

The SMAPE logo is located in the top right corner. It consists of the letters 'SMAPE' in a bold, blue, sans-serif font, enclosed within a green oval with a blue border.

**SMAPE**

The background of the entire page is a close-up photograph of a green plant with several leaves. A small globe of the Earth is positioned in the center-left, partially covered by a large, textured, golden-brown leaf. The globe shows the continents of Africa and Europe. The overall color palette is dominated by various shades of green, with the blue of the globe and the gold of the leaf providing contrast.

# **SUSTAINABILITY REPORT 2024**



**SMAPE S.r.l.**

Registered Office and Operating Base:  
Via Pascoli di Terra Rossa, 86  
65010, Cappelle sul Tavo (PE), ITALY  
Share Capital: € 10.400 i.v.  
Tax Code and Vat Number: 01245720683  
Ph: (+39) 085 44 71 430  
Fax: (+39) 085 44 71 440  
E-mail: [info@smape.it](mailto:info@smape.it)  
Web: [www.smape.it](http://www.smape.it)

**Photos contained in the document**

Gerd Altmann from Pixabay  
Gennaro Leonardi from Pixabay  
Joseph Redfield Nino from Pixabay  
PIRO from Pixabay

**Document produced in Italy**

July 2025

# INDEX

|                                        |           |
|----------------------------------------|-----------|
| <b>LETTER TO OUR STAKEHOLDER .....</b> | <b>4</b>  |
| <b>CORPORATE IDENTITY .....</b>        | <b>5</b>  |
| <b>METHODOLOGICAL NOTE .....</b>       | <b>6</b>  |
| <b>REPORT HIGHLIGHTS .....</b>         | <b>9</b>  |
| <b>GOVERNANCE .....</b>                | <b>10</b> |
| STRATEGY AND BUSINESS MODEL .....      | 12        |
| GENERATION OF WEALTH .....             | 17        |
| ETHICS AND INTEGRITY .....             | 18        |
| VALUE CHAIN MANAGEMENT .....           | 20        |
| MATERIAL SUSTAINABILITY TOPICS .....   | 21        |
| IMPACTS, RISKS AND OPPORTUNITIES ..... | 25        |
| STRATEGIC MILESTONES .....             | 32        |
| <b>ENVIRONMENT .....</b>               | <b>42</b> |
| CLIMATE CHANGE .....                   | 44        |
| POLLUTION .....                        | 53        |
| BIODIVERSITY AND ECOSYSTEMS .....      | 54        |
| WATER AND MARINE RESOURCES .....       | 56        |
| RESOURCES AND CIRCULAR ECONOMY .....   | 58        |
| <b>SOCIAL .....</b>                    | <b>62</b> |
| DIVERSITY AND INCLUSION .....          | 64        |
| HEALTH AND SAFETY .....                | 68        |
| HUMAN RIGHTS .....                     | 71        |
| EMPLOYMENT .....                       | 75        |
| <b>ANNEXES .....</b>                   | <b>78</b> |
| VSME CONTENT INDEX .....               | 79        |

# LETTER TO OUR STAKEHOLDER

Dear Stakeholders,

The financial year 2024 has recorded significant milestones in the history of Smape and our Sustainability long-term project:

In October, infact, a Board of Directors has been appointed including both members from owner' family and independent members; with this decision the shareholder gave to the Company a strong impulse to structure a new governance to sustain our long-term projects.

Furthermore we have extended our ESG footprint to the consolidated perimeter of our company, monitoring and giving now targets to our full entity.

Finally, but not least, our ESG system turned to full involvement of all the Stakeholders, markedly our Supply Chain, to operate as a single organism in the pursuing of our ESG targets.

We are aware to hold a significant and strategic role in the Oil&Gas business, and we feel the responsibility to constantly promote and support the energy transition; during the 2024 Smape has initiated and planned investments which will contribute to our sustainable goals

The Board of Directors of Smape srl

The CEO of Smape srl

**ONE SYSTEM  
ONE SCOPE  
TOGETHER**

# CORPORATE IDENTITY

SMAPE was founded in 1989 to challenge new opportunities in the oil&gas industry, and starting as “outsider” among internationally renowned players we immediately made challenging our point of strenght..

Strong dynamism and propensity to accept and face challenges, mostly won, have supported rapid development and growing competitiveness, leading to a continuous increase in market share.

Together with our stakeholders, we have continuously cultivated our aspiration to reach new milestones and, in addition to achieving leadership in the domestic market, we have expanded the geographical horizon towards new customers, mindset and technical challenges in Spain, Holland, Romania, Croatia, Albania, Azerbaijan, Kazakhstan, Georgia, Egypt, Congo and Equatorial Guinea.

As of today, SMAPE group, with 15 operational Coiled Tubing units and more than 200 employees, distributed between 4 branches and 3 subsidiaries in Italy and abroad, can be considered among the major continental players.

We work with or have worked with ENI, Shell, British Petroleum, ConocoPhillips, Total, SNAM/Stogit, OMV Petrom, Karachaganak Petroleum Operating Co., Enagas, Edison, INA, Petromanas, Petrobel, Agiba and many others.

SMAPE is appreciated worldwide for its understanding and adaptation to customer needs and for its ability to solve problems. Our natural loyalty and honesty have been translated into a Code of Ethics and has allowed us to establish relationships with our stakeholders characterized by trust and solidity.

We position ourselves as the company that can take on challenges others have declined and that constantly looks to the future and continuous improvement.

**WHATEVER  
THE CHALLENGE  
WE WILL FIND  
THE SOLUTION**

# METHODOLOGICAL NOTE

Datapoint B1 – Paragraph 24 – Letters (a)-(b)-(c)-(d)-(e)

This section of the Sustainability Report provides an overview of the methodology used to collect, analyse and present information on SMAPE sustainability activities and performance. The aim is to provide all stakeholders with a clear and complete representation of the main objectives and results achieved in social and environmental matters, with a view to generating value in the long term.

SMAPE Sustainability Report 2024 is prepared on a voluntary basis in accordance with Option B of the VSME, the European voluntary standards for SMEs aligned with the ESRS, which includes both the “Basic Module” and the “Comprehensive Module”. In this way, the reporting of ESG (Environment, Social and Governance) performance can be increasingly accurate. Furthermore, the United Nations Sustainable Development Goals (SDGs) are mentioned as references for the various topics covered.

The Sustainability Report is not audited by a third-party, however the company is committed to providing relevant, faithful, comparable, understandable and verifiable information on actions and performance, in compliance with the requirements of the VSME standards.

The topics covered in greater detail in the Sustainability Report are those considered “material”, capable of influencing the Company’s activities and/or the decisions of its Stakeholders in social and environmental terms. The relevance of these topics have been defined by the SMAPE ESG Committee following the principle of double materiality, a characterising element of the European ESRS standards. For further details, please refer to the chapter “Material sustainability topics” of this document. It should be noted that all the information requested by the VSMEs has been reported and no information has been omitted because considered sensitive.

This document has been prepared on a consolidated basis, i.e. the report includes information about the activities of Smape Srl and all the companies over which it has operational control (subsidiaries). The information relating to Quality, Health, Safety and Environment topics also refers to the workplaces of the SMAPE group. Any limitations of scope and/or corrections or changes compared to what was published in previous versions are carefully reported.

The companies over which Smape Srl has operational control are the following:

- Smape Sh.p.k.  
Registered office: Rruga Themistokli Gërmenji. P11N.5/5  
Tirana, Albania
- ItalServices Egypt LLC  
Registered office: 15 Ahmed Faheem Bayoumy  
Heliopolis, Cairo, Egitto
- Smape Kazakhstan JV LLP  
Registered office: W/T Industrial Zone, Building 100H  
Aksai City, Kazakhstan

Main information relating to Smape S.r.l. is reported below:

- |                             |                                                                       |
|-----------------------------|-----------------------------------------------------------------------|
| • Legal form                | Limited Liability Company                                             |
| • NACE sector               | 09.10                                                                 |
| • Size of the balance sheet | 71.210 k€ (Smape S.r.l.)<br>84.452 k€ (Smape S.r.l. and subsidiaries) |
| • Turnover                  | 35.960 k€ (Smape.S.r.l.)<br>40.864 k€ (Smape S.r.l. and subsidiaries) |
| • Employees at 31/12/2024   | 182 (Smape S.r.l.)<br>222 (Smape S.r.l. and subsidiaries)             |

The list of owned, leased or managed corporate bases and the related countries where Smape Srl and subsidiaries have their primary operations are:

| Sites                                          | Address                             | Postal code | City                   | Country    | Coordinates                        |
|------------------------------------------------|-------------------------------------|-------------|------------------------|------------|------------------------------------|
| Headquarters,<br>Offices and<br>Operative Base | Via Pascoli di Terra<br>Rossa 86    | 65010       | Cappelle sul<br>Tavo   | Italy      | 42° 28' 47.3" N<br>14° 06' 23.3" E |
| Operative Base                                 | C.da Cembrina –<br>Zona Industriale | 85059       | Viggiano               | Italy      | 40° 18' 39.4" N<br>15° 53' 21.4" E |
| Operative Base                                 | Via Ricasoli 12                     | 48123       | Ravenna                | Italy      | 44° 26' 41.1" N<br>12° 12' 55.4" E |
| Offices                                        | Strada Dionisie<br>Lupu 64-66       | 010458      | Bucarest               | Romania    | 44° 26' 37.8" N<br>26° 06' 04.1" E |
| Operative Base                                 | Strada Londra 1                     | 107025      | Aricestii<br>Rahtivani | Romania    | 44° 57' 40.5" N<br>25° 53' 33.0" E |
| Offices                                        | 1 Fikret Amirov<br>street           | 1095        | Baku                   | Azerbaijan | 40° 22' 30.8" N<br>49° 51' 07.1" E |
| Operative Base                                 | Salyan Highway<br>28-30             | 1083        | Baku                   | Azerbaijan | 40° 15' 32.7" N<br>49° 38' 11.5" E |
| Offices and<br>Operative Base                  | Street Industrial<br>Zone 100N      | 090300      | Aksay                  | Kazakhstan | 51° 10' 45.7" N<br>53° 02' 53.0" E |
| Offices and<br>Operative Base                  | Rruga “Rinia”,<br>Ndertesa Nr. 9/1  | 2009        | Durres                 | Albania    | 41° 21' 25.0" N<br>19° 28' 19.2" E |
| Offices                                        | 15 Ahmed<br>Faheem Bayoumy          | 11843       | Cairo                  | Egypt      | 30° 06' 05.0" N<br>31° 20' 50.0" E |
| Operative Base                                 | New Free Zone<br>Industrial Area    | 43713       | Suez                   | Egypt      | 29° 54' 18.5" N<br>32° 27' 10.0" E |

Smape Srl has reported the information cited in this Sustainability Report for the period 1 January – 31 December 2024. Where available, additional data referring to previous financial years have been reported, in order to show the trend of the company's performance over a longer time horizon. Furthermore, the inclusion of directly detectable and measurable qualitative and quantitative indicators has been privileged, using only in some cases, promptly indicated, to estimates.

The Sustainability Report was approved on 11/07/2025 by the CEO of Smape S.r.l.

For further information on this document or to send comments and observations, write to: [info@smape.it](mailto:info@smape.it)

# REPORT HIGHLIGHTS

Determined the  
**RESILIENCE**

of the company's strategy  
and business model

**86 / 100**

OPEN-ES  
Sustainability  
scoring

**88 %**

Permanent employees

**48,24 MWh**

Total energy production  
from renewable sources

Preparation of the  
**CORPORATE  
TRANSITION  
PLAN**

**B**

CDP  
Sustainability  
scoring



**GOVERNANCE**

0  
Incidents of  
corruption in the  
last 3 years

0  
Compliants verified  
through  
Whistleblowing  
channel

A  
Cribis Class

0  
Legal proceedings  
due to late  
payments

### Objectives achieved in the reference year

- Extension of the organizational perimeter with regard to all monitored material issues
- Determining the resilience of the company's strategy and business model
- Review and update KPIs and ESG targets
- Definition of a new company procedure regarding the materiality analysis process
- Review, updating and dissemination of company documents (including Environmental Policy and Organization, Management and Control Model)
- Definition of new strategic ESG suppliers, in accordance with the new procedure adopted
- ESG information and employees awareness
- Digitalization and optimization of business processes (SAP Business One software implementation)



## Business model and sustainability

Datapoint C1 – Paragraph 47 – Letters (a)-(b)-(c)-(d)

In the current context, attention to ESG issues has become crucial for companies wishing to demonstrate a concrete commitment to sustainability and social responsibility, especially for a company like SMAPE, operating in the Oil & Gas sector.

SMAPE's business model is represented by highly specialized activities in support of the extraction and production of natural resources and fossil fuels, intended for hydrocarbon producers clients. In particular, the main activities carried out by the company are:

- Maintenance and intervention in hydrocarbon and geothermal wells
- Coiled Tubing Services
- Fluids and nitrogen pumping
- Enhanced Oil Recovery
- Industrial and pipeline services
- Chemical injection

The company is positioned exactly at the centre of the value chain, in a Business-to-Business (B2B) market. It does not interface with consumers or end users but with customers in the Oil & Gas sector such as ENI, Shell, British Petroleum, ConocoPhillips, Total, SNAM, OMV Petrom, Karachaganak Petroleum Operating Co., Enagas, Edison, INA, Petromanas, Petrobel, Agiba, in the markets of Italy, Europe, Albania, Egypt, Azerbaijan, Kazakhstan, Georgia, Congo and Equatorial Guinea.

The suppliers involved by SMAPE are those of the first level of the value chain, mainly linked to its business model, including purchasers of raw materials (in particular liquid nitrogen and chemical products), producers of fluid and nitrogen pumping units or Coiled Tubing units and service companies supporting business activities (especially freight transport services and travel agencies). In 2024, strategic suppliers were 67, located in all the countries where SMAPE operates and, in particular, Italy and Romania.

All these elements of the business model are directly linked to sustainability issues, in fact:

- Operating in the Oil & Gas sector, even if only as a service company, can have clear implications on environmental issues, particularly climate change and pollution;
- Having personnel, whether own or subcontractors, working in on-shore or off-shore wellsites can have implications on social issues;
- Having business relationships with important global clients and suppliers operating in European countries and beyond can involve and highlight aspects related to corporate governance.

For further details on the impacts that SMAPE generate or may generate on the sustainability topics and on the risks/opportunities that these aspects can cause on the company itself, please refer to the chapters “Material sustainability topics” and “Impacts, risks and opportunities” of this document.

## Corporate Governance

Datapoint C9 – Paragraph 65

In 2024, SMAPE made a change in its administrative, management and control body. The shareholders appointed a Board of Directors, composed of 5 members:

- Giorgio Galli Chairman
- Manuel Columbaro Chief Executive Officer
- Giampiero Iervese Executive Director
- Luca Galli Non-Executive Director
- Andrea Galli Non-Executive Director

This change in strategic leadership marks a pivotal moment in the company's journey and reflects our commitment to fostering innovation, growth and long-term sustainability. In addition, the Board of Directors, despite having a “gender diversity ratio” of zero (it is composed entirely of men), has 3 members under the age of 40, with the clear intent of encouraging youth entrepreneurship and multiplying knowledge and vision in an increasingly complex and precarious scenario.

Regarding the internal control system, the main bodies and/or functions involved are:

### Chairman / Employer

- Chairs the Board of Directors, supervises the functioning and efficiency of the corporate strategy, has responsibilities for Health and Safety and Personnel Management.

### Chief Executive Officer (CEO)

- Has autonomous decision-making powers, is responsible for the actions, company's structure and business model

### Auditor

- Is responsible for monitoring compliance with the laws and compliance with the principles of correct administration of the Board of Directors

## ESG Committee

Datapoint C2 – Paragraph 49

Corporate sustainability is an increasingly important priority for many organizations, which seek to integrate sustainable practices into their goals and strategies. In this perspective, SMAPE established an ESG Committee in 2021, with the specific purpose of:

- Identifying its material topics and their impacts, risks and opportunities for the company and its stakeholders
- Identifying KPIs and define ESG objectives
- Monitoring ESG data annually and verify the achievement of objectives
- Communicate annually to top management and stakeholders the results of the materiality analysis (including the results of the risk assessment) and sustainability data, as well as the results and effectiveness of the policies, actions, metrics and objectives adopted
- Defining measures or projects to limit and progressively reduce its environmental impact
- Maintaining a constant awareness-raising actions, within the company and towards the entire value chain, on sustainability issues

The ESG Committee is composed of the Chairman, the Chief Executive Officer and company figures competent overall on ESG issues. The CEO represents the highest level responsible for the implementation of sustainability practices, policies and initiatives. However, specific delegations have been assigned within the Committee in relation to each material issue.

To ensure adequate development of sustainability skills and competences, specific courses and seminars on these topics have been carried out. Continuous training in this area is also planned in the future.

## Performance-linked compensation mechanisms

In its internal performance measurements, SMAPE includes sustainability metrics that impact remuneration mechanisms. Performance is assessed against non-financial objectives, with particular attention to safety and environmental quality. For all employees, in addition to the fixed salary, there is a variable bonus that is granted based on the sustainability performance achieved. The parameters to which the Productivity Bonus is linked are the following:

- ROS (Return On Sale): represents 40% of the bonus value;
- HSE (linked to the absence of workplace accidents): represents 30% of the bonus value;
- Attendance (linked to absenteeism rate): represents 20% of the bonus value;

- Sustainability: represents 10% of the bonus value.

In particular, the sustainability-related parameter is attributed based of three related company KPIs on which the staff can impact. These KPIs are:

- Reduction of GHG emissions;
- Total waste / Annual revenue;
- Water consumed / Annual revenue.

The value of the Productivity Bonus changes depending on the level and the number of days spent on-site during the calendar year.

### **Product and service innovation**

In the current global economic context, an increasing number of companies are directing their investments towards green and socially responsible initiatives. This transition reflects not only a commitment to the environment and society, but also a recognition of the importance of a sustainable approach to ensure the long-term stability and success of businesses.

In this perspective, SMAPE anticipates continuous improvement and innovation in all its processes as well as research and development activities in all technical and operational fields, inspired and motivated by real business needs. All these innovation projects are foreseen to have positive effects not only on the economy of the company itself, but also on the economy and/or sustainability of the entire supply chain of which SMAPE is part. Therefore, the impact is not direct on the community, but reaches it following the steps of the supply chain.

Starting in 2019, a line of chemical products (and related procedures and application methods) named “SMAPE Green” has been developed, characterized by a reduced environmental impact in terms of biodegradability, eco-toxicity and bioaccumulation.

Furthermore, starting in 2023, significant projects and investments have been launched to seize the opportunities arising from the availability of new technologies, capable of reducing CO<sub>2</sub> emissions in the shortest possible time and improving the efficiency and use of energy used in its activities.

In particular, SMAPE is actively working for the purchase and the design of new equipment driven by electricity instead of the usual internal combustion engine. The advantages are many, especially in term of GHG emissions. In this regard, a study was conducted to compare the GHG emissions of a piece of equipment commonly used by SMAPE (the Power Pack) when powered by different sources. This study takes into account the CO<sub>2</sub> emissions related to the use phase of the unit and not to the previous or subsequent phases (for example production or end of life), which are considered to be comparable between the various examined cases. The obtained values are the following:

## GHG EMISSIONS REDUCTION (in %)

| Power supply with internal diesel engine | Power supply with optimized external diesel generator | Power supply with Italian electricity mix | Power supply with electricity from renewable sources |
|------------------------------------------|-------------------------------------------------------|-------------------------------------------|------------------------------------------------------|
| 0 %<br>(baseline)                        | 14 %                                                  | 61 %                                      | 92 %                                                 |

In collaboration with main relevant suppliers, SMAPE is preparing new electrical operating equipment in order to reach as soon as possible such advantages. In particular, the units actually involved in these projects are Power Packs and Liquid Nitrogen Pumps, with the perspective to expand these project also to other machinery in the coming years.

# GENERATION OF WEALTH

## Economic data

Datapoint C8 – Paragraph 63 – Letters (a) (b) (c) (d)  
Datapoint C8 – Paragraph 64

The sector in which SMAPE operates, the specialized services supporting the extraction and production of natural resources, is very important for energy production and generally for the economic system.

In this perspective, the company periodically communicates the economic value directly generated and distributed through the set of accounting documents required by law. In this way, it is possible to assess in a transparent, truthful and correct manner the patrimonial and financial situation, as well as the economic result of the financial year.

The table below shows the turnover for the entire SMAPE group and for the individual branches and subsidiaries.

|                               | Turnover (k€) |
|-------------------------------|---------------|
| Smape S.r.l.                  | 35.960        |
| Smape S.r.l. and subsidiaries | 40.864        |

The turnover figures indicated above refer to the fossil fuel sector, as defined by Article 2(62) of EU Regulation No. 2018/1999 of the European Parliament and of the Council. Specifically, the economic activities are linked to oil. It should be noted that there are no turnover shares related to the sectors of controversial weapons, of the cultivation and production of tobacco and of chemical production.

In 2024, company's economic activities are not aligned with the European Taxonomy (EU Regulation No. 2020/852). As a result, the company is excluded from the EU benchmarks aligned with the Paris Agreement.

For further details on the economic values generated and distributed by the company, please refer to the relevant sections of the company balance sheet.

# ETHICS AND INTEGRITY

## Commitment

Ethics and integrity are of fundamental importance to any business, as they affect every aspect of the operations and of stakeholder relationships. They define how a business behaves, makes decisions and manages its relationships with employees, client, suppliers and investors.

Since its inception, SMAPE has considered ethical behaviour as a critical and essential component for the creation of long-term value, in line with applicable laws and shared standards for corporate behaviour.

The company has established anti-corruption procedures through an ethical code and a structured management process, promoting the sensitivity towards a transparent, ethical, fair and legal approach at all internal levels and towards all external directions.

The company can describe its internal and external mechanisms to verify the implementation of ethical and legal behaviours by its employees and to track illegal, unethical conduct or lack of integrity. To monitor and measure corruption risk and anti-corruption initiatives, SMAPE has implemented dedicated tools and processes such as:

- the Organization, Management and Control Model compliant with the requirements of Legislative Decree 8 June 2001, n. 231
- the “Charter of General Ethical Principles”, collaborating with Transparency International Italy and participating in the Business Integrity Forum

## Corruption

Datapoint B11 – Paragraph 43

In 2024, as in previous years, there have been no corruption incidents and no legal actions against the company for anti-competitive practices or for anti-trust and anti-monopoly laws violations.

| Values                                       |   |
|----------------------------------------------|---|
| Number of corruption incidents (convictions) | 0 |
| Fines received                               | 0 |

SMAPE adopts initiatives to develop and promote corporate culture, which occur through direct internal relationships, specific events organized within the company and currently through a private group on social media platforms.

The company ensures maximum transparency regarding the methods and timing of payments to the various business partners. This information is clearly defined in the contracts, ensuring clear and transparent management of commercial transactions.

In addition, SMAPE received the Cribis Prime Company certificate in the 2024. This important achievement confirms the high level of economic-commercial solidity and reliability, considering that the certificate is awarded only to the best 7% of 6 million Italian firms present in the CRIBIS database. In particular, SMAPE has reached an A Cribis Class, equivalent to a Cribis D&B rating equal to 1.

The company has a training program on anti-corruption procedures. This program is designed to raise awareness and educate employees about the risks associated with corruption and the procedures to effectively prevent and manage these risks. At the moment, only information sessions have been provided.

Below are the percentages of executive board members and employees who received information on anti-corruption policies and procedures.

|                    | Percentage |
|--------------------|------------|
| Board of Directors | 100,00%    |
| Employees          | 44,55%     |

# VALUE CHAIN MANAGEMENT

## Commitment

The value chain encompasses the entire life cycle of the products and services offered, from design and production to distribution and end of life.

Because of its central position within its value chain, SMAPE recognizes the importance of ensuring a transparent procurement process and regulating its social and environmental impacts to protect its stakeholders. For this reason, a human rights policy has been adopted that also involves suppliers directly. The strategy is clearly defined for each business function and publicly communicated outside the company.

## Actions

To ensure proper management of the upstream and downstream value chain, the company involves, shares and monitors sustainability issues and data. It is committed to selecting certified suppliers who operate according to the highest standards of quality, professionalism, integrity, reliability and respect for human rights, working conditions, ethics and environmental protection. The supplier procurement and qualification process is regulated by a specific internal procedure. This procedure assigns roles and responsibilities, criteria and operating methods in order to ensure the control and management of the supply chain.

The company involves its first-level supply chain using the “Open-Es” platform for the collection and monitoring of ESG performance, for the definition of sustainable development plans and for the possibility of access to preparatory services. Furthermore, it has already started an information exchange, within the goods and services offers procurement process, for the collection, processing and monitoring of sustainability parameters, which integrate and complete the evaluation process.

In addition, SMAPE sends strategic suppliers a specific sustainability questionnaire with different topics addressed, in order to further raise their awareness on sustainability issues. Each supplier then receives an evaluation through the use of a comprehensive evaluation form, which contains the qualification criteria and the minimum score to be achieved.

SMAPE informs its clients about the impact of its products and services through dedicated questionnaires and IT tools, as well as through this Sustainability Report. The information concerns all the topics found to be relevant by the materiality analysis, focusing especially on the management of environmental impacts and energy efficiency.

# MATERIAL SUSTAINABILITY TOPICS

## Commitment

Sustainability topics are crucial for any company committed to operating responsibly and in the long term. Considering and prioritizing these topics allows companies to address global challenges, such as climate change, scarcity of natural resources and social inequalities, while also creating opportunities for innovation, growth and competitiveness.

SMAPE has defined and adopted a structured process to identify relevant sustainability topics. This process began from multiple sources and methodologies and has been refined in accordance with the requirements of the European ESRS standards, including due diligence assessments, stakeholder engagement and comparison with industry best practices.

## Stakeholders

Stakeholder engagement is essential to guide and empower corporate management bodies to prioritize sustainability issues in the long term. To effectively reach all stakeholders, SMAPE has identified the main groups based on perceived risks and potential ESG benefits. These groups and their engagement methods are reported below.

### Employees

- Company Newsletter
- Information, training and engagement courses
- Dialogue with trade unions
- Internal reporting system “[SmaPersCare](#)”
- Periodic meetings

### Clients

- Work assessment sheets
- Periodic meetings

### Suppliers

- Procurement process management system
- Periodic meetings and on-site visits

### Banks

- Periodic meetings

### Local Communities

- Periodic meetings and on-site visits

SMAPE adopts a proactive approach in engaging stakeholder on material sustainability topics. This approach allows for building strong and lasting relationships with its stakeholders and promoting a shared commitment to sustainability.

## **Materiality analysis**

The company has conducted a materiality analysis to assess the impact and relevance of various ESG aspects for the business and key stakeholders. This process allowed the identification and prioritization of key issues, enabling the development of targeted strategies and concrete commitments to address sustainability challenges and opportunities.

The applied methodology is the Double Materiality analysis, which considers important (“material”) a sustainability issue that meets the criteria for impact materiality or financial materiality (or both). A sustainability issue is material from an impact point of view if it generates real or potential, negative or positive, significant impacts on people or the environment, in the short, medium or long term, for SMAPE or for the upstream and downstream value chain. A sustainability issue is instead material from a financial point of view if it generates risks or opportunities that have or could have a significant influence on the development of the company, on its financial position, on financial flows, on access to financing or on the cost of capital in the short, medium or long term.

The following are the topics that were found to be most relevant for SMAPE:

- Climate change and energy efficiency have been identified as topics of significant relevance. This increases awareness of the environmental impact that SMAPE and the value chain can have, the need to reduce carbon dioxide equivalent emissions and improve energy efficiency.
- Pollution is a very important issue, as we recognize the importance of reducing the negative impact on the environment and human health.
- Biodiversity and ecosystems preservation are priority themes, reflecting the commitment to nature conservation and responsible management of natural resources.
- Employee-related issues, such as employment, health and safety, and work-life balance, have proved to be fundamental, demonstrating the company's commitment to the well-being and development of its staff.
- Workers-related issues along the value chain, including employment, health and safety and adequate wages, have been identified as crucial, highlighting SMAPE's responsibility to ensure decent working conditions along the entire supply chain.
- The business conduct of the company is of great importance for the creation of long-term value. This reflects the efforts that the company makes every day to act consciously and respectfully towards everyone and, in particular, towards stakeholders.

The following tables shows the ESG aspects considered relevant and the categories of stakeholders involved.

| CLIMATE CHANGE                        |                             |
|---------------------------------------|-----------------------------|
| <b>Greenhouse gas emissions (GHG)</b> | Customers, Suppliers, Banks |
| <b>Climate change mitigation</b>      | Customers, Suppliers, Banks |
| <b>Energy</b>                         | Customers, Suppliers, Banks |
| <b>Climate change adaptation</b>      | Customers, Suppliers, Banks |

| POLLUTION                                               |                                                    |
|---------------------------------------------------------|----------------------------------------------------|
| <b>Air pollution</b>                                    | Employees, Customers, Suppliers, Local Communities |
| <b>Water pollution</b>                                  | Customers, Suppliers, Local Communities            |
| <b>Soil pollution</b>                                   | Customers, Suppliers, Local Communities            |
| <b>Pollution of living organisms and food resources</b> | Customers, Suppliers, Local Communities            |

| BIODIVERSITY AND ECOSYSTEMS                    |                      |
|------------------------------------------------|----------------------|
| <b>Biodiversity loss due to climate change</b> | Customers, Suppliers |
| <b>Biodiversity loss due to pollution</b>      | Customers, Suppliers |

| OWN WORKFORCE            |                      |
|--------------------------|----------------------|
| <b>Health and safety</b> | Employees, Customers |
| <b>Secure employment</b> | Employees, Customers |
| <b>Adequate wages</b>    | Employees, Customers |
| <b>Work-life balance</b> | Employees, Customers |

## WORKERS IN THE VALUE CHAIN

|                          |                      |
|--------------------------|----------------------|
| <b>Health and safety</b> | Customers, Suppliers |
| <b>Secure employment</b> | Suppliers            |
| <b>Adequate salaries</b> | Suppliers            |
| <b>Work-life balance</b> | Suppliers            |

## BUSINESS CONDUCT

|                                                                          |                                                       |
|--------------------------------------------------------------------------|-------------------------------------------------------|
| <b>Prevention and detection of corruption, including training</b>        | Employees, Customers, Suppliers, Banks, Institutions  |
| <b>Management of supplier relationships, including payment practices</b> | Customers, Suppliers, Banks                           |
| <b>Lobbying activities</b>                                               | Customers, Suppliers, Institutions, Local Communities |
| <b>Incidents of corruption</b>                                           | Employees, Customers, Suppliers, Banks, Institutions  |
| <b>Corporate culture</b>                                                 | Employees, Customers, Suppliers                       |

## IRO Analysis

Impact, Risk and Opportunity Analysis (IRO) is essential to guide business decisions, foster transparency and accountability, and promote the sustainability and long-term success of the company.

This step is carried out during the materiality analysis, following the identification of possible material topics. In fact, once that a specific ESG aspect has been included in the Materiality Analysis process, the first step to carry out is to identify the positive and negative impacts, together with the stakeholders directly involved, the risks and opportunities and the expected time horizons (short, medium or long term).

SMAPE can illustrate its impacts and detail the main sustainability risks and opportunities it faces in its activity sector, thus providing a comprehensive understanding of the environmental, social and governance dynamics affecting it.

| CLIMATE CHANGE                                                                                  |                                                                                     |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Greenhouse gas emissions (GHG)                                                                  |                                                                                     |
| Negative impacts<br>Greenhouse gas emissions                                                    | Positive impacts<br>Reducing emissions through technology development and awareness |
| Risks<br>Decrease in cash inflows, reduction in expected results, reduced access to financing   | Opportunities<br>Increase in cash inflows, improvement in expected results          |
| Climate change mitigation                                                                       |                                                                                     |
| Negative impacts<br>Greenhouse gas emissions                                                    | Positive impacts<br>Reducing emissions through technology development and awareness |
| Risks<br>Decrease in cash inflows, increase in the cost of capital, reduced access to financing | Opportunities<br>Increase in cash inflows, decrease in the cost of capital          |

## Energy

### Negative impacts

High energy consumption

### Positive impacts

Reduction of energy consumption

### Risks

Increase in cash outflows, stalled development, reduced access to financing

### Opportunities

Decrease in cash outflows, business development

## Climate change adaptation

### Negative impacts

No adaptation, no transition

### Positive impacts

Adapting activities to overcome environmental challenges

### Risks

Decrease in cash inflows, increase in the cost of capital, reduced access to financing

### Opportunities

Increase in cash inflows, decrease in the cost of capital

## POLLUTION

### Air pollution

#### Negative impacts

Emissions of polluting substances

#### Positive impacts

Reducing emissions through technology development and awareness

#### Risks

Decrease in cash inflows, reduction in expected results, reduced access to financing

#### Opportunities

Increase in cash inflows, reduction in expected results

### Water pollution

#### Negative impacts

Emissions of polluting substances

#### Positive impacts

-

#### Risks

Increase in cash outflows, failure to develop new substances, decline in company position

#### Opportunities

Decrease in cash outflows, development of new eco-friendly substances, improvement in company position

### Soil pollution

#### Negative impacts

Pollutant emissions, oil spills

#### Positive impacts

-

#### Risks

Increase in cash outflows, failure to develop new substances, decline in company position

#### Opportunities

Decrease in cash outflows, development of new eco-friendly substances, improvement in company position

### Pollution of living organisms and food resources

#### Negative impacts

Emissions of polluting or harmful substances

#### Positive impacts

-

#### Risks

Increase in cash outflows, failure to develop new substances, decline in company position

#### Opportunities

Decrease in cash outflows, development of new eco-friendly substances, improvement in company position

## BIODIVERSITY AND ECOSYSTEMS

### Biodiversity loss due to climate change

#### Negative impacts

Climate change, risk of species extinction

#### Positive impacts

Containing climate change to safeguard endangered species

#### Risks

Decrease in cash inflows, reduced access to financing

#### Opportunities

Increase in cash inflows, improvement in expected results

### Loss of biodiversity due to pollution

#### Negative impacts

Increased pollution, risk of species extinction

#### Positive impacts

Reducing pollution, protecting endangered species

#### Risks

Decrease in cash inflows, reduction in expected results

#### Opportunities

Increase in cash inflows, improvement in expected results

## OWN WORKFORCE

### Health and safety

#### Negative impacts

Injuries at work, occupational diseases, work-related stress, unsuitable working environment, lack of concentration

#### Positive impacts

Employee peace of mind, improved work environment, increased concentration and productivity, increased employee awareness

#### Risks

Excessive increase in cash outflows, decrease in cash inflows, stalled business development, decline of the company position towards the value chain, reduced access to financing

#### Opportunities

Increase in cash inflows, business development, improvement of the company position towards the value chain

### Secure employment

#### Negative impacts

Precarious work, work-related stress, unsuitable work environment

#### Positive impacts

Employee peace of mind, better working environment

#### Risks

Stalled business development, decline of the company position towards the value chain

#### Opportunities

Business development, improvement of the company position towards the value chain

### Adequate salaries

#### Negative impacts

Precarious work, work-related stress, unsuitable work environment, employee dissatisfaction

#### Positive impacts

Employee peace of mind, better working environment

#### Risks

Stalled business development, excessive increase in cash outflows

#### Opportunities

Business development, enhancement of employees skills and qualities

### Work-life balance

#### Negative impacts

Employee dissatisfaction, work-related stress, unsuitable work environment, lack of concentration

#### Positive impacts

Employee peace of mind, improved working environment, increased concentration and productivity, increased employee well-being

#### Risks

Improper use or quality deficit of the workforce

#### Opportunities

-

## WORKERS IN THE VALUE CHAIN

### Health and safety

#### Negative impacts

Injuries at work, occupational diseases, work-related stress, unsuitable working environment, lack of concentration

#### Positive impacts

Employee peace of mind, improved work environment, increased concentration and productivity, increased employee awareness

#### Risks

Excessive increase in cash outflows, decrease in cash inflows, stalled business development, decline of the company position, reduced access to financing

#### Opportunities

Increase in cash inflows, business development, improvement of the company position

### Secure employment

#### Negative impacts

Precarious work, work-related stress, unsuitable work environment

#### Positive impacts

Employee peace of mind, better working environment

#### Risks

Stalled business development, decline of the company position

#### Opportunities

Business development, improvement of the company position

### Adequate salaries

#### Negative impacts

Work-related stress, unsuitable work environment, employee dissatisfaction

#### Positive impacts

Employee peace of mind, better working environment, increase in the employee well-being

#### Risks

Stalled business development, excessive increase in cash outflows

#### Opportunities

Business development, enhancement of employees skills and qualities

### Work-life balance

#### Negative impacts

Employee dissatisfaction, work-related stress, unsuitable work environment, lack of concentration

#### Positive impacts

Employee peace of mind, improved working environment, increased concentration and productivity, increased employee well-being

#### Risks

Improper use or quality deficit of the workforce

#### Opportunities

-

## BUSINESS CONDUCT

### Prevention and detection of corruption, including training

#### Negative impacts

Spread of illegal practices, corruption incidents

#### Positive impacts

Countering the spread of illegal practices

#### Risks

Excessive increase in cash outflows, stalled development

#### Opportunities

Business Development

| <b>Management of supplier relationships, including payment practices</b>                                                                         |                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Negative impacts<br>Spread of illegal practices, corruption incidents                                                                            | Positive impacts<br>Countering the spread of illegal practices, creating economic value                                            |
| Risks<br>Increase in cash outflows, stalled development, reduction in expected results, decline in company position, reduced access to financing | Opportunities<br>Decrease in cash outflows, business development, improvement in expected results, improvement in company position |
| <b>Lobbying activities</b>                                                                                                                       |                                                                                                                                    |
| Negative impacts<br>Dissemination of lobbying activities                                                                                         | Positive impacts<br>Countering the spread of illegal practices                                                                     |
| Risks<br>Increase in cash outflows, decline in company position                                                                                  | Opportunities<br>Decrease in cash outflows, improvement in corporate position                                                      |
| <b>Incidents of corruption</b>                                                                                                                   |                                                                                                                                    |
| Negative impacts<br>Spread of illegal practices, corruption incidents                                                                            | Positive impacts<br>Countering the spread of illicit practices                                                                     |
| Risks<br>Increase in cash outflows, decrease in cash inflows, reduction in expected results, decline in company position                         | Opportunities<br>-                                                                                                                 |
| <b>Corporate culture</b>                                                                                                                         |                                                                                                                                    |
| Negative impacts<br>Loss of credibility                                                                                                          | Positive impacts<br>Countering the spread of illegal practices                                                                     |
| Risks<br>Stalled development, decline in company position                                                                                        | Opportunities<br>Business development, increase in company position                                                                |

The company monitors how risks related to sustainability issues vary over time, also in relation to the prevention and mitigation objectives defined by the company itself.

# STRATEGIC MILESTONES

## Transition to a more sustainable economy

Datapoint B2 – Paragraph 26 – Letters (a)-(b)-(c)-(d)

Datapoint B2 – Paragraph 27

Over the years, SMAPE has worked to promote a transition towards a more sustainable economy. All this work has led to the definition of practices and the adoption of policies and future initiatives that embrace all the sustainability topics: environmental (such as climate change, pollution, water and marine resources, biodiversity and ecosystems, circular economy), social (relating to own workers, workers in the value chain, local communities, end users) and those related to business conduct.

Policies and future initiatives are periodically reviewed and updated, taking into account the findings of the materiality analysis, and include objectives that consider measurable Key Performance Indicators (KPIs), allowing the effective monitoring of progress achieved or yet to be achieved.

Data and KPIs are collected by the heads of branches and subsidiaries and periodically sent to the ESG Committee. These values are also analysed by the highest corporate levels, verifying whether the pre-established targets have been achieved and whether there are additions or changes to be made to the corporate strategy to improve its performance. In this way, adequate transparency and accountability in addressing challenges and implementing sustainability initiatives within the company are assured.

Strategic milestones, results and awards achieved are clearly communicated, not only within the company but also externally through the company website, official social media pages and other communication channels. All ESG performances are also published annually in the Sustainability Report, allowing a complete and unified view of the sustainability commitment of the entire corporate entity and its operations.

## Practices

Datapoint B1 – Paragraph 25

Datapoint B2 – Paragraph 26 – Letters (a)

Datapoint B2 – Paragraph 27

Datapoint B2 – Paragraph 28

Datapoint C2 – Paragraph 48

The following table provides an overview of the ESG practices and strategic milestones that SMAPE has achieved.

| Actions                                                                                                         | ESG Topics                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Digitalization and optimization of business processes (in 2024, SAP Business One software has been implemented) | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |

| Actions                                                                                                                                                                                           | ESG Topics                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Optimizing the materiality analysis process according to the ESRS standards                                                                                                                       | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Increased stakeholder engagement (for materiality analysis, ESG reporting, performance sharing)                                                                                                   | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Extension of the organizational perimeter with regard to all monitored material topics                                                                                                            | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Review and update of the KPIs to be monitored and of the ESG objectives (in 2024, some KPIs have been updated and the targets relating to the Water and Marine Resources topic have been revised) | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Business Conduct                                   |
| Definition and preparation of the corporate transition plan                                                                                                                                       | Climate change<br>Pollution<br>Biodiversity and ecosystems                                                                                                                                               |
| Continuation of important projects and investments in relation to energy efficiency (including design and construction of electric power pack and electric nitrogen pump)                         | Climate change<br>Pollution<br>Biodiversity and ecosystems                                                                                                                                               |
| Switching to renewable electricity for the Cappelle sul Tavo headquarters in Italy                                                                                                                | Climate change                                                                                                                                                                                           |
| Implemented a procedure for monitoring water consumption in the value chain                                                                                                                       | Water and marine resources                                                                                                                                                                               |
| Involved branches and subsidiaries in specific actions to be taken on human rights issues                                                                                                         | Own workers<br>Value Chain Workers                                                                                                                                                                       |
| Flexible working arrangements based on contingent situations, including personal ones                                                                                                             | Own workers                                                                                                                                                                                              |

| Actions                                                                                                                                                                                                                                                                                                             | ESG Topics                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Implemented actions to support employee profitability                                                                                                                                                                                                                                                               | Own workers                                                                                                                                                                                              |
| ESG information and awareness of employees                                                                                                                                                                                                                                                                          | Own workers<br>Business Conduct                                                                                                                                                                          |
| Determining the resilience of the company's strategy and business model                                                                                                                                                                                                                                             | Climate change<br>End users<br>Business Conduct                                                                                                                                                          |
| Adoption of the new whistleblowing channel                                                                                                                                                                                                                                                                          | Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct                                                                                                                 |
| Definition and dissemination of new corporate documents such as:<br>• procedure on the materiality analysis process                                                                                                                                                                                                 | Business Conduct                                                                                                                                                                                         |
| Review, update and dissemination of company documents such as:<br>• environmental policy<br>• Organization, Management and Control model (in accordance with Legislative Decree 231 of 2001), including Ethical Code and Whistleblowing Discipline<br>• procedure on the procurement and qualification of suppliers | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Definition of new strategic ESG suppliers, in accordance with the new procedure adopted                                                                                                                                                                                                                             | Business Conduct                                                                                                                                                                                         |

Among the strategic milestones achieved by SMAPE, there are also the following certifications and awards related to sustainability.

### ISO 9001 Certification

- Quality Management System Certification
- Third party: RINA Services SpA
- Review date: 09/11/2022

### ISO 14001 Certification

- Environmental Management System Certification
- Third party: RINA Services SpA
- Review date: 10/18/2022

### ISO 45001 Certification

- Certification relating to the Health and Safety Management System at the workplace
- Third party: RINA Services SpA
- Review date: 10/18/2022

## Cribis Prime Company certificate

- Certification relating to economic-commercial solidity and reliability
- Third party: CRIBIS Srl
- Review date: 27/03/2024

In addition, a third-party certification for the 2024 greenhouse gas emission values of the Italian branch accordingly to ISO 14064-1 standard is currently underway.

For a further demonstration of the validity of the sustainability path undertaken by SMAPE so far, there are also the following sustainability scores obtained in 2024.

**86**

- Questionnaire: Open-Es
- Scores: from 0 (min) to 100 (max)

**B**

- Questionnaire: CDP (Climate Change)
- Scores: from D- (min) to A (max)

**B**

- Questionnaire: CDP (Water)
- Scores: from D- (min) to A (max)

### Policies

Datapoint B2 – Paragraph 26 – Letters (b)  
Datapoint B2 – Paragraph 27  
Datapoint B2 – Paragraph 28  
Datapoint C2 – Paragraph 48

The policies currently in effect are listed below.

| Policies                                                                                    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ESG Topics                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Smape Manifesto for Sustainability                                                          | Document in which SMAPE declares its commitment to contributing to the achievement of the Sustainable Development Goals ( SDGs ) of the United Nations 2030 Agenda                                                                                                                                                                                                                                                                                                           | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Organization, Management and Control Model, with Ethical Code and Whistleblowing Discipline | Document that formalizes the Company's Organization, Management and Control Model pursuant to and for the purposes of Legislative Decree 231/2001. It also contains the Ethical Code, i.e. the set of ethical principles of behaviour to which the company is inspired and complies, and the Whistleblowing Discipline, i.e. the system and channels set up by the company to allow the reporting of illegal conduct that may harm the integrity or interest of the company. | Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct                                                                                                                 |
| Environmental and sustainability policy                                                     | Document that defines the actions and objectives in favour of the environment and the methods with which they are managed                                                                                                                                                                                                                                                                                                                                                    | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy                                                                                             |
| Policy for the protection of human rights and the prohibition of child labor                | Document in which SMAPE declares its commitment to the protection of human rights and the prohibition of child labor                                                                                                                                                                                                                                                                                                                                                         | Own workers<br>Value Chain Workers<br>Local communities                                                                                                                                                  |
| Health and Safety Policy                                                                    | Document that defines the actions and objectives in favour of health and safety in the workplace and the methods with which they are managed                                                                                                                                                                                                                                                                                                                                 | Own workers<br>Value Chain Workers                                                                                                                                                                       |
| Diversity, Inclusion and Equal Opportunity Management Policy                                | Document in which SMAPE declares its commitment to respecting and valorising diversity, supporting inclusion and promoting equal opportunities                                                                                                                                                                                                                                                                                                                               | Own workers<br>Value Chain Workers                                                                                                                                                                       |
| Training, information and education plan                                                    | Document defining the training program for staff and the courses providing methods                                                                                                                                                                                                                                                                                                                                                                                           | Own workers                                                                                                                                                                                              |

| Policies                        | Description                                                                                                                                            | ESG Topics                                                                               |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Alcohol and Drug Policy         | Document in which SMAPE declares its commitment to preventing and reducing the damage caused by people under the influence of alcohol and drugs        | Own workers<br>Value Chain Workers                                                       |
| Safe Driving Policy             | Document defining actions aimed at preventing and reducing road accidents                                                                              | Own workers<br>Value Chain Workers                                                       |
| Quality Policy                  | Document that defines the actions and objectives for continuous improvement and customer satisfaction and the ways in which they are managed           | Own workers<br>Business Conduct                                                          |
| Employee Retention Policy       | Document that defines the actions aimed at developing an employee retention strategy and the ways in which they are managed                            | Own workers<br>Business Conduct                                                          |
| Personal data protection policy | Document that defines the actions and objectives in favour of the security and protection of personal data and the methods with which they are managed | Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Cybersecurity Policy            | Document that defines the actions and objectives in favour of cyber security                                                                           | Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |

## Future initiatives and targets

[Datapoint B2 – Paragraph 26 – Letters \(c\) \(d\)](#)

[Datapoint B2 – Paragraph 27](#)

[Datapoint B2 – Paragraph 28](#)

[Datapoint C2 – Paragraph 48](#)

The following table shows the ESG initiatives that SMAPE intends to pursue in the future, possibly next year.

| Future initiatives                                                                                                                                                        | ESG Topics                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Continuation of stakeholder engagement (for materiality analysis, ESG reporting, performance sharing)                                                                     | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Continuation of data collection and preparation of ESG reporting                                                                                                          | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Annual update of the materiality analysis                                                                                                                                 | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Review and, if necessary, update of KPIs to be monitored and of the ESG objectives                                                                                        | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Business Conduct                                   |
| Carry out the verification of corporate GHG emissions with a third party, according to the ISO 14064-1 standard                                                           | Climate change                                                                                                                                                                                           |
| Formalization of the corporate transition plan (once the sector guidelines by the Science Based Target Initiative are formalized)                                         | Climate change<br>Pollution<br>Biodiversity and ecosystems                                                                                                                                               |
| Continuation of important projects and investments in relation to energy efficiency (including design and construction of electric power pack and electric nitrogen pump) | Climate change<br>Pollution<br>Biodiversity and ecosystems                                                                                                                                               |
| Switching to renewable electricity for the Ravenna base in Italy                                                                                                          | Climate change                                                                                                                                                                                           |
| Definition of specific targets with assurance of the Science Based Target Initiative (once the sector guidelines are formalized)                                          | Climate change                                                                                                                                                                                           |
| ESG information and awareness of employees                                                                                                                                | Own workers                                                                                                                                                                                              |

| Future initiatives                                                                                                | ESG Topics                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Review and, if necessary, update the determination of the resilience of the company's strategy and business model | Climate change<br>Own workers<br>Value Chain Workers<br>End users<br>Business Conduct                                                                                                                    |
| Review and, if necessary, update of company documents                                                             | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Update of the list of strategic ESG suppliers                                                                     | Business Conduct                                                                                                                                                                                         |
| Sending updated sustainability questionnaires to strategic suppliers                                              | Business Conduct                                                                                                                                                                                         |

In addition, the following table shows the targets set by SMAPE on the various sustainability issues. For further details, please refer to the relevant chapters of this document.

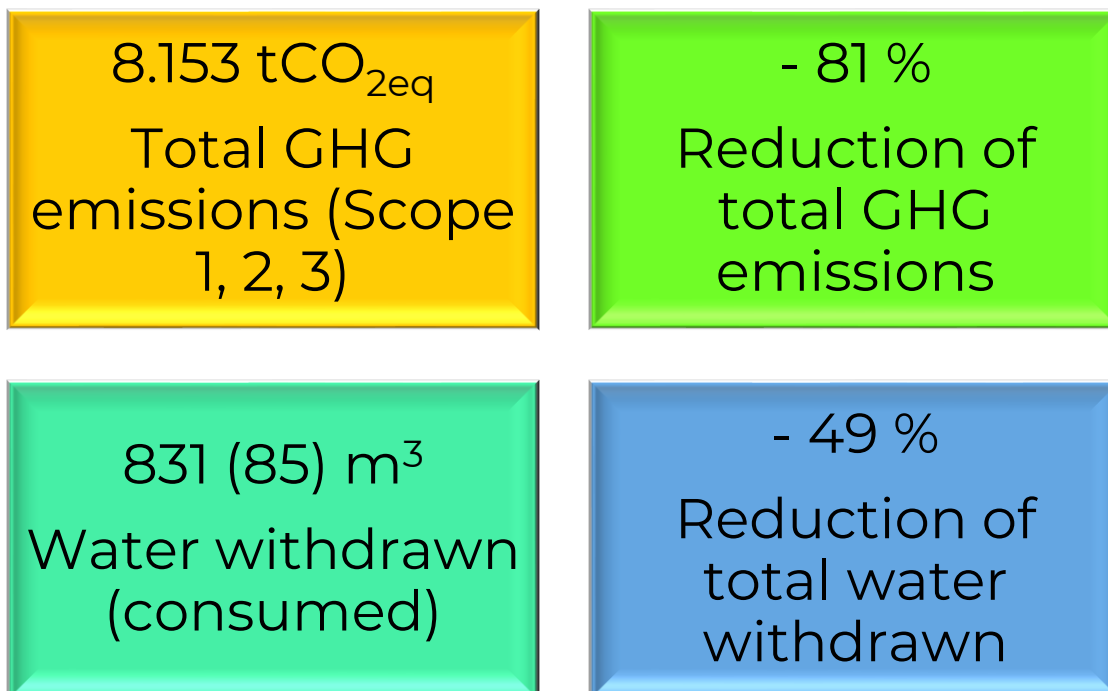
| Target                                                                    | Description                                                                                                                                | ESG Topics                                                                                                                                                                                               |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Complaints verified through Whistleblowing channel<br><br>Target = 0      | Total number of complaints received and verified through the Whistleblowing channel                                                        | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| HSE Certifications<br><br>Target = maintain certifications                | Have and maintain third-party certifications relating to sustainability topics (at least ISO 9001, ISO 14001 and ISO 45001 certifications) | Climate change<br>Pollution<br>Water and marine resources<br>Biodiversity and ecosystems<br>Circular economy<br>Own workers<br>Value Chain Workers<br>Local communities<br>End users<br>Business Conduct |
| Total GHG emissions<br><br>-30% target by 2030<br>Net zero target by 2050 | Total greenhouse gas emissions in tonnes of CO <sub>2</sub> equivalent                                                                     | Climate change<br>Pollution<br>Biodiversity and ecosystems                                                                                                                                               |

| Target                                                                            | Description                                                                                                                                              | ESG Topics                                                 |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Scope 1 and 2 GHG Emissions<br><br>-42% target by 2030<br>Net zero target by 2050 | Quantity of greenhouse gas emissions in tonnes of CO <sub>2</sub> equivalent belonging to the Scope 1 and Scope 2 category according to the GHG Protocol | Climate change<br>Pollution<br>Biodiversity and ecosystems |
| Scope 3 GHG Emissions<br><br>-30% target by 2030<br>Net zero target by 2050       | Quantity of greenhouse gas emissions in tonnes of CO <sub>2</sub> equivalent belonging to the Scope 3 category according to the GHG Protocol             | Climate change<br>Pollution<br>Biodiversity and ecosystems |
| Intensity of water withdrawn<br><br>Target ≤ 50 l / 1000 €                        | Number equal to the ratio between the water withdrawn and the company's turnover                                                                         | Water and marine resources                                 |
| Intensity of water consumed<br><br>Target ≤ 5 l / 1000 €                          | Number equal to the ratio between water consumed and company turnover                                                                                    | Water and marine resources                                 |
| Intensity of water discharged<br><br>Target ≤ 45 l / 1000 €                       | Number equal to the ratio between the water discharged and the company turnover                                                                          | Water and marine resources                                 |
| Fatal injuries<br><br>Target = 0                                                  | Numbers of fatal injuries at work from employed and non-employed workers                                                                                 | Own workers                                                |
| Permanent injuries<br><br>Target = 0                                              | Numbers of injuries at work with permanent consequences from employed and non-employed workers                                                           | Own workers                                                |
| Temporary injuries<br><br>Target = 0                                              | Numbers of injuries at work with temporary consequences from employed and non-employed workers                                                           | Own workers                                                |
| Lost Time Injuries (LTI)<br><br>Target = 0                                        | Number of events resulting in at least one day of work lost due to injury                                                                                | Own workers                                                |
| Lost Time Injury Rate (LTIR)<br><br>Target = 0                                    | Value equal to the result of the following formula:<br>$1,000,000 \times \text{LTI} / \text{Total hours worked}$                                         | Own workers                                                |
| Total Recordable Injury (TRI)<br><br>Target = 0                                   | Number of recordable injuries (from deaths to simple first aid medical treatments for minor events with a short absence from work but not incapacity)    | Own workers                                                |
| Total Recordable Injury Rate (TRIR)<br><br>Target = 0                             | Value equal to the result of the following formula:<br>$1,000,000 \times \text{TRI} / \text{Total hours worked}$                                         | Own workers                                                |

| Target                                                                   | Description                                                                                                                                          | ESG Topics       |
|--------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Claims resulting for occupational diseases<br>Target = 0                 | Number of claims received for occupational diseases of employees                                                                                     | Own workers      |
| Recordable cases of occupational diseases<br>Target = 0                  | Number of confirmed cases of occupational diseases of employees                                                                                      | Own workers      |
| Permanent Employees Ratio<br>Target > 80%                                | Percentage of permanent employees across the SMAPE Group                                                                                             | Own workers      |
| Ratio of entry level salary to local minimum wage<br>Target >= 1         | Number equal to the ratio between the entry salary in SMAPE and the minimum salary of the reference country                                          | Own workers      |
| Ratio of average salary to local minimum wage<br>Target > 1              | Number equal to the ratio between the average salary in SMAPE and the minimum salary of the reference country                                        | Own workers      |
| Overtime Hours Ratio<br>Target < 10%                                     | Percentage of overtime hours paid across the SMAPE group compared to total hours worked                                                              | Own workers      |
| Ratio of used leave to accrued leave<br>Target >= 100%                   | Percentage equal to the ratio between the number of leave taken by employees of the entire SMAPE group and the number of accrued leave               | Own workers      |
| Absenteeism rate<br>Target < 5%                                          | Percentage equal to the ratio between the total number of hours not worked and the total number of hours worked in the entire SMAPE group            | Own workers      |
| Employees participating in health and wellness programs<br>Target = 100% | Percentages of employees who participated in health and wellness training programs across the SMAPE group                                            | Own workers      |
| Incidents of corruption<br>Target = 0                                    | Number of incidents and/or legal actions for corruption, anti-competitive behaviour, violations of anti-trust laws, violations of anti-monopoly laws | Business Conduct |



**ENVIRONMENT**



### Objectives achieved in the reference year

- Determining the resilience of the company's strategy and business model
- Definition and preparation of the corporate transition plan
- Continuation of important projects and investments in relation to energy efficiency (including design and construction of electric power pack and electric nitrogen pump)
- Review, updating and dissemination of corporate documents (including Environmental Policy)
- Digitalization and optimization of business processes (SAP Business One software implementation)



# CLIMATE CHANGE

## Commitment and targets

Datapoint C3 – Paragraph 54 – Letters (a) (b) (c) (d)

The latest scientific reports highlight unprecedented changes in the global climate. In 2024, the global average temperature increased again, exceeding for the first time the limit of 1.5 °C compared to the pre-industrial period foreseen in the Paris Agreement. This is clearly a point of no return on the path towards a more extreme climate, causing alterations in all regions of the world and significant economic costs.

To help mitigate these effects, SMAPE has adopted an environmental policy, which addresses the management of aspects related to climate change and energy efficiency. The strategy has been clearly defined for each business function and then publicly communicated outside the company.

Since 2019, SMAPE has been measuring and monitoring its greenhouse gas (GHG) emissions in the Scope 1 category (direct emissions), Scope 2 (indirect emissions related to energy purchased by the company) and Scope 3 (indirect emissions that do not fall within either Scope 1 or Scope 2). Furthermore, since 2021 the organizational scope has been expanded to include branches and subsidiaries in the measurements and since 2022 a comprehensive inventory of Scope 3 emissions has been carried out. For these reasons, 2022 is considered the baseline year for reducing emissions.

In order to resolutely pursue the reduction of climate change and the achievement of climate action objectives, the company has established clear targets to reduce greenhouse gas emissions, with the purpose of validating them through the Science Based Target Initiative (SBTi) platform as soon as it is again possible to make the Commitment for Oil & Gas companies .

| GHG EMISSION REDUCTION<br>(COMPARED TO THE BASELINE YEAR 2022) |                     |                     |
|----------------------------------------------------------------|---------------------|---------------------|
|                                                                | 2030<br>(near term) | 2050<br>(long-term) |
| Total emissions                                                | 30%                 | 100%                |
| Scope 1 and 2 emissions                                        | 42%                 | 100%                |
| Scope 3 emissions                                              | 30%                 | 100%                |

In detail, considering the absolute values in tonnes of CO<sub>2</sub> equivalent of 100-year GWP fossil, the emission reduction targets translate as follows.

## GHG EMISSION REDUCTION (in tCO<sub>2eq</sub>)

|                          | 2022<br>Base year | 2030<br>Target year | 2050<br>Target year |
|--------------------------|-------------------|---------------------|---------------------|
| <b>Total emissions</b>   | 42.753            | 29.670              | 0                   |
| <b>Scope 1 emissions</b> | 1.319             | 765                 | 0                   |
| <b>Scope 2 emissions</b> | 141               | 82                  | 0                   |
| <b>Scope 3 emissions</b> | 41.293            | 28.905              | 0                   |

It should be noted that the considered targets refer to 100% of all emissions, without any exclusions.

### GHG Emissions

Datapoint B3 – Paragraph 30 – Letters (a) (b)  
 Datapoint B3 – Paragraph 31  
 Datapoint B3 – Paragraph 50  
 Datapoint B3 – Paragraph 51  
 Datapoint B3 – Paragraph 52  
 Datapoint B3 – Paragraph 53

Scope 1, Scope 2 and Scope 3 greenhouse gas emissions data related to 100-year GWP fossil, according to the GHG Protocol (measured in tonnes of CO<sub>2</sub> equivalent), are shown in the table below.

|                        | GHG Emissions 2024 (tCO <sub>2eq</sub> ) |
|------------------------|------------------------------------------|
| Scope 1                | 1.096                                    |
| Scope 2 location-based | 75                                       |
| Scope 2 market-based   | 45                                       |
| Scope 3                | 6.982                                    |
| Total                  | 8.153                                    |

Alternatively, the same greenhouse gas emission values are reported below accordingly to the ISO 14064-1 standard, for which a third-party certification for the Italian branch is currently underway.

|                                                                              | GHG Emissions 2024 (tCO <sub>2eq</sub> ) |
|------------------------------------------------------------------------------|------------------------------------------|
| Direct emissions                                                             | 1.096                                    |
| Indirect emissions from imported energy                                      | 75                                       |
| Indirect emissions from transportation                                       | 2.951                                    |
| Indirect emissions from products used by organization                        | 4.031                                    |
| Indirect emissions associated with the use of products from the organization | 0                                        |
| Indirect GHG emissions from other sources                                    | 0                                        |
| Total                                                                        | 8.153                                    |

Emission intensity data of Scope 1, Scope 2 and Scope 3 categories according to the GHG Protocol in relation to 2024 turnover (measured in grams of CO<sub>2</sub> equivalent divided by Euro) are shown in the following table.

|                        | GHG Emission Intensity 2024 (gCO <sub>2eq</sub> /€) |
|------------------------|-----------------------------------------------------|
| Scope 1                | 26,82                                               |
| Scope 2 location-based | 1,84                                                |
| Scope 2 market-based   | 1,10                                                |
| Scope 3                | 170,86                                              |
| Total                  | 199,52                                              |

The turnover considered in the calculation refers to Smape S.r.l. and the subsidiaries, that is equal to 40.864 k€.

Emissions values disaggregated for the various significant Scope 3 categories are also indicated in accordance with the GHG Protocol.

|                                                | GHG Emissions 2024 (tCO <sub>2eq</sub> ) |
|------------------------------------------------|------------------------------------------|
| Purchased goods and services                   | 3.065                                    |
| Capital goods                                  | 575                                      |
| Fuel and energy related activities             | 288                                      |
| Upstream transport and distribution of goods   | 2.050                                    |
| Waste generated in operations                  | 103                                      |
| Business travels                               | 818                                      |
| Employee commuting                             | 83                                       |
| Upstream leased assets                         | 0                                        |
| Downstream transport and distribution of goods | 0                                        |
| Processing of sold products                    | 0                                        |
| Use stage of the products                      | 0                                        |
| End-of-life treatment of products sold         | 0                                        |
| Downstream leasing assets                      | 0                                        |
| Franchises                                     | 0                                        |
| Investments                                    | 0                                        |

Below a comparison with the baseline year (2022) is shown.

| <i>GHG emissions (tCO<sub>2eq</sub>)</i> | 2024  | 2022   | Change (%) |
|------------------------------------------|-------|--------|------------|
| Scope 1                                  | 1.096 | 1.319  | - 17 %     |
| Scope 2 location-based                   | 75    | 141    | - 47 %     |
| Scope 2 market-based                     | 45    | 141    | - 68 %     |
| Scope 3                                  | 6.982 | 41.293 | - 83 %     |
| Total                                    | 8.153 | 42.753 | - 81 %     |

Factors that contributed to the variations observed in the previous table are:

- The variability of SMAPE activities (not only in terms of number and location of projects, but also in the emissions intensity associated with these projects)
- The increase/decrease in activity data (e.g. changes in fuel quantity, quantity of products purchased, quantity of electricity)
- The increase/decrease of emission factors associated with activity data (e.g. the emission factor of kWh of electricity consumed)
- The increase/decrease in the coverage of collected primary data (e.g., extending the analysis to previously ignored primary data)

For the granulated data on GHG emissions of branches and subsidiaries of SMAPE group, please refer to the document "Sustainability Report 2024 – Addendum".

For more detailed analysis, please refer also to the specific report "Greenhouse Gas Emissions Inventory – Reference year 2024".

## Energy consumption

Datapoint B3 – Paragraph 29

SMAPE is actively engaged in measuring and monitoring its energy consumption, demonstrating a strong commitment and positive awareness towards environmental sustainability.

The energy consumption and energy production in Megawatt hours (MWh) from renewable and non-renewable sources are reported below.

| Energy consumption (MWh) | Non-renewable | Renewable | Total    |
|--------------------------|---------------|-----------|----------|
| Fuels                    | 4.309,15      | 2,58      | 4.311,73 |
| Electricity              | 113,90        | 151,40    | 265,30   |
| Total                    | 4.423,05      | 153,98    | 4.577,03 |

| Energy production (MWh) | Non-renewable | Renewable | Total |
|-------------------------|---------------|-----------|-------|
| Energy production       | 0,00          | 48,24     | 48,24 |

The energy production table refers exclusively to the Italian branch. In fact, since 2014, SMAPE has already installed a 45 kWp photovoltaic system at Cappelle sul Tavo (PE) facility, which produces approximately 55 MWh annually (over 200,000 MJ), with a GHG emissions saving of approximately 40 Tons of CO<sub>2eq</sub>/year. Furthermore, starting from 2023, the electricity purchased at Cappelle sul Tavo (PE)

facility is covered by Guarantees of Origin (GO), therefore it comes entirely from renewable sources.

As a direct result of these energy efficiency and saving initiatives, SMAPE achieved a reduction in energy consumption of 34,66 MWh in 2024 and uses a total of 153,98 MWh of renewable energy in its processes.

For the granulated data on energy consumption of branches and subsidiaries of SMAPE group, please refer to the document "Sustainability Report 2024 – Addendum".

## Transition and decarbonisation plan

[Datapoint C3 – Paragraph 54 – Letter \(e\)](#)

[Datapoint C3 – Paragraph 55](#)

In 2024, SMAPE has developed a detailed transition plan for decarbonization and climate change mitigation. The plan was prepared following the “Cross sector” guidelines of the Science Based Targets Initiative (SBTi), as the Oil&Gas sector guideline is still under development.

The objectives taken into consideration in the transition plan foresee 2030 as a target year (“near-term” target) and concern all the three Scopes expected by the GHG Protocol. For further details, refer to the paragraph “Commitment and targets”.

The measures/actions envisaged to achieve these goals are the following:

- Reduce Scope 1 emissions through a reduction in fuel consumption. To do this,
  - periodic maintenance necessary to keep equipment at maximum efficiency will continue to be performed;
  - the purchase or construction of new machinery will consider the best available technologies, so that the same operations can be carried out using less fuel.
- Reduce Scope 1 emissions through the use of low-impact fuels, such as HVO (acronym for Hydrotreated Vegetable Oil). In particular, the following actions are planned:
  - The progressive introduction of 100% HVO diesel fuel for light and heavy vehicles used by European offices;
  - The progressive introduction of diesel fuel composed of at least 15% HVO (with the aim of exceeding this value and reaching the highest possible percentage) for the operating equipment used by European offices.
- Reduce Scope 2 emissions by purchasing electricity from renewable sources. In detail, the following activities are considered:

- The progressive transition to an electricity supply covered by Guarantees of Origin for all European facilities;
  - The progressive transition to a supply of at least 50% renewable electricity for all non-European facilities.
- Reduce Scope 3 emissions through the involvement and engagement of relevant suppliers in taking concrete actions towards sustainability and decarbonisation.

The transition plan will be made official once the Science Based Target Initiative defines the guidelines relating to the Oil&Gas sector.

### Physical and transition risks

Datapoint C4 – Paragraph 57 – Letter (a) (b) (c) (d)  
Datapoint C4 – Paragraph 58

The potential effects arising from climate change and decarbonisation process could generate burdens for the entire economic system and lead to significant financial losses, especially if not managed in an orderly manner. Adequate monitoring and prudent management of climate risks are therefore essential to reduce the vulnerabilities of the financial system. In this regard, SMAPE is able to:

- analyse and indicate the relevant physical risks (connected to the occurrence of extreme natural phenomena) and transition risks (deriving from the transition to new energy production and consumption systems that allow the reduction of greenhouse gas emissions) linked to the climate change.
- analyse the main financial effects in relation to physical and transition risks related to climate change.

The identification and assessment of these risks is conducted within the Materiality Analysis process, specifically following the IRO (Impacts, Risks and Opportunities) procedure, in line with European standards. In addition, to determine the financial effects of transition risks in greater detail, a resilience analysis of the corporate strategy has been performed, supported by a scenario analysis carried out according to the indications of the IEA and the NGFS agencies.

Regarding the physical risks, the only one considered material for the company is the risk of floods, which can lead to a decrease in cash inflows and an increase in cash outflows. Given the unpredictability of such an event, financial effects can occur even in the short term.

With regard to transition risks, the following were found to be material:

- the risk associated with the failure or partial adoption of national/international ESG regulations and/or legislation;

- the risk due to the failure or partial adaptation of the company strategy, considering the possible reduction in fossil fuels supply in the Net Zero 2050 scenarios.

Such transition risks may lead to negative effects like reduce in cash inflows, reduction in expected results, increase in the cost of capital or reduced access to financing, with possible financial effects even in the short term.

Transition risks were also analysed with the support of the resilience analysis of the corporate strategy and the scenario analysis. In particular, the most critical climate scenarios from this point of view, in line with the limitation of global warming to 1.5 °C, i.e. the IEA NZE scenario and the NGFS Net Zero 2050 scenario, were taken into account. In addition, considering the internal worst-case scenario, it was assumed that no changes to the current corporate strategy will be made in the coming years.

The main parameter considered during the resilience analysis is the company turnover and a criticality threshold value equal to the minimum turnover achieved by the corporate group in the last 15 years was considered.

The results regarding the estimate of the reduction in company turnover are the following:

| TURNOVER REDUCTION (in %) |                     |                   |                         |
|---------------------------|---------------------|-------------------|-------------------------|
|                           | 2030<br>Medium term | 2050<br>Long term | Critical threshold year |
| IEA-NZE                   | 35%                 | 69%               | 2031                    |
| NGFS - Net Zero 2050      | 2 %                 | 66%               | 2043                    |

To address these physical and transition risks, SMAPE has undertaken specific climate change adaptation actions. In particular:

- for physical risks:
  - in company facilities particularly subject to floods, technical and engineering measures have been adopted in order to contain the effects, restore the state of the premises and resume operational activities as soon as possible;

- the use of smart working is allowed, which, among other advantages, guarantees the operation of office employees even in these adverse cases.
- for transition risks:
  - the ESG Committee has been established, in order to concretely address the various sustainability issues and define measures or projects both to progressively reduce their environmental impact and to adopt ESG regulations and/or legislation;
  - a transition and decarbonisation plan has been defined, precisely to establish concrete actions to be implemented progressively to promote and accelerate the energy transition;
  - a resilience analysis of the company strategy has been carried out, both to determine in greater detail the financial effects of transition risks and to identify the aspects of the company strategy to be improved/adapted in the event of a possible reduction in supply of fossil fuels in the Net Zero 2050 scenarios.

## Commitment

Environmental pollution is one of the most urgent and complex challenges of our time, with significant impacts on human health, biodiversity and climate change. It is crucial for companies to understand and address their environmental footprint to mitigate negative effects on ecosystems and contribute to a sustainable future.

In this perspective, SMAPE has adopted an environmental policy, which considers the management of pollution related to air, water and soil. The strategy has been clearly defined for each business function and then publicly communicated outside the company.

## Actions

Datapoint B4 – Paragraph 32

It is emphasized that the company is not subject to legal obligations or other national regulations regarding the precise measurement of pollutant emissions related to air, water and soil. Indeed, the only sources of emissions are due to internal combustion engines exhausts.

However, during the operations at its facilities or well sites, SMAPE adopts techniques, materials and procedures that meet stringent environmental compatibility and safety assessments, ensuring maximum respect for the natural environment.

The company has implemented a system for monitoring the impacts of its own activities and those of the value chain, in order to assess in detail how business operations affect pollution and what measures can be adopted to eliminate or reduce such actions. This process considers several factors:

- own activities: monitoring any incidents on the well site, reviewing and updating the KPIs relating to CO<sub>2</sub> emissions and, consequently, the main pollutants linked to hydrocarbons combustion, verifying and updating the operational practices;
- value chain activities: the company constantly monitors the actions taken by Clients and Suppliers in relation to this issue.

In addition, SMAPE always uses the most suitable products in carrying out its services and invests in research and development of solutions that respect the territory and biodiversity. For this purpose, the company has developed a line of chemical products (and related procedures and application methods) called “SMAPE Green”, which has reduced environmental impact in term of biodegradability, eco-toxicity, bioaccumulation.

# BIODIVERSITY AND ECOSYSTEMS

## Commitment

Among the environmental challenges to be faced, the protection of biodiversity and ecosystems plays a critical role. Biodiversity is essential because it supports life on Earth: a healthy biodiversity means healthy people and ensures food and water security. Furthermore, biodiversity contributes to the resilience of ecosystems, becoming a precious ally in tackling the climate crisis.

The company has adopted an environmental policy, which considers the management of aspects related to biodiversity and ecosystems. This policy has been clearly defined for each corporate function and therefore communicated publicly also outside the company.

## Areas and sites owned

Datapoint B5 – Paragraph 33

Datapoint B5 – Paragraph 34 – Letters (a) (b) (c) (d)

It is emphasized that none of the sites owned, leased or managed by the SMAPE group are located in or near protected areas and/or biodiversity sensitive areas.

In addition, the table below shows some indicators relating to land use (in hectares).

| Areas (in hectares)                    | 2024 | 2023 | Variation |
|----------------------------------------|------|------|-----------|
| Total waterproofed surface             | 5,77 | 5,77 | 0 %       |
| Total nature-oriented area on the site | 0,00 | 0,00 | 0 %       |
| Total nature-oriented area off-site    | 0,00 | 0,00 | 0 %       |
| Total land use                         | 5,77 | 5,77 | 0 %       |

For the granulated data on areas in hectares of sites that the company owns, has leased or manages, divided by branch and subsidiary, please refer to the document "Sustainability Report 2024 – Addendum".

## Actions

It is emphasized that the company is not involved in operations that could generate negative effects on threatened species. This means that company's activities do not pose direct risks to the survival or well-being of vulnerable species.

However, during the performance of its activities at the facilities or well sites, SMAPE adopts techniques, materials and procedures that respond to stringent environmental compatibility and safety assessments and that guarantee maximum respect for the natural environment and biodiversity.

In order to assess in detail how company operations can affect surrounding ecosystems and therefore be able to adopt adequate measures to ensure their protection and conservation, the company has implemented a system for monitoring the impacts of its own activities and the value chain on biodiversity. This process considers several factors:

- own activities: the land use, the number and extend of sites owned, leased or managed located in or near protected areas and/or biodiversity sensitive areas
- value chain: SMAPE constantly monitors the actions taken by the Clients in relation to these issues

In addition, SMAPE always uses the most suitable products in carrying out its services and invests in research and development of solutions that respect the territory and biodiversity. For this purpose, the company has developed a line of chemical products (and related procedures and application methods) called “SMAPE Green”, which has reduced environmental impact in term of biodegradability, eco-toxicity, bioaccumulation.

# WATER AND MARINE RESOURCES

## Commitment and targets

Water is a primary resource to be preserved and it is necessary to commit to limiting consumption and reducing environmental impacts on the land.

For this reason, the company has adopted an environmental policy, which considers the management of corporate water resources, for offices and well sites. This strategy has been clearly defined in each corporate function and then publicly communicated externally.

SMAPE is not only actively committed in measuring but also monitoring water use, focusing on further classification of water usage in areas subject to water stress. This enables precise identification of resource usage levels and trends over time.

In addition, the company has implemented targeted monitoring and reporting processes, also regarding the consumption of water resources in its value chain. On this purpose, Clients and Suppliers are directly involved to obtain data on water withdrawn and consumed. In the absence of direct responses, the values are obtained through research in the documentation or in the Sustainability Reports. From the overall data, estimates are made of the quantities attributable to SMAPE.

The targets related to water resources management are:

| WATER RESOURCES TARGETS                                                           |                 |
|-----------------------------------------------------------------------------------|-----------------|
| Water consumption Intensity<br>(water consumed / annual revenue)                  | < 5 l / 1000 €  |
| Water withdrawal Intensity<br>(water withdrawn / annual revenue)                  | < 50 l / 1000 € |
| Water discharge Intensity<br>(discharged water / annual revenue)                  | < 45 l / 1000 € |
| Number of compliants received for WASH services<br>(Water - Sanitation - Hygiene) | = 0             |

## Water resources

[Datapoint B6 – Paragraph 35](#)

[Datapoint B6 – Paragraph 36](#)

The tables below show the quantities of water withdrawn, consumed, recovered and stored (in cubic meters) in the company's activities throughout the SMAPE group. In addition, the values of water withdrawn and consumed are specified for geographic areas classified as high or extremely high level of "water stress", along with the estimated value of water withdrawn and consumed for the entire value chain.

Finally, the values of the intensity of water consumed, withdrawn and discharged in the company's operations (in litres per €1,000 of net revenues) and the number of complaints received in 2024 regarding water resources and sanitation and hygiene services (WASH services) are reported.

| Water volumes in business activities (m <sup>3</sup> ) | Total | In areas with high water stress |
|--------------------------------------------------------|-------|---------------------------------|
| Withdrawn                                              | 831   | 749                             |
| Consumed                                               | 85    | 68                              |
| Recovered                                              | 0     | 0                               |
| Stored                                                 | 0     | 0                               |

| Estimated water volumes per value chain (m <sup>3</sup> ) | Total   |
|-----------------------------------------------------------|---------|
| Withdrawn                                                 | 294.200 |
| Consumed                                                  | 16.300  |

|                                          | Values |
|------------------------------------------|--------|
| Water withdrawal intensity (l / 1000 €)  | 20,34  |
| Water consumption intensity (l / 1000 €) | 2,08   |
| Water discharge intensity (l / 1000 €)   | 18,26  |
| Number of complaints on WASH services    | 0      |

It should be noted that the estimated values for the value chain cover approximately 95% of Customers and approximately 35% of Suppliers.

Below is a comparison with the baseline year (2022).

| Water volumes (m <sup>3</sup> ) | 2024 | 2022  | Change (%) |
|---------------------------------|------|-------|------------|
| Withdrawn                       | 831  | 1.640 | - 49 %     |
| Consumed                        | 85   | 166   | - 49 %     |

For the granulated data on water withdrawal and consumption of branches and subsidiaries of SMAPE group, please refer to the document "Sustainability Report 2024 – Addendum". For more detailed analysis, please refer also to the specific report "Water report 2024".

## Commitment

We need to rethink production from an eco-design perspective, aimed at extending product lifespan, facilitating recycling and delaying the final disposal as much as possible. However, this issue requires further policy efforts to be addressed effectively. It is important to recognize that the rational use of raw materials, combined with careful waste management, helps reduce the environmental impact of the production process.

In this regard, SMAPE has adopted an environmental policy, which considers waste management and the circular economy and has also communicated it publicly externally.

## Actions

[Datapoint B7 – Paragraph 37](#)

[Datapoint B7 – Paragraph 38 – Letter \(c\)](#)

The company is actively working to apply the principles of the circular economy. In particular:

- tries as much as possible to extend the equipment and machinery life through periodic preventive maintenance activities. This allows to reduce the amount of waste and pollution;
- if a piece of equipment or machinery is no longer usable:
  - tries to recover as many components as possible and install them in other units that need them or stock them up in the warehouse for possible future uses. As a result, the amount of final waste is reduced and products and materials are recovered;
  - further divides the remaining parts in order to direct as much material as possible to recovery rather than disposal. In this way, a greater quantity of waste can be recycled.

In addition, SMAPE has tools to measure the flows of resources and materials that enter the production process and business operations. These tools provide a comprehensive and accurate picture of the company's procurement, support responsible resource management and promote environmental sustainability within business operations. Please note that this information is not reported in this Sustainability Report as the company does not operate in a sector that uses significant material flows.

In addition, the company has implemented methodologies to measure and monitor the amount of waste produced. This allows the company to identify potential areas of improvement and adopt targeted strategies to reduce its accumulation.

## Waste

Datapoint B7 – Paragraph 38 – Letter (a) (b)

The quantities (in kg) of waste divided by type and destination and the percentages of waste diverted to recycle/reuse or to disposal with respect to the total waste produced by the company are shown in the following table.

| Waste generated (kg) | Diverted to recycle/reuse | Directed to disposal | Total   |
|----------------------|---------------------------|----------------------|---------|
| Hazardous            | 8.119                     | 77.567               | 85.686  |
| Non-hazardous        | 78.442                    | 146.683              | 225.125 |
| Total                | 86.561                    | 224.250              | 310.811 |
| Percentages          | 27,85%                    | 72,15%               | 100,00% |

The quantities (in kg) of the types of hazardous and non-hazardous waste produced by the entire SMAPE group are provided below.

| Hazardous waste (kg)           | Diverted to recycle/reuse | Directed to disposal | Total  |
|--------------------------------|---------------------------|----------------------|--------|
| Aqueous waste                  | 0                         | 60.006               | 60.006 |
| Spare parts for equipment      | 130                       | 8.834                | 8.964  |
| Mineral oils                   | 6.182                     | 0                    | 6.182  |
| Absorbent and filter materials | 790                       | 2.986                | 3.776  |
| Chemicals                      | 0                         | 2.840                | 2.840  |
| Packaging                      | 0                         | 2.241                | 2.241  |
| Other waste                    | 1.017                     | 660                  | 1.677  |

| Non-hazardous waste (kg)       | Diverted to recycle/reuse | Directed to disposal | Total   |
|--------------------------------|---------------------------|----------------------|---------|
| Municipal solid waste          | 1.660                     | 124.000              | 125.660 |
| Metal waste                    | 70.582                    | 0                    | 70.582  |
| Aqueous waste                  | 0                         | 16.230               | 16.230  |
| Wood                           | 5.480                     | 140                  | 5.620   |
| Mineral oils                   | 0                         | 3.500                | 3.500   |
| Absorbent and filter materials | 0                         | 2.460                | 2.460   |
| Spare parts for equipment      | 0                         | 320                  | 320     |
| Other waste                    | 720                       | 33                   | 753     |

The quantities (in kg) of hazardous and non-hazardous waste divided by destination are shown below.

| Quantity (kg)                                                    |         |
|------------------------------------------------------------------|---------|
| <b>Non-hazardous waste divided by destination</b>                |         |
| Total non-hazardous waste destined for preparation for reuse     | 0       |
| Total non-hazardous waste destined for recycling                 | 0       |
| Total non-hazardous waste destined for other recovery operations | 78.442  |
| Total non-hazardous waste destined for incineration              | 0       |
| Total non-hazardous waste destined for landfill disposal         | 0       |
| Total non-hazardous waste destined for other disposal operations | 146.683 |

| Quantity (kg)                                                |        |
|--------------------------------------------------------------|--------|
| <b>Hazardous waste sorted by destination</b>                 |        |
| Total hazardous waste intended for preparation for reuse     | 0      |
| Total hazardous waste destined for recycling                 | 0      |
| Total hazardous waste destined for other recovery operations | 8.119  |
| Total hazardous waste destined for incineration              | 0      |
| Total hazardous waste destined for landfill disposal         | 0      |
| Total hazardous waste destined for other disposal operations | 77.567 |

For the granulated data on waste generated by branches and subsidiaries of SMAPE group, please refer to the document "Sustainability Report 2024 – Addendum".



**SOCIAL**

222 (22 women)  
Total employees

196 (88%)  
Permanent  
employees

3.5%  
Overtime hours /  
Total working  
hours

2.3  
Entry level salary  
/ local minimum  
wage

### Objectives achieved in the reference year

- Involved branches and subsidiaries in specific actions to be taken on human rights issues
- Review, updating and dissemination of company documents (including the Organization, Management and Control Model)
- Continued support to employees' profitability
- Flexible working arrangements based on contingent situations, including personal ones
- ESG information and awareness of employees
- Digitalization and optimization of business processes (SAP Business One software implementation)



# DIVERSITY AND INCLUSION

## Commitment

Diversity and inclusion play a crucial role in sustainability for companies that aim to create long-term value. Promoting an inclusive corporate culture that embraces and values differences in gender, age, race, ability and backgrounds not only reflects corporate ethics, but also enhances productivity, innovation and corporate reputation.

Ensuring equal opportunities for all employees in terms of hiring, training, growth and promotion, regardless of gender, race or age is a key point in order to improve the integration of all within the labour market. For this reason, SMAPE is actively committed to promoting diversity, inclusion and equal opportunities. A clear policy has been adopted in this regard, communicated not only internally, but also externally through public documents such as the company website and other communication channels.

## Company staff

Datapoint B8 – Paragraph 39 – Letter (a) (b) (c)

Datapoint C5 – Paragraph 59

Datapoint C5 – Paragraph 60

The following table shows the number of employees in the organization divided by type of contract and gender. In particular, the following numbers refer to the number of men and women employed on a permanent and fixed-term basis in the company.

| Number of employees  | Male | Female | Total |
|----------------------|------|--------|-------|
| Permanent workforce  | 179  | 17     | 196   |
| Fixed-term workforce | 21   | 5      | 26    |
| Totals               | 200  | 22     | 222   |

Please note that gender categories “Other” and “Not indicated” have not been reported in the previous table because the obtained data are all equal to zero in these cases. Likewise, there are no employees who have a variable-term employment contract.

Some key values expressed in percentage (calculated considering the total number of employees) are shown in the following table. These values are conditioned by the presence of the role of well site operators (which is prevalent in the group) and both in Italy and abroad the availability of female figures for this role is not high on the job market.

| Employee categories (%)                                            | Male    | Female |
|--------------------------------------------------------------------|---------|--------|
| Employees by gender                                                | 90,09%  | 9,91%  |
| Manager                                                            | 75,00%  | 25,00% |
| Representatives in the administrative, management and control body | 100,00% | 0,00%  |

The average ratio between the number of female employees and the number of male employees at management level is equal to 33%. For completeness of information, the same ratio calculated for the members of the Board of Directors only is equal to 0%.

The following table shows the total number of employees throughout the group and the distribution in the countries where SMAPE operates.

|                 | Number of employees |
|-----------------|---------------------|
| Italy           | 105                 |
| Romania         | 27                  |
| Azerbaijan      | 15                  |
| Kazakhstan      | 40                  |
| Albania         | 18                  |
| Egypt           | 17                  |
| TOTAL EMPLOYEES | 222                 |

Furthermore, starting from 2024 SMAPE has non-employee workers as part of its workforce. These workers are present exclusively in the Italian branch of Smape Srl. For more details, please refer to the following table.

|                                                                                     | Number of workers |
|-------------------------------------------------------------------------------------|-------------------|
| Self-employed workers who work exclusively for the company                          | 0                 |
| Workers supplied by companies carrying out personnel research and supply activities | 2                 |

For the granulated data on the number of employees, contract type and gender of branches and subsidiaries of SMAPE group, please refer to the document "Sustainability Report 2024 – Addendum".

The following table shows other diversity factors that SMAPE monitors and is able to report, calculated as a percentage of total employees.

| Percentage                    |                      |
|-------------------------------|----------------------|
| <b>Employees by category</b>  |                      |
| Workers                       | 69,37%               |
| Employees                     | 23,42% (7,21% women) |
| Managers/executives           | 10,81% (2,70% women) |
| <b>Employees by age group</b> |                      |
| Under 30 years old            | 15,32%               |
| Between 30 and 50 years old   | 63,96%               |
| Over 50 years old             | 20,72%               |

Below the percentages of employees with disabilities broken down by gender are indicated. This data is crucial to assessing inclusion and equity in the workplace.

| Employees (%)                         | Male  | Female |
|---------------------------------------|-------|--------|
| Employees with disabilities by gender | 0,45% | 0,00%  |

SMAPE also collects the percentage of employees entitled to family leave and the percentage of employees who have utilized this right, broken down by gender. This data is essential for assessing corporate support for work-life balance.

| Employees (%)                  | Male  | Female |
|--------------------------------|-------|--------|
| Employees entitled to leave    | 5,50% | 13,64% |
| Employees who have taken leave | 4,00% | 9,09%  |

## Hiring and Turnover

Datapoint B8 – Paragraph 40

SMAPE constantly monitors the trend of new hires and employee turnover. This allows to carefully evaluate the human resources management strategy and take any corrective measures to ensure a stable flow of personnel. In addition, each year recruiting metrics are calculated and analyzed, broken down by relevant characteristics such as gender, age groups, geographic area, background, etc.

The values that are taken into consideration are those relating to hiring, in number of employees, and turnover, calculated as a percentage using the following formula:

$$\frac{\text{number of employees who left the Company}}{\text{average number of employees}} \times 100$$

The table below shows the number of hired employees and the percentage of turnover for men and women, divided into age groups under 30, between 30 and 50 and over 50.

| Number of Hires           | Male | Female | Total |
|---------------------------|------|--------|-------|
| Age < 30 years            | 14   | 2      | 16    |
| 30 years < age > 50 years | 11   | 2      | 13    |
| Age > 50 years            | 1    | 0      | 1     |
| Total                     | 26   | 4      | 30    |

| Turnover (%)              | Male   | Female | Total  |
|---------------------------|--------|--------|--------|
| Age < 30 years            | 2,25%  | 0,00%  | 2,25%  |
| 30 years < age > 50 years | 9,46%  | 0,45%  | 9,91%  |
| Age > 50 years            | 1,35%  | 0,45%  | 1,80%  |
| Total                     | 13,06% | 0,90%  | 13,96% |

For the granulated data on hiring and employee turnover by gender and age groups of branches and subsidiaries of SMAPE group, please refer to the document "Sustainability Report 2024 – Addendum".

# HEALTH AND SAFETY

## Commitment and targets

Health and safety at work are crucial topics for all companies, regardless of their sector of activities. These cannot be neglected, not only because it is a legal obligation, but also because a safe and healthy work environment fosters employee trust and commitment, reduces absenteeism and the costs associated with incidents at work and contributes to build a positive reputation among the stakeholders with whom the company operates.

SMAPE has a clear commitment and strategy regarding the system of policies and management rules of health and safety at work, both for employees and non-employees, whose work or workplace is controlled by the organization. This strategy is also publicly communicated externally to all key stakeholders.

SMAPE monitors and measures workers' health and safety. On one hand, qualitative approaches are used to assess and improve their well-being in the workplace. On the other hand, key performance indicators (KPIs) are used to track progress and improvement. These parameters, and their corresponding targets, are:

| HSE TARGETS                                         |     |
|-----------------------------------------------------|-----|
| Number of fatal injuries                            | = 0 |
| Number of permanent injuries                        | = 0 |
| Number of temporary injuries                        | = 0 |
| Claims resulting for occupational diseases          | = 0 |
| Number of recordable cases of occupational diseases | = 0 |

## Actions

SMAPE is constantly committed to promoting workers' health, beyond compliance with national legislation. Indeed, given the importance of the topic, the company immediately obtained certification for the Workplace Health and Safety Management System. To date, the ISO 45001 certification is still in force.

In addition, there are other specific activities promoted by the company in recent years, including:

- support staff during the enrolment phase in the supplementary healthcare assistance fund (FASIE) provided for by the National Collective Labor Agreement;
- enter into agreements with clinics, pharmacies and nursing homes to facilitate their employees' access to non-work-related medical and healthcare services.

## HSE

Datapoint B9 – Paragraph 41 – Letters (a) (b)

The following table provides a detailed analysis of the number of injuries at work for the year 2024, recorded throughout the SMAPE group, broken down by employed and non-employed workers, classified according to different types of injuries: temporary, permanent and fatal.

| Number of injuries | Employees | Non-employees |
|--------------------|-----------|---------------|
| Fatal              | 0         | 0             |
| Permanent          | 0         | 0             |
| Temporary          | 1         | 0             |

The only temporary injury recorded in the year 2024 was in Italy.

In addition, injury indices and ratios are calculated. For completeness of information, both the rate of recordable injuries at work, consistent with the requirements of the VSME standards, and the most commonly used “Lost-Time Injury Rate” (LTIR) are considered. The first is determined by the following formula:

$$\frac{\text{number of work related injuries}}{\text{total number of worked hours}} \times 200.000$$

The LTIR, on the other hand, is calculated using the following formula:

$$\frac{\text{number of work related injuries}}{\text{total number of worked hours}} \times 1.000.000$$

The obtained indices and the total number of hours worked in 2024 are reported below.

|                               | Number  |
|-------------------------------|---------|
| Injury rate according to VSME | 0,52    |
| LTIR                          | 2,60    |
| Total hours worked            | 384.989 |

The following table provides an overview of the data related to occupational safety within the group over the last three years. The data relates to fatalities resulting from injuries at work, injuries at work with serious consequences (excluding fatalities) and recordable injuries at work.

|                             | Number |
|-----------------------------|--------|
| Fatalities                  | 0      |
| Serious injuries at work    | 0      |
| Recordable injuries at work | 2      |

Finally, the numbers of claims resulting for occupational diseases and cases of recordable occupational diseases are reported, specifically for the company's employees. Claims resulting for occupational diseases represent the reported cases of diseases recognized as related to the work performed. The other cases include diseases recognized as related to work and officially registered, which require adequate documentation and reporting to the competent authorities.

|                                            | Number |
|--------------------------------------------|--------|
| Claims resulting for occupational diseases | 0      |
| Recordable cases of occupational diseases  | 0      |

## Commitment and targets

Datapoint C6 – Paragraph 61 – Letters (a) (b)

Respect for human rights is of fundamental importance to any company committed to operating ethically and responsibly. It is not only a moral obligation, but also an essential aspect of maintaining corporate trust and reputation.

SMAPE has adopted a policy for the management of aspects related to human rights and the risks associated with them. This policy has also been communicated externally, demonstrating the commitment to transparency and respect for human rights.

The policy explicitly covers several aspects in relation to human rights issues, including:

- child labor;
- forced labor;
- human trafficking;
- discrimination;
- accident prevention;
- violence (including war);
- abuses;
- slavery.

The human rights policy encompasses different categories of stakeholders, allowing for a proper assessment of the impact of business practices and ensuring that human rights are respected throughout the value chain.

- The document includes specific provisions for employees, guaranteeing respect of their fundamental rights at the workplace and promoting a safe, fair and respectful working environment.
- The policy is extended to workers along the value chain, ensuring that they also enjoy fair working conditions, respectful for their fundamental human rights.
- The company is committed to respecting the communities affected by its activities, seeking to minimize negative impacts and promoting a collaborative and sustainable relationship.

Relevant stakeholders have been taken into account in the creation of the policy and rules for managing human rights issues. This commitment reflects the desire to ensure that business decisions are informed by the perspectives and needs of all stakeholders.

SMAPE has identified the risks in relation to human rights, arising from the activities carried out by the company or its value chain, through materiality analysis. For the current year, the identified risk topics are:

- Health and Safety
- Secure employment
- Work-life balance
- Adequate salaries

These issues were found to be at risk in all the countries in which SMAPE operates, namely Italy, Romania, Azerbaijan, Kazakhstan, Albania and Egypt.

Following the materiality analysis, the company has established clear targets to reduce the potential risks related to human rights and to ensure a safe, fair and respectful working environment, in line with the principles of sustainability and corporate responsibility. The targets set for all branches and subsidiaries of SMAPE group and for each of the topics found to be at risk are:

## HEALTH AND SAFETY

|                                                         |     |
|---------------------------------------------------------|-----|
| Injuries at work                                        | = 0 |
| LTI (Lost Time Injury) and LTIR (Lost Time Injury Rate) | = 0 |
| TRIR (Total Recordable Injury Rate)                     | = 0 |
| HSE Certification (can be ISO, OSHAS, ...)              | = 0 |

## SECURE EMPLOYMENT

|                                                                                 |       |
|---------------------------------------------------------------------------------|-------|
| Ratio between the number of permanent contracts and the total number of workers | > 80% |
| Ratio of average salary in the company to local minimum wage                    | > 1   |

## WORK-LIFE BALANCE

Ratio of overtime hours to total hours worked

< 10 %

Ratio between used leave to accrued leave

>= 100 %

## ADEQUATE SALARIES

Ratio of entry salary to local minimum wage

>= 1

Ratio of average salary in the company to local minimum wage

> 1

### Actions

[Datapoint C6 – Paragraph 61 – Letters \(c\)](#)

[Datapoint C6 – Paragraph 62 – Letters \(a\) \(b\) \(c\)](#)

SMAPE has adopted precautionary measures to prevent the emergence of risks related to human rights and is able to promptly adopt mitigation and corrective measures to address any negative impacts on human rights. These measures concern the application of laws and contracts, management systems, including those with oversight structures (e.g. 231 Model), monitoring rules, training and awareness, value chain qualification.

Thanks to this ability there is a prompt response to critical situations and minimizes harmful effects on the people involved, thus helping to ensure an ethical and human rights-respecting work environment.

SMAPE has established a channel, valid for both its workforce and all stakeholders, dedicated for the reporting of discrimination cases or human rights violation, company rules violation, suggestions for improving quality and safety at work. The system ensures the protection and safeguard of whistleblowers against any retaliatory action, as clearly defined within the company procedures and 231 Model.

This channel provides employees and all stakeholders with a safe and confidential means to report any issues or concerns, demonstrating a commitment to ensuring a safe and inclusive work environment where everyone feels free to raise concerns without fear of negative consequences.

For the year 2024, SMAPE can state that

- there have been no incidents in their workforce relating to child labour, forced labour, human trafficking, discrimination or any other human rights issues (as a result, no specific actions have been taken to respond to or to remediate incidents on these issues);

- there are no known human rights incidents among the company's stakeholders, such as workers in the value chain, affected communities, clients or suppliers;
- no complaints were received regarding these issues.

## **Workers' rights**

In the conducted materiality analysis, no operational activities or suppliers have been identified as being at risk of incidents relating to child, forced or compulsory labour. This thorough analysis provides a better understanding of potential risks along the value chain and ensures that suppliers also operate in compliance with human rights.

SMAPE carefully verifies the minimum age limits of the candidates for employment. This process is crucial for ensuring compliance with child labour regulations and for guaranteeing that all hires are made in full compliance with the applicable laws.

SMAPE rejects and condemns all forms of forced labour, firmly committed to uphold the fundamental rights of its own workers and those of the value chain and to avoiding any practice that could be considered coercive or abusive. This commitment is reflected in the constant monitoring of working conditions and the adoption of policies that promote a safe, fair and respectful work environment.

In countries where applicable, all employees are covered by collective agreements. In addition, the company regularly conducts audits to monitor and assess the adequacy of staff salaries, committing to maintaining competitive salary standards in compliance with workers' rights and relevant regulations. This process is essential to ensure that employees receive fair and adequate remuneration for their roles and responsibilities.

SMAPE also uses overtime due to the "on-call" nature of the service, with timing that is not always predictable and scheduled by clients, but it monitors the amount of hours used. This allows the evaluation of the impact of business practices on employees' well-being and working conditions. For the year 2024, the average number of overtime hours per week is approximately 258, which, considering all the branches and subsidiaries of the group, is approximately 3,5% of the total hours worked.

Overtime hours are compensated with a premium over the standard hourly wage, in accordance with the applicable collective bargaining agreement. In addition, second-level bargaining agreement provides for additional benefit for overtime hours worked. This commitment reflects the importance SMAPE places on fair and adequate treatment of employees.

The company guarantees and allows union membership, in accordance with current legislation and collective bargaining agreements applicable in each country where SMAPE operates. Freedom of association is important, for this reason the company actively supports the right of employees to join unions to protect their working interests and negotiate fairer working conditions.

# EMPLOYMENT

## Commitment and targets

Promoting decent, fair and inclusive employment not only improves the quality of life for employees but also contributes to social cohesion and economic progress. For this reason, SMAPE offers social protection systems provided by public programs and state laws in all the countries where it operates.

In addition, the company acts responsibly to achieve high standards of health, well-being and safety and is convinced that there is a strong relationship between staff well-being on one hand and high performance and satisfaction on the other hand.

For this reason, SMAPE has a clear commitment and strategy regarding the policy related to worker well-being. This policy has been publicly communicated externally to all key stakeholders.

The company has defined specific parameters to measure and monitor annually the workers' well-being through data collection. These parameters, and the related targets, are:

| EMPLOYEE WELL-BEING                                                                            |         |
|------------------------------------------------------------------------------------------------|---------|
| Employee absenteeism rate<br>(number of hours not worked / Total number of hours worked x 100) | < 5 %   |
| Participation rate in health and wellness programs                                             | = 100 % |

## Salaries and employee well-being

Datapoint B10 – Paragraph 42 – Letters (a) (b) (c)

In countries where applicable, all SMAPE employees (100 %) are covered by the collective bargaining agreements. In addition, the company regularly conducts audits to monitor and assess the adequacy of staff salaries, committing to maintaining competitive salary standards in compliance with workers' rights and relevant regulations.

An important monitored metric is the ratio of the company's guaranteed minimum entry salary to the local minimum salary, broken down by men and women. This information allows the assessment of entry salary equity for both genders and the commitment to ensuring adequate pay conditions in relation to the local context. Below, the values of the entry salary to local minimum salary ratio for men and women are shown.

### Ratio of entry level salary to local minimum wage

|        |     |
|--------|-----|
| Male   | 2,3 |
| Female | 2,3 |

From the data just indicated, it is clear that the wages are above the applicable minimum wage in all the countries in which the company operates and they are no differentiated by gender, ethnicity, type of workers or other categories.

SMAPE also measures the percentage pay gap between female and male employees. This reflects the commitment to ensuring pay equity and promoting an inclusive corporate culture. The formula used for the calculation is:

$$\frac{\text{average gross hourly pay level of men} - \text{average gross hourly pay level of women}}{\text{average gross hourly pay level of men}} \cdot 100$$

This indicator for the entire SMAPE group is equal to - 1,22 %. The negative value resulting from the calculation means that the average gross hourly pay of women is slightly higher than the average gross hourly pay of men having the same company level. In addition, in all the countries where the company operates, this figure never deviates by more than 2%, i.e. it remains almost the same. This reflects the neutral wage balance between genders within the company.

Regarding the ratio between the annual remuneration of the person earning the highest salary and the median value of the remunerations of all employees, this value is around 4,07. In evaluating this data and obtaining a true and comparable value, it must be noted that the calculation considers the salaries of Italian employees, the country where the highest remuneration of the entire group is found, and excludes the salaries of employees of branches and subsidiaries, where the average pays may be lower than the Italian average.

The indicators related to worker well-being for the year 2024 are indicated below.

|                                                         | Percentage |
|---------------------------------------------------------|------------|
| Employee absenteeism rate                               | 2,2%       |
| Employees participating in health and wellness programs | 100%       |

## Training

Datapoint B10 – Paragraph 42 – Letters (d)

Among the documents provided by SMAPE Integrated Management System there is the “Training, Information and Development Plan”, which lists the courses to be scheduled and delivered to employees. This document is publicly communicated externally to the main stakeholders.

The “Training, Information and Development Plan” is periodically reviewed, taking into account the mandatory training related to the sector or specific roles covered, the requests shared by the function managers and the requests coming from the clients.

When speaking about corporate sustainability, investment in training and development expenses is crucial. This value represents the total amount invested by the company to improve employees’ skills and knowledge on relevant industry topics or to develop leadership skills.

The table below presents this information: the average number of training hours provided and utilized by each employee and the total amount spent on training hours.

|                                        | Values    |
|----------------------------------------|-----------|
| Average training hours per employee    | 36 hours  |
| Employee training/development expenses | 129.290 € |

It should be noted that the average number of training hours per employee is the same for men and women. In order to improve the measurement and at the same time meet the requirements of VSME standards, it has been planned to update and modify this KPI, differentiating the employees who receive training by gender.

In 2024, the company defined training policies on sustainability topics. In particular, an informative video has been prepared, lasting approximately 30 minutes, which workers across the entire SMAPE group can conveniently access remotely. The video presents all the sustainability issues, the company's ESG data for the previous calendar year and a memorandum of virtuous behaviours to be followed to be more sustainable every day.



**ANNEXES**

# VSME CONTENT INDEX

Statement of use: Smape S.r.l. has reported in accordance with the VSME standards for the period from 1 January 2024 to 31 December 2024

VSME used: EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) dated December 2024

| VSME datapoint                             | Description                                                                                                                                                                                                                                                                                                    | Pages       |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Datapoint B1<br>Paragraph 24<br>Letter (a) | Reporting option selected for the Sustainability Report                                                                                                                                                                                                                                                        | 6           |
| Datapoint B1<br>Paragraph 24<br>Letter (b) | Indication of the disclosure omitted if deemed classified or sensitive information                                                                                                                                                                                                                             | 6           |
| Datapoint B1<br>Paragraph 24<br>Letter (c) | Whether the sustainability report has been prepared on an individual basis or on a consolidated basis                                                                                                                                                                                                          | 6           |
| Datapoint B1<br>Paragraph 24<br>Letter (d) | List of subsidiaries, including their registered address                                                                                                                                                                                                                                                       | 6           |
| Datapoint B1<br>Paragraph 24<br>Letter (e) | Report the undertaking's legal form; NACE sector classification code(s); size of the balance sheet (in Euro); turnover (in Euro); number of employees in headcount or full-time equivalents; country of primary operations and location of significant asset(s); geolocation of sites owned, leased or managed | 6 – 7       |
| Datapoint B1<br>Paragraph 25               | Description of any sustainability-related certification or label (including, where relevant, the issuers of the certification or label, date and rating score)                                                                                                                                                 | 34 – 35     |
| Datapoint B2<br>Paragraph 26<br>Letter (a) | Whether the undertaking has put in place specific practices for transitioning towards a more sustainable economy                                                                                                                                                                                               | 32 – 34     |
| Datapoint B2<br>Paragraph 26<br>Letter (b) | Whether the undertaking has put in place specific policies on sustainability issues                                                                                                                                                                                                                            | 32, 35 – 37 |
| Datapoint B2<br>Paragraph 26<br>Letter (c) | Whether the undertaking has put in place specific any future initiatives or forward-looking plans that are being implemented on sustainability issues                                                                                                                                                          | 32, 37 – 39 |
| Datapoint B2<br>Paragraph 26<br>Letter (d) | Whether the undertaking has put in place specific targets to monitor the implementation of the policies and the progress achieved towards meeting such targets                                                                                                                                                 | 32, 39 – 41 |
| Datapoint B2<br>Paragraph 27               | Additional indications on Datapoint B2 – Paragraph 26                                                                                                                                                                                                                                                          | 32 – 41     |
| Datapoint B2<br>Paragraph 28               | If reporting option selected is the Comprehensive module, complement the information provided under B2 with the datapoints found in C2                                                                                                                                                                         | 32 – 41     |
| Datapoint B3<br>Paragraph 29               | Total energy consumption in MWh                                                                                                                                                                                                                                                                                | 48 – 49     |

| VSME datapoint                             | Description                                                                                                                           | Pages   |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|---------|
| Datapoint B3<br>Paragraph 30<br>Letter (a) | Scope 1 GHG emissions in tCO <sub>2eq</sub>                                                                                           | 45      |
| Datapoint B3<br>Paragraph 30<br>Letter (b) | Location-based Scope 2 emissions in tCO <sub>2eq</sub>                                                                                | 45      |
| Datapoint B3<br>Paragraph 31               | GHG intensity calculated by dividing GHG emissions by turnover (in Euro)                                                              | 46      |
| Datapoint B4<br>Paragraph 32               | If applicable, provide the pollutants emitted to air, water and soil in the operations, with the respective amount for each pollutant | 53      |
| Datapoint B5<br>Paragraph 33               | Number and area (in hectares) of sites owned, leased or managed in or near a biodiversity sensitive area                              | 54      |
| Datapoint B5<br>Paragraph 34<br>Letter (a) | Total use of land (in hectares)                                                                                                       | 54      |
| Datapoint B5<br>Paragraph 34<br>Letter (b) | Total sealed area                                                                                                                     | 54      |
| Datapoint B5<br>Paragraph 34<br>Letter (c) | Total nature-oriented area on-site                                                                                                    | 54      |
| Datapoint B5<br>Paragraph 34<br>Letter (d) | Total nature-oriented area off-site                                                                                                   | 54      |
| Datapoint B6<br>Paragraph 35               | Total water withdrawal and the amount of water withdrawn at sites located in areas of high water-stress                               | 56 – 57 |
| Datapoint B6<br>Paragraph 36               | Total water consumption                                                                                                               | 56 – 57 |
| Datapoint B7<br>Paragraph 37               | Whether circular economy principles are applied and, if so, how these principles are applied                                          | 58      |
| Datapoint B7<br>Paragraph 38<br>Letter (a) | Total annual generation of waste broken down by type (non-hazardous and hazardous)                                                    | 59 – 61 |
| Datapoint B7<br>Paragraph 38<br>Letter (b) | Total annual waste diverted to recycling or reuse                                                                                     | 59      |
| Datapoint B7<br>Paragraph 38<br>Letter (c) | If applicable, provide the annual mass-flow of relevant materials used                                                                | 58      |
| Datapoint B8<br>Paragraph 39<br>Letter (a) | Number of employees in headcount or full-time equivalent divided by employment contract (temporary or permanent)                      | 64      |
| Datapoint B8<br>Paragraph 39<br>Letter (b) | Number of employees in headcount or full-time equivalent divided by gender                                                            | 64      |

| VSME datapoint                              | Description                                                                                                                                                            | Pages   |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Datapoint B8<br>Paragraph 39<br>Letter (c)  | Number of employees in headcount or full-time equivalent divided by country of the employment contract                                                                 | 65      |
| Datapoint B8<br>Paragraph 40                | If applicable, provide the employee turnover rate                                                                                                                      | 67      |
| Datapoint B9<br>Paragraph 41<br>Letter (a)  | Number and rate of recordable work-related accidents                                                                                                                   | 69      |
| Datapoint B9<br>Paragraph 41<br>Letter (b)  | Number of fatalities as a result of work-related injuries and work-related ill health                                                                                  | 69      |
| Datapoint B10<br>Paragraph 42<br>Letter (a) | Whether the employees receive pay that is equal or above applicable minimum wage for the related country                                                               | 75      |
| Datapoint B10<br>Paragraph 42<br>Letter (b) | Percentage gap in pay between female and male employees                                                                                                                | 76      |
| Datapoint B10<br>Paragraph 42<br>Letter (c) | Percentage of employees covered by collective bargaining agreements                                                                                                    | 75      |
| Datapoint B10<br>Paragraph 42<br>Letter (d) | Average number of annual training hours per employee, broken down by gender                                                                                            | 76 – 77 |
| Datapoint B11<br>Paragraph 43               | In case of convictions and fines, disclose the number of convictions and the total amount of fines incurred for the violation of anti-corruption and anti-bribery laws | 18      |
| Datapoint C1<br>Paragraph 47<br>Letter (a)  | Description of significant groups of products and/or services offered                                                                                                  | 12      |
| Datapoint C1<br>Paragraph 47<br>Letter (b)  | Description of significant market(s) the undertaking operates in (like B2B, wholesale, retail, countries)                                                              | 12      |
| Datapoint C1<br>Paragraph 47<br>Letter (c)  | Description of main business relationships (like key suppliers, customers distribution channels and consumers)                                                         | 12      |
| Datapoint C1<br>Paragraph 47<br>Letter (d)  | If applicable, provide a brief description of strategy key elements that relate to or affect sustainability issues                                                     | 12 – 13 |
| Datapoint C2<br>Paragraph 48                | Brief description of specific practices, policies or future initiatives for transitioning towards a more sustainable economy                                           | 32 – 41 |
| Datapoint C2<br>Paragraph 49                | Indicate the most senior level accountable for implementing practices, policies or future initiatives                                                                  | 14      |
| Datapoint B3<br>Paragraphs 50-51            | Quantification of Scope 3 GHG emissions                                                                                                                                | 45 – 46 |
| Datapoint B3<br>Paragraph 52                | Quantification of the 15 types of Scope 3 GHG emissions                                                                                                                | 47      |

| <b>VSME datapoint</b>                      | <b>Description</b>                                                                                                                                                                                           | <b>Pages</b>                                          |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Datapoint B3<br>Paragraph 53               | Present specific information on Scope 3 emissions together with the information required under B3                                                                                                            | 45 – 47                                               |
| Datapoint C3<br>Paragraph 54<br>Letter (a) | If GHG emission reduction targets have been established, disclose target year and target year value for Scope 1, 2 and 3 emissions targets                                                                   | 44 – 45                                               |
| Datapoint C3<br>Paragraph 54<br>Letter (b) | If GHG emission reduction targets have been established, disclose base year and base year value for Scope 1, 2 and 3 emissions targets                                                                       | 44 – 45                                               |
| Datapoint C3<br>Paragraph 54<br>Letter (c) | If GHG emission reduction targets have been established, disclose units used for Scope 1, 2 and 3 emissions targets                                                                                          | 44 – 45                                               |
| Datapoint C3<br>Paragraph 54<br>Letter (d) | If GHG emission reduction targets have been established, disclose the share of Scope 1, 2 and 3 that the targets concern                                                                                     | 44 – 45                                               |
| Datapoint C3<br>Paragraph 54<br>Letter (e) | List of main actions the undertaking seeks to implement to achieve the targets                                                                                                                               | 49 - 50                                               |
| Datapoint C3<br>Paragraph 55               | If a transition plan for climate change mitigation has been adopted, provide information about it                                                                                                            | 49 - 50                                               |
| Datapoint C3<br>Paragraph 56               | If a transition plan for climate change mitigation has not been adopted, indicate whether and, if so, when it will be adopted                                                                                | Not applicable since transition plan has been adopted |
| Datapoint C4<br>Paragraph 57<br>Letter (a) | If climate-related hazards and transition events have been identified, briefly describe them                                                                                                                 | 50 – 52                                               |
| Datapoint C4<br>Paragraph 57<br>Letter (b) | If climate-related hazards and transition events have been identified, disclose how exposure and sensitivity of assets, activities and value chain to these hazards and transition events have been assessed | 50 – 52                                               |
| Datapoint C4<br>Paragraph 57<br>Letter (c) | If climate-related hazards and transition events have been identified, disclose the time horizons                                                                                                            | 50 – 52                                               |
| Datapoint C4<br>Paragraph 57<br>Letter (d) | If climate-related hazards and transition events have been identified, disclose the climate change adaptation actions undertaken                                                                             | 50 – 52                                               |
| Datapoint C4<br>Paragraph 58               | The potential adverse effects of climate risks that may affect financial performance or business operations                                                                                                  | 50 - 52                                               |
| Datapoint C5<br>Paragraph 59               | If applicable, disclose the female-to-male ratio at management level                                                                                                                                         | 65                                                    |
| Datapoint C5<br>Paragraph 60               | If applicable, disclose the number of self-employed without personnel working exclusively for the undertaking and temporary workers provided by undertakings primarily engaged in 'employment activities'    | 65                                                    |
| Datapoint C6<br>Paragraph 61<br>Letter (a) | Whether there is a code of conduct or human rights policy for the workforce                                                                                                                                  | 71                                                    |

| VSME datapoint                             | Description                                                                                                                                                                 | Pages |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Datapoint C6<br>Paragraph 61<br>Letter (b) | If there is a code of conduct or human rights policy, whether it covers child labour, forced labour, human trafficking, discrimination, accident prevention or other topics | 71    |
| Datapoint C6<br>Paragraph 61<br>Letter (c) | Whether there is a complaints-handling mechanism for the workforce                                                                                                          | 73    |
| Datapoint C7<br>Paragraph 62<br>Letter (a) | Whether there have been confirmed incidents in the workforce related to child labour, forced labour, human trafficking, discrimination or other topics                      | 73    |
| Datapoint C7<br>Paragraph 62<br>Letter (b) | If there have been confirmed incidents in the workforce, describe the actions being taken to address the incidents                                                          | 74    |
| Datapoint C7<br>Paragraph 62<br>Letter (c) | Whether there have been any confirmed incidents involving workers in the value chain, affected communities, consumers and end-users                                         | 74    |
| Datapoint C8<br>Paragraph 63<br>Letter (a) | If applicable, disclose related revenues in the controversial weapons sector                                                                                                | 17    |
| Datapoint C8<br>Paragraph 63<br>Letter (b) | If applicable, disclose related revenues in the cultivation and production of tobacco sector                                                                                | 17    |
| Datapoint C8<br>Paragraph 63<br>Letter (c) | If applicable, disclose related revenues in the fossil fuel sector                                                                                                          | 17    |
| Datapoint C8<br>Paragraph 63<br>Letter (d) | If applicable, disclose related revenues in the chemicals production sector                                                                                                 | 17    |
| Datapoint C8<br>Paragraph 64               | Whether the undertaking is excluded from any EU reference benchmarks that are aligned with the Paris Agreement                                                              | 17    |
| Datapoint C9<br>Paragraph 65               | If applicable, disclose the gender diversity ratio of the governance body in place                                                                                          | 13    |



**WHATEVER  
THE CHALLENGE  
WE WILL FIND  
THE SOLUTION**