



GRUPPO **api**

Mobility has a *future*

2019 Sustainability Report - 2nd edition





Mission



**We have given energy
to an Italy in motion
for over 85 years.**

**We are at the heart
of the energy transition,
passionately working
to seize its opportunities.**





We are the transition

Our Group's long history has seen us face all the challenges of the energy sector, accompanying the country's development while always staying close to the needs of consumers and businesses.

An ambitious path, which has brought us to be the largest mobility retailer in Italy.

The next challenge is to make the mobility of people and things an increasingly socially and environmentally sustainable activity. We are as present as ever, with responsibility and the desire to do always better.

Ugo Brachetti Peretti
Chairman
italiana petroli S.p.A.

Message to Stakeholders

{GRI 102-14}



We are continuing along the path we decided to embark on last year with the first edition of this Report: a path based on data transparency and shared values.

With the second edition of this Report, which is now inspired by the GRI-referenced Sustainability Reporting Standards, we want to demonstrate the consistency of our choices, strictly linked to a clear vision of our role in the market and the community.

Anchoring ourselves to our values and mission is increasingly essential. We realise that, in the totally new context we are experiencing, the mission of “giving energy to an Italy in motion” takes on an even broader meaning, and invites us to be pragmatic and focus on the urgency of concrete actions.

This is why our sustainability manifesto, even before public statements, is written in the offer we bring to our customers every day and in the development we engrain in our organisation. And for the same reason, we prefer reporting on what we have already done as opposed to making ambitious declarations of intent.

Here are a few highlights, which you will find in more detail in this Report:

- our **training activities** reached 92% of employees in a single year. Everyone had access to training focusing on sustainability thanks to the partnership with ASviS, which allowed us to contextualise our work within the framework of the United Nations Sustainable Development Goals;
- our **transparency programmes**, starting with the innovative programme to map emissions from the Falconara plant in collaboration with citizens, are fully operational and are currently an example to be followed by many other industrial companies in Italy;

- our **commitments to legality** in the fuels sector have become operational tests (for example the Electronic DAS - simplified administrative document) and concrete acts (such as total fuel chain traceability).

In the last year our vision to **go along with changing mobility** has taken shape and been provided with new tools. All with the aim of helping Italian travellers welcome the most innovative trends, but also making a tangible and immediate contribution to reduce emissions from the current fleet, which remains largely based on fossil fuels and offers enormous room for improvement.

Thus methane and electric for the medium and long term. But also more innovative petrol and diesel, to have an immediate effect within the environmental challenge.

Agreements with Snam for new methane stations took shape: 26 locations have already been identified and the procedures for their construction have begun. This will allow the million Italians who use methane for their mobility to fill their vehicles more conveniently.

The deployment of ultra-fast electric charging stations continues, with the implementation of strong partnerships with Enel and other actors. This will make it possible to recharge fast electric vehicles on suburban routes, transforming electric cars from an urban vehicle for a lucky few into a more accessible vehicle, even as the only family car.

But it is in the very short term that we want to make a difference, because if it is true that the environmental challenge is as great as it is urgent, we all have an immediate duty to make all 38 million vehicles on the road more sustainable.

All the proposals related to sustainability in the field of mobility have had two characteristics thus far: to cost more and be realistic for very few.

We want to give Italians access to every available way to get around better, but we also want to avoid leaving those who have less to spend behind in the game of sustainability.

We immediately began this year by removing the traditional fuels from our service stations and replacing them with **OPTIMO, the premium fuel we sell at the same price as a normal product.**

OPTIMO is the first, immediate step of the transition, which will help improve efficiency and reduce the environmental impact of the vehicles on the road, which stop at our service stations.

A step that allows us to set an ambitious goal: once Optimo will be distributed in every service station it will help **reducing the CO2 emissions of the vehicles stopping there by at least 300,000 tons.** This reduction is equivalent to reducing our Group's direct industrial emissions by more than 60%.

We are not alone in this process: **the framework agreement we just signed with the CNR (National Research Council) will allow us to examine, together with the country's best researchers, the environmental aspects of our new fuels.**

Our cooperation with the world of knowledge goes even further: our Academy is becoming an extraordinary platform for cooperation in education thanks to strategic agreements with the best training centres in Italy, including a primary Business School.

None of these commitments would have been achievable without a focus on the people who work for us and with us. 2019 was the year in which, thanks to the work of all IP's employees, we were able to integrate two "twin" companies (api and TotalErg) without having to terminate a single employment relationship. An important achievement at a time when maintaining existing jobs and creating new ones is a complex challenge for European economies.

We intend to continue along this path based on concreteness and vision, convinced that improving our country's mobility is a beautiful, important and exciting challenge.

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01

api Group

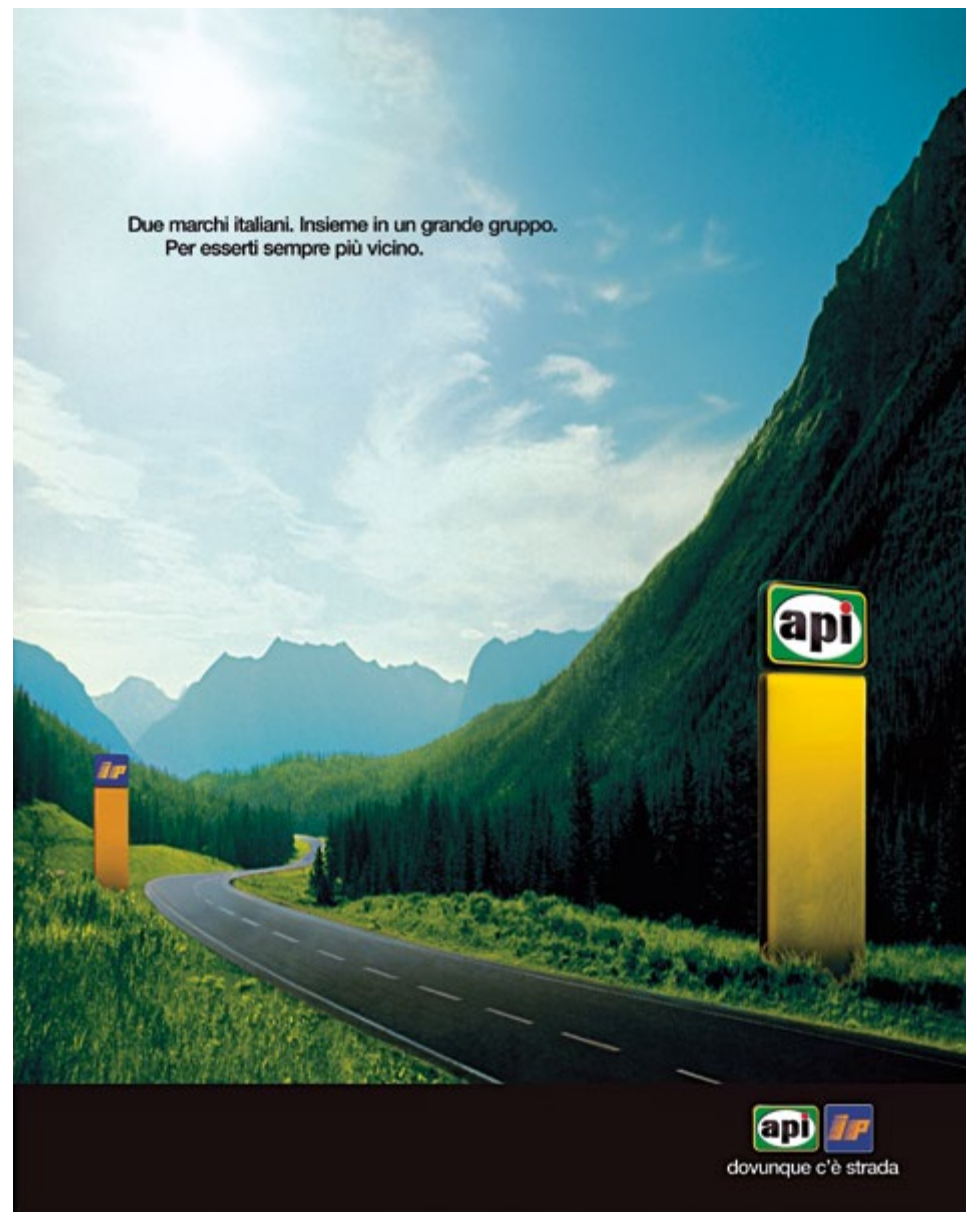


1.2 About us. History.

The api Group is the largest private Italian group operating in the downstream sector of fuel and mobility. Owned by the Brachetti Peretti family, the Group's industrial activities are headed by italiana petroli S.p.A., with Chairman Ugo Brachetti Peretti and Chief Executive Officer Daniele Bandiera.

The Group operates on the Tyrrhenian and Adriatic coasts, with an integrated logistics system that supplies the main airports and numerous ports of Italy. Its most important facilities are the IP Industrial S.p.A. depots in Rome and the Northwest, the depots in Savona, Barletta and Trecate, the refineries in Falconara Marittima and Trecate and the Bitumtec site in Volpiano.







History

1933

Cavaliere del Lavoro Ferdinando Peretti took over api, anonima petroli italiana, operating in the marketing and distribution of refined oil products on the local market in Le Marche, building a depot on the Adriatic coast in Falconara Marittima (AN).

1957

After the end of World War II, the depot was expanded and transformed into a refining and storage plant - "api - Raffineria".

1977

The founder Nando Peretti passed away, and the new Chairman and Chief Executive Officer Aldo Brachetti Peretti was appointed. The network consisted of approximately 1,700 Service Stations, almost 90% of which were owned.

1990

These years involved heightened awareness in terms of the environment, safety, product quality and energy savings. The api - Raffineria launched a programme to restructure and optimise the production cycle. api holding S.p.A. was founded (1989), which operates mainly in the fields of energy diversification, such as the development of electricity from renewable sources (wind, biomass and photovoltaics).

2000

The new millennium began with an important event for api: the start-up of the IGCC plant in Falconara for the production of electricity.

Activities remained focused on the production of petrol and diesel with low environmental impact, as well as the low sulphur bunker for sea transport: a sign of an industrial inclination towards being environmentally-friendly, able to innovate, experiment and put itself at the service of the community.

2005

The Group purchased the IP network from ENI. The Service Stations became landmarks for travellers thanks to the customer offer including not only refined oil products and fuels, but also foods and dining services.

In the early 2000s, the Group diversified its activities by making significant investments in the field of renewable energies through api nòva energia. In 2017, the sale of these assets that had reached their maturity was completed.

2019

After having overcome the severe economic crisis of the years 2008 – 2012, api acquired the distribution network as well as fundamental logistical and industrial assets of TotalErg.

The merger of the two companies gave rise to the largest entirely private and all-Italian group in the sector: italiana petroli (IP). The new group draws its inspiration from an ever-changing vision of mobility, attentive to the evolution of consumption patterns, the demand for sustainability and the use of new technologies.

1.2 IP in figures

{GRI 203-2; 302-1; 305-1}

The main data from the consolidated scope of reporting are shown below with the values as at 31/12/2019.

Service Stations

5,025

Crude oil processing capacity

5.5
Mton

Injuries per million hours worked

2.59

Days of absence per 1,000 hours worked

0.06

Energy consumption

10,725
Tjoule

Product storage capacity

2.5
Mm³

Total product sales

9.199
Mton

Employees

1,223

Net Financial Position

-210
M€

Downstream workers
(estimated)

18,000

Suppliers

2,300

CO₂ emissions

0.515
Mton

1.3 Presence in the country and markets served

{GRI 102-1; 102-2; 102-3; 102-6}

The company manages an articulated logistics system with a high storage capacity to support its distribution and sales activities. It is present along the Adriatic coast with the Ancona Refinery, the owned depot in Barletta and its share in that of Pescara (30%). On the Tyrrhenian coast it controls the logistics hub of Rome, with which it guarantees jet fuel supply to the Rome airports Fiumicino and Ciampino, and the coastal depot in Savona. It also significantly contributes to the supply of the Po Valley, in particular Piedmont and Lombardy, with its depots in Trecate, Nice Monferrato, Burolo, Opera and its share in the Trecate refinery (Sarpom owning about 25%) and the Sigemi logistics system. The modified bitumen production site is located in Volpiano (TO).

Representation of product marketing capacity		
	TONS/000	of which Export
Network	3,775	
Wholesale	2,540	273
Jet Fuel	1,760	
Specialities	637	
Bunker	257	
Fuel Oil	230	230
Total	9,199	503

Our sites:

italiana petroli S.p.A. - IP Services s.r.l. - IP Food & Services S.p.A.

Via Salaria n.1322
00138 Rome (RM)
tel: +39 06 84931

api Raffineria di Ancona

Via Flaminia no. 685
60015 Falconara (AN)
tel: +39 071 91671

IP industrial S.p.A. Roma

Via di Malagrotta no. 226
00165 Roma (RM)
tel: +39 06 655981

Bitumtec s.r.l.

Via Amalfi 4
10088 Volpiano (TO)
tel: +39 011 970401

The company apioil UK Limited located in the United Kingdom (London) trades refined oil products on the international market.

apioil UK Limited

Kingsway House - 103 Kingsway
WC2B 6QX London (United Kingdom)
tel: +44 (0) 207 405 2640



1.4 Corporate Governance

{GRI 102-5; 102-18; 102-45; 103-1; 103-2; 405-1}

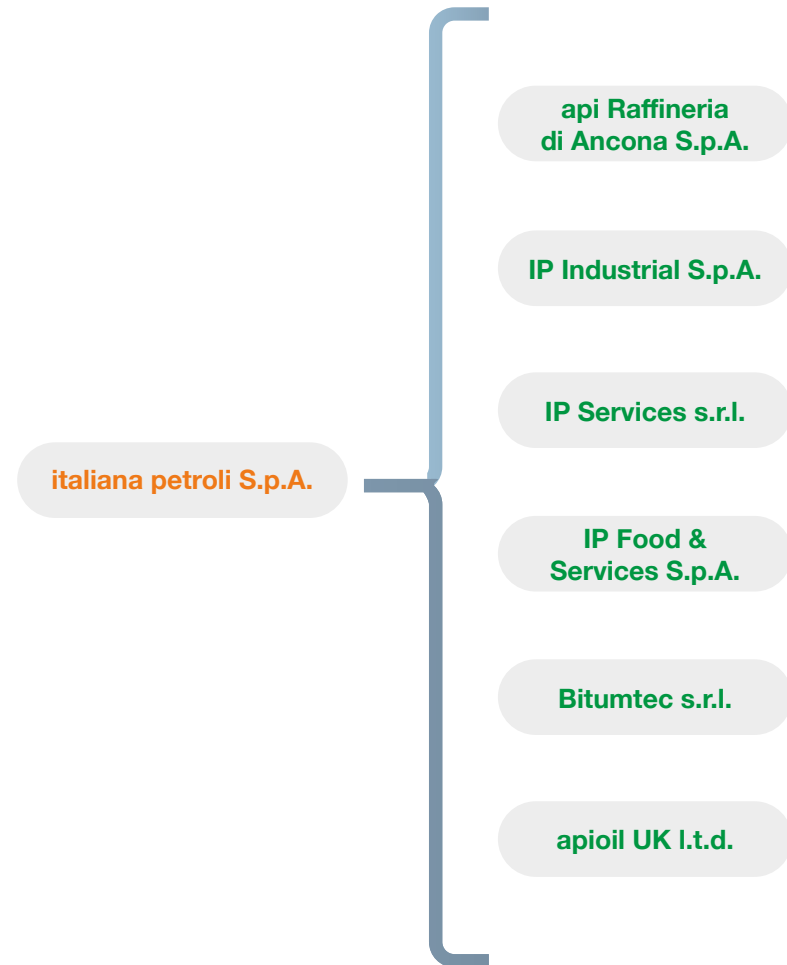
italiana petroli S.p.A. has adopted a traditional administration and control model characterised by the presence of a management body - the Board of Directors - and a control body - the Board of Statutory Auditors.

The scope of industrial and operational activities represents the consolidation of italiana petroli, a joint-stock company, identified by the IP brand and 99.82% controlled by the Brachetti Peretti family

italiana petroli S.p.A. consolidates and controls the following main operating companies at 100%:

- **api Raffineria di Ancona S.p.A.:** industrial refining and storage plant for refined oil products;
- **IP Industrial S.p.A.:** storage and processing depot for refined oil products of Rome (formerly Raffineria di Roma S.p.A.) and some depots in the Northwest;
- **IP Services s.r.l.:** operating in the direct management of the oil Service Stations;
- **IP Food & Services S.p.A.:** operating in the management and development of non-oil activities;
- **Bitumtec s.r.l.:** operating in the modified bitumen production sector;
- **apioil UK I.t.d.:** operating in the refined oil products trading sector.

The simplified chart shows the Group's main, wholly-owned companies operating downstream. The smaller companies in liquidation - the associated companies (for example Sigea S.p.A. 65%, and Sarpom s.r.l 24.68%) - are not shown, however they are fully listed and described in the financial statements, as well as some now-residual companies in the field of renewables, including Cer S.p.A. owned at 100%.



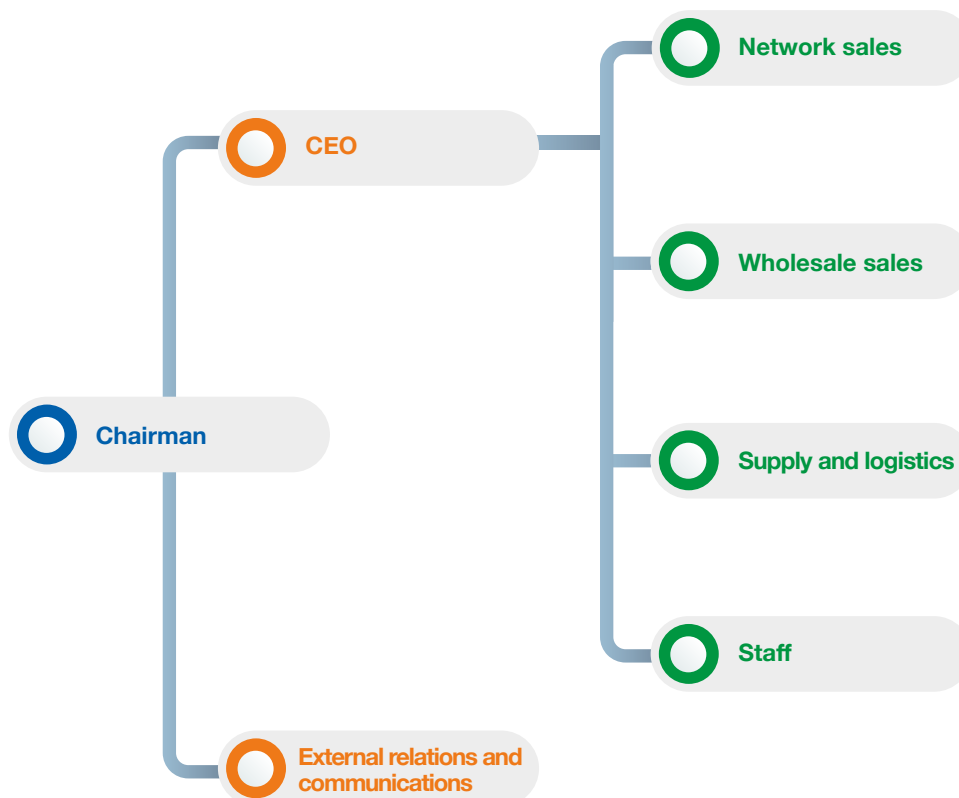
On 11 April 2019, the Shareholders' Meeting of italiana petroli approved the composition of the current Board of Directors.

The Board of Directors, whose members fall within the over-50 age range, is the corporate governance core and has the widest powers for the company's ordinary and extraordinary administration.

It carries out its activities in accordance with the Code of Ethics, an integral part of the Organisation, Management and Control Models.

The composition of the Board of Directors of italiana petroli S.p.A.:	
Chairman,	Ugo Maria BRACHETTI PERETTI
Director,	Aldo Maria BRACHETTI PERETTI
Director,	Ferdinando Maria BRACHETTI PERETTI
Director,	Mila PERETTI
Chief Executive Officer,	Daniele BANDIERA
Director,	Ferdinando CARABBA TETTAMANTI
Director,	Claudio COSTAMAGNA
Director,	Fabrizio LIBERATORI
Director,	Roberto MARAZZA

The new corporate organisation adopted from the date of the merger is shown in the chart below, and has as its aims ensuring transparency, flexibility and rapid operations, with the Supply and Logistics, Network sales and Wholesale channel and all business support staff Units reporting directly to the Chief Executive Officer.



1.5 The Values of IP

{GRI 102-16}

Companies are communities, and as such they are held together by rules, hierarchies and contracts, but it is their values that animate their daily work.

The values that guide the actions and behaviour of the entire Group originate from its history and guide its future development; they impose the responsibility to make decisions while considering stakeholders; they influence business decisions; they strengthen the level of integration of IP employees and determine the Company's organisation.

For IP, an effective sustainability strategy necessarily starts from the recognition of these values.

The following chapters explain how the individual values dictate IP's priorities for action.



Enabling Mobility

Getting Italians moving has been an integral part of the Group's DNA since its inception. For IP, a sustainable society is not a society that moves less, but a society that moves better, in a more environmentally-friendly way that is accessible to all.

The Group meets Italians' mobility needs not only on the road, thanks to a network that has never stopped growing and can count about 5,000 Service Stations today, but also by supplying the most important ports and airports in Italy through its logistics distributed throughout the country.

Enabling mobility today means offering solutions that preserve the extraordinary value of freedom, emancipation and opportunities that mobility holds for Western societies, without forgetting that we are in the middle of a complex but unavoidable transition, which requires achieving ambitious European and national emission reduction targets in the transport sector.

IP knows that it is a strategic transition infrastructure: the development of more sustainable fuels and access to new forms of power supply will pass through its network.

Creating economic, social and environmental value

Value creation is linked to business operations.

Real development only exists if value creation is shared with the country in which a company operates and its communities. IP is well aware that the Group's success is inseparable from Italy's economic success, as it has been active in the country for 87 years. IP creates economic value for its shareholders, employees and suppliers, but also for society, contributing to support and develop communities, and for the environment, adopting best practices in the field of environmental safety and technologies.

Customer-oriented approach

Companies would not exist without customers. IP considers the customer as the compass of its activities, recognising the change in customer needs and habits in the 21st century, which holds sustainability as an important factor in choosing products and services. In this sense, sustainability becomes a tool for the Company's competitiveness, which wants to respond to the widespread and growing demand for environmental protection and safeguarding, the creation of shared value, territorial development and technological innovation.

Respecting laws

There are no compromises for those who work for and with IP. Illegality is the first factor that makes any economic sector unsustainable, and this is all the more true in a sector such as fuel, which has seen the growth of smuggling and tax illegality, with an estimated evasion of between 4 and 6 billion euros per year (VAT and excise duties).

This is a disease that primarily harms honest operators, who can be pushed out of the market by unfair competition from those who apply prices, which are below cost and unrealistically feasible. Secondly, it damages the Italian Treasury, and therefore the taxpayers. Lastly, illegality involves marketing products of non-certified quality, which do not comply with the specifications of engines and least of all do not respect the environment. This is why IP believes in implementing transparent procedures and adopting linear Governance that isolates any abnormal behaviours, believing firmly that integrity and sustainability can never be separated.

Creating quality work

Development and growth can only come from hard work. The creation and maintenance of Italian jobs has always been at the heart of company operations, even in difficult times, when the economy slows down: our commitment is to keep people at work.

And work that is not only safe and honest but also of high quality, which is obtained with training. Our commitment to establishing a new corporate Academy to ensure the dissemination and updating of the best skills must be interpreted in this sense.

1.6 231 Model and Code of Ethics

{GRI 102-16}

Italian Legislative Decree no. 231/2001 introduced into Italian law the principle of administrative liability for entities, including joint-stock companies, for certain crimes committed by directors, employees and/or collaborators in general in the interest to or for the benefit of the entities themselves. Financial penalties have been established for all administrative offences related to crime, and in the most serious cases also disqualifying penalties. The decree establishes an exemption from this liability for all companies demonstrating that they have:

- adopted and effectively implemented an organisation and management model to reasonably prevent the offences envisaged by the decree;
- entrusted a Supervisory Body, with autonomous initiative and control powers, with the task of supervising the functioning and observance of the Model and updating it.

In 2019, italiana petroli revised completely both the general and special part of its organisational model in order to adapt it to the changed corporate structure and standardise corporate rules and behaviours in accordance with standards based on maximum transparency and fairness towards all stakeholders, in particular in relations with the public administration, which are regulated by a special procedure.

The document is divided into: general principles in stakeholder relations, which define the reference values from which the Group draws its inspiration; criteria of conduct, guidelines and rules to which employees and corporate bodies are required to comply to ensure compliance with general principles and to prevent the risk of unethical behaviour; implementation mechanism, control system and penalty rules; rules of ethical standards.



Among these, the most important are:

- (i) relations with the Public Administration (prohibition of illegal payments and conduct);
- (ii) accounting transparency;
- (iii) internal and external controls;
- (iv) conflict of interest regulation;
- (v) safeguarding share capital and the rights of corporate creditors;
- (vi) environmental protection;
- (vii) protection of health and safety in workplaces;
- (viii) protection and enhancement of human resources;
- (ix) rules for customer relations and supplier selection.

The model establishes that information regarding conduct not compliant with the ethical rules and company policies must be communicated, also anonymously, by stakeholders who come to be aware of them to the Supervisory Body (SB see <https://www.gruppopi.com/chi-siamo/modello-di-organizzazione-e-gestione>), appointed for each Group company, which is responsible for verifying reports with the guarantee of equal treatment and anonymity, in line with the provisions of current company regulations and policies. This process is regulated by a specific procedure, in line with the provisions of the whistleblowing regulations.

apioil UK has also adopted the Bribery Act and Human Slavery Act established by English law.

1.7 Governance of Sustainability

{GRI 102-13; 102-20; 102-32}

The relationship between the company and its stakeholders must be strengthened and cared for daily, starting from the sharing of data and information on the Group's activities and focusing on transparency, knowledge and skills, the key values of IP.

Also for this reason, italiana petroli S.p.A. has decided to draw up, from its establishment and on a voluntary basis, a Sustainability Report in order to report on its non-financial activities and actions to the stakeholders concerned. italiana petroli considers promoting the culture and values of sustainability within the Company crucial, offering training initiatives and actions, which are consistent with this approach. All Corporate Units are involved in the activities and represented in a working group that, coordinated by the Corporate Academy and Corporate Sustainability Units, contributed to drafting the Report.

A Sustainability Committee has also been formed, chaired by the Chief Executive Officer and composed of members chosen from the main corporate units. In particular, the Committee includes the Head of Administration, Finance and Control and the Head of Human Resources, who are also members of the Board of Directors.

The Committee has the task of:

- indicating the sustainability objectives and guidelines that the Group must adhere to in promoting initiatives and carrying out its activities;
- monitoring the correct achievement of the objectives set; monitoring the results and updating the indicators so that positive dialogue is always guaranteed with employees, suppliers and institutions, as well as with the stakeholders most directly concerned and involved.

In 2019, a multi-year agreement was signed with Alleanza Italiana per lo sviluppo Sostenibile (ASviS) to ensure continuous dialogue with the best public and private experiences in terms of sustainability and to promote the dissemination of sustainability values and culture, starting from the objectives indicated in the 2030 Agenda of the United Nations.





1.8 Material topics related to business operations

{GRI 102-18; 102-40; 102-42; 102-43; 102-44; 102-47; 103-1; 103-2}

In order to effectively communicate the Company's commitments and results through the Sustainability Report, a materiality analysis was conducted in line with the main international standards. It allows to define the relevance of the topics based on two criteria:

- the relevance of the topic for stakeholder decisions;
- the significance of the impacts generated by the Company.

The materiality analysis involved Top Management and the permanent working group, with the supervision of the Corporate Academy and Corporate Sustainability Units and the guidance of the Sustainability Committee.

The process for defining the relevant topics was divided into three phases:

- 1 interviews with key managers and an analysis to identify the stakeholders and key IP features that potentially generate their interest;
- 2 identification of needs and actions taken and to be taken to meet the expectations of individual stakeholders;
- 3 assigning a weight/priority to the topics using a qualitative/quantitative methodology based both on the results of the interviews and on questionnaires completed by company management, which determined the final list of material topics.



The materiality analysis allows to focus on the so-called "material" issues on which the Company deems a focus necessary; consequently, the rest of this report will focus on these topics.

The implementation of the 2030 Agenda strongly affects every component of civil society: from private companies to the public sector, from universities and research centres to those working in IT and culture operators, who must all contribute to put the world on a sustainable path.

IP intends to integrate the objectives identified by the 2030 Agenda in its corporate strategy, which are at the heart of ASviS’s mission and activities, and strengthen social responsibility towards its stakeholders.

In the second part of the year, to improve the involvement of what is undoubtedly the company’s main stakeholder, it was decided to offer all employees an online training course on the 2030 Agenda, after which it was possible for everyone to provide their opinions/suggestions, which may form the basis of specific sustainability initiatives.

The following are the Sustainable Development Goals (SDGs) to which IP activities contribute most today, in relation to social values (illustrated in detail in the next chapter) and the material topics identified.

Values	SDGs				Material Topics
Enabling Mobility					<ul style="list-style-type: none"> Enabling mobility
Creating economic, social and environmental value					<ul style="list-style-type: none"> Creating financial economic value Training and development Legality and business integrity Community relations and local development Environmental safeguarding/protection
Customer-oriented approach					<ul style="list-style-type: none"> Innovation with a focus on customers and Digital Innovation
Respecting laws					<ul style="list-style-type: none"> Legality and business integrity
Creating quality work					<ul style="list-style-type: none"> Human capital management Training and development Health and safety

Every day, the people and operations of IP are inspired by the Group’s values, which are as interconnected as the sustainable development goals.

02

Our Values



Enabling Mobility

**Creating economic,
social and
environmental value**

**Customer-oriented
approach**

Respecting laws

Creating quality work

2.1 Enabling Mobility

“Enabling mobility” of Italians is the central value of IP, because we firmly believe that moving is synonymous with freedom and emancipation.

Thanks to a widespread network of 5,000 Service Stations in Italy and logistics distributed throughout the country, IP wants to be the protagonist of the energy transition, in particular by immediately facilitating the transition to more sustainable mobility.

The IP-brand network is a strategic mobility infrastructure in which engaging innovation as a key to overcome the challenges of the future: from service digitalisation to car sharing, from innovative fuels to electric mobility, from methane to hydrogen. The IP Service Stations are at the service of Italians.



IP intends to invest in its network in a sustainable and innovative manner, well aware of the need to keep ambitions and reality, tradition and future together. In this logic, the scope of the sustainability for the entire ecosystem grouped under IP is embodied in three aspects:

- **economic** - offering more practical and beneficial treatments for all;
- **environmental** - accelerating the improvement of traditional fuels with higher quality fuels and enabling the spread of alternative fuels;
- **industrial** - preserving an industrial supply chain in Italy, which is safe and can favour the use of new technologies.

The objective is to offer opportunities and solutions that help reduce environmental impact without forgetting to facilitate individual and collective mobility, as well as the use of the best freight logistics.

To this end, collaborations have been activated with players from different sectors, starting with digital and automotive. The aim is to provide customers with a wide and composite range of opportunities, intercepting new market trends.

At the beginning of 2020, subject to some residual authorisation procedures underway, the most ambitious rebranding work in the sector in recent years was completed, which unified the entire network under the single IP brand.

Already today, IP provides customers with a “multi-energy” offer (from diesel to petrol and LPG, from natural gas to electricity), which it intends to strengthen and expand by equipping plants with the most innovative fuels, including hydrogen when it becomes an actual option.



about
800,000
refuels per day



more than
1,000,000
litres per per Service Station
(average/annual dispensed)



about
2,000
non oil assets



more than
50,000
b2b fuel cards
customers

more than
500,000
oil cards



about
600
plants with LPG

about
50
plants with methane

23
SS with electric charging



100%
regions supplied

**Italiana petroli
Service Stations per region**
*The darker colour indicates a greater
presence in the area*

The fuel distribution network and its transformation

The Group is, and will be, an active part of the evolution of mobility.



Everywhere on the road:

to provide increasingly sustainable and better quality fuels, with a progressive replacement of traditional fuels, along with alternative fuels and innovative technological solutions. IP can count on the extensive, widespread coverage of its network with 100% of the Italian regions supplied and almost every province.



With logistics hubs for heavy goods and passenger transport:

to become logistics hubs, using extra-urban service stations positioned on logistics routes, as well as refineries, which have all the potential to refuel with LNG, creating “green” inter-modal logistics corridors.



Inside cities:

to transform Service Stations into multi-service hubs, which help citizens meet their everyday needs beyond refuelling, such as delivering and collecting packages and personal services. These will be accompanied by electric recharging stations for mobility, in collaboration with utilities and local administrations.



Outside cities:

to build an ultra-fast electric charging backbone and a methane distribution network for medium and long-distance travel.

This is in line with the agreements signed with the main operators specialising in the supply of alternative fuels, favouring the development of infrastructure to support more sustainable mobility.

The authorisation and design procedures are underway for the construction of the first 26 methane distribution plants forming part of the agreement signed with Snam in the second half of 2018.

Likewise, a memorandum of understanding has been signed with Enel for the installation of fast charging points for electric vehicles at IP-brand Service Stations: this agreement provides for the installation of fast charging points

(E-corners) next to the petrol and diesel pumps. At the end of 2019, the Group had a total of 23 charging stations installed.

Lastly, further agreements are being defined with utility operators to install ultra-fast recharging stations: a technology that will allow to simultaneously recharge multiple vehicles in little time. The infrastructure is compatible with all the electric vehicles currently present on the market and could reduce charging times to the equivalent of a „coffee break”, and significantly increase the potential for using this type of vehicle.



SERVITO

- 1 **PIÙ TI SERVIRE**
- 2 **PARLI AL GESTORE**

1649

OPTIMO

IL CARBURANTE DI QUALITÀ SUPERIORE A UN PREZZO PER TUTTI.

- RIDUZIONE DI CONSUMI ED EMISSIONI
- MINORI COSTI DI MANUTENZIONE
- MOTORE PIÙ PULITO E PERFORMANTE
- STESSO PREZZO

SELF

1449

1589

IP WASH



5



CARTR

SERVITO



Innovation with OPTIMO products

The growth in size that IP has achieved in recent years has made it the largest network of mobility services in Italy, thus its decisions are of considerable importance and able to arouse widespread and new interest.

The awareness of the extraordinary value that mobility has for society in terms of freedom, emancipation and opportunities has led IP to identify a solution thus satisfying those who already demand better performance in terms of reduced consumption, cleanliness and engine efficiency today.

For this reason, and thanks to an articulated and widespread integrated logistics system, IP has launched a large project that involves the distribution of premium petrol and diesel known as OPTIMO at its Service Stations, selling them at the same price as traditional fuels. The OPTIMO fuels will be distributed to IP-brand Service Stations by the end of 2020, but have already been available since December 2019 in Lazio, Marche and Umbria.

OPTIMO petrol and diesel will completely replace traditional fuels and are the best and most innovative solution available on the market, to make the currently circulating vehicles with an internal combustion engine move better, of which there are about 38 million in Italy. It is therefore the solution that already facilitates the transition towards increasingly sustainable mobility today.

A technical revolution at IP. A paradigm shift that will allow the millions of motorists who refuel at the Group's service stations to reduce consumption, CO2 emissions and maintenance costs (with the same driving style and other vehicle conditions), thus immediately becoming protagonists of the energy transition with their current cars. OPTIMO fuels also contain a particular element that allows them to be identified and tracked from a legal point of view.

A commercial revolution at IP. OPTIMO fuels do not cost more than other fuels: IP wants to facilitate the energy transition with a product that does not place the burden of additional costs for the most innovative technical solutions on the end-user, which is instead almost always the case in today's market.



**Same price
and more benefits**



**Engine care
and efficiency**



Environment



**Traceability and
anti-counterfeiting**





OPTIMO therefore materialises IP’s values from the perspective of Sustainability. Here are some of the other benefits:

ENGINE CARE AND EFFICIENCY

OPTIMO allows unprecedented engine care, which leads to greater efficiency and lower maintenance costs. The new IP fuel adds even more advantages: it removes impurities in the engine (Clean-up effect) and keeps it clean (Keep-clean effect), protects the engine from corrosion and reduces friction between mechanical parts. All this allows a reduction in maintenance costs, as the more fluid combustion

reduces wear on engine components and improves their performance. Tests carried out on indirect injection engines, the majority of petrol engines in Italy, in accordance with the standard protocols CEC F-05-93 and CEC F-20-98, proved the ability to prevent more than 85% of the tendency to deposit formations in new cars. In cars that have already accumulated thousands of kilometres, however, tests carried out in accordance with the standard protocols CEC F-05-93 and CEC F-20-98, confirmed OPTIMO’s efficiency in removing more than 50% of the deposits already present, after the equivalent of only 3,000 km of use. Lastly for diesel engines, OPTIMO improves performance, favouring an excellent engine response and a quicker start, even from “cold”.

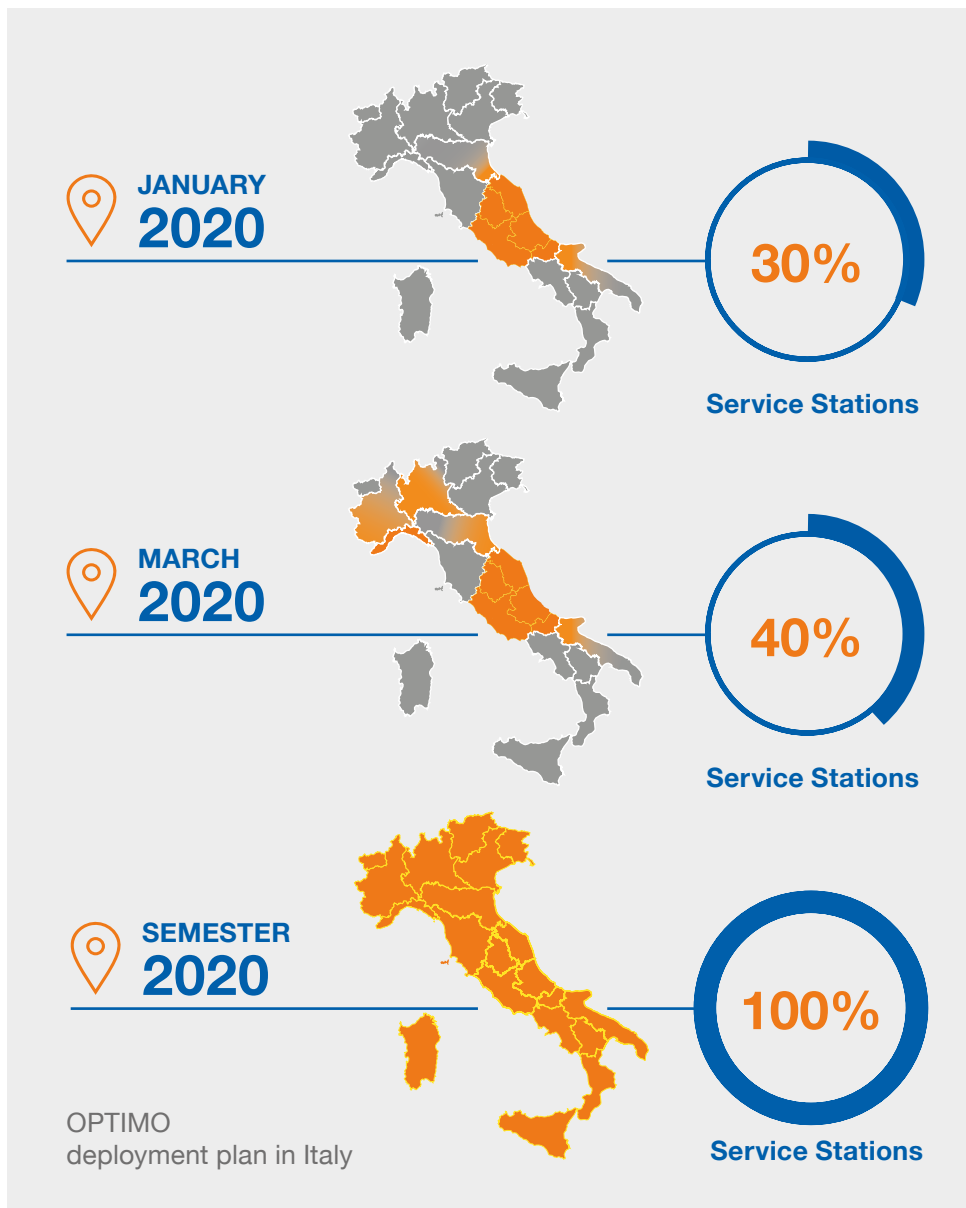
ENVIRONMENT

The new IP OPTIMO fuels allow a reduction in the consumption of fuel of at least 2%. This result has been verified by tests carried out under standardised conditions, in accordance with the protocol adopted in Austria by the EEEG energy savings directive. With the full deployment of OPTIMO, IP has set itself the goal of reducing atmospheric emissions by more than 300,000 tons of CO₂ per year, equivalent to reducing the total direct emissions emitted by the Group’s industrial activities by 60%. The calculation was made using the emission estimates of the circulating Italian vehicles made by ISPRA in the National Greenhouse Gas Inventory (with reference to NIR 2019-Rapporti 307/2019). Obviously, the reduction results are expressed for an average number of vehicles, and may vary depending on the types and conditions of the engines, the general conditions of the vehicle, as well as the driving style adopted.

TRACEABILITY AGAINST COUNTERFEITING

With OPTIMO, IP will be able to verify the product supply chain thanks to the added tracer. This will make it easier for IP to check the quality of its products and will also make an important contribution to combating the problem of illegal fuel trafficking, which puts the engines of Italians at risk and generates huge volumes of tax evasion.

OPTIMO was formally launched with a press conference on 14 January 2020. The new commercial was previewed on the occasion and began broadcasting on the main TV and radio stations, websites and social networks immediately after the conference and throughout 2020.



Development of the non-oil supply offer for consumers

IP's business strategy is aimed at creating a Service Station model for the inclusive future of the world of administration, automotive, online platforms and consumer goods. The multi-annual plan provides for the development of local business formats, new concept stores and shops, as well as innovative and flexible offerings to complement the more traditional ones (bars, workshops, car washes).

The business plan intends to develop the product offer of the current platform with the inclusion of items from the markets growing most (e.g., food supplements and health).

Agreements are being drawn up with some leading Italian companies to develop dedicated partnerships, with the aim of proposing both new concepts with traditional formats (within existing premises) and innovative formats dedicated to certain food and non-food product categories in the IP Service Stations.

During 2020, the goal is to develop significant partnerships that allow us to expand the current range, diversifying it by area and product offer (pizzerias, cafés and bakeries, confectionery stores, sports goods, household items, toys).

In the context of non-oil more traditionally linked to Service Stations, technical and/or contractual reconfiguration plans are in store for another 100 car washes and workshops.

This strategy modulates solutions and operates flexibly in local markets, with the strength of an operator that has the potential to innovate its offer in line with consumers' changing needs.

Logistics: An integrated system serving the country {GRI 102-9}

The Group's total refining capacity is approximately 5.5 million tons, composed of the entire capacity of the Ancona Refinery, its share of the capacity of the Sarpom Refinery in Trecate (Novara) and the contract work at the Alma Refinery (Ravenna). In particular, Falconara and Alma Ravenna specialise in the production of bitumen and fuels, while Trecate is more oriented to the production of fuels, and Bitumtec (Volpiano) is specialised in the production of modified bitumen. IP has a storage system (primary logistics) with very high usability, with a capacity of about 2.5 million cubic metres.

The origin of the crude oil and products purchased by the Group in 2019, for release for consumption or processing, is as follows:

Crude oil area of origin		Products area of origin	
Middle East	37%	Middle East	49%
Eastern Europe and Caucasia	34%	Far East	22%
Central Africa	12%	Italy	10%
Central/North America	9%	Eastern Europe and Caucasia	9%
North Africa	6%	North America	9%
Northern Europe	2%	Northern Europe	1%

With regard to the supply of refined oil products, only suppliers with proven international reliability are selected, reinforced by the request for certificates of origin that attest to the quality of the supply chain.

The widespread IP logistics system benefits from a high degree of supply and distribution autonomy; in fact, about 65% of the fuels released for consumption come from our own bases. It is precisely thanks to the large integrated logistics system that it was possible to design and develop the innovative OPTIMO fuels.

Product purchases from third-party bases represent solutions for further system efficiency, in particular in order to balance and optimise distribution costs.

Below is the complete list of depots that hold products owned by italiana petroli:

- **“Corporate” depots (IP-owned):**

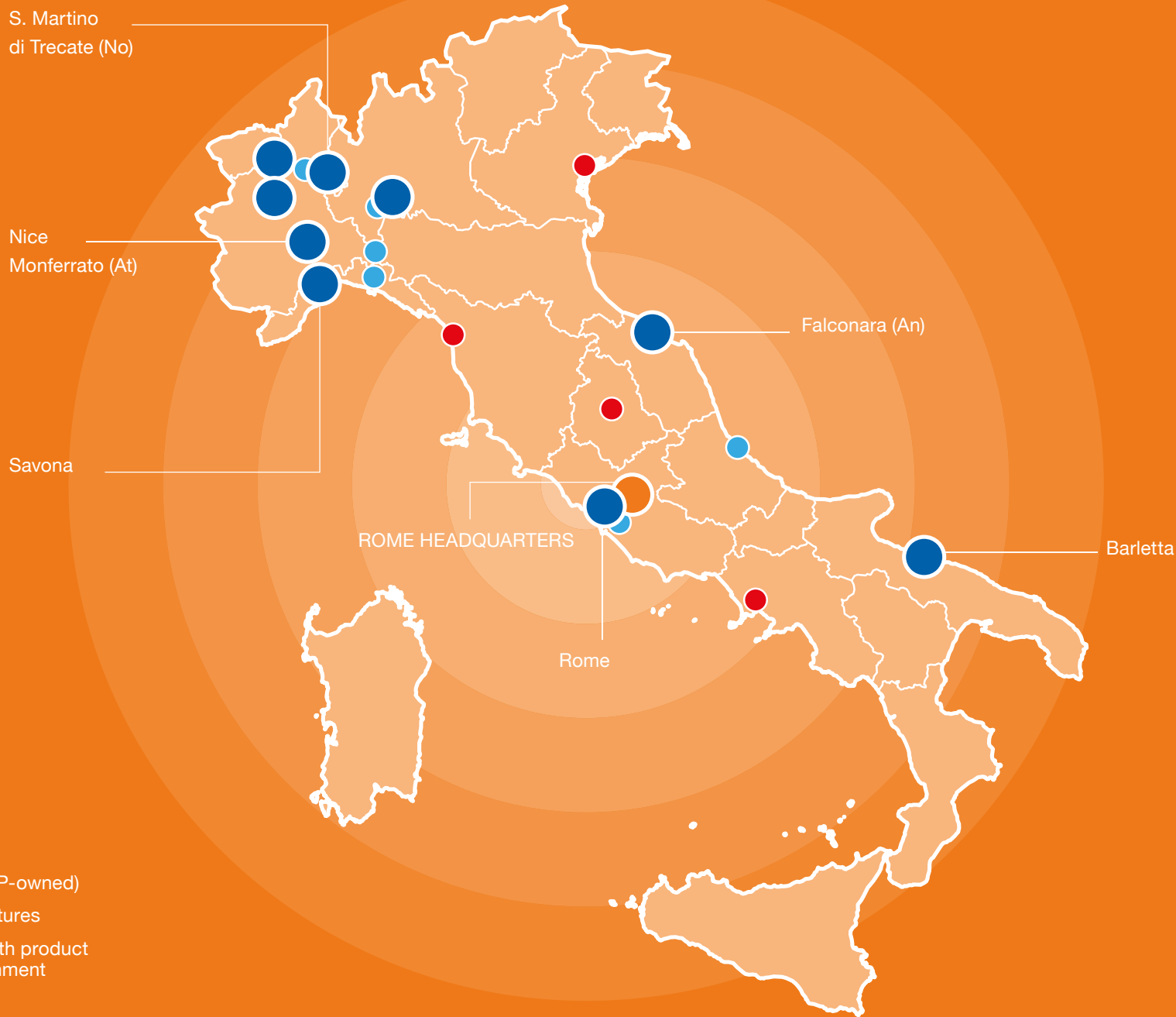
Ancona Refinery (Falconara M.), IP Industrial (Rome), S. Martino di Trecate, Savona, Barletta, IP Industrial Nord Ovest (Nice Monferrato - AT, Burolo - TO, Opera - MI);

- **Depots from Joint Ventures:**

De.Co. Rome, Sarpom Refinery, Sigemi (Arquata Scrivia - AL, Lacchiarella - MI, S. Quirico - GE), Abruzzo Costiero (PE);

- **Third-party depots with product availability on consignment:**

Petroven (VE), Costieri D'Alesio (LI), Folignoli (PG), Saccla (NA).



- Head office
- "Corporate" depots (IP-owned)
- Depots from joint ventures
- Third-party depots with product availability on consignment

The articulated primary logistics system allows IP to supply also customers of the wholesale channel throughout Italy. The unsold volumes of this channel are distributed 50% between the North Area and the Central-South Area and mainly exploit our owned bases, guaranteeing coverage on the Tyrrhenian and Adriatic sides of the country.

The Wholesale channel has a commercial structure composed of direct sellers and local agencies to ensure the most effective proximity to resellers and end customers.

As an integrated mobility enabler, the business areas in which italiana petroli operates are not limited to the fuel sector, but also concern more niche areas such as lubricants and bitumen.

The production and use of high-performance lubricants allow, especially in combination with OPTIMO, to obtain better engine performance and further contribute, albeit indirectly, to the overall reduction of emissions and waste. A well-lubricated engine consumes less and requires fewer oil changes.

The product catalogue also includes an oil dedicated to motor-powered cutting equipment that is 95% biodegradable, whose total sales exceeded 50,000 kg.

Another strength is surely the production of bitumen, which is the basic adhesive for the production of asphalt and therefore an essential element in the construction of roads.

In recent years, there has been a downward trend in the use of bitumen, going from about 3 Mtons in 2004 to the current 1.5 Mtons, mainly due to the drastic reduction in public investments for road maintenance. When the national economic system allocates the necessary investments to road modernisation, IP will be ready to make its contribution, both with traditional bitumen, and with modified bitumen, thanks to the Bitumtec hub of excellence that contributes to the creation of draining asphalts, which greatly increase driving safety.

Our secondary logistics operates in a context of constant search for efficiency, pursuing the optimisation of transport at Service Stations through the daily planning of trips aimed at minimising the kilometres travelled and maximising the quantities unloaded per single plant. The tankers that transport product have

comprehensively travelled 23.48 Mkm.

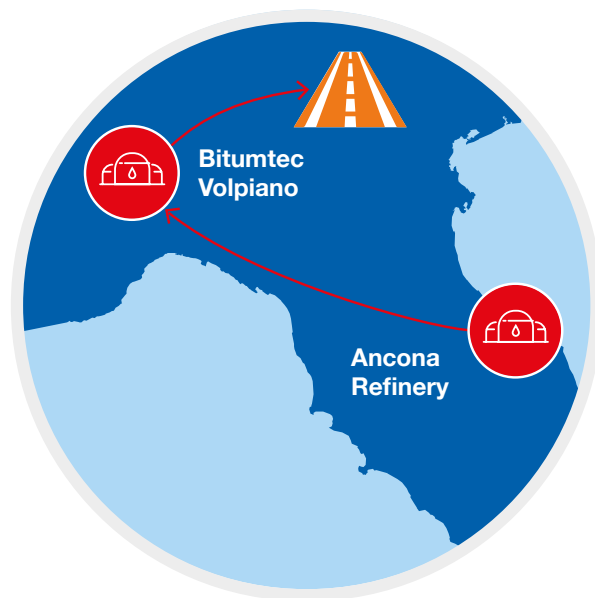
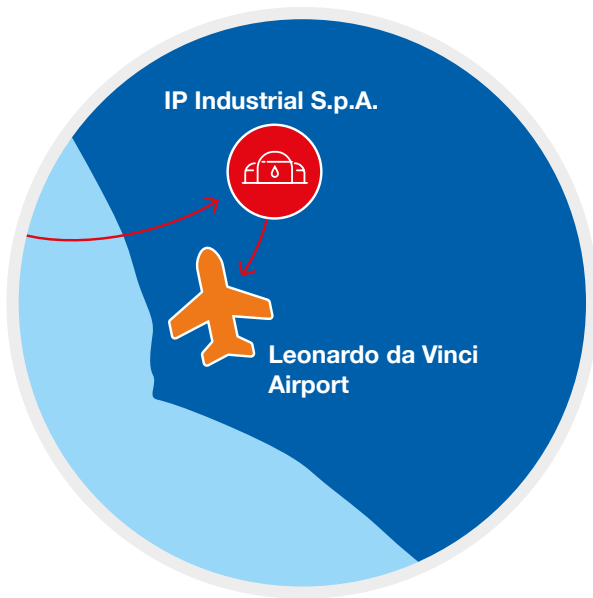
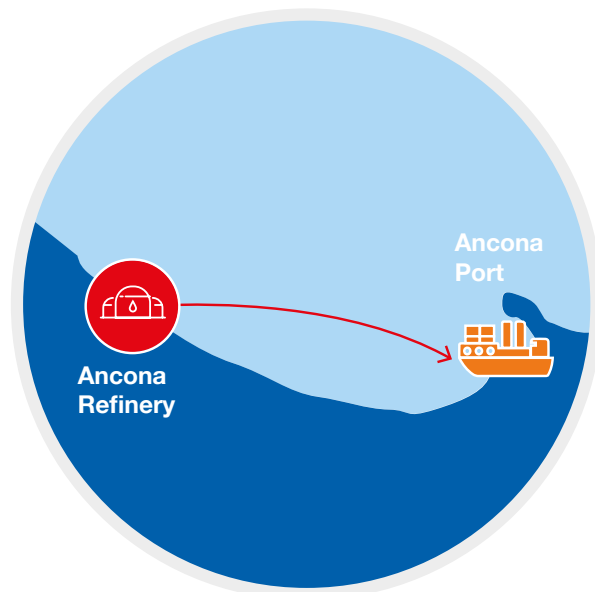
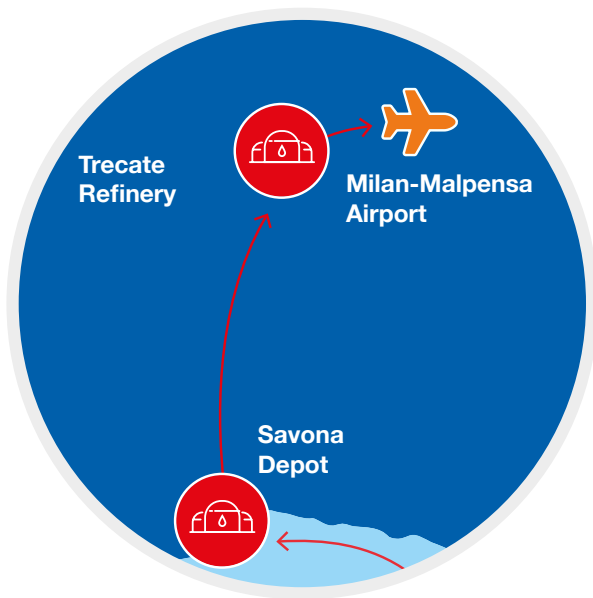
In order to guarantee maximum safety on every trip, with positive repercussions also in terms of legal compliance, IP requires that its entire contracted fleet of vehicles be equipped with GPS for remote location detection and the remote control of on-board operations.

IP has joined the road safety platform, with several agreements signed between stakeholders to better monitor the transport of dangerous goods and improve road safety and protection.

IP's logistics infrastructure is an advanced and integrated platform that, thanks to direct connections via pipeline with the Trecate Refinery (Malpensa) and IP Industrial's Rome site (Fiumicino), has become one of the largest jet fuel suppliers of the Rome and Milan airports with over 1,760 kT/year.

In addition to this the production of marine fuel (bunker) of the Ancona Refinery, supplying the fleets of the main companies operating in passenger transport at the nearby port.





2.2 Creating economic, social and environmental value

{GRI 102-7; 103-1; 103-2; 201-1}

The primary objective of a company, inherent in its nature as a social entity, is to create economic value through its business. The real challenge is to be able to create “shared” value, for itself and for all stakeholders. It is in this perspective that the value assumes not only an economic dimension, but it has also social and environmental connotations, in a long-term perspective.



Key economic indicators

On 18 March 2020, the Board of Directors approved the consolidated financial statements of IP and this Report.

The net turnover of 2019 was 6,064 million euros, with an EBITDA of 262 million euros, net profit of 75 million euros and net financial position of – 210 million euros.

These results should be interpreted within the Italian and international energy context, which in 2019 were characterised by high price volatility also caused by geopolitical instability and a slight decline in internal demand.

Economic value generated and distributed

The gross economic value generated and distributed in 2019, inferred from the financial statements approved and prepared in accordance with IAS and IFRS accounting standards, excluding VAT and excise duties, was equal to 5,874 million euros.

Gross Revenue (A)	6,064
Distributed Economic Value (B)	5,873
- of which raw materials and products	5,171
- of which operating, financial and other costs	702
Retained Economic Value (A-B)	191

For a more complete view and understanding of the sale methods of the refined oil products marketed, the significant tax component collected and subsequently paid on behalf of the State, i.e. the national excise duties and taxes and regional excise duties, must be added to the economic value generated.

These components respectively amount to (in millions of euros):

Excise duties and consumption tax	3,954
Regional taxes	10
TOTAL Millions of euros	3,964

Thus overall, including excise duties, the Value Distributed is equal to 9,838 (excluding VAT).

	millions of euros
Raw materials and products	5,171
Operating, financial and other costs	702
Excise duties and consumption tax	3,964
TOTAL distributed value	9,837

The distribution of the value distributed for each stakeholder group is as follows:

Operating costs	57.9 %
Payments to public administration	40.6 %
Salaries and employee benefits	0.8 %
Payments to capital suppliers	0.7 %
Investment in the community	0.0 %

The figure for investments in the community for 2019 stands at about 140,000 euros.

A typical feature of the sector, which is worth mentioning, is that of having to apply VAT to the entire sales price, including excise duties; the total value of the VAT balance paid for 2019 amounts to approximately 686 million euros.

Pump Price

During 2019, the cost of crude oil per barrel imported into Italy suffered from the decline in the reference international prices of crude oil, comprehensively falling to about 6 dollars per barrel, which resulted in a decrease of about 2 euros per barrel due to the sharp weakening of the euro/dollar exchange rate.

In 2019, the industrial prices of network fuels followed the trend of international refined product prices (Platt's), in line with the evolution of prices in the Euro area.

In this international context, the so-called weighted "Italy disconnect" (petrol + diesel), i.e., the delta between the average Italian prices compared to the average of the Euro area countries after all taxes, was practically zero in 2019, amounting to only -3 thousandths per litre.

The consumer price (at the pump), which includes taxes, was again affected in 2019 by the high tax burden from which the difference in Italian prices derives almost entirely compared to the average of the Euro area: the taxes weigh 60% for diesel, and 64% for petrol (December 2019 – MISE data).

	PETROL		DIESEL	
Pump price	1,584.91	100%	1,482.48	100%
- of which excise duties	728.40	46%	617.40	42%
- of which VAT	285.81	18%	267.33	18%
- of which industrial cos	570.70	36%	597.75	40%

Relations with local communities

Creating a positive relationship with the local communities of the areas where IP operates with its assets is essential. Investing in an area and ensuring the sustainability of business is undeniably connected to the collaboration and construction of projects shared with the community. To this end, the initiatives promoted by IP in 2019 throughout the country were characterised by the exchange of information and constructive dialogue.

With specific regard to the Ancona Refinery, the Group's main industrial site, IP works incessantly to promote a constructive coexistence between the industrial site and the community of Falconara Marittima. In particular, projects and initiatives are in place, which contribute to increasing the value of the knowledge and skills of young people and related companies.

Although it may not be very large, the Falconara area has always been sensitive to the environment due to the historical presence of several industrial sites near the urban area, including the Refinery, as well as other relevant infrastructures such as the railway, the motorway and the "Raffaello Sanzio" airport. In this context, the collaborations with local authorities involved in the management and control of the territory were again constant in 2019.





Odor.net - ARPA Marche

ARPAM and the Municipal Administration of Falconara Marittima, with the full collaboration and effective support of the Ancona Refinery, have implemented specific actions to monitor air pollution in the area through a control plan for “odorous” releases into the air, which potentially affect the area around Falconara.

Presented in May, the project will continue for several years and allows any citizen to make reports in real time through a simple APP (for smartphones and tablets), called “Odor.Net ARPAMarche”.

The direct contribution of the Refinery for the purchase and construction of sampling devices in the area is inspired by the principle of transparency and collaboration between citizens, institutions and industrial sites. These are the same principles that inspire the work of the Ancona Refinery in also providing ARPAM with emissions from its flues.

For any additional information, please refer to the dedicated website: <https://odornet.arpa.marche.it/>



Open Day "A day with api"

On 14 September 2019, a special day was held for the Ancona Refinery: a day dedicated to families, with education on the issues of environmental sustainability and the protection of the Falconara Marittima area and its community. The Ancona Refinery opened its doors to the families of its employees and suppliers who work on the site on a daily basis. A day that made sharing and transparency a concrete experience.

On this occasion, more than 1,000 participants had the opportunity to introduce families and friends to their workplace and spend time together participating in educational workshops dedicated to separate waste collection, secrets for avoiding waste in the use of water, the reuse of plastic, and the responsible use of energy.





On the same day, the 2018 Site Report of the Ancona Refinery was also presented, a comprehensive document that takes stock of the plant's performance with a focus on Health, Safety and Environment. The authorities involved had the opportunity to participate in a guided tour and visit the plants and control rooms.

On this occasion IP also inaugurated the Marche headquarters of its Academy in the building next to the Refinery, in the presence of local authorities and the company's top management. In December 2019, the Corporate Academy obtained accreditation to carry out vocational guidance and training activities pursuant to the Italian Regional Decrees Nos. 62/2001, 2164/2001 and 254/2019.

All a set of initiatives that lay the foundations for an even stronger relationship between industry, businesses, authorities and citizens, under the banner of constructive dialogue.

Relations with schools and academia

During 2019, the Ancona Refinery continued its work-school alternation activity in implementation of the protocol signed between the Group and the Italian Ministry of Education, University and Research (MIUR), signed in November 2016. In fact, the Refinery hosted more than 100 students, distributed on the basis of their specific studies, at the various Refinery Units, all from high schools and

technical institutes of the area (I.I.S. Volterra-Elia of Torrette, I.I.S. Galilei of Jesi, Galilei Scientific High School of Ancona, I.T.E. Serrani of Falconara, I.I.S. Bettino Padovano).

The students had the opportunity to consolidate their training directly in the field alongside the Refinery's technicians, enriching the knowledge acquired at school through practical experience.

The Ancona Refinery has also collaborated with the academic world of Marche for years, welcoming university students in internships to help them prepare their degree thesis. In 2019, company tutors joined university students to help them prepare their degree thesis concerning the maintenance and reliability of machines and the EC certification process systems for road bitumen.

In addition, IP has been coordinating a module of the Energy Industry Master's degree at LUISS Business School for over three years. The course consists of four days of lessons, held by experts inside and outside the company, on all topics related to downstream oil, mobility and the energy markets.

Some projects are also being defined together with the Università Politecnica delle Marche, with which a framework agreement was signed in 2019.

Sustainability Festival

Consistent with the other initiatives and with the path that IP has embarked on in recent years relating to sustainable development issues, Falconara Marittima was chosen as the location for the first Sustainability Festival sponsored by Alleanza italiana per lo Sviluppo Sostenibile (ASviS) with which IP signed a multi-year agreement in 2019.

Held on 23 May, the initiative involved school directors, students and tutors participating in the school-work alternation project and focused on the topics covered by the 2030 UN Agenda and on in-depth studies of laboratory teaching methods that higher education institutions could adopt.

Additional events and initiatives

IP sponsored the photo competition “In uno scatto la mobilità sostenibile” (“Sustainable mobility in one shot”), promoted by the sector newspaper Quotidiano Energia (QE) led by the wish to give shape to the issues that the newspaper addresses daily and which are important to IP.

The agreement to coordinate activities for the protection of the “Capitoline Dolphins” and the environment in the waters of the Marine Compartment of Rome has continued between IP Industrial (former Raffineria di Roma), the Port Office of Rome and the non-profit organisation Oceanomare Delphis Onlus (ODO), which studies and monitors the presence of the cetaceans in the Mediterranean Sea.

In addition, in 2019 an agreement was started with Fondazione Italia Sociale to support the definition of a “Country responsibility” concept, with the aim of making a contribution in terms of the mobilisation of private resources, intended for large social projects, able to meet the criteria of effectiveness, employment impact and economic sustainability.

Through Raffineria di Ancona, we supported the organisation of a rich programme of events in the province of Ancona for cultural, sports and tourism promotion:

- participation in the Falconara Mini Olympics, a sporting event, which was resumed after many years, that brought children together from every neighbourhood of the city in competitions and tournaments with the aim of promoting the healthy values of sport;
- participation in the third edition of the Adriatic and Ionian Youth Games, now called the Animus Youth Games, thanks to the European project Animus (Adriatic Ionian Games for Social Inclusion), co-financed by the EC Erasmus+ programme;
- participation in the High School Basketball association (children with intellectual and relational disabilities) at the basketball campus organised by Marco Calamai, a Serie A coach;
- support for UILDM, the only Marche electric-wheelchair hockey association.

Several other activities have been organised to support associations, volunteering, parishes and civil protection, including:

Body involved	Project
Patronesse del Salesi Association in fund-raising	<i>Salesi Paediatric Hospital in Ancona</i>
Municipality of Falconara	<i>“Mobilità Garantita” (Mobility Guaranteed)</i>
City of Falconara	<i>Fund-raising for the purchase of a defibrillator</i>
Parish of St. Anthony of Padua in Falconara	<i>Youth and the local community</i>
Parish of Saint Andrew Apostle in Castelferretti	<i>Anniversary of the construction of the Church</i>
Civil Protection of Camerata Picena	<i>“Salviamoci la pelle” (Let’s save our skin) for children aged 12 to 14</i>
Claudio Venanzi Foundation	<i>Information and art</i>
FAI	<i>Historical importance for the territory</i>
Municipal Police	<i>History of the Ancona Municipal Guards</i>
“Gruppo Amici per lo Sport” (Friends for Sport Group) “AVIS”	<i>Disease prevention</i>
Università Politecnica delle Marche	<i>Scientific disclosure</i>

Suppliers {GRI 102-4; 102-9; 103-1; 103-2; 204-1}

IP's organisation provides for the centralisation of its purchasing activities of goods and services, entrusted to the Purchasing Department. Exceptions are the purchase of crude oil and refined oil products, managed by the Supply and Logistics Department, and the definition of commercial agreements (e.g., network agents and affiliates) managed by the Sales Department.

The goods and services purchasing process takes place according to the following synthetic summary:

- **Identification of the best technological solutions:** the objective is to ensure maximum satisfaction of the internal customer's needs, but also the least overall impact on the environment and safety;
- **Supplier selection:** the choice of suppliers and their inclusion in the registry takes place through an objective qualification process that verifies and evaluates their ethical, economic and financial reliability, and the technical and management skills of safety and respect for the environment, as well as ethical-social profiles such as the commitment to the fight against corruption, policies to combat undeclared work. The supplier register is continuously updated and the qualification is valid for a maximum of three years;
- **Priority for Italian suppliers** to stimulate the national economy;
- **Loyalty and respect for the corporate code of ethics:** to create a relationship of lasting trust and high satisfaction through purchasing choices with clear and defined procedures, in compliance with transparency and equal treatment between competitors;
- **Verification of compliance and congruence between goods and services purchased and expected performance:** purchases are made based on compliance with the required technical characteristics and actual needs, in line with the search for continuous efficiency and the reduction of waste.

2,300
qualified active suppliers

185
qualifications in 2019

98%
of the suppliers used are Italian

5,900
purchase orders created in 2019

208 million euros
order value (net of electricity, methane)

97.4%
of order value for Italian suppliers

85%
of purchases concerned the provision of services

Integrated health, safety, environment and quality management

{GRI 103-1; 103-2}



Human health, safety of operations and protection of the environment are primary values in the corporate culture.

IP promotes and implements initiatives aimed at minimising risks, also with a view to a constructive partnership based on maximum transparency and trust towards stakeholders.

Human capital is IP's main pillar: safeguarding the health of people and preventing any form of accident and injury, both for its employees and for external personnel working at industrial sites, are permanent, priority objectives.

Value creation also involves the effective application of organisational models able to govern and prevent HSE-related risks. In this sense, the adoption of a health, safety and environmental management system that can be certified according to nationally and internationally recognised standards has been identified as a fundamental organisational tool.

The implementation and maintenance of the Group's certification programme is precisely part of the strategy of using best management practices to prevent and minimise the risks associated with its activities.

In 2019 italiana petroli S.p.A. maintained its certification according to the OHSAS 18001 international management standard in the field of health and safety at work. The verification of the accredited certification body found full compliance with the standard, with the absence of non-conformities.

The OHSAS 18001 standard will be replaced by ISO 45001; OHSAS 18001 certification will be valid until March 2021. italiana petroli S.p.A. has already started the activities to align its management system with the requirements of the new standard.

The Group's industrial sites in Falconara, Rome, Savona and Trecate were subjected to scheduled audits by accredited certification bodies in 2019 and maintained the certification of their Management Systems according to the OHSAS 18001 and ISO 14001 standards (Environmental Management System). The industrial sites in Barletta and Volpiano (Bitumtec s.r.l.) have also maintained their OHSAS 18001 certification.

None of the audits highlighted a single critical issue. The suggestions made in the context of the controls carried out are being implemented.

It should be noted that the Ancona Refinery was the first refinery in Italy to obtain the IEA (Integrated Environmental Authorisation), renewed during 2018.

Overall, IP incurred expenses for HSE investments of about 11.9 million euros in 2019, of which:

- 8.6 million euros relative to industrial sites;
- 3.3 million euros for network Service Stations and offices.

In addition to the continuous investment to improve commercial and industrial sites, IP is also engaged in reclamation activities and the environmental restoration of the network Service Stations. These activities derive mainly from the removal of equipment related to the physiological life cycle linked to road changes and urban evolution.

The trend in the reduction of the number of network sites involved in environmental processes can be noted:

Active procedures IP	TOTALE
Active procedures pending at 31/12/2018	399
Open procedures	20
Closed procedures	33
Active procedures at 31/12/2019	386

The company is constantly engaged in preventive and maintenance works in order to minimise possible contamination. IP has internal and external resources dedicated to the management of site reclamation processes and engaged in the continuous optimisation of costs and times of the service.

With regard to industrial sites, in 2019 a procedure was opened at the Rome depot of IP Industrial S.p.A. due to product seepage outside the containment basin of a petrol tank. The safety procedures and protections were implemented in a timely manner and the related environmental procedure was initiated.

With the aim of continuously optimising processes, IP has positively maintained its quality management systems.

IP (as headquarters and depot for the production of lubricants), IP Industrial, Bitumtec, and the laboratory of the Ancona Refinery all are currently certified ISO 9001 (Quality Management System).

At the end of 2019, IP began the process of renewing its certification of compliance with the RED directive (Renewable Energy Directive 2009/28/EC), as a biofuels trader.

The Ancona Refinery and the Bitumtec plant both have UNI EN 12591 certification for bitumen production.

Environmental management [GRI 103-1; 103-2; 305-1; 305-7]

The focus on the environment is at the heart of the Group's activities, with particular reference to the industrial sites where it operates.

The table below shows the total 2019 direct emissions into the atmosphere – expressed in tons per year – for the Group's industrial sites and offices.

	TON
NO _x emissions	276.6
SO ₂ emissions	233.8
TSP (total suspended particulates) emissions	2.4
VOC (non-methane volatile organic compounds) emissions	180.2

The emission limits set out by the IEA (Integrated Environmental Authorisation), renewed in 2018 and relating only to the Ancona Refinery, are 1,000 tons per year for SO₂ and 470 tons per year for NO_x.

The Group is directly involved in the management of greenhouse gas emissions at the Ancona Refinery, which is subject to the "Emission Trading" Directive 2018/410/EU.

The European guidelines require the adoption of an appropriate emission monitoring and reporting system certified by accredited third parties.

In fact, the Ancona Refinery has a specific management system certified according to standard 14001, which defines:

- the responsibilities for fulfilling obligations;
- the ways in which CO2 is enhanced in scheduling activities;
- the optimisation of emissions;
- the minimisation of associated risks.

Direct CO2 emissions of 515,083 tons (GRI 305-1). 27,368 tons of CO2 were recovered through sales at the Ancona Refinery in 2019.

The datum of **indirect** CO2 emissions, equal to 100,480 tons (of which 78% related to GRI 305-2), was calculated taking into account the electricity purchased, the kilometres travelled during the year by the tankers transporting fuel to the Service Stations and the kilometres travelled by employees on road (the calculation formula can be found in the methodological note), with the table below showing the details.

Indirect emissions CO2 eq	100,480
from electricity purchased on the grid (scope 2)	78,209
from product distribution (diesel as fuel)	20,838
from company transfers	1,433

Waste management {GRI 103-1; 103-2; 306-2}

Absolute and mandatory compliance with current regulations also applies to waste management.

The Group's commitment is aimed at working so as to maximise the amount of waste destined for recovery, reducing that subject to disposal.

Waste from production activities	TONS
Hazardous	2,068
of which for recovery (including energy)	206
of which waste	1,861
Non-hazardous	3,100
of which for recovery (including energy)	2,784
of which waste	316
Waste from remediation activities	TONS
Hazardous	144
of which for recovery (including energy)	97
of which waste	48
Non-hazardous	6
of which for recovery (including energy)	0
of which waste	6

Altogether, 5,168 tons of waste were produced from operations, of which 58% were sent for **recovery** and 150 tons of waste from reclamation of industrial sites, with about 64% **recovery**.

Energy consumption {GRI 103-1; 103-2; 302-1}

The Group's energy consumption amounts to 245,403 TEP (TEP – tons of oil equivalent). Corresponding to 10,275 Tjoules.

Details by source are given in the table:

Carrier	Consumption (TEP)
Electricity	47,178
Natural gas	64,798
LPG	611
Diesel	121
Fuel gas (self-produced)	132.695

Water withdrawal and discharge {GRI 103-1; 103-2; 303-1; 303-2; 303-3; 303-4}

As for water withdrawal, overall the Group has a requirement of about 6.8 Mm³, and average total reuse exceeds 46%, while for the Ancona Refinery alone, which accounts for more than 90% of water consumption, the reuse exceeds 50%.

As for the residual discharges, which are not recovered, about 500,000 m³ are released into surface water, the rest into the sea.

In the two main industrial sites (Falconara and Rome) a process is underway for the further improvement of water reuse performance; in particular for IP Industrial, the approval of the Municipality of Rome should be noted for the groundwater reuse project, through its sending to the services basin of the Rome depot.

The project will come into operation in the first half of 2020 and will also allow the Rome site to reach recovery rates closer to those of the Ancona Refinery.

The table shows the breakdown of water withdrawals by source:

Source	Withdrawals (m ³)
Freshwater	6,747,415
<i>from surface water</i>	<i>240,900</i>
<i>subsoil</i>	<i>3,191,883</i>
<i>from aqueduct</i>	<i>109,978</i>
<i>from treatment and recovery (e.g., groundwater treatment plant)</i>	<i>3,138,954</i>
<i>from other</i>	<i>65,700</i>
Seawater	55,888

2.3 Customer-oriented approach

IP wants its customers to become the real protagonist of their world. The goal is to meet their needs and improve their shopping experience every time they come into contact with IP, also thanks to the continuous evolution of the offer, which increasingly looks to the digital world and innovation, in order to make the relationship between the company and its customers increasingly fluid.

In this perspective, the development of OPTIMO premium products and their marketing at the price of traditional fuels is the most evident step taken by the company as early as the end of 2019.



The Customer

Customers change, they change the way they approach the brand, and demand increasingly higher standards, transferring their expectations indistinctly relative to the product/service offered by the brand.

The customer centricity process launched in 2019 will involve a careful profiling and analysis of our customer base in order to put together new products and services able to best meet the needs of homogeneous groups of customers.

IP conducted a study that led to the identification of different types of customers distinguished by similar behaviours and attitudes towards certain relevant, differentiating variables in the process of purchasing fuels and service in the Service Stations.

Also in the light of the findings of this research, conducted in collaboration with high-level external professionals, the guidelines of some important development projects of the IP Box Più loyalty programme, the definition of customer “engagement rules” at Service Stations and reference elements for the launch of the new OPTIMO products on the market have been identified.

With its contribution of technological and value-added innovation, OPTIMO is a relevant novel element for customers and highly differentiating in relation to the market. This is why OPTIMO is featured in the communication campaign with which IP has returned to communicating in the main media.

Starting in January 2020, through a geo-referenced and multimedia communication plan, IP began communicating the release of OPTIMO and its advantages for Italians. The plan provides media coverage in the regions, which will eventually culminate with national coverage, expected by the end of 2020.



The Technical Control Room

In line with the Group's integration strategy and in order to respond more and more accurately to the needs of its customers, an organisational entity called Control Room has been established, internalising the service of managing requests for technical intervention made by Service Station Managers every day.

During the last quarter of 2019 the Control Room - the focal point of the maintenance management process - was upgraded and now consists of a team that manages approximately 350/400 daily calls.

Digital Payments

IP's strategy is simple: attention to customers and their freedom of choice. For this reason, diversified offers are proposed for both customers with loyalty cards and consumers who decide, also randomly, to stop at an IP Service Station to refuel.

The new electronic invoicing requirement also gave impetus to a change, which necessitated the replacement of fuel cards. IP took advantage of the opportunity and designed a new menu of products and services able to meet every customer need, without, however, complicating their shopping experience.

The gradual reduction of cash by means of electronic payments is a requirement linked to the safety and traceability of transactions, but is also a great opportunity for innovation.

The obligation for VAT numbers to pay by traceable means to benefit from tax deductions is not only a way to combat tax evasion, but also to stimulate innovations in payment methods and improve the customer experience.

The trend of digital payments is set to grow everywhere: it is expected that this mode will increase on average by 12.7% per year until 2021, the growth driven mainly by emerging markets¹.

The growth in digital payments in Italy is attributable to new digital payment methods² (eCommerce, ePayment, Mobile Payment & Commerce, Contactless Payment, Mobile POS), which reach 80 billion euros³.

IP wants to drive the revolution of payment systems, investing in cashless methods and in particular facilitating those who want to use payment solutions via smartphone.

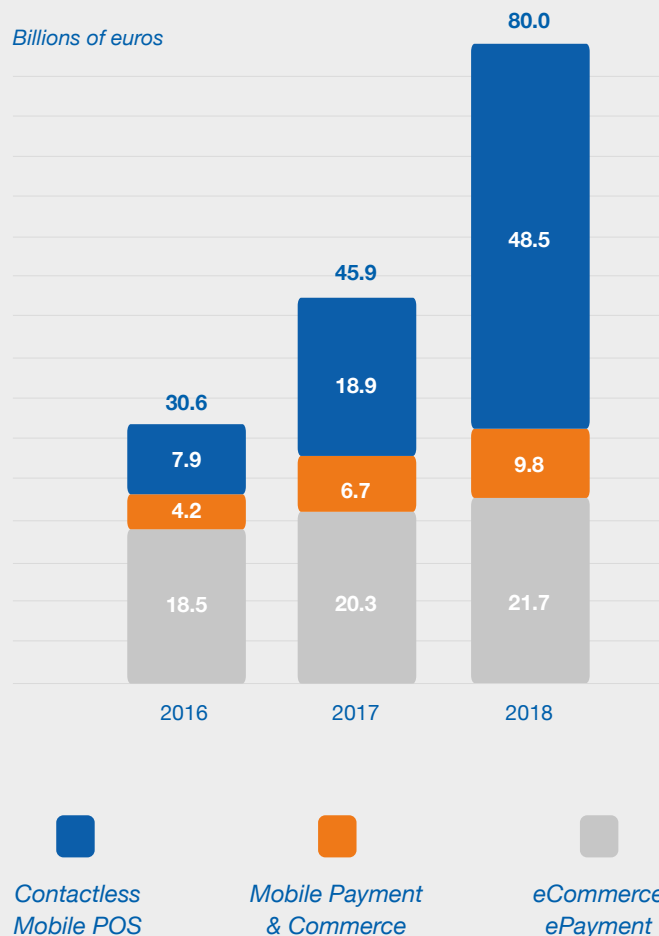


1) Source: <https://www.businesswire.com/news/home/20181015006003/en/World-Payments-Report-2018-Customer-Demand-Digital>

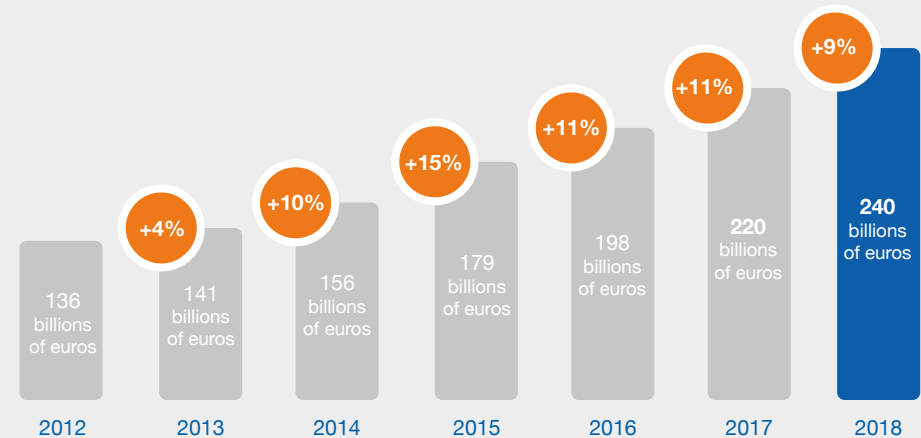
2) The new digital payment methods are innovative and include the following paradigms classifiable by purchasing situation (remotely or nearby) and activation devices (PC and Tablet, Mobile and paper on physical PC)

3) Overview of Mobile Payment and eCommerce in Italy, 2017, Mobile Payment & Commerce Observatory, Politecnico di Milano University and also World Payments Report 2018, 2018, Capgemini and BNP Paribas

Composition of digital payments (2016-2018) of new digital payments²



Value of digital card payments in Italy (2012-2018)



In 2018, card payments in Italy rose to 240 billion euros, equal to 37% of Italian household payments, with a growth of +9% compared to 220 billion euros in 2017. Italians are increasingly using cards: the number of transactions per capita is 69.6 compared to 60 in 2017.

It is becoming increasingly clear that nowadays customers expect to access services in a fluid and personalised way and interact with the brand directly. IP has set itself up to respond to this need by creating an organisational structure dedicated to digital innovation.

During 2019, this Unit worked on three important projects:

- the development of a new app dedicated to customers;
- the expansion of partnerships with mobile payment operators;
- the development of payment systems and the review of Service Station management systems (so-called single POS project).

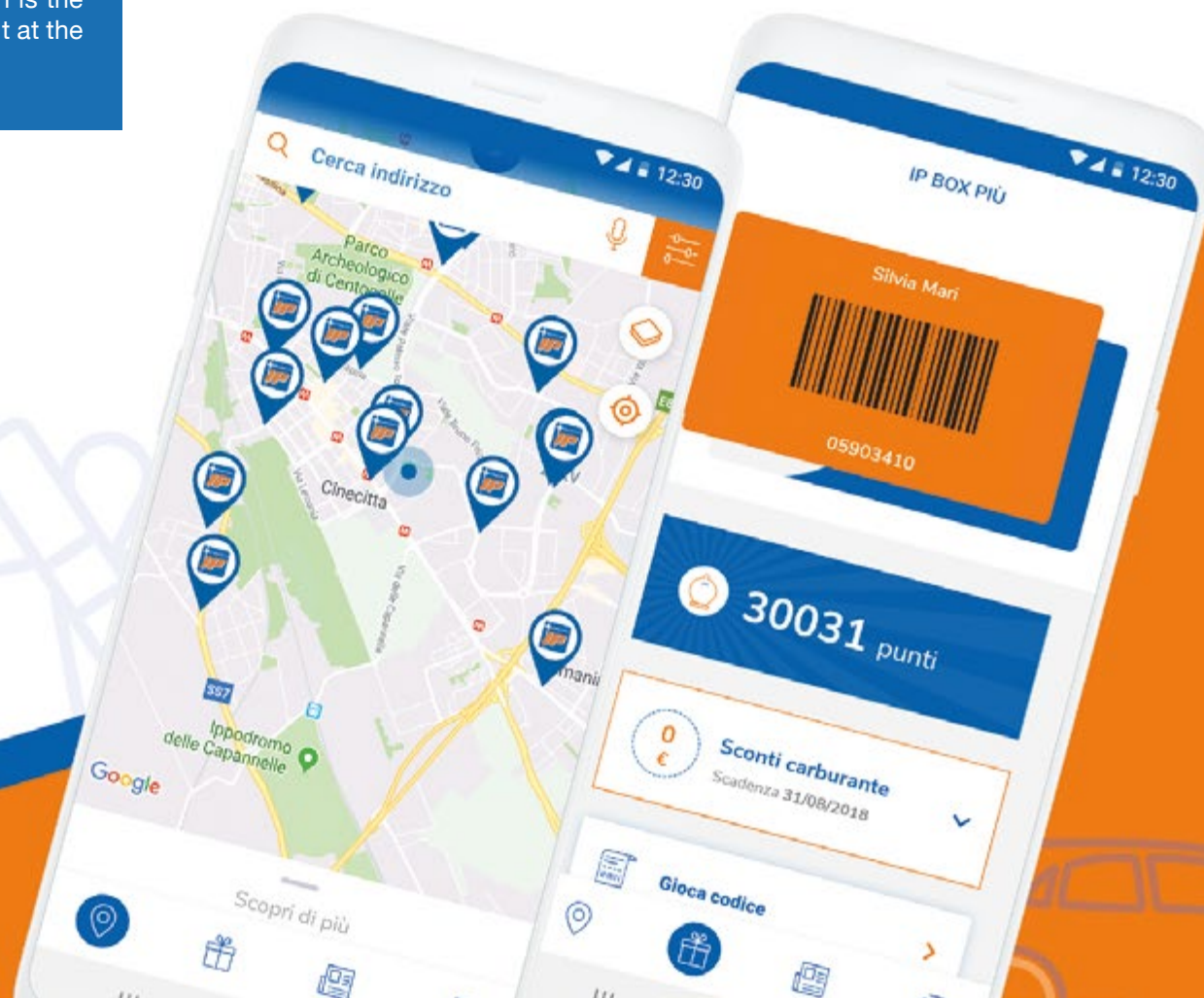


GRUPPO **api**

App IP Stations: starting in October, the new version of the application was released to the main app stores. In addition to maintaining the functionality of the previous version and the integration of the loyalty card, the new app guarantees a better user experience. It also allows home page customisation with preferred content and natively integrates satellite navigation after choosing a system in the “store locator”. Additional features will be enabled in 2020, the most important of which is the possibility to digitally pay for refuelling carried out at the Service Stations directly through the application.



**NUOVA APP STAZIONI IP.
PIÙ VICINA A TE.**
Scaricala subito.



At the end of 2019, an agreement was signed for the use of mobile payments with Unipol, in addition to those of Tinaba, Telepass and Poste Italiane, which allow fuel purchases at approximately 460 Service Stations through their APP.



In the first half of 2020, the agreement with Sisal (Bill application) will also be finalised, which will allow an increase in transactions with these methods.

The most important project was undoubtedly the development of payment systems and the reviewing of the Service Stations' management systems (single POS project). The project will be implemented at the Service Stations in 2020, thus broadening the base of Stations accepting mobile payments in order to take full advantage of the partnerships signed.

There are multiple advantages, which affect both end customers and Service Station managers, in particular:

- it will standardize the experience and payment methods in the IP network, eliminating the differences that exist today and improving customers' purchasing experience;
- the payment and crediting times of certain transactions will be reduced for managers, leading to an optimisation of the bank fee costs that historically weigh down the oil sector, burdened by the incidence of VAT and excise duties on the final price.

An example of the tool's potential is shown below:

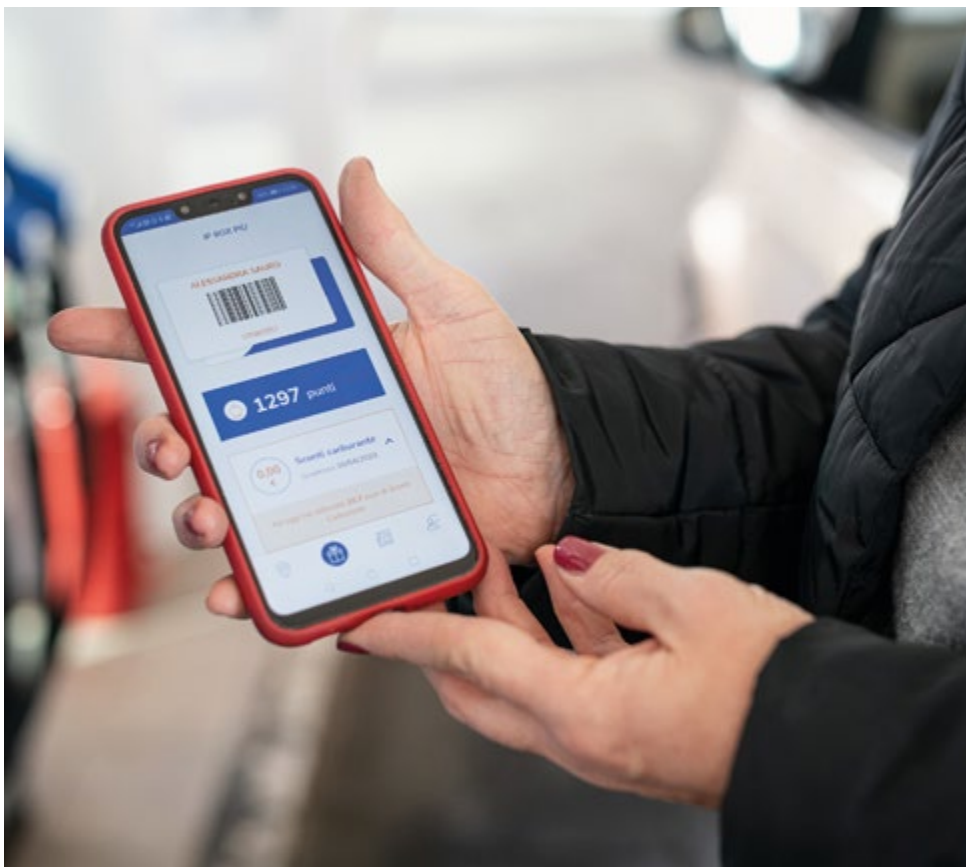


Loyalty

As already mentioned, the loyalty card unified at the end of 2018 is fully integrated into the IP Stations app.

There are approximately 3,200 Service Stations participating in the programme.

Further functionalities and features are being studied and developed and will be brought to light in 2020.



Oil cards and fuel vouchers

The new IP Plus card is fully operational and is gradually replacing the previous one, which will remain active until the natural expiry date.

The unification of the systems has allowed offering customers important features, but the fact that these opportunities are also available on the old cards is even more important.

The portal clearly maintains 24-hour usability and has been enriched with further, more available information and given a simplified user interface compared to the past. In fact, customers have complete control of every aspect of their cards, from pin management to blocking or reissuing the cards themselves.

The biggest innovation concerns the new possibility to subscribe to new pricing methods: the customer has the right to choose a regional price set and published on the portal, from which the agreed discount is subtracted, regardless of the price charged by the individual station. Alternatively, the customer can choose to set their purchase price based on the price charged by a single distributor.

The services offered in combination with our oil card are very important. Indeed, it should be pointed out that IP Plus also allows payments for lubricants, car washes, accessories and motorway tolls, simplifying the customer's payment experience. Finally, it simplifies reporting fuel expenses, having satisfied the requirement for electronic invoicing since 1 July 2018 (well before legal obligations), and allows the customer to automatically receive electronic invoices after refuelling, ensuring savings in terms of fuel and management costs (zero cash advance required). Starting in 2020, VAT holders who are not registered with the Chamber of Commerce can also apply for IP Plus online, with a dedicated offer in a simplified, fast, autonomous and secure manner.

The Group is constantly developing new, increasingly innovative solutions to offer in order to enrich its customers' shopping experience.



ACCEPTING NETWORK COVERAGE

Approximately 4,500 stations in Italy

SIMPLIFIED VOLUME CONTROL AND ANALYSIS MANAGEMENT

Modern and evolved web portal active 7/24

UNIQUE MODULAR FLEXIBLE

Adaptable
Customisable

SECURITY

Customisable and temporary pins
Alert security
Anti-fraud

PAYMENT TOOL

Lubricants
Washes / Accessories
Motorway tolls

FOR EVERYONE

Based on customer needs
Both large fleets and individual customers

These include fuel vouchers that also help eliminate cash from the payment circuit. IP Electronic Fuel Vouchers are non-nominative, scalable, prepaid cards that can be used to purchase fuel from a wide network of Service Stations.

In addition, IP contributes to the country's mobility by also participating in Consip supply calls. In fact, in 2019 IP was awarded important supply lots for the Public Administration.

Wholesale customers

Another important project carried out with the aim of simplifying and improving customer relations also concerns the wholesale world.

In fact, the two companies (api and TotalErg) had different management processes and as many portals for customer order fulfilment; moreover, the B2C (business to consumer) methods were further distinguished because they were managed through the company Eridis, whose commercial activities were integrated in italiana petroli in 2019.

During the year, the three processes were the subject of an important unification project and from 2020 onwards, wholesale customers will be able to benefit from a single management mode.

2.4 Respecting laws

{GRI 103-1; 103-2; 205-3; 206-1; 307-1; 406-1; 419-1}

The illegality carried out by unfair operators has grown exponentially in the oil sector. In recent years, the incidence of VAT and excise duty evasion has become so significant that it can no longer be overlooked, as it seriously threatens the rules of legitimate competition and honest operators.

It is estimated that the damage to the Revenue Agency in the various different steps of the commercial chain amounts to between 4 and 6 billion euros per year, compared to a total revenue of about 40 billion euros (between VAT and excise duties).

The techniques put in place to supply the “parallel market” undergo continuous evolution, moving from the simplest and coarsest actions to more articulated and complex phenomena:

- criminal attacks on Service Stations to steal cash (from outdoor payment terminals) and product;
- criminal attacks on oil pipelines;
- increasingly widespread smuggling activities in the territory and unrelated to the old geographical stereotypes;
- import of undeclared product from neighbouring countries;
- large, complex fraud and on international theatres.

The increasing tax burden on energy products and market liberalisation have favoured the entry of independent operators, but also operators and traders that distort competition by applying prices that are below market cost and not realistically feasible.



Lotta all'evasione Iva sui petroli Fare il prestanome sarà reato

Il governo individua i primi 10 miliardi di coperture per la manovra: contrasto alle società cartiere che frodano le tasse sui carburanti e taglio di 2 miliardi ai sussidi eco-dannosi. Stop alle spa fittizie

di Roberto Petrini

come da sempre denunciano le

Libia, Malta e Gorizia ecco la grande rete delle frodi sui carburanti

di Floriana Bulfon

ROMA - C'è il frigo per trasportare il latte così da viaggiare anche di domenica, cisterne nascoste sotto ai teloni e container modificati con tanto di vasche all'interno. Formano una colonna infinita in ingresso dal confine sloveno, carica di un oro due volte nero. Il traffico illecito di benzina e gasolio è una delle più importanti frodi fiscali in Italia. Un bottino che il governo vuole aggredire subito, perché è questo il sistema più rapido per fare il pieno alle finanze statali: mentre la lotta alle altre forme di evasione ha tempi lunghi per incassare, qui ogni litro in meno tolto dal mercato clandestino garantisce profitti immediati all'ero. L'obiettivo è recuperare oltre un miliardo entro l'anno.

La strategia è bifronte: maggiori controlli e nuovi sistemi informativi, introdotti dal decreto fiscale collegato alla legge di Bilancio. Da quest'anno sarà operativo anche il documento di trasporto elettronico (e-DAS) per i prodotti già tassati. Era stato introdotto nel 2006 e ci sono voluti ben quattordici anni, mentre il mancato incasso delle accise continuava a crescere fino a raggiungere il 10% del totale dell'evasione. «Nel 2017 ha pesato per oltre due miliardi, poco meno di un decimo della mezza spesa per la manovra», dice il ministro delle Finanze. A chi si domanda

gasoli è tra le più alte d'Europa: riuscire a ingannarla offre profitti senza pari. Che in tanti sfruttano. Quando infilano la pistola nel bocchettone dell'auto c'è una possibilità su tre che stiamo finanziando un'organizzazione criminale. I fiumi di petrolio partono da paesi come la Libia. Le navi salpano alla volta di Malta e lì, grazie a una legislazione poco trasparente, basta un timbro per rendere legale il gasolio. Altri carichi arrivano via terra, dall'Est Europa dove associazioni a delinquere senza confine hanno messo in piedi un business da milioni di euro. C'è chi miscela la benzina con solventi chimici per vernici in modo da abbatterne il costo, chi fa fatture a prestanome che non versano l'Iva. E poi chi impianta stazioni di rifornimento clandestine con tanto di colonnine e pistole erogatrici mobili montate su carrelli della spesa fino alle complicate cartiere gestite da broker internazionali per trattare petroliere fantasma. «Ormai non facciamo più i contadini, ma gli autotrasportatori», spiega un camionista slovacco. Un viaggio a settimana gli consente di guadagnare lo stipendio di un mese. Dichiarare di trasportare olio lubrificante così da non pagare le accise e l'organizzazione per cui lavora gli agevola il compito: sul percorso ha

stazione di rifornimento. Il prezzo: meno di un euro al litro. Il numero delle cisterne in ingresso dai valichi goriziani è triplicato in due anni, ben 29 mila solo quelle regolari. Un movimento sospetto perché il costo del trasporto non è affatto conveniente. E infatti solo nel 2018 le Fiamme Gialle hanno sequestrato oltre due milioni di litri e l'Agenzia delle Dogane l'anno dopo, in dieci mesi, ha già accertato più di 13 milioni di euro evasi.

Quanto alle tracce dei soldi, spariscono dietro una serie di prestanome: falsi documenti intestati a società di comodo, spedizioni fittizie dirette a società cipriote, greche o maltesi per giustificare il loro transito sul territorio nazionale. E poi aziende che esistono solo sulla carta. Dichiarano di acquistare grosse forniture per rivendere all'estero così da non pagare l'Iva. In autunno a Salerno hanno scoperto una frode da 48 milioni. A Napoli in soli tre mesi, da febbraio a maggio dello scorso anno, un'organizzazione è riuscita a far sparire oltre 17 milioni di accise e altri 50 di Iva. «Le navi scaricavano il petrolio nel porto destinato a società che simulavano di essere esportatori abituali e invece lo distribuivano a una rete di stazioni e servizio compiacenti. È un'enormi

Il caso in Parlamento
Benzina in nero

italiana petroli

Sezione HSSE

ECONOMIA

La grande truffa della benzina Ogni anno tra 2 e 4 miliardi di euro

Gli appetiti delle mafie sui traffici di carburanti provenienti dall'Est europeo

ROMA
truffa
ro. I
men
nand
polat

feri garantiscono allo Stato una bella entrata fiscale: nel 2016 circa 38,7 miliardi, con un decremento del 3,7% rispetto all'anno precedente (1

sulla prevenzione anche grazie alle norme previste nelle leggi di Bilancio del 2017 e 2018, ma non basta». Una stima del fenomeno «è molto difficile», le associazioni di categoria indicano un intervallo possibile di 2-4 miliardi.

LA STAMPA

Operazione "Fuel Discount": frode da 100 milioni di euro scoperta dalla GdF di Pavia

13 misure cautelari e 22 perquisizioni in tutta Italia. I carburanti a minor prezzo venivano immessi sul mercato creando concorrenza sleale

ANDREA BALLONE

PUBBLICATO IL
03 Febbraio 2020

ULTIMA MODIFICA
03 Febbraio 2020 ora: 11:02



VIGEVANO. Una frode da 100 milioni di euro, con a capo degli esponenti di un clan camorristico e un componente della famiglia Di Guglielmi del romano clan Casamonica. È quella che hanno scoperto gli uomini della Guardia di Finanza di Pavia, indagando con una società di vendita di carburanti, la Tecno Petroli, con sede anche a Vigevano.

In such a context, where the survival of the honest operator is put at risk, IP has taken a clear position by providing its contribution to re-establishing that which should be fair competition between downstream operators, seeking to increase the use and dissemination of digital payment methods and improve the product tracking chain.

It is very important to highlight how the legislator has become aware of the scale of the phenomenon over time and responded with increasingly effective control and repression actions to prevent and counteract the situation.

From 30 June 2020, the obligation to use computerised systems to submit the simplified administrative document (DAS) exclusively in electronic form (EDAS) will come into effect, which will then replace the Customs paper system to give concrete form and added value to the now essential processes of modernisation.

Italian Tax Decree no. 124 of 2019 has relaunched EDAS after years of waiting (since 2006, Italian Law 286/06). After electronic invoicing, this measure is therefore also a milestone in the fight against fuel fraud, which has now reached unsustainable levels.

In this context, IP is a protagonist as an “upholder” of legality: in collaboration with the Customs and Monopolies Agency, IP issued the first electronic document almost a year before the legal obligation, voluntarily adhering to a test phase of the EDAS issuance.

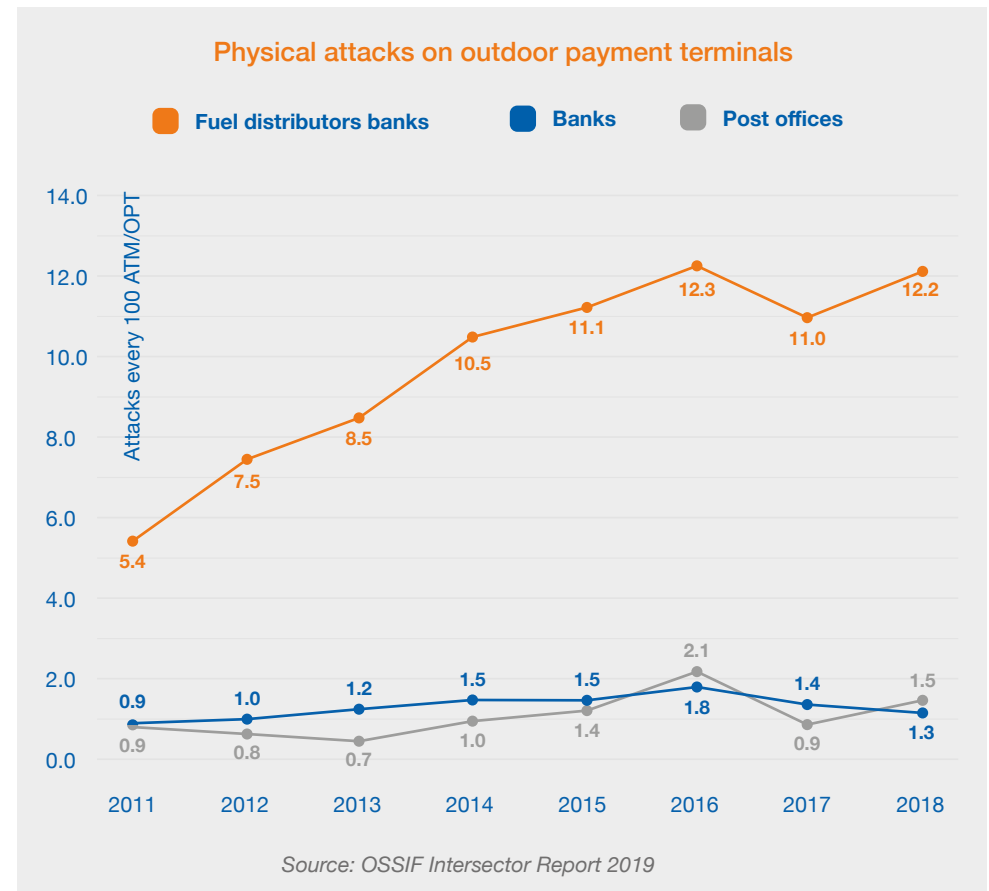
IP considers the computerisation process of the document a very useful tool for preventing and assisting the investigation activities to combat the phenomenon of illegality. In fact, almost infinite data and processes can be obtained from this document: proof of deliveries, warehouse loading/unloading, automatic record management, supply chain tracking and so on.

The road to legality is long, but it is also marked out towards a complete and integrated vision that can isolate abnormal behaviours.

In this sense, the introduction of OPTIMO Fuels is an extraordinary opportunity for IP, which can guarantee a controlled supply chain. The “marker” inserted in the product identifies and distinguishes OPTIMO from other products, acts as a deterrent and is an important contribution to the fight against illegality. IP

is oriented towards higher quality products and lays the foundations for more stringent and concrete controls along the distribution chain.

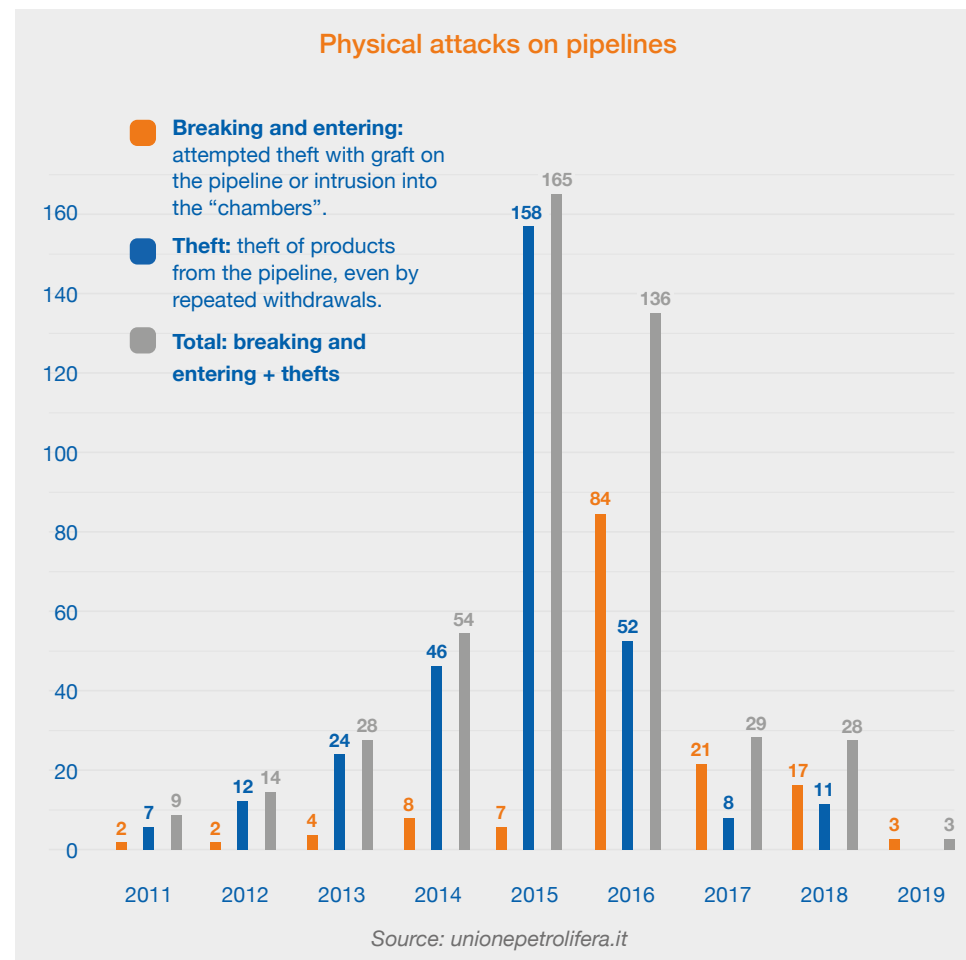
There are still significant physical attacks on outdoor payment terminals, which accept cash, far more common than attacks on ATMs at banks and post offices (Source OSSIF - Research Centre of the Associazione Bancaria Italiana on Anti-crime Security).



Also for IP, the number of attacks on these terminals is widespread throughout the country, with 91 occurrences in the directly managed perimeter in 2019 (with a risk index of 9.9, lower than the national average of 12.2).

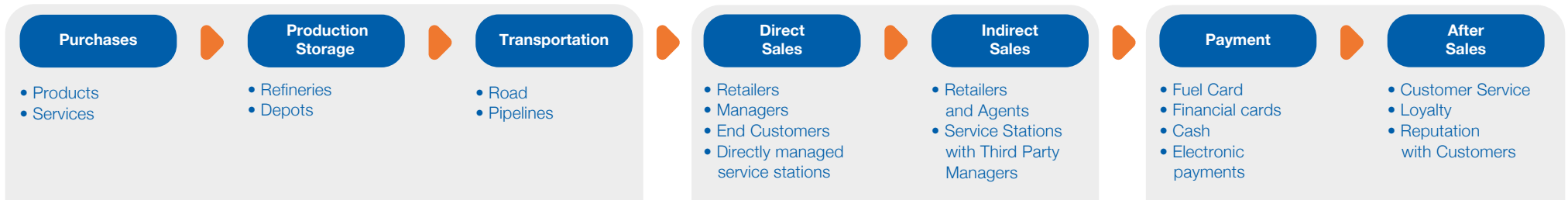
Events 2019		
Regions	N. Events	of which with theft
Apulia	31	15
Emilia Romagna	14	6
Lombardy	8	4
Lazio	8	2
Calabria	5	3
Campania	4	3
Veneto	4	2
Marche	4	1
Other regions	13	5
Total	91	41

Finally, a very specific phenomenon is that of pipeline attacks, against which the entire sector and law enforcement have worked in recent years, the trend of which is shown in the following graph:



There has been no case of definitively established non-compliance with regulations and laws on environmental and socio-economic matters, nor on the impact on the health and safety of customers purchasing Group products. Furthermore, there has been no evidence of corruption, anti-competitive or discriminatory behaviour.

DOWNSTREAM PHASES



A SYSTEM OF VALUES AND ACTIONS TO UPHOLD LEGALITY

Code of Ethics – Processes and Procedures – Certifications – Controls

- Certifications of origin
- Inspections
- Random checks and inspections
- Line checks
- Collaboration with Customs
- Collaboration with Law enforcement

- Depot certifications
- Process checks
- Site security system
- GPS for route control
- Pipeline monitoring
- Protection and guardianship

- Selection process for Business Partners, Third-Party Managers, collaborators and contractors
- Controls on suspended customers and tax exemption
- Random service station checks
- Video surveillance
- Checks on service providers

- Fraud management
- Transportation of values
- Reliability of field systems
- Accounting reconciliation
- Operational checks and inspections
- Random checks

Our commitment to uphold the law

The initiative launched with OPTIMO to control the supply chain offers an idea of how concrete IP's commitment is, which is also continuing on other fronts.

IP is committed to the fight against illegality through the adoption of all the necessary and most effective internal measures and procedures aimed at discouraging interaction with criminal subjects (from the adoption of the Code of Ethics to the operating instructions conveyed to business lines), whether suppliers or customers. At institutional and public levels, IP wants to be a benchmark for customers in the defence of legality, strengthening dialogue with institutions, public and private stakeholders and consumers.

In this framework, IP focuses mainly on prevention aspects, in compliance with national law, and works in close collaboration with all the national institutions involved in the fight against crime.

The protection of commercial and industrial sites, and in particular of the Group's entire logistics chain, is based on a protection system that represents a combination of technologies, business procedures and human factors. Following the principle of "continuous improvement", the system is periodically audited in order to prove its constant effectiveness with respect to the company's physiological, organisational and structural evolution.

In 2019 the following verification and control audits were carried out in the field for commercial fraud prevention and to verify compliance with regulations:

- 350 Service Station inspections;
- 2,110 inspections during the product unloading phase at Service Stations, of which 1,671 remotely (via video surveillance system) and 439 physically on site.

IP is not exempt from external attacks and the data from the most relevant events and the relative mitigation actions taken are highlighted below.

In 2019, 13 internal audits were conducted, and the related recommendations and improvement plans were drawn up.

The monitoring activities pursuant to Italian Legislative Decree no. 231/01 were carried out, as were compliance tests pursuant to Italian Law 262/05. There were no reported cases of corruption in 2019, nor were any legal actions related to unfair competition reported during the year.

italiana petroli's information systems were adapted in order to be connected to the experimental electronic DAS management system, with a view to completely track the Service Station supply chain.

Cybersecurity and privacy {GRI 103-1; 103-2; 418-1}

We apply various tools to protect the IT ecosystem, each specialised in a specific component.

For perimeter security (firewall), we use a recent technology of high reliability, within which intrusion prevention and detection probes are active for traffic protection, which has a single access point.

As for the traffic produced by browsers, a proxy is used: this system works on the basis of "categories" of sites that are "allowed/blocked" for certain families of users.

The anti-virus system, also constantly updated by the manufacturer, continuously aligns all company PCs: any threat is detected and communicated immediately to system administrators.

Corporate e-mail resides on the Microsoft Office 365 infrastructure, which adds a set of tools that tend to reduce external threats transmitted through e-mail as much as possible; antispam and control over malware are of particular importance among these tools.

During 2019 attempts to attack the systems from the inside were not reported, as was nothing beyond the physiological "background noise" typical of the web as far as external attacks are concerned (which have been non-targeted and non-persistent).

At the end of 2019, a cross-cutting project was launched for all corporate Units for a BIA evaluation (Business Impact Analysis) aimed at defining a Business Continuity Plan, scheduled for 2020.

Processing registry

Upon the entry into force of the new European Regulation for the protection of personal data (GDPR, EU Regulation 2016/679), the Group obtained a tool for the construction of the "Processing Registry".

This registry is not static but dynamic: it is constantly updated due to changes in company actions, therefore additions or changes in the processing of personal data produce implementations/updates of the registry.

Data breaches

With reference to the provisions introduced by the new European Regulation for the protection of personal data (GDPR, EU Regulation 2016/679) regarding data breaches, the company has adopted an internal policy that regulates, in detail, the flow of internal activities to be carried out by the corporate Units involved, with the relative timing, in the event of a potential data breach.

To date, no data breach has ever been detected or reported.

Privileged user management

In compliance with the instructions of the Guarantor, "System Administrators" have been explicitly appointed and adequately trained on data management and tracking. Following the merger into the new structure of italiana petroli, the Company has begun training newly appointed personnel.

2.5 Creating quality work

{GRI 103-1; 103-2; 403-1; 403-2; 403-4; 403-6; 403-7; 403-9}

The awareness of being a protagonist for the economic and social development of the national economic system induces IP to most importantly have cultural tools. Training will be one of the main tools for strengthening the Group's social responsibility, the cornerstone for the dissemination of values and knowledge necessary to face the transformations of society and economy.

IP cares a great deal about the creation and safeguarding of work in Italy: safe, honest and skilled work. The Corporate Academy was created precisely for this reason, initiating a process to integrate the objectives identified by the 2030 Agenda into the Group's business, and social responsibility towards stakeholders has been strengthened: a business evolution that starts from the promotion of our values and the tangibility of the actions carried out.

The enhancement of human capital is pursued with respect for health and safety, through continuous training and the development of new skills.



Safety Performance

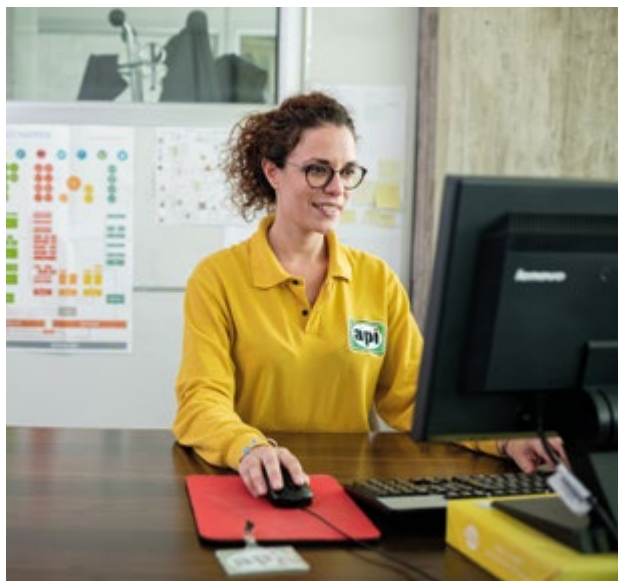
The following table shows the safety data regarding employees and those of external companies who have operated at industrial sites:

Safety performance (internal staff) - 2019

Hours worked	1,928,843
No. of injuries	5
Days of absence (excluding day of occurrence)	123
Number of injuries per million hours worked	2.59
Number of days absent per 1,000 hours worked	0.06

Performance di sicurezza (ditte terze presso aree industriali) - 2019

Hours worked	847,389
No. of injuries	6
Days of absence (excluding day of occurrence)	373
Number of injuries per million hours worked	7.08
Number of days absent per 1,000 hours worked	0.44



Five Group employees sustained injuries, one in italiana petroli S.p.A. and four in api's Raffineria di Ancona S.p.A. for a total of 123 days of absence from work.

All the injuries were analysed to identify the causes. Corrective interventions were defined and implemented, mostly involving behavioural aspects.

The accident in italiana petroli was minor, where an employee slipped at the offices of the headquarters, spraining his ankle.

Three of the injuries in the refinery involved employees in the Sea Department carrying out their daily tasks. The fourth was a fall while the person was walking down a footpath.

Regarding the six injuries sustained by external staff carrying out activities at Raffineria di Ancona, one was of high severity based on the days of absence from work that resulted; also in this case the causes were behavioural.



People and organisation {GRI 103-1; 103-2; 102-7; 201-3; 401-1; 401-2; 102-8; 405-1}

2019 was a year of profound changes that also affected employees. They were all involved in the corporate changes and in the homogenisation and review of procedures that led to a renewed effort of change management.

In fact, downstream of the integration of the two companies italiana petroli and api, an intense review of processes, procedures and organisational structures was carried out in 2019 within the commercial sectors, of employees at the headquarters and those providing technical support and maintenance, aimed at keeping high standards of efficiency even in the delicate phase of change in relations with partners and external stakeholders, and to support the best enhancement of the professionals working in the various company Units.

This activity led to the drafting or revision of approximately 90 procedures, primarily those governing activities in sensitive areas, such as security, privacy, 231 management models and compliance in general.

From an organisational point of view, the main changes concerned the structures in direct contact with partners (e.g.: Technical Control Room for the management of operational network issues) or with end customers in the sectors characterised by more sensitive relational dynamics (e.g.: Fuel Cards, Business Consumer). These efforts went hand in hand with the development of new implementations in terms of information systems and solutions, with the launch of innovative projects especially in the network, aimed at giving substance to customer centricity, the improvement of internal processes and the rationalisation of internal structures.

There was also intense dialogue with national, territorial and corporate trade union organisations.

Accompanying the progressive organisational integration, an agreement was signed with trade union representatives in July that provides for the use of instruments to safeguard employment levels, in particular with a solidarity agreement in italiana petroli S.p.A.

For IP, this agreement is an example of the shared management of the social issues that typically emerge in the aggregation and consolidation operations of formerly competing companies.

The application of the solidarity contract has already been seen, following the quarterly checks connected to the physiological outflows of staff, a reduction in the originally envisaged percentages of abstention from work.

A new multi-year welfare plan (2019-2021) has also been signed, extended to the entire Group, which joins the renewal of the productivity agreement regarding second-level wages.



With reference to the welfare plan, within the established economic constraints (also proportionally valid for part-time workers) and consistent with current legislation, the areas and services offered were expanded. The plan aims to support employees and their families in the economic management of social, welfare and cultural activities, in sport, travel, in the educational development of their children and in healthcare expenses; it simultaneously also seeks to grasp the personal needs of young people and singles, expanding the choices of services.

It is managed through a web portal and a dedicated call centre.

An agreement was signed on training in December that led to the presentation of a 2020 plan based on Fondimpresa's funding for italiana petroli S.p.A. This provides for a plurality of actions aimed at protecting the professionalism of those working in the company, even in times of marked change such as the current one. The agreement is based in particular on a principle of dialogue between the parties, including through regular meetings, and the collection and analysis of new training needs.

More generally, it aims to maintain broad involvement of even the most operational segments of the company population, to foster employability in general, and to invest simultaneously in managers put under pressure from the change, as well as the younger generations.

The latter represent the Group's potential for future development, to be enhanced together with the skills and abilities of the most experienced employees.

Additional support relating to the business life of people working at the main operating companies includes the provision of flexible hours, part-time options, aids in terms of mobility - including a shuttle service to the nearby train station in Rome and free company parking at all the main Group locations - the presence of ATMs and a tax assistance agreement.

Altogether, the Group's employees as at 31 December 2019 totalled 1,223, where approximately 25% are women.

The total number of part-time employees is 53, 8 of whom are on a fixed-term basis.

The collective agreements, which apply, are those of the energy and oil sectors, covering almost all employees (95%), and that of trade related to IP Food & Services.

The total value of the unionisation rate is just over 44%.



The turnover in the year was 7.4%. The figure is insignificant for 2019, as it is obviously influenced by the post-merger reorganisation and voluntary exits provided for in the agreement signed in July.

Staff level 2019	Tot.	M	F	M/Tot	F/Tot
Managers	59	55	4	93.2 %	6.8 %
Middle managers	274	220	54	80.3 %	19.7 %
White collar staff	668	424	244	63.5 %	36.5 %
Blue collar staff	222	221	1	99.5 %	0.5 %
Total	1,223	920	303	75.2 %	24.8 %

Age group 2019	Tot.	M	F	M/Tot	F/Tot
< 30	14	6	8	42.9 %	57.1 %
30-50	660	467	193	70.8 %	29.2 %
over 50	549	447	102	81.4 %	18.6 %
Total	1,223	920	303	75.2 %	24.8 %

The Group promotes and develops initiatives aimed at identifying and managing talent, in particular in those approaching work for the first time and middle managers, also through the use of specific methodologies (e.g.: development centre). In this context, the Group also intends to promote gender equality.

The percentage of women in positions of responsibility (managers and middle managers) is 17.5%.

The averages deriving from the consolidation of data at Group level show low value of the presence of women in some professional groups – for example in the commercial and production activities – partially mitigated by more recent entries.

Training and the Corporate Academy {GRI 103-1; 103-2; 205-2; 403-5; 404-1}

Building a new corporate reality starting from training was one of the main development concerns of IP in 2019.

Thus the most urgent training activities were carried out and the foundations for development in the years to come have been laid. The Corporate Academy had already been established at the end of 2018, designed precisely as the driving force of training.

Training has become a strategic asset to invest in for years to come, advancing beyond the traditional company training schemes and moving towards lifelong learning. The mission of the Corporate Academy rests on the following pillars:

Customers:



putting the Customer at the centre of corporate strategy

Sustainability:



disseminate and consolidate the principles of social, economic and environmental sustainability

Management School:



to build the skill set for our managers

Crafts School:



training to support the company's evolution

At the local level, “**local laboratories**” will then be activated that – through meetings, lessons and workshops – maintain a focus on the people and communities of reference.

For each Academy area / pillar, partners have been identified with which to develop training projects and in some cases innovation initiatives.



Customers

The company Nutcracker (Prof. G Noci and his team) provided all employees with relevant training on the subject of customer centricity and collaborations continued to innovate the IP offer;

Sustainability

A multi-year agreement was signed with Alleanza Italiana per lo sviluppo Sostenibile (ASviS) with which the first training initiatives for Group managers were organised, and an online course on the topics of the 2030 Agenda was also made available;

The management school

The goal is to build a high-level training path for the Group managers of today and tomorrow. In early 2020, the selection of the Business School to support the Academy in this project was completed;

Crafts school

The training efforts aimed at the business and specialist roles are concentrated here. For each professional figure, craft or training need, IP selects and identifies ad hoc suppliers. Commitment will be focused on Service Station manager training in 2020.

Territorial laboratory

In 2019 the Academy developed agreements in the Marche region and Falconara Marittima, where one of its two offices is located. Framework agreements were thus finalised with the Università politecnica delle Marche and Confindustria Marche. In 2019, the company’s Academy was also accredited by the Marche Region (Italian Regional Decree 254/2019), which issued the recognition decree. The involvement of local schools was also quite important, reinforcing the already ambitious work-school alternation projects, improving the employability of students (involving about 100 students in 2019).

Alongside these areas, the HSE training that IP has always considered essential for its activities clearly remains central, well beyond legal obligations.

Likewise, the training related to 231 and Privacy (GDPR) was set up in 2019 to properly disseminate the innovations introduced respectively by the 231 MOGC (Management and Control Organisational Model) and the GPDR. In 2019 training activities involved 1,195 people, equal to 92% of the average population of the year, for a total of 24,847 hours (about 20 average hours per employee) divided among the Group companies as follows:

Company	Year 2019 (h.)
api raffineria	8,803
Bitumtec	224
IP Food & Services	270
italiana petroli	14,899
IP industrial	651
Total	24,847

The breakdown of hours devoted to training according to the pillars described and the main topics addressed are shown below:

Type	Year 2019 (h)
HSE	7,634
Privacy and 231	1,308
Customer	7,308
Managerial	520
Craft	6,426
Security	611
Sustainability	1,040
Total	24,847

Employees were also involved in the planning phase of training initiatives, where the aim was to highlight the role of training as an aggregation of two different needs: on the one hand, that of the people working in the company, represented by trade unions in terms of their interest in employability and the development of skills and professionalism, on the other hand, that of the company, also interested in effective training with respect to operational needs, organisational agility, and competition on the markets.

This approach made it possible to include most of the training actions within the plan framework made in agreement with Fondimpresa, the Fondo Paritetico Nazionale (Italian national matching fund) to which the Group companies adhere,

and to continue in the future with a collaboration based on continuous improvement and constant dialogue.

The following table shows the total training hours for men and women, broken down by professional role; the trend is consistent with the population of the groups to which they belong:

	Men	Women	Total
Managers	2,117	186	2,303
Middle managers	5,088	1,072	6,160
White-collar staff	8,339	3,231	11,570
Blue-collar staff	4,801	14	4,815
Total	20,344	4,503	24,847



03

GRI Contents Index

{GRI 102-55}

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04

Methodological note

{GRI 102-50; 102-51; 102-52; 103-1; 103-2; 203-2}

The annual publication of this document is a voluntary choice of IP, which has decided to embark on a path of evolution and change based on sustainability issues.

The reporting standards adopted by the Group for the drafting of its voluntary Sustainability Report are the GRI Sustainability Reporting Standards (GRI Standards), published in 2016 by the GRI – Global Reporting Initiative. In particular, in accordance with the Standard GRI 101: Foundation, paragraph 3, reference was made in this document to the Reporting Standards listed in the GRI referenced claim. Moreover, given the reference context, the Group has taken into account certain indications of national legislation (Italian Legislative Decree no. 254/2016).

The scope of reporting is that of italiana petroli S.p.A. and its companies consolidated on a line-by-line basis for the 2019 financial year.

The processing capacity also includes the relevant owned portion of the Sarpom Refinery.

The km data of the oil pipelines and crude oil processing also contain the shares of Sarpom and the Sigemi system, of which italiana petroli is a shareholder, and has partial use.

The storage capacity refers both to the depots owned, those in which italiana petroli is a shareholder, and those in which it has open consignment.

In the section dedicated to employees and organisation, the employee data does not count certain resources employed for a fixed term and for a short period by a subsidiary of IP Food & Services, although their contribution has been considered in the total number of hours worked.

The formulas used for calculating the accident indices are:

Frequency index = number of accidents * 1,000,000 / hours worked

Severity index = number of days absent (excluding day of occurrence) * 1,000 / hours worked

The NFP (net financial position) at 31 December 2019, consistent with the consolidated financial statements, does not include the effect of IFRS 16 of € -176.45 million euros.

The VAT balance shown in the section of the economic indicators relates to api holding (where the national consolidation scheme is calculated), so with a slightly broader perimeter than that used throughout the report.

Indirect emissions calculation: the indirect CO2 emissions were calculated taking into account the purchase of electricity, the kilometres travelled during the year by the tankers transporting fuel to the Service Stations and the kilometres travelled by road by employees.

The emission factors used can be deduced from the UNFCCC (United Nations Framework Convention on Climate Change) national inventory updated in February 2019.

The conversion factors used in relation to the energy part are those published by Federazione Italiana per l'uso Razionale dell'Energia (FIRE).

With regard to tanker transport, we considered an average distance of 3 km/l, while for employee cars we considered 13 km/l.

The number of Service Stations also includes those suspended from sales. VOC emissions from the Service Stations were not included, as the figure would have been an unrealistic average due to multiple different kinds of equipment and owners.

The sources for the estimate of evasion were: https://www.assopetroli.it/carburanti-6miliardi-annui-dievazione/Allegato_NADEF_2019_Relazione_evasione_fiscale_e_contributiva

The downstream activities estimate considers that which was declared to the X Commissione Attività produttive della camera (Italian Production Activities Commission of the Chamber of Deputies) on 1 October 2019. In the note filed and the related press release, reference is made to the entire sector, which employs approximately 80,000 workers in 22,000 national Service Stations. The estimate of the downstream activities generated by IP, equal to 18,000 people, is therefore calculated in proportion to 5,000 Service Stations.

Conversion factor used to calculate energy consumption:
1 TEP (10 million kcal) = 41.87 GJ

05

Appendix

{GRI 102-8; 201-1; 302-1; 302-3; 305-1; 305-7; 306-2; 403-9; 404-1}

This section includes the comparison of the main GRI indicators between 2018 and 2019.

It should be noted that in 2018 the two companies api anonima petroli italiana and TotalErg still operated as individual legal entities with their own systems and operating processes. The 2018 data are therefore the best possible aggregation of homogeneous data comparable with 2019.

#indicator	Description	U.M.	2018	2019
102-8	Information on employees and other workers			
	<i>total employees</i>	N.	1,331	1,223
	<i>of which women</i>	N.	327	303
201-1	Direct economic value generated and distributed			
	<i>Gross Revenue</i>	MI€	6,811	6,064
	<i>Distributed Economic Value</i>	MI€	6,619	5,874
	<i>Retained Economic Value</i>	MI€	191	191
302-1	Energy consumption within the organisation			
	<i>total energy consumed</i>	Tjoule	11,514	10,239
303-3	Water withdrawal			
	<i>total withdrawal</i>	Mm3	7.0	6.8
305-1	Direct (Scope 1) GHG emissions			
	<i>CO₂</i>	ton	589,422	515,063
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions			
	<i>SOX</i>	ton	272	234
	<i>NOX</i>	ton	345	277
	<i>COV</i>	ton	234	180
306-2	Waste by type and disposal method			
	<i>total waste</i>	kton	6,823	5,318
	<i>waste sent for recovery</i>	kton	4,414	3,087
403-9	Work-related injuries			
	<i>hours worked employees</i>	h.	2,411,581	1,928,843
	<i>number of employee injuries</i>	N.	5	5
	<i>number of injuries per million hours worked</i>	N.	2.07	2.59
	<i>hours worked by third-party companies in industrial areas</i>	h.	811,409	847,389
	<i>number of third-party company injuries in industrial areas</i>	N.	1	6
	<i>number of third-party injuries per million hours worked in industrial areas</i>	N.	1.2	7.1
404-1	Average hours of training per year per employee			
	<i>total training hours</i>	h.	17,714	24,846
	<i>average training hours</i>	h.	13.3	20.3

06

Certification

{GRI 102-56}

**Report of the independent auditing firm on the document
“Sustainability Report 2019”**



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Independent auditors’ report on the “2019 Sustainability Report”

(Translation from the original Italian text)

To the board of Directors of
italiana petroli S.p.A.

We have been appointed to perform a limited assurance engagement on the document “2019 Sustainability Report” (hereinafter the “Sustainability Report”) of IP Group (hereinafter also “the Group”) for the year ended on December 31, 2019.

Directors’ responsibility on the Sustainability Report

The Directors of italiana petroli S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” issued by GRI - Global Reporting Initiative (“GRI Standards”), with reference to the GRI Standards selection as described in the paragraph “Methodological Note” of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of IP Group regarding the sustainability performance, as well as for the identification of the stakeholders and of the significant matters to report.

Auditors’ independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards, with reference to the GRI Standards selection as described in the paragraph "Methodological Note" of the Sustainability Report. Our work has been performed in accordance with the criteria established by the principle "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

- analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholders categories and to the internal validation of the process outcomes;
- comparison of economic and financial data and information included in the paragraph "Economic value generated and distributed" of the Sustainability Report with those included in the Group's consolidated Annual Report;
- understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have conducted interviews and discussions with the management of italiana petroli S.p.A. and with the personnel of api Raffineria di Ancona S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level

a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;

b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.

- for Falconara refinery of the subsidiary api Raffineria di Ancona S.p.A., that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the IP Group for the year ended on December 31, 2019 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, with reference to the GRI Standards selection as described in the paragraph "Methodological Note" of the Sustainability Report.

Other Information

The comparative information presented in the Sustainability Report for the year ended on December 31, 2018 have not been examined.

Rome, April 16, 2020

EY S.p.A.
Luigi Facci
(Auditor)

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

07

Glossary

2030 Agenda: the 2030 Agenda for Sustainable Development is an action programme for people, the planet and prosperity signed in September 2015 by the governments of the 193 UN member countries.

SDGs: these are the 17 Sustainable Development Goals, or SDGs, within a major action plan for a total of 169 targets. They express the 2030 Agenda.

GRI: Global Reporting Initiative is a non-profit organisation established with the aim of creating useful support for the sustainable reporting performance of organisations of any size, belonging to any sector and country in the world.

OPT: Outdoor Payment Terminal, commonly called “self service” by Italians.

VOC: class of volatile organic compounds, which comprises several chemical compounds. In particular, these are compounds based on carbon chemistry (organic chemistry) that have a marked tendency to change stages and move from the liquid phase to the gaseous phase (i.e., volatile).

Platt's: provider of information on energy and raw materials and a reference-price assessments source in physical energy markets.

ISO 9001: identifies a series of standards and guidelines developed by the International Organization for Standardization (ISO), which define the requirements for the implementation of a Quality Management System controlling business processes within an organisation.

ISO 14001: identifies a set of standards and guidelines developed by the International Organization for Standardization (ISO), which define the requirements for the implementation of an Environmental Management System within an organisation.

OHSAS 18001: Occupational Health and Safety Assessment Series – defines the requirements of an Occupational Health and Safety (OHS) Management System in accordance with current regulations and based on the hazards and risks potentially present in the workplace.

UNI EN 12591: standard defining bitumen specifications for road applications RED (Renewable Energy Directive 2009/28/EC): European directive on the promotion of the use of energy from renewable sources.

Data breach: breach of personal data.

Proxy: used to create a “defence barrier” to the web, acting as a filter for incoming and outgoing connections and monitoring, controlling and modifying internal traffic.

Firewall: a security component of computer networks used to filter traffic to and from the outside.

GNL: Liquefied Natural Gas, mainly methane, in order to facilitate its transport and storage.

Bunker: any fuel oil used for the locomotion of ships.

B2B e B2C: Business to Business and Business to Consumer; transactions between two companies and those between companies and final consumer.

GPS: Global Positioning System for positioning and satellite navigation.

ARPA: Agenzia Regionale per la Protezione Ambientale (Regional Agency for Environmental Protection).

HSE: Health, Safety & Environment.

TAF: Groundwater treatment.

POS: Point of sale, a payment terminal.

IGCC: Combined cycle gasification plants.

EBITDA: Earning before interest, taxes, depreciation and amortisation. Gross operating profit indicator.

IAS/IFRS: International Accounting Standards, International Financial Reporting Standards.

FSC: Forest stewardship council, sets the rules for responsible forest management.

Contacts

{GRI 102-53}

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We would like to thank all our colleagues in the Group who contributed to the preparation of this document.

Final report: March 2020

Printed on Shiro Tree Free paper, a paper made of fibers from annual plants. Not containing tree cellulose, does not need FSC certification.

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