

SUSTAINABILITY REPORT 2022



CARBOFLOTTA
SHIPOWNING GROUP

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SHIPOWNER'S LETTER

In 2022, **we embarked on an exhaustive, committed path** to strengthen our **sustainability** governance, consolidate our in-house corporate culture and measure and communicate our **ESG performance**, and the environmental, social and economic value generated for internal and external stakeholders.

We are proud to now bring you this first Sustainability Report of the Carboflotta Group, **the result of a comprehensive assessment** of the Group's activities, **a strategic review** of everything already achieved in terms of sustainability, and the **construction of a solid ESG measurement and monitoring system**. In September 2022, we launched the process of materiality analysis – internal and external. This allowed us to identify and prioritise the material topics of sustainability for the Group, on which our Sustainability Report is based.

The Carboflotta Group **has always been attentive to sustainability and to the impact of our activities on the environment and the community**.

Our operating, safety and environmental protection procedures go beyond the applicable regulations.

Our efforts are continuously strengthened by following industry best practices, with the goal of actively contributing to sustainable development.

Reducing the environmental impact of our activities and operations has long been a **key strategy and essential to our enduring success**.

In response to stricter environmental regulations, including those from the International Maritime Organization (IMO) controlling greenhouse gas (GHG) emissions, with the goal of achieving a 100% reduction in emissions from international shipping (zero-emission fuels) by 2050 and a 40% improvement in energy efficiency by 2030, we are developing a fleet renewal programme.

We aim to replace some of our existing ships with advanced technology vessels, investing in eco-friendly technologies to improve the performance of our current and future fleet. Additionally, we constantly assess the potential use of alternative fuels and optimize our maritime operations with comprehensive social and environmental impact assessments.

Alongside our commitment to the environment, at Carboflotta we have always stood out for our significant **focus on people** – both shoreside and on board – play a vital role in advancing the Group's mission, strategies, and the quality of our relationships with the various stakeholders. **Our governance system also prioritizes ethics and integrity**.

In keeping with this vision, we have made a **firm, conscious decision** to voluntarily launch this process of **measuring, reporting and improving our sustainability performance**, ahead of regulatory requirements.

This initiative will reinforce our internal culture, raise awareness of these topics, and enable us to effectively communicate our goals, activities, outcomes and impacts to stakeholders as we conduct our business.

We sincerely thank everyone who has contributed to this report and hope you find it engaging.

Enrico Filippi



UNDERSTANDING THE REPORT

CARBOFLOTTA'S FIRST SUSTAINABILITY REPORT

Carboflotta, a Group operating in a critical sector for the transition towards greater sustainability and environmental responsibility, began its voluntary sustainability reporting journey in 2022, involving all its business areas.

This document marks the progression from the initial Sustainability Report included in the 2022 Consolidated Financial Statements, achieving the following goals:

- **Establishing sustainability governance** to cultivate a corporate culture focused on CSR and sustainability across all levels of responsibility
- Raising internal **awareness** and highlighting existing sustainability practices
- Launching the development of a **comprehensive set of multidimensional KPIs to measure ESG performance**, aligned with

the UN 2030 Agenda SDGs relevant to Carboflotta's operations

- **Providing a clear and accessible overview** of strategies, policies, and value generated for stakeholders, communities, and the environment, also catering to those less familiar with the subject matter
- **Initiating dialogue with key stakeholders** to map out a collaborative path towards ongoing sustainable growth for the Group.

The Sustainability Report, developed following the guidelines of the Global Reporting Initiative (GRI), is organized into the following sections:

IDENTITY AND GOVERNANCE

This section outlines the Group's mission, values, significant milestones in its history, business activities, unique aspects of its fleet, internal governance structure, and mapping of key stakeholders.

SUSTAINABILITY, ETHICS AND INTEGRITY

Here you will find details about the Group's sustainability journey, including the materiality assessment process used to identify key sustainability topics. It also highlights Carboflotta's contributions to the Sustainable Development Goals of the UN 2030 Agenda and reports on the topics of ethics and business integrity.

SOCIAL VALUE, ENVIRONMENTAL VALUE AND ECONOMIC VALUE

This section presents quantitative reporting on policies, actions, projects, and initiatives undertaken by Carboflotta. It also includes ESG performance metrics to address each of the relevant sustainability topics.

A GOOD REPORT NEEDS A METHOD!



Rendersi conto per rendere conto® - taking stock to report back - is the approach of **Refe - Strategie di sviluppo sostenibile**, the company that assisted Carboflotta in defining the process of measuring, reporting, and communicating sustainability.

The internal assessment - "*rendersi conto*" - takes stock of the Group's identity, choices, and operations, showing how decisions and actions lead to specific results, effects, and impacts for different stakeholders.

The external communication - "*rendere conto*" - reports the work done and the social, environmental, and economic value created, making it transparent, verifiable, and understandable to everyone.

FACTS AND FIGURES

IDENTITY

Over
70 years
of history

since the start of the
shipping activities

251,000

nautical miles sailed
by the 4 ships in the fleet

97.9%

actual days the fleet has
been operational in the
year

SUSTAINABILITY

**16 sustainability
topics**

that intercept **11 SDGs**
of the UN 2030 Agenda

107 stakeholders

involved in the Group's
first materiality
assessment

0 cases

of non-compliance with
laws or regulations, of
corruption or of unfair
competition practices in
the three-year period



SOCIAL VALUE

242 people

work for the Group

86.4% onboard
personnel**Equity**of average salary
between men and women**0 cases**
of discrimination**0 formal
complaints**about the performance
of the fleet in the
three-year period

ENVIRONMENTAL VALUE

**24% down
since 2020**total GHG emissions
(**87,130 MT of tCO₂-eq**
in 2022)**2.6 MT of CO₂-eq
per thousand EUR**overall emission efficiency,
improved by **30.4%**
since 2020**0 leakage**of product transported or
release of substances into
the environment in the
three-year period

ECONOMIC VALUE

38 million €economic value generated
by the Group, with **62.2%**
distributed to stakeholders**59%**

Italian suppliers*

51.7%suppliers with **ISO 14001**
environmental safety
certification

FIGURES AT 31.12.2022

* Data on the key suppliers of Carbofin



IDENTITY AND GOVERNANCE



MARITIME TRANSPORT AND SUSTAINABLE DEVELOPMENT

Maritime transport is the lifeblood of the global economy. Without it, the trade of raw materials and the import and export of food products and manufactured goods at affordable prices would not be possible.

The maritime industry is responsible for around **90% of global trade volume**, supported by **over 100,000 merchant ships**¹ and **nearly 2 million seafarers worldwide**². The increasing efficiency of shipping continues to drive the expansion of maritime trade. From 2001 to 2021, the volume of goods transported by sea grew by 45.2%, reaching approximately **11 billion tonnes**. According to United Nations estimates, this figure is expected to grow at an annual rate of 2.1% in the coming years³.

Considering the size of the sector, maritime transport is an extremely efficient mode of transport from an environmental perspective.

It accounts for only 1.7% of global CO₂ emissions, which is significantly lower than road transport (11.9%) and air transport (1.9%). This low impact highlights maritime transport as the most environmentally friendly mode of transportation given its scale⁴.



This efficiency is the result of the industry's commitment to **international safety standards and marine ecosystem protection**, guided by the **International Maritime Organization (IMO)**. The IMO, a United Nations agency, sets the minimum industry energy efficiency and safety requirements for people and the environment.

The MARPOL International Convention, established by the IMO, aims to prevent and control pollution from oil, harmful substances, waste, and atmospheric emissions, along with numerous local regulations.

In line with the 2015 Paris Agreement – which aims to limit global warming to below 2°C – **the IMO set specific targets in 2018 to reduce greenhouse gas emissions from international shipping**, namely:

- **reduce CO₂ emissions from international shipping** per tonne of cargo transported and nautical miles travelled by at least 40% by 2030 and 70% by 2050, compared to 2008 levels;
- **reduce greenhouse gas emissions** from international shipping by at least 50% by 2050 compared to 2008.

¹ UNCTAD Handbook of Statistics 2022 - Maritime transport

² International Chamber of Shipping – Seafarer Workforce Report 2021

³ UNCTAD Handbook of Statistics 2022 - Maritime transport

⁴ Deloitte – ESG in the Shipping sector



TRANSPORT OF LIQUEFIED PETROLEUM GAS

Maritime transport is essential for the international supply of energy sources. The volume transported of refined petroleum products, liquefied gases, and chemicals constitutes 11.4% of the total volume of transport in 2021, up 60.1% from 2001.

Liquefied gases – LPG (Liquefied Petroleum Gas) and LNG (Liquefied Natural Gas) – are hydrocarbon-rich substances with high calorific value and are considered **more environmentally**

friendly fuels compared to diesel or other marine fuels.

LPG and LNG are transported on specialized ships called gas carriers, designed to carry gaseous substances in liquefied form. LPG carriers make up the majority of the gas carrier fleet, transporting substances like propane, butane, butadiene, propylene, and anhydrous ammonia.

Annually, nearly **45 million tons of LPG** are transported by sea⁵.



The maritime industry is responsible for around **90% of global trade volume**

⁵ <https://www.marineinsight.com/>

MISSION AND VALUES

The Carboflotta Group consists of the holding, Carbofin S.p.A. and S. Ugo Immobiliare S.r.l., a wholly-owned subsidiary of the holding, which provides ancillary services.

Carbofin S.p.A. hereinafter also referred to as "the Company", was established as a shipping company in the mid-1950s. Over the years, the Company progressively moved into the **gas transport market** and today the Group owns and operates a fleet of LPG tankers. These tankers primarily operate in **Central America, Brazil, the United States (including the Pacific Islands), and West Africa, managed from the headquarters in Genoa.**

With a long tradition in ship management, the Company has all the synergies and expertise needed to meet the requirements of international partners, with a management team particularly focused on the quality of services.

The rich maritime tradition of Carbofin is based on the values of the Telesio - Filippi family, emphasizing a **strong connection between social, environmental, and economic outcomes.** The Group's structure allows for flexible management, enabling quick decision-making and responsiveness to market opportunities and customer needs.

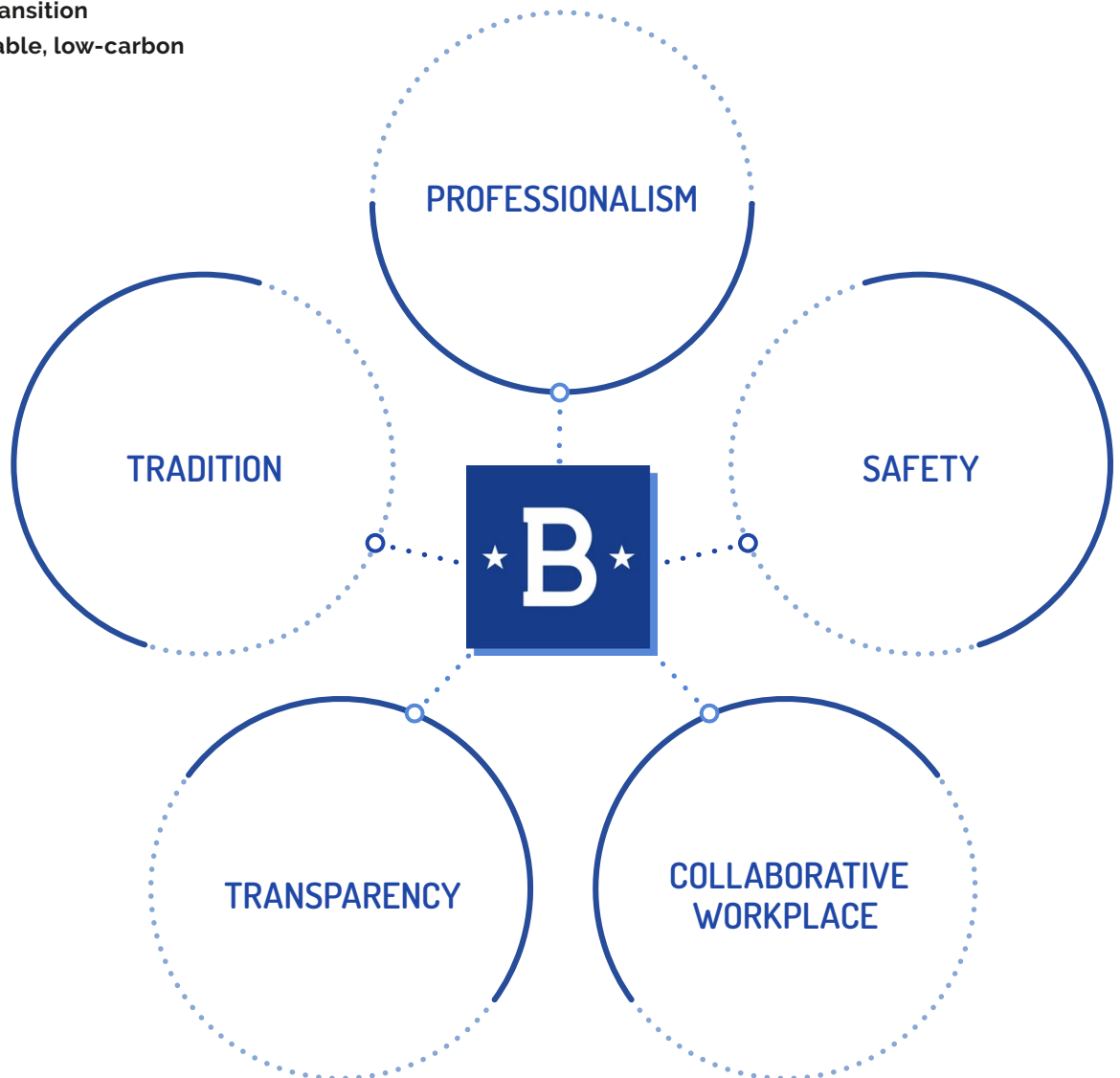


The Company adopts a strict **zero-spill policy** and aims to eliminate any possibility of pollution at its source, ensuring high safety and environmental standards, in compliance with applicable laws, regulations, and conventions.



Carbofin has a strict **zero-spill policy**

Carbofin adheres to all regulatory requirements and international industry standards, committing to support the transition towards sustainable, low-carbon development.



OVER 70 YEARS OF HISTORY

The Company was **founded in 1954** and, throughout its history, has owned and managed various types of vessels, including cargo ships, bulk carriers, crude oil tankers, product tankers, chemical tankers, gas tankers, supply vessels, and crew boats. This has allowed the company to acquire a high level of experience and professionalism in the shipping industry.

The shipping activities began in **1910**, initiated by Senator **Giovanni Battista Bibolini**. In **1954**, the activities were divided among four families: Telesio Filippi, Lolli Ghetti, Bibolini, and Cao di San Marco. Initially, the Telesio Filippi and Lolli Ghetti families jointly managed a fleet of three tankers and four bulk carriers. This fleet was gradually expanded with the purchase of three additional bulk carriers and three more tankers in a joint venture with the **Van Ommeren Group**. In **1965**, the joint management between the Telesio Filippi and Lolli Ghetti families ended, leaving the Telesio Filippi family with a fleet of six bulk carriers and one tanker.

1910-1965

During the **1980s**, the Company made several strategic changes to **enhance its operations and market presence**. It exited the bulk carrier sector, built a new tanker, and **strengthened its gas sector presence by acquiring the remaining 50% of the joint venture with Gaz Ocean, including all related ships**. Concurrently, the Company entered the Anchor Handling Tug Supply (**AHTS**) sector, operating **until 1991** with two newly built ships. In **1984**, the Group established **Sant'Ugo Immobiliare S.r.l.** to manage real estate, supplies, and provide general administrative services.

1980-1990

1965-1980

In the **mid-late 1960s**, the Company expanded into the **chemical sector** by constructing two ships with central stainless-steel tanks. Simultaneously, the Company started collaborating with **Gaz Ocean**, forming a **50% joint venture** and developing a significant fleet of gas carriers. This collaboration ultimately positioned the Company as a prominent player in the European LPG sector. Over the next decade, the Company embarked on an extensive fleet expansion, **constructing 5 LPG carriers and 5 chemical tankers** in Italian shipyards and acquiring **6 additional LPG carriers**.

1990-2000

During the **1990s**, the Company further developed the gas sector by **constructing 6 new LPG carriers, 4 of which were semi-refrigerated**. The Company also embarked on a **collaboration** with the **Norsk Hydro Group** (later Yara), leading to the creation of the **Carbonor S.p.A.** joint venture.

In **2003**, the Group **acquired the Tanker Division of the ENI Group**, including ships, offices in Milan, and personnel. This acquisition led to the formation of a new company called **Carbofin Energia Trasporti S.p.A.** (CET), based in San Donato Milanese. Carbofin Energia Trasporti S.p.A. managed a **fleet of 4 tankers** and oversaw the **technical and operational management of four LNG tankers** for LNG Shipping, a 100% ENI Group subsidiary, under a long-term contract ending in 2012. The Group also **managed** a Floating Production Storage and Offloading Unit (FPSO) in the South China Sea **for the CACT Operating Group**. Fleet expansion continued through **Carbonor S.p.A.**, which acquired two fully refrigerated **gas carriers from AP Moller-Maersk, used by Maersk** (sub-chartered and subsequently directly used by Koch) **and Petrobras**.

2000-2010

In the last three years, two ships were decommissioned **as part of a renewal plan aimed at acquiring technologically advanced ships** and reducing the average fleet age. In **2023**, the Group established **Greenstar Shipmanagement S.r.l.**, a new company dedicated to managing ships for third parties.

2021-2023

2010-2020

Between **2012** and **2018**, the Group developed a **partnership with maritime training company LITAV S.r.l.**, acquiring full control in 2014. Based in La Spezia, LITAV offers a comprehensive range of **tailored training courses for crews** of various ship types, including LPG and LNG tankers, enhancing safety, quality, and environmental standards. The Group maintained ownership until 2018 when it was sold to third parties. In **2015**, the Group simplified its corporate structure by merging Carbonor into Carbofin. In **2018**, the Group acquired a fully refrigerated gas carrier, which was time-chartered to Geogas SA.

BUSINESS ACTIVITIES AND HALLMARKS OF THE FLEET

Carbofin directly manages and controls **every aspect of the shipping business, including the technical, commercial, financial and operational management of the ships.**

The Company operates primarily in Central America, Brazil, the United States, and West Africa.

All owned vessels are on long-term charter to three major customers, with whom the Group has established **decades-long partnerships:**

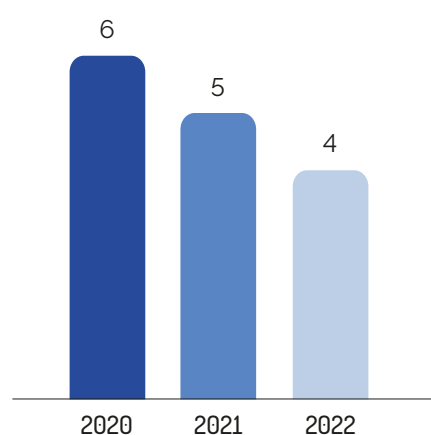
- **Geogas Trading:** a major global LPG trader based in Switzerland, with a controlled fleet (owned or chartered) of around 60 gas carriers of varying sizes
- **Geogas Maritime:** a French LPG shipping company with customers worldwide
- **Petrobras:** the leading state oil company in Brazil.

MAIN ROUTES





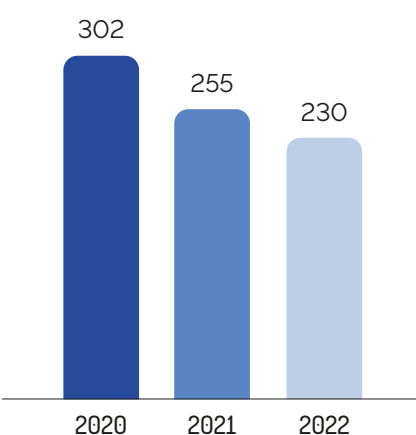
SHIPS IN THE FLEET AS OF 31 DICEMBER



During the period from 2020 to 2022, the Group's fleet saw the departure of 2 ships, resulting in a 23.8% reduction in the number of loading and unloading operations.

Since 31 December 2022, the Company has operated with a

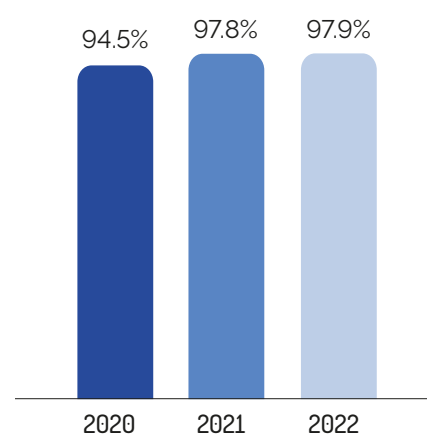
OPERATIONS (LOADING/UNLOADING)



fleet of **4 tanker ships for the bulk transport of liquefied gas**: *Enrico Fermi*, *Alessandro Volta*, *Luigi Lagrange* and *Pertusola*.

For the first 8 months of 2022, the fleet also included the ship *Marigola*, which was subsequently sold.

ACTUAL OPERATING DAYS OF THE FLEET IN THE YEAR



The **average age** of the fleet is **14.8 years** and it consists of 3 *Medium Size* ships (30,000-40,000 m³) and 1 *Handy Size* ship (12,000-22,000 m³), with a **total transport capacity of 132,873 m³**.

The efficiency of fleet utilization, measured by the percentage of operational days in the year, was 97.9% in 2022, an increase of 3.2 percentage points from 2020.

This reflects the high quality of management and continuous improvement in the Group's operational performance.

All the ships in the fleet meet high standards of excellence and were either custom-built at shipyards or acquired second-hand from top-tier shipowners.

The fleet	Enrico Fermi	Alessandro Volta	Luigi Lagrange	Pertusola	Marigola
Type of Ship	Liquefied Petroleum Gas tanker	Liquefied Petroleum Gas tanker	Liquefied Petroleum Gas tanker	Liquefied Petroleum Gas tanker	Liquefied Petroleum Gas tanker
Year of Construction	2018	2006	2006	1999	1999
Country of Construction	South Korea	South Korea	South Korea	Italy	Italy
Start Date of Management	12/02/2018	01/12/2010	17/11/2010	25/04/1999	22/10/1999
End Date of Management	-	-	-	-	19/08/2022
Deadweight Tonnage (DWT)	28,532	29,216	29,191	17,779	17,750
Transport Capacity (m ³)	38,122	38,500	38,500	17,751	17,806

The fleet management strategy over the last three years focuses on **progressively rejuvenating the fleet** by investing the proceeds from decommissioned ships into new vessels and projects.

Fleet turnover began in 2018 with the addition of the new gas carrier *Enrico Fermi* and was accompanied by the recent establishment of **Greenstar Shipmanagement S.r.l.**, aimed at the technical

management of the new ship *Varoli Piazza*, an innovative *dual-fuel* vessel with "green" features.



132,873 m³ fleet transport capacity



97.9% operational days in the year



THE NEW GREEN SHIP VAROLI PIAZZA

The new ship Varoli Piazza* has been designed with advanced green features. Key features include:

- **LPG Fuel/Dual Fuel:** ability to use LPG instead of traditional fuels (fuel oil) to power the main engine.
- **Ammonia Prepared:** equipment facilitating the use of ammonia as fuel for the main engine.
- **Ballast Water Treatment:** system for treating ballast water.
- **Double Hull:** improved hull resistance to impacts and stresses, reducing the likelihood of pollutant spills into the sea following accidents or malfunctions.
- **Engine Mounted Generator:** installation that allows the main engine to generate electricity. When the engine runs on LPG, electricity generation also benefits from lower atmospheric emissions.
- **VeriSTAR-HULL CM FAT (25):** structural features and protections designed to withstand a fatigue cycle of up to 25 years.
- **EU Green Passport:** system for tracking all hazardous and harmful materials throughout the ship's life, ensuring environmentally compliant scrapping at the end of its useful life.

GOVERNANCE

GROUP STRUCTURE

As of 31 December 2022, the Carboflotta Group comprises Carbofin S.p.A., the main company and holding entity, and S. Ugo Immobiliare S.r.l., wholly owned by the holding company:

- **Carbofin S.p.A.** is engaged in the marine shipping of liquefied petroleum gas (LPG) for foreign charterers worldwide
- **Sant'Ugo Immobiliare**, a single-member limited liability company, is headquartered at Via Gabriele D'Annunzio 2/107 in Genoa. It manages real estate and provides general services for Carbofin S.p.A., including space usage, staffing, ICT services, etc.
- On 31 January 2023, **Greenstar Shipmanagement**⁶ S.r.l. was

established, fully owned by Carbofin S.p.A., to handle administrative assistance, technical management, and crew management for the ship Varoli Piazza.

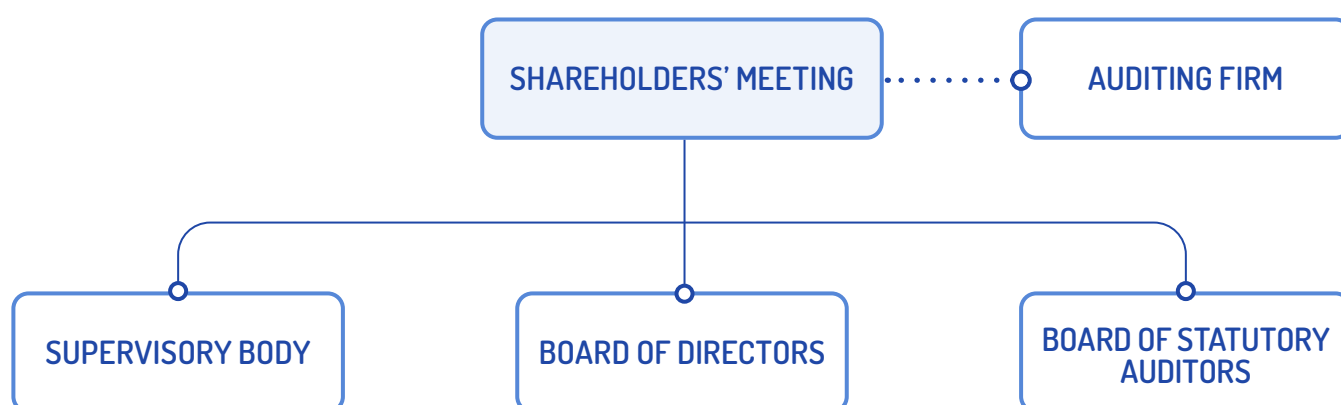
Below is the composition of the Carboflotta Group following the establishment of the new company:



⁶ This Sustainability Report does not include information on Greenstar Shipmanagement S.r.l. as its establishment falls outside the timeframe considered

GOVERNANCE AND CONTROL BODIES

The governance structure⁷ of the Group's holding company consists of the following bodies:



SHAREHOLDERS' MEETING

As of 31 December 2022, the company's share capital is EUR 20.1 million, and the shareholder structure includes:

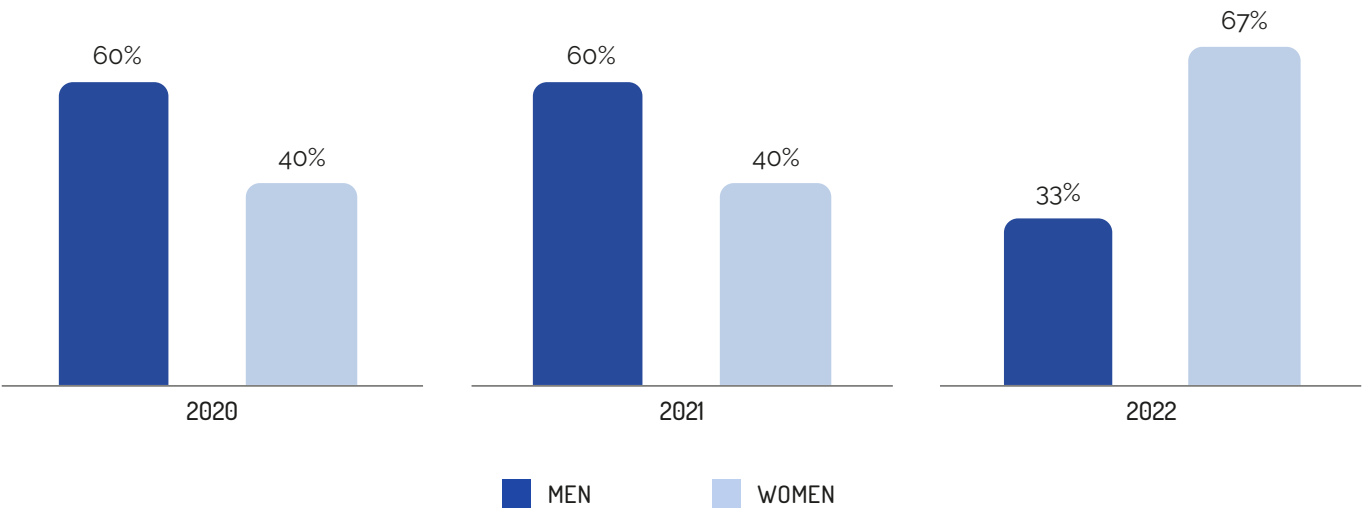


€ 20.1 million
share capital as of
31 December 2022

Type of Ownership	Members
Full Ownership	Telesio Francesca, Telesio Lucia, Filippi Giovanni, Filippi Anna, Pastorino Beatrice, Pastorino Edoardo, De Lucchi Giorgio, De Lucchi Giulia
Bare Ownership	De Lucchi Giorgio, De Lucchi Giulia
Usufruct	Filippi Maria Isabella

⁷ The chapter provides information on the governance and control bodies of Carbofin S.p.A., the Group's main company and holding company

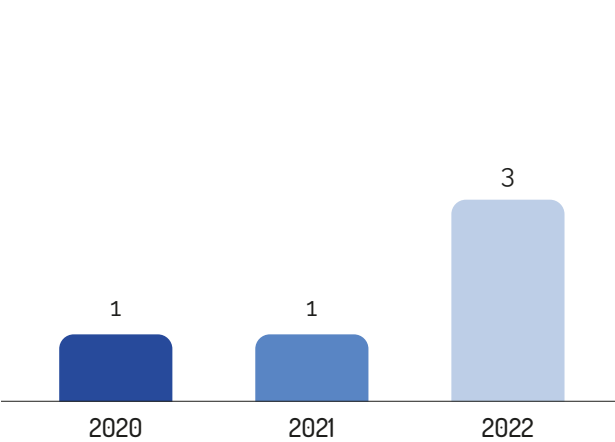
GENDER COMPOSITION OF THE SHAREHOLDERS' MEETING



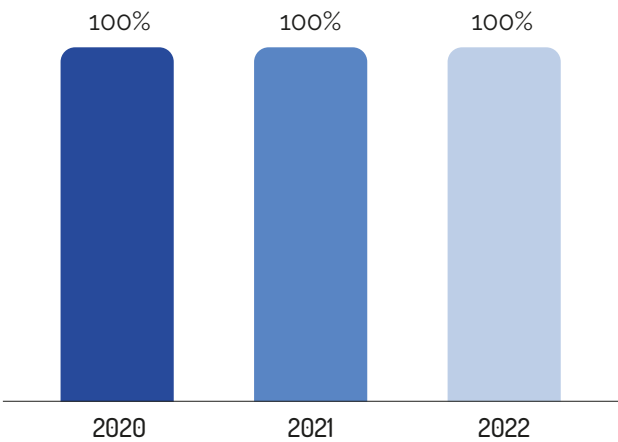
The Shareholders' Meeting consists of 9 members, 67% of whom are women, showing a reversal of the trend from previous years.

Age composition includes 3 women under 30 years, 5 members (3 men, 2 women) between 30 and 50 years, and 1 woman over 50 years.

MEETINGS



PARTICIPATION RATE



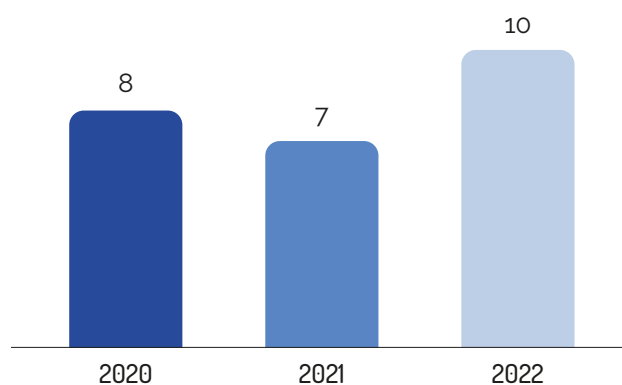
BOARD OF DIRECTORS

As of 31 December 2022, the highest governing body of the Group, the Board of Directors (BoD), comprises the Chair Enrico Filippi, the CEO Enrico Telesio, and the Executive Director Michele Bogliolo, overseeing the entire management activity. The BoD members are all men over 50 years old. The BoD monitors overall management and delegates part of its responsibilities to representatives with specific powers, ensuring risk management and alignment with the Group's mission. Delegated representatives with specific powers are: Andrea Lombardo, Deborah Monti, Valentina Ricci, Alberto Vigna, Nicolò Agnello, Ruben Moriconi and Giovanni Filippi.

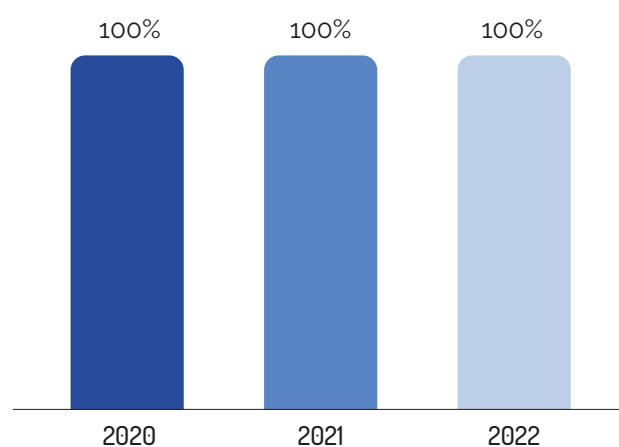
No conflicts of interest are noted in the BoD membership.



MEETINGS



PARTICIPATION RATE

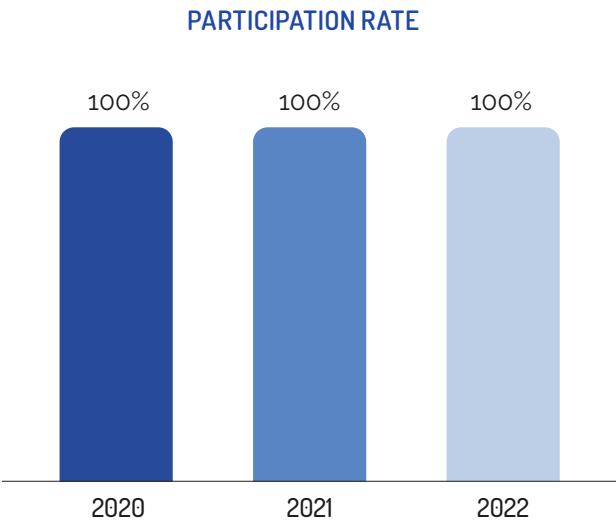
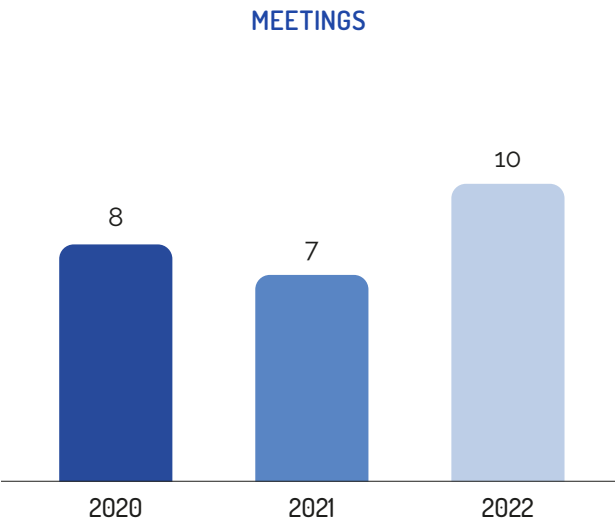


BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors, in office until the approval of the financial statements as of 31 December 2023, exercises control

functions, ensuring compliance with regulations and the adequacy of the organisational and accounting structure.

The board consists of 3 male auditors, all over 50 years old.

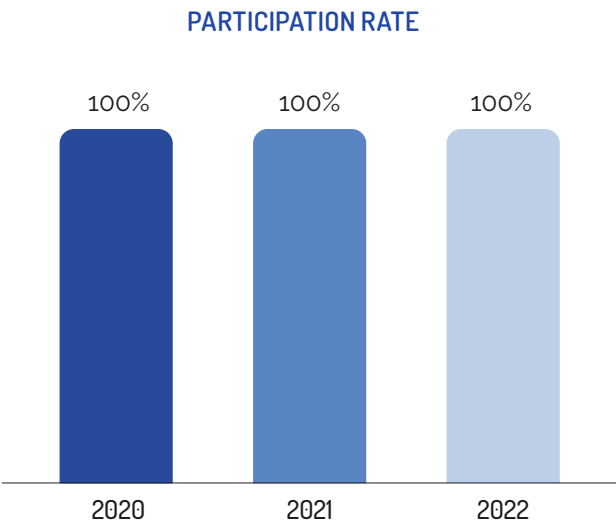
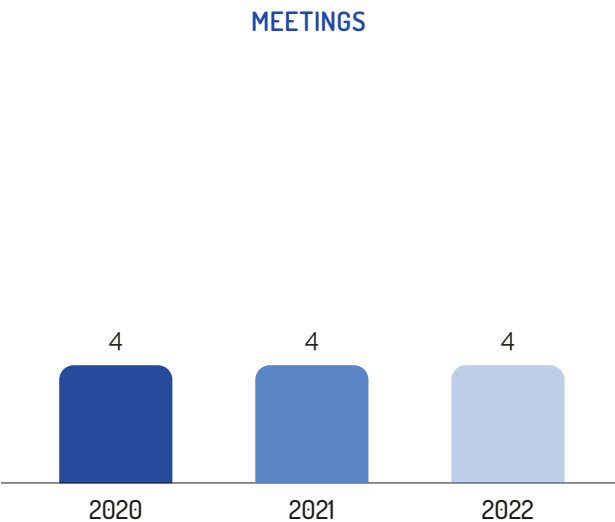


SUPERVISORY BODY

The Supervisory Body (Organismo di Vigilanza - OdV), appointed on 21 July 2021, has no term

limit. It oversees the functioning and compliance with the Model adopted under Legislative

Decree 231. The body consists of a single man, aged between 30 and 50.



OUR STAKEHOLDERS

Below are the main categories of Carbofin's stakeholders, divided into internal and external groups.

Internal Stakeholders		
Personnel	Ownership	
Shore-based personnel Onboard personnel		
External Stakeholders		
Customers	Financial Community	Business Partners
Actual: <ul style="list-style-type: none">• Geogas Trading• Geogas Maritime• Petrobras Past and Potential: <ul style="list-style-type: none">• ENI Group• CACT Operating Group• Koch• Yara International,• Trammo• LNG Shipping (ENI)	Banks and Insurance Companies Financial and Insurance Brokers	Port Agents and Intermediaries Recruitment Agencies Shipyards
Suppliers	Maritime and Flag Authorities	Community
Suppliers of Goods, Services, and Works Shipyards	Port Authorities (Flag Administration) Coast Guards (Port State Control) Ship Classification Societies Oil Companies International Marine Forum (Ocimf) Ship Inspection Report (Sire) Programm Consulates	Local Institutions and Organizations NGOs and Environmental Organizations
Governments, National, and International Institutions		Industry Associations
		Confitarma BIMCO

RELATIONS WITH STAKEHOLDERS

Internal		
Stakeholder	Needs and Expectations of Stakeholders	Carbofin's Response Strategy
Personnel	Occupational health and safety Compliance with contractual conditions Motivation and sense of belonging Professional training and development	Sustainable working conditions Regulatory and contractual compliance Welfare initiatives Professional training and development programmes Integrated Management System
Ownership	Quality of services Compliance with regulations and contractual conditions Competitive positioning Corporate reputation	Reliable and quality services Regulatory and contractual compliance High standards of operational performance High standards in inspections by maritime authorities



External		
Stakeholder	Needs and Expectations of Stakeholders	Carbofin's Response Strategy
Customers	Quality of services Compliance with regulations and contractual conditions Quality of business relationship Corporate reputation	Reliable and quality services Regulatory and contractual compliance High standards of business performance High standards in inspections by maritime authorities
Financial Community	Group solidity Payment regularity	Regulatory and contractual compliance High standards of financial performance Group solidity, Payment regularity
Business Partners	Compliance with regulations and contractual conditions Reliability and transparency in relationships Payment regularity	Regulatory compliance Commitment to transparency and cooperation
Suppliers	Compliance with regulations and contractual conditions Payment regularity	Regulatory and contractual compliance Group solidity Payment regularity
Maritime and Flag Authorities	Compliance with local and international regulations Compliance with class and flag requirements Regular audit and control procedures	Regulatory compliance, Planning of audit and control activities, High standards in inspections by maritime authorities Transparency in relations with authorities
Community	Protection from pollution and accidents	Regulatory compliance High standards of environmental performance
Governments, National and International Institutions	Compliance with regulations	Regulatory compliance
Industry Associations	Active participation in associations	Participation in associations with sharing of technical know-how and best practices



**SUSTAINABILITY,
ETHICS AND INTEGRITY**

THE SUSTAINABILITY JOURNEY OF THE CARBOFLOTTA GROUP

The Carboflotta Group has always been attentive to sustainability and to the impact of our activities on the environment and the community.

To this end, it adopts operational, safety, and environmental protection procedures, strictly adhering to regulations and industry best practices, with the aim of contributing to sustainable development.

In line with this vision, the Group has **voluntarily decided to initiate** – anticipating future regulatory requirements – **a process of measuring and reporting ESG performance**. This aims to consolidate internal culture and

awareness on these topics and communicate to stakeholders the objectives, activities, results, and value – social, environmental, and economic – produced through its business.

This initiated process has **involved various levels of corporate responsibility**.

A Steering Committee and an expanded Working Group have been established, comprising the heads of all corporate areas.

In **2022**, a **first Sustainability Report** was produced and published – attached to the consolidated Financial Statements – representing the outcome

of a thorough assessment and categorization of all the work already done in terms of sustainability.

Between 2022 and 2023, in preparation for the publication of **this Sustainability Report**, the process included the following activities:

- Definition of the **reporting scope and process**
- Identification of the **significant sustainability topics** for the Company and their prioritization (materiality assessment)
- Establishment of a **system for collecting all necessary information and data** for reporting.

SUSTAINABILITY TOPICS

At the end of 2022, Carbofin conducted its first materiality assessment, a process aimed at identifying the **topics relevant to its sustainability – those that have a direct or indirect impact on the Company's ability to create and preserve social, environmental, and economic value over time**. **The assessment involved a total of 107 stakeholders**, 64 internal and 43 external. Specifically, with respect to **internal stakeholders** all shore-based personnel and a significant selection of senior onboard personnel participated in the assessment.

External stakeholders included representatives from suppliers, customers, insurers, the financial community, associations, and third-sector foundations.

The matrix represents the material topics that guide the Company's sustainability journey. These topics are linked to the three dimensions of sustainability – social, environmental, and economic – and are positioned on the graph according to the importance defined by Carbofin (internal stakeholders) and external stakeholders.

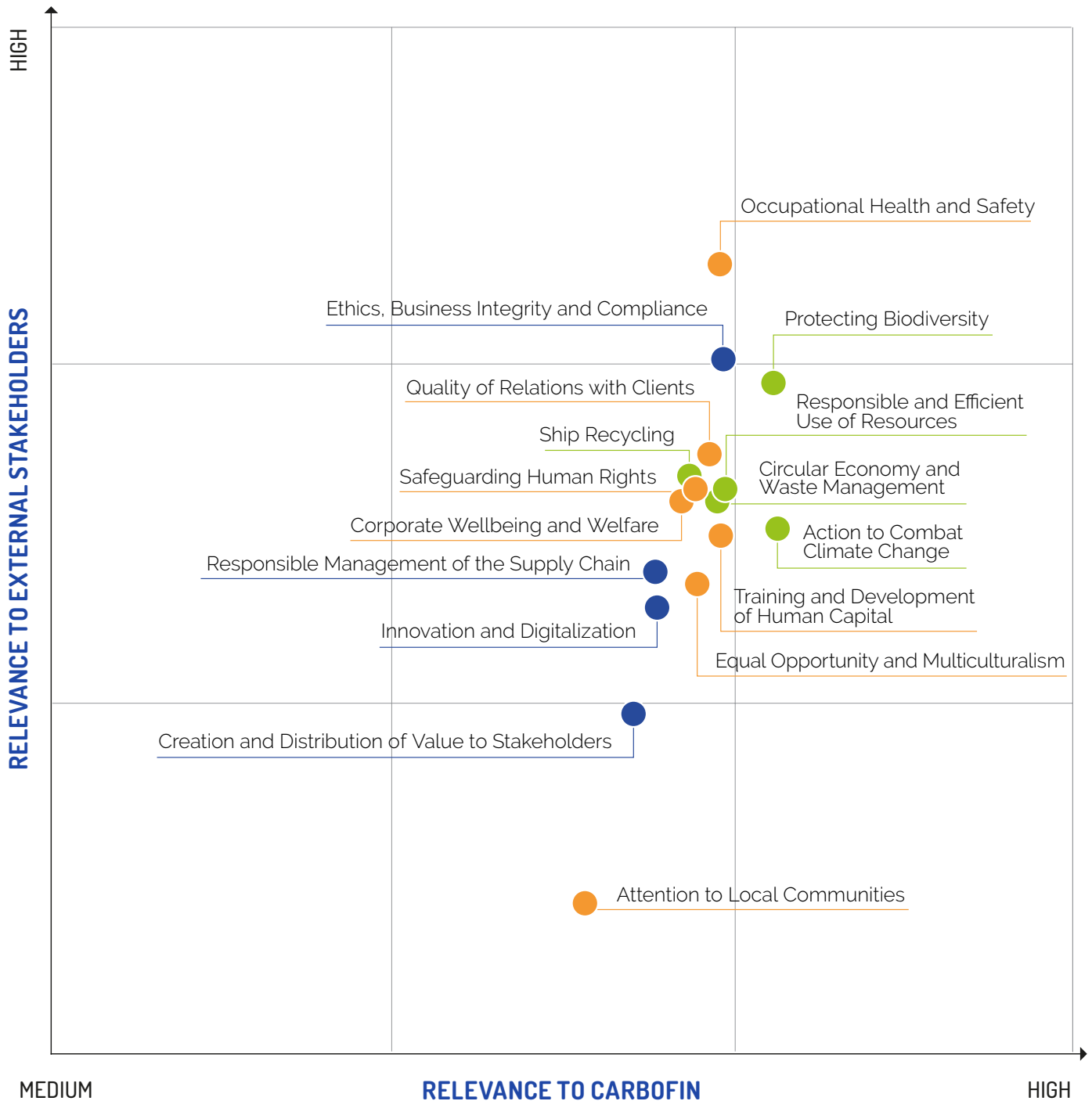
Based on scores assigned on a scale from 1 to 9, three levels of relevance were established: low (1-3), medium (4-6), and high (7-9).

To best represent the assessment results, only the medium to high ranges for "Relevance to Carbofin" and the medium-high to high ranges for "Relevance to external stakeholders" are shown in the matrix.

The topic deemed most relevant by external stakeholders is **"Occupational Health and Safety"**, followed by **"Ethics, Business Integrity and Compliance"**, while

internal stakeholders assigned the highest importance to **"Action to Combat Climate Change"** and **"Protecting Biodiversity"**.

Overall, both internal and external stakeholders placed greater importance on topics related to the environment and people than to the economic dimension.



OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

The sustainability topics of **Carbofin** – presented below in order of relevance and linked to the three dimensions of sustainability – have been **connected to the 17 UN 2030 Agenda Goals** (SDGs) through a detailed assessment of the 169 sub-targets intersected by the Group's priorities.

For each topic and SDG, **ESG KPIs have been identified to measure Carbofin's contribution to sustainable development.**

THE 17 UN 2030 AGENDA GOALS

The **UN 2030 Agenda** is an action plan for people, the planet, and prosperity, signed in September 2015 in New York by the **193 UN member countries**.

The Agenda – which outlines the **17 Sustainable Development Goals (SDGs)** and their **169 targets** – highlights the limitations of the current development model and encourages a shared vision of the necessary changes, indicating the goals to be achieved by 2030, to which everyone – citizens, businesses, and institutions – can and must contribute.



The Sustainability Topics of Carbofin	ESG Dimension	SDGs	KPI 2022
Ethics, Business Integrity and Compliance	G		0 cases of non-compliance with laws or regulations, corruption, or anti-competitive behaviour in the 2020-2022 period
Innovation and Digitalization	G		All the ships use digital and paperless navigation hardware and software
Equal Opportunity and Multiculturalism	S	 	36% of shore-based personnel and 1.9% of onboard personnel are women (1.2% higher than the industry average) Complete remuneration equity considering the professional categories occupied by both men and women
Safeguarding Human Rights	G		0 cases of discrimination
Training and Development of Human Capital	S		13 hours of training per capita for shore-based personnel 10 hours of training per capita for onboard personnel
Corporate Wellbeing and Welfare	S	 	All employees are guaranteed primary welfare services 0 complaints or lawsuits related to labour practices in the three-year period
Occupational Health and Safety	S	 	7.9 hours of Health & Safety training per capita for shore-based personnel 11.6 hours of Health & Safety training per capita for onboard personnel
Quality of Relations with Clients	S		0 formal complaints regarding fleet performance in the three-year period 0 days of downtime
Attention to Local Communities	S		EUR 122,000 disbursed in membership fees, donations, and sponsorships

The Sustainability Topics of Carbofin	ESG Dimension	SDGs	KPI 2022
Responsible and Efficient Use of Resources	E	 	27,600 tonnes of fuel consumed by the fleet 12.3 million litres of seawater distilled onboard
Action to Combat Climate Change	E	 	0.10 tonnes/ton mile overall fleet energy efficiency Since 2020, 24.0% fewer total GHG emissions MT of CO ₂ eq) 30.4% improvement in overall emission efficiency 2.6 MT of CO ₂ -eq per thousand EUR
Circular Economy and Waste Management	E		422 m³ total waste produced by the fleet (29.7% less since 2020) 91% of waste discharged and disposed of on land
Ship Recycling	E		All ships are certified under Regulation (EU) 1257/2013 on ship recycling and the Hong Kong Convention
Protecting Biodiversity	E		0 spills of transported products or release of substances into the environment in the three-year period All ships are equipped with ballast water management systems and anti-fouling systems free of toxic components
Creation and Distribution of Value to Stakeholders	G		EUR 38 million economic value generated, of which EUR 23.6 million distributed economic value EUR 4.98 million Group operating result
Responsible Management of the Supply Chain	G	 	69% of suppliers* have ISO 9001 quality certification 51.7% of suppliers* have ISO 14001 environmental safety certification 31% of suppliers* have ISO 45001 health and safety certification

* Data on the key suppliers of Carbofin

ETHICS, BUSINESS INTEGRITY AND COMPLIANCE



16.5 Substantially reduce all forms of corruption and bribery

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

0

cases of non-compliance
with laws or regulations
in the 2020-2022 period

Carboflotta conducts its business activities with integrity and transparency.

The Group is committed to acting professionally, fairly, and honestly, fully understanding that these values reflect a strong sense of social responsibility.

All business operations and the conduct of corporate bodies,

0

cases of corruption
in the 2020-2022 period

employees, and collaborators are based on the principles of honesty, loyalty, impartiality, confidentiality, transparency, and completeness of information.

The Group is dedicated to pursuing its business objectives by offering high-quality services in compliance with all current regulations – including those protecting fair competition – and ensuring that

0

cases of anti-competitive behaviour
in the 2020-2022 period

those involved in conducting business activities are not, and do not appear to be, in conflict with corporate interests.

In the 2020-2022 period, there were no instances of non-compliance with laws or regulations, nor any legal actions regarding anti-competitive behaviour or violations of anti-trust and anti-monopoly laws.



CODE OF ETHICS

The **Code of Ethics** is the document that contains the ethical principles, namely the set of **rights, duties and responsibilities** that Carbofin adopts with respect to all **stakeholders**.

The Code outlines the principles, values, and general criteria for conducting business and the rules of conduct – both individual and collective – that the Company commits to applying and enforcing in order to maintain and enhance the prestige and reputation earned over time.

Each director, auditor, employee, and external collaborator – in the exercise of their functions and in representing the Company to third parties – is required to comply with the Code as an essential part of their contractual obligations.

The Code of Ethics also applies to all those who establish business relationships with the Company.

All parties to any business relationship are informed of the existence of the rules of conduct laid down in the Code and are required to comply with them, under penalty of the consequences established in the contract and the Company's internal disciplinary system.

The general principles underlying the Code of Ethics are:

- ethics in business conduct and corporate activities
- work ethics, safety, protection and development of people
- environmental ethics
- ethics in the processing of personal data.

Compliance with the Code of Ethics involves adhering to all applicable regulations, company rules – including employee conduct regulations – and the internal regulations voluntarily adopted by the Company, which

include: the quality management system (ISO 9001), the occupational health and safety management system (ISO 45001), the environmental management system (ISO 14001), and the personal data management system.

The Code of Ethics is an integral part of the “Compliance Management Model” referred to in Article 6 of Legislative Decree 231/2001, and failure to comply with its principles or violation of them falls within the disciplinary system adopted by the Company, consistent with legal and contractual regulations. The Code of Ethics is constantly updated to ensure compliance with regulatory developments.

The current applicable version was approved in 2022.



COMPLIANCE MANAGEMENT MODEL

Legislative Decree 231/2001 introduced a new specific liability regime in the Italian legal system, defined as "administrative" but essentially *de facto* criminal, for private entities, for certain offences committed in the interest or to the benefit of the entities themselves by persons holding representation, administration, or management

functions within the entity. The liability of entities – which is in addition to and does not replace that of the natural person who is the perpetrator of the offence – arises even if the offence in the interest or to the benefit of the entity was only attempted.

In 2006, Carbofin adopted a Compliance Management Model

in accordance with Legislative Decree 231/2001 to protect the Company from these specific liabilities. **It has also appointed a Supervisory Body responsible for overseeing the Model.**

The Model was revised in 2021 and 2022 to adapt it to regulatory developments and organizational changes.

ANTI-CORRUPTION POLICY

As a shipowner based in Italy, the Company adheres to the anti-corruption regulations set out in Legislative Decree 231/2001. This legislation establishes administrative liability for cases of corruption, including attempted corruption, involving Public Officials or private individuals, both in Italy and abroad, when done in the interest or for the benefit of the Company. In its international operations, the Company strictly complies with local laws and international anti-corruption conventions.

In its dealings with clients and third parties, the policy clearly prohibits offering or promising gifts, money, benefits, or other advantages that could constitute a crime or breach of the Code of Ethics, or that could aim to secure unfair treatment, thus distorting market rules.

Regarding interactions with the Public Administration, Public Officials, and Public Service

representatives, the policy mandates that all members of the organization and external collaborators act with fairness, transparency, and traceability. Corruption and collusion of any form are strictly prohibited. Any violations by Company personnel or third parties must be promptly reported to the Company's relevant internal departments and the Supervisory Body.

All personnel receive dedicated training on the anti-corruption policy. The policy document is distributed via service orders and is accessible in each employee's personal area.

Even before it became a legal requirement under Law 179/2017, the Company implemented a **top-tier electronic system for reporting wrongdoing**⁸ (whistleblowing channel). This system is designed to ensure confidentiality for whistleblowers and protect them from retaliation.

The Supervisory Body oversees and manages the reporting system.

The **Whistleblowing Policy**, which governs the reporting procedure, is available both in the Company's offices and on its ships, as well as online on the Company's website. The platform is highly reliable, offering robust security for whistleblowers' personal data and ease of use for report management. The Company commits to thoroughly investigating each report and protecting the whistleblower from any form of retaliation.

No cases of corruption were reported or occurred in the 2020-2022 period.

⁸ Wrongdoings include corruption, criminal offences, legal violations, miscarriages of justice, risks to public health, safety or the environment, abuse of authority, unauthorized use of public funds or property, serious waste or mismanagement, conflict of interest, and acts to cover up any of these situations.

INTEGRATED MANAGEMENT SYSTEM

The Company has implemented an Integrated Management System (IMS) to standardize the management of operational processes, ensuring high standards of efficiency, personnel safety, and environmental protection.

The IMS is designed to enable continuous measurement of corporate performance indicators, analysis of potential inefficiencies, and the implementation of

corrective actions and prevention plans.

Along with regular internal audits, both on-board and onshore, the IMS facilitates the Company's ongoing improvement in operational efficiency, safety, social responsibility, and stakeholder satisfaction, while ensuring compliance with all national and international regulations.

The Integrated Management System complies with the following certified standards:

- ISO 9001 – Quality Management
- ISO 14001 – Environmental Management
- ISO 45001 – Occupational Health and Safety Management
- Safety Management System (IMO - ISM Code)
- TMSA 3 – Tanker Management Self-Assessment (OCIMF).

DIGITALIZATION PROCESS

Since 2019, the Integrated Management System has been central to a digitalization process aimed at optimizing corporate processes. This innovation journey has involved installing dedicated software for managing audits and irregularities on board the ships, and a platform for monitoring navigation performance at the offices.

In 2022, the Company completed the installation of the hardware and software related to the Electronic Chart Display and Information System (ECDIS) across the entire fleet. ECDIS is a paperless navigation system that allows for digital display and management of all essential cartographic information.

Its primary purpose is to enhance navigation safety by reducing the workload of the watch officer. **All fleet vessels now use ECDIS as the primary navigation tool, and all maritime personnel have been trained to use it.**

Additionally, shore-based personnel have undergone **training in the project "Industry 4.0 - Towards Digitalization: The Vertical and Horizontal Systemic Integration of Business Processes in Carbofin S.p.A."**. This project has equipped staff with the knowledge and skills necessary to proceed with the digitalization of corporate processes, **facilitating the transition** to using digital technologies and data.

It also supports human resources in acquiring new technologies pertinent to the shipping industry and improves the efficiency of working from home processes.

Throughout 2022, the Company began implementing various management software solutions. These efforts will significantly reduce paper usage both in the offices and on ships, streamline the approval process for responsibility levels, and enable efficient optical document archiving.

SOCIAL VALUE

An aerial photograph of a city at sunset. The sky is a mix of blue, orange, and pink. In the foreground, a white tower with a dome and a balcony is prominent. The city is filled with buildings of various heights and colors, with many windows lit up. A tall, modern building with a glass facade stands out in the middle ground. The overall scene is a dense urban landscape.

FIGURES AT 31.12.2022

THE PEOPLE WHO WORK AT CARBOFLOTTA

242 people

work for the Group

86.4% onboard personnel

13.6% shore-based
personnel

1 NO
POVERTY



4 QUALITY
EDUCATION



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



100%

retention rate of
shore-based personnel

93%

retention rate of
onboard personnel

Remuneration equity

average between men
and women

0

cases of discrimination

100% personnel
covered by **collective**
bargaining agreements

10 hours

of **training** per capita
for **onboard** personnel
(more than doubled
since 2020)

13 hours

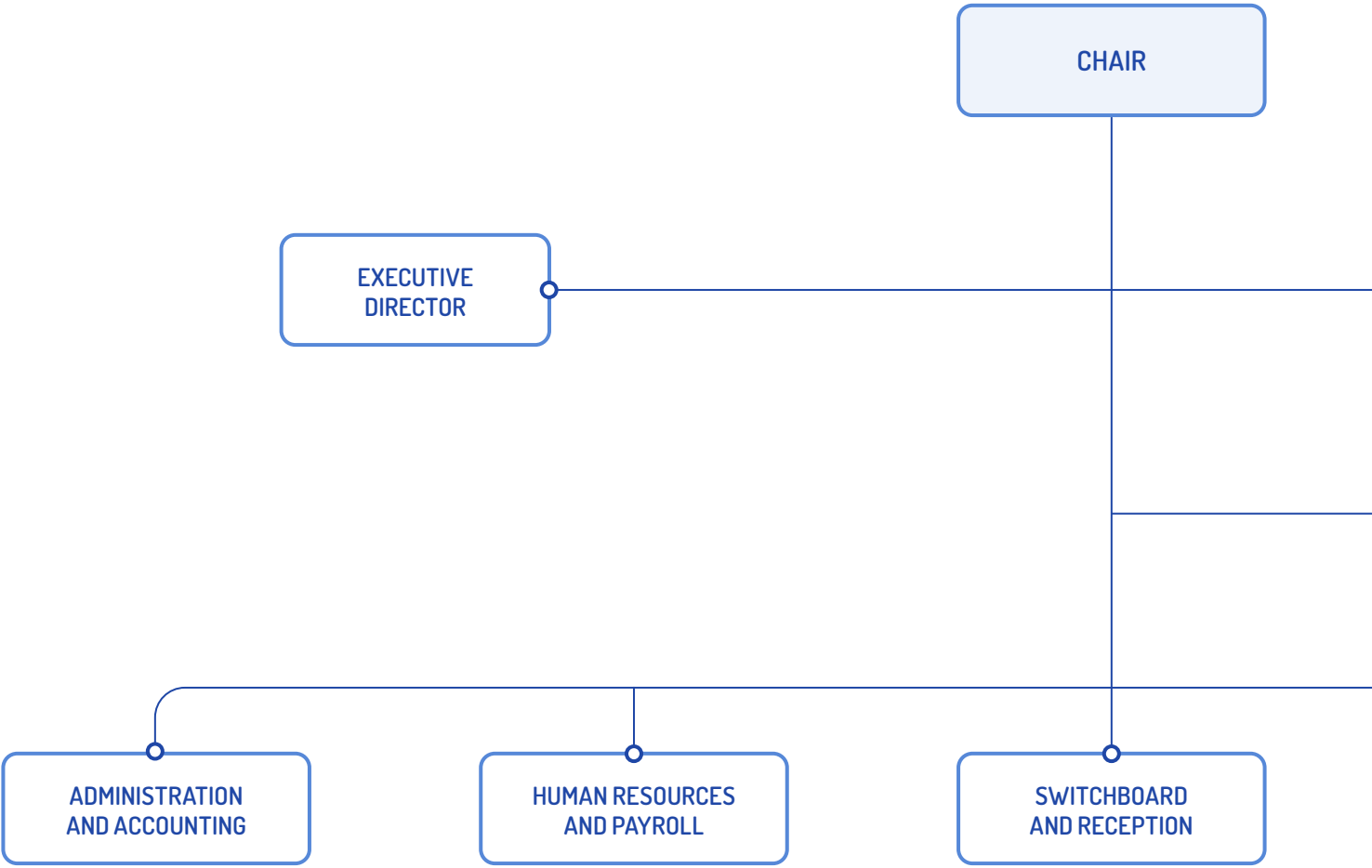
of **training** per capita
for **shore-based** personnel
(more than doubled
since 2020)

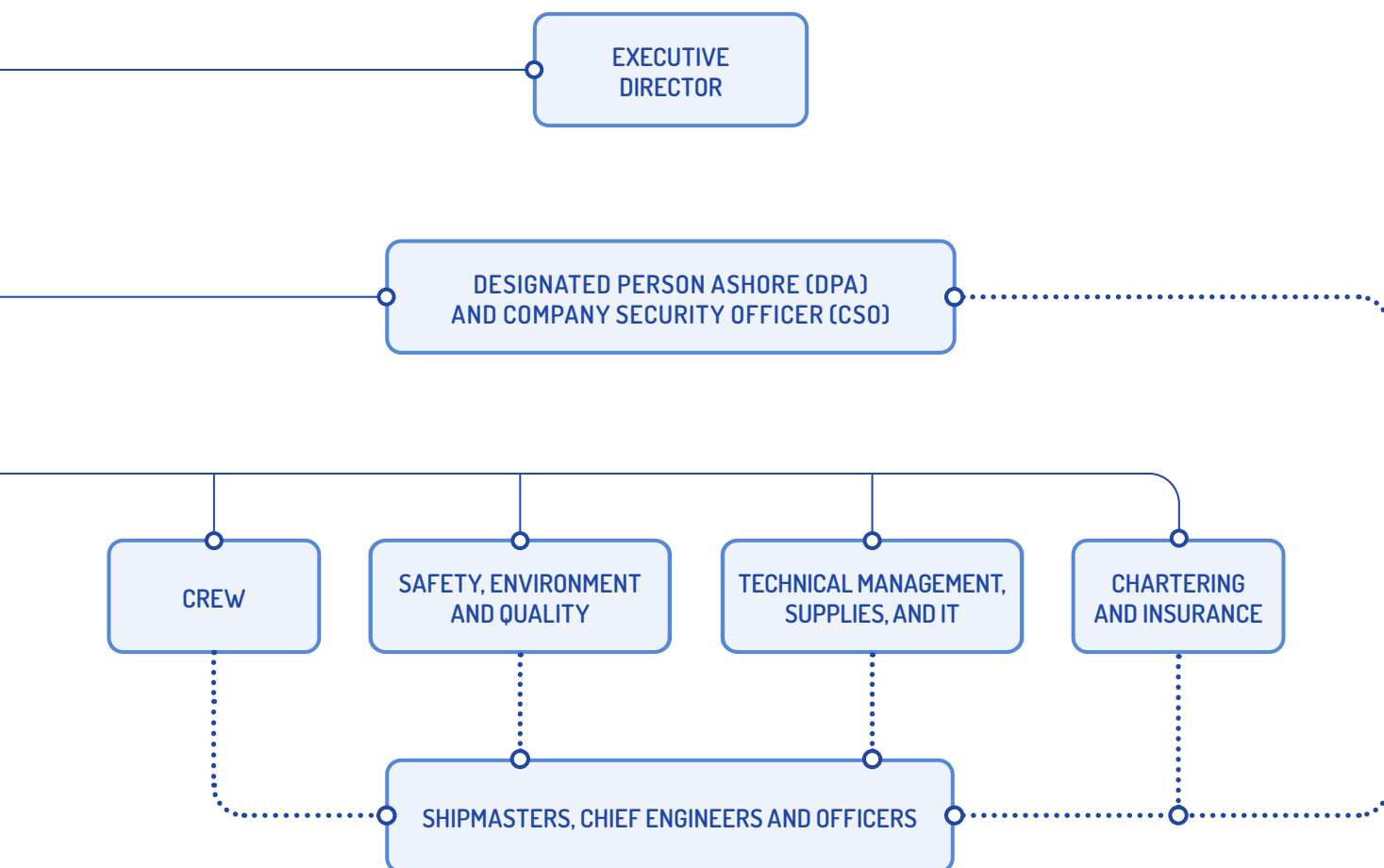
100%

employees
guaranteed primary
welfare services

ORGANIZATIONAL STRUCTURE

The Company's activities are conducted through continuous **coordination** between **shore-based** personnel and **onboard** personnel.





SHORE-BASED PERSONNEL

The shore-based personnel, working from the headquarters in Genoa, oversee the overall management of the Company and fleet operations. Specifically:

- **Management** handles strategic planning, defines company policies, and sets technical specifications for ships to be built or acquired, considering current regulations and industry standards.
- **Administration** monitors budgets and accounting, and prepares financial statements.
- The **Commercial Department** manages the procurement of fuel and lubricants, and oversees procedures related to charters, port deadlines, and certifications.
- The **Safety, Environment, and Quality Office** oversees

inspection activities—both those required by the International Safety Management Code (ISM) and those by second and third parties—monitors the ships' Safety Management Systems (SMS), implements and disseminates new standards and regulations, certifies onboard hydrography procurement, and develops and manages the Integrated Management System.

- The **Technical Office** manages ship classification, document control and verification, maintenance scheduling, procurement of spare parts and equipment, and fleet performance verification. It also provides support during inspections. The head of the technical office and inspectors are responsible for the technical supervision of the ships.

- The **Crew Office** recruits onboard personnel in accordance with the Company's procedures, ensuring each ship is crewed with personnel meeting physical requirements, professional certifications, skills, and language proficiency standards. In collaboration with the Safety, Environment and Quality Office and the Technical Office, it also selects the most suitable officers and ratings for each ship, considering the ship's requirements and the crew's specialization.

ONBOARD PERSONNEL

The activities of onboard personnel are broken down into:

- **Port Activities**, which include handling mooring and unmooring procedures, loading and unloading cargo, handling ballast water, bunkering, provisioning, and waste disposal. Other port activities involve liaising with local authorities

regarding arrivals, departures, and inspections by Port State Control (PSC), the Flag State, Classification Societies, Oil Companies International Marine Forum (OCIMF), or internal audits.

- **Navigation Activities**, which include monitoring the voyage, conducting emergency drills and tests, transferring fuel between

tanks, performing maintenance operations, managing ballast water, and direct disposal of certain wastes in compliance with MARPOL regulations.

- **Other Activities**, which encompass tasks that require attention both in port and at sea, such as maintenance work.

COMPOSITION AND PROFILE OF PERSONNEL

SDG



8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

242 employees

13.6% shore-based personnel
and **86.4%** onboard personnel

100%

permanents contracts
for **shore-based** personnel

100%

retention rate of **shore-based** personnel

93%

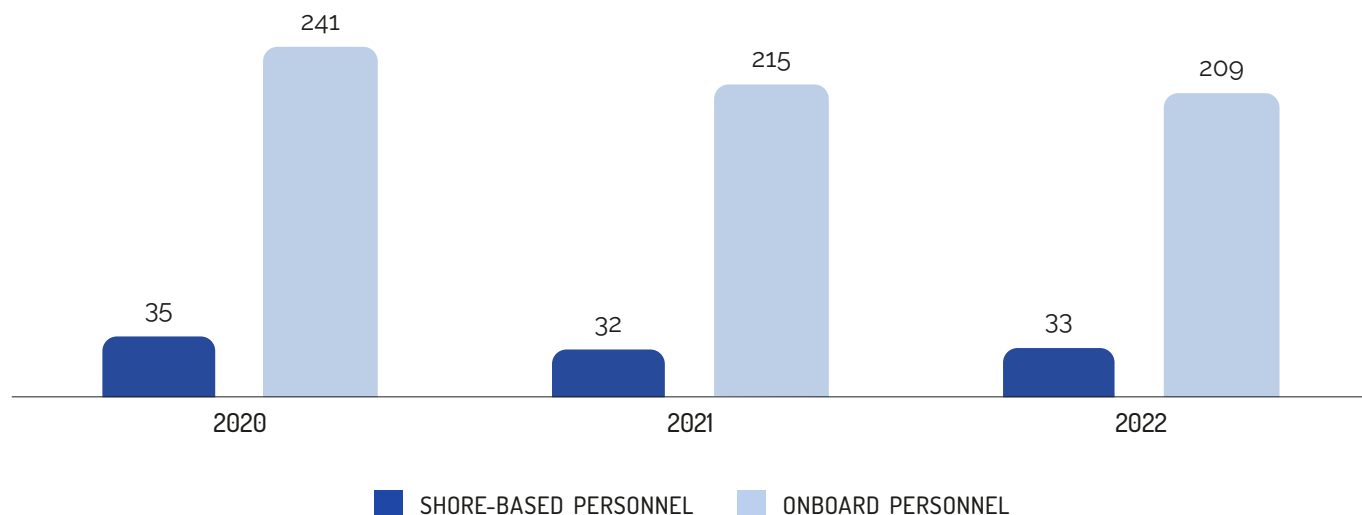
retention rate of **onboard** personnel

In 2022, the Carboflotta Group employed **242 people** - 33 shore-based (13%) and 209 onboard (87%) - showing a slight decrease

compared to the previous two years (**12% down from 2020**), particularly in onboard personnel (13% down from 2020), in line

with the reduction in managed ships (from 6 to 4).

PERSONNEL BY TYPE

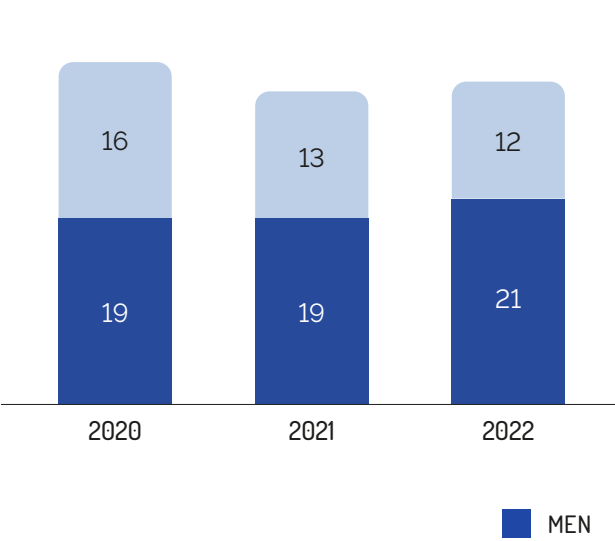


The Group's workforce comprises **93% men and 7% women**, reflecting a sector still heavily influenced by the lack of women in navigation

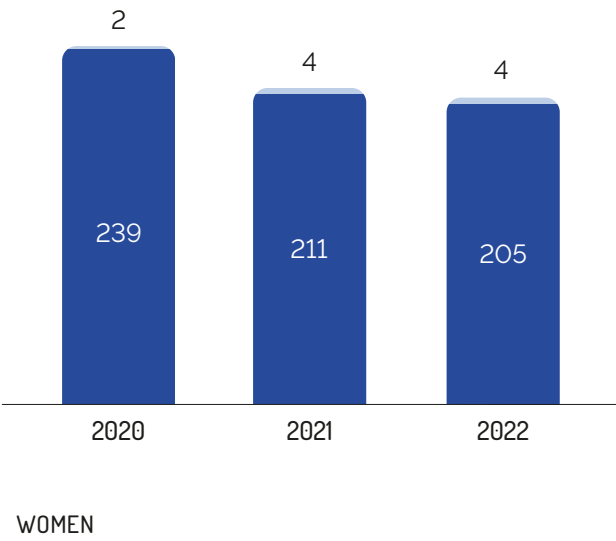
engineering roles. Specifically, 36% of shore-based personnel are women (25% down from 2020), while women make up 1.9% of

onboard employees (a 100% increase since 2020).

SHORE-BASED PERSONNEL BY GENDER

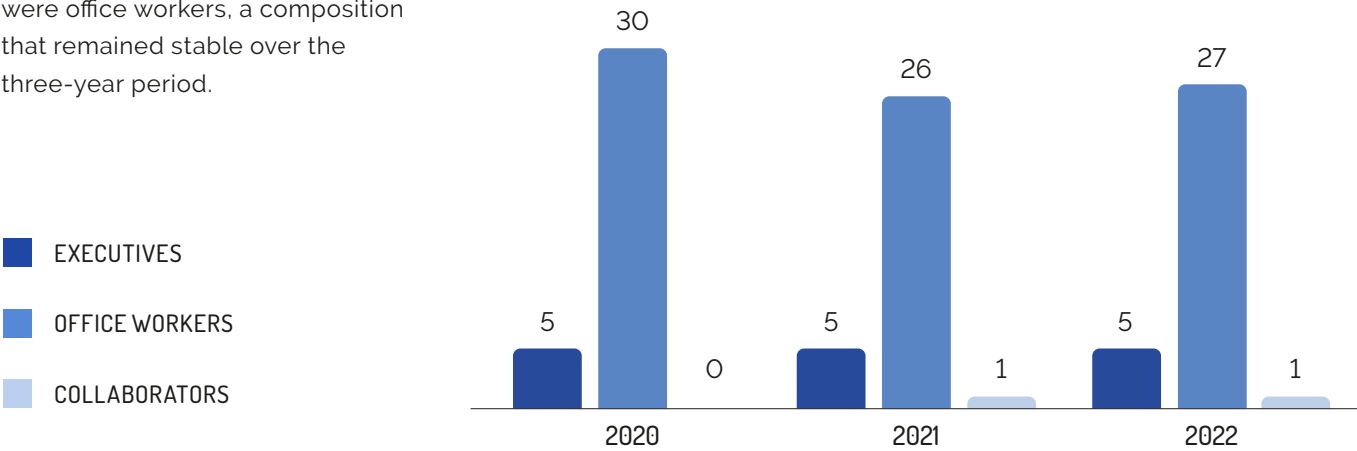


ONBOARD PERSONNEL BY GENDER

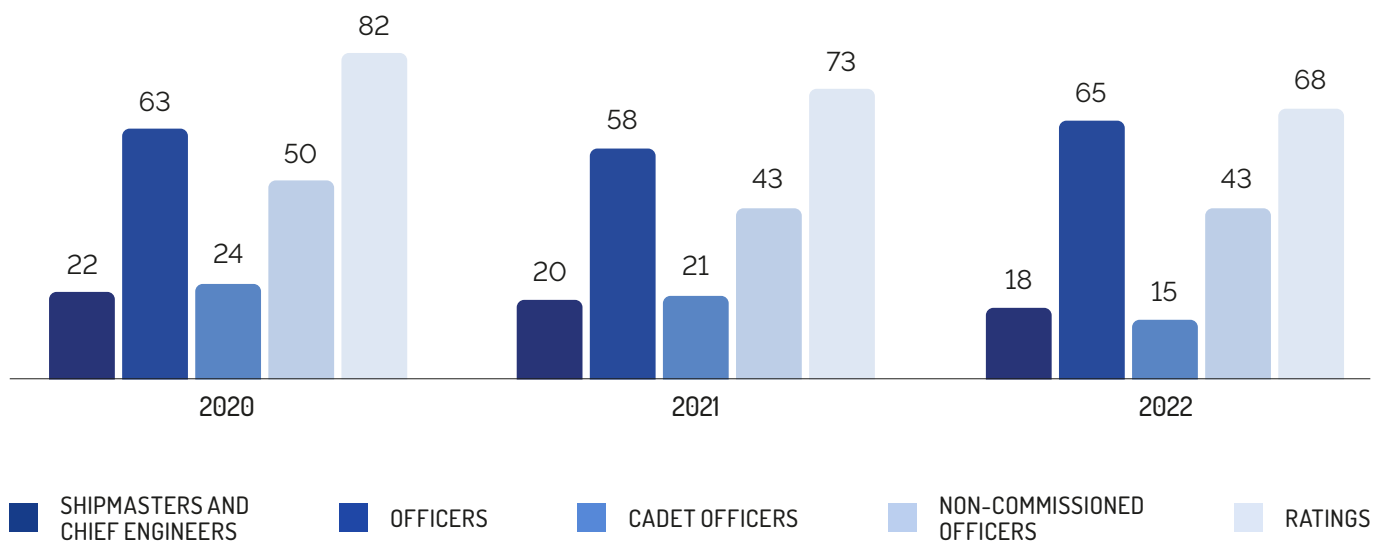


In 2022, 15% of shore-based personnel were executives and 82% were office workers, a composition that remained stable over the three-year period.

SHORE-BASED PERSONNEL - PROFESSIONAL CATEGORIES



ONBOARD PERSONNEL - PROFESSIONAL CATEGORIES



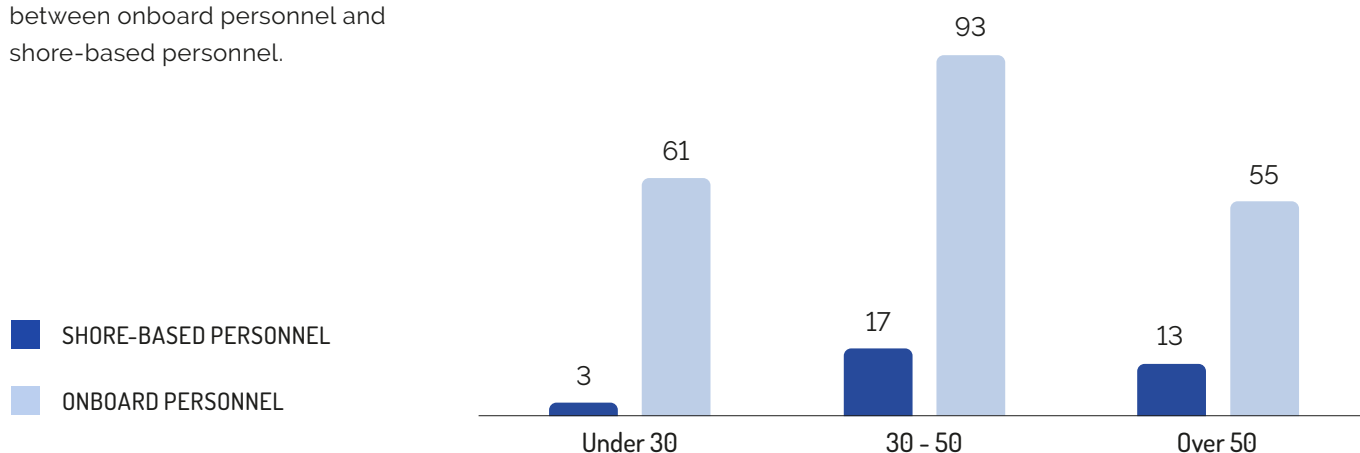
The onboard personnel is broken down into different professional categories: shipmasters and chief engineers (9%), officers (31%), cadet

officers (7%), non-commissioned officers (21%) and ratings⁹ (33%). Overall, the composition has remained consistent since 2020,

with a slight increase in officers (up 5%) and a decrease in cadet officers (down 3%).

A breakdown of personnel by age bracket clearly shows a difference between onboard personnel and shore-based personnel.

PERSONNEL BY AGE BRACKET



⁹ The non-commissioned officers include various roles such as gas engineers, electricians, mechanical workers, and cooks. The category of ratings, on the other hand, includes deck ratings and engine ratings, deck boys and engine boys, as well as stewards.

Among **shore-based personnel**, the majority are between 30 and 50 years old (52%), followed by those over 50 years old (39%), with only

9% under 30. Office workers are primarily aged 30 to 50 (56%), while most executives are over 50 (80%).

Age of shore-based personnel - 2022

Professional	Under 30	30-50	Over 50	Total
Executives	-	1	4	5
Office workers	3	15	9	27
Collaborators	0	1	-	1
Total	3	17	13	33

Among **onboard personnel**, most are aged 30 to 50 (44%), followed by those under 30 (29%) and those over 50 (26%). The majority of officers are

under 30 (45%), most shipmasters are over 50 (72%), and most ratings are aged 30 to 50 (54%). Non-commissioned officers are equally

split between the 30-50 age group and those over 50 (51% and 47%, respectively).

Age of onboard personnel - 2022

Professional	Under 30	30-50	Over 50	Total
Shipmasters and Chief Engineers	-	5	13	18
Officers	29	29	7	65
Cadet Officers	15	-	-	15
Non-commissioned officers	1	22	20	43
Ratings	16	37	15	68
Total	61	93	55	209

CONTRACT TYPES

100% of **shore-based personnel** are employed on permanent contracts.

There is one external collaborator.

Shore-based personnel			
Contract type	2020	2021	2022
Permanent	35	31	32
Collaborators who are not employees	-	1	1
Total	35	32	33

83.7% of **onboard personnel** are on special rotation contracts, while

the remaining 16.3% work under a *continuing employment status*.

Onboard personnel			
Contract type	2020	2021	2022
Continuing employment (CRL)	34	36	34
Special rotation (EU)	70	57	62
Special rotation (non-EU)	137	122	113
Total	241	215	209

LEARN MORE - ONBOARD PERSONNEL CONTRACTS

.....○

Special Rotation Contracts: These contracts terminate formally upon disembarkation, with all accrued compensation paid out (severance pay, holidays, and compensatory rest days as per Chapter XIII of the relevant National Collective Bargaining Agreement - CCNL). The seafarer is then placed on the Special Rotation List, anticipating re-employment by the same company.

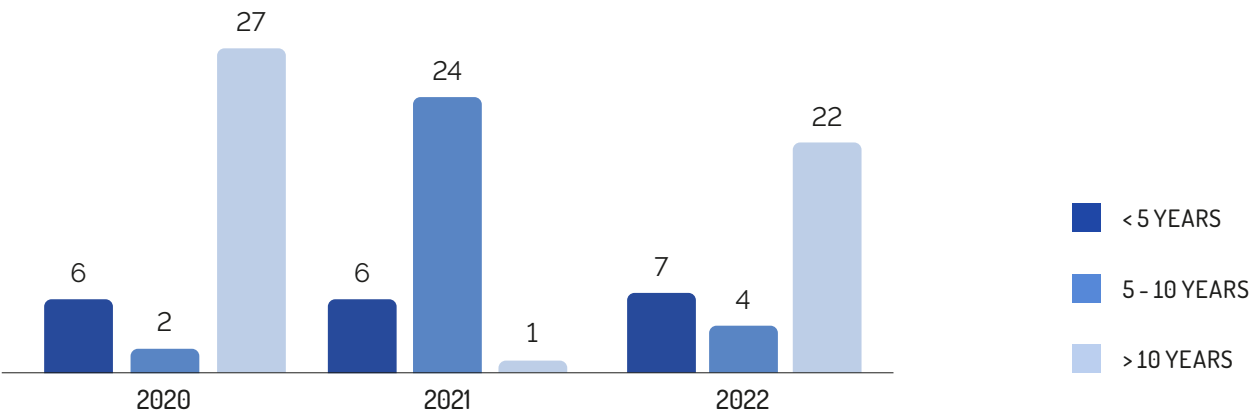
Continuing Employment Contracts: These contracts do not terminate upon disembarkation. The employee enjoys paid availability after exhausting accrued holiday and rest days (as per Chapter XIV of the relevant National Collective Bargaining Agreement - CCNL).

LENGTH OF SERVICE

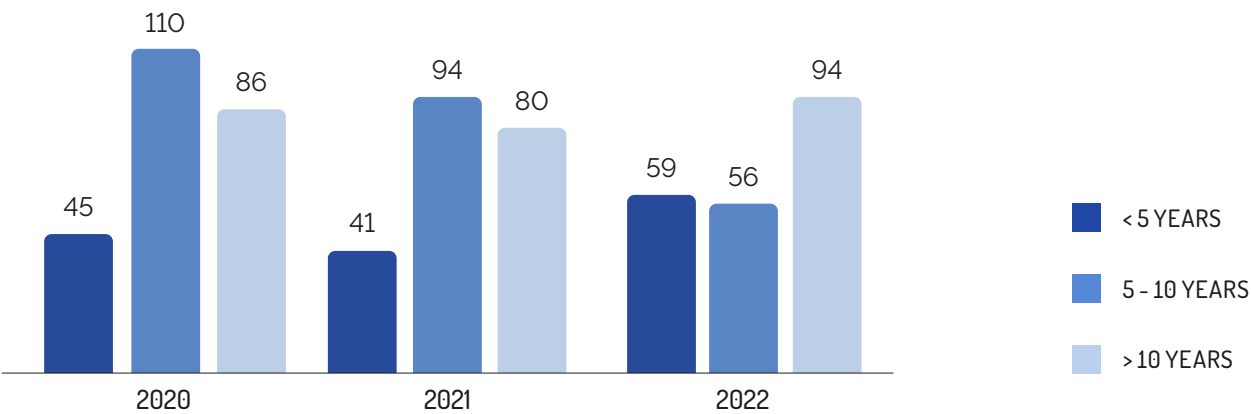
47.9% of personnel have been with Carboflotta Group for over 10 years, 24.8% for 5-10 years, and 27.3% for less than 5 years. In 2022, 67% of

shore-based personnel and 45% of onboard personnel had been with the Group for more than 10 years.

SHORE-BASED PERSONNEL BY LENGTH OF SERVICE

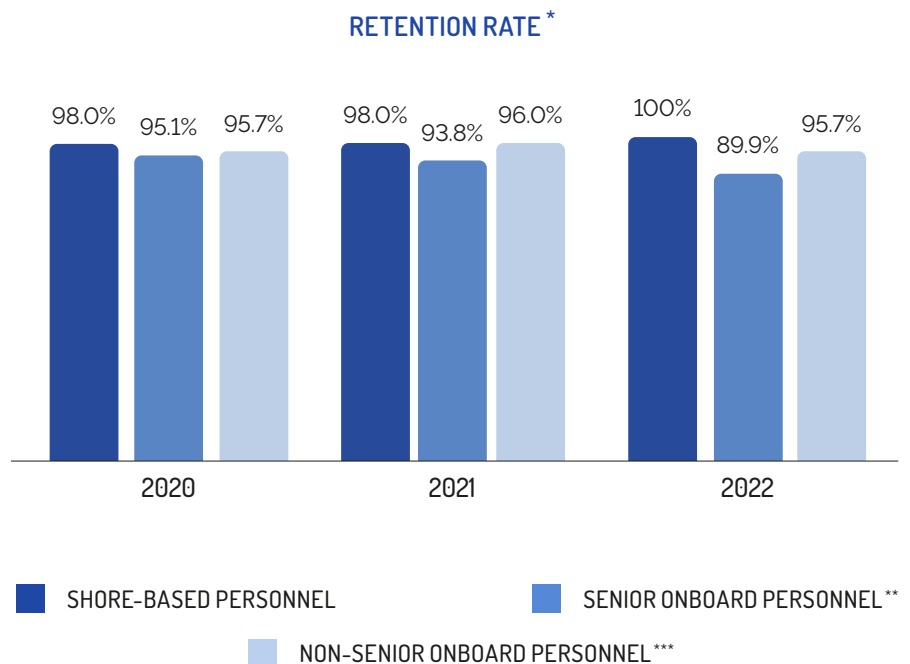


ONBOARD PERSONNEL BY LENGTH OF SERVICE



The strong attachment and sense of belonging to the Group are reflected in the **retention rates**: 100% for shore-based personnel, 89.9% for senior onboard personnel (shipmasters, chief engineers, and officers), and 95.7% for non-commissioned officers and ratings.

Key retention factors include numerous protections and welfare measures (see *Wellbeing* chapter) and significantly higher average remuneration than set forth in the collective agreements – (see *Remuneration and Industrial Relations* chapter).



* Retention rate = $100 - \frac{S - (UT + BT)}{AE} \times 100$. S = Number of employees who left the company for any reason. UT = Number of unavoidable terminations of employees (e.g. retirements or long-term illness). BT = Number of beneficial terminations (e.g., when the departure benefits the company, such as in cases of underperforming employees). AE = Average number of employees.

** Senior onboard personnel: Shipmasters, Chief Engineers, Officers. Cadet Officers are not included in the senior personnel category. The company provides cadets with 12 months of onboard training necessary to qualify as Officers but does not guarantee subsequent employment.

*** Non-senior onboard personnel: Non-Commissioned Officers and Ratings.

EQUAL OPPORTUNITY AND MULTICULTURALISM

SDG



8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGs

Complete remuneration equity
considering the professional categories occupied
by both men and women

36% women
among **shore-based**
personnel

5
different nationalities
of workers

0
cases of
discrimination

1.9% women
among onboard personnel,
higher than the IMO sector
average of 1.2%

The Group ensures **equal opportunities** for all employees and is committed to hiring, remunerating, training and evaluating staff on the basis of **merit, competence and professionalism**, without prejudice or discrimination. It also aims to create a work environment where relationships among colleagues

are based on **loyalty, fairness, collaboration, respect, and trust**. Furthermore, it ensures safe and healthy working conditions that respect each individual's personality and foster interpersonal relationships free from prejudice.

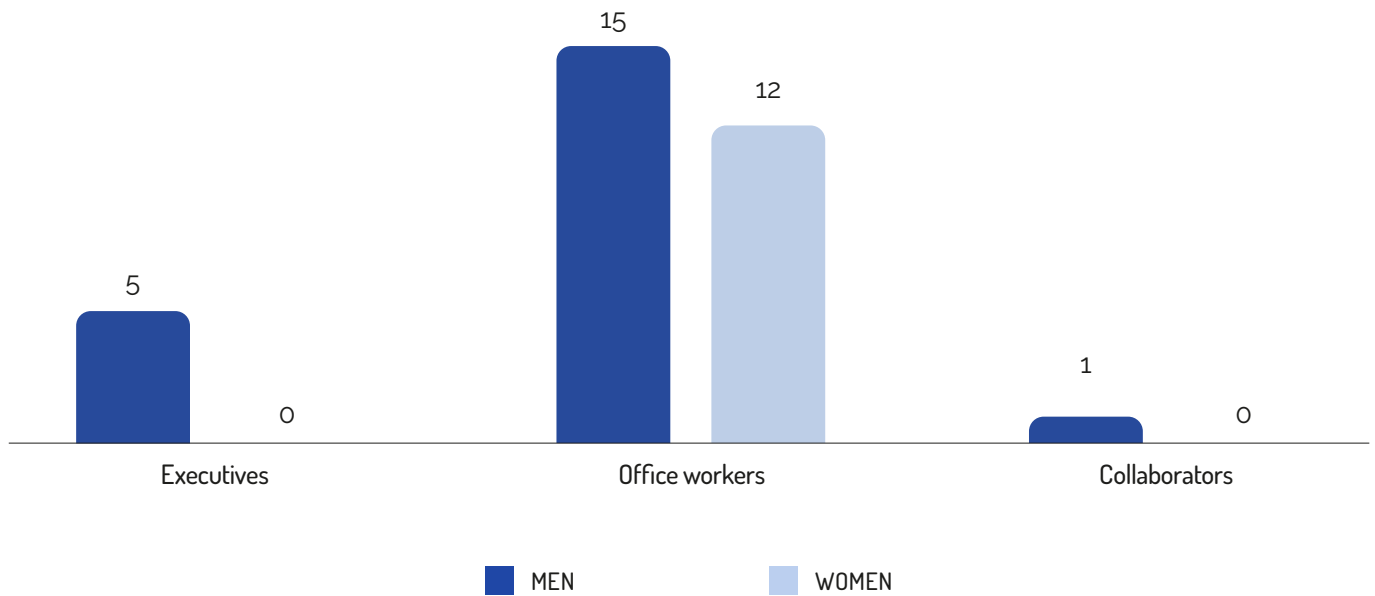
Carboflotta's sector is predominantly male.

The 16 women employed are mainly in shore-based roles (75%), with the remaining 4 onboard.

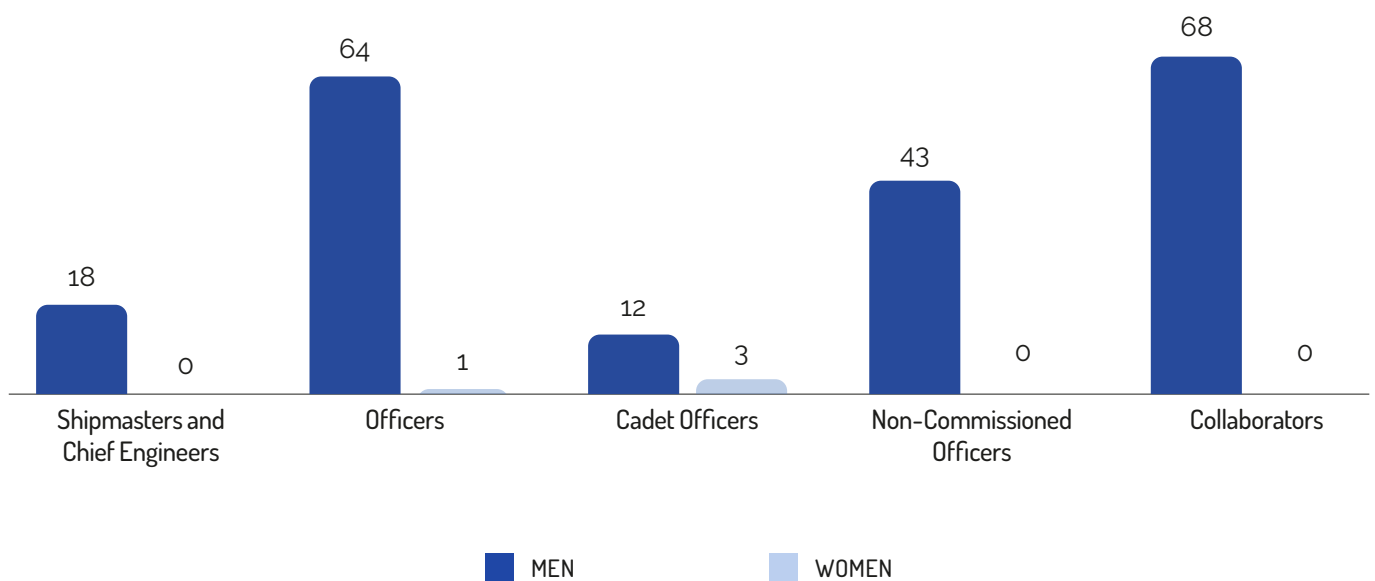
Overall, women make up 1.9% of the onboard personnel, **a percentage higher than the industry average** provided by the International Maritime Organization (IMO), which is 1.2%¹⁰.

¹⁰ <https://www.imo.org/en/ourwork/technicalcooperation/pages/womeninmaritime.aspx>

GENDER BREAKDOWN BY ROLE - SHORE-BASED PERSONNEL 2022



GENDER BREAKDOWN BY ROLE - ONBOARD PERSONNEL 2022

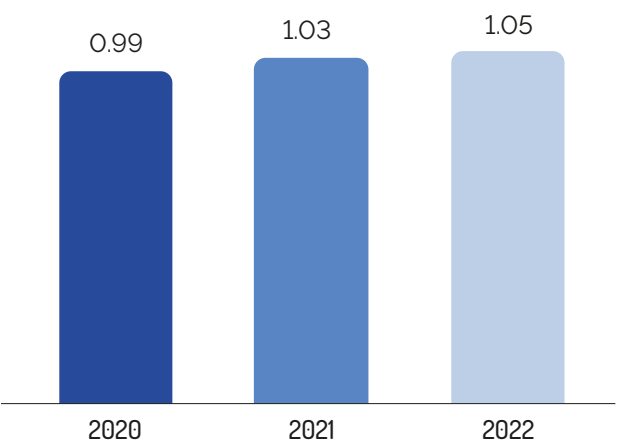


The Group's attention to **wage equity** is demonstrated by the average remuneration ratio¹¹ between women and men of the same rank, which shows

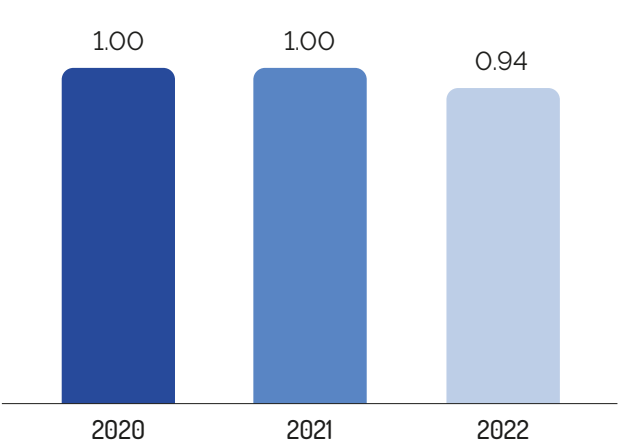
substantial parity over the three-year period. For shore-based personnel, the remuneration ratio between women and men of the same rank increased from 0.99 to

1.05 between 2020 and 2022. For onboard personnel, substantial pay equity was recorded over the three-year period.

RATIO OF AVERAGE REMUNERATION OF WOMEN TO MEN OF THE SAME RANK - SHORE-BASED PERSONNEL



RATIO OF AVERAGE REMUNERATION OF WOMEN TO MEN OF THE SAME RANK - ONBOARD PERSONNEL



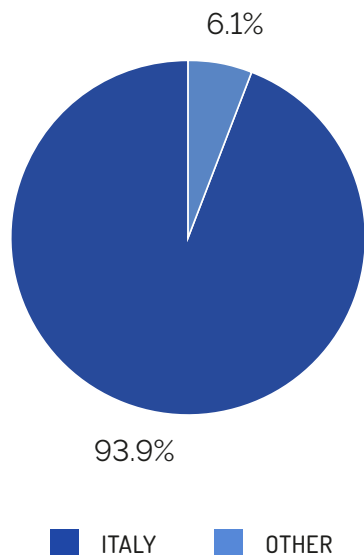
In 2022, the Carboflotta personnel was **multiethnic, especially onboard personnel**, which is equally divided between Italian (95)

and Filipino workers (112 each) and includes two people of Spanish and Montenegrin nationality.

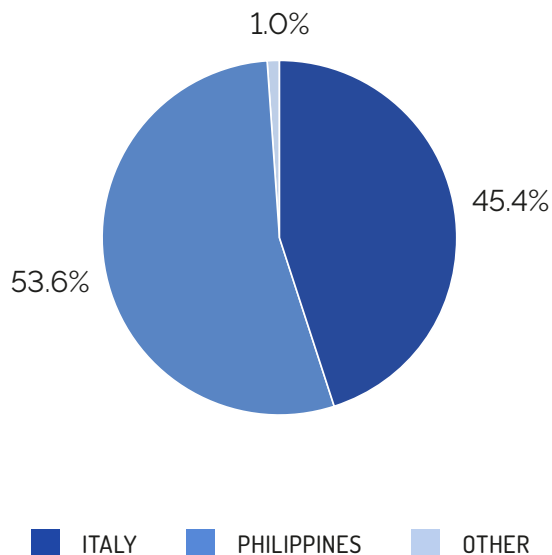
Regarding shore-based personnel, all staff are Italian except for two (one English and one Romanian).

¹¹ The gross annual salary is considered

NATIONALITY OF SHORE-BASED PERSONNEL



NATIONALITY OF ONBOARD PERSONNEL



Carboflotta is committed to **combating all forms and expressions of racism and xenophobia.**

The Group strongly condemns any actions that promote ideas of racial or ethnic superiority or hatred, incite or commit acts of discrimination based on race, ethnicity, nationality, or religion, or incite or commit violence or provoke violence

for racial, ethnic, national or religious reasons. This includes behaviours that involve denial, gross minimization, or justification of genocide, crimes against humanity, and war crimes.

Employees or collaborators who become aware of racist or xenophobic acts or behaviours during their work are required to report them immediately to their

superiors and the Supervisory Body. To facilitate reporting, all crew members are informed upon boarding about the available reporting methods (both anonymous and in person) for incidents of harassment¹².

In the 2020-2022 period, no cases of discrimination were reported.

¹² See page 36 for a more detailed description of the whistleblowing system

STAFF RECRUITMENT AND EMPLOYMENT



8.6 By 2030, substantially reduce the proportion of youth not in employment, education or training

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

17
new hires

71%
of new hires
under 30 years old

During the personnel recruitment process, the Group adheres to principles of fairness and good faith, basing selections on **candidates' suitability for the Company's needs** while ensuring equal

opportunities and no discrimination. The designated departments select, hire, and manage employees based on competence and merit, without regard to race, ethnicity, religious belief, gender, age, or

descent, fully respecting personal rights, laws, and regulations, with particular attention to current child labour laws.

ANNUAL MEETING IN MANILA (PHILIPPINES)



Carboflotta fully complies with the 2006 Maritime Labour Convention (MLC). Consequently, all the Company's ships hold Maritime Labour Compliance Certificates, and the crew members are ensured full compliance with the standards set by the regulations regarding the rights and protections of maritime workers. In line with the MLC 2006 requirements, the Company organizes an **annual meeting at the recruitment agent's office in Manila. The main purpose of this meeting is to conduct the mandatory auditing and performance review.**

Given the recruitment agent's crucial role in hiring Filipino maritime personnel and maintaining interaction, the Company uses the annual meeting to:

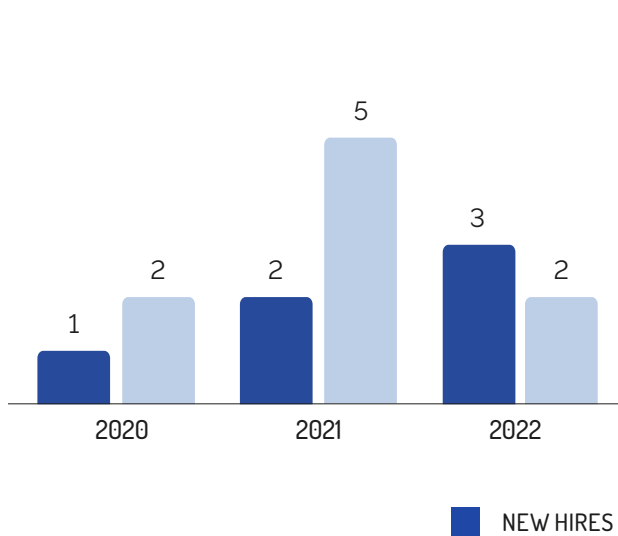
- **foster dialogue between the Company and local agents** in order to better understand their respective needs
- **promote discussions on key issues** such as career development, crew retention criteria, wage scales, and insights in various topics of interest
- hold **organize face-to-face meetings with local maritime personnel** to encourage dialogue, understand mutual expectations, and create opportunities for discussing complex human resource management issues, aiming to give proper attention to the crew's needs.

In 2022, Carboflotta experienced a net turnover of 5 employees. With 22 terminations (2 among

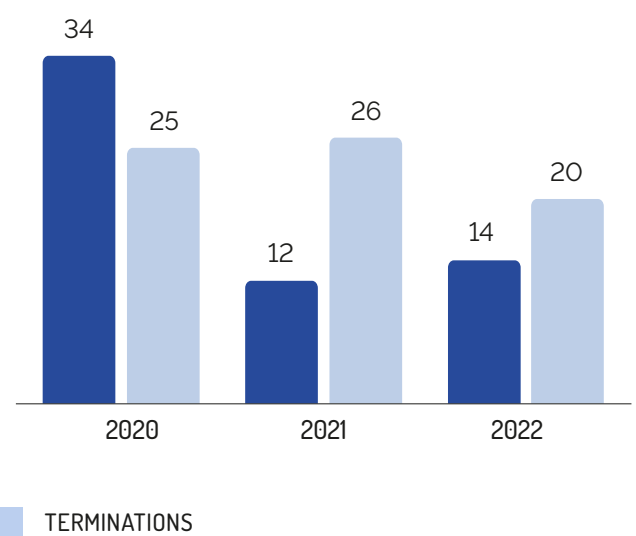
shore-based personnel and 20 among onboard personnel) and 17 new hires (3 shore-based

personnel and 14 onboard personnel), 71% of the new hires were under 30 years old

TURNOVER OF SHORE-BASED PERSONNEL



TURNOVER OF ONBOARD PERSONNEL



NEW HIRES

Shore-based personnel	2020		2021		2022	
Age	Men	Women	Men	Women	Men	Women
< 30 years old	-	-	1	-	3	-
30 – 50 years	1	-	1	-	-	-
> 50 years old	-	-	-	-	-	-
Total	1	-	2	-	3	-

Onboard personnel	2020		2021		2022	
Age	Men	Women	Men	Women	Men	Women
< 30 years old	21	1	6	2	9	-
30 – 50 years	7	-	-	-	4	-
> 50 years old	5	-	4	-	1	-
Total	33	1	10	2	14	-

TERMINATIONS



Shore-based personnel	2020		2021		2022	
Età	Men	Women	Men	Women	Men	Women
< 30 years old	-	-	-	-	-	-
30 – 50 years	-	-	1	-	-	-
> 50 years old	2	-	1	3	1	1
Total	2	-	2	3	1	1

Onboard personnel ¹³	2020		2021		2022	
Età	Men	Women	Men	Women	Men	Women
< 30 years old	1	-	5	-	7	-
30 – 50 years	10	-	10	-	8	-
> 50 years old	14	-	11	-	5	-
Total	25	-	26	-	20	-

¹³ Terminations among onboard personnel do not include cadet officers who were unable to obtain officer positions due to circumstances beyond their control, rather than by choice (such as instances where there was insufficient space in the fleet for boarding).

TRAINING AND DEVELOPMENT OF HUMAN CAPITAL

SDGs

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the most vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGs

419 hours

of **training**
for **shore-based** personnel

13 hours per capita
(more than doubled since 2020)

2,012 hours

of **training**
for **onboard** personnel

10 hours per capita
(more than doubled since 2020)

The Carboflotta Group promotes **initiatives aimed at professional development, emphasizing values, principles, behaviours, and individual contributions to business growth and the sustainable development of the Company.**

Through the dissemination of knowledge and skills, it aims

to foster a strong industrial and technological culture, interaction among different functions, and access to know-how.

To achieve these goals, the Group recognizes the importance of training and **professional growth processes.**

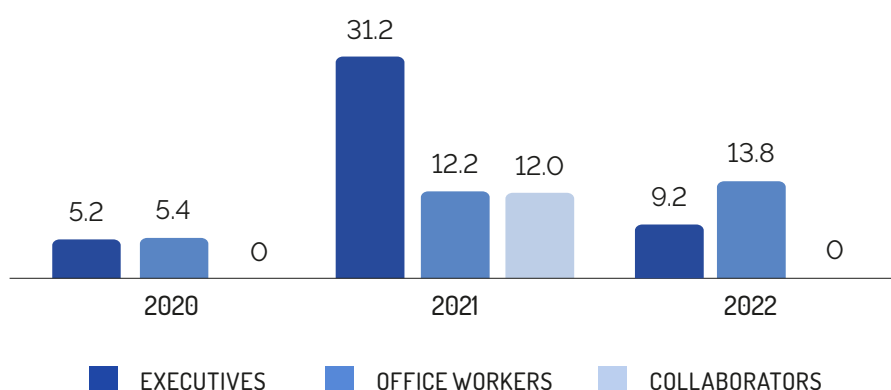
Through tailored training programs, the Company ensures individuals acquire new skills and update existing ones to maintain high-quality performance, support talent development by growing their role and responsibility, and strengthen a sense of belonging.

SHORE-BASED PERSONNEL

HOURS OF TRAINING PER CAPITA - SHORE-BASED PERSONNEL

A total of **419 training hours were completed**, with a 138% increase per person compared to 2020.

Over the three-year period, training hours per capita increased by 156% for Office Workers and 77% for Executives.



The types of training courses were based on legislative requirements, significant events that occurred during the year, and Group innovation initiatives.

Training courses for shore-based personnel - 2022

Digitalization and Innovation	Compliance	Technical Courses
<ul style="list-style-type: none"> Digital Innovation course Industry 4.0 – Bureau Veritas Amos Software course 	<ul style="list-style-type: none"> General and specific training course Leg. Decree 81/08 Update course for Workers' Health & Safety Representative (RLS) Leg. Decree 81/08 Training on Model 231/2001 "Administrative liabilities of legal entities deriving from offences" 	<ul style="list-style-type: none"> Company security agent course – Altec Services Srl Class Surveyor course - Iamsp Academy STS screening process course

The 2023 training plan includes sustainability and soft skills development.

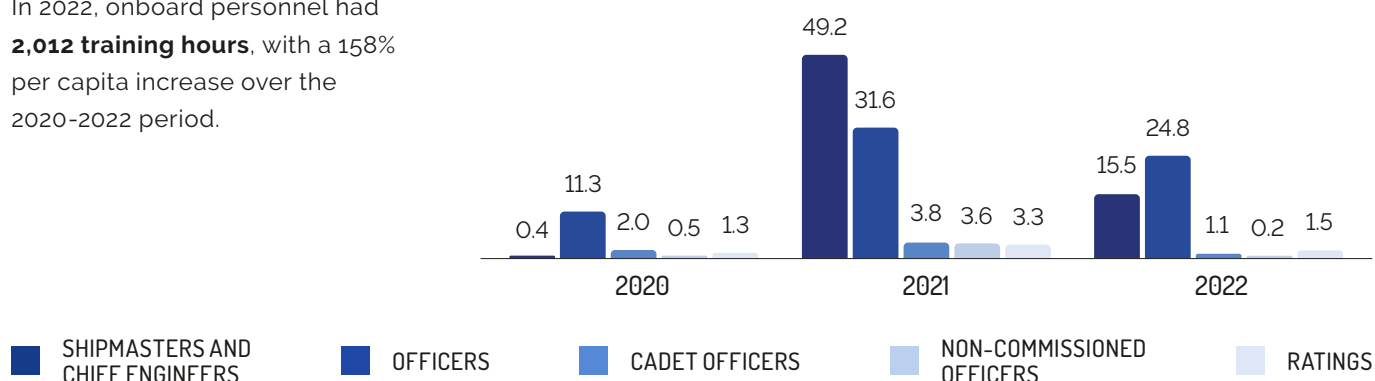
Training courses for shore-based personnel planned for 2023

Digitalization and Innovation	Compliance	Technical Courses
<ul style="list-style-type: none"> Software/applications (Amos, YOURtime, etc.) Intermediate and advanced Excel course Corporate smart desk 	<ul style="list-style-type: none"> TMSA & SIRE 2.0 course ISM/MLC 2006 auditor course Maritime & Navigation Assessor course ISO 9001-14001-45001 and TMSA refresher course Maritime Labour Convention (Italy/Malta) and STCW refresher course 	<ul style="list-style-type: none"> Risk Assessment and Incident Investigation course Management of Change course Environmental sustainability and energy efficiency English

PERSONALE DI BORDO

HOURS OF TRAINING PER CAPITA - ONBOARD PERSONNEL

In 2022, onboard personnel had **2,012 training hours**, with a 158% per capita increase over the 2020-2022 period.



The Company identifies and monitors onboard personnel training needs through the **Crew Competence Management System**, providing support for maritime personnel in mandatory training,

education, and updating activities required by law and company standards, covering participation costs, meals, accommodation, and providing participants with a daily allowance for attendance.

Additionally, cadet officers are ensured 12 months of onboard experience to support their final examination and obtain their Officer qualification.

Training courses for onboard personnel - 2022

Health & Safety	Operations	Technical Courses
<ul style="list-style-type: none"> Advanced Fire-fighting Medical Care Cybersecurity training Ship Security Officer Course Theoretical-and practical training to obtain Maritime Able to Use Life-Saving Appliances (MAMS) certification 	<ul style="list-style-type: none"> High voltage training and specific training Electronic Chart Display and Information System (ECDIS) developed by the Japan Radio Corporation (JRC) Ship-handling Basic training update 	<ul style="list-style-type: none"> Leadership and Team Management Automatic Radar Plotting Aids (ARPA) and Search and Rescue (SAR) operations Advanced Shore Training

The Company provides **human rights training** for all onboard personnel through video-training, covering multiculturalism and the management of harassment and/or bullying incidents. Furthermore, to ensure the safety of onboard personnel, the Company continues to exceed STCW Convention training standards¹⁴.

The 2023 training plan includes necessary updates to courses conducted in 2022:

- specific training for work at heights and use of related PPE
- specific training for work in confined spaces and recovery of injured personnel
- training in the use of defibrillators.

Courses are conducted by the Company or at training centres approved by the Recruiting Agent.


¹⁴ STCW: International Convention on Standards of Training, Certification and Watchkeeping for Seafarers

PERFORMANCE REVIEW

SDG

8

DECENT WORK AND ECONOMIC GROWTH



8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

100%

personnel reviewed
(shore-based and onboard personnel)

15%

shore-based personnel
promoted after review

11%

onboard personnel
promoted after review

The performance review is primarily conducted to enhance the professional profile of the personnel and to facilitate the necessary selection for career advancements.



SHORE-BASED PERSONNEL

The performance review for shore-based personnel involves a structured meeting—usually held at the end of the year—aimed at evaluating the results achieved

in carrying out assigned tasks, behaviour, and overall individual performance. The review is based on information gathered through constant and continuous

communications between the Board of Directors, the Executives and the employees throughout the year.

ONBOARD PERSONNEL

The performance review for onboard personnel is based on the completion of assessment reports by the onboard supervisors, which are shared with the individuals concerned, emphasizing feedback as an opportunity for professional growth. The Crewing Office maintains ongoing contact with the ships' crews and is responsible for promotions and career advancements, as well as for handing out bonuses and rewards

to deserving employees. The purpose of bonuses and rewards is to foster a merit-based corporate culture, compensate individual employees for their commitment, and motivate them for future professional performance.

Specifically, the maritime office offers two types of recognitions:

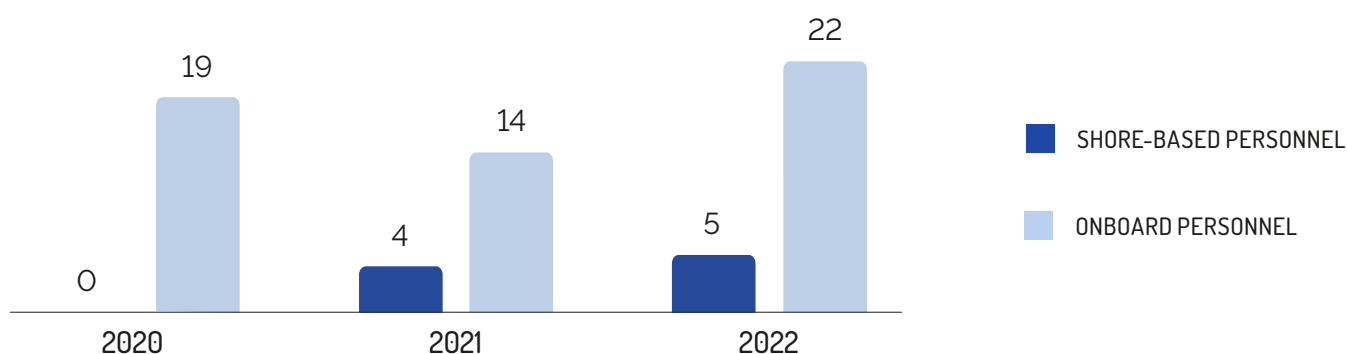
- **one-time bonuses and rewards, given during or at the end of the embarkation** in recognition for

the contribution made in relation to specific activities of particular complexity and commitment

- **extraordinary annual reward**, given once a year to employees in key roles (shipmasters, chief engineers, officers, and cadet officers) following an individual review conducted by the Company's management.

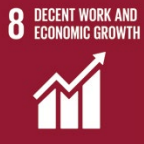
In 2022, performance reviews resulted in **27 promotions** - 5 for shore-based personnel and 22 for onboard personnel - an increase over previous years.

PROMOTIONS FOLLOWING PERFORMANCE REVIEW



REMUNERATION POLICIES

SDG



8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

100%
personnel
covered by
**collective bargaining
agreements**

41.2%
average increase
in remuneration
for **shore-based**
personnel hired between
2020-2022 compared to
what is stipulated in the
collective agreements

88.3%
average increase
in remuneration for
onboard personnel
hired between 2020-
2022 compared to what
is stipulated in the
collective agreements

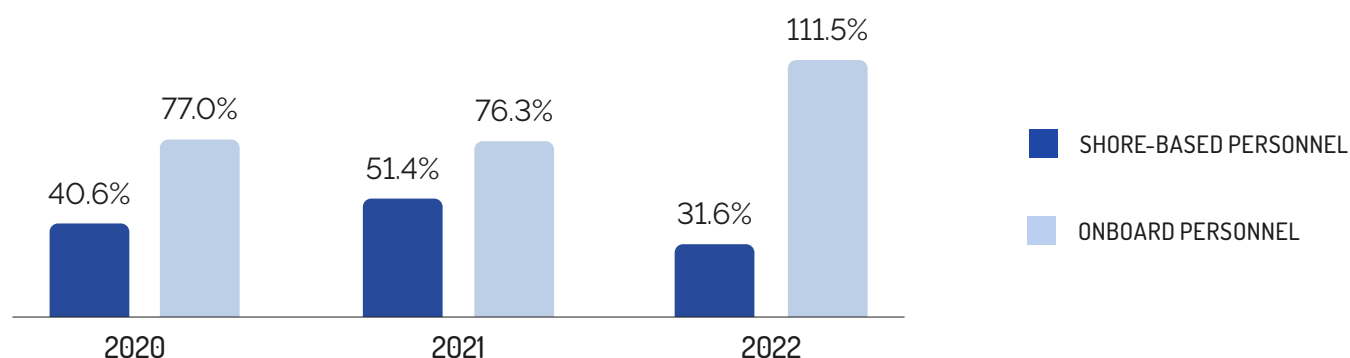
All Carboflotta Group personnel are covered by **Italian collective agreements**¹⁵, supplemented by **additional agreements that ensure substantial improvements** over the relevant **national collective bargaining agreements (CCNL)**.

Specifically, the Company's supplementary agreement for seafaring personnel for the 2021-2023 period includes:

- improved economic conditions, provision of navigation allowances, and increased pay for public holidays
- supplements to daily allowance related to attending training courses, overtime, ordinary/extraordinary maintenance work, special tasks, and compensation in case of transfer
- support and promotion of training and education activities
- insurance protection through insurance policies whose premiums are paid in full by the Company.

¹⁵ The collective bargaining agreement applied to Filipino personnel also complies with all the regulatory requirements of the Philippines

AVERAGE INCREASE IN REMUNERATION FOR NEW HIRES COMPARED TO COLLECTIVE AGREEMENTS*

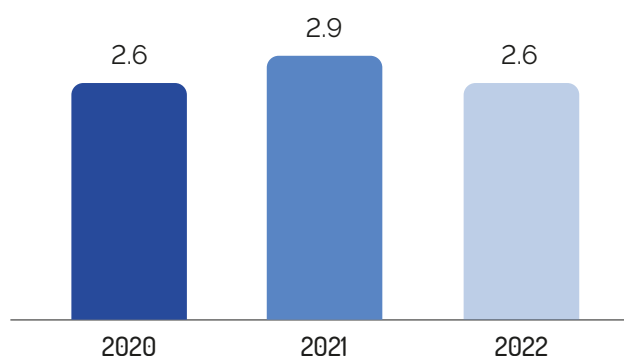


Overall, for shore-based personnel, the contracts for new hires provided for an **average increase of 41.2%** in remuneration over the three-year period compared to the collective agreements.

For onboard personnel, the **average increase was 88.3%**, with a peak of 111.5% in 2022.

An analysis of the remuneration ratios further demonstrates the Group's commitment to ensuring a fair distribution of the economic value generated.

RATIO BETWEEN MAXIMUM ANNUAL REMUNERATION AND MEDIAN ANNUAL REMUNERATION*



The ratio between the maximum remuneration and the median remuneration was 2.6 in 2022, stable compared to 2020. As further confirmation of the attention to

employee remuneration, in 2022, the Group decided to extend an extraordinary economic benefit to maritime personnel who experienced an extended period

ashore following the sale of the Marigola. This extraordinary provision will remain valid until a fifth ship is reinstated in the fleet or, in any case, not beyond 01/09/2023.

* The considered remuneration corresponds to the gross annual salary

CORPORATE WELLBEING AND WELFARE

SDGs

1

NO POVERTY

8

DECENT WORK AND ECONOMIC GROWTH

1.3

Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable

8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

100%

employees guaranteed primary **welfare services**

0

complaints or lawsuits related to labour practices in the three-year period

The Carboflotta Group guarantees the following benefits to **100% of its shore-based and onboard employees**:

- life insurance
- healthcare

- insurance coverage in case of disability or invalidity
- parental leave
- pension contributions.

Additionally, all employees receive a **supplement to their severance**

pay (TFR) upon retirement and enjoy **discounts and special deals** for hotels, car rentals, theatre tickets, and book purchases. This demonstrates attention to individual needs that exceed regulatory requirements.

SHORE-BASED PERSONNEL

Shore-based personnel of the Group can access corporate welfare goods and services through the **dedicated "Staff Welfare" portal**.

Employees are covered by insurance for occupational and non-occupational injuries, have access to supplementary health insurance, and, since 2023, are covered by an insurance policy for general medical expenses entirely borne by the Company. In addition, the Group offers **meal vouchers** worth 8 euros per day and end-of-year bonuses.

For executives and senior managers, additional insurance coverage and company cars are provided.

Carboflotta pays particular attention to the physical and psychological health of its employees.

Therefore, it grants **paid leave and unlimited hours for documented medical visits**. The offices have a **refreshment area with water** (dispenser and bottle) and **free coffee**.

Moreover, following the emergency adoption during the pandemic, the Company has **structured working from home** through an internal regulation that allows people to work remotely one day a week.

To facilitate the transition to the remote work system, each employee was provided with a laptop, and company phones are also allocated.

ONBOARD PERSONNEL

Carboflotta cares particularly about onboard personnel and understands the need to protect them in terms of remuneration as well as their **physical and psychological wellbeing**.

Therefore, it implements a series of initiatives aimed at promoting wellbeing, inclusion, and health, recognizing the importance of these elements for fostering growth processes.

All onboard personnel are covered by **insurance policies** for illnesses, occupational risks, injuries, and licence withdrawal (with a supplement that gives Filipino personnel access to private healthcare facilities).

Following individual performance reviews, the Group awards an

extraordinary annual bonus for key onboard positions: shipmasters, chief engineers, officers, non-commissioned officers, and other ratings. In 2023, the bonus **was given to all maritime personnel**, regardless of their rank, to protect employees from inflation and compensate for longer-than-usual waiting times for boarding due to the temporary fleet reduction.

Additionally, the Group provides **advances on request** and, in 2022, **reimbursed household utility bills** for up to a total of 3,000 euros, leveraging the opportunity offered by the "Aiuti Quater" decree law.

Carboflotta's commitment to the wellbeing of maritime personnel is

also reflected in the attention paid to **onboard catering**, for which the Group incurs costs higher than those stipulated in the current collective agreements.

Meals are organized through contracts with top-tier partners, and food selection also considers the crew's nationalities.

Lastly, maritime personnel have access to a **gym** for sports activities, internet connection onboard, and various entertainment initiatives.

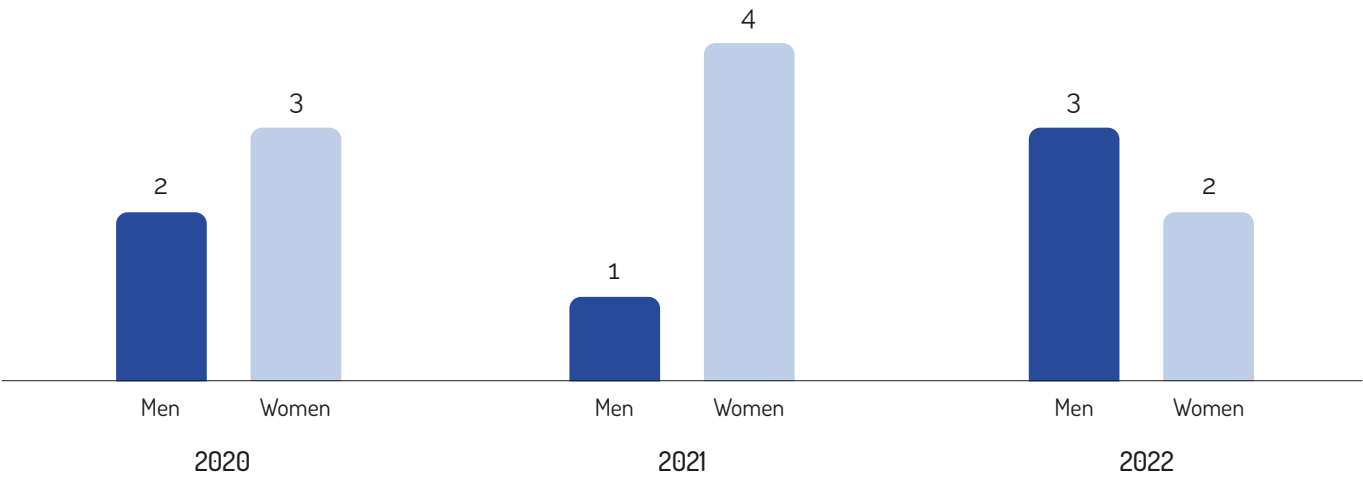
The Company is also committed to considering individual needs in defining embarking and disembarking schedules.

PARENTAL LEAVE

Over the three-year period, 15 employees —9 women and 6 men—took parental leave. All of them were still employed

at the end of the year they took their leave. Specifically, in 2022, 3 men and 2 women took parental leave.

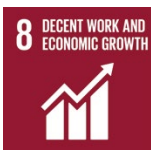
SHORE-BASED PERSONNEL WHO TOOK PARENTAL LEAVE*



* No onboard personnel requested parental leave in the three years considered

HEALTH & SAFETY

SDGs



8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

260 hours

of health & safety **training**
for **shore-based** personnel
(more than doubled since 2020)

7.9 hours per capita

(more than doubled since 2020)

2,442 hours

of health & safety **training**
for **onboard** personnel
(up 43% from 2020)

11.6 hours per capita

(a 47% increase since 2020)

The Carboflotta Group is dedicated to studying, developing, and implementing strategies, policies, and operational plans that aim to prevent accidents, workplace injuries, and health hazards. It also strives to prevent any negligent or malicious behaviour that could cause harm to personnel, whether directly or indirectly.

The Group is committed to **providing employees with safe**

working conditions and healthy environments that protect their physical and moral integrity and respect their dignity.

The Company's health and safety policy adheres to key regulations, laws and international conventions, as well as national regulations, including those adopted to align with international standards.

Specifically, the Company's safety policy complies with the International Safety Management (ISM) Code, Legislative Decrees 81/2008 and 106/2009 for shore-based office activities, Legislative Decree 271/99 for onboard activities while ships are sailing, and Legislative Decree 272/99 for onboard activities in port areas.



In particular, the safety policy aims to:

- **instil a sense of responsibility** in all workers towards maintaining safe and healthy working conditions
- **prevent dangerous actions, accidents, and harm to onboard personnel, company property, and the environment**
- define criteria for organizing the **prevention, hygiene, and safety system at work**, including the use of individual and collective protective equipment
- **establish safety regulations and procedures** for work activities

- ensure through proper monitoring that these **regulations and procedures are effectively implemented and followed**
- **thoroughly investigate any injuries**, anomalies, and near misses that could potentially harm the physical integrity or health of personnel
- **provide personnel with adequate, correct and comprehensive information, training and communication.**

The Company holds **ISO 45001 certification** for occupational health and safety management and has adopted a **Management System** - subject to audits and certified by an external third party - based on the aforementioned legal requirements.

The safety measures set forth in the Company's Management System also cover non-employee workers, providing them and any passengers with proper familiarization with the ship, its equipment, and potential risks.

Lastly, the Groups requires contractors and subcontractors to adhere to safety standards that comply with national and local laws and regulations.

RISK ASSESSMENT AND PREVENTION

As required by regulations and **industry best practices**, all activities of the Group are evaluated to identify risks.

In compliance with Article 28 of Legislative Decree 81/2008, the Company pays particular attention to risks associated with **work-related stress**.

Following the guidelines of the European Framework Agreement on work-related stress, signed on 10/8/2004, the Company works to prevent work-related stress through an in-depth analysis of potential risk factors such as organization, production processes, work conditions and environment, communication, and "subjective factors" related to the specific composition of personnel.

To prevent work-related stress, the Company closely monitors:

- shift changes
- night work

- emergency work activities
- repetitive tasks.

The Company encourages continuous employee participation in risk identification and monitoring processes to constantly improve the safety management system. Personnel are involved through:

- occupational health and training
- dissemination and sharing of the Company's health and safety policies and objectives
- Safety Meetings, where workers can recommend and propose improvements to safety in the workplace
- periodic review of the Safety Management System by Shipmasters
- sharing the Management Review report with all shore-based and onboard personnel.

Additionally, the Company conducts an annual review of all risk assessments, involving adequately trained personnel, and ensures the

election of worker representatives for workplace safety. These representatives collect worker reports on hazardous conditions on all ships and in offices. If new risks are identified, the provision of Personal Protective Equipment (PPE) is updated to ensure it is always appropriate for the tasks to be performed.

All workers onboard ships, regardless of rank, are required to report dangerous situations and near misses through the **Near Miss reporting system**.

Platforms are available both onboard and in the office for anonymously reporting any cases of retaliation by a superior or colleague following the reporting of a safety non-compliance¹⁶.

Near misses reported	2020	2021	2022
Total near misses	68	55	49
Near misses per ship	11.2	11.0	10.8

Any changes that could impact worker safety, the environment, or the Company—whether related to organizational structure or onboard

systems—are preceded by a risk assessment as outlined in the **Change Management procedure**. This process includes the

prevention and mitigation of health and safety impacts through change analysis and the implementation of specific preventive measures.

¹⁶ Whistleblowing section on page 36

MEDICAL EXAMINATIONS FOR FITNESS TO WORK

Both onboard and shore-based personnel undergo regular medical examinations to ensure health protection and prevent occupational injuries and illnesses. Workers only receive certification of their fitness to perform their duties after these medical examinations.

The specific regulations for shore-based and onboard personnel are governed by two different decrees: for onboard personnel - **Legislative Decree 271/99 "Medical Officer and Health Surveillance of Maritime Workers"** (in addition

to the provisions of the **MLC Convention**); for shore-based personnel - **Legislative Decree 81/08 "Consolidated Act on Occupational Health and Safety"**.

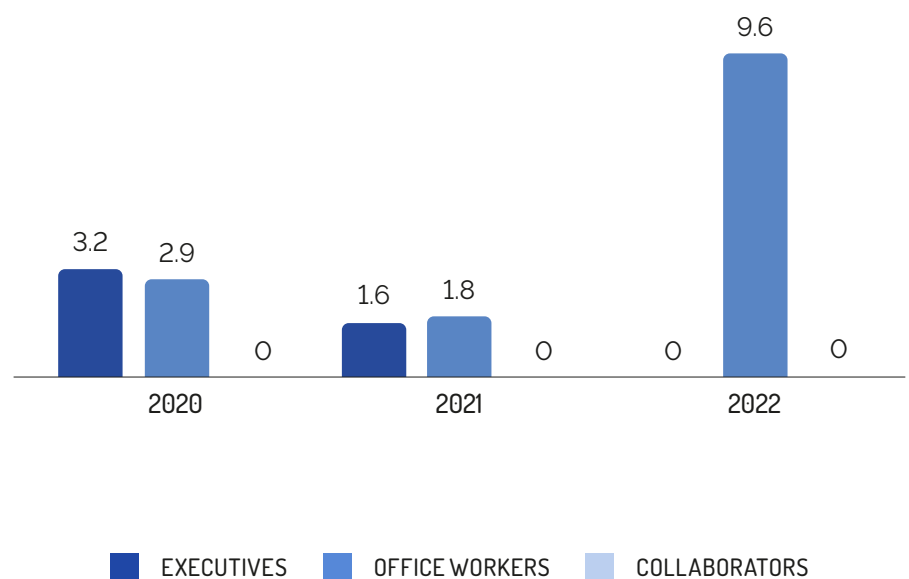
HEALTH AND SAFETY TRAINING

Carbofloss provides all onboard personnel with a specific **video-training programme** on health and safety at work.

In 2022, this training system accounted for 2,620 out of **2,682 total training hours on the topic (98%)**.

In 2022, **260 hours of health and safety training were provided to shore-based personnel exclusively to office workers**, with an increase of 165% in per capita training hours since 2020.

AVERAGE HEALTH & SAFETY TRAINING HOURS
PER CAPITA - SHORE-BASED PERSONNEL



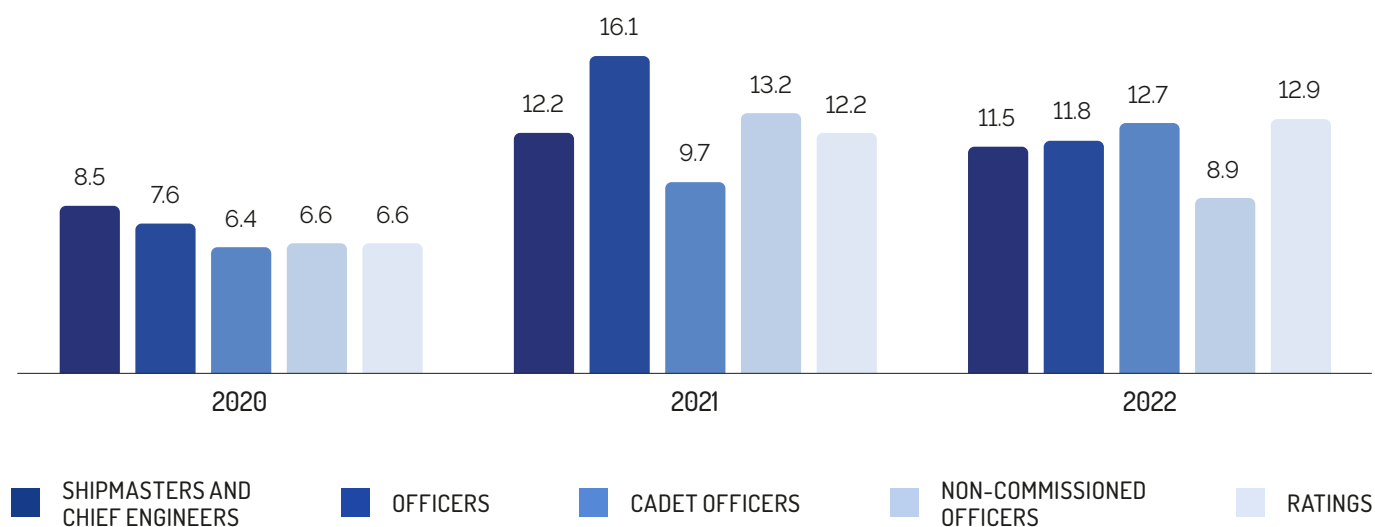
2,422 hours of health and safety training were provided to onboard personnel. This was 90% of the Group total, a 47% increase in hours per capita over the three-year period considered. In general, the per capita figure increased over 2020 for all the onboard professional figures concerned, bar none.

In addition to training, Carboflotta regularly organizes and conducts **emergency drills and exercises** in accordance with national, international, and industry requirements.

All drills conducted in the presence of relevant authorities¹⁷ have reported positive outcomes.



AVERAGE HEALTH AND SAFETY TRAINING HOURS PER CAPITA - ONBOARD PERSONNEL



¹⁷ Port State Control, United States Coast Guard, Recognized Organizations, Flag State

INJURIES

Carboflotta consistently promotes initiatives to prevent work-related injuries, aligning with the Company's **ZERO ACCIDENT** objective. The Company utilizes specific

investigation reports, bulletins, and seminars to share and disseminate information gathered from incidents and injuries occurring onboard ships.

Shore-based personnel	2020	2021	2022
Days of non-occupational illness	329	218	219
Employees on sick leave	18	19	21
Injuries at work or en route	-	1	-

Onboard personnel	2020	2021	2022
Total exposure hours spent onboard ¹⁸	1,151,352	980,184	934,680
Lost days ¹⁹	1	1	4
Medical treatment ²⁰	-	-	3
First Aid ²¹	3	9	12
Lost Time Injury Frequency ²²	0.87	1.02	4.27
Total Recordable Case Frequency ²³	0.87	1.02	7.49

¹⁸ Total exposure hours represent the cumulative number of hours that all onboard personnel have spent on board the ship during the reference period

¹⁹ Number of injuries among onboard personnel that result in the inability to perform their duties or to return to work or a scheduled work shift the day after the injury

²⁰ Number of injury cases among onboard personnel that require medical treatment

²¹ Number of injury cases among onboard personnel that require first aid treatment

²² The indicator reflects the Company's ability to safeguard the crew from injuries and fatalities. Source: *BIMCO - The Shipping KPI Standard V4.0*

²³ The indicator reflects the Company's ability to safeguard the crew from fatalities, injuries and medical treatment. Source: *BIMCO - The Shipping KPI Standard V4.0*

In 2022, there were **four maritime injury cases**, all due to worker distractions or inattention. Corrective actions were reinforced through specific training campaigns and seminars.

The Company conducted a detailed analysis and investigation of these injuries, sharing the findings with all ships in the fleet.

Regarding the navigation incident involving the ship Luigi Lagrange during a manoeuvre (collision with a fixed object caused by tugboat thrust), the identified cause was a communication issue, followed up with a meeting to improve communication.

All near miss reports were analysed, and feedback was provided to the relevant ships.

Corrective actions taken by the Company following the 2022 incidents were deemed appropriate and effective by the relevant authorities.

SECURITY

The Company's Security Policy aims to **protect ships and crews from illegal practices, including terrorist or criminal attacks and**

piracy. In line with the requirements of the International Ship and Port Facility Security (ISPS) Code, the Company has developed specific

security risk assessments for each ship in the fleet, which are reviewed annually.





CLIENTS

10 years

average duration
of business relationships
with key clients

0

formal complaints
regarding fleet
performance

95.5%

maintenance activities
completed on critical
environmental
equipment
as scheduled

1

incident

0

days of downtime

FIGURES AT 31.12.2022

QUALITY OF RELATIONS WITH CLIENTS

SDG

8 DECENT WORK AND ECONOMIC GROWTH



8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

0

formal complaints

regarding fleet performance
in the three-year period

1

incident

in the three-year period

The commercial strategy of the Carboflotta Group has always been focused on building and maintaining long-term **relationships with clients based on mutual trust, professionalism, and fairness**—key ingredients for a lasting and effective relationship. This goal guides daily practices in client relations—before, during, and after commercial negotiations—and in the day-to-day management of ships.

Historically, the Company has always entered into long-term time charter contracts, or, in rare cases, voyage charter contracts.

Currently, Carbofin's main clients are:

- **Geogas Trading**, a major global LPG trader with a controlled fleet (owned or chartered) of around 50 gas carriers of varying sizes
- **Geogas Maritime**, a maritime transport and logistics company with clients worldwide.
- **Petrobras**, the leading state oil company in Brazil.

These **collaborations have lasted around ten years**.

The duration of commercial relationships is one of the most significant indicators of **customer satisfaction**, grounded in the consistent care shown by both onboard and shore-based personnel and in the direct dialogue between clients and the Company's top management.

Another indicator demonstrating the quality of commercial relationships is the **joint projects initiated over time for constructing new ships and their commercial management**.

This relational style has always characterized the Company's actions.

In particular, in the 1970s and 1980s, Carbofin collaborated with Gaz Ocean to form a 50% joint venture, later entirely acquired by Carboflotta Group.

Between the late 1990s and early 2000s, a cooperation with Norsk Hydro Group (a company with significant Norwegian state presence) led to the creation of the joint venture Carbonor S.p.A., a company of the Carboflotta Group created specifically for this purpose.

The **transition from the traditional shipowner-charterer relationship to a more complex partnership** with shared investments confirms the **Company's commitment to developing solid and mutually beneficial commercial relationships**.

QUALITY OF SERVICE

The Company maintains constant, daily contact with customers to fulfil all **contractual obligations** and, as much as possible, meet **technical and operational needs** related to the commercial relationship. This approach helps strengthen

relationships and build customer loyalty. Meeting agreed timelines and standards—operational, environmental, and safety—is crucial for determining the **quality of the service**. Given the long-term nature of charter

contracts, the Company is committed to continuously adjusting its policies and procedures to ensure **compliance with developments in international regulations**.

MAINTENANCE

A key aspect of ensuring service quality is the careful attention given to **maintenance activities**. These activities are planned and executed to maintain high standards of efficiency and safety, and prevent

disruptions to operations. Proper maintenance is **vital for the fleet's safe and environmentally responsible operation**. Maintenance is scheduled based on specific timeframes and operating

hours and is managed through the dedicated AMOS management system.

Maintenance	2020	2021	2022
% of maintenance activities on non-critical equipment carried out as scheduled	94.7%	95.8%	97.3%
% of maintenance activities on critical environmental equipment carried out as scheduled	97.2%	96.3%	95.5%

Continuous maintenance activities and internal audits - aimed at verifying compliance with policies and procedures - have ensured

the **almost total absence of breakdowns and accidents in the 2020-2022 period**.

Incidents	2020	2021	2022
Navigation incidents	-	-	1 ²⁴

²⁴ In 2022, one allision occurred: a vessel pushed by a tugboat came into contact with the quay.

ONBOARD INSPECTIONS

Further confirmation of service quality comes from the results of **inspections conducted by maritime authorities** authorized to detain ships.

Onboard inspections can be of three types:

- **compliance with rules and procedures**, by the Coast Guard (Port State Control)
- **quality of the vessel and best practices adopted** - vetting inspection - by inspectors from the SIRE (Ship Inspection

Report Programme) of the Oil Companies International Marine Forum (OCIMF)

- **ship classification**, by the Classification Society.

Maritime Authority Inspections		2020	2021	2022
Coast Guard (Port State Control)	Average deficiencies per inspection (DPI)	0.21	1.4	0.87
	Average detention days per inspection (DER)	0%	10%	0%
Ship Inspection Report Programme (SIRE)	Average deficiencies per vetting inspection	5.5	4.7	4.8
Classification Society	Condition of class findings	0	2	0

Regarding **Coast Guard** inspections, in 2022, the fleet recorded an average deficiency rate per inspection (DPI) of 0.87 - significantly lower than the global benchmark of 1.83 - and no detention days were imposed. **SIRE** vetting inspections recorded an average of 4.8 deficiencies -

a decrease of 12.7% compared to 2020 - while the **Classification Society** found no irregularities. **All deficiencies identified during inspections were carefully analysed, and necessary corrective actions were put in place.**

Overall, thanks also to the contribution of brokers who act as intermediaries between the Company and customers, the **Carboflotta Group did not receive any formal complaints regarding fleet performance in the 2020-2022 period.**



COMMUNITY



ATTENTION TO LOCAL COMMUNITIES



17.7 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

€ 122,000

disbursed by the Group in membership fees, donations, and sponsorships

The Carboflotta Group is committed to **enhancing the quality of life, well-being and socio-economic development** of the communities it operates in.

The Group conducts its social activities with a strong sense of

responsibility to all stakeholders and believes that engaging with and interacting with civil society is essential.

Specifically, the Group operates with respect for the communities by using advanced technologies

that minimize environmental impact and by supporting charitable and philanthropic initiatives that benefit vulnerable community members.

PARTICIPATION IN INDUSTRY ASSOCIATIONS AND ORGANIZATIONS

CONFITARMA

The **Italian Confederation of Shipowners (Confitarma)** is the main association representing the Italian shipping industry and represents almost the entire fleet.

It brings together shipping companies and shipowning groups that operate across all sectors, including freight and passenger transport, cruises, and auxiliary services.

All service managers of the Carboflotta Group participate in technical working groups as members or permanent guests.

BIMCO

The Carboflotta Group is a member of BIMCO, **the largest international maritime association**.

BIMCO is accredited as a Non-Governmental Organization (NGO) with the main United Nations bodies

and represents about 65% of the world's tonnage, with a presence in 120 countries.



SOLIDARITY

TELETHON FOUNDATION

The Group supports **Fondazione Telethon**, the not-for-profit organization recognized by the Italian Ministry of Universities and Research, which funds scientific research into rare genetic diseases to provide concrete answers to patients. Carboflotta regularly supports the Foundation during its annual Christmas campaign. Additionally, in 2022, it renewed its commitment with a donation to

the **“Come a casa” programme**, a hospitality project for the families of patients who come to Italy for gene therapy treatments. The values shared by Carboflotta and Telethon, the importance of investing in research and innovation, and the support for projects that create a positive impact on the community guided the Group in this decision.

“For the year 2022, the Carboflotta Group decided to support the “Come a casa” (Like Home) project. The company strongly believes that patient and family support and hospitality can promote successful therapy outcomes by helping families acclimate to the community and devote time to the child being treated, providing greater peace of mind.”

Managing Director, Enrico Telesio

CULTURE

ASSOCIATION OF PROMOTERS OF MARITIME MUSEUMS - GALATA MARITIME MUSEUM OF GENOA

The Group supports the Associazione Promotori Musei del Mare - Galata Museo del mare di Genova, a not-for-profit organization that brings together companies and enterprises from the Genoese

shipping world. The Association's mission is to ensure that the **historical memory, professional skills, strategic and organizational capacities, and technical innovation** that characterized

Genoa's great shipping tradition, and represented a factor of economic, social, and cultural development for the city, inspire young people.

ITALIAN INSTITUTE OF NAVIGATION

The Group is a partner of the Istituto Italiano di Navigazione. Founded in 1959, the Institute serves as a contact point between various

institutions and companies to promote the development and dissemination of the technical and scientific culture of navigation

(maritime, land, air, and space) and provide information on the industry's legal, jurisprudence, management and economic aspects.

CHIOSSONE FOUNDATION

The Company has supported several projects of the Chiossone Institute for people who are blind or visually impaired in recent years. In particular, it supported an initiative called **Dialogo nel buio** involving a multi-sensory, interactive experience-exhibition in the total absence of light. This

project has generated value in terms of employment, economic, and social development, providing blind and visually impaired guides with important training and professional paths, as well as significant human experiences. It showcases individual talents and enables personal growth by

making the most of their skills and abilities in the workplace. Support for the Chiossone Foundation's activities has also extended to other vulnerable groups, such as through financial contributions for a summer holiday for residents of the Il Caprifoglio psychiatric centre.

SPONSORSHIPS

Carboflotta sponsored the **27th Annual Conference of the Confederation of European Shipmasters' Associations (CESMA)** through a donation to the USCLAC-UNCDIM-SMACD

union. This significant maritime sector event was held in Genoa in May 2022. Founded in 1995, CESMA represents 21 national shipmasters' associations in 16 European countries. The

USCLAC-UNCDIM-SMACD union, with over 700 members nationwide - mostly shipmasters, chief engineers, and onboard officers - represents Italy within CESMA.

An aerial photograph of a beach. The top half of the image shows turquoise ocean water with white foam from a wave washing onto the shore. The bottom half shows the sandy beach, which is a light tan color. The wave's edge is a jagged line of white foam separating the water from the sand.

ENVIRONMENTAL VALUE

FIGURES AT 31.12.2022



1.1 million tonnes

Liquefied Petroleum
Gas trasportato

**0.10 tonnes per
ton mile**

overall fleet energy
efficiency

**87,130 MT of
CO₂-eq** emissioni totali
di GHG

24% down from 2020

**2.6 MT of CO₂-eq
per thousand EUR**

overall emission efficiency,
improved by **30.4%** since 2020

422 m³

total waste produced
by the fleet

29.7% down from 2020

91%

waste discharged
and disposed of on land,
constant in the three-year
period

12.3 million litres

seawater distilled onboard
17.7% down from 2020

0.8 million litres

potable water withdrawn
in port

29.2% down from 2020

0 spillage

of transported products

0 releases

of substances into the
environment

100%

fleet that uses
biodegradable lubricating
oil for machinery in direct
contact with the sea

100%

fleet equipped with ballast
water management
compliant with the Ballast
Water Management
Convention, Vessel General
Permit and qualified to
detect traces of oil

100%

fleet coated with
antifouling systems free
of toxic components (TBT)

REGULATORY FRAMEWORK

The Company operates in a **highly regulated sector**, adhering to **numerous regulations** that also vary in relation to the **geographic areas** it serves.

Key regulations include:

- International Convention for the Prevention of Pollution from Ships (MARPOL)
- Italian Law no. 438 of 04.06.82 ratifying MARPOL 1978
- Italian Law no. 979 of 31.12.1983 "Provisions for the protection of the sea"
- Directive 2005/35/EC on ship-source pollution and on the introduction of penalties for infringements
- US Clean Water Act / APPS
- Oil Pollution Act (OPA'90)
- Directive 2005/33/EC as regards the sulphur content of marine fuels
- International Convention for the Control and Management of Ships' Ballast Water and Sediments

- Regulation (EU) No 1257/2013 on ship recycling
- Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009
- California Air Resources Board (ARB).

Below is a brief description of the primary international authority (IMO) and the most relevant conventions and regulations.

INTERNATIONAL MARITIME ORGANIZATION - IMO

The IMO is the **United Nations specialized agency** with responsibility for the safety and security of shipping the prevention of marine and atmospheric pollution by ships.

Members of the IMO are required to meet certain standards. As an international industry by

definition, shipping can only function effectively if **regulations and standards** are agreed, adopted and implemented on an international basis.

IMO measures cover all aspects of international shipping – including ship design, construction, equipment, manning, operation

and disposal equipment, manning, operation and disposal – **to ensure that this sector remains safe, environmentally sound, energy efficient and secure.**

MARPOL

The MARPOL Convention was adopted on 2 November 1973 at IMO, then updated with the protocols of 1978 and 1997. It includes six Annexes, each one covering the **prevention and/or**

control of pollution from oil (crude oil and fuel oil), noxious liquid substances in bulk, harmful substances carried by sea in packaged form, sewage, garbage and air emissions, including

substances that deplete the ozone layer, nitrogen oxides (NOx), sulphur oxides (SOx), and volatile organic compounds.

US CLEAN WATER ACT

The **US Federal Water Pollution Control Act**, generally known as the Clean Water Act (CWA) was initially enacted in 1948 to prevent pollution of US territorial waters.

It was completely rewritten in 1972, becoming a **crucial piece of federal environmental legislation**.

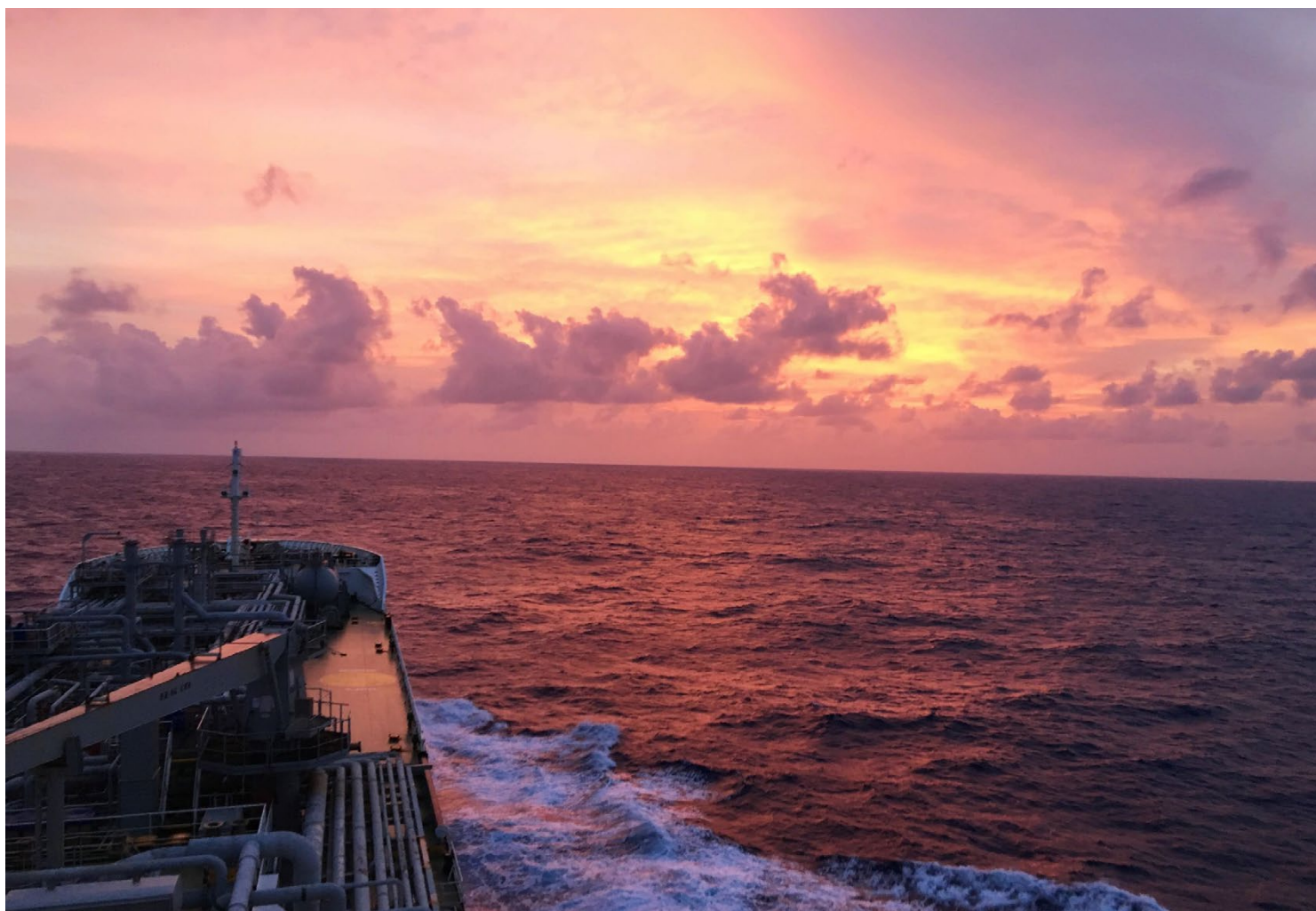
The US Environmental Protection Agency (EPA) has the authority to implement the Clean Water Act. Within the framework of the Clean Water Act, significant programmes

have been developed to prevent pollution and regulate pollutant discharges into the sea and waterways, and include:

- **Oil Pollution Act of 1990 (OPA '90)**: legislation enacted in 1990 in the United States to prevent and respond to oil spills and develop cleanup procedures in the case of a spill.
- **Vessel General Permit (VGP)**: legislation to regulate effluents and potential pollutants from vessel operations.

The VGP requires an initial notice of intent, routine visual inspections and annual inspections, and an annual report to the EPA. On 28 February 2022, Carboflotta published its "VGP Annual Report" as required by the above-mentioned regulations, concerning the management of environmental aspects of Carbofin ships in US waters.

All Company ships comply with the Clean Water Act requirements applicable to the fleet.



ENVIRONMENTAL POLICY

The Carboflotta Group believes that **regulating the elements that interact with the ecosystem** is not just about regulatory compliance, but a crucial **driver of growth for the Company's competitiveness and contribution to sustainable development**.

In line with this principle, the Company:

- promotes a policy based on the adoption and continuous improvement of an **Environmental Management System (EMS)** that clearly defines and documents the responsibilities, processes, and procedures for both onshore personnel and crews on board the ships
- adopts an **auditing system**, including internal and independent audits to monitor and enforce policy, procedures and practices
- takes prompt **corrective actions** to address any non-compliance issues
- ensures the availability of **financial and human resources** to keep the ships engines, equipment, plants and machinery parts in proper working order to prevent potential pollution and damage to the ecosystem at the source
- **avoids incentive policies that encourage cost-cutting in operation, maintenance, and repair of machinery at the expense of environmental protection** to ensure employees do not neglect these operations at the expense of environmental protection
- **continuously monitors** ship activities to prevent, eliminate, or reduce any potential environmental risks
- **avoids** technical measures that could pose health **risks** or compromise the environment, with periodic checks to ensure ongoing absence of risks
- **systematically reviews** the adequacy, effectiveness, and efficiency of its environmental protection processes
- uses **qualified suppliers** committed to adhering to the principles of the Code of Ethics, including environmental standards
- ensures **compliance with all relevant regulations**, both voluntary and mandatory, in its work processes connected with environmental protection
- constantly **monitors waste production**, hazardous substance management, and energy resource use to optimize efficiency
- tracks internal and external **noise levels** generated by ship operations
- promotes **responsible resource use** and, where possible, the use of renewable resources in production
- encourages effective **exchange of information** between head office departments and ship personnel, and between the Company, third parties and suppliers, to support its environmental policy
- establishes procedures to ensure that all personnel (including suppliers, technicians, and non-crew members) whose work affects the capacity to meet these goals, receive the necessary **training** and are capable of fulfilling their responsibilities.

ANALYSIS OF ENVIRONMENTAL ASPECTS AND IMPACTS

In accordance with its **Environmental Management System (EMS)**, Carbofin has produced an **environmental analysis** that provides a detailed examination of the **environmental**

aspects and potential significant impacts of its activities on the environment and people. This document is reviewed and updated annually, taking into account potential changes in economic,

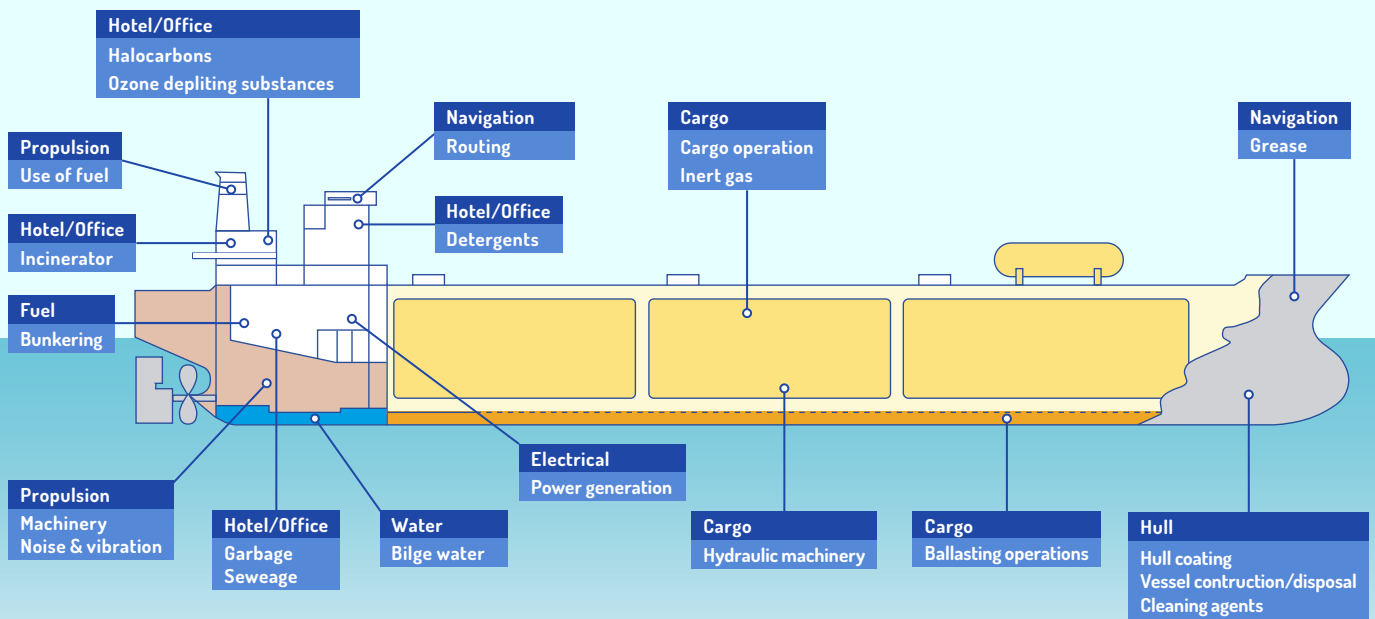
geopolitical, and legislative factors. The environmental analysis serves as the foundational study for developing and updating the Group's environmental policy.

MAIN ENVIRONMENTAL ASPECTS AND IMPACTS

..... ○

The **key environmental aspects and impacts** examined in detail in the environmental analysis include:

- gaseous emissions
- cooling water and onboard wastewater systems
- wastewater discharged into the sea
- bilge water discharges
- disposal of solid and special waste
- ballast water management
- biofouling
- deck washdown and runoff
- antifouling
- in-water ship maintenance
- use of paints, solvents and chemicals
- use of foam and chemical powder extinguishers in a fire emergency
- boiler blowdown
- hold effluent
- distillation
- firefighting systems
- rudder lubricant discharge
- stern tube oil discharge
- wet exhaust from small boat engines
- resource consumption
- noise emissions
- end-of-life cycle management.



Impact assessment is conducted through formalized procedures and management practices documented in the following in-house documents:

- SMS - Safety Management System - Manual
- EMS - Environmental Management System - Manual
- Integrated Operation Manual
- SOPEP / SMPEP / NTVRP
- Garbage Management Plan
- Ballast Water Management Plan
- Ship Environmental Emission Management Plan
- Oil Record Book, Garbage Record Book, Ballast Record Book and other EMS records.

To ensure the highest quality of services and the careful protection of the marine environment, **Carbofin directly manages and controls every aspect of the shipping operations** through its Crewing Office, Technical Office, and Safety, Quality, and Environment Department.



All crew members undergo an intensive training programme on environmental regulations and Company procedures.

Additionally, before embarkation, all crew members commit, through the **MARPOL Declaration**, to comply with the Company's environmental

regulations and procedures and to report any observed violations of environmental laws.

To this end, the Group has implemented the Open Reporting System, an **anonymous whistleblowing system** to report any observed environmental violations on board. The system is available to all crew members, passengers, visitors and shore-based personnel.

ENERGY CONSUMPTION

SDGs	7 AFFORDABLE AND CLEAN ENERGY 	7.3 By 2030, double the global rate of improvement in energy efficiency
	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGs

251,000

nautical miles sailed

1.1 million tonnes

Liquefied Petroleum
Gas transported

27,600 tonnes

fuel consumed
by the fleet

0.10 tonnes per ton mile

overall fleet energy efficiency

290.7 GJ

energy consumption of offices

SHIP CONSUMPTION

The primary resource consumed on ships is the **fuel** used for navigation and **on-board power generation**.

Despite all Carbofin ships being under time charter contracts (with fuel purchases handled by the charterer), **all ships adhere to an environmental conservation programme and a Ship Energy Efficiency Management Plan (SEEMP)**, which includes a series of measures to save electricity and fuel.

The ship's performance and machinery are regularly monitored for fuel consumption, miles travelled, and weather conditions encountered during the voyage. A diligent maintenance programme for the main engine, auxiliary engines, and hull ensures maintained performance and reduced fuel consumption.

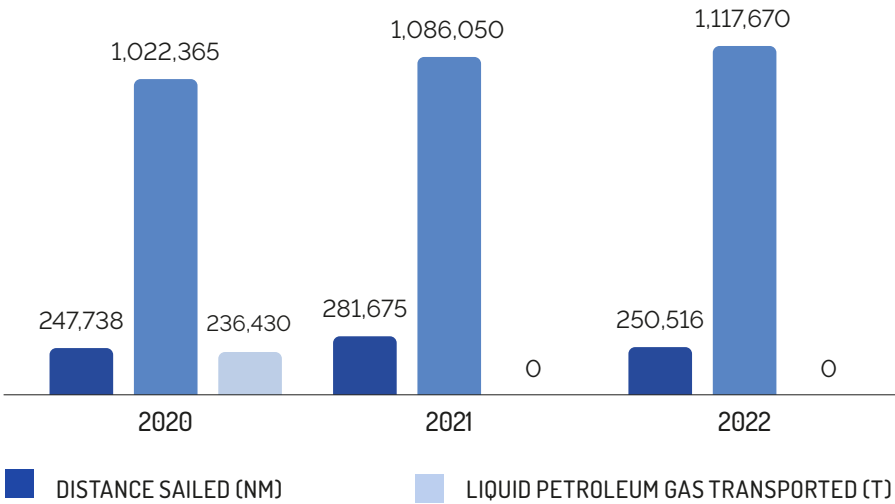
In 2022, the Company sailed 251,000 nautical miles, transporting 1.1

million tons of LPG. This represents an 11.2% reduction in transported cargo since 2020, linked to a fleet reduction from 6 ships at the end of 2020 to 4 ships at the end of 2022.

OPERATING PERFORMANCE

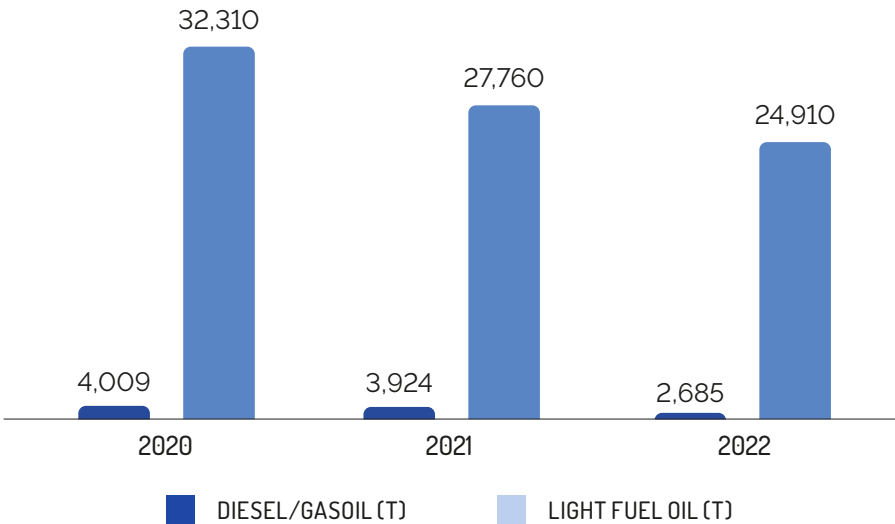
In 2022, fuel consumption - equal to 27,600 tons - was composed of 10% Diesel/Gasoil and 90% Light Fuel Oil.

This is a 24.0% reduction from 2020 due to fleet downsizing and **continuous energy efficiency improvements**.

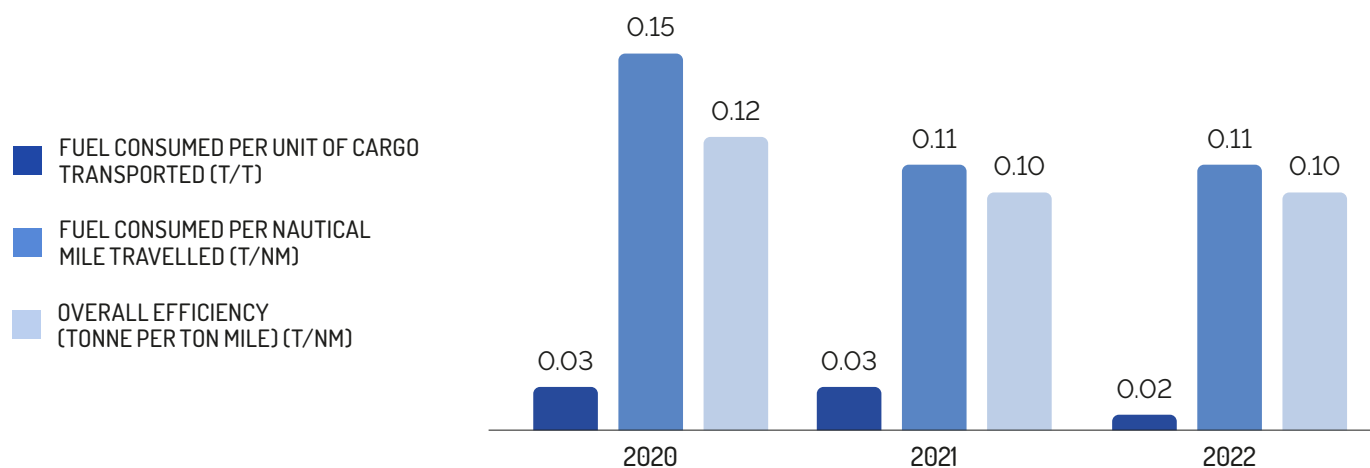


FUEL CONSUMPTION (T)

In the three-year period from 2020 to 2022, energy efficiency indicators improved in relation to the cargo transported (down 14.4%), the distances covered (down 24.9%), and the overall efficiency (up 15.4%).



ENERGY EFFICIENCY



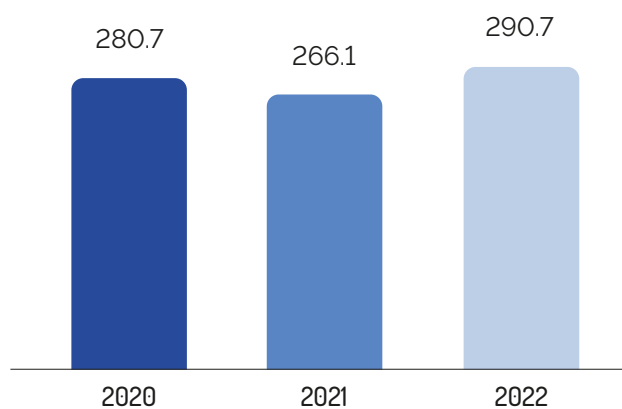
OFFICE CONSUMPTION

Office energy consumption mainly consists of electricity.



In 2022, office energy consumption was **290.7 GJ**, 3.6% higher than 2020 (the pandemic year).

In 2023, the Group began a feasibility study to increase renewable energy sourcing starting in 2024.

OFFICE CONSUMPTION (GJ)



EMISSIONS

SDGs		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
		13.2 Integrate climate change measures into national policies, strategies and planning

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGs

87,100 MT of CO₂-eq

Fleet emissions (Scope 1)
(24% down from 2020)

31 MT of CO₂-eq

emissions of **offices (Scope 2)**
(3.6% up from 2020)

24% down from 2020

total GHG emissions
(87,130 MT of CO₂-eq in 2022)

2.6 MT of CO₂-eq per thousand EUR

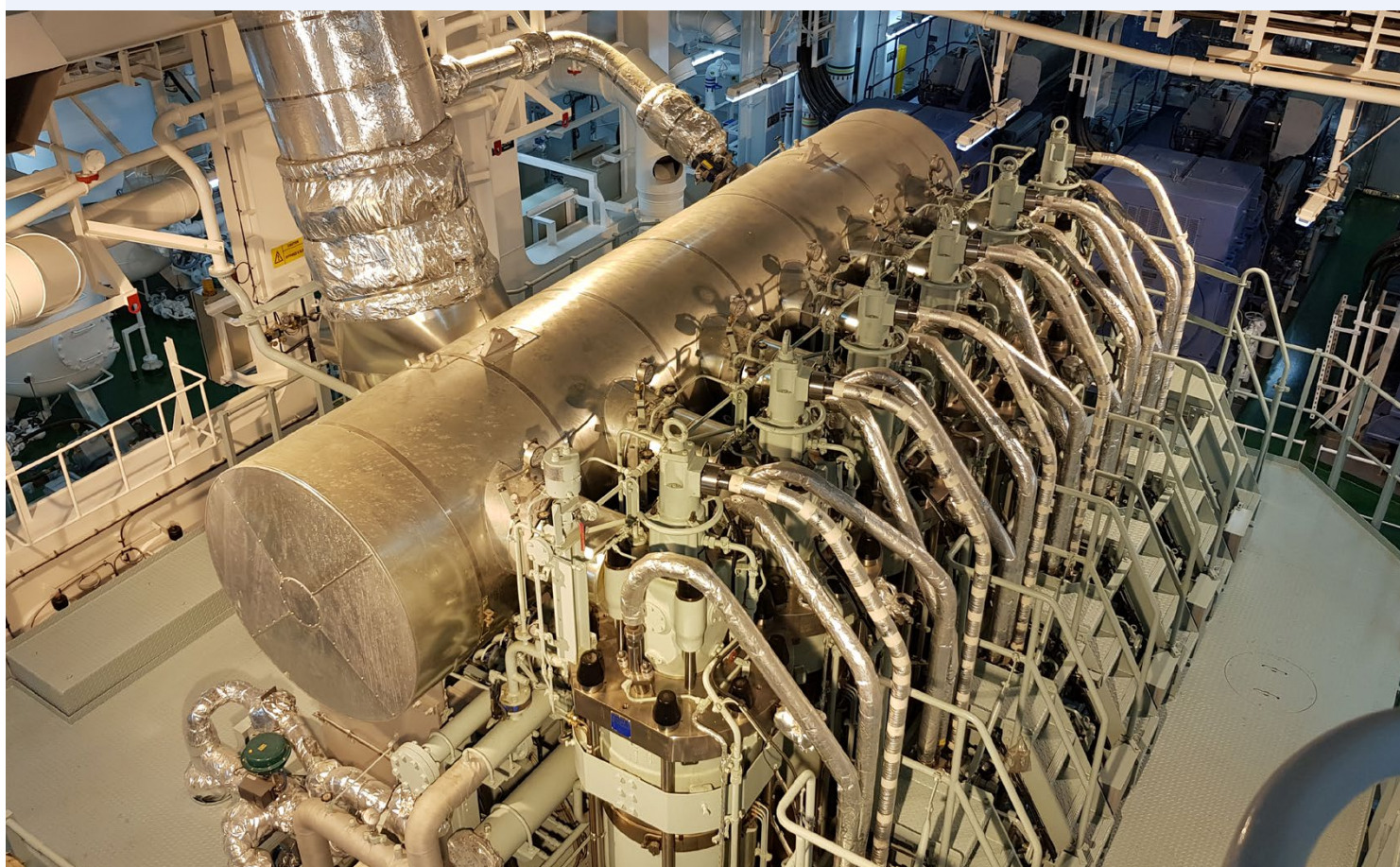
overall emission efficiency
(improved by 30.4% since 2020)

The Carboflotta Group measures and monitors GHG emissions - Scope 1 (ships) and Scope 2 (offices) - generated by its activities.

GHG EMISSIONS – GREENHOUSE GAS PROTOCOL

The Greenhouse Gas Protocol (GHG) defines the classification of company emissions, methods of quantification, and disclosure guidelines. It divides greenhouse gas emissions into three main categories based on their direct or indirect origin relative to the company's boundary:

- **Energy Direct (Scope 1) Emissions** – These are direct emissions from sources owned or controlled by the organization, within the company's operational boundaries. They include emissions from the use of fossil fuels to power company vehicles or boilers for heating or production. They also cover emissions from company-owned transport vehicles running on fossil fuels and refrigerant gas leaks from cooling systems.
- **Energy indirect (Scope 2) Emissions** – These are indirect emissions from the production of electricity purchased from the grid and consumed by the Group. They also include any steam or heat purchased from district heating.
- **Energy indirect (Scope 3) Emissions** – These are indirect emissions resulting from the Group's activities, originating from sources outside its boundary but within its value chain. These emissions are generated upstream and downstream. Examples include emissions from purchased goods/services, employee commuting and business travel, and waste disposal.



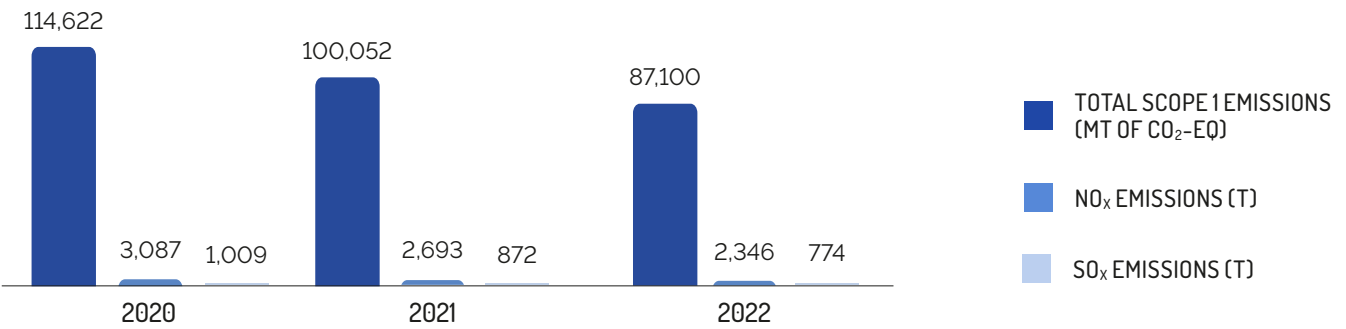
SHIP EMISSIONS – SCOPE 1

Emissions from the Company's ships are regularly measured and monitored.

In 2022, total Scope 1 emissions from the fleet were **87.1 thousand tonnes of CO₂-eq**, a **24.0% decrease from 2020**.

NO_x and SO_x emissions were 2,346 tonnes (24.0% decrease from 2020) and 774 tonnes (23.3% decrease from 2020), respectively.

FLEET EMISSIONS

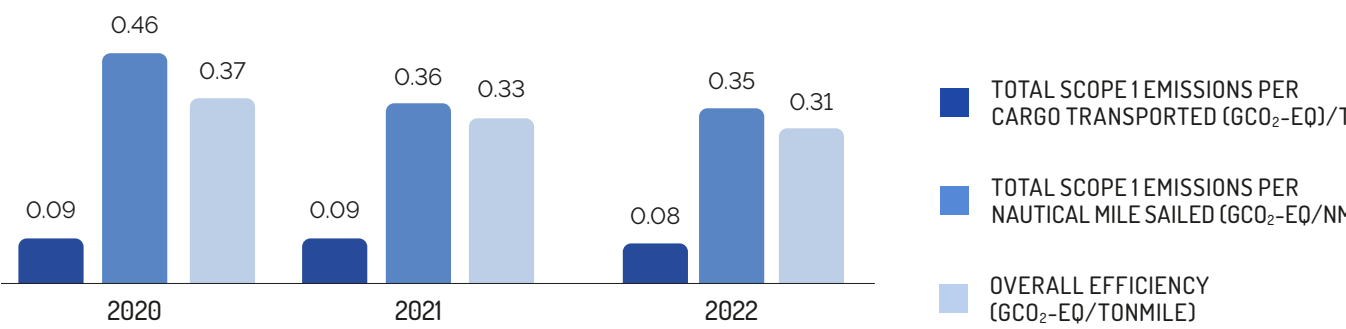


Fleet emission efficiency, calculated by relating total Scope 1 emissions to tonnes of cargo transported, nautical miles travelled, and the product of cargo transported

and miles travelled, **has shown progressive improvement from 2020 to 2022**. Specifically, Scope 1 emissions per tonne transported decreased by 14.4%,

Scope 1 emissions per nautical mile travelled decreased by 24.9%, and **overall efficiency (gCO₂-eq/ton mile) improved by 15.4%**.

FLEET EMISSION EFFICIENCY

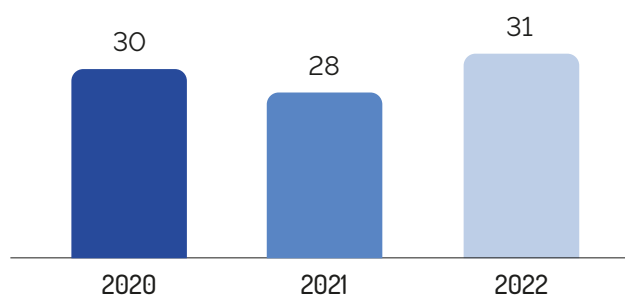


OFFICE EMISSIONS – SCOPE 2

Scope 2 emissions correspond to greenhouse gas emissions generated by electricity production.

Considering office consumption, in 2022, Scope 2 emissions for the Group were 31 tonnes of CO₂-eq, a 3.6% increase from 2020.

SCOPE 2 EMISSIONS (MT OF CO₂-EQ)



TOTAL GREENHOUSE GAS (GHG) EMISSIONS

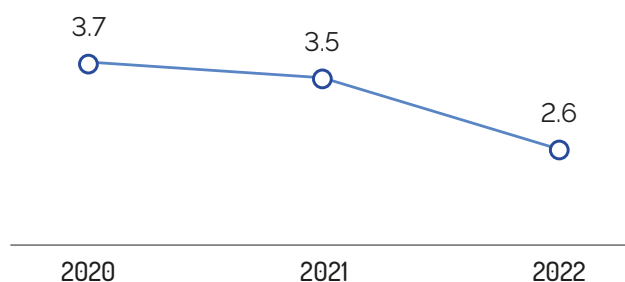
Overall, in 2022, the Group's greenhouse gas (GHG) emissions

amounted to 87,130 tonnes of CO₂-eq, a **24.0% decrease from 2020**.

Total GHG emissions	2020	2021	2022	2022-2020
Scope 1 emissions	114,662	100,052	87,100	-24.0%
Scope 2 emissions	30	28	31	+3.6%
Total GHG emissions	114,691	100,080	87,130	-24.0%
Emission Efficiency (MT of CO₂-eq per thousand EUR)	3.7	3.5	2.6	-30.4%

EMISSION EFFICIENCY (MT OF CO₂-EQ PER THOUSAND EUR)

Overall emission efficiency, calculated by relating total GHG emissions to revenue expressed in thousands of euros, **improved by 30.4% since 2020**.



CIRCULAR ECONOMY AND WASTE MANAGEMENT

SDG

12

RESPONSIBLE CONSUMPTION AND PRODUCTION

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS



In waste management, the Company not only **complies with MARPOL guidelines** but also adopts **monitoring and management systems that exceed regulatory requirements, as well as investing in continuous improvement** of separation, compaction, and packaging return activities.

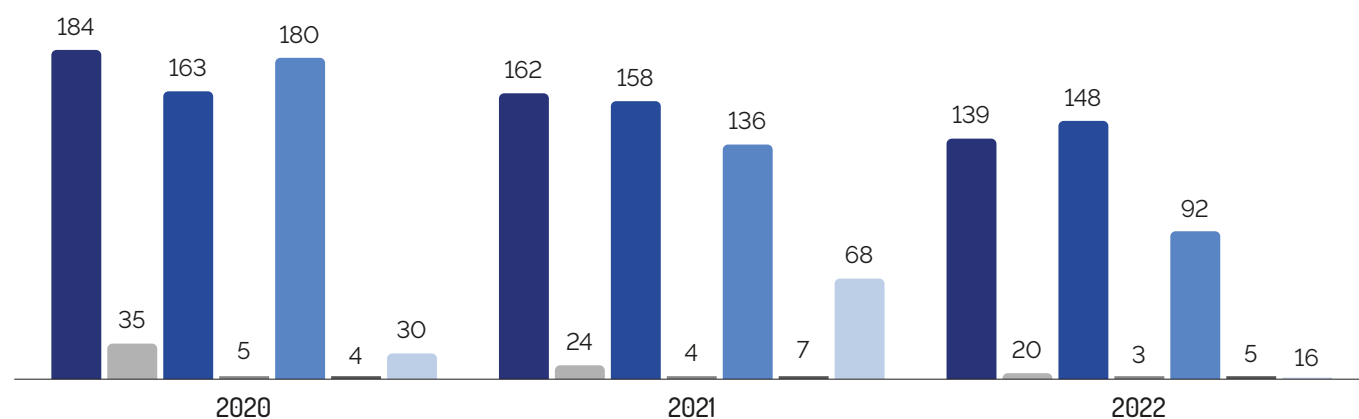
Waste is managed in accordance with the **Waste Management Plan**. All waste is recorded in the onboard Waste Log Book, with

control measures in place to ensure that treatment methods—especially for solid and special waste—adhere to MARPOL and Environmental Management System (EMS) procedures.

As part of its improvement objectives, the Company is working to reduce single-use plastic (SUP) consumption onboard ships. **Overall, in 2022, fleet waste production amounted to 422 m³, a decrease of 29.7% from 2020.**

Waste primarily falls into the categories of household, operational, and recyclable material (CAT C: 35%); plastic waste (CAT A: 32.8%); and waste from pyrotechnic material, oily materials, paints, detergents, and additives (CAT F: 21.8%).

Hazardous waste, in particular, amounted to 16 m³, a decrease of 45.6% from 2020.

WASTE PRODUCED (M³)

■ CAT A: PLASTICS AND PLASTICS MIXED WITH NON-PLASTIC WASTE

■ CAT B: FOOD WASTE

■ CAT C: HOUSEHOLD WASTE, OPERATIONAL WASTE, AND RECYCLABLE OR REUSABLE MATERIALS (PAPER PRODUCTS, RAGS, WOOD, ALUMINIUM, GLASS, METAL BOTTLES, CROCKERY, BULBS, BATTERIES, MEDICAL WASTE, ETC.)

■ CAT E: INCINERATOR ASHES

■ CAT F: EXPIRED PYROTECHNICS, OILY RAGS, AND ANY OTHER OILY MATERIALS, PAINT/CHEMICAL DRUMS, DETERGENTS, AND ADDITIVES CONTAINED IN THE WASH WATER FROM THE DECK AND EXTERIOR SURFACES.

■ CAT I: ELECTRONIC WASTE (ELECTRONIC BOARDS, GADGETS, DEVICES, EQUIPMENT, COMPUTERS, TONERS AND PRINTER CARTRIDGES, LIGHTING DEVICES, ETC.)

■ HAZARDOUS WASTE

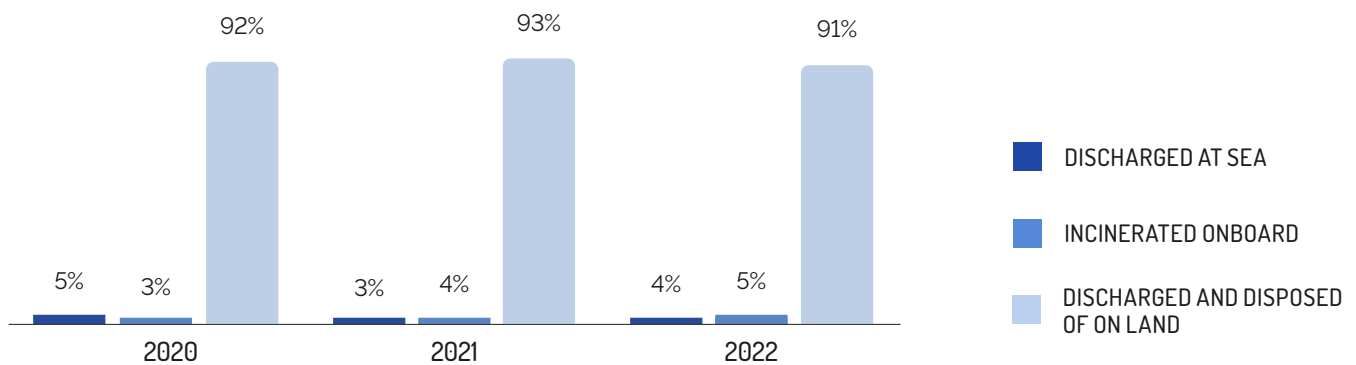


In line with regulatory requirements, 4% of the waste was discharged at sea (exclusively food waste, CAT B), 5% was incinerated onboard

(part of the CAT C and CAT F waste categories), and the remaining **91% was discharged and disposed of on land**.

The proportions among the different waste management methods remained relatively constant over the three-year period under review.

WASTE DISPOSED OF



For each of the 3 waste management methods, the Company has specific procedures. The main ones are outlined below.

ONBOARD INCINERATION

The use and performance of the onboard incinerator is regulated by the MARPOL Convention, which specifies particular incinerators for treating solid waste (excluding cargo residues, PVC, residues containing heavy metals, and other pollutants) and sludges, which are byproducts of machinery use and fuel and oil purification. The Convention permits the use of incinerators except in ports and estuaries.

The Company's management system, which is more restrictive than MARPOL requirements, includes:

- limited incineration of sludge and paper
- incinerator use only in open seas, not within Emission Control Areas (areas designated by the IMO with restrictive emission regulations).

The Company's environmental policies prioritize disposing of sludge and oily residues at designated land facilities rather than using onboard incineration, to minimize atmospheric emissions.

Onboard incinerators are regularly inspected in accordance with maintenance instructions and manufacturer requirements.

DISPOSAL AT SEA

In compliance with MARPOL guidelines, **all the Company's ships are equipped with a food waste shredder**. Shredded food waste can pass through a grid with openings no larger than 25 mm.

The Convention allows **shredded food waste** to be discharged at sea inside special areas if the ship is navigating at a minimum distance

of 12 miles from the coast and outside special areas if the ship is navigating at a minimum distance of 3 miles from the coast.

Food waste that has not been shredded can only be discharged at sea outside special areas, at a minimum distance of 12 miles from the shore.

The Company's environmental management system, which is more restrictive than MARPOL, recommends using the shredder whenever food scraps are discharged at sea for better assimilation into the environment.

DISPOSAL ON LAND

To minimize onboard waste volumes and improve storage and disposal management at land facilities, **Company ships**

are equipped with a solid waste compactor. The equipment is controlled by a local panel, so it can be monitored and shut down in

case of anomalies or emergencies.

END-OF-LIFE CYCLE

All Company ships are certified under Regulation (EU) 1257/2013 on ship recycling and the Hong Kong Convention. Compliance

with these standards ensures less impact in terms of environmental protection, health,

safety and ethics in ship end-of-life management and disposal.

MANAGEMENT AND PROTECTION OF WATER RESOURCES



14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

12.3 million litres

seawater distilled onboard
(17.7% down from 2020)

0.8 million litres

potable water
withdrawn in port
(29.2% down from 2020)

553 tonnes

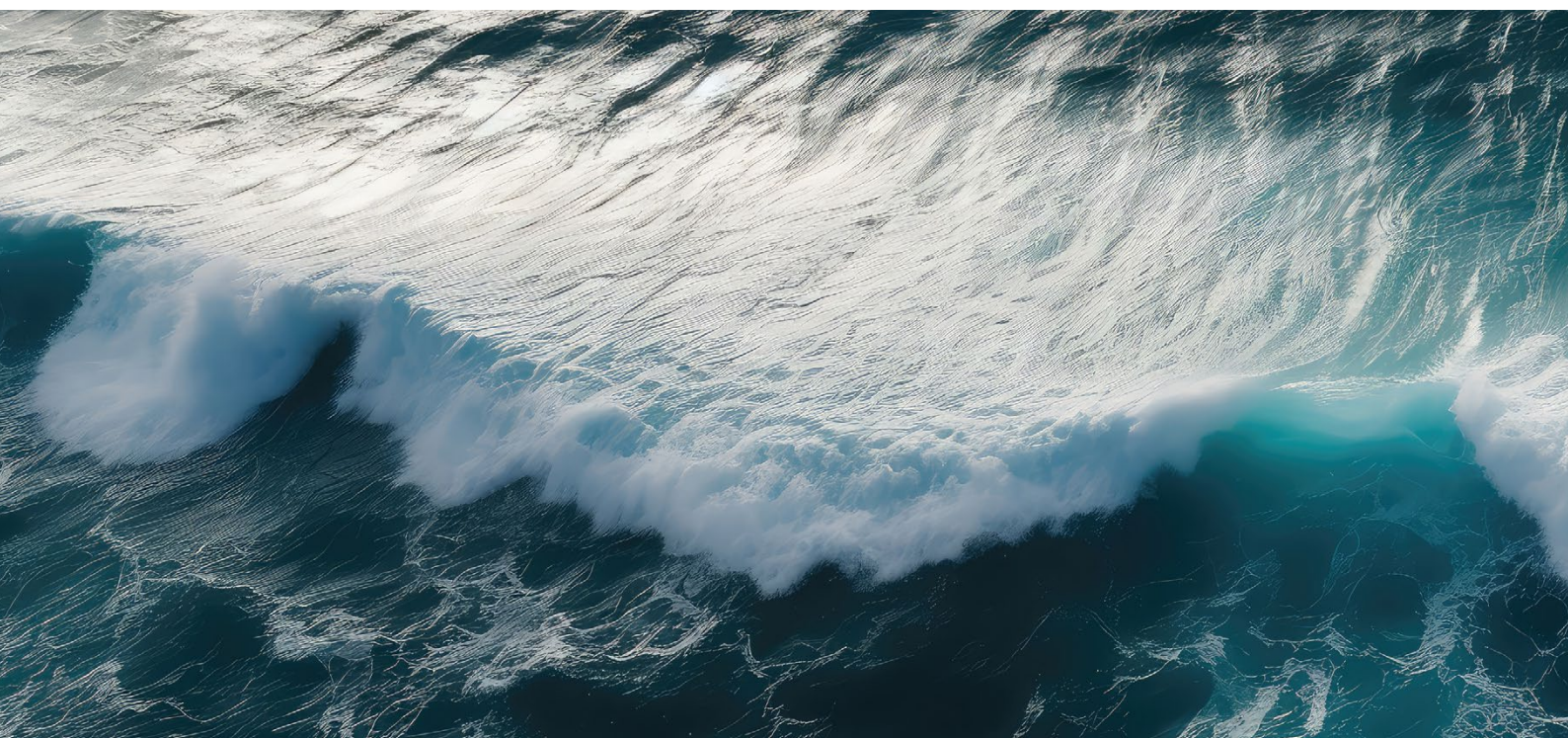
water discharged
through bilge separator
(2.6% down from 2020)

WATER WITHDRAWALS

Seawater is an essential resource for the Company's activities. It serves as the primary source of

water used by maritime personnel and is crucial for managing cooling systems, cleaning activities, and

fire safety systems. Below are the main seawater withdrawal activities conducted onboard the ships.



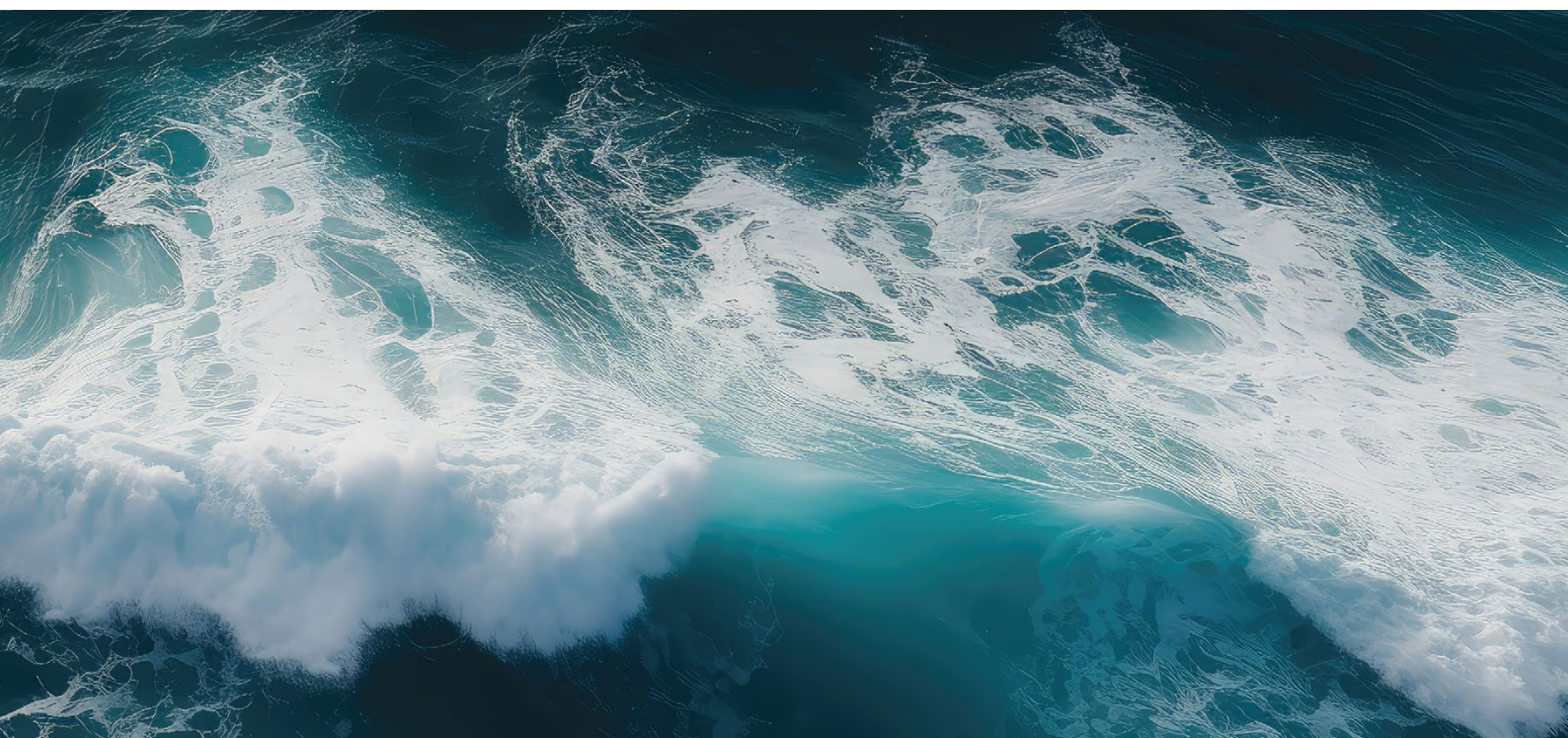
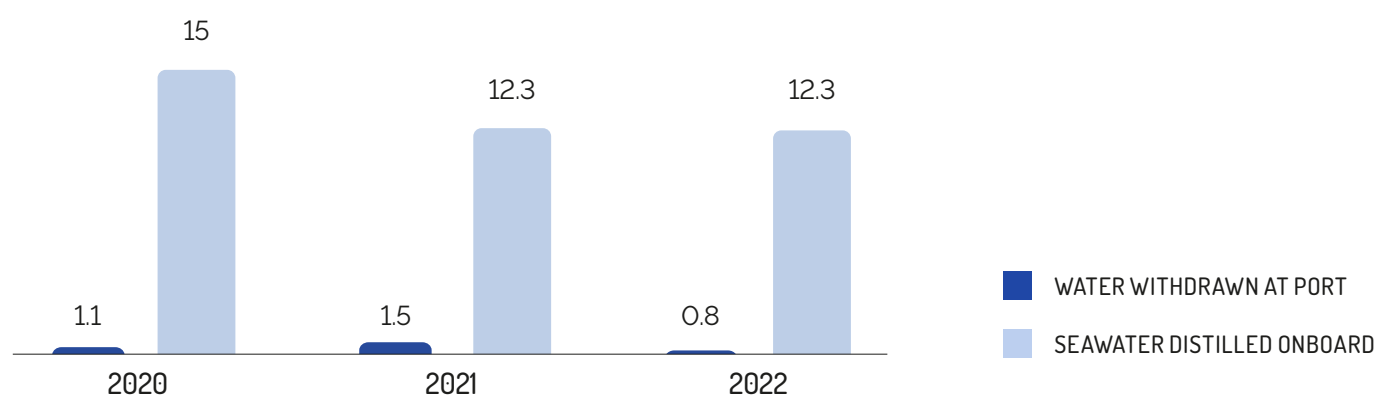
POTABLE WATER CONSUMPTION ONBOARD

For onboard use, the Company sources potable water either by taking it on board at ports or by distilling seawater onboard. In 2022, a total of **13.1 megalitres of potable**

water was consumed onboard the ships: 12.3 megalitres were distilled onboard (93.9%, a decrease of 17.7% from 2020) and 0.8 megalitres were taken on board at ports (6.1%,

a decrease of 29.2% from 2020). During the three-year period under review **no potable water was withdrawn from areas under high water stress**²⁵.

POTABLE WATER CONSUMPTION ONBOARD BY SOURCE (MEGALITRES)



²⁵ To identify areas under high water stress (categories "high" and "extremely high"), the World Resources Institute database was used.

COOLING SYSTEM

The heat exchangers, which are central to the onboard cooling system for propulsion and auxiliary mechanical systems, require the use of water. This water circulates through a closed system that does not come into direct contact with

the machinery but can still contain sediments from water intake, traces of hydraulic or lubricating oils, and trace metals leached or eroded from the system's pipes.

Accordingly, **maintenance of the cooling system** is conducted, including periodic cleaning of filters and pipes, in accordance with the biofouling management plan.

FIREFIGHTING SYSTEM

Fire system pumps draw in water through the sea intakes to supply fire hose stations and sprinkler systems.

Onboard, the firefighting systems can also be used for **secondary purposes** such as washing decks and equipment, cooling machinery, filling ballast tanks and supplying inductors.

It is prohibited to discharge wastewater accumulated onboard from the firefighting systems

into protected waters, except in emergencies or for anchor chain washing.

To **minimize the environmental impact of the firefighting systems**, the Company uses plastic seals and marks valves and lines to prevent accidental discharges and reduce the need for discharging the main fire-fighting systems in port.

Seawater is also used to generate aqueous film-forming foam (AFFF) for firefighting. On Carbofin ships,

the use of AFFF is restricted to portable firefighting devices, which are only authorized for use in emergencies to ensure the safety of the vessel and crew. To prevent it from being released into the sea, any discharges for training or replacement purposes are collected and disposed of on land.

LIFEBOATS

The engines of the lifeboats use seawater injected into the exhaust for engine cooling and noise reduction. The wet exhaust gases from the engine may contain

pollutants when discharged. Therefore, the Company conducts **weekly maintenance** operations on the lifeboats to keep the engines in good working condition and in

accordance with the manufacturer's specifications.

EFFLUENTS

The Company pays special attention to the risks of pollution from effluents in the sea. To prevent any accidental or non-compliant discharges according to the regulations and the Company's environmental procedures, the

environmental management system requires that all overboard discharge valves and related lines on the ships are sealed.

In the 2020-2022 period, no incidents of non-compliance

related to effluents were reported.

Below are the main effluent activities conducted onboard the ships.

WASTEWATER TREATMENT

The wastewater discharged into the sea is divided into two main categories:

- blackwater from crew accommodation
- greywater, which includes all other wastewater from accommodations (showers, sinks), the kitchen, the laundry, and cleaning activities.

The treatment systems installed onboard to receive and/or treat greywater and blackwater are **approved and compliant** with the requirements of the MARPOL Convention, specifically, for blackwater:

- **untreated blackwater** can be discharged while sailing at a

minimum distance of 12 miles from the shore

- **blackwater treated** by maceration and disinfection can be discharged while sailing at a minimum distance of 3 miles from the shore
- **blackwater treated through a dedicated treatment plant** is not subject to restrictions.

The Company's environmental management system, which is more restrictive than MARPOL requirements, requires that even ships equipped with a treatment plant discharge blackwater at a minimum distance of 3 miles from the shore.

Additionally, the Company requires that greywater discharges be minimized during port stays and that, if the ships cannot store greywater, the crew must minimize its production.

For ships that have the capacity to store greywater, the Company has imposed a ban on discharging greywater in protected U.S. waters, whether in whole or in part, for conservation purposes.

BILGE WATER DISCHARGES

Bilge water consists of **water and oil substances** that accumulate in a dedicated compartment in the engine room (bilge) and come from the drainage of engine room machinery. The components of bilge water include seawater, oil, grease, volatile and semi-volatile organic compounds, inorganic salts, and metals.

The **bilge separator** treats oily water from the engine room machinery (drainage, condensate, possible leaks), allowing its controlled discharge within the limits set by the MARPOL Convention. Specifically, bilge water may be discharged:

- outside special areas, during navigation, provided that the oil content in the effluent does not exceed 15 ppm. The bilge separator must be of an approved type, and the nearest land must be at least 12 miles away

- inside special areas, during navigation, provided that the oil content in the effluent does not exceed 15 ppm. The separator must be of an approved type and must be equipped with an alarm system and automatic discharge shutdown when the oil content in the effluent exceeds 15 ppm.

The Company ensures compliance of all bilge water discharges with the MARPOL Convention, commits to minimizing the production of bilge water through maintenance activities, and has prohibited engine room personnel from using dispersants, detergents, emulsifiers, chemicals, or other substances that could impair the proper functioning of the bilge separator.

Maintenance of machinery and equipment installed in the engine room also aims to eliminate potential leaks and minimize the production of bilge water.

To this end, bilge separators are regularly checked in accordance with the maintenance requirements specified by the equipment manufacturer.

On older ships, next-generation equipment has been installed to ensure greater safety, and in compliance with MARPOL requirements, the Company is committed to frequently calibrating the sensors of bilge separators to verify their reliability.

In 2022, the Company discharged 553 tonnes of bilge water, a 2.6% decrease from 2020.

Bilge Water Discharges	2020	2021	2022
Water discharged through bilge separator (t)	568	682	553

DECK RUNOFF

Deck runoff refers to seawater and water from precipitation and washing that accumulates on the open decks of ships and is discharged through scuppers.

To prevent the runoff of pollutants, **all Company ships are equipped with mechanical scuppers**, and decks are cleared of debris, waste, residues, and spills before washing and before departing from port to avoid discharging these substances into the sea.

Additionally, deck machinery is equipped with containment sumps to collect any oily water spills.

The sumps are periodically cleaned and drained into a dedicated container for the disposal of oily substances.

During deck washdown, **the Company ensures that the wash water discharges are free of floating solids, visible foam, halogenated phenolic compounds, dispersants or surfactants.** Routine maintenance activities are also carried out on the deck surfaces to minimize the discharge of rust and other corrosion by-products, cleaning compounds, paint flakes, non-slip material fragments, and other materials.

Toxic detergents are not used for deck washdown that results in discharge into the sea, **the use of chemicals is minimized** in favour of eco-friendly substances, and when necessary, chemicals are used in accordance with safety data sheet precautions.

Except in emergency situations, deck washdown is not performed during port stays.

BOILER BLOWDOWN

Periodically, part of the water contained within the boilers is discharged to **control the concentrations of anti-corrosion and anti-scaling treatments and to remove sludge from the heating systems.**

Blowdown involves releasing a volume between 1% and 10% of water from the boiler system, usually below the waterline.

The water from boiler blowdown is collected in a dedicated tank

or in the bilge double bottom and then **disposed of ashore.** Boiler and economizer blowdown is not permitted in port.

DISTILLATION

Onboard distillation plants that convert seawater into freshwater can generate brine discharges as well as high-temperature effluents containing anti-scaling treatments,

cleaning compounds, acids, or metals. To **prevent the spread of pollutants**, the Company ensures that distillation plant discharges do not contain toxic, hazardous

materials or waste and that they do not come into contact with machinery.

PROTECTING THE MARINE ECOSYSTEM AND BIODIVERSITY

SDG



14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

0

spills of transported products or **releases of substances** into the environment in the three-year period

100%

fleet that uses biodegradable lubricating oil for machinery in direct contact with the sea

100%

fleet equipped with ballast water management compliant with the *Ballast Water Management Convention, Vessel General Permit*

100%

fleet coated with antifouling systems free of toxic components (TBT)

Carbofin's Environmental Management System (EMS) pays particular attention to protecting the marine ecosystem and its biodiversity from the potential

negative impacts typical of shipping activities: **accidental discharges of pollutants, biological contamination, and possible interference with marine life**

associated with the time spent in protected marine areas and the noise emissions produced by the ship's engines.

ACCIDENTAL DISCHARGES

In the 2020-2022 three-year period, the Company did not record **any incidents of accidental discharge of transported products or other**

harmful substances into the environment. However, in 2020 and 2022, there were two contained spills - limited to the deck of the

ship - thereby preventing any potential negative impact on the marine ecosystem.

Incidents of Marine Ecosystem Pollution	2020	2021	2022
Contained Liquid Spills*	1	-	1
Releases of Substances into the Environment**	-	-	-
Spills of Transported Products***	-	-	-

One of the main sources of risk for accidental discharges involves the leakage of **lubricating oils from machinery in direct contact with the sea**, which the Company prevents through specific procedures for managing oil-sea interfaces as outlined in the Environmental Management System.

Specifically, the **ship's rudder and propeller shaft** (and its seals) can,

in case of malfunction or damage, cause the release of oil or grease into the sea.

To prevent this eventuality, Carbofin conducts **regular inspections and maintenance**; regularly monitors the oil level of the shaft seals in the engine room and the water around the stern tube during port calls; and performs regular checks and maintenance of the dry dock. To minimize environmental

impact following a potential **oil leak**, the U.S. environmental regulation Vessel General Permit (EPA VGP) mandates the use of **biodegradable lubricating oil** (EAL - Environmentally Acceptable Lubes).

On a voluntary basis, the Company has extended the requirement to use EALs to ships that do not travel to the United States and would not otherwise be subject to this regulation.

* spills of liquids contained on deck (that did not enter the sea) as defined by MARPOL. These data are based on internal reports.
 ** as provided by MARPOL Annexes II to V. These data are based on discovered releases reported to authorities and recorded in relevant ship logs.
 *** excluding contained spills. These data are based on spills of transported products reported to authorities and recorded in the oil log.

BIOLOGICAL CONTAMINATION

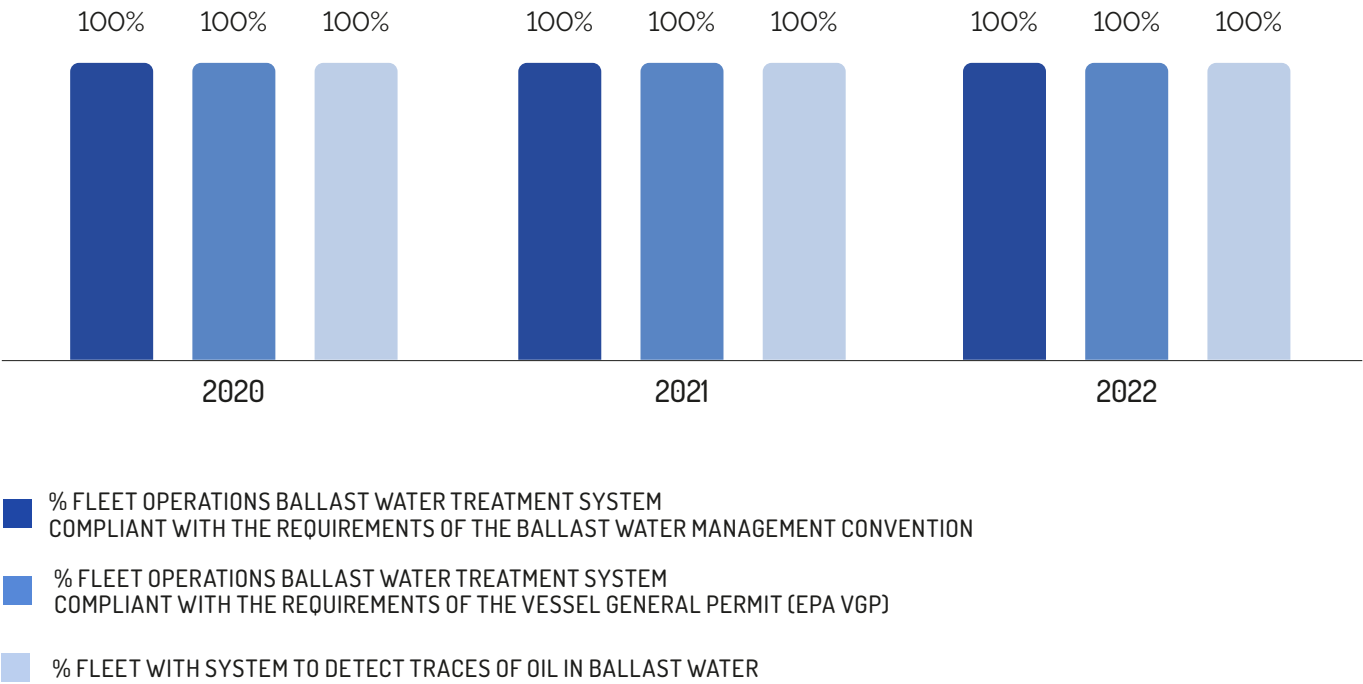
BALLAST WATER TREATMENT SYSTEM

To prevent damage to the marine ecosystem from the introduction of invasive non-native species, **all Company ships are equipped**

with a ballast water treatment system that complies with the requirements of the Ballast Water Management Convention.

This system is capable of eliminating organisms and microorganisms potentially present in ballast water.

BALLAST WATER TREATMENT



Regarding ballast water management, the U.S. Vessel General Permit (EPA VGP) mandates a specific program of analysis, calibrations, and controls. Carbofin **has voluntarily extended the application of this programme to**

all its ships and, in addition to what is provided by specific conventions and regulations – including local ones – **the Company has installed suitable equipment on all ships to detect traces of oil in ballast water. This system complements**

the visual inspection conducted by onboard personnel before discharging ballast water, ensuring the absence of oil traces in the water being discharged into the sea.

In 2022, the Company recorded one non-compliance incident due to the absence of a second ballast water analysis at specialized laboratories.

Due to lack of opportunity, the Company conducted only one analysis of the ballast water in that single case.

Incidents of Marine Ecosystem Pollution	2020	2021	2022
Violations of Regulations in Ballast Water Management*	0	0	1

BIOFOULING

Biofouling refers to the accumulation of aquatic organisms such as microorganisms, macro-organisms, or vegetation on submerged surfaces and structures of the hull, inside sea chests, or on equipment in contact with seawater. It has been shown that biofouling on ships can be a vector posing a threat to the marine ecosystem, biodiversity, human health, assets, and resources.

To prevent biofouling accumulation, the Company:

- has installed a **Marine Growth Prevention System (MGPS)** on all ships to protect sea chests and the cooling system
- conducts **periodic inspections and cleans hulls** when vegetation growth is observed that could limit ship performance, leading to excessive fuel consumption.

The Company uses cleaning systems that prevent or minimize the release of removed fouling into the sea.

* number of incidents where the applicable ballast water management regulations were violated and recorded by an external entity (maritime authorities). The prevailing regulations include international, regional, national, and local standards.

ANTI-FOULING COATINGS

The hulls of vessels are coated with **anti-fouling compounds** to prevent the attachment and growth of aquatic organisms. These coatings vary based on conditions, purpose, and whether or not they contain biocides.

Biocidal coatings prevent aquatic organisms from attaching to the hull by continuously leaching toxic substances. These products are composed of various elements, the most commonly used being copper. **Copper can inhibit photosynthesis in plants and interfere with enzyme function in animals.**

Additional releases of these substances occur during hull

cleaning activities, particularly within the first 90 days after application.

On all Company ships, ballast tanks are equipped with copper anodes to create an environment hostile to the reproduction of organisms.

A second metallic biocide, **tributyltin (TBT)**, was historically applied to ship hulls but due to its acute toxicity, TBT discharge is now prohibited by the International Maritime Organization.

TBT causes deformities in aquatic life, including those that disrupt or prevent reproduction.

Numerous studies and publications have confirmed the environmental impact of tributyltin-containing anti-fouling paint leachate.

All Carbofin ships are coated with TBT-free anti-fouling systems.

The Company conducts periodic hull inspections on all ships to verify the integrity of the anti-fouling coating system.

UNDERWATER SHIP HUSBANDRY

Underwater ship husbandry includes cleaning, maintaining, and repairing hulls or hull appendages while the vessel is in the water.

The debris produced by underwater ship husbandry is considered incidental compared to those

released during normal ship operation when ships are kept in adequate operating condition and cleaning is conducted within a reasonable timeframe.

To prevent any form of pollution, the Company **conducts hull**

maintenance operations requiring the use of potentially polluting agents or other potentially toxic chemicals only **while ships are in dry dock.**

ANCHOR CHAIN MAINTENANCE

The chain locker collects liquids and materials that enter during anchor recovery operations, such as marine organisms and residues like rust, paint flakes, grease, and zinc.

To prevent pollution and contamination, anchor chains are washed after use to remove sediments and marine organisms, and in some cases, the water is

recovered. Once in the yard, chain lockers are thoroughly cleaned to remove accumulated sediments and potential pollutants.

INTERFERENCE WITH MARINE LIFE

NOISE EMISSIONS

Noise emissions generated by ships can come from two main sources: diesel generators used for electricity production during port stays, which can disturb built-up

areas near ports, and the main engine, which can disturb marine species during navigation. **The Company regularly measures noise levels on board ships**

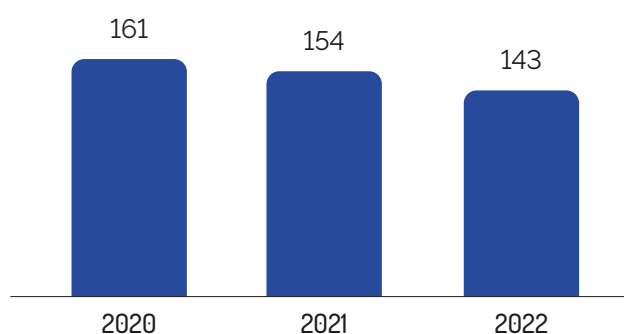
every four years, in compliance with international and national regulations.

NAVIGATION IN PROTECTED AREAS

In 2022, the Company's fleet navigated in marine protected areas²⁶ for a total of 143 days, a decrease of 11.2% from 2020.

In the 2020-2022 three-year period, **the fleet never navigated in marine areas under protected conservation status²⁷ or in areas with additional ecological, biodiversity or conservation designations.**

DAYS IN MARINE PROTECTED AREAS



²⁶ As defined by the International Union for Conservation of Nature (IUCN).

²⁷ Listed in the World Database of Protected Areas (WDPA).



ECONOMIC VALUE



FIGURES AT 31.12.2022



EUR 38 million

economic value
generated by the Group

EUR 23.6 million

economic value
distributed, 62.2% of the
value produced

EUR 4.98 million

Group operating result

59%

Italian suppliers to the
Company (out of a total of
296 suppliers)

69%

main suppliers of the
Company with ISO 9001
quality certification

51.7%

main suppliers of the
Company with ISO 14001
environmental safety
certification

MARKET PERFORMANCE AND GROUP PERFORMANCE

SDG



8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

EUR 4.98 million

Group operating result

In 2022, the Group's operating result was EUR 4.98 million.

During the year, **Carbofin**, the parent company, carried out its transportation activities regularly, and the operation of the ships continued without interruption, maintaining existing contracts and securing new ones. The freight market in the relevant sector saw sustained demand stabilizing its value at new historical highs.

Key factors contributing to Carbofin's positive result included:

- **the one-year renewal of the charters to Petrobras for the Alessandro Volta** (from January 2022) **and the Luigi Lagrange** (from September 2021) after negotiations in September 2021, with an increase of about 70%

for both ships compared to the previous agreement

- **the sale of the ship Marigola** on 19 August 2022, which strengthened the Group's liquidity and resulted in a capital gain of EUR 3.3 million, supporting new investments in younger ships.

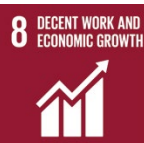
In 2022, Carbofin followed through with contractual agreements made with the **Geogas Group** for a complex operation to build a new ship, with Carbofin handling its commercial management. These agreements included an interest-bearing loan from Carbofin to support part of the new construction costs, with three financing tranches disbursed in 2022.

On 31 January 2023, **Greenstar Shipmanagement S.r.l.** was established, a company wholly owned by Carbofin, to manage the technical and administrative aspects of the **new Varoli Piazza ship**, flying the Maltese flag, on behalf of Geogas Maritime S.A.S.

The subsidiary Sant'Ugo Immobiliare continued its customary real estate leasing activities and acted as a service centre for other Group companies. Sant'Ugo Immobiliare closed the 2022 financial year with a **profit of approximately EUR 20,000**.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

SDG



8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

EUR 38 million

Economic value
generated by the Group

EUR 23.6 million

Economic value distributed,
62.2% of the value produced

The economic value generated by the Group amounts to EUR 38 million – an increase of 18.8% since 2020 – and is almost entirely

comprised of revenue from services, as well as the capital gain from the sale of the *Marigola*.

Economic value generated and distributed (EUR'000)	2020	2021	2022
Economic value generated	32,000	29,594	38,005
Revenue from sales	31,151	28,216	33,995
Other revenues	747	1,218	3,535
Financial performance	102	160	475
Economic value distributed	26,243	25,654	23,624
Economic value for suppliers	14,971	15,952	12,533
Economic value for employees	12,347	10,890	11,080
Economic value for the Public Administration	-2,530	-2,074	-2,085
Economic value for shareholders	0	0	900
Economic value for lenders	1,340	765	1,074
Economic value for the community	115	121	122
Economic value retained	5,757	3,940	14,381
Amortisation, depreciation, writedown, adjustments, exchange gains and losses	8,864	6,370	8,305
Internal financing	-5,407	-3,930	4,076
Provisions and reserves	2,300	1,500	2,000

The economic value distributed amounts to EUR 23.6 million,

which is 62.2% of the total value generated.

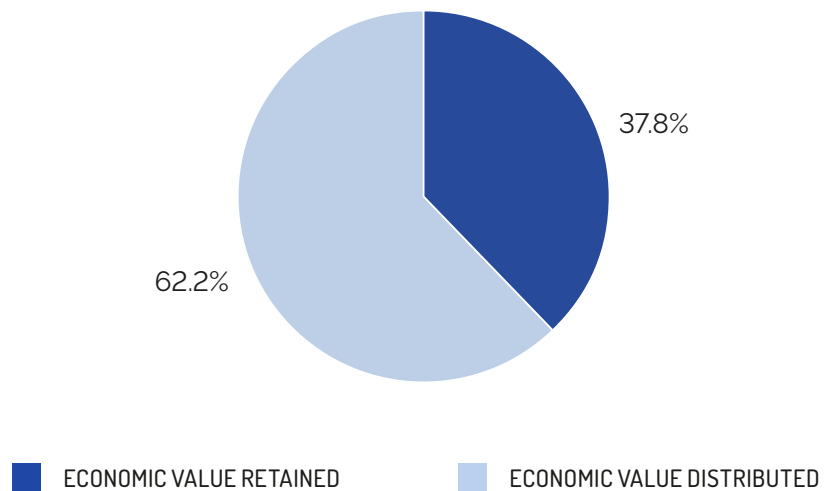
It is allocated among stakeholders as follows:

- **EUR 12.5 million to suppliers** of goods and services typical of the business activities, including maintenance and repairs, consumables, fuel and lubricants, port expenses, and insurance
- **EUR 11.1 million to employees** for salaries and wages, social security charges, and severance pay
- **EUR 2.1 million net gain from the Public Administration**, resulting from receiving public contributions that exceeded the total taxes and charges paid
- **EUR 900,000 to shareholders** in the form of dividends
- **EUR 1.1 million to lenders** in the form of interest
- **EUR 122,000 to the community** through membership fees, sponsorships, and donations

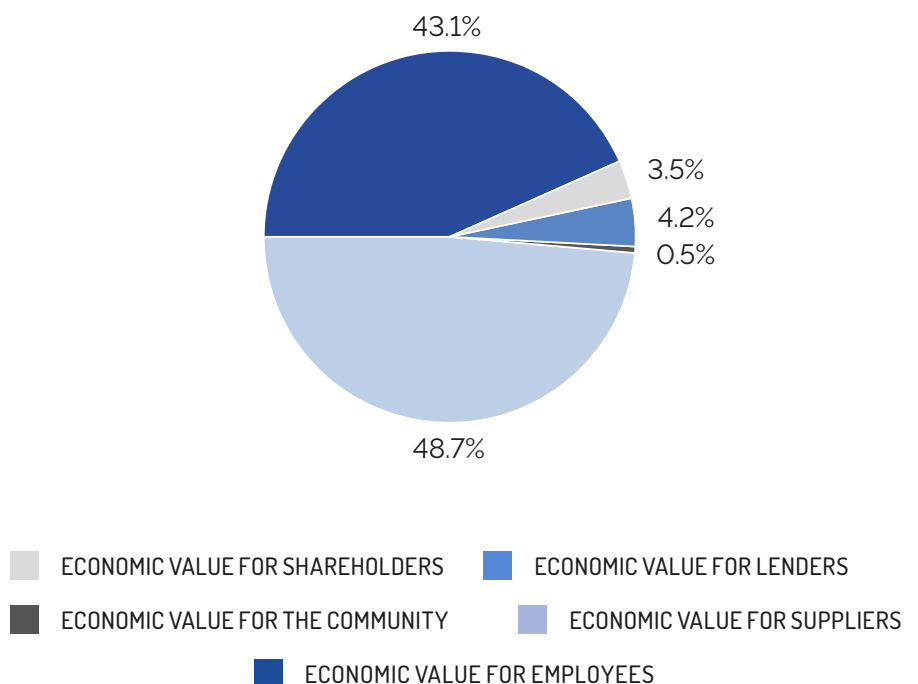
The economic value retained by the Group is EUR 14.4 million, 37.8% of the total value generated, and consists of:

- **EUR 8.3 million** from amortisation, depreciation, write-down, adjustments, and exchange rate gains and losses
- **EUR 2 million** allocated to provisions
- **EUR 4.1 million** allocated to internal financing.

ECONOMIC VALUE DISTRIBUTED AND RETAINED - 2022



ECONOMIC VALUE DISTRIBUTED TO STAKEHOLDERS - 2022



SUPPLY CHAIN

SDGs

8
DECENT WORK AND
ECONOMIC GROWTH

8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGs



In 2022, the value of supplies for goods and services for Carbofin²⁶ was **EUR 5.8 million**, a decrease of 22.7% from 2020.

Company Supplies	2020	2021	2022
Expenditure for supplies	EUR 7,522,000	EUR 7,618,000	EUR 5,813,000
Number of suppliers	240	292	296

* The data refers exclusively to Carbofin.

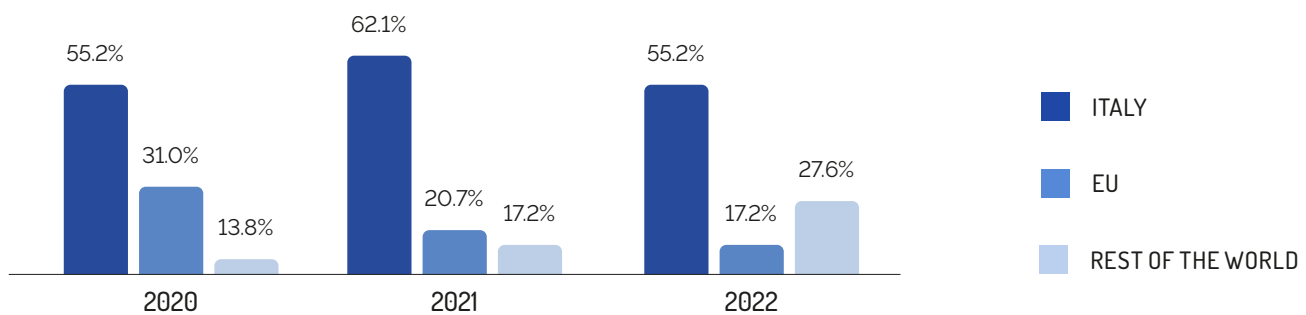
²⁶ The analysis was conducted solely on Carbofin's supplies, which represent almost all of the Group's supplies.

Overall, the Company used **296 suppliers** in 2022, an increase of 23.3% from 2020. Considering the key suppliers, defined as those accounting for at least 1% of the annual supply expenditure,

58.9% over the three-year period were Italian companies, 22.2% were from other EU countries (Germany, Norway, Denmark, Greece, Cyprus, and the Netherlands), **and 18.9% were**

from the rest of the world (USA, Brazil, Uruguay, Curaçao, Panama, and South Korea).

KEY SUPPLIERS BY NATIONALITY



When selecting suppliers, the Company adopts objective and documentable criteria, basing its selection on an **evaluation of quality, punctuality, price, and the ability to provide and guarantee services at an adequate level.**

The procurement processes are geared towards finding the best competitive ratio while ensuring **equal opportunities for all suppliers and impartiality**

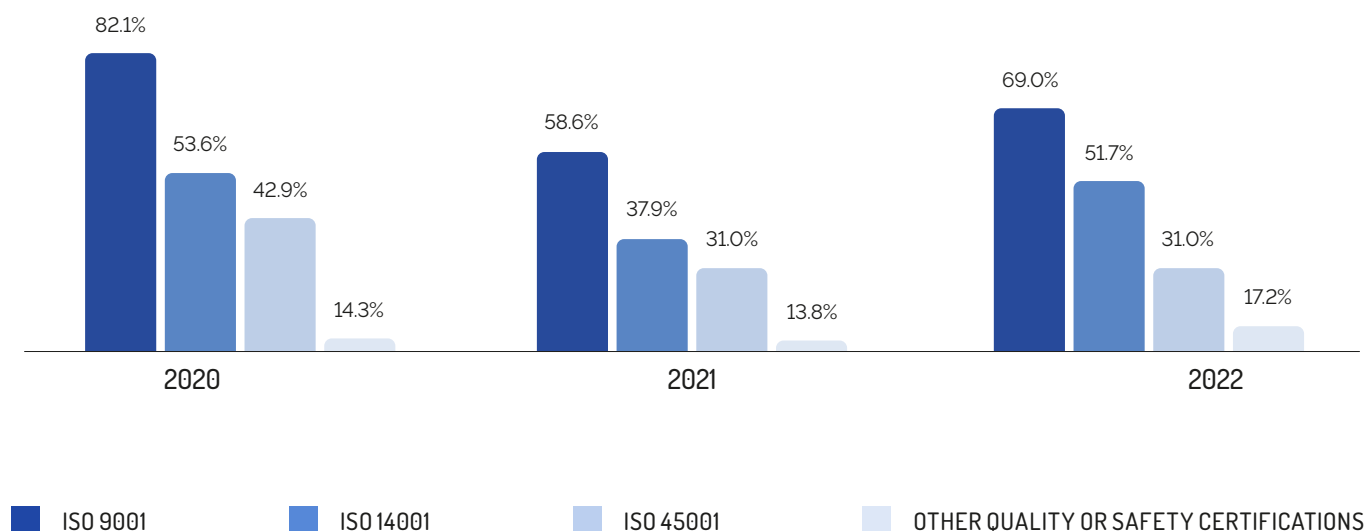
in negotiations, not precluding any supplier with the required qualifications from competing for contracts.

In awarding contracts, **preference** is given to suppliers committed to:

- compliance with environmental protection regulations
- safety in the workplace
- privacy protection
- fiscal and contribution regulations.

On average, over the three years considered, 69.9% of the main suppliers held **ISO 9001 quality certification**, 47.7% held **ISO 14001 environmental safety certification**, 35% held **ISO 45001 occupational health and safety certification**, and 15.1% held other quality or safety certifications.

CERTIFICATIONS HELD BY THE KEY SUPPLIERS OF THE COMPANY



The Company requires its suppliers and external collaborators to **uphold the principles of the Code of Ethics**, considering this aspect crucial for initiating or continuing a business relationship. To this end, contracts include a commitment from the counterpart to become acquainted with the Code of Ethics and comply with the principles contained therein.

To ensure maximum transparency in the procurement process, the Company is committed to the following control principles:

- **separation of roles** in the procurement cycle
- adequate **traceability of decisions made**

- **storage of information and official tender and contract documents** for the periods specified by law.

If employees notice or become aware of significant violations of the principles or criteria outlined in the Code of Ethics in relations with a supplier or external collaborator, they must immediately report it to the relevant function and the Supervisory Body to allow a timely assessment of potential negative consequences.

Remuneration is solely based on the performance specified in the contract, and payments are made only in accordance with the contract's provisions.

Exemptions from the requirement to call for a tender among suppliers are allowed only when trust is a predominant factor or due to technical, time, contingent logistical, or urgent needs.

GRI CONTENT INDEX

Statement of Use

In this sustainability report, the following GRI disclosures have been reported for the period from 01/01/2020 to 31/12/2022, with reference to the GRI standards.

GRI used

GRI 1 - Foundation 2021

GRI Standard	Disclosure	Page/Direct response
GRI 2: General Disclosures 2021	2-1 Organizational details	Mission and Values
	2-2 Entities included in the organization's sustainability reporting	Understanding the Report
	2-3 Reporting period, frequency and contact point	Carbofin 1/1/2022-31/12/2022 approval of Financial Statements at 180 days. Sant'Ugo Immobiliare Srl 1/1/2022-31/12/2022 approval at 120 days.
	2-6 Activities, value chain and other business relationships	Business activities and hallmarks of the fleet
	2-7 Employees	Composition and profile of personnel
	2-8 Workers who are not employees	Composition and profile of personnel
	2-9 Governance structure and composition	Governance
	2-11 Chair of the highest governance body	Governance
	2-21 Annual total compensation ratio	Remuneration and industrial relations
	2-22 Statement on sustainable development strategy	Shipowner's letter
	2-25 Processes to remediate negative impacts	Corporate wellbeing and welfare
	2-28 Membership associations	Attention to local communities
	2-29 Approach to stakeholder engagement	Stakeholders
	2-30 Collective bargaining agreements	Remuneration and industrial relations
GRI 3: Material Topics 2021	3-1 Process to determine material topics	The sustainability journey of the Carboflotta Group
	3-2 List of material topics	The sustainability journey of the Carboflotta Group
	3-3 Management of material topics	Social value, environmental value and economic value
GRI 201: Performance 2016 Economic	201-1 Direct economic value generated and distributed	Economic value generated and distributed

GRI Standard	Disclosure	Page/Direct response
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration and industrial relations
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Supply chain
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Ethics, business integrity and compliance
GRI 206: Anti-competitive behaviour 2016	206 -1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethics, business integrity and compliance
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy consumption
	302-3 Energy intensity	Energy consumption
	302-4 Reduction of energy consumption	Energy consumption
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Management and protection of water resources
	303-3 Water withdrawal	Management and protection of water resources
	303-4 Water discharge	Management and protection of water resources
	303-5 Water consumption	Management and protection of water resources
GRI 304: Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	Protecting the marine ecosystem and biodiversity
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Emissions
	305-4 GHG emissions intensity	Emissions
	305-5 Reduction of GHG emissions	Emissions
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Emissions
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Circular economy and waste management
	306-3 Waste generated	Circular economy and waste management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Staff recruitment and employment
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Corporate wellbeing and welfare
	401-3 Parental leave	Corporate wellbeing and welfare

GRI Standard	Disclosure	Page/Direct response
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Health and safety
	403-2 Hazard identification, risk assessment, and incident investigation	Health and safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety
	403-5 Worker training on occupational health and safety	Health and safety
	403-8 Workers covered by an occupational health and safety management system	Health and safety
	403-9 Work-related injuries	Health and safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and development of human capital
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and development of human capital
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance review
GRI 405: Diversity and equal opportunity -2016	405-1 Diversity of governance bodies and employees	Governance; equal opportunity and multiculturalism
	405-2 Ratio of basic salary and remuneration of women to men	Equal opportunity and multiculturalism
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Equal opportunity and multiculturalism



CARBOFIN S.P.A.

WWW.CARBOFLOTTA.COM

SUSTAINABILITY@CARBOFLOTTA.IT