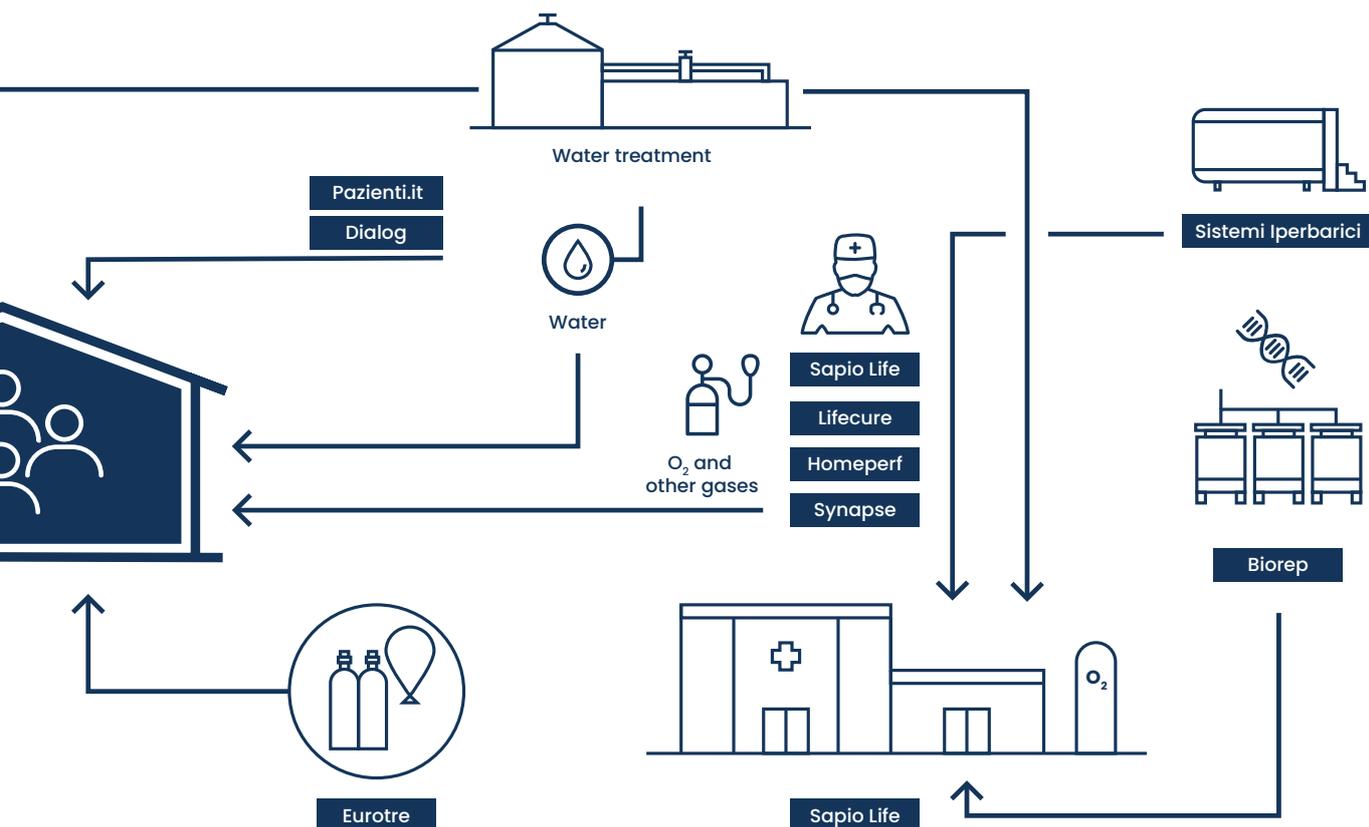
setting up of biological banks and of hyperbaric chambers and related systems.

The Sapio Group supplies services to support pharma companies and contract service organizations ("CRO") activities, on top of supplying genetic testing. The Sapio Group brings the medical devices, accessories and drugs necessary for carrying out home therapies to the patient's home, allowing continuity of care outside hospital facilities.

Furthermore, making use of specialized health personnel, it guarantees care for fragile patients and complex home care services with nursing, medical-specialist and rehabilitation services, as well as psychological and educational support and, where necessary, palliative care. The offer is also completed by some post-acute treatment facilities both in Italy and in Germany.



To complete its services, the Sapio Group increasingly focuses on telemedicine and the services it can provide, both in terms of service efficiency and cost savings for healthcare administrations.





Our areas of business

As already mentioned, the Group can be divided into two main macro-sectors: the industrial sector and healthcare.



The industrial market:

providing a continuous service since 1922

The Sapio Group offers the entire Italian industrial sector a wide range of gases, equipment and services that are today considered of vital, primary importance in a wide range of industrial applications and processes. Sapio is able to supply the products using

integrated solutions, which include not only the supply of gas, but also of all the equipment necessary for their use reliably, effectively and safely, with experience and expertise gained in almost 100 years of activity.



TECHNICAL GASES

such as nitrogen, hydrogen, argon, carbon dioxide, helium, oxygen, and acetylene;

PURE GASES, SPECIAL GASES, SPECIAL MIXTURES

the use of these products is intended for numerous sectors, such as research, the pharmaceutical industry, petrochemicals and the energy sector, and makes it possible to improve the productivity and quality of processes and limit polluting emissions.

Sapio has also developed calibration mixtures, mixtures for specific applications and individual gases with the highest degree of purity obtainable with current technological knowledge;

LPG, LNG AND BIOMETHANE

Sapio has integrated its range of gaseous products by including fuel gases in its range, starting with a traditional product such as LPG, to arrive at more innovative products such as liquefied natural gas and biomethane;

REFRIGERANT GASES

Sapio⁴ can provide a wide range of refrigerant gases and services for the recovery, regeneration and disposal of used products, as well as specific training course.



⁴ Directly or through joint venture.

Sapio's product lines are dedicated to the following industries:

4FOOD

For the agri-food and beverage industries

Our gases and technologies for food packaging and freezing increase product shelf-life, enhancing organoleptic qualities, helping reduce waste, transport and keeping down production costs.

APPLICATIONS SERVED:

- carbonation of beverages and head space inertization;
- processing and conservation of fresh meats, cured meats, salamis, sausages and fish products;
- fruit and vegetable packaging;
- ice cream production;
- production and storage of fresh pasta, ready meals, liquids and sauces;
- preservation of dry food products and bakery products;
- production and storage of dairy products;
- processing of cereals.

4WATER&SOIL

For soil and water treatment

All Sapio technologies and solutions are designed to reduce the environmental impact of industrial production, with features designed specifically for each type of need.

APPLICATIONS SERVED:

- sustainable reclamation for the treatment of sites contaminated by hexavalent chromium;
- pH neutralization;
- oxidation with O₃;
- activated sludge processes;
- oxygenation;
- groundwater recovery;
- treatment of drinking water;
- monitoring of emissions.

4LABS

For universities and research laboratories

The table of Sapio mixtures accredited for laboratories, for research and for monitoring emissions and air quality is constantly updated. We thus guarantee the totally safe management of the process and the analytical effectiveness of the mixtures required.

APPLICATIONS SERVED:

- gas chromatographs;
- analysers;
- chemical processing;
- NMR/MRI;
- monitoring of atmospheric emissions.

4PHARMACHEM

For the pharmaceutical and chemical industries

Sapio produces solutions for the treatment of water, restoring its natural balance and avoiding waste. Our gases and technologies are highly innovative with high added value, and are capable of reducing costs and process emissions.

APPLICATIONS SERVED:

- production of active ingredients and finished products;
- cryopreservation;
- hook-up and fit-up;
- monitoring of emissions.

4 METAL FAB

For metalworking industries

Maxx® blends increase welding speed, reducing the amount of gas used, minimizing the formation of fumes and ozone and making it possible to save electricity and emissions related to production.

With Sicura® and Integra® canisters we contribute to increasing the safety of container handling, thus reducing the associated risks.

APPLICATIONS SERVED:

- welding (TIG, MIG/MAG, laser, plasma, oxyacetylene);
- cutting (oxy-fuel cutting, plasma cutting, laser cutting);
- cryo-sandblasting.

4 METALS

For the metallurgical industries, cement factories and glassworks

Our gases and our technologies for oxycombustion increase productivity, reducing fuel uses, costs and emissions, optimizing production efficiency.

APPLICATIONS SERVED:

- metal processing;
- iron and steel production;
- production of non-ferrous metals;
- mineral production;
- glass and concrete;
- heat treatment of metals (carburizing, annealing, sub-zero treatments).

4 ENERGY

For the Oil & Gas industries

We reduce the environmental impact of refineries and work with hydrogen for Ecofining™, transforming raw materials of biological origin into biofuels (biodiesel).

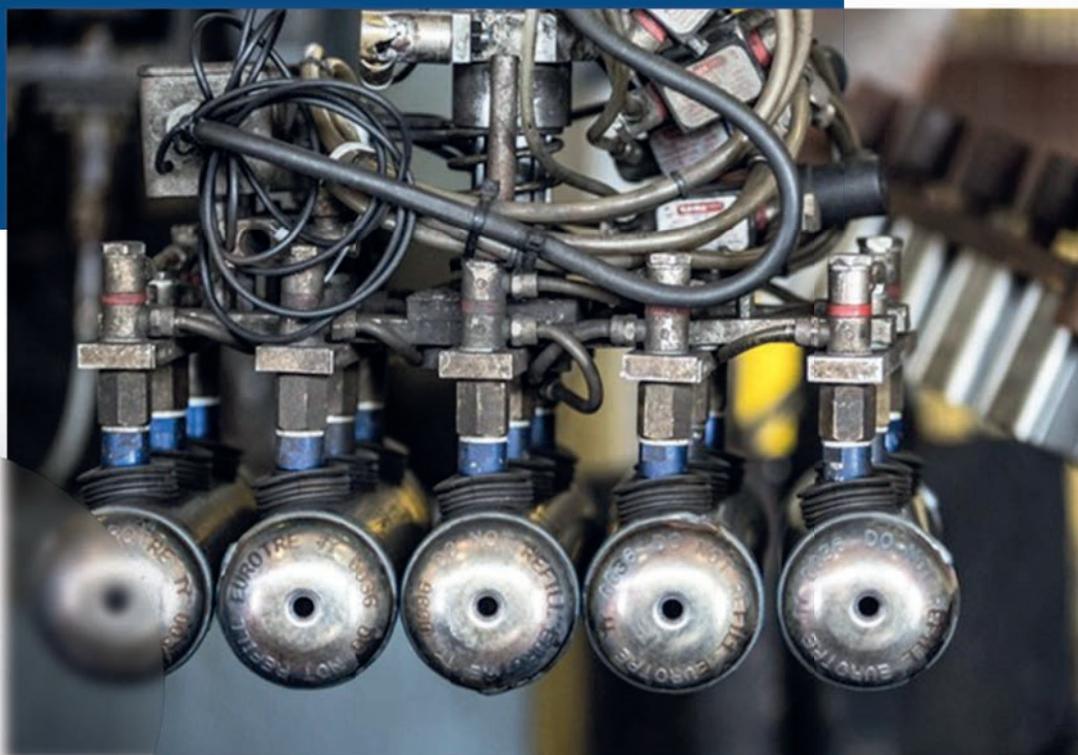
4 ELECTRONICS

For industries in the electronics sector

We are a leader in designing and supplying special and cryogenic gas distribution systems for the production processes of electronics companies. We optimize operational processes by maximizing production efficiency and maintaining high safety standards.

Eurotre

EUROTRE S.r.l. ("Eurotre") is an Italian company, established in 1977, controlled by the Sapio Group since 2015, through Cer Industria S.r.l. ("Cer Industria"). Eurotre operates in the production and sale of non-refillable pressure vessels for compressed and liquefied gases with capacities ranging from 0.5 to 2.5 litres, and is based in Castelnovo di Sotto in the Province of Reggio Emilia, where it has a production plant of over 6,000 square metres and over 50 employees. Eurotre exports its products to Europe, Australia, New Zealand, South America and, in 2020, obtained certification of its products in the United States and Canada. Eurotre Inc., 100% owned by Eurotre, was also set up to serve the North American markets. The sectors served are in particular aquariology (CO₂), the food sector (CO₂ for the beverage market, nitrous oxide for the production of mousses, creams, whipped cream for professional catering and home cooking, nitrogen and argon for food preservation, wine dispensing and storage systems), the industrial sector (nitrogen, hydrogen, argon, helium, oxygen), the medical sector (oxygen), and the party sector (helium for balloons). The vessels may contain pure gases or mixtures.



Engineering Services

Sapio integrates its product range with design and construction services for assets intended for the safe, efficient and effective production and use of gas. The internal engineering division of the Parent Company actively participates in the various phases of customer relations and has the capacity to size, design and develop systems for cryogenic air

fractionation, gas production for selective adsorption on molecular sieves and hydrogen production, using both steam reforming and electrolysis. It is also able to develop customized and innovative solutions even in extremely specialized sectors, such as biogas, biomethane and eco-friendly transport.

Primary metric mixtures for analysis and measurement laboratories

The Group is a national benchmark of excellence for the production of certified primary metric mixtures for analysis and measurement laboratories in compliance with ISO 17025 and ISO 17034 standards. These certifications bear witness to the Group's expertise in the field of scientific laboratory analysis and to its high standards in the production of gaseous CRM (Certified Reference Materials), essential for the dissemination of metrological traceability, nationally and abroad, through the production and marketing of stable and homogeneous gaseous mixtures. Sapio's Reference Material Producer (RMP) Laboratory no. 234 was one of the first to obtain accreditation for this scheme in 2018 and, to date, one of only five laboratories (only two in the field of gaseous mixtures) accredited in Italy by ACCREDIA, the national body for accreditation designated by the Italian government.

The Sapio Group at the service of healthcare

In 1989, continuing a tradition of presence in healthcare with medical gases and related services, Sapio Life was set up, with the mission of extending the Group's presence in the emerging homecare sector. Socio-demographic (expectations of well-being and aging of the population) and economic factors (high and growing health expenditure) are opening up increasing opportunities for home care. Over time, the Italian offer was joined by that in other European countries. Sapio Group healthcare services are also present in France, Germany, Spain, Slovenia and Turkey.

Operating both in the hospital and in the homecare sector, the Sapio Group is well aware of the most effective solutions to meet one of today's priority needs in healthcare: transferring, whenever possible, care from the hospital to the patient's home, for a greater well-being of the person and a more efficient organization of national healthcare. With the services offered by the Group, it is possible to achieve continuity of care between hospitals and local communities with an optimal degree of efficiency, reliability and simplicity, benefitting both healthcare institutions and end users.



Offering the National Health System and private citizens a flexible and integrated patient care service, through a treatment path from post-acute to home, with a personalized, effective and sustainable health and care approach.

Hospital services

The Sapio Group is the leader in Italy in the supply of medical gases, medical device gases and pure gases to hospitals and healthcare facilities; it also designs and builds centralized gas distribution systems and provides for their ordinary and extraordinary maintenance according to a total gas management approach that guarantees maximum peace of mind for the customer. Alongside the historic core

of gas-related activities, the Group has acquired solid expertise in sectors more closely related to the care business: it designs and builds hospital departments for high technology, builds hyperbaric chambers and biobanks; and supplies hospital, laboratory and research equipment. Further information on the activity related to hyperbaric chambers and biobanks is provided below.

Home treatment

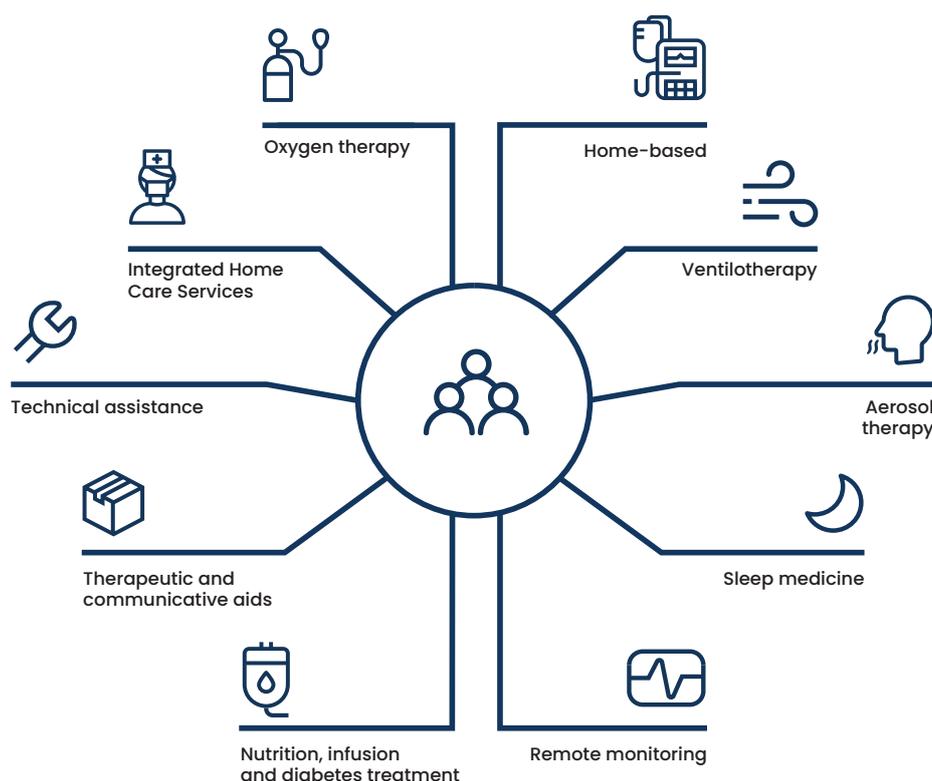
The Sapio Group is a point of reference for assistance to patients suffering from conditions that require treatment and/or monitoring at home:

- **in the respiratory field**, homecare activities include home services for oxygen therapy, ventilator therapy, aerosol therapy, monitoring, telemonitoring and sleep medicine. Provision is made for the supply and delivery to the patient's home both of the electromedical devices and of the consumables and gases necessary for the treatment and/or monitoring. For all types of treatment, training activities are provided for users and for more complex therapies assistance by health personnel is provided;
- **in relation to infusion, nutrition and diabetes therapy**, it also provides related technologies and materials, instructing the patient and family on the management of the practical aspects during the therapy alongside the prescriber to ensure the correct administration of the therapy;
- **it also provides therapeutic aids** for daily assistance to patients and technological aids that help people with severe disabilities to communicate with others and maintain a certain degree of autonomy (Komuniko alternative augmentative communication systems, video magnifiers);
- **finally, it provides home haemodialysis**, an innovative procedure that is becoming increasingly popular, aimed at making it easier to treat people with kidney failure linked to various diseases.

The Group also provides integrated home services such as medical, nursing and rehabilitation assistance in home care plans, availing itself of healthcare professionals. In Italy this service is provided by the Group company Life Cure S.r.l. ("Life Cure").

Life Cure plans and provides medical, nursing and rehabilitation assistance according to home/territorial care plans authorized by local health authorities (integrated home care, home hospitalization, care in hospices). It also provides support to patients and their families in the initial phase of more complex home therapies, such as ventilator therapy and artificial nutrition.

The professionals who work for Life Cure are medical specialists, nurses, social and health workers, and rehabilitation therapists. Life Cure can provide up to 24 hours of assistance a day, with medical and nursing staff on call 24/7.



Hyperbaric chambers



Sistemi Iperbarici S.r.l. (**"Sistemi Iperbarici"**), has been building and managing cutting edge specialist centres ensuring the highest levels of quality, safety, control and technology in therapeutic applications since 1995. In addition, it deals with the design, construction and management of new centres also according to the "turnkey" formula, supplying hyperbaric chambers

and systems, gas and fire systems, control systems, specialist equipment, furnishings and everything else necessary. Sistemi Iperbarici manufactures multiplace chambers with diameters ranging from 1,300 to 2,300 mm and wheeled chambers or chambers in containers that have the advantages of minimum footprint and easy handling.

Genetics and bio banks



The Sapio Group has expanded its boundaries in the field of genetics and cryogenic conservation. These services are offered by the fully-owned subsidiary BioRep S.r.l. (**"BioRep"**). The company, established in 2003, specializes in the collection, transport, processing, cryopreservation and distribution of biological samples, as a third party service provider with a high level of quality and safety. BioRep is ISO 9001:2015 certified and works in compliance with GMP standards as per AIFA authorization for MCB/WCB cryopreservation. These results were achieved thanks to operating procedures with high standards, highly qualified personnel, a system of continuous monitoring and control operating 24 hours a day and backup systems (including remote systems) for all critical equipment. BioRep has developed a LIMS system able to guarantee the maximum security and privacy of

the data associated with the biological material stored. The company has recently developed a "Genetics Business Unit" equipped with knowledge and equipment for Sanger and Next Generation Sequencing (**"NGS"**) techniques. Two proprietary genetic testing lines have also been launched, offering precision medicine diagnostic tests.

BioRep can provide an important support to CROs for the design and management of clinical trials promoted by pharma and biotechnology industries, governmental institutions, foundations and universities.

The competence of BioRep allows to reduce the timing of clinical trials start with consequential cost reduction. Please refer to the section "CARE: Product and Service Innovation" for more information.



Telemedicine

During the year 2020, the worldwide impact of COVID-19 was staggering, unprecedented, and telemedicine proved to have important benefits: it not only helped patients to connect with specialists remotely, but was also able to help reduce the pressure on hospitals and the financial burden on public health. As hospitals became increasingly crowded with COVID-19 positive patients, resulting in a delay in traditional diagnostics, an urgent need for specialists to adopt telemedicine to connect with their patients became increasingly evident. Telemedicine has emerged as a powerful weapon in the war against the pandemic. The Sapiro Group has been operating in the telemedicine sector for many years with the acquisition of Pazienti.it, established in 2010, and today a benchmark in the digital health landscape with nearly 40 million sessions per year. Over the years, Pazienti.it has followed the dual approach of being a medical-scientific information channel, also exploiting the great potential of social networks, and of providing an innovative digital health service, video consultation with doctors, which gives users the opportunity to find valid answers online, thanks to a online meeting with the specialist. The service helps satisfy the patient's requests, through direct and immediate comparison, also remotely. Thanks to the video consultation, waiting times and distances are removed and it is possible to attach documents regarding clinical analyses and reports in online chats, which are valuable for a qualitative assessment of health conditions. More information on the telemedicine service can be found in the section "CARE: Product and Service Innovation".



pazienti.it

The DNA of innovation

Why it is important

The role of Sapio, like that of other companies whose purpose is the advancement not only of itself, but also of the wider community, is to become a hotbed for the development of new technologies and new ideas, in order to improve the quality of life of people and the environment we live in. Furthermore, it makes it possible to stimulate employees to encourage new ways of operating, new products and services that can facilitate company tasks and provide a better service to customers and patients.

At Sapio we believe that innovating means responding to the market's still unsatisfied needs and that doing so helps the company to remain relevant, to achieve its strategic objectives, as well as generating value for itself, its employees, customers and for the community in which it operates. In the Sapio Group everyone can become intrapreneurs, start-uppers and innovators, and pool their uniqueness within cross-functional teams that value diversity as an advantage.

Sapio is structured with an **"Innovation Team"**, led by a Chief Innovation Officer, who has been with the Group since 2017. The Innovation Team coordinates the innovation activities relating to the "Industry" and "Healthcare" business units and periodically reports to an **"Innovation Board"** comprising some members of the Board of Directors, whom are given decision-making powers, for the purpose of launching experimental and subsequent pilot products and services on the market.



Sapiothon: how to innovate an almost 100-year-old Group

INNOVATION

Sapiothon is an internal “hackathon”, open to all Sapio Group employees, and aimed primarily at engagement and dissemination of the culture of innovation.

The first Sapiothon, held in 2018, ended with the launch of *SmarTAG* (Smau Innovation Award 2019), a predictive reordering system based on consumption history and on the serial stock of industrial gas canisters.



In the second half of 2020, despite the health emergency, the Sapio Group continued to stress the importance of innovation. The new edition of Sapiothon was in fact programmed and launched in full-digital mode, with the support of the partner Cariplo Factory, marking the beginning of a coaching course lasting a few months for 50 employees divided into 10 teams working on issues relating to three specific areas of strategic interest for the company: (1) *business-to-consumer* (“**B2C**”) for the Healthcare division, (2) *Industry: go-to-market and processes*, (3) *Post-Covid: the new normal*.



The continuous expansion of the Group: acquisitions and investments



Strengthening of positioning abroad and in Italy

In 2020, the Sapio Group continued its international expansion campaign as defined in the NEXt Plan. In particular, the Group concluded an operation in France that has led to a significant expansion of its presence in the homecare sector in the French market. The acquisition of a majority stake in the Homeperf Group (“Homeperf”) allowed the Sapio Group to consolidate its position in the French market, which had already begun in 2014 with the acquisition of a majority stake in Synapse Santé S.a.s..

Homeperf, established in 1997 with its head office in Aix-en-Provence, provides homecare services for chronic and post-acute short-term patients, in the field of infusion, nutrition and respiratory assistance. Today Homeperf owns more than 35 agencies throughout France and, in coordination with expert partners, manages every aspect of the care of post-acute and chronic patients.

Quality is fundamental for Homeperf: in 2013 it was the first homecare operator in France to meet the Qualipsad standard. Homeperf has strong, lasting relationships with over 6,500 prescribers and over 8,000 nurses across France.



Sapio has also concluded the acquisition of an additional stake in the company Chemgas S.r.l. ("**Chemgas**"), bringing its shareholding to a majority stake⁵. Chemgas is a historic primary gas production company based in the Brindisi's petrochemical district. Its products are vital for the functioning of the production and safety processes of the entire hub and for the industrial and healthcare customers of southern Italy.



Ongoing investments for the future

During 2020, the Sapio Group dedicated resources of approximately €58 million to investments. In Italy, investments concerned the modernization of industrial structures and investments in safety for €18 million and the acquisition of equipment to support health care activities for a total of €21.5 million, in addition to other investments of €11 million.

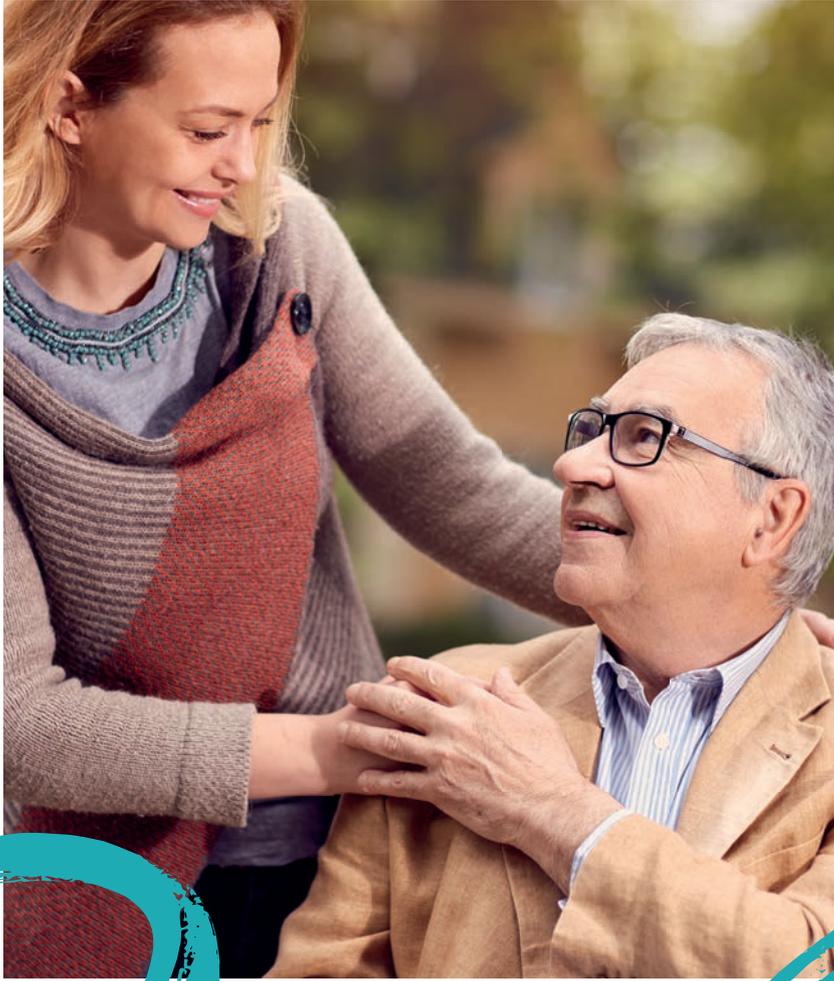
These investments also included a review of the Group's IT infrastructure and the increase in IT security. In the rest of Europe, investments mainly concerned the acquisition of medical equipment to support homecare activities, for a total of approximately €7 million.

⁵ The minority shareholding is held by Nippon Gases S.r.l.





**The safety of our
employees, suppliers
and contractors:
the pillar of Sapio's
business**



Person

Care of our employees, patients and customers

CARE	2020 RESULT	2021 GOAL
 Health and safety	LTI rate: zero accidents with serious consequences	Zero accidents
 Health and safety training	Guaranteed ongoing training on Health and Safety	Guaranteeing ongoing training on Health and Safety
 "Great Place to Work" Certification	Certification for Group companies representing 65% of the Group's turnover	Certification for Group companies representing at least 70% of the Group's turnover
 Customer care - NPS Industria	87% satisfied Sapio customers	> = 90% satisfied Sapio customers
 Community service	> €1.4 million in donations to the community	Continuous integration and support of the communities in which we operate

Letter to stakeholders

For over 30 years Sapio has been one of the main partners in public health in various European and non-European countries. This has allowed us to develop a great sensitivity not only towards patients, but also towards the problems of national health systems. We constantly strive to offer help to the public administration and private customers, proposing innovative solutions and technologies that can improve our patients' quality of life, make services available for more people, and create economies of scale for the benefit of our public and/or customers, whether public or private.

This is in Sapio's DNA! However, the world of health care and services is constantly evolving, and models must constantly change to respond to changes related to technological evolution and an ageing population, by promoting access to care. Therefore, it will no longer be sufficient to respond to an acute problem; rather, we will need to think about procedures to take care of chronic patients with comorbidities. It takes a long time for the public sector to adopt innovative solutions and more or less radical change, which is why private healthcare will have an increasingly central place in our lives, and it is therefore important for a company like ours to be proactive, also towards the private sector, helping to make it more efficient, streamlined and sustainable. In particular, I believe that when we talk about the territory as a future alternative to a central

hospital system, we mean our own home and not decentralized minor structures. For this reason at Sapio we often say that we have a dream: to be able to treat all the medical conditions at home whenever it is logical and possible to do so. In this way, we could improve the quality of life of patients and their families, make the costs of services more efficient and expand the number of people who will be able to use them. I believe that in the concept of "Care", examined in this section of our Sustainability Report, it is important to remember the social role of a company like ours, which in addition to taking care of its people, patients and customers, feels the responsibility to play an active, positive role in moulding the healthcare of tomorrow. One of the elements that has always guided us is that we are potentially all healthcare customers, and that by taking care of others we will create the conditions for the evolution of healthcare models to respond to what we imagine we want to receive when we find ourselves in need. We therefore believe that the use of telemedicine, video consultation, and artificial intelligence systems, can, together with solid procedures, continuous training courses and professionalism, help us create the conditions for better healthcare in the near future!

Maurizio Colombo
Vice President

The safety of our employees, suppliers and contractors: the pillar of Sapio's business

Why it is important

Ensuring the safety of our employees and making sure that they can end every day in good health is the real priority of our philosophy of safety. The Group's safety programme is one of the strategic drivers for improved operational efficiency, reducing hidden costs resulting from working hours lost due to accidents. Sapio's dedication to safety is also aimed at creating an environment in which every employee, supplier and outsourcer can establish a relationship of trust with the Group.

Finally, this translates into a higher quality of the products and services we distribute.

The results of 2020 activity and our goals for 2021⁶

During 2020, 31 accidents at work involving employees of the Sapio Group occurred, compared to 17 the previous year. None of these injuries had serious consequences. The growing trend recorded in the two-year period 2019-20 is mainly linked to the inclusion in 2020 of accidents at work of Homeperf employees, in consideration of the extension of the Group boundary as reported in the Methodological Note to this Report.

In relation to the type of accidents, for both 2019 and 2020, most are attributable to bruises/ crushing and strain injuries. Further information on the accident rates is reported in the section “Analytical data of the Sustainability Report” at the end of the document. Safety continues to be at the heart of Sapio’s business. The goal set for 2021 is zero LTI. The “We Care” programme also continues to ensure the safety and well-being of our employees.

Occupational injuries of employees

	2019	2020
Total number of recordable occupational injuries	17	31
<i>of which: Total number of serious accidents at work (excluding deaths)</i>	1	0
<i>of which: Total number of deaths due to accidents at work</i>	0	0
<i>of which: Other accidents</i>	16	31

⁶ See the “Index of GRI Contents” for information on the perimeter limitations applied to the data shown (GRI 403-9).

The process for managing employees health and safety

The Sapio Group adopts an occupational health and safety management system, fully integrated with the company management system. This system is based on the provisions of international standard ISO 45001, integrated with further company practices and procedures, and applies to all company entities regardless of whether or not they possess third-party certification. An essential prerequisite for this management system is compliance with the applicable mandatory legislation, most of which is contained, for companies operating in Italy, in the “Consolidated text for health and safety in the workplace” (Legislative Decree 81/2008), in the legislation applicable to establishments at risk of major accidents (Legislative Decree 105/2015), in the reference standards and laws for all the specific aspects applicable, and in the regulations in force for the foreign companies of the Group. All the main aspects of the management system are described in corporate procedures and guidelines that provide indications for the implementation, maintenance and improvement of the system, which are, if deemed necessary, supported by further detailed documents prepared locally for the management of specific aspects.





The participation and involvement of workers in matters relating to health and safety at work are strongly encouraged through workers' safety representatives, training and awareness-raising campaigns on specific issues, and systems for collecting suggestions for improving safety in daily activities. As far as regards Sapió, the occupational health and safety management system is governed by the SAPIO Safety Committee, bringing together employers, members of the Steering Committee and the Health, Quality and Environment Department ("SQA Management"). It meets at least once a year, and has the task of analysing safety performance (occurrence of accidents and injuries, assessing potentially critical events, comparing performance with other companies in the sector) and establishing goals and improvement measures. Identifying hazards and assessing any risks to health and safety in the workplace, for the purpose of establishing and implementing measures for the prevention and protection of workers from accidents and occupational diseases, is the main purpose of the safety management system. The effectiveness of the management system is assessed by a system of inspections and self-inspections conducted by qualified personnel. The results of these activities, supplementing the analysis of accidents, injuries and near accidents, and evaluating the safety reports and suggestions proposed by the workers, contribute to the ongoing improvement of the management system.

Training of employees on health and safety at work

Informing, educating and training employees is a crucial part of the safety management system. In addition to compliance with the laws in force in the various countries, we promote specific training campaigns aimed at developing the culture of safety and ensuring that everyone feels actively involved in the safety of themselves and others at work, but also in their everyday life.

Safety training activities are planned and implemented as and when various conditions occur: from the appointment of new resources or a change in duties, to the introduction of new processes, substances, etc. or a review of risk assessment. With the progressive implementation of digital systems, information and training activities have increasingly shifted

from the “physical” classroom (face-to-face training) to “remote” training provided both in synchronous mode (trainer and learners simultaneously connected by means of a videoconference system) and in individual e-learning mode. In 2020, the Group provided over 8,800 hours of safety training⁷, compared to over 8,250 in 2019.

In 2020, the issue of health and safety training also began to be affected by the changes caused by Covid-19. Training in health and safety was almost exclusively carried out remotely, and the ongoing professional training project for workers, supervisors and managers of part of the Italian companies of the Group was completed⁸.

⁷ The hours of training in Health and Safety refer to the following companies: BIOREP S.R.L., GASCAR S.R.L., SAPIO PRODUZIONE IDROGENO OSSIGENO S.R.L., SAPIO LIFE S.R.L., MYSAPIO S.R.L., LIFE CURE S.R.L., SISTEMI IPERBARICI S.R.L..

⁸ Remote training was provided for the staff of Sapio, Sapio Life, My Sapio, and Life Cure.



Promoting employees health and safety

The focus of the Sapio Group is to create an environment that stimulates the adoption of behaviour that ensures the safety and well-being of its employees. Since February 2020, when the first case of Covid-19 in Italy marked the beginning of the pandemic for us, the attention to the health of our employees and their families has always been a priority. From strengthening the use of personal protective equipment to the **“We Care”** program, Sapio has put its employees at the heart of its programme of protection and the fight against the virus.

Only by starting with protection of the Group’s community can we guarantee the best service and protection for our customers and patients. To date, the staff working on site in Italy and abroad are regularly subjected to swabs to test for Covid-19 infection, in order to promptly implement possible actions aimed at preventing the spread of the virus. More information on the “We Care” program can be found in the “Our Mission and Vision” section.

The management and safety of our products and services

Why it is important

In addition to having the well-being of its people as a top priority, the Group extends its Safety management philosophy to embrace another important member of the reference stakeholder community: its customers and patients.

It is our firm belief that their central role does not merely require compliance with operational needs, but must be accompanied by the absolute protection of their safety and health.

The compliance and safety of our products and services is ensured through the adoption of a quality system which has as its main objectives:

- **compliance with applicable legislation;**
- **compliance with specific technical standards for products and services;**
- **compliance with the provisions of the applicable Good Manufacturing Practices and Good Distribution Practices for the sector;**
- **compliance with the requirements specified in contracts with customers.**

Compliance

The management of the safety related to client's and patient's well-being is a rigorous process for the Group. The products are managed and made available to the customer with precise and detailed instructions about their use. The services offered (especially in the health sector) are designed and delivered in compliance with contracts specifications and guidelines of associations. For the healthcare sector, they are managed in line with the provisions of the tender contracts, in relation to rigorous compliance with drug administration prescriptions, ongoing therapy and patient safety. Moreover, the utmost attention is given to ensuring that, during treatment, the patient can rely on constant support.

The strictly controlled process, ensured by periodic review by the company management and the specific product quality review programme for medical products is complemented by an extensive internal auditing programme, the frequent monitoring of critical suppliers, a system of pharmacovigilance for products for medicinal use and the prompt checking of reports from customers and patients, as well as periodic service satisfaction surveys. The document system supporting the activities described (consisting of procedures, instructions, forms, technical specifications and quality plans) describes in detail the operating procedures for production, product quality control and service provision.

Our certifications

The Sapio Group has an extensive certification system aimed at ensuring the quality and compliance of its products and services, as explained in detail in the table below.

Certifications obtained by country of reference

Country	ISO 9001	ISO 45001	ISO 14001	ISO 13485	ISO 22000 FSSC22000	93/42/CEE
Italy	12	6	6	2	3	7
Germany	-	-	-	2	-	-
France	2	-	-	-	-	-
Spain	1	-	1	-	-	-

Product and service management

The supply of the product is only the first step in a wider relationship. Sapio offers a wide range of services in order to guarantee efficiency and reliability.

Services for cryogenic evaporators

EVAPORATOR MAINTENANCE MANAGEMENT

This service includes all scheduled preventive maintenance interventions necessary for maintenance or restoration of the correct functioning of the cryogenic gas storage and vaporization system, regardless of faults and/or malfunctions.

Maintenance is carried out annually by Sapio personnel or appropriately trained staff.

CHECK AND MAINTENANCE ON LOCKING DEVICES FOR LOW TEMPERATURES (“SSBT”)

The SSBT is a device subjected to checks on an annual basis, according to the manufacturer's use and maintenance manual; it is also included among the equipment subject to mandatory periodic and extraordinary checks, in order to guarantee compliance with safety requirements over time.

ANTI-SEISMIC SAFETY LOCK DEVICE

For plants, the current legislation prescribes that, in the event of a seismic event, the risk of gas leakage, particularly in the vicinity of electrical users and flammable materials, is also limited by the

use of automatic gas distribution interruption devices.

The installation of an anti-seismic device to block the flow of liquid or gaseous products minimizes the risks associated with the dispersion of cryogenic products contained in the tanks, such as fire and explosion, asphyxiation, structural collapse, injuries and freezing.

REMOTE MONITORING AND AUTOMATIC REORDER

The remote monitoring system of the cryogenic evaporator is able to provide real-time information on the gas storage situation and on the onset of abnormal conditions. Telemetry makes it possible to activate automatic product reordering, to monitor the day of performance and delivery, as well as to autonomously manage reporting of down time to avoid unnecessary deliveries.

TRAINING COURSE IN CRYOGENIC GAS SAFETY

The course is aimed at technical personnel assigned to operational management, to provide more detailed knowledge of cryogenic gases and the risks associated with their use.

Compressed gas services

TOTAL GAS MANAGEMENT (“TGM”)

The TGM service includes: control of charge pressures, container delivery and pick-up, handling of containers, connection and replacement of containers, leakage control, identification number traceability.

SYSTEM MAINTENANCE AND TECHNICAL ASSISTANCE, QUALITY AND SAFETY

Sapio guarantees the operation of the system in total safety, through: testing and validation of gas distribution systems, periodic maintenance and technical assistance, the supply of spare parts; analytical checks at the point of use, issuing of certificates of analysis of pure gas products and mixtures, assistance in carrying out administrative procedures on quality and safety.

Sapio also provides training courses on the use of gases and production processes and safety courses.

EASY INVOICE

Sapio provides a simplified billing service with the monthly issue of a fixed fee invoice for a single all-inclusive item.

MY PORTAL SAPIO

My Portal Sapio is the free web portal for Sapio customers, to help streamline processes and reduce repetition. My Portal Sapio allows customers to be faster, more informed and independent, by supporting them in product order procedures and the selection of technological solutions, administrative management and regulatory compliance procedures.



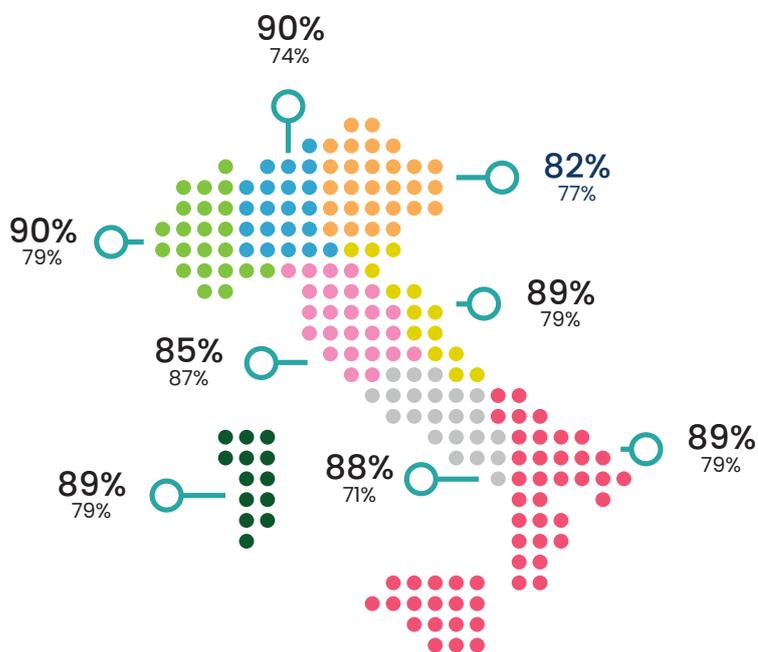
Customer satisfaction

Customer and patient satisfaction is a priority for the Sapio Group, and is constantly monitored through key performance indicators (“KPIs”) in order to guarantee the quality of services.

Industry NPS

With reference to the industrial market, customer satisfaction has been constantly monitored since 2015 by checking the quality of the service offered and identifying the areas of intervention, with the prospect of continuously improving the customer experience. Monitoring takes place through the Net Promoter System (“NPS”), an index for measuring the degree of customer satisfaction.

Over the years, around 67% of Sapio customers have been interviewed, resulting in about 800 service improvements. Thanks to the work done we achieved excellent results with the NPS score which at the end of 2020 stood at 87%, an improvement of 9% on 2019.



NPS Score Map
Comparison with 2019

- North Region (Caponago - Piacenza)
- Tyrrhenian Region (Pergine)
- South Region (Taranto)
- Nord-West Region (Busto - Collegno)
- Adriatic Region (Caldera - Fermo)
- Centre-South Region (Fiano R. - Calvano)
- Nord-East Region (Marghera)
- Sardinian Region (Porto Torres)

NPS 78%
2019

NPS 87%
2020

Customer satisfaction in healthcare

The guidelines for managing healthcare services for customers and patients are established with the customers themselves when they sign a service contract, and are customer- and patient-specific. The service is thus set up and informed by considerations of safety for the patient and of the continuity and adherence of the therapy to the medical prescription. These requirements are guaranteed by service programming systems based on complex algorithms and are constantly monitored using KPIs created ad hoc,

and verified and managed in a timely manner for each customer and patient, thanks to close, cooperative liaison. Customer and patient satisfaction is thus mainly measured indirectly through compliance with the agreed requirements, but not only: occasionally, both informal and more structured customer satisfaction surveys are carried out, which more generally concern the qualitative aspects of the service. These are important for the creation and maintenance of the relationship of trust with customers and patients.

Product and service innovation

The innovation of products and services is at the heart of the Sapio Group's business.

Innovation in homecare

Chronic kidney failure is a highly complex clinical condition with a substantial impact on the health of the population and on healthcare expenditure. Furthermore, in this recent pandemic, ultra-vulnerable patients, such as those on dialysis, have been forced to go to hospital to manage their therapy due to the poor implementation of home treatment. Based on these considerations, the Sapio Group has since 2018 been expanding its home care services, also taking care of dialysis patients. The Sapio Group with its assisted home dialysis service assesses all the domestic conditions necessary

to act safely, providing high quality equipment, all the material necessary for treatment, management software to remotely follow every aspect of the service, disposal of special waste and specialized nursing staff for the entire duration of the treatment. The assisted home dialysis service does not in any way substitute the relationship with the patient's nephrologist, who is, and continues to be, in charge of therapy. Sapio's mission remains that of consciously ensuring that the patient being treated receives the best possible care in the most efficient way. And what better place for a chronically ill person than their own home?

Sonno Service

Sapio Life has developed a service dedicated to sleep for both adults and paediatric patients that allows polysomnographic examinations to be carried out directly at home.

Instrumental monitoring includes recording the patient's oronasal flow, pulse oximetry, body position, and thoraco-abdominal movements.

Sonno Service also offers the titration process which consists of subjecting the patient for 3-5 days to automatic ventilation through Auto-CPAP in order to eliminate any event of apnoea, hypopnea, arterial desaturation, snoring, or RERA in each stage of sleep and body position.

Together with titration, tests are carried out with various masks to allow the patient to choose the most effective and comfortable one.

These checks are essential to ensure maximum patient comfort and to minimize the most common side effects related to breathing through a mask, such as irritation and/or nasal congestion.



Daytime symptoms

- Morning headaches
- Daytime sleepiness
- Loss of memory and concentration
- Suddenly falling asleep and slowed reflexes when driving
- Mood changes

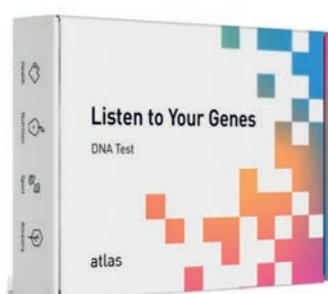


Night-time symptoms

- Loud and heavy snoring
- Frequent apnoea
- Waking up panting for air
- Restless sleep
- Frequent bathroom visits

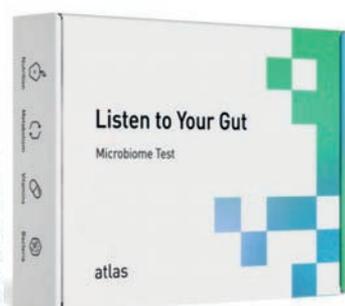
Innovation in genetic testing

The Non-Invasive Prenatal Test (“NIPT Test”) is a new generation non-invasive prenatal test that provides answers on the possible presence of foetal chromosomal abnormalities. By analysing the fragments of foetal DNA circulating freely in the mother’s blood, potential risks can be identified, recommending further investigation through traditional invasive diagnostic techniques. The entire workflow of the NIPT Test, called “NATIVA”, is marked CE-IVD (“In Vitro Diagnostics”) as it complies with the 98/79/EC regulation and is performed in the BioRep laboratory.



DNA test

DNA testing is a complex genotyping service that provides customers with extensive genome screening.



Microbiome test

The microbiome test uses “16S NGS” technology to determine the quantitative bacterial composition in the human intestine. The bacterial data allow the analysis of a range of indicators, including the production of short-chain fatty acids, personalized dietary recommendations and the synthesis of vitamins.

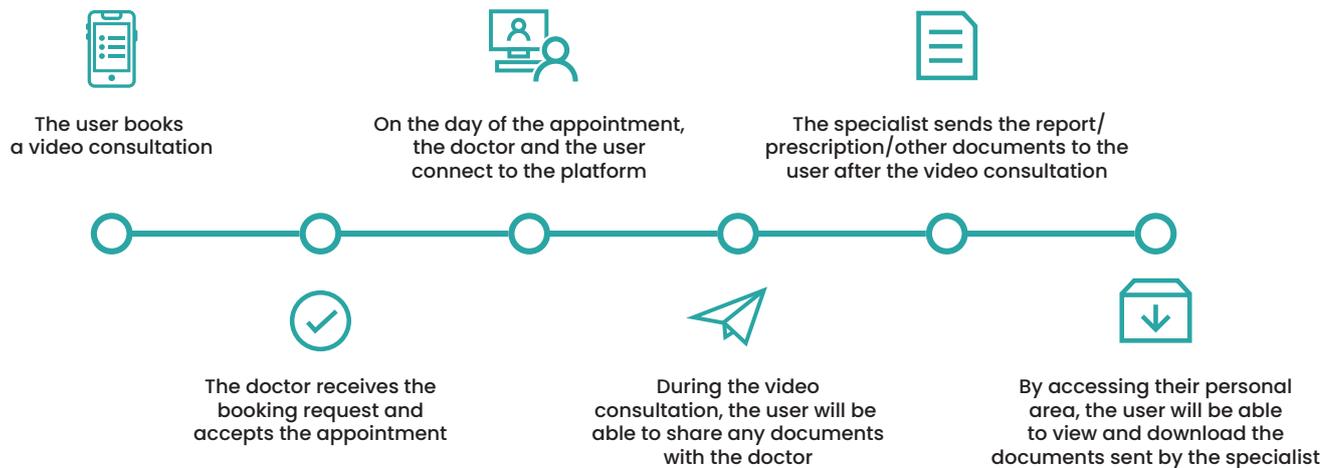
Genetic testing is intended to introduce genetic know-how into diagnostics and particularly into oncology, gynaecology and prenatal medicine.

Innovation in telemedicine

Pazienti.it

Pazienti.it has brought video consultation to Italy, allowing patients to video call the doctor they wish to speak to. The service contributes to satisfying the patient's requests, with direct and immediate consultation, also remotely. By connecting to the Pazienti.it platform and selecting the desired specialization, date and time, users can book an appointment. Before doing so, they can consult the profiles of the doctors available and identify the specialist that best suits their needs, by reading the information regarding their training, work experience, areas of expertise and where they work. Once booking is completed, the patient receives confirmation of the appointment and a link to access the platform, by email and SMS.

On the day of the appointment, by clicking on the link and logging in with their credentials, the patient can take part in a video consultation with the specialist from any device and from anywhere. During the video consultation, in addition to being able to speak to the doctor, patients can also attach reports or documents that may serve to provide further details of their clinical condition. In addition, after the video consultation, the user will receive a report or prescription. The portal provides access to over 1,000 specialists by means of a video consultation service, allowing users to book an online appointment with an expert of any medical specialization. The video consultation procedure for the user and specialist is as follows:



Once the documents sent by the doctor have been received, the user can translate them, using a tool made available by the portal, into 45 foreign languages (a useful function if, for example, the user is abroad). The NPS of the video consultation service is 90%.

To access the service, simply connect to the site <https://www.pazienti.it/videoconsulti>

Following the pandemic, Pazienti.it has activated

a service designed to guarantee healthcare and home diagnostics to all patients in Italy who need to carry out a molecular swab for Covid-19 and to speak to a specialist in a video consultation. The service provides the possibility to have a molecular swab taken by personnel carefully trained by Life Cure, directly at the patient's home, with analysis of the samples at the BioRep laboratories, authorized for testing the viral RNA of SARS-CoV-2.

Innovation in alternative augmentative communication



Over the last decade, Sapio Life has developed, through the subsidiary Dialog Ausili S.r.l. ("Dialog"), a communicators line capable of providing a broad portfolio of products and services in the field of therapeutic aids and alternative augmentative communication.

Dialog manages a significant number of people with psychomotor disabilities, amounting to about 450 per year.

All products distributed by Dialog are certified as medical devices, in compliance with the Prime Ministerial Decree of 12 January 2017 "Definition and updating of essential levels of assistance", referred to in article 1(7) of Legislative Decree no. 502 of 30 December, and are produced.

The scope of the medical devices offered involves pathologies such as amyotrophic lateral sclerosis, Parkinson's disease, autism, stroke and brain atrophy, mental retardation, aphasia, mutism and/or deafness.

The Sapio Group in 2020 provided:

- **260 dynamic communicators;**
- **130 communicators with eye-pointing;**
- **800 hours of training for patients, caregivers and operators (of which 70% remotely);**
- **1,380 remote technical assistance interventions.**



Industrial innovation

Innovation in products and services for Sapio starts with a fundamental principle: listening to its customers and building a value proposition that fully satisfies their needs. The main innovations in the “Industry” sector can be summarized below:

CRYOPLUS

CryoPlus is a valid alternative to cylinders, being an easily installable mobile liquid gas tank which represents an advantage in terms of reducing costs of transport, space necessary for the storage of gas and safety.

INTEGRA®

The Integra® cylinder is easier to be used because it is smaller, lighter and more manageable than traditional cylinders. It reduces the risk of the cylinder falling, because it is lower and more stable than traditional cylinders, as well as the risk of damage to the regulator and to those deriving from gas pressure.

SICURA®

Sicura is the innovative Sapio cylinder dedicated to the metal construction sector. For oxygen and acetylene, it is equipped with protection to make the cylinders safer, easier to handle and easier to use thanks to the elimination of high pressure connections.

BIP®

The BIP® gas line, dedicated to research laboratories, guarantees a minimum level of purity of 6.0. The technology contained in each cylinder specifically filters harmful impurities before the gas is delivered from the cylinder. Thanks to the innovative design, the purifier is protected from damage and atmospheric contamination.

SMARTANK

SmarTank is the ideal service for all liquid gas users. Continuous monitoring and automatic alarm message management make it possible to increase the level of tank safety and reliability, ensuring the continuity of the production process and allowing product deliveries suited to all needs. The system, connected to a solar panel, does not require any electrical connection.

SMARTPACK *(pilot in startup phase)*

SmartPack is a complete, efficient and safe solution for local and remote control of compressed gas storage systems and provides accurate information in real time on the status of gas levels in pressure vessels.

SMARTAG

Simple, automatic and efficient, SmarTag is a reordering system based on the consumption history and on the serial stock, resulting from the spirit of innovation of a Sapio team. See the section “The DNA of Innovation”.



The protection of customer data

The Sapio Group recognizes that the protection of individuals, especially with reference to their patients and the processing of personal data, is a fundamental right. Sapio has adopted privacy organizational models (“**Privacy Model**”) in order to comply with the General Data Protection Regulation (EU Regulation 679/2016) (“**GDPR**”), which has been in force since 25 May 2018 and offers a reference framework in terms of data protection compliance in Europe, updated and based on the principle of accountability. In its operations the Group has always kept in mind the central importance of protecting personal data and, in this document, discloses its approach to the protection of personal data that are processed by Group companies, including that of its customers.

Sapio’s data protection officer (“**DPO**”) coordinates with the DPOs of the Group companies, collects the necessary information and monitors the activities and initiatives implemented by the Group companies to promote the implementation of the Privacy Model and compliance with the obligations imposed by legislation on the protection of personal data, to continuously monitor the evolution of the applicable legislation and to ensure effective communication to all employees, subcontractors, suppliers, customers and authorities. This is combined with an assessment of the risks associated with the activities carried out by the Sapio Group and the coordination of training.

The document “*Policy on the management of data breaches*”, found in the Privacy Model of the Sapio Group, provides that any violations of the personal data processed may also be reported by the interested parties themselves and explains the procedures that the relevant company is required to adopt in the event of

reports. During 2020, no reports/complaints were received from customers in this regard.

The Sapio Group plans to carry out periodic audits to test the application of the provisions of its Privacy Model, also in order to update it, both from a technical and organizational point of view, in compliance with the principles of data protection-by-design, and regularly carries out “stress tests” on the security measures adopted in the various processing systems using IT tools. The results of the stress tests during 2020 did not reveal any critical issues of particular importance. Customer data is also protected thanks to a significant focus on cybersecurity. Cyber attack threats are among the most important threats not only for business, but also for individuals, and cybersecurity has increasingly assumed a central role in corporate risk management, especially after the onset of the pandemic. Cybersecurity is the responsibility of the chief information officer and the IT departments of all companies within the Group. Through communication campaigns, all the Group’s personnel were made aware of problems related to IT security and attacks by hackers.

In addition, questionnaires were proposed to verify the understanding of content transmitted, to further keep attention high. In fact, cybersecurity initially starts with people since human error is at the basis of the majority of cyber attacks. System security has also been increased with additional forms of control, in addition to a system aimed at implementing response policies in the event of a cyber attack. Cybersecurity is moreover an important company safeguard, not only for the protection of the privacy of customers and patients, but also to guarantee continuation of services.

Community support and relations



Why it is important

Sapio, with the support of the local communities, aims to identify social problems and support their resolution in order to improve the environment in which the Group operates. Furthermore, the Group works with the trade associations to which it belongs and supports the development of activities throughout the sector.

UNITO

Our community support

For almost 100 years the Group has developed relationships with the communities in which it operates, contributing to their well-being. 2020 was marked by the Covid-19 emergency. Support for the community was particularly seen in the work carried out in relation to the installation of the oxygen network and supply at the Fiera Milano Hospital mentioned in the section **“Our Mission and Vision”**. In 2020, local, national and international associations were also supported such as, for example, AISLA, Skychildren, Maria Letizia Verga, LILT, Don Carlo Gnocchi, UILDM, Emergency, the initiative “Cucine Popolari” by Roberto Morgantini and ARCA, in support of children, the most vulnerable, research, patient care and assistance.

Among many other activities, Sapio Group, through its subsidiaries, Cer Medical S.r.l. and Cer Industria S.r.l. (**CER Group**), actively participated, together with the Emilia Romagna Region, in a redevelopment project of the territory called: “Miglioriamo l’Ambiente Insieme”. In this context, a study was commissioned to the CNR to establish which type of trees should be planted to best protect the environment from atmospheric pollutants.

The study became the subject of the redevelopment plan of Emilia Romagna called “Roots for the future, 4.5 million new trees in Emilia-Romagna”.

For several years now, the Sapio Group has been providing the children of its employees in Italy, in compliance with the parameters of the reference procedure, scholarships for the achievement of high school diplomas and university degrees.

During 2020 donations were made accounting for €1.4 million, up on 2019.

Our membership of trade associations

In Italy, Sapio is part of Assolombarda, of which Sapio's President Alberto Dossi is stand-in Vice President with responsibility of ecological transition.

Sapio is also a member of Federchimica and Assogastecnici, in which it takes part in various working groups, often with a coordinating role. Sapio also belongs to H2IT (the Italian Association for Hydrogen and Fuel Cells) - of which its Chairman Alberto Dossi is President.

It has also been part of the European Clean Hydrogen Alliance since August 2020 and an active member of the same as a member of the CEO Roundtable on Transmission & Distribution.

European Clean
Hydrogen Alliance



In France, we are part of the Fédération des PSAD (Prestataires de Santé à Domicile) and the La Vie par un Fil association, Association Aide aux Jeunes Diabétiques, Institut Eco Océan, Association Vaincre la Mucroviscidose and Institut Curie. In Spain, we are a member of FENIN (Federación Española de Empresas de Tecnología Sanitaria). In Germany, we belong to Spectaris (www.spectaris.de) and RSR (www.rsr.de).





**Our commitment
to the environment**



FUTURE

Environmental Protection

PROTECT	2020 RESULT	2021 GOAL
 Renewable energy	Definition of a long-term plan to cover the Group's energy needs from renewable sources	Coverage of 30% of the total electricity consumed with renewable sources
 Carbon footprint	Baseline of 250,700 tCO ₂ eq (Scope 1 and Scope 2 Market Based Emissions)	Carbon footprint reduction of 20% on 2019 (Scope 1 and Scope 2 Market Based)
 Focus on energy transition	Green hydrogen task force set up for industry and mobility	Continuous focus on green hydrogen, biomethane and sustainable mobility
 Supplier sustainability	Implementation of a sustainability questionnaire for Sapio suppliers	Sapio's major suppliers certified according to sustainability criteria

Letter to stakeholders

Human activity, which becomes more impactful every year, is accelerating the climate change of our planet towards dangerous global warming. It is therefore essential, as well as ethically necessary, that we reverse this trend, changing our habits and implementing increasingly innovative technologies to restore the environmental and climatic balance of our planet.

It is now a widespread belief, and even more so in the Sapio Group, that effectively countering the climate crisis means engaging in radical, prompt cultural change, and it is essential for each one of us make their own contribution.

Sapio has been investing in expertise and innovation for almost 100 years to offer products, technologies and services that improve the quality of life.

Thanks to the experience gained over the years and a consolidated corporate culture, today we are able to facilitate the solutions of our customers' problems, to make production processes more efficient and sustainable, and to reduce the impact they have on waste water, on combustion fumes, on the soil and on the food we eat.

Sapio has always been at the forefront, and we want to lead the process of decarbonization and energy transition by exploiting our experience on new renewable energy carriers, as well as contributing further to the well-being of people, the environment and the economy of the countries in which we operate and live.

Andrea Dossi
Vice President

Our commitment to the environment

Why it is important

We have a moral obligation towards the entire community with which our services, our products and our activities come into contact: the obligation to ensure that our economic growth is truly sustainable and compatible with the Earth on which we live.

This commitment translates into an effort to preserve the use of natural resources, to reduce our ecological footprint, to implement alternative technological solutions and help our customers and patients to move in the same direction. Although it has always been a "Clean Chemical Company", Sapió has the ambition and goal of gradually achieving full carbon neutrality in all its operations.

What we are doing and goals for 2021

The Sapio Group's mission is to satisfy the needs and expectations of the customer/patient while ensuring respect and protection of the environment. With this in mind, the Group aims to achieve its goals and the continuous improvement of its production processes in order to optimize environmental protection, through:

- **compliance with applicable legislation;**
- **continuous innovation of the processes and tools used;**
- **making major investments in technologies.**

Commitment

The Group's activities are highly energy-intensive due to its nature as a producer and distributor of industrial gases: the management, therefore, of a strategic and sensitive resource such as energy, and long experience in environmentally complex contexts (such as some of the main Italian petrochemical settlements) are a fertile ground for a culture of conservation and rational use of environmental resources.

Alongside the pursuit of operational excellence, the Group has trained in recent years internal teams of specialists able to:

- **manage the environmental operational aspects of its activities**
- **develop sustainable solutions and products for the market.**

The last year has seen these teams engaged in establishing:

- **an ambitious multi-year path to contain its carbon footprint;**
- **the constant development of new initiatives and markets relating to the new energy carriers of the future: hydrogen and biomethane;**
- **a refocus of its consolidated offer with a view to supporting the market in limiting its environmental impact.**

Energy transition according to the Group

The Group's long-term strategy is committed to assuming a leadership role throughout the value creation chain of alternative energy carriers: production, distribution and management of their carbon footprint.

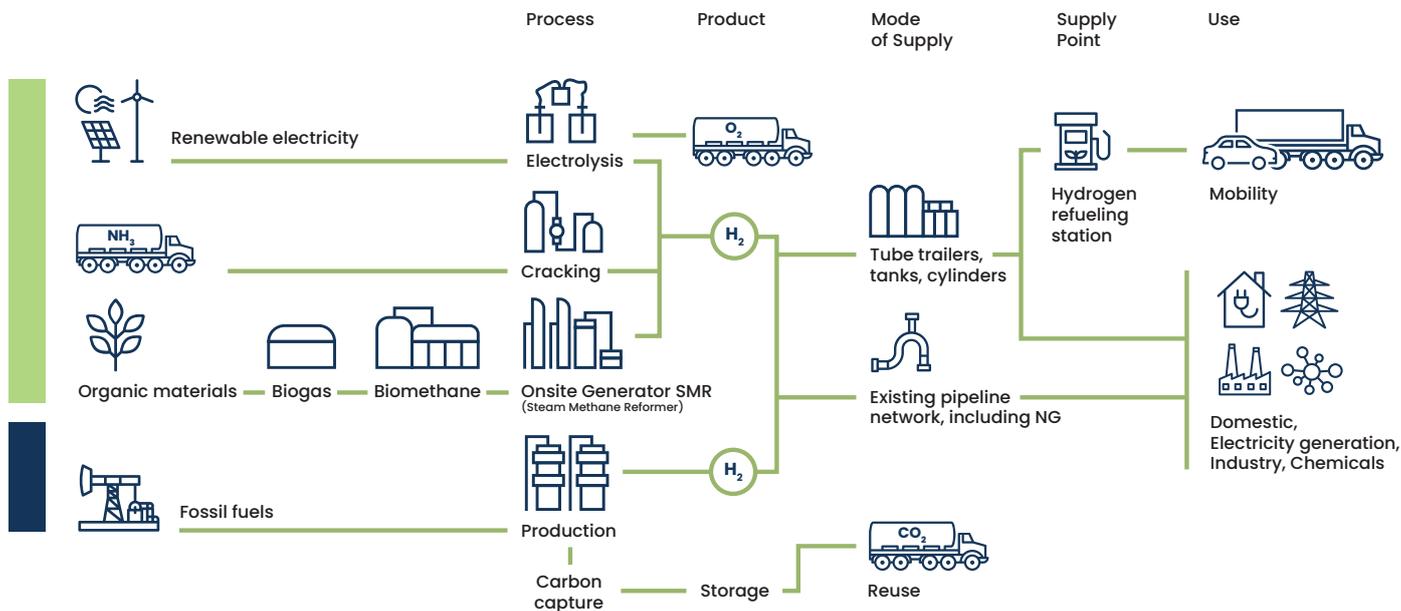
Hydrogen and the future of decarbonisation



Hydrogen is the sustainable energy vector of the future destined for the decarbonisation of the “hard-to-abate” sectors that largely depend on the use of fossil fuels, such as heavy industries, road, rail and ship transport.

Sapio, a hydrogen producer since 1922 and active for about 20 years in projects for the use of hydrogen in stationary and mobile applications, is today the Italian leader in the production of hydrogen. Through its plants it supplies pure and ultra-pure hydrogen via pipeline to its customers in Arezzo, Brindisi, Catania, Castelmasa, Ferrara, Mantua, Piombino and Torviscosa through almost 15 km of hydrogen pipelines.

The smaller decentralized consumption of this carrier is already served today through a capillary logistic network of cylinder trailers, which in 2020 alone saw more than 3,000 trips made for the distribution of this molecule.



The innovative spirit of Sapio in the world of the source of hydrogen is witnessed by a long series of activities to promote new technologies and uses:

2000 – 2005

contribution to the development of a fuel cell bus model (ownership for the hydrogen system and filling station)

2004 – 2010

participation in the construction of a multi-fuel hydrogen refuelling station in Mantua as part of a European project

2006 – 2009

experimentation of microgeneration technologies of electricity and heat with PEM technology

2008 – 2013

contribution to the construction of ENI multi-fuel experimental refuelling stations serving an experimental fleet of cars belonging to the regional council

2010- 2014

participation in a circular experimental project for the production of hydrogen from renewable sources together with the service of hydrogen-powered agricultural vehicles.

Hydrogen for Research and Innovation: JRC refuelling station

In 2020, Sapio built and served a hydrogen refuelling station for the experimental activities of the Joint Research Center of the European Commission, which is intensifying its role in monitoring vehicle emissions by extending monitoring activities also to hydrogen-powered fuel cell electric vehicles. Thanks to Sapio's support, the JRC is also able to carry out tests on fuel cell electric vehicles.



Biomethane: a sustainable molecule for mobility and for the production of green hydrogen

The Group is active in the promotion and development of the biomethane market; this advanced biofuel plays a key role in the decarbonisation of transport and in the progressive replacement of natural gas of fossil origin. Sapio is present as an investor and producer, dealing vertically with the supply chain, from the production of biogas to biomethane upgrading, and subsequent placing on the market.

The Group is currently engaged in the development of six projects for the in situ production of liquefied

biomethane, located throughout the country. All the projects are built according to a local economy model through the direct involvement of local agricultural operators to ensure the closure of the environmental production cycle.

The Group is also analysing the use of the vector as a raw material for reforming processes dedicated to the production of low-carbon hydrogen, to replace traditional natural gas in steam reformers.



Sapio supplied a first upgrading plant with PSA (Pressure Swing Adsorption) technology to the Assoro Biometano Agricultural Company in Sicily, one of the very first biomethane production projects in the agricultural sector in Italy.



The capture of CO₂ and closure of the cycle

In this historical period we recognize that the transition to a zero-emission world with a strong presence of renewable energy will not be immediate. Fossil fuels will still be needed to ensure current development and prosperity for our society and others. This path is not incompatible with a future characterized by ambitious emission targets: our technologies daily help our customers to thrive in their businesses by reducing the environmental footprint of their plants and processes. Our support is essential to support them during the evaluation process of new technologies and production processes able to replace or improve the current ones.

It is in this particular context that the Group's expertise in the management of direct emissions of carbon dioxide from process represent a fundamental pillar of the future evolution of the

markets related to the energy transition: Sapio holds the only plant in Italy for the production of hydrogen from steam methane reforming where a CO₂ sequestration technology from the production process has been active since 2016.

This practice allows the carbon dioxide released by the production of hydrogen to be converted for ready use, without these quantities having to be produced elsewhere by a dedicated process (Carbon Capture and Utilization or "CCU").

The awareness and maturity resulting from managing such a process is the starting point for the Group to devote itself to its natural and ambitious evolution in the coming years, namely the capture and storage of direct CO₂ emissions (Carbon Capture and Storage or "CCS").

The role of our gases in sustainability

Alongside the pillar of energy transition, Sapio's primary industrial activity is the production of technical gases. Among these, there are numerous solutions made available to industrial and civil consumers to improve the environmental impact of their processes, such as:

MIXTURES FOR PACKAGING IN A PROTECTED ATMOSPHERE AND GAS FOR CRYOGENICS

Mixtures for packaging in a protected atmosphere and gases and technologies for food cryogenics allow food to be preserved for longer by reducing waste, preserving its organoleptic properties and qualities that make it healthy and safe unaltered, and preventing the proliferation of harmful bacteria. Sapio has been customizing all the solutions to maximize the potential of each production process for over 90 years, making an important contribution to the fight against food waste.

OXYGEN FOR OXICOMBUSTION

The use of oxygen in the oxy-combustion process makes it possible to increase the use of alternative fuels in a percentage between 30 and 90%, while maintaining high production quality, increasing productivity (between +5 and + 30%) and reducing the CO₂ emission rate. Through prototyping and simulation activities, the customer has the opportunity to find the best solution in terms of efficiency and carbon footprint.

OXY-FUEL TECHNOLOGY

Oxygen technology is used in the processing of cement and metals, to increase productivity and reduce the creation and dispersion of fumes and costs, optimizing the efficiency of the entire process.

NEUTRALIZZAZIONE DEL PH BASICO

CO₂ is used in the treatment of waters for the neutralization of the basic pH in place of acids and for the purification of water. Handled automatically, it is easy to handle and safe because it is not corrosive or toxic, and presents no risk to water resources. Its use in industrial processes and excavations drastically reduces the environmental impact compared to the use of acid-based solutions.

OXYDEP® FOR PURIFICATION OF WATER AND REDUCTION OF DERIVED ORGANIC COMPOUNDS

Pure oxygen solutions for water purification systems reduce environmental impact with lower energy consumption and relative reduction of carbon dioxide emissions, as well as improving the purification process with a strong impact on the quality of waste water.

OZONE FOR SLUDGE REDUCTION

The use of ozone makes it possible to reduce the amount of sludge produced by the process and improves its dehydration capacity and sedimentation..

SOILUTION

Soilution, a Sapio patent, is dedicated to the treatment of groundwater and soil contaminated by hexavalent chromium: its use allows the transformation of this element into an immobile, chemically stable compound.

MIXTURES FOR WELDING

Welding mixtures are designed to increase welding speed by up to 60% and reduce the amount of gas and energy consumed. Their use also makes it possible to reduce the formation of exhalations and ozone.

HELIUM FOR RESEARCH AND HEALTH (NMR-MRI)

Helium is a fundamental gas in research and diagnostic screening. Sapio recovers helium from the physiological losses of the plants, making it re-available to optimize its use, costs and reduce its dispersion.

GAS FOR THE CHEMICAL AND PHARMACEUTICAL INDUSTRY

Sapio supports the chemical and pharmaceutical sector with highly specialized services for the most delicate phases of the production process, guaranteeing the safety of the plants and for monitoring emissions.

EMISSIONS

Atmospheric emissions of volatile organic compounds are one of the main sources of environmental pollution.

The use of technologies exploiting our gases is essential for the neutralization of environmental pollutants: from cryogenic condensation to absorption on activated carbon, and post-combustion of the pollutant.

CALIBRATION MIXTURES

Calibration mixtures are an indispensable component in environmental monitoring processes: ad hoc mixtures, designed to respond to the most delicate needs, guarantee compliance with regulations, products that can be used with the latest technological innovations, and constant monitoring of emissions (such as Ecocartest mixtures for the calibration of engine exhaust fume analysers).

BLANKETING OR INERTIFICATION

Safety in the workplace is an element of fundamental importance on any production site. Sapio provides solutions for inertification or blanketing. Our plants, products and technologies guarantee the protection of human health and the continuity of processes in all sectors: from the treatment of hazardous waste to the chemical and pharmaceutical industry.

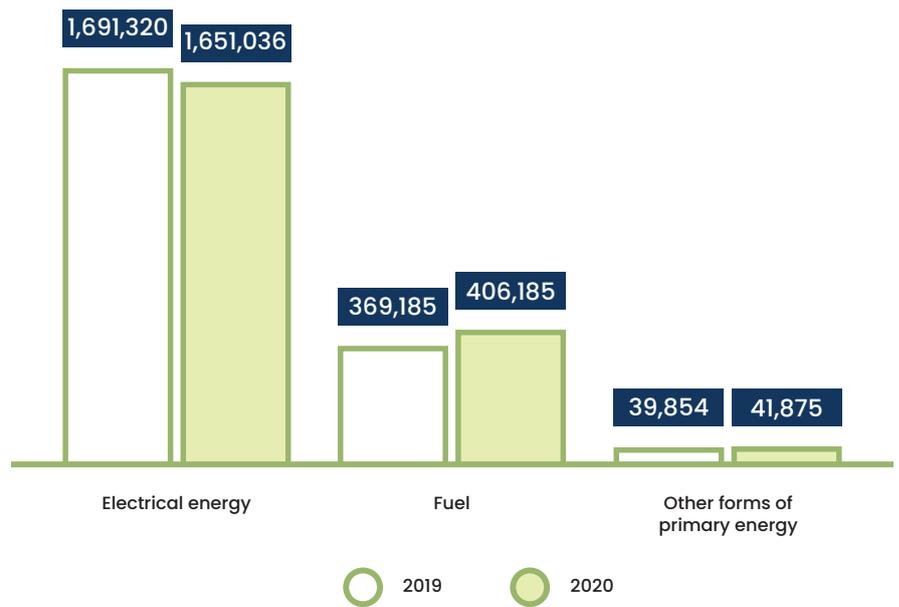
Our environmental footprint

To ensure the provision of its services and products, Sapio carries out various activities that consume primary energy mainly in the following forms:

- **electricity, taken from the grid and self-generated on site;**
- **fossil fuels (natural gas, LNG, Diesel, Petrol and fuels in general);**
- **other forms of energy (including steam).**

Primary energy consumption⁹

Primary energy consumption (GJ)



These consumptions mainly regard, in order of importance:

- **manufacturing activities;**
- **logistic activities;**
- **development & auxiliary activities for the main businesses (e.g.: administrative & operational offices, distributed sales centres and other similar uses).**

The total energy consumption of the Group as at 31 December 2020 amounted to 2,099,096 GJ, substantially in line with the 2019 value. The main consumption of the Group derives from the use of electricity (79%) and natural gas (16%).

⁹ See the "Index of GRI Contents" for information on the boundary limitations applied to the data reported (GRI 302-1).

Energy consumption (GJ)¹⁰

TYPE OF ENERGY	2019	2020
	TOTAL	TOTAL
Total Energy from Fossil Fuel	369,185	406,185
Total Electrical Energy	1,691,320	1,651,036
Other forms of Primary Energy	39,854	41,875
TOTAL ENERGY	2,100,360	2,099,096

The management of energy consumption and related emissions is entrusted to personnel with specialized skills who work to promote management efficiency,

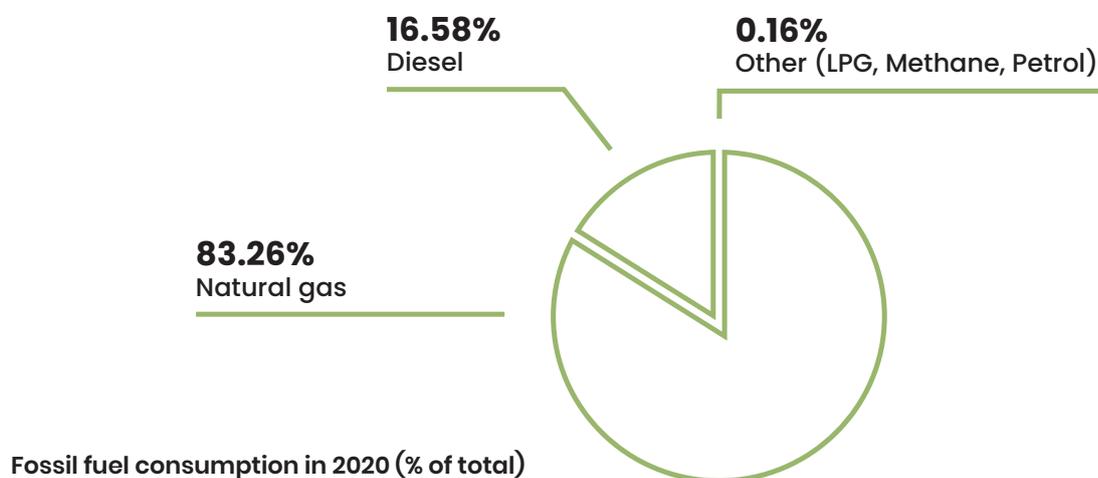
environmental protection and compliance with legislation. In particular, almost all energy consumption is monitored by an energy manager.

The consumption of fossil and other energy sources

The use of the Group's primary energy in the form of fossil fuels regards, in order of importance:

- **logistics;**
- **hydrogen production;**
- **other minor civil and industrial uses.**

In addition to the fossil sources used for these purposes, the additional source of energy used by the Sapio Group that cannot be traced back to electricity and fossil sources is industrial steam used in the primary distillation processes of primary gases.



¹⁰ For the conversion of energy carriers into GJ, the factors provided by the "Department for Environment Food & Rural Affairs - (DEFRA)" were used in the 2019 and 2020 editions respectively.

Emissions of greenhouse gases¹¹

The Group's emission inventory is constructed, in accordance with the GHG Protocol, according to market-based methods.

The main items in the financial statements are:

- direct emissions, "Scope 1" ("**Direct Emissions**"), originating from assets and assets under the control of the Group;
- indirect emissions linked to the Group's own electricity consumption, or "Scope 2" ("**Indirect Emissions**");
- other indirect emissions ("Scope 3") related to the delivery of products to patients and customers ("**Transport Related Emissions**") made by parties outside the Group.

Most of the **Direct Emissions** are attributable to:

- carbon dioxide emissions from processes (mainly steam methane reforming);
- hydrofluorocarbon gases for refrigeration purposes;
- emissions linked to scarcely relevant quantities of GHG gas for production activities;
- emissions resulting from the use of vehicles under the direct control of the Group;

The types of production processes are such as not to generate emissions of significant quantities of pollutants into the atmosphere. The emission values are however periodically checked and are always within the legal limits and those prescribed in the Integrated Environmental Authorizations (IEA) or Single Environmental Authorizations (SEA) where applicable.

The **Indirect Emissions** linked to electricity consumption are almost entirely attributable to the production activities carried out in the main plants and are calculated on the basis of the emission factors characteristic of the nations where consumption occurs.

¹¹ See the "Index of GRI Contents" for information on the boundary limitations applied to the data reported (GRI 305-2).

In 2020, Scope 1 Direct Emissions amounted to 36,148 tons of CO₂ and an increase of 39% compared to the previous year.

The Indirect Emissions calculated using the Location-Based method instead amounted to 156,019 tons of

CO₂, showing a decrease of 2.3% compared to the 159,720 tons of the previous year.

Similarly, Scope 2 emissions calculated with the Market-Based method also recorded a decrease of 2.8% on 2019.

Atmospheric emissions, Scope 1 and Scope 2 (tCO ₂ eq) ¹²		2019	2020
Scope 1	Total emissions - Scope 1	25,952	36,148
Scope 2	Location-based	159,720	156,019
	Market-based	220,764	214,553
Total	Total Scope 1 and Scope 2 emissions (Location-Based)	185,672	192,166
	Total Scope 1 and Scope 2 emissions (Market Based)	246,716	250,700

Total Scope 1 and Scope 2 Emissions (Market & Location Based) (tCO₂eq)



¹² For the calculation of Scope 1 direct emissions of, the factors provided by the "Department for Environment Food & Rural Affairs - (DEFRA)" were used in the 2019 and 2020 editions respectively. The indirect emissions of Scope 2 are calculated with two methods: "Location-based" and "Market-based". The "Location-based" approach involves the use of average emission factors relating to the specific national energy mix for the production of electricity (source of emission factors for 2020 data calculation: TERN 2018, latest version available). The "Market-based" approach, on the other hand, involves the use of emission factors defined on a contractual basis with the electricity supplier and the emission factors relating to the national "residual mix" were used (source of the residual mixes: AIB European Residual Mixes 2020). The indirect emissions of Scope 2 are expressed in tons of CO₂ however the percentage of methane and nitrous oxide has a negligible effect on the total emissions of greenhouse gases (CO₂ equivalents) as can be deduced from the reference technical literature.

Another monitoring parameter is the Emissions Relating to Transport linked to the tracking of emissions deriving from:

- logistics activities to ensure the delivery of our products to end users;
- trips made by employees for work purposes.

Atmospheric emissions, Scope 3 (tCO ₂ eq) ¹³		2019	2020
Total	Total emissions Scope 3	29,965	26,657

The reduction of Transport-Related Emissions is a company focus aimed at promoting best practices in sustainable mobility.

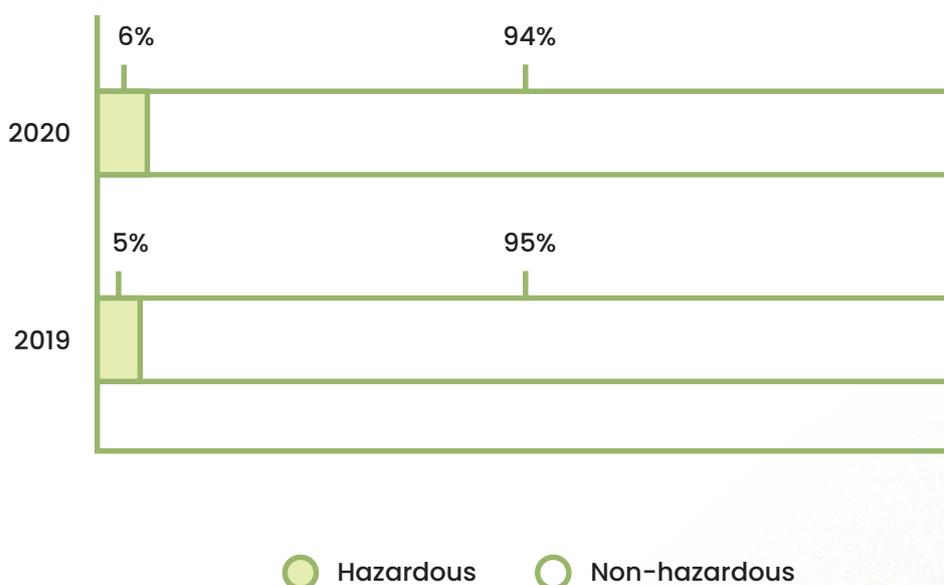
Waste management¹⁴

The production processes implemented in the factories and sites of the Group do not directly generate waste, as there are no waste products deriving from the production process that can be classified as waste. However, manufacturing activities do not involve the use of disposable packaging, given the extremely long life of our pressure and cryogenic vessels.

In any case, the activities of sites and plants give rise to various types of waste deriving from the ordinary management of maintenance and administrative activities.

In 2020, in line with the values of 2019, almost all of the waste produced is non-hazardous (94%).

Waste produced (% by category)



¹³ For the calculation of Scope 3 indirect emissions, the factors provided by the tables published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2020 edition were used.

¹⁴ See the "Index of GRI Contents" for information on the boundary limitations applied to the data reported (GRI 306-3).

The main categories of waste disposed of are listed below:

• **NON-HAZARDOUS WASTE:**

- iron and steel;
- mixed material packaging;
- out-of-use equipment;
- septic tank sludge;
- organic waste.

• **HAZARDOUS WASTE:**

- waste oils;
- lead-acid batteries;
- spent activated carbon;
- oily waters;
- waste of sanitary origin.

The aforementioned waste can be generated by on-site activities or by activities carried out at the customers' premises, such as:

- **waste deriving from installation and maintenance activities;**
- **waste deriving from home care activities.**

The quantities of waste generated may vary, even considerably, in relation to scheduled or extraordinary maintenance interventions carried out within the sites and plants or, as far as Sapio Life is concerned, in consideration of the number of shipments made and patients managed. In 2020, in particular, there was a 20% increase in the waste produced compared to 2019.

Waste produced (tons and %, by category)

	Unità di misura	2019			2020		
		Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total
Total	t	87	1,667	1,754	133	1,966	2,098
Percentage	%	5%	95%	100%	6%	94%	100%

All the sites follow the provisions sanctioned by the relevant laws, by the environmental authorizations (AIA, AUA and other relevant authorizations) and by the company procedures in place.

The management of water resources¹⁵

In 2020, the Group's water requirement amounted to 33,950 megalitres, up 20% on 2019. The main source of supply is represented by water resources of sea water, accounting for 51% of the total withdrawals

in 2020, followed by third-party water, accounting for 33% of water consumption. These values are substantially in line with those of 2019, as can be seen in the graph below.

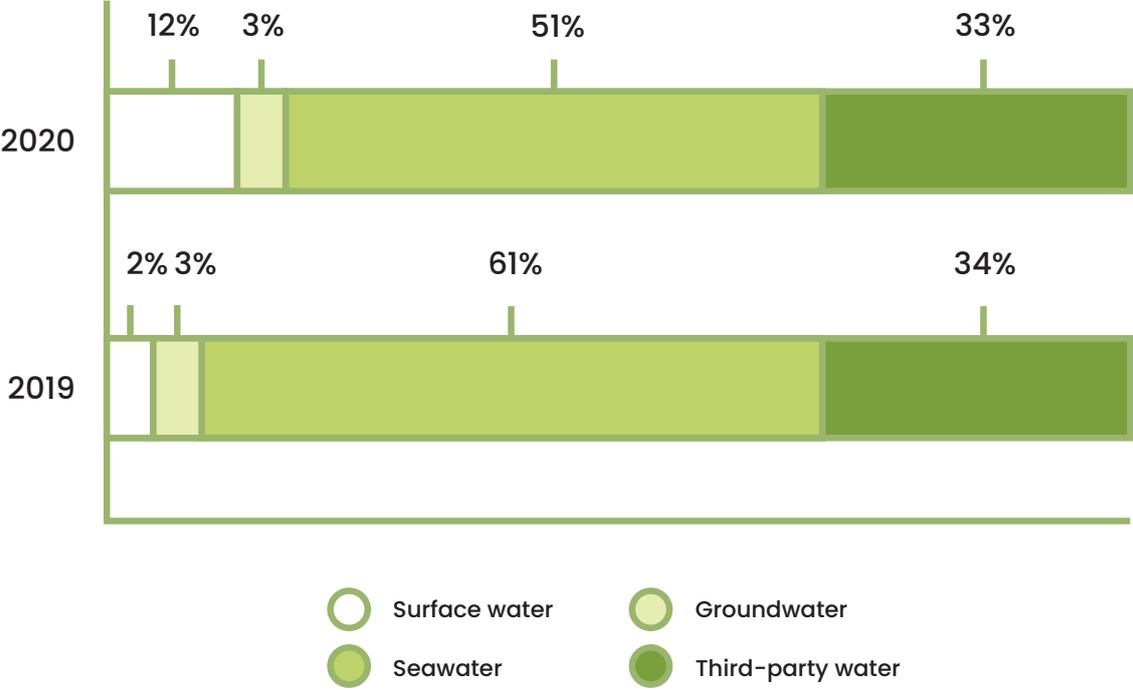
Water withdrawals by source (megalitres)¹⁶

Source of the withdrawal	2019		2020	
	All areas	Water stress areas	All areas	Water stress areas
Surface water (total)	611	0	4,199	0
Groundwater (total)	984	0	1,116	0
Sea water (total)	0	17,200	0	17,400
Third party water (total)	6,215	3,321	6,291	4,943
Total water withdrawal	7,810	20,521	11,607	22,343

¹⁵ See the "Index of GRI Contents" for information on the boundary limitations applied to the data reported (GRI 303-1).

¹⁶ All samples shown in the table refer to fresh water ($\leq 1,000$ mg/l of total dissolved solids).

Water withdrawals by source

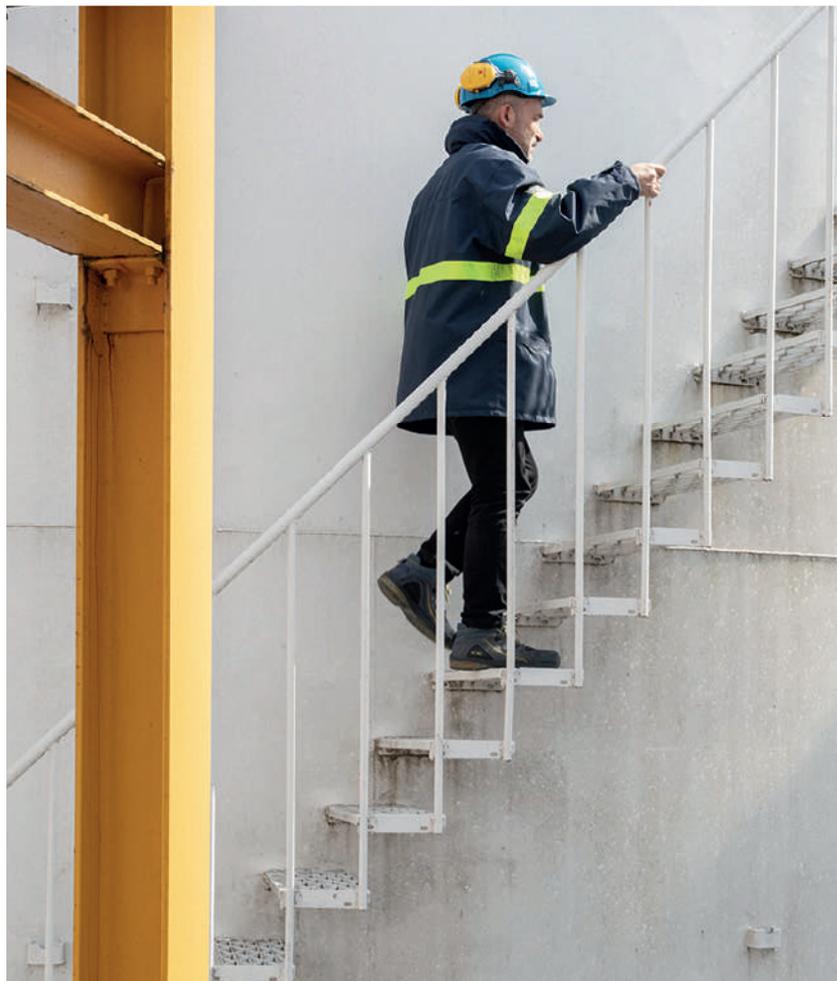


The optimization of water resources implies the minimization of their use in production processes and the analysis of production techniques with greater water efficiency. The main use is in the primary production cycle. The quantities used in secondary production cycles and in offices are relatively smaller.

Down



Our contribution to the ecosystem



Value

Developing performance of our company and ecosystem, our employees and suppliers

DEVELOP	RISULTATO 2020	OBIETTIVO 2021
 Economic performance	Group turnover: €629 million	Group turnover: € 650 million; industry leader in terms of profitability
 Economic performance	66% of turnover linked to SDGs	>66% of turnover linked to SDGs
 Support for the local supply chain	92.7% of supplies from the local supply chain	93% of supplies from local supply chain
 Ethics and Integrity	Ethics and integrity at the heart of our work	Ethics and integrity at the heart of our work
 Turnover	14% turnover out	Turnover flat
 Diversity	38% foreign workforce 38% female workforce	40% foreign workforce 39% female workforce
 Training	Average of 9 hours' training/employee	Increase in average hours of training/employee

Letter to the stakeholders

The Sapio Group has always been committed to implementing a sustainable development model that contributes to improving the society in which we live. In other words, we aim to be the best company to buy products and services from, to invest in, and to work for.

In order to achieve this goal, we use innovation, a factor that allows us to work alongside both our customers in their challenge of advancing the industry in which they operate, and our patients in offering solutions that improve their quality of life. Aware that our businesses – industry and healthcare – are fundamental for the well-being of companies and people, we are highly committed to areas where we can make a difference, such as energy transition, the fight against climate change, and home care for patients.

All this is achieved through a business model that allows us to create wealth in a sustainable way and, above all, to redistribute it in an equally sustainable way. This virtuous circle is based on trust between stakeholders and a well-articulated governance system, led by a Board of Directors with great geographical-cultural diversity and relevant professional experience.

One of our Group's strengths is our teams, made up of people who, like athletes in constant training, put their proven skills, sense of responsibility, dedication, resilience, and their unflinching desire to make progress to the service of our corporate goals. Our idea of the future translates into the continuous search for a sustainable ecosystem, also through a process of selecting local suppliers who share our approach and values.

We strive every day to develop a performing, sustainable and responsible form of capitalism, in which our daily actions acquire meaning and help generate value for the Group, for our customers and patients, for the community and for the planet. A capitalism in which "profit" and "meaning" are reconciled.

We want, together, to breathe the future. A sustainable future.

Mario Paterlini
Chief Executive Officer

Economic performance

Why it is important

For the efficient management of a Group whose ultimate purpose is to support the development of its customers, its employees and the community in which it operates, the company must have an economic solidity that allows it to support the projects in which it believes. The possibility of having an effective remuneration system to support employees, and investment resources to improve services and continue expansion is key to supporting the ecosystem that the Group supports and in which it assumes a leadership role.

What we are doing and goals for 2021

The Sapio Group, whose solid roots can be found in Italy's industrial development in the early 1900s, is evolving into a multinational group that is expanding from Italy throughout Europe and even beyond European borders. In all the countries in which we operate we enjoy a close relationship with our customers and patients to provide the best service possible, with a constant focus on reducing our carbon footprint and that of our customers. Our performance translates into support and

economic development for our employees, our suppliers and the communities that host us. Our goal is to be a leader in economic performance among those who carry out a similar activity in our reference territories. A strong financial position will allow us to continue to contribute in the future. The constant focus on alignment with the United Nations Sustainable Development Goals will also help us to adapt our operational strategy in order to pursue a higher purpose.

performance

Our performance path

During 2020, Group sales rose to €629 million versus €551 million in 2019. In particular, sales in the industrial sector amounted to €258 million, those in the healthcare sector (containing both the hospital and homecare sectors) to €371 million, corresponding to 59% of total Group turnover.

The industrial sector accounts for 48% of revenue in Italy.

The healthcare sector accounts for 52% of revenue in Italy and 100% of the Group's earnings abroad.

2020 performance was symptomatic of the consistent evolution displayed by the Group over the last decade with a compound annual growth rate of 6.1% between 2015 and 2020.

Group Sales (€ m)



The economic value generated and distributed is the incremental economic value generated by the activities of the Sapio Group and distributed to a wider category of Stakeholders.

Although connected with enhancement of the Group's economic performance, the generated and distributed economic value is a broader measure of the company's value in its ecosystem.

In fact, the distributed economic value also takes into account value distributed to employees as wages, to suppliers, the return on debt to financial institutions of Group companies, the return of capital to shareholders, and taxes paid to the State or locally, while the withheld

economic value represents the amount of economic value generated but not distributed. In 2020, the economic value directly generated by the Sapio Group was approximately €646 million, an increase of €71 million on 2019.

The distributed economic value amounted to approximately €513 million, up by €62 million on 2019. The growth in turnover was followed by a constant growth in profitability with earnings before interest, taxes, depreciation and amortization ("EBITDA") amounting to €161.5 million, amounting to 26% of turnover in 2020 with an increase of over €17 million compared to the previous year.

Economic value distributed and withheld by the Group (€ m)

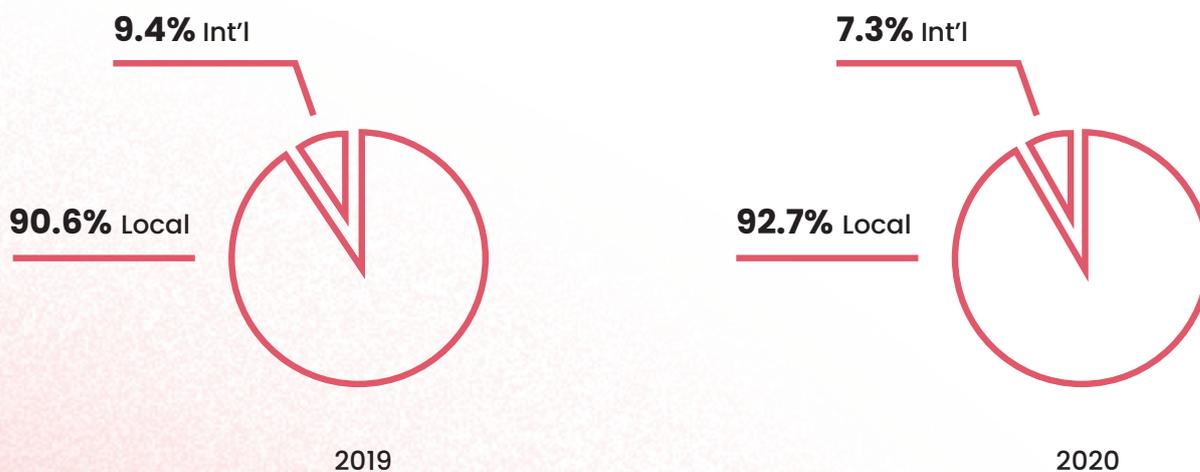
ECONOMIC VALUE GENERATED	2019	2020
Distributed to suppliers	330.7	366.1
Distributed to outside assistants	91.6	115.6
Distributed to lenders	4.1	4.9
Distributed to the shareholders	-	-
Distributed to the state and institutions	23.6	25.5
Donations and gifts	0.9	1.4
Withheld by the Group	124.4	132.9
Total	575.3	646.3

The sustainability of the supply chain

Our suppliers are essential to our development. We are constantly looking to ensure a local, sustainable supply chain in order to provide our customers with the best possible service, while continuing to focus on supporting its development. With reference to the assessment of suppliers for the supply of goods and services, the Sapio Group uses a verification and control system for its main suppliers to establish whether they reflect the qualifying criteria defined by the Group. All our suppliers must follow our Code of Ethics where applicable. In addition, since 2020 the

questionnaire for assessing the Parent Company's suppliers has also contained a sustainability assessment to focus greater attention on the issue of environmental sustainability. In 2021 it is the Group's objective to implement this assessment for the majority of suppliers. In total, €366 million was spent in 2020 for the purchase of products and services and the use of third party assets, up by €35 million compared to 2019. Our regional operations support us in local procurement where possible, with the support of a centralized procurement team to support an efficient local purchasing chain.

Proportion of expenditure on local suppliers (%)¹⁷



Of particular importance is the origin of purchases: where possible, purchases made locally are preferred, in order to create value for the local communities where the Group operates. The figure is significant if we consider that in 2020 92.7% of suppliers were located locally in the countries where the Group operates, while the remaining 7.3% came from the rest of the world. The proportion of purchases from local suppliers was up by 2.1% compared to 2019.

¹⁷ See the "Index of GRI Contents" for information on the boundary limitations applied to the data reported (GRI 204-1).

Governance, ethics and integrity

Why it is important

The company's economic performance cannot be separated from ethical behaviour and corporate governance aimed at ensuring the integrity of members of government and employees. Only by behaving ethically can the Group's success be guaranteed and our customers' trust earned.

What we are doing and goals for 2021

The Sapio Group has made integrity one of its basic, key values for business development. In carrying out our daily activities, the utmost respect for ethical professionalism and legality are among the values that guide our work. No compromises on corporate ethics are admissible and the programmes in place, from the corporate governance system to codes of ethics, are aimed at ensuring the constant, ongoing observance of ethics and integrity, in line with the Group's mission and core values.



Our goal is for our corporate governance to make us an example of ethics and integrity for the entire sector in which we operate and for our suppliers.

All employees must be aware of the existence of business ethics and integrity requirements and adhere to them. This is why every decision and action needs to be based on legality, transparency, ethics, consistently and in compliance with the corporate principles and procedures, confident that the Group is not exposed to regulatory and reputational risks.

The Group's governance structure

The governance structure of the Group and the associated auditing systems are based on the central role of the Board of Directors of the Parent Company.

The governance structure is based on the following bodies:

- **Board of Directors**
- **Shareholders' Meeting**
- **Board of Statutory Auditors**

The Board of Directors, as an administrative body, has the primary role of governing the corporate activities and establishing the Company's management policies, including those of a strategic nature.

As of 31 December 2020, the members of the Sapio Board of Directors are as follows:

- Alberto Dossi - President
- Maurizio Colombo - Vice President
- Andrea Dossi - Vice President
- Alessandro Dossi
- P.T. Consulting S.r.l. in the person of Mario Paterlini Chief Executive Officer
- Piero Carlo Cavenaghi
- Seifollah Ghasemi
- Michael Scott Crocco
- Ivo Jan Paul Leo Bols
- Joaquin Mustaros Gel

The Group, directly or indirectly, exercises the management and coordination of its subsidiaries. The "**Internal Auditing System**" is the set of

rules, principles and procedures aimed at monitoring corporate operations and preventing infringements of corporate ethical principles. The system is guided by a code of ethics ("**Code of Ethics**"), a basic tool for good corporate governance and the prerequisite for an adequate auditing and risk management system.

Furthermore, Sapio and Sapio Life, in addition to other Group companies in Italy, have adopted an organizational model ("**Organizational Model**") as defined by Legislative Decree no. 231/2001 and subsequent amendments. Compliance with the Model is mandatory, and any infringements constitute a breach of the mandate with the members of the administrative and control bodies and, for employees, violation of their obligations under their employment contracts and will lead to application of the penalties provided for in the Disciplinary System.

The Code of Ethics was initially drafted in 2003 and subsequently amended, with the latest version approved by the Board of Directors on 28 March 2018. The Group Code of Ethics has already been adopted not only by the majority of the Italian subsidiaries, but also in Slovenia, and is in the process of being adopted in Sapio Life España¹⁸.

The Organizational Model and the Code of Ethics are constantly updated. The latest update of the Organizational Model for the companies Sapio and Sapio Life was approved in April 2021.

¹⁸ Il Codice Etico è stato adottato solo per alcune società del Gruppo. Maggiori informazioni sono riportate all'interno dell' "Indice dei Contenuti GRI".

The Sapio Group guarantees multiple communication channels that allow the persons indicated in art. 5 (1 a) and b)) of Legislative Decree 231/01, to submit detailed reports of illicit conduct under Law no. 179 of 30/11/2017 (so-called Whistleblowing Rules). The Supervisory Body evaluates the reports received and the cases in which it is necessary to take action. Already in 2008, the Group adopted an antitrust compliance program, revised and implemented in 2016 with particular focus on certain Group companies. This program, currently adopted by some Group's companies, has been renewed in content, and stress the dedication to preventing issues relating to this aspect - with the issue of a manual ("**Antitrust Manual**"), a handbook (the "**Antitrust Guidelines**") and with the structuring of a timely training and professional development course dedicated to staff (top management, managers, employees).

An antitrust unit was created for the Group, under the management of the Parent Company's Legal Affairs Department in collaboration with the risk management department and the members of the Supervisory Body. Antitrust Compliance Managers ("**ACM**") were also appointed, and are responsible for the goals described above, in continuous liaison with the senior management.

Starting in 2018, coinciding with the entry into force of the GDPR legislation, a DPO was appointed in every single company of the Group, including foreign companies. More information on data protection management is included in the section "**CARE - Customer Data Protection**" to which reference is made.

The Parent Company has set up the internal auditing unit ("Internal Auditing").

The risk management system

The risk management and governance model adopted by the Sapio Group has the following aims:

- **managing risks in terms of prevention and mitigation**
- **proactively seizing opportunities**
- **spreading the "culture" of value at risk within the company**
- **linking the risks to insurance coverage and providing suitable insurance coverage for insurable risks.**

The risk assessment approach used by the Group is risk based. With this approach we start from the gross inherent risk, i.e. the amount of risk

considered prior to the safeguards and measures put in place to mitigate it. This is assessed on the basis of the impact/severity and probability of occurrence. The next phase is that of analysing the internal auditing system, that is, all those safeguards put in place to mitigate the risk. Following this process we are left with net residual risk, which is evaluated also in consideration of the Group's risk tolerance and risk appetite.

A fundamental tool for identifying and assessing risks is the risk register, which lists risks by risk scenario, drivers, control protocols, frequency and impact.

Our employees, the development of talent and diversity

Why it is important

An organization like our Group can only be successful thanks to the employees who work there every day and who, thanks to their dedication and talent, allow us to provide an efficient, innovative service for the benefit of our customers. The development of the organization's talents is the key to the future growth of our Group.

What we are doing and goals for 2021

The Sapio Group brings together talents from different nations driven by the common goal of facing the challenges of our communities in order to improve the service to our customers, the quality of life of our patients and the well-being of the communities themselves.

The Group is committed to enhancing the role of Sapio and its corporate purpose also thanks to the values of its employees. Our employees are at the heart of every corporate strategy.

Their well-being is the priority of the Group's policy. Our initiatives to attract new talents are aimed at making people understand our corporate goals and values aimed at advancing our ecosystem.

Our focus is not only on attracting, but also retaining the best talent and our employees. Particular focus within the Group's objectives is given to the culture of internationalization in order to enhance synergies between employees even if they are from different nations.

Development

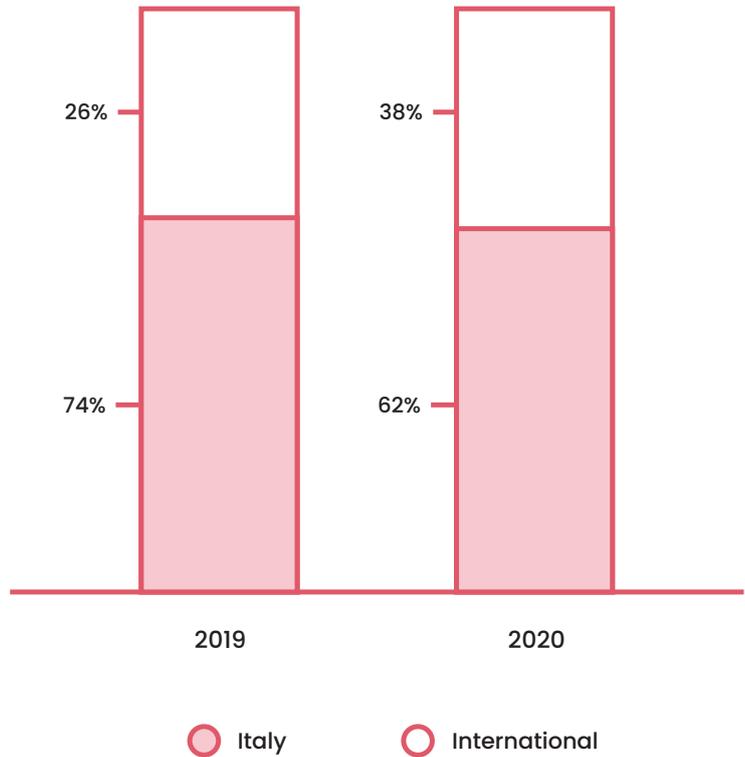
Sapio and some other companies in the Group¹⁹ representing 65% of its turnover obtained the 2020 **Great Place to Work® certification**, which acknowledges it as a quality work environment. Sapio was also ranked among the top 15 workplaces in Italy for its category in the reference year.

¹⁹ Sapio, Sapio Life, Sistemi Iperbarici, Biorep, MySapio S.r.l. and Homeperf were certified for 2020.

Our people, our wealth

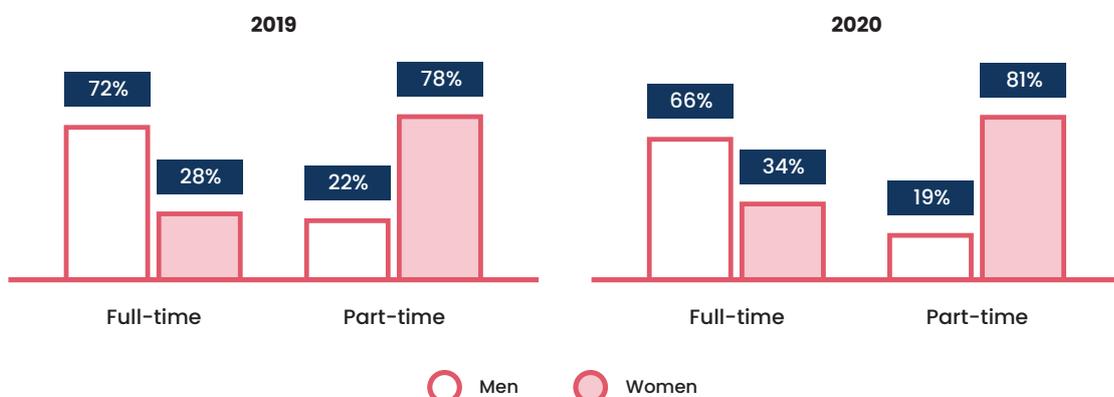
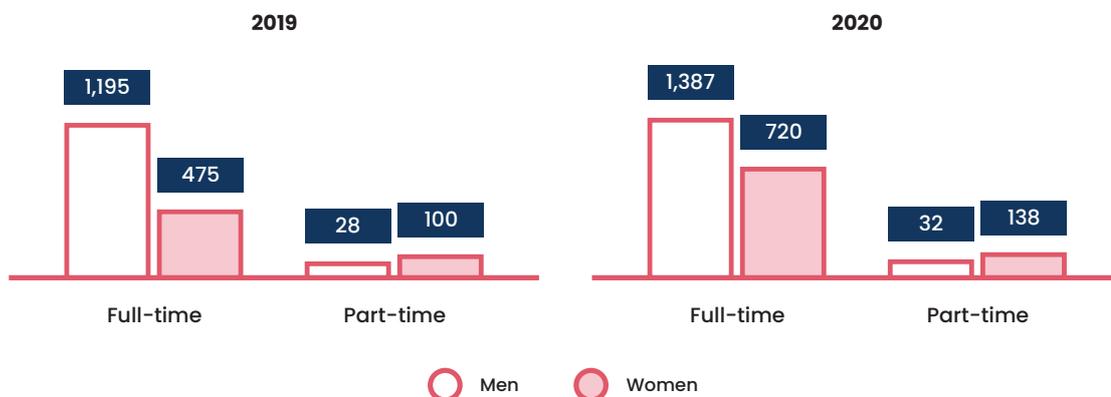
In 2020, the Group's employees grew by 479, with an increase of 27%.

Employees as of December 31 (% by location)

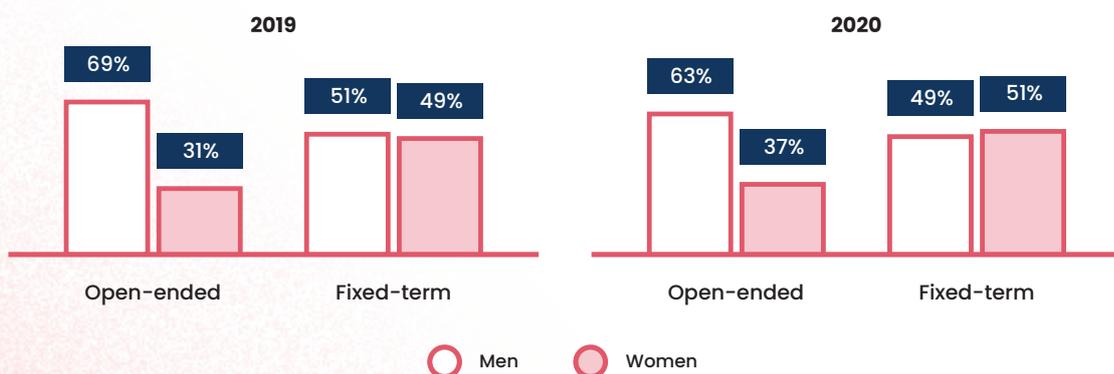
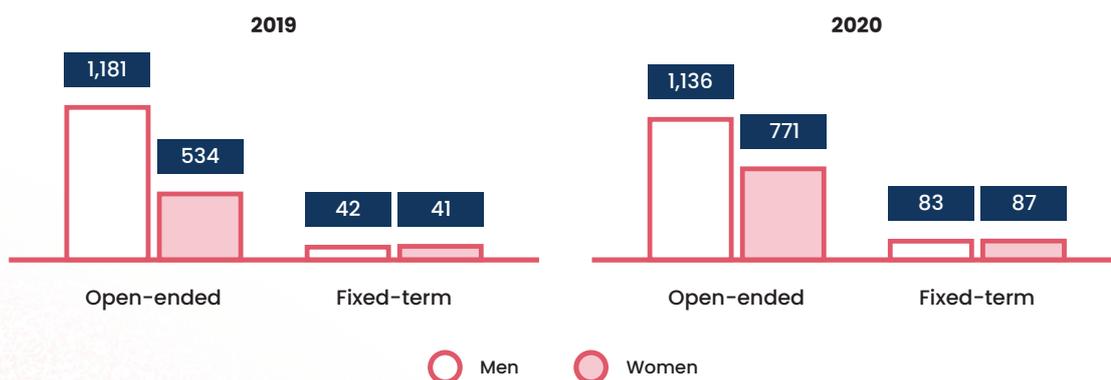


As of December 31, 2020, the Sapio Group had 2,277 employees – 1,410 in Italy and 867 outside Italy –, of whom 93% with a permanent contract. In addition to personnel the Group hires around 2,145 external assistants especially with reference to services for patients (nurses, physiotherapists, etc.).

Number and % of employees as of December 31 (full-time/part-time, by gender)

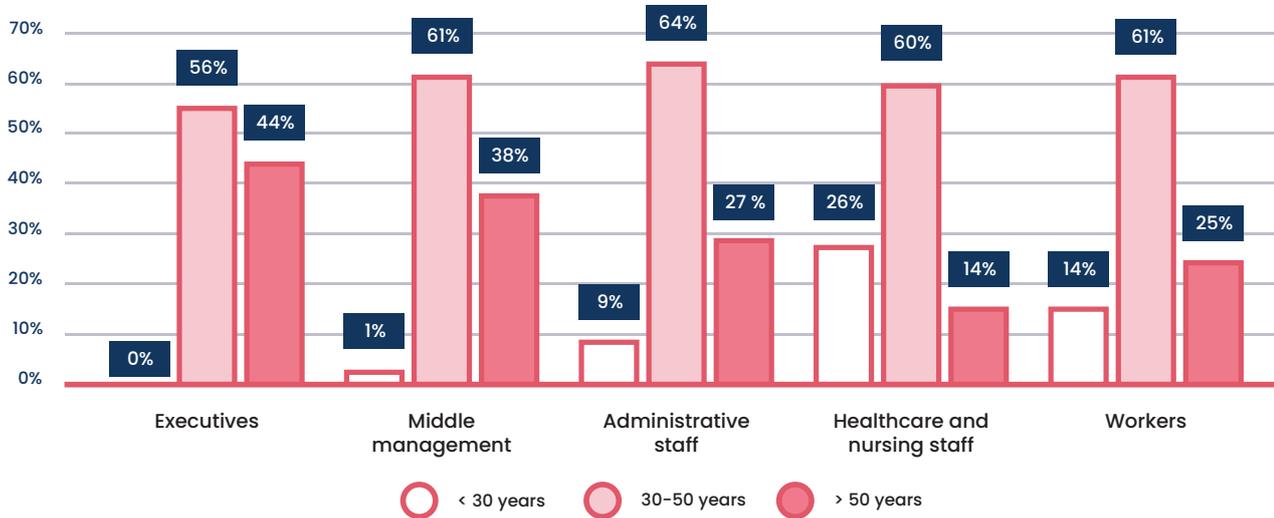


Number and % of employees as of 31 December (fixed-term/open-ended, by gender)



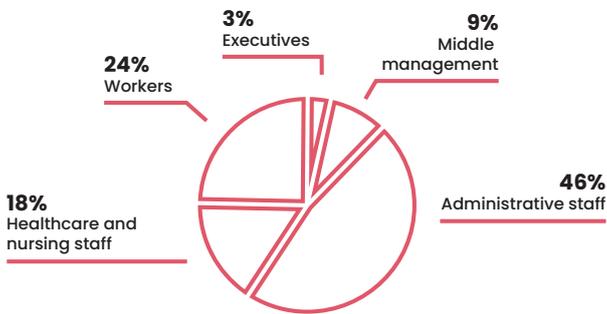
Most of the Sapio Group employees fall into the 30–50 age bracket (for a total of 62% of the company population). People under 30 make up 12% of employees as of 31 December 2020.

Composition % of employees at 31 December 2020 (professional category and age group)



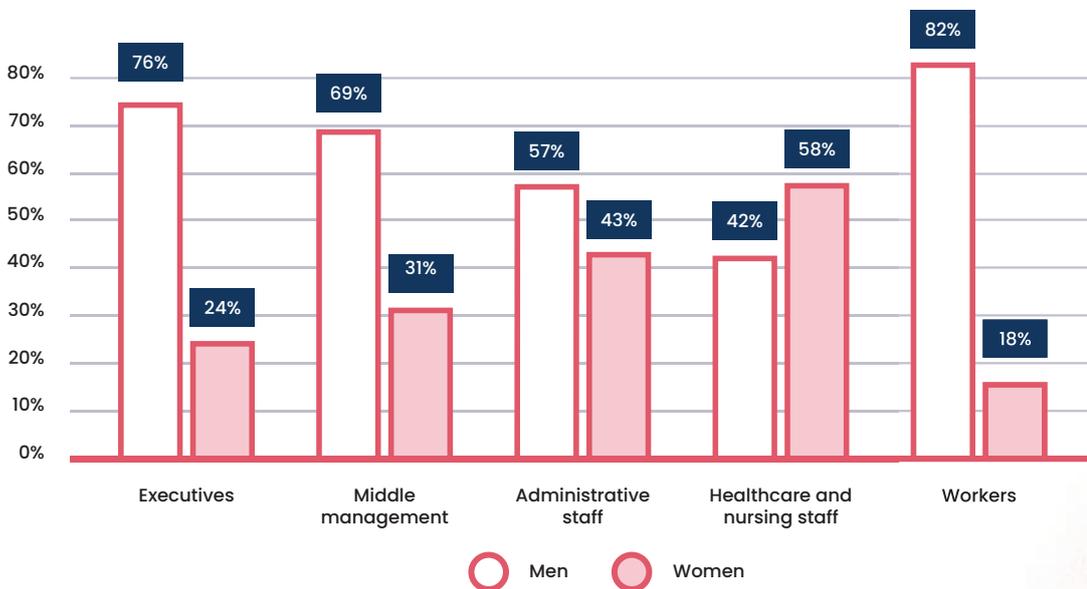
Among executives and middle managers, the prevailing category is that of 30–50 years of age.

Composition% of employees at 31 December 2020 (professional category)



With reference to the breakdown by category of employees as of 31 December 2020, about 46% are concentrated in the clerical category, followed by the blue collar category (24%). The percentage of health and nursing personnel is also significant (18%). Women, who represent 38% of the workforce, represent 23% of the Group’s executives and 31% of middle managers.

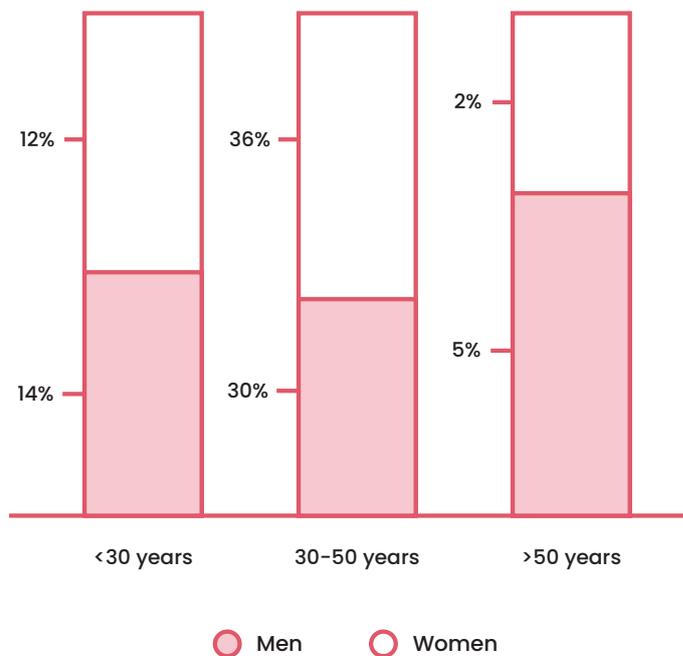
Composition % of employees at 31 December 2020 (professional category and gender)



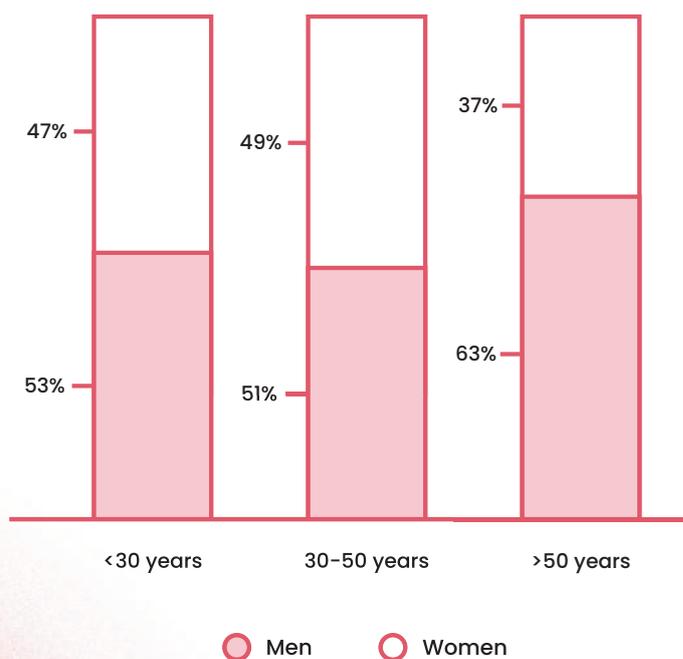
The geographic breakdown of employees changed over the course of 2020. In 2019, prior to the takeovers made during the year, only 26% of employees were abroad. At the end of 2020 this percentage rose to 38%. During the year, a total of 391 new members of staff were recorded, 143 more than in 2019.²⁰

Outgoing staff (303) outnumbered new hires, resulting in a negative turnover of 14%.

Composition % hired 2020 (age group and gender)



Composition % terminated 2020 (age group and gender)



²⁰ The figure also includes recruitments in companies in which a majority stake was acquired in 2020.

The management of the pandemic and trade union agreements

In order to combat the pandemic and at the same time ensure the safety of employees and the business efficiency necessary for the continuous provision of services to our customers and patients, the Sapio Group in Italy promptly decided to adopt remote working, as the only solution for continuing operations, as far as this was compatible with the tasks being performed.

This initial necessity, dictated by events, soon set in motion an evolution in the way of conceiving work. The new scenario resulted in a working culture and a responsible approach whose natural consequence was the use of remote working no longer as an emergency measure, but rather as a “structural” strategy. On 7 October 2020, Sapio signed an agreement

with the most representative trade unions at the national level which made the group one of the first in Italy and in the chemical pharmaceutical sector to adopt this working method definitively.

The agreement enshrined flexibility in the performance of daily activities, combined with an approach no longer based on working hours, but on efficiency and the achievement of goals. The abolition of hourly permits and the simultaneous payment of allowances for the purchase of equipment to set up more comfortable home workstations, allowed the Group to be increasingly supportive of its employees and their needs, encouraging a balance between work and personal time management.

Talent management²¹

Our talent management policy is based on a framework resting on the following pillars:

Ongoing training to ensure the development of a mentality of personal growth

Performance management for the management and middle management, in order to ensure alignment with company results

Production bonuses for the workforce, aligned with business results

Annual talent review plans and succession plans to identify talents in whom to invest and create a plan to cover key company positions

Individual career plans and international growth opportunities through a cross-country job posting system

²¹ See the “Index of GRI Contents” for information on the boundary limitations applied to the data reported (GRI 404-1).

Ongoing training

Ongoing training is an essential activity within the Group. The Sapio Group offers its employees many opportunities to develop their skills. A training plan is developed annually with on-site and remote training, provided both in and outside the Group.

In the course of 2020, there were over 20,000 hours of total training, equivalent to about 9 hours for each employee, down by 46% compared to the previous year, due to the difficulties in holding the courses posed by the pandemic.

Each year the Sapio Group carries out specific training plans to meet the most diverse training needs. In addition to responding to job-specific training needs, cross-functional growth paths are

made available to all staff to implement both soft and transversal skills.

An academic programme is active in Italy, with contents ranging from psychological sciences to virtual meeting skills and public speaking, as well as writing. Alongside this path, there is a specialization course for young talents with potential that deserves to be encouraged and nurtured, and an executive specialization course for resources who have a role of responsibility and strategic importance in the Group.

In addition to the above, we always offer language courses and courses aimed at increasing knowledge of information technology and digital tools.

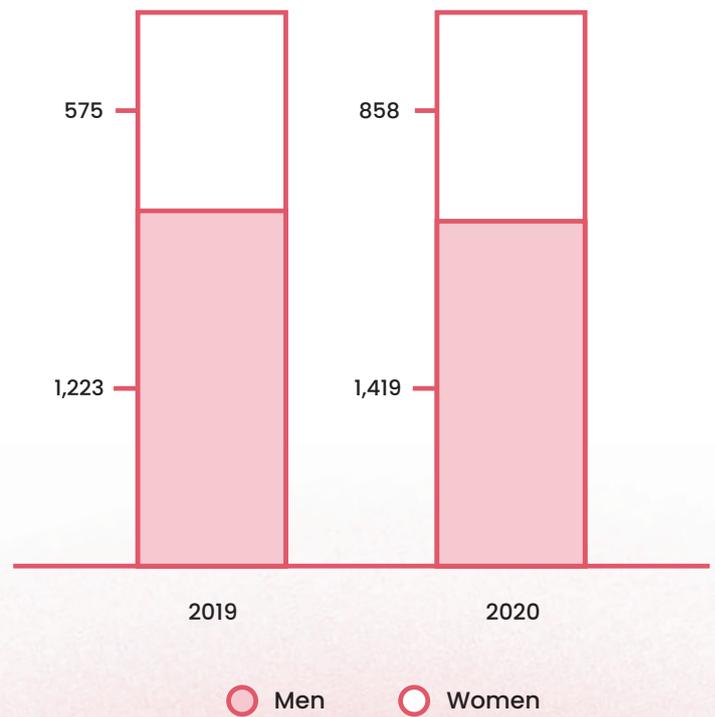
Average hours of training provided in 2020 (professional category and gender)



Diversity in our workforce

The Sapio Group values diversity as a strength of the company and is constantly working to support the development of a diversified workforce with policies aimed at promoting inclusiveness.

Composition employees at 31 December (by gender)



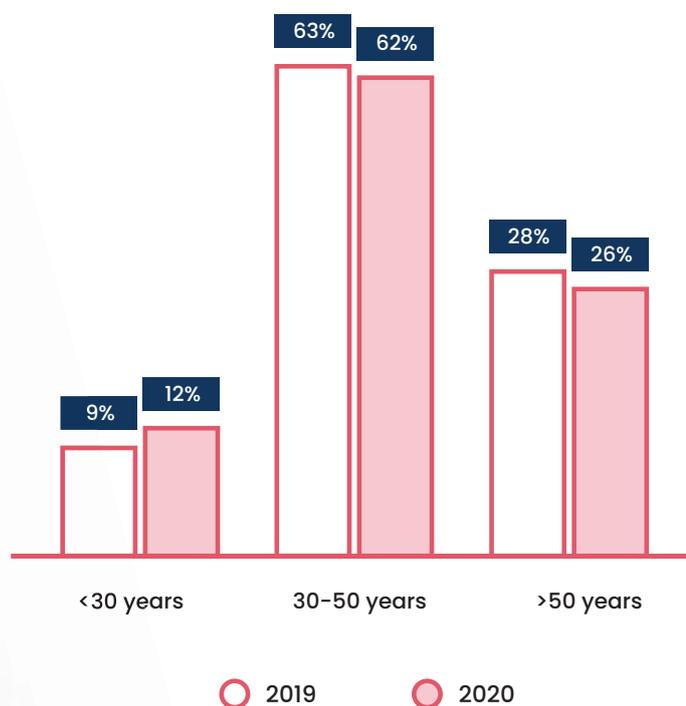
The diversity of SAPIO is outlined by the following indicators:

- **38% of the workforce are women**, of whom 19% are in Italy and 19% abroad; the presence of women is up by 49% compared to 2019, also taking into account the companies taken over during the year;
- **12% of the workforce is under the age of 30**, with 6% in Italy and 6% abroad; 62% of the workforce is between 30 and 50 years of age, of which 38% in Italy and 24% abroad; 26% of the workforce is over the age of 50, of which 18% in Italy and 8% abroad;

By working with various talent procurement companies, the Group is striving to improve workforce diversification.

As a demonstration of the Group's commitment to diversity, 50% of new hires in 2020 were women and 47% were under 30.

Composition % employees at 31 December
(by age group)



Annexes



Identifying stakeholders and materiality assessment

In line with wh the GRI Standards and the main frameworks on the subject (e.g. AA1000), Stakeholders are defined as those entities or individuals who may reasonably expected to be significantly influenced by the activities, products and services of the organization, or whose actions may reasonably be expected to affect the organization's ability to successfully implement its strategies and achieve its objectives.

As part of the preparatory activities for the definition of the Materiality Matrix, as reported below, the Group identified the following Stakeholders based on an internal analysis of the context and of the reference sector, taking into account the best practices at a national and international level and the main sustainability frameworks.

Map and methods of involvement and dialogue with Stakeholders

Stakeholders

STAKEHOLDERS	Methods of dialogue and engagement
Shareholders	<ul style="list-style-type: none"> – Board of Directors
Employees	<ul style="list-style-type: none"> – Internal communications – Corporate meetings – Training and information activity – Sharing of the Sapio Group's Code of Ethics and Organizational Model – "Workplace" platform – Auditors, where present
Clients	<ul style="list-style-type: none"> – Website and publications – Newsletter – Industry events – Direct contacts (e.g. commercial structure) – Customer Relationship Management (CRM) – Supply chain
Patients	<ul style="list-style-type: none"> – Customer Relationship Management (CRM) – Supply chain – Call centres
Suppliers and partners	<ul style="list-style-type: none"> – Direct contacts – Access to a dedicated web portal – Sharing of the Sapio Group's Code of Ethics and Organizational Model – Supply chain
Community	<ul style="list-style-type: none"> – Donations and sponsorships – Support for school training – Collaborations
Associations	<ul style="list-style-type: none"> – Active participation in the life of the main sector associations
Future generations	<ul style="list-style-type: none"> – Definition of corporate sustainability objectives

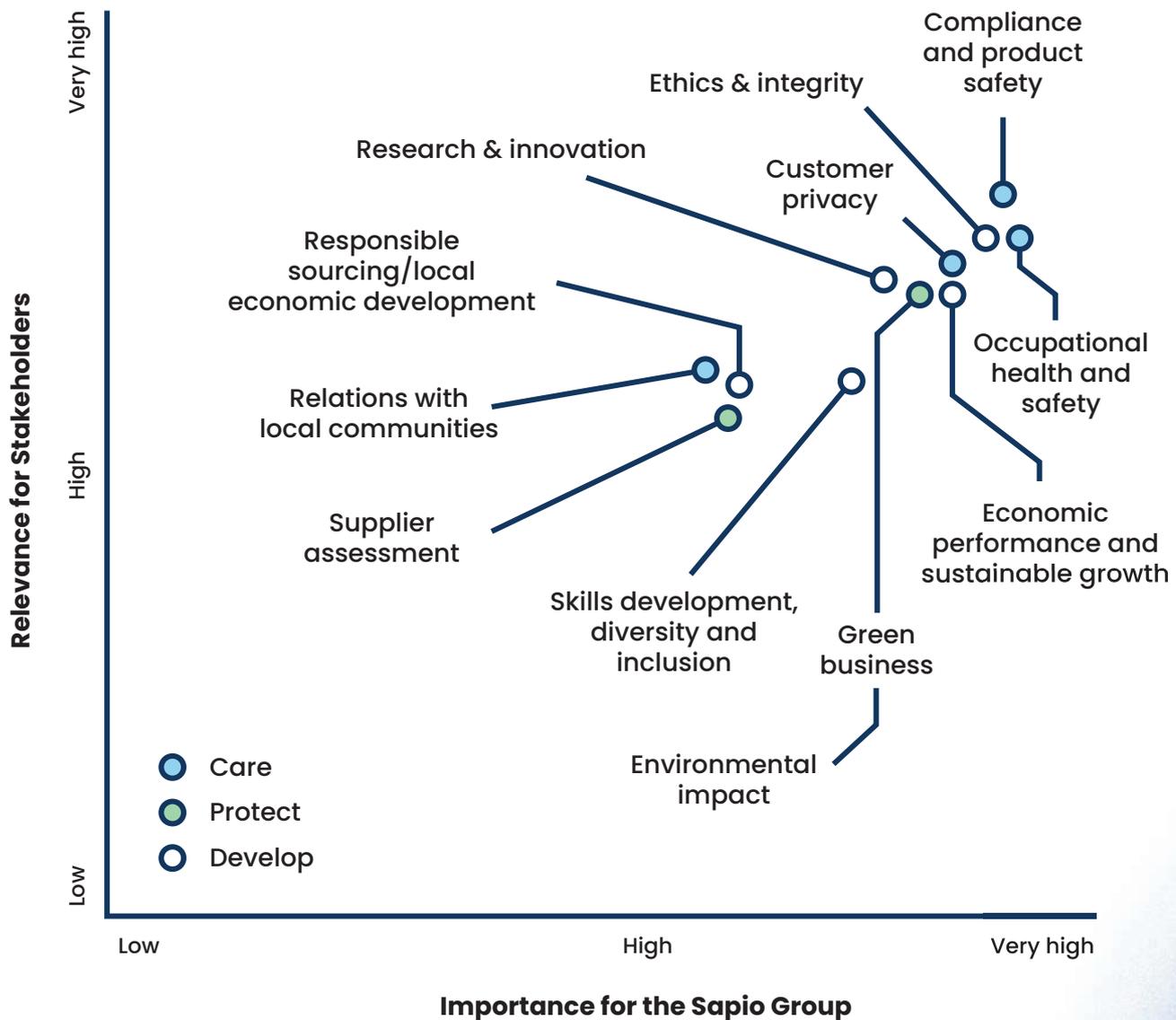
Materiality assessment

In line with the requirements of the GRI Standards, the contents of this Report have been defined by means of a materiality assessment, which made it possible to identify the aspects that reflect the most significant economic, environmental and social impacts for the Group and that could substantially influence the evaluations and decisions of its Stakeholders.

The assessment focused first of all on a benchmark of companies operating in the industrial and medical gases sector, which issue sustainability or non-financial reports.

This led to the identification of a set of sustainability issues potentially relevant to the Group. Subsequently, by means of a questionnaire for the evaluation of material topics administered to the Sapio Steering Committee in February 2021, it was possible to prioritize the topics identified, assessing the relevance of each of them in consideration of its present impact and its prospective relevance for the Group and its Stakeholders.

This process led to the definition of 12 material topics, positioned within the Materiality Matrix as shown below:



For each of the topics represented within the Materiality Matrix, the impact boundary was also identified:

Area	Material topics	Impact boundary	Type of impact
CARE	Compliance and product safety	The Sapio Group	Generated by the Group
	Occupational health and safety	Employees and outside workers of the Sapio Group	Generated by the Group
	Customer privacy	The Sapio Group	Generated by the Group
	Relations with local communities	The Sapio Group	Generated by the Group
PROTECT	Environmental impact	Sapio Group, Energy producers	Generated by the Group and directly connected through a business relationship
	Green business	The Sapio Group	Generated by the Group
	Supplier assessment	The Sapio Group	Generated by the Group and directly connected through a business relationship
DEVELOP	Ethics and integrity	The Sapio Group	Generated by the Group
	Economic performance and sustainable growth	The Sapio Group	Generated by the Group
	Research and innovation	The Sapio Group	Generated by the Group
	Development of skills, diversity and inclusion	The Sapio Group	Generated by the Group
	Responsible sourcing/local economic development	Sapio Group, Suppliers	Generated by the Group and directly connected through a business relationship

Analytical data of the Sustainability Report

See the “Index of GRI Contents” for information on the boundary limitations applied to the data reported

Human resources

GRI 102-8: Employees by contract type, gender and geographic region at 31 December

Total number of employees by contract type, gender and geographic region						
	2019			2020		
	Open-ended contract	Fixed-term	TOTAL	Open-ended contract	Fixed-term	TOTAL
Italy						
Men	914	32	946	923	53	976
Women	371	22	393	398	36	434
Total	1,285	54	1,339	1,321	89	1,410
Outside Italy						
Men	267	10	277	413	30	443
Women	163	19	182	373	51	424
Total	430	29	459	786	81	867
Group						
Men	1,181	42	1,223	1,336	83	1,419
Women	534	41	575	771	87	858
Total	1,715	83	1,798	2,107	170	2,277

GRI 102-8: Employees by type of employment and gender at 31 December

Total number of employees by type of employment (full-time and part-time) and gender						
	2019			2020		
	Full-time	Part-time	TOTAL	Full-time	Part-time	TOTAL
Men	1,195	28	1,223	1,387	32	1,419
Women	475	100	575	720	138	858
Total	1,670	128	1,798	2,107	170	2,277

GRI 405-1: % of employees by category and gender at 31 December

Employees by category and gender				
	2019		2020	
	Men	Women	Men	Women
<i>Executives</i>	80%	20%	76%	24%
<i>Middle management</i>	81%	19%	69%	31%
<i>Administrative staff</i>	58%	42%	57%	43%
<i>Health and nursing staff</i>	63%	37%	42%	58%
<i>Workers</i>	91%	9%	82%	18%
TOTAL	68%	32%	62%	38%

GRI 405-1: % of employees by category and age group at 31 December

Employees by category and age group						
	2019			2020		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
<i>Executives</i>	0%	47%	53%	0%	56%	44%
<i>Middle management</i>	0%	55%	45%	1%	61%	38%
<i>Administrative staff</i>	10%	65%	25%	9%	64%	27%
<i>Health and nursing staff</i>	16%	62%	23%	26%	60%	14%
<i>Workers</i>	8%	61%	31%	14%	61%	25%
TOTAL	9%	63%	28%	12%	62%	26%

GRI 405-1: Employees by category at 31 December

Employees belonging to protected categories by employee category		
	2019	2020
<i>Executives</i>	-	-
<i>Middle management</i>	2	2
<i>Administrative staff</i>	37	35
<i>Health and nursing staff</i>	4	5
<i>Workers</i>	7	13
TOTAL	50	55

GRI 405-1: Diversity in governance bodies by gender and age group at 31 December

Diversity in the governing bodies of the Group by gender and age group								
Percentage of people	2019				2020			
	<30 years	30-50 years	>50 years	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Men	0%	29%	52%	81%	0%	23%	58%	81%
Women	0%	19%	0%	19%	0%	18%	1%	19%
TOTAL	0%	48%	52%	100%	0%	41%	59%	100%

Diversity in the Parent Company's Board of Directors by gender and age group								
	2019				2020			
	<30 years	30-50 years	>50 years	TOTAL	<30 years	30-50 years	>50 years	TOTAL
Men	0%	18%	82%	100%	0%	10%	90%	100%
Women	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	0%	18%	82%	100%	0%	10%	90%	100%

GRI 401-1: Number and rate of new hires and terminations by gender, age group and geographical region

Number and rate of new hires - ITALY										
	2019					2020				
	<30 years	30-50 years	>50 years	TOTAL	Rate	<30 years	30-50 years	>50 years	TOTAL	Rate
Men	15	45	5	65	7%	29	60	11	100	10%
Women	15	55	6	76	19%	11	67	3	81	19%
TOTAL	30	100	11	141	11%	40	127	14	181	13%
Rate	29%	12%	3%	11%		30%	15%	3%	13%	

Number and rate of terminations - ITALY										
	2019					2020				
	<30 years	30-50 years	>50 years	TOTAL	Rate	<30 years	30-50 years	>50 years	TOTAL	Rate
Men	4	30	17	51	5%	12	41	20	73	8%
Women	2	16	6	24	6%	2	26	9	37	9%
TOTAL	6	46	23	75	6%	14	67	29	110	8%
Rate	6%	5%	6%	6%		10%	8%	7%	8%	

Number and rate of new hires – ABROAD

	2019					2020				
	<30 years	30-50 years	>50 years	TOTAL	Rate	<30 years	30-50 years	>50 years	TOTAL	Rate
Men	12	25	11	48	12%	26	59	10	95	22%
Women	19	29	11	59	15%	37	72	6	115	30%
TOTAL	31	54	22	107	13%	63	131	16	210	26%
Rate	21%	11%	14%	13%		43%	26%	10%	26%	

Number and rate of terminations – ABROAD

	2019					2020				
	<30 years	30-50 years	>50 years	TOTAL	Rate	<30 years	30-50 years	>50 years	TOTAL	Rate
Men	7	22	10	39	9%	20	53	16	89	21%
Women	8	20	9	37	10%	26	66	12	104	27%
TOTAL	15	42	19	76	10%	46	119	28	193	24%
Rate	10%	9%	12%	10%		31%	24%	17%	24%	

Number and rate of new hires – GROUP

	2019					2020				
	<30 years	30-50 years	>50 years	TOTAL	Rate	<30 years	30-50 years	>50 years	TOTAL	Rate
Men	27	70	16	113	8%	55	119	21	195	14%
Women	34	84	17	135	17%	48	139	9	196	24%
TOTAL	61	154	33	248	12%	103	258	30	391	18%
Rate	24%	11%	6%	12%		36%	19%	5%	18%	

Number and rate of terminations – GROUP

	2019					2020				
	<30 years	30-50 years	>50 years	TOTAL	Rate	<30 years	30-50 years	>50 years	TOTAL	Rate
Men	11	52	27	90	7%	32	94	36	162	12%
Women	10	36	15	61	8%	28	92	21	141	17%
TOTAL	21	88	42	151	7%	60	186	57	303	14%
Rate	8%	7%	8%	7%		21%	14%	10%	14%	

GRI 404-1: Average hours of training as of 31 December

Average hours of training by professional category		
	2019	2020
<i>Executives</i>	10.3	16.7
<i>Middle management</i>	28.5	22.1
<i>Administrative staff</i>	21.3	8.5
<i>Health and nursing staff</i>	5.8	6.8
<i>Workers</i>	13.1	4.9
TOTAL	17.3	8.8

Average hours of training by gender		
	2019	2020
Men	20.3	9.9
Women	12.2	8.8
TOTAL	17.3	8.8

Health and safety

GRI 403-9: Work-related injuries ²²

Time data (Employees)		
	2019	2020
Hours worked	2,945,604	3,696,855
Multiplier for the calculation	1,000,000	1,000,000

Injury rates (Employees)		
	2019	2020
Rate of recordable occupational injuries	5.77	8.39
Rate of serious accidents at work (excluding deaths)	0.34	0.00
Rate of deaths due to accidents at work	0.00	0.00

Environment

GRI 305-7: NOx and SOx emissions and other significant emissions

Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions (t)	2019	2020
NOx	5,524.45	6,131.30
SOx	7.11	17.00
Persistent organic pollutants (POP)	0.07	0.13
Volatile Organic Compounds (VOC)	2.16	2.59
Hazardous Air Pollutants (HAP)	0.00	0.00
Particulate (PM)	4.70	6.19
Carbon monoxide	21.30	47.50

²² Recordable accidents with serious consequences: Injuries that lead to damage from which the worker (employee) cannot recover, does not recover or from which it is unrealistic to expect that they will recover fully and return to their state of health prior to the accident within 6 months (excluding deaths).

The injury rates are calculated as follows:

- Rate of deaths resulting from accidents at work: $\text{number of deaths resulting from accidents at work} / \text{number of hours worked} \times 1,000,000$
- Rate of serious injuries at work (excluding deaths): $(\text{number of injuries at work with serious consequences (excluding deaths)}) / \text{number of hours worked} \times 1,000,000$

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GRI 103-3	11, 115		Evaluation of the management approach
GRI 204: Procurement practices 2016			
GRI 204-1	115	The data shown does not include information relating to the following companies: Axa Medica S.r.l., Cesaltig S.r.l., Alloys Italia S.r.l., Medica Group S.r.l., Sistemi Iperbarici S.r.l., Synapse Santé S.a.s..	Proportion of spending on local suppliers
Material topic: ETHICS AND INTEGRITY			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 116-119		management approach and its components
GRI 103-3	11, 116-119		Evaluation of the management approach
GRI 205: Anti-corruption 2016			
GRI 205-3	During 2020, no cases of corruption were ascertained		Confirmed incidents of corruption and actions taken
GRI 307: Environmental compliance 2016			
GRI 307-1	During 2020, there were no significant cases of non-compliance in the environmental field		Non-compliance with environmental laws and regulations
Material topic: EVALUATION OF SUPPLIERS			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 115		management approach and its components
GRI 103-3	11, 115		Evaluation of the management approach

GRI Standard	Page no./ Notes	Omission	Information
Material issue: ENVIRONMENTAL IMPACT			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 89-106		The management approach and its components
GRI 103-3	11, 70, 100-106		Evaluation of the management approach
GRI 302: Energy 2016			
GRI 302-1	100-101	The data shown does not include information relating to the following companies: Axa Medica S.r.l., Medica Group S.r.l.	Energy consumption within the organization
GRI 303: Water and effluents 2018			
GRI 303-3	106-107	The data shown does not include information relating to the following companies: Alloys Italia S.r.l., Axa Medica S.r.l., Medica Group S.r.l., Sapio Santé France S.a.S, Sistemi Iperbarici S.r.l., Synapse Santé S.a.s.. For third-party water resources in water-stressed areas, there is no subdivision for surface water, groundwater and seawater.	Water withdrawal
GRI 305: Emissions 2016			
GRI 305-1	103	Please refer to the note on indicator 302-1	Direct (Scope 1) GHG emissions
GRI 305-2	103	Please refer to the note on indicator 302-1	Energy indirect (Scope 2) GHG emissions
GRI 305-3	104	Please refer to the note on indicator 302-1	Other indirect (Scope 3) GHG emissions
GRI 305-7	139	The data shown does not include information relating to the following companies: Alloys Italia S.r.l., Axa Medica S.r.l., Homeperf S.a.s., Medica Group S.r.l., Sapio Santé France S.a.S, Sistemi Iperbarici S.r.l., Synapse Santé S.a.s.	Nitrogen oxides (NOx), sulfur oxides (SOx), and other air emissions
GRI 306: Waste 2020			
GRI 306-3	104-105	The data shown does not include information relating to the following companies: Alloys Italia S.r.l., Axa Medica S.r.l., Homeperf S.a.s., Medica Group S.r.l., Sapio Santé France S.a.S, Sistemi Iperbarici S.r.l., Synapse Santé S.a.s.	Waste generated
Material topic: DEVELOPMENT OF SKILLS, DIVERSITY AND INCLUSION			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 121, 126-127		The management approach and its components
GRI 103-3	11, 121, 126, 127		Evaluation of the management approach

GRI Standard	Page no./ Notes	Omission	Information
GRI 401: Employment 2016			
GRI 401-1	125, 136-137		New employee hires and employee turnover
GRI 404: Training and education 2016			
GRI 404-1	127, 138		Average hours of training per year per employee
GRI 405: Diversity and equal opportunity 2016			
GRI 405-1	128-129, 135-136		Diversity of governance bodies and employees
Material topic: OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-25, 28-30, 63-67		The management approach and its components
GRI 103-3	11, 63-67, 70		Evaluation of the management approach
GRI 403: Occupational health and safety 2018			
GRI 403-1	64		Occupational health and safety management system
GRI 403-5	66		Worker training on occupational health and safety
GRI 403-6	67		Promotion of worker health
GRI 403-9	63, 138	The data do not include information relating to external workers	Work-related ill health
Material topic: COMPLIANCE AND PRODUCT SAFETY			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 68-70		The management approach and its components
GRI 103-3	11, 68-70		Evaluation of the management approach
GRI 416: Customer health and safety 2016			
GRI 416-1	The percentage of categories of products and services of the Group for which the impacts on customer health and safety have been assessed accounts for about 97% of the total.	The data shown does not include information relating to the following companies: Axa Medica S.r.l., Cesaltig S.r.l., Alloys Italia S.r.l., Medica Group S.r.l., Sistemi Iperbarici S.r.l., Synapse Santé S.a.s., Tecnosaldatura S.r.l.	Assessment of the health and safety impacts of product and service categories

GRI Standard	Page no./ Notes	Omission	Information
MATERIAL TOPIC: CUSTOMER PRIVACY			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 81		The management approach and its components
GRI 103-3	11, 81		Evaluation of the management approaches
GRI 418: Customer privacy 2016			
GRI 418-1	81		Substantiated complaints concerning breaches of customer privacy and losses of customer data
Material topic: RELATIONS WITH LOCAL COMMUNITIES			
GRI 103: Management approach 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 82-85		The management approach and its components
GRI 103-3	11, 82-85		Evaluation of the management approach
Material issue: GREEN BUSINESS			
GRI 103: Management methods 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 91-99		The management approach and its components
GRI 103-3	11, 91-99		Evaluation of the management approach
Material issue: RESEARCH AND INNOVATION			
GRI 103: Management methods 2016			
GRI 103-1	10-11, 132-133		Explanation of the material topic and its Boundary
GRI 103-2	17-21, 28-30, 54-57, 75-80		The management approach and its components
GRI 103-3	11, 54-57, 75-80		Evaluation of the management approach

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of Sapio Produzione Idrogeno Ossigeno S.r.l.

We have carried out a limited assurance engagement on the Sustainability Report of the Sapio Group (hereinafter also the "Group") as of December 31, 2020.

Responsibility of the Directors for the Sustainability Report

The Directors of Sapio Produzione Idrogeno Ossigeno S.r.l. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by the GRI – Global Reporting Initiative ("GRI Standards"), with reference to the selection of GRI Standards, as stated in the paragraph "Methodological Note" of the Sustainability Report.

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

The Directors are also responsible for the definition of the Group's objectives related to the sustainability performance and for identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* 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 auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards, with reference to the selection of GRI Standards. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter *"ISAE 3000 Revised"*), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- Analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Sapio Produzione Idrogeno Ossigeno S.r.l. and with the personnel of Sapio Life S.r.l., and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- For the following companies, Sapio Produzione Idrogeno Ossigeno S.r.l. and Sapio Life S.r.l., which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Sapio Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological Note” of the Sustainability Report, with reference to the selection of GRI Standards.

Other matters

The data for the year ended December 31, 2019 presented for comparative purposes in the Sustainability Report have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.

Signed by

Lorenzo Rossi

Partner

Milan, Italy

September 24, 2021

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



Breathing the future