

SUSTAINABILITY REPORT 2022



FUTURE IS IN THE AIR

SCAN ME



Breathing the future

*"In memory of Piero Bertuzzi,
Paolo Mercadante and Riccardo Tercelli"*



Breathing the future

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President Alberto Dossi together with (from left): Vice-President Maurizio Colombo, Progefin President Alessandro Dossi, Vice-President Andrea Dossi and CEO Mario Paterlini

2022 was a particularly important year for SAPIO. SAPIO was in fact founded in Monza 100 years ago, in 1922, by Piero Dossi and Pio Colombo. Having reached 100 years of history makes us extremely proud, but it makes us feel even more the responsibility we have "as a company", as partners and management of the same, towards our people and towards the communities in which we operate. We are increasingly aware that the creation of value through our economic growth cannot be separated from the distribution of this value to the ecosystem to ensure a safer, healthier and cleaner world and a better future for generations to come.

After a series of other institutional appointments, on 17 October 2022, exactly one month before the Group's birthday, we celebrated this wonderful milestone at La Scala in Milan. Such a significant milestone deserved to be celebrated on a grand scale, in one of the most prestigious venues in the world and together with all our people, the heart and true strength of our company, who have contributed with their work and commitment to the success of the great SAPIO family.

These first 100 years of SAPIO, are a great success also recognised by the public institutions, to the point that on 17 November 2022, on the exact day of its 100th birthday, SAPIO was defined, to our great pride, as 'Champion of Made in Italy' and celebrated with a philatelic cancellation at Palazzo Ferrajoli in Rome.

Celebrating the centenary was a great commitment, but also a privilege because it tells a story made of people, passion and values. These are precisely the pillars of SAPIO: responsibility, fairness, entrepreneurship, leadership, people's growth, but also constant respect and fairness; these are the same values left by the founders of SAPIO, values that I try to pass on with great pride every day to all employees and that I hope to be able to leave to future generations.

The year 2022 was not only a year of celebration, but also a difficult one. After the pandemic, the war in Ukraine and a deep energy crisis hit our economies, together with an unprecedented inflationary phenomenon, and put a strain on the work of the entire Group. Nevertheless, thanks to the tenacity which distinguishes this large family of more than 2,300 people, we were able to achieve extraordinary results in 2022 as well, bringing the four-year period 2018-2022 and the NExT industrial plan to a worthy conclusion, and cementing the foundations for the launch of an even more ambitious plan for the three-year period 2023-2025, the INSPIRE plan. We therefore continue to pursue our greatest goal: to be the best company to buy from, to invest in, to work; and while doing so, it makes us extremely proud to be able to create jobs, stimulate new technologies, and do good for the environment and people. Sustainability has been part of the company's DNA since our foundation and today more than ever we believe it is essential to pursue the energy transition within the Group and in support of our customers. Sustainable development, in fact, is at the heart of every business decision and leads us to position ourselves more and more in line with the UN Sustainable Development Goals by putting the patient at the centre and our gases, particularly hydrogen and biomethane, in the service of decarbonisation.

Much has been done and much still remains to be done, but challenges are part of our history and from here, every day, we will build the future together.

Alberto Dossi

President



METHODOLOGICAL NOTE

This document represents the balance sheet 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 (hereafter referred to as '**Subsidiaries**' or '**Subsidiaries**') consolidated on a line-by-line basis (hereafter the "**Group**" or the "**SAPIO Group**") with reference to the financial year 2022, from 1 January to 31 December.

In order to communicate in a transparent manner and comparable sustainability performance of the Group, the Sustainability Report was prepared in accordance with GRI Standard 2021, of hereinafter "GRI Standards", as outlined in the "**Table of Contents according to the Global Reporting Initiative**" section of this document.



The Reported content was selected on the basis of the results of the analysis of materiality realised through questionnaires at the turn of the year 2022 and the beginning of the year 2023. The answers to these questionnaires allowed to identify material issues for the Group through the participation and involvement of the members of the executive committee (**'Executive Committee'**) and different categories of stakeholders (hereafter the **'Stakeholders'**) as representatives of employees, suppliers, customers and partners. The Materiality Matrix presented within the section **"The Creation of value for our Stakeholders"** in this document is the result of the analysis conducted. The Scope of Data Reporting and financial information corresponds to that of the consolidated financial statements as at 31 December 2022¹.

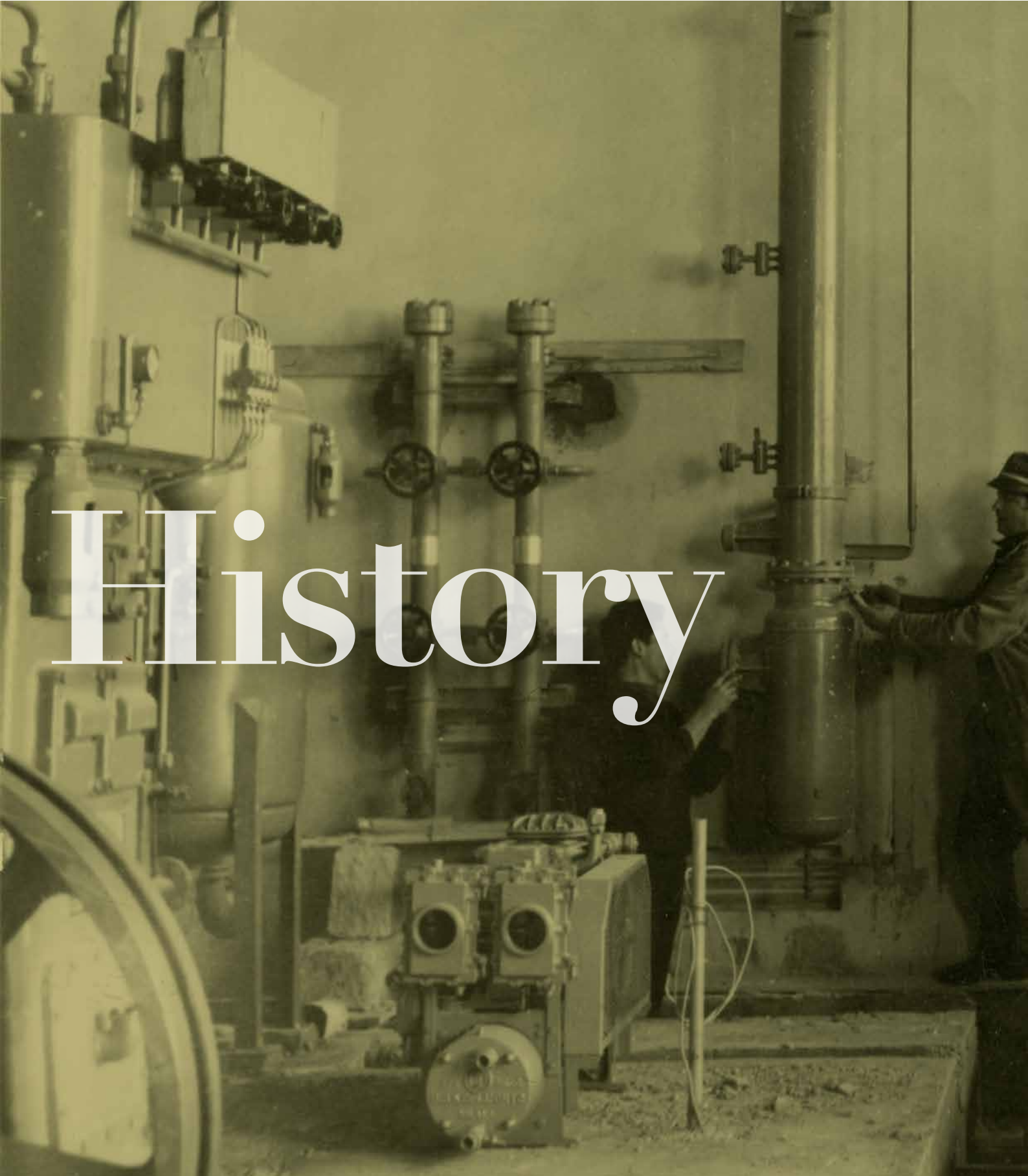
The scope of data and information on social and environmental aspects includes SAPIO and its fully consolidated subsidiaries. Any changes to this perimeter, or limitations and exclusions in the reporting, are appropriately indicated in the **'Table of Contents according to the Global Reporting Initiative'** of this document. The figures for the previous year are shown for comparative purposes in order to facilitate the assessment of the Group's business performance. To ensure the reliability of the data, it was limited as much as possible the use of estimates, which, if present, are appropriately reported and based on the best available methodologies.

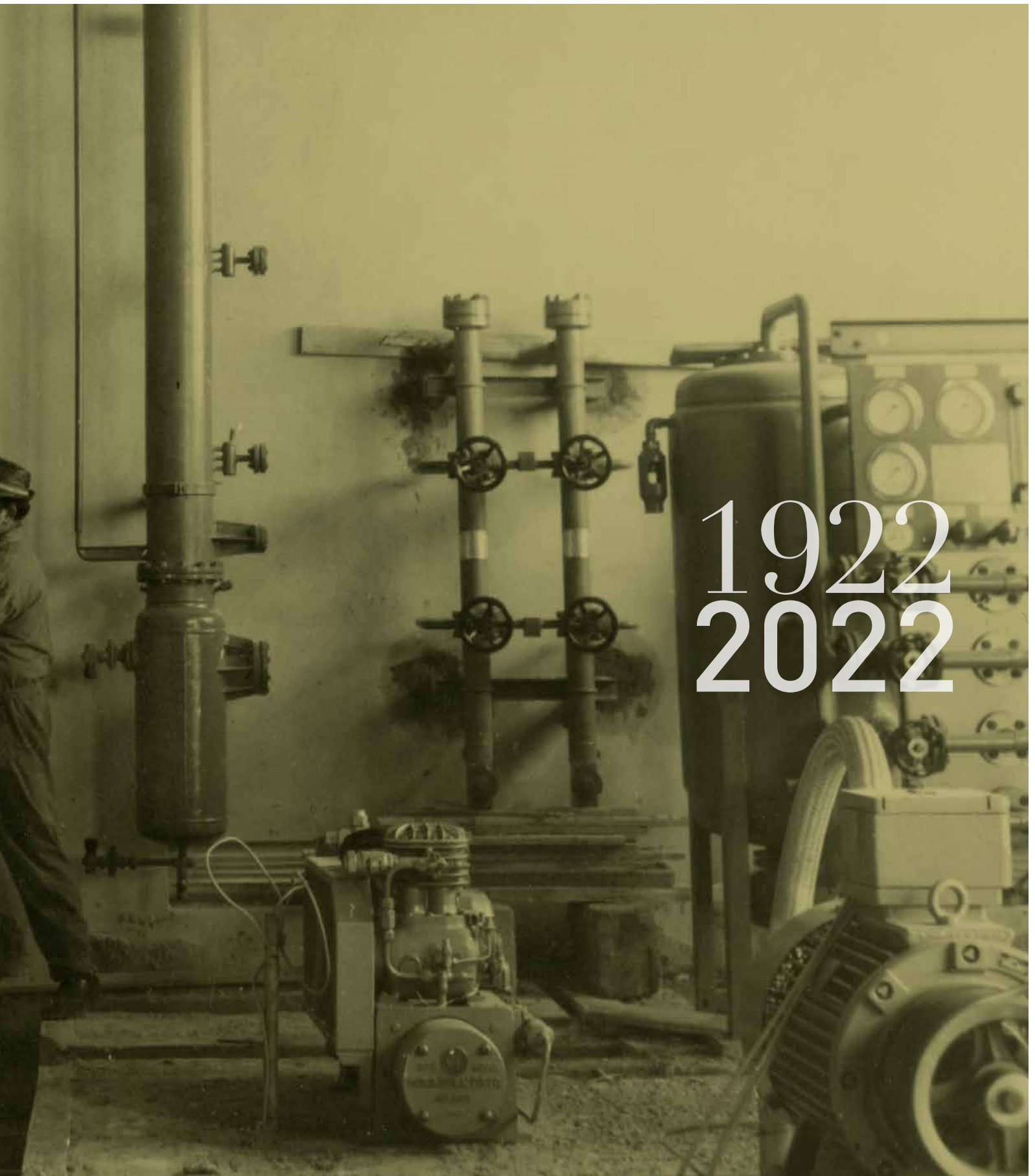
This document has been submitted to the Board of Directors (**'Board of Directors'** or **'BoD'**) of SAPIO for review and approval.

The Annual Report was also audited of compliance ("Limited assurance engagement" according to the criteria indicated by ISAE 3000 Revised) by the auditor Deloitte & Touche S.p.A.. The audit was carried out according to the procedures indicated in the **"Auditor's Report"** at the end of these Financial Statements.

The publication frequency of the Sustainability Report is annual. For information for the SAPIO Group Sustainability Report, please contact **Sapio Sustainability Management** at: **sustainability@sapio.it**.

¹ The consolidated financial information of the Group is prepared on the basis of management data.

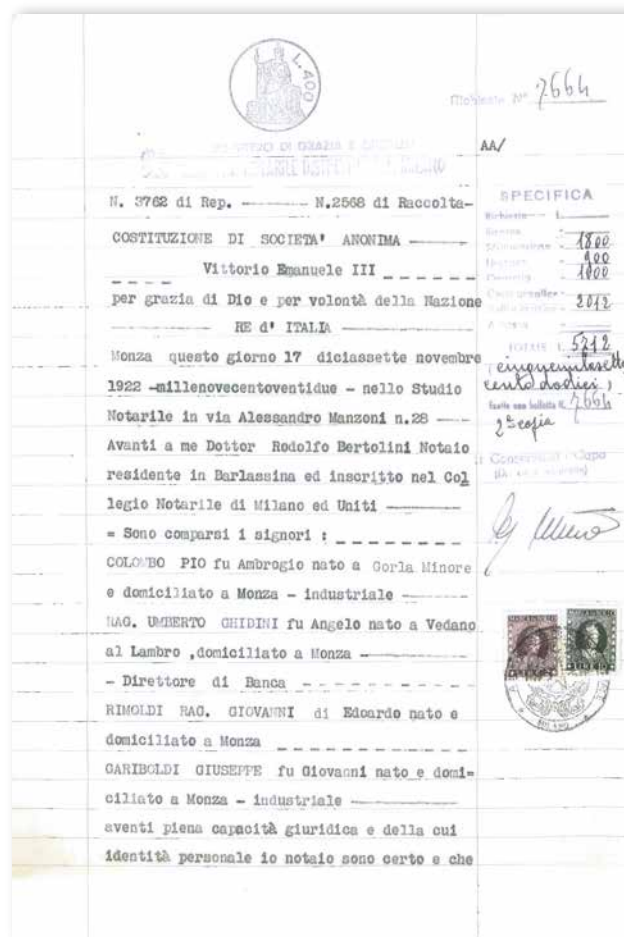




100 years
OF CORPORATE
HISTORY

Determination and tenacity, combined with vision and technical expertise made SAPIO a major player in the economic and industrial landscape from the very beginning. Anticipating the times and investing in production facilities, SAPIO soon built the first air separation unit for oxygen extraction in Monza, the first plant in the south in Taranto (1938) and in 1958, SAPIO, inaugurated one of the Group's most advanced plants in Mantua, where hydrogen, among other gases, is produced. The capillary expansion in a large part of the country and the increase in products offered on the market imposed a first decisive choice for the company's future: the opening of management to managers not belonging to the founding families, which has been taking place since the 1970s, increasing the potential growth of the Group. In the early 1990s, SAPIO entered the health care market by founding Sapio Life, which today generates more than half of the Group's turnover, and decided to open up to foreign capital by bringing in the American Air Products and Chemicals, Inc. as a partner, one of the large multinationals in the sector. The arrival of the third millennium sees the company continually seeking innovative products and services and entering new sectors high development, such as electronics for the manufacture of microprocessors. In addition, the first hydrogen bus was built, the Biorep Biological Resource Centre was established and the decision was made to invest in digital by acquiring, among other things, the telemedicine portal Pazienti.it.

THE **SOCIETÀ ANONIMA**
PRODUZIONE IDROGENO
OSSIGENO – SAPIO WAS
FOUNDED IN 1922 IN MONZA
ON THE INITIATIVE OF TWO
ENTREPRENEURS:
PIERO DOSSI
AND PIO COLOMBO
WITH A SHARE CAPITAL
OF ITL 160,000



Signature deed of incorporation

| Inventario e Bilancio al 31 Dicembre 1923 | | | |
|---|--------------|-------------|--|
| <u>Attività</u> | | | |
| <u>Macchinario ed attrezzi:</u> | | | |
| a Impianto elettrolitico | £ 110.000.- | | |
| b Gruppo motore dinamico | 48.000.- | | |
| c Quadro interruttore automatico | 7.500.- | | |
| d Compressori 1 | 12.000.- | | |
| e Compressori 2 | 62.000.- | | |
| f Bombe 700 | 40.000.- | | |
| g Gasometri | 20.500.- | | |
| h Conduttore rame | 11.000.- | | |
| i Conduttore (fubi) | 2.000.- | | |
| l Serbatoio ferro | 12.000.- | | |
| m Trasmissioni, celle | 3.000.- | | |
| n Dotazione valvole ecc | 6.000.- | | |
| o Altro | | | |
| | £ 356.200.- | | |
| <u>Immobili</u> | | | |
| Stabili di Via Roberto Ardigò e di cui ai rogiti Dott. Bertolini n. 1965-2915 di deposito 16 marzo 1923 — | | | |
| autocostato delle migliorie apportate: | | £ 730.72.50 | |
| <u>Conti debitori:</u> | | | |
| Impianto e costruzione stabilimento | | | |
| Come da saldo conti | £ 100.380.53 | | |
| riportati | 100.380.53 | 429.72.50 | |

Today, the group operates at the national level and internationally has offices in France, Germany, Spain, Slovenia and Turkey. With a turnover of more than 800 million and more than 2,300 employees, SAPIO produces, develops and markets gases, technologies innovative technologies as well as integrated services for the industry, for the energy transition, for healthcare, and biotechnology. In the future of this 100-year-old industry there is an ambitious growth plan that aims to one side to internationalize its business and on the other to focus on the growth of the Italian market and in the most added value sectors. Moving from values that have been handed down for three generations, the Group has also launched an ambitious program of development related to sustainability and ecological transition, understood not only as respect for the environment, but also as a benefit for its employees and for the ecosystem of the surrounding area.

January 1st 1923 Start of the **production of hydrogen and oxygen from electrolysis**. Among the assets of SAPIO the first electrolyzer is reported.

1930s The first **30,000 cubic metre/month fractioning plant** was installed for the production of gaseous oxygen, purchased in Germany from Messer Griesheim. The products distributed in cylinders are oxygen from air separation, hydrogen from electrolysis and acetylene from calcium carbide



SAPIO Taranto factory

1940-49 Production continues even during the Second World War: **SAPIO is on the list of war companies**



SAPIO cryogenic gas tanker truck

1930s



Element belonging to SAPIO's first air separation plant

1938

1938 Opening of SAPIO factory in Taranto, which was later bombed in 1940

1940



Details of a production plant in the '40s-'50s

1950s

1950s 'Cryogenic revolution' and transition from cylinders to liquid. The first two cryogenic evaporators, purchased in the USA from Standard Steel, were installed, one in a steel mill in Rescaldina, the other in the SAPIO factory in Piacenza

1950s-60s Acquisition of production facilities in **Busto Arsizio, Taranto, Mantua, Marghera, Ferrara, Priolo and Porto Torres**

1958_Inauguration of the **production unit**
of the **SAPIO factory in Mantua**



SAPIO Caponago factory

1980s_Start of the acquisition phase
of the companies that are still part of the Group's
network of affiliated companies

Late 1980s_Construction - at the SAPIO plant
in Caponago - of the **first nitrogen plant**
for **ST Microelectronics**

1958

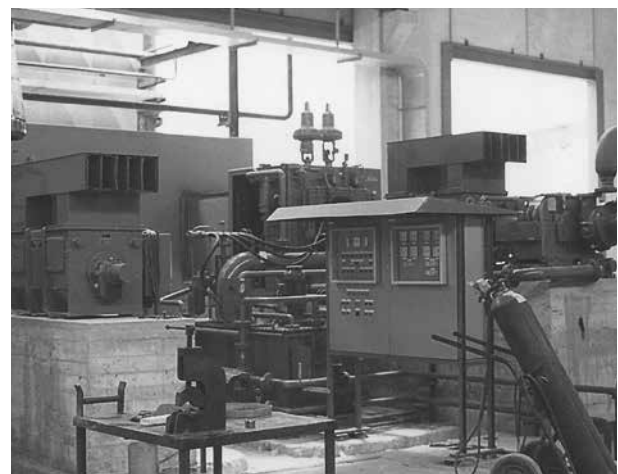


SAPIO Mantua factory in 1958

1970s_The '**New Applications**' department
was created, dedicated to the study of possible
applications of technical gases in industrial
sectors whose use was still unknown, to increase
production and to enhance product quality

1973_Inauguration of the **SAPIO plant in Caponago**
(MB)ii

1973



ASU Caponago turbine installation

1980s

1989_On December 21st 1989, **Sapio Life**, a company dedicated to the medical sector, **was founded** in response to the needs of the emerging home care market



Agreement between SAPIO and Air Products and Chemicals. In the photo, among others, Alberto Dossi and Maurizio Colombo

1993_After production by electrolyzers, **realisation in Mantua of the hydrogen production plant** for the domestic market through the natural gas steam reforming process called MN1

1997_New **Chemgas** air separation plant in Brindisi

1998_SAPIO Group acquires **Vitamed GmbH** in Germany, which operates in the health sector. Launch in Italy of the new product **DRIVEGAS**, nitrogen for tyres



First hydrogen bus

1989



Sapio Life logo

1990

1990_Alliance with **Air Products and Chemicals Inc.**, an American multinational company in the industrial gases sector, listed on the New York Stock Exchange



Hydrogen production plant from steam methane reforming in Mantua

1993

2000

2000_The **1st Italian hydrogen bus project starts** hydrogen: SAPIO Group offers eighty years of know-how into the hydrogen world for a project to be completed for the 2006 Turin Olympics

2003_BioRep S.r.l. was born, an independent service provider able to provide cryogenic storage to public and private research institutes for tissue cryopreservation, guaranteeing the highest levels of quality and safety

2003



BioRep cryogenic storage centre



Life Cure logo

2004

2004_Life Cure S.r.l. was founded, offering integrated services to support continuity of care at the patient's home. The person is at the centre of care and Life Cure revolves around them according to the philosophy of a strong personalisation of care

2006_Sistemi Iperbarici S.r.l. was founded, dedicated to the design, construction and maintenance of hyperbaric chambers and installations

2010_Alberto Dossi is appointed Chairman of the Group and **Mario Paterlini** is appointed CEO

2010



Alberto Dossi and Mario Paterlini



President Alberto Dossi receives the award from the then President of the Republic Giorgio Napolitano

2011

2011_In Turin, on the occasion of the 150th Anniversary of the Unification of Italy, the President of the Italian Republic **Giorgio Napolitano awards the winners of the SAPIO Prize for Italian Research**

2012_Confindustria awards SAPIO the '**Companies for Innovation**' prize

2014_The Group acquires the French company **Synapse Santé S.A.S.**

2015_**Alberto Dossi** is elected President of the Strategic Steering Committee of 'Mobilità Idrogeno Italia', now 'H2IT - Italian Hydrogen and Fuel Cells Association'



Pazienti.it logo

2020_In the midst of the pandemic, **SAPIO Group acquires the Homeperf Group**, a French company active in the homecare sector, through the subsidiary Sapio Santé France S.A.S

2021_**SAPIO acquires** - through its subsidiary BioRep S.r.l. - **51% of the company AdvicePharma Group S.r.l.**, which provides innovative services for clinical research, data management and health IT engineering. SAPIO acquires a further 29% of the share capital of the French Synapse Santé S.A.S., thus increasing its shareholding to 80%



German Consul Ingrid Jung in Caponago

2012



Premio Imprese per Innovazione

2015_**Acquisizione Pazienti.it S.r.l.**, health information and services portal

2019_The Group acquires the **GTI Group** active in homecare in Germany and in particular in the distribution of therapeutic gases).

The Group also acquired Contse S.A.U., a Spanish homecare company, later named Sapio Life S.A.U.

2015

2020



Homeperf logo

2022

2022_In February, the new **German Consul, Ingrid Jung**, visited the **Caponago** plant and said: 'You are a great company, historical and strategic in various fields, not least that of hydrogen production - I wanted to start my tour of the Italian business world from here'

2022 On March 28th, as part of the **centenary celebrations, an event was organised at the Caponago plant** with numerous authorities including the President of the Lombardy Region Attilio Fontana. The Minister of Economic Development Hon. Giancarlo Giorgetti, speaking remotely, says of SAPIO: 'A model company, an example company for our country. Listening to Alberto Dossi and Maurizio Colombo, seeing the activities they are engaged in, the challenges they have accepted and the concrete actions they have carried out, I believe this is a clear demonstration of how economic development is achieved thanks to entrepreneurial families like SAPIO, with a solid base of values, passion and trust'



Celebrating 100 years of SAPIO at La Scala in Milan

2022 On November 17th 2022 on the day of SAPIO's birthday, in Rome at the presence of the authorities the issue by Poste Italiane S.p.A. of a **postage stamp commemorating SAPIO's centenary is celebrated**. The Minister of Enterprise and Made in Italy, Adolfo Urso, emphasised the company's strength, an Italian excellence, and its ambition to be the best company to work for, buy from and invest in

2022



100 years of SAPIO in Caponago

2022 The 100th anniversary of **SAPIO is celebrated on October 17th 2022 with an event at La Scala in Milan.**

"This is a moment to celebrate the Group's centenary, dedicated not only to the founding families, but also and above all to you Italian, French, Spanish, German, Turkish and Slovenian employees who have successfully advanced the company to the present day." Alberto Dossi.
"Whatever your role or task, know that you are all very important to us." Maurizio Colombo

2022

2022



Alberto Dossi, Maurizio Colombo, Andrea Dossi and Mario Paterlini at the philatelic cancellation ceremony in Rome. Above right, the commemorative stamp

OUR VISION OF SUSTAINABILITY

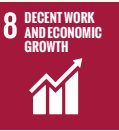
SUSTAINABILITY IS ONE OF OUR CORE VALUES, UNDERPINNING EVERY BUSINESS DECISION AND SUPPORTS US IN DEFINING THE PRODUCTS AND SERVICES WE OFFER TO OUR CUSTOMERS AND PATIENTS, IN THE INDUSTRIAL MARKET, IN OUR ENERGY TRANSITION OFFERING AND IN HEALTHCARE.

In 2015, more than 150 international leaders at the United Nations signed up to the Sustainable Development Goals ('SDGs'), a list of 17 Sustainable Development Goals whose ultimate goal is to contribute to global development by promoting human well-being, equity, eliminating poverty and protecting the environment. The SAPIO Group embraces and supports the SDGs

by adopting sustainability principles and actions in its day-to-day business. In 2022, the Group continued measuring its turnover also in terms of alignment with the UN agenda. The internal methodology developed² estimates that 62% of the SAPIO Group's activities are related to at least to one of the SDGs.



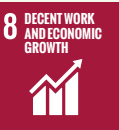
CARE



PROTECT



DEVELOP



² The estimation methodology applied considers all the Group's activities in the healthcare sector related to the identified SDGs and, for the activities in the industrial sector, only those with turnover associated with the specific initiatives related to the SDGs.



Care
of our employees,
our patients
and our customers

HOW DO WE CONTRIBUTE?

- **SAFETY** of our employees, suppliers and collaborators: the pillar of SAPIO's activity
- **MANAGEMENT** and safety of our products and services
- Customer **SATISFACTION**
- **INNOVATION** of products and services
- **PROTECTION** of customer data
- Community **SUPPORT** and community relations



Protection
of the environment,
of the resources
and environmental
impact reduction

HOW DO WE CONTRIBUTE?

- SAPIO's **OFFER** for customer sustainability
- SAPIO's **COMMITMENT** to reducing its carbon footprint
- **DEPURATION** of soil, water and exhaust fumes



Development of our
performance, our suppliers
and our employees through
to the sustainability
mission in order to bring
benefits to the entire SAPIO
ecosystem

HOW DO WE CONTRIBUTE?

- Group economic **PERFORMANCE**
- Supply Chain **SUSTAINABILITY**
- **GOVERNANCE** of ethics and integrity
- **VALORISATION** of our employees, development of talent and diversity



'Light haemodialysis' is how a home-assisted haemodialysis service is able to make a therapy that normally worsens the quality of life for patients suffering from chronic renal insufficiency, which is mild, acceptable, less affecting one's quality of life.

Telling us about it are some of our patients who have had the possibility of accessing this new opportunity, which is not yet available throughout Italy, spurring institutions to make it possible everywhere, and sincerely, consciously and realistically inviting other patients to pursue this path.

An opportunity that guarantees patients the same treatment they would receive in the hospital, in their own home, in safety, with greater adherence to what the doctor prescribed because they are followed and monitored in a timely manner by a professional three days a week.

Home therapy, as well as improving the lives of our patients, it also guarantees savings for the NHS and greater protection for the environment as the three-weekly trips from home to the dialysis centre and vice versa are reduced.



Light haemodialysis

DISCOVER
MORE



SAPIO and LIDL: together for the decarbonisation of transport



The SAPIO Group's commitment to achieving sustainable development goals is evidenced by the agreement it recently signed with Lidl, the retail giant, for a feasibility study that is unique in Italy: the construction of one or more hydrogen refuelling stations for vehicles transporting goods to the brand's supermarkets, with the ambitious goal of achieving the gradual decarbonisation of transport by 2030.

This is one of the first agreements of this kind signed by a large retail chain in Italy. The project marks a further step towards our country's energy transition and bears witness to the spirit of innovation and sustainability values that have always guided the SAPIO Group.



Proud to be

Great Place To Work.®

Certified

DEC 2022 - DEC 2023
ITALY

The 8 Best Workplaces™ for Blue Collar 2022

- 1 Andriani SpA Società Benefit
- 2 La Marzocco Srl
- 3 Masoni Industria Conciaria SpA
- 4 Gruppo Sapio
- 5 ENGIE Italia
- 6 Sew-Eurodrive Italia
- 7 Martini e Rossi SpA (Bacardi)
- 8 I.CO.P. S.p.A. Società Benefit

www.greatplacetowork.it

**Best
Workplaces™**

for Blue Collar

**Great
Place
To
Work.®**

ITALIA
2022

The first ranking that rewards
companies where **Blue Collar**
Workers claim to work in an
excellent workplace

Once again this year SAPIO and other companies of the Group representing 67% of the Group's turnover have achieved Great Place To Work® certification, which allows you to be recognised as a quality work environment. In addition, the 'Best Workplaces for Blue Collar 2022' ranking promoted by Great Place To Work Italy was published in October 2022. The SAPIO Group with great success, among more than 45 companies with similar characteristics analysed and over 200 taken into consideration at an early stage, placed 4th in the ranking. This special ranking was born out of the desire on the part of GPTW to recognise and reward companies

in which the blue collar population expressed a positive opinion of the working environment and their work experience. SAPIO has been rewarded because it has once again been recognised as an excellence to work in, and this is thanks to all the employees who made it possible to achieve this prestigious result.



Proud to be, once again, a Great Place To Work

SUSTAINABILITY IN NUMBERS⁴

THE GROUP



817^{MLN/€}

turnover 2022

701^{MLN/€} in 2021



6

countries of activity



47

Group companies

OUR PEOPLE



2.303

employees 2022

2.249 in 2021



39%

foreign employees 2022

40% in 2021



40%

female labour force 2022

38% in 2021



14%

employees with a STEM⁵
academic title 2022

14% in 2021



~13

training hours provided
per employee during 2022

~10 in 2021



71%

employees under 50 years 2022

72% in 2021



15%

turnover out 2022

10% in 2021



8,3%

recordable accident rate
for employees during 2022

11,3% in 2021



0

accidents with serious consequences
for employees during 2022

0 in 2021

THE PRODUCTION PROCESS



5

primary
production plants



4

hydrogen
production plants



8

secondary
production plants

THE CONTRIBUTION TO OUR ECOSYSTEM



842^{MLN/€}

generated economic
value 2022

722^{MLN/€} in 2021



700^{MLN/€}

distributed economic
value 2022

614^{MLN/€} in 2021

62%

of the Group's activities are
related to at least one
of the UN SDGs

65% in 2021



~ 300

served Hospitals 2022

270 in 2021



105^K

patients in home care
in Italy

98^K in 2021



90^K

patients in home care
abroad

90^K in 2021

4 The figures shown on these pages refer to 31 December 2021 and 31 December 2022, respectively, unless otherwise specified.

How the accident rate and customer satisfaction data (NPS score) are calculated is explained in the Sustainability Report.

5 STEM stands for 'Science, Technology, Engineering and Mathematics' and indicates scientifically-oriented academic paths. The figure refers to Group companies in Italy, Spain, Slovenia and Turkey. Further information on the scope of the figure can be found in the section "GRI Content Index".

ATTENTION TO ENVIRONMENTAL SUSTAINABILITY

Reducing SAPIO Group's carbon footprint

Reducing CO₂ emissions

-59^K

tonnes of CO₂ compared to 2019⁶

Reducing the
carbon footprint

-21%

compared to 2019⁶

Equivalent to

1.927



flights between Milan and Paris
or

260^{MLN}



of kilometres travelled
by an average-sized car

Renewable electricity



30%

renewable electricity on the Group's
total consumption

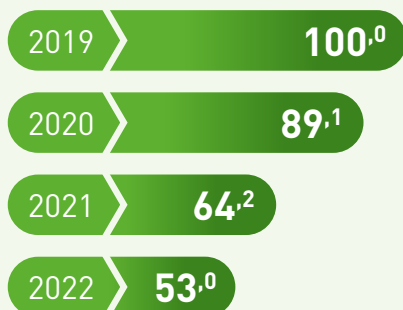
Production efficiency



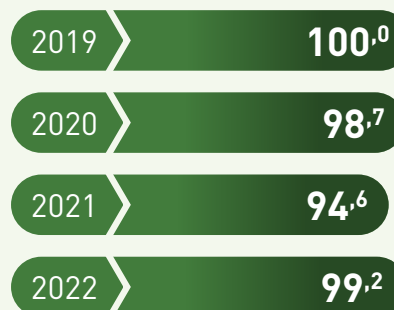
+0,8%

increased production efficiency
compared to 2019

Carbon intensity
(marketbased carbon footprint
related to turnover)
Base 2019 = 100



Electricity consumption
per m³ of produced gas⁷
Base 2019 = 100



⁶ Value calculated based on Direct Emissions and Indirect Emissions (Market-Based method) and Transport-related Emissions.

⁷ The 2022 performance is due to the commissioning of new plants with high capacity, but which had not yet reached optimum efficiency by 2022.

THE CONTRIBUTION TO THE SUSTAINABILITY OF OUR CUSTOMERS

Our products are used in hundreds of different applications. Some of these uses help reduce carbon emissions compared to the basic technologies that they replace or improve. We therefore offer our customers solutions to improve sustainability, efficiency and productivity, contributing to improve their environmental impact through the use of our gases, such as in the applications in oxycombustion processes, in the increase of the shelf life of products, in the purification of land and water and the application of CO₂ capture technologies, biomethane and hydrogen as an energy carrier for industry and mobility.



MAP MODIFIED ATMOSPHERE PACKAGING

The Modified Atmosphere Packaging (MAP) technique consists of replacing existing air in a package with a specific gas, or mixture of gases, which allows food products to be stored for longer and maintain their quality, thus actively contributing to the great challenge against food waste.

The Sapio Industria team has been working for several years in the application of these technologies by continuously bringing added value to the Group's customers, whether new or loyal, by working at the same time to ensure the highest standards of safety and hygiene.

In the specific case of customer Villani S.p.a, which has been producing specialty cold cuts since 1886, SAPIO designed a liquid gas storage plant which, through a mixer, makes it possible to produce directly in the field the appropriate gas mixture for the product that the customer packages, thus allowing to avoid gas or food wastage.

3.873.000

tonnes of food packaged with MAP technology



OXYFUEL

Oxyfuel technologies of SAPIO are used in energy-intensive and high-temperature applications, such as production and processing of ores, ferrous and non-ferrous metals, to reduce fuel consumption, operating costs and emissions that would result, thereby optimising the entire production process. SAPIO helps its customers to improve its efficiency through the installation of burners and systems of complete

combustion at the customer's production sites, guaranteeing in addition to regular deliveries the highest standards of security.

O-I Italy SpA (O-I) is a company under Italian law, part of the American multinational group OI Glass, Inc., world leader in the production of glass food containers and beverages, with approximately 24,000 employees worldwide.

The collaboration between O-I and SAPIO has been established for several years now and was born for the realisation of a reconstruction project of 2 melting furnaces converted to oxygen through the supply of a VSA plant. The benefits for the customer and the environment resulting from this project have been very important and have concerned and still concern both the improvement of thermal efficiency

HYDROGEN FOR MOBILITY

Hydrogen is now a real solution for the decarbonisation of the transport sector and, for certain types of mobility such as local public transport and heavy goods logistics, it is the only real alternative to the use of fossil fuels, especially over long distances. SAPIO is a key player in this new scenario and is able to support transition processes towards sustainable mobility through the provision of high purity hydrogen and advanced technological solutions for safe operation and management refuelling of buses, commercial vehicles and rail vehicles. SAPIO in particular has been supplying the necessary hydrogen for two years

for the operation of the fleet of fuel cell buses from SASA, the public company that operates the urban transport in the city of Bolzano. SAPIO is an extremely reliable partner for the provision of a public mobility service to the local community with reduced environmental impact, not only for the 'Fuel Cell Grade' certification of the hydrogen, but also for the continuity of supply managed through a dedicated fleet of tankers.



More than

275.000

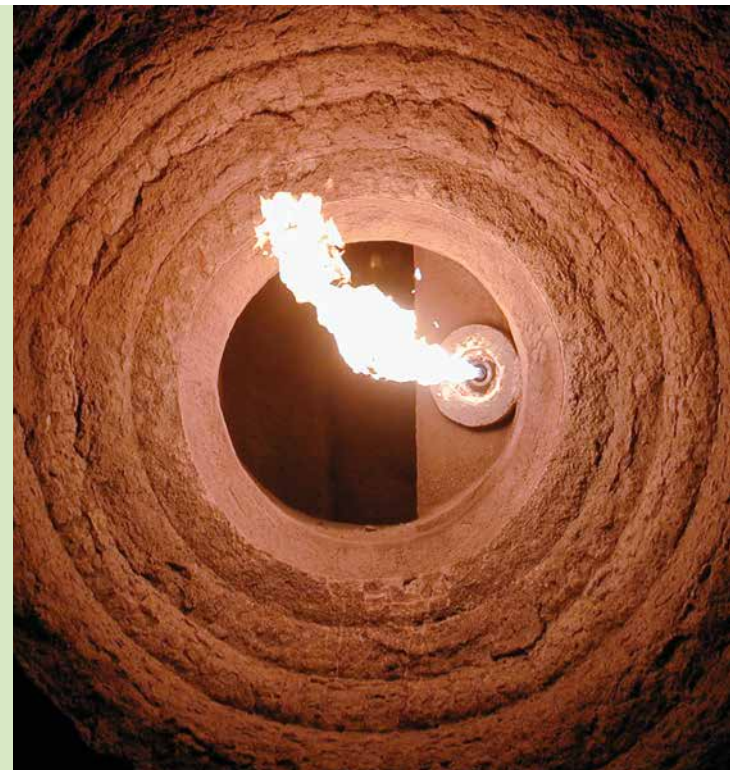
km travelled with SAPIO hydrogen

and the reduction of CO₂ emissions into the atmosphere. Indeed, as oxyfuel combustion is a process that allows to better control heat transfer, it allowed the customer to reduce the use of fossil fuels, to reduce CO₂ emissions, to avoid the formation and emission of nitrogen oxides (NOx) and to reduce the volume of fumes and thus the formation of dust.

Saved

19.300^{M³}

of methane, thanks to oxyfuel technologies from SAPIO



INVESTMENTS FOR A SUSTAINABLE FUTURE

During the year 2022, the SAPIO Group continued its growth plan with investments that made the Group stronger and ready to face the future.

During the year 2022, the SAPIO Group dedicated resources amounting to approximately 84 MLN € for investments. In Italy, investments included modernisation of industrial facilities and investments in industry and security business totalling 54 MLN €. Thanks to investments in digitisation, four new plants were interconnected to factory systems (4.0). This digitisation applied to industry allows for better planned and remotely managed interventions and thus greater safety. In addition, it automatically creates a data archive without consumption of paper. Still on the subject of digitisation, around thirty thousand maintenance and testing operations on medical liquid oxygen vessels will be made completely 'paperless' by 2022, together with about fifteen thousand records of maintenance processes on electro-medical medical devices and about eight thousand records of maintenance visits carried out in hospital facilities.

With regard to production facilities, SAPIO invested in the construction of a new HPN for the production of nitrogen at its Caponago plant and a liquefier at the Chemgas plant in Brindisi, thanks to the latter and the renewal of compressors at the Chemgas plant, consumption of about 4.7 GWh per year will be saved. In addition, 27 MLN € was invested in the Group for the acquisition of medical equipment and to support activities in healthcare and biotech.

A further 2 MLN € supported investments for the overhaul of the IT infrastructure of the Group and increasing IT security. Finally, the M&A activities necessary to ensure the Group's inorganic growth, which is essential to continue to occupy a position of market leadership, in line with the NExT Plan and the Inspire Plan, which will be presented in the next pages. Several termsheets were signed for the acquisition of companies in Italy and abroad and one expects the conclusion of a number of acquisitions in the year 2023. It was acquired in 2022 the business unit of Ama Sante Sas in France to support the expansion of homecare activities.



industrial facilities and security

54 MLN/€



healthcare equipment

27 MLN/€



IT infrastructure

2 MLN/€







2022 saw the realisation of an important project at the Caponago site. It is a new HPN (High Purity Nitrogen) plant for the production of 6500 cubic metres per hour of nitrogen gas for customer ST Microelectronics. This is the third plant of this type on the site, whose product is treated by purification systems to obtain ultra-pure nitrogen (99.99%), suitable for use in the microelectronics industry.

The validation process of the product and the beginning of deliveries took place without any stoppage of production by SAPIO and the customer. Thanks to this new installation, SAPIO continues to support customer ST Microelectronics in its industrial development at the site of Agrate.

The new HPN in Caponago

Another important project completed in 2022 was in the SAPIO Group's subsidiary, Chemgas S.r.l. ('Chemgas'), in Brindisi, and relates to a new liquefier, which will complement the one already in operation at the plant. The plant went into operation in November 2022, allowing the production of an additional 70 million cubic metres of liquid gas per year. The project saw the need on the one hand to balance

the operation of the two liquefaction plants in operation and the withdrawal of the gaseous product from customers of the Brindisi petrochemical plant and on the other hand to optimise overall electricity consumption. Thanks to this investment, the Chemgas plant, reaffirms his position as one of the leading air separation plants operating in southern Italy.



The second Chemgas liquefier in Brindisi

THE **NATIONAL CALL
FOR RESEARCH
AND DEVELOPMENT
OF HYDROGEN** IN THE PIANO
NAZIONALE DI RIPRESA
E RESILIENZA (PNRR)
(MISSION 2
"GREEN REVOLUTION
AND ECOLOGICAL
TRANSITION")

In May 2022, SAPIO submitted a project proposal to the public notice of the Ministry of Ecological Transition (now Ministry of the Environment and Energy Security) aimed at the selection of project proposals for research and development activities, to be funded under the EU-funded PNRR, Mission 2 "Green Revolution and Ecological Transition", component 2 "Renewable Energy, Hydrogen, Grid and Sustainable Mobility", investment 3.5 "Hydrogen Research and Development" - NEXT Generation EU under the decree of the Minister of Ecological Transition of 23.12.2021, Art. 1(5)(b).

R&D investments for hydrogen

The project, entitled HyPER Mantova - Hydrogen High Pressure Efficient Renewing at Mantova Facility, was jointly presented by SAPIO, as lead partner, and other partners including the Fondazione Bruno Kessler (research organisation specialising in research and development of energy systems based on hydrogen) and was awarded a non-repayable grant of € 1.7 million, of which € 1.1 million went to SAPIO. The project consists of the realisation of a high-pressure (500 bar and above) logistics demonstrator at the SAPIO hydrogen production plant in Mantova, with a compression line and two high-pressure tank wagons, including a stage of real environment testing of logistics to verify that the system works and ensure continuity of supply to serve a specific application in the field of mobility. The project started in December 2022 and has a duration of 30 months.

The project represents a major innovation for the hydrogen energy carrier distribution system in Italy and it is by far the first example in the country, allowing a 3-fold increase in the amount of hydrogen transported compared to the current standard at 200 bar, passing approximately 350 kg transported in a single trip with a tank wagon at 200 bar to over 1,000 kg transported with a 500 bar tank wagon, reducing the carbon footprint of hydrogen and the number of trips required, decreasing related vehicular traffic to hydrogen transport.

In addition, high-pressure logistics represents a necessary development for use of Hydrogen in the mobility sector, enabling the use of less cumbersome and more streamlined refuelling stations, with less equipment (refuelling at 350 bar does not require installation of a compressor), resulting in a reduction in energy consumption, space requirements as well as an improvement in the reliability of the hydrogen delivery system itself.



SAPIO TODAY: A YOUNG 100-YEARS-OLD COMPANY



"A model company, an example for our country," with these words the Minister for Economic Development Hon. Giancarlo Giorgetti began during his speech in connection with the celebration of SAPIO's 100th anniversary. "I think SAPIO perfectly represents the idea of PNRR, the National Plan of Recovery and Resilience, because by listening to Alberto Dossi and Maurizio Colombo - the minister continued - seeing the activities they are engaged in, knowing the challenges they have accepted such as digitisation, innovation and internationalisation and by seeing concrete actions implemented, I think this is a clear demonstration of how economic development is achieved by entrepreneurial families like SAPIO, with a solid foundation of values, passion and trust".





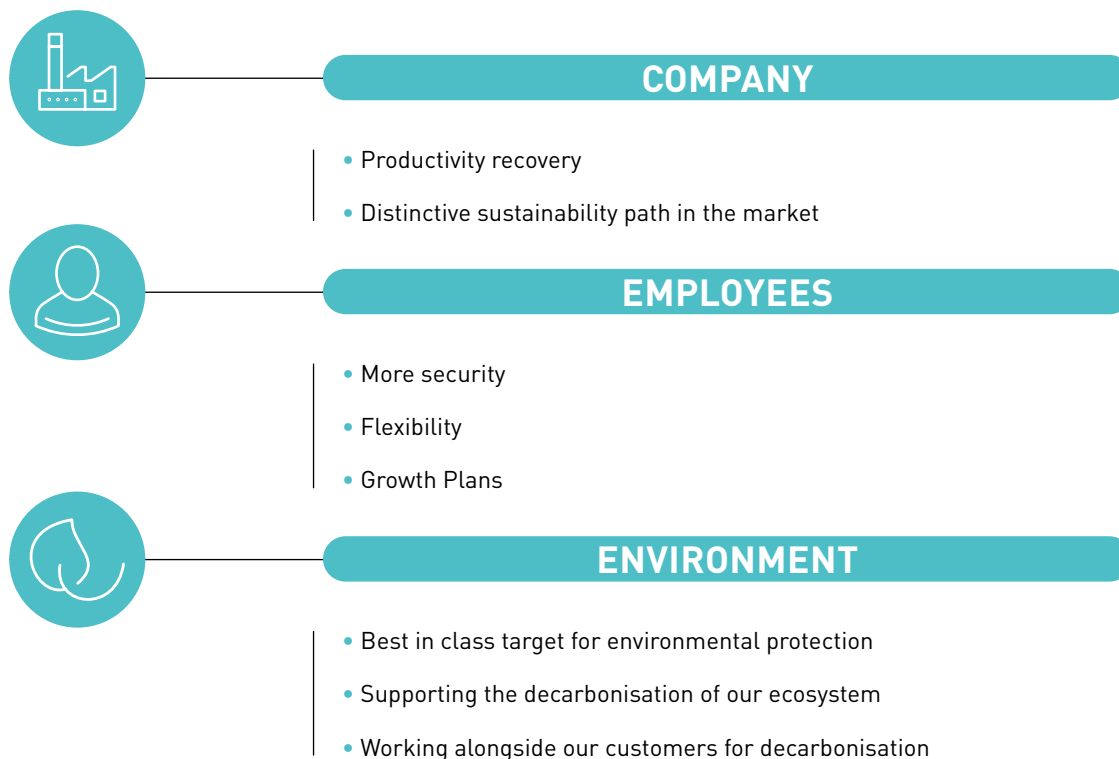
OUR IDENTITY AND OUR MISSION

“WE WANT TO BE THE BEST COMPANY TO WORK FOR, INVEST IN AND BUY FROM, WANTING TO BE AN EXAMPLE FOR THE ECOSYSTEM WE LIVE IN BY PROVIDING PRODUCTS AND SERVICES TO MAKE IT SAFER, HEALTHIER AND MORE LIVEABLE”

The SAPIO Group's mission has focused on making the company capable of exercising its role as a positive and proactive player in civil society and its ecosystem. A role that is also social, therefore, at the service of the community. Every day SAPIO is committed with passion, expertise and resources to offer innovative products, technologies and services that improve the quality of life, always with the utmost attention to the safety of its employees and collaborators. Therefore, not only a Group that provides essential products and services for patients and customers, but an organisation 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.

This is part of the sustainability path the Group has taken, which is based on the formula

WIN WIN WIN



SAPIO FAMILY VALUES

The values in which the Group believes are reflected in our actions daily, in all our activities and are aimed at pursuing sustainable development objectives through our concrete actions. Values wisely handed down by the founding families that are proudly passed down from generation to generation to all employees.

Only the responsible and conscious use of resources available allows value to be built. The SAPIO Group's identity is the solid foundation on which the corporate evolution is being driven by human capital and assets available with a constant focus on safety and sustainability.

The SAPIO Group is founded on a value system shared by the entire corporate structure which contributes to the solidity of a company founded 100 years ago.

Franco Depari,
Secondary production
coordinator, Sapio Produzione
Idrogeno Ossigeno S.r.l.



SAPIO LEADERSHIP

"In my experience, after so many years I realised that to be a leader you have to know the job and the people. Dedication and loyalty are my pillars and every day I also try to instil them in the people I work with by example, communication and fellowship. Every day I look for new stimuli and ways to improve myself and my team to meet the daily challenges more and more efficiently".

Within the SAPIO ecosystem, the value of leadership is always more measured in the leader's ability to lead the Group towards its goals by combining 'being' the leader in behaviour (being), with 'doing' the leader in action (doing). The leader of today and tomorrow has the purpose of the company constantly in mind; it devotes its attention to civil society and the environment, with the aim of realising the new paradigm of society towards all Stakeholders,

not only those concerning his field; he is polite towards his colleagues and customers/patients; he is motivated by deep honesty, intellectual and material; it is characterised by great mental agility, combined with the ability to switch from one role to another with pragmatism and speed.



Sandra Hardouin,
Training Manager,
Homeperf S.a.s.



RESPONSIBILITY

"Finding solutions is possible, in my opinion, by listening to different points of view in a proactive and supportive manner. This brings people together towards the same solution for the common good, instead of separating them. I demand the same high standards for myself as from the Group in which I work".

It is one of the most important values on which our corporate culture is based. Being responsible means repaying the trust of shareholders and guaranteeing stakeholders the maximum commitment. Being 'solution driven', focusing on the solution and not on the problem, not

procrastinating decisions, avoiding alibis and excuses, being a positive example for others are essential elements in SAPIO's scale of values. As is transparency, which must always be guaranteed to its managers, its employees and the entire SAPIO ecosystem.

ENTREPRENEURSHIP



Francesco Iurlaro,
Sales Director Central-
South Region,
Sapio Produzione Idrogeno
Ossigeno S.r.l.

Combined with responsibility, it represents the added value on which our Group relies. Having the courage of one's own choices, having the courage to engage personally, taking responsibility, having initiative and creativity in acting, accepting

venture outside from the comfort zone, knowing how to delegate and monitor while keeping a high focus on results are required characteristics for the 4.0 leader that shapes SAPIO's present and future.

"The experience at SAPIO has resulted in the enhancement of my skills of insight, action and organisation at short notice and also in uncertain situations. I deal with great passion and sense of belonging to the challenges that arise every day and, in addition, I have learnt on the one hand to be grateful for short- and long-term successes, and on the other hand to accept mistakes and learn from them. The awareness of acting in a climate of trust constantly stimulates my openness to change and the right optimism in taking important initiatives without fear".

THE GROWTH OF PEOPLE



Isabel Acosta García,
Patient assistance service
and telemonitoring Director,
Sapio Life S.A.U.

For almost a hundred years one of the strength of the company is its people. The ability to attract and retain reliable and qualified employees. In today's world of uncertainty this takes on an even more decisive role in the strategic development of the Group. Valuing competence before anything else,

celebrate the successes of employees and in particular be an example of passion for one's work, work as a team, learn from mistakes and be open to change and diversity, are indispensable qualities for those who work and want to grow at SAPIO.

"Finding a company with a certain magnetism nowadays is very difficult, but once found I find it motivating to be able to contribute with my knowledge and experience to grow with it, as I did with the SAPIO Group. To work and to give more than 100 per cent every day, where there is confidence in your work, and seeing results is very rewarding, both personally and professionally. This is what it means to me to work and grow in SAPIO, a group with magnetism. In the words of a famous phrase attributed to Mark Twain: great people are those that make you feel you can become one too".

Antonio Marotta,
National Sales Director,
Life Cure S.r.l.



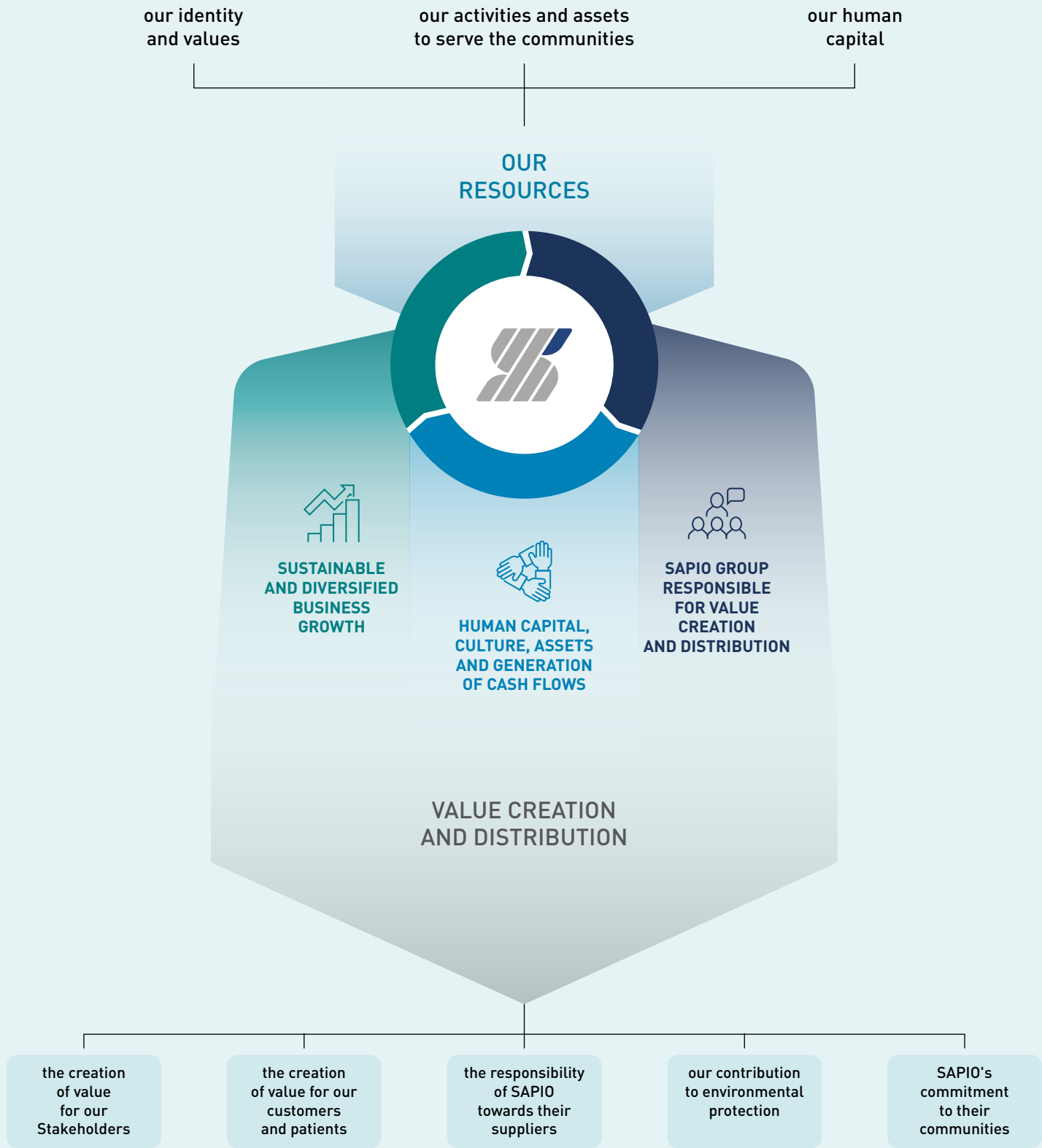
FAIRNESS

"Fairness is the glue between company and employees. Science proves that when a human being perceives fairness our brain releases a substance that gives pleasure, true joy. By contrast the work injustice puts people on the defensive and makes them feel unmotivated. You have to deal with people's emotions, their needs, ambitions or levers of interest. By definition, feedback is a 'self-help' and as such should be used to motivate the colleague/collaborator in order to provide him/her with a tool for improvement and stimulating growth. One must value colleagues and collaborators as human beings who are part of a community".

The value of equity is among the most complex to define and apply in a business community. Nevertheless, we believe that a growing company such as ours cannot but continuously seek fairness towards its employees and towards its own ecosystem. Rewarding merit, having a human attitude humanity towards people and

their problems, facilitate growth and internal mobility, give and ask for continuous feedback, be consistent, prioritise loyalty competence are crucial elements to build and develop a corporate community based on equity.

OUR VALUE CREATION MODEL



THE CREATION AND DISTRIBUTION OF VALUE

The SAPIO Group has always been committed to implement a sustainable development model that contributes to the improvement of the society in which we live. All this is achieved through a business model which allows us to create wealth in a sustainable way and, above all, redistribute it in an equally sustainable way. A virtuous spiral based on trust between stakeholders and well-articulated governance. For the efficient management of a group whose ultimate aim is to redistribute fairly the value created, the company must have a sound economic support for the projects it believes in.

The possibility of having a fair pay system to support employees, of having resources for investments to improve services and continue expansion, is key to supporting the ecosystem that the Group supports and for which it assumes a leadership role.

We strive every day to develop a highperformance, sustainable and responsible capitalism in which our daily actions assume and contribute to generating value for the Group, for our customers and patients, for the community and the planet. A capitalism in which 'profit' and 'meaning' are reconciled.

During 2022, Group sales rose to 817 MLN € vs 701 MLN € in 2021. Specifically, the industrial sector's turnover is € 418 million, while that of the healthcare sector (including both the hospital sector and homecare and biotech) is 399 MLN €, corresponding to 51% and 49% of the Group's total turnover, respectively. The industrial sector accounts for 60% of revenues in Italy. The healthcare and biotech sector accounts for 40% of revenues in Italy and 100% of Group revenues abroad. The 2022 performance is symptomatic of a consistent development that the Group has demonstrated over the past decade with a compound annual growth rate of 8% between 2015 and 2022.



industrial sector turnover during
2022

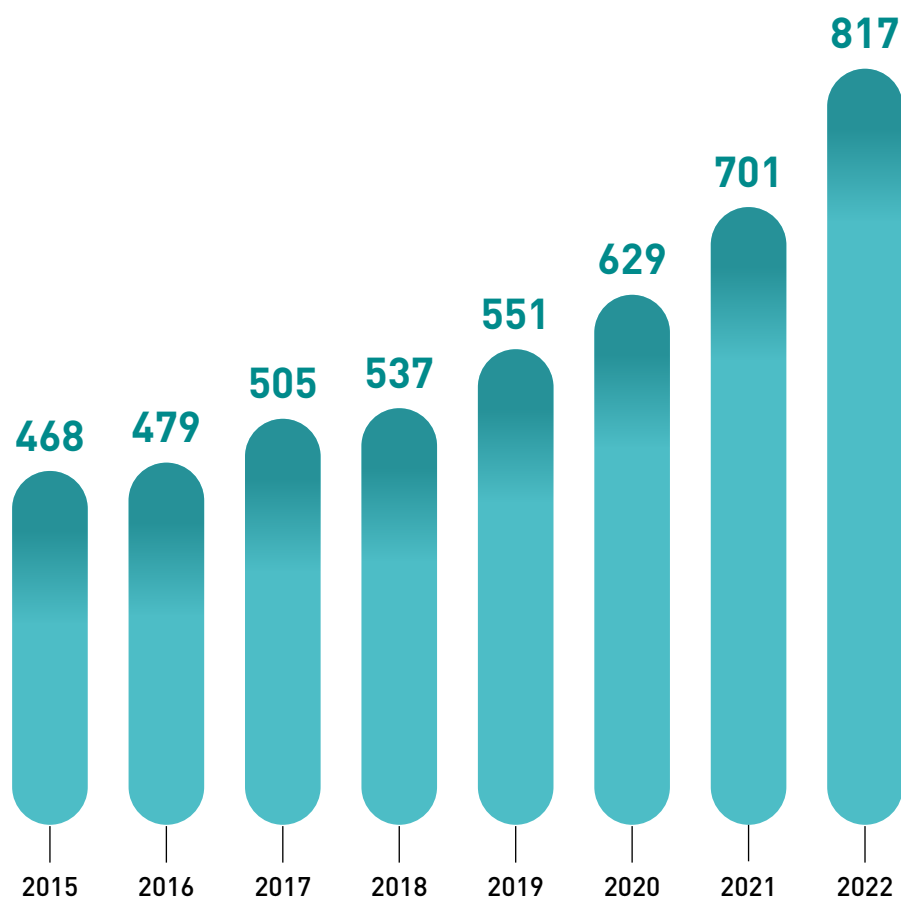
418 MLN/€



Healthcare sector turnover during
2022

399 MLN/€

Group Sales (MLN €)

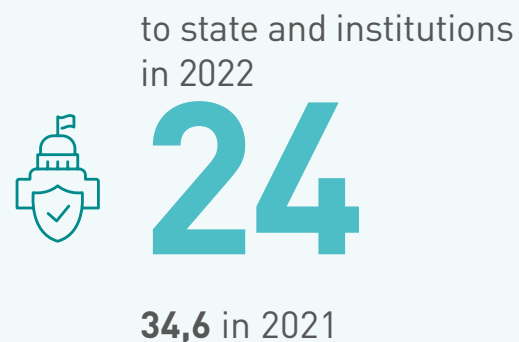
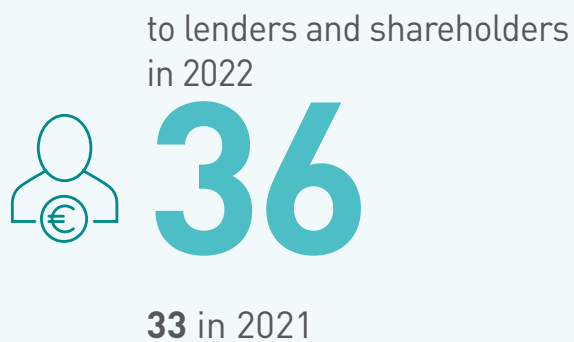
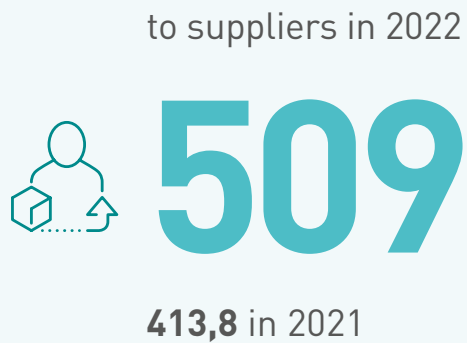


Generated and distributed economic value is the incremental economic value generated by the SAPIO Group's activities and distributed to a broader category of Stakeholders. Although related to the enhancement of the Group's economic performance, the economic value generated and distributed are a broader measure of the value of the company in its ecosystem.

In fact, the distributed economic value also considers the value distributed to employees as wages, to suppliers, return on debt to financial institutions of companies of the Group, return of capital to shareholders, taxes paid to the state or locally, while retained economic value represents the amount of economic value generated but not distributed.

In 2022, the economic value directly generated by the SAPIO Group was 842 MLN €, an increase of 120 MLN € compared to 2021. The distributed economic value amounted to 700 MLN €, an increase of 86 MLN € compared to 2021.

Economic value distributed and retained by the Group (MLN €)



SAPIO IN THE FUTURE

THE CONCLUSION OF THE NExT PLAN



The Group's aim is not only to provide essential products and services for patients and customers, but to be an organisation that does so with a view to contributing to the well-being of people, the environment and economic development of countries in which it operates. An open mind able to accelerate and foster projects for all-round sustainability is therefore at the core of the Group's activities. A mentality well summarised in the motto 'Performing to Transform' and made explicit in NExT, New Extraordinary Transformation, ('NExT Plan'), the sustainable growth programme that has enabled the Group from 2018 to 2022 to transform itself from an Italian group focused on providing products and services with a strong industrial tradition to a European group focused on bringing value its ecosystem, with a strong propensity for technological innovation.

This is why in our field of activity the NExT Plan had deep roots, because it started from a transformation began in 2010, a growth marked by change, first in business performance, now at the top of the industry, then in the strategy and finally in the corporate culture. Growth, expansion, internationalisation are the basis of the objectives that the NExT Plan has achieved and the people in the SAPIO Group have been and will continue to be the driving force behind this change that has enabled the Group's model to become a virtuous example in the European industrial landscape.

THE NEXT PLAN THEN HAS

TRANSFORMED SAPIO

in an international group with 40%
of employees abroad

CREATED AN ORGANISATION

agile that works with a strong
sense of teamwork

PLACED AT THE CENTRE

the sense of purpose and corporate values

CREATED A COMMON CULTURE

and a strong sense of belonging among
the Group companies in Italy

PURSUED WELL-BEING

of Group employees, ranking SAPIO
for the third consecutive year
as a 'Great Place to Work'



GROWTH

Sales per year

+13%

817M/€

of turnover in 2022 (1.6x in 4 years)



PERFORMANCE

EBITDA per year

+13%

operating cash flow greater than

500M/€

in 4 years



INNOVATION

12%

revenues from new products and services



SUSTAINABILITY

Renewable energy

30%

of total electricity

-59.000T

of CO₂ reduction compared to 2019;
-21% carbon footprint compared to 2019



PEOPLE

SAPIO Great Place to Work

in Italy, France and Spain

38%

of managers

21%

of managers are women

THE VISION OF THE FUTURE WITH THE INSPIRE PLAN

INSPIRE

STRATEGY



ENABLERS



“ THE INSPIRE PLAN WAS CREATED TO LEAD THE COMPANY FROM 2023 TO 2025 WITH THE GOAL OF BECOMING ONE OF THE LEADERS IN INDUSTRY AND ENERGY TRANSITION IN ITALY, HEALTHCARE AND CLINICAL RESEARCH SERVICES IN EUROPE BY GENERATING VALUE FOR OUR STAKEHOLDERS WITH DOUBLE-DIGIT GROWTH IN REVENUE AND EBITDA, AS WELL AS SIGNIFICANT CASH GENERATION ”



GROWTH

Sales per year

+14%

Turnover in 2025

1.2M/€



PERFORMANCE

EBITDA per year

+14%

operating cash flow
greater than

600M/€

in 3 years



INNOVATION

Revenues from new
products and services

15%

CAPEX in 3 years

755M/€



SOSTENIBILITÀ

Renewable energy to 2025

50%

Carbon footprint in 2025 compared to 2019

-36%



PERSONE

H2 leadership
in Italy

Start-up of
biomethane plants

European culture
based on SAPIO
Group values
“Great Place to Work”
throughout Europe



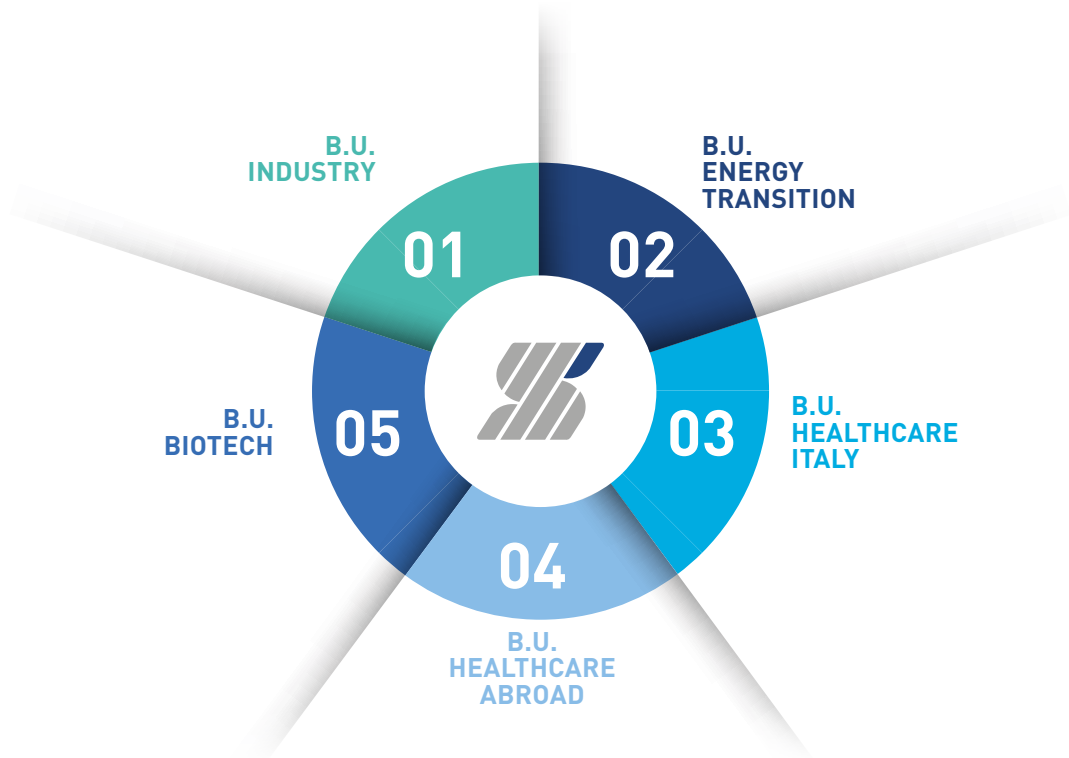
THE FOUNDATION ON WHICH EVERYTHING IS BUILT

SAPIO, directly or indirectly, exercises management and coordination activities over its Subsidiaries.

It also performs a number of general and administrative services for the Subsidiaries, and shares best practices to improve the quality of their products, services and their efficiency. An extraordinary focus aimed to share Group's objectives and in particular those relating to the health and safety of employees, services for our customers and patients aimed at improving the well-being of all. SAPIO directly controls the production companies, the Group's industrial subsidiaries, foreign companies and Sapio Life S.r.l. ('Sapio Life Italia').

Sapio Life Italia directly or indirectly controls the companies of the Group in Italy dedicated to hospital services, home care and biogenetics, as well as supporting pharmaceutical and clinical trial companies ('Controlled Healthcare').

THE PILLARS OF SAPIO



The business units are represented by the following corporate vehicles

01

- SAPIO PRODUZIONE
- IDROGENO OSSIGENO Srl
- AIRGAS Srl
- ALLOYS ITALIA Srl
- CESALTING Srl
- CER INDUSTRIA Srl
- CHEMGAS Srl
- EUROTRE Srl
- G. RECALCATI Srl
- GAMAS Srl
- IMMGAS Srl
- ISOGAS Srl
- LINEA GAS Srl
- MYSAPIO Srl
- RIVA OSSIGENO Srl
- SALDOGAS Srl
- TECNOSALDATURA Srl
- UTENGAS INDUSTRIE Srl
- ZILLI GAS Srl

02

- SAPIO
- PRODUZIONE
- IDROGENO
- OSSIGENO Srl

03

- SAPIO LIFE Srl
- LIFE CURE Srl
- CER MEDICAL Srl
- EUBIOS Srl
- OXY LIFE Srl
- PUGLIA LIFE Srl
- DIALOG AUSILI Srl
- SISTEMI IPERBARICI Srl
- PAZIENTI ORG Srl
- GIANNITRAPANI Srl

04

- SYNAPSE Sas
- SAPIO SANTÉ FRANCE Sas
- DOMCO 2 Sas
- DOMCO Sas
- HOME PERF Sas
- SCI ROUET
- SAPIO LIFE sau
- SAPIO HOLDING GmbH
- LIFE CURE GmbH
- SAPIO VERWALTUNG GmbH
- SAPIO LIFE GmbH & Co. KG.
- GTI MEDICARE GmbH
- GTI-NORD MEDICARE GmbH
- SAPIO PLINI doo
- SAPIO LIFE TURKEY

05

- BIOREP Srl
- ADVICE PHARMA Srl



THE ESSENTIAL IS INVISIBLE TO THE EYES

Our contribution starts with primary production which includes different types of installations and mainly:

- **Air separation units ("ASU")** for the production of oxygen, nitrogen and argon;
- **Hydrogen production plants ("H2Pro").**

After analysing the customers' needs, the optimal distribution profile is defined either by pipeline continuously connected to the plant of customers, via tanks installed at customers' premises or via parcels or cylinders. For certain customers whose flows or operative needs are such that they require a dedicated supply, specific production units, referred to as 'On-Site', are also set up at the customers' premises. These installations are mainly dedicated to the production of oxygen, hydrogen and nitrogen. SAPIO includes in its range of products a wide range of gases and mixtures as detailed in the following section.

The secondary production relates to the production of compressed gas to be distributed in packages or cylinders, directly or indirectly, throughout the country and abroad. Sapiro Life and the other SAPIO Group companies operating in the healthcare market they operate as partners of their respective national health systems in the provision of home care and hospital services, as well as ancillary and adjacent services.

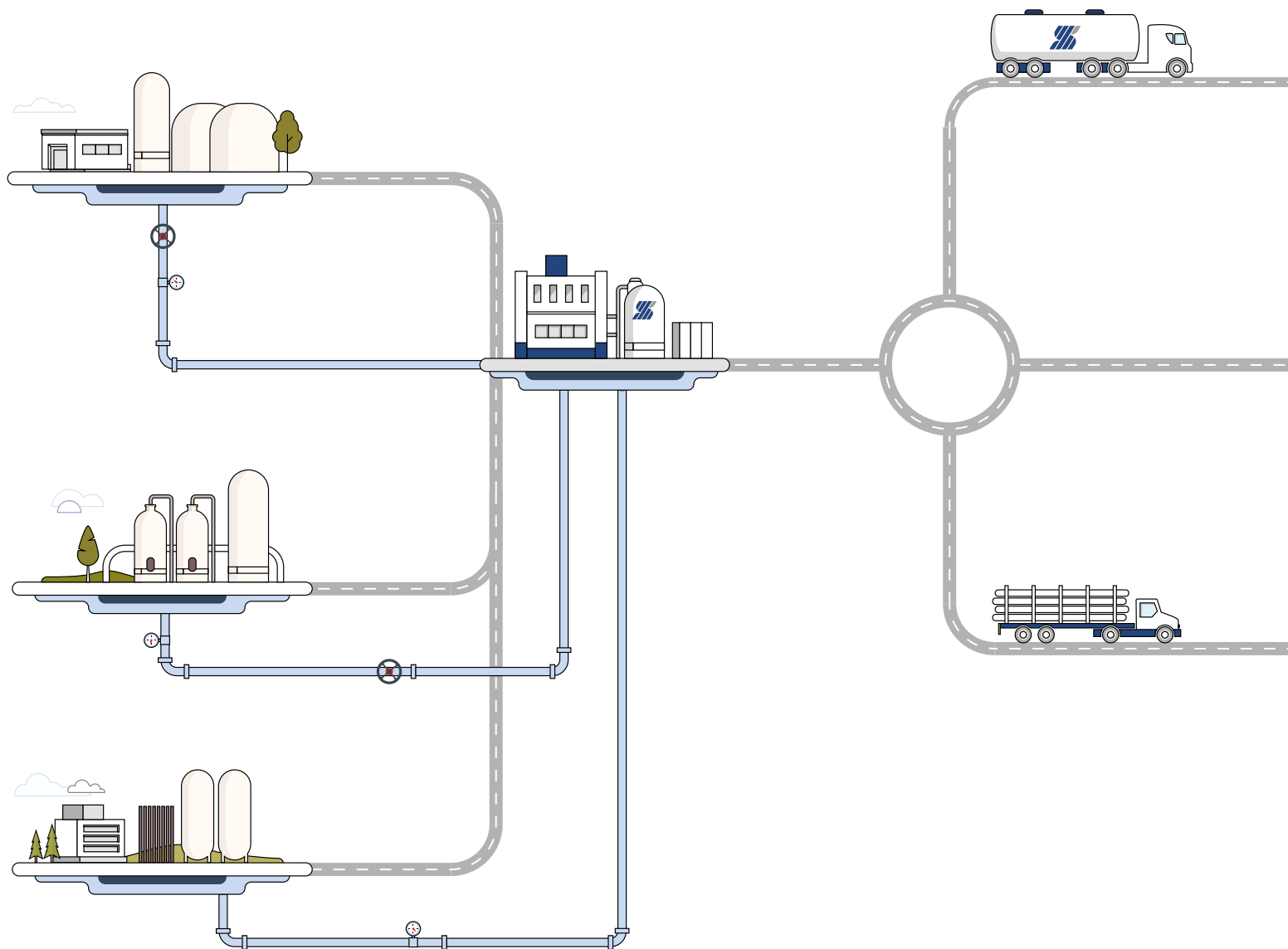
In addition to the supply of medical gases and activities related to their use, the SAPIO Group provides hospital and total gas management services to hospitals in Italy. Thanks to the synergy with Group companies, the offer for the hospital sector is completed with services of hyperbaric chambers and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

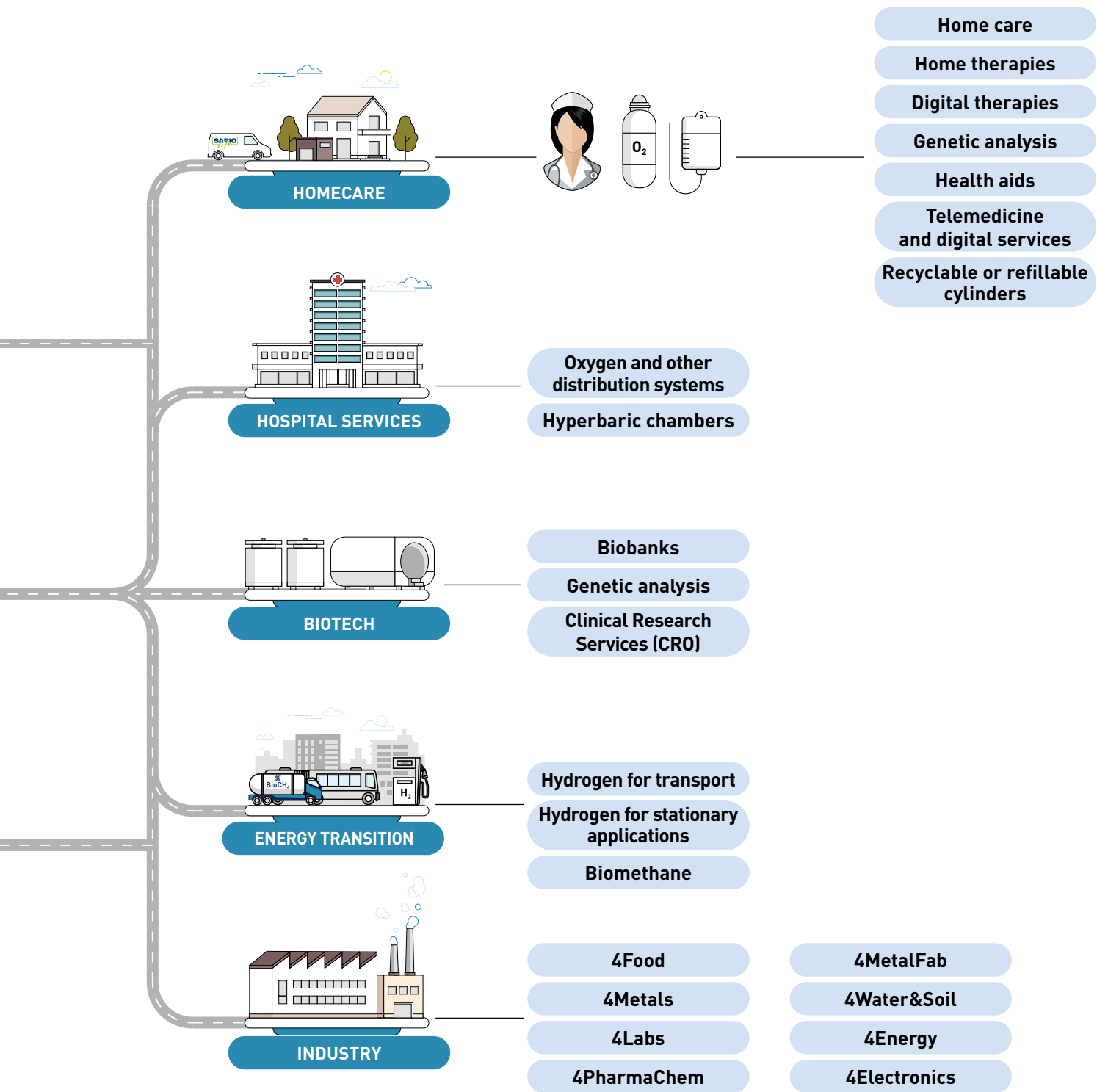
The SAPIO Group also provides services to support the biotech activities of hospitals, pharmaceutical companies and contracts research associations ('CROs') such as cryobiology services and the creation of biological banks as well as the support of clinical trials and data management.

At the patient's home, the SAPIO Group brings the medical devices, accessories and drugs needed for home treatment, allowing continuity of care outside hospital facilities. Moreover, using specialised healthcare personnel, it guarantees fragile and complex patients home care with nursing, medical 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 in both Italy and Germany. To complement this, the SAPIO Group has an ever-increasing focus towards telemedicine and the functionalities it can bring both in terms of service efficiency and cost savings for health administrations.



| | Raw materials | Product |
|------------------------------------|----------------------------------|----------------------------|
| ASU (air separation unit) | air + electricity | oxygen, nitrogen, argon |
| SMR (steam methane reforming) | methane/biomethane + electricity | hydrogen |
| Electrolysis | water + electricity | hydrogen |
| HPN | air + electricity | nitrogen |
| Wet generator | water + calcium carbide | acetylene |
| CO ₂ capture technology | fumes | CO ₂ |
| Upgrading plant | biogas | biomethane CO ₂ |





THE SAPIO GROUP IN ITALY AND THE WORLD

ITALY HEAD OFFICE

Monza

COMMERCIAL PREMISES & INDUSTRY DEPOTS

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

PRIMARY PRODUCTION ASU/HPN

Caponago, Brindisi, Ferrara, Orte, Porto Marghera

SECONDARY PRODUCTION

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

HYDROGEN PRODUCTION

Mantova, Castelmassa, Catania, Torviscosa

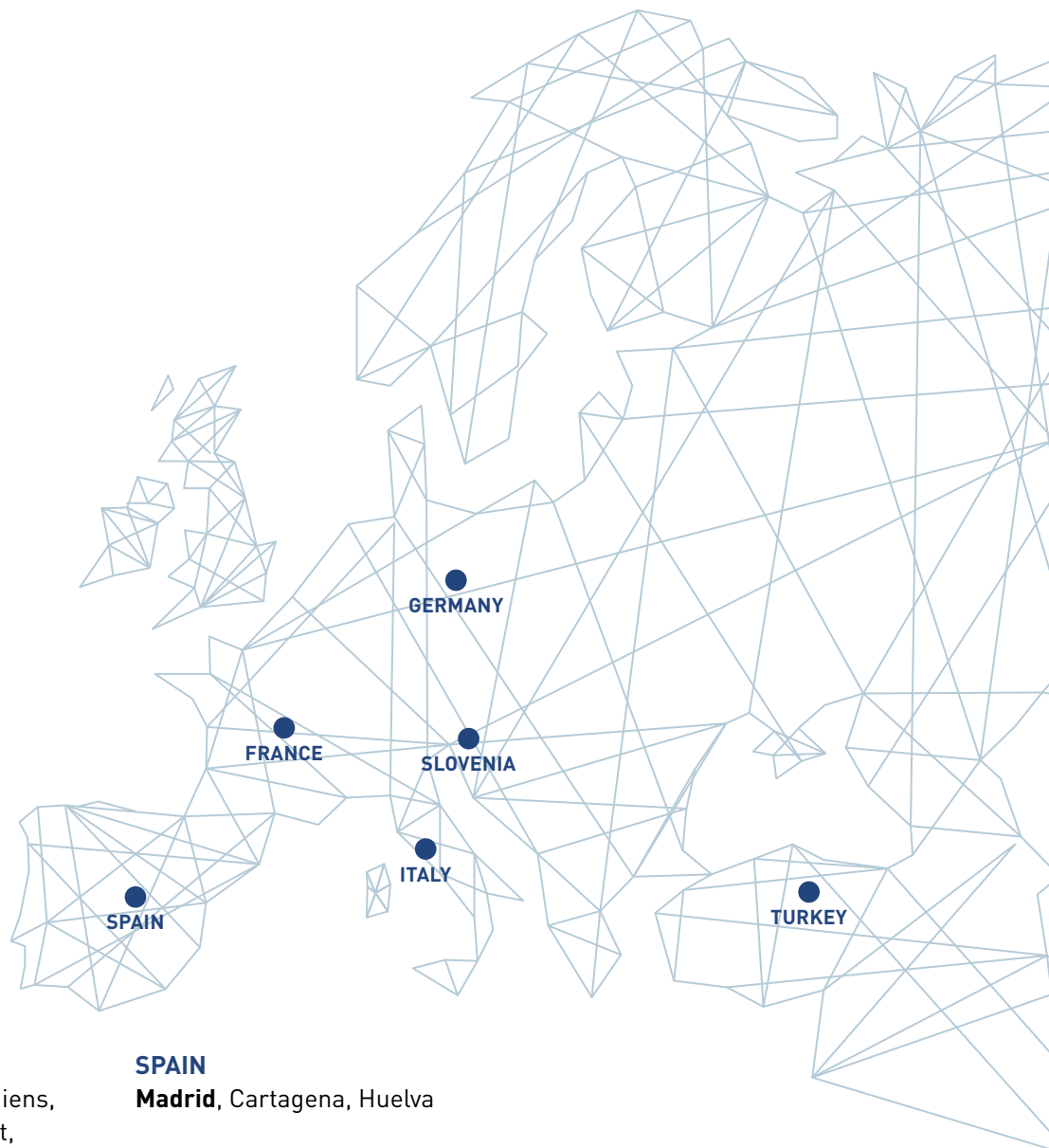
HEALTHCARE LOCATIONS

Agrigento, Aragona, Belluno, Brindisi, Busto Arsizio, Chieti, Ciampino, Collegno, Crotone, Fermo, Fiano Romano, Limatola, Marigliano, Milano, Monza, Padova, Pergine, Valdarno, Piacenza, Porto Torres, Rieti, Roma, Fiano Romano, Taranto, Udine, Vaprio d'Adda, Viterbo

OTHER PRODUCTION SITES AND MAINTENANCE EQUIPMENT

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





FRANCE

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

GERMANY

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

SPAIN

Madrid, Cartagena, Huelva

SLOVENIA

Celje

TURKEY

Istanbul, Ankara, Antalya

GOVERNANCE AS A GUIDE IN SUSTAINABLE DEVELOPMENT



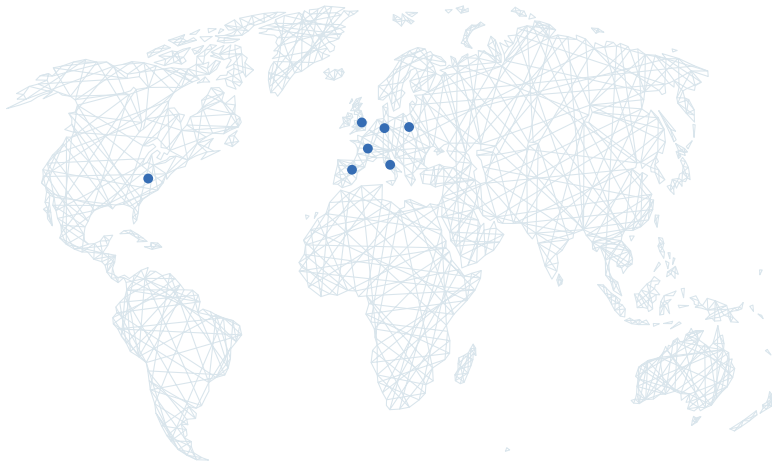
In carrying out daily activities, respect of ethical professionalism and absolute legality are among the values that guide our work.

The Group's governance structure and related systems of control are based on the central role of the Council Board of Directors of the Parent Company. The Board of Directors as an administrative body has the primary role of governing corporate activities and establish the management policies, including strategic management policies, of the Company.

In addition, SAPIO, directly or indirectly, it exercises management and coordination activities over its subsidiaries. As at 31 December 2022, the Board of Directors of SAPIO consists of 11 members.

A company's performance cannot disregard ethical behaviour and corporate governance aimed at ensuring integrity of government members and employees. Only ethical behaviour can guarantee success of the Group. The SAPIO Group makes integrity one of its core values and key to corporate development.

Diversity within the administrative body and the calibre of its members are a key element for the growth of the Group and to ensure compliance with the objectives of sustainability.



Alberto Dossi
President
of the SAPIO
Group since 14 May 2010

Maurizio Colombo
Vice-President
of the SAPIO Group
since 14 December 1990

Andrea Dossi
Vice President
SAPIO Group
from 21 June 2011

Alessandro Dossi
President
of Progefin
since 20 June 1990

Piero Carlo Cavenaghi
President
of Sapio Life
from 13 January 2011



Seifollah Ghasemi
Chairman, President
and Chief Executive Officer,
Air Products



Ivo Jan Paul Leo Bols
President, Europe & Africa,
Air Products

Kurt Lefevere
Vice President North
Continent, Air Products



José Bernardo Escorihuela
Executive Director - Finance,
Europe & Africa,
Air Products



Joaquin Mustaros Gel
Lawyer,
Managing Director,
Air Products



Mario Paterlini
Managing Director
SAPIO Group
from 1 July 2010

Percentage composition of the Board of Directors by age group [%]



30-50 YEARS

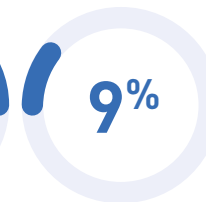


>50 YEARS

Percentage composition of the Board of Directors by nationality [%]



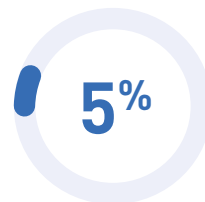
ITALY



U.K.



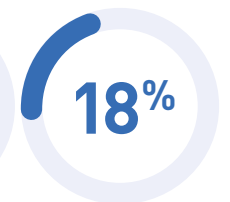
SPAIN



FRANCE



U.S.A.



BELGIUM



HUMAN CAPITAL, OUR MOST PRECIOUS RESOURCE

The SAPIO Group brings together talents from different nations driven by the common goal of addressing 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 our communities. The Group strives to enhance the role of SAPIO and its corporate purpose through the values of its employees. Our employees are at the centre of every corporate strategy. Their well-being is the priority of Group policy. Our initiatives for attracting new talent are geared towards understanding our corporate goals and values aimed at the advancement of our ecosystem. Our focus is not only on attracting, but also on retaining the best talent and our employees; therefore, we also put in place training and development paths.

A special focus in the Group's objectives is given to culture of internationalisation in order to enhance synergies between employees even from different countries.

As at 31 December 2022, the SAPIO Group thus has 2303 employees, 60% of whom are men and 40% women. Of the total, 93% are employed on permanent contracts.

In addition to personnel, the Group hires around 1,719 external collaborators, mainly with regard to services for patients (nurses, physiotherapists, etc.).

SAPIO Group employees

2303

in 2022

men

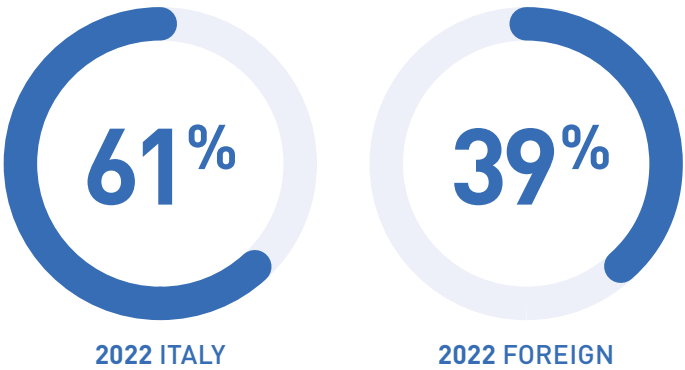
1390

women

913

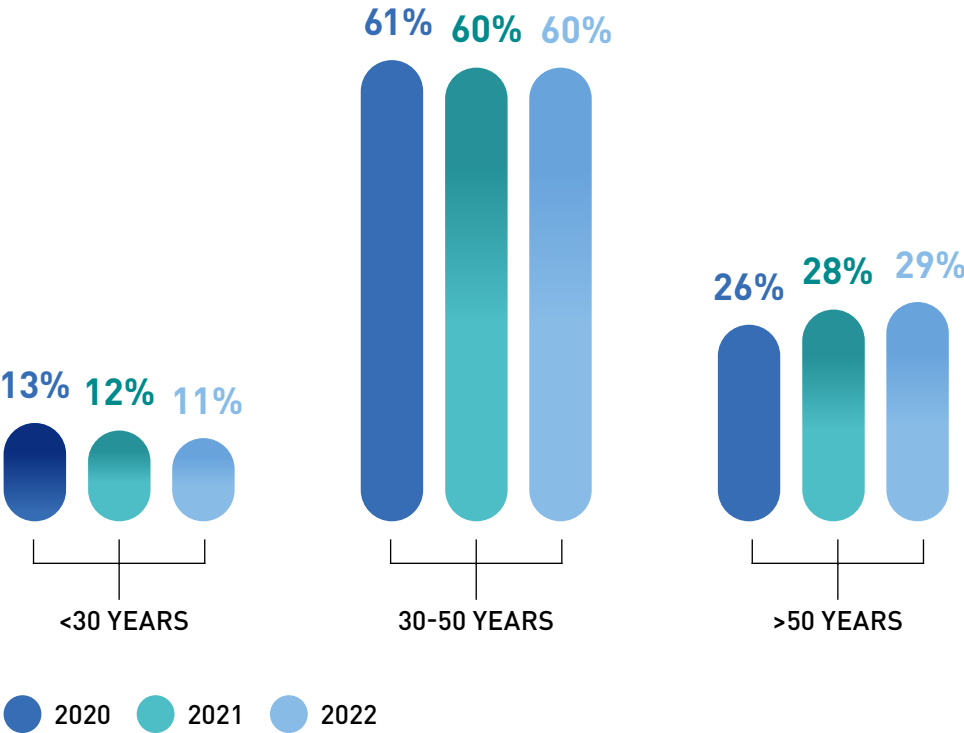


Employees
by geographical area (%)



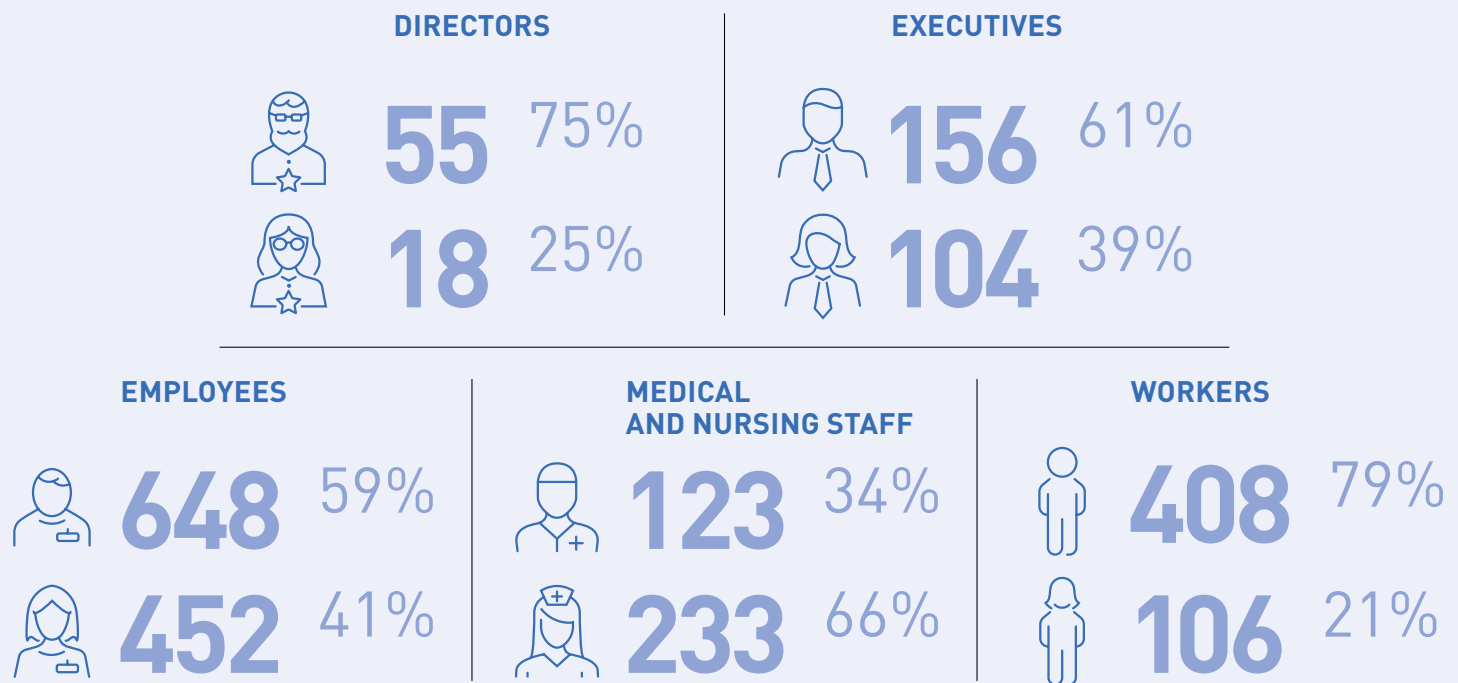
The geographical distribution of employees changed during 2022. In 2022, 39% of employees were abroad, whereas at the end of 2021, this percentage was 40%.

Percentage composition
of employees by age group (%)

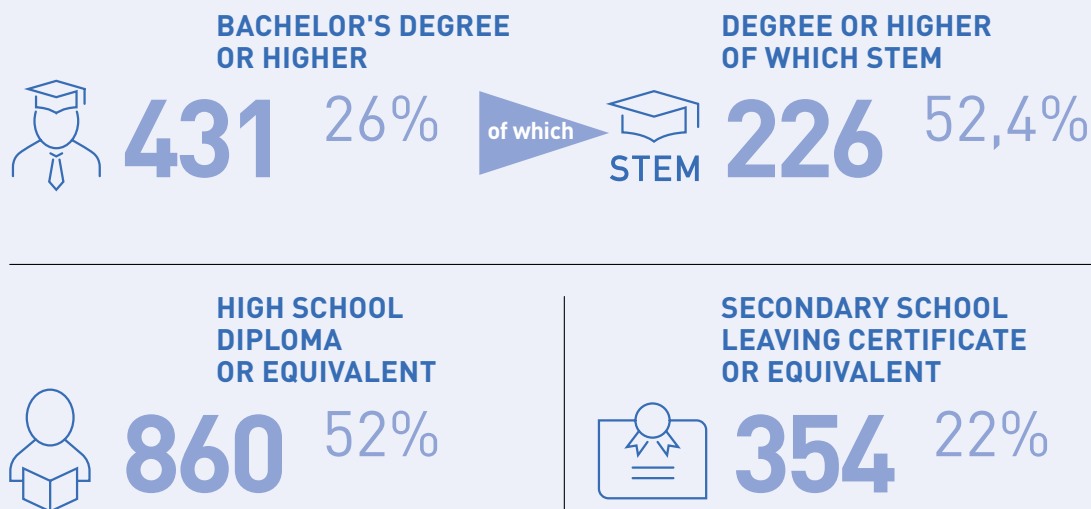


The majority of the SAPIO Group's employees fall in the group between 30 and 50 years of age (a total of 60% of the company population). People under 30 years of age make up 11% of employees as of 31 December 2022.

Percentage composition of employees by professional category and gender (# e %)



Percentage composition of employees by qualification (# e %)



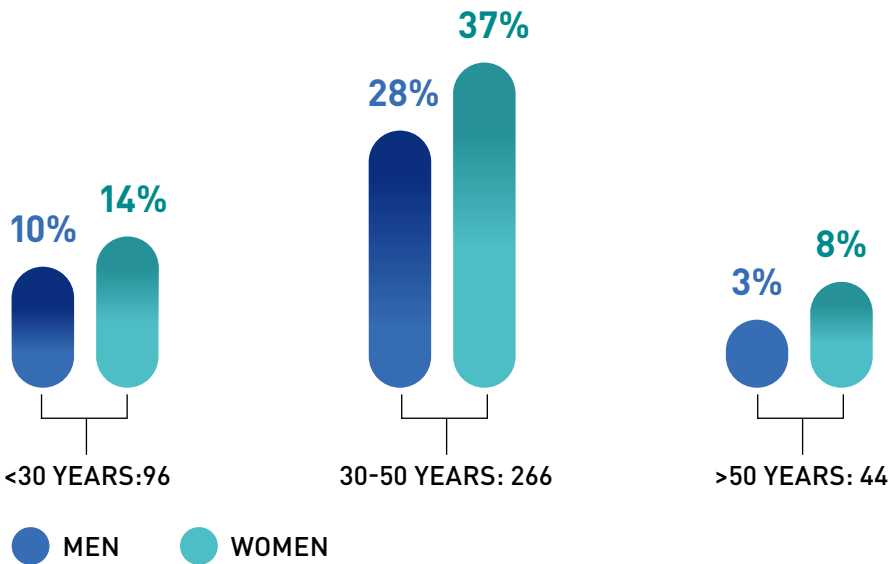
In 2022, the Group's workforce grew by 54 employees, an increase of 2.4% on a like-for-like basis⁸.

⁸ Please note that as a result of continuous improvement in the reporting process, the employee data as at 31 December 2021 have been restated from those included in the 2021 Sustainability Report, published at <https://www.grupposapio.it/sostenibilita/>

THE PRIVILEGE OF MANAGING TALENT

An organisation like ours can only be successful because of the employees who work there on a daily basis and who, through their dedication and talent, enable us to provide an efficient, innovative service for the benefit of our customers. Talent development is the key to the future growth of the SAPIO Group. As a result of the need for expansion and the continuous search for new lifeblood for the Group, 406 new resources joined the Group in 2022, of which 171 in Italy and 235 abroad.

Composition of new hires during 2022 by age and gender (# e %)



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

- Ongoing training to ensure the development of a growth mindset in people
- Performance management for management and middle management to ensure alignment with business results
- Production bonuses for the workforce aligned to company results
- Annual talent review and succession plans to identify talent to invest in and create a plan for filling key corporate positions
- Individual career plans and international growth opportunities through a cross-country job posting system

A specific working table for the identification of talent within the company was established in 2021 and has continued to exist and managing resources with specific growth and career advancement paths. In addition, the talents identified by each corporate function had the opportunity to present to the Executive Committee, in order to allow the distribution of knowledge and interaction with them at the various company levels.

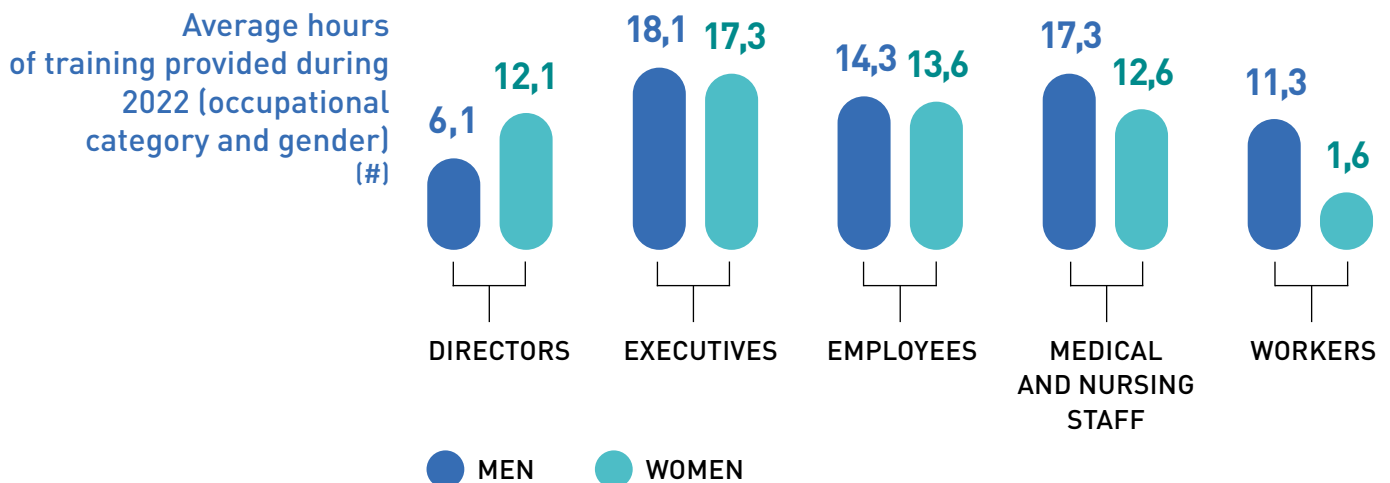
TRAINING AS A MEANS OF EMPLOYEE GROWTH

Continuous training is an essential element of the Group. The SAPIO Group offers many opportunities for its employees to develop their skills. A training plan is developed annually with on-site and distance learning, both internal and external.

During 2022, some 30,443 hours of training in total were carried out, equivalent to about 13.2 hours per employee, an increase of 37% over the previous year. Every year, the SAPIO Group realises specific training plans to meet the most diverse training needs. In addition to meeting the training needs strictly related to the job description, cross-functional growth paths are made available to all personnel to implement soft skills and transversal competences.

An academic plan is in place in Italy that includes courses ranging from psychological sciences to effective virtual meetings, to public speaking and writing. Alongside this, a master's course for young talents with potential to emerge and cultivate and an executive master's degree for resources with a role of responsibility and strategic importance in the Group.

In addition to the above, there are always language courses and courses aimed at increasing knowledge of IT and digital tools.



A distinction is made between training on occupational health and safety and training on other topics, such as technical training and managerial.



Further details on employee data can be found in the section 'Analytical Data in the Sustainability Report' at the end of this document.



BENEFITS FOR WORKERS

In order to combat the pandemic and at the same time guarantee the safety of employees and the necessary business efficiency to the continuous provision of services to our customers and patients, as early as 2020, the SAPIO Group in Italy promptly decided to adopt remote working as the only solution of work performance, compatible with the task being performed. This initial need, in the due course of events, soon turned into an almost necessary evolution of the way work is conceived, with the signing in October 2020 of the new union agreement with the most representative trade unions at national level, which placed SAPIO among the first in Italy and in the pharmaceutical chemicals sector to have made this working method permanent.

In Italy, a new trade union agreement was signed on the participation bonus that will govern the three-year period 2021-2023. This agreement provides for an increase of the basic premium in each year of the period, increased conversion flexibility, increased threshold to be dedicated to welfare and the introduction of an additional increase for the most virtuous sites that comply with all the dictates of the "Obiettivo Zero Infortuni" (Objective Zero Accidents) programme. Added to this is the renewal of social responsibility instruments such as the scholarship programme. As of 2021, a "Home-Work Displacement Plan" has been drawn up for the parent company's headquarters in Monza, as required by decree no. 179/2021 where the daily travel of employees was analysed and measures to reduce travel including remote working as defined above.

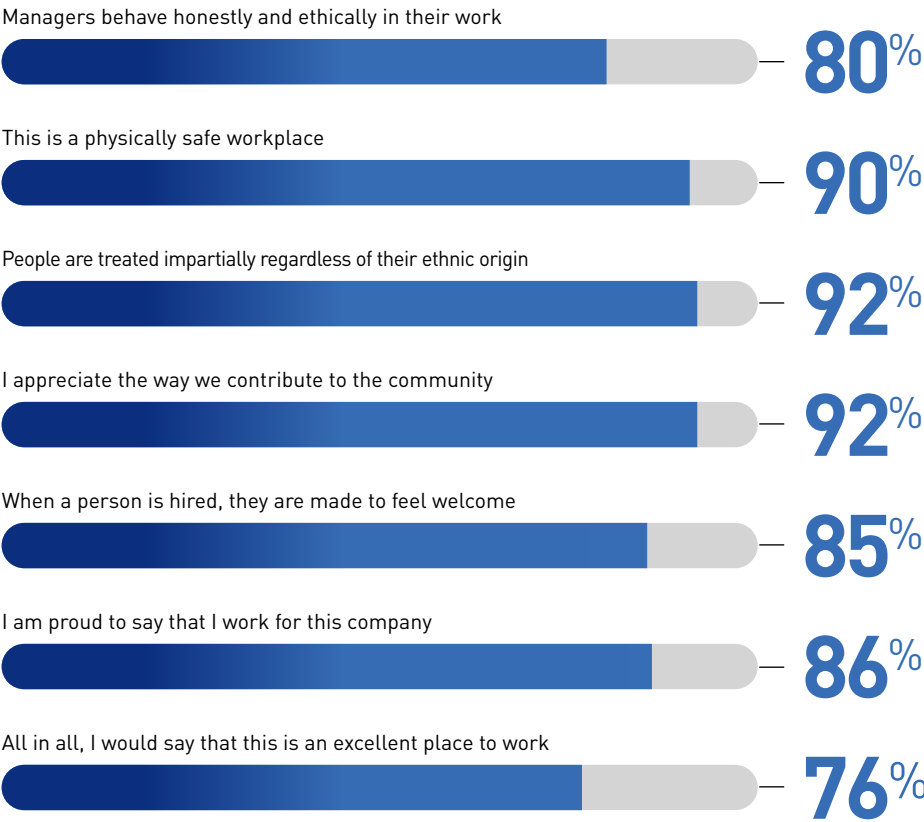




GREAT PLACE TO WORK®

As per every year the Group's employees were able to respond to a completely anonymous Great Place To Work questionnaire expressing their opinions on various topics. The following are the answers collected, because the opinions of its employees are very important to the Group.

Our employees say about us:
best results



74%
CREDIBILITY



71%
RESPECT



67%
EQUITY



76%
PRIDE



70%
COHESION

Sapio Life S.A.U., after being certified for the first time in 2021, was again certified as a Great Place To Work company in 2022 and made its first entry in the rankings. Achieving this recognition is the result of being part of an organisation that, as a whole, has a common objective: to accompany the patient throughout his or her care. The entire structure of Sapio Life S.A.U. contributes to innovating and improving home care in Spain, working every day with commitment, dedication and perseverance.

Achieving 100 per cent patient satisfaction by responding to their individual needs, taking into account their condition and those of their environment and showing them that we stand by them is our mission.

In 2022, all employees of Sapio Life S.A.U. were interviewed again and 75% of them think it is an excellent place to work, the most appreciated aspects were the respect and the support that employees receive from their superiors and the organisation. 85% of the company's employees are satisfied with their contribution to the community.



Sapio Life in Spain is a Great Place To Work

SECURITY AS A CORPORATE FOCUS

Security has always been at the centre of SAPIO's Group values and in 2022 many initiatives and projects were carried out to increase the security of our sites. In addition to the delivery of numerous safety-related courses involving all employees, the carrying out of audits at sites and the launch of a new communication campaign, facilities cylinder fillers have been replaced or refurbished at all sites, new oxygen connectors have been introduced, substantial investments have been made for the improvement of traffic flows on the sites, separating pedestrian paths from those of forklifts and trucks. In some production sites, the application of lean manufacturing started, introducing the '5S' method in one plant and achieving significant improvements in safety, order and waste reduction through strong involvement of all staff.

The 5S method is a procedure for managing order and cleanliness of workstations which can be summarised in the following fundamentals: 'Sort, Set in order, Shine, Standardise, Sustain'. In every company, the implementation of the 5S is the point starting point that enables the improvement of production activities and future development. This is because, in the day-to-day activities of a company, activities of choice and separation, arrangement, organization and control are essential to achieve a linear and efficient flow of activities. The extension of this procedure to other sites is planned for 2023. Also in the production area, the introduction has continued of automatic analysis systems for determining the purity level of medical compressed oxygen, increasing quality and efficiency of processes.

method

5S

Sort,
Set in order,
Shine,
Standardize,
Sustain



EIGA AND ASSOGASTECNICI AWARDS

In recognition of their safety achievements, a number of SAPIO Group sites received awards in 2022 from Assogastecnici and EIGA (European Industrial Gases Association) for the absence of accidents: the Mantova plant achieved 20 accident-free years, the Collegno plant 15 years, the Sapio Life plant in Pergine Valdarno 10 years and the Padova plant 5 years.



Sapio Produzione Idrogeno Ossigeno Srl

25 CONSECUTIVE YEARS
during 2022
at the Ferrara site

without occupational injuries of employees

Sapio Life Srl

10 CONSECUTIVE YEARS
during 2022
at the site
of Vaprio d'Adda (MI)

without occupational injuries of employees



Sapio Produzione Idrogeno Ossigeno Srl

5 CONSECUTIVE YEARS
during 2022
at the Catania site

without occupational injuries of employees



Sapio Produzione Idrogeno Ossigeno Srl

25 This is to recognise
that the site Ferrara
has achieved
SUBSEQUENT YEARS

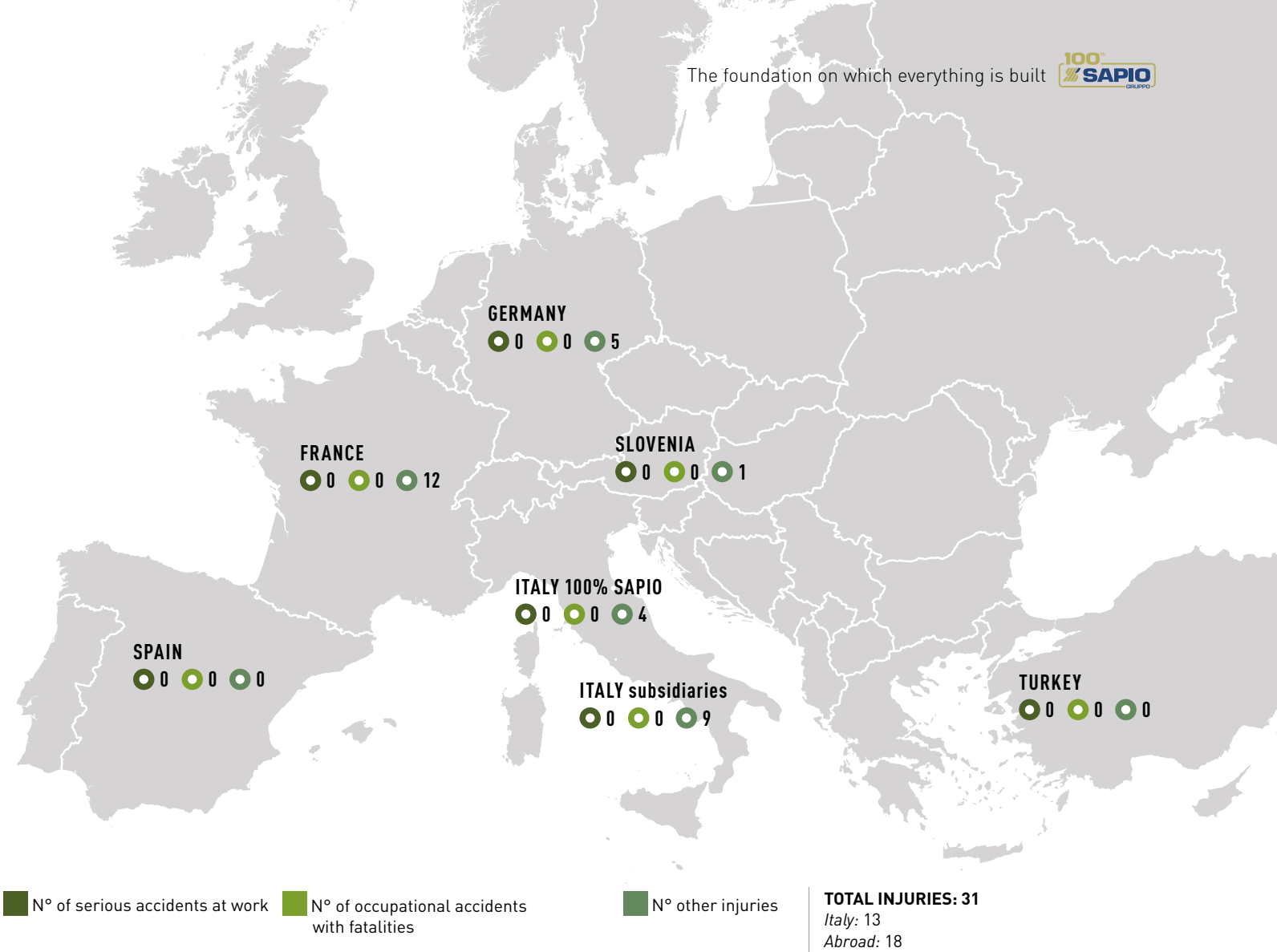
without any recordable work injury

Sapio Life Srl

10 This is to recognise
that the site Vaprio d'Adda
(MI) has achieved
SUBSEQUENT YEARS

without any recordable work injury

During 2022, 31 accidents occurred for SAPIO Group employees, compared to 40 in the previous year. Of these, no accidents had serious consequences. The trend is decreasing in 2022 due to increased training on Health and Safety issues, and thus increased awareness on the part of employees. In relation to the type of accident, the majority of accidents for the year 2022 are due to contusion/crushing. Further information on accident indices can be found in the section 'Analytical data in the Sustainability Report' at the end of this document.



Occupational accidents of employees (#)

| | 2021 ⁹ | 2022 |
|--|-------------------|------|
| Total number of recordable occupational accidents | 40 | 31 |
| of which: serious accidents at work (excluding deaths) | 0 | 0 |
| of which: occupational accidents resulting in death | 0 | 0 |
| of which: other injuries | 40 | 31 |
| Frequency index ¹⁰ | 11,3 | 8,3 |

⁹ Data reported for employees for 2021 do not include information about Synapse Santé S.a.s.

¹⁰ The work accident frequency index for employees is calculated as follows: total number of recordable work accidents / number of hours worked *1,000,000.

THE EMPLOYEE AND COLLABORATOR HEALTH AND SAFETY MANAGEMENT PROCESS

A health and safety management system is implemented in the SAPIO Group based on the UNI ISO 45001 standard scheme. Some of the production sites have acquired certification by an external body (Certiquality). In sites at risk of major accidents, a safety management system is implemented for relevant accident risk prevention, as required by Legislative Decree 105/2015 to the hazards associated with work activities in the technical gas sector (process hazards) are those related to the handling of hazardous substances (such as, for example: asphyxiants, oxidisers, flammables) and their physical state (very low temperatures, high pressures). These hazards are kept under control through the adoption of work procedures, specific equipment, training and continuous training, surveillance and supervision by supervisors and management of reports.

Essential prerequisite for such a system of management is compliant with the applicable mandatory regulations, for companies operating in Italy, in the 'Testo unico per la salute e sicurezza nei luoghi di lavoro' (Legislative Decree 81/2008), in the legislation applicable to establishments at risk of a major accident (Legislative Decree 105/2015) and in the rules and laws reference for all specific applicable aspects, and in compliance with the regulations in force for the foreign companies of the Group.

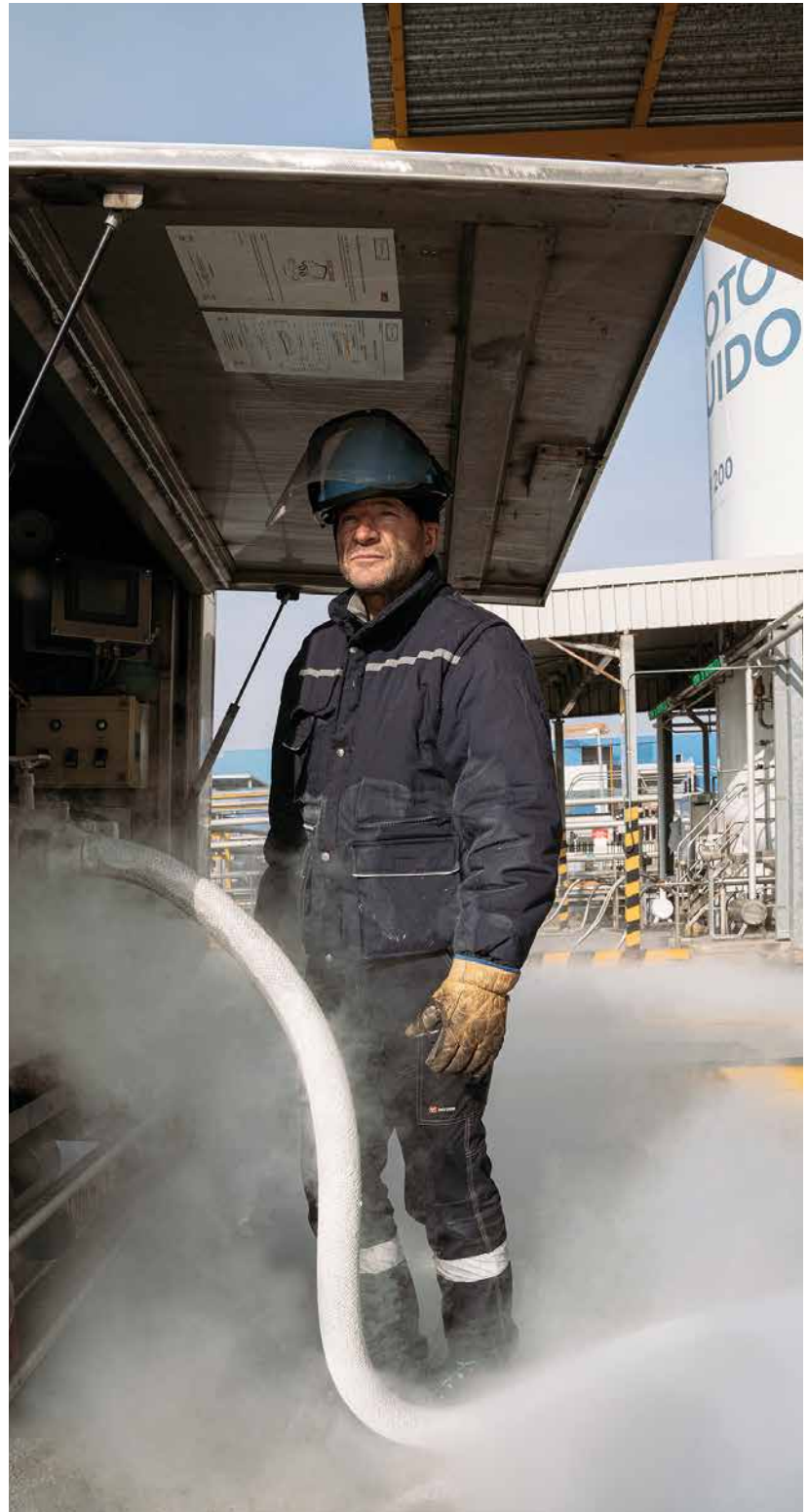
Participation and involvement of workers for occupational health and safety issues are also strongly encouraged through workers' safety representatives, campaigns training and awareness-raising on specific issues and systems for collecting suggestions for improving security in daily activities.

The occupational health and safety management system is governed by the SAPIO Safety Committee, in which employers, senior figures reporting to the managing director participate in the Health, Quality and Environment Directorate ('EQS Directorate'), which meets at least once a year, and which is responsible for analysing safety performance (occurrence of accidents and injuries, analysis of potentially critical events, comparison with the industry) and define objectives and improvement activities.

The effectiveness of the management system is evaluated through a system of inspections and selfinspections conducted by qualified personnel. The results of these activities, integrating the analysis of accidents, injuries, near misses, and evaluating reports and suggestions of safety proposed by the workers, contribute to the implementation of the continuous improvement of the management system itself.

Workers can report risky situations through a management system recording of accidents, alerts and safety suggestions. Workers who do not have a company account have paper forms to use for such registrations.

These activities are encouraged and supported at every level and the absence of retaliation is guaranteed. For each incident, risky situation, report or suggestion, a process is activated that starts from a survey and then goes on to define preventive actions or corrective measures and the verification of their effectiveness. Staff, in relation to their role, are involved in health management and safety. The workers' representative, appointed in all Group companies or in different sites, participates in the activity of risk assessment. Prevention and mitigation of occupational health and safety impacts within business relationships takes place through risk assessment of activities and processes. It takes place upstream through the acquisition and evaluation of safety data sheets of products purchased and used, and downstream through the issuing and sending to customers of safety data sheets of the products supplied.



SAFETY IS MY NAME



LET'S BREATHE
SAFETY



LET'S BREATHE
SAFETY



Breathing the future

THE TRAINING AND PROMOTION OF WORKERS HEALTH

Information, formation and training of employees are among the main aspects of the management system safety. In addition to compliance with the legal provisions in force in the various countries, campaigns are promoted of specific training aimed at enhancing the culture of safety and making everyone feel like a protagonist of their own and others' safety at work, but also in their daily lives. In particular, the 'Safety is my name' campaign is underway as outlined above.

In 2022, 9,873 hours of health and safety training were provided in the Group, compared to 4569 in 2021. The SAPIO Group's focus is to create an environment that encourages the adoption of behaviour that ensures the safety and well-being of employees.



SAFETY IS MY NAME



LET'S BREATHE
SAFETY



For SAPIO, the safety of its customers is just as important as the safety of its employees. On numerous occasions we contribute to improving the safety of our customers through the use of our products and technologies. This is the case with AGA ITALIA to which we supply liquid nitrogen in tanks for the inertisation of silos containing flammable substances. SAPIO and the customer jointly performed an analysis of possible areas of risk, and then proceeded to design nitrogen injection in equipment potentially subject to the risk of fire and explosions.

The nitrogen injection system significantly reduces solvent combustion hazards, indeed through the injection of nitrogen we significantly reduce the concentration of oxygen in the hazardous area, limiting and minimizing the intervention of extinguishing systems.

The safety of our customers AGA ITALIA S.r.l.



SAPIO'S COMMITMENT TO ITS COMMUNITY

For almost 100 years, the Group has developed relationships with the communities in which it operates, contributing to their wellbeing. SAPIO with community support aims to identify and support social issues in order to improve the environment in which the Group operates. During the year 2022, donations and contributions amounting to € 600,000.

CONTRIBUTION TO WAR-AFFECTED POPULATIONS

In early 2022, just when Covid infections seemed to be sharply declining and our lives slowly returned to normality, a new tragedy struck our continent, war returned in Europe. The news showed us terrible scenarios and told very sad stories of many people affected by the conflict. SAPIO's thoughts went out to them, to all those families, who from one moment to the other no longer had their homes, destroyed by bombing, and were forced to flee their cities in order to survive.

That is why an initiative was launched involving our employees to make a voluntary contribution through the donation of an hour or more of their salary. In parallel SAPIO pledged to contribute double the amount donated by each employee in addition to making a contribution of € 100,000.

Humanitarian collections of food and clothes were also organised at some of our factories to be sent on site.



Also in 2022, the initiative known as 'Settimana del respiro' was repeated for the 21st year, two-week stay in Cesenatico for 50 patients between 60 and 80 years old with respiratory diseases and permanently connected to oxygen cylinders. In addition to the social inclusion initiative to prevent the isolation of these patients, multiple entertainment activities were offered by Cer Medical such as: hairdressers, magicians and singers. In addition, guests were taken on a boat trip and celebrated with fireworks.

The initiative is followed 24 hours a day by employees of Cer Medical, a SAPIO Group company, who take turns to stay with patients to guarantee all necessary technical and nursing assistance.

For this activity, the Group receives recognition from pulmonologists, local health authority directors, patients and the employees themselves.

Breath Week

SCHOLARSHIPS FOR SAPIO EMPLOYEES

For several years now, the SAPIO Group has been providing to the children of its employees in Italy, in accordance with the parameters of the reference procedure, scholarships for the attainment of high school and university degrees.

In 2022, an ad-hoc event was organised to present awards to all graduates, who were presented with their awards directly the President Alberto Dossi, by Vice-Presidents Maurizio Colombo and Andrea Dossi and Managing Director Mario Paterlini.



In the course of 2022, numerous local, national and international organisations such as, AISLA, Skychildren, Maria Letizia Verga, LILT, Don Carlo

Gnocchi, UILDM, Emergency, Unicef, Italian Red Cross, Save the Children, Fondazione Monza e Brianza.

THE HAMARA GHAR SHELTER IN INDIA FOR CHILDREN IN A STATE OF EMERGENCY

For several years, SAPIO has supported Skychildren, a non-profit organisation that works to protect Indian children through concrete initiatives and projects that give them hope. After the refurbishment of the Hamara Ghar shelter in 2021 thanks to a donation from SAPIO, the facility is now again fit for use and the children in distress have been welcomed, fed, clothed, reassured and provided with the very first medical and hygienic care.

During 2022, a project was born within this very structure that is the natural and consequential next step to rescuing the most vulnerable minors: the Reunification Project.

As soon as the child enters the shelter, our operators begin a demanding and costly search for the family of origin with the aim of reuniting the missing children as quickly



as possible. With their families, when the family has been traced, before the child is reintegrated into the family and community of origin, the project ensures that this is the best place for

the child and is suitable for the child's growth. If children cannot be reunited with their families because the family cannot be traced, they are orphaned or the biological family is unwilling to take the child back, practitioners work to find an alternative long-term care arrangement to the family such as fostering or adoption. "These great changes were possible thanks to SAPIO, which made it possible to make a facility that had been closed for safety reasons accessible again. Your donation was the starting point for great virtuous changes that are still taking place and that are leading and will lead to a better life and future for these children," says Skychildren.

THE CONTRIBUTION TO ASSOCIATION LIFE

The Group works with and supports the development of trade associations of the entire sector in order to grow the whole ecosystem.

In Italy SAPIO is part of Assolombarda, of which President Alberto Dossi is Deputy Vice President with responsibility for energy transition.

SAPIO is a member of Federchimica and Assogastecnici in which it is present in multiple working groups that it often coordinates. It is also a member of the Associazione Italiana H2IT - Association for Hydrogen and Fuel Cells - of which President Alberto Dossi is also Chairman. It is, finally, part of Hydrogen Europe and the European Clean Hydrogen Alliance.

In France we are part of the Fédération des PSADs (Prestataires de Santé à Domicile) and the associations La Vie par un Fil, Association Aide aux Jeunes Diabétiques, Institut Eco Océan, Association Vaincre la Mucroviscidose and Institut Curie.

In Spain, we are part of FENIN (Federación Española de Empresas de Tecnología Sanitaria).

In Germany, we are part of Spectaris (www.spectaris.de), RSR (www.rsr.de) and the Italian Chamber of Commerce for Germany (Italienische Handelskammer Für Deutschland). Life Cure GmbH is part of BPA (Bundesverband privater Anbieter sozialer Dienste e.V.)



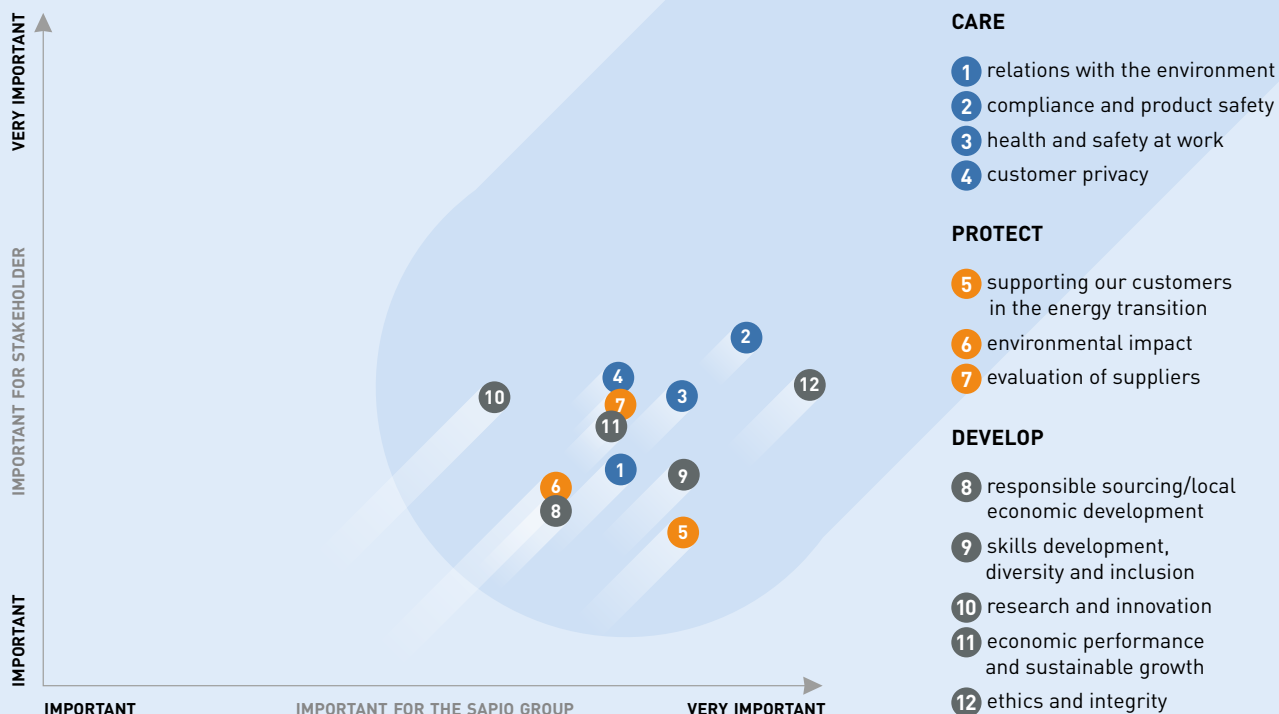
THE CREATION OF VALUE FOR OUR STAKEHOLDERS



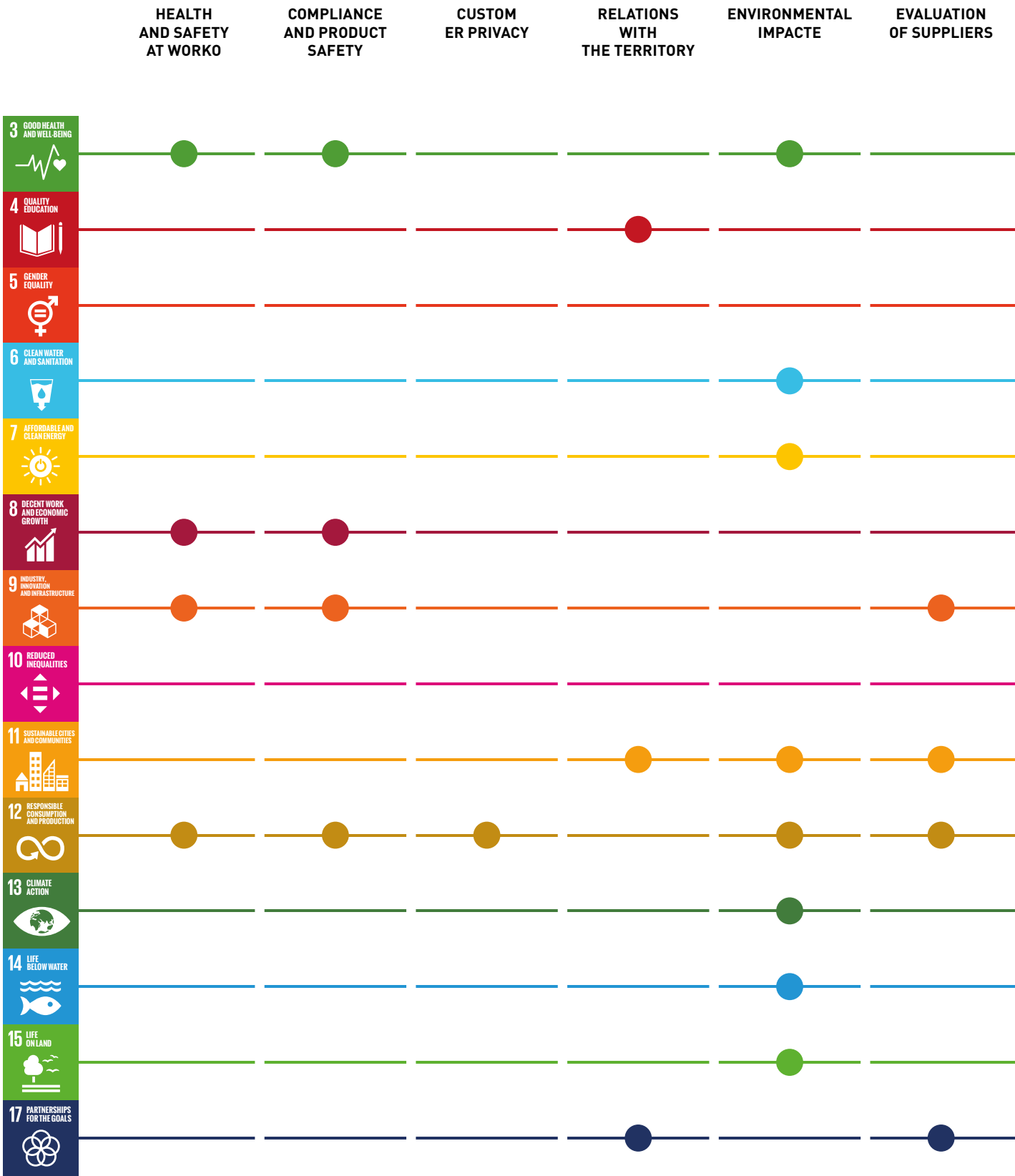
THE MATERIALITY MATRIX

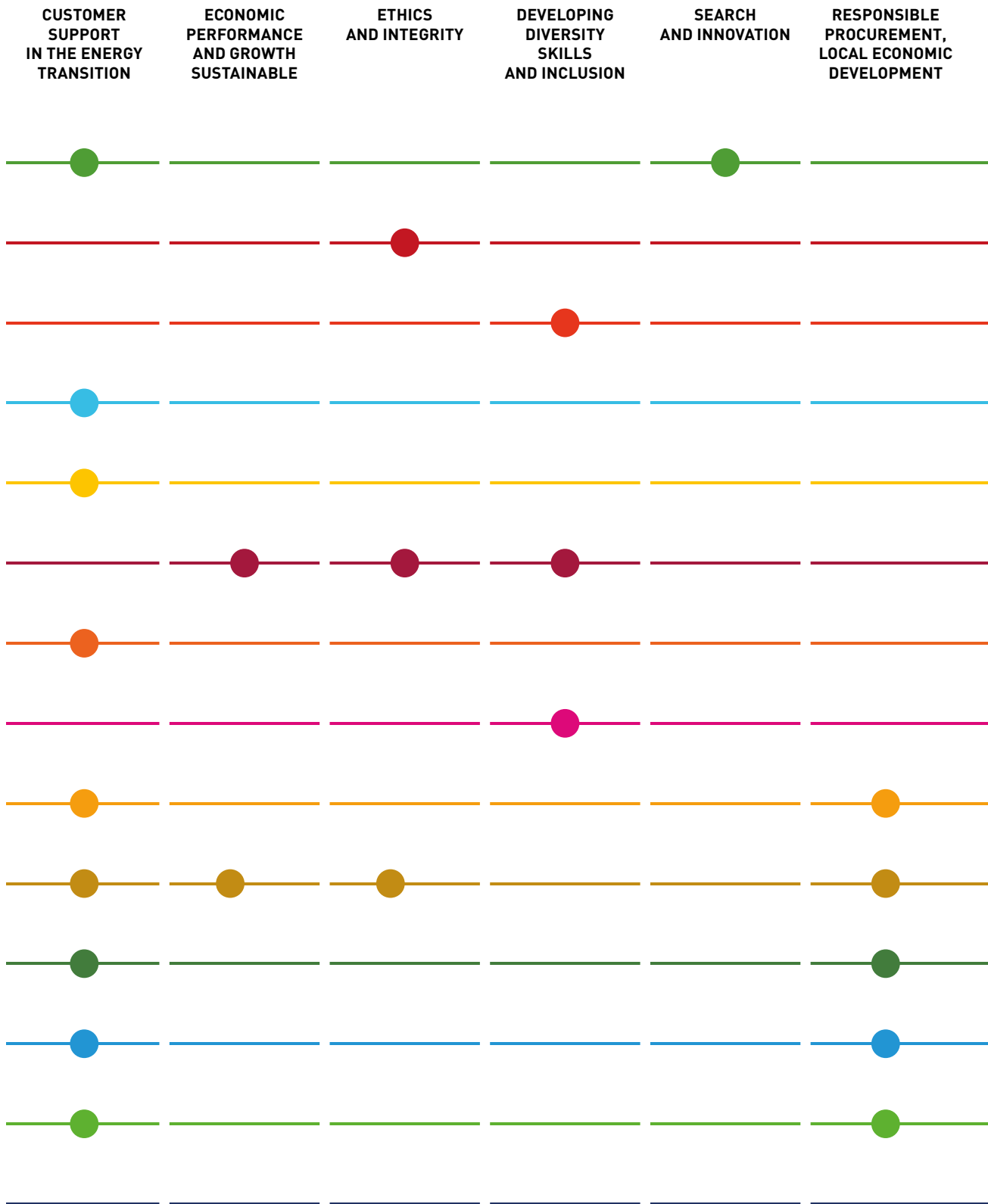
In accordance with the requirements of the GRI Standards, the contents of this Report were defined through a materiality analysis, which identified the aspects reflecting the most significant economic, environmental and social impacts for the Group and which could substantially influence the assessments and decisions of its Stakeholders. The analysis preliminarily focused on on a benchmark of companies operating in the industrial and medical gases sector, reporting on sustainability or non-financial reporting, which 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 issues administered to a broad category of Stakeholders (customers, employees and suppliers) it was possible to identify issues of most relevance to the Group's stakeholders. Secondly, a questionnaire was administered to the SAPIO Group Executive Committee in order to prioritise each of them in consideration of its present impact and its prospective relevance for both the Group and its Stakeholders. This process led to the definition of 12 material issues, positioned within the Materiality Matrix as shown below:



MATERIAL SUSTAINABILITY THEMES OF THE SAPIO GROUP





IDENTIFICATION OF STAKEHOLDERS AND MODALITIES OF INVOLVEMENT

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

As part of the preparatory activities for the definition of the Materiality Analysis, as follows, the Group has identified the following Stakeholders based on an internal, contextual and sectoral analysis that considered best practices at national level and international and the main sustainability frameworks.



| STAKEHOLDER | MODES OF DIALOGUE AND INVOLVEMENT |
|------------------------|---|
| MEMBERS | <ul style="list-style-type: none"> • Board of Directors |
| EMPLOYEES | <ul style="list-style-type: none"> • Internal Communications • Corporate meetings • Training and information activities • Sharing the SAPIO Group's Code of Ethics and Organisational Model • Workplace' platform • Trade unions, where present |
| CUSTOMERS | <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 center |
| PARTNERS AND SUPPLIERS | <ul style="list-style-type: none"> • Direct contacts • Access to a dedicated web portal • Sharing the SAPIO Group's Code of Ethics and Organisational Model • Supply chain |
| COMMUNITY | <ul style="list-style-type: none"> • Donations and Sponsorships • Support for schooling • Collaborations |
| ASSOCIATIONS | <ul style="list-style-type: none"> • Active participation in the life of the main industry associations |
| FUTURE GENERATIONS | <ul style="list-style-type: none"> • Defining corporate sustainability goals |

THE CREATION OF VALUE FOR OUR CUSTOMERS AND PATIENTS

The term value can take on different meanings and it is sufficient to consult a dictionary to realise this. For SAPIO, value represents the totality of a person's desires, needs, and interests, and starting from this concept, 'value creation' translates for SAPIO into caring for people whether they are customers or patients. Creating value for customers and patients means working on continuous improvement in the quality of services and products offered. The mission of the Group is to meet the needs and expectations of its customers always respect for and protection of the environment.

SAPIO, in its long-term strategy, is committed to taking a leadership role in industrial activities, along the entire chain of healthcare value creation and homecare as well as biotech and alternative energy carriers to improve our customers' carbon footprint. The next few pages will describe how we bring value to our customers and patients in the areas in which we operate.





HOW WE CONTRIBUTE TO OUR ECOSYSTEM: INDUSTRY

The SAPIO Group offers a wide range of gases to the entire Italian industrial sector, equipment and services that today are considered of vital and primary importance for the performance of many applications and industrial processes. SAPIO offers its customers, through the specific use of technical gases, solutions aimed at improving energy and production efficiency while also reducing the environmental impact of the companies themselves. SAPIO complements its product offering with design and implementation services of facilities for the safe, efficient and effective production and use of gas.

We actively participate in the different stages of the customer relationship by dimensioning and designing detailed facilities for cryogenic air fractionation, gas production by selective adsorption on molecular sieves and hydrogen production by steam reforming or by electrolysis. In addition to this, the development of customised and innovative solutions also in very specific sectors, such as biogas, biomethane and sustainable transport.

Among the gases supplied to the industry sector we report:

technical gases

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

pure gases, special gases, special mixtures
even at very high purity;

LPG, LNG and biomethane

refrigerant gases¹¹

¹¹ Directly or through joint ventures.

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



4Food

For the food and beverage industries

Our gases and our packaging technologies and food freezing increase shelf-life of the product, enhance its organoleptic qualities, help reduce waste, transport and keep production costs down.

Applications served:

- beverage gassing and headspace inertisation;
- processing and preserving meat, cold cuts, sausages and fish products;
- packaging fruit and vegetables;
- ice cream production;
- production and storage of fresh pasta, pre-prepared meals, liquids and sauces;
- storage of dry food and bakery products;
- production and storage of dairy products;
- treatment of cereals.



4Metals

For metallurgical industries, cement and glass factories

Our gases and technologies for oxyfuel increases productivity, reducing fuel use, costs and emissions, optimising production efficiency.

Applications served:

- metalworking;
- iron and steel production;
- production of non-ferrous metals;
- production of minerals;
- glass and concrete;
- heat treatments of metals carbocementation, annealing, sub-zero treatments.



4Labs

For universities and laboratories of research

The table of accredited SAPIO mixtures for laboratories, research and monitoring of emissions and air quality is being continuously updated. We thus guarantee total security management of the process and the analytical effectiveness of the required mixtures.

Applications served:

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



4PharmaChem

For the pharmaceutical and chemical industries

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

Applications served:

- production of active ingredients and finished product;
- cryopreservation;
- hook-up and fit-up;
- emission control.



4MetalFab

For metalworking industries

Maxx® blends increase welding speed, reducing the amount of gas used, minimising the formation of fumes and ozone and saving electricity and production-related emissions.

With Sicura® and Integra® cylinders help to increase the safe handling of containers thus reducing related risks.

Applications served:

- welding (TIG, MIG/MAG, laser, plasma, oxyacetylene);
- cutting (oxyfuel, plasma cutting, laser cutting);
- cryo-blasting.



4Water&Soil

For soil treatment and water

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

Applications served:

- sustainable reclamation for the treatment of sites contaminated with hexavalent chromium;
- pH neutralisation;
- oxidation with O₃ ;
- activated sludge processes;
- oxygenation;
- groundwater recovery;
- drinking water treatment;
- emission control.



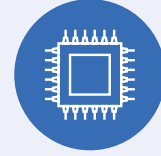
4Energy

For the Oil & Gas industries

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

Applications served:

- **for power plants**
 - H₂: alternator cooling;
 - CO₂: alternator emptying;
 - N₂ or LN₂: clearing/pigging;
 - Emission Mix: air emission control;
 - LCO₂: fire extinguishing system, pH neutralisation in waste water;
 - SF₆: insulator in highvoltage switches.
- **for refineries**
 - O₂: improves Claus plant efficiency; produces syngas from gasification;
 - H₂: hydrocracking, desulphurisation;
 - N₂: inertisation, process equipment cleaning.



4Electronics

For electronics industries

We are a leading designer and supplier of special and cryogenic gas distribution systems serving the production systems of electronics companies.

We optimise operational processes while maximising production efficiency and maintaining high safety standards.

Applications served:

- Ar, N₂, O₂, He, H₂ mixtures: by purging, deposition and epitaxy;
- NF₃, DCS, TCS: by deposition;
- CF₄, CHF₃, F₂: for etching;
- B₂H₅, PH₃: for doping activity;
- N₂ pure: epitaxial growth of silicon crystals used in wafers production;
- H₂: by reduction of O₂;
- toxic and corrosive gases for treatments on wafers;
- pure gases and mixtures for laboratory quality analysis.



SAPIO is not only a supplier but above all a technology partner for companies across the country, major food companies rely on our water treatment solutions. This is the case for example of Eskigel and Fattorie Marchigiane Cooperlat group that SAPIO supplies with liquid oxygen, which is used to help air in the biological oxidation tank (heart of the purifier), in which temporary shortages of dissolved oxygen resulted in reduced efficiency at certain times.

SAPIO supported customers, starting with data collection, which are necessary to carry out adequate feasibility studies and consequent sizing, and subsequent on-site inspections, which were indispensable to formulate technical and commercial proposals that could meet the demands, providing gas, technical assistance and equipment for adjusting flow rates and pressures. Among the many benefits of sustainable applications of using O_2 in water treatment are a clear reduction of aerosols in the atmosphere and the optimisation of purification processes prior to the discharge of water into the environment.

Liquid oxygen for water purification

COV and VOC are two acronyms for volatile organic compounds, i.e. organic chemical compounds that evaporate easily, even at room temperature. Evaporating easily, these compounds are just as easily dispersed in the air (think of the characteristic odour of solvents) and can cause damage both to the environment than to people's health. Some of the volatile components can in fact be toxic or harmful, especially if inhaled in large quantities. Directive (EU) 2016/2284 (repealing Directive 2001/81/EC) on the 'reduction of national emissions of certain atmospheric pollutants', transposed by Italy with Legislative Decree No. 81 of 2018, was issued to achieve

levels of air quality that do not pose significant risks and negative impacts on the environment and human health.

Our customers express a need for an abatement system of these VOCs and with this in mind, we have designed, and are currently building, a closed-circuit cryogenic abatement system in which the exhaust gases to be treated pass through a heat exchanger, countercurrently supplied with liquid nitrogen, in order to lower the temperature of the gas stream, allowing abatement and separation of organic solvents in the gas stream.



The Merck Serono case S.p.A. – VOC abatement system

INNOVATION IN PRODUCTS AND SERVICES

Innovation in products and services for SAPIO starts with a fundamental principle: listening to its customers and build a value proposition that fully meets their needs. Key innovations for industrial customers can be summarised as follows:

• CryoPlus

CryoPlus is a viable alternative to cylinder packs being an easily installed mobile liquid gas tank that represents an advantage in terms of reduced transport costs, gas storage space and safety.

• Integra®

The Integra® cylinder, dedicated to the metal construction sector, reduces the risk of falling of the cylinder, because it is lower and more stable compared to traditional cylinders, as well as a reduction of the risk of damage to the reducer and problems deriving from gas pressure. Integra® is easier to use because it is smaller, lighter and easier to handle than traditional cylinders.

• Sicura®

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

• BIP®

The BIP® gas line, dedicated to research laboratories, guarantees a minimum purity level of 6.0. The technology contained in each cylinder specifically filters harmful impurities before gases are dispensed from the cylinder. Thanks to 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 message management alarms increase the level of security and reliability of the tank, ensuring continuity of the production process and allow for adequate product deliveries. The system, connected to a solar panel, does not require an electrical connection.

• SmartPack (pilot in start-up phase)

SmartPack is a complete, efficient and secure solution for local and remote control of installations of compressed gas storage that provides real-time accurate information on the state of gas levels in vessels under pressure.

• SmarTag

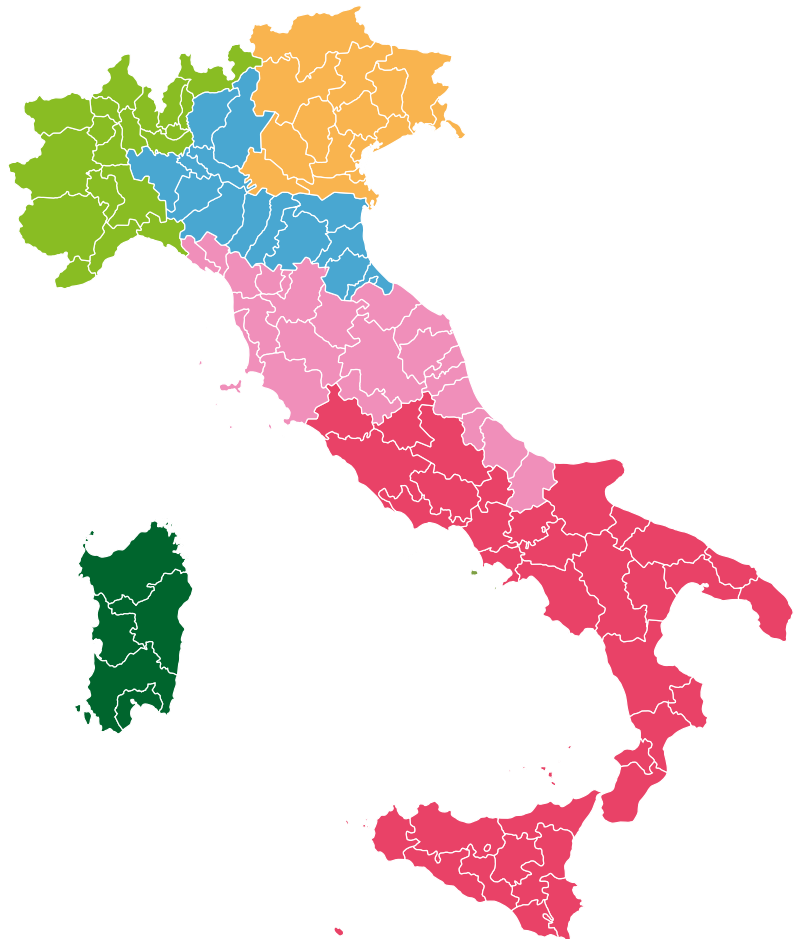
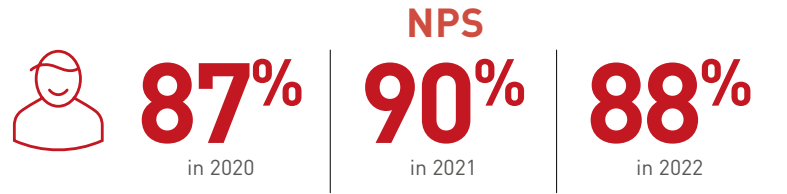
Simple, automatic and efficient, SmarTag is a reordering system based on consumption history and matricular stock, born from the innovative spirit of a SAPIO team.

THE SATISFACTION LEVEL OF OUR CUSTOMERS

Customer and patient satisfaction is a priority for the SAPIO Group and is constantly monitored through key performance indicators ('KPIs') in order to ensure the quality of services.

With regard to the industrial market, customer satisfaction has been constantly monitored since 2015 by monitoring the quality of the service provided and identifying areas for action, with a view to continuously improving their customer experience. Monitoring is done through the Net Promoter System ('NPS'), an index measuring the degree of customer satisfaction. With the month of December came the end of 2022, another year that was certainly not easy, but which gave us great satisfaction in terms of NPS.

In November and December, we spoke to around 450 customers and achieved an NPS score that at the end of 2022 averages to 88%, with peaks of up to 97% in some geographical areas, with a slight deterioration of 2 percentage points compared to 2021, the year in which it stood at 90%.



NPS SCORE 2022 BY REGION

89%
North-West
Region

89%
North
Region

88%
North-East
Region

85%
Central
Region

85%
South-Central
Region

97%
Sardinia
Region

HOW WE CONTRIBUTE TO OUR ECOSYSTEM: ENERGY TRANSITION AND DECARBONISATION

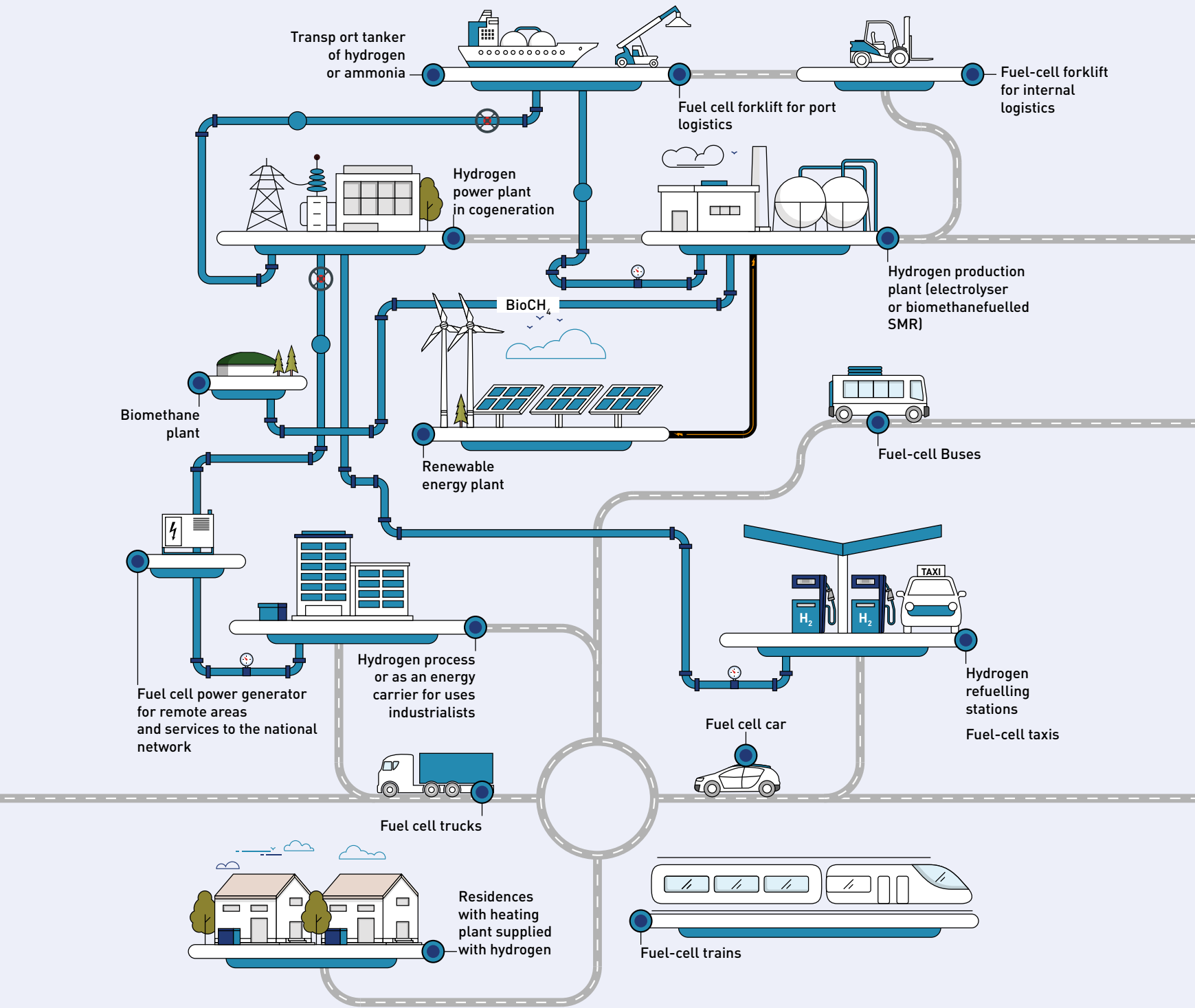
The SAPIO Group's mission is to meet the needs and expectations of its customers while always respecting and environmental protection. The Group in its long-term strategy, is committed to take a leadership role throughout the value creation chain of alternative energy carriers: production, distribution and management of their carbon footprint.

SAPIO is now a key player in the energy transition with a dedicated structure to the development of decarbonisation and sustainable mobility through clean and renewable energy sources, with a strong focus on renewable gases such as hydrogen and biomethane.

Environmental sustainability is a SAPIO commitment both in terms of internal processes with a series of activities aimed at significantly reducing the group's carbon footprint in line with the goals of the 2030 Agenda, both a commitment to support our customers in their energy transition and process. Our technologies for CO₂ capturing, hydrogen for industry and mobility and energy transition services in general articulate the main global targets for reducing environmental impact.







HYDROGEN AND THE FUTURE OF DECARBONISATION

Hydrogen is the sustainable energy vector of the future, destined to decarbonise hard-to-abate sectors that rely heavily on the use of fossil fuels, such as heavy industry, road, rail and ship transport. SAPIO, which produces hydrogen for more than 20 years has been active in projects for the use of hydrogen in stationary applications and mobility, is today the Italian leader in the production of hydrogen not intended for selfconsumption. Through its plants it supplies pure hydrogen and ultra-pure via pipeline to its customers nationwide through 4 plants and across almost 15 km of hydrogen pipelines, as well as widespread logistics. Decentralised consumption of this carrier are already served today through an extensive logistics network of the Group's tankers, which annually makes more than 3000 deliveries for distribution of this molecule.

Even before the global push on hydrogen, SAPIO's innovative spirit in the world of the hydrogen source is evidenced by a long series of activities promotion of new technologies and uses in both industry and sustainable mobility both in the development of vehicles and filling stations. SAPIO is already capable of producing hydrogen with different production methods, from small on-site electrolyzers generators and steam reforming production of methane as well as large-scale biomethane. The safe supply and distribution of hydrogen and reliable is a key element of the new hydrogen economy.

SAPIO has proven that it can ensure the necessary quality, safety and reliability for the supply market of both hydrogen purity required by some sectors of the industrial market and fuel cell grade for mobility: SAPIO in December 2022, nominated two projects for the construction of hydrogen refuelling stations in Mantova and Vicolungo as part of the National Recovery and Resilience Plan (PNRR) Mission 2 'Green Revolution and Ecological Transition' for testing hydrogen for road transport, being awarded funds of the NRP foreseen for both stations. In addition, SAPIO is leading numerous new projects for production by electrolysis both at customer sites and with centralised production combined with extensive logistics.

Average emissions reduction

-11 Ton/CO₂ 

for every ton of hydrogen used instead of diesel in mobility

The SAPIO Group will design and build the mobile hydrogen refuelling station for the first Alstom trains within the H2lseo project of FNM S.p.A. that will enter into commercial service in Valcamonica from 2024. The plant configuration is based on an innovative concept aimed at achieving both operational and management objectives including the possibility of refuelling station handling, minimisation of the space occupied for its installation, the speed of refuelling operations and the reduction of maintenance operations.

The solution involves the use of innovative high-pressure logistics system that the Group is implementing in its Mantova plant and which was also the subject of funds awarded in relation to the PNRR M2C2 call 3.5 'Hydrogen Research and Development'.

The Group will handle the design of the station, provide support to FNM in the authorisation phase, handle full service management of the station, and supply the hydrogen fuel-cell grade for refuelling trains and will be in charge of staff training activities.

Refuelling stations for hydrogen vehicles



**BIOMETHANE:
A SUSTAINABLE MOLECULE
FOR MOBILITY AND PRODUCTION
OF GREEN HYDROGEN**

The Group is active in the promotion and development of the biomethane market, a key energy carrier for the progressive substitution of natural gas of fossil origin in industry and for the decarbonisation of transport. As investor and producer, SAPIO is present throughout the biomethane value chain, from biogas production to the upgrading for the production of biomethane until it is placed on the industrial and automotive market.

The Group is currently engaged in the development of projects for biomethane production, located throughout the country. All projects are built according to a model of the local economy through the direct involvement of agricultural realities of the territory to ensure the closure of the environmental production cycle. The Group is also analysing the use of the carrier as a raw material for reforming processes dedicated to producing hydrogen with a low carbon footprint, to replace traditional natural gas in steam reformers.



THE CAPTURE OF CO₂ AND THE CLOSING OF THE CYCLE

In this historical period we recognise that the transition to a zero-emission world from the strong presence of renewable energy will not be immediate. Fossil fuels will still be needed to ensure to our and other companies' current development and prosperity. This path is not incompatible with a future characterised by ambitious emission targets: our technologies help our customers every day to thrive in their operations by reducing the environmental footprint of its plants and processes.

It is in this particular context that the expertise of the Group in the management of direct carbon dioxide process emissions represents a fundamental pillar of the future evolution of markets related to the energy transition: SAPIO holds the only hydrogen production plant from steam methane reforming in Italy, where a CO₂ from production process capture technology has been active since 2016. This practice allows the carbon dioxide released from hydrogen production to be converted for ready use, without these quantities having to be produced elsewhere by a dedicated process (Carbon Capture and Utilisation or 'CCU').



OTHER FUNCTIONS OF GASES FOR ENVIRONMENTAL PROTECTION

Alongside the energy transition pillar, SAPIO's primary industrial activity is the production of technical gases. These include 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 gases for cryogenics**

Mixtures for packaging in a protected atmosphere and gases and food cryogenics technologies enable food preservation longer by reducing its waste, maintaining its organoleptic properties and qualities that make it healthy and safe, and preventing the proliferation of harmful bacteria. SAPIO has been customising all solutions to maximise the potential of each production process for over 90 years, contributing substantially against food waste.

• **Oxygen for oxyfuel combustion**

The use of oxygen in the oxyfuel process makes it possible to increase the utilisation of fuels alternatives in between 30 and 90 per cent, maintaining high production quality, increasing productivity (between +5 and +30 per cent) and reducing CO₂. Through prototyping and simulation activities, the customer is able to find the best solution in terms of efficiency and carbon footprint.

• **Oxy-Fuel technology**

Oxygen technology is used in cement and metal processing to increase productivity and reduce the creation and the dispersion of smoke as well as costs, optimising the efficiency of the entire process.

• **Neutralisation of basic pH**

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

• **OxyDep® for water purification and abatement of organic compounds**

Pure oxygen solutions for water purification systems reduce the environmental impact with lower energy consumption and a related decrease in carbon dioxide emissions, as well as improving the purification process with a strong impact on wastewater quality.

• **Ozone for sludge reduction**

The use of ozone reduces the amount of sludge produced by the process and improves its dewatering capacity and settleability.



• Soilution

Soilution, a SAPIO patent, is dedicated to the treatment of groundwater and contaminated land from hexavalent chromium: its use enables the transformation of this element into an immobile and chemically stable compound.

- the extreme ease of gas diffusion in both saturated and unsaturated horizons (even through poorly permeable levels);
- minimally invasive in situ technology (does not change the use of the site, which can remain operational during reclamation);
- also operates at great depths;
- there is no waste production for disposal;
- simplicity of installation;
- effectiveness on groundwater and soils, regardless of depth and degree of permeability.

• Welding mixtures

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

• Emissions

Air emissions of volatile organic compounds are a major source of environmental pollution. The use of technologies exploiting our gases is essential for neutralisation activities of environmental pollutants: from cryogenic condensation absorption on activated charcoal, up to post-combustion of the pollutant.



• Calibration mixtures

The calibration mixtures are an indispensable component in environmental monitoring processes metric: ad hoc mixtures, designed to meet the most sensitive needs, guarantee regulatory compliance, usable products with the latest technological innovations, and constant emission monitoring (such as Ecocartest mixtures for calibration of engine exhaust gas analysers).

• Blanketing or inertisation

Workplace safety is of paramount importance at any site of production. SAPIO provides solutions for inertisation or blanketing. Our systems, products and technologies guarantee the safeguarding of human health and continuity of processes in all areas: from hazardous waste treatment to the chemical industry and pharmaceuticals.

• Supporting alternative energy storage initiatives

With its own supply of CO₂, SAPIO supports experimentation to find increasingly efficient energy storage solutions.

As a result of the market's everincreasing demand for efficient and cheap methods to store energy that is completely renewable and sustainable (even at night as an alternative to solar), an Italian start-up company, Energy Dome, came up with the CO₂ Battery technology. This technology is based on a closed thermodynamic transformation: manipulating CO₂ between its gas and liquid phase, whenever energy is required, CO₂ heats up, evaporates and expands, spinning a turbine and generating electricity, with no CO₂ into

the atmosphere. For the installation of a first pilot plant in Sardinia, SAPIO worked with the customer to provide the best technological solution to comply with its needs, both in terms of delivery methods and of procurement timing, providing both technical assistance and equipment as well as constant gas supplies.



The ENERGY DOME case CO₂ batteries for clean electricity



HOW WE CONTRIBUTE TO OUR ECOSYSTEM: HEALTHCARE

The SAPIO Group is Italy's leading supplier of medical gases, medical device gases and pure gases to hospitals and healthcare facilities; it also designs and builds centralised gas distribution systems and provides for their routine and extraordinary maintenance, according to a total gas management approach that guarantees maximum reliability to the customer.

OUR HOSPITAL SERVICES

Alongside the historical core of gas-related activities, the Group has acquired strong competencies in areas more closely related to the care business:

- designs and builds high-tech hospital wards;
- designs and manufactures, since 1995, multi-place hyperbaric chambers with diameters ranging from 1,300 to 2,300 mm and trolley chambers or containerised chambers, as well as related safety and control systems, through its subsidiary Sistemi Iperbarici S.r.l. ('Sistemi Iperbarici');
- provides hospital, laboratory and research equipment, as well as supporting the health system with training activities for hospital staff;
- provides turnkey solutions for the construction of biobanks for cryopreservation of biological material. The Group's technical and scientific background enables it to provide assistance in the design, implementation and management of biological resource centres according to the highest quality standards, in accordance with national and international guidelines.





In May 2022, Sistemi Iperbarici completed the testing of the hyperbaric chamber and related equipment at the centre of the Tunisian Navy in Zarzis, southern Tunisia. The project was presented at the presence of the Italian ambassador in Tunis, Dr. Lorenzo Fanara, the Commander of the Tunisian naval base with the Tunisian Chief of Staff, representatives of the European Union delegation

that supervised and financed the project, Tunisian hyperbaric medical experts and Italian divers for side-by-side training. Enormous appreciation was expressed by all stakeholders to our team for the remarkable installation realised.

The hyperbaric chamber at the Tunisian Navy Centre

The new nitrogen storage facility for cryopreservation at Humanitas Rozzano Campus (MI)



During 2022, Sapiro Life responded to Humanitas Campus' need to adapt and upgrade the liquid nitrogen plant for cryopreservation of biological samples for the department of research. In order to increase the security level of the supplies, a new installation location was found in the outdoor spaces next to the building.

Since 2013, Sapio Life and BioRep have been providing to various San Donato Group facilities, including the San Raffaele Hospital in Milan, with services for turnkey biological resource centre. Sapio Life has been confirmed as a strategic partner to guarantee the supply of medical gases to the new IRCCS Galeazzi Hospital - Sant'Ambrogio (San Donato Group), which will be operational from summer 2022 and will bring together two historical Milanese facilities, IRCCS Istituto Ortopedico Galeazzi and Istituto Clinico Sant'Ambrogio, in a single new centre of excellence. The large structure, counted by Newsweek among the World's Best Specialised Hospitals - Orthopedics, was realised in less than 4 years within the innovative MIND area in Milan. Sapio Life supported this

client in the complex design of the medical gas supply stations and with great tenacity and organisational effort, met the tight installation schedule required, in view of the accreditation and opening of the hospital. Our work continues today with both gas supplies and with Total Gas Management and control services and gas quality analyses to utilities, providing constant support to the structure. Thanks to the scientific and technical know-how at disposal of the client in the set-up and start-up of new biological material storage facilities, it was possible to create a Total Bank Management service that includes all the elements necessary to efficiently and securely manage the entire process of preserving biological material.

Sapio Life strengthens its partnership with the Gruppo San Donato



HOME THERAPIES SUPPORTING THE HEALTHCARE SYSTEM

In 1989, within the Group continuing tradition of presence in health care through medical gases and related services, Sapio Life was founded with the mission to extend the Group's presence in the emerging homecare sector. Socio-demographic elements (wellbeing expectations and ageing of the population) and economic elements (high and growing health expenditure) are and more opening up more room for home assistance.


The Italian offer is joined over time by offers in other European countries.


The SAPIO Group's healthcare services are also present in France, Germany, Spain, Turkey and Slovenia.


Operating in both the hospital and homecare sectors, the SAPIO Group knows the most effective solutions to meet one of today's priority needs in healthcare: to transfer care from the hospital to the patient's home, whenever possible, for greater personal well-being and a more efficient organisation of national healthcare.

With the services offered by the Group, it is possible to achieve continuity of care between hospital and territory with an optimal degree of efficiency, reliability and simplicity, both for health institutions both for end users.


1989 }  Sapio Life is born


1998 }  SAPIO acquires Vitamed GmbH in Germany, later to become Sapio Life GmbH


2004 }  Life Cure S.r.l. ('Life Cure'), a Group company providing integrated home care services, is founded


2006 }  Acquisition in Slovenia, Sapio Plini is born


2012 }  Establishment of Sapio Life Turkey

2014 }  SAPIO acquires French company Synapse Santé S.a.s., which operates in the home healthcare sector

2019 }  SAPIO continues GTI Medicare homecare acquisitions in Germany

2019 }  SAPIO continues acquisitions in homecare Contse (now Sapio Life S.A.U.) in Spain

2020 }  In the midst of a pandemic, SAPIO acquires the Homeperf Group, one of the leaders in home care in France

2022 }  Homeperf acquires the business unit of Ama Santé

HOME THERAPIES

The SAPIO Group is, in the countries it serves, a point of reference for assistance to patients with conditions requiring treatment and/or monitoring at home.



- **in the respiratory field**, homecare activities include home services for oxygen therapy, ventilotherapy, aerosol therapy, monitoring, telemonitoring and sleep medicine: for these, the supply and delivery is foreseen at the patient's home both the electro-medical equipment and the consumables and gases needed for therapy and/or monitoring. For all therapies, training activities are provided for users and for the more assistance by medical personnel is provided;

- **in relation to infusion therapies, nutrition and diabetic diseases**, it also provides related technologies and materials, instructing the patient and family in the management of practical aspects during the course of therapy by assisting the prescriber in the correct administration of therapy;

- also provides **therapeutic aids** for daily assistance patients and technological aids that help people with severe disabilities to communicate with others and to 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 therapy easier for people with kidney failure related to different diseases.

The Group also provides integrated home care services such as medical, nursing and rehabilitation assistance under home care plans using healthcare personnel.

In Italy, this service is provided by Life Cure. Life Cure plans and delivers medical, nursing and rehabilitation care according to home/territorial care plans authorised by local health authorities (home care integrated, home hospitalisation, hospice care); also provides support to patients and their families in the initial phase of

more complex home therapies, such as ventilotherapy and artificial nutrition. Professional figures working for Life Cure are medical specialists, nurses, social workers, therapists of rehabilitation. Life Cure can guarantee up to 24 hours of care per day, with medical on-call and nursing 24 hours a day.



SonnoService offers patients suffering from respiratory sleep disorders home diagnostic services and the provision of medical devices for therapy. Diagnosis is made on the basis of the results of a polysomnographic examination, while therapy involves the use of positive pressure fan devices (Cpap and Auto Cpap) that the patient can buy or rent on our site. Booking services and the purchase of therapy devices can be done directly from the site or by calling the Italian toll-free number 800 635 040.

Thanks to an operating model based on service delivery at the patient's home, SonnoService is able to:

- assisting the patient throughout the diagnostic and therapeutic process throughout the country (minimising the costs of 'health tourism' and reducing waiting times for the National Health System to zero);
- follow up quickly and punctual to the course of treatment recommended by the doctor;
- support sleep medicine centres in taking charge of complex patients (e.g. frail patients who cannot move from home).

Excellence and quality of service are guaranteed by the professionalism of our staff. To perform the examinations, SonnoService relies on specialised personnel capable of performing polysomnography services, such as the neurophysiopathology technician ("TNFP"), whose profession is regulated by Ministerial Decree No 183 of 15 March 1995.

SonnoService, a Sapio Life service

For reporting, however, SonnoService uses AIMS (“**Associazione Italiana di Medicina del Sonno**”) certified sleep medicine specialists. The AIMS issues the title of 'Expert in Sleep Medicine', with consequent registration and approval to carry out clinical activities. All consultants who collaborate with SonnoService boast the highest competence in the detection of respiratory and neurological disorders during sleep. In order to improve treatment adherence, SonnoService launched in September 2022 a new operational model which involves taking care of the patient at 360 degrees, from diagnosis to treatment.

For this reason, a new subscription solution has been introduced that includes not only the therapy device and material of consumption (which will be sent on a scheduled basis directly at the patient's home), but also a telemonitoring service during the first days of therapy, a diagnostic examination of polysomnography one year after the start of therapy and a subsequent video consultation with a doctor experienced in sleep medicine to analyse the effectiveness of the therapy.

The main objective of our service has always been to accompany the patient throughout his route, we are available through our official channels for everything from device maintenance management to technical troubleshooting or assistance.



Personalised parenteral nutrition

With the support of an AIFA (“**Agenzia Italiana del Farmaco**”) authorised laboratory, Sapio Life’s partner, Sapio Life has started to deliver a personalised home parenteral nutrition service. The patients targeted by this service are adult and paediatric patients affected by specific rare genetic diseases, thus can receive life-saving therapy at home. During their course of therapy they are supported by specially experienced nurses who teach them how to carry out the treatment safely and make their lives uniquely different.

The equipment that is made available to them, thanks to our service, allows them not to be prisoners of the home but also guarantees movement to reach their holiday resorts. The aim is to ensure a better quality of life by understanding the bewilderment and difficulties that patients and their families may encounter when they are confronted with such an incisive therapy.



Homeperf offers a service of enteral nutrition to residences for the elderly and for disabled people living there full-time. Today, most of these homes manage services independently within the institution's budget. Homeperf offers a more expert service within the usual home care reimbursement model by training the institution's staff to administer nutrition on a daily basis and to manage supplies, administrations, nutrients, pumps and prescriptions.

Homeperf becomes in this case a single supplier, thus simplifying the whole process for the institution and adding value to its staff with training services. Homeperf continues to expand this offer to new residences for the elderly throughout France and is planning to extend the offer to respiratory care as well.

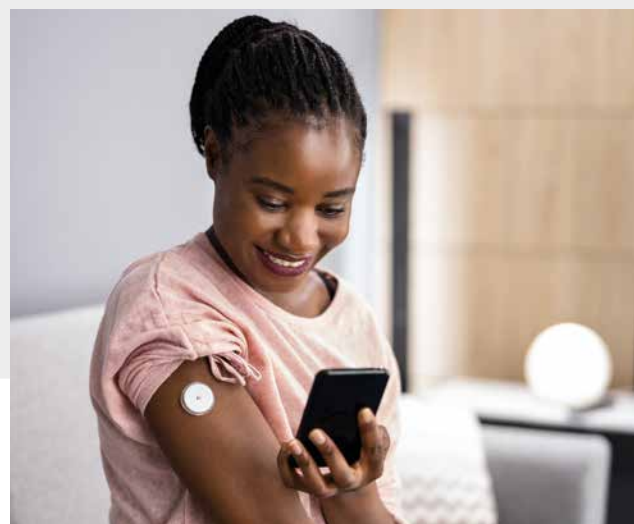
Start-up in France of enteral nutrition in homes for the elderly

Homeperf is one of the Group's operating companies in homecare in France and provides patients of closed loop systems for insulin therapy, improving the lives of many people with type 1 diabetes. Closed-loop systems automatically deliver insulin to the patient via pump according to the level of glucose reported by continuous monitoring levels in the blood. However, the therapy has a high learning curve and new risks

for the patient, requiring appropriate onboarding and ongoing assistance. Homeperf offers a service to initiate patients into a closed circuit from 7 years of age. Nurses and dieticians of Homeperf offer 45 days of preparation to support the correct choice of system, ensuring the correct system set-up and data transmission, followed by 6 months of monitoring and training, in which doctors download data from the system to verify that the reports are appropriate for the patient.

Home visits ensure that the system is adopted and used correctly and give to the patient the confidence to live independently with their closed loop.

The service for people with diabetes in France



Homeperf has partnered with Link4Life, a company that offers an app that allows doctors and other care providers patients to coordinate their aftercare. Doctors can download the application on their phone, send a new prescription to Homeperf, implement home monitoring protocols, monitor the patient remotely and receive notifications, message securely through Homeperf and the patient and view statistics about their patients.

The patient or care giver can also download the app to enter information and answer customised questionnaires. Link4Life enables more personalised care from hospital to home and improves visibility and team coordination of care around the patient.



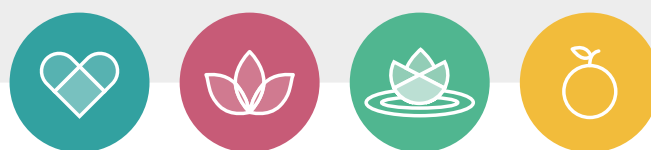
A digital platform for care coordination in France



Since 2010, Pazienti.it has been the digital platform offering information and authoritative content in the field of wellness and health, thanks in particular to the collaboration with specialists. Joining the SAPIO Group in 2015, Patients.co.uk has been a success story, year after year, has asserted its position, becoming an important reference for the digital health of our country.

Brand values include authoritativeness, inclusiveness and reception not only for the end user, but also for all those consumer companies interested in creating synergies with Pazienti.it through the realisation of projects involving the main online platforms, including the Pazienti.it website, Facebook, Instagram, TikTok. Pazienti.it also provides companies with the video consultation service and strategic consulting so that brands can communicate with the audiences they are interested in.

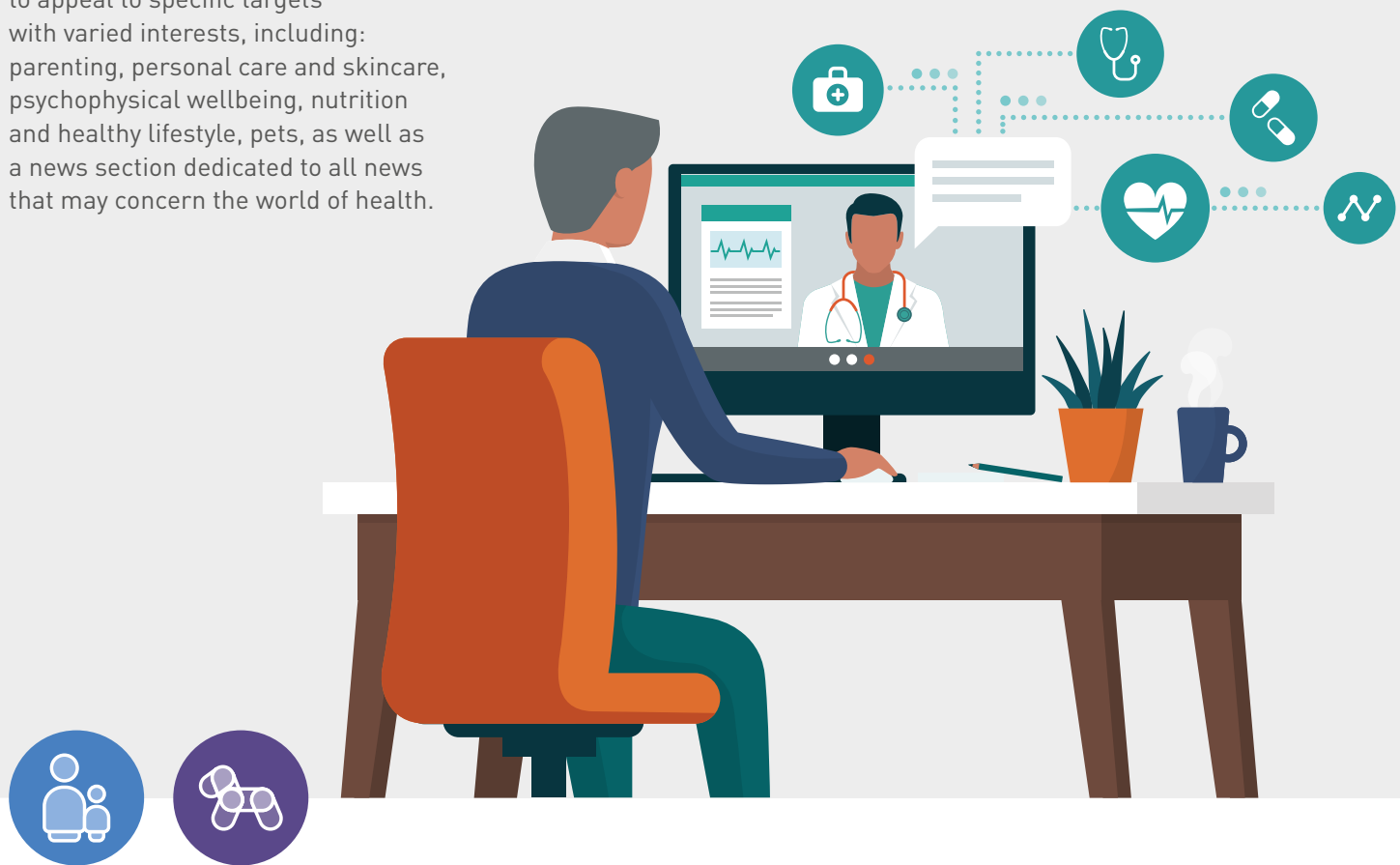
Telemedicine and digital services to serve the collective well-being



Every month Pazienti.it reaches more than two million unique users through content on the site, produced in collaboration with medical specialists and health professionals from different sectors. Social platforms now have more than 300,000 followers and reach more than 2 million unique users thanks to editorial content and videos, designed to engage different target groups, including 18-24 years, 25-35 years, 35-45 years and 45-55 years. The site's categories are designed to appeal to specific targets with varied interests, including: parenting, personal care and skincare, psychophysical wellbeing, nutrition and healthy lifestyle, pets, as well as a news section dedicated to all news that may concern the world of health.

Furthermore, the presence on social platforms expands the editorial and commercial offer of Pazienti.it, allowing it to meet the needs of interested realities to amplify their mission and vision on these channels.

Pazienti.it's services for companies include: ADV on the portal to create brand awareness and consciousness, as well as content marketing activities, which, through native formats (advertorial articles and social posts) give companies the opportunity to tell and amplify their online presence, as well as to highlight new product launches and initiatives on the market.





**THANKS
TO THERAPIES AND NEW
TECHNOLOGIES IBRAHIM
NOW CAN COMMUNICATE**

“SINCE USING THE TABLET
IBRAHIM HAS LEARNT TO SAY
HIS BROTHERS' NAMES”

THE DPAD INTERFACE
PROPOSES GAMES
AND THE SIMPLEST ACTIONS,
SUCH AS WASHING,
PLAYING BUT ALSO TICKLE
AND RECEIVE A HUG

“Hello Ibrahim”. The mother smiles, but the child's gaze is absent, turned elsewhere. I wonder if he is looking at a butterfly, a ladybird, or a world invisible to others. He is only seven years old, and we do not use his real name to avoid a double prejudice: because he is autistic (with B1 measurement, the one intended for people with a very severe disability) and son of immigrants. His family, in fact, comes from Senegal, and settled in Bergamo in 2010. He was born here. “I have three sons,” says the mother, Ibrahim is the youngest. Jainebe was alarmed when she saw that at two years old Ibrahim still did not say a single word:

**“The tablet has given
my son a new life,
he smiles now and
he is no longer alone”**

"The paediatrician," he says, "said that it was normal, that he would start talking in his own time. However, I was not convinced, I felt I could not connect with him. He seemed always absent, as if he were in another world'. When Ibrahim started preschool the teachers themselves advised to turn to neuropsychiatry in Trescore Balneario: 'From one perspective I was relieved that someone was finally addressing my concerns. It took six months to arrive at a diagnosis, and in that time Ibrahim could not count on any assistance, even though he was in great need: 'I felt a deep sense of helplessness and loneliness,' Jaïneba explains. 'I used to take my son to kindergarten at 9 a.m. and had to pick him up at 11 a.m. because it was impossible to manage him. After diagnosis, treatment began. It was hard at first: 'We didn't know what autism was. thanks to the therapists - she explains - we discovered augmentative alternative communication.

The real breakthrough, however, came when he started using a tablet with 'Let me talk' software, which made it even easier communication, and then, when he started primary school, the DPad, a device made by Dialog Aids of Sapio Life, designed specifically for people with autism and with Sla. Wrapped in a colourful rubber shell to resist shocks, this device has very simple dialogue boxes, in which the image is always associated with a voice that pronounces the corresponding word. The icons, very schematic and essential, can be customised according to the needs of the individual user. "Since using this device Ibrahim has even learned to pronounce some words - smiles Jaïneba - like mum, dad and the names of his brothers. When he did it for the first time we got excited. At first it seemed incredible to us. Now he is able to communicate with us through his tablet, indicating the right icons, if he is hungry or thirsty, if he wants to go out or play'.

This technological support was crucial during the pandemic: "It was a hard time but I saw that I could do it, so in time I gained courage and confidence.

For almost two years we could no longer do face-to-face therapy. "He started to play with other children," says Jaïneba, "and his companions can help him to interpret his wishes and words through the tablet, it is interesting for them too. Fortunately, he met very good and motivated teachers at school, who learned to know him and know how to help him in the right way, valuing his abilities'.

HEALTH AIDS

The SAPIO Group has many years of experience in the management of medical aids, offering an integrated service to improve the patient's quality of life. In addition, through its subsidiary Dialog S.r.l. ('Dialog') it produces and distributes augmentative alternative communication systems aimed at supporting the communication of patients without communicative and motor faculties, such as e.g. the dynamic DPAD communicator, an electro-medical device that integrates the features of the classic voice communicator and tablet and intercepts/receives technical and communication requirements people with locomotor and/or cognitive system disorders.

THE SATISFACTION OF OUR HEALTHCARE CUSTOMERS AND PATIENTS

With reference to healthcare, the guidelines for the management of the service to customers and patients are defined with the same customers at the stipulation of the contract and upon activation of the individual service therefore they are customer- and patientspecific. The service is therefore set up and guided by the logic of patient safety and continuity and adherence of its treatment to the prescription. These requirements are ensured by service scheduling systems based on complex algorithms and are constantly monitored through specially created KPIs and verified and managed in a timely manner to every customer and patient report thanks to the close and co-operative relationship with the interlocutor.



Customer and patient satisfaction is therefore mainly measured indirectly through compliance with shared requirements, but not only: occasionally customer satisfactory surveys are conducted both informally and in a more structured manner, that also cover qualitative aspects more generally service important for creating and maintaining the relationship of trust with customers and patients.

THE IMPORTANCE OF PATIENT DATA PROTECTION

The SAPIO Group recognises that the protection of individuals' personal data, especially with regard to its patients and the processing of personal data, is a fundamental right. SAPIO has adopted privacy organisational models ("**Modello Privacy**") in order to comply with the General Data Protection Regulation (EU Regulation 679/2016) ("**GDPR**"), which takes effect on 25 May 2018 and provides a framework in terms of compliance for the protection of personal data in the 27 EU countries, plus the UK, up-to-date and based on the principle of accountability¹². The Group has always operated putting first the centrality of personal data protection and, through this document, makes its approach to data protection known that are processed by Group companies, including 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 the data protection regulations, to continuously monitor the evolution of the situation of the applicable regulations and to ensure effective communication to all employees, contractors, suppliers, customers and authorities. This is combined with a risk assessment of the SAPIO Group's activities and the coordination of training.

The 'Data Breach Management Policy' document in the Privacy Model of the SAPIO Group, provides that any breaches of processed personal data may also be reported by the data subjects themselves and indicates the procedures that the relevant company is obliged to take in the event of reports. No reports/complaints were received from customers during 2022 in this respect. The SAPIO Group plans a periodic carrying out of audits to test the application of the provisions of its Privacy Model, also with a view to updating it, both from a technical and organisational 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 with IT tools. The results of the stress tests during 2022 did not reveal any major critical issues.



¹² Data reported for 2021 do not include information on the following companies-Domco S.a.s, Gamas S.r.l., Sapio Santé France S.a.S, Synapse Santé S.a.s, Tecnosaldata S.r.l.
Data reported for 2022 do not include information on the following companies: Sapio Santé France S.a.S, Synapse Santé S.a.s., Tecnosaldata S.r.l.



HOW WE CONTRIBUTE TO OUR ECOSYSTEM: BIOTECHNOLOGY AND RESEARCH

SAPIO FOR BIOTECHNOLOGY AND DIGITAL THERAPIES

The SAPIO Group has expanded its boundaries in the Life Sciences area. These services are offered by its subsidiary BioRep, which in addition to offering turnkey cryogenic banking and laboratory and cryopreservation for pre-clinical research, through the collection, transport, processing, cryopreservation and distribution of biological samples, has recently developed a line dedicated to genetic screening, through the set up of a dedicated Next Generation Sequencing ('NGS') laboratory that can also offer a wide range of genetic tests mainly focused on prenatal and postnatal diagnosis, as well as the analysis of the state of the intestinal microbiome. BioRep is ISO 9001 certified and works in compliance with GMP regulations as per AIFA authorisation for MCB/WCB cryopreservation renewed in 2022 for a further 42 months. BioRep has been authorised by the Milan ATS, as of March 2021, for the storage and subsequent distribution of medicines for human use in its pharmaceutical warehouse in Milan. Temperature-controlled storage of finished pharmaceutical products, including COVID-19 vaccines, is therefore now possible. These results have been achieved thanks to operating procedures that meet high safety and quality standards, highly qualified staff, and a monitoring system and continuous control, operating 24 hours a day, together with backup systems (also remote) for all critical equipment.

In December 2021 BioRep has acquired a majority stake in AdvicePharma, an Italian company that develops services and technologies for data and information management in the medical-scientific field. The company's mission is to develop and provide services quality through the selection of the best technological and professional resources.

During the course of 2022, BioRep and AdvicePharma started the process of integrating specific competencies in the field of services management, processing, preservation and distribution of biological samples, and in digital transformation in clinical and healthcare settings, AdvicePharma's core business.

BioRep and AdvicePharma work synergistically to be able to provide a full range of services for the organisation of pre-clinical and clinical studies, the collection and management of biological samples from and for multi-centre studies and the storage of associated data.

With almost 20 years of experience in logistics, management and storage of biological material, BioRep provides important support in the design and management of clinical trials on behalf of pharmaceutical, biotech and non-profit sponsors.

Competence, speed and efficiency make BioRep and AdvicePharma a reliable partner for reducing the start-up time of a clinical trial resulting in reduced costs. AdvicePharma can in fact be defined as a true Contract Research Organisation ('CRO') capable of providing innovative services in the clinical trial management; develop and provide software specifically designed for clinical research management, having developed inhouse electronic data capture ('EDC') platforms and a clinical trial management system ('CTMS') aimed at managing of clinical data effectively and efficiently, in compliance with Good Clinical Practice ('GCP') guidelines; develop and validate through clinical trials (as CRO) digital therapy software.

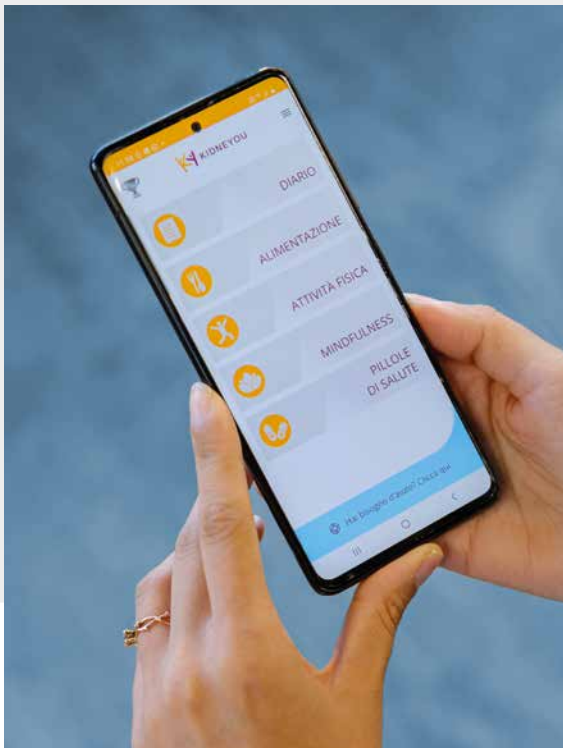
Digital Therapies are technologies applied to the world of health that can improve the patients' lives, based on randomised controlled trials, just like drugs. In the United States, digital therapies are envisaged by the healthcare system in the same way as drugs, so they can be prescribed and, in some cases, are reimbursable (in this case a Digital Therapy for opioid addiction).

Germany has led the way in Europe in authorising the reimbursability of digital therapies, with a therapy for the treatment of depression. The recent initiation of formal interest in the field of Digital Therapies by AIFA therefore opens the way to an important development in the sector. Through the development of innovative technologies AdvicePharma has already launched four projects for the creation of Digital Therapies, developed with GDPR software compliant and validated in a clinical trial, for the treatment of obesity and the treatment of depression, in the context of cardiovascular rehabilitation, and in uro-oncology (a Digital Therapeutics aimed at patients treated for prostate cancer is under study). By the time the projects initiated by AdvicePharma, in collaboration with other pharmaceutical and hospital partners, are completed, a regulatory environment may already be in place to accommodate them.



Digital therapies are software dedicated to patient care, certified as medical devices following clinical trials, just like drugs. In the United States digital therapies are provided by the health system and can be prescribed. In Europe, in some countries such as Germany, digital therapies are prescribable and reimbursable. AdvicePharma, with ISO 13485 certification is, to date, the first Italian CRO authorised to produce digital therapies as "Software as a Medical Device (SaMD)". The company is able to develop the digital therapy

software, validate it clinically and mark it CE as SaMD and, to date, already has three projects for the creation of digital therapies dedicated to the treatment of obesity, as part of cardiovascular rehabilitation and in nephrology. A therapy targeting patients treated for prostate cancer is also under study. AdvicePharma's research is mainly developed in collaboration with leading Italian and European pharmaceutical companies.



Innovation in digital therapies

QUALITY, SYSTEMS MANAGEMENT AND SECURITY OF OUR ACTIVITIES

THE SAPIO GROUP HAS ALWAYS AIMED AT MAXIMISING QUALITY IN THE PROVISION OF ITS PRODUCTS AND SERVICES.

Compliance and security of our products and services is ensured through the adoption of a quality system that has as its main objectives:

- compliance with applicable laws;
- compliance with specific technical standards for products and services;
- compliance with what is defined in Good Manufacturing Practices and applicable Good Distribution Practices;
- compliance with the requirements set out in the contracts signed with customers.

For the Group, the management of customer and patient safety is a rigorous process: products are managed and made available to the customer with particular attention to any possible interference and with precise and detailed instructions on their use. The services offered (especially in the health sector) are designed and delivered in accordance with the main benchmark levels of care, of tender specifications and guidelines of specific associations. For the healthcare sector, they are managed consistently with tender contracts, in relation to strict adherence to drug prescriptions, continuity of therapy and safety of the patient, but also enriched with all the necessary care to ensure that the patient can count on constant support during therapy.

The rigorousness of the process, ensured by the regular management review and the product quality review programme specific to medicinal products, is complemented by an extensive internal audit programme, frequent monitoring of critical suppliers, a of pharmacovigilance for products for medicinal use and the timely follow-up of customer and patient reports, as well as periodic satisfaction investigation with the service. The document system supporting the activities described (consisting of procedures, instructions, forms, technical specifications and quality plans) defines in detail the operating methods for production, product quality control and service delivery. Although SAPIO's quality system already met the highest industry standards, the Quality Change Revolution project started in 2022, which consists of revising business processes to make them even safer, more efficient and sustainable.



Safety has always been at the core of the SAPIO Group's values and in 2022 there were many initiatives and projects carried out to increase security of our sites. In addition to the provision of numerous courses on safety involving all employees, audits at sites and yards and the launch of a new communication campaign, the facilities cylinder filling stations were replaced or refurbished at all sites, new oxygen connectors were introduced, huge investments have

been made in improving flows of viability at the sites, separating pedestrian paths from those of forklifts and trucks. In the production sites, the application of lean manufacturing began, introducing the '5S' method in one plant and achieving significant improvements in security, order and waste reduction, through a strong involvement of all personnel. Extension to other sites is planned in 2023. Also in the production area, the introduction of automated

analysis systems for determining the purity titre of medical compressed oxygen, increasing the quality and efficiency of processes.

OUR CERTIFICATIONS

The SAPIO Group has an extensive certification system to ensure the quality and compliance of its products and services, as further explained in the table below

Certifications obtained,
by country of reference
(# legal entities)

| | ITALY | GERMANY | FRANCE | SPAIN |
|----------------------------|-------|---------|--------|-------|
| ISO 9001 | 11 | - | 2 | 1 |
| ISO 45001 | 6 | - | - | - |
| ISO 14001 | 6 | - | - | 1 |
| ISO 13485 | 2 | 2 | - | - |
| ISO 22000 ISO FSSC22000 | 3 | - | - | - |
| 93/42/CEE | 7 | - | - | - |
| ISO 14067 | 1 | - | - | - |

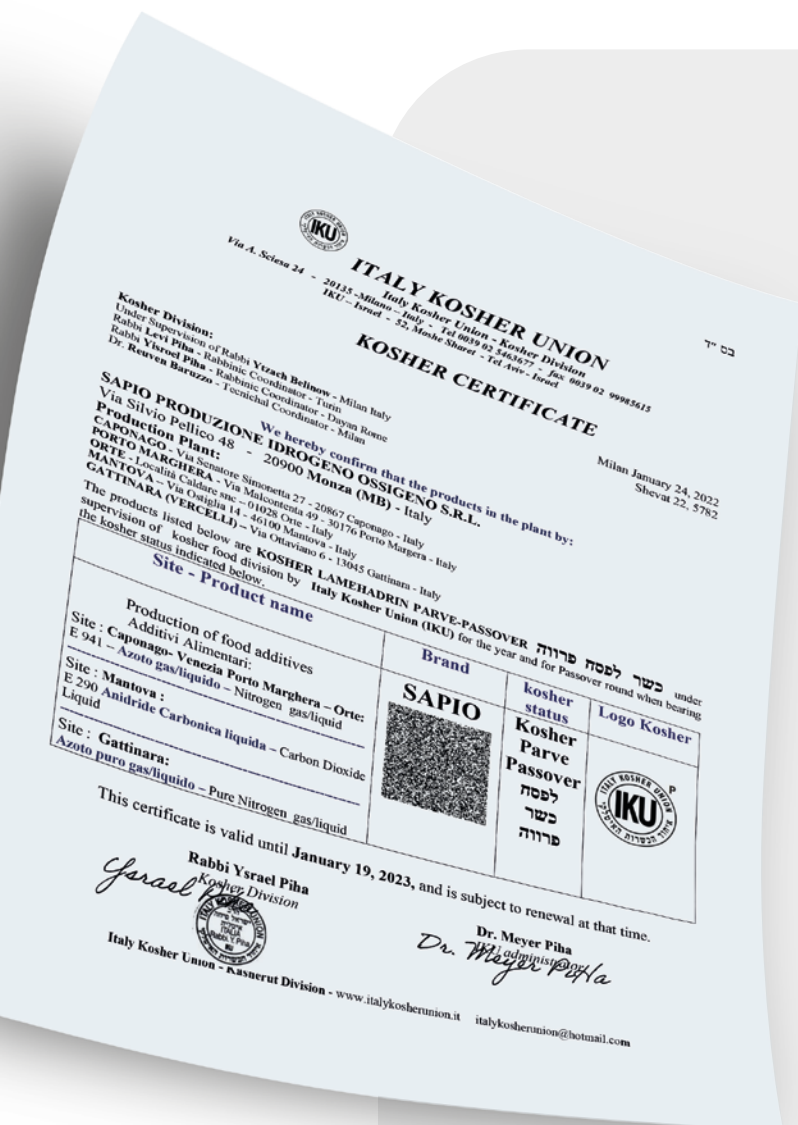


The SAPIO Group has been on a decarbonisation path for years, to this end, it was essential to map and quantify greenhouse gas ('GHG') emissions of our productions. In a historical period of tangible climate change and global warming, it has become essential to be aware of our carbon footprint. The Product Carbon Footprint (PCF) Systematic Approach allows studies to be conducted on multiple products within the organisation, systematically and in accordance with the ISO 14067:2018 standard. This procedure is the optimal tool for quantifying sustainability of the products offered to the market and to provide evidence of them through an objective and quantified value;

furthermore the certification describes the procedure and the responsibilities for conducting data acquisition activities useful for the CFP study, so that they are minimised potential errors and provides regular and consistent checks to ensure completeness and accuracy of data. By obtaining of ISO 14067 certification, to date SAPIO is able to provide its customers with specific and certified information on the carbon footprint of all its production, for all its plants not only for pure products, but also for all its blends.



Carbon Footprint Systematic Approach Certification - ISO 14067



The word Kosher means in accordance with the law, suitable, permitted, and is the set of rules that observant Jews must follow in the field of food; in fact, Jewish religious regulations impose strict dictates on the preparation of food and drink. The SAPIO Group, with a view to increasingly meet its customers' standards in terms of "Quality, Health, Safety and Environment" and in order to promote the social, economic and political inclusion of all, regardless of demographic and sociological factors, it has proceeded to obtain Kosher certification for all its facilities of food gas production.

Kosher certification

MANAGEMENT GOVERNANCE AS A MEANS OF CREATING VALUE FOR OUR STAKEHOLDERS

The internal control system (“**Internal Control System**”) is the set of rules, principles and procedures designed to monitor the company’s operations and prevent situations of breach of corporate ethical principles. This system is guided by a code of ethics (‘Code of Ethics’), a basic tool for good corporate governance and a prerequisite for an adequate risk management and control system. In addition, SAPIO and Sapio Life, as well as other Group companies in Italy, have adopted an organisational model (‘Organisational Model’) as defined by the Legislative Decree No. 231/2001 and subsequent amendments. Compliance with the Model is mandatory and any breach thereof constitutes non-compliance of the mandate with members of the bodies of administration and control and, for employees, breach obligations arising from the employment relationship and determines the application of the sanctions provided for in the Disciplinary System. The latest update of SAPIO’s Organisational Model took place in April 2021.

The Code of Ethics was initially drafted in 2003 and later amended, with the latest version approved by resolution by the Board of Directors on 23 June 2021. The Group’s Code of Ethics is adopted by all Group companies including foreign companies.

The SAPIO Group provides multiple communication channels that enable the persons indicated in Article 5(1)(a) and (b) of Legislative Decree 231/01, to submit detailed reports of unlawful conduct, relevant under and for the purposes of the Law of 30/11/2017 No. 179 (so-called Discipline on Whistleblowing). The Supervisory Board assesses the reports received and the cases in which it is necessary to take action.



As early as 2008, the Group has had an antitrust compliance programme, revised and implemented in 2016 with a particular focus on certain Group companies. This program has therefore been renewed in its content - which highlights the dedication to the prevention of issues related to this aspect - by issuing a manual ('**Antitrust Manual**'), a vademecum (the '**Antitrust Guidelines**') and with the structuring of a punctual training and updating course dedicated to people (top management, executives, employees). This programme is valid for some Group companies operating in the health sector, specifically it was used for Sapio Life Italia due to the issue of tenders and AGCM investigations. In 2022, the antitrust compliance model in Spain was adopted, which provided for the embracing of a code of conduct and vademecum; the appropriate training sessions are being planned. An antitrust function was created for the Group and directed by the Parent Company's Legal Affairs Department in cooperation with risk management and the members of the Supervisory Board. Therefore, the Antitrust Compliance Managers ('ACMs'), responsible for the objectives described above in continuous cooperation with senior management. As of 2018, coinciding with the entry into force of the GDPR legislation a DPO was appointed in each individual Group company, including foreign companies.

The parent company has established a **risk manager** function ('**Risk Manager**') combined with a risk control and governance model that the Group has adopted in order to:

- manage risks in terms of prevention and mitigation;
- proactively seize opportunity factors;
- spread the 'culture' of value-at-risk within the company;
- link risks to insurance cover and provide appropriate insurance cover for insurable risks.

The risk assessment approach used in the Group is risk-based. In this approach the starting point is the gross inherent risk, which is the risk gross of all the controls and measures put in place to mitigate it, this is assessed on the basis of the impact/severity and the probability of occurrence. The next stage is the analysis of the internal control system, i.e. of all those safeguards put in place to mitigate the risk. Downstream of this activity is the net residual risk, which is also assessed in view of the Group's risk tolerance and risk appetite. A fundamental tool for identification and evaluation of risks is the risk register where risks are represented by risk scenarios, drivers, control protocols, frequency and impact. SAPIO has also established an internal auditor function ("**Internal Auditor**"), for the companies Sapio Produzione Idrogeno Ossigeno and Sapio Life, which monitors the effectiveness

and efficiency in the management of key business processes (such as purchasing, IT, human resources, evaluation and management of risk) and verifies compliance with applicable laws, regulations and standards. It operates independently from the business units it is required to monitor and its auditing activity is flanked by consultancy on the resolution of any critical issues and the efficiency of business processes. The Group Internal Auditor shares an annual audit, reporting and risk assessment program aimed at and preparatory to the carrying out of specific audits, maintaining a risk-based approach. The Internal Auditor's vision is to provide greater security to our Stakeholders in order to bring value to the organisation by guaranteeing independence and cooperation.





SAPIO'S RESPONSIBILITY TOWARDS ITS SUPPLIERS

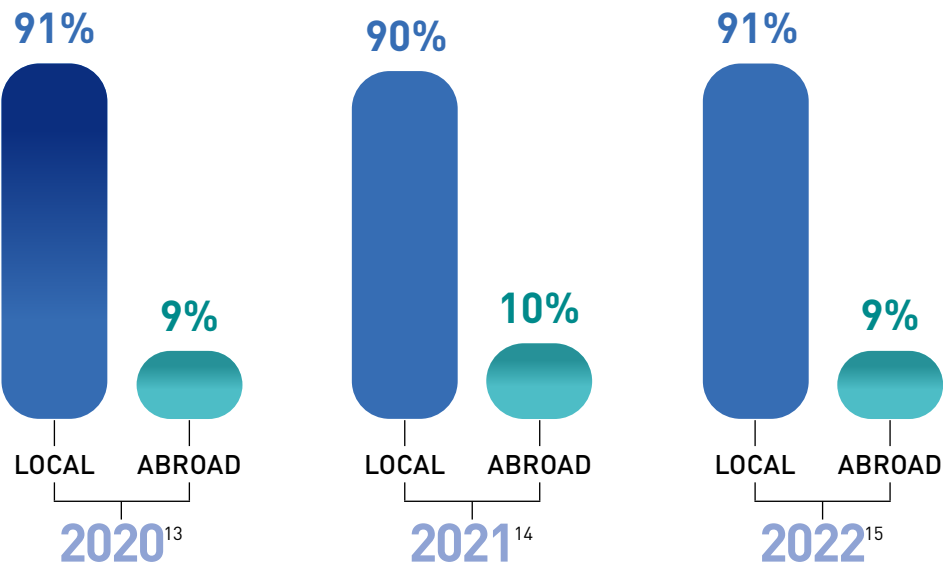
A SOLID AND SUSTAINABLE SUPPLY NETWORK

Procurement management is a key issue for cost optimisation and for the sustainability and efficiency of the rendered service. Building a consolidated relationship is the basis of the SAPIO Group's strategy in managing the relationship with suppliers. The main products and services purchased by the SAPIO Group are energy (understood as electricity and methane), some resale gases (such as, but not limited to, helium), transport services, nursing services and home care services products. This is also joined by the acquisition of assets for investment purposes such as new production plants, tanks, cylinders and storage tanks.

LOCAL PROCUREMENT

Our suppliers are essential to our development. We are constantly looking for a local and sustainable supply chain in order to provide our customers with the best possible service, but always with the attention to support the development of our supply chain. Furthermore, all our suppliers are required to follow our Code of Ethics where applicable. In total, € 576,736,897 million was spent on the purchase of products and services and the use of third-party goods in 2022, an increase of € 139,430,166 million compared to 2021. Our regional operations support us in local procurement wherever possible, with the help of a centralised procurement team supporting an efficient local purchasing chain.

Proportion of spending to local suppliers (%)



BOOSTING SUSTAINABILITY

Since 2020, a sustainability assessment has also been tested within the Parent Company's supplier assessment questionnaire in order to point more attention towards the topic of environmental sustainability. In 2022 the Group selected the supplier for the implementation of a service of environmental analysis of suppliers that will be implemented in Italy from 2023.

¹³ Data reported for 2020 do not include information on the following companies: Axa Medica S.r.l., Alloys Italia S.r.l., Medica Group S.r.l., Synapse Santé S.a.s.
¹⁴ Data reported for 2021 do not include information on the following companies: Alloys Italia S.r.l., Domco S.a.s., Gamas S.r.l., Sapio Santé France S.a.s., Synapse Santé S.a.
¹⁵ Data reported for 2022 do not include information on the following companies: Alloys Italia S.r.l., Domco S.a.s., Sapio Santé France S.a.S, Synapse Santé S.a.s.

TSEGroup S.r.l., founded in the early 1970s, was the first company to deal with third-party cryogenic transports. It operates with a fleet of over 200 vehicles throughout the national territory including the islands and in the main countries of the European Community. TSEGroup has always been conscious with its social and environmental impact having, among its flagships, more than 200 highly specialised and trusted employees, it invests every year in the training and further education of its staff in order to ensure the best and safest working conditions.

The fleet, all of which consists of vehicles not only at full disposal of the company, but of the latest generation to ensure the lowest environmental impact possible. ISO 9001, 14001, 45001 and SQAS certified. It has adopted the 231 management system and in 2022 obtained ESG certifications and TCR with top scores in the area of social sustainability and environmental.



Consolidating the relationship with suppliers: our relationship with TSEGroup



OUR CONTRIBUTION TO ENVIRONMENTAL PROTECTION

OUR COMMITMENT TO REDUCE EMISSIONS

Now more than ever we have a moral obligation towards future generations and the entire community that comes in contact with our products and activities: the obligation is ensure that our economic growth is truly sustainable and compatible with the earth that hosts us. This commitment translates into an effort of preserving the use of natural resources, mitigate their ecological

footprint, implement alternative technological solutions and help our customers and patients to follow the same direction. While operating always with what can be called a 'Clean Chemistry', SAPIO has the ambition and goal to gradually achieve full carbon neutrality of all its operations.

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

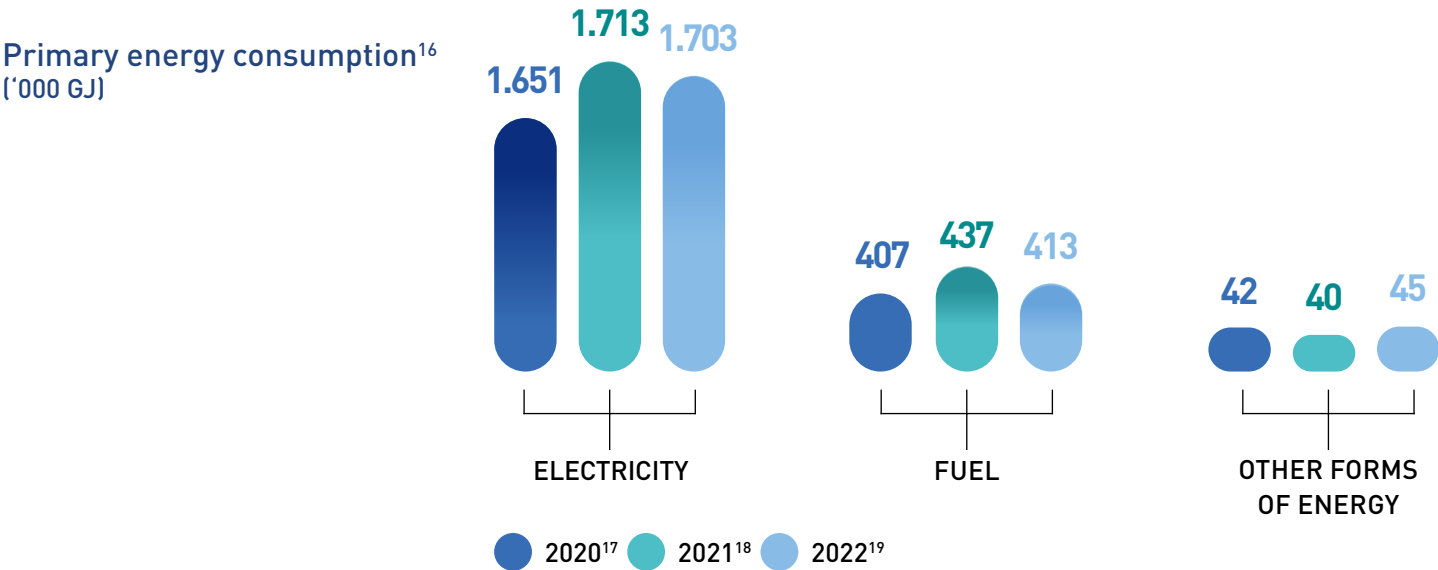
In view of this, the Group aims to achieve its objectives and the continuous improvement of its production processes in order to optimise environmental protection through:

- compliance with applicable laws and regulations;
- continuous innovation in the processes and tools used;
- the realisation of major investments in technologies.

These are the cornerstones of the environmental policy, integrated into the Management Systems that the Group has developed and implemented over time. SAPIO has also joined the 'Responsible Care' program, the chemical industry's voluntary program that in Italy is supported by Federchimica.

PRIMARY ENERGY CONSUMPTION

To ensure the supply of its services and products, SAPIO carries out various activities that consume primary energy mainly in the form of electricity (drawn from the grid and self-generated on site), fuels of fossil origin (natural gas, LNG, diesel, petrol and fuels in general) as well as other forms of energy (including steam).



¹⁶ For the conversion of energy carriers to GJ, the factors provided by the Department for Environment, Food & Rural Affairs - (DEFRA) in 2020, 2021, 2022 respectively were used.

¹⁷ Data reported for 2020 do not include information on the following companies: Axa Medica S.r.L., Medica Group S.r.L.

¹⁸ Data reported for 2021 do not include information about BioRep S.r.L.

¹⁹ Data reported for 2022 do not include information on Domco 2 S.a.s, Domco S.a.s, Sapio Santé, EUROTRE USA Inc, Sapio Santé France S.a.S, Sci Rouet S.a.s, Synapse Santé S.a.s.

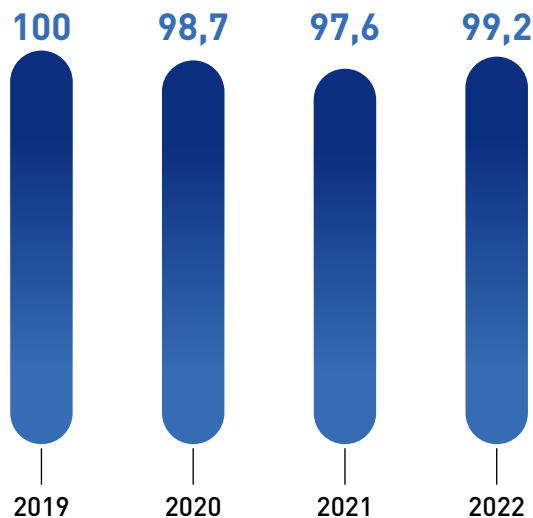
This consumption is predominantly for manufacturing and logistic activities, in order of importance.

The Group's total energy consumption as of 31st December 2022 was 2,161,663 GJ compared to 2,189,875 GJ in 2021. Main consumption of the Group derives from the use of electricity (79% vs. 78% in 2021) and fossil fuels (19% vs. 20% in 2021) and finally, from steam (2% vs. 2% in 2021).

The Group's primary energy use in the form of fossil fuels is used, in order of importance, for logistics, hydrogen production and other civil and industrial uses. In addition to the fossil sources used for the previous purposes, the additional source of energy used by SAPIO that cannot be attributed to electricity and fossil sources is industrial steam used in primary gas distillation processes.

Thanks to the energy efficiency activity implemented by the Group, electricity consumption per M³ of gas produced dropped by 0.8 % in 2022 compared to the 2019 baseline. 2022 performance is due to the commissioning of new plants with high capacity, which, however, have not yet achieved optimal specific results.

Electricity consumption
per m³ of gas produced
(Base 2019)



EMISSIONS OF CLIMATE-CHANGING GASES²⁰⁻²¹

The Group's emission inventory is constructed, in accordance with the GHG Protocol, using a market-based methodology. The main balance sheet items are:

- direct emissions, 'Scope 1' ('**Direct Emissions**'), from primary production facilities;
- indirect emissions related to the Group's own electricity consumption, or 'Scope 2' ('**Indirect Emissions**');
- other indirect emissions (or 'Scope 3') related to the delivery of products to patients and customers together with business travel related emission ('**Transport-related emissions**').

Most of the **Direct Emissions** can be attributed to:

- carbon dioxide emissions from the process (mainly steam methane reforming);
- hydrofluorocarbon gases for refrigeration purposes;
- GHG emissions from production activities;
- emissions from the use of vehicles under direct control of the Group.

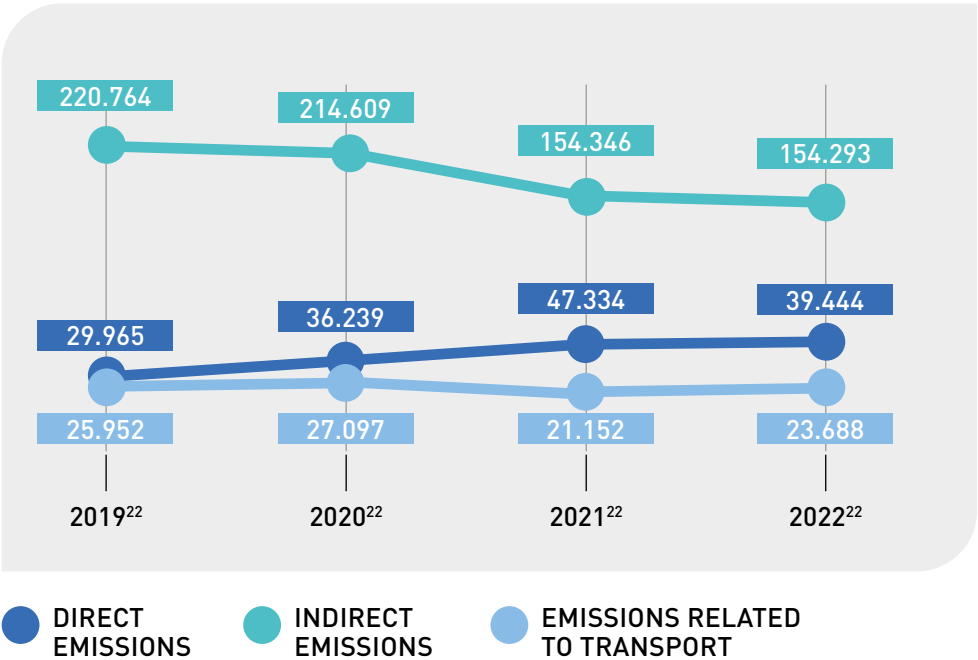
The type of production processes are such that they do not generate significant quantities of polluting emissions into the atmosphere. However, the emission values are periodically checked and are always below the limits in accordance with the law and the requirements of the Integrated Environmental Authorisations (AIA) or Single Environmental Authorisations (AUA) where applicable. In 2022, direct Scope 1 emissions are 39,444 tonnes of CO₂ down by -17% compared to the previous year and up by 9% compared to 2020.

Indirect Emissions related to electricity consumption are almost entirely attributable to the production activities carried out in the main plants and are calculated on the basis of emission factors characteristic of the countries where the consumption took place. Indirect Scope 2 emissions calculated using the Location Based method amount to 190,470 tonnes of CO₂ and, record a decrease of -4% compared to 198,998 tonnes in the previous year. Similarly, Scope 2 emissions calculated using the Market Based method also decreased by -30% compared to the year 2019.

²⁰ The data for Scope 2 Indirect Emissions for 2022 are estimates, in particular, with respect to information on the following companies: Alloys Italia S.r.l., Pazienti.org S.r.l. and Sistemi Iperbarici S.r.l.

²¹ For the calculation of the direct emissions of Scope 1, the factors provided by the "Department for Environment Food & Rural Affairs - (DEFRA)" respectively in the editions of 2020, 2021 and 2022 were used. The indirect emissions of Scope 2 are calculated with two methodologies: "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 the emission factors for calculating 2021 and 2022 TERNA 2019 data, latest version available). The "Market-based" approach, on the other hand, envisages the use of emission factors defined on a contractual basis with the electricity supplier and the emission factors relating to the national "residual mix" have been used (source of the residual mix: AIB European Residual Mixes 2021 and 2022, where possible). 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 equivalent) as can be deduced from the reference technical literature. To calculate the indirect emissions of Scope 3, the factors provided by the tables published by the Department for Business, Energy & Industrial Strategy (BEIS) in the 2020 edition for 2019 and 2020 and in the 2021 edition for 2021 and 2022 were used.

Atmospheric emissions
(Ton CO₂ eq)



Transport-related emissions result from the delivery of products and services to customers and patients as well as emissions related to business travel of our employees (trains, cars, flights). Their reduction is a corporate focus in order to promote best practices of sustainable mobility. Products are mostly distributed by road transport and mostly through the use of special means of transport such as cryogenic tanks that allow the transport of gases in liquid form or cylinders for compressed gases. Information on NO_x and SO_x emissions and other significant emissions can be found in the section 'Analytical Data in the Sustainability Report', at the end of the document..

Kilometres travelled
per cubic metre of gas
cryogenic tankers
(Base 2019=100)



²² Please refer to the note reported on indicator 302-1.

WASTE MANAGEMENT

The production processes carried out at the Group's plants and sites do not directly generate waste, as there are no waste products resulting from the production process that can be classified as waste. Moreover, manufacturing activities do not involve the use of disposable packaging, given the extremely long lifespan of our pressure vessels and cryogenic containers. However, the activities of sites and plants give rise to different types of waste resulting from administrative and ordinary maintenance activities. In 2022, the main waste category is non-hazardous waste (87%), up from 2021 (84%). The main waste categories disposed of are non-hazardous waste such as iron and steel, mixed material packaging, end-of-life equipment, septic tank sludge and organic waste. Hazardous waste is limited to waste of oils, lead batteries, spent activated charcoal, oily water and medical waste. The above-mentioned waste may be generated by on-site activities or by activities performed at customer sites such as:

- installation and maintenance activities;
- home care activities.

The quantities of waste generated may vary, even considerably, in relation to the scheduled or extraordinary maintenance work carried out within the sites and plants or, in the case of Sapio Life, in view of the number of shipments made and patients handled. In 2022 in particular, there was a 48% increase in waste generated compared to 2021.

Waste generated
(tonnes/year)

| | 2020 ²³ | | | 2021 ²⁴ | | | 2022 ²⁵ | | |
|------------|--------------------|---------------|-------|--------------------|---------------|-------|--------------------|---------------|-------|
| | Hazardous | Non hazardous | Total | Hazardous | Non hazardous | Total | Hazardous | Non hazardous | Total |
| Total | 133 | 1.966 | 2.099 | 623 | 3.311 | 3.933 | 774 | 5.065 | 5.839 |
| Percentage | 6% | 94% | 100% | 16% | 84% | 100% | 13% | 87% | 100% |

23 Data reported for 2020 do not include information on 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.

24 Data reported for 2021 do not include information on the following companies: Alloys Italia S.r.l., Biorep S.r.l., Homeperf S.a.s., Linea Gas S.r.l., Sapio Plini d.o.o., Sapio Santé France S.a.S., Synapse Santé S.a.s.

25 Data reported for 2022 do not include information on the following companies: Alloys Italia S.r.l., Dialog Ausili S.r.l., Domco S.a.s, G. Recalcati S.r.l., Gamas S.r.l, Homeperf S.a.s., Linea Gas S.r.l., Pazienti.org S.r.l., Saldogas S.r.l., Sapio Plini d.o.o., Sapio Santé France S.a.S, Synapse Santé S.a.s., Tecnosaldatura S.r.l., Zilli Gas S.r.l.

WATER RESOURCE MANAGEMENT

For the SAPIO Group, the use of water resources implies in particular an efficient management of these resources in its primary production plants. In fact, most of the water withdrawn is used in the cooling circuits of the plant machinery production. Indeed, most of the water withdrawn is used in the cooling circuits of the production plant machines.

Drawdown trends are strongly influenced by production trends. The three main sources of withdrawal recorded in the last three years are: river, well and aqueduct. In some plants there is a recycling circuit and reuse of rainwater.

Consumption is constantly monitored, for primary production plants, within production reports and the overall analysis of water consumption is done when the context analysis document is drawn up. As far as discharges are concerned, the methods and frequency of verification are defined by the current national legislation (Legislative Decree 152/2006 and subsequent amendments and additions) and by regional and municipal regulations. Specific plant authorisations may in some cases prescribe frequencies and dedicated modes. In 2022, the Group's water requirements amounted to 38,154 megalitres, an increase of 18% compared to 2021. The main source of supply is seawater resources, accounting for 45% of total withdrawals in 2022, followed by third party water amounting to 28% of water consumption. These values are broadly in line with those of 2021, as can be seen in the table below.

Water withdrawals²⁶ (megalitres/year)

| | 2020 ²⁷ | | 2021 ²⁸ | | 2022 ²⁹ | |
|------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| Source of withdrawal | All areas | Waterstressed areas | All areas | Waterstressed areas | All areas | Waterstressed areas |
| Surface waters | 4.199 | 0 | 4.047 | 0 | 3.243 | 0 |
| Groundwater | 1.116 | 0 | 582 | 0 | 639 | 0 |
| Seawater | 0 | 17.400 | 0 | 17.200 | 0 | 17.200 |
| Third-party water | 6.291 | 4.943 | 6.637 | 3.814 | 6.358 | 4.204 |
| Total water withdrawal | 11.607 | 22.343 | 11.266 | 21.014 | 16.750 | 21.404 |

²⁶ All samplings in the table refer to freshwater sampling ($\leq 1,000$ mg/l total dissolved solids).

²⁷ Data reported for 2020 do not include information for the following companies: Alloys Italia S.r.l., Axa Medica S.r.l., Medica Group S.r.l., Sistemi Iperbarici S.r.l., Synapse Santé S.a.s.

For water resources from third parties in water-stressed areas, breakdown by surface water, groundwater, marine is not available.

²⁸ Data reported for 2021 do not include information for the following companies: Alloys Italia S.r.l., Biorep S.r.l., Cesaltig S.r.l., GTI Nord-Medicare GmbH, Sapio Plini d.o.o., Sistemi Iperbarici S.r.l., Synapse Santé S.a.s. For water resources from third parties in water-stressed areas, no breakdown is available for surface water, groundwater, marine.

²⁹ Data reported for 2022 do not include information on the following companies: Alloys Italia S.r.l., BioRep S.r.l., Cesaltig S.r.l., Domco S.a.s., GTI Nord-Medicare GmbH, Saldogas S.r.l., Sapio Life Turkey, Sapio Plini d.o.o., Sapio Santé France S.a.s., Sistemi Iperbarici S.r.l., Synapse Santé S.a.s., Zilli Gas S.r.l. For water resources from third parties in water-stressed areas, no breakdown is available for surface water, groundwater, marine.

ANALYTICAL DATA OF THE SUSTAINABILITY REPORT

HUMAN RESOURCES³⁰

GRI 2-7: Employees by type of contract, gender and geographic region as at 31st December

| TOTAL NUMBER OF EMPLOYEES BY TYPE OF CONTRACT, GENDER AND REGION | | | | | | | | | |
|--|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|--------------|
| | 2020 | | | 2021 | | | 2022 | | |
| | Unspecified | Determined | Total | Unspecified | Determined | Total | Unspecified | Determined | Total |
| Italy | | | | | | | | | |
| Men | 923 | 53 | 976 | 901 | 50 | 951 | 922 | 45 | 967 |
| Women | 398 | 36 | 434 | 356 | 41 | 397 | 378 | 55 | 433 |
| Total | 1.321 | 89 | 1.410 | 1.257 | 91 | 1.348 | 1.300 | 100 | 1.400 |
| Foreign | | | | | | | | | |
| Men | 411 | 30 | 441 | 413 | 27 | 440 | 402 | 21 | 423 |
| Women | 375 | 53 | 428 | 423 | 38 | 461 | 441 | 39 | 480 |
| Total | 786 | 83 | 869 | 836 | 65 | 901 | 843 | 60 | 903 |
| Group | | | | | | | | | |
| Men | 1.334 | 83 | 1.417 | 1.314 | 77 | 1.391 | 1.324 | 66 | 1.390 |
| Women | 773 | 89 | 862 | 779 | 79 | 858 | 819 | 94 | 913 |
| Total | 2.107 | 172 | 2.279 | 2.093 | 156 | 2.249 | 2.143 | 160 | 2.303 |

GRI 2-7: Employees by type of employment and gender as at 31st December

| TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT (FULL-TIME AND PART-TIME) AND GENDER | | | | | | | | | |
|--|--------------|------------|--------------|--------------|------------|--------------|--------------|------------|--------------|
| | 2020 | | | 2021 | | | 2022 | | |
| | Full-time | Part-time | Total | Full-time | Part-time | Total | Full-time | Part-time | Total |
| Men | 1.380 | 37 | 1.417 | 1.356 | 35 | 1.391 | 1.360 | 30 | 1.390 |
| Women | 729 | 133 | 862 | 722 | 136 | 858 | 764 | 149 | 913 |
| Total | 2.109 | 170 | 2.279 | 2.078 | 171 | 2.249 | 2.124 | 179 | 2.303 |

³⁰ As a result of continuous improvement in the reporting process, the employee data as at 31 December 2021 were restated from those included in the 2021 Sustainability Report, published at <https://www.grupposapio.it/sostenibilita/>.

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

| EMPLOYEES BY CATEGORY AND GENDER | | | | | | |
|----------------------------------|------------|------------|------------|------------|------------|------------|
| | 2020 | | 2021 | | 2022 | |
| Percentage of people | Men | Women | Men | Women | Men | Women |
| Managers | 76% | 24% | 79% | 21% | 75% | 25% |
| Frameworks | 69% | 31% | 62% | 38% | 60% | 40% |
| Employees | 57% | 43% | 59% | 41% | 59% | 41% |
| Health and nursing staff | 42% | 58% | 40% | 60% | 35% | 65% |
| Workers | 82% | 18% | 81% | 19% | 79% | 21% |
| Total | 62% | 38% | 62% | 38% | 60% | 40% |

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

| EMPLOYEES BY CATEGORY AND AGE GROUP | | | | | | | | | |
|-------------------------------------|------------|-------------|------------|------------|-------------|------------|------------|-------------|------------|
| | 2020 | | | 2021 | | | 2022 | | |
| Percentage of people | <30 years | 30-50 years | >50 years | <30 years | 30-50 years | >50 years | <30 years | 30-50 years | >50 years |
| Managers | 0% | 56% | 44% | 0% | 51% | 49% | 0% | 47% | 53% |
| Frameworks | 2% | 61% | 38% | 0% | 66% | 34% | 2% | 64% | 34% |
| Employees | 9% | 64% | 27% | 10% | 62% | 28% | 9% | 61% | 30% |
| Health and nursing staff | 28% | 58% | 14% | 22% | 62% | 17% | 19% | 64% | 17% |
| Workers | 14% | 61% | 25% | 15% | 56% | 29% | 15% | 55% | 31% |
| Totle | 13% | 61% | 26% | 12% | 60% | 28% | 11% | 60% | 29% |

GRI 405-1: % employees per category as at 31st December

| EMPLOYEES BELONGING TO PROTECTED CATEGORIES BY EMPLOYEE CATEGORY | | | |
|--|------------|------------|------------|
| Number of people | Total 2020 | Total 2021 | Total 2022 |
| Managers | 0 | 0 | 0 |
| Frameworks | 2 | 4 | 5 |
| Employees | 35 | 35 | 34 |
| Health and nursing staff | 4 | 1 | 53 |
| Workers | 13 | 16 | 24 |
| Total | 55 | 54 | 114 |

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

| DIVERSITY IN THE GROUP'S GOVERNING BODIES | | | | | | | | | | | | |
|---|-----------|-------------|------------|-------------|-----------|-------------|------------|-------------|-----------|-------------|------------|-------------|
| Percentage of people | 2020 | | | | 2021 | | | | 2022 | | | |
| | <30 years | 30-50 years | >50 years | Total | <30 years | 30-50 years | >50 years | Total | <30 years | 30-50 years | >50 years | Total |
| Men | 0% | 24% | 57% | 81% | 0% | 18% | 60% | 78% | 0% | 17% | 62% | 78% |
| Women | 0% | 19% | 0% | 19% | 0% | 21% | 1% | 22% | 0% | 21% | 1% | 22% |
| Total | 0% | 43% | 57% | 100% | 0% | 39% | 61% | 100% | 0% | 38% | 62% | 100% |

| DIVERSITY ON THE BOARD OF THE GROUP LEADER BY GENDER AND AGE GROUP | | | | | | | | | | | | |
|--|-----------|-------------|------------|-------------|-----------|-------------|------------|-------------|-----------|-------------|------------|-------------|
| Percentage of people | 2020 | | | | 2021 | | | | 2022 | | | |
| | <30 years | 30-50 years | >50 years | Total | <30 years | 30-50 years | >50 years | Total | <30 years | 30-50 years | >50 years | Total |
| Men | 0% | 10% | 90% | 100% | 0% | 9% | 82% | 91% | 0% | 9% | 91% | 100% |
| Women | 0% | 0% | 0% | 0% | 0% | 9% | 0% | 9% | 0% | 0% | 0% | 0% |
| Total | 0% | 10% | 90% | 100% | 0% | 18% | 82% | 100% | 0% | 9% | 91% | 100% |

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

NUMBER AND RATE OF NEW HIRES - ITALY

| | 2020 | | | | | 2021 | | | | | 2022 | | | | |
|----------------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|
| Percentage of people | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate |
| Men | 29 | 60 | 11 | 100 | 10% | 26 | 39 | 7 | 72 | 8% | 28 | 55 | 5 | 88 | 9% |
| Women | 11 | 67 | 3 | 81 | 19% | 20 | 42 | 15 | 77 | 19% | 22 | 39 | 22 | 83 | 19% |
| Total | 40 | 127 | 14 | 181 | 13% | 46 | 81 | 22 | 149 | 11% | 50 | 94 | 27 | 171 | 12% |
| Rate | 30% | 15% | 3% | 13% | | 39% | 11% | 5% | 11% | | 46% | 12% | 5% | 12% | |

NUMBER AND RATE OF TERMINATIONS - ITALY

| | 2020 | | | | | 2021 | | | | | 2022 | | | | |
|----------------------|-----------|-------------|-----------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-------------|-----------|------------|-----------|
| Percentage of people | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate |
| Men | 4 | 30 | 17 | 51 | 5% | 8 | 23 | 17 | 48 | 5% | 10 | 36 | 26 | 72 | 7% |
| Women | 2 | 16 | 6 | 24 | 6% | 8 | 24 | 11 | 43 | 11% | 10 | 24 | 13 | 47 | 11% |
| Total | 6 | 46 | 23 | 75 | 6% | 16 | 47 | 28 | 91 | 7% | 20 | 60 | 39 | 119 | 9% |
| Rate | 6% | 5% | 6% | 6% | | 13% | 6% | 6% | 7% | | 18% | 8% | 8% | 9% | |

NUMBER AND RATE OF NEW HIRES - ABROAD

| | 2020 | | | | | 2021 | | | | | 2022 | | | | |
|----------------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|
| Percentage of people | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate |
| Men | 26 | 59 | 10 | 95 | 22% | 16 | 44 | 9 | 69 | 16% | 11 | 61 | 8 | 80 | 19% |
| Women | 37 | 72 | 6 | 115 | 27% | 24 | 70 | 11 | 105 | 23% | 35 | 111 | 9 | 155 | 32% |
| Total | 63 | 131 | 16 | 210 | 24% | 40 | 114 | 20 | 174 | 19% | 46 | 172 | 17 | 235 | 26% |
| Rate | 41% | 24% | 9% | 24% | | 27% | 20% | 11% | 19% | | 33% | 29% | 10% | 26% | |

NUMBER AND RATE OF TERMINATIONS - ABROAD

| | 2020 | | | | | 2021 | | | | | 2022 | | | | |
|----------------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|
| Percentage of people | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate |
| Men | 20 | 54 | 16 | 90 | 20% | 11 | 43 | 19 | 73 | 17% | 14 | 70 | 18 | 102 | 24% |
| Women | 26 | 66 | 12 | 104 | 24% | 11 | 50 | 8 | 69 | 15% | 28 | 92 | 11 | 131 | 27% |
| Total | 46 | 120 | 28 | 194 | 22% | 22 | 93 | 27 | 142 | 16% | 42 | 162 | 29 | 233 | 26% |
| Rate | 30% | 22% | 16% | 22% | | 15% | 16% | 15% | 16% | | 30% | 28% | 16% | 26% | |

NUMBER AND RATE OF NEW HIRES - GROUP

| | 2020 | | | | | 2021 | | | | | 2022 | | | | |
|----------------------|------------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|
| Percentage of people | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate |
| Men | 55 | 119 | 21 | 195 | 14% | 42 | 83 | 16 | 141 | 10% | 39 | 116 | 13 | 168 | 12% |
| Women | 48 | 139 | 9 | 196 | 23% | 44 | 112 | 26 | 182 | 21% | 57 | 150 | 31 | 238 | 26% |
| Total | 103 | 258 | 30 | 391 | 17% | 86 | 195 | 42 | 323 | 14% | 96 | 266 | 44 | 406 | 18% |
| Rate | 36% | 18% | 5% | 17% | | 32% | 14% | 7% | 14% | | 39% | 19% | 7% | 18% | |

NUMBER AND RATE OF TERMINATIONS - GROUP

| | 2020 | | | | | 2021 | | | | | 2022 | | | | |
|----------------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|-----------|-------------|-----------|------------|------------|
| Percentage of people | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate | <30 years | 30-50 years | >50 years | Total | Rate |
| Men | 32 | 95 | 36 | 163 | 12% | 19 | 66 | 36 | 121 | 9% | 24 | 106 | 44 | 174 | 13% |
| Women | 28 | 92 | 21 | 141 | 16% | 19 | 74 | 19 | 112 | 13% | 38 | 116 | 24 | 178 | 19% |
| Total | 60 | 187 | 57 | 304 | 13% | 38 | 140 | 55 | 233 | 10% | 62 | 222 | 68 | 352 | 15% |
| Tasso | 21% | 13% | 10% | 13% | | 14% | 10% | 9% | 10% | | 25% | 16% | 10% | 15% | |

GRI 404-1: Average hours of training

AVERAGE HOURS OF TRAINING PER PROFESSIONAL CATEGORY

| Average hours | 2020 | 2021 | 2022 |
|--------------------------|------------|------------|-------------|
| Managers | 16,7 | 10,3 | 7,6 |
| Frameworks | 19,7 | 12,2 | 17,8 |
| Employees | 7,9 | 9,9 | 14,0 |
| Health and nursing staff | 9,6 | 9,9 | 14,2 |
| Workers | 5,0 | 7,7 | 9,3 |
| Total | 8,8 | 9,7 | 13,2 |

AVERAGE HOURS OF TRAINING BY GENDER

| Average hours | 2020 | 2021 | 2022 |
|---------------|------------|------------|-------------|
| Men | 9,0 | 9,9 | 13,8 |
| Women | 8,5 | 9,3 | 12,3 |
| Total | 8,8 | 9,7 | 13,2 |

HEALTH AND SAFETY

GRI 403-9: Accidents at work

| TIME DATA (EMPLOYEES) | | | |
|--|--------------------|--------------------|--------------------|
| | 2020 ³¹ | 2021 ³² | 2022 ³³ |
| Hours worked | 3.353.907 | 3.529.414 | 3.755.680 |
| Multiplier for calculation | 1.000.000 | 1.000.000 | 1.000.000 |
| ACCIDENT RATES (EMPLOYEES) | | | |
| Rate | 2020 | 2021 | 2022 |
| Rate of recordable occupational accidents | 10,44 | 11,33 | 8,25 |
| Rate of serious accidents at work (excluding fatalities) | 0,00 | 0,00 | 0,00 |
| Rate of deaths due to occupational accidents | 0,00 | 0,00 | 0,00 |
| HEALTH AND SAFETY FOR EXTERNAL WORKERS | | | |
| | 2021 ³⁴ | 2022 ³⁵ | |
| Hours worked | 83.375 | 1.413.810 | |
| Calculation multiplier | 1.000.000 | 1.000.000 | |
| Rate of recordable occupational accidents | 35,98 | 1,41 | |
| Rate of serious accidents at work (excluding fatalities) | 0,00 | 0,00 | |
| Rate of deaths due to occupational accidents | 0,00 | 0,00 | |

³¹ Data reported for 2020 do not include information on the following companies: Axa Medica S.r.l., Medica Group S.r.l., Synapse Santé S.a.s., Tecnosaldatura S.r.l.

³² Data reported for 2021 do not include information on the following companies: Domco S.a.s., Gamas S.r.l., Linea Gas S.r.l., Sapio Santé France S.a.S., Synapse Santé S.a.s., Tecnosaldatura S.r.l.

³³ Data reported for 2022 do not include information on the following companies: Domco S.a.s., Gamas S.r.l., Sapio Santé France S.a.S., Synapse Santé S.a.s., Tecnosaldatura S.r.l.

³⁴ Data reported for outside workers for 2021 do not include information for the following companies: Domco S.a.s., Homeperf S.a.s., Isogas S.r.l., Life Cure S.r.l.

For Sapio Life S.r.l. and Sapio Produzione Idrogeno Ossigeno S.r.l., data on hours worked by outside workers are not available.

³⁵ Data reported for outside workers for 2022 do not include information for AdvicePharma Group S.r.l., For My Sapio S.r.l. and Sapio Produzione Idrogeno Ossigeno S.r.l. data on hours worked by outside workers are not available.

ENVIRONMENT

GRI 302-1: Energy consumed within the organisation

| ENERGY CONSUMPTION WITHIN THE GROUP | | | | |
|--|----------|--------------------|--------------------|--------------------|
| Type of consumption | Units of | 2020 ³⁶ | 2021 ³⁷ | 2022 ³⁸ |
| Natural gas (methane) | GJ | 338.078 | 361.543 | 332.081 |
| Automotive diesel | GJ | 1.440 | 1.799 | 1.503 |
| Petrol (for heating or production processes) | GJ | 67.208 | 47.468 | 52.261 |
| Petrol for autorisation | GJ | 13 | 0 | 0 |
| LPG (Liquid Propane Gas) for automotive use | GJ | 255 | 25.731 | 26.974 |
| Natural gas for motor vehicles | GJ | 139 | 136 | 71 |
| Total energy from non-renewable fossil fuels | GJ | 407.134 | 436.678 | 412.889 |
| Self-produced and consumed electricity | GJ | 437 | 456 | 934 |
| of which from renewable sources | GJ | 437 | 456 | 934 |
| of which from non-renewable sources | GJ | 0 | 0 | 0 |
| Self-generated electricity sold to the grid (sold) | GJ | 319 | 343 | 965 |
| of which from renewable sources | GJ | 319 | 343 | 965 |
| of which from non-renewable sources | GJ | 0 | 0 | 0 |
| Purchased electricity | GJ | 1.651.273 | 1.714.154 | 1.703.347 |
| of which from renewable sources | GJ | 7.989 | 515.711 | 502.733 |
| Total electricity consumed | GJ | 1.651.391 | 1.714.267 | 1.703.316 |
| Purchased steam | GJ | 41.875 | 40.120 | 45.458 |
| Total energy consumed | GJ | 2.100.400 | 2.191.065 | 2.161.663 |
| Total renewable energy | GJ | 8.107 | 515.824 | 0 |
| % Renewable electricity on total | % | 0,5% | 30% | 23% |

ENVIRONMENT

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

| Nitrogen oxides (NOx), sulphur oxides (Sox) and other significant emissions (t) | 2020 ³⁹ | 2021 ⁴⁰ | 2022 ⁴¹ |
|---|--------------------|--------------------|--------------------|
| NOx | 6,13 | 2,62 | 3,53 |
| SOx | 0,02 | 0,04 | 0,01 |
| Persistent Organic Pollutants (POPs) | 0,00 | 0,00 | 0,00 |
| Volatile organic compounds (VOC) | 2,59 | 2,57 | 2,59 |
| Hazardous Air Pollutants (HAP) | 0,00 | 0,00 | 0,00 |
| Particulate Matter (PM) | 0,04 | 0,05 | 0,29 |
| Carbon Monoxide | 0,05 | 0,54 | 0,00 |

³⁶ Data reported for 2020 do not include information on the following companies: Axa Medica S.r.l., Medica Group S.r.l.

³⁷ Data reported for 2021 do not include information about BioRep S.r.l.

³⁸ Data reported for 2022 do not include information on Domco 2 S.a.s, Domco S.a.s., Sapio Santé, EUROTRE USA Inc, Sapio Santé France S.a.S., Sci Rouet S.a.s., Synapse Santé S.a.s.

³⁹ Data reported for 2020 do not include information on 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.

⁴⁰ Data reported for 2021 do not include information on the following companies: Airgas S.r.l., Alloys Italia S.r.l., BioRep S.r.l., Cesaltig S.r.l., GTI Medicare GmbH, GTI Nord-Medicare GmbH, Homeperf S.a.s., Life Cure GmbH, Oxy Live S.r.l., Saldogas S.r.l., Sapio Holding GmbH, Synapse Santé S.a.s.

⁴¹ Data reported for 2022 do not include information on the following companies: Alloys Italia S.r.l., BioRep S.r.l., Cesaltig S.r.l., GTI Medicare GmbH, GTI Nord-Medicare GmbH Homeperf S.a.s., Life Cure GmbH, Oxy Live S.r.l., Saldogas S.r.l., Sapio Holding GmbH, Synapse Santé S.a.s., Sapio Santé France S.a.s.

GRI CONTENT INDEX

DECLARATION OF USE

The SAPIO Group has produced this Sustainability Report with reference to the GRI Standards for the period from 01/01/2022 to 31/12/2022.

GRI 1 USED

GRI 1: Reporting Principles (2021).

APPLICABLE SECTORAL GRI STANDARDS

N/A

GRI 2: GENERAL INFORMATION (2021)

| GRI Indicator | Page and Note | Information | Omission |
|---------------|---------------|-------------|----------|
|---------------|---------------|-------------|----------|

The organisation and its reporting practices

| | | | |
|---------|------------------------|---------------|--|
| GRI 2-1 | Organisational details | 8-9; 55-56 | |
|---------|------------------------|---------------|--|

| | | | |
|---------|---|---------------|--|
| GRI 2-2 | Entities included in sustainability reporting | 8-9; 55-56 | |
|---------|---|---------------|--|

| | | | |
|---------|--|-----|--|
| GRI 2-3 | Reporting period, frequency and point of contact | 8-9 | |
|---------|--|-----|--|

| | | | |
|---------|-----------------------|-----|--|
| GRI 2-4 | Review of information | 8-9 | |
|---------|-----------------------|-----|--|

| | | | |
|---------|--------------------|-----|--|
| GRI 2-5 | External Assurance | 8-9 | |
|---------|--------------------|-----|--|

Activities and workers

| | | | |
|---------|--|---|--|
| GRI 2-6 | Activities, value chain and other business relations | 27-56-60-61 102-103 119-124 151-152 153 | We estimate a relationship with approximately 300 hospitals served, 195,000 patients and 30,000 industrial customers. The nature of the business relationships maintained with the downstream entities are public tenders, long-term contracts, orders on direct offers. |
|---------|--|---|--|

| | | | |
|---------|-----------|----------------|--|
| GRI 2-7 | Employees | 26; 67; 163 | |
|---------|-----------|----------------|--|

| | | | |
|---------|---------------|----|--|
| GRI 2-8 | Non-employees | 67 | |
|---------|---------------|----|--|

GRI 2: GENERAL INFORMATION (2021)

| GRI Indicator | Page and Note | Information | Omission |
|-------------------|---|-------------------------|--|
| Governance | | | |
| GRI 2-9 | Governance structure and composition | 64-65 | <p>In Sapio Produzione Idrogeno Ossigeno S.r.l. the highest governance body is represented by the Board of Directors, composed of 11 members. Within the board there are no committees. Specifically, the Board of Directors allows for the presence of a President, two Vice-presidents and a CEO. Besides this roles, no other councilor has an executive capacity as no managerial powers were ever distributed to any members except the afore mentioned ones. All members of the Board of Directors are member expression. The CEO has granted special procurements to specific members giving the necessary authority to fulfill the mandate related to the function to which they belong. Regarding external functions to the Board of Directors, it is possible to consult office lists presented by the President, the Vice presidents, and the CEO, as per the informations presented to the Registro delle Imprese.</p> |
| GRI 2-10 | Appointment and selection of the highest governing body | 64-65 | <p>Article 21 of the bylaws provides for slate voting. In practice, the majority shareholder decides the number of members and designates the majority of them while the minority shareholder provides for the designation of the remaining ones. Evaluation carried out by the members who designate their respective members based on their specific experiences. No other types of evaluation are carried out.</p> |
| GRI 2-11 | President of the highest governing body | 65 | |
| GRI 2-12 | Role of the highest governing body in impact management control | 64-67; 108; 48-49 | |

GRI 2: GENERAL INFORMATION (2021)

| GRI Indicator | Page and Note | Information | Omission |
|---------------|--|-------------|---|
| GRI 2-13 | Delegation of responsibility for impact management | - | It remains in the hand of the Board of Directors, there are no formal appointments. |
| GRI 2-14 | Role of the highest governing body | 65 | |
| GRI 2-15 | Conflicts of Interest | - | Information not available/incomplete. Sapio Group is committed for the purpose of reporting of the requirements in question, in relation to the definition of internal regulations or specific processes for the management of conflicts of interest, to develop them by the reporting 2024. |
| GRI 2-16 | Communication of criticalities | - | <p>Whistleblowers in good faith are guaranteed against any form of retaliation, discrimination or penalization; in any case, the confidentiality of the identity of the whistleblower will be ensured, without prejudice to legal obligations and the protection of the rights of the Company or people wrongly or unfoundedly accused.</p> <p>Reports, which must be substantiated and based on precise and concordant facts, may be made by:</p> <ul style="list-style-type: none"> - letter in a sealed envelope to be mailed or delivered to Sapio Produzione Idrogeno Ossigeno S.r.l., Via Silvio Pellico 48, 20900 - Monza, to the attention of the Chairman of the Supervisory Board; - e-mail address odv@sapio.it. <p>The Supervisory Board evaluates the reports received and the activities to be put in place; any consequent measures are defined and applied in accordance with the provisions regarding the disciplinary system (in this regard, please refer to paragraph 4 below).</p> <p>The Supervisory Board ensures, to the extent of its competence, compliance with (and supervises the Company's compliance with) the provisions of Law No. 179/2017 regarding the protection of employees or collaborators who report wrongdoing in the private sector.</p> |

GRI 2: GENERAL INFORMATION (2021)

| GRI Indicator | Page and Note | Information | Omission |
|---------------|--------------------------------|---|----------|
| GRI 2-16 | Communication of criticalities | <p>In addition to the above reports, the Company Functions from time to time concerned must obligatorily transmit to the Supervisory Board information concerning (so-called "general information"):</p> <ul style="list-style-type: none"> - measures and/or news coming from judicial police bodies, or any other authority, from which it is inferred that investigations or criminal proceedings are being carried out, even against unknown people, relating to facts of interest and/or that may involve the Company (relating to Legislative Decree 231/01 and otherwise); - measures and/or news concerning the existence of significant administrative or civil proceedings related to requests or initiatives of Public Authorities; - any act or summons to testify involving subjects of the Company or collaborating with it; - requests for legal assistance made by employees in the event of the initiation of criminal proceedings against them (not only in relation to offenses under Legislative Decree 231/01); - information relating to any inspection visits conducted by officials of the Public Administration and communicated by all Company Functions; - news regarding disciplinary proceedings carried out and any sanctions imposed or the measures of dismissal of such proceedings with the relevant reasons; - communications pertaining to organizational and corporate changes that have occurred in its sphere of activity; - anomalies or critical issues encountered by the Managers in the performance of sensitive activities for the application of Legislative Decree 231/01. | |

GRI 2: GENERAL INFORMATION (2021)

| GRI Indicator | Page and Note | Information | Omission |
|---------------|--|---|---|
| GRI 2-16 | Communication of criticalities | <p>It is also incumbent on each of the Company's Function Managers, in their capacity as the person responsible for the complete and correct adoption of the company rules to guard against the risks identified in the areas under their responsibility, to transmit to the Supervisory Board, promptly or on a periodic basis, the data and information formally requested by the latter, as indicated in the procedures "Reporting and information flows to the Supervisory Board" broken down by function of reference. (so-called "specific information").</p> <p>General information and specific information must be sent to the Supervisory Board in written form using the e-mail address odv@sapio.it.</p> <p>Any information or report received is kept by the Supervisory Board in a special confidential file (computer or paper).</p> | |
| GRI 2-17 | Collective knowledge of the highest governing body | - | <p>Unavailable/incomplete information.</p> <p>The Sapio Group commits for the purpose of reporting on these requirements, in relation to declaring measures taken to develop and improve knowledge, skills and experience of the highest governing body in sustainable development, to elaborate them by reporting 2024.</p> |
| GRI 2-18 | Performance evaluation of the highest governing body | - | <p>Unavailable/incomplete information.</p> <p>Sapio Group is committed for the purpose of reporting on the requirements in question, in relation to a system of evaluation performance of the highest governing body, to process them by the 2024 reporting.</p> |

GRI 2: GENERAL INFORMATION (2021)

| GRI Indicator | Page and Note | Information | Omission |
|---------------------------------|--|-------------|---|
| GRI 2-19 | Norms concerning remuneration | - | Remuneration rules for members of the governing bodies are set by the Board of Directors, both for the fixed and variable portions, while rules on retirement pensions are applied according to the local rules in each country. Compensation is linked to economic/environmental and safety KPIs. |
| GRI 2-20 | Procedure for determining remuneration | - | <p>Information not available/incomplete.</p> <p>The Sapio Group commits for the purpose of reporting these requirements, in connection with the formalization of a procedure for determining remuneration, to process them by the 2024 reporting.</p> |
| GRI 2-21 | Annual Total Remuneration Ratio | - | <p>The ratio of the annual salary of the highest paid individual to the averages of all salaries (excluding the highest) is 1:7.</p> <p>During 2022, the % increase in salaries did not occur.</p> <p>The calculation was made by taking the salaries of Italy and foreign companies. It should be noted that a comparability of the data is not possible as a country is outside the European Community.</p> |
| Strategy, policies and practice | | | |
| GRI 2-22 | Sustainable Development Strategy Statement | 7; 52-53 | |
| GRI 2-23 | Policy Commitment | - | <p>Information not available/incomplete.</p> <p>Sapio Group commits for the purpose of reporting on the requirements in question, in relation to the formalization of a Policy in which to report the specific commitments, to elaborate them by 2024 reporting.</p> |
| GRI 2-24 | Integration of policy commitments | 147 | |

GRI 2: INFORMATIVA GENERALE (2021)

| GRI Indicator | Page and Note | Information | Omission |
|---------------|--|---|---|
| GRI 2-25 | Processes to remedy negative impacts | <p>Sapio has in place the customer complaint handling procedure : 25QSB001 " gestione dei reclami cliente" vers. 10 date 30/05/2023. Complaints received from Customers/Patients are handled by the organization according to internal procedure and through the support of a management system. The purpose of the procedure in use is to define the responsibilities and methods for handling complaints, in order to ensure that they are appropriately evaluated and handled and that the necessary information is derived to prevent new ones from arising.</p> <p>There are no other processes</p> <p>The process of managing a corporate document, including the procedure related to the management of complaints, involves the following steps and involvements:</p> <ol style="list-style-type: none"> 1. Drafting of the document by a specific function depending on the process; 2. Verification by quality, safety and environment and all heads of function involved in the process described; 3. Publication and approval; 4. Distribution of the document to the corporate figures involved 5. Training of the figures involved by the process; <p>The last stage of handling a complaint involves verifying the effectiveness of the corrective action put in place not only in order to resolve the individual complaint, but also in order to avoid the recurrence of similar incidents in the future.</p> | |
| GRI 2-26 | Mechanisms for requesting clarification and raising concerns | 147 | |
| GRI 2-27 | Compliance with laws and regulations | - | During 2022 there were no episodes of non-compliance with laws and regulations. |
| GRI 2-28 | Membership of associations | 90-91 | |

GRI 2: GENERAL INFORMATION (2021)

| GRI Indicator | | Page and Note | Information | Omission |
|--------------------------------|------------------------------------|---------------|-------------|--|
| Stakeholder involvement | | | | |
| GRI 2-29 | Approach to stakeholder engagement | 96-97 | | |
| GRI 2-30 | Collective agreements | - | | Information not available/incomplete. Sapio Group is committed to the ends of reporting requirements in question, in relation to collective agreements, of process them within the reporting 2024. |

SPECIFIC STANDARD DISCLOSURE

| GRI Indicator | | Page and Note | Information | Omission |
|--|---|------------------|-------------|----------|
| GRI 3: Disclosures on material topics(2021) | | | | |
| GRI 3-1 | Process of determining material topics | 93 | | |
| GRI 3-2 | List of material topics | 94-95 | | |
| Economic performance and sustainable growth | | | | |
| GRI 3: Disclosures on material topics (2021) | | | | |
| GRI 3-3 | Management of material issues | 47-48 | | |
| GRI 201: Economic performance (2016) | | | | |
| GRI 201-1 | Direct economic value generated and distributed | 47-49; 51; 53 | | |
| Responsible sourcing/local economic development | | | | |
| GRI 3: Disclosures on material topics (2021) | | | | |
| GRI 3-3 | Management of material issues | 151-152 | | |

| GRI Indicator | | Page and Note | Information |
|---|---|---------------|---|
| GRI 204: Procurement Practices (2016) | | | |
| GRI 204-1 | Proportion of spending on local suppliers | 151-152 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |
| Ethics and integrity | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 64 | |
| GRI 205: Anti-Corruption (2016) | | | |
| GRI 205-3 | Established incidents of corruption and actions taken | - | During 2022 there were no confirmed episodes of corruption. |
| Supplier evaluation | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 152-153 | |
| GRI 308: Evaluation of suppliers on the basis of environmental criteria (2016) | | | |
| GRI 308-1 | Percentage of new suppliers assessed on the basis of environmental criteria | 152-153 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |

| GRI Indicator | | Page and Note | Information |
|---|--|---------------|---|
| Environmental impact | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 155-156 | |
| GRI 302: Energy (2016) | | | |
| GRI 302-1 | Energy consumed within the organisation | 155-157; 169 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |
| GRI 303: Water and effluents (2018) | | | |
| GRI 303-1 | Interaction with water as a shared resource | 161 | - |
| GRI 303-2 | Management of impacts related to water discharge | 161 | - |
| GRI 303-3 | Water withdrawal | 161 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |
| GRI 305: Emissions (2016) | | | |
| GRI 305-1 | Direct GHG emissions (Scope 1) | 158-159 | Please refer to the note on indicator 302-1 |
| GRI 305-2 | Indirect GHG emissions from energy consumption (Scope 2) | 158-159 | Please refer to the note on indicator 302-1 |
| GRI 305-3 | Other indirect greenhouse gas (GHG) emissions (Scope 3) | 158-159 | Please refer to the note on indicator 302-1 |

| GRI Indicator | | Page and Note | Information |
|------------------------------|--|---------------|--|
| GRI 305-7 | NOX, SOX and other significant emissions | 169 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |
| GRI 306: Waste (2020) | | | |
| GRI 306-1 | Waste generation and significant waste-related impacts | 160 | |
| GRI 306-2 | Management of significant wasterelated impacts | 160 | |
| GRI 306-3 | Waste generated | 160 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |
| GRI 306-4 | Waste not intended for disposal | 160 | <p>Data reported for 2021 do not include information on the following companies: Alloys Italia S.r.l., BioRep S.r.l., Homperf S.a.s., Linea Gas S.r.l., Sapio Plini d.o.o., Sapio Santé France S.a.s., Synapse Santé S.a.s.</p> <p>Data reported for 2022 do not include information on the following companies: Airgas S.r.l., Alloys Italia S.r.l., Dialog Ausili S.r.l., Domco S.a.s., Eubios S.r.l., G. Recalcati S.r.l., Gamas S.r.l., Homeperf S.a.s., Linea Gas S.r.l., Pazienti.org S.r.l., Rivaossigeno S.r.l., Saldogas S.r.l., Sapio Life SAU, Sapio Plini d.o.o., Sapio Santé France S.a.s., Sistemi Iperbarici S.r.l., Synapse Santé S.a.s., Tecnosaldatura S.r.l., Zilli Gas S.r.l..</p> |

| GRI Indicator | | Page and Note | Information |
|--|---|--------------------|---|
| GRI 306-5 | Waste for disposal | 160 | <p>Data reported for 2021 do not include information on the following companies: Alloys Italia S.r.l., BioRep S.r.l., Homeperf S.a.s., Linea Gas S.r.l., Sapio Plini d.o.o., Sapio Santé France S.a.s., Synapse Santé S.a.s.</p> <p>Data reported for 2022 do not include information on the following companies: Airgas S.r.l., Alloys Italia S.r.l., Dialog Ausili S.r.l., Domco S.a.s., Eubios S.r.l., G. Recalcatti S.r.l., Gamas S.r.l., Homeperf S.a.s., Linea Gas S.r.l., Pazienti.org S.r.l., Rivaossigeno S.r.l., Saldogas S.r.l., Sapio Life SAU, Sapio Plini d.o.o., Sapio Santé France S.a.s., Sistemi Iperbarici S.r.l., Synapse Santé S.a.s., Tecnosaldata S.r.l., Zilli Gas S.r.l.</p> |
| Skills development, diversity and inclusion | | | |
| GRI 3: Reporting on material issues (2021) | | | |
| GRI 3-3 | Management of material issues | 70 | |
| GRI 401: Employment (2016) | | | |
| GRI 401-1 | New hires and turnover | 70; 166-167 | |
| GRI 404: Training and education (2016) | | | |
| GRI 404-1 | Average number of training hours per year per employee | 71-72; 167 | |
| GRI 405: Diversity and Equal Opportunities (2016) | | | |
| GRI 405-1 | Diversity in governance bodies and among employees | 67; 69; 164-165 | |
| Health and safety at work | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 76-78 | |
| GRI 403: Occupational Health and Safety (2018) | | | |
| GRI 403-1 | Occupational Health and Safety Management System | 76-78 | |
| GRI 403-2 | Hazard identification, risk assessment and accident investigation | 80-81 | |
| GRI 403-3 | Occupational medicine services | 80-81 | |
| GRI 403-4 | Participation and consultation of workers and communication on health and safety at work | 80-81 | |
| GRI 403-5 | Worker training in occupational health and safety | 82-83 | |
| GRI 403-6 | Worker health promotion | 80-83 | |
| GRI 403-7 | Prevention and mitigation of occupational health and safety impacts within business relationships | 80-81 | |

| GRI Indicator | | Page and Note | Information |
|--|--|-----------------|--|
| GRI 403-9 | Accidents at work | 78-79; 168 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |
| Product compliance and safety | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 84 | |
| GRI 416: Customer health and safety (2016) | | | |
| GRI 416-1 | Assessment of health impacts and safety by category of product and services | 84; 142-146 | See the reference chapter for information regarding any perimeter limitations applied to the reported data. |
| Customer privacy | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 137 | |
| GRI 418: Customer privacy (2018) | | | |
| GRI 418-1 | substantiated complaints concerning breaches of customer privacy and loss of customer data | 137 | During 2022 there were no incidents of commercial complaints regarding violations of customer privacy and loss of customer data. |
| Non-GRI material topics | | | |
| GRI Indicator | | Page and Note | Information |
| Relations with the Territory | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 86-90 | |
| Supporting our customers in the energy transition | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 108-117 | |
| Research and Innovation | | | |
| GRI 3: Disclosures on material topics (2021) | | | |
| GRI 3-3 | Management of material issues | 36-37; 106; 141 | |

AUDITORS' REPORT



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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Sapio Produzione Idrogeno Ossigeno Sr.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, 2022.

Responsibility of the Directors for the Sustainability Report

The Directors of Sapio Produzione Idrogeno Ossigeno Sr.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.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - REA n. MI-1720239 | Partita IVA: IT03049560166

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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:

1. 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.
2. Comparison between the economic and financial data and information included in the chapter “The creation and distribution of value” of the Sustainability Report with those included in the Company’s Financial Statements.
3. 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 Sr.l., of Sapio Life Sr.l. and with Homeperf S.a.s., 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 Sr.l. and Homeperf S.a.s., which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out on site and 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.



3

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, 2022 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.

DELOITTE & TOUCHE Sp.A.

Signed by
Lorenzo Rossi
Partner

Milan, Italy
July 6, 2023

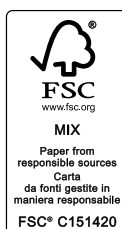
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