



Sustainability report 2023
SAPIO Group



Breathing the future

In memory of Fabrizio Calloni and Victor Ivan Castro Mendoza



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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.

Letter to the **Stakeholders**

Dear all,

I am delighted to present to you our fourth Sustainability Report, a document which we are very proud of, and which transparently recounts our goals and achievements at the end of a year, 2023, that is extremely significant for us at SAPIO. Indeed, we have entered in the second century of our company's history, and after the celebration of 2022, we went right back to work even more aware, proud, and determined to make a difference in the ecosystem in which we operate, pursuing our mission toward a world that deserves to be ever safer, healthier, and more livable.

However, 2023 was also an important year because of some negative events that came to the fore in the international scenario; with the war in Ukraine still prevailing in Europe and the Israeli-Palestinian war born suddenly at the end of 2023 that contributed, in addition to the suffering of thousands of people, to shake up markets and international relations between governments causing further geopolitical tensions. All of this, combined with climate change, loss of biodiversity, widespread pollution, high energy prices, and one of the highest inflations in decades, has certainly contributed to people's insecurity and fear and has confirmed the lesson we already learned during the pandemic: the world is changing in unpredictable ways and it is our duty to act with urgency and determination to address these challenges and protect our planet for future generations.

This complex context brings to a close the first year of our new industrial plan 2023-2025, the Inspire plan, which sees us committed to the energy transition, with a progressive decarbonization of all activities; to increasing the quality of service, through improved performance and maximization of customer and patient satisfaction levels; and to expanding our activities through important and forward-looking operations to consolidate our positioning. For this reason, our mission, increasingly clear in our eyes, continues to be to play the role of a positive and proactive actor within civil society. A role that is also social, therefore, at the service of the community, SAPIO being a group that provides innovative products and services that improve the quality of life with a view to contributing to the well-being of people, the environment and the economic development of the countries in which it operates.

Thus continues a journey that involves all the stakeholders with whom we are privileged to interact, whom we ask to join us in striving for a better future. We must work together to build a world where the environment is protected, people are respected and prosperity is shared by all. Inside the document you can read about our achievements during the year thanks to the efforts of more than 2,300 people who work every day in our offices, plants, hospitals, patients' homes and industry partners.

On behalf of all of SAPIO, I wish you a good reading.



Alberto Dossi

President SAPIO Group



Methodological note

This document represents the sustainability report ("**Sustainability Report**" or "**Report**") of Sapio Produzione Idrogeno Ossigeno S.r.l. (hereinafter "**SAPIO**" or "**Sapio Produzione**" or "**Company**") and its subsidiaries (hereafter referred to as '**Subsidiaries**') consolidated on a line-by-line basis (hereafter the "**Group**" or the "**SAPIO Group**") with reference to the financial year 2023, from 1 January to 31 December. In order to communicate in a transparent manner and comparable sustainability performance of the Group, SAPIO adopted the "**Global Reporting Initiative Sustainability Reporting Standards**" issued by the "**Global Reporting Initiative**" in 2021. Specifically, SAPIO has prepared the document in accordance with the GRI Standards in accordance mode, as outlined in the "**GRI Content Index 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 realized 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 Analysis presented within the section "**Identification of Stakeholder and involvement mechanism**" 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 2023¹.

The scope of social and environmental data includes SAPIO and its fully consolidated Subsidiaries, with the exception of empty box companies since they are not material². Any changes to this perimeter, or limitations and exclusions in the reporting, are appropriately indicated in the "**GRI Content Index**" of this document. For non-financial reporting, in order to ensure a comparison of information in relation to that of previous years and also to comply with the principle of comparability required by the GRI Standards, the quantitative data in this document refer to the years 2021, 2022 and 2023 where possible. 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 on July 3rd, 2024. The Sustainability 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**³.

1 The consolidated financial informations of the Group are prepared on the basis of IFRS consolidated financial statement data.

2 Companies excluded from the perimeter are Domco 2 S.a.s, EUROTRE USA Inc, IMMGAS 2002 S.r.l., Sapio Medical Partners S.r.l., Sapio Verwaltung GmbH, and Sci Rouet S.a.s.

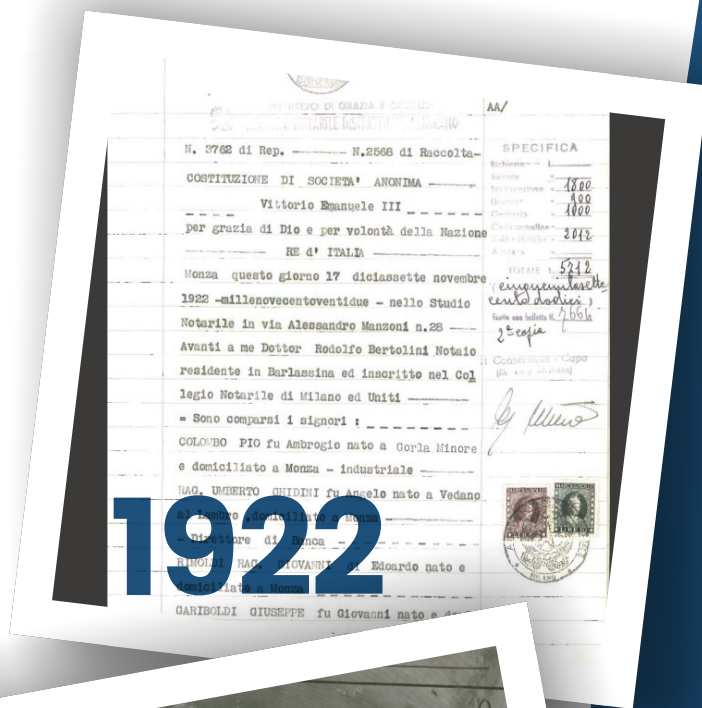
3 The Sustainability Report has been translated into English from the original version issued in Italian.

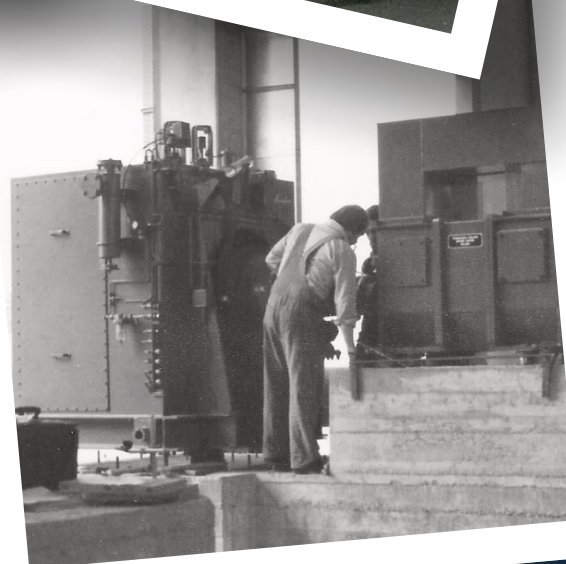
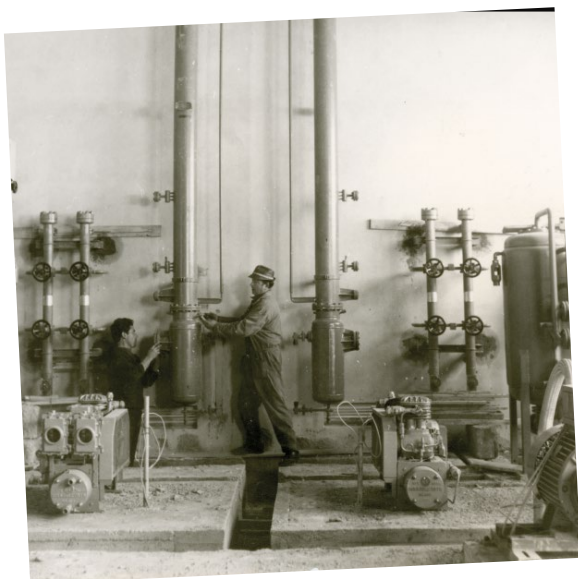
101 years of history

The **SOCIETA' ANONIMA PRODUZIONE IDROGENO E OSSIGENO – SAPIO** – was founded in 1922 in Monza on the initiative of two entrepreneurs: Pio Colombo and Piero Dossi with a share capital of ITL 160.000.

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 partnering with the American Air Products and Chemicals, Inc., 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..



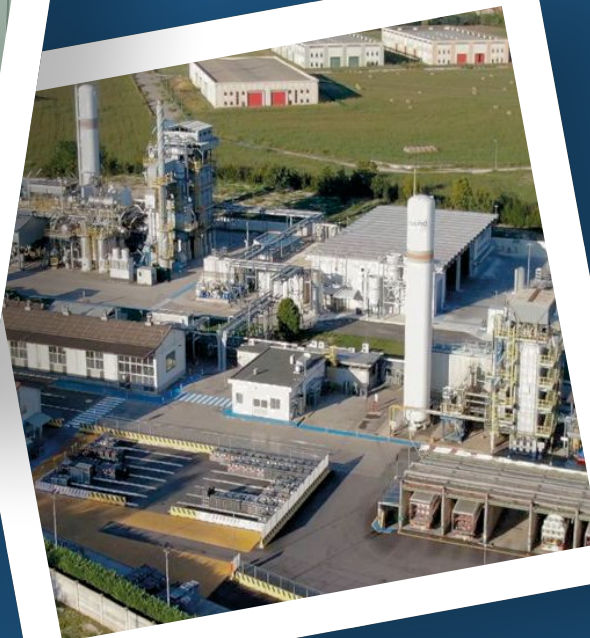


Over the past decade, the Group has continued to invest to expand its range of services and consolidate its position with organic investments and acquisitions in Italy and abroad, such as the GTI Group in Germany and Homeperf in France.

Today, the group operates at the national level and internationally has premises in France, Germany, Spain, Slovenia, Turkey and U.S.A.. With a turnover of more than 840 million Euros 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.



2003



2020



Entering the second century

IN 100 YEARS WE HAVE
ACHIEVED A SOLID KNOWLEDGE
AND IMPORTANT MILESTONES
AND WE HAVE WORKED EVERY
DAY WITH THE AIM OF HELPING
**IMPROVING THE LIVES OF OUR
PATIENTS AND SOLVING OUR
CUSTOMERS' PROBLEMS.**

We have always looked to the future, trying to innovate and make our world more and more sustainable.

All this without ever forgetting the values that have set us apart since SAPIO was founded in 1922: responsibility, entrepreneurship, people's growth, fairness and respect.

But the heart and strength of this company are the people, all those who are part of the Group, one big family.

It is difficult to imagine telling the story of SAPIO, its present and its future in a few lines.

So, we invite you to **frame the QR code** to see summarized in 4 minutes, a 100-year journey that excites, tells, gives voice and value to what SAPIO represents: a piece of Italy and also of Europe of yesterday, today and tomorrow.



we are **SAPIO**



100° SAPIO
GRUPPO

Respirare il futuro



ITALIA

I.P.Z.S. S.p.A. - ROMA - 2022





win for the
company and
the **ecosystem** in
which it operates



win for **people**

our
win win win



win for the
environment

Our **identity** and our **mission**

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 organization that does so with a view to contributing to the well-being of people, the environment and the economic development of the countries in which it operates.

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

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

Our values, our present

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 INVOLVEMENT.**

The values have been 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 creation. The SAPIO Group's identity is the solid foundation upon which the corporate evolution is being built 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 more than 100 years ago.



SAPIO leadership

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 behavior (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 realizing 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 characterized by great mental agility, combined with the ability to switch from one role to another with pragmatism and speed.



After so many years at SAPIO, I can say that leadership is built every day through commitment, trust, and example. Over the years I have been fortunate to have managers who shared their expertise and accompanied me on my growth path, helping me to cultivate and develop the talents they saw in me. Over time my role has evolved and I feel the responsibility to give back to the company and especially to my co-workers what I have received, supporting them in their personal and professional development by building a relationship of mutual trust and committing myself to be the best example I can be.

Enrico Gherardini

Contact & Customer Service Manager - Industria, Sapiro Produzione

Responsibility

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



As a responsible manager, I must have a vision, I must share it, and I must embody it. The commitment I have in my missions, the way I assume them and the way I check how my teams and all people in the company act, draw my responsibility in the Group. Responsibility means producing qualitatively and keeping people safe. Responsibility means authenticity and truth: I am responsible when I feel responsible. Overall, "responsibility" means "knowing how to behave".

Sammy Weingartner

Procurement, Supply Chain & QHSE Director, Sapiro Santé France

Entrepreneurship

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 growth of people

For almost a hundred years one of the strengths 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 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.



In my 20 years at SAPIO, I have been able to work every day with this mind-set. I have never thought of my commitment to the Company as simply doing one task after another, but as a chance to create something myself, to bring innovation and improvement, to turn every critical issue into an opportunity, with the intention of making my team win, consequently having personal satisfaction thanks to this. I have always had this possibility thanks to the vision of the shareholders and top management who support this approach, which for me means company development and professional and personal growth.

Marco Tonini

Sales & Marketing Director - Hospital Business Unit, Sapio Life



In my work experience at SAPIO, I have had the opportunity to perform various types of activities, have faced different challenges, and have grown both professionally and personally thanks to the trust of those who believed in me, even before I believed in myself, was fundamental and allowed me to sustain my self-esteem. Seeing that the Company I work for shares the same values as me such as fairness, responsibility, respect and honesty gratifies me and is the guide for my daily activities and the benchmark for my life. Every day, through commitment and passion, I have the knowledge that I am contributing to my own growth and that of the company I work for. I try to transmit this same passion to my colleagues and to be an example for them, as they are for me every day.

Sonia Cavenago

Gestione Servizio e Pianificazione Trasporti, Sapio Produzione

Fairness

The value of fairness 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, prioritize loyalty competence are crucial elements to build and develop a corporate community based on fairness.



The term fairness evokes access to opportunities, whatever they may be, and consequently the possibility for each of us to decide and choose according to our own values and inclinations.

A term as lofty in its definition as it is challenging to put into practice on a daily basis, because it is precisely in the moment of decision and action that our sense of fairness is tested. I have greatly appreciated how my company has walked me through the understanding of the value of fairness, bringing my attention from the common interpretive focus, based on the identification of differences, to the much simpler but effective in its essence, of the centrality of the person. If we care about people, all of them, equity can only be a consequence, in business as in life.

Sonia Dal Corso

Chief Shared Services Officer Europe, Sapio
Produzione



The **Inspire** plan, our future

strategy

Investing in traditional business and cash generation

support the expansion into current and opportunistic geographies

Implement the optimal organizational structure to support the execution of simplification

excel in pushing the plan, developing technology and in innovation

INSPIRE

need to accelerate the growth of the scale size

priority to energy transition and ESG integration in business

reinforcing corporate culture and the drive for change

enablers



safety



finance
& risk
management



governance

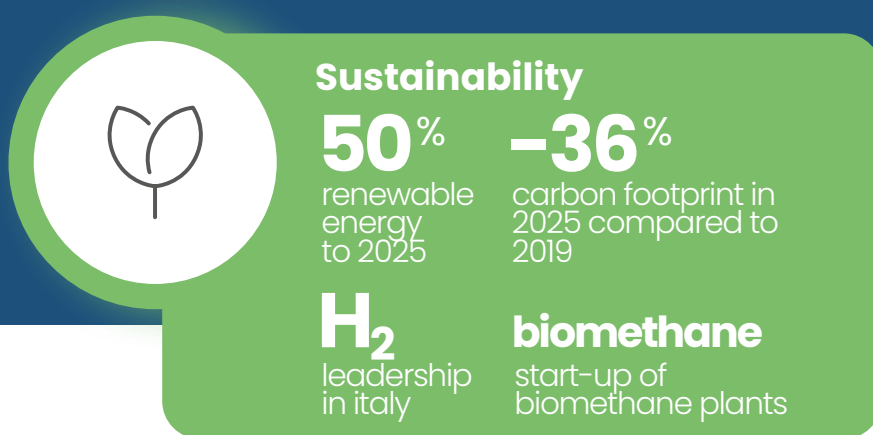
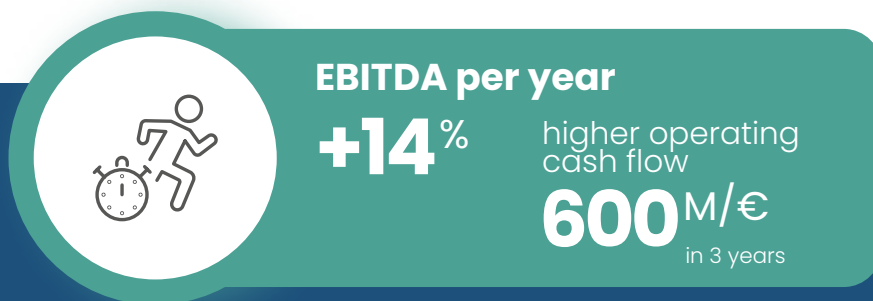
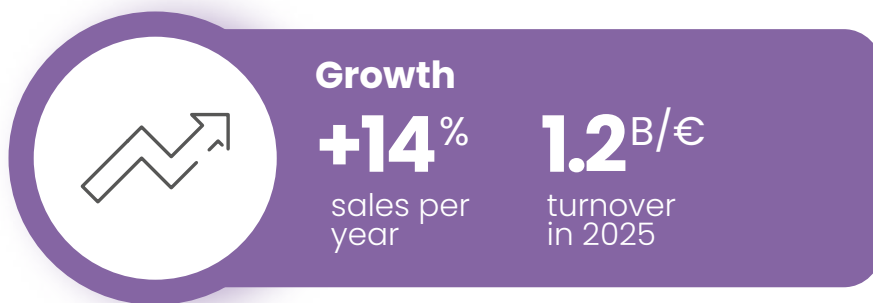


M&A



digital

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



Investments for a sustainable future

During the year 2023, the SAPIO Group continued its growth plan with investments that made the Group stronger and ready to face the future. During the year 2023, the SAPIO Group dedicated resources amounting to approximately 81 MLN € for investments. In Italy, investments included mainly modernization of industrial facilities and investments in industry and security business totaling 22 MLN € (such as, for example, the total refurbishment of the power center of the Caponago plant, which over the course of 3 years had a total value of about 3.5 MLN €) and the acquisition of equipment to support industrial activities for an additional €13 MLN. With reference to production facilities, SAPIO, after investing during 2022 in the construction of a new HPN for nitrogen production at its Caponago plant and a new liquefier at the Chemgas plant in Brindisi, invested €12 MLN for industrial projects and plants for hydrogen production during 2023.

In addition, 33 MLN € were invested in the Group for the acquisition of medical equipment and to support activities in healthcare and biotech and about 1 MLN € supported the Group's IT infrastructure and the increase of IT security.

Finally, with reference to the M&A activities necessary to ensure the Group's inorganic growth, which is essential to continue occupying a position of market leadership, in line with the Inspire Plan, Synartis S.A.S. ("**Synartis**") in France and Diagnostica Domiciliare S.r.l. ("**Diagnostica Domiciliare**") in Italy were acquired during 2023 to support the expansion of homecare activities in Italy and abroad. Several term sheets were signed for the acquisition of companies in Italy and abroad and we expect the conclusion of a number of acquisitions in the year 2024.



A low-angle photograph of an industrial facility, likely a refinery or chemical plant. A tall, grey metal tower dominates the center-left of the frame, featuring the SAPIO logo (a stylized 'S' with diagonal lines) and the letters 'S A P I O' stacked vertically. The sky is a clear, pale blue. In the foreground, there are complex structures of pipes, metal walkways, and yellow safety railings. To the right, another large cylindrical tank is partially visible. The overall scene conveys a sense of industrial scale and modern infrastructure.

**THE SAPIO GROUP
DEDICATED RESOURCES OF
APPROXIMATELY 81 MILLION
EUROS DURING THE YEAR 2023
TO CONTINUE ITS GROWTH
PLAN WITH INVESTMENTS
THAT MADE THE GROUP
STRONGER AND READY TO
FACE THE FUTURE**

focus

Synartis

A new acquisition was concluded by Sapio Santé France S.a.s. (**Sapio Santé**), a Group company in France, in 2023. Indeed, Sapio Santé has announced the acquisition of a majority shares in Synartis, a home care provider specializing in complex and chronic wounds and located mainly in the Auvergne-Rhône-Alpes and Haute-France areas with huge growth potential across the country.

The new complex wound care and healing service will be offered and developed through the Homeperf network and provided by Synartis nurse coordinators. The closing of the deal in July 2023 confirmed SAPIO Group's determination to establish itself as a key player in Europe and particularly in France.



Q: Why did you create Synartis?

A: Synartis is above all a human and family story. With my partner, Pierre Thouvard, who is also my cousin, we had the desire to develop a meaningful entrepreneurial project based on our shared values. The healthcare sector was the obvious choice given our respective backgrounds. Synartis was born in response to the two-fold problem of the almost universal lack of expertise in the field of wound care, and the lack of communication between hospitals and primary care.

Q: What are your vision and values?

A: Wound healing is a complex, multidisciplinary discipline that is constantly evolving, requiring expertise and coordination. We have built up an innovative range of services thanks to our teams of nurses, in order to support nurses, relieve doctors and, above all, improve patients' quality of life. The values of our teams are respect, responsiveness and kindness – all with a smile! In addition, with a view to making travel more efficient and thus reducing environmental impacts, we use tele-expertise and promote short circuits as much as possible, using dressings produced in France or Europe.

Q: Why did you enter this strategic alliance with the SAPIO group?

A: Since our creation, we've been expanding in two regions of France. The arrival of the SAPIO group and Homeperf represents an amazing opportunity to offer this service to as many people as possible. We're delighted to be able to benefit from Homeperf's regional presence and to combine forces to offer a differentiated, high-quality service in our areas of expertise. Above all, it's the shared values as well as the collaborative and caring management that have made the difference.

Q: And what's next for you?

A: This project allows us to continue the adventure while maintaining the Synartis identity. Our vision is to offer this service to as many people as possible, by growing up our team while preserving our values and our quality of service. In five years' time, wherever we are in France, the Synartis name will be associated with the resolution of wound care issues.



David Resilliot

Partner, Synartis Sas

*THANKS TO OUR
TEAMS OF NURSES, IN
ORDER TO SUPPORT
NURSES, RELIEVE
DOCTORS AND,
ABOVE ALL, IMPROVE
PATIENTS' QUALITY
OF LIFE*



focus

Diagnostica Domiciliare

SAPIO Group in 2023 acquired a majority share in the company Diagnostica Domiciliare, born in 2016, which provides home diagnostic services such as X-rays, ultrasounds, echocardiographies, cardiology examinations and electrocardiograms. Radiology physicians and radiology technicians, thanks to the use of state-of-the-art equipment, perform high quality diagnostic examinations at home, integrating with the patient's needs and space. This is a high-quality and fast alternative to the hospital and private clinic system, which often involve long times for booking and performing examinations and provides a preferable option for patients who are bedridden or have difficulty moving.

The advantages of Diagnostica Domiciliare services over the conventional model allow:

- zero waiting time for first level examinations;
- ensure diagnostic quality comparable to that of hospitals;
- provide the physician/specialist with images and report quickly to speed up the course of care and intervene promptly;
- reduce the risk of nosocomial infections;
- reduce caregiver inconvenience and adapt to the different needs of frail/elderly clients;
- foster the development of territorial medicine by integrating seamlessly with the figures already present and active in the territory.

The quality of the services provided is ensured by the high attention of the staff who are able to adapt to the different specific needs of the clientele (e.g., frail person, person with disabilities, inability to move, or person with dementia). In this way, it is possible to obtain a quality diagnosis comparable to that of a hospital in a setting "familiar" to the clientele, with countless advantages for all involved (physicians, caregivers, and health care personnel).

The entire process of booking and delivery of services is managed with the use of a cloud-based management system that allows immediate remote reporting in the case of radiology, while for other services the reporting is done concurrently with the execution of the investigation by means of the specialist doctor who is present at the patient's home.

The Diagnostica Domiciliare model makes it possible to evolve the figures involved in the provision of diagnostic services by reducing the distance between patient and operator, ensuring greater population satisfaction and facilitating a paradigm shift in the provision of some diagnostic services.

Through this operation, SAPIO enters a new segment of homecare by expanding the type of diagnostic and treatment services offered to patients.



Q: Why and when did you set up Diagnostica Domiciliare?

A: Diagnostica Domiciliare was founded in 2016 in Bergamo by a team of young technicians and experienced doctors. Leveraging technological advancements, we acquired portable diagnostic equipment capable of replicating services typically provided in clinical settings, but now in the comfort of patients' homes. This shift from hospital or clinic-based diagnostics to home-based services was essential to meet the growing demand from patients in the local community.

Q: Who is your service aimed at?

A: Our service caters to individuals who benefit significantly from home-based diagnostic procedures, such as chronic patients, fragile individuals and those with disabilities or people seeking a simpler, faster, and more convenient option tailored to their needs, avoiding unnecessary travel and waiting times.

Q: How does Sapio's participation in your project make you feel?

A: I am pleased that SAPIO has decided to believe in our business idea and invest in our company to finance an ambitious expansion plan. Thanks to SAPIO Group's attention to providing healthcare services while maintaining a high focus on patient well-being, we have the assurance that we can continue to offer tailor-made services for each client ensuring their complete satisfaction. We hope that through the synergic integration of our services with those offered by Sapio Group, we will be able to cover the future patient's homecare needs comprehensively.



Luca Aresi

CEO, Diagnostica
Domiciliare Srl



focus

Investments for **hydrogen**

SAPIO has applied to the call for bids for three projects for the construction of new renewable hydrogen production plants using water electrolysis. These will allow the SAPIO Group's hydrogen production capacity to be doubled from the current capacity, going to add about 3,000 tons per year of renewable hydrogen produced from energy from renewable sources, in accordance with the principles of additionality, geographic and temporal correlation, in compliance with the criteria of the delegated act of the European Renewable Sources Directive which defines the characteristics of renewable fuels of non biological origin (RFNBO) to which hydrogen belongs.

The hydrogen produced will be used for the decarbonization of industrial, energy, and local and long-range mobility systems, will be distributed through partly existing and partly new 100% hydrogen pipeline networks, while to more distant users it will be distributed through a fleet of 200-bar or 500-bar tank cars.

The plants will be located in three different Italian regions. A first project is planned in the Tuscany Region with the Solvay Group as lead partner and involves the construction of a 10 MW photovoltaic plant that will power a 5 MW electrolyzer for the generation of hydrogen to be used to produce renewable hydrogen peroxide at the Solvay plant in Rosignano,

for which a total grant of €16 MLN has been awarded. A second project, with SAPIO as lead partner, will be developed in the Veneto Region with the construction of a 5 MW electrolyzer in Venice in the Porto Marghera area at the SAPIO plant, which will be powered in part by a dedicated photovoltaic plant of about 2 MW, built by project partner Eco+eco S.r.l. of the Veritas Group, for which a total non-repayable grant of €17.3 MLN was awarded. Finally, a third project, again with SAPIO as lead partner, will be implemented in the Lombardy Region with the construction of a electrolyzer in Mantua at the SAPIO plant, which will be powered in part by a connected photovoltaic plant, for which a grant of 20 MLN € was awarded. The hydrogen valley in Mantua has also been awarded other funding for the development of land uses, specifically a roadside refueling station that will be built in an area adjacent to the plant connected directly by pipeline and that will be financed by additional PNRR funds in the amount of €4.4 MLN grant allocated to SAPIO and Keropetrol. Additional funding comes from Europe as part of a project on the I3 (Interregional Innovation Investments Instrument) call for proposals coordinated by the Province of Mantua, which envisages further development of the uses of the hydrogen carrier with the implementation of two demonstrators in the energy/industrial and river mobility fields, with a non-repayable grant totaling 6 MLN €.

Q: Why access public funding for hydrogen?

A: Hydrogen is a key energy carrier that will contribute to the decarbonization and energy security of our country, but producing it with a reduced carbon footprint or from renewable sources is still very expensive, as are the technologies for its use. For more than 20 years, Europe has been supporting the development of the supply chain through specific funding programs.

Q: How many funding instruments exist for the hydrogen sector?

A: More and more, both at the European and national level, because of its key role and the European acceleration in 2022 with the REPowerEU Plan. The turning point in Italy came with PNRR funds: the National Recovery and Resilience Plan allocated 3 billion for the development of the Italian renewable hydrogen supply chain and the implementation of the first industrial projects. An opportunity that in Sapió we are strongly committed to seize.

Q: What does it mean to access public funding? How much work goes on behind the scenes?

A: The project application phase is a crucial and busy phase because the timeframe for opening calls for proposals is always very tight. Then once the funds are awarded you must implement the project, meeting the constraints imposed in the management and reporting of expenses, which requires the involvement of many business functions that have to adapt internal processes to the rules of the call. There is a lot of teamwork behind these projects. Now we have won 8 projects on PNRR and European calls. A great complexity and an ongoing challenge, but one that brings great satisfaction. New production facilities, efficient state-of-the-art distribution logistics, applications for hydrogen use in industrial, civil and mobility.

Q: What does it mean to you to work at SAPIO on a project like this?

A: We are helping to build the future of the company, which will have to support major investments, but which will confirm its leadership in the hydrogen sector, even in its most sustainable forms, a new ecosystem that is emerging now with new players, including all the major energy giants. And at the same time, we are contributing to the future of our country, making it more sustainable and cleaner for the new generations, primarily for our children and mine in particular to whom I dedicate my work



Michela Capoccia

Regulatory & Innovation
Manager - Renewable
Gases, Sapió Produzione

*WE ARE CONTRIBUTING
TO THE FUTURE OF OUR
COUNTRY, MAKING IT
MORE **SUSTAINABLE**
AND **CLEANER** FOR THE
NEW GENERATIONS*



The sustainability for SAPIO

Our path to the **SDGs**

**SUSTAINABILITY IS ONE OF OUR
CORE VALUES, UNDERPINNING
EVERY BUSINESS DECISION**
AND SUPPORT 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 HEATHCARE

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 developed⁴ estimates that 62% of the SAPIO Group's activities are related to at least one of the SDGs.

62%
of activities are
related to at least
one SDGs

⁴ 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.



win for the company and the ecosystem

DEVELOPMENT OF OUR PERFORMANCE, OUR SUPPLIERS AND OUR EMPLOYEES

- DEVELOPMENT of our company and ecosystem
- economic PERFORMANCE of the Group
- SUSTAINABILITY of the supply chain and our customers
- GOVERNANCE ethics and integrity
- MANAGEMENT, SECURITY and INNOVATION of our products and services
- COMMUNITY SUPPORT and relationships with the local area and trade associations

win for people

CARE OF OUR EMPLOYEES

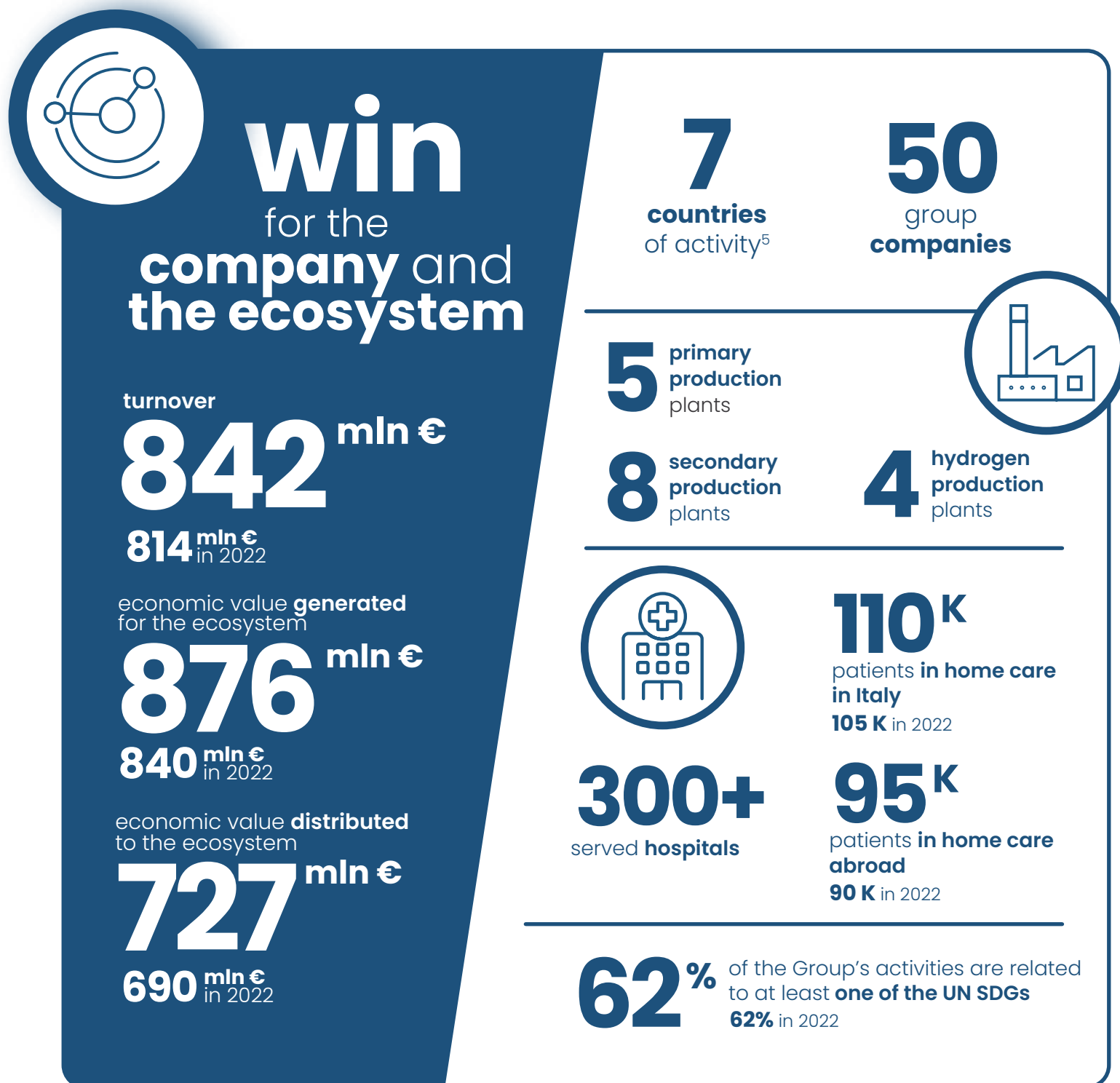
- SAFETY of our employees, suppliers and contractors
- VALORIZATION of our employees, talent development and diversity

win for the environment

PROTECTION OF THE ENVIRONMENT, RESOURCES AND REDUCTION OF ENVIRONMENTAL IMPACT

- SAPIO's COMMITMENT to reducing its carbon footprint
- DEPURATION of soils, water and flue gas

Our vision of **sustainability**



⁵ The perimeter of countries of operation does not include Sofigaz Shpk.



win for our people

employees

2.386

2.303 in 2022

40% foreign
employees
39% in 2022



40%
female
labour force
40% in 2022

71% employees
under 50 years
71% in 2022

16% turnover
out
15% in 2022

16% employees with a
STEM academic title
14% in 2022

16,1 training hours provided
per employee
13,2 in 2022



10,2% recordable **accident rate**
for employees
8,3% in 2022

0 accidents with **serious**
consequences for employees
0 in 2022



win
for the **environment**

-92k ton

CO₂ emissions reduction
vs 2019

The reduction
of the **carbon**
footprint of the
SAPIO Group

-33%

reduction of the carbon footprint
vs 2019

Equivalent to **3.000 flights between Milan and Paris** or
405 millions kilometres travelled by
an automobile of average-size

40%

renewable electricity

+0,3%

increased production efficiency
vs 2019

Carbon intensity

market-based
carbon footprint
related
to turnover

Base 2019=100

2019 / **100**

2020 / **89,1**

2021 / **64,2**

2022 / **53,0**

2023 / **43,4**

Electricity consumption per m³ of produced gas⁶

Base 2019=100

2019 / **100**

2020 / **98.7**

2021 / **94.6**

2022 / **99,2**

2023 / **99,7**

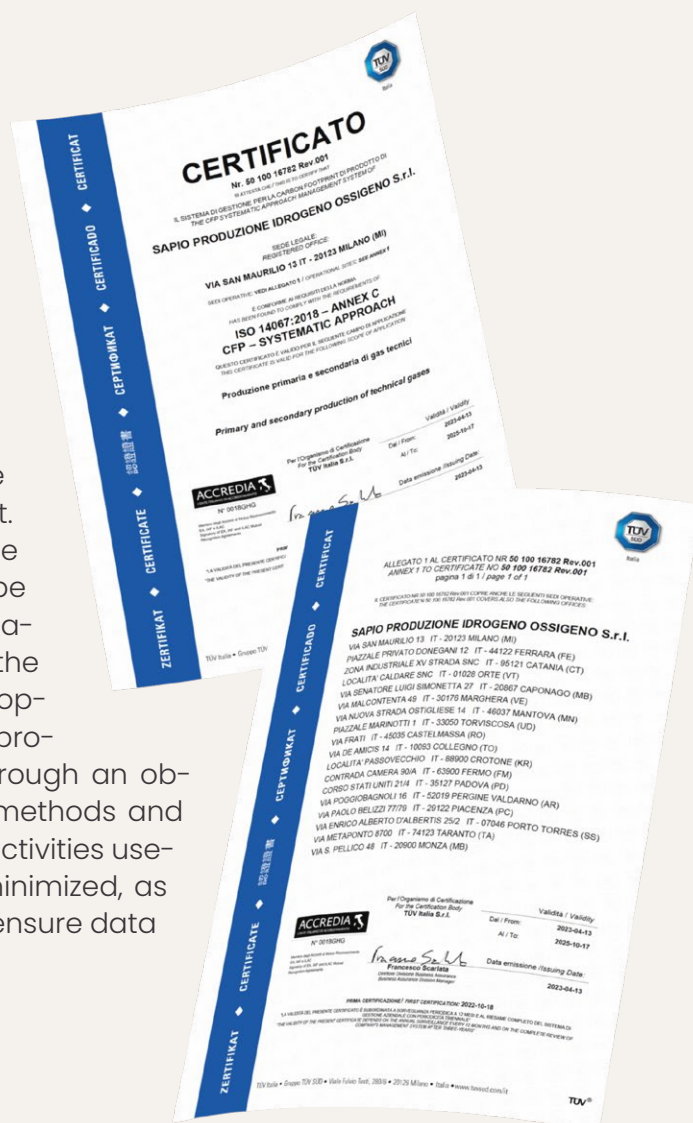
⁶ The worse performance in 2023 is due to limited unplanned plant failures.

focus

ISO 14067 certification Carbon Footprint of Product

The SAPIO Group has been on a decarbonization path for years and, for this purpose, it has been essential to map and quantify greenhouse gases (“GHG”) emissions from its productions. In December 2023 SAPIO maintained the ISO 14067 certification, obtained during 2022, inherent in the calculation of the carbon footprint of all products and blends, of all primary and secondary production facilities⁷.

In a historical period characterized by tangible climate change and global warming, it has become essential to be aware of one’s carbon footprint. The Product Carbon Footprint, calculated using the Systematic Approach method, allows studies to be conducted on multiple products within the organization, in a systematic approach in accordance with the UNI EN ISO 14067:2018 standard. This procedure is the optimal tool to quantify the sustainability of products proposed to the market and to give evidence of it through an objective and quantified value; it also describes the methods and responsibilities for conducting the data acquisition activities useful for the CFP study, so that potential errors are minimized, as well as providing periodic and consistent checks to ensure data completeness and accuracy.



⁷ Certification includes all primary and secondary production plants of Sapiro Produzione Idrogeno Ossigeno Srl.

Q: What is the purpose of ISO 14067 certification?

A: Thanks to obtaining ISO 14067 certification, as of today SAPIO is able to provide its customers with specific information certified by a third party (TUV) regarding the carbon footprint of all its productions, of all its plants not only for pure products, but also for all its blends.

Q: What is the scope of carbon footprint calculation?

A: The calculation of the carbon footprint follows the parameters dictated by the reference standard (ISO 14067) and involves a cradle-to-gate approach, so we consider all input factors useful to productions such as utilities, raw materials used, all upstream transport of the same raw materials, waste produced, water resource use, just to name a few examples. All the impacts of our productions up to the gate of our plant are then considered.

Q: What is the advantage of having this certification?

A: The advantages are many, through the system we have created we are able to understand perfectly which input factors are most impactful and especially in what exact percentage. Having acquired deep knowledge of the environmental impacts of the entire production process we are able to act where necessary to reduce the carbon footprint, this allows us to be able to provide our and future customers with more sustainable products, to reduce our environmental impact, consequently also reducing the environmental impact (scope 3) of our customers, thus creating a virtuous and sustainable circle along the entire value chain.

Q: What does it mean to you to work at SAPIO on a project like this?

A: For me, it means being an active part of the fight against climate change, which I have always undertaken as a personal lifestyle and, for the past few years, also as a profession. Starting an extremely challenging project like this and completing it has been a great personal satisfaction, and it is even more so to know that this helps the Group and its customers face the great challenge of the energy transition.



Marco Bottiglieri

Sustainability Manager,
Sapio Produzione

SAPIO IS ABLE TO PROVIDE ITS CUSTOMERS WITH SPECIFIC INFORMATION CERTIFIED BY A THIRD PARTY (TUV) REGARDING THE CARBON FOOTPRINT OF ALL ITS PRODUCTIONS, OF ALL ITS PLANTS



focus

Ecovadis: **Bronze medal** for SAPIO

To pursue the goal of creating a virtuous circle along the entire value chain, SAPIO decided in 2023 to certify itself as a supplier through the **Ecovadis** platform to be able to demonstrate to its current or future customers its commitment through a certified and recognized partner.

The process of filling out the Ecovadis questionnaire and submitting all supporting documentation required the involvement of various business functions in the first half of the year. In July 2023 came the evaluation by Ecovadis awarding SAPIO⁸ the bronze medal, an excellent result dictated by the cooperation and team spirit everyone demonstrated. It was a great opportunity to demonstrate commitment to ESG issues, but also to improve through the insights gained from the assessment itself.

It is therefore possible from July 2023 for SAPIO's clients or potential clients to apply to share SAPIO's scorecard and related ESG performance through the Ecovadis portal.



⁸ The Ecovadis assessment is issued to the company Sapio Produzione Idrogeno Ossigeno Srl.

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

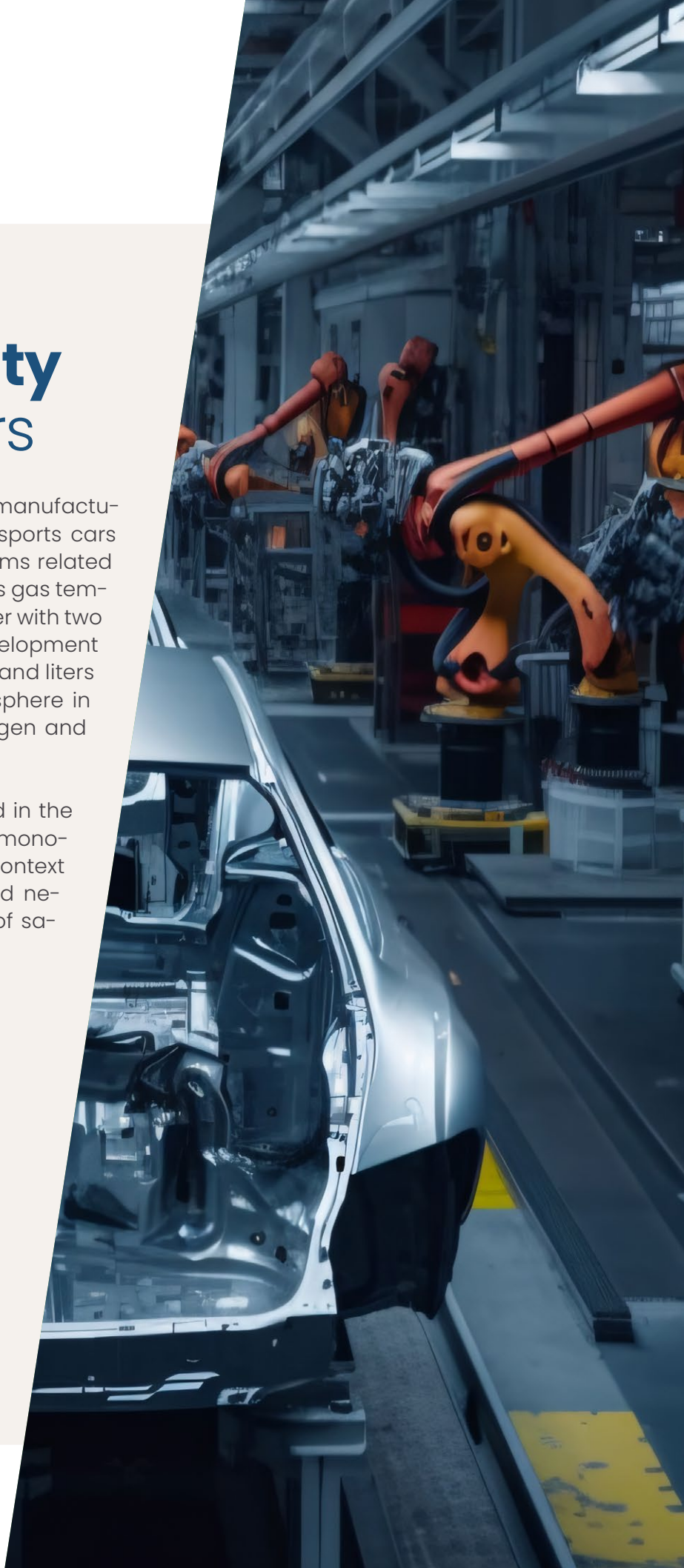
We therefore offer our customers solutions to improve sustainability, efficiency and productivity, contributing to improve their environmental impact through the use of our gases, such as in the applications in oxycombustion processes, in the increase of the shelf life of products, in the purification of land and water and the application of CO₂ capture technologies, biomethane and hydrogen as an energy carrier for industry and mobility.

focus

We bring **security** to our customers

A leading large automotive company and manufacturer of some of the world's most coveted sports cars chose SAPIO as its supplier to solve problems related to production stoppages related to process gas temperatures. SAPIO then supplied the customer with two nitrogen tanks, one for research and development and one for production, of 20 and 50 thousand liters respectively. Nitrogen stabilizes the atmosphere in autoclaves, reducing the presence of oxygen and thus avoiding the risk of fire.

Specifically, the nitrogen we supply is used in the processing of carbon fiber for automobile mono-coques. Our intervention, in a historical context where occupational safety is a dutiful and necessary issue, helps to increase the level of safety and quality of work.



Q: Tell us how this wonderful opportunity came about?

A: Being able to establish business relationships with the most prestigious brands in the Emilian Motor Valley has always been a strong motivation. After a few attempts, which had allowed us to make ourselves known as a company producing technical gases and related services, the opportunity we had been waiting for all along finally arrived.

Q: What were the unmet needs of the customee?

A: The customer complained of production blockages related to process gas temperatures that they could not solve. Our proposal that completely rethought the cryogenic gas vaporization system and stabilized the outlet temperature was highly appreciated by their engineering management. SAPIO's offer, accompanied by a new storage facility complete with an automatic remote control and monitoring system for all sensitive installation data, visible to both the customer and SAPIO, made the difference. The customer then chose SAPIO as its new supplier.

Q: How have our products improved the customer's environment and quality of work?

A: The nitrogen we supplied is used in the processing of carbon fiber for car monocoques. This production process uses nitrogen-inerted chamber autoclaves to prevent the formation of explosive atmospheres. Stabilization of inlet nitrogen temperatures optimizes the management of the processing cycle; in addition, portable systems for monitoring and analyzing residual oxygen in the atmosphere have been provided. The quality of work and safety in human/autoclave interface activities has increased, thus improving the operators' overall perception of quality standards.

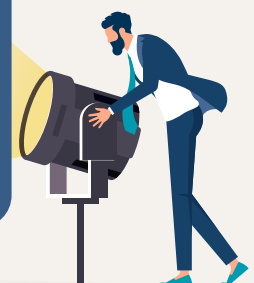
Q: What has this experience meant to you?

A: My greatest satisfaction was that I transferred to the customer the certainty of working with a competent supplier capable of improving the standard of excellence of the required products and thus increasing the quality, safety and sustainability of their production processes.



**Cristian
Piombi**

Commercial
Service Central
Region, Sapio
Produzione



focus

Protective atmospheres to reduce defects in Rodacciai

Inerting by nitrogen takes place according to different procedures, depending on the customer's needs and the conditions of the environment to be inerted. In the case of the client Rodacciai, a leading international company in the production of a wide range of steels, the need was to inert the atmosphere inside the new steel heat treatment furnaces installed by the client at its plant in Bosisio Parini (LC).

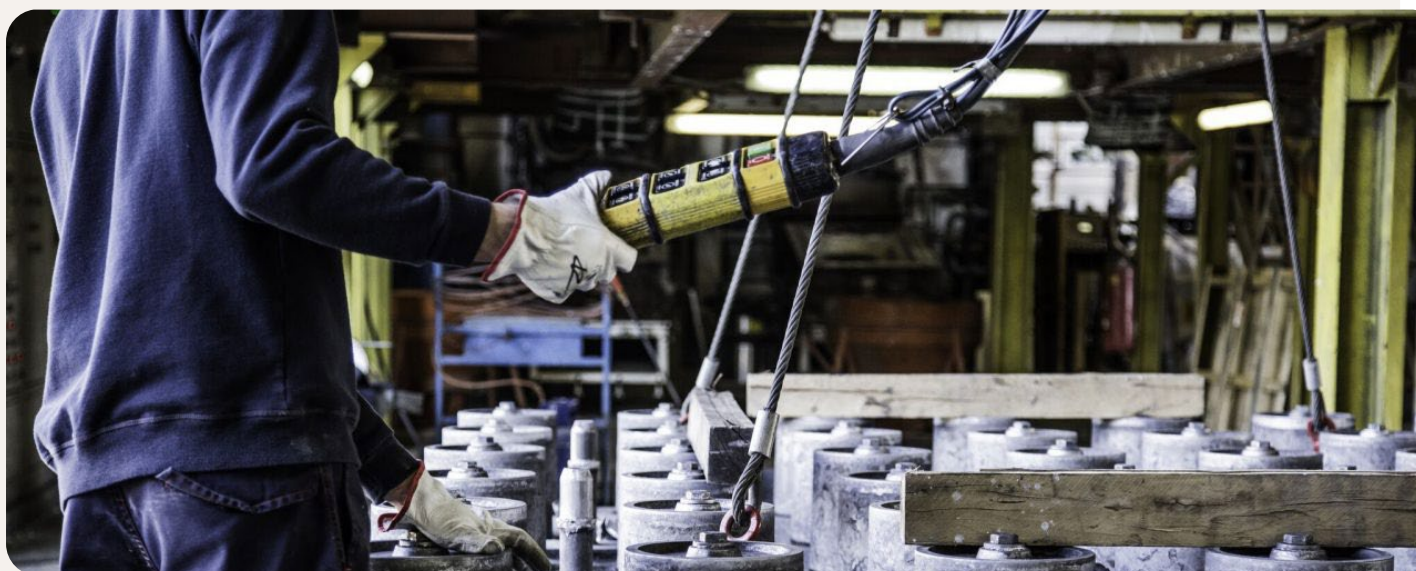
The nitrogen in the furnace prevents oxidation and especially decarburization of the steel itself, ensuring that the chemical and physical properties of the treated steel are maintained. SAPIO's contribution in this case makes it possible to minimize steel waste, with obvious benefits in terms of sustainability and production cost containment.



focus

Nitrogen to reduce waste in Indinvest

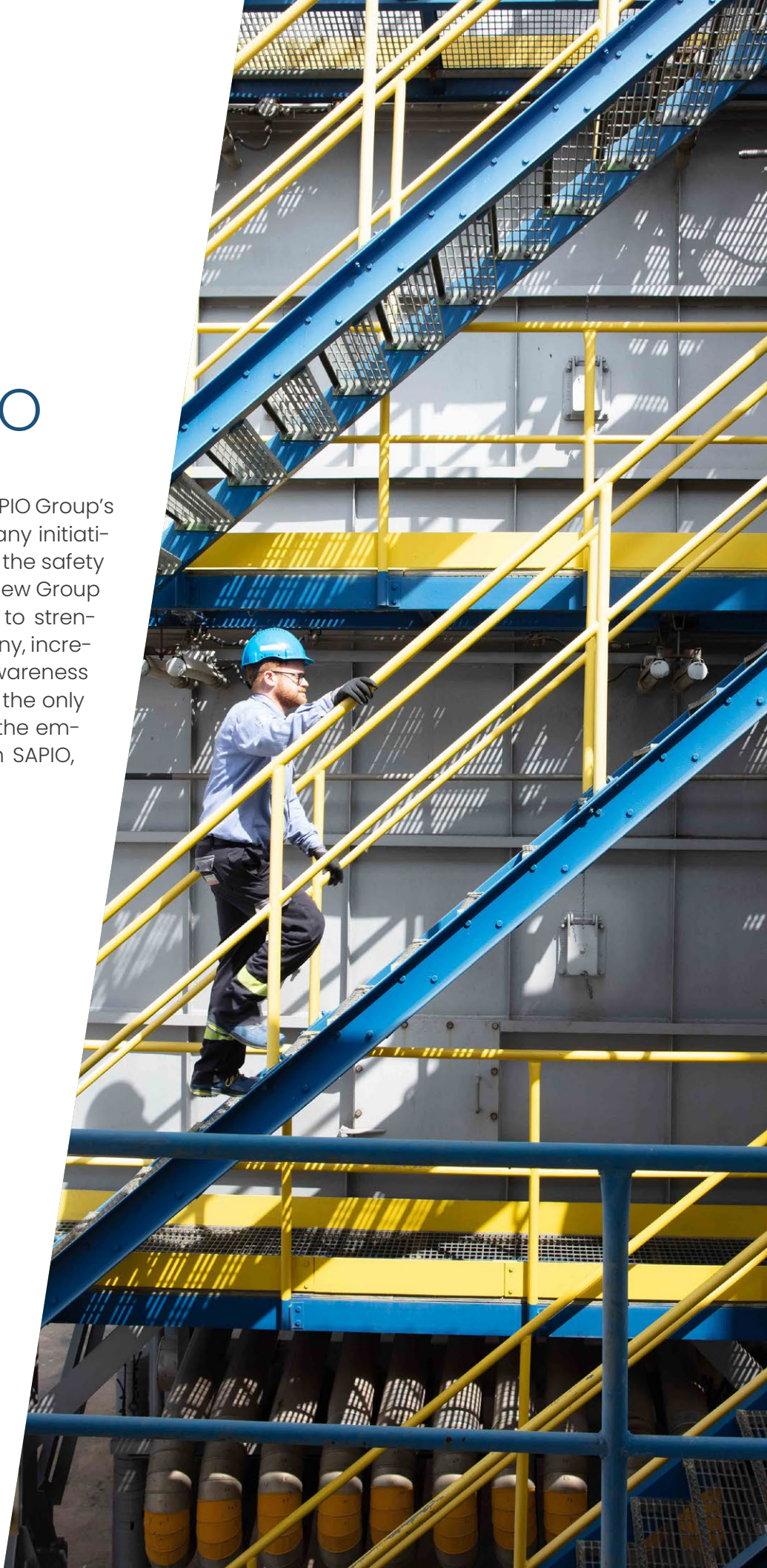
Indinvest LT is a leading company in the production and extrusion of aluminum profiles, the customer's needs at its plant in Cisterna di Latina (LT) concerned the installation of a new extrusion line for aluminum profiles working at very high temperatures. Through SAPIO's expertise, the customer can inject liquid nitrogen into the extrusion die, generating multiple benefits in terms of both environmental and economic sustainability: in fact, liquid nitrogen has very low temperatures and cools the die, preventing it from rising to too high temperatures, above 600°, which would cause its rapid deterioration. These peculiarities can be exploited in aluminum extrusion processes to significantly increase plant productivity, in fact, the heat developed during the extrusion process of a billet is a function of the extrusion speed; being able to ensure proper temperature control on die worktops, with variable temperatures within established limits, prevents and prevents the formation of surface defects caused by overheating. Added to this advantage is the improved surface quality of the extrudate due to the inerting effect of nitrogen. Finally, the liquid nitrogen in contact with the hot matrix, evaporates and the gaseous nitrogen formed creates an inert atmosphere in contact with the aluminum profiles, preventing oxidation and waste.



Safety for SAPIO

Safety has always been at the core of SAPIO Group's values, and in 2023 there have been many initiatives and projects carried out to increase the safety of our sites, thanks to the launch of the new Group HSE Plan, Breathing Safety, which aims to strengthen the culture of safety in the company, increase the level of attention, discipline, awareness and responsibility of all of us to achieve the only acceptable goal, which is that none of the employees or subcontractors working with SAPIO, suffer an injury.

BREATHING SAFETY IS A PILLAR OF THE INSPIRE BUSINESS PLAN AND WILL HELP THE GROUP GROW AND ENSURE BUSINESS CONTINUITY AND SUSTAINABILITY IN ITALY AND EUROPE.



Q: What is Safety at SAPIO?

A: The Safety of our workers is the first corporate value. SAPIO puts the health and safety of workers and all those who use our products first and sets a goal of ZERO INJURIES every year, as operating safely is a necessary condition for working in Group Companies.

Q: What does “Breathing Safety” entail?

A: The initiative includes periodic posts on social media, displaying posters in the various locations with key messages, sending specific communications through different channels, organizing training moments and visits to production sites. All this to involve everyone, share experiences, give continuous information and be updated on the different projects, the progress of safety indicators and the main events, positive and negative, affecting the safety of our Group workers.

Q: What does it mean to you to work at SAPIO on a project like this?

A: More than a project, I would talk about a path. Designing this path for our Group means sharing my passion for health and safety aspects, with the goal of “contaminating” all colleagues and making them active participants in a cultural change that puts everyone’s safety first. Working on this path, for me, means above all, believing in the most important value of our Group’s DNA.



Vito Del Rosso

Corporate HSE Manager,
Sapiro Produzione

THE SAFETY OF OUR
WORKERS IS THE FIRST
CORPORATE VALUE.
SAPIO PUTS **THE
HEALTH AND SAFETY
OF WORKERS AND ALL
THOSE WHO USE OUR
PRODUCTS FIRST**





win for the company and the ecosystem in which it operates



for the **company** and
the ecosystem in which
it operates

we are **SAPIO**

bilancio di **sostenibilità** 2023



Our **value creation** and **distribution** model

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 2023, Group sales rose to 842 MLN € vs 814 MLN € in 2022. Specifically, the industrial sector's turnover is € 419 million, while that of the

healthcare sector (including both the hospital sector and homecare and biotech) is 423 MLN €, each corresponding to 50% of the Group's total turnover. The industrial sector accounts for 59% of revenues in Italy. The healthcare and biotech sector accounts for 41% of revenues in Italy and 100% of Group revenues abroad. The 2023 performance is symptomatic of a consistent development that the Group has demonstrated over the past decade with a compound annual growth rate of 6.6% between 2015 and 2023.

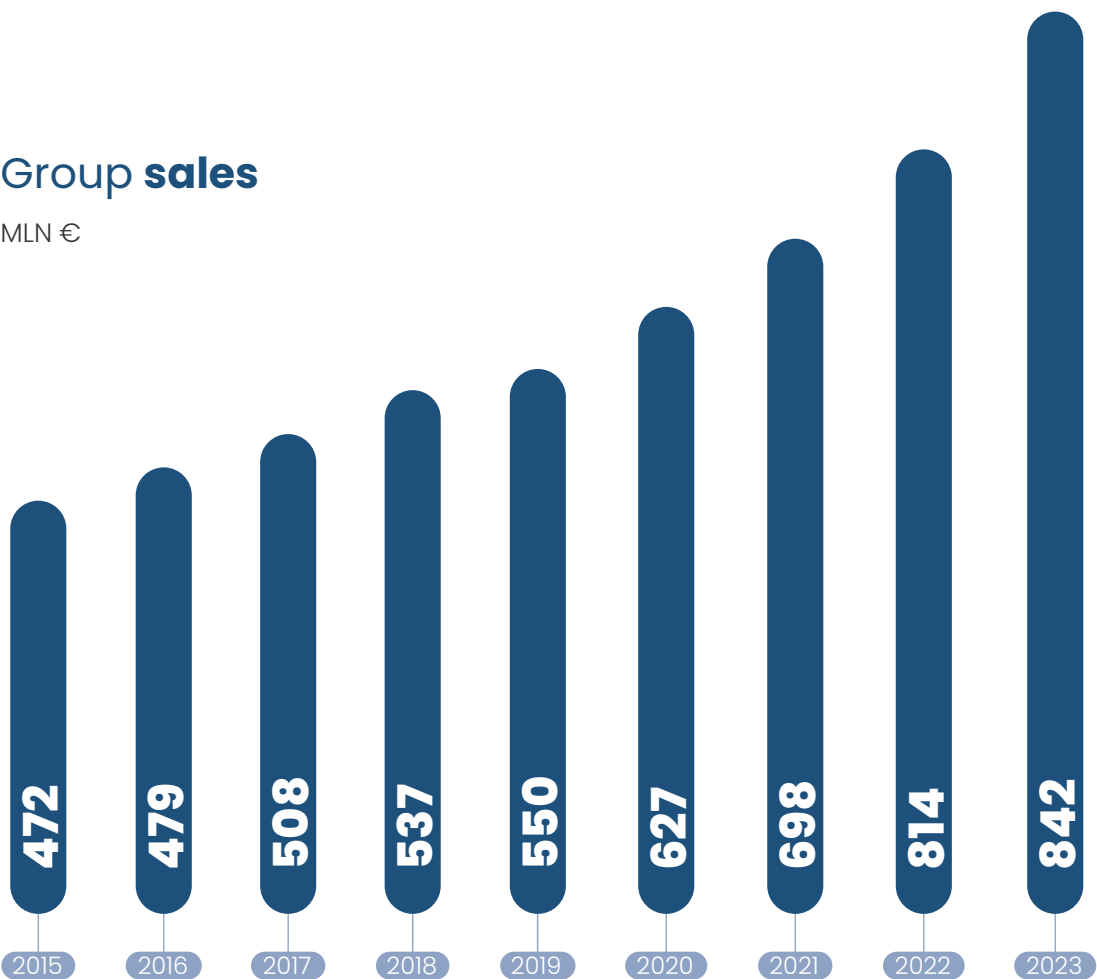
The economic value generated and distributed to the ecosystem is the incremental economic value generated by the SAPIO Group's activities and distributed to a broader category of Stakeholders. Although related to the enhancement of the Group's economic performance, the economic value generated and distributed 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 2023, the economic value directly generated by the SAPIO Group for its ecosystem was 876 MLN €, an increase of 37 MLN € compared to 2022. The economic value distributed to the ecosystem amounted to 726 MLN €, an increase of 34 MLN € compared to 2022.

Group sales

MLN €



Economic value **distributed** to the ecosystem
and **retained** by the Group

481 MLN €

to suppliers
2022: 504 MLN €

146 MLN €

to employees
2022: 129 MLN €

57 MLN €

to financial contributors
2022: 36 MLN €

42 MLN €

to State and institutions
2022: 22 MLN €

0,7 MLN €

donations and gifts
2022: 0,6 MLN €

149 MLN €

retained by the Group
2022: 149 MLN €

win for the company and the ecosystem in wich it operates



Governance as a guide for a sustainable development

A company's performance cannot disregard ethical behavior and corporate governance aimed at ensuring integrity of government members and employees. Only an ethical behavior can guarantee success of the Group. The SAPIO Group makes integrity one of its core values and key to corporate 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 of 31 December 2023, the Board of Directors of SAPIO consists of 11 members.

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

ONLY ETHICAL BEHAVIOR CAN GUARANTEE SUCCESS OF THE GROUP

Board of Directors of the SAPIO Group



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 of the SAPIO Group
since 21 June 2011

Alessandro Dossi

President of Progefin
since 20 June 1990

Piero Carlo Cavenaghi

President of Sapio Life
since 13 January 2011



Mario Paterlini

Chief Executive Officer of the SAPIO Group
since 1^o July 2010



Seifollah Ghasemi

Chairman, President e Chief Executive Officer,
Air Products



Ivo Jan Paul Leo Bols

President, Europe & Africa, Air Products

Kurt Lefevere

Vice President North Continent, Air Products



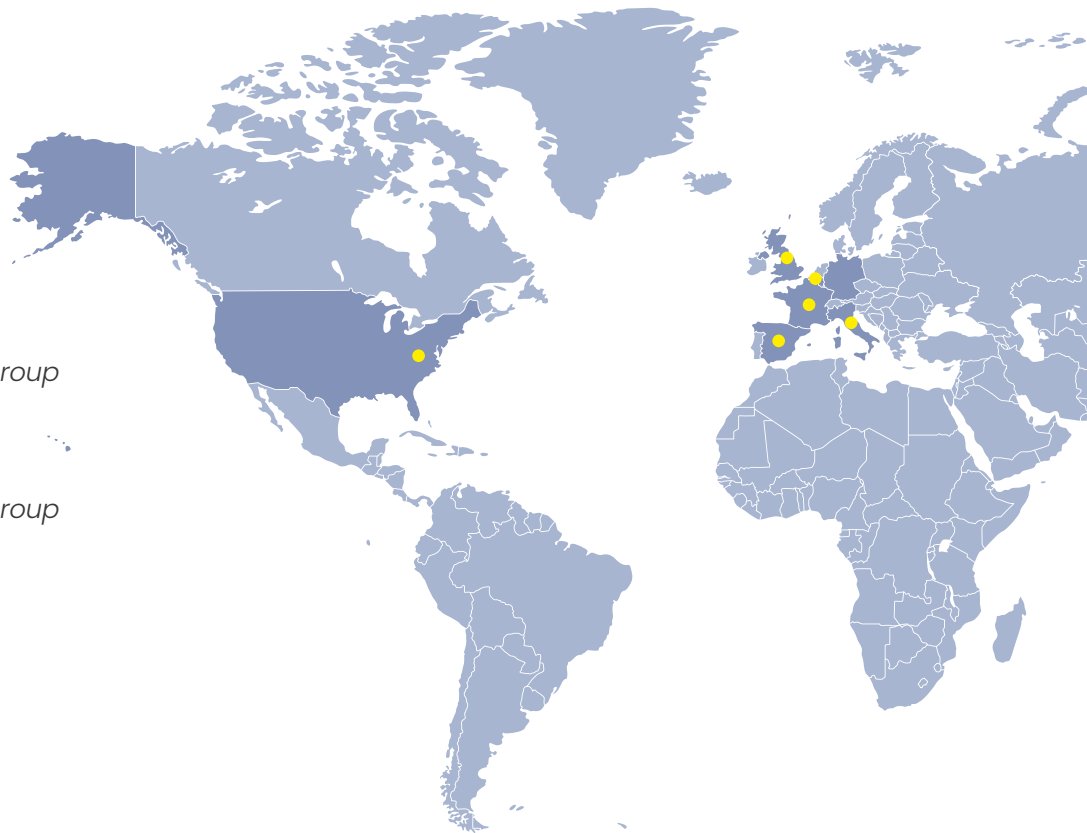
José Bernardo Escorihuela

Executive Director – Finance, Europe & Africa,
Air Products

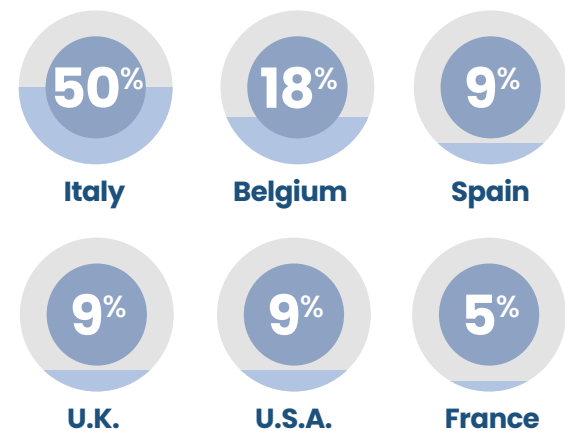


Joaquin Mustaros Gel

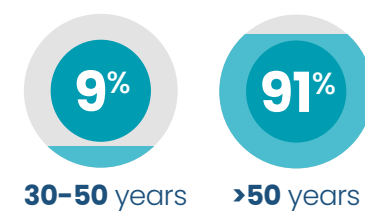
Lawyer, Managing Director, Air Products



Percentage composition of the Board
of Directors by **nationality**



Percentage composition of the Board
of Directors by **age group**





SAPIO's pillars

biotech



BioRep Srl
Advicepharma Srl

Synapse Sas
Sapio Santé France Sas
Domco Sas
Homeperf Sas
Synartis Sas
Sapio Life Sau
Sapio Holding GmbH
Life Cure GmbH
Sapio Life GmbH & Co. Kg.
Gti Medicare GmbH
Gti-Nord Medicare GmbH
Sapio Plini Doo
Sapio Life Turkey

healthcare abroad



healthcare italy



Sapio Life Srl
Sapio Medical Partners 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
Diagnostics Domiciliare Srl

Sapio Produzione
Idrogeno Ossigeno Srl

energy transition



industry



Sapio Produzione
Idrogeno Ossigeno Srl
Airgas Srl
Alloys Italia Srl
Cesalting Srl
Cer Industria Srl
Chemgas Srl
Eurotre Srl
Eurotre USA Inc
G. Recalcatti Srl
Gamas Srl
Isogas Srl
Linea Gas Srl
Mysapio Srl
Rivaossigeno Srl
Saldogas Srl
Sofigaz Shpk
Technosaldatura Srl
Utengas Industrie Srl
Zilli Gas Srl

SAPIO Group in Italy and in the world

Italy

Head Office: Monza

Commercial premises & industrial 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, Bergamo,
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



win for the company and the ecosystem in which it operates

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

USA

South Plainfield



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 2023, donations amounting to € 691,000.

focus

PizzAut: Sapio Life donates a brick

PizzAut is an innovative model of social inclusion, an always-on workshop that demonstrates how barriers are often only in our heads and not in our hearts. It is an opportunity for many young people with autism to gain dignity and autonomy through work.

SAPIO Group, through its subsidiary Sapio Life, has made the "donation of a brick" to PizzAut and periodically supports their activities by organizing company lunches at their pizzeria. SAPIO's contribution does not stop here but continues with ongoing support for the association "I Bambini delle Fate," a social enterprise that since 2005 has been ensuring economic support for social inclusion projects run by local partners and associations for the benefit of people with autism and other disabilities.



focus

Award: Costruiamo il Futuro 2023

The “Costruiamo il Futuro” (Let’s Build the Future) Foundation promotes study, research, information, training, popularization activities and organizes cultural initiatives and support for the world of voluntary, non-profit and sports associations. SAPIO has always believed strongly in these issues and in the development of the area and therefore chose to support the Foundation.

Thanks to the support of SAPIO and all partners, the Costruiamo il Futuro Foundation in 2023 promoted the 21st edition of the “Building the Future Award” in the Province of Lecco and Monza and Brianza, which supported 47 third sector entities, small and very small, for a total of 96,000 euros donated.

SUPPORTING THIRD SECTOR ENTITIES AND THE ENTIRE WORLD OF VOLUNTEERING CONTRIBUTES TO IMPROVING THE SOCIAL WELFARE OF THE COMMUNITY BY PROVIDING SUPPORT AND RESOURCES FOR SOCIAL, SOCIAL WELFARE, SPORTS AND CULTURAL WORKS.

In addition, the involvement of the public, private and third sectors allows the construction of a community identity, promoting positive social and economic relations with the aim of contributing to the construction of sustainable communities and cities.



Contributions to populations affected by **natural events**

In July 2023, SAPIO's Italian shareholders donated more than €300,000 to the people affected by the floods in Emilia-Romagna.

WHEN WE SAY **WE ARE SAPIO** WE MEAN MANY THINGS, BUT ABOVE ALL WE MEAN A WAY OF BEING, A WAY OF UNDERSTANDING THE WORLD, RELATIONSHIPS BETWEEN PEOPLE. THINGS THAT SET US APART FROM OTHERS AS A COMPANY AND WHOSE EXAMPLE OFTEN COMES FROM THE TOP, AS IN THIS CASE FROM SHAREHOLDERS.

To help the areas of Emilia-Romagna affected by the tremendous flooding, SAPIO's Italian partners, decided to donate a portion of their emoluments to those most in need: families, churches, helping communities that in a few hours saw years and years of work and sacrifice wiped out. In particular, families in the municipality

of Molinella, one of the hardest hit by the flood, were helped through the parish of Marmorta; the social cooperative "L'orto" in Budrio, which cares for the disabled and the particularly disadvantaged; and the "Cucine popolari" association in Cesena, which provides hot meals to the less well-off. For the work of contact and verification in the field to devolve aid, special thanks go to the CEO of CER (a SAPIO Group company), Alberto Paleari, who personally ensured that aid reached those who needed it most with targeted and incisive interventions.

A few months earlier another disastrous event had taken place, this time in Turkey, a devastating earthquake shook the country causing devastation and suffering for an impressive number of people. Without much fanfare, as is SAPIO's style, from the first hours following the earthquake that severely affected the people of Turkey and Syria, Sapiro Life activated all available channels to donate consumables and medical devices. Through colleagues based in Istanbul and Ankara, coordinated by Gaye Goksin, SAPIO Group promoted every initiative that could provide quick and concrete help.

Q: In early May 2023, Emilia-Romagna was flooded, what happened?

A: The event is part of a series of weather events related to ongoing climate change. And as we all know, thanks to the numerous data and appeals of the IPCC, the situation for the whole world is on the verge of irreversibility. Studies say that phenomena like what happened to Emilia Romagna could become very frequent and even more calamitous.

Q: How did you respond?

A: Thanks to our shareholders, who from the earliest days made a major contribution of €300,000, we were able to contact several entities in the area, mostly parishes, who were willing to accept the money in the form of a liberal disbursement and then allocate it to the population in need. It had to be done quickly and well, and we can do that. The SAPIO Group this was fast and efficient. In just a few days the money provided by the shareholders were in the accounts of the recipients available to be able to buy basic necessities and have some relief.

Q: Where exactly did the donations go?

A: To the parish of Marmorta di Selva Malvezzi (Bologna), the parish of Solarolo, the cooperative l'Orto di Vedrana, the popular kitchens of Cesena, the parish of Romiti in Forlì and the parish of the Capuchin Friars in Cesena.

Q: What has this situation meant to you?

A: Unfortunately, the drama of those days and those that followed are unforgettable, but I will also not forget the many acts of solidarity, of even heroic generosity that I personally witnessed. I met the great heart of the popular kitchens of Cesena that already the next day had rolled up their sleeves and were shoveling mud from their premises as well as Don Tiziano or Don Gallo, all at the "front" with their boys to help and I and many others from the CER Group with them. And then, I will not forget the trips made by me and CER Industria President Enzo dall'Olio, who made the necessary verifications in person, we would divert the economic resources generously provided by SAPIO shareholders. I saw many bright eyes and received many loving hugs. These are moments I will always remember.



Alberto Paleari

CEO, CER Group

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IN JUST A FEW
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Q: In February 2023, Turkey was hit by one of the most powerful earthquakes in the century with a 7.8 magnitude. Could you please tell us about the situation in Turkey those days

A: It was a real tragedy and a big desperation. The territory was so big, at least 15 millions of people were affected. Damaged roads, non stop snowing in February complicating the situation and problems with telephone lines. More than 5.700 buildings have collapsed and more than 60.000 people died or went missing in this big disaster.

Q: What do you think is the biggest challenge to manage an efficient disaster management?

A: It's the coordination, because every little minute was so important to save lives and there is no time for any chaos. That's why it's so crucial the role of organized corporate aids. Not only disaster and emergency management organizations or independent rescue organizations but also business world plays a very important role. In this earthquake, it was a real corporate social responsibility case. And I am so proud that as SAPIO, we also have played a leading role by organizing aid to hospitals in the disaster area in a fastest way.

Q: Can you please describe a little bit your feelings when you were working on this emergency?

A: First of all, I have to say that I was so touched by the close follow-up of our Vice President Maurizio Colombo. I will never forget his words on the phone: "I want to do something, how we can help?". Then it took just a few hours to organize and deliver our donation to the disaster area. Because WE ARE SAPIO.

Using this opportunity, I want to thank to our company Sapio Group on behalf of all Turkish people for this responsible action.



Gaye Goksin

General Manager,
Sapio Life Turkey

*EVERY LITTLE MINUTE
WAS SO IMPORTANT
TO SAVE LIVES AND
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CORPORATE AIDS.*



win for the company and the ecosystem in which it operates



focus

Life On Mind

The “Life on Mind” project was established with the aim of offering, primarily, support to both adolescents with mental distress and their families. This is to prevent them from becoming chronic psychiatric patients as adults, with unacceptable human, social and ethical costs. With Life on Mind, we are taking charge of this discomfort, both in economic terms and in terms of human resources, making available to future generations, what we think we know how to do well: to welcome a need, which, to date, has fewer and fewer answers.

Needs that are an expression of a deep discomfort that must be welcomed, listened to, understood and addressed; but not only that, from a rehabilitation perspective, we must avoid “identification with pathology” by accompanying the user to recover a positive perception of Self, from an evolutionary perspective.

In Italy, there are currently more than 2 million children and young people affected by mental illnesses of various kinds. Statistically, between 10 and 20 percent of children and adolescents, suffer from neuropsychological disorders. The World Health Organization (WHO) claims that half of all psychiatric disorders begin before the age of 14. We are talking about childhood, many young and very young suffer from these kinds of “invisible” diseases in silence. Most of us dare not even think of it as a mental disorder.



**Stare bene,
senza paura.**

It makes a fear and impression, prompts one to recoil, to associate the concept of “young,” particularly very young, with a psychiatric illness. But this reluctance, for something too disturbing, only serves to bury one’s head in the sand and feed the distance of care, from the hidden suffering of so many young people, but not only, also of their families

Q: Why did SAPIO approach this project involving mental health?

A: I personally believe that SAPIO decided about 2 years ago to make this project operational, simply because it is an “ethical” company. An ethical company does not just pursue profit but considers the impact of its actions on the environment and society, operating responsibly, and data in hand, it realized that doing nothing in a situation of generalized psychological distress such as the one we are currently experiencing would have been inconsistent with its ethical mandate.

Q: How many people have you taken in at your Clinical Psychology outpatient clinics?

A: In the first 9 months of operation, that is, from June 2023 to date, we have provided 1,115 Psychotherapeutic consultations. There are more than 200 people we are following, in-person and online, at the outpatient clinics in Legnano. In the short term, with the opening of the Monza and Lecco offices by the end of the year, we are going to significantly increase these numbers

Q: What do you want to do “when you grow up”?

A: First of all, keep the focus, stay concentrated: this project takes you to live, every day, as if it were a start-up, with its problems and its variables, often related to an inner, intangible suffering that challenges the Life on Mind team with few certainties and many variables.

Q: What does work on this project mean to you?

A: I think today it means everything, and by everything, I mean that feeling of wholeness, of making sense of things, that gives you a different perspective on life. This is all thanks to the company in which I work.



Carlo Monzillo

Chief Operating Officer,
Life Cure

*AN ETHICAL COMPANY
DOES NOT JUST
PURSUE PROFIT
BUT CONSIDERS
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ACTIONS ON THE
ENVIRONMENT AND
SOCIETY, OPERATING
RESPONSIBLY*



The contribution to **associations**

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. Finally, it is 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.)

win for the company and the ecosystem in which it operates

Germany

Spectaris

RSR

Italienische Handelskammer
Für Deutschland

Life Cure GmbH

BPA (Bundesverband privater
Anbieter sozialer Dienste e.V.)

France

Fédération des PSAD

Association La Vie par un Fil

Association Aide aux Jeunes
Diabétiques

Institut Eco Océan

Association Vaincre la
Mucroviscidose

Institut Curie

Spain

FENIN (Federación Española de
Empresas de Tecnología
Sanitaria)

Italy

Assolombarda

Federchimica

ASSOGASTECNICI

Associazione Italiana H2IT

Hydrogen Europe

European Clean Hydrogen
Alliance

Our ecosystem

OUR CONTRIBUTION STARTS WITH PRIMARY PRODUCTION WHICH INCLUDES DIFFERENT TYPES OF INSTALLATIONS AND MAINLY:

**AIR SEPARATION UNITS ("ASU")
OR 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.

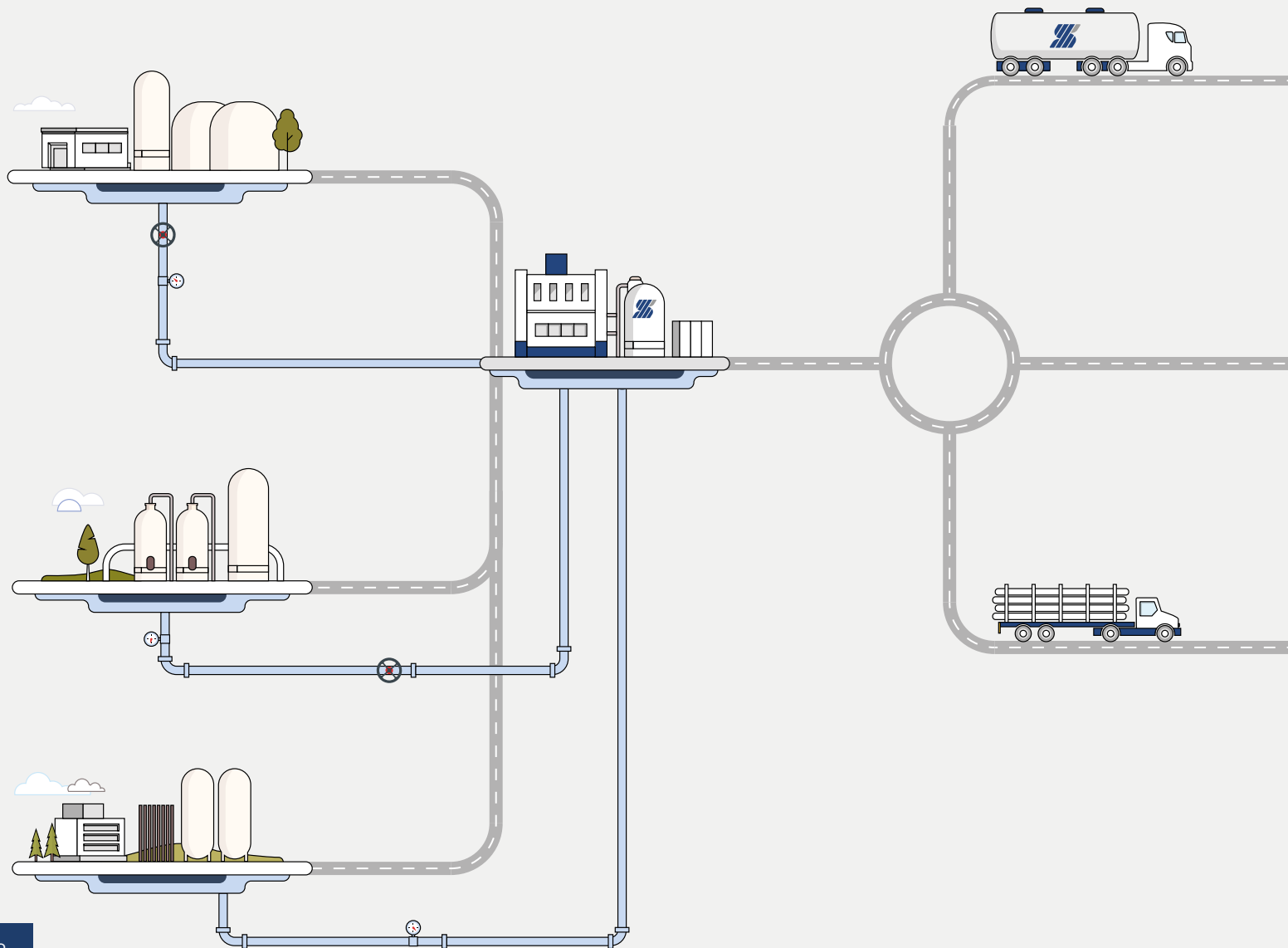
SAPIO Group also provides services to support the biotech activities of hospitals, pharmaceutical companies and contracts research organizations ("**CRO**") such as cryobiology services and the creation of biological banks as well as the support of clinical trials and data management.

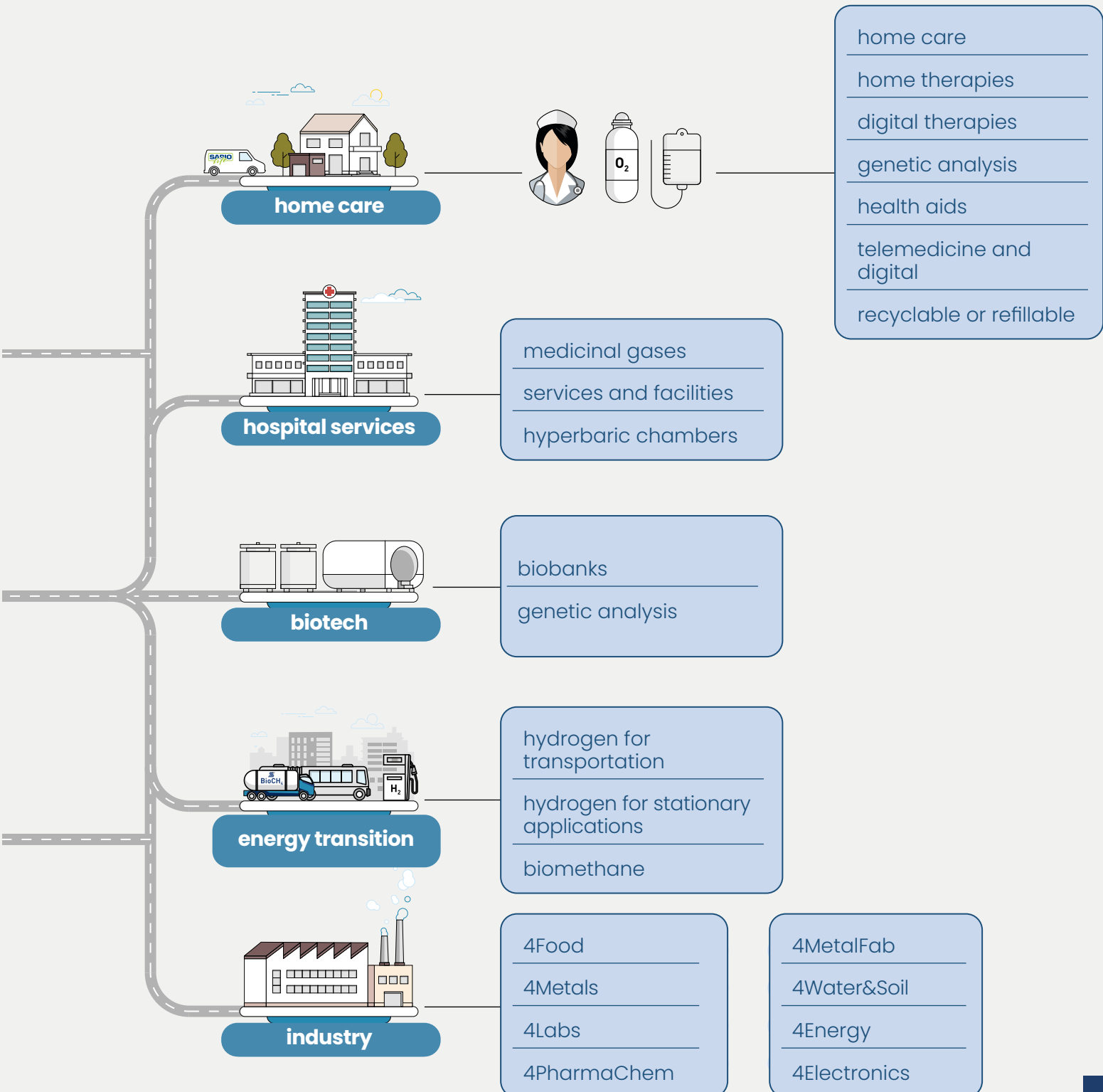
At the patient's home, SAPIO Group brings the medical devices, accessories and drugs needed for home treatment, allowing continuity of care outside hospital facilities. Moreover, using specialized healthcare personnel, it guarantees fragile and complex patients home care with nursing, medical and rehabilitation 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, 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.

A photograph of a complex industrial facility, likely a refinery or chemical plant. The image shows a dense network of pipes, structural steel beams, and ladders. The pipes are painted in various colors: blue, green, and yellow. A yellow ladder is visible on the right side. The background shows more industrial structures under a clear sky.

win for the company and the ecosystem in wich it operates

	Raw materials	Product
ASU (Air separation units)	air + electricity	oxygen, nitrogen, argon
SMR (steam methane reforming)	methane/biomethane + electricity	hydrogen
Electrolysis	water + electricity	hydrogen
HPN	air + electricity	nythrogen
Wet generator	acqua + carburo di calcio	acetylene
CO ₂ capture technology	fumes	CO ₂
Upgrading plant	biogas	biomethane CO ₂





guests

Minister Giorgetti guest of SAPIO in Caponago

"A MODEL COMPANY, AN EXAMPLE COMPANY FOR OUR COUNTRY," THESE HAD BEEN THE WORDS OF MINISTER GIORGETTI REMOTELY CONNECTED DURING THE CELEBRATION OF SAPIO'S 100TH ANNIVERSARY IN 2022.

"I had promised that I would come to visit SAPIO, Italian excellence in the field of hydrogen. I am convinced that this is the way of the future to win the challenge of sustainable economy, a viable alternative to

electric. PNRR, research and development the tools in the hands of these successful entrepreneurs," this instead reiterated Minister Giancarlo Giorgetti in February 2023 when he was a guest of SAPIO at the Caponago plant. Welcomed by President Alberto Dossi, Vice-Presidents Maurizio Colombo and Andrea Dossi, and CEO Mario Paterlini, the Minister spoke with colleagues in the various departments and then met with top management for a face-to-face discussion on the most important economic issues such as energy cost trends, hydrogen and biomethane development prospects, and SAPIO's role alongside public health.



win for the company and the ecosystem in which it operates



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.

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.

	Italy	Germany	France	Spain
ISO 9001	16	-	2	1
ISO 45001	9	-	-	1
ISO 14001	12	-	-	1
ISO 13485	4	2	-	1
ISO 22000 FSSC 22000	3	-	-	-
93/42/CEE	4	-	-	-
ISO 14067	1	-	-	-
QUALIPSAD	-	-	1	-
KOSHER	1	-	-	-
ISO 10617	1	-	-	-
ISO 27001	1	-	-	-

Certifications obtained by country of reference (# legal entities)

Management governance as a means of creating value for our Stakeholder

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 on 30th of November 2023.

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 30th November 2023. The Group's Code of Ethics is adopted by all Group companies including foreign companies.

Law No. 179 of Nov. 30, 2017, on "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship," in regulating the system of protection for workers belonging to the public and private sectors who report an offence of which they have become aware during work, added three

new paragraphs to Art. 6 (paragraph 2-bis, 2-ter and 2-quater) of the Decree, introducing, also for the private sector, certain protections (e.g., prohibition of retaliatory or discriminatory acts for reasons directly or indirectly related to the report and protection of the confidentiality of the reporter, etc.) against apical individuals and their subordinates who report unlawful conduct, relevant under the Decree or violations of the Model, of which they have become aware by reason of their office. Norm to which the Model had already been adequately conformed.

Subsequently, with Legislative Decree No. 24 of March 10, 2023, published in Official Gazette No. 63 of March 15, 2023, Directive (EU) 2019/1937 regarding the protection of persons who report violations of European Union law or national law was implemented in our legal system, extending the objective and subjective scope of the discipline, as well as strengthening the measures put in place to protect the reporter. In addition, to the extent of interest here, the novella repeals Article 6 paragraphs 2-ter and 2-quater of the Decree, as well as Article 3 of L.179/2017.

In light of the aforementioned regulations, the Risk Compliance & Internal Audit function (as the corporate function deemed competent and selected as the recipient of the reports) may be informed in accordance with the provisions of the Model and Legislative Decree No. 24/2023.

The aforementioned recipient of the reports may also make use of the assistance of specifically trained personnel who shall be subject to the same confidentiality obligations. In particular, employees, self-employed workers, freelancers and consultants, volunteers, trainees (including unpaid)

who work at the Company, those hired during the probationary period, those who have not yet established legal relations with the Company if they have become aware of the violation as part of the selection process or in the pre-contractual stages of the relationship, former employees who have become aware of the reported circumstances during their employment relationship with the Company, or shareholders and persons with administrative, management, control, supervisory or representative functions at the same Company, even if such functions are exercised on a mere de facto basis, may transmit the reports referred to in the above-mentioned applicable regulations.

These reports may relate to: (i) 231 offenses (and therefore conduct that may constitute criminal offenses that are also predicate offenses for 231 purposes); (ii) violations of the Model; (iii) any offenses committed in violation of the European Union regulations set forth in Annex 1 to Legislative Decree no. 24/2023 and any national provisions implementing it; (iv) any act or omission that harms the financial interests of the European Union as identified in the regulations, directives, decisions, recommendations and opinions of the European Union; (v) any act or omission concerning the internal market, which undermines the free movement of goods, persons, services and capital; (vi) any act or omission which frustrates the object or purpose of the provisions of the European Union in the areas indicated in (iii)/(iv)/(v) above.

Substantiated reports based on accurate and concordant facts can be made through the following channels:

- in person: through a face-to-face meeting with the Risk Compliance & Internal Audit function set within a reasonable time;
- via dedicated computer application: through the Legal Whistleblowing platform available on the company's website at the following link: <https://sapio.segnalazioni.net/>.

Without prejudice to the confidentiality obligations prescribed by the applicable regulations, the reporter may specify that this is a report for which he or she intends to keep his or her identity confidential and benefit from the protections provided in the event of any retaliation.

The recipient of the reports receives and handles the reports in full compliance with the relevant provisions of Legislative Decree No. 24/2023 and the clarifications and operational guidance provided by ANAC within the "Guidelines on the protection of persons who report violations of Union law and protection of persons who report violations of national regulatory provisions. Procedures for the submission and management of external reports" – approved by Resolution No. 311 of July 12, 2023 and published on July 14, 2023.

In particular, the Risk Compliance & Internal Audit function, also by means of the functions of the above-mentioned dedicated IT application, can, at any time, interact with the reporter and, if necessary, request additional information or documentation with respect to what has been transmitted together with the report, or request a hearing. Already since 2008, the Group has had an antitrust compliance program, which was revised and implemented in 2016 with particular focus on certain Group companies. This program was then renewed in its contents – which highlight the dedication in the prevention of issues pertaining to this aspect – with the issuance of a manual ("**Antitrust Manual**"), a vademecum ("**Antitrust Guidelines**") and the structuring of a punctual training and refresher course dedicated to people (top management, executives, employees). This program is valid for some Group companies operating in the healthcare sector, specifically it was used for Sapio Life Italia given the issue of tenders and AGCM investigations. In 2022 the antitrust compliance model was adopted in Spain, which had included the adoption of a code of conduct and vademecum; appropriate training sessions



are being planned. An Antitrust function was created for the Group and headed by the Parent Company's Legal Affairs Department in collaboration with the Risk Manager and members of the Supervisory Board. As a result, the position of Antitrust Compliance Manager ("ACM") was established, who are responsible for the objectives described above in continuous collaboration with top management. As of 2018, coinciding with the entry into force of the GDPR regulations, a DPO was appointed in each individual Group company, including the Foreign Companies.

The Parent Company has established the risk management function ("**Risk Management**"), which is combined with a model of risk control and governance that the Group has adopted in order to:

- manage risks from prevention and mitigation perspectives;
- proactively seize opportunity factors;
- disseminate, within the company, the "culture" of value at risk;
- tie risks to insurance coverage and provide suitable insurance coverage of insurable risks.

The risk assessment approach used in the Group is risk based. In this approach we start from the gross inherent risk which is the risk gross of all the safeguards and measures put in place to mitigate

it, this is evaluated on the basis of impact/severity and probability of occurrence. The next stage is the analysis of the internal control system that is all those safeguards implemented to mitigate the risk. Downstream of this activity is the net residual risk, which is also assessed in consideration of the Group's risk tolerance and risk appetite. A key tool for risk identification and assessment is the risk register where risks are represented by risk scenarios, drivers, control protocols, frequency and impact. SAPIO has, in addition, established the internal auditor function ("**Internal Auditor**"), for Sapio Production and Sapio Life companies, which monitors the effectiveness and efficiency in the management of key business processes (such as purchasing, IT, human resources, risk assessment and management) and verifies compliance with applicable laws, regulations and standards. It operates independently of the business units it is required to monitor, and its auditing activities are complemented by advising on the resolution of any critical issues and the streamlining of business processes. The Group Internal Auditor shares an annual audit, reporting and risk assessment program aimed at and preparatory to the performance of specific audits, maintaining a risk-based approach. The Internal Auditor's vision is to provide greater assurance to our Stakeholders to bring value to the organization by ensuring independence and cooperation.

Win for the **industry ecosystem** and **energy transition**

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 customized 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
- pure gases, special gases, special mixtures even at very high purity;
- LPG, LNG and biomethane;
- refrigerant gases



win for the company and the ecosystem in which it operates



The products for the **industrial** sector

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



4Food

For the food and beverage industries

Our gases and packaging technologies and food freezing increase the 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, cured meats, cold cuts sausages and fish;
- production and preservation of fresh pasta, pre-prepared meals, liquids and sauces;
- packaging fruit and vegetables;
- ice cream production;
- storage of dried foods and bakery products;
- production and storage of dairy products;
- treatment of cereal



4Labs

For universities and laboratories research

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

Applications served

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



4Metals

For metallurgical industries, cement plants and glass factories

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

Applications served

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



4PharmaChem

For the pharmaceutical and chemicals

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

Applications served

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



4Energy

For the industries
Oil & Gas

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

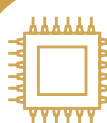
Applications served

for power plants:

- H₂: alternator cooling;
- CO₂: alternator emptying;
- N₂ or LN₂: clearing/pigging;
- Emission mix: air emissions control;
- LCO₂: fire extinguishing system,
- PH neutralisation in wastewater;
- SF₆: insulator in high voltage switched;

per raffinerie

- O₂ improves Claus plant efficiency; produces syngas from
- gasification;
- H₂: hydrocracking, desulphurisation;
- N₂: inertisation, process equipment cleaning



4Electronics

For industries
in the electronics

We are a leading designer and supplier of special and cryogenic systems serving the production systems of electronics companies. We optimise operational processes while maximizing production efficiency and maintaining high safety standards.

Applications served

- Ar, N₂, O₂, He, H₂ mixtures: for purging, deposition and epitaxy;
- NF₃, DCS, TCS: for deposition;
- CF₄, CHF₃, F₂: for etching;
- B₂H₆, PH₃: for doping activity;
- N₂ pure: growth epitaxial
- growth of silicon crystal 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



4MetalFab

For industries in the processing
metal

Maxx® blends increase welding speed, reducing the amount of gas used, minimizing the formation of fumes and ozone and saving electricity and production-related emissions. With Sicura® and Integra® cylinders, we help to increase the safe handling of containers thus reducing related risks.

Applications served

- welding (TIG, MIG/MAG, laser, plasma, oxyacetylene);
- cryoblasting
- cutting (oxyacetylene, plasma cutting, laser cutting);



4Water&Soil

For the treatment of soil
and water

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

Applications served

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

focus

SAPIO services for electronics

Gases are present on average in almost all microchip manufacturing processes: process gases that interact with the wafer at all stages of production of the “device” and service gases, such as nitrogen, for the operation of semiconductor device manufacturing and testing equipment.

Process gases dedicated to the semiconductor industry are classified as ultra-pure, i.e., without any trace of pollutants that could damage or alter the “recipe” for building the final product. Pollutants in ultra-pure gases are measured in ppb or ppt (parts per billion or parts per trillion per cubic meter of gas). Sapiro conveys the ultra-pure gases to the customer through a complex system of electro-clean piping to ensure the quality of the supply from the production plant to the point of delivery, i.e., piping that has a mirror finish inside and does not allow pollutants to contaminate the gas.

Often SAPIO also manages Total Gas & Chemical Management (“**TGCM**”) service at customers’ premises: the SAPIO team can provide services, equipment, and know-how that help customers reduce the cost of plant operation while ensuring very high standards of reliability and safety.

SAPIO has been installing the necessary process machines for microchip fabrication since 1998. In this area, over the years, we have developed the skills to manage the “turnkey” installations of equipment at the customer’s site (Ultra High Purity and High Purity material selection, 3D BIM modeling, activity scheduling, electrical design, selection of specialized subcontractors, safety management) while respecting the importance of time-to-market, which is increasingly crucial. In fact, chip manufacturing equipment installations are increasingly short-lived due to the speed of technological evolution.



Q: What are the prospects for SAPIO's development in the semiconductor industry in Italy?

A: SAPIO has a very ambitious Electronics business development plan, which is precisely one of the pillars of the Inspire industry plan, and which sees strong investments for the next three years, aimed at developing the SAPIO structure in the two Italian semiconductor hubs: Agrate and Catania. SAPIO wants to be a key player in the Italian electronics market and, with a team work, is consolidating the business with ST Agrate (FAB R3) and developing more and more the activities at ST Catania (Main Site and WSiC Plant). SAPIO's involvement in the GW MEMC 300 mm project in Novara is not marginal.

Q: According to the Inspire plan, how does SAPIO want to move in the semiconductor industry?

A: SAPIO is clear about what is needed for the development of the electronics business and in particular: to increasingly implement the technical and commercial structure that follows the semiconductor market with the injection of new expertise; to consolidate agreements with equipment manufacturers (Gas Cabinet and Chemicals Delivery Systems); and to develop commercial agreements with leaders in the production of materials and components used in the installation of semiconductor equipment.

Q: Does SAPIO also plan to develop outside Italy in the semiconductor sector?

A: Currently we are focused on the Italian market, but I would not exclude in the future a SAPIO interest in developing the electronics business on the French territory (ST Crolles and Rousset) and why not, also in Germany, the real European semiconductor hub with Silicon Saxony (TSMC, Intel, Bosch Semiconductors, Infineon and NXP)

Q: What does work at SAPIO mean to you?

A: Great sense of belonging, opportunities for professional and personal growth, and the chance to develop my sense of entrepreneurship in the service of a large group like SAPIO. Over time, I have developed a strong sense of gratitude for SAPIO, a company based on meritocracy and recognition of the efforts that each employee makes for the good of the Company itself and the social fabric that is home to a now century-old entity like the SAPIO Group.



Giorgio Barzaghi

Electronic Services Manager,
SAPIO Produzione

*SAPIO WANTS TO BE
A KEY PLAYER IN THE
ITALIAN ELECTRONICS
MARKET AND, WITH
A TEAM WORK, IS
CONSOLIDATING THE
BUSINESS*

Innovation in products and services for industrial customers

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:



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.



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.

win for the company and the ecosystem in which it operates



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.



SmarTag Simple

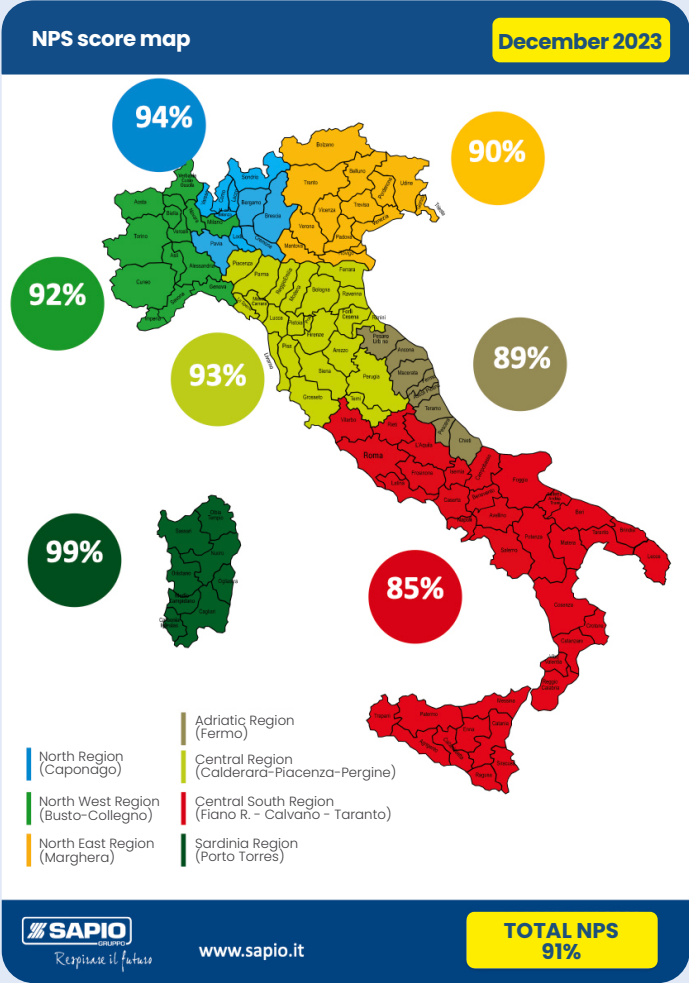
Automatic and efficient, SmarTag is a reordering system based on consumption history and matricular stock, born from the innovative spirit of a SAPIO team.



focus

NPS: Net Promoter System

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 2023, another certainly not easy year, but one that gave us great satisfaction in terms of NPS, which reached 91% as a satisfaction score, 3 percentage points higher than last year. During 2023, we talked with more than 2,300 customers, of whom as many as 2144 were found to be promoters of SAPIO services. The New Products circuit continues to record, with 99 percent, the best approval rating, followed by the Technical Assistance circuit on customers, which maintains satisfaction levels of 95%.



Q: What is the work behind the NPS?

A: The work behind the scenes consists of a survey that collects customers' responses and ratings of our services and supplies. The NPS method uses a survey to measure customers' willingness to recommend a company to a friend or acquaintance and thus provides information about their level of loyalty.

Q: What is the utility of the NPS project?

A: We take action from customer feedback; we show our customers that we care about their input by putting their suggestions and wishes into practice; listening to and implementing customer feedback is an essential step in gaining their trust and loyalty.

Q: What does it mean to you to work at SAPIO on a project like this?

A: Offering support and responding to needs beyond sales helps to build customer loyalty and position the company as a reliable and trusted partner. Building a long-term relationship that results in a lasting profit requires training and practice but provides unparalleled value.



Emanuela Navoni

Credit management,
Sapio Produzione

OFFERING SUPPORT AND RESPONDING TO NEEDS BEYOND SALES HELPS TO BUILD CUSTOMER LOYALTY AND POSITION THE COMPANY AS A RELIABLE AND TRUSTED PARTNER. BUILDING A LONG-TERM RELATIONSHIP THAT RESULTS IN A LASTING PROFIT REQUIRES TRAINING AND PRACTICE BUT PROVIDES UNPARALLELED VALUE.



Energy transition and decarbonization

THE SAPIO GROUP'S MISSION IS THAT OF **MEETING THE NEEDS AND EXPECTATIONS OF ITS CUSTOMERS** WHILE ALWAYS **RESPECTING AND PROTECTING THE ENVIRONMENT.**

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.

win for the company and the ecosystem in wich it operates



Hydrogen and the future of decarbonization

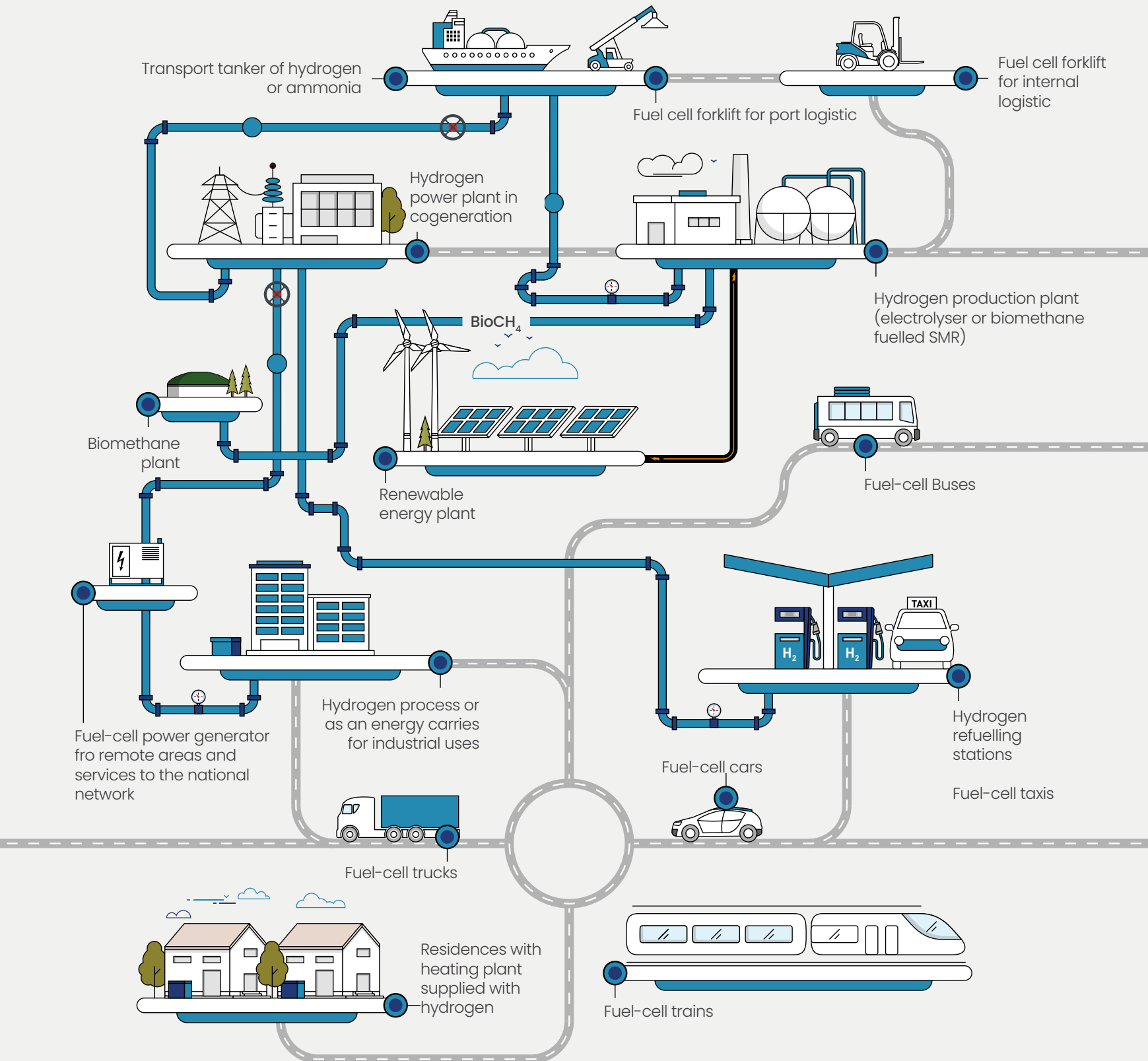
Hydrogen is the sustainable energy carrier of the future destined for the decarbonization of “hard-to-abate” sectors that depend mostly on the use of fossil fuels, such as heavy industries, road, rail and ship transport, and in addition it will contribute to the diversification of supply sources and to the energy security of the country. SAPIO, which has been producing hydrogen for 100 years and for about 25 years has been active in projects for the use of hydrogen in stationary and mobility applications, is now the Italian leader in the production of hydrogen not intended for self-consumption. Through its 4 plants, it supplies pure and ultrapure hydrogen via pipeline to its customers throughout the country through about 15 km of hydrogen pipelines, as well as widespread logistics. Smaller decentralized consumption is already served through the Group’s extensive logistics network of tank cars, which makes more than 3,000 deliveries annually for the distribution of this molecule.

Even prior to the global momentum on hydrogen, SAPIO’s innovative spirit in the world of hydrogen source is evidenced by a long series of activities promoting new technologies and uses both in the industrial sector and in sustainable mobility both in the development of vehicles and refueling stations. SAPIO is already capable of producing hydrogen with the different production methodologies, from small on-site generators to electrolyzers and production with steam reforming of methane and large-scale biomethane. The safe and reliable supply and distribution of hydrogen is a key element of the new hydrogen economy.

SAPIO has demonstrated that it can ensure the quality, safety and reliability required for the hydrogen supply market of both purity required by some sectors of the industrial market and fuel cell grade for mobility: in this regard, SAPIO, in December 2022, applied for two projects to build hydrogen refueling stations at Mantua and Vicolungo under the PNRR Mission 2 “Green Revolution and Ecological Transition” for testing hydrogen for road transport, being awarded the PNRR funds provided for both stations. In addition, SAPIO is leading several new projects for production through electrolysis both at customers’ sites and with centralized production combined with widespread logistics.

**SAPIO’S
INNOVATIVE SPIRIT
IN THE WORLD
OF HYDROGEN
SOURCE IS
EVIDENCED BY
A LONG SERIES
OF ACTIVITIES
PROMOTING NEW
TECHNOLOGIES**

win for the company and the ecosystem in which it operates



Biomethane: a sustainable molecule for **mobility**, industry and **green hydrogen** production

THE GROUP IS ACTIVE IN PROMOTING AND DEVELOPING THE MARKET FOR **BIOMETHANE**, A KEY ENERGY CARRIER FOR THE PROGRESSIVE REPLACEMENT OF FOSSIL-BASED NATURAL GAS IN INDUSTRY AND FOR THE DECARBONIZATION OF TRANSPORTATION

- can count on a substantial package of incentives, both in capex (PNRR) and opex, thanks to the Biomethane Ter Decree in force from September 2022;
- it can play a decisive role in the country's energy security by activating domestic production that contributes to independence from foreign sources of supply;
- it is a ready-to-use vector, because being totally interchangeable with fossil methane it can be used as a substitute for it by making use of existing infrastructure and without the need for technological changes for end uses;
- it is carbon neutral in the case of no CO₂ recovery, carbon negative in the case of CO₂ capture and sequestration, because the carbon contained in methane of "bio" origin (bioCH₄) is not derived from a fossilization process and therefore the balance of emissions released into the atmosphere is less than or equal to zero.





win for the company and the ecosystem in which it operates

As an entity that aspires to become an investor and producer, SAPIO looks at the entire biomethane supply chain, from biogas production to upgrading for biomethane production to its introduction into the industrial and automotive markets.

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

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 customizing all solutions to maximise the potential of each production process for over 100 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.

Neutralization 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

A patented technology dedicated to the treatment of groundwater and soils contaminated with hexavalent chromium: its use enables the transformation of this element into an immobile and chemically stable compound. The advantages of this technology are:

- the extreme ease of gas diffusion in both saturated and unsaturated horizons (even through poorly permeable levels);
- minimally invasive in situ application (does not change the use of the site, which can remain operational even during remediation);
- also operates at great depths;
- there is no waste production for disposal;
- ease 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 neutralization 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 inertization

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.

Win for the healthcare ecosystem

SAPIO Group is a leading supplier of medical gases, medical device gases and pure gases to hospitals and health care facilities in Italy; it also designs and builds centralized gas distribution systems and provides for their routine and extraordinary maintenance, according to a total gas management approach that provides peace of mind to the customer.

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 (well-being 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
-  **2009**
Establishment of Sistemi Iperbarici Srl.
-  **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
-  **2023**
SAPIO expansion continues, acquisition of Synartis in France
-  **2023**
SAPIO enters new homecare sector by acquiring Diagnostica Domiciliare in Italy



win for the company and the ecosystem in which it operates

Our **hospital services**

SAPIO LIFE OFFERS INTEGRATED SOLUTIONS THAT CAN MEET THE OPERATIONAL NEEDS OF HOSPITAL AND SOCIAL-HEALTH FACILITIES BY PROVIDING NOT ONLY MEDICAL GASES AND RELATED DISTRIBUTION EQUIPMENT, BUT ALSO SPECIALIZED EQUIPMENT, MEDICAL DEVICES, AND SANITATION AND HYGIENE CONTROL SERVICES.

Our offerings consist of the following service:

- **Oxygen and medical gases:** reliable supply of oxygen and medical gases to ensure patient care and safety.
- **Total Gas Management:** wide range of comprehensive gas management solutions to meet the different needs of hospitals.
- **Hyperbaric chambers:** supply and management of advanced facilities for medical treatment as well as civil and industrial applications.
- **Hospital services:** provision of specific services for hospitals to optimize infrastructure management and patient care.
- **Technical excellence:** high standards of quality and technical expertise in the products and services offered, including through specific consulting services aimed at sharing know-how.
- **Turnkey projects:** complete project solutions, from planning to implementation, for hospitals' operational needs.
- **Education and training:** to healthcare workers of knowledge and skills to improve patient care, prioritizing safety.

focus

Humanitas' oxygen goes green: **Sapio Life** consolidates partnership with the institute

During 2023, Sapio Life consolidated its partnership with Istituto Clinico Humanitas, contracting and taking over the supply of medical, technical and pure gases at the Rozzano facility. Sapio Life supported the client in all phases of the works necessary for the upgrading and enhancement of the two main cryogenic plants and in the construction of a primary line connecting them, thus creating plant redundancy to increase the safety level of the distribution of medical gases.

High technical standards, but also attention to the context: in agreement with the client, the new facilities, which overlook the South Milan Agricultural Park, were installed in green color for a lower visual impact compared to the nature in perspective.



win for the company and the ecosystem in which it operates



Sapio Life offers itself as a partner and interlocutor for a wide range of services at the Institute: technical assistance and maintenance, training on the use of gases and related risks, management and handling of vessels, and computerized traceability of drug gases. Activities are carried out in an atmosphere of mutual discussion and learning, with the common goal of ensuring efficiency and reliability in the contract's operational processes.

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.



- aerosol therapy
- technical assistance on medical devices
- therapeutic aids and communications
- wound care
- diagnostic
- therapeutic aids and communications
- gentherapy
- sleep medicine
- artificial nutrition
- oxygen therapy
- FAD platform
- takeover and preservation of samples
- integrated home services
- telemonitoring
- ventilotherapy
- videoconsults

- 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);
- provides **home hemodialysis**, an innovative procedure that is becoming increasingly popular, aimed at making therapy easier for people with kidney failure related to different diseases;
- Offers **diagnostic home health care services** such as X-rays, ultrasounds, echocardiographs, cardiology examinations, and electrocardiograms;
- Finally, it provides home care in France for **complex and chronic wound care**.

THE GROUP ALSO PROVIDES
INTEGRATED HOME CARE SERVICES SUCH AS MEDICAL, NURSING AND REHABILITATION CARE UNDER HOME CARE PLANS USING HEALTHCARE PERSONNEL.

In Italy, this service is carried out by the company **Life Cure**. Life Cure plans and delivers medical, nursing and rehabilitative care according to home/territorial care plans authorized by local health authorities (integrated home care, home hospitalization, hospice care); it also provides support to patients and their families in the initial phase of more complex home therapies, such as ventilotherapy and artificial nutrition.

The professionals working for Life Cure are medical specialists, nurses, social workers, and rehabilitation therapists. Life Cure can guarantee up to 24 hours of care per day, with 24-hour medical and nursing on-call.

focus

SonnoService

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 (minimizing 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 centers 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 specialized personnel capable of performing polysomnography services, such as the neurophysiopathologist technician ("**TNFP**"), whose profession is regulated by Ministerial Decree No 183 of 15 March 1995.

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 analyze 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.

focus

Link4life: a digital platform for **care coordination** in France

Link4Life is a digital solution, developed by two French medical specialists, designed to improve communication between health care providers and give patients access to better quality care.

It is a real step forward in care coordination as it optimizes health care providers' time and ensures that patients go home thanks to a telemonitoring tool. With Link4life, patients are monitored at home as they are in the hospital! The platform also provides reliable and accurate data collection.

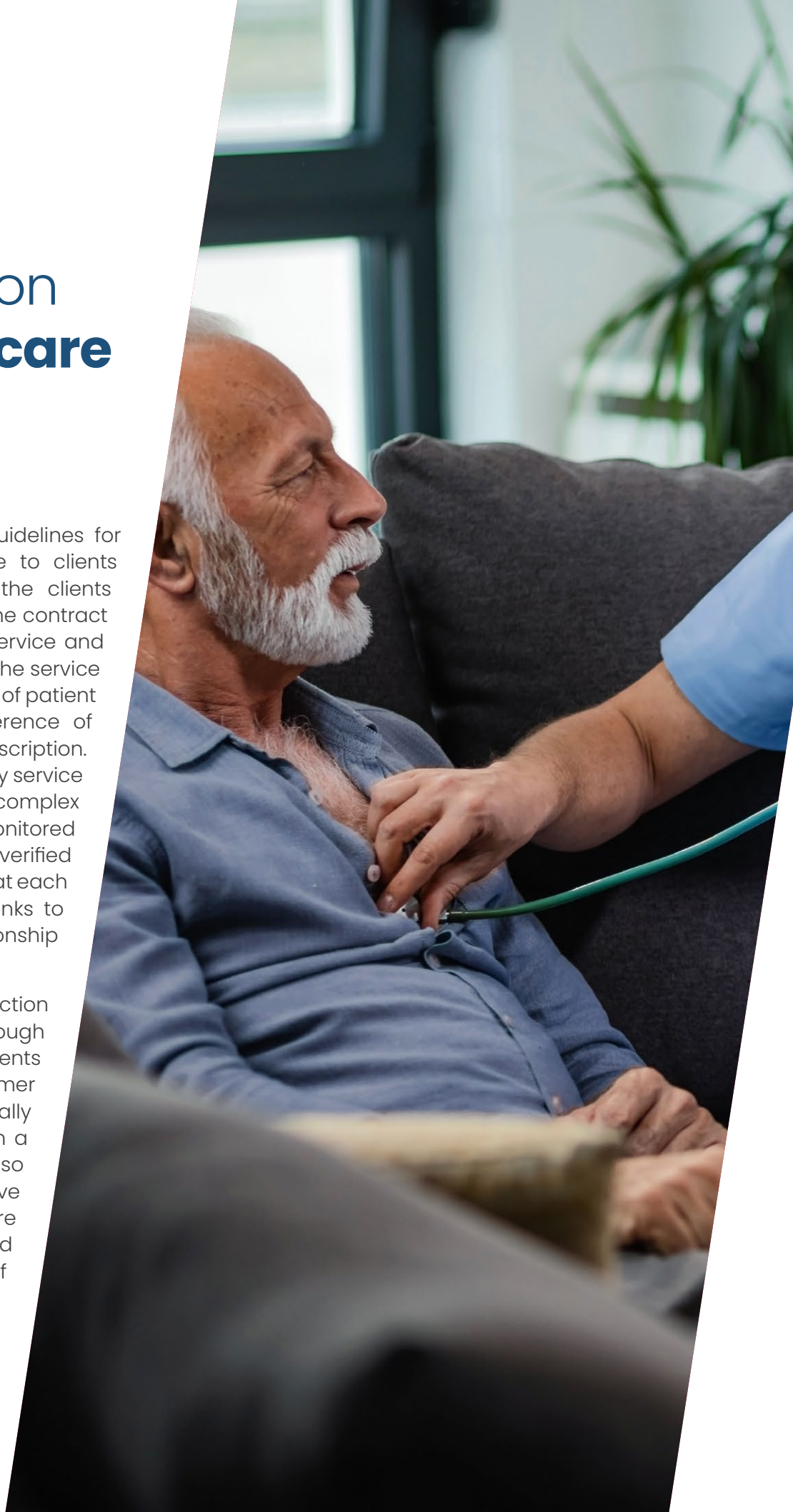
What lies ahead for tomorrow is remote monitoring with the help of artificial intelligence and the ability to connect between devices. For our teams, this translates into significant time optimization and increased efficiency, allowing us to spend more time with patients while increasingly increasing the quality of services. It is undoubtedly a beautiful example of how technology can serve healthcare.



The satisfaction of our **healthcare clients** and **patients**

With reference to health care, guidelines for the management of the service to clients and patients are defined with the clients themselves at the conclusion of the contract and activation of the individual service and are specific to client and patient. The service is then set up and guided by logics of patient safety and continuity and adherence of the patient's therapy to the prescription. These requirements are ensured by service scheduling systems based on complex algorithms and are constantly monitored through ad hoc created KPIs and verified and managed in a timely manner at each customer and patient report thanks to the close and cooperative relationship with the interlocutor.

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



The importance of **patient data protection**

The SAPIO Group recognizes the protection of personal data, especially with reference to its patients and customers, as a fundamental right. SAPIO has adopted privacy organizational models ("**Privacy Model**" or "**Handbook**") in order to comply with the General Data Protection Regulation (EU Regulation 679/2016) ("**GDPR**"), which takes effect as of May 25, 2018 and provides a framework in terms of compliance for the protection of personal data in the 27 countries of the Union, plus the United Kingdom, that is up-to-date and based on the principle of accountability. The Group has always operated with the centrality of personal data protection in mind and, through this document, makes known its approach to the protection of personal data that are processed by Group companies, including its customers. The Group's Data Protection Officer ("**DPO**") coordinates with the DPOs of the Group companies, collects the necessary information and monitors the activities and initiatives implemented to promote the implementation of the Privacy Model and compliance with the obligations imposed by the data protection regulations, to continuously preside over the evolving situation of the applicable regulations,

and to ensure effective communication to all employees, contractors, suppliers, customers and authorities. This is combined with an assessment of the risks associated with the activities put in place by the SAPIO Group and the coordination of training.

The document "Policy on Data Breach Management," found in the SAPIO Group's Privacy Model, stipulates that any breaches of processed personal data can also be reported by the data subjects themselves, and indicates the procedures that the relevant company is required to adopt in the event of reports. During 2023, no such reports/complaints were received from customers. The SAPIO Group plans to carry out periodic activities to test the application of the provisions of its Privacy Model, also with a view to updating it, both from a technical and organizational point of view, in compliance with the principles of data protection-by design and by-default, and, through the Information Technology function, regularly carries out "stress tests" on the security measures adopted in the various systems of processing with IT tools. The results of the stress tests during 2023 didn't show major critical issues

focus

Eubios wins the Felix Industry Award

On December 11, 2023 in Milan, in the beautiful location of Piazza Affari at Palazzo Mezzanotte, the headquarters of ELITE and the Italian Stock Exchange, the "Industria Felix - L'Italia che compete" award was presented to 196 of Italy's most competitive, management-performing and financially reliable companies, awarded objectively through a balance sheet algorithm and financial rating, out of 700,000 financial statements of corporations.

Among the companies honored, with great pride for SAPIO, was Eubios S.r.l. ("**Eubios**"), a Campania-based company of the Group that specializes in personal services, providing home therapies and integrated homecare services through the supply of devices used for oxygen therapy, ventilatory deficit, sleep apnea, enteral and parenteral nutrition, and communication deficit.

Eubios is founded on the value of care aimed at the person and not just the disease. From this fundamental pillar, the company has developed a flexible and integrated system of home services and technologies to ensure continuity of care between hospital, family and territory and, at the same time, the best quality of life for the patient and those close to him or her.

It was an honor to collect "The High Financial Reporting Honor" with the motivation: "Among the 15 Top Companies with registered offices in Italy for management performance and financial reliability Cerved of the Chemical and Pharmaceutical sectors." A recognition as part of a prestigious initiative that represents a significant source of encouragement, in a contingency that is not easy for the Italian and international economy, and that rewards the efforts and sacrifices of all employees to whom a heartfelt and due thanks is due.



win for the company and the ecosystem in which it operates



Win for the **biotechnology** and **research ecosystem**

The year 2023 also marked an important milestone for the SAPIO Group in the field of biotechnology. In fact, BioRep, the Sapio Life subsidiary that specializes in the field of cryopreservation of biological samples to support clinical and translational research studies, reached the 20-year milestone, a journey that SAPIO intends to continue with ambition and determination.

We are talking about a major investment in the potential growth of a niche sector: that of stem cell preservation, which at the beginning of the 2000s seemed to be looking forward as an effective therapeutic answer to many diseases of the blood and immune system. The company has since opened up to the world of research, presenting itself as a service provider capable of processing and preserving biological material, embracing new stakeholders: hospitals, biotech companies and large research centers, managing to intercept American foundations, engaged in research on neurodegenerative diseases, capable of guaranteeing the coordination of real networks of researchers, which allow the company to enroll patients from more than 200 clinical centers in more than 23 countries around the world.

Since 2013, we have been a partner of San Raffaele Hospital in Milan, one of the most important research hospitals and university polyclinic in Italy, and have moved our main facility inside the hospital's science park, entering into a service agreement for the cryopreservation of biological samples for research purposes with the department of biotechnology, which specializes precisely in research on rare diseases. Our highly qualified staff has been dedicated to the collection, processing and storage of biological material, with the goal of maintaining an effective cold chain, allowing the hospital's researchers, heavily engaged in clinical research studies, to focus on identifying new therapeutic pathways, with the goal of achieving new treatment opportunities.

As of 2022, we have expanded our service offerings through the acquisition of Advice Pharma, and we are now able to compete in the clinical trial market through an offering that can meet the needs of large pharmaceutical companies, engaged in the set up and management of clinical trials, in a market that looks with great interest at homecare services.

Indeed, there has been talk for some time now of decentralized clinical trials, where patients will no longer be forced to travel to the referral center for therapy administration and therapeutic adherence monitoring but will in the future have the option of receiving these treatments at home.



win for the company and the ecosystem in which it operates

Q: What strategy shaped BioRep's 2023?

A: The past year was a time of major changes aimed at meeting the complex challenges that await the company in the three-year period 2023/2025. In fact, BioRep celebrated its first 20 years in business and completed the integration with digital CRO Advice Pharma, which was acquired in 2021. We consolidated cryopreservation services for international foundations, such as CHDI Foundation Inc, engaged in the search for a cure for Huntington's Disease (HD); and Michael J. Fox Foundation, engaged in the search for biomarkers for Parkinson's Disease (PD), for which we are the reference biological resource center for European sites. We have also renewed our partnership with San Raffaele Hospital in Milan to manage the storage of biological samples for the next five years.

Q: Which is project has given the most satisfaction?

A: Definitely a project managed and implemented in collaboration with Sapio Life's Hospital BU: the realization of the new cryopreservation site at the Humanitas Clinical Institutes in Rozzano. This is a real feather in the cap, where both companies were able to provide, not only the realization of the facilities, but also 360-degree management services for the supply of medical gases and cryopreservation room management services. In addition to a takeover in record time, I believe that a unique plant solution has been realized and has allowed us to consolidate a new strategic partnership within the hospital sector.

Q: What has the new challenge of BioRep and Advice Pharma meant to you?

A: I think it is an important opportunity, but at the same time a great responsibility, given the ambitious goals the Group has set for this three-year period, also focusing on the biotech sector, in addition to the established pillars of Industry and Healthcare. BioRep for me represents a return to my roots, after a "break" of six years dedicated to the world of home care, which gave me so much from a human point of view, but which at the same time put me to the test, complicit in the difficult management of the pandemic period, showing me how in a service as complex and delicate as home care, in addition to commitment and determination, so much passion and care for others is indispensable, whether we are talking about patients or collaborators. These values I believe are an integral part of the SAPIO Group's DNA and have enabled us to achieve very challenging results, which we intend to pursue in the life sciences sector as well.



Michele Piovella

General Manager, BioRep



Thus, the opportunity for an important synergy with the world of home care, in which Sapio Life has been a market leader in Italy for years, and where it is also growing in Europe, seems clear. We are working to ensure healthy and steady growth through an approach that embraces basic and clinical research, in which Advice Pharma takes care of data management and analysis and BioRep takes care of the collection, processing and storage of biological samples.

At the same time, we are expanding our collaboration with Sapio Life's Hospital Business Unit and SAPIO's Business Unit 4 Pharma, focusing not only on the implementation of cryopreservation facilities at Italian hospitals and pharmaceutical sites, but also on their management, through specialized teams.

Given the increasingly important role played by so-called REAL WORLD DATA (RWD), i.e., data related to the health status of patients collected during daily clinical practice, we believe that only by working with solutions that enable automated process management is it possible to monitor, on a continuous basis, the quality of services and successfully complete complex projects. In the wake of this proposition, Advice Pharma offers technology solutions that enable healthcare models to be steered toward digital transformation. In the medical field, the use of Artificial Intelligence (AI) is effecting a change in approach that will enable unprecedented personalization and precision in treatments, therapies, drug delivery, and the use of biomedical devices. In the study of new therapeutic approaches, AI can simplify the complexity of research projects and enable faster development of new drugs, in parallel with greater efficiency in trial management.

focus

Innovation in digital therapies

Advice Pharma, an Italian CRO engaged in the development of digital therapies as Software as a Medical Device, and in clinical trial management services, looks to Germany as a leading country in the evolution of digital therapies.

An example of virtuous collaboration between the two countries comes from the study of Real World Data in IVF technology research under the "Opera" (Observational retrospective Project for a Research database for ART procedures) project. Opera aims to create a multicenter international database by collecting anonymized data from the electronic medical records of 18 European centers specializing in medically assisted procreation located in Germany and Italy. The project is sponsored by FROM (Fondazione Ricerca Ospedale di Bergamo), with financial support from Merck KGaA and IBSA Group, while Advice Pharma is managing the study as a Contract Research Organization.

Advice Pharma's new offices are located in Berlin at the headquarters of Life Cure, a company also part of the SAPIO Group that specializes in personal care services. This further expansion reinforces Advice Pharma's goal of interfacing directly with markets that are first looking to digital therapies as a solution that can support, not only the domiciliation of care, but especially the domiciliation of clinical trials, so-called decentralized clinical trials.

Q: What is the benefit of having a medical software device for oncology patients?

A: Through the completion of the RITA (“**Remote Intelligence for Therapeutic Adherence**”) App study, we were able to demonstrate that the likelihood of treatment adherence such as that for oncohematology patients can benefit from our App validated as a medical device. This gives evidence-based assurances to physicians to patients, also allows for better management of the patient by the facility taking care of the patient. So, an important step in so many directions for the health of these patients.

Q: What opportunities do digital therapies provide for patients?

A: Net of the benefits of a service that a digital platform can deliver, which is declined after a careful study of the patients’ needs in terms of not only security and software performance, but also usability, the opportunity is that the data generated is also used for research purposes. With this in mind, as Advice Pharma, we have always been attentive to those projects where the generation of clinical data allows for its future reuse, benefiting researchers who will be able to access it according to the pathologies being investigated.

Q: How can technological innovation help us do better research on the new therapies we are waiting for?

A: Innovation in healthcare should never be an end in itself, we believe that investments on technologies for research and health should be made as in the case of the RITA App for the purpose of improving the lives of patients and facilitating its use to the medical community. In this sense, the digital therapies on which Advice Pharma as a CRO is specializing are devices that will find great use especially now that domiciliary care is a reality for so many chronic patients. This is where technologies can make a difference.

Q: What does it mean for you to work at SAPIO on a project like this?

A: Helping the search for a better and treatment of patients with important pathologies, those to which as the SAPIO Group we dedicate our efforts, now also taking advantage of the benefits that digital guarantees, is challenging but it is the path chosen by Advice Pharma for many years now and which enjoys the synergies with the Sapio Group in which we have been part of for two years. Also thanks to this, our clients now see us as a partner of reference in this area and this motivates us even more in moving forward and “investing in the future”.



Alessandro Ferri

President,
Advice Pharma



Massimo Beccaria

Managing Director,
Advice Pharma

Win for our suppliers

PROCUREMENT MANAGEMENT IS A KEY ISSUE FOR COST OPTIMIZATION AND FOR THE SUSTAINABILITY AND EFFICIENCY OF THE SERVICE RENDERED. BUILDING A CONSOLIDATED RELATIONSHIP IS THE BASIS OF THE SAPIO GROUP'S STRATEGY IN SUPPLIER RELATIONSHIP MANAGEMENT.

The main products and services purchased by the SAPIO Group are energy (understood as electricity and natural gas), some resale gases (such as, but not limited to, helium), transportation services, nursing services, and products for home care services. To this of also join acquisitions of goods for investment purposes such as new production facilities, tanks, cylinders and storage tanks.

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 a focus on supporting the development of our supply chain. In addition, all our suppliers are required to follow our Code of Ethics where applicable. In total, 545,066,112 € was spent on the purchase of products and services and the use of third-party assets in 2023, a decrease of about 31 MLN € compared to 2022. Our regional operations support us in local procurement wherever possible, with the help of a centralized procurement team to support an efficient local purchasing chain.

In order to act on the sustainability of the entire value chain, during 2023, SAPIO has started a partnership with supplier Ecovadis in order to set up a platform for assessing the ESG parameters of its suppliers, which will start in early 2024.



Q: Energy Intensive: what is behind this definition?

A: In the last 4 years, the global energy scenario has changed dramatically, encompassing unprecedented pandemics, wars and geopolitical tensions. Global warming, with its increasingly extreme weather events, has further complicated the situation. In this scenario, being energy-intensive represents first of all a great responsibility, both towards the context in which we operate nowadays as well as towards the future of new generations. Having an annual consumption more or less equivalent to 160,000 households, makes you realize that you have to be a protagonist and an active participant to pave the way for more sustainable world.

Q: Is it possible to combine the development of a predominantly manufacturing company with the protection of the environment in which we operate??

A: Electrical Power, or Driving Force as some nostalgic people still call it, represents, along with air, the raw material of the air separation process. Over time, the coexistence of industrial development and environmental protection has become a clear example of how these two seemingly distant issues are actually mutually reinforcing each other, becoming the only possible way to achieve long-term competitive advantages while, at the same time, accelerating the dynamics of decarbonization. Energy efficiency, purchase of green energy and, with an eye to the future, investments in renewable hydrogen, clearly states not only the role SAPIO wants to play in the game of achieving the climate goals imposed by the European Community, but also, above all, the solidity of our values based on solid ethical principles strongly rooted in the way we do our business.

Q: What does it mean for you to play this role at SAPIO?

A: The energy transition requires unprecedented changes but, at the same time, also taking a certain amount of risk in making specific choices. Being able to work in a Group that, from the very beginning, has grasped the need to embrace the sustainable development allows you to have, in addition to your professional gratification, an extra stimulus whereby, at the end of each day, you realize that you are part of the continuous change and progress that our planet is claiming for. This to me represents being SAPIO, this to me means being able to contribute in a concrete way to build a more sustainable future.



Massimo Panzeri

Head Of Energy
Management & Liquid
Helium, Sapiro Produzione

AT THE END
OF EACH DAY,
YOU REALIZE
THAT YOU ARE
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Push for sustainability: SAPIO evaluates its suppliers with Ecovadis

In 2022, the Group selected the supplier to implement a supplier environmental analysis service, Ecovadis, which was implemented starting in Italy during 2023 with the goal of tracking by 2024 the suppliers to whom approximately 80 percent of total spending is attributed.



Q: Since when has Sapio been on Ecovadis?

A: After a long analysis phase where various possible partners were evaluated, the SAPIO Group finally chose Ecovadis as its partner for supplier evaluation. The reason is the large number of companies examined, evaluated and countries and product sectors covered worldwide.

Q: Are you satisfied with the result achieved?

A: To date, SAPIO has completed its self-assessment goal on the portal, achieving the Bronze medal in 2023, which we consider a very good result for the first year of assessment but aim to improve in the immediate future. Regarding the assessment of our suppliers, 2023 was dedicated to defining a precise strategy and engaging the first suppliers on the platform, during 2024 we will definitely have more complete data and a broader overview of our supply chain. We want to use all the tools that Ecovadis gives us to evaluate our suppliers: so not only the Ratings platform that we have already started using, but also the IQ platform that will allow us to check the status of our supply chain by mapping our supply chain risk by sector and by country.

Q: Have you decided what you will do with your suppliers' sustainability assessment data?

A: We will use it to select our supply chain to make it more and more sustainable: we plan to move toward suppliers that are in line with SAPIO's goals and what is required by ESG regulations. One of the first realizations will be to include this indicator among the KPI's used to evaluate suppliers.

Q: What does it mean to you to work at SAPIO on a project like this?

A: I am happy to be able to contribute to this project. Sustainability is a new topic for me and allows me to enhance my professional skills. In addition, I am pleased that the company where I work has decided to reduce its impact on the environment, meeting the needs of the community and future generations, thus including those of my daughters.



Fabrizio Guerra

Procurement Manager,
Sapio Produzione

*WE WILL USE THE DATA
TO SELECT OUR SUPPLY
CHAIN TO MAKE IT
MORE AND MORE
SUSTAINABLE*







for **people**

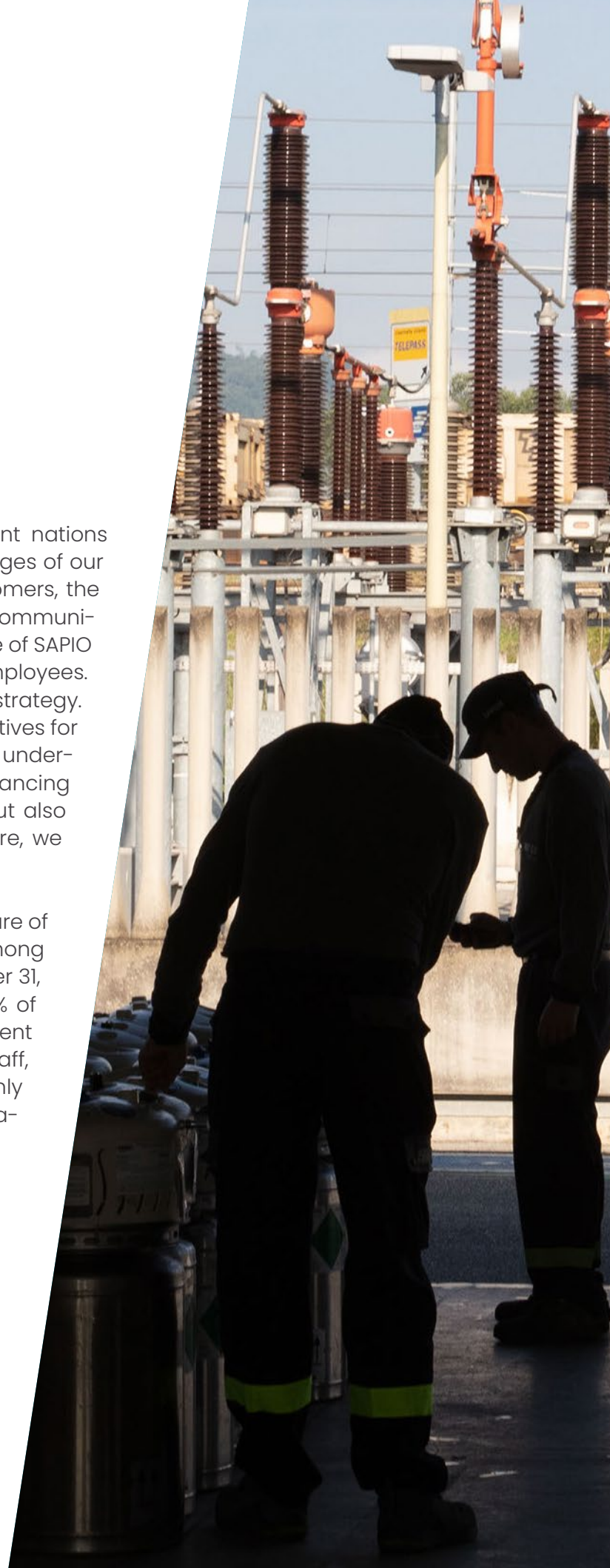
we are **SAPIO**

bilancio di **sostenibilità** 2023

Human capital, our most important pillar

The SAPIO Group brings together talent from different nations driven by the common goal of addressing the challenges of our communities in order to improve service to our customers, the quality of life of our patients, and the well-being of our communities. The Group is also committed to enhancing the role of SAPIO and its corporate purpose through the values of its employees. Our employees are at the center of every corporate strategy. Their well-being is the priority of Group policy. Our initiatives for attracting new talent are geared toward helping them understand our corporate goals and values aimed at advancing our ecosystem. Our focus is on not only attracting but also retaining the best talent and our employees; therefore, we also put in place training and growth paths.

A special focus in the Group's goals is given to the culture of internationalization in order to enhance synergies among employees even from different nations. As of December 31, 2023, the SAPIO Group thus has 2386 employees, 60% of whom are men and 40% women. Of the total, 93 percent are hired on permanent contracts. In addition to the staff, the Group hires about 1833 external collaborators mainly with reference to patient services (nurses, physiotherapists, etc.).



Q: How would you describe, in a few words, the importance of employees to SAPIO?

A: The importance of people working with SAPIO is an indispensable element for business growth and development. Talent attraction and retention depend largely on SAPIO's ability to understand and meet the needs of its employees at every stage of their professional careers. Let us also not forget our values, which are founded on: knowing how to be for knowing how to do, responsibility, entrepreneurship, people growth and fairness. This is SAPIO! Moreover, when we talk about human capital, we talk about the person at the center, caring for their constant improvement and giving closeness and well-being.

Q: What does well-being mean?

A: We are proud to be part of the companies that promote a positive work environment, for about a year we opened a psychological counter to listen to our people with the support of Life on Mind, we are proud and proud of that. We are an increasingly flexible, conciliatory, diverse and inclusive company, innovative and oriented to listen to the suggestions of each of its people. With this in mind, we will continue to introduce new initiatives for the well-being of our people. We also have a Welfare plan that contains not only proposals aimed at leisure and recreation but also packages dedicated to health and personal care.

Q: What initiatives have you adopted?

A: For years we have been promoting a corporate climate survey with our partner Great Place To Work. The objective is to analyze the index of trust in the company by both employees and managers and is structured on two different levels. The culture of the organization is assessed through questionnaire responses provided by the employees themselves (with a survey modeled on five dimensions to determine an excellent work environment) and the managerial culture, through a culture audit, addressed to management and organized through nine macro-areas of management practices to define an excellent work environment. In summary, an excellent work environment is characterized by three fundamental relationships: a relationship of mutual trust with company management, the relationship of pride in one's work and in the organization of which one is a part, and the quality of relationships with colleagues.



Carlo Raise

HR Director, Sapiro
Produzione

*WE ARE PROUD TO
BE PART OF THE
COMPANIES THAT
PROMOTE A POSITIVE
WORK ENVIRONMENT*



Employees' mental health: the **psychological** **support desk**

In recent years, people's mental health, also aided by the pandemic period, has become increasingly at risk, especially among young people, and has therefore assumed greater importance. The attention paid to these issues has also grown by governments, with prevention and awareness campaigns regarding mental health. The SAPIO Group, which has always been attentive to people's well-being, has decided to listen to its employees through the opening of a psychological desk free of charge for employees and with total respect for anonymity and professional secrecy. Thus, a pilot project was launched during 2023, which registered numerous adhesions.

But why a psychological support desk in the company? The presence of a professional with whom to confront brings several benefits both to employees and more generally to the entire organization, the first among them: improving the well-being of those who experience the company. The psychological desk is a service that provides a space for listening and reflection, the reference figure is the psychologist who guides and helps the person to deal with particular phases and moments in their lives for which they have felt the need to seek support. In concrete terms, the benefits of this service, are the enhancement of human capital, the creation of a relaxed climate of greater trust, and the improvement of personal well-being.



Great Place To Work

**Great
Place
To
Work®**

Certified

DIC 2023 - DIC 2024

ITALIA

Also this year, SAPIO and some of the Group⁹ companies representing 67% of the Group's turnover were awarded the Great Place To Work® certification, which allows them to be recognized as a quality work environment. In addition, the "Best Workplaces for Blue Collar 2023" ranking promoted by Great Place To Work Italy was published in October 2023. The SAPIO Group with great success, among more than 45 companies with similar characteristics analyzed and more than 200 taken into consideration at an early stage, placed 5th in the ranking. This special ranking arose from GPTW's desire to recognize and reward companies in which the blue-collar population expressed a positive opinion about the work environment and their work experience. SAPIO was awarded because it was once again recognized as an excellence in which to work, and this is thanks to all the employees who made it possible to achieve this prestigious result.

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

82% Managers behave honestly and ethically in their work

90% I appreciate the way we contribute to the community

94% People are treated impartially regardless of their ethnic origin

88% When a person is hired, they are made to feel welcome

91% This is a physically safe workplace

88% I'm proud to say that I work for this company

75%

All in all, I would say that this is **an excellent place to work**



Credibility



Respect



Fairness



Pride



Cohesion

⁹ SAPIO, Sapio Life, Life Cure, Sistemi Iperbarici, BioRep, MySapio, Pazienti, and Utengas Industrie have been certified for 2023.

Growth of our workforce: new hires

AN ORGANIZATION SUCH AS OURS CAN ONLY BE SUCCESSFUL BECAUSE OF THE EMPLOYEES WHO WORK THERE ON A DAILY BASIS AND **WHOSE DEDICATION AND TALENTS** MAKE IT POSSIBLE TO PROVIDE EFFICIENT, INNOVATIVE SERVICE FOR THE BENEFIT OF OUR CUSTOMERS.

Talent development is the key to the future growth of the SAPIO Group. Faced with the need for expansion and the continuous search for new lifeblood for the Group during 2023, 437 new resources joined, including 163 in Italy and 274 abroad.

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

- ongoing training to ensure the development of a continuous growth mindset of people;
- performance management for management and middle management to ensure alignment with business results;
- production bonuses for the workforce aligned with business results;
- annual talent review and succession plans in order to identify talent to invest in and create a plan for filling key business positions;
- individual career plans and international growth opportunities through a cross-country job posting system.

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

Continuing education as a fundamental principle

Ongoing 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 remote training, both internal and external.

During 2023, about 37.101 total training hours were conducted, equivalent to about 16.1 hours per employee, an increase of 22% over the previous year. Each year, the SAPIO Group implements specific training plans to fill a wide variety of training needs. In addition to meeting training needs strictly related to the job held, cross-functional growth paths are made available to all personnel to implement competencies in both soft skills and transversal skills.

An academic plan is active in Italy, ranging from psychological sciences to courses in effective virtual meeting or oratory as well as writing. It is flanked by a master's program for young talents with potential to be brought out and cultivated and an executive master's program for resources with a role of responsibility and strategic importance in the Group. In addition to what has been outlined, there are always language courses and courses aimed at increasing knowledge of information technology and digital tools.

Training is distinguished between training related to occupational health and safety and training on other topics, such as technical and managerial training

37.101
training hours

16.1
hours for each employee

+22%
compared to last year



Alessandra Toppio

Training and Development
Manager, Sapio Produzione

TRAINING IS A STORE
OF KNOWLEDGE
AND SKILLS THAT
ALLOW THEM TO BE
READY TO FACE THE
CHALLENGES THAT
THE LABOR MARKET
POSES

Q: Training in the Sapio Group: why is it so important?

A: For the Sapio Group, training holds a place of primary importance for the growth and development of its people. It is a store of knowledge and skills that allow them to be ready to face the challenges that the labor market poses every day. Not least, training is one of the tools with which to promote and enhance the Group's values.

Q: How is training promoted in the SAPIO Group?

A: There are numerous initiatives promoted by the SAPIO Group in the area of training. From professional courses, to languages, through digital courses without forgetting the subjects commonly called soft skills. Regarding the latter, where the Group's belief is strongly felt, an academic plan has been proposed for several years to stimulate and enhance these skills.

Q: What is meant by an academic plan?

A: It is a new course launched in 2018. A series of training courses aimed at developing a person's soft skills. Touching on relational and psychological aspects, but not only

Q: Can training be a tool for spreading corporate culture?

A: Definitely, training plays a key role in the widespread dissemination of corporate culture. Corporate culture, which in turn is a tool for change and growth, not only at the national level but also broadening the horizons to the Group's European companies.



Q: You are one of the participants in the 2023 edition of the master's program, what do you think of the initiative?

A: I think that offering cross-training for employees is something that strongly affects the sense of belonging to a company, both for young and more experienced workers, who can thus be and feel valued and stimulated to give their best. I am convinced of the fact that in today's world of work, which is constantly and very rapidly changing, one can never believe that one knows enough, without bothering to update, improve and find new stimuli.

Q: Does it represent a useful initiative for the development of personal and professional skills?

A: It is an initiative that I have greatly appreciated and, in my opinion, contributes significantly to the development of professional and personal skills, with a wide-ranging program dedicated to the development and refinement of both technical and relational/behavioral skills, while also crossing new and cross-cutting topics such as energy and digital transition.

Q: Do you feel proud to be part of this Group and to have had the opportunity to participate in the experience?

A: I feel proud to be part of the SAPIO Group where attention and care for employees can be felt not only in everyday life in the workplace, but also and especially in educational initiatives like this master's program. I have been able to experience firsthand the fact that the Group where I work cares about my personal and professional growth, and through this kind of activity, I and many other colleagues have been given the opportunity to enrich ourselves and others.



Camilla Savoldi

Corporate Affairs Manager,
Sapio Produzione

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OF THE FACT THAT
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AND FIND NEW STIMULI*



Benefits for the **employees**

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 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.



As every year in 2023, we held an award ceremony for colleagues who reached the important milestone of 25 consecutive years of employment with the Group and the recognition of diploma and degree scholarships for the children of our employees.

A further example of the Group's continuous support and appreciation for its people.

Q: How old are you and what course of study did you take?

A: My name is Luca Alemanno, I was born in Copertino (LE) on 11/05/1998, after graduating from high school with a high school diploma in science, I first obtained a bachelor's degree in economics and management at the University of Siena in the academic year 2020 and finally a master's degree, at the same University, in Management & Governance in the academic year 2022 with a grade of 110/110 cum laude. My greatest passion remains to spend myself for the common good trying to bring as many young people as possible into this path of change.

Q: What do you think of the scholarship initiative?

A: This initiative is a valuable support for us young students, especially for me who studied as an "out-of-schooler," and it also once again distinguishes the SAPIO Group's way of doing things, which shows that despite its size it remains a family.

Q: What has it meant to you?

A: It has been a concrete help and a plus to my university path, In my case with that grant I would like to finance two courses on the procurement code at "Il sole 24 ore Business School" and for that I am very grateful.



Luca Alemanno

Luigi Alemanno's son
(Regional Manager, Hospital
Business Unit – Sapiro Life)

*QUESTA INIZIATIVA
CONTRADDISTINGUE
ANCORA UNA VOLTA
IL MODO DI FARE
DEL GRUPPO SAPIO,
IL QUALE DIMOSTRA
CHE NONOSTANTE LA
GRANDEZZA RESTA
UNA FAMIGLIA*

Safety as a corporate focus

A health and safety management system based on the international standard UNI ISO 45001, certified by an external body (**Certiquality**), is implemented in the SAPIO Group. A safety management system for the prevention of major accident hazards, as required by Legislative Decree 105/2015, is implemented at sites at risk of major accidents. The hazards associated with work activities in the technical gas sector (process hazards) are those related to the handling of hazardous substances (such as, but not limited to: asphyxiants, oxidizers, flammables) and their physical state (very low temperatures, high pressures). These hazards are kept under control through the adoption of work procedures, specific equipment, continuous education and training, supervision and vigilance by supervisors, and management of reports.

An essential prerequisite for such a management system is compliance with the applicable mandatory legislation, which is mainly identified, for companies operating in Italy, in the "Consolidated Occupational Health and Safety Act" (Legislative Decree 81/2008), in the legislation applicable to establishments at risk of major accidents (Legislative Decree 105/2015) and the reference standards and laws for all specific applicable aspects, and in compliance with the regulations in force for the Group's foreign companies.

Worker participation and involvement in occupational health and safety issues are also strongly encouraged through worker safety representatives, training and awareness campaigns on

specific issues, and systems for collecting suggestions for improving safety in daily activities.

The occupational safety and health management system is governed by the SAPIO Safety Committee, which is attended by employers, senior figures reporting to the CEO, and the Health, Quality and Environment Department ("**SQA Department**"), which meets periodically, and is responsible for analyzing safety performance (occurrence of accidents and injuries, analysis of potentially critical events, comparison with industries in the sector) and defining goals and improvement activities.

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

Workers can report risky situations through a management system for recording incidents, reports, and safety suggestions. Workers who do not have a company account have paper forms to use for such records.

These activities are encouraged and supported at every level, and the absence of any form of retaliation is guaranteed. For each record

of incident, near miss, report or suggestion, a process is activated that starts with an investigation and then continues with the definition of preventive or corrective actions and verification of their effectiveness. Personnel, in relation to their roles, are involved in health and safety management, including through the workers' representatives appointed in all Group companies or at the various sites.

Our HSE team

Safety has always been at the core of SAPIO Group's values, and in 2023 there have been many initiatives and projects carried out to increase the safety of our sites, thanks to the launch of the new Group HSE Plan, **Breathing Safety**, which aims to strengthen the culture of safety in the company, increase the level of attention, discipline, awareness and responsibility of all of us to achieve the only acceptable goal, which is that none of the employees or sub-contractors working with SAPIO, suffer an injury. Breathing Safety is a pillar of the INSPIRE business plan and will help the Group grow and ensure business continuity and sustainability in Italy and Europe.

The new **Group HSE** plan includes organizing training moments, periodic posts on social media, displaying posters in the various locations with key messages, sending specific communications through different channels, and visits to production sites; this is to involve everyone, share experiences, give continuous information, and be updated on the different projects, the progress of safety indicators, and the main events, positive and negative, that affect the safety of the Group's workers



The **5S method** is a procedure for managing the order and cleanliness of workstations that is summarized in the following fundamentals, “**Sort, Set in order, Shine, Standardize, Sustain**.” In every company, the implementation of the 5S is the 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 and organization, and control are routinely performed, all of which are fundamental to achieving a linear and efficient flow of activities. This management methodology was extended during 2023 to all secondary production sites.

During 2023, 51 injuries were recorded for SAPIO Group employees. Of these, no injuries had serious consequences. In relation to the type of injuries, most of them for the year 2023 were attributable to manual handling of loads and slips. More information about the accident indices can be found in the section “Analytical Data of the Sustainability Report,” at the end of this document.

	2022	2023
Total number of recordable occupational injuries:	31	40
of which: serious occupational injuries (excluding deaths)	0	0
of which: occupational injuries with fatalities	0	0
of which: other injuries	31	40
frequency index	8,3	10,2

EIGA and ASSOGASTECNICI awards

In recognition of their safety achievements, in 2023 some of SAPIO Group's sites received **Assogastecnici** and **EIGA** (European Industrial Gases Association) awards for the absence of accidents: the Ferrara plant achieved the great achievement of 25 years without an accident, the Vaprio d'Adda plant for 10 years, and the Catania plant for 5 years.



FEDERCHIMICA
ASSOGASTECNICI

Associazione nazionale imprese gas tecnici,
speciali e medicinali



AssoGasTecnici

premio per la sicurezza sul lavoro



**GOLD STAR
SAFETY AWARD**

Sapio Produzione Idrogeno Ossigeno Srl

**25 consecutive
years**

Ferrara site / year 2022

Sapio Life Srl

**10 consecutive
years**

Vaprio d'Adda site / year 2022

Sapio Produzione Idrogeno Ossigeno Srl

**05 consecutive
years**

Catania site / year 2022

**without
injuries
of employees**

focus

Chemgas adopts Iris in 2023

Chemgas, as part of the project concerning important and strategic investments in both plant and R&D under the 2014-20 POR Puglia FESR, chose RENSink's IPlant+IRIS solution to achieve the challenging goals.

The complex dynamic risk management model proposed by RENrisk impressed with its concreteness and simplicity in communicating the potential risk inherent in establishments, such as ours, at risk of a major accident. With this solution, which will complement the pre-existing Integrated Management System, we will also be able to manage risk as a process variable and make quick and informed decisions to further improve our safety culture.

The implementation work of IPlant+IRIS completed in 2023 will enable Chemgas to continue its path of innovation in the field of safety and take another significant leap forward.









for the **environment**

we are **SAPIO**

bilancio di **sostenibilità** 2023

SAPIO's relationship with the **environment**

TODAY, MORE THAN YESTERDAY, WE HAVE A MORAL OBLIGATION TO FUTURE GENERATIONS AND TO THE ENTIRE COMMUNITY WITH WHICH OUR SERVICES, PRODUCTS, AND ACTIVITIES COME INTO CONTACT: **AN OBLIGATION TO ENSURE THAT OUR ECONOMIC GROWTH IS TRULY SUSTAINABLE AND COMPATIBLE WITH THE EARTH THAT HOSTS US.**

This commitment translates into an effort to conserve the use of natural resources, mitigate our own ecological footprint, implement alternative technological solutions, and help our customers and patients follow the same direction. While SAPIO has always operated what can be called "Clean Chemistry," it 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: the management, therefore, of a strategic and sensitive resource such as energy and its historical experience in environmentally complex contexts (such as some of Italy's main petrochemical plants) are fertile ground for a culture of conservation and rational use of environmental resources. With this in mind, the Group aims to achieve its goals and continuously improve its production processes in order to optimize environmental protection through::

- Compliance with applicable laws and regulations;
- the continuous innovation of processes and tools used;
- the implementation of major investments in technology.

These are the milestones of the environmental policy, integrated within 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, which in Italy is supported by Federchimica.

Primary energy consumption

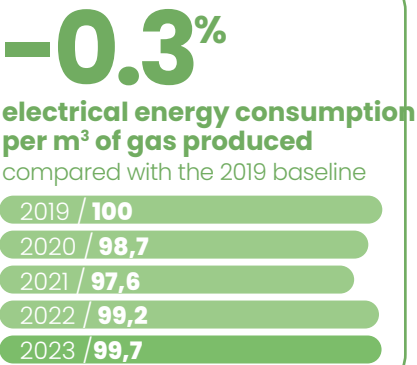
To ensure the delivery of its services and products, SAPIO carries out different kinds of activities that consume primary energy mainly in the form of **electricity** (drawn from the grid and self-generated on site), **fossil fuels** (natural gas, LNG, diesel, gasoline, and fuels in general) as well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

These consumptions are mainly for manufacturing and logistics activities, in order of importance. The Group's total energy consumption as of December 31, 2023 stands at 2,232,424 GJ compared to 2,155,522 GJ in 2022. The Group's main consumption comes from electricity use (80% vs 79% in 2022) and fossil fuels (18% vs 19% in 2022) and finally, steam (2% vs 2% in 2022).



The Group's primary energy use in the form of fossil fuels is for logistics activities, hydrogen production, and other civil and industrial uses, in order of importance. In addition to fossil sources used for the above 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.

As a result of the energy efficiency activities implemented by the Group, electricity **consumption per m³ of gas produced decreased** by 0.3 per cent in 2023 compared to the 2019 baseline. The 2023 performance, which is worse vs. 2022, is due to some plant failures that occurred during the year.



Climate-changing gas emissions¹⁰

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

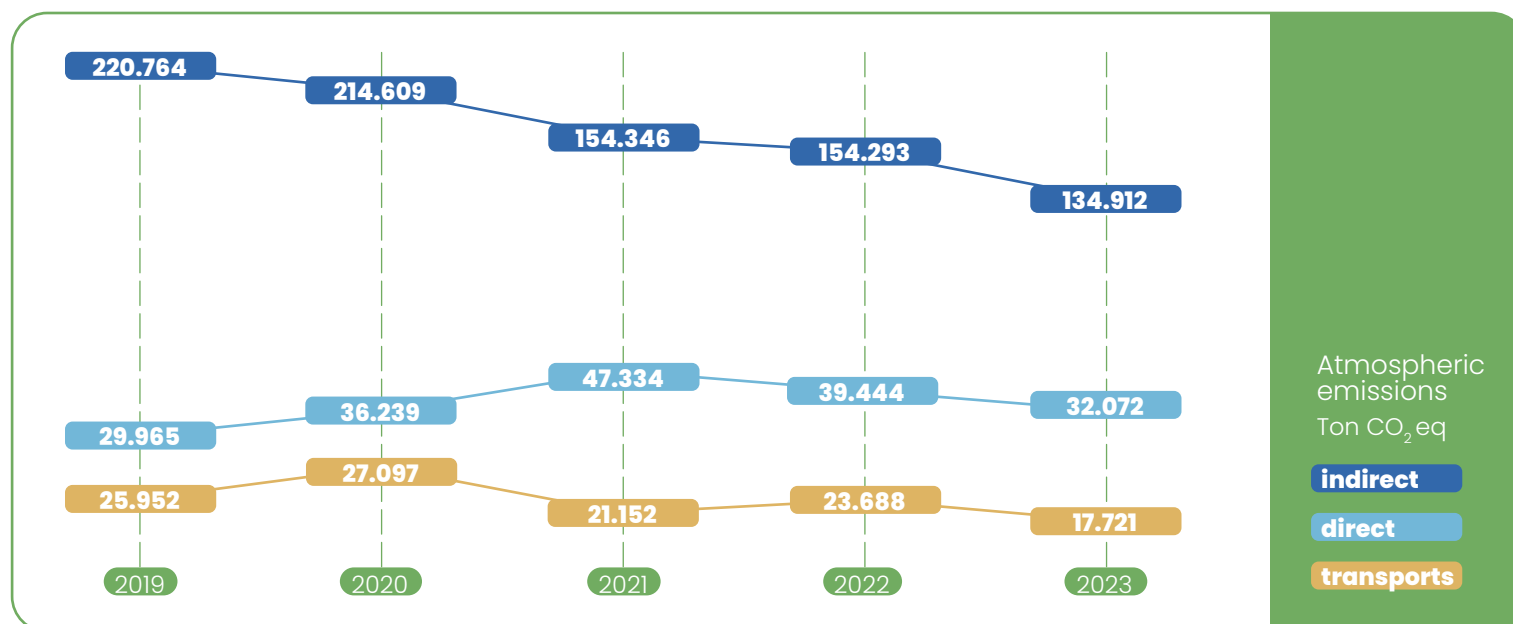
- direct emissions, '**Scope 1**' ('**Direct Emissions**'), from primary production facilities;
- indirect emissions related to the Group's own electricity consumption, or '**Scope 2**' ('**Indirect Emissions**');
- other indirect emissions (or '**Scope 3**') related to the delivery of products to patients 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 is such that they do not generate significant quantities of polluting emissions into the atmosphere. However, emission values are periodically checked and are always lower than the legal limits and what is prescribed in the Integrated Environmental Authorizations (**AIA**) or Single Environmental Authorizations (**AUA**) where applicable

¹⁰ 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 2021, 2022 and 2023 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 to produce electricity (source of the emission factors for calculating 2021, 2022 and 2023). 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, 2022 and 2023). 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 2022 edition for 2022 and 2023 were used.



In 2023, **direct emissions (Scope 1)** were 32,072 tons of CO₂, down -18% from the previous year. Indirect Emissions related to electricity consumption are almost entirely attributable to the production activities carried out at the main plants and are calculated based on the emission factors characteristic of the nations where consumption occurred.

Indirect Scope 2 emissions calculated by the Market Based method amounted to 134,912 tons and recorded a decrease of -39% compared to the year 2019. The strong decrease in Scope 2 emissions calculated by the Market Based method have been declining sharply over the years due to the Group's strategy in purchasing electricity from renewable sources, covering **40% of the SAPIO Group's total consumption by 2023**.

Transportation-Related Emissions (Scope 3) are the result of deliveries of products and services to customers and patients and travel for business trips (cars, trains, planes). Their reduction is a corporate focus in order to promote sustainable mobility best practices. Products are mostly distributed by road transport and mostly through the use of special transport vehicles such as cryogenic tanks that allow the transport of gases in liquid form or cylinders for compressed gases. Information about NOx and SOx emissions and other significant emissions can be found in the "Analytical Data of the Sustainability Report" section at the end of this document

40%
electricity from
renewables
sources

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 (86%), down from 2022 (87%). 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 2023 in particular, there was a 70% decrease in waste generated compared to 2022.

	2021		2022		2023	
	ton	percentage	ton	percentage	ton	percentage
hazardous	623	16%	774	13%	253	14%
non hazardous	3.311	84%	5.065	87%	1.520	86%
total	3.933	100%	5.839	100%	1.773	100%

Water resource management¹¹

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 2023, the Group's water requirements amounted to 30,489 megalitres, a decrease of 12% compared to 2022. The main source of supply is seawater resources, accounting for 34% of total withdrawals in 2023, followed by third party water amounting to 35% of water consumption. These values are broadly in line with those of 2022, with a decrease in seawater withdrawal in 2023 as can be seen in the table below.

	2021		2022		2023	
	all areas	waterstressed areas	all areas	waterstressed areas	all areas	waterstressed areas
surface waters	623	0	5.891	0	1.944	0
ground waters	3.311	0	639	0	489	0
seawater	0	17.200	0	17.200	0	10.295
third-party water	6.637	3.814	6.801	4.204	8.258	2.335
process water	0	0	6.510	0	6.949	219
total water withdrawal	10.571	21.014	19.841	21.404	17.640	12.849

¹¹ As a result of a process of continuous improvement, in 2023 it was possible to collect with greater detail the withdrawals water by determining process water in particular. Therefore, the 2022 data were restated. For previously published data published please refer to the Sustainability Report 2022, available at https://www.grupposapio.it/wp-content/uploads/Sapio_Bilancio2022ENG.pdf





Identification of **Stakeholders** and **involvement mechanism**

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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

Materiality Analysis

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 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, as shown below:

- *Compliance and product safety*
- *Ethics and integrity*
- *Health and safety at work*
- *Customer privacy*
- *Evaluation of suppliers*
- *Economic performance and sustainable growth*
- *Skills development, diversity and inclusion*
- *Relations with the environment*
- *Supporting our customers in the energy transition*
- *Research and innovation*
- *Environmental impact*
- *Responsible sourcing/localeconomic development*

Table of **impacts generated** by SAPIO Group

themes materials	impacts generated	nature of impact	actual/ potential	impact description
Environmental impact	Energy consumption	negative	actual	Energy consumption also from nonrenewable sources, with resulting in negative impacts on the environment and reduction of the energy stock
	Generation of direct and indirect GHG emissions (Scope 1 and 2)	negative	actual	Direct and indirect energy GHG emissions, related to the activities carried out in the Group's offices and sites
	Generation of GHG indirect emissions (Scope 3)	negative	actual	Generation of indirect climate-changing emissions produced in the value chain as a result of the carried out activities
	Waste generation	negative	actual	Environmental impacts related to the generation of hazardous and non-hazardous waste and their disposal
	Water resource consumption	negative	actual	Water use in its own production processes with impacts on the availability of the water resource

themes materials	impacts generated	nature of impact	actual/ potential	impact description
Supporting our customers in the transition energy	Development and innovation of infrastructure	positive	actual	Contribution to the sustainable infrastructure development through the upgrading of infrastructure to promote the energy transaction
Compliance and product safety	Offering of products of high quality	positive	actual	Development of products that meet quality and safety criteria aligned with best practices in the industry
	Non- compliance in the field of health and safety of product	negative	potential	Negative impacts on the health of users of the product, due to lack or inefficiency of: traceability, controls or systems of management on the quality and safety of the product throughout the value chain
Customer privacy	Breach and loss of data of customers and poor management of security information technology	negative	potential	Violations of legislation applicable and failure to application of procedures optimal data management at the detriment to the privacy of stakeholders
Research and Development	Development of more sustainable products	positive	actual	Promotion of innovative products, including through investments in research and development, with a view of reducing their impact environmental

themes materials	impacts generated	nature of impact	actual/potential	impact description
Ethics and integrity	Creation of a culture of ethics in business	positive	actual	Awareness and dissemination of the culture of ethics, equity and inclusion, respect of human rights by management, employees, business partners and other stakeholders
Economic performance and sustainable growth	Generation and distribution of economic value	positive	actual	Direct positive economic impacts and indirect economic impacts generated by the Group through business activities for workers, local communities and other stakeholders

themes materials	impacts generated	nature of impact	actual/ potential	impact description
Evaluation of suppliers	Monitoring of the environmental impact of the supply chain	positive	actual	Promotion of a system of environmental assessment of suppliers to determine the environmental impact of the supply chain
	Cases of non compliance along the of value	negative	potential	Potential instances of non compliance with rules and regulations or violations in the ESG area by suppliers, resulting in a negative impact on the Group's reputation
Procurement responsible/ economic local development	Positive economic impacts generated on the local communities	positive	actual	Contribution to the development of professional opportunities and social opportunities in the territory with consequent economic impacts direct/indirect on the communities local communities
Relations with the territory	Economic support to associations belonging the local community	positive	actual	Supporting local development through contributions and donations to associations of the area where the Group is physically present

themes materials	impacts generated	nature of impact	actual/ potential	impact description
Development of skills, diversity and inclusion	Failure compliance with expectations of growth of staff	negative	potential	Failure to meet expectations of staff growth staff and well-being, resulting in consequent negative impact on their satisfaction
	Employee satisfaction and well-being	positive	actual	Promoting employee well-being through the implementation of dedicated well-being activities and benefits, within a healthy and stimulating work environment
	Discrimination in terms of responsibility, compensation and career advancement	negative	potential	Negative impacts on employee satisfaction and motivation due to discrimination (related to gender, age, ethnicity, etc.) or other non-inclusive practices
	Employee continuing education	positive	actual	Training plans for employees in order to enable a growth of the same and ensure a broadening of the knowledge

themes materials	impacts generated	nature of impact	actual/potential	impact description
Health and safety at work	Accidents in the workplace and diseases occupational	negative	potential	Injuries or other accidents in the workplace and occupational diseases, with negative consequences for the health of direct workers or external collaborators
	Training and awareness with respect to health and safety in the workplaces	positive	actual	Training activities and awareness raising with respect to health and safety in the workplace
	Warranty of healthy, safe and protected workplaces	positive	actual	Ensuring safe working spaces, protected and comfortable through the proper application of standards and internal procedures regarding occupational health and safety

Sustainability report’s analytical data

human resources

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

Total number of employees by contract type, gender, and region

	2021			2022			2023		
	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total	Permanent	Fixed-term	Total
Italy									
Men	901	50	951	922	45	967	942	37	979
Women	356	41	397	378	55	433	388	54	442
Total	1.257	91	1.348	1300	100	1.400	1.330	91	1.421
Abroad									
Men	413	27	440	402	21	423	420	32	452
Women	423	38	461	441	39	480	470	43	513
Total	836	65	901	843	60	903	890	75	965
Group									
Men	1.314	77	1391	1.324	66	1.390	1.362	69	1.431
Women	779	79	858	819	94	913	858	97	955
Total	2.093	156	2.249	2.143	160	2.303	2.220	166	2.386

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

workforce

	2021			2022			2023		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Employees	1.356	35	1391	1.390	913	2.303	1.431	955	2.386
External workers	722	136	858	763	956	1.719	813	1.020	1.833
Total	2.078	171	2.249	2.153	1.869	4.022	2.244	1.975	4.219

GRI 405-1: % Employees by category and gender as of December 31st

Employees by category and region

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Executives/Directors	79%	21%	75%	25%	73%	27%
Managers	62%	38%	60%	40%	60%	40%
Employees	59%	41%	59%	41%	60%	40%
Health and nursing staff	40%	60%	35%	65%	30%	70%
Workers	81%	19%	79%	21%	79%	21%
Total	62%	38%	60%	40%	60%	40%

GRI 405-1: % Employees by category and age group as of Dec. 31st
Employees by category

	2021			2022			2023		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Age									
Executives/Directors	0%	51%	49%	0%	47%	53%	0%	43%	57%
Managers	0%	66%	34%	2%	64%	34%	2%	67%	31%
Employees	10%	62%	28%	9%	61%	30%	10%	60%	30%
Health and nursing staff	22%	62%	16%	19%	64%	17%	20%	64%	16%
Workers	15%	56%	29%	15%	55%	31%	16%	57%	27%
Total	12%	60%	28%	11%	60%	29%	11%	57%	27%

GRI 405-1: Employees in other diversity categories (protected categories) by employee category
Employees belonging to protected categories

	2021	2022	2023
Executives/Directors	-	-	1
Managers	4	5	5
Employees	35	34	41
Health and nursing staff	1	53	52
Workers	16	24	21
Total	54	114	118

GRI 405-1: Diversity in governing bodies by gender and age group as of Dec. 31st
Diversity in governing bodies by gender and age group

	2021				2022				2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Age												
Men	0%	18%	60%	78%	0%	18%	60%	78%	0%	23%	58%	81%
Women	0%	21%	1%	22%	0%	21%	1%	22%	0%	19%	0%	19%
Total	0%	39%	61%	100%	0%	39%	61%	100%	0%	42%	58%	100%

Diversity in the Board of the Group Leader by gender and age

	2021				2022				2023			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Age												
Men	0%	9%	82%	91%	0%	9%	82%	91%	0%	9%	91%	100%
Women	0%	9%	0%	9%	0%	9%	0%	9%	0%	0%	0%	0%
Total	0%	18%	82%	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

	2021					2022					2023				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	26	39	7	72	8%	28	55	5	88	9%	18	60	7	86	9%
Women	20	42	15	77	19%	22	39	22	83	21%	27	42	9	78	18%
Total	46	81	22	149	11%	50	94	27	171	13%	45	102	16	163	12%
Rate	39%	11%	5%	11%		42%	12%	6%	13%		41%	13%	3%	12%	

Number and rate of terminations - ITALY

	2021					2022					2023				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	8	23	17	48	5%	10	36	26	72	8%	12	39	27	78	8%
Women	8	24	11	43	11%	10	24	13	47	12%	13	33	20	66	15%
Total	16	47	28	91	7%	20	60	39	119	9%	25	72	47	144	10%
Rate	13%	6%	6%	7%		17%	8%	8%	9%		23%	9%	9%	10%	

Number and rate of new hires - ABROAD

	2021					2022					2023				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	16	44	9	69	16%	12	59	8	79	18%	25	69	28	122	29%
Women	24	70	11	105	23%	35	98	10	143	31%	43	86	23	152	32%
Total	40	114	20	174	19%	47	157	18	222	25%	68	155	51	274	30%
Rate	27%	20%	11%	19%		32%	27%	10%	25%		49%	26%	29%	30%	

Number and rate of terminations - ABROAD

	2021					2022					2023				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	11	43	19	73	17%	15	71	23	109	25%	14	68	33	115	27%
Women	11	50	8	69	15%	28	87	13	128	28%	19	81	15	115	24%
Total	22	93	27	142	16%	43	158	36	237	26%	33	149	48	230	25%
Rate	15%	16%	15%	16%		29%	27%	20%	26%		24%	25%	27%	25%	

Number and rate of new hires - GROUP

	2021					2022					2023				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	42	83	16	141	10%	40	114	13	167	12%	43	129	35	207	15%
Women	44	112	26	182	21%	57	137	32	226	26%	70	128	32	230	25%
Total	86	195	42	323	14%	97	251	45	393	17%	113	257	67	437	19%
Rate	32%	14%	7%	14%		36%	18%	7%	17%		46%	19%	10%	19%	

Number and rate of terminations - GROUP

	2021					2022					2023				
	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate	<30	30-50	>50	Total	Rate
Men	19	66	36	121	9%	25	107	49	181	13%	26	107	60	193	14%
Women	19	74	19	112	13%	38	111	26	175	20%	32	114	35	181	20%
Total	38	140	55	233	10%	63	218	75	356	16%	58	221	95	374	16%
Rate	14%	10%	9%	10%		24%	16%	12%	16%		23%	16%	14%	16%	

GRI 404-1: average hours of training

Average hours of training per professional category

	2021	2022	2023
Executives/Directors	10,3	4,2	15,5
Managers	12,2	16,3	22,4
Employees	9,9	11,7	16,6
Health and nursing staff	9,9	14,3	12,8
Workers	7,7	8,6	14,3
Total	9,7	11,7	16,1

GRI 404-1: average hours of training

Average hours of training by gender

	2021	2022	2023
Men	9,9	11,8	16,7
Women	9,3	11,5	15,2
Total	9,7	11,7	16,1

health and safety

GRI 403-9: Injuries at workplace

Time data (employees)

	2021	2022	2023
Worked hours	3.539.414	3.684.726	3.911.483
Multiplier for calculation	1.000.000	1.000.000	1.000.000

Injuries rate (Employees)

Rate of recordable work injuries	11,3	8,4	10,2
Rate of serious work injuries (excluding fatalities)	0	0	0
Rate of death due to work injuries	0	0	0

Time data (external workers)

worked hours	83.375	1.410.441	632.378
multiplier for calculation	1.000.000	1.000.000	1.000.000

Injuries rate (External workers)

Rate of recordable work injuries	35,9	1,4	4,7
Rate of serious work injuries (excluding fatalities)	0	0	0
Rate of death due to work injuries	0	0	0

environment

GRI 302-1: Energy consumed within the organization

Type of energy	UoM	2021	2022	2023
		Total	Total	Total
Natural gas	GJ	361.661	332.008	334.350
Diesel (for heating and production processes)	GJ	1.799	1.487	945
Automotive diesel	GJ	47.416	52.252	59.010
Gasoline (for heating or processes Production)	GJ	0	0	0
Automotive gasoline	GJ	25.501	27.023	17.150
Automotive gps	GJ	136	71	61
Automotive methane	GJ	0	0	0
Total energy from fuel	GJ	412.840	412.840	411.516
Self produced electricity	GJ	456	934	15.018
Of which from renewables	GJ	456	934	783
Sold electricity	GJ	343	965	516
Of which from renewables	GJ	343	965	312
Purchased electricity	GJ	1.713.128	1.703.361	1.761.668
Of which from certified renewables	GJ	515.711	502.733	706.471
Total electricity	GJ	1.717.241	1.703.330	1.776.171
Purchased steam	GJ	40.120	45.458	44.738
Total consumed energy	GJ	2.191.065	2.161.628	2.232.424
Total renewable energy	GJ	515.824	502,701	706,942
% Of renewable electricity on total	%	30%	30%	40%

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

Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant emissions

	2021	2022	2023
NO _x	2,62	3,53	74,25
SO _x	0,04	0,01	0,01
Persistent Organic Pollutants (POPs)	0	0	0
Volatile organic compounds (VOCs)	2,57	2,59	2,88
Hazardous Air Pollutants	0	0	0
Particulate Matter (PM)	0,05	0,29	0,08
Carbon Monoxide	0,54	0	0

GRI content index

Declaration of use: SAPIO Group has reported in accordance with the GRI Standards for the period from 01/01/2023 to 31/12/2023.

GRI used: GRI 1: Reporting Principles (2021).

Applicable sectoral GRI standards: N/A.

GRI 2: GENERAL INFORMATION(2021)

GRI Indicator		page	note	omission
The organisation and its reporting practices				
GRI 2-1	Organisational details	9; 57-59		
GRI 2-2	Entities included in the organization's sustainability reporting	9; 57-59		
GRI 2-3	Reporting period, frequency and point of contact	9		
GRI 2-4	Restatements of information	9		
GRI 2-5	External assurance	9, 178-180		
Activities and workers				
GRI 2-6	Activities, value chain and other business relations	34, 57, 72-73; 84-85; 95, 101, 104-105; 112, 114, 116, 118	We estimate a relationship with approximately 300 hospitals served, 205,000 patients and 30,000 industrial customers. The nature of the business relationships maintained with the downstream entities are public tenders, longterm contracts, orders on direct offers.	
GRI 2-7	Employees	35, 121-134, 156	The company excluded from the reporting boundary that cannot monitor this indicator because it is not applicable is Zilli Gas S.r.l.	
GRI 2-8	Workers who are not employees	122	The company excluded from the reporting boundary that cannot monitor this indicator because it is not applicable is Zilli Gas S.r.l.	

GRI 2: GENERAL INFORMATION(2021)

GRI Indicator		page	note	omission
Governance				
GRI 2-9	Governance structure and composition	54, 55	<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	Nomination and selection of the highest governance body	54, 55	<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	Chair of the highest governance body	55		
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	51-55; 92		

GRI 2: GENERAL INFORMATION(2021)

GRI Indicator		page	note	omission
Governance				
GRI 2-13	Delegation of responsibility for managing impacts	-	Remains with the Board of Directors, no formal appointments	
GRI 2-14	Role of the highest governing body in sustainability reporting	54, 55		
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 critical concerns	51-55; 92	<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: the Legal Whistleblowing platform available on the company's website at the following link: https://sapio.segnalazioni.net/.</p> <p>The Risk Compliance & Internal Audit function (as a function corporate function deemed competent and selected as the recipient of the reports) evaluates the reports received and the activities to be put in place, in full compliance with the provisions in this regard provisions of Legislative Decree No. 24/2023.</p>	

GRI 2: GENERAL INFORMATION(2021)

GRI Indicator	page	note	omission
Governance			
GRI 2-16	Communication of critical concerns	51-55; 92	<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	note	omission
Governance			
GRI 2-16	Communication of critical concerns	<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 governance body	-	<p>Information not available/incomplete.</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: GENERAL INFORMATION(2021)

GRI Indicator		page	note	omission
Governance				
GRI 2-18	Evaluation of the performance of the highest governance body	-		Information not available/incomplete. 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.
GRI 2-19	Remuneration policies	-	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	Process to determine remuneration	-		Information not available/incomplete. 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
GRI 2-21	Annual Total Compensation Ratio	-	The ratio of the annual compensation of the highest paid individual and the median of all salaries (excluding the highest) is 6.64. The ratio between the percentage increase in the total annual compensation of the person with the highest compensation and the median percentage increase of the total annual compensation of all employees (excluding the above person) is 0, since there was no increase in the compensation of the person with the highest compensation between 2022 and 2023.	

GRI 2: GENERAL INFORMATION(2021)

GRI Indicator		page	note	omission
Strategy, policies and practice				
GRI 2-22	Statement on sustainable development strategy	7, 22-23		
GRI 2-23	Policy commitments			Information not available/ incomplete. 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.
GRI 2-24	Embedding policy commitments	78-81		

GRI 2: GENERAL INFORMATION(2021)

GRI Indicator	page	note	omission
		<p>SAPIO purchased in 2023 electricity from renewable sources equal to 40 percent of the total Group consumption to mitigate the negative effect due to electricity consumption and its related scope 2 GHG emissions.</p> <p>Sapio has in place the procedure for handling customer complaints: 25QSB001 "management of complaints customer" 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 procedure in use is aimed at defining the responsibilities and procedures for handling complaints in order to ensure that the same are properly evaluated and dealt with and that the necessary information is derived to prevent new ones from arising. There are no other processes present.</p>	
GRI 2-25	Processes to remediate negative impacts	-	<p>The process of handling a corporate document, including the procedure related to complaint management, 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 managers of the functions 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 the Verification of the effectiveness of the corrective action implemented not only in order to resolve the individual complaint, but also in order to avoid future recurrence of similar episodes</p>

GRI 2: GENERAL INFORMATION(2021)

GRI Indicator		page	note	omission
Strategy, policies and practice				
GRI 2-26	Mechanisms for seeking advice and raising concerns	78-81		
GRI 2-27	Compliance with laws and regulations	-	During 2023 there were no episodes of non-compliance with laws and regulations.	
GRI 2-28	Membership associations	68-69		
Stakeholder Engagement				
GRI 2-29	Approach to stakeholder engagement	147-148		
GRI 2-30	Collective bargaining 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.

GRI 3: Disclosures on material topics (2021)

GRI 3-1	Process to determine material topics	9, 148-149	
GRI 3-2	List of material topics	149-155	

Economic performance and sustainable growth

GRI 3: Disclosures on material topics (2021)

GRI 3-3	Management of material topics	34, 51, 52, 149-155	
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GRI 201: Economic performance (2016)

GRI 201-1	Direct economic value generated and distributed	34, 51, 52	
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SPECIFIC STANDARD DISCLOSURE

GRI Indicator	page	note	omission
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Responsible sourcing/local economic development

GRI 3: Disclosures on material topics (2021)

GRI 3-3	Management of material topics	116, 118, 149-155	
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GRI 204: Procurement Practices (2016)

GRI 204-1	Proportion of spending on local suppliers	116, 118	
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Ethics and integrity

GRI 3: Disclosures on material topics (2021)

GRI 3-3	Management of material topics	54, 149-155	
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GRI 205: Anti-Corruption (2016)

GRI 205-3	Confirmed incidents of corruption and actions taken	-	During 2023 there were no confirmed episodes of corruption.
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Supplier evaluation

GRI 3: Disclosures on material topics (2021)

GRI 3-3	Management of material topics	116, 118, 149-155	
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GRI 308: Evaluation of suppliers on the basis of environmental criteria (2016)

GRI 308-1	New suppliers that were screened using environmental criteria	118	The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable are as follows: Alloys Italia S.r.l., Zilli Gas S.r.l., Domco S.a.S, Sapiro Santè France S.a.S, Synapse Santè S.a.S, Sapiro Holding GmbH.
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SPECIFIC STANDARD DISCLOSURE

GRI Indicator		page	note	omission
Environmental impact				
GRI 3: Disclosures on material topics (2021)				
GRI 3-3	Management of material topics	139-145, 149-155		
GRI 302: Energy (2016)				
GRI 302-1	Energy consumed within the organisation	140, 141, 160	The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable are as follows: Alloys Italia S.r.l., Zilli Gas S.r.l., Domco S.a.S, Sapio Santè France S.a.S, Synapse Santè S.a.S, Sapio Holding Gmbh.	
GRI 303: Water and effluents (2018)				
GRI 303-1	Interaction with water as a shared resource	145		
GRI 303-2	Management of water discharge-related impacts	145		
GRI 303-3	Water withdrawal	145	The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable, are as follows: Alloys Italia S.r.l., Biorep S.r.l., Cesaltig S.r.l., Domco S.a.s, G. Recalcatti S.r.l., GTI Nord-Medicare Gmbh, Sapio Life Turkey, 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.	
GRI 305: Emissions (2016)				
GRI 305-1	Direct GHG emissions (Scope 1)	142, 143	Please refer to the note given on indicator 302-1	
GRI 305-2	Indirect GHG emissions from energy consumption (Scope 2)	142, 143	Please refer to the note given on indicator 302-1	
GRI 305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	142, 143	Please refer to the note given on indicator 302-1	
GRI 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	160	Companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable, are the following: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, Sapio Santè France S.a.s, Synapse Santè S.a.s.	

SPECIFIC STANDARD DISCLOSURE

GRI Indicator		page	note	omission
GRI 306: Waste (2020)				
GRI 306-1	Waste generation and significant waste-related impacts	144		
GRI 306-2	Management of significant waste related impacts	144		
GRI 306-3	Waste generated	144	The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable, are as follows: Alloys Italia S.r.l., Dialog Ausili S.r.l., Domco S.a.s, G. Recalcatti 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 Santè France S.a.s, Synapse Santè S.a.s, Tecnosaldatura S.r.l., Zilli Gas S.r.l.	
GRI 306-4	Waste diverted from disposal	144	The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable, are as follows: Alloys Italia S.r.l., Dialog Ausili S.r.l., Domco S.a.s, G. Recalcatti 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 Santè France S.a.s, Synapse Santè S.a.s, Tecnosaldatura S.r.l., Zilli Gas S.r.l., Eubios S.r.l., Rivaossigeno S.r.l, Sapio Life SAU, Sistemi lperbarici S.r.l.	
GRI 306-5	Waste directed to disposal	144	The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable, are as follows: Alloys Italia S.r.l., Dialog Ausili S.r.l., Domco S.a.s, G. Recalcatti 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 Santè France S.a.s, Synapse Santè S.a.s, Tecnosaldatura S.r.l., Zilli Gas S.r.l., Eubios S.r.l., Rivaossigeno S.r.l, Sapio Life SAU, Sistemi lperbarici S.r.l.	

SPECIFIC STANDARD DISCLOSURE

GRI Indicator		page	note	omission
Skills development, diversity and inclusion				
GRI 3: Disclosures on material topics (2021)				
GRI 3-3	Management of material topics	121-131, 149-155		
GRI 401: Employment (2016)				
GRI 401-1	New employee hires and employee turnover	126, 158		The company excluded from the reporting boundary that cannot monitor this indicator because it is not applicable is Zilli Gas S.r.l.
GRI 404: Training and education (2016)				
GRI 404-1	Average number of training hours per year per employee	127, 159		The company excluded from the reporting boundary that cannot monitor this indicator because it is not applicable is Zilli Gas S.r.l.
GRI 405: Diversity and Equal Opportunities (2016)				
GRI 405-1	Diversity in governance bodies and employees	35, 156-157		The company excluded from the reporting boundary that cannot monitor this indicator because it is not applicable is Zilli Gas S.r.l.

SPECIFIC STANDARD DISCLOSURE

GRI Indicator	page	note	omission
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Health and safety at work

GRI 3: Disclosures on material topics (2021)

GRI 3-3	Management of material topics	46,47, 132-136, 149-155	
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GRI 403: Health and safety at work (2018)

GRI 403-1	Occupational Health and Safety Management System	46,47, 132-136	
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GRI 403-2	Hazard identification, risk assessment and incident investigation	46,47, 132-136	
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GRI 403-3	Occupational health services	46,47, 132-136	
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GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	46,47, 132-136	
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GRI 403-5	Worker training on occupational health and safety	46,47, 132-136	
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GRI 403-6	Promotion of worker health	46,47, 132-136	
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GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46,47, 132-136	
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GRI 403-9	Work-related injuries	134, 159	<p>The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable for EMPLOYEES are as follows: Domco S.a.s, Gamas S.r.l., Homeperf S.a.s, Sapio Santé France S.a.s, Synapse Santé S.a.s, Tecnosaldata S.r.l., Zilli Gas S.r.l.</p>
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Regarding outside workers, hours worked due to inability to monitor are excluded for the following companies: My Sapio S.r.l. and Sapio Produzione Idrogeno e Ossigeno S.r.l.

SPECIFIC STANDARD DISCLOSURE

GRI Indicator		page	note	omission
Product compliance and safety				
GRI 3: Disclosures on material topics (2021)				
GRI 3-3	Management of material topics	76, 77, 149 -155		The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable, are as follows:Alloys Italia S.r.l., Cesaltig S.r.l., Domco S.a.s,G. Recalcatti S.r.l., Gamas S.r.l., Linea Gas S.r.l., Sapio Santè France S.a.s, Synapse Santè S.a.s, Tecnosaldatura S.r.l., Zilli Gas S.r.l.
GRI 416: Customer health and safety (2016)				
GRI 416-1	Assessment of the health and safety impacts of product and service categories	76, 77		The companies excluded from the reporting boundary that cannot monitor this indicator because it is not applicable, are as follows: Alloys Italia S.r.l., Cesaltig S.r.l., Domco S.a.s, G. Recalcatti S.r.l., Gamas S.r.l., Linea Gas S.r.l., Sapio Santè France S.a.s, Synapse Santè S.a.s, Tecnosaldatura S.r.l., Zilli Gas S.r.l.
Customer privacy				
GRI 3: Disclosures on material topics (2021)				
GRI 3-3	Management of material topics	109, 149-155		
GRI 416: Customer health and safety (2016)				
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	109		During 2023 there were no incidents of commercial complaints regarding violations of customer privacy and loss of customer data.

NON-GRI MATERIAL TOPICS

GRI Indicator		page	note	omission
Relations with the Territory				
GRI 3: Disclosures on material topics (2021)				
GRI 3-3	Management of material topics	60-69; 149-155		
Supporting our customers in the energy transition				
GRI 3: Disclosures on material topics (2021)				
GRI 3-3	Management of material topics	92-99, 149-155		
Research and Innovation				
GRI 3: Disclosures on material topics (2021)				
GRI 3-3	Management of material topics	30, 88- 89, 107, 149-155		

Auditor's report

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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

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

We have carried out a limited assurance engagement on the Sustainability Report of the Sapio Group (hereinafter also the "Group") as of December 31, 2023.

Responsibility of the Directors for the Sustainability Report

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

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

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

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards, with reference to the selection of GRI Standards.

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

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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 site visits, interviews and discussions with the management of Sapio Produzione Idrogeno Ossigeno S.r.l., of Sapio Life S.r.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.

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- For the following companies, Sapio Produzione Idrogeno Ossigeno S.r.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.

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, 2023 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.

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Signed by
Lorenzo Rossi
Partner

Milan, Italy
July 4, 2024

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



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