



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REVIEW REPORT 2022

Safety and reliability at the service
of the energy transition



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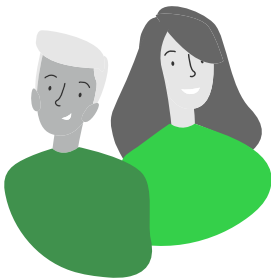
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Dear Readers,

Our aim in publishing our first Annual Environmental, Social and Governance Review Report is to inform you about Adriatic LNG's choices, actions, results and commitments with regard to health and safety, the protection of the environment and conservation of biodiversity, the ethics and integrity of company processes, support for local communities and territorial development, and the promotion of diversity and inclusion. The report sets out to provide an initial overview of the journey towards sustainability which began at the Company's foundation, and which we intend to pursue by integrating it to an ever-increasing extent into our business model, while continuing to report the progress made and share it regularly with our stakeholders.

We decided to refer to the United Nations Sustainable Development Goals (SDGs) and to set our goals based on those which offer the best fit with our Mission and Vision.

Moreover, when listing the pillars of our Mission we explicitly include sustainability, an approach fundamental for tackling current and future global challenges, and not only regarding the environment. We have modified our logo to better reflect and emphasise our commitment to our Mission and Vision including sustainability.

At the centre of our strategy is the ambition to help build a fairer, more inclusive society throughout the value chain, while protecting the environment in which we live. Every day we work to provide Italy and Europe with a safe, reliable energy infrastructure which, thanks to our customers, supplies natural gas from many utility companies to homes, industry, and transportation, as well as providing services tailored to the needs of the sector market. Our aim is to harmonise our industrial objectives with the latest environmental and social expectations.

To achieve this, Adriatic LNG has built solid relationships with local communities, maintaining an active dialogue with all stakeholders to identify and offer genuine responses to the needs and requirements of the areas concerned. In partnership with non-profit entities and associations, our strategy for generating a positive impact focuses on two main areas: 1) investments in social, educational, environmental, cultural, and sporting projects and initiatives and; 2) a focus on the direct and indirect beneficial impact generated in terms of employment, improvement of the ecosystem of local businesses, and the sharing of skills together with a culture of safety.

The key pillar of our corporate strategy, now and in the future is the promotion of our human capital. This consists of our approximately 100 employees and indeed our service providers. To sustain this expertise we maintain focus on the creation of pathways for the development of professional and personal skills for our workforce. We have launched new initiatives such as our Wellbeing Programme, which sets out to improve workers' physical and mental health.

We will continue to work with responsibility, transparency, and dedication - together with all our stakeholders - to keep combining technological innovation with operating excellence, safety with integrity, and respect for the environment. These are our values, and this is our commitment.

Tim Kelly

Managing Director, Adriatic LNG

2022 Highlights

People

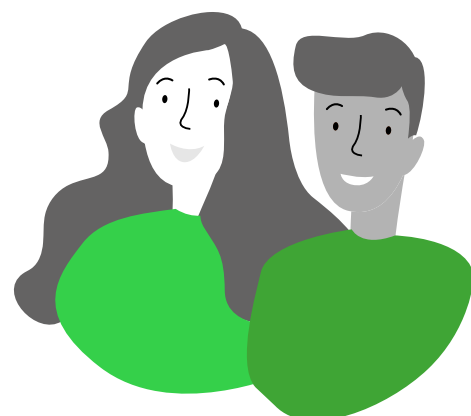
99

employees

100 %

permanent contracts

Gender
pay equity



Safety and environmental protection

No injuries

No environmental incidents
or damage to facilities

About 1,160 safety checks
on maintenance work on operations sites

2 health and safety audits
of critical suppliers

26 emergency drills
on the offshore terminal

Local communities and territorial development

25 companies

based in the Veneto region work with Adriatic LNG (they account for **46% of the value** of current contracts with the Company's suppliers)

1/3 of employees

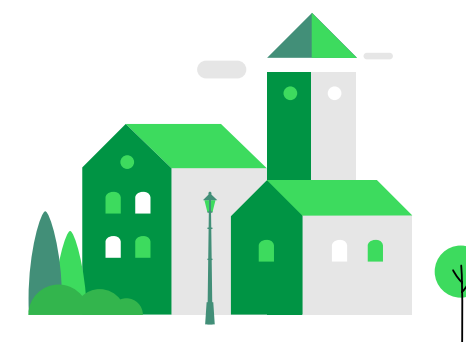
are from the Veneto region, mainly in and around Rovigo and Venice

125,000 euros

invested in CSR activities

19 associations

and projects supported



Operating results

94 LNG carriers

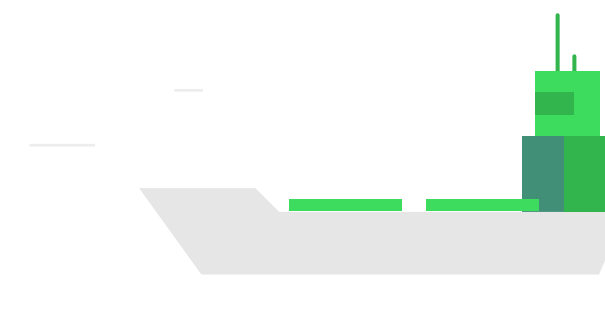
berthed and unloaded safely

more than 8 billion m³

of gas delivered to the national grid
(11% of Italian gas imports)

99.3% reliability

in regasification operations



Our energy for Italy and Europe

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Company, operations, locations

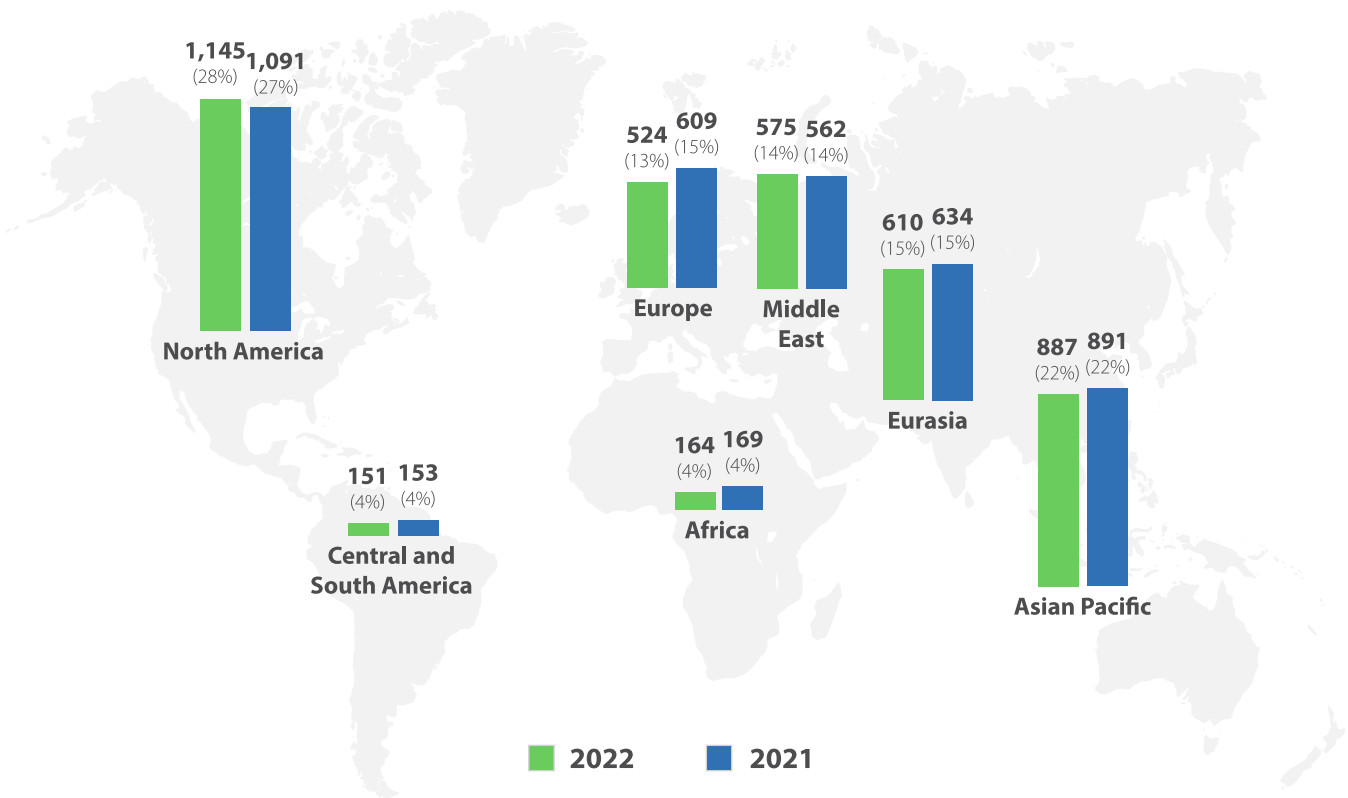
The Company - founded in December 2000, renamed Terminale GNL Adriatico Srl on 2 May 2005 and also known as Adriatic LNG – operates Italy’s largest Liquefied Natural Gas (LNG) regasification terminal, located in the northern Adriatic, about 15 kilometres off the coast of the Veneto region.

Safety and environmental protection, a people-centred approach and a constant dialogue with institutions and stakeholders are the fundamentals of Adriatic LNG’s corporate culture and daily operations. These values, together with support for local communities and a commitment to sustainable development, make the company a respected player on the Italian industrial scene, with about a hundred employees spread across the Milan headquarters, the Rovigo Work Hub and the offshore terminal.

Natural gas and LNG

The Market - International Context¹

Gas Consumption in billion m³



Gas Consumption in billion m³

| | 2022 Billion m³ | % | 2021 Billion m³ | % |
|---------------------------|--------------------|-----|--------------------|-----|
| Africa | 164 | 4 | 169 | 4 |
| Asian Pacific | 877 | 22 | 891 | 22 |
| Central and South America | 151 | 4 | 153 | 4 |
| Eurasia | 610 | 15 | 634 | 15 |
| Europe | 524 | 13 | 609 | 15 |
| Middle East | 575 | 14 | 562 | 14 |
| North America | 1,145 | 28 | 1,091 | 27 |
| | 4,046 | 100 | 4,109 | 100 |

In 2022 worldwide natural gas consumption fell by 1.5% (about -61 billion m³) from 4,109 to about 4,046 bn/m³. At the global level, the very mild weather in the first and fourth quarters of 2022 led to a drop in residential consumption, while the high prices hit industrial consumption in Europe and the Asia Pacific region.

The analysis of the changes in the supplying system of the European Union is extremely significant. In 2022, in response to the measures launched by the EU authorities with the worsening of the geopolitical crisis, total gas imports to the EU fell by -3.6% (to a total of about 360 billion m³), 64% of this via pipeline and 36% as LNG.

The Market - Italian Context²

In terms of consumption Italy is Europe’s third largest gas market after Germany and the United Kingdom, and the second largest importer after Germany.

In 2022 Italian consumption fell by 10.1% compared to 2021 due to the price of gas, mild winter temperatures and also the emergency measures introduced by the Italian and EU authorities.

1-2. Source: Annual National Energy Report 2022, Ministry of Environment and Energy Security.

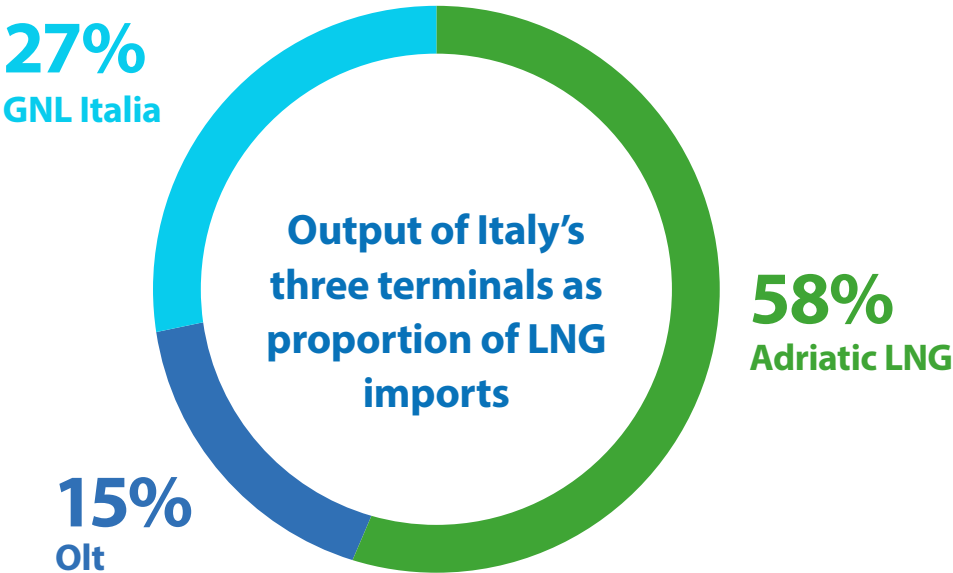
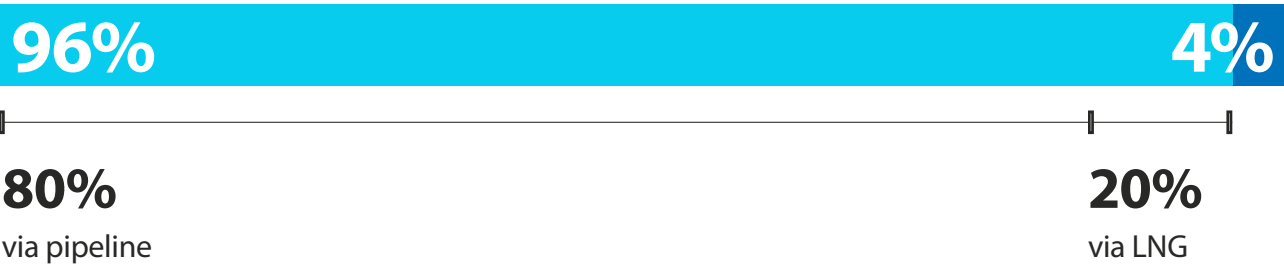
The volumes imported were substantially in line with those of 2021 (-0.6%), while imports via pipeline decreased by -7.3%. The most noticeable reduction was in imports from Russia: about 15 bn m³ less (-52%) than in 2021, while Algeria (with over 23.5 bn m³) became the main gas supplying country.

Imports through the LNG regasification terminals grew by 47% compared to the previous year (a rise in absolute terms of 4.6 bn/m³).

Gas demand in Italy in 2022

Total gas consumption:
68.7 billion m³

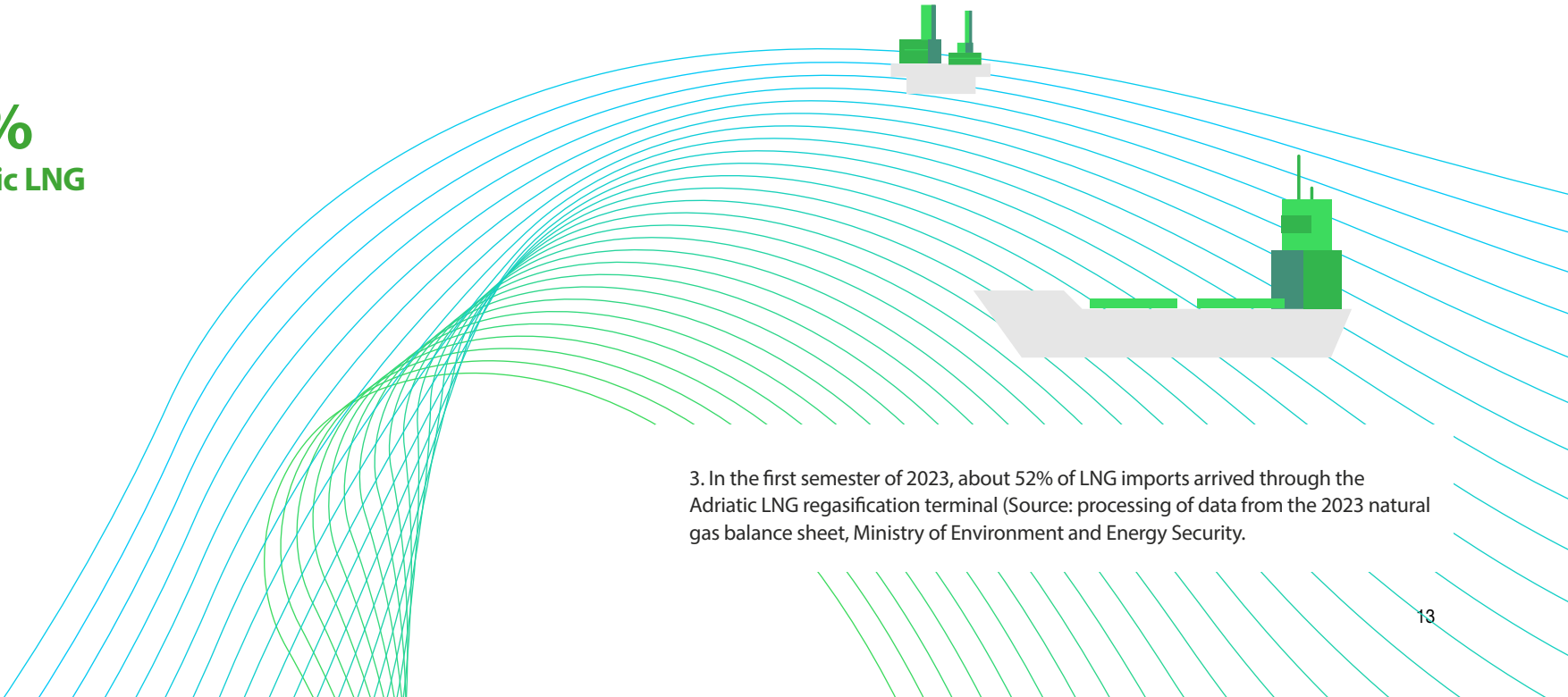
- Imports
- Domestic gas production



Total volume of imports:
14.3 billion m³

Source: Adriatic LNG elaboration of Ministry for Environment and Energy Security data.

More than **58% of gas volumes** entering the Italian national grid from LNG regasification terminals come from the **Adriatic LNG** offshore regasifier.³



3. In the first semester of 2023, about 52% of LNG imports arrived through the Adriatic LNG regasification terminal (Source: processing of data from the 2023 natural gas balance sheet, Ministry of Environment and Energy Security).

The role of natural gas in the energy transition

Italy's number one energy source, natural gas plays a key role in the **transition to more sustainable sources**, since it is the **fossil energy fuel with the smallest carbon footprint** and occurs abundantly in nature.

Moreover, since it is easily stored and flexible, natural gas is able to meet peaks in energy demand and can be used as a backup resource to cover the intermittence nature of renewables and guarantee the continuity and regulation of electricity production, **rendering the energy system efficient and secure** in the progression towards achievement of the Fit for 55 objectives.

The **European Union** has also recognised the **fundamental role of natural gas in the transition**, including it in its **Green Finance Taxonomy**, the classification system introduced by Regulation (EU) 2020/852, which establishes a list of sustainable economic activities.

The challenge is to further reduce natural gas emissions through initiatives such as, for example, the elimination of fugitive methane emissions, the use of carbon capture, utilization and storage (CCUS) technologies, and hydrogen production.

Regasification in the Liquefied Natural Gas supply chain

Briefly, the following are the main stages in the LNG supply chain:

- **Natural gas extraction**, natural gas in deposits beneath the surface of the land or seabed is extracted by drilling;
- **Liquefaction to form LNG**, the gas is cooled to change its physical state from gas to liquid, reducing its volume;
- **Transportation**, the LNG starts its voyage by LNG carrier to the destination markets. During the voyage it is kept at constant temperature;
- **Regasification**, in the regasification plants it is converted back from the liquid to the gaseous state by controlled heating;
- **Delivery to the grid**, once restored to gaseous state, the natural gas is sent into the national gas grid by means of a linking pipeline.

The Adriatic LNG regasification terminal



The services offered

Regasification

This includes the berthing of gas carriers, unloading of the LNG, storage in the terminal's tanks for the time necessary before delivery to the grid, regasification and finally delivery of the regasified natural gas to the point of entry to the National Grid or to the Virtual Exchange Point (VEP).

Adriatic LNG markets and manages its regasification capacity within the regulatory framework established by the European Union, the Italian Ministry of the Environment and Energy Security and the Italian Regulatory Authority for Energy, Networks and Environment (ARERA).

Flexibility

This enables users to utilise larger or smaller amounts of gas on both the same Gas Day (D) and/or the next Day (D+1) with compensation on following days, rescheduling their gas delivery profile in line with their balancing needs.

Temporary storage

This enables regasification service users to keep LNG in temporary storage in the terminal's tanks and request its delivery at a later time.

Peak shaving

Activation of this service means that if an emergency occurs during the winter, the LNG previously unloaded and stored in the terminal's tanks can be regasified and delivered to the grid.

Open Season: an effective way of increasing and diversifying LNG imports to Italy and Europe

The Open Season is the procedure by which Adriatic LNG offers the market the regasification capacity available in the medium and long term.

In summer 2022 Adriatic LNG placed on the market a regasification capacity of about 147 billion cubic metres for the next 25 years. This was one of the world's biggest auctions for operators interested in long-term purchases of LNG regasification capacity. The 2022 Open Season concluded successfully with allocation of all the capacity available until the end of December 2028, 2 billion cubic metres/year from January 2029 to December 2034 and 0.9 billion cubic metres/year from January 2035 to December 2042, giving a total of about 32.7 billion cubic metres.

Adriatic LNG's constant commitment to contributing to the construction of a more and more secure, sustainable future for Italy and Europe also continued in 2023, with the launch of a new Open Season. Specifically, the market was offered new incremental capacity of 0.5 standard cubic metres a year from January 2026 to December 2045, giving a total of 10 billion standard cubic metres.

This new regasification capacity will be created, once the authorising measures have been obtained, by a number of structural and operational upgrades both on the Terminal and at the Cavarzere metering station. These activities are planned for summer 2025, during the plant's shutdown for scheduled maintenance.

The role of Adriatic LNG within the European and Italian energy system

Since it started trading in November 2009, Adriatic LNG has achieved major milestones in terms of reliability and volumes regasified and delivered to the national grid, helping to improve the supply security, diversification and competitiveness of gas procurement sources.

The number of countries from which the terminal receives shipments of LNG is increasing all the time: not just Qatar, Trinidad and Tobago, Equatorial Guinea, Angola, Egypt and Norway but also the United States and Mozambique. Adriatic LNG has thus helped to open up new routes for the supply of LNG to Italy and Europe (including from countries where LNG is stocked, such as China, Belgium and France).

Winner of the prize for the “infrastructure project of the year” at the XII edition of the Platts Global Energy Awards in 2010, today Adriatic LNG is the only Italian regasifier also able to receive super large scale vessels, meaning gas carriers with capacity up to 217,000 m³, with significant benefits in terms of optimisation of volumes unloaded.

2022 Operating Results

increase in baseline capacity of terminal to

9 billion m³ a year

(equivalent to 12% of Italian consumption)

Successful allocation of regasification capacity:

100% allocation

of the capacity available for thermal year 2021/2022

Success of 2022 Open Season with allocation of long-term capacity totalling

32.7 billion m³ for 2022-2042;

94 vessels berthed

and unloaded safely;

More than 8 billion m³

of gas consigned to the national grid (11% of Italian gas imports)

99.3% reliability

in regasification operations

2023 Focus

In a highly competitive, uncertain European market, in 2023 Adriatic LNG again consolidated its position as an infrastructure operator particularly attractive to international players, a fact reflected by the arrival of the one thousandth natural gas carrier at the terminal in March. In the first semester of the year, with 37 vessels berthed and unloaded safely and 4.15 billion cubic metres of gas delivered to the grid, it confirmed its status as Italy's third largest point of entry for imported natural gas.

Our vision

Be a world class LNG terminal enabling new energy supply to Italy and beyond.

Our mission

Be safe and reliable while protecting the environment and maximizing value for all stakeholders.

Reliability

fundamental for maintaining the trust of our users and final customers, by supplying timely, high-value services.

Technology

embracing the application of state-of-the-art know-how in order to be competitive at all times and guarantee the safety of people, the environment and infrastructure.

People

including both employees and shareholders, local and national government, associations and the local communities with which Adriatic LNG is committed to cultivating

Relationship

based on dialogue, discussion, transparency and trust.

Sustainability

this new pillar is added to our mission in order to underline our commitment to environmental, social and economic responsibility.

Communicating sustainability at a stroke

In line with its corporate mission and values, Adriatic LNG has also updated its brand identity, renewing the logo which will accompany the company as it works to further the energy transition.

The new logo is the logical evolution of its corporate identity, with blue, traditionally associated with both natural gas and water, still the predominant colour. The introduction of a green wave highlights the sustainability and environmental compatibility of natural gas. It also underlines the company's role on today's energy scene: it provides Italy and Europe with reliable, efficient infrastructure which contributes to diversification and safety in the supply of gas to households, industry and transport.

The new logo also implicitly expresses the desire to work more and more closely with people and local communities, responding to a changing society that aspires to better standard of living and lifestyles.



The centrality of ESG: Adriatic LNG's contribution to the UN 2030 Agenda

As a company committed to integrating sustainability into our business strategies and operating processes, we have set our objectives in accordance with the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda.

Within this framework we have identified seven goals as relevant to our business and in line with our company's strategic planning.

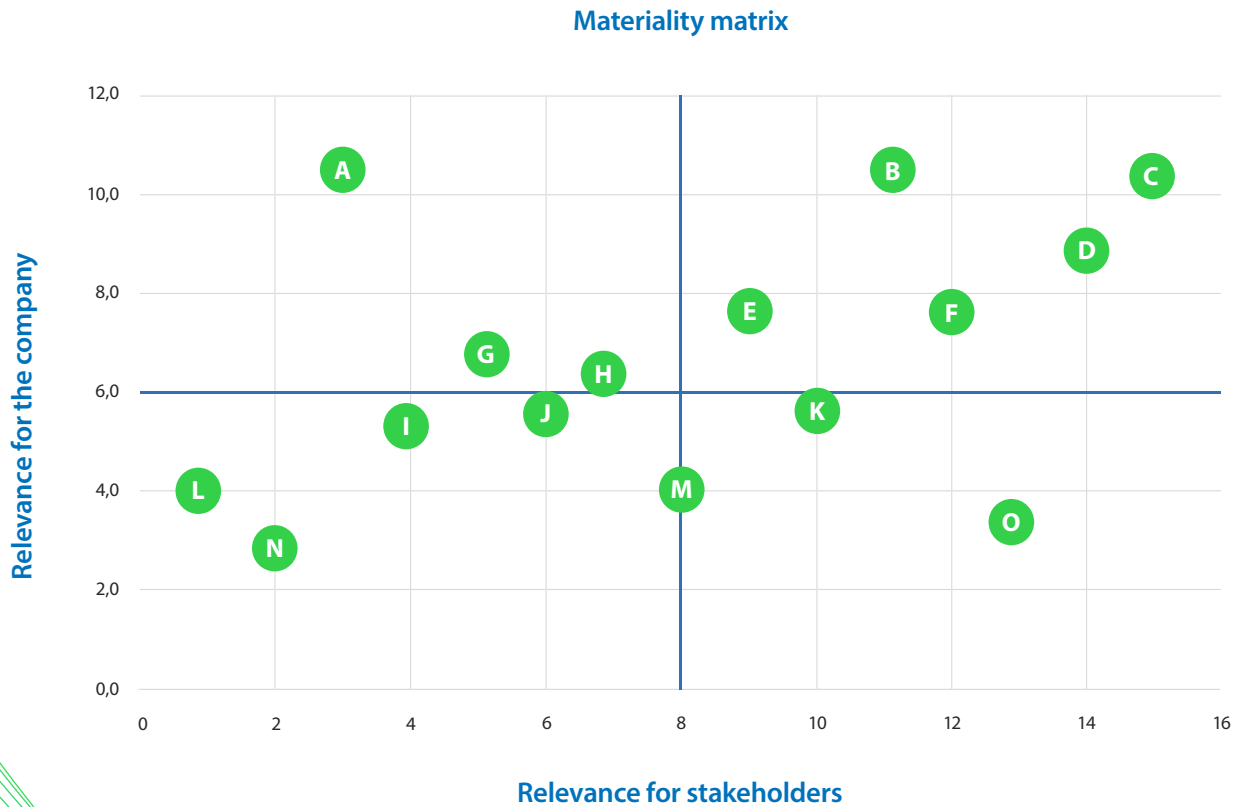
| | | |
|---|---|--|
| | | |
| Terminal efficiency and safety. Reliability/continuity of service | People's wellbeing. Territorial development | Promotion of a sustainable energy transition |
| Goal 1: Protect the environment and biodiversity | Goal 4: Protect health, safety and wellbeing of our workers and communities | Goal 6: Integrate sustainability into corporate strategy and internal management systems |
| Goal 2: Enable virtuous, sustainable behaviours | Goal 5: Promote territorial development | Goal 7: Promote territorial development |
| Goal 3: Encourage responsible behaviours on the part of suppliers | | |

Contributing to the 2030 Agenda for sustainable development (United Nations SDGs):



Our priorities: materiality analysis

The **material topics** were defined by identifying, assigning priority to and validating the topics of most importance to our stakeholders and to Adriatic LNG, while highlighting the connections to the 17 Sustainable Development Goals of the 2030 Agenda. We built up our first **materiality matrix** on the basis of a series of interviews with stakeholders both inside and outside the company.



| | |
|---|--|
| A | Efficiency and integrity of plants |
| B | Occupational health and safety/workplaces |
| C | Promotion of human capital and skill development |
| D | Responsible use of natural resources |
| E | Stakeholder relations |
| F | Environmental protection |
| G | Responsible management of the supply chain |
| H | Protection of marine biodiversity |
| I | Ethics and integrity |
| J | Technological innovation |
| K | Positive repercussions for the local community |
| L | Digitalisation and cybersecurity |
| M | Quality and reliability of the services offered |
| N | Education to raise awareness on energy issues |
| O | Financial soundness |

Terminal efficiency and safety, protecting the environment

- 28. Protecting the marine environment
- 30. Energy efficiency
- 31. Air quality
- 33. Management of water discharges
- 33. Waste management

Protecting the marine environment

Adriatic LNG operates with full environmental protections. The terminal has passed **four** different **Environmental Impact Assessments** (EIAs) and, in January 2009, the **Integrated Environmental Authorisation** (IEA), renewed in October 2016 and February 2022.

Moreover, an extensive **plan for monitoring the coastal marine environment** has been drawn up by the Italian Institute for Environmental Protection and Research (**ISPRA**, a public body under the supervision of the Ministry for the Environment and Energy Security), agreed with the Veneto Regional Agency for Environmental Prevention and Protection (**ARPAV**).

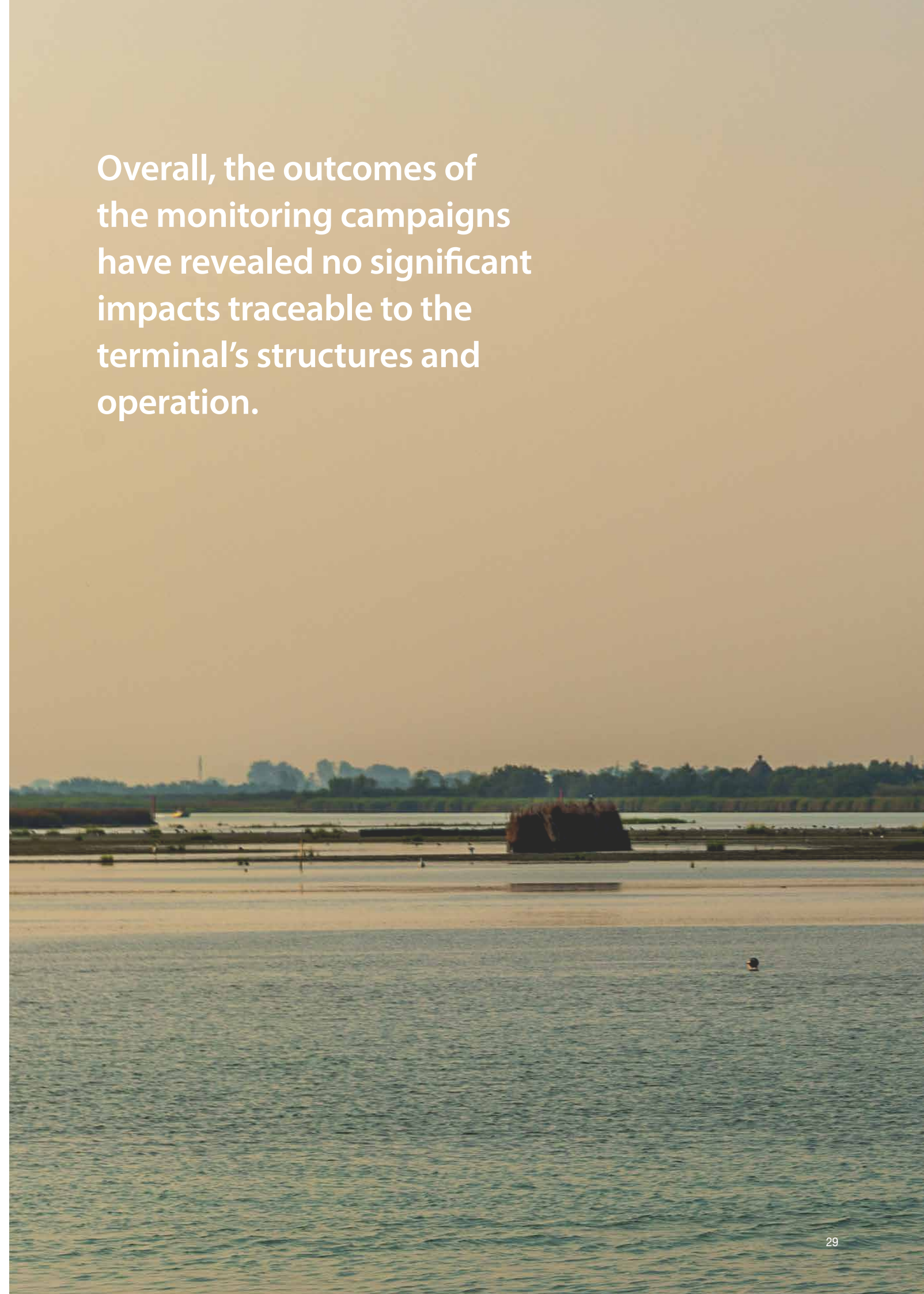
The plan was drawn up with a multidisciplinary approach involving monitoring in the following areas:

- hydrological surveys and seawater sampling;
- qualitative and quantitative analysis of plankton;
- sampling of sediments;
- analysis of aquatic organisms (benthic fauna);
- bioassays on marine sediments and bioaccumulation tests;
- monitoring of fish populations.

Environmental monitoring was performed by **ISPRA** in the first phase of the terminal's operation, while since 2017 it has been conducted by the **National Institute of Oceanography and Applied Geophysics (OGS)**, a public research body under the supervision of the Ministry of Universities and Research.

In compliance with the provisions of the Environmental Impact Assessment Decrees, in 2010 **artificial reefs to promote fish repopulation** were installed near the terminal, at a depth of about 30 metres. The monitoring results have confirmed the importance of the artificial reefs in providing an environment where fish species can shelter, congregate and breed.

Overall, the outcomes of the monitoring campaigns have revealed no significant impacts traceable to the terminal's structures and operation.



Sea foam generation

The formation of surface foam at the outlet of the regasification terminal’s cooling circuit is a mechanical phenomenon related to the terminal’s operation. This factor was investigated in depth during the Environmental Impact Assessment, which found that the foam formation, propagation and dissolution mechanism is linked to process water discharges and also depends on environmental and marine weather conditions.

In most cases, the foam dissolves with complete collapse of its constituent air bubbles at distances of less than 600 metres from the terminal.

Energy efficiency

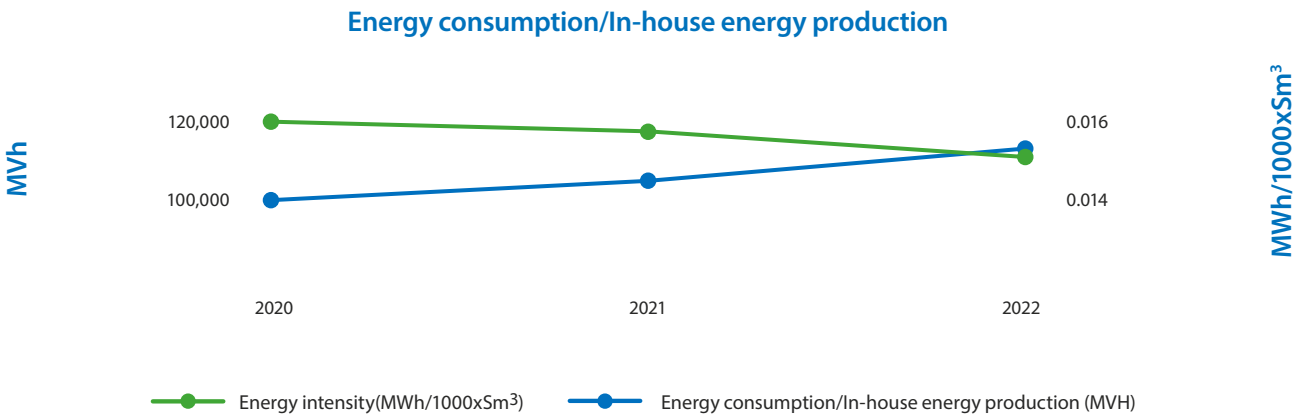
The terminal achieves excellent levels of energy efficiency, mainly due to:

- use of gas turbines with DLN (dry low Nox) burners for production of 100% of the electricity used for the plant’s operation;
- recovery of heat from the gas turbine exhaust to heat a carrier fluid (consisting of a mixture of water and glycol) in closed circuits, used to vaporise the LNG;
- use of sea water vaporisers, which reduce energy use for regasification compared to other technologies;
- regular maintenance of both process plants and utility systems, with very high reliability levels.

The graph below displays the **terminal’s energy consumption** values, which are also the production consumption values. This is because all the plant’s electricity needs are met by the energy generated by the gas turbines.

The graph also shows the values of the **energy intensity**, which indicates energy consumption (the same as the energy generated) as a ratio of the volume of regasified natural gas delivered to the grid (the “send-out”).

Consumption (and also energy production) increased in 2022 compared to previous years, due to the rise in send-out. On the other hand, energy intensity has been falling since 2020.



Source: Adriatic LNG’s data

Air quality

Atmospheric emissions

The main atmospheric emissions derive from the burning of natural gas in the gas turbine generators (GTGs) to produce electricity for the terminal’s operation.

A continuous Emissions Monitoring System (EMS) is installed on each of the three main flues connected to the turbines, to continually measure and monitor the CO (carbon monoxide) and Nox (nitrogen oxides) emitted

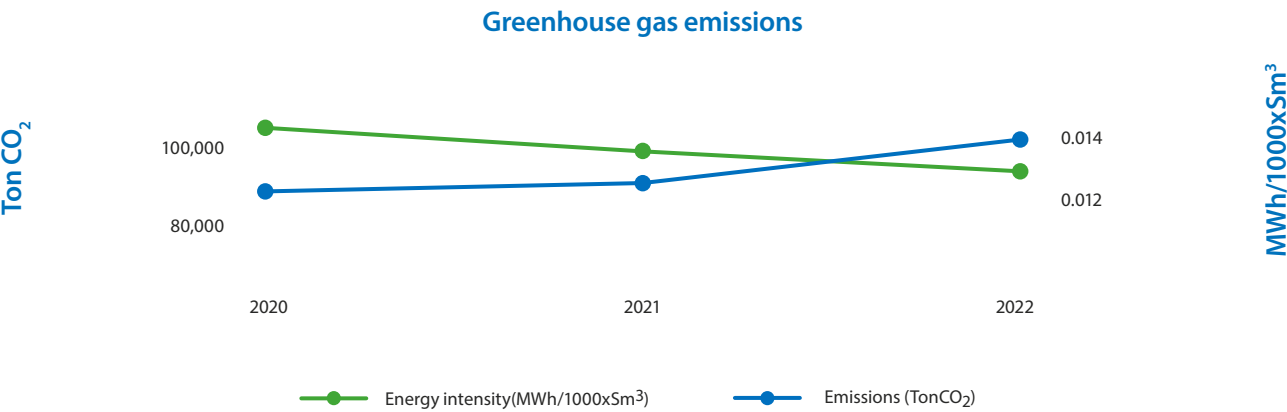
during normal operation of the turbines, as required by the Integrated Environmental Authorisation.

In 2022, as in previous years, the requirements and conditions established by the Integrated Environmental Authorisation Decrees were met, also with regard to the specific provisions on atmospheric emissions.

Greenhouse gases

As envisaged by the industry regulations, greenhouse gas emissions are calculated annually and validated by an accredited body.

Greenhouse gas emissions related to the terminal’s operation mainly derive from the combustion in the turbines of the natural gas used as energy vector for production of the electricity necessary for the plant’s operation (self-sufficiency). The other greenhouse gas sources are the system of flairs (used for safety reasons) and the use of diesel fuel, mainly for testing the generator units and the engines of the firefighting pumps.

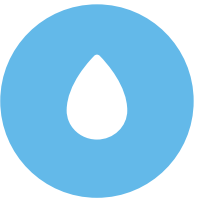


Source: Adriatic LNG’s data

The emissions recorded in 2022 were higher than in the previous years, as a consequence of the increase in send-out.

However, the trend in emissions in terms of “emissions intensity” – the ratio between emissions and send-out – shows a reduction in emissions intensity starting in 2020.

Management of water discharges



The main environmental factor related to water discharges is the **temperature difference (“thermal delta”) between the seawater drawn in and that returned to the sea, in the process which returns liquefied natural gas to the gaseous state.** The temperature difference between the discharged seawater and that taken in for the regasification of the liquefied natural gas must not exceed the value of – 4.6 °C, expressed as the annual average. **Over the years the annual average temperature difference has always been significantly below the limit set.**

With regard to water discharges in general, in 2022 - as in previous operating years - all the requirements and conditions laid down by the Integrated Environmental Authorisation Decrees were complied with in full.

Waste management

Most of the waste generated on the terminal derives from maintenance activities and the management of the on-board offices and living quarters. The level of waste produced has therefore remained more or less constant over the years.

90% of the total volume of the waste generated consists of “domestic” waste from the terminal’s offices and living quarters. The domestic waste and oily wastewater is **collected, separated and sent to land for treatment at authorised facilities in accordance with the relevant environmental regulations and the provisions of the IEA.**

Hazardous and non-hazardous urban and special waste is collected in specific containers and transported to land on the supply vessels, which hold IMDG (International Marine Dangerous Goods) Certification for carrying hazardous goods.



Creating social value



36. Promotion of human capital and skill development

40. Health and safety

48. Promote the development of the local area

Promotion of human capital and skill development

Our people

The skills and human and professional qualities of the people who support Adriatic LNG are the foundation of a company of strategic importance in the domestic and European context. Therefore, there is a constant commitment to creating and maintaining a dynamic, close-knit, safe working environment, where all employees are assured opportunities for professional growth.



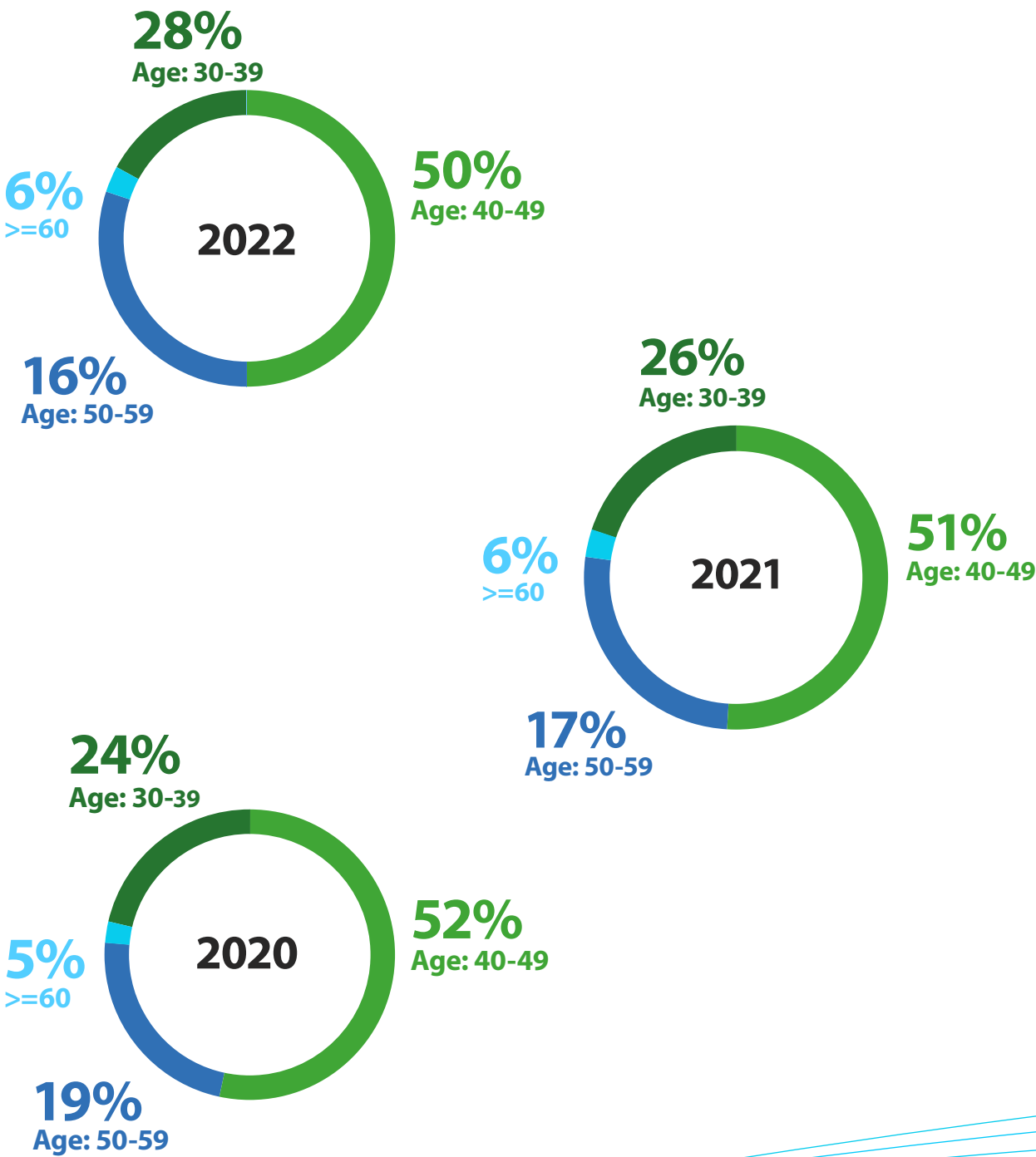
Adriatic LNG Employees

| | 2020 | 2021 | 2022 |
|-----------------|------|------|------|
| Milan | 29 | 13 | 13 |
| Rovigo Work Hub | 24 | 38 | 38 |
| Terminal | 54 | 49 | 48 |
| Total employees | 107 | 100 | 99 |

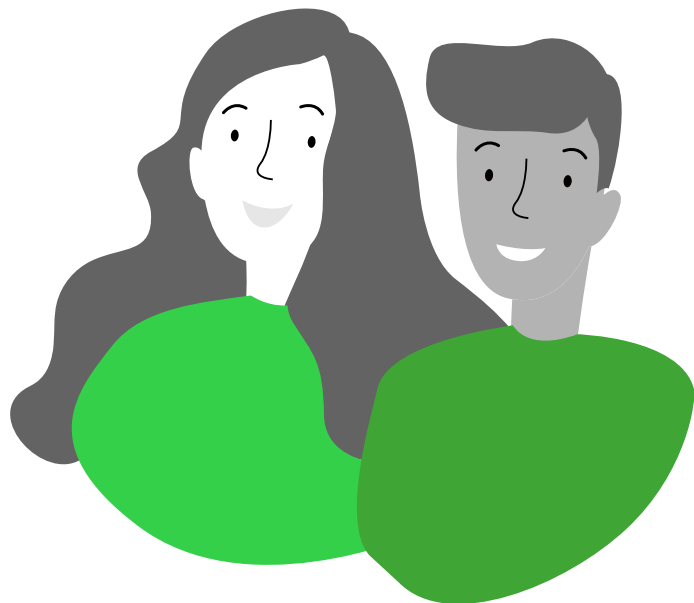
In 2022, Adriatic LNG had **99 employees**. All employees were on permanent contracts and on average they had been with the company for 13 years, meaning approximately since the terminal went into operation. The average age of the Adriatic LNG population is about 45 years.



Average age of employees



Employee pay is monitored with the aim of eliminating any gender-based pay discrimination
The overall data show that pay rates are substantially equal for men and women.



Welfare and other benefits

With the aim of looking after its employees, Adriatic LNG provides a contractual welfare system, also structured as an alternative form of remuneration, intended to meet the needs of the workforce and their families and help to improve each worker’s quality of life.

The welfare services can be accessed via a digital platform and cover the following categories:

1. **education and child care expenses**
(crèche, school and education costs, school textbooks, summer and winter activities schemes, play schemes and baby-sitting)
2. **care expenses** (home care, residential care)
3. **public transport season tickets**
4. **cultural and leisure services**
5. **health services**
6. **additional pension scheme**
7. **facilitated loans.**

Adriatic LNG is committed to providing a **benefits plan** which enables it to attract and retain talented people, with the aim of:

- improving quality of life through specific initiatives;
- helping employees to achieve financial security at the end of their working careers;
- assisting employees if they lose some or all of their ability to work.

Performance assessment

Monitoring of individual performance trends enables evaluation of the progress being made, analysis of the consistency of the objectives agreed and the introduction of any corrective measures which may aid their achievement. Therefore, within Adriatic LNG all employees have regular access to routine performance assessment, intended to ensure that they benefit from a suitable development plan and follow a career path in line with their role and their individual potential.

Industrial relations

The employment contract applied for employees is the National Employment Contract for the Oil and Energy Industry, while executives are employed under the National Contract for Executives of Manufacturing and Service Sector Companies.

Italy still has very few offshore installations, so since 2008 substantial second-level negotiations have been ongoing to define the employment terms appropriate to the company’s specific organisational requirements and area of business.

Health and safety

Adriatic LNG views people’s health and safety as a fundamental value, to be safeguarded and protected at all times.

Adriatic LNG works constantly and continually to ensure that all its operations are conducted in a working environment which is safe and healthy for its own employees, for contractors’ personnel and for local communities. This commitment is set out in the Safety, Health and Environment Policy implemented within the integrated management system adopted by the Adriatic LNG.

The Integrity Management System

The integrity management system enables the identification, assessment and mitigation of the risks associated with our operations, in order to guarantee the effective protection of employees, contractors, suppliers, local communities and company assets, as well as to provide the appropriate environmental safeguards.

In particular, this system aims **to create a culture** based on knowledge and full **understanding of procedures**, in which employees play an **active role** in reviewing and improving the system itself.

Reliability and integrity

The terminal was designed and built to operate to the highest safety standards even in particular adverse environmental conditions, and to ensure its integrity in these situations.

The reliability and integrity of equipment is guaranteed through **specific maintenance, inspection and monitoring plans**.



The table below provides some key data about these activities during the last three years.

| | 2020 | 2021 | 2022 |
|--|--------|--------|-------|
| Number of permit to work spot checks performed on maintenance activities on operating sites | ~ 1140 | ~ 1140 | ~1160 |
| Number of second-party health and safety audits ⁴ performed on existing or potential critical suppliers | 3 | 3 | 2 |
| Number of emergency drills performed on the offshore terminal in accordance with the internal emergency plan | 26 | 23 | 26 |

A series of instruments have been installed on board the terminal to enable its constant geotechnical and structural monitoring.

Culture of safety

Promoting a sound culture of safety is an imperative for Adriatic LNG and this takes place through active engagement at all the company’s locations and at all levels, with specific plans in covering various areas. In particular:

Personnel training

We have implemented:

- worker education and awareness-raising programmes on health and safety topics of specific importance for the roles and workplaces concerned;
- training sessions both at recruitment and in case of a change in duties or the introduction of new working equipment;
- regular updating sessions.

4. The Company performs second-party audits on external suppliers and/or stakeholders considered significant or critical, and which therefore require monitoring.

As well as specific training, Adriatic LNG runs additional projects intended to promote a culture of safety, including:

Safety Newsletter

Each issue contains updates about the company's health, safety and environment projects and the main lessons learnt from accidents or near misses, in order to keep all workers on board with the countermeasures adopted in response to errors detected and enable the consequent prevention and improvement actions.

Adriatic LNG Safety Leadership Academy (ASLA)

Launched in 2021 and continued during 2022, the ASLA training programme aims to strengthen leadership on health and safety issues

"Falling objects" campaign

The analysis of accidents and near misses has revealed that falling objects are one of the most frequent events which constitute the most serious hazard to people.

Therefore, at the start of 2022 we launched a multi-action awareness-raising campaign.

Safety Award Program

2022 saw the launch of a safety incentives scheme based on Behaviour-Based Safety, which aims to reward the proactive behaviours with the greatest added value in terms of protecting the worker's own safety and that of colleagues.

Contractor Safety Forum

Arising from Adriatic LNG's determination to create a generalised culture of safety shared with contractors, the Contractor Safety Forum is an opportunity to meet the management and safety executives of contractors who work for us, to compare ideas and discuss safety-related topics.

The 2022 edition featured the play "A chi esita" ["He Who Hesitates"] staged by Rossolovante, a company with a long-standing focus on social issues relating to occupational safety.

Contractors Safety Forum

WELCOME



Safety in figures

Thanks to the **hard work and good practices** of all Adriatic LNG workers, **2022 was the second consecutive injury-free year.**

The latest recorded injury occurred early in 2020, when one of our employees lost their balance and slipped when descending the companionways of the vessel transporting passengers from the operations base to the terminal. The employee was not seriously injured but had to limit their duties for a few days.

The table below provides data about safety events in the last three years.

| (absolute values) | 2020 | 2021 | 2022 |
|--|------|------|------|
| Number of accidents (employees + contractor personnel) | 1 | 0 | 0 |
| Number of near misses with high potential harm | 2 | 0 | 2 |
| Number of workers reporting health problems due to exposure in the workplace | 0 | 0 | 0 |

As of 31 December 2022 we had reached 1094 days since the last accident, without even any recorded events in which someone was hurt⁵.

NO ACCIDENTS ALSO IN FIRST SEMESTER OF 2023

The safety results achieved in the first semester of 2023 (no accidents, no near-misses with high potential harm and no workers reporting health problems caused by exposure in the workplace) confirm Adriatic LNG's constant focus on the health and safety of its employees.

5. The reference to contractor personnel is for statistical purposes only and does not constitute or imply any involvement or responsibility on the part of the Company with regard to employees of other organisations.

Promote the development of the local area

Commitment to local development and inclusion

Adriatic LNG is deeply integrated in the area where it operates and, with a sense of responsibility, we aim to build relationships with local communities based on transparency, continual dialogue and cooperation. We maintain a positive, constant dialogue with local authorities, institutions and all our stakeholders to facilitate the sharing of local development projects, as well as the satisfaction of the community's social needs, while also increasing the competitiveness and continuity of our business.

Basically, our commitment takes three main forms:

- investments and sponsorships;
- actions for the area's economic development and growth;
- projects and grants to promote a culture of safety and innovation.

Ever since our foundation, we have supported a large number of local social, education, health, culture and sports projects in collaboration with local authorities, associations and NGOs, in which we have so far invested more than **3.6 million euros**.



On the basis of our continual dialogue with the area, we have chosen to prioritise **three categories**:



Social and charitable activities

To support the disadvantaged, with a particular focus on children, those in poor health and people with disabilities



Culture, education and safety

We believe in culture as one of the main drivers of local growth. Through the recovery and showcasing of the artistic and historic heritage and support for cultural projects, we aim to help to increase the area's attractiveness and thus boost development opportunities



Sport

We focus our support mainly on projects that use sport as a means of education and social inclusion.



2022 milestones

125,000 euros
for sponsorships and donations

19 associations
and projects supported

3 external initiatives
for Adriatic LNG employees to strengthen the company's identity and the sense of belonging, also to the local area

Some examples of projects run in 2022 which confirm our commitment to aiding local communities by supporting services that play a major educational and social role.

Support for the SOS Donna contact point for women at risk of domestic violence at Porto Viro

Sponsorship of summer activities for young people: Estate Ragazzi 2022 at Porto Viro

Funding for local associations which support people with disabilities

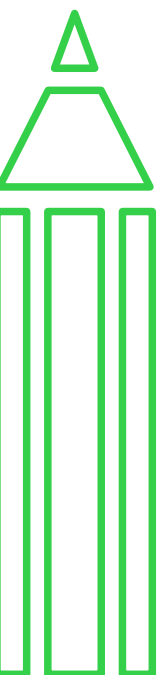
Donation of instrumentation for the remote monitoring of patients, installed at the Rovigo A&E Department



Support for the local operatic and musical tradition with Deltartisti and Circolo Culturale di Rovigo

"Un mare di parole" ["A Sea of Words"], a publishing project run by La Voce newspaper, Rovigo: a school diary for the schools of the Polesine district that highlights the local cultural and natural heritage

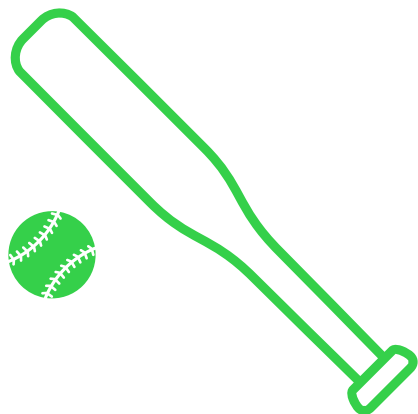
"Con gli occhi di Dante" ["Through Dante's Eyes"] literary competition for Rovigo High Schools



Participation in and sponsorship of the Sporting Event “Rovigo in Love”



XX edition of the Adriatic LNG season of distance running races to promote the Po Delta area



Official sponsor of the Baseball for the Blind team



Support for FAI – National Trust for Italy and donation of membership cards to stakeholders and employees for access to its sites

Our membership of industry associations

As well as its plans and projects focusing on local development, Adriatic LNG joins industry associations in order to actively contribute to the dialogue with the local authorities and work with its stakeholders to map out the future scenarios for industry and the area.



Governance and value creation

56. Corporate governance

56. Conducting business with corporate ethics:
governance tools

57. The value chain

59. Economic value directly generated and distributed

Corporate governance

Adriatic LNG is controlled by ExxonMobil Italiana Gas (~71%), an ExxonMobil group company, Qatar Terminal Company Limited, a Qatar Energy subsidiary (~22%), and Snam Spa (~7%). The Company has a traditional governance structure which includes the Board of Directors (consisting of five directors, the Chairman and the Managing Director) and the Sole Statutory Auditor. They are supported by the Supervisory Body appointed in accordance with Legislative Decree 231/2001. A sound governance structure helps to guarantee that activities are carried out with loyalty, legality, integrity and transparency and thus ensures sound interaction with the context of reference. Within this framework of rules, we work to guarantee the highest level of infrastructure reliability and quality of service, in order to satisfy customers, grow the value and sustainability of the business and thus also maximise value for all stakeholders.

Conducting business with corporate ethics: governance tools

Integrity is fundamental to our commitment to conduct our business responsibly, applying the highest ethical and corporate governance standards.

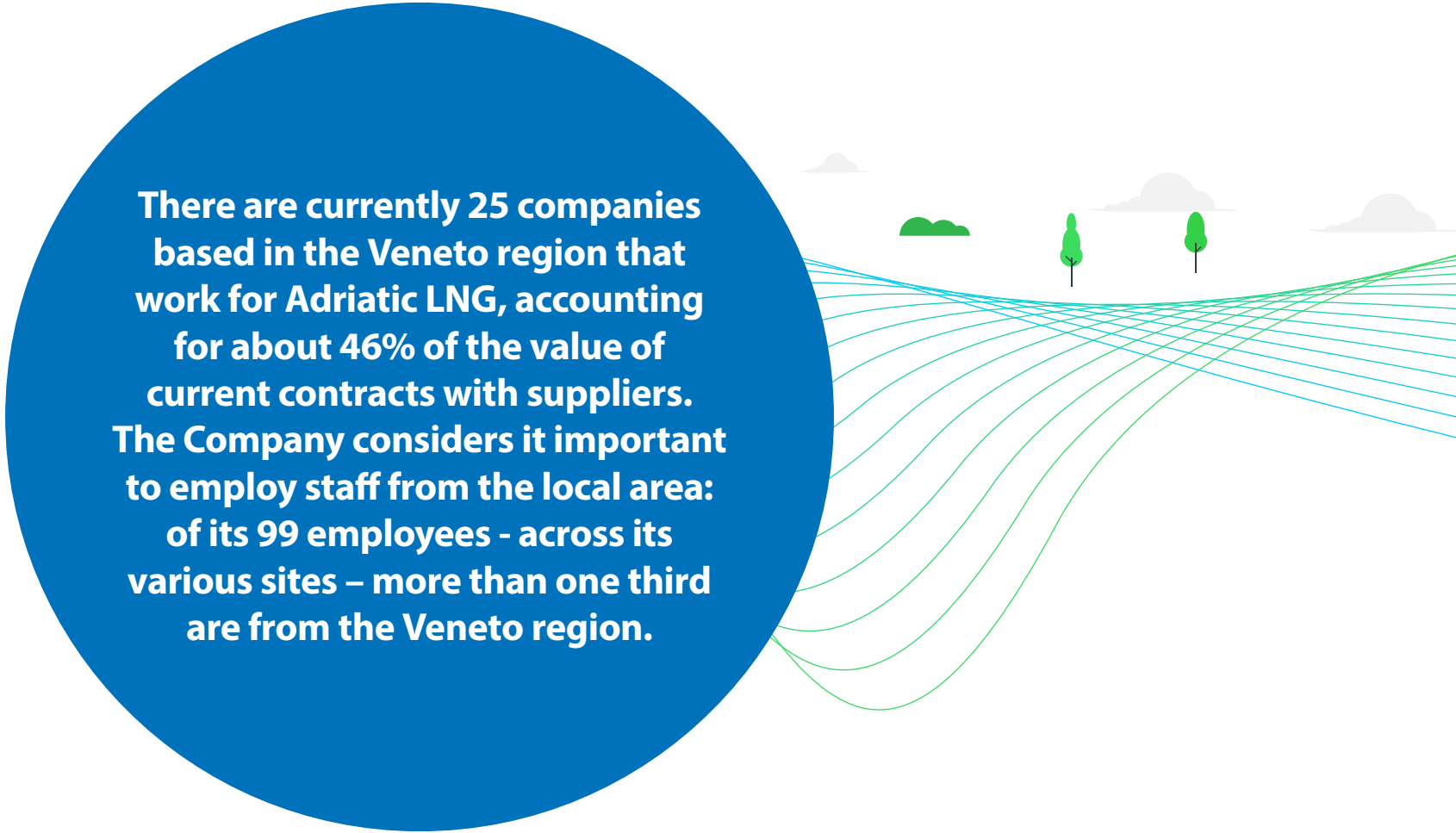
To ensure this, the Company has adopted a series of rules of conduct and internal instruments to oversee compliance with them: **the Code of Ethics and the Integrity Model** (both available for consultation on the adriaticlng.it website). These tools operate alongside the anti-corruption and integrity policies in tax compliance, as well as employee training and awareness-raising with regard to corporate ethics and anti-bribery. The aim is not merely to comply with legal obligations but also to foster a corporate culture based on ethics and legality.

Tax Compliance is thoroughly monitored and assessed, also with the aid of external professionals.

The value chain

Creating shared values is one of the pillars of the Adriatic LNG strategy, to simultaneously generate value for the company and its stakeholders.

With the opening of the Rovigo Work Hub, the Company has further consolidated its bond with its home area, strengthening relationships with the community and its representatives, which have always been grounded in dialogue, transparency and cooperation.



There are currently 25 companies based in the Veneto region that work for Adriatic LNG, accounting for about 46% of the value of current contracts with suppliers. The Company considers it important to employ staff from the local area: of its 99 employees - across its various sites – more than one third are from the Veneto region.

Quality and reliability of the regasification service

The company's value also depends on **the quality and reliability of the regasification service**, guaranteed through a policy which aims to achieve and maintain high quality standards.

The fundamental principles underlying this policy are set out in the **Regasification Code**, which regulates access to the service and the process by which regasification capacity is allocated, on the basis of requirements which all users must meet.

Fundamental principles for quality of service

Efficient service

Fair treatment

Continuity of service

Safety, health and environment

Participation

Information

Commercial quality

Economic value directly generated and distributed

The economic value distributed is analysed in order to highlight the flow of resources directed to employees, suppliers of goods, services and capital and the local area.

The figures set out below have been prepared on the basis of the data in the audited financial statements.

| Economic value generated and distributed | 2022 | 2021 | 2022 % weight on value generated | 2021 % weight on value generated |
|--|----------------|----------------|----------------------------------|----------------------------------|
| Value generated (A) | 352,397,179.79 | 169,121,227.14 | | |
| Value distributed (B) | 287,512,900.63 | 111,932,090.68 | 82% | 66% |
| Operating costs | 185,776,878.81 | 94,317,192.54 | 53% | 56% |
| Employees (*) | 15,199,607.56 | 16,368,646.83 | 4% | 10% |
| Local community | 148,250.00 | 108,000.00 | 0% | 0% |
| Local and Central Government | 25,046,060.10 | 1,138,251.31 | 7% | 1% |
| Quotaholders (**) | 61,342,104.16 | - | 17% | 0% |
| Value retained (A)-(B) | 64,884,279.16 | 57,189,136.46 | 18% | 34% |

(*) Includes personnel on secondment and costs for services relating to personnel.

(**) The figure includes the dividend proposed by the Board of Directors and approved by the General Meeting on 4 May 2023, but does not include repayments of the shareholders' capital reserve.

**In 2022
the contribution paid to
local communities increased
(+37% compared
to 2021)**

Our mission continues

The activities and results set out in this document form part of a process of continual improvement on ESG issues to which we are committed and which involves all functions within the company. With this in mind, in **2023** we have launched the following projects.

An aerial photograph showing a wide river flowing through a landscape of agricultural fields. On the left bank, there is a paved road with a few vehicles. The right bank features a large, flat, paved area, possibly a parking lot or industrial site, with some buildings and structures. The fields are a mix of green and golden-brown, suggesting different crops or stages of harvest. The river is a deep blue-grey color, and the sky is a pale blue.

OGMP 2.0 Membership

The **Oil and Gas Methane Partnership** is a reporting framework which aims to assist companies in projects and activities for the reporting and reduction of methane emissions. The OGMP protocol was developed by the Climate and Clean Air Coalition (CCAC) and promoted by the UNEP (United Nations Environment Programme) at the United Nations Climate Summit in 2014.

The framework provides a platform for the systematic measurement of methane emissions during production and distribution operations. Emissions are reported on the basis of five specified levels of accuracy, with different procedures established for each level. The design and implementation of a specific action plan for the reduction of methane emissions is also envisaged.

Wellbeing within the company

Effective from last year, Adriatic LNG has launched a Wellbeing programme to increase its employees' wellbeing.

The programme consists of a series of projects intended to improve workers' mental and physical health and awareness-raising campaigns to promote healthy lifestyles.

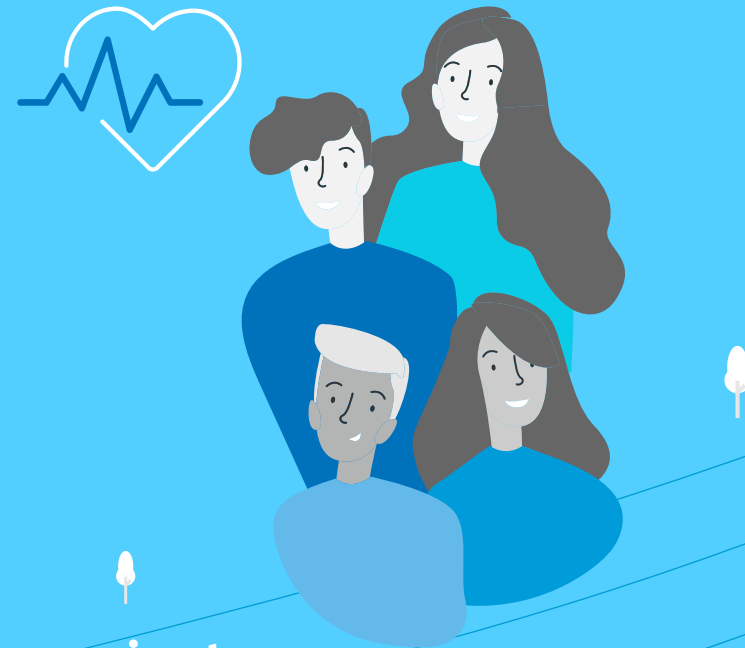
Projects for 2023 include

Formation of an internal Wellbeing committee

employees' point of contact for queries, explanations or suggestions on the programme run by the company

Awareness-raising campaign against tobacco use, entitled "Stop smoking? Yes, we can"

Awareness-raising campaign on good eating habits, entitled "Eat well, be well"



Promotion of physical exercise

awareness-raising campaign on

Sleep quality "A good night's sleep transforms your life"

with the support of external experts

Strengthening of the work-life balance

Promotion of socialisation and communication

through the improvement of the new Intranet and more frequent Safety and Employee Forums to encourage discussion and the sharing of information between employees and management.

Implementation of the new management system

(AIMS - Adriatic LNG Integrity Management System)

Fully in line with everything done previously and to constantly improve efficacy and efficiency, implementation of the new AIMS - Adriatic LNG Integrity Management System continues.

Its objectives include:

- definition of new processes and procedures, drawing on the experience acquired so far;
- maximisation of digitalisation, to achieve a “paper-free” system;
- obtaining of health, safety and environment certification under the international UNI-ISO standards.

Alongside implementation of the AIMS, Adriatic LNG will continue to maintain compliance with all relevant regulatory requirements.



Our energy for local communities

In response to the inputs from the direct discussions with local stakeholders, we have launched new projects to increase our impact on the local economy by supporting cultural, social and environmental initiatives in the local area such as:

ENAIP Porto Viro

We partnered the vocational training and education centre to run a competition for young people in which they were asked to conceive and propose eco-sustainability projects.

ITS Marco Polo Academy

Together with Confindustria Veneto Est, we subsidised scholarships at the ITS Marco Polo Academy for young people going on to higher education.

Teatro Sociale di Rovigo

To support talented young musicians from the local area, we funded the creation of seven new places in the Rovigo philharmonic orchestra for young people from the city's "Francesco Venezze" conservatory for the Teatro Sociale's 2023/24 season.

Etifor, spin-off of the University of Padua

We have started a project to support the restoration of natural habitats and protect biodiversity in Veneto.

"Amici delle api"

We contributed to the creation in the Municipality of Porto Viro (Rovigo) of a wildflower meadow which will house four beehives to help to increase the local population of bees, fundamental pollinators for the ecosystem. A small but significant measure to raise the community's awareness of the importance of pollinators, the threats facing them and their role in sustainable development.



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