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# SUSTAINABILITY REPORT 2023



**CARBOFLOTTA**  
SHIPOWNING GROUP

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# SHIPOWNER'S LETTER

For the **second year in a row**, **Carboflotta** is pleased to present its **Sustainability Report**. This document outlines the Group's environmental and social impact and demonstrates how our governance aligns with sustainable development goals.

The 2023 Report highlights our **commitments to integrating Environmental, Social, and Governance (ESG) principles into our business**. It measures our ESG performance and **transparently** communicates the value we create for both internal and external stakeholders.

As a Group operating in international liquefied petroleum gas shipping, we recognise the **significant environmental and social impact** of our activities. That's why we take a **proactive approach to sustainability**, aiming to drive progress in the sector through innovative and responsible solutions that meet global standards and best practices.

This Report reflects a strategic review of our operations, backed

by a strong **ESG measurement and monitoring system**. Our goal is to go beyond regulatory compliance, implementing safety, operational, and environmental protection procedures that set a higher standard within our industry.

The Carboflotta Group **goes beyond regulatory compliance**, implementing safety, operational, and environmental protection procedures that comply with industry best practices. The aim is to make a **tangible contribution to sustainable development**.

**Minimising the environmental footprint** of our operations has long been a **key priority** and an essential part of the Carboflotta Group's success. In light of increasingly stringent environmental regulations, including the **International Maritime Organization's (IMO) greenhouse gas (GHG) emission controls** - aiming to achieve climate neutrality in international shipping by 2050, including through the use of zero-emission fuels, and to improve energy efficiency by 40% by 2030 - we are developing a fleet renewal programme.

**We are committed** to measuring, reporting, and improving our sustainability performance - not just to meet regulations, but to drive real progress. By voluntarily adopting these measures ahead of any legal requirements, **we strengthen our awareness of these topics and our internal culture of sustainability** and ensure transparent, meaningful engagement with stakeholders.

Our goal is to clearly define our **impacts, objectives, activities and results**, integrating them into our **business strategy** for maximum effectiveness.

We sincerely thank everyone who has contributed to this Report and hope you find it insightful.

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.

**The 2023 Sustainability Report** follows the Global Reporting Initiative (GRI) guidelines and includes an initial alignment with the new European Sustainability Reporting Standards (ESRS). These standards were developed by the European Financial Reporting Advisory Group (EFRAG) as part of the EU's Corporate Sustainability Reporting Directive (CSRD). The report is structured into five 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 Carboflotta's sustainability journey, including the materiality assessment process used to identify key sustainability topics. It also highlights the Group'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 the 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, a company that assisted Carboflotta in defining the process for 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 shipping activities

**225,000**  
nautical miles  
sailed by the 4 ships  
in the fleet

**95,1%**  
actual fleet operating  
days in the year

### SUSTAINABILITY

**16 sustainability  
topics**  
that cut across **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**,  
corruption, or  
anti-competitive behaviour  
in the three-year period



## SOCIAL VALUE

**215 people**

work for the Group

**85% onboard** personnel**Equity**of salary  
between men  
and women**0 formal  
complaints**regarding fleet  
performance in the  
three-year period

## ENVIRONMENTAL VALUE

**33% less**total GHG emissions  
since 2021  
(**58,379 tCO<sub>2</sub>e** in 2023)**2 tCO<sub>2</sub>e  
per EUR 1,000**overall emission  
efficiency,  
with a **45%** improvement  
since 2021**0 spils**of transported products  
or release of substances  
into the environment in the  
three-year period

## ECONOMIC VALUE

**31.8 million €**economic value  
generated by the Group,  
**71,8%** which distributed  
to stakeholders**62%**italian suppliers<sup>1</sup>**43%**key suppliers of the  
Company holding  
**ISO 14001** environmental  
safety certification

FIGURES AT 31.12.2023

<sup>1</sup> Figures relative to the key suppliers of Carbofin





LPG  
DECK TANK  
NO 1  
MIN. TEMP -10°C  
MAX. PRESS. 12 BAR G

NO SMOKING

SWL  
32t



# 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. In 2023, the maritime sector and logistics combined accounted for approximately **12%** of global GDP<sup>2</sup>.

The industry is responsible for **90% of global trade volume with more than 105,000 merchant vessels<sup>3</sup> and almost 2 million seafarers** operating internationally<sup>4</sup>. Thanks to increasing efficiency, maritime trade continues to grow. Between 2001 to 2023, the volume of goods transported by sea grew by over 45%, reaching **12.3 billion tonnes<sup>5</sup>**.

Despite its scale, maritime transport is an environmentally efficient mode of transport. **It accounts for only 1.7% of global CO<sub>2</sub> emissions**, significantly less than road transport (11.9%) and air transport (1.9%). This is partly due to the industry's commitment to **international standards for safety and protection of the marine ecosystem**, guided by the **International Maritime Organization (IMO)**, the United Nations agency responsible for setting minimum energy efficiency and safety requirements for people and the environment in the sector<sup>6</sup>.



The IMO has established key regulations, including the **MARPOL International Convention** to prevent pollution from oil products, harmful substances, waste, and atmospheric emissions, along with numerous local regulations.

In line with the Paris Agreement's goal to limit global warming to below 2°C, the **IMO** set targets in 2018 to reduce greenhouse gas emissions from international shipping. These targets were reaffirmed in a **new strategy in 2023**. The strategy focuses on **reducing carbon intensity** by improving **new vessel energy efficiency** and **cutting CO<sub>2</sub> emissions from international**

**shipping by 40%** by 2030 compared to 2008 levels. It also aims to **adopt zero or near-zero GHG emission technologies, fuels and energy sources**, covering at least 5% of energy use by 2030, with a goal to reach 10%. Ultimately, the aim is to achieve **net-zero greenhouse gas emissions by 2050**, taking into account different national contexts. To support this goal, from 2024, the maritime sector will be included in the EU's Emissions Trading System (ETS). Commercial ships over 5,000 tonnes must monitor and report their emissions, and from 2025, they will need to surrender emission allowances to offset their greenhouse gas emissions.

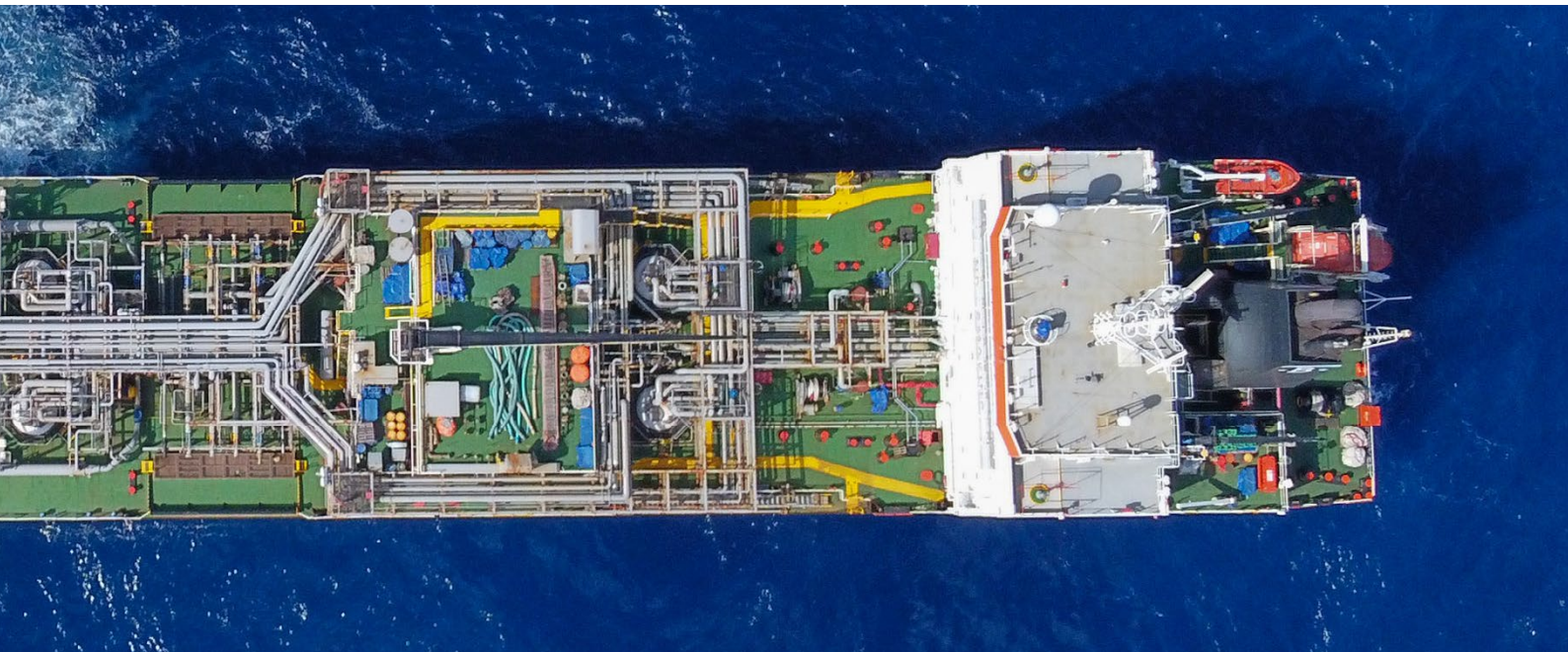
<sup>2</sup> SRM's 2024 report "Italian Maritime Economy"

<sup>3</sup> UNCTAD Handbook of Statistics 2022 - Maritime transport

<sup>4</sup> International Chamber of Shipping – Seafarer Workforce Report 2021

<sup>5</sup> SRM's 2024 report "Italian Maritime Economy"

<sup>6</sup> Deloitte - ESG in the Shipping sector



## TRANSPORT OF LIQUEFIED GASES

**Maritime transport is essential for the global supply of energy resources.** In 2021, the volume of refined petroleum products, liquefied gases, and chemicals accounted for 11.4% of total shipping volumes, marking a significant increase of 60.1% since 2001.

Liquefied gases, such as *LPG* (*Liquefied Petroleum Gas*) and *LNG* (*Liquefied Natural Gas*) are hydrocarbon-rich, high-energy substances **with a lower environmental impact compared to diesel or other marine fuels.**

These gases are transported on specialized vessels called gas carriers, designed to handle liquefied gaseous substances.

LPG carriers make up the majority of the gas carrier fleet, and most of them transport products like propane, butane, butadiene, propylene, and anhydrous ammonia. Each year, nearly **45 million tonnes of LPG** are shipped worldwide<sup>7</sup>.



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

<sup>7</sup> <https://www.marineinsight.com/>



## MISSION AND VALUES

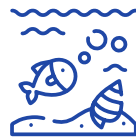
The Carbofin Group comprises Carbofin S.p.A., which fully owns S. Ugo Immobiliare S.r.l., providing auxiliary services, and Greenstar Shipmanagement S.r.l., responsible for the technical management of vessels for both the company and third parties.

Carbofin - hereinafter also referred to as "the Company" - was established as a shipping company in the mid-1950s. Over the years, it progressively moved into gas transport and now owns and operates a fleet of LPG tankers managed from its headquarters in Genoa. These tankers **primarily operate in Central America, Brazil, the United States (including the Pacific Islands), and West Africa**. Carbofin prides itself on its long-standing tradition in ship management, leveraging expertise and synergies to meet the demands of international partners.

The company prioritises service quality while upholding values rooted in the Telesio-Filippi family's commitment to **integrating social responsibility, environmental stewardship, and financial performance**. The structure of the Group allows for flexible management, enabling quick decision-making and responsiveness to market opportunities and customer needs.

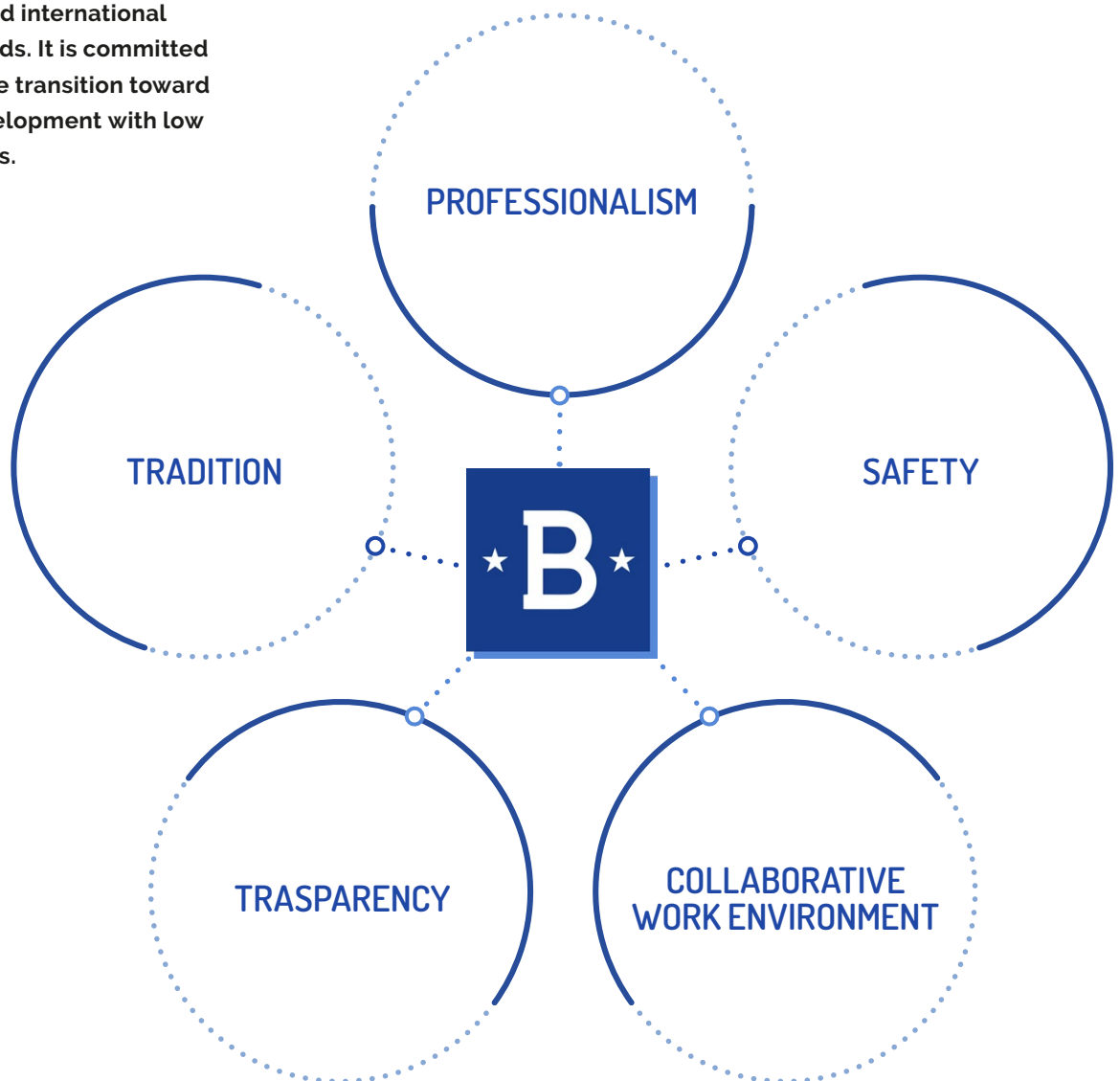


Carbofin is committed to a strict **zero-spill** policy to prevent marine pollution at its source. It ensures compliance with all relevant safety and environmental regulations while maintaining high operational standards to protect the environment and align with global sustainability goals.



Carbofin is committed to a strict **zero-spill policy**

**Carbofin adheres to all regulatory requirements and international industry standards. It is committed to supporting the transition toward sustainable development with low carbon emissions.**



## OVER 70 YEARS OF HISTORY

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

The shipping business was started in 1910 by Senator **Giovanni Battista Bibolini**. In **1954**, the business was divided among four families: Telesio Filippi, Lolli Ghetti, Bibolini, and Cao di San Marco. Initially, the Telesio Filippi and Lolli Ghetti families jointly operated a fleet of three tankers and four bulk carriers. They gradually expanded by purchasing three additional bulk carriers and three more tankers in partnership with the **Van Ommeren Group**. When the joint management between the Telesio Filippi and Lolli Ghetti families ended in **1965**, the Telesio Filippi family retained six bulk carriers and one tanker.

### 1910-1965

In the **1980s**, the Company exited the bulk sector, built a new tanker, and **strengthened its presence in the gas sector by acquiring the remaining 50% of the Gaz Ocean joint venture and all related ships**.

During the same period, it entered the Anchor Handling Tug Supply (**AHTS**) sector with two newly built ships, operating **until 1991**. In **1984**, **Sant'Ugo Immobiliare S.r.l.** was established to manage real estate, and provide procurement and general administrative services for the Group.

### 1980-1990

### 1965-1980

In the **mid-late 1960s**, the Company expanded into the **chemical** sector by constructing two ships with stainless steel central tanks. At the same time, they formed a **50% joint venture with Gaz Ocean**, developing a significant fleet of gas carriers and eventually becoming a leading player in Europe's LPG sector. Over the next decade, the Company significantly expanded its fleet by **building five LPG transport ships** and **five chemical transport ships** (all in Italian shipyards), and purchasing six additional LPG transport vessels.

### 1990-2000

In the **1990s**, the Company further developed its gas sector by **building six new LPG transport ships**, including **four semi-refrigerated** vessels. The Company also began **collaborating** with the **Norsk Hydro Group** (later Yara), which eventually led to the creation of the **Carbonor S.p.A.** joint venture.

In **2003**, the Group **acquired ENI Group's Tankers Division**, including ships, Milan offices, and personnel. This led to the creation of **Carbofin Energia Trasporti S.p.A.** (CET), based in San Donato Milanese. Carbofin Energia Trasporti S.p.A. **managed its own fleet of four tankers** and handled the **technical and operational management of four LNG carriers** for LNG Shipping (a company wholly owned by ENI Group) under a long-term contract that expired in 2012. The Group also **managed** a Floating Production Storage and Offloading (FPSO) unit in the South China Sea on behalf of **CACT Operating Group**.

The expansion of the LPG fleet continued through **Carbonor S.p.A.**, which **purchased two fully refrigerated gas carriers** from AP Moller-Maersk, **used** respectively **by Maersk** (sub-chartered then directly used by Koch) **and by Petrobras**.

## 2000-2010

In the last three years, the Group has sold two ships that had reached the end of their life cycle, as part of a **renewal plan focused on acquiring technologically advanced vessels**, reducing the average fleet age. In **2023**, they established **Greenstar Shipmanagement S.r.l.**, a new Group company dedicated to technical and ship management for themselves and for third parties.

## 2021-2023

## 2010-2020

In **2012**, the Group **partnered with maritime training company LITAV S.r.l.**, acquiring full control in 2014. Based in La Spezia, the Company offered a comprehensive range of **tailored training courses for crews** to improve safety, quality, and environmental standards. The Group sold it in 2018. In **2015**, the Group simplified its corporate structure by merging Carbonor into Carbofin and in **2018** it purchased a fully refrigerated gas carrier, that was time-chartered to Geogas SA.



## BUSINESS ACTIVITIES AND UNIQUE ASPECTS OF THE FLEET

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

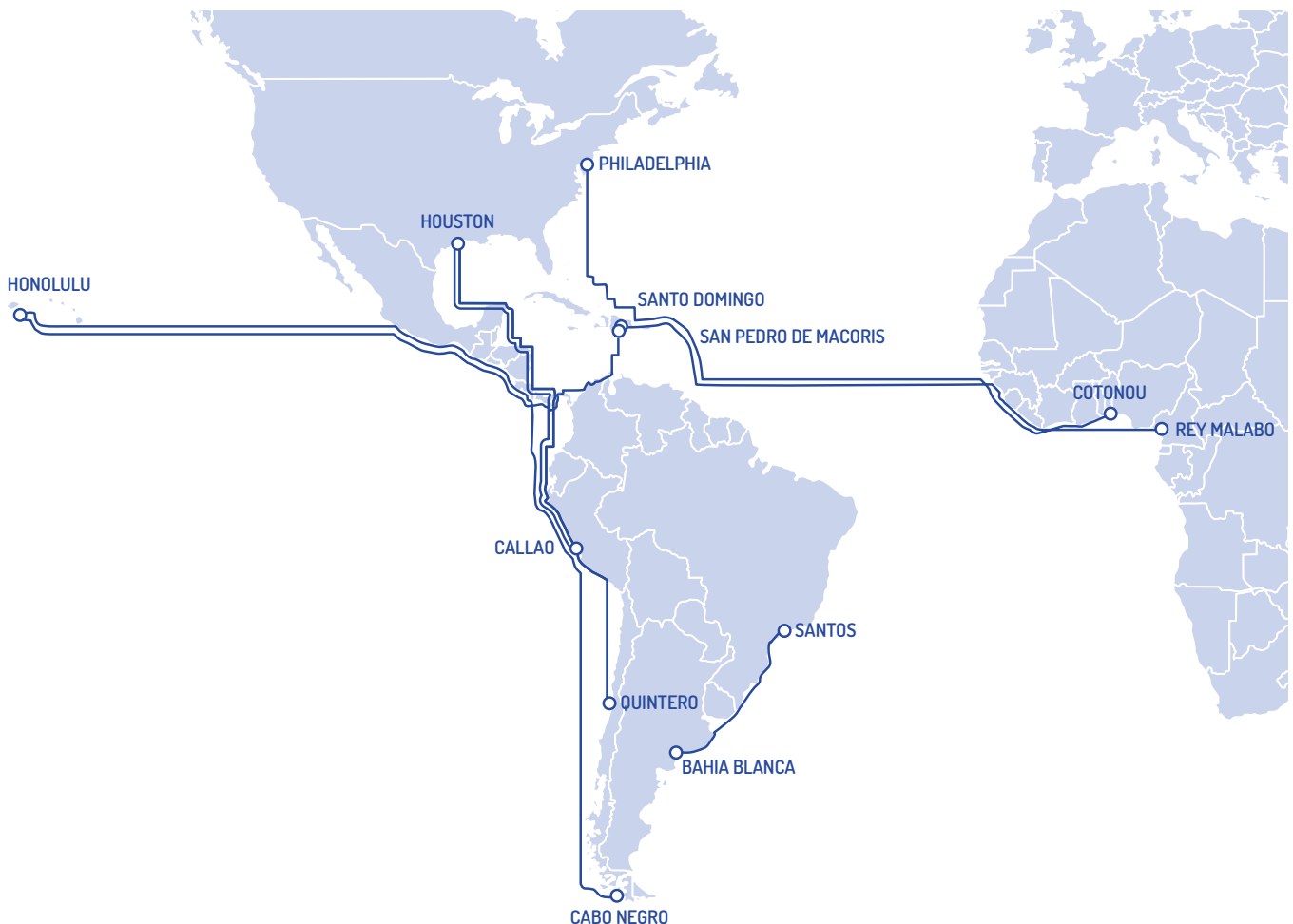
The Company operates primarily in Central America, Brazil, the United States, and West Africa.

All vessels operate under long-term charters with three principal clients, with whom the Group has established **decades-long partnerships:**

- **Geogas Trading:** a major Swiss-based global LPG trader, managing an owned or chartered fleet of approximately 60 gas carriers of varying sizes

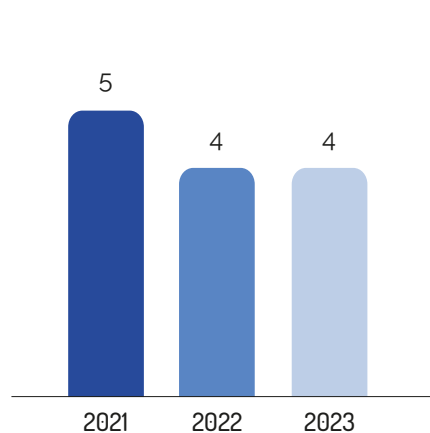
- **Geogas Maritime:** a French LPG shipping company with a worldwide customer base
- **Petrobras:** Brazil's leading state-owned oil company.

### MAIN ROUTES



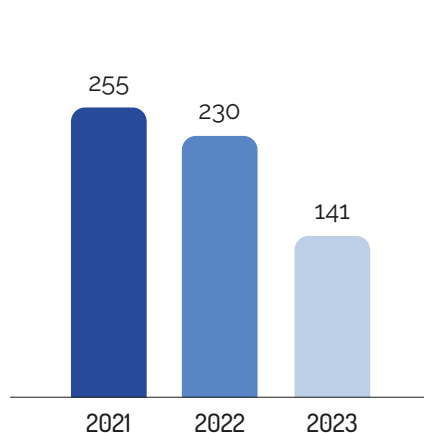


## FLEET VESSELS AS OF 31 DECEMBER



As of 31 December 2023, the company operates a fleet of **four tankers for bulk transport of liquefied gases**: *Enrico Fermi*, *Alessandro Volta*, *Luigi Lagrange* and *Pertusola*. The **average age** of the fleet is **15.8 years** and it consists of three Medium Size ships (30,000-40,000 m<sup>3</sup>) and one Handy Size

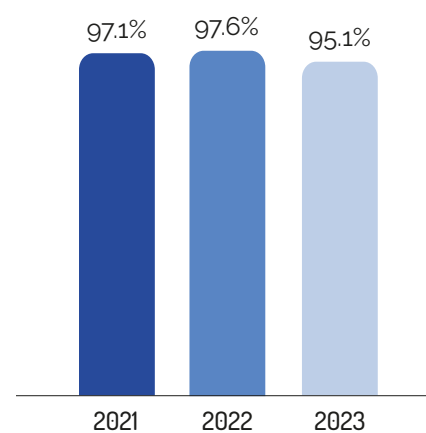
## OPERATIONS (LOADING/UNLOADING)



ship (12,000-22,000 m<sup>3</sup>), with a **total transport capacity of 132,873 m<sup>3</sup>**.

In 2023, commercial operations (loading/unloading) decreased primarily due to two scheduled maintenance dry docks that limited vessel availability for approximately two months.

## TOTAL EFFECTIVE FLEET OPERATING DAYS IN THE YEAR



Additionally, the *Pertusola*, sold to third parties in September 2024, completed fewer but longer commercial voyages, impacting the number of operations.

**Fleet efficiency**, measured as the percentage of operating days versus total days, reached 95.1%

in 2023, slightly below 2021 levels.  
**All fleet vessels meet excellence standards and were either**

**purpose-built at shipyards or acquired second-hand from top-tier shipowners.**

The Fleet	Enrico Fermi	Alessandro Volta	Luigi Lagrange	Pertusola
Type of Ship	Liquefied Petroleum Gas tanker	Liquefied Petroleum Gas tanker	Liquefied Petroleum Gas tanker	Liquefied Petroleum Gas tanker
Year of Construction	2018	2006	2006	1999
Country of Construction	South Korea	South Korea	South Korea	Italy
Start Date of Management	12/02/2018	01/12/2010	17/11/2010	25/04/1999
End Date of Management	-	-	-	-
Deadweight Tonnage (DWT)	28,532	29,216	29,191	17,779
Transport Capacity (m³)	38,122	38,500	38,500	17,751

Over the past three years, Carbofin has implemented a **progressive fleet renewal strategy** by reinvesting proceeds from older vessel sales into modern, fuel-efficient ships and pursuing targeted projects with similar

efficiency objectives. This renewal process began in 2018 with the addition of the *Enrico Fermi*, a new gas carrier, and continued with the sale of *Marola* (2021), *Marigola* (2022), and *Pertusola* (2024) - the vessels with the highest fuel

consumption. The strategy also included establishing **Greenstar Shipmanagement S.r.l.** to manage the innovative dual-fuel vessel *Varoli Piazza*, which began operations on 11 January 2024.



132,873m³ fleet transport capacity



95.1% operating days in the year





## THE NEW GREEN VESSEL VAROLI PIAZZA

The new Varoli Piazza<sup>8</sup> features advanced environmental technologies. Key characteristics include:

- **LPG Fuel/Dual Fuel** - can use LPG instead of traditional fuel oil for main engine power
- **Ammonia Ready** - equipped to utilise ammonia as an alternative fuel for the main engine
- **Ballast Water Treatment** - system for treating ballast water to prevent marine pollution
- **Double Hull** - improved hull resistance to impacts and stress, reducing the risk of environmental spills in case of accidents or malfunctions
- **Engine Mounted Generator** - uses the main engine to generate electricity. When the engine runs on LPG fuel, this electricity production reduces atmospheric emissions further
- **VeriSTAR-HULL CM FAT (25)** - structural features ensuring 25-year fatigue cycle durability
- **Green Passport EU** - tracks hazardous materials throughout the vessel's lifecycle for environmentally compliant end-of-life dismantling.

# GOVERNANCE

## GROUP STRUCTURE

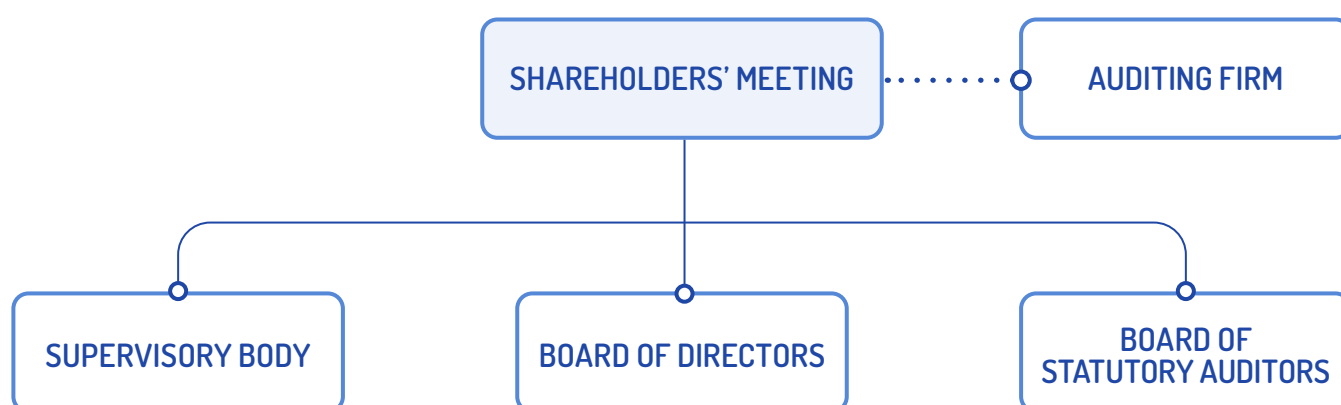
The Carbofin Group is organized under the holding company, Carbofin S.p.A., which fully owns two subsidiaries: S. Ugo Immobiliare S.r.l. and Greenstar Shipmanagement S.r.l.:

- **Carbofin S.p.A.** is engaged in the marine shipping of liquefied petroleum gas (LPG) for charterers worldwide
- **Sant'Ugo Immobiliare**, a single-member limited liability company based in Genoa (Via Gabriele D'Annunzio 2/107). It provides real estate services, and general support to Carbofin S.p.A., including office space, staffing, ICT services, etc.
- **Greenstar Shipmanagement S.r.l.**, was founded on 31 January 2023 to deliver technical and administrative ship management services. It manages vessels owned by the holding company or third parties, and its first managed vessel is the Varoli Piazza, owned by external shipowners.



## GOVERNANCE AND CONTROL BODIES

The governance structure<sup>9</sup> of the Group's holding company consists of the following bodies:



### SHAREHOLDERS' MEETING

At 31 December 2023, the company's share capital was EUR 20.1 million, and the shareholder structure is as follows:



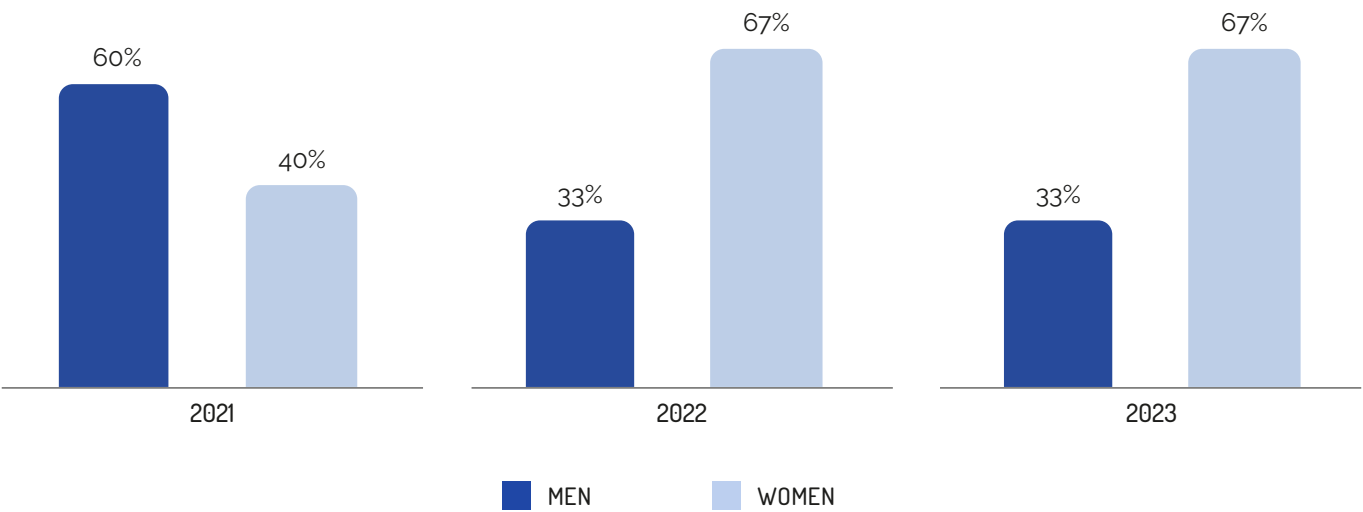
**EUR 20.1 million**  
share capital at 31.12.23

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

<sup>9</sup> This section provides details about the governing and oversight bodies of Carbofin S.p.A., the main company and holding entity within the Group



GENDER DISTRIBUTION AMONG SHAREHOLDERS

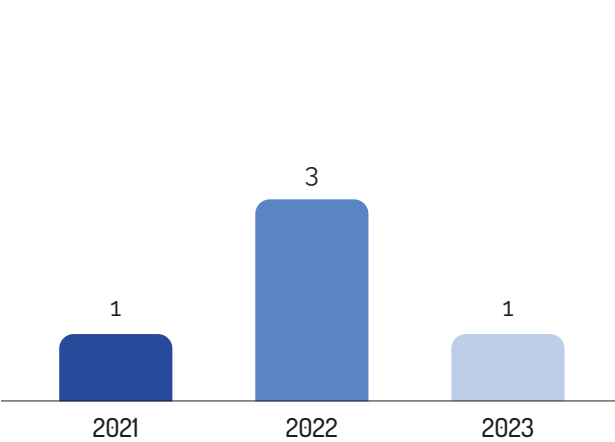


The Shareholders' Meeting consists of 9 members, 67% of whom are women. The age distribution is:

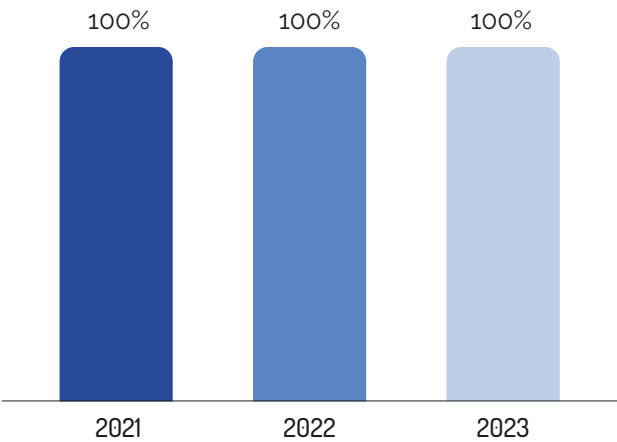
3 members (all women) under the age of 30, 5 members (3 men and 2 women) aged between

30 and 50, 1 member (a woman) over the age of 50.

MEETINGS - SHAREHOLDERS' MEETING



ATTENDANCE RATE - SHAREHOLDERS' MEETING



## BOARD OF DIRECTORS

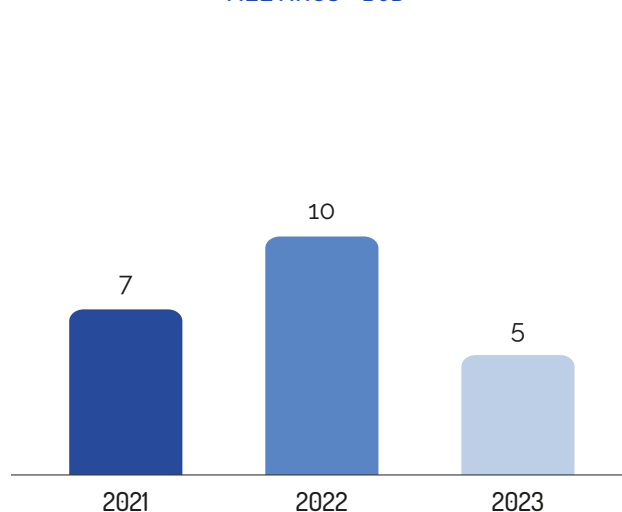
At 31 December 2023, the Board of Directors (BoD) consists of three members: Enrico Filippi, Chairman, Enrico Telesio, Chief Executive Officer and Michele Bogliolo, Executive Director. All board members are men aged over 50. The BoD is responsible for overseeing the Group's management activities. While retaining ultimate accountability, it delegates specific tasks to managers and employees through formal assignments and powers of attorney. This approach ensures alignment with the Group's mission and risk management framework.

Seven individuals have been granted delegated authority: Andrea Lombardo, Deborah Monti, Valentina Ricci, Alberto Vigna, Nicolò Agnello, Ruben Moriconi and Giovanni Filippi.

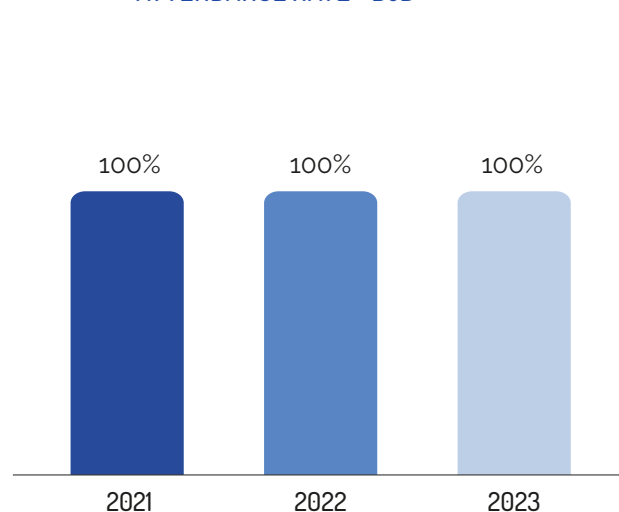
**No conflicts of interest have been identified in the BoD membership.**



MEETINGS - BoD



ATTENDANCE RATE - BoD

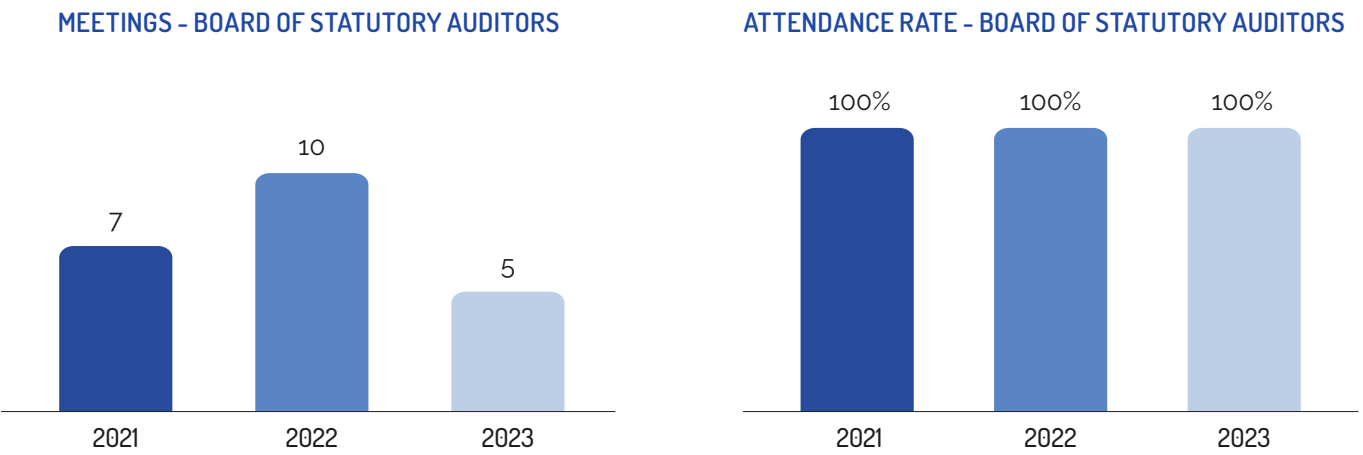


BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors<sup>10</sup>, plays a crucial oversight role within the Company. Its responsibilities include: ensuring compliance with

laws and regulations, evaluating the effectiveness of the company's organizational structure, assessing the adequacy of its administrative

and accounting systems. Currently, the Board consists of three members. All are male and over 50 years of age.

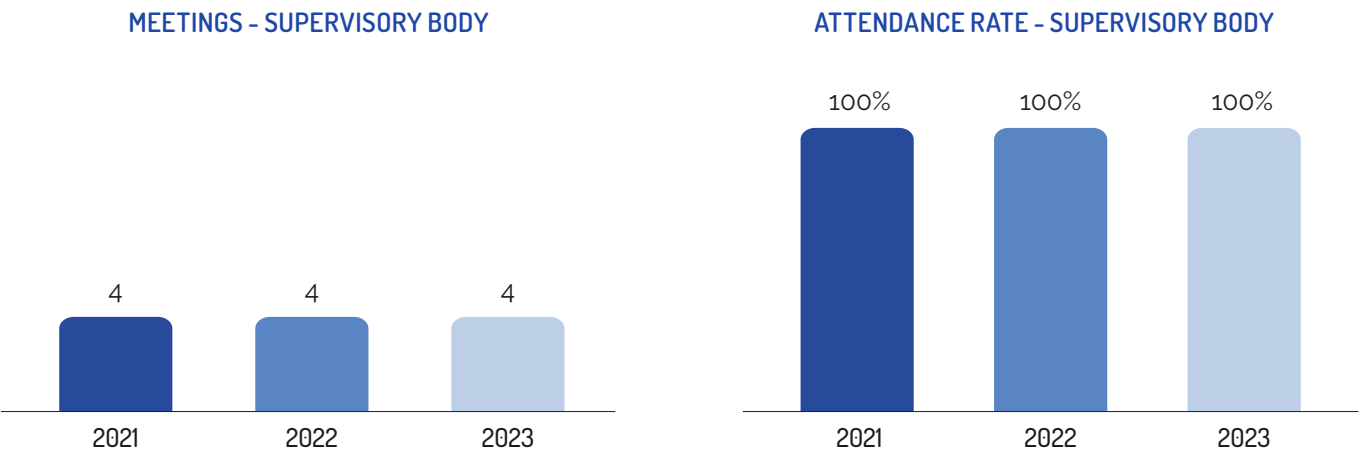


SUPERVISORY BODY

The Supervisory Body (Organismo di Vigilanza - OdV) was appointed on 21 July 2021 with no fixed term of office.

Its primary role is to oversee the functioning of and compliance with model adopted under Legislative Decree 231/2001.

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



<sup>10</sup> Initially set to remain in office until the approval of the 2023 financial statements, the Board's term has been extended. The newly appointed Board will now remain in office until the 2026 financial statements are approved.

# OUR STAKEHOLDERS

The following presents the main categories of Carbofin's stakeholders, divided into internal and external groups, along with the primary methods of engagement.

Internal Stakeholders		
Personnel	Ownership	
Shore-based personnel		
Onboard personnel		
External Stakeholder		
Customers	Financial Community	Business Partners
<b>Current:</b> <ul style="list-style-type: none"><li>Geogas Trading</li><li>Geogas Maritime</li><li>Petrobras</li></ul> <b>Past and potential:</b> <ul style="list-style-type: none"><li>Gruppo ENI</li><li>Koch</li><li>Yara International</li><li>Trammo</li><li>LNG Shipping (ENI)</li><li>CACT Operating Group</li></ul>	Banks  Insurance Companies  Financial and Insurance Brokers	Port Agents  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 Programme (SIRE) Consulates ITS Shipping Academy, Genoa (Higher Technical Institute) ITS Academy G. Caboto (Higher Technical Institute)	Local Institutions  District Organizations  NGOs and Environmental Organizations
Governments, National, and International Institutions	Industry Associations	
	Confitarma	
	BIMCO	

STAKEHOLDER ENGAGEMENT

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 reliability	Regulatory and contractual compliance High standards of financial performance Group solidity Payment reliability
Business Partners	Compliance with regulations and contractual conditions Reliability and transparency in relationships Payment reliability	Regulatory compliance Commitment to transparency and cooperation
Suppliers	Compliance with regulations and contractual conditions Payment reliability	Regulatory and contractual compliance Group solidity Payment reliability
Maritime and Flag Authorities	Compliance with local and international regulations Compliance with class and flag requirements Established audit and oversight procedures	Regulatory compliance Planning of audit and oversight 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	Adherence to regulations	Regulatory compliance
Industry Associations	Active participation in associations	Participation in associations, sharing technical know-how and best practices





**SUSTAINABILITY,  
ETHICS AND INTEGRITY**



# THE SUSTAINABILITY JOURNEY OF THE CARBOFLOTTA GROUP

**The Carboflotta Group has always prioritised sustainability and carefully considered how our activities impact both the environment and communities.**

We implement operational, safety, and environmental protection procedures that strictly adhere to regulations and industry best practices as part of our contribution to sustainable development.

In line with this vision, the Group **began voluntarily** measuring and reporting our Environmental, Social, and Governance (ESG) performance to strengthen internal awareness and communicate our sustainability achievements to stakeholders.

This process demonstrates the social, environmental, and economic value generated through our business activities. **Our sustainability journey has engaged leadership across all levels of the organization** through a dedicated Steering Committee and Working Group comprising managers from every business area.

In 2022, the Group released its inaugural Sustainability Report, which was included alongside the consolidated Financial Statements. This report represents a comprehensive assessment and organization of all sustainability-related initiatives undertaken to date.

Between 2022 and 2024, the Group further advanced its sustainability efforts through the following key activities:

- defining the scope and methodology for sustainability reporting
- identifying and prioritising the company's key sustainability topics (materiality assessment)
- establishing systematic data collection methods for reporting
- publishing the first Sustainability Report (2022)
- producing the second edition of the Sustainability Report (2023)

## SUSTAINABILITY TOPICS

In 2022, Carbofin conducted its first materiality assessment to identify topics that significantly impact the Company's ability to create lasting social, environmental, and economic value.

This process involved **107 stakeholders** (64 internal and 43 external), including shore-based employees, senior onboard personnel (internal), suppliers, clients, insurers, financial

institutions, and third-sector organizations (external).

The resulting materiality matrix highlights the topics that guide the Company's sustainability strategy.

These topics are categorised into three dimensions - social, environmental, and economic - and are positioned on a graph based on their relevance as perceived by internal stakeholders (Carbofin)

and external stakeholders. Scores were assigned on a scale from 1 to 9 across three levels of relevance: low (1-3), medium (4-6), and high (7-9).

To present the results effectively, only medium-to-high relevance scores for "Relevance to Carbofin" and medium-high-to-high scores for "Relevance to external stakeholders" are included in the matrix.

External stakeholders rated **"Occupational Health and Safety"** and **"Ethics, Business Integrity and Compliance"** as most important,

while internal stakeholders prioritised **"Climate Action"** and **"Biodiversity Protection"**.

Overall, both stakeholder groups prioritised environmental and social issues over economic ones.



## OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

Carbofin's sustainability priorities are presented below in order of importance and are aligned with the three dimensions of sustainability.

These priorities have been **linked to the United Nations' 17 Sustainable Development Goals (SDGs)** through a detailed assessment of the 169

targets that align with the Group's focus areas.

For each priority topic and corresponding SDG, we have identified **ESG Key Performance Indicators (KPIs)** to measure **our contribution to sustainable development**.

## THE 17 GOALS OF THE UN 2030 AGENDA

The **UN's 2030 Agenda for Sustainable Development** is an action plan for people, the planet, and prosperity. Adopted by all **193 UN member states** in September 2015, it outlines **17 Sustainable Development Goals (SDGs)** and **169 targets**.

The Agenda highlights the shortcomings of current development models and encourages a shared vision for the necessary changes.

It sets clear objectives to be achieved by 2030, calling on citizens, businesses, and institutions to contribute collectively.





Sustainability Topics	ESG	SDG	KPI 2022	KPI 2023
Ethics, Business Integrity and Compliance	G		<b>0 cases</b> of non-compliance with laws or regulations, corruption, or anti-competitive behaviour in the <b>2020-2022</b> period	<b>0 cases</b> of non-compliance with laws or regulations, corruption, or anti-competitive behaviour in the <b>2021-2023</b> period
Innovation and Digitalization	G		<b>All ships</b> use digital and paperless navigation hardware and software	<b>All ships</b> use digital and paperless navigation hardware and software
Equal Opportunity and Multiculturalism	S	 	<b>36% of women</b> among shore-based staff and <b>1.9%</b> among onboard personnel ( <b>higher than the industry average of 1.2%</b> )  <b>Equal remuneration</b> across professional categories occupied by both men and women	<b>33% of women</b> among shore-based staff and <b>1.1%</b> among onboard personnel  <b>Equal remuneration</b> across professional categories occupied by both men and women
Safeguarding Human Rights	G		<b>0 cases</b> of discrimination	<b>0 cases</b> of discrimination
Training and Development of Human Capital	S		<b>13 hours of training per capita</b> for onboard personnel  <b>10 hours of training per capita</b> for onboard personnel	<b>40 hours of training per capita</b> for onboard personnel  <b>10 hours of training per capita</b> for onboard personnel
Corporate Wellbeing and Welfare	S	 	<b>All employees</b> are guaranteed primary welfare services  <b>0 complaints or lawsuits</b> related to labour practices in the three-year period	<b>All employees</b> are guaranteed primary welfare services  <b>0 complaints or lawsuits</b> related to labour practices in the three-year period
Occupational Health and Safety	S	 	<b>7.9 hours</b> of Health & Safety training <b>per capita</b> for shore-based personnel  <b>11.6 hours</b> of Health & Safety training <b>per capita</b> for onboard personnel	<b>3.6 hours</b> of Health & Safety training <b>per capita</b> for shore-based personnel  <b>10.3 hours</b> of Health & Safety training <b>per capita</b> for onboard personnel
Quality of Customer Relations	S		<b>0 formal complaints</b> regarding fleet performance in the three-year period  <b>0 days of downtime</b>	<b>0 formal complaints</b> regarding fleet performance in the three-year period  <b>0 days of downtime</b>
Community Engagement	S		<b>EUR 154,000</b> disbursed in membership fees, donations, and sponsorships	<b>EUR 152,000</b> disbursed in membership fees and donations

Sustainability Topics	ESG	SDG	KPI 2022	KPI 2023
Responsible and Efficient Use of Resources	E	 	<b>27,600 tonnes</b> of fuel consumed by the fleet  <b>12.3 million litres</b> of seawater distilled onboard	<b>27,600 tonnes</b> of fuel consumed by the fleet  <b>11.2 million litres</b> of seawater distilled onboard
Combating Climate Change	E	 	<b>0.10 tonne-mile</b> overall fleet energy efficiency  <b>24% reduction</b> in total GHG emissions since 2020 (87,130 tonnes CO <sub>2</sub> e)  <b>30.4% improvement</b> in overall emission efficiency (2.6 tonnes CO <sub>2</sub> e per GBP 1,000)	<b>0.11 tonne-mile</b> overall fleet energy efficiency  <b>33% reduction</b> in total GHG emissions since 2021 (87,130 tonnes CO <sub>2</sub> e)  <b>45% improvement</b> in overall emission efficiency (2 tonnes CO <sub>2</sub> e per GBP 1,000)
Circular Economy and Waste Management	E		<b>422 m<sup>3</sup></b> total waste produced by the fleet (29.7% reduction since 2020)  <b>91%</b> proportion of waste discharged and disposed of on land	<b>426 m<sup>3</sup></b> total waste produced by the fleet (24% reduction since 2021)  <b>92%</b> proportion of waste discharged and disposed of on land
Ship Recycling	E		<b>All ships</b> are certified in accordance with Regulation (EU) 1257/2013 on ship recycling and the Hong Kong Convention	<b>All ships</b> are certified in accordance with Regulation (EU) 1257/2013 on ship recycling and the Hong Kong Convention
Biodiversity Protection	E		<b>0 spills</b> of transported products or release of substances into the environment in the three-year period  <b>All ships</b> are equipped with ballast water management systems and non-toxic antifouling systems	<b>0 spills</b> of transported products or release of substances into the environment in the three-year period  <b>All ships</b> are equipped with ballast water management systems and non-toxic antifouling systems
Creation and Distribution of Value to Stakeholders	G		<b>EUR 38 million</b> economic value generated, of which <b>EUR 23.6 million</b> was distributed  <b>EUR 4.98 million</b> Group operating result	<b>EUR 31.8 million</b> economic value generated, of which <b>EUR 22.9 million</b> was distributed  <b>EUR 277,000</b> Group operating result
Responsible Management of the Supply Chain	G	 	<b>69% of suppliers</b> <sup>11</sup> have ISO 9001 quality certification  <b>51.7% of suppliers</b> <sup>11</sup> have ISO 14001 environmental safety certification  <b>31% of suppliers</b> <sup>11</sup> have ISO 45001 health and safety certification	<b>86% of suppliers</b> <sup>11</sup> have ISO 9001 quality certification  <b>43% of suppliers</b> <sup>11</sup> have ISO 14001 environmental safety certification  <b>33% of suppliers</b> <sup>11</sup> have ISO 45001 health and safety certification

<sup>11</sup> Figures relative to the key suppliers of Carbofin

# ETHICS, BUSINESS INTEGRITY AND COMPLIANCE



**16.5** Substantially reduce corruption and bribery in all their forms

## CARBOFLOTTA'S CONTRIBUTION TO THE UN 2030 AGENDA SDGS

0

**cases of non-compliance**  
with laws or regulations in the  
2021-2023 period

**Carboflotta conducts its business activities with integrity and transparency.**

The Group strives to maintain a professional, fair, and honest approach, recognizing that these values demonstrate a strong commitment to social responsibility. All business operations and the conduct of corporate bodies, employees, and workers are based

0

**cases of corruption**  
in the 2021-2023 period

on honesty, loyalty, impartiality, confidentiality, transparency, and the provision of complete information.

The Group is dedicated to pursuing its business objectives by providing high-quality services that comply with all relevant regulations – including those designed to ensure fair competition. We also ensure that individuals involved in business activities are not, and are not

0

**cases of anti-competitive behaviour**  
in the 2021-2023 period

perceived to be, in conflict with the company's interests.

**In the 2021-2023 period, there were no instances of non-compliance with laws or regulations, and no legal actions related to anti-competitive behaviour or breaches of anti-trust and anti-monopoly laws.**



## CODE OF ETHICS

Our **Code of Ethics** outlines the ethical principles, **rights, duties and responsibilities** that Carbofin upholds with respect to all **stakeholders**.

The Code establishes the principles, values, and general guidelines for conducting business, as well as the individual and collective rules of conduct that the Company commits to applying and enforcing. This is to maintain and enhance the reputation and standing it has earned over time.

Every director, auditor, employee, and external worker is required to adhere to the Code as a fundamental part of their contractual obligations when performing their duties and representing the Company to third parties.

The Code of Ethics also applies to anyone who establishes a business relationship with the Company.

In all business relationships, all parties are informed about the rules of conduct outlined in the Code and are required to comply with them. Failure to do so will result in penalties as set out in the contract and the Company's internal disciplinary procedures.

The **core principles underpinning our Code of Ethics** are:

- ethical conduct in business and company operations
- ethics in the workplace, safety, protection and enhancement of resources
- environmental ethics
- ethics in the processing of personal data.

Compliance with the Code of Ethics means adhering to all mandatory regulations, company policies (including employee codes of conduct), and internal rules that the Company has voluntarily adopted.

These 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. Any failure to comply with its principles or any breach of the Code will be dealt with under the Company's disciplinary procedures, in accordance with the law and contractual rules. The Code of Ethics is regularly updated to ensure compliance with regulatory developments.

**The current version of the Code of Ethics was approved in 2022.**





## COMPLIANCE MANAGEMENT MODEL

### Italian Legislative Decree No. 231

introduced a new liability regime into Italian law for private entities. This regime is "administrative" in nature but has significant criminal implications. It applies to certain offences committed by individuals holding positions of representation, administration or management within the entity, where those offences are committed in the interest of or for the benefit of the entity itself. The liability of the entity exists alongside

the liability of the individual who committed the offence, and it also applies if the offence was only attempted.

In 2006, Carbofin implemented a Compliance Management Model in accordance with Legislative Decree 231/2001. This model is designed to protect the Company from these specific liabilities, and a Supervisory Body has been appointed for its oversight.

**The current version of the 231 Compliance Management Model was revised in 2024 to align it with regulatory developments and organizational changes.**

### Greenstar Shipmanagement S.r.l.

has also adopted its own Compliance Management Model, while **Sant'Ugo Immobiliare S.r.l.** is currently developing one for itself.

## ANTI-CORRUPTION POLICY

As a shipowner based in Italy, the Company complies with anti-corruption laws as set out in Legislative Decree 231/2001. This decree establishes administrative liability for acts of corruption, including attempted corruption, involving public officials or private individuals, both in Italy and abroad, when such acts are carried out in the interest of or for the benefit of the Company. When operating abroad, the Company strictly adheres to local laws and international conventions relating to corruption.

In our dealings with clients and third parties, our policy explicitly prohibits the giving or promising of gifts, money, benefits, or other advantages that could constitute a criminal offence or a breach of the Code of Ethics. This also

applies to actions aimed at securing preferential treatment that distorts market rules.

Regarding interactions with the Public Administration, Public Officials, and Public Service representatives, our policy dictates that all members of the organization and external workers must act with integrity, transparency and accountability. Any form of corruption or collusion is strictly prohibited. Any breaches, whether committed by Company personnel or third parties, must be reported immediately to the 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 to all staff in their designated online area.**

Even before it became a legal requirement under Law 179/2017, the Company implemented a **high-quality electronic system to facilitate and encourage the reporting of misconduct**<sup>12</sup> (a whistleblowing channel). This system is designed to guarantee the confidentiality of whistleblowers and to protect them from potential acts of reprisal.

The Supervisory Body oversees and manages the reporting system.

The procedure for managing reports through the various channels is regulated by a specific **Whistleblowing Policy**, which is

<sup>12</sup> This system is for reporting behaviours that include: corruption, criminal offences, violations of legal obligations, miscarriages of justice, specific risks to public health, safety or the environment, abuse of authority, unauthorised use of public funds or property, serious waste or mismanagement, conflicts of interest and acts aimed at covering up any of the foregoing situations

available both physically - in the Head Office premises and on the ships in the fleet - as well as online on the Company's website.

The **IT platform** used for reporting is a highly reliable tool, both in terms of security and protection of the personal data of those making reports, and in terms of ease of use and management of the report by the recipients.

The Company is committed to thoroughly investigating every report and protecting the whistleblower from any form of retaliation.

**No cases of corruption were reported or occurred in the 2021-2023 period.**

The Supervisory Body, in its regular six-monthly reports on its activities under Legislative Decree no.

231/2001, has confirmed that, as of February 2024 and with regard to the year 2023, it had received no reports of violations of the Compliance Management Model and that the Company's whistleblowing channel contained no new reports.

## INTEGRATED MANAGEMENT SYSTEM

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

The IMS enables continuous measurement of company performance indicators, analysis of any inefficiencies, and implementation of appropriate corrective actions and prevention plans.

Together with ongoing internal audits, both onboard and ashore, the Integrated Management System allows continuous improvement in

terms of operational efficiency, safety, social responsibility, and stakeholder satisfaction. It also guarantees compliance with all national and international regulations.

**The Integrated Management System meets the requirements of the following certified standards:**

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

Since 2019, the Integrated Management System has been undergoing a digitalization process to optimise corporate processes.

This innovation has included the installation of software for managing audits and irregularities on board ships, and a platform for monitoring navigation performance in offices.





## INNOVATION AND TECHNOLOGICAL ADVANCEMENTS

In 2022, the Company completed a fleet-wide installation of the Electronic Chart Display and Information System (ECDIS), a paperless navigation system that digitally displays and manages essential cartographic information. Its primary purpose is to enhance navigation safety by reducing the workload of the Officer on Watch.

**All fleet vessels now use ECDIS as their primary navigation tool**, with all maritime staff fully trained in its operation.

Additionally, shore-based personnel underwent **training in "Industry 4.0 - Towards Digitalization: Vertical and Horizontal Systemic Integration of Business Processes in Carbofin"**.

This initiative provided staff with tools to enhance their knowledge and develop the skills required to improve business process digitalization, as part of the transition towards the use of digital technologies and data, aligning with shipping industry trends and optimising smart working practices.

### 2023 initiatives

#### Archiving System

In 2023, the company implemented a digital archiving system to replace physical documents with legally valid digital versions. This move reduced paper usage and streamlined the invoice authorisation process across various departments. This tool has been implemented within the accounting management software and automatically interfaces with the substitute optical archiving system.

#### Performance Monitoring Tool

A RINA tool has been implemented to monitor onboard performance, collect data, and ensure compliance with key regulations, including IMO DCS, EU MRV, EU ETS and Fuel EUA.

It automatically reads and processes voyage report data, which is periodically sent from the vessel via Omnia Viaggi.

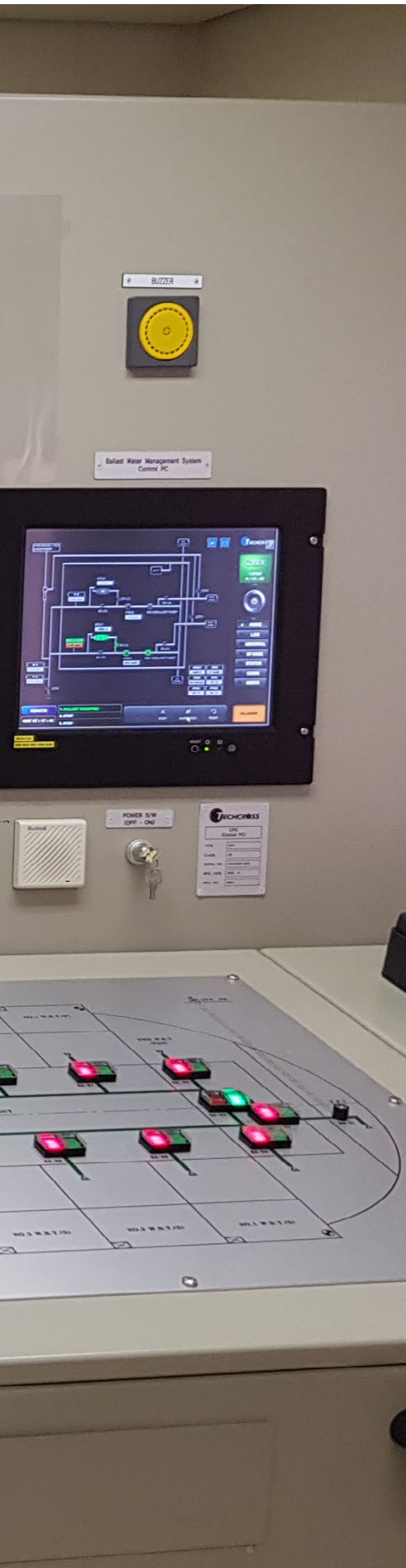
#### Disaster Recovery Plan

A comprehensive IT Disaster Recovery Plan was established, focusing on cyber security and data confidentiality.

The plan includes encrypted data storage and transmission, with a backup site located over 100km away for geographical resilience.

This Disaster Recovery site is equipped with physical access controls to environments and machines, and adequate electrical and thermal protections.

Additionally, periodic server backups are performed on reliable and durable physical media, disconnected from the network, to ensure an additional possibility of data recovery if needed.





# SOCIAL VALUE



FIGURES AT 31.12.2023



# THE PEOPLE WHO WORK AT CARBOFLOTTA

**215 people**

work for the Group

**85% onboard** personnel

**15% shore-based**  
personnel



**97%**

retention rate of  
**shore-based** personnel

**92%**

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 2021)

**40 hours**

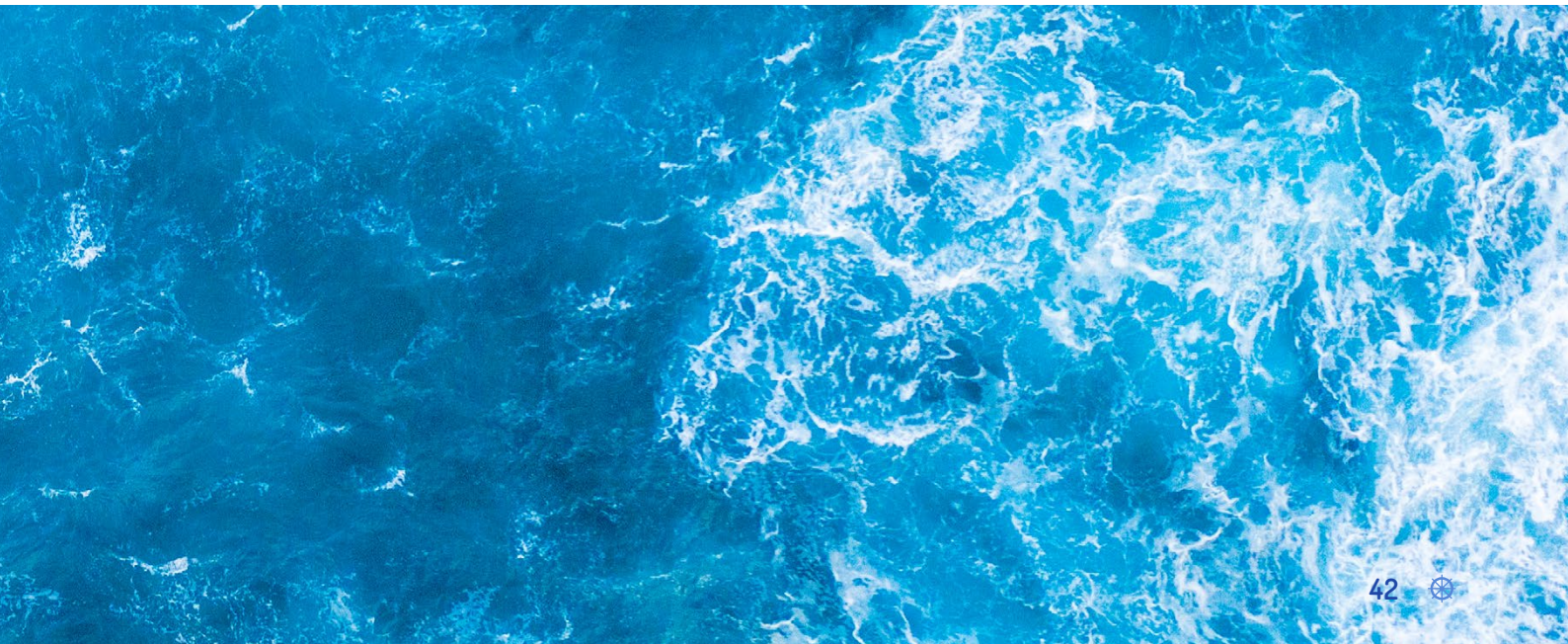
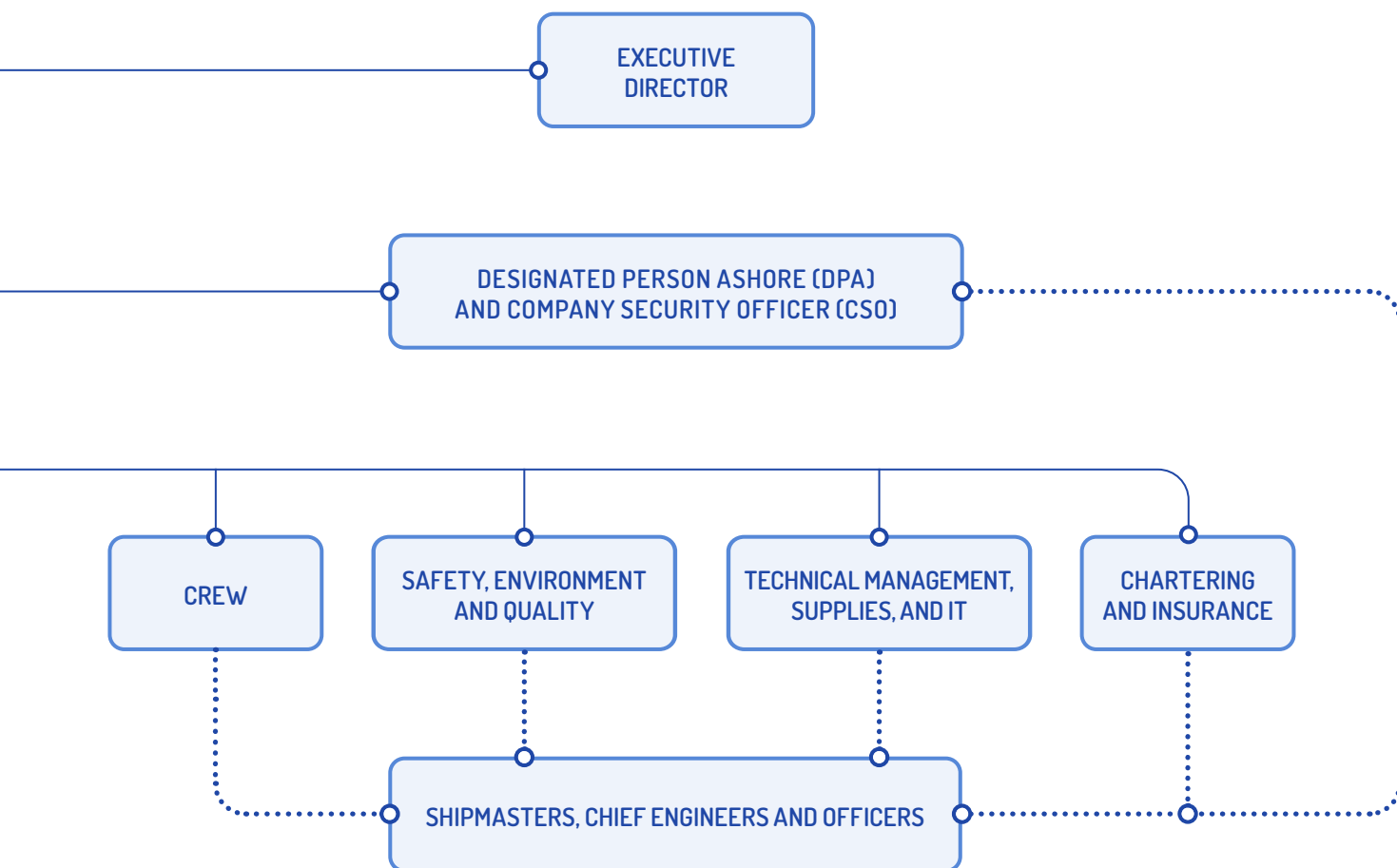
of **training** per capita for  
**shore-based** personnel  
(more than doubled since  
2021)

**100%**

employees  
guaranteed primary  
**welfare services**









## SHORE-BASED PERSONNEL

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

- **Management** oversees strategic decisions, defines company policies, and sets technical specifications for new ship construction or acquisition, ensuring compliance with current regulations and industry standards
- **Administration and Finance** monitors budgets and accounts, prepares financial statements and manages company liquidity
- **Commercial Department** secures commercial employment for ships, handles fuel and

lubricating oil procurement, manages charter contracts and port activities, and oversees marine insurance

- **Safety, Environment & Quality Office** conducts inspections—both those required by the International Safety Management Code (ISM) and third-party audits—monitors ship Safety Management Systems (SMS), implements and disseminates new standards and regulations, ensures onboard hydrography certification, and manages the Integrated Management System
- **Technical Office** oversees ship classification, document control, maintenance scheduling, spare parts and equipment procurement, and fleet

performance verification. It also provides support during inspections. The head of the technical office and inspectors supervise ship operations.

- **IT Office** procures, manages, and maintains ICT equipment for both onboard and office use
- **Crew Office** recruits onboard personnel following company procedures, ensuring that crew members meet physical, certification, competency, and language requirements. In collaboration with the Safety, Environment & Quality Office and the Technical Office, it selects Officers and Ratings based on ship needs and crew specialization.

## ONBOARD PERSONNEL

Onboard personnel duties are divided into three main categories:

- **Port Activities:** these include mooring and unmooring, cargo loading and unloading, ballast water management, bunkering, provisioning, and ship waste disposal. Additionally, crew members handle coordination with local authorities regarding arrivals, departures, inspections,

and compliance checks carried out by Port State Control (PSC), local maritime authorities, Classification Societies, the Oil Companies International Marine Forum (OCIMF), and internal system audits.

- **Navigation Activities:** these cover voyage monitoring, emergency drills and tests, cargo and fuel management,

maintenance operations, ballast water management, and the direct disposal of certain wastes in accordance with MARPOL regulations.

- **Other Activities:** these encompass continuous maintenance and operational duties both in port and at sea.

## COMPOSITION AND PROFILE OF PERSONNEL

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

**215** employees

15% shore-based personnel

85% onboard personnel

**100%**

shore-based personnel  
on permanent contracts

**97%**

retention rate of shore-based personnel

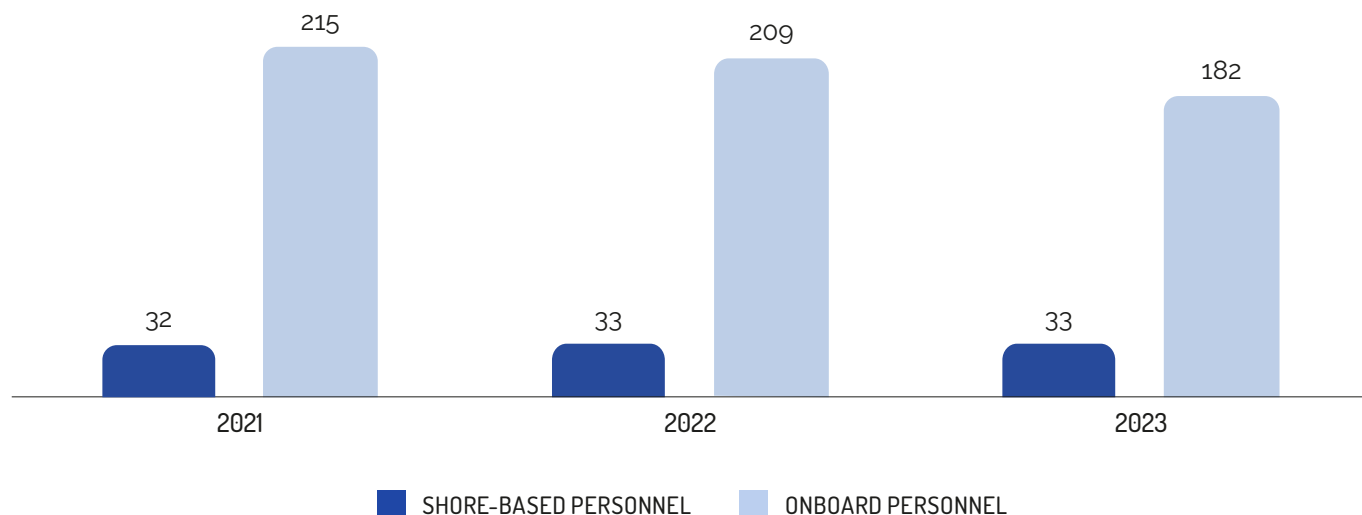
**92%**

retention rate of onboard personnel

In 2023, the Carboflotta Group **employed 215 people**—33 of which shore-based (15%) and 182 onboard (85%)—showing a slight decrease

compared to the previous year (11% down from 2022), particularly in onboard personnel (13% down from 2022).

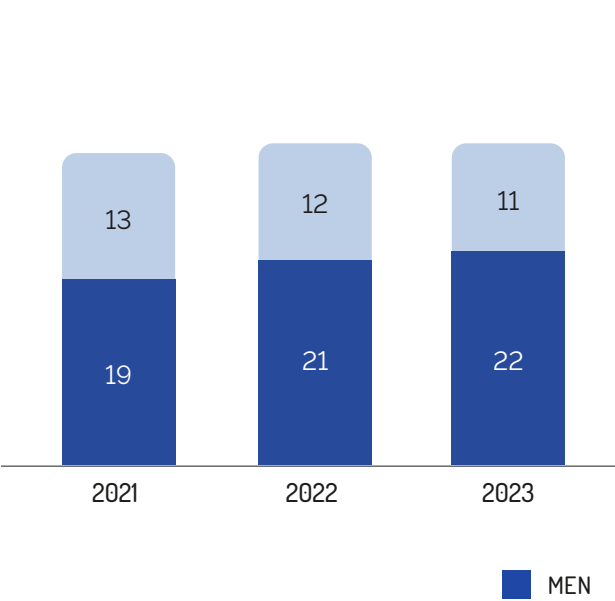
### PERSONNEL BY TYPE



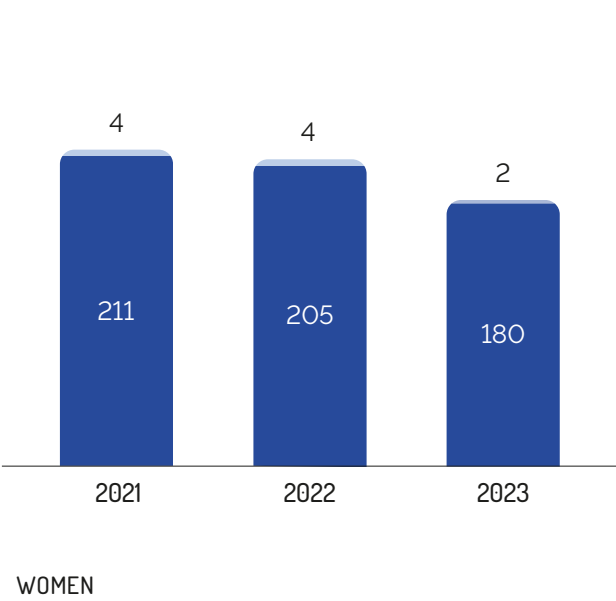
The workforce is **94% male and 6% female**, in line with a sector still affected by the lack of women in roles related to marine engineering.

Specifically, shore-based personnel is 33% female (8% down from 2022), while women constitute 1% of onboard employees.

SHORE-BASED PERSONNEL BY GENDER

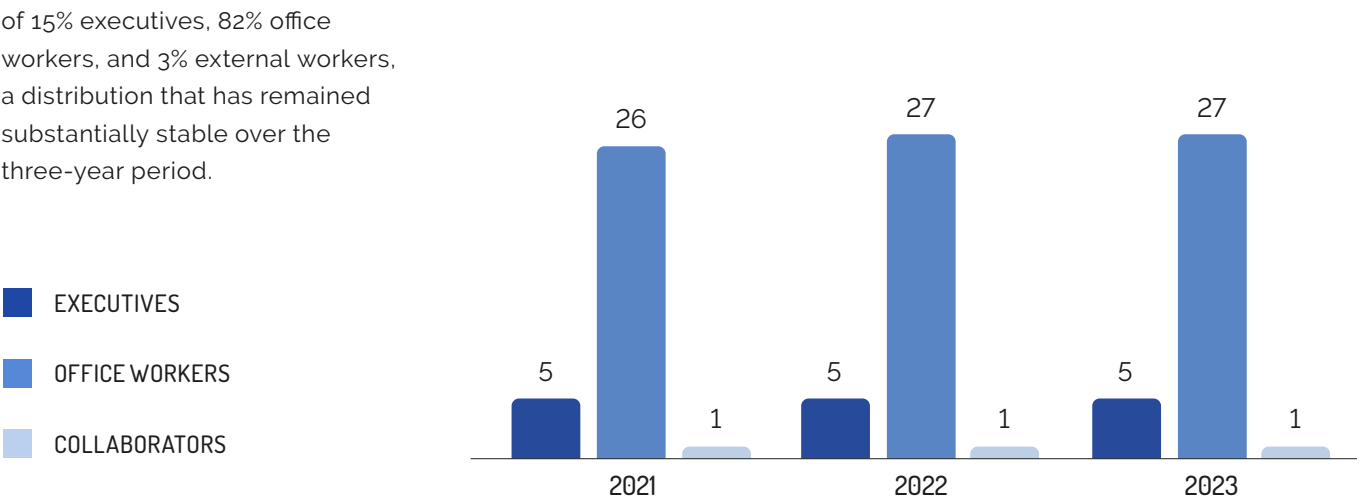


ONBOARD PERSONNEL BY GENDER

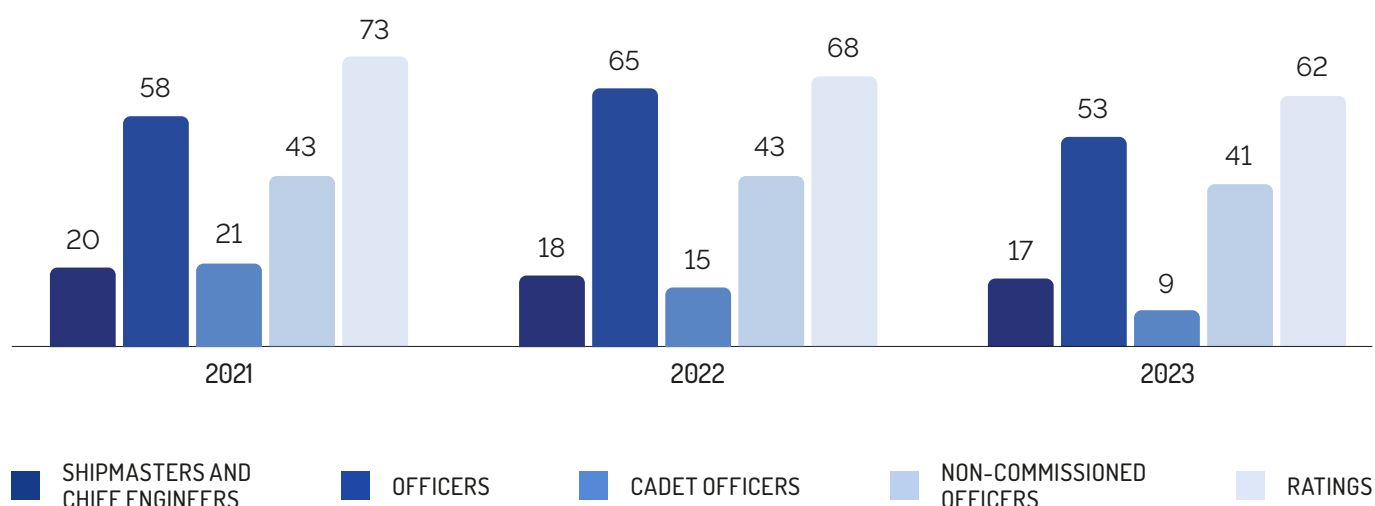


Shore-based personnel consist of 15% executives, 82% office workers, and 3% external workers, a distribution that has remained substantially stable over the three-year period.

SHORE-BASED PERSONNEL - PROFESSIONAL CATEGORIES



## ONBOARD PERSONNEL - PROFESSIONAL CATEGORIES



Onboard personnel is broken down into various professional categories: shipmasters and chief engineers (9%), officers (29%), cadet officers (5%), non-commissioned officers (23%) and ratings<sup>13</sup> (34%).

Overall, the composition has remained constant since 2021, with a marginal increase in the proportion of non-commissioned officers (2% down) and a reduction in officers (2% down) and cadet officers (2% down).

The Company has established a long-standing collaboration for

recruiting Deck and Engine Officer cadets with the Italian Merchant Marine Academy (ITS Foundation - Genoa) and the ITS Academy G. Caboto (Gaeta).

Over 50% of the Italian Deck and Engine Officers on board have graduated from the mentioned institutes, completing a two-year post-diploma course that is both qualifying and tailored to meet the specific needs of each company.

The program lasts for 24 months and alternates classroom sessions

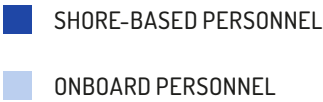
with on-the-job training: typically, three embarkations of about 4 months each on ships managed by the Carboflotta Group and an equal number of months in the classroom.

About 90% of selected cadets successfully complete the two-year higher education program, finishing the training program when they obtain their first Certificate of Competency (COC) qualifying them as Deck or Engine Officers.

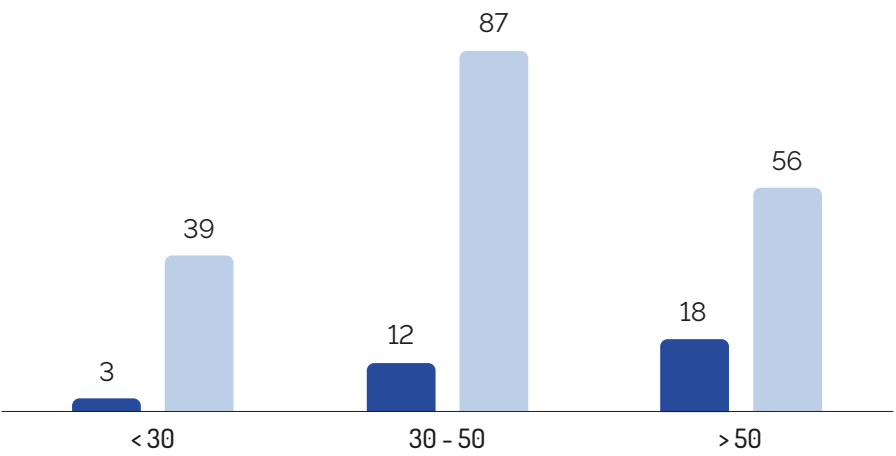
<sup>13</sup> Non-commissioned officers include various roles, such as boatswains, gas engineers, electricians, mechanical workers, and cooks. The ratings category, on the other hand, includes deck and engine ratings, deck boys and engine boys, and stewards.



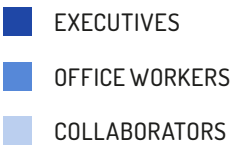
A breakdown of personnel by age bracket shows a clear difference between onboard personnel and shore-based personnel.



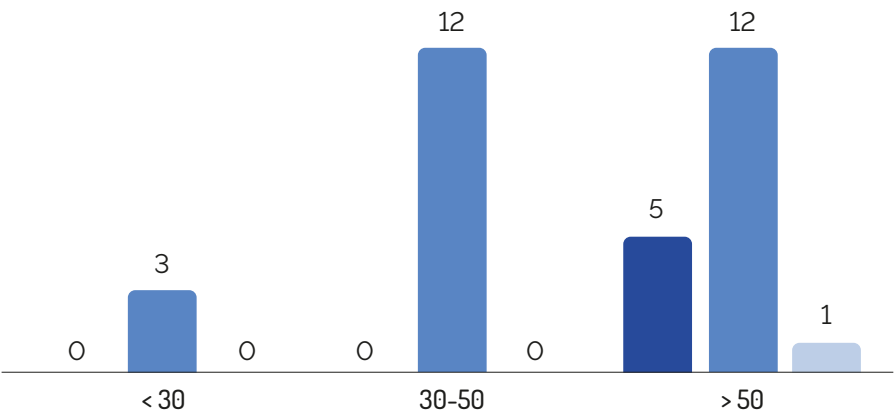
PERSONNEL BY AGE BRACKET - 2023



**Shore-based personnel** are predominantly composed of individuals over 50 years old, making up 55% of the group. The next largest segment is those aged between 30 and 50, accounting for 36%. Staff under 30 years old constitute a smaller portion, at just 9%. In terms of specific roles, office workers are generally divided between those over 50 and those in the 20-50 age range. Executives, on the other hand, are typically over 50 years old.



AGE BY ROLE - SHORE-BASED PERSONNEL - 2023 (YEARS)

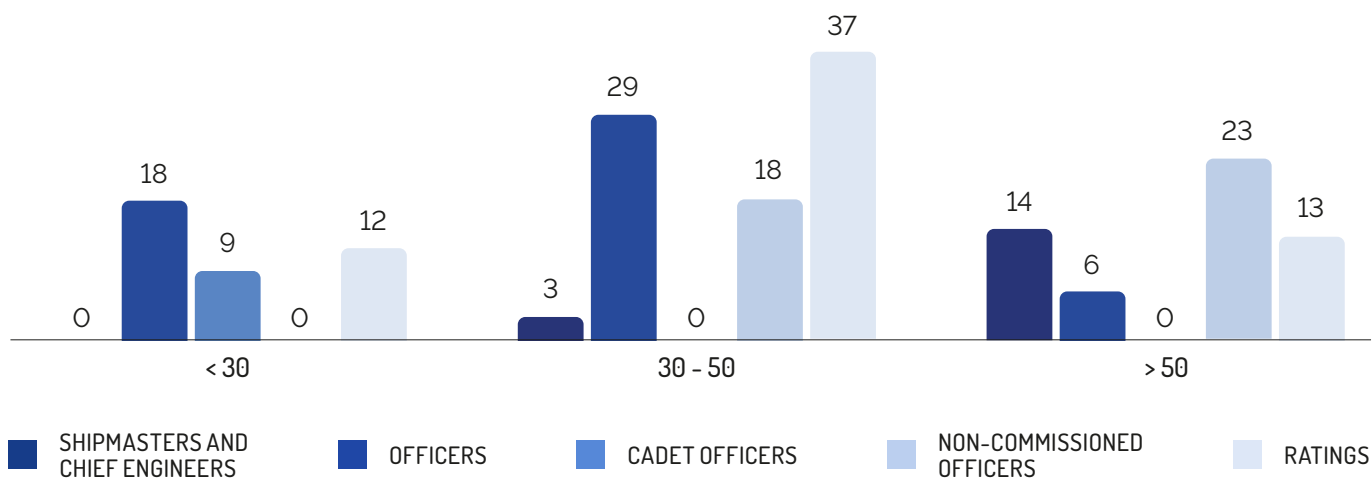


**Onboard personnel** are primarily composed of individuals aged between 30 and 50 years, accounting for 48% of the group. This is followed by those over 50 years old, who make up 31%, and then those under 30

years old, who constitute 21%. Among officers, the majority fall within the 30-50 age range, representing 16% of the total. Shipmasters are predominantly over 50 years old, accounting for 8%. Ratings are also

mostly in the 30-50 age group, making up 20%. Non-commissioned officers are evenly distributed between the 30-50 age range and those over 50 years old, with 10% and 13% respectively.

## AGE BY ROLE - ONBOARD PERSONNEL - 2023 (YEARS)

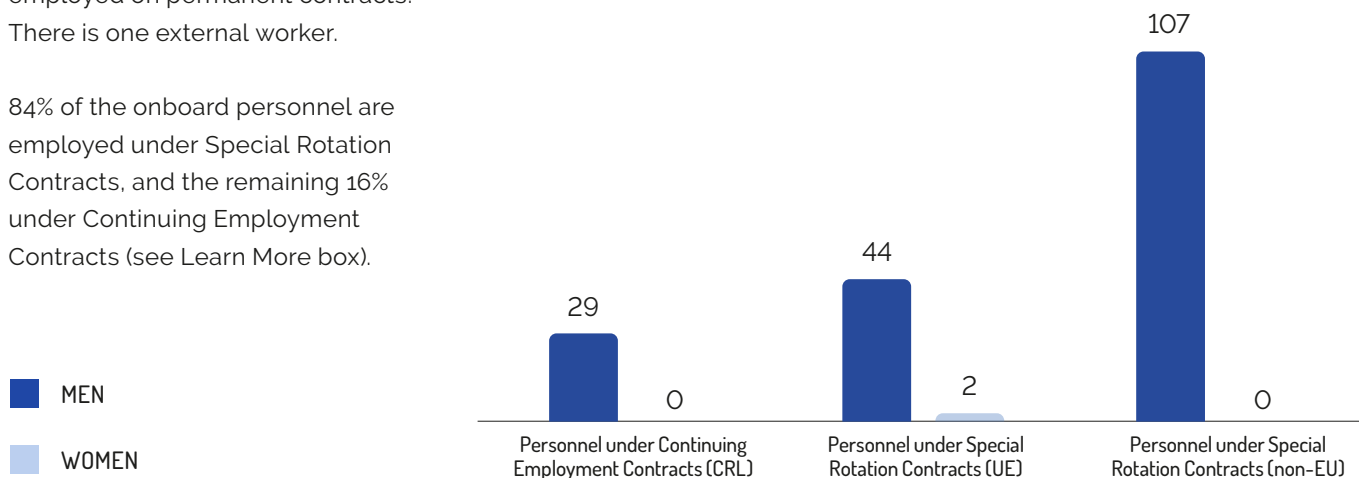


## CONTRACT TYPES

100% of **shore-based personnel** are employed on permanent contracts. There is one external worker.

84% of the onboard personnel are employed under Special Rotation Contracts, and the remaining 16% under Continuing Employment Contracts (see Learn More box).

## ONBOARD PERSONNEL BY TYPE OF CONTRACT



## LEARN MORE - ONBOARD PERSONNEL CONTRACTS

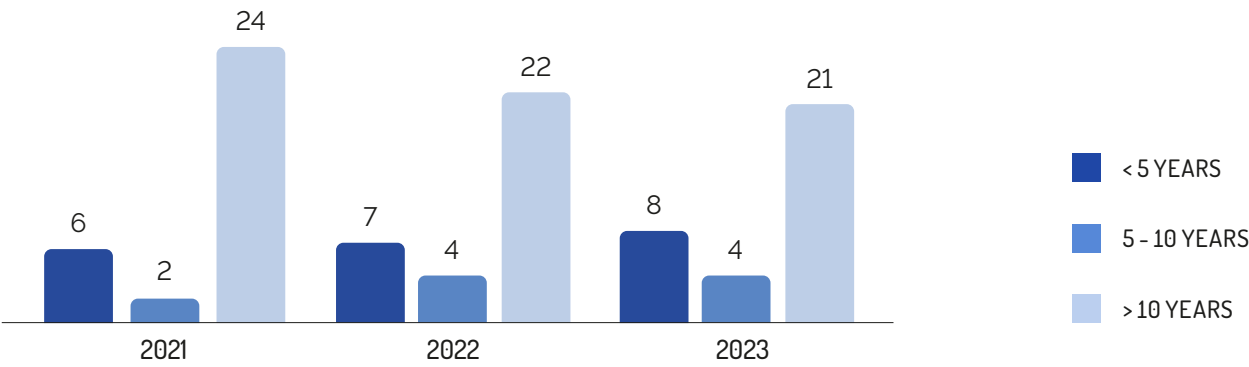
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**Special Rotation Contracts:** These contracts terminate formally upon disembarkation, with all accrued compensation paid out (severance pay, holidays, and compensatory rest days as per Chapter XIII of the National Collective Bargaining Agreement (CCNL). After disembarkation, the worker is then placed on the Special Rotation List, anticipating re-employment by the same company. **Continuing Employment Contracts:** These contracts do not terminate. The employee enjoys paid availability after accrued holiday and rest days as per Chapter XIV of the National Collective Bargaining Agreement (CCNL).

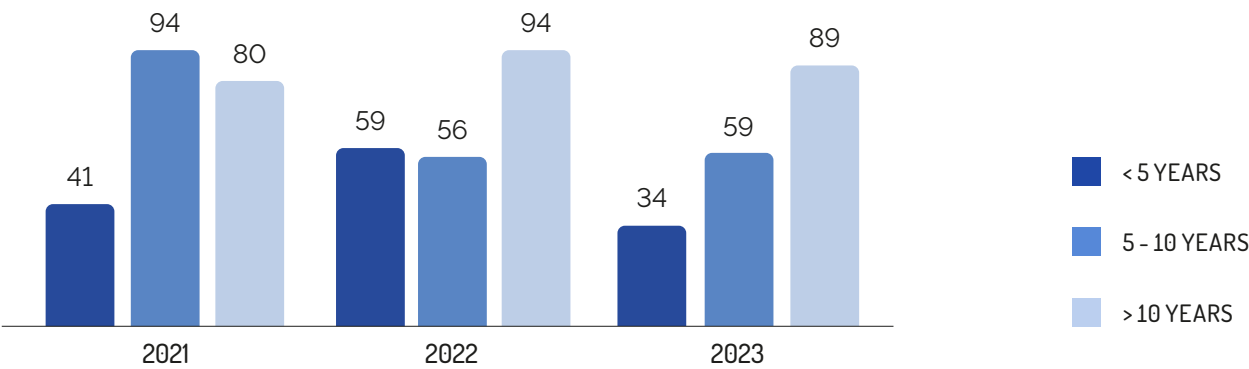
LENGTH OF SERVICE

51% of personnel have been with Carboflossa Group for **over 10 years**, 29% for 5-10 years, and 20% for less than 5 years. In 2023, 10% of shore-based personnel and 41% of onboard personnel had been with the Group for more than 10 years.

SHORE-BASED PERSONNEL BY LENGTH OF SERVICE



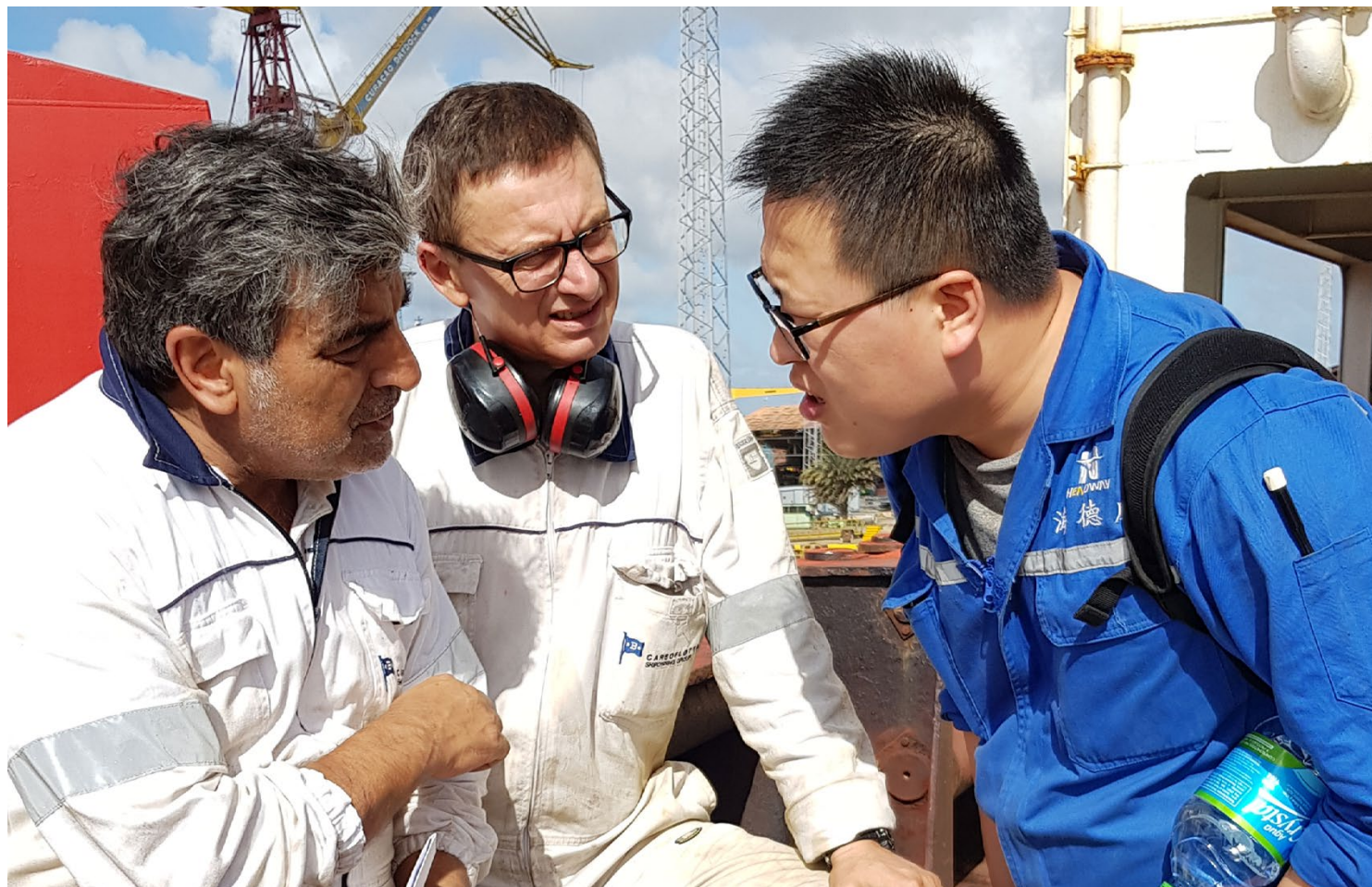
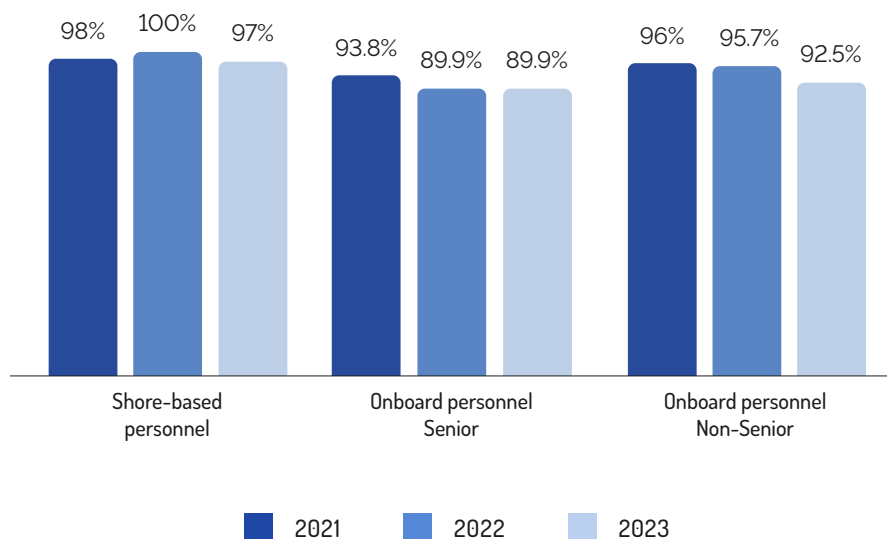
ONBOARD PERSONNEL BY LENGTH OF SERVICE



The strong attachment and sense of belonging to the Group are reflected in the **retention rates**: 97% for shore-based personnel, 89.9% for senior onboard personnel (shipmasters, chief engineers, and officers), and 92.5% for non-commissioned officers and ratings.

Among the key **retention factors** are the numerous protections and measures aimed at individual wellbeing (see the *Wellbeing* chapter) and average salaries that exceed those established by collective agreements (see the *Remuneration and Industrial Relations* chapter).

### RETENTION RATE





# EQUAL OPPORTUNITY AND MULTICULTURALISM

SDGs

8  
DECENT WORK AND  
ECONOMIC GROWTH

10  
REDUCED  
INEQUALITIES

**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

Equal remuneration

considering the professional categories  
occupied by both men and women

33% women

among shore-based  
personnel

6

different countries  
of origin

0

cases of  
discrimination

1.1% women

among onboard  
personnel

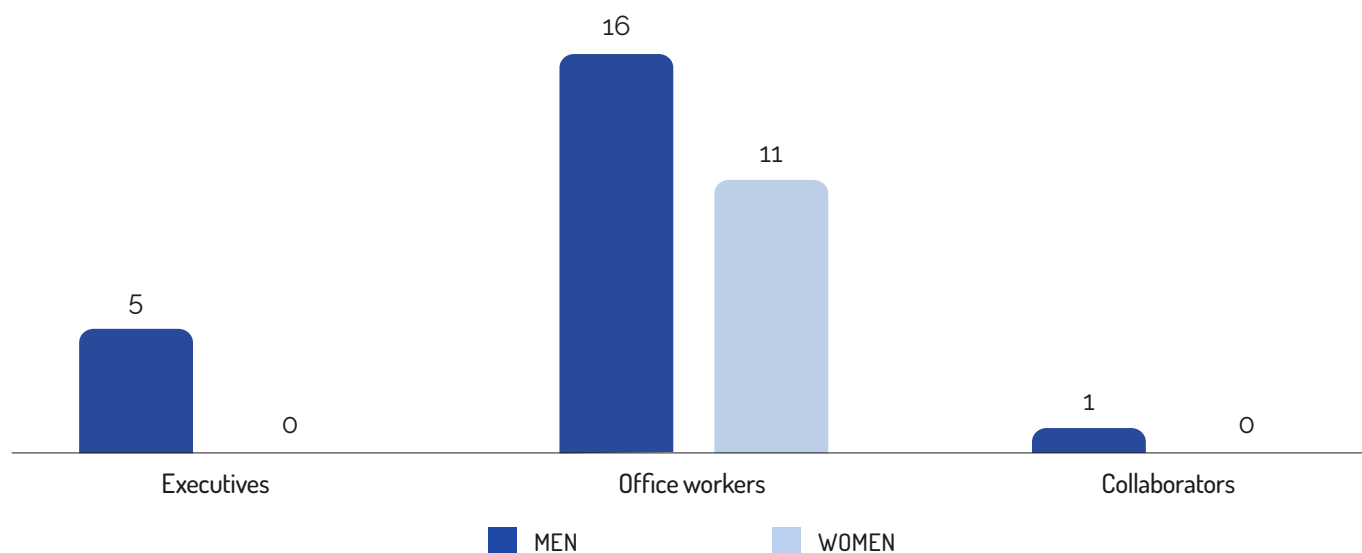
The Group ensures **equal opportunities** for all employees and is committed to hiring, remunerating, training and assessing personnel based on **merit, competence and professionalism**, without any bias or discrimination. It also aims to create a work environment where relationships among colleagues

are based on **loyalty, fairness, collaboration, respect and trust**. Furthermore, it strives to provide safe and healthy working conditions that respect each individual's dignity, fostering interpersonal relationships free from prejudice.

Carboflotta's sector is predominantly composed of male personnel.

The company employs 14 women, of whom 12 work in shore-based roles and 2 serve as onboard personnel.

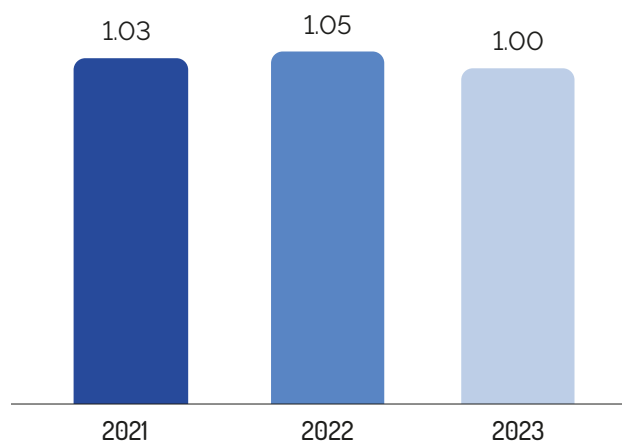
## GENDER BREAKDOWN BY ROLE - SHORE-BASED PERSONNEL 2023



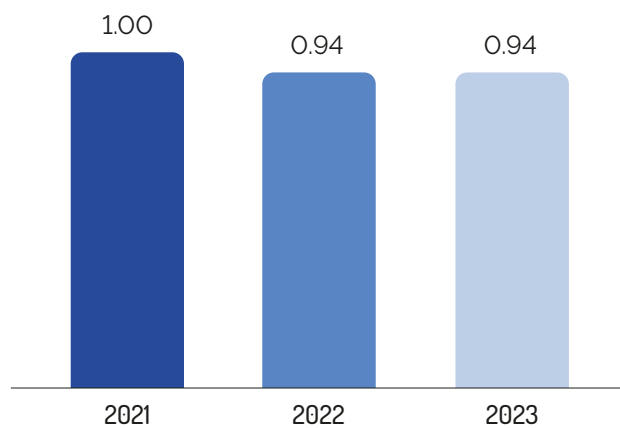
The Group's commitment to **wage equity** is demonstrated by the average remuneration ratio<sup>14</sup>

between women and men of the same rank, highlighting a **consistent balance 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



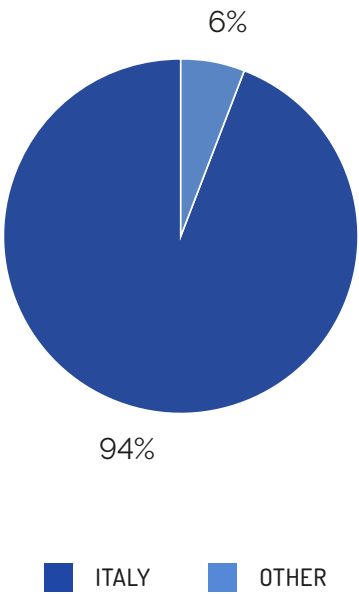
<sup>14</sup> The gross annual salary is considered

In 2023, Carboflotta's workforce was **ethnically diverse, particularly among onboard personnel**, who were evenly split between

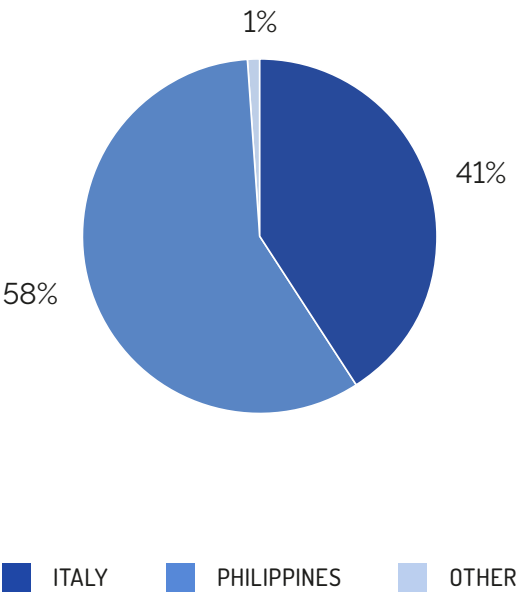
Italian (74) and Filipino (106) crew members, with the addition of two individuals of Spanish and Montenegrin nationality.

Among shore-based staff, all employees were Italian, except for two - one British and one Romanian.

NATIONALITY OF SHORE-BASED PERSONNEL



NATIONALITY OF ONBOARD PERSONNEL



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

The Group strongly condemns any actions that promote racial

or ethnic superiority or hatred, incite discrimination or violence, or encourage such behaviours on racial, ethnic, national, or religious grounds.

This includes the denial, trivialisation, or justification of genocide, crimes against humanity, and war crimes.



Employees and workers who become aware of racist or xenophobic acts in the workplace must report them immediately to their superiors and the Supervisory Body.

To facilitate reporting, all crew members are briefed upon embarkation on how to report harassment, whether anonymously or in person<sup>15</sup>.

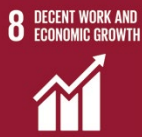
**No incidents of discrimination were reported between 2021 and 2023.**

<sup>15</sup> For more details on the whistleblowing system, see page 36



# STAFF RECRUITMENT AND EMPLOYMENT

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

**12**  
new hires

**42%**  
of **new recruits**  
are **under 30 years old**

The Group approaches recruitment with fairness and integrity, ensuring that **candidate selection aligns with the company's needs** while upholding equal opportunities and

avoiding any form of discrimination. The hiring process is based on competence and merit, with no consideration of race, ethnicity, religion, gender, age, or ancestry.

The Group fully respects individual rights, applicable laws and regulations, with particular attention to child labour laws.

## ANNUAL MEETING IN MANILA (PHILIPPINES)



Carboflotta is fully committed to complying with the 2006 Maritime Labour Convention (MLC). All company vessels hold valid Maritime Labour Compliance Declarations, ensuring that seafarers' rights and protections meet the required standards. In line with the MLC 2006 requirements, the Company organizes an **annual meeting at its recruitment agent in Manila. The primary purpose of this meeting is to conduct a mandatory auditing and performance review.**

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

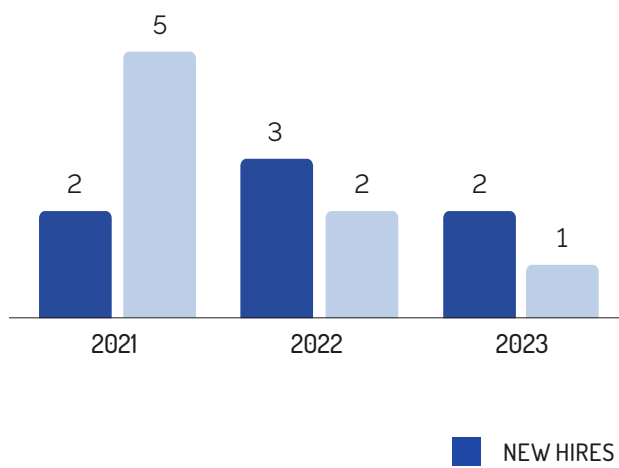
- **foster dialogue between the company and local agents** to better understand their respective needs
- **facilitate discussions on key topics** such as career development, crew retention criteria, wage scales, as well as analysis and exploration of various issues
- **organize face-to-face meetings with local maritime personnel** to identify mutual expectations, discuss complex issues related to human resource management, and ensure the crew's needs are adequately addressed.

In 2023, Carboflotta experienced a net turnover loss of 13 employees. There were 25 departures: 1 shore-

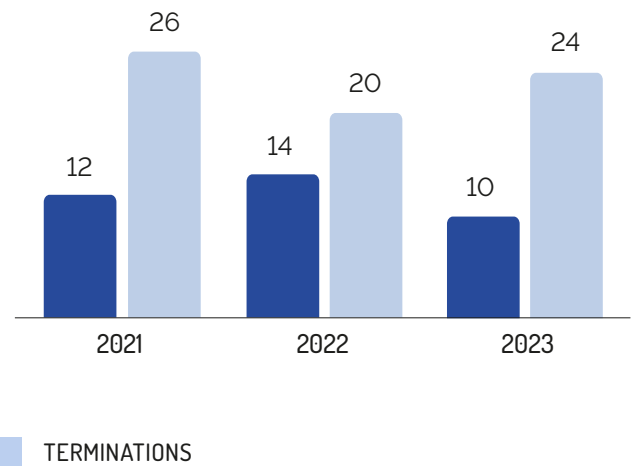
based staff member and 24 onboard personnel and 12 new hires: 2 shore-based staff members and 10

onboard personnel. **42% of the new hires were under 30 years of age.**

#### TURNOVER OF SHORE-BASED PERSONNEL



#### TURNOVER OF ONBOARD PERSONNEL



## NEW HIRES

Shore-based personnel	2021			2022			2023		
Age	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years old	1	-	<b>1</b>	3	-	<b>3</b>	-	-	-
30 – 50 years old	1	-	<b>1</b>	-	-	-	2	-	<b>2</b>
> 50 years old	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>2</b>

Onboard personnel	2021			2022			2023		
Age	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years old	6	2	<b>8</b>	9	-	<b>9</b>	5	-	<b>5</b>
30 – 50 years old	-	-	-	4	-	<b>4</b>	4	-	<b>4</b>
> 50 years old	4	-	<b>4</b>	1	-	<b>1</b>	1	-	<b>1</b>
<b>Total</b>	<b>10</b>	<b>2</b>	<b>12</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>10</b>	<b>-</b>	<b>10</b>

## TERMINATIONS

Shore-based personnel	2021			2022			2023		
Age	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years old	-	-	-	-	-	-	-	-	-
30 – 50 years old	1	-	<b>1</b>	-	-	-	-	-	-
> 50 years old	1	3	<b>4</b>	1	1	<b>2</b>	-	1	<b>1</b>
<b>Total</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>1</b>

Onboard personnel	2021			2022			2023		
Age	Men	Women	Total	Men	Women	Total	Men	Women	Total
< 30 years old	5	-	<b>5</b>	7	-	<b>7</b>	3	1	<b>4</b>
30 – 50 years old	10	-	<b>10</b>	8	-	<b>8</b>	14	-	<b>14</b>
> 50 years old	11	-	<b>11</b>	5	-	<b>5</b>	6	-	<b>6</b>
<b>Total</b>	<b>26</b>	<b>-</b>	<b>26</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>23</b>	<b>1</b>	<b>24</b>

# 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

### 1,323 hours

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

**40 hours per capita**,  
more than doubled since 2021

### 1,799 hours

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

**10 hours per capita**,  
more than doubled since 2021

The Carboflotta Group actively promotes **initiatives focused on professional growth, emphasizing values, principles, behaviours, and individual contributions to business expansion and sustainable development.**

By disseminating and categorizing knowledge and skills, the Group fosters a robust industrial and technological culture, encourages interaction among diverse functions, and ensures

participation and access to know-how. Training and **professional growth and development** processes are recognized as crucial for achieving these goals.

Through tailored programs, the Company ensures that employees acquire new skills and update existing ones.

This approach aims to maintain high-quality performance, support talent development through role

and responsibility growth, and strengthen a sense of belonging.

In 2023, the implementation of the **OTG-OLP (Ocean Learning Platform) software** was completed. This innovative video-training platform enables the monitoring and assessment of Onboard Personnel's skills and, to a lesser extent, those of Shore-Based Personnel.

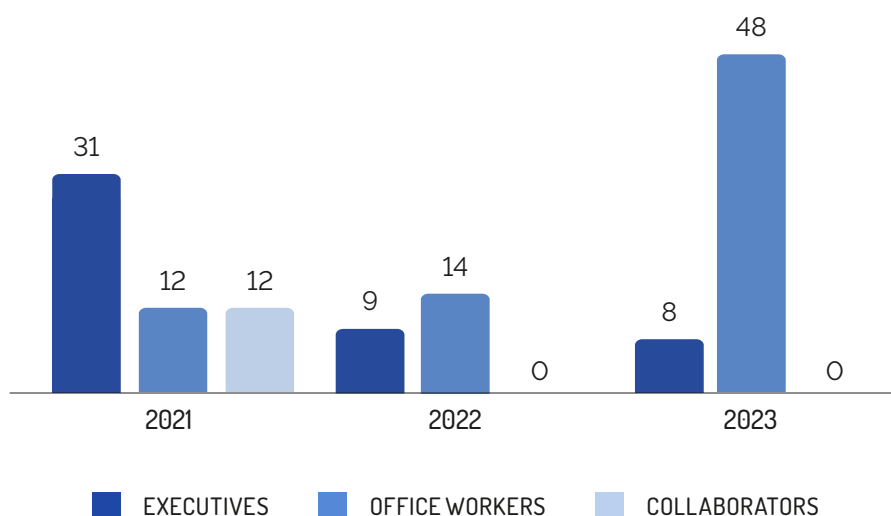


## SHORE-BASED PERSONNEL

In 2023, a total of **1,323 training hours were conducted**, marking a 165% increase per capita compared to 2021. Over the past few years, Carboflotta has enhanced its training pathways, focusing primarily on **innovation, digitalization, and soft skills**.

Specifically, a **survey of training needs** was conducted to monitor internal requirements and adapt training courses to the specific needs of employees.

## HOURS OF TRAINING PER CAPITA - SHORE-BASED PERSONNEL



The types of training courses were based on specific legislative requirements, significant events during the year, and innovation pathways initiated by the Group.

## Training courses for shore-based personnel - 2023

Digitalization and Innovation	Compliance	Technical Courses
<ul style="list-style-type: none"> <li>• Software/Applications (Amos, YOURtime, etc.)</li> <li>• Intermediate and Advanced Excel</li> <li>• Corporate Smart Desk</li> </ul>	<ul style="list-style-type: none"> <li>• TMSA &amp; SIRE 2.0</li> <li>• ISM/MLC 2006 Auditor</li> <li>• Maritime &amp; Navigation Assessor</li> <li>• CIAC</li> <li>• Leg. Dec. 231/01 and New Offences</li> </ul>	<ul style="list-style-type: none"> <li>• Company Security Agent Course - Altec Services S.r.l.</li> <li>• Class Surveyor- Iamsp Academy</li> <li>• STS Screening Process</li> <li>• External Inspector Activities</li> <li>• English</li> <li>• First Aid</li> <li>• Specialized Certificate in Consolidated Financial Statements</li> <li>• Specialized Certificate in Administration, Finance, and Management Control</li> </ul>

Based on similar criteria, a training plan for 2024 has been prepared, including both funded and non-funded options. This plan will delve deeper into sustainability topics and soft skills development.

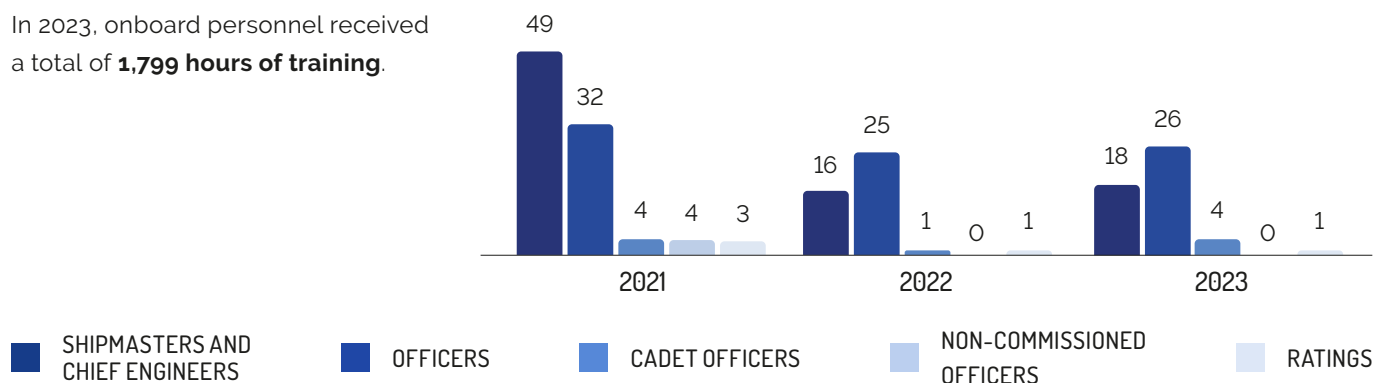
## Training courses for shore-based personnel planned for 2024

Compliance	Soft Skills	Technical Courses
<ul style="list-style-type: none"> <li>• Green Transition</li> </ul>	<ul style="list-style-type: none"> <li>• Change management</li> </ul>	<ul style="list-style-type: none"> <li>• English</li> <li>• Confined Spaces and Work at Height</li> <li>• Company Security Officer - Refresh</li> </ul>

## ONBOARD PERSONNEL

## HOURS OF TRAINING PER CAPITA - ONBOARD PERSONNEL

In 2023, onboard personnel received a total of **1,799 hours of training**.



The Company identifies and monitors the training needs of onboard personnel using the **Crew Competence Management System**. It supports maritime personnel in mandatory training, education,

and refresher activities required by law and company standards. This includes covering participation costs, board and lodging, and providing participants with daily compensation for attendance.

Cadets are ensured to reach 12 months of embarkation to take the final exam and obtain Officer qualification.

## Training courses for onboard personnel - 2023

Health & Safety	Operations	Technical Courses
<ul style="list-style-type: none"> <li>• Advanced Fire-fighting</li> <li>• Medical Care</li> <li>• Cybersecurity Training</li> <li>• Ship Security Officer Course</li> <li>• Theoretical-and practical training to obtain Maritime Able to Use Life-Saving Appliances (MAMS) certification</li> <li>• Specific Training for Work at Heights and Use of Related PPE</li> <li>• Specific Training for Work in Confined Spaces and Recovery of Injured Personnel</li> <li>• Training in the Use of Defibrillators</li> </ul>	<ul style="list-style-type: none"> <li>• High Voltage and Specific Training in the Electronic Chart Display and Information System (ECDIS) developed by the Japan Radio Corporation (JRC)</li> <li>• Ship-Handling</li> <li>• Basic Training Refresher</li> <li>• SIRE 2.0</li> <li>• Maritime &amp; Navigation Assessor</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership and Team Management</li> <li>• Automatic Radar Plotting Aids (ARPA) and Search and Rescue (SAR)</li> <li>• Advanced Shore Training</li> </ul>

The Company provides **specialized human rights training** for all onboard personnel through video-based instruction. This training covers key topics such as multicultural awareness and

handling incidents of harassment and bullying. To ensure the highest level of safety for its onboard personnel, the Company maintains training standards that exceed the minimum requirements set by the

STCW Convention<sup>16</sup>. Courses are conducted either directly by the Company or at training centres approved by the Recruiting Agent.


<sup>16</sup> 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

24%

shore-based personnel  
promoted after review

4%

onboard personnel  
promoted after review

The primary goal of performance reviews is to support professional growth and facilitate the necessary selection process for career advancements.





## SHORE-BASED PERSONNEL

Shore-based employees undergo a structured performance review, typically conducted at the end of the year.

This process evaluates their achievements, individual performance, and professional conduct.

Evaluations are based on constant, ongoing dialogue between the Board of Directors, Executives, and Employees throughout the year.

## ONBOARD PERSONNEL

The performance review for onboard personnel is conducted through structured appraisals completed by shipboard supervisors. These evaluations are shared with the individuals concerned to encourage professional growth through constructive feedback. The Crewing Office maintains regular contact with vessels, overseeing promotions, career advancements, and performance-based incentives to recognize outstanding contributions. The goal is to foster a **merit-based corporate culture**, rewarding employees for their efforts and motivating them for future roles.

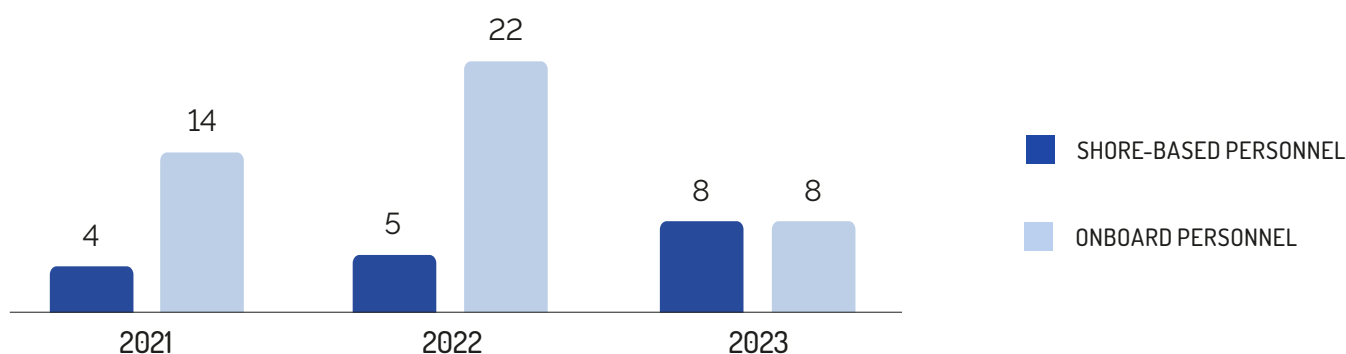
Specifically, the maritime office provides two types of incentives:

- **one-time bonuses and rewards, granted during or after an embarkation contract** for contributions to particularly demanding or complex tasks
- **exceptional performance bonuses, awarded once a year** to key personnel - shipmasters, chief engineers, officers, and cadet officers - based on individual evaluations by corporate management.

In 2023, the company introduced the "**Seafarer Behavioral Competency Assurance Management System**" (CAMS), which became fully operational in 2024. This system assesses the performance of onboard officers with a particular focus on soft skills and human factors.

As a result of performance reviews in 2023, a total of **16 promotions** were awarded - 8 for shore-based personnel and 8 for onboard personnel.

## PROMOTIONS FOLLOWING PERFORMANCE REVIEW



# REMUNERATION POLICIES

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%

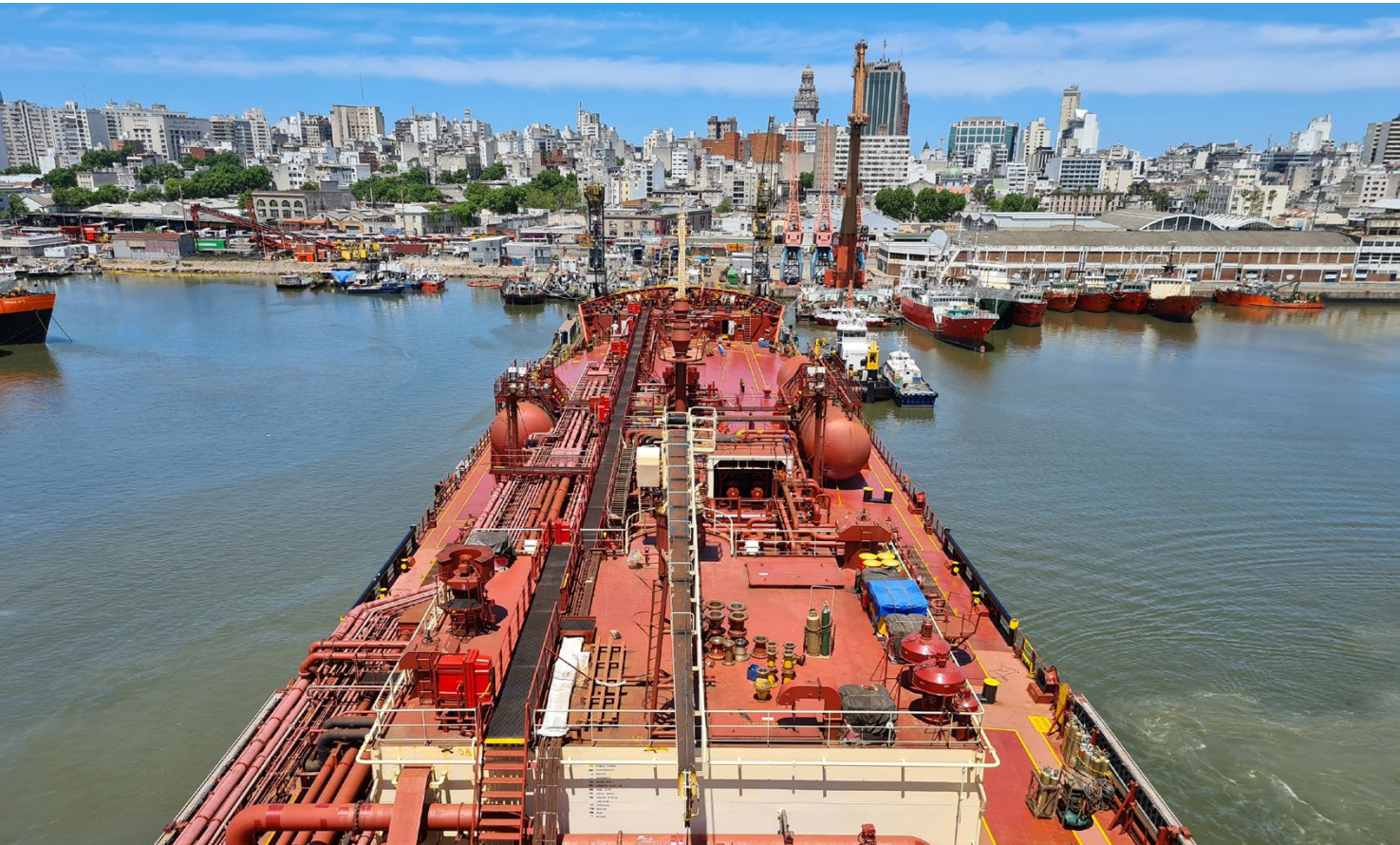
personnel covered by collective bargaining agreements

78%

average increase in remuneration for shore-based personnel hired between 2021-2023 compared to what is stipulated in the Collective Agreements

94%

average increase in remuneration for onboard personnel hired between 2021-2023 compared to what is stipulated in the Collective Agreements

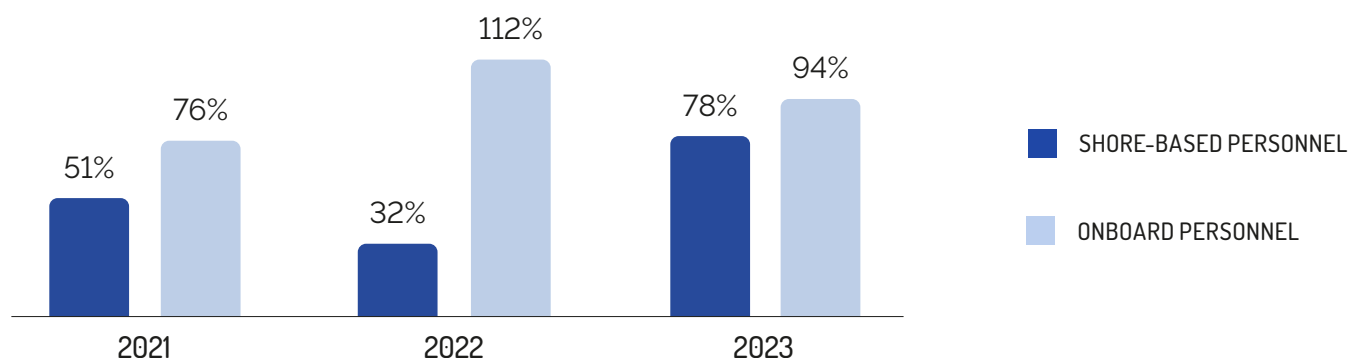


All employees of the Carboflotta Group are covered by **Italian collective bargaining agreements**<sup>17</sup> (CCNL), supplemented by **company-level agreements that provide significant improvements over the standard CCNL terms.**

Specifically, the company-level agreement for seafarers (2021–2023) includes several key benefits:

- higher wages and allowances, with additional pay for navigation duties and work on public holidays
- extra compensation for training courses, overtime, maintenance work (routine and extraordinary), specialized tasks transfers between vessels
- strong support for training and professional development
- comprehensive insurance coverage, with all premiums fully paid by the Company

#### AVERAGE HIGHER REMUNERATION FOR NEW HIRES OVER CCNL RATES



Overall, for shore-based personnel, the employment contracts for new hires during the three-year period provided an **average increase of 54%** above the remuneration established by Collective Agreements, with a peak of 78% recorded in 2023.

For onboard personnel, however, the **average increase was 94%**, with a peak of 112% in 2022.

The Group's commitment to fair compensation is evident in the analysis of pay ratios, which demonstrates the Group's ongoing

efforts to maintain equitable pay distribution across all levels of the organization. In 2023, the ratio between the highest compensation and the median compensation stood at **2.1**, showing a slight decrease from 2021 levels.

<sup>17</sup> For Filipino personnel, the applicable collective bargaining agreement fully complies with Philippine labour regulations

# 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, employees receive a **supplement to their severance pay (TFR)** upon retirement as well as **discounts and special deals** for hotels, car rentals, theatre tickets, and book purchases.

These benefits demonstrate the Group's commitment to addressing individual employee needs, over and above regulatory requirements.



## SHORE-BASED PERSONNEL

Shore-based personnel have access to welfare services through the **dedicated "Staff Welfare" portal**.

Employees are covered by insurance for occupational and non-occupational injuries, with access to supplementary health insurance, and, since 2023, they are also covered by a company-paid insurance policy for general healthcare expenses.

In addition, the Group offers **meal vouchers** worth 8 euros per day and provides **year-end bonuses**. For executives and senior managers, additional insurance

coverage and company cars are provided.

Carboflotta also places great emphasis on the physical and mental health of its employees.

Therefore, it grants **paid leave and unlimited time off for documented medical visits**.

On-site, there is a **break area** with water dispensers, hot beverages, and free coffee. After the pandemic, the company introduced **remote working as a permanent option**, allowing employees to work from home one day per week.

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

Additionally, for shore-based personnel, the Group allows **salary and/or TFR advances upon request**, following special provisions. In 2023, **reimbursements** totalling EUR 31,397 for **utility bills** were offered, in line with the "Aiuti Quater" decree-law.

## ONBOARD PERSONNEL

Carboflotta strongly values its frontline strategic operations team – the onboard personnel – and recognizes the importance of supporting employees beyond just remuneration, focusing also on their **physical and mental wellbeing**.

To this end, it implements various initiatives aimed at enhancing the wellbeing, inclusion and health of onboard personnel, understanding how these elements contribute to personal and professional growth.

All onboard personnel are covered by **insurance policies** for illness, professional risks, accidents, and loss of licence, with additional coverage for Filipino personnel for access to private healthcare.

Carboflotta also prioritizes **onboard catering**, covering costs that exceed the requirements outlined in collective agreements.

Meal services are organized through contracts with top-tier partners, and food choices are tailored to the crew's diverse nationalities.

Onboard personnel have access to a **gym**, onboard internet connectivity, and various entertainment activities.

The company also takes into account individual preferences when planning embarkations and disembarkations.

Based on individual performance reviews, the Group grants an **exceptional performance bonus once a year** to key onboard positions: such as shipmasters, chief engineers, officers, non-commissioned officers and other ratings.

In 2023, this bonus **was extended to all maritime personnel**, regardless of their rank, to counter inflation and compensate for longer-than-usual waiting times for embarkation due to a temporary reduction in the fleet.

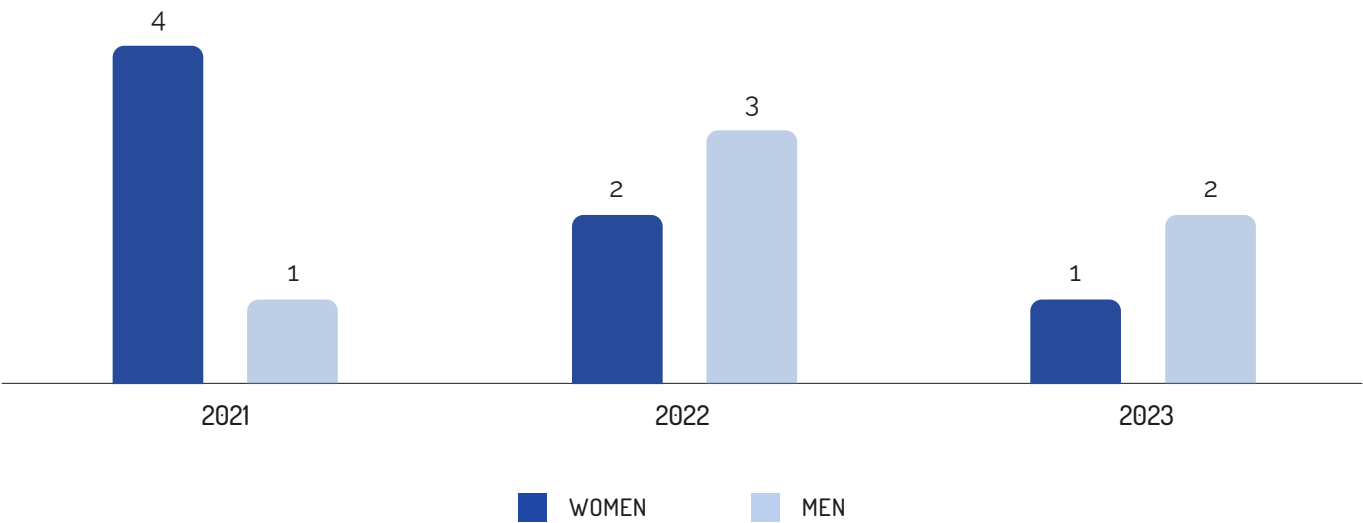
PARENTAL LEAVE

Over the three-year period, 13 shore-based employees<sup>18</sup> (7 men and 6 women) took parental leave,

with 2 women and 1 man still employed by the end of the year.

Specifically, in 2023, 2 men and 1 woman took parental leave.

SHORE-BASED PERSONNEL WHO TOOK PARENTAL LEAVE



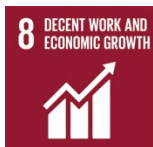
<sup>18</sup> No onboard personnel requested parental leave during the period considered

# HEALTH & SAFETY

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



**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

### 120 hours

of health & safety **training**  
for **shore-based** personnel

**3.6 hours per capita**,  
more than doubled since 2021

### 1,890 hours

of health & safety **training**  
for **onboard** personnel

**10.4 hours per capita**

The Carboflotta Group is committed to continuously **studying, developing and implementing strategies, policies and operational plans** aimed at **preventing accidents, workplace injuries in the workplace and health risks**. The Company also takes proactive steps to prevent any culpable or wilful actions that could cause direct or indirect harm to personnel.

The Group also prioritizes providing **safe working conditions and a healthy environment** that protect employees' physical and moral integrity while respecting their dignity.

**Its health & safety policies align with international regulations, conventions and national laws**, including those transposing and integrating international standards.

Specifically, the Company's safety policy is based on full compliance with the International Safety Management (ISM) code, Italian Legislative Decrees 81/2008 and 106/2009 for shore-based operations, Italian Legislative Decree 271/99, for onboard operations at sea, and Italian Legislative Decree 272/99, for onboard operations in ports.



The safety policy aims to:

- **instil a strong sense of responsibility** among all workers to maintain workplace safety and health standards
- **prevent hazardous actions, accidents, and injuries to onboard personnel, as well**

**as damage to company property and harm to the environment**

- establish clear **occupational safety, hygiene, and prevention guidelines**, including the use of personal and collective protective equipment

- define **safety procedures and protocols to be followed in daily operations**
- conduct regular monitoring to ensure **compliance and effective implementation of safety measures**
- **thoroughly investigate accidents anomalies and near misses** that could potentially cause bodily harm or impair the health of personnel
- **provide personnel with timely, accurate, and comprehensive training, communication, and information on safety matters.**

The company holds **ISO 45001 certification** for occupational health and safety management.

Its **Safety Management System (SMS)** is regularly audited and certified by an external third party.

**The safety measures referred to in the Company's Safety Management System are also extended to non-employee personnel**, ensuring proper familiarization with the vessel, equipment, and potential risks for both them and any passengers on board.

Contractors and subcontractors are also required to comply with all applicable safety standards and regulations.



## RISK ASSESSMENT AND PREVENTION

As required by law and **industry best practices**, all company activities are assessed to identify potential risks. In line with Article 28 of Legislative Decree 81/2008, the Company pays special attention to risks associated with **work-related stress**.

To prevent stress-related risks, Carboflotta follows the European Framework Agreement on **Work-Related Stress** (8 October 2004) and conducts thorough risk factor analysis, considering work organization and processes, working conditions and environment, communication structures, and individual and demographic factors of personnel.

To mitigate work-related stress, the Group monitors key factors, including shift changes, night work, emergency response duties, and repetitive tasks. In 2023, the

following **risk assessments** were updated:

- External technical operations
- Fire risk in office buildings
- Risks connected to remote work

The Company actively involves personnel in risk identification and monitoring, ensuring continuous improvement of the safety management system through:

- health and safety training
- communication and sharing of Company health and safety policies and objectives
- Safety Meetings, where workers submit recommendations for workplace safety improvements
- regular reviews of the Safety Management System (SMS) by Shipmasters
- Management Review report shared with all shore-based and onboard personnel.

Additionally, the Company conducts annual Risk Assessments, involving trained personnel and ensures the election of worker safety representatives to collect reports on hazardous conditions across all ships and offices. If new risks are identified, the provision of Personal Protective Equipment (PPE) is updated to meet operational requirements.

All workers onboard ships, regardless of rank, are required to report hazards and near misses through the **Near Miss Reporting System**.

Anonymous reporting platforms are also available onboard and ashore to prevent retaliation for reporting safety violations<sup>19</sup>.

Near Miss	2021	2022	2023
Total near misses	55	49	41
Near misses per ship	11	11	10

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 impacts on health and safety through change analysis and the implementation of specific preventive measures. **Each major change that occurred during 2023**

- the establishment and start-up of Greenstar Shipmanagement S.r.l. and the acquisition of LPG/C Varoli Piazza - **was managed in accordance with the Change Management procedure**.

<sup>19</sup> Whistleblowing section on page 36

MEDICAL EXAMINATIONS FOR FITNESS TO WORK

Periodic medical check-ups are conducted for both onboard and shore-based personnel to ensure health protection and prevent workplace injuries or occupational illnesses. Workers only receive medical clearance after a fitness

examination. Shore-based and onboard personnel are subject to two distinct legislative decrees. Specifically, onboard personnel fall under **Legislative Decree 271/99 “Medical Officer and Health Surveillance of Maritime**

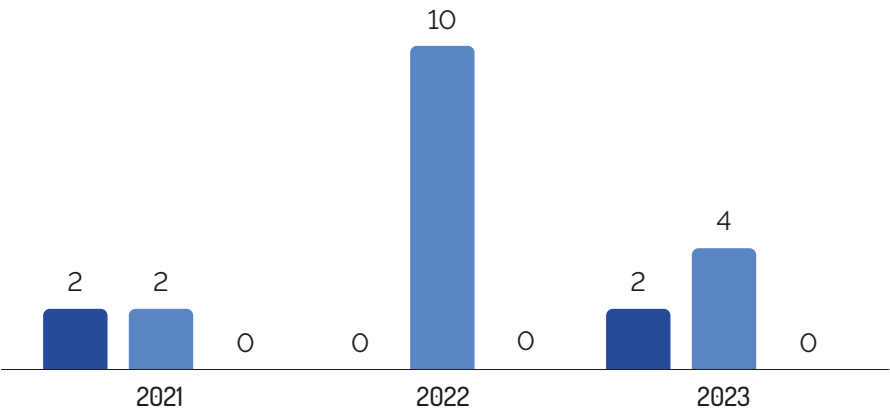
**Workers” (in addition to the provisions of the MLC Convention)** while shore-based personnel are regulated by **Legislative Decree 81/08 “Consolidated Act on Occupational Health and Safety”**.

HEALTH AND SAFETY TRAINING

In 2023, the Company provided **120 hours of health and safety training for shore-based personnel**, including office workers and executives.

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

- EXECUTIVES
- OFFICE WORKERS
- COLLABORATORS

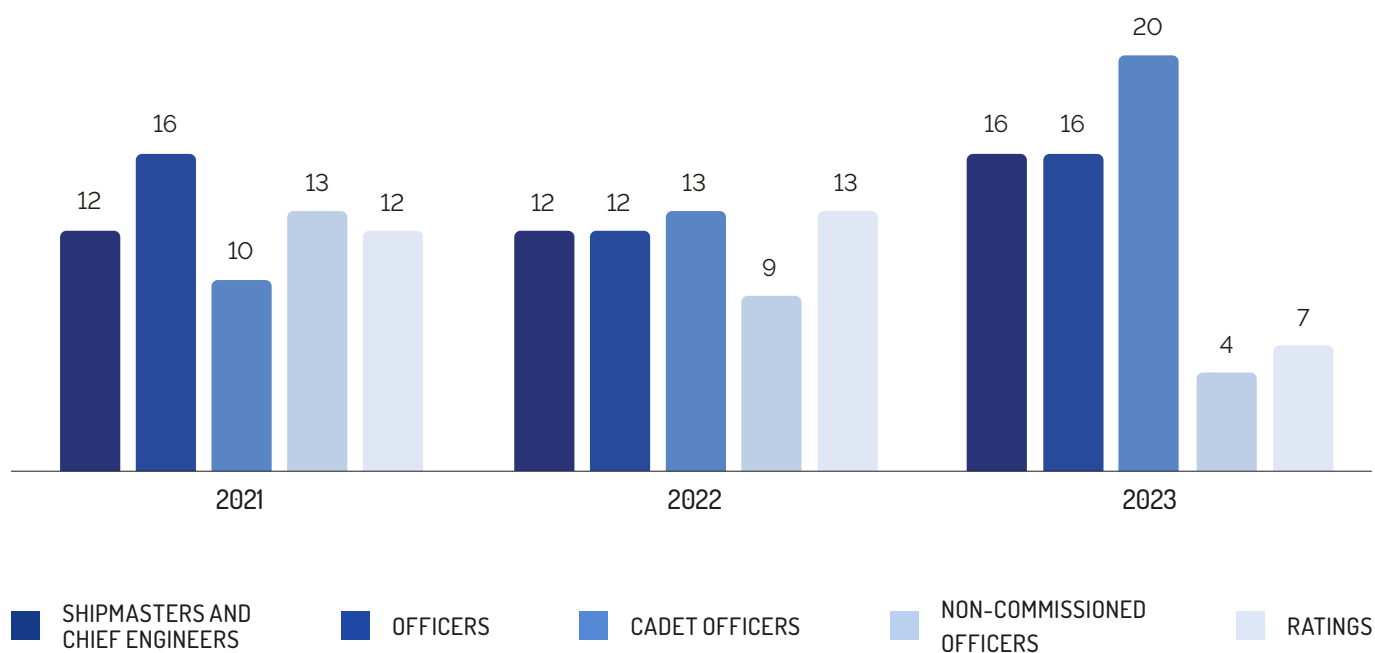


The Company provided **1,890 hours of health and safety training to onboard personnel**. Carboflotta provides all onboard personnel with a dedicated **video-training program** on occupational health and safety.

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

All drills conducted under the supervision of regulatory authorities<sup>20</sup> reported positive outcomes.

#### AVERAGE HEALTH AND SAFETY TRAINING HOURS PER CAPITA - ONBOARD PERSONNEL



<sup>20</sup> Port State Control, United States Coast Guard, Recognized Organizations, Flag States

## ACCIDENTS

Carboflotta consistently promotes initiatives to prevent work-related injuries, aligning with the company's **ZERO ACCIDENT** goal. The company utilizes detailed

investigation reports, safety bulletins, and seminars to share lessons learned from onboard incidents and injuries.

Shore-based personnel	2021	2022	2023
Sick days taken (non-work-related)	218	219	92
Number of employees on sick leave	19	21	17
Work-related injuries and commuting accidents	1	-	0

Onboard personnel	2021	2022	2023
Total exposure hours spent onboard <sup>21</sup>	980,184	934,680	816,144
Lost workdays <sup>22</sup>	1	4	1
Medical treatment <sup>23</sup>	-	3	-
First Aid <sup>24</sup>	9	12	9
Lost Time Injury Frequency <sup>25</sup>	1.02	4.28	1.23
Total Recordable Case Frequency <sup>26</sup>	1.02	7.49	1.23

<sup>21</sup> Total exposure hours represent the cumulative number of hours that all onboard personnel have spent on board the ship during the reference period

<sup>22</sup> Number of injuries preventing onboard personnel from performing their duties or returning to work or working a scheduled shift the day after the injury

<sup>23</sup> Number of cases of injury among onboard personnel requiring medical attention

<sup>24</sup> Number of cases of injury among onboard personnel requiring first aid treatment

<sup>25</sup> This indicator measures the Company's ability to prevent injuries and fatalities. Source: BIMCO - The Shipping KPI Standard V4.0

<sup>26</sup> This indicator assesses overall safety performance, including fatalities, injuries and medical treatment cases. Source: BIMCO - The Shipping KPI Standard V4.0



In 2023, **one maritime injury** occurred during maintenance operations.

All near miss reports were analysed, and feedback was provided to the affected vessels.

**Regulatory authorities deemed all 2023 corrective actions effective and appropriate.**

## SECURITY

The Company's Security Policy is designed to **protect vessels and crew from illegal activities, including terrorism, piracy and other criminal activities.**

In compliance with the International Ship and Port Facility Security (ISPS) Code, the Company conducts annual security risk assessments for each vessel in the fleet.







# CLIENTS

**10 years**

average duration of  
business relationships  
with key clients

**0**

formal complaints  
of the fleet

**98%**

completion rate  
of scheduled  
maintenance  
on critical equipment

**3**

failures and incidents  
over the past three years

**0**

operational  
downtime days

FIGURES AT 31.12.2023

# CUSTOMER RELATIONS



**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

**3**  
**failures and incidents**  
over the past three years

**0** average deficiencies  
per inspection (DPI)

**0** average detention days  
per inspection (DER)

The Carboflotta Group's commercial strategy focuses on establishing and maintaining long-term relationships with clients, built on mutual trust, professionalism, and fairness - key factors for lasting and effective partnerships. This approach is reflected in daily business practices throughout all stages of commercial interactions and vessel management. Traditionally, the company has prioritized multi-year time charter contracts, with voyage charters being rare exceptions.

Carbofin's key long-term clients (approximately 10-year relationships) include:

- **Geogas Trading**, a major global LPG trader with a controlled fleet (owned or chartered) of around 60 gas carriers of varying sizes

- **Geogas Maritime**, a maritime transport and logistics company with clients worldwide
- **Petrobras**, Brazil's leading state-owned oil company.

The duration of commercial relationships is a key indicator of **customer satisfaction**, grounded in the dedicated care provided by both onboard and shore-based personnel and in the direct dialogue between clients and the Company's top management. Another testament to the strength of these relationships is the **joint projects undertaken over time for the construction of new ships and their commercial management**.

This collaborative approach has always been a defining characteristic of the Company.

Notably, between the 1970s and 1980s, Carbofin partnered with Gaz Ocean to form a 50% joint venture, which was later fully acquired by the Carboflotta Group. In the late 1990s and early 2000s, the Company formed a partnership with Norsk Hydro Group - partially owned by the Norwegian state - leading to the creation of Carbonor S.p.A., a dedicated company in the Carboflotta Group.

This **shift from a traditional shipowner-charterer relationship to a more integrated partnership model**, involving joint investments, underscores the Company's **commitment to building strong and mutually beneficial commercial relationships**.



## SERVICE QUALITY

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 business relationship.

This approach helps strengthen relationships and build customer loyalty. Compliance with agreed timelines and operational, environmental, and safety standards are essential elements in determining **service quality**.

Given the multi-year nature of charter contracts, the Company is also committed to ongoing policy updates to ensure **compliance with international regulations**.

## MAINTENANCE

A key factor in ensuring service quality is the meticulous attention given to **maintenance**, which is carefully planned and executed to uphold efficiency and safety

standards while preventing operational disruptions. Fleet maintenance is **crucial for both safety and environmental sustainability**. It is scheduled

based on specific timeframes and operating hours and is managed through the dedicated AMOS management system.

Maintenance	2021	2022	2023
% of maintenance activities on non-critical equipment carried out as scheduled	95.8%	97.3%	97%
% of maintenance activities on critical environmental-equipment carried out as scheduled	96.3%	95.5%	98%

Ongoing maintenance and internal audits - designed to ensure compliance with policies and

procedures - have helped minimize **breakdowns and incidents during the 2021-2023 period**.

Incidents	2021	2022	2023
Navigation incidents	-	1 <sup>27</sup>	-
Onboard incidents	-	-	1
Equipment breakdowns	-	-	1

<sup>27</sup> In 2022, there was an allision between a tug-assisted vessel and a quay



## ONBOARD INSPECTIONS

Further confirmation of service quality is provided by the outcomes of **inspections carried out by maritime authorities** empowered to detain inspected 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 Ship Inspection Report

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

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

Maritime Authority Inspections		2021	2022	2023
Coast Guard (Port State Control)	Average deficiencies per inspection (DPI)	1.4	0.87	0
	Average detention days per inspection (DER)	10	0	0
Ship Inspection Report Programme (SIRE)	Average deficiencies per vetting inspection	4.7	4.8	3.6
Classification Society	Conditions of class found	2	0	0

In 2023, the fleet recorded zero average deficiencies per inspection (DPI)<sup>28</sup> during **Coast Guard** inspections and had no detention days.

SIRE vetting inspections reported an average of 3.6 deficiencies - a 24% reduction from 2021 - while the

**Classification Society** found no deficiencies. **All identified issues were thoroughly analysed, and corrective actions were promptly implemented.**

Overall, thanks in part to brokers who facilitate communication between the Company and clients,

**the Group received no formal complaints regarding fleet performance during the 2021-2023 period.**

<sup>28</sup> Global benchmark of 1.83





# 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

# EUR 152,000

disbursed by the Group **in membership fees and sponsorships**

The Carboflotta Group actively seeks to **improve the quality of life and contribute to the socio-economic development** of the community in which it operates.

This commitment is reflected in its social activities, which are guided by a deep sense of responsibility towards all stakeholders and a belief in the importance of dialogue with civil society.

The Group supports charitable and philanthropic initiatives to assist vulnerable members of the community.

## PARTICIPATION IN INDUSTRY ASSOCIATIONS AND ORGANIZATIONS

### CONFITARMA

Carboflotta is an active member of Confitarma, the **Italian Confederation of Shipowners**, which represents nearly the entire Italian shipping fleet.

It brings together shipping companies and ship-owning groups operating in freight and passenger transport, cruises, and auxiliary services.

All Carboflotta Group service heads actively participate in technical working groups as members or permanent guests.

### BIMCO

Carboflotta Group is a member of **BIMCO, the world's largest international maritime association**,

which is accredited as a Non-Governmental Organization (NGO) to key United Nations bodies.

Representing approximately 65% of global shipping tonnage, BIMCO operates across 120 countries.

## PROPELLER

The Group is part of the Propeller Cultural Association, which fosters dialogue among stakeholders in maritime, land, and air transport

sectors. The association also promotes technical and cultural education, ensuring continuous professional development for

those involved in international and national transportation.

## SOLIDARITY

### TELETHON FOUNDATION

The Group supports **Fondazione Telethon**, a 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. In line with the previous year, in 2023 it decided to renew its commitment with a donation dedicated to the **"Come a casa" (feel at home)**

**programme**, a hospitality project for families of patients who come to Italy for gene therapy treatments. Since the programme's launch in November 2016, **88 families** have benefited from the project, receiving organizational, legal, administrative, psychological, cultural mediation or other types of support. To date, a total of **153 patients** have been treated with gene therapy developed by researchers at the San Raffaele Telethon Institute.

The families involved in the project come from all over the world. So far, over **43 countries** are represented, both European and non-European, including Bolivia, Egypt, Syria, Palestine, Venezuela and Colombia.

The Group was led towards this choice by the values that unite Carboflotta and Telethon, the importance of investing in research and innovation, and support for projects that create a positive impact for the community.

### KIDNEY DISEASE FUND (GASLINI HOSPITAL)

The Fund works for **prevention, assistance, and study in the field of children's kidney diseases**.

It offers economic and logistical assistance to families of young

patients in the Nephrology, Dialysis, and Transplant Department of the G. Gaslini Institute in Genoa. It purchases cutting-edge diagnostic equipment for the same Department, often

through specific fundraising initiatives. Carboflotta regularly supports the Fund during its annual Christmas campaign.



## PORTO DEI PICCOLI

The "Porto dei Piccoli" Association, established in 2005, aims to bring the sea and port culture to all children and youth facing illness, using play to help them rediscover moments of serenity and recreation. The project started in a department of the Gaslini Institute in Genoa,

and has since involved **over 270,000 children and young people across various Italian regions** during its **19 years of activity**. It has also collaborated with major Italian paediatric centres. "Porto dei Piccoli" supports all children regardless of condition,

**focusing on the entire family unit**. It provides free, year-round professional support through donations from many friends and supporters.

## 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, the heritage of professionalism, strategic and organizational skills**, and technical innovation that have characterized

the great tradition of Genoese shipping - representing a factor of economic, social and cultural development for the City - become an inspiration for young people.

### ITALIAN INSTITUTE OF NAVIGATION

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

and companies to promote the development and dissemination of the technical-scientific culture of navigation (maritime, terrestrial,

aerial and spatial) and provide information on the industry's legal, judicial, management and economic aspects.

### ITALIAN ENVIRONMENT FUND ETS - FAI

Carboflotta supports the **Italian Environment Fund ETS (FAI - Fondo Ambiente Italiano)**, an Italian not-for-profit foundation dedicated

to protecting Italy's historical, artistic, and natural heritage through the support of individuals, businesses, and institutions. Since

1975, FAI has been committed every day to **protecting the beauty of our country and sharing it with Italians of today and tomorrow**.

### MUS-E ITALIA ONLUS FOUNDATION

The **Mus-e Italia Foundation** was created thanks to the commitment and dedication of a group of people convinced that **Arts and Beauty** can be **vehicles for social**

**change, promoting inclusion and combating educational poverty**. The Foundation's governance carries out its duties on a voluntary basis, with the sole objective of

spreading the Mus-e Programme as widely as possible throughout Italy. The Carboflotta Group has been supporting the Foundation with an annual recurring donation since 2008.



# ENVIRONMENTAL VALUE

FIGURES AT 31.12.2023





**777,239 tons**

Liquefied Petroleum  
Gas transported

**30% down** since 2022

**0.11 t per tonne mile**  
overall energy efficiency  
of the fleet

**58,379 tCO<sub>2</sub>e**

total GHG emissions

**33% down** from 2022

**2 tCO<sub>2</sub>e per EUR 1,000**

overall emission  
efficiency, a **45%**  
improvement  
since 2021

**426 m<sup>3</sup>**

total waste produced  
by the fleet

**24% down** since 2021

**92%**

proportion of waste  
discharged and disposed  
of on land

**11.2 million litres**

seawater distilled  
onboard

**10% down** since 2021

**0.86 million litres**

potable water withdrawn  
in port

**43% down** since 2021

**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  
system** compliant with the  
Ballast Water Management  
Convention, Vessel  
General Permit 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** and manages its activities in compliance with **numerous and diverse regulations**, which also vary depending on the **geographical 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 defence 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 of 1990 (OPA)
- 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 agency** responsible for ensuring the safety and security of maritime shipping and preventing marine and atmospheric pollution by ships.

Membership in the IMO requires compliance with specific standards. As an inherently global industry, shipping can only function effectively if regulations and standards are internationally agreed upon, adopted, and implemented.

IMO directives cover all aspects of international shipping, including ship design, construction, equipment, manning, operations, and decommissioning.

**The overarching goal is to ensure that the maritime sector is safe, environmentally responsible, and energy efficient.**

The 2023 **IMO Strategy on Reduction of GHG Emissions from Ships**<sup>29</sup> outlines four key levels of ambition:

- Reducing carbon intensity of ships through further improvement of the energy efficiency with the aim of strengthening the energy efficiency design requirements for new ships
- Setting a target for reducing CO<sub>2</sub> emissions per transport work, as an average across international shipping, by at least 40% by 2030, compared to 2008
- Increasing uptake of zero or near-zero GHG emission technologies, fuels and/or energy sources to represent at least 5% striving for 10% of the energy used by international shipping by 2030
- Peaking GHG emissions from international shipping as soon as possible and reaching net-zero GHG emissions by or close to 2050, taking into account different national circumstances, whilst pursuing efforts towards phasing them out as called for in the Paris Agreement.

<sup>29</sup> Strategy on reduction of GHG emissions from ships 2023 – IMO



## MARPOL

The International Convention for the Prevention of Pollution from Ships (MARPOL) was adopted at IMO on 2 November 1973, and later amended by protocols in 1978 and 1997. It consists of six annexes that regulate

the **prevention and control of pollution** caused by oil (crude oil and fuel oil), noxious liquid substances in bulk, harmful substances carried by sea in packaged form, sewage from ships, garbage from ships

and air pollution from ships, including ozone depleting substances, nitrogen oxide (NO<sub>x</sub>), sulphur oxide (SO<sub>x</sub>), 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 the discharge of pollutants into the waters of the United States. It was completely rewritten in 1972, becoming a crucial piece of federal environmental legislation.

Its laws and regulations are primarily administered by the United States Environmental Protection Agency (EPA). Under the Clean Water Act, major programs were developed to

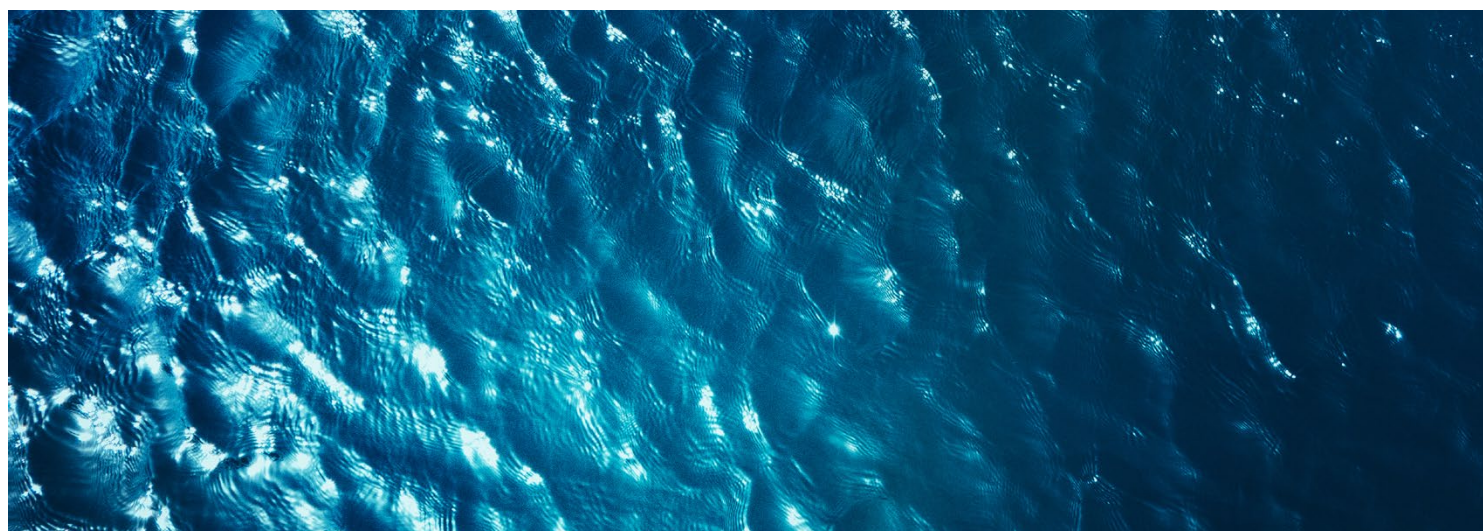
**prevent pollution and to regulate all pollutants in the sea and waterways**, including:

- **Oil Pollution Act of 1990 (OPA):** streamlined and strengthened EPA's ability to prevent and respond to catastrophic oil spills.
- **Vessel General Permit (VGP):** legislation to regulate effluents and potential pollutants from vessel operations.

VGP requirements include an initial declaration/certification, a program of specific checks and inspections

and an annual report to the Environmental Protection Agency. On 26 February 2024, Carboflotta published its "VGP Annual Report" as required by the above-mentioned regulations, detailing the environmental management of Carbofin vessels in U.S. waters.

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



# ENVIRONMENTAL POLICY

The Carboflotta Group considers **environmental management** not only a matter of regulatory compliance but also a **key factor in its competitiveness** and **contribution to sustainable development**.

In line with this principle, the Company:

- implements and continuously improves an **Environmental Management System (EMS)** that clearly defines responsibilities, processes, and procedures for both shore-based personnel and onboard crews
- conducts internal and third-party **audits** to ensure compliance with policies, procedures, and best practices
- takes **corrective actions** to promptly address any non-compliance issues
- allocates the necessary financial and human resources to **maintain and ensure proper operation** of ship machinery and equipment, preventing pollution and environmental damage
- **does not adopt incentives or bonus policies as cost-cutting measures that compromise maintenance, repairs or environmental protection**, ensuring that employees do not fail to carry out these operations at the expense of environmental protection
- **constantly monitors** operational activities to prevent, eliminate and mitigate environmental risks
- **avoids** technical solutions that could **endanger** public health or the environment and regularly assesses potential risks
- **regularly reviews** the effectiveness of its environmental management processes
- selects **qualified suppliers** who adhere to the company's Code of Ethics, including environmental standards
- ensures **compliance** with all mandatory and voluntary **environmental regulations** for all company processes
- **tracks waste generation**, hazardous substances use, and energy consumption to optimize resource efficiency
- Monitors internal and external **noise levels** generated by ship operations
- promotes **responsible resource use** and, where feasible, prioritizes renewable energy sources
- facilitates the **exchange of information** between headquarters, ship personnel, the Company and stakeholders, relevant third parties and suppliers to enhance environmental policy implementation
- establishes **training** programs to ensure all personnel, including suppliers and external contractors, are well-informed about their environmental responsibilities and are capable of putting them into practice.

## ANALYSIS OF ENVIRONMENTAL ASPECTS AND IMPACTS

In accordance with its **Environmental Management System (EMS)**, Carbofin conducts an annual **environmental analysis**, assessing the **company's activities**

**and their potential environmental and social impacts**. This analysis is regularly updated to reflect changes in economic, geopolitical and regulatory conditions.

It serves as the foundation for updating the Group's environmental policy.

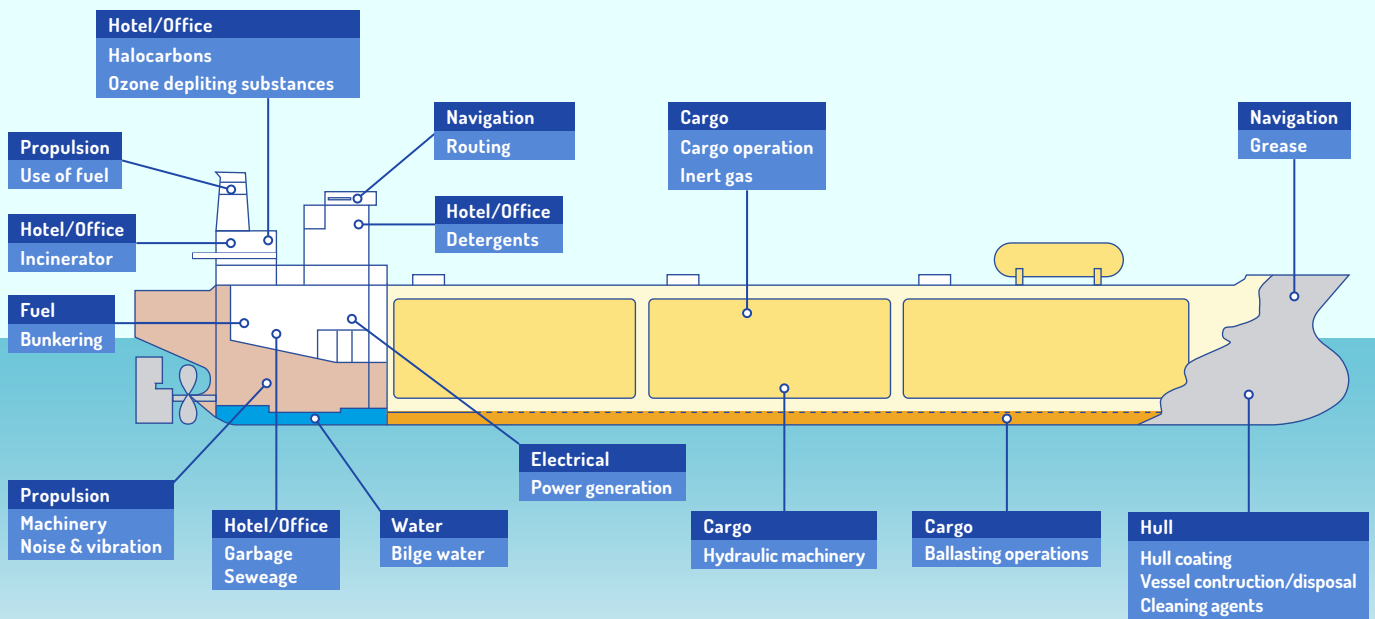
### KEY ENVIRONMENTAL ASPECTS AND IMPACTS

..... ○

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

- gas emissions
- onboard water cooling and wastewater systems
- discharge of wastewater into the sea
- bilge water discharge
- solid and special waste disposal
- ballast water management
- biofouling
- deck washdown and anti-fouling runoff
- maintenance of underwater ship structures
- use of paints, solvents and chemicals
- foam and chemical powder use in firefighting
- boiler blowdown
- hold effluent
- fire system drainage
- lubricant discharge from rudder
- stern tube oil discharge
- small boat engine emissions
- wet exhaust discharge
- resource consumption
- noise pollution
- end-of-life ship recycling





The **impact assessment** follows formalized procedures and management practices outlined in company documents, including:

- 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.

**Carbofin maintains strict oversight of fleet operations** through its Crewing and Technical Offices, and its Safety, Quality, and Environment Department, ensuring the highest quality of services and protection of the marine environment.

**All crew members undergo extensive environmental training** to ensure compliance with regulations and company procedures.

Before embarking, every crew member signs a **MARPOL**

**declaration** agreeing to comply with the Company's environmental regulations and procedures and to report any violations of environmental laws.

To reinforce compliance, the Group has implemented an Open Reporting System, **an anonymous reporting channel** accessible to crew members, passengers, visitors and shore-based personnel to report any environmental breaches observed on board.

# 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

**225,000**  
nautical miles sailed

**777.2 tonnes**  
Liquefied Petroleum  
Gas transported

**18,500 tonnes**  
fuel consumed  
by the fleet

**0,11 t per tonne mile**  
overall energy efficiency  
of the fleet

**298.2 GJ**  
energy consumption of offices

## SHIP ENERGY CONSUMPTION

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

While all Carbofin vessels operate under time-charter contracts, meaning the company does not directly purchase fuel (as this is the charterer's responsibility), a **comprehensive environmental**

**conservation program and a Ship Energy Efficiency Management Plan (SEEMP) are in place across the fleet.** These initiatives focus on reducing electricity and fuel consumption through targeted measures.

Each vessel's fuel consumption, distance travelled, and encountered weather conditions

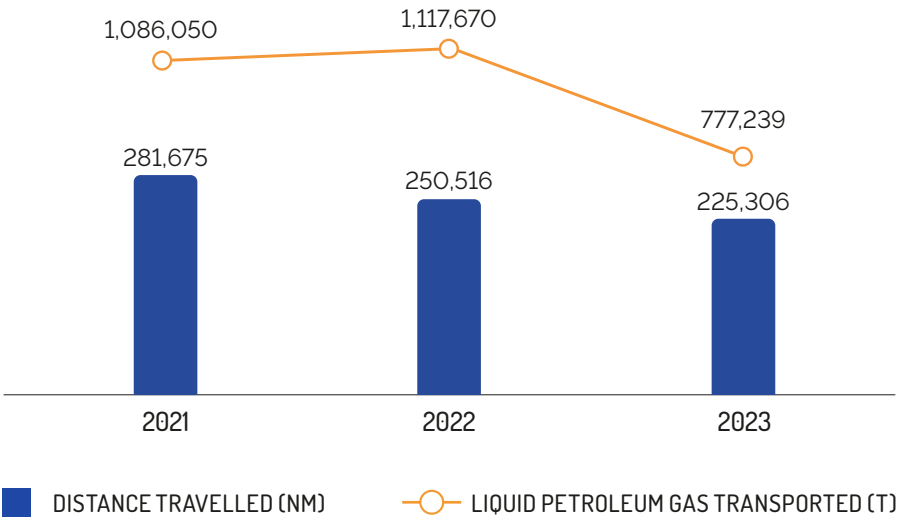
are **continuously monitored to optimize performance of the ship and its machinery.**

A comprehensive maintenance program for the main engine, auxiliary engines, onboard machinery and hull ensures optimal performance while reducing fuel consumption.

In 2023, the company's fleet covered **225,306 nautical miles** (20% less than 2021) and transported a total of **777.2 thousand tonnes of LPG** (28% less than 2021).

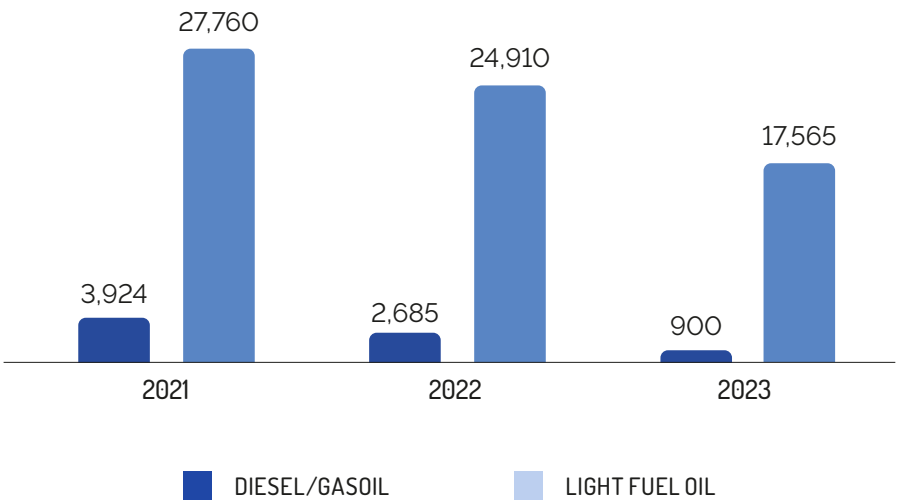
This reduction in both nautical miles travelled and cargo transported is attributable to a decrease in fleet size.

OPERATING PERFORMANCE



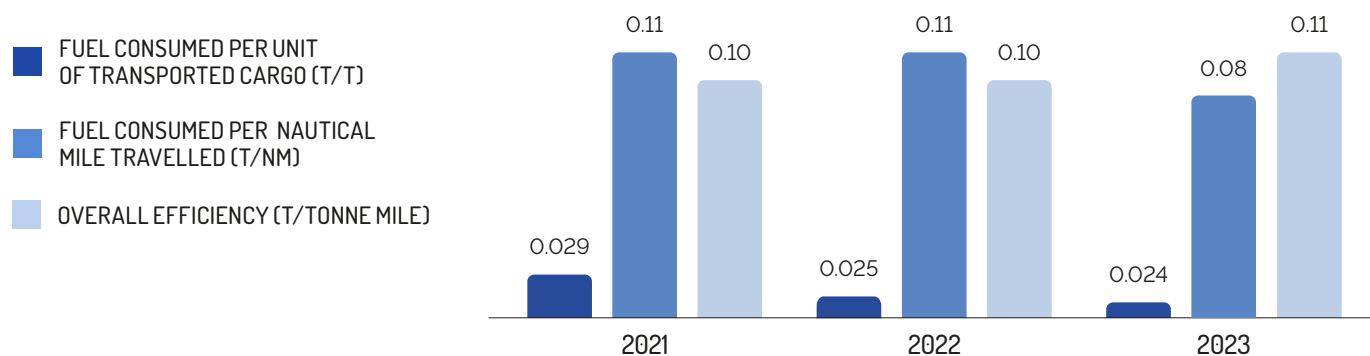
In 2023, total fuel consumption reached 18,500 tonnes, consisting of 5% Diesel/ Gasoil and 95% Light Fuel Oil. Compared to 2021, overall fuel consumption decreased by 42% due to fleet downsizing and **ongoing efficiency improvements**.

FUEL CONSUMPTION (T)





## ENERGY EFFICIENCY

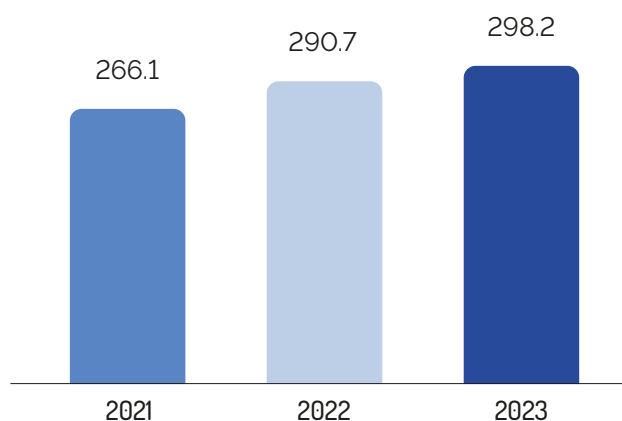


## OFFICE ENERGY CONSUMPTION

## OFFICE ENERGY CONSUMPTION (GJ)

Between 2021 and 2023, following the return to office operations after COVID-19, electricity consumption - the main energy use - increased by 12%, reaching 298.2 GJ.

**In 2022 the Group initiated a feasibility study to explore increasing renewable energy sourcing as from 2025.**




# EMISSIONS

SDGs


9

INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



13

CLIMATE  
ACTION



**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

58,347 tCO<sub>2</sub>e

fleet emissions (Scope 1)  
(42% down dal 2021)

31.6 tCO<sub>2</sub>e

office emissions (Scope 2)  
(12% up since 2021)

33% down dal 2021

total GHG emissions  
(58,379 tCO<sub>2</sub>e in 2023)

2 tCO<sub>2</sub>e per EUR 1,000

overall emission efficiency  
(improved by 45% since 2021)

## IMO REGULATIONS FOR FLEET ENERGY EFFICIENCY



The International Maritime Organization (IMO), under MARPOL Annex VI, introduced two key regulatory measures: the Energy Efficiency Existing Ship Index (EEXI) and the **Engine Power Limitation (EPL)**, which came into force on 1 January 2023. The **EPL** limits maximum engine power output, improving energy efficiency while reducing fuel consumption and CO<sub>2</sub> emissions.

Additionally, the **Carbon Intensity Indicator (CII)**, introduced in 2023, rates ships (A–E) based on operational efficiency, encouraging further fuel consumption savings.

EEXI compliance measures include: **Overridable Power Limitation (OPL)**, which reduces engine power and speed (can be deactivated in emergencies) and **Shaft Power Limitation (SHaPoLi)** that restricts power transmission to the propeller.

The Company's fleet compliance measures: "Pertusola" (EEXI system) | "Enrico Fermi" software adapted to existing equipment | "Luigi Lagrange" and "Alessandro Volta" mechanical system that limits fuel pump flow, reducing both speed and emissions.

## SHIP EMISSIONS – SCOPE 1

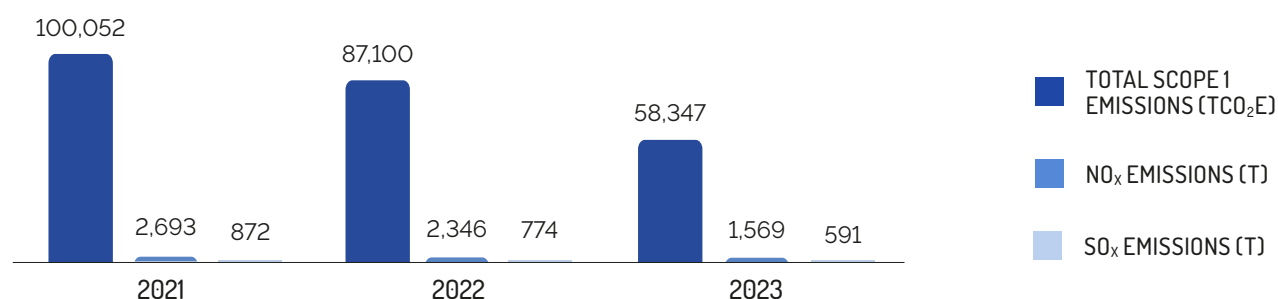
Fleet emissions are regularly measured and monitored.

**In 2023, total Scope 1 fleet emissions were 58,300 tonnes of CO<sub>2</sub>e, a 42% reduction from**

**2021**, driven by lower mileage, reduced cargo volumes and decommissioning of the high-consumption vessel "Marigola".

NO<sub>x</sub> and SO<sub>x</sub> emissions also declined, with 1,569 tonnes of NO<sub>x</sub> emissions (42% lower than in 2021), and 591 tonnes of SO<sub>x</sub> emissions (32% lower than in 2021).

### FLEET EMISSIONS

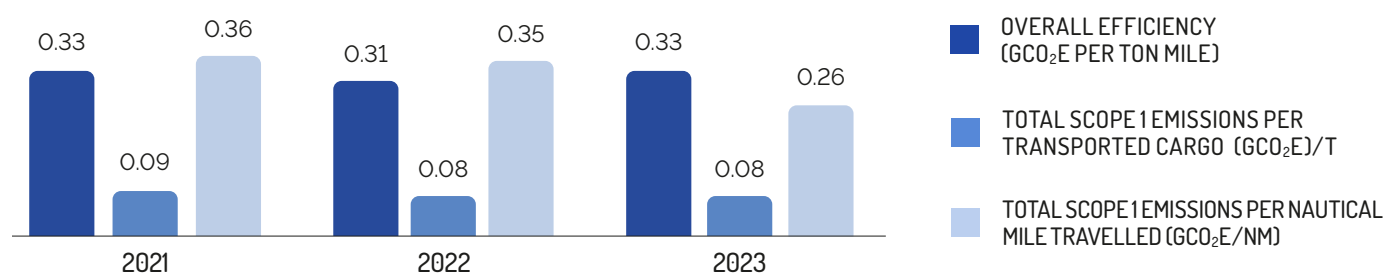


The fleet's emission efficiency, measured by comparing Scope 1 emissions to total transported cargo, nautical miles travelled and

tonne-miles (cargo × distance) **improved significantly between 2021 and 2023**. Scope 1 emissions per transported tonne decreased

by 18.5%, Scope 1 emissions per nautical mile decreased by 27%, and **overall efficiency (gCO<sub>2</sub>-e/ton mile) improved by 2%**.

### FLEET EMISSION EFFICIENCY



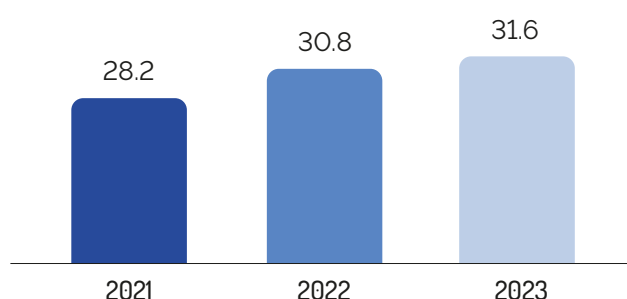


## OFFICE EMISSIONS – SCOPE 2

Scope 2 emissions are GHG emissions from electricity consumption.

In 2023, these emissions reached 31.6 tCO<sub>2</sub>e, a 12% increase over three years due to the return to office-based work after COVID-19.

SCOPE 2 EMISSIONS (tCO<sub>2</sub>e)



## TOTAL GREENHOUSE GAS (GHG) EMISSIONS

Overall, in 2023, the Group's total GHG emissions amounted to

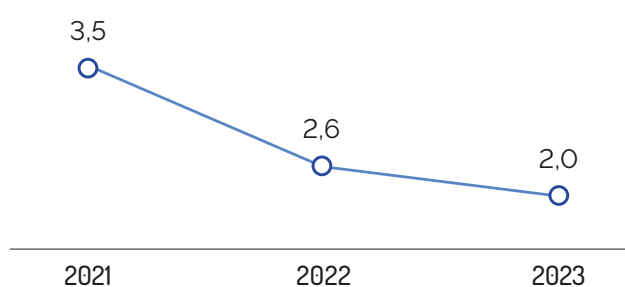
58,379 tCO<sub>2</sub>e, representing a **33% reduction from 2021**.

Total GHG Emissions	2021	2022	2023	2021 - 2023
Scope 1 Emissions	100,052	87,100	58,347	-41.7%
Scope 2 Emissions	28.2	30.8	31.6	+12%
<b>Total GHG Emissions</b>	<b>100,080</b>	<b>87,130</b>	<b>58,379</b>	<b>-33%</b>
<b>Emission Efficiency (tCO<sub>2</sub>e per EUR 1,000)</b>	<b>3.5</b>	<b>2.6</b>	<b>2</b>	<b>-45%</b>

Overall emission efficiency, calculated as the ratio of total GHG emissions to revenue expressed in thousands of euros, **improved by 45% compared to 2021**.

This improvement is primarily attributed to decreased miles travelled, reduced transported cargo and decommissioning of the high-consumption vessel "Marigola".

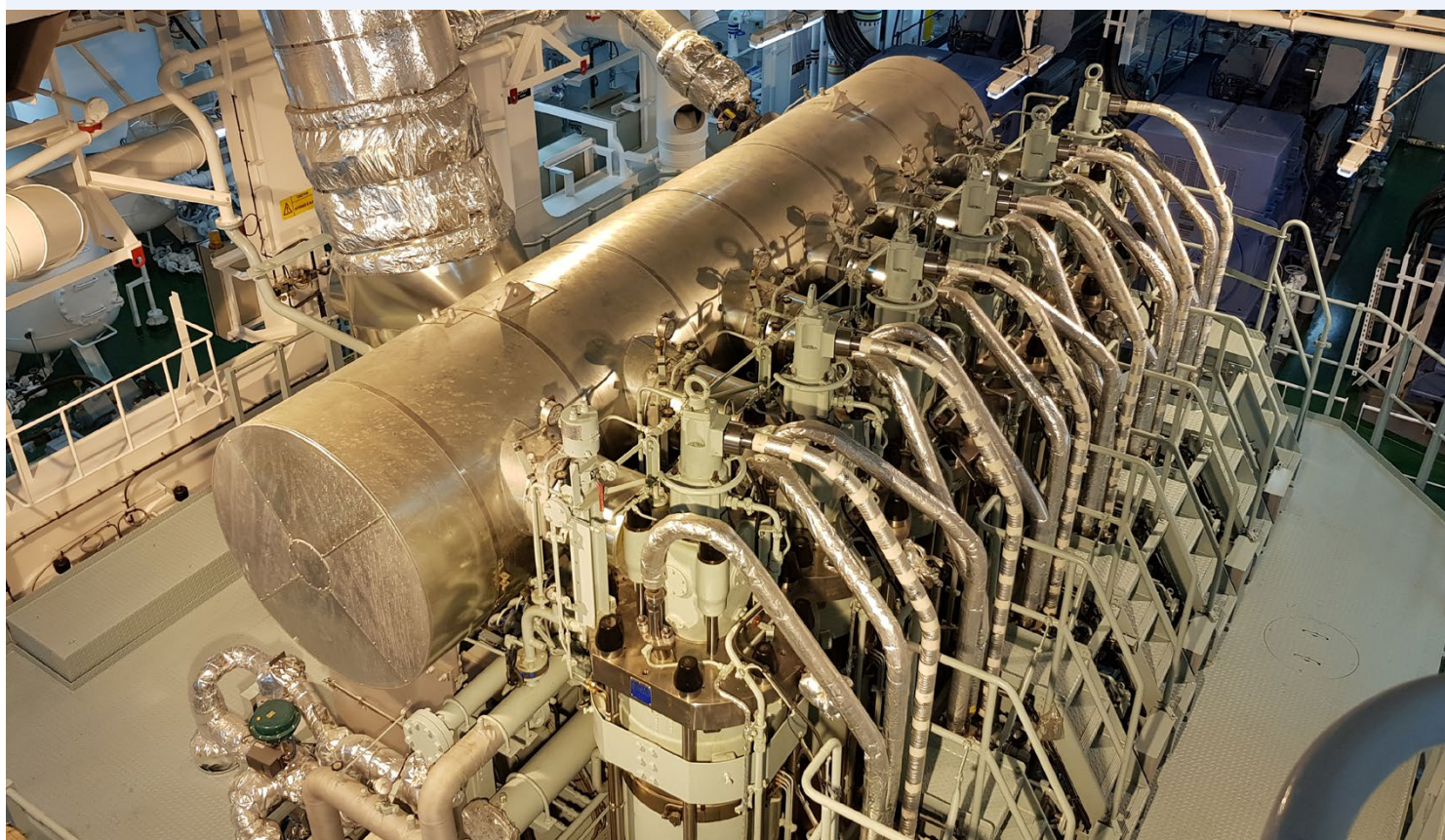
EMISSION EFFICIENCY (tCO<sub>2</sub>e PER EUR)



## GHG EMISSIONS – GREENHOUSE GAS PROTOCOL

The Greenhouse Gas Protocol (GHG) establishes a framework for classifying company emissions, quantification methods, and disclosure guidelines. It categorises greenhouse gas emissions into three main scopes based on their direct or indirect origin relative to the company's operational boundaries:

- **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 associated with the use of fossil fuels to power company vehicles or boilers for heating or production. They also include emissions from company-owned transport vehicles powered by fossil fuels, as well as those from refrigerant gas leaks from cooling systems.
- **Energy indirect (Scope 2) Emissions\*** – These are indirect emissions generated in 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. For example, they include emissions from: purchased goods/merchandise/services; employee mobility and business travel; waste disposal.



\* The Carboflotta Group specifically measures and monitors GHG emissions for Scope 1 (ships) and Scope 2 (offices) produced by its activities



# 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



The Company's waste management strategy goes beyond **MARPOL compliance**, implementing **advanced monitoring and management systems and investing in continuous improvements** for waste separation, compaction, and the return of packaging materials.

Waste is managed in accordance with the Waste Management Plan, and all waste is logged in the onboard *Waste Record Book*.

Control measures are in place to ensure that waste treatment - particularly for solid and special waste - complies with MARPOL regulations and the Company's Environmental Management System (EMS) procedures.

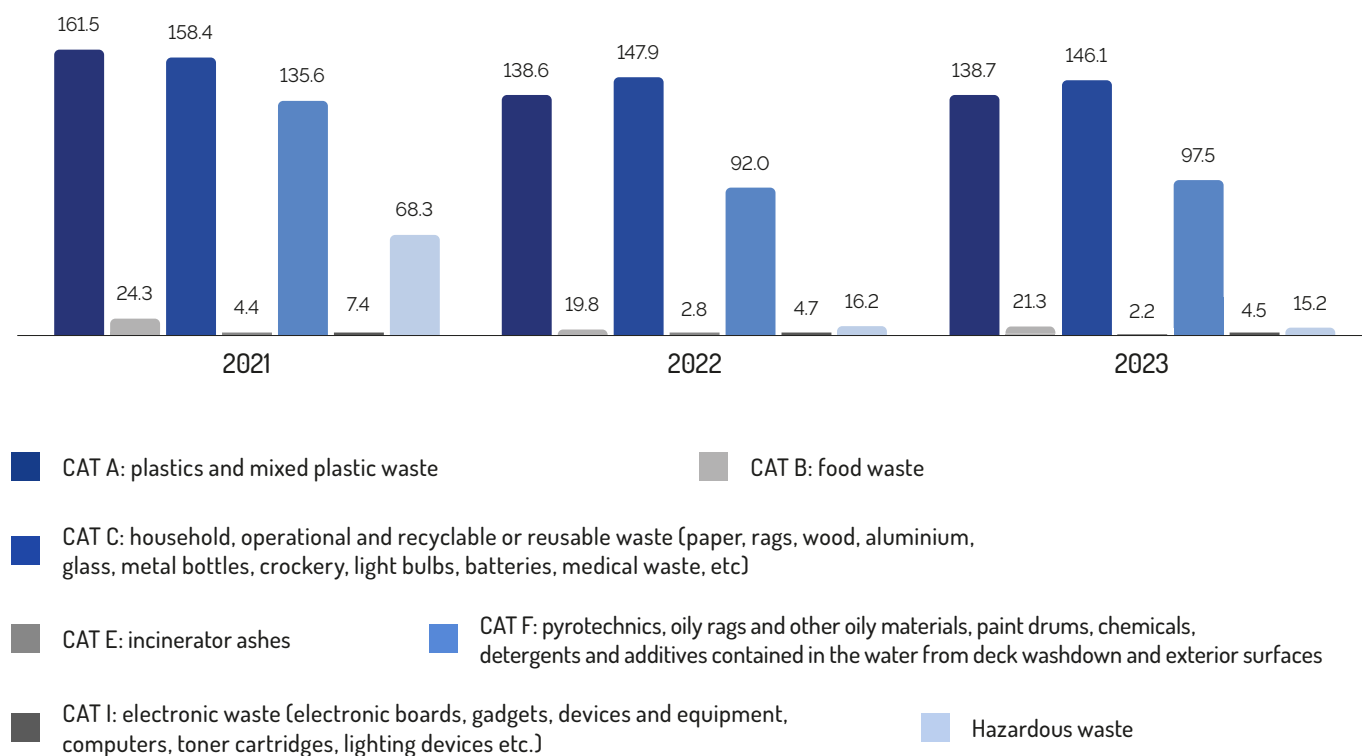
As part of its improvement objectives, the Company is actively working to reduce the consumption of single-use plastics (SUP) onboard its ships.

**In 2023, the fleet generated 425.5 m<sup>3</sup> of waste, a 24% reduction compared to 2021.**

Waste primarily falls into the following categories: household, operational, and recyclable (CAT C: 34.3%); plastic (CAT A: 32.6%); and waste from pyrotechnic material, oily materials, paints, detergents, and additives (CAT F: 23%).

Hazardous waste amounted to 15.2 m<sup>3</sup>, representing a 78% decrease from 2021.

## WASTE PRODUCED (M<sup>3</sup>)



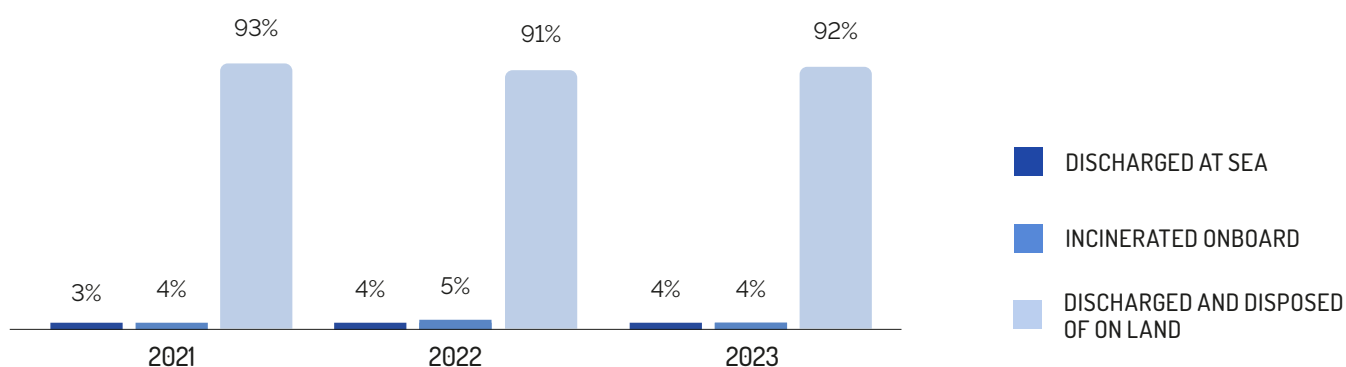


In line with regulatory requirements, 4.5% of waste (CAT B food waste only) was discharged at sea, 3.8% of certain types of solid waste in

CAT C and CAT F were incinerated onboard and the remaining **91.7% was discharged and disposed of on land.**

The proportions of these waste management methods have remained consistent over the past three years.

## WASTE DISPOSAL



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

## ONBOARD INCINERATION

MARPOL requires onboard incinerators to be type-approved for the treatment of solid waste (except for cargo residue, PVC, toxic or heavy metal residues and other pollutants) and sludge, which is a byproduct of machinery operation and the purification of fuel and lubricating oil.

Under the Convention, the incinerator can always be used except in ports and estuaries.

**The Company's incineration practices are more restrictive than MARPOL requirements**, and include:

- limited incineration of sludge and paper
- incinerator use only in open seas and not within Emission Control Areas (areas designated by the IMO subject to a restrictive emissions regime).

The Company's environmental policies prioritize land-based disposal of sludge and oily residues, rather than onboard incineration, minimizing the environmental impact of emissions into the atmosphere.

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**. Food waste is shredded to pass through a 25 mm grid before disposal.

Under the Convention, **shredded food waste** can be discharged if the ship is three nautical miles or more from land and outside of defined

"special areas" or 12 nautical miles or more from land if inside a special area. **Food waste not shredded** can only be discharged at sea outside the special areas, 12 nautical miles or more from the nearest land.

The Company's **environmental management system is more restrictive than the MARPOL requirements** in this case as well.

It specifically recommends shredding all food waste before discharging it into the sea to ensure better environmental integration and decomposition.

## DISPOSAL ON LAND

To minimize onboard waste volumes and improve storage and disposal management at land-based facilities, **the Company's**

**ships are equipped with a solid waste compactor**. A local control panel monitors the equipment's operation and has an emergency

stop function that can be activated if any problems or emergencies occur.

## END-OF-LIFE CYCLE

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

This ensures environmentally responsible end-of-life and decommissioning practices, prioritizing environmental

protection, health, safety and ethical considerations.

## WASTE MANAGEMENT IN OFFICES



The Group's offices take part in "RiVending", an initiative led by **CONFIDA** (Italian Vending Association), **COREPLA** (National Consortium for the Collection and Recycling of Plastic Packaging), and **UNIONPLAST** (National Union of Plastic Processing Industries – Rubber and Plastic Federation).

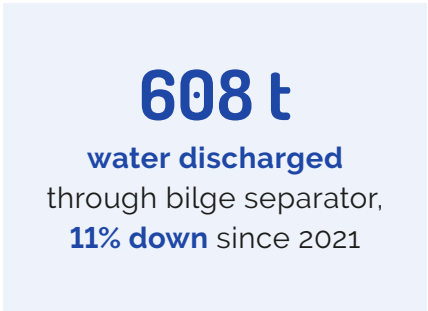
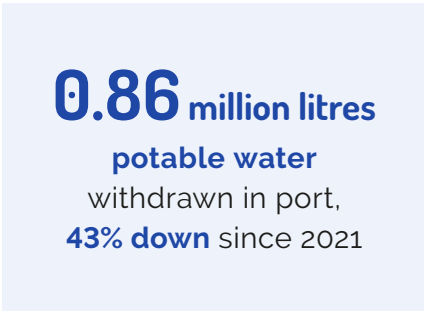
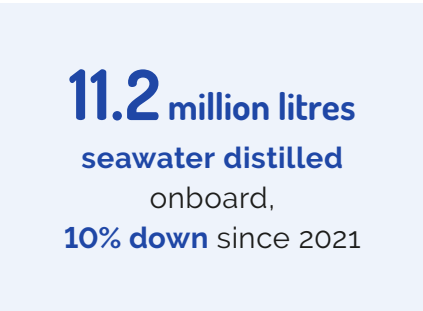
This program establishes a closed-loop recycling system for plastic cups and stirrers used in vending machines. This two-phase initiative involves **placing dedicated bins and running awareness campaigns and then replacing standard plastic bags with RiVending's green-and-blue bags for separate collection**.

# 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

## CONTRIBUTO DI CARBOFLOTTA AGLI SDGS DELL'AGENDA 2030 ONU



## WATER WITHDRAWALS

Seawater is a vital resource for the Company's operations. It serves as the primary source of water for maritime personnel and plays an

essential role in cooling onboard machinery, cleaning activities, and fire safety systems.

Below is an overview of the key seawater withdrawal activities carried out onboard.



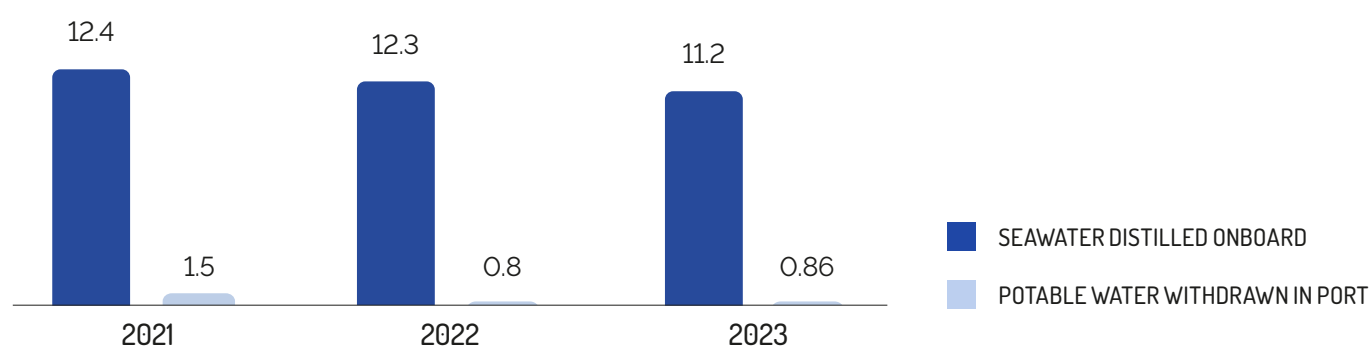
## POTABLE WATER CONSUMPTION ONBOARD

The Company obtains potable water either by distilling seawater onboard or sourcing it from ports. In 2023, potable water consumption totalled 12 megalitres: 11.2

megalitres were distilled onboard (92.8%, a decrease of 9.8% from 2021) and 0.86 megalitres were withdrawn in port (7.2%, a decrease of 43.4% from 2021).

During the three-year period under review no potable water was withdrawn from areas under high water stress<sup>30</sup>.

### POTABLE WATER CONSUMPTION ONBOARD BY SOURCE (MEGALITRES)



<sup>30</sup> The classification of high and extremely high water-stress areas was based on data from the World Resources Institute



## COOLING SYSTEM

Seawater is used in heat exchangers to cool propulsion and auxiliary mechanical systems.

Seawater circulates in a closed-loop system that does not come into

direct contact with machinery but may still contain sediments, hydraulic and lubricating oil traces, and metal particles leached or eroded from the piping system.

To maintain efficiency and comply with biofouling management protocols, the Company regularly **monitors, cleans, and maintains** cooling filters and pipelines.

## FIRE SAFETY SYSTEM

**Shipboard firefighting pumps draw seawater through sea intakes** supplying fire hose stations and fire suppression systems.

Onboard firefighting systems may also be used for **secondary purposes**, such as deck and equipment washing, machinery cooling, ballast tank filling and supplying foam inductor systems.

The discharge of fire suppression wastewater into protected waters is prohibited, except in emergency situations or when washing the anchor chain.

To **minimize environmental impact**, the Company uses plastic seals and valve markings to prevent accidental discharges and limits in-port discharges from the primary firefighting systems.

Seawater is also used to generate Aqueous Film-Forming Foam (AFFF) for firefighting. On Carbofin vessels, AFFF is restricted to portable firefighting equipment, used only in emergencies to ensure the safety of the vessel and crew. Training and replacement discharges are collected and disposed of onshore to prevent marine pollution.

## IMBARCAZIONI DI SALVATAGGIO

**Lifeboat engines use seawater** injection for exhaust cooling and noise reduction. However, wet exhaust emissions may contain pollutants when discharged. To

mitigate this, the Company enforces **weekly engine maintenance** to keep engines in optimal condition and ensure compliance with manufacturer specifications.

## EFFLUENTS

The Company follows strict environmental policies to prevent pollution from effluents.

To ensure compliance with environmental regulations, all overboard discharge valves

and pipelines are sealed under the Company's Environmental Management System (EMS).

**There were no recorded instances of noncompliance related to effluents in 2021-2023.**

Below is an overview of the key management activities for effluents onboard.

## WASTEWATER TREATMENT

**Wastewater discharged into the sea** falls into **two main categories**:

- **blackwater** waste from crew accommodation (toilets)
- **greywater** waste from showers, sinks, kitchens, laundries, and cleaning activities.

Onboard wastewater treatment systems comply with the MARPOL Convention and are approved for blackwater and greywater treatment. Specifically:

- **untreated blackwater** may only be discharged at least 12 nautical miles from land

- **macerated and disinfected blackwater** may be discharged at least 3 nautical miles from land
- **blackwater treated through an approved treatment plant** is not subject to discharge restrictions

The Company's **environmental management system is more restrictive than MARPOL requirements**, mandating that even treated blackwater must be discharged at a minimum distance of three nautical miles from land.

Greywater discharge must be minimized in port, and crew must reduce production on vessels unable to store greywater.

On ships with greywater storage capacity, the Company strictly prohibits discharge in protected U.S. waters for conservation purposes.

BILGE WATER DISCHARGES

Bilge water consists of seawater mixed with oily residues, accumulating in the engine room bilge due to machinery drainage. It may contain seawater, oil, grease, volatile and semi-volatile organic compounds (VOCs), inorganic salts and metals.

A **bilge separator** treats bilge water from engine room machinery (drainage, condensate, possible leaks), ensuring controlled discharge in accordance with MARPOL regulations. Specifically, bilge water may be discharged as follows:

- outside special areas - during navigation, provided that the oil content in the effluent does not exceed 15 ppm, the separator is approved and it is discharged 12 nautical miles or more from land

- inside special areas - during navigation, provided that the oil content in the effluent does not exceed 15 ppm, the separator is approved and fitted with an alarm and automatic shutdown if 15 ppm limits are exceeded.

**The Company enforces strict compliance with MARPOL bilge discharge regulations**, minimizing the production of bilge water.

It prohibits the use of dispersants, detergents, emulsifiers, or chemicals that could affect bilge separator efficiency.

Routine **maintenance of machinery and equipment** is conducted to prevent leaks and minimize bilge water production.

Bilge separators are regularly inspected in accordance with the equipment manufacturer's maintenance requirements.

On older ships, state-of-the-art equipment has been installed for increased safety, and the sensors are frequently calibrated for accuracy, in compliance with MARPOL requirements.

**In 2023, the Company discharged 608 tonnes of bilge water through bilge separators.**

Bilge Water Discharges	2021	2022	2023
Water discharged through bilge separator (t)	682	553	608

## DECK RUNOFF

Deck runoff includes seawater, rainwater, and wash water accumulating on open decks, which drains through scuppers.

To prevent pollutant discharge and runoff into the sea, **all Company ships are equipped with mechanical scuppers**, and decks are cleared of debris, waste, residues and spills before washing or departing from port.

**Deck machinery is also fitted with drip trays, to collect any oily water spills.** These drip trays are

regularly cleaned and emptied into designated disposal containers.

During deck washdown, **the Company ensures that deck runoff does not contain floating solids, visible foam, halogenated phenolic compounds, dispersants or surfactants.**

Routine deck maintenance also minimizes the discharge of rust, cleaning compounds, paint flakes, non-slip material fragments or other corrosion byproducts.

**Toxic detergents are not used** for deck washdown that results in runoff, and **chemicals are minimized** in favour of eco-friendly alternatives.

If there is no alternative, chemicals are used onboard in accordance with the safety data sheet precautions.

Deck washdown is avoided in ports except in emergencies.

## BOILER BLOWDOWN

Periodic boiler blowdown is conducted to **regulate anti-corrosion and anti-scaling treatments and remove sludge from 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 for **onshore disposal**. Boiler and economizer blowdown is not permitted in port.

## DISTILLATION

Shipboard water distillation systems produce brine and high-temperature effluents that may contain scaling inhibitors and metals.

To **prevent marine pollution**, the Company ensures that distillation discharges are free from toxic, hazardous materials and do not come into contact with machinery.




# PROTECTING THE MARINE ECOSYSTEM AND BIODIVERSITY

SDG

14

LIFE BELOW WATER



**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 product or releases of substances into the environment in the three-year period

100%

of fleet has a system to detect traces of oil in ballast water

100%

of fleet has a ballast water management system compliant with the Ballast Water Management Convention

100%

of fleet has a ballast water management system compliant with the Vessel General Permit (EPA VGP)

Carbofin's Environmental Management System (EMS) prioritizes protecting the marine ecosystem and its biodiversity

from the potential negative impacts of shipping activities. These include **accidental pollutant discharges, biological contamination**, and

**disruptions to marine life** caused by time spent in protected areas and noise emissions from ship engines.

## ACCIDENTAL DISCHARGES

From 2021 to 2023, the Company recorded **no incidents of accidental discharge of transported products or harmful substances** into the

environment. However, in 2020 and 2022, two minor spills occurred, both contained within the ship's deck, preventing any environmental impact.

Incidents of Marine Ecosystem Pollution	2021	2022	2023
Contained Liquid Spills <sup>31</sup>	-	1	-
Releases of Substances into the Environment <sup>32</sup>	-	-	-
Spills of Transported Products <sup>33</sup>	-	-	-

A key risk for accidental discharges is **lubricant leaks from machinery in direct contact with seawater**.

Carbofin mitigates this risk through strict procedures outlined in its Environmental Management System.

Critical areas include the **ship's rudder and propeller shaft** (and its seals), which can release oil

or grease into the sea if they malfunction or are damaged.

To prevent this, Carbofin conducts **regular inspections and servicing**, monitors shaft seal oil levels and stern tube water during port calls, and performs routine dry dock checks and maintenance.

To further reduce environmental risks from possible **oil leaks**, U.S. Vessel General Permit (EPA VGP) regulations mandate the **use of biodegradable lubricants** (Environmentally Acceptable Lubes – EALs).

**Carbofin has voluntarily extended this requirement to all ships, even those not operating in U.S. Waters.**

<sup>31</sup> Spills on deck that did not reach the sea, as per MARPOL regulations. Data based on internal reports

<sup>32</sup> As defined in MARPOL Annexes II to V. Based on recorded incidents reported to authorities and recorded in relevant ship registers

<sup>33</sup> Excluding contained spills. Based on spills of transported products reported to authorities and recorded in oil log books

BIOLOGICAL CONTAMINATIONS

BALLAST WATER TREATMENT SYSTEM

To avoid damage to the marine ecosystem resulting from the introduction of non-native invasive species, **all Company ships are equipped with ballast water treatment systems** that meet the requirements of the Ballast Water Management Convention.

These systems can **eliminate organisms and microorganisms from ballast water**.

The U.S. EPA VGP also requires specific analysis, calibration and controls for ballast water management.

**Carbofin has voluntarily implemented these measures across its entire fleet** and the Company has fitted out **all ships with equipment to detect oil traces in ballast water**.

This is in addition to what is required by specific conventions and regulations - including local ones - and integrates visual inspections by crew members before discharge to ensure the absence of oil traces in the water discharged into the sea.

Incidents of Marine Ecosystem Pollution	2021	2022	2023
Violations of Ballast Water Management Regulations <sup>34</sup>	0	1	0

BIOFOULING

Biofouling refers to the buildup of aquatic organisms such as microorganisms, macro-organisms, or vegetation on ship hulls, sea chests, and submerged structures, which can threaten biodiversity and marine ecosystems.

Biofouling on ships has been shown to be a vector that can pose a

threat to the marine ecosystem, biodiversity, human health, property and resources.

To prevent biofouling, Carbofin:

- has equipped all ships with a **Marine Growth Prevention System (MGPS)** to protect sea chests and cooling systems

- conducts **regular hull inspections and cleaning** to prevent excessive fuel consumption caused by fouling buildup.

The Company uses environmentally responsible cleaning systems that minimize waste release into the sea.

<sup>34</sup> Number of incidents in which prevailing ballast water management regulations were violated and recorded by an external entity (maritime authorities). Prevailing regulations include international, regional, national, and local standards

## ANTI-FOULING COATINGS

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

Coatings containing **biocides** prevent the attachment of aquatic organisms to the hull through continuous leaching of substances toxic to aquatic life.

These products are composed of a wide variety of elements, with copper being the most commonly used.

**Copper-based coatings can inhibit plant photosynthesis and interfere with enzyme functions in animals.**

Additional biocide releases occur during hull cleaning, especially within 90 days of a new coating application.

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

Historically, a second metallic biocide, **tributyltin (TBT)** was used in ship coatings, but due to its extreme toxicity, its use has been banned by the International Maritime Organization (IMO).

TBT was found to cause severe deformities in marine life, including reproductive disruptions.

Numerous studies and various publications have ascertained the environmental impact of leachate from anti-fouling paints containing tributyltin.

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

**The Company conducts regular 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.

Debris from underwater ship husbandry is considered incidental

to what is released in the normal operation of a vessel if it is properly maintained and cleaning is conducted at reasonable intervals.

To prevent pollution, Carbofin ensures that **maintenance**

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



ANCHOR CHAIN MAINTENANCE

When anchors are recovered, liquids and materials such as marine organisms, rust, paint flakes, grease and zinc can accumulate in the chain locker.

To prevent pollution and contamination, anchor chains are washed after use to remove sediments and marine organisms, and the water used for cleaning is recovered in certain circumstances. Once in the shipyard, chain lockers are thoroughly cleaned to remove accumulated sediments and potential pollutants.

INTERFERENCE WITH MARINE LIFE

NOISE EMISSIONS

Noise emissions generated by ships come from two main sources: diesel generators operating in port, which can disturb coastal communities, and the main engine, which can affect marine species during navigation.

**Carbofin conducts noise level measurements on board ships**

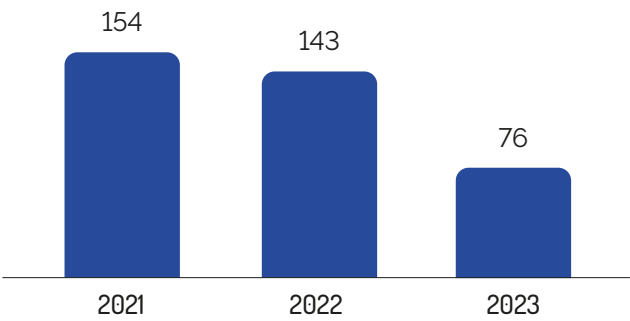
**every four years**, in compliance with international and national regulations.

NAVIGATION IN PROTECTED AREAS

In 2023, Carbofin vessels spent a total of 76 days in protected marine areas<sup>35</sup> - a 51% reduction from 2021.

Between 2021 and 2023, **the fleet did not enter marine areas designated for conservation<sup>36</sup> or areas with special ecological, biodiversity, or conservation protections.**

DAYS SPENT IN MARINE PROTECTED AREAS



<sup>35</sup> As defined by the International Union for Conservation of Nature (IUCN)  
<sup>36</sup> Listed in the World Database of Protected Areas (WDPA)



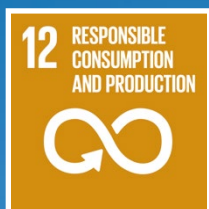
## WHALE AWARENESS CAMPAIGN

..... ○

In response to the Right Whale Ship Strike Reduction Rule between 2023 and 2024, Carboflotta launched an **awareness campaign for crew members on North Atlantic whales**, a species at high risk of ship collisions.

To reduce the likelihood of fatal whale strikes, the regulation mandates that vessels of 19.8 metres or longer travel at a maximum speed of 10 knots in designated areas during specific periods.





# ECONOMIC VALUE



FIGURES AT 31.12.2023





**EUR 31,8  
million**

**economic value  
generated** by the Group

**EUR 22,9  
million**

**distributed**, 71.8% of  
value produced

**EUR 277,000**

**operating result**  
of the Group

**62%**

**key suppliers\***  
consisting of **Italian  
companies**

**86%**

**key suppliers\***  
**possessing ISO 9001**  
quality certification

**43%**

**key suppliers\***  
**possessing ISO 14001**  
environmental safety  
certification

\* Figures relative to the key suppliers of Carbofin



# MARKET TREND AND PERFORMANCE OF THE GROUP



**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 277,000

operating result of the Group

**In 2023, the Group reported an operating result of EUR 277,000.**

**Carbofin**, the Parent Company, continued its transport activities without interruption throughout the year, maintaining existing contracts and securing new agreements.

The freight market in the Company's sector saw strong demand, stabilizing at record-high levels.

Key factors contributing to Carbofin's positive performance included the **one-year renewal of charter agreements with Petrobras for the Alessandro Volta** (from January 2023) and **Luigi Lagrange** (from September 2022), following the contractually agreed extension.

These renewals, negotiated in September 2021, also included a slight increase in charter rates.

In 2023, Carbofin advanced its contractual commitments with the **Geogas Group** for the complex construction of a new vessel, which will be commercially managed by Carbofin.

As part of this agreement, Carbofin provided an interest-bearing loan to partially finance the construction, with additional loan tranches disbursed during the year.

On 31 January 2023, Carbofin established **Greenstar Shipmanagement S.r.l.**, a wholly owned subsidiary responsible for

the technical and administrative management of the **new vessel Varoli Piazza** (scheduled for delivery in January 2024 and registered under the Maltese flag) on behalf of Geogas Maritime S.A.S.

The company officially began operations as ship manager in September 2023.

**Sant'Ugo Immobiliare**, another subsidiary, continued its core activities of leasing its owned properties and serving as a service centre for other Group companies. Sant'Ugo Immobiliare closed the 2023 financial year with a **profit of approximately EUR 107,000**.

# 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 31.8 million

economic value generated  
by the Group

### EUR 22.9 million

economic value distributed,  
71,8% of the value produced

The economic value generated by the Group amounts to EUR 31.8 million – an increase of 7.6%

since 2021. It is made up almost entirely of the revenues from services offered.

Economic value generated and distributed (EUR'000)	2021	2022	2023
<b>Economic value generated</b>	<b>29,594</b>	<b>38,005</b>	<b>31,847</b>
Revenue from sales	28,216	33,995	29,778
Other revenues	1,218	3,535	1,137
Financial performance	160	475	932
<b>Economic value distributed</b>	<b>25,654</b>	<b>23,624</b>	<b>22,852</b>
Economic value for suppliers	15,912	12,500	12,464
Economic value for employees	10,890	11,080	10,389
Economic value for the Public Administration	-2,074	-2,084	-1,644
Economic value for shareholders	0	900	0
Economic value for lenders	765	1,074	1,490
Economic value for the community	161	154	152
<b>Economic value retained</b>	<b>3,940</b>	<b>14,381</b>	<b>8,995</b>
Amortisation, depreciation, writedown, adjustments, exchange gains and losses	6,370	8,305	6,718
Internal financing	-3,930	4,076	277
Provisions and reserves	1,500	2,000	2,000

**The distributed economic value amounted to EUR 22.9 million -**

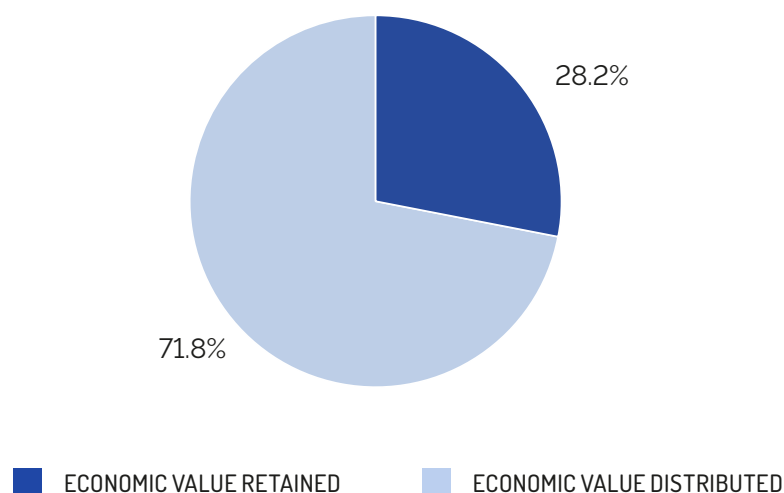
71.8% of the total economic value generated - and was allocated among stakeholders as follows:

- **EUR 12.5 million to suppliers** of goods and services essential to business operations, including maintenance and repairs, consumables, fuel and lubricants, port expenses, and insurance
- **EUR 10.4 million to employees** in the form of salaries, wages, social security contributions, and severance payments
- **EUR 1.6 million to public administration**, reflecting a net balance where received public contributions exceeded total taxes and levies paid
- **EUR 1.5 million to lenders** as interest payments
- **EUR 152,000 to the community** through association contributions and charitable donations.

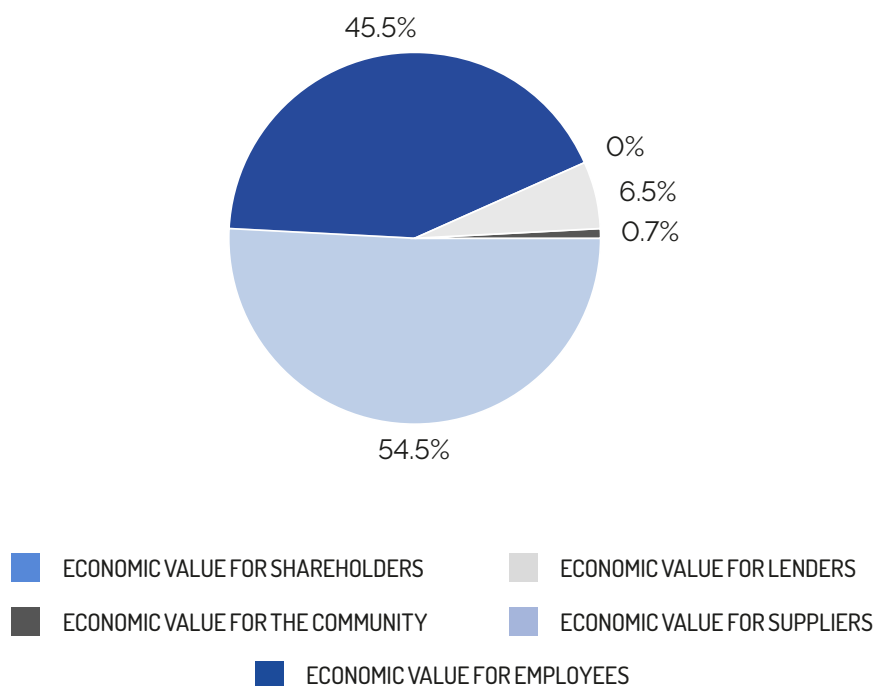
**The economic value retained** by the Group totalled **EUR 9 million** - 28% of the total economic value generated - comprising:

- **EUR 6.7 million** from amortisation, depreciation, write-down, adjustments, and foreign exchange gains and losses
- **EUR 2 million** allocated to provisions
- **EUR 277,000** earmarked for self-financing.

**ECONOMIC VALUE DISTRIBUTED AND RETAINED - 2023**



**ECONOMIC VALUE DISTRIBUTED TO STAKEHOLDERS - 2023**



# 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 2023, the value of supplies for goods and services for Carbofin<sup>37</sup> was **EUR 7.9 million** (an increase of 4% from 2021.), 43% of which in dry dock.

Company Procurement	2021	2022	2023
Procurement Expenditure (day-to-day management + dry dock)	EUR 7,618,000	EUR 5,813,000	EUR 6,480,000
of which dry dock	EUR 3,281,000	EUR 1,961,000	EUR 3,309,000
Number of Suppliers	292	296	298

\* The figures refer exclusively to Carbofin

<sup>37</sup> The analysis was conducted on Carbofin procurement only, representing almost all of the Group's supplies

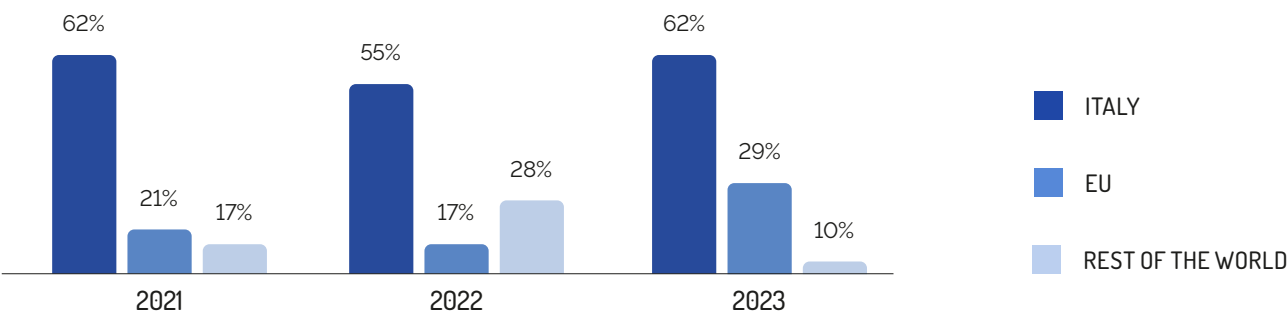


Overall, the Company used **298 suppliers**, an increase of 2% from 2021. In 2023, considering key suppliers - defined as those accounting for at least 1% of

the Company's total annual procurement expenses - 62% were **Italian companies**, 29% were **based in other European Union countries** (Germany, Norway,

Denmark, Greece, Cyprus, and the Netherlands), and 10% were from the **rest of the world** (USA, Brazil, Panama and South Korea).

KEY SUPPLIERS BY NATIONALITY



Carbofin selects suppliers based on objective and documented criteria, **evaluating quality, punctuality, pricing, and the ability to provide and ensure an adequate level of service.**

The procurement processes are designed to promote fair competition and **equal opportunities for all qualified suppliers.**

The selection process is impartial, ensuring that any supplier meeting our requirements can compete for contracts. When awarding contracts, we prioritize suppliers demonstrating a commitment to compliance with **applicable regulations on environmental protection, workplace safety, data privacy, and fiscal and social security obligations.**

The Company utilizes the services of MARCAS, an association of shipping companies that consolidates purchasing volumes to maximize value on goods and services. MARCAS allows members to leverage the combined purchasing power of a large fleet, securing more favourable contractual terms and discounts than individual negotiations would typically yield. Membership in MARCAS is free and does not require minimum purchasing commitments.

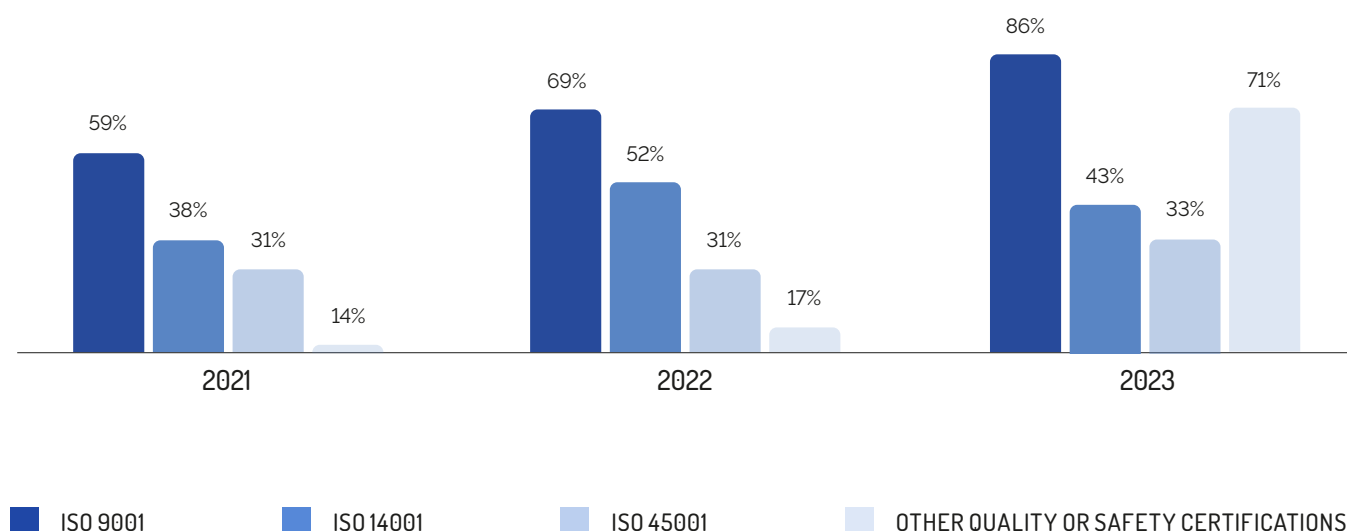
In many cases, the terms secured through MARCAS are superior to those obtained through direct negotiation. Even when terms are comparable, MARCAS simplifies the workload of technical and procurement departments.

The collaborative agreement among MARCAS members optimizes outcomes for all stakeholders by improving pricing, reducing administrative burden, and streamlining commercial operations.

While MARCAS facilitates access to framework agreements with multiple suppliers, Carbofin retains full discretion over the final supplier selection.

In 2023, 86% of the Company's key suppliers held **ISO 9001 quality certification**, 43% were certified under **ISO 14001 for environmental management**, 33% held **ISO 45001 certification for occupational health and safety**, and 71% possessed other quality or safety certifications.

## CERTIFICATIONS HELD BY THE KEY SUPPLIERS OF THE COMPANY



Carbofin requires all suppliers and external workers to **adhere to the principles outlined in its Code of Ethics**. This adherence is a fundamental requirement for establishing and maintaining a business relationship.

To ensure this commitment, contracts include a clause requiring all parties to acknowledge and comply with the principles detailed in the Code of Ethics.

Carbofin is dedicated to maintaining full transparency in its procurement processes. To achieve this, the Company upholds the following **control principles**:

- **separation of duties** in the procurement cycle
- adequate **traceability of decision-making processes**
- **storage of information and official tender and contract documents** for the periods specified by law.

If employees identify or become aware of significant violations of the principles or criteria set out in the Code of Ethics in dealings with a supplier or external worker, they must immediately report the matter to the relevant department and the Supervisory Body to enable a timely assessment of potential negative consequences.

# GRI CONTENT INDEX

The table below presents the disclosures provided in the 2023 Sustainability Report (for the period 01/01/2021 – 31/12/2023) in relation to the GRI 2021 Standards and the corresponding ESRS Standards.

GRI Standard	Disclosure	Direct Response	ESRS
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Mission and Values	-
	2-2 Entities included in the organization's sustainability reporting	Understanding the Report	BP-1
	2-3 Reporting period, frequency and contact point	1/1/2023-31/12/2023	-
	2-6 Activities, value chain and other business relationships	Business activities and unique aspects of the fleet	SBM-1 G1-2
	2-7 Employees	Composition and Profile of Personnel	SBM-1 S1-1 S1-6
	2-8 Workers who are not employees	Composition and Profile of Personnel	S1-7
	2-9 Governance structure and Composition	Governance	GOV-1
	2-11 Chair of the highest governance body	Governance	-
	2-21 Annual total compensation ratio	Remuneration and Industrial Relations	S1-16
	2-22 Statement on sustainable development strategy	Shipowner's Letter	SBM-1
	2-28 Membership associations	Community Engagement	-
	2-29 Approach to stakeholder	Engagement	SBM-2
	2-30 Collective bargaining agreements	Remuneration and Industrial Relations	S1-8
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	The Sustainability Journey of the Carboflotta Group	SBM-3 IRO-1 MDR-P MDR-A MDR-M
	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	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Economic value generated and distributed	-

GRI Standard	Disclosure	Direct Response	ESRS
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration and Industrial Relations	S1-16
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Supply chain	-
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	Ethics, Business Integrity and Compliance	G1-4
<b>GRI 206: Anti-competitive behaviour 2016</b>	206 -1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Ethics, Business Integrity and Compliance	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Energy consumption	E1-2
	302-3 Energy intensity	Energy consumption	E1-3
	302-4 Reduction of energy consumption	Energy consumption	E1-5
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Management and Protection of Water Resources	E3-1 E3-4
	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	
<b>GRI 304: Biodiversity 2016</b>	304-2 Significant impacts of activities, products and services on biodiversity	Protecting the Marine Ecosystem and Biodiversity	E4-2
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Emissions	E1-6
	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 (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Emissions	E2-4
<b>GRI 306: Waste 2020</b>	306-2 Management of significant waste-related impacts	Circular Economy and Waste Management	E5-1 E5-2
	306-3 Waste generated	Circular Economy and Waste Management	E5-5



GRI Standard	Disclosure	Direct Response	ESRS
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Staff Recruitment and Employment	S1-6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Corporate Wellbeing and Welfare	-
	401-3 Parental leave	Corporate Wellbeing and Welfare	S1-15
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Health and Safety	S1-1
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety	S1-3
	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	S1-14
	403-9 Work-related injuries	Health and Safety	S1-4 S1-14
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Training and Development of Human Capital	S1-13
	404-2 Programs for upgrading employee skills and transition assistance programs	Training and Development of Human Capital	S1-1
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance Review	-
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1 Diversity of governance bodies and employees	Governance; Equal Opportunity and Multiculturalism	S1-1 S1-9
	405-2 Ratio of basic salary and remuneration of women to men	Equal Opportunity and Multiculturalism	S1-16
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	Equal Opportunity and Multiculturalism	S1-17

