



ISS PALUMBO

MOVE YOUR BUSINESS



SUSTAINABILITY
REPORT **2022**



CHAPTERS

1	LETTER TO STAKEHOLDERS	4
	METHODOLOGICAL NOTE	5
	ISS PALUMBO IN FIGURES	6
	IDENTITY AND GOVERNANCE	8
	1.1. ISS Palumbo	8
	1.2. History	8
	1.3. Our values	14
	1.4. Mission and Vision	14
	1.5. Ethics and Compliance	15
	1.6. Structure of the group	17
	1.7. ISS offices	17
	1.8. Business activities	18
	1.9. Management systems and certifications	19
	1.10. Strategy and business model	20
	1.11. Organizational chart	21
	1.12. Corporate bodies	23
2	SUSTAINABILITY AND CREATION OF SHARED VALUE	24
	2.1. Our approach to sustainability	26
	2.2. Map of stakeholders	27
	2.3. Materiality	28
	2.4. Contribution to the SDGs	34
	2.5. Environmental protection	36
	2.5.1. Energy consumption and emissions	37
	2.5.2. Waste management	38
	2.6.. Commitments for the 2023-2024 biennium	39
3	ECONOMIC CAPITAL AND SUPPLY CHAIN	40
	3.1. Economic performance	42
	3.2. Generated and distributed economic value	42
	3.3. Supply chain	43
4	THE VALUE OF PEOPLE	46
	4.1. Management of the human capital	48
	4.2. Personnel	48
	4.3. Training and development of people	50
	4.4. Health and safety of people and the work environment	51
	4.5. Welfare and working flexibility	52
5	EXCELLENCE IN SERVICES AND INDUSTRIAL PROJECTS	54
	5.1. Quality and safety of services	56
	5.2. Project & Freight Forwarding	56
	5.3. Integrated Logistics	57
	5.4. Port Logistics	58
	5.5. Marine Agency Service	59
	5.6. Customer relationship management	59
6	GRI CONTENT INDEX	60

LETTER TO STAKEHOLDERS

Dear Readers, we are pleased to present you this first edition of the Sustainability Report referring to fiscal year 2022, an expression of our renewed commitment to reporting on the economic, environmental and social performance of our activities with particular attention to ISS Palumbo's behavior with respect to all its employees and stakeholders.

Sustainability is an integral part of our corporate vision and mission. From the very beginning, we have adopted an approach oriented to manage the entire organization responsibly, promoting a corporate culture marked by fairness and transparency in our operations, ensuring soundness and continuity, preventing risks and creating value for all those with whom we operate. For ISS Palumbo, sustainability means telling its identity by sharing goals and responsibilities through discussion with its stakeholders.

This Report represents non-financial reporting of a voluntary nature addressed to employees, shareholders and investors, suppliers and partners, and customers who wish to learn more about our business model and its main related activities. The Sustainability Report also represents one of the main tools for transparently communicating environmental (E) and social (S) performance and impacts, as well as economic and governance (G) impacts, generated by our business activities. We believe that implementing sustainable and effective ESG practices is imperative for operating on a daily basis with a view to creating value for all stakeholders, from employees to customers, from the local community to the environment.

The year 2022 was characterized by a gradual recovery from the Covid-19 pandemic, but also by a rise in the inflationary rate, an increase in the cost of raw materials and energy resources. This scenario was made even more complex by the outbreak of the conflict in Ukraine and the increasingly frequent occurrence of extreme weather phenomena with severe consequences. In this context, the Company's revenues as of December 31, 2022, nevertheless increased to approximately 71.8 million euros; in the same period, the economic value generated was 76 million euros.

The strategic partnership established in 2012 with Inchcape Shipping Services, a leading maritime company, has enabled us to offer a unique combination of services globally and, at the same time, to expand the geographical areas involved in our operations. The year 2022 saw, among other things, the expansion of our Company to Cyprus and the United Arab Emirates in Abu Dhabi.

Our employees form the core of our doing business. There are more than a hundred employees, with respect to whom we are committed on a daily basis to promoting their well-being and professional growth, enhancing the strengths that contribute to business success. In 2022, we provided a total of more than 700 hours of training, with a focus on the area of health and safety.

Our commitment to pursuing a long-term sustainable growth path is the result of our willingness to pursue the ESG path and is also stimulated by the qualification process provided in the initial stages of the various calls for tenders by the large Clients in which we participate for the provision of our services. In recent years, we have implemented the Integrated Quality, Environment, Health and Safety Management System, with the aim of increasing the quality of our services and improving our environmental performance. In addition, in 2022 we launched an initiative to map our suppliers to alternatives to fossil fuels used within our business operations, thereby fostering a progressive integration of ESG factors along our supply chain.

We operate on a daily basis with the aim of meeting the expectations of all our key stakeholders and, at the same time, pursuing responsible business management that takes into account environmental, social and governance factors within decision-making processes. This commitment translates into a series of effective actions, including: progressively integrating sustainability into management processes and business, implementing transparent reporting of non-financial information, and finally contributing to the reduction of the environmental impact of business activities.


We intend, also in light of this first Report, to continue our path of growth in the area of sustainability, convinced that the implementation of a business model that is socially and environmentally sustainable as well as economically, contributes to increasing our resilience to the continuous changes we are experiencing and allows us to effectively face the challenges ahead.

Andrea Palumbo



President

Filippo Palumbo



Chief Executive Officer

METHODOLOGICAL NOTE

This document represents the first Sustainability Report of ISS Palumbo (hereinafter also "ISS Palumbo" or "Company") and contains information related to economic, environmental and social issues, useful to ensure the understanding of the activities carried out by ISS Palumbo in relation to its performance, its results and the impact produced by them.

It should be noted that ISS Palumbo does not fall under the scope of Legislative Decree No. 254 of December 30, 2016, which, in implementation of Directive 2014/95/EU, provided for the obligation to prepare a Statement of Non-Financial Nature ("DNF") for public interest entities that meet certain requirements. Therefore, this document does not constitute the DNF.

The Sustainability Report, presented to the Board of Directors of ISS Palumbo on 28/07/2023, has not been audited by an independent auditor.

The document is disseminated to all stakeholders of ISS Palumbo through its publication on the institutional website <https://www.iss-palumbo.com> as well as through presentation to all direct employees of the Company.

Boundary of reporting

The perimeter of social and environmental data and information subject to reporting, includes the company ISS Palumbo operating in the following Locations:

- ISS PALUMBO HEADQUARTER, Via Ettore Quagliarini 6 57123 Livorno (LI);
- ISS PALUMBO c/o ENI plant, Via Aurelia 7 57014 Collesalveti (LI);
- ISS PALUMBO, Via Gran Sasso TI snc 20060 Truccazzano (MI);
- ISS PALUMBO, Via Amada 2/4 29010 Pontenure (PC);
- ISS PALUMBO c/o Hitachi Rail Plant, Via Gebbion, C.da Torre Lupo snc 89129 Reggio Calabria (RC).

The scope does not include the following wholly owned foreign subsidiaries: ISS Palumbo Mozambique Lda (Mozambique), LCT Palma (United Arab Emirates), ISS Palumbo South Africa (PTY) Ltd. (South Africa), ISS Palumbo Shipping Services LLC (Dubai), ISS Palumbo Shipping Services LLC (Abu Dhabi), ISS Palumbo FZE (Al Hamriyah, United Arab Emirates), ISS Palumbo Shipping Services (Saudi Arabia), ISS Palumbo Azerbaijan LLC (Azerbaijan), ISS Palumbo LLC (Russia), ISS Palumbo Houston LLC (Texas USA), ISS Palumbo Egypt Ltd. (Egypt), ISS Palumbo Netherlands B.V. (The Netherlands), ISS Palumbo UK Ltd. (Newcastle Upon Tyne), ISS Palumbo Turkey Ltd. (Turkey), ISS Palumbo Marseille Sarl (France), ISS Palumbo Spain (Spain), ISS Palumbo Cyprus LTD (Cyprus).

Structure of the Report

The Report is structured into 5 main chapters: 1. Identity and Governance, 2. Sustainability and Value Creation, 3. Economic Capital and Supply Chain, 4. The Value of People, 5. Excellence in Services and Industrial Projects.

These Chapters are preceded in the initial part of the Report by the Letter to Stakeholders, the "ISS Palumbo in Figures" section and this Methodological Note, and in the final part by the GRI Content Index.

Reporting standards and the reporting process

ISS Palumbo has adopted the following technical-methodological references for this Sustainability Report:

- GRI Universal Standards published on October 5, 2021 by the Global Reporting Initiative (GRI), according to the "with reference with the GRI Standards" option;
- guiding principles and content elements provided by the International Integrated Reporting Framework (hereinafter also "IIRF" or "IR Framework"), issued by the International Integrated Reporting Council (IIRC) and updated in January 2021;

ISS PALUMBO IN FIGURES

- “Standard GBS 2013 - Principles of Social Reporting” prepared by the Study Group for Social Reporting (GBS), for the preparation of the statement of determination and distribution of added value.

The collection and consolidation of the information and data reported here, took place through a systematic process of data collection further consolidated in the first quarter of 2023 with the involvement of the contact persons of the different business areas and approved by the Directors.

Stakeholders of ISS Palumbo

The stakeholders’ map, reported in the ‘Sustainability and Value Creation’ Chapter, was updated by involving the heads of function, the Sustainability Project Manager and the various corporate contacts, thus arriving at a timely census of the stakeholders who interact with the Company. Each category identified represents different expectations with respect to issues of responsibility and sustainability.

Materiality analysis and content definition

The process of identifying relevant issues, i.e., topics considered material, was structured through an initial analysis of the different areas of the company, examining internal and external documents such that the most important topics for sustainability emerged. Next, a sample of so-called “comparable” companies, i.e., characterized by similar business activities, was considered, on which a benchmarking activity was conducted, with the aim of identifying the sustainability aspects and themes communicated by them and the related prospective sustainability development commitments and plans.

On the basis of these two activities, a group of themes was derived, selected according to the size of the impacts generated (positive and negative) and the spillover effect they may have on stakeholder decisions. Subsequently, an evaluation questionnaire was delivered about the relative prioritization of these themes. This questionnaire was filled out by both top management and some of the Company’s external stakeholders, identified among suppliers and clients.

The final stage of the analysis led to the generation of the materiality matrix, in accordance with the CSRD (Corporate Sustainability Reporting Directive) approved by the European Commission in November 2022.

Management models and policies

Below are the main management models and policies adopted by the Company:

- Organizational Model for the prevention of crimes against the company (Legislative Decree 231/2001)
- Code of Ethics 231 and its implementation system
- Anticorruption Policy
- Model for personal data protection
- Protocol for anti-counterfeiting Covid-19 measures
- Management systems ISO 9001:2015, ISO 45001: 2018, ISO 14001:2015
- FIATA (International Federation of Freight Forwarders Associations) and BIFA (of the British International Freight Association) memberships
- IATA (International Air Transport Association) and Achilles-FPAL (First Point Assessment) membership.





IDENTITY AND GOVERNANCE

1.1 ISS Palumbo

ISS Palumbo is a leading Company in the field of international shipping, with particular specialization in Oil & Gas, and integrated logistics. The Company pursues profitable growth of its activities in the national and international arena, having due consideration to the aspects of business ethics and sustainability.

1.2 History

In **1974**, *Cavaliere del Lavoro*¹ Andrea Palumbo founded under his same name a transportation company, in Livorno: Andrea Palumbo S.A.S. offers **shipments and trailers rental** for several countries in the Mediterranean area, Africa and the Middle East, as well as **logistics services such as groupage, freight storage and container terminals**. Over the years, the company, founded by Andrea Palumbo established its role in the market, so much so that it becomes Palumbo S.P.A., a leader in the field of international shipping, specializing in Oil & Gas and integrated logistics.

Thus, the expansion into Russia dates back to **1995**, while the Milan office is also established during these years: the **cumulative cargo handled** annually by the Leghorn-based company **exceeded one million tons**, while, starting in **2000**, the group began to develop a peculiar expertise in pipe handling operations and port logistics operations related to offshore pipe laying. With the reliability and experience gained in these years, the company takes on the responsibility of studying feasibility and organization of transportation for projects located in all parts of the world: **2010** saw the opening of an office in Egypt, while **2011** saw the inauguration of **Palumbo UK**.

2012 is the year of the strategic partnership with **Inchcape Shipping Services**, a world leader in the maritime field, founded in the second half of the 19th century and which, since 1920, has expanded its network through numerous regional offices, carrying out - since about 1970 - an ambitious policy of acquisitions, resulting today in more than **230 offices located in 60 countries around the world**: thus was born the current **ISS Palumbo**, a perfect combination of professionalism, experience and worldwide presence.



From here on, ISS Palumbo's story continues to be one of ever-increasing success: **2013** is a key year, since it marks the debut of **ISS Palumbo USA, ISS Palumbo South Africa, and ISS Palumbo Turkey**, while the birth of **ISS Palumbo Netherlands** dates back to 2014.

In **2016**, ISS Palumbo records **more than 5 million tons of cumulative cargo handled**; two new important openings date back to **2019**, namely those of **ISS Palumbo Mozambique** and **ISS Palumbo Russia**.

In **April 2020**, in the midst of the "first wave" pandemic, the group opens an **office and warehouse in Truccazzano (Mi)**, while openings in **Cyprus** and **Abu Dhabi (UAE)** date back to **2022**; finally, the **ISS Palumbo Saudi Arabia** office is scheduled to open at the end of this year.

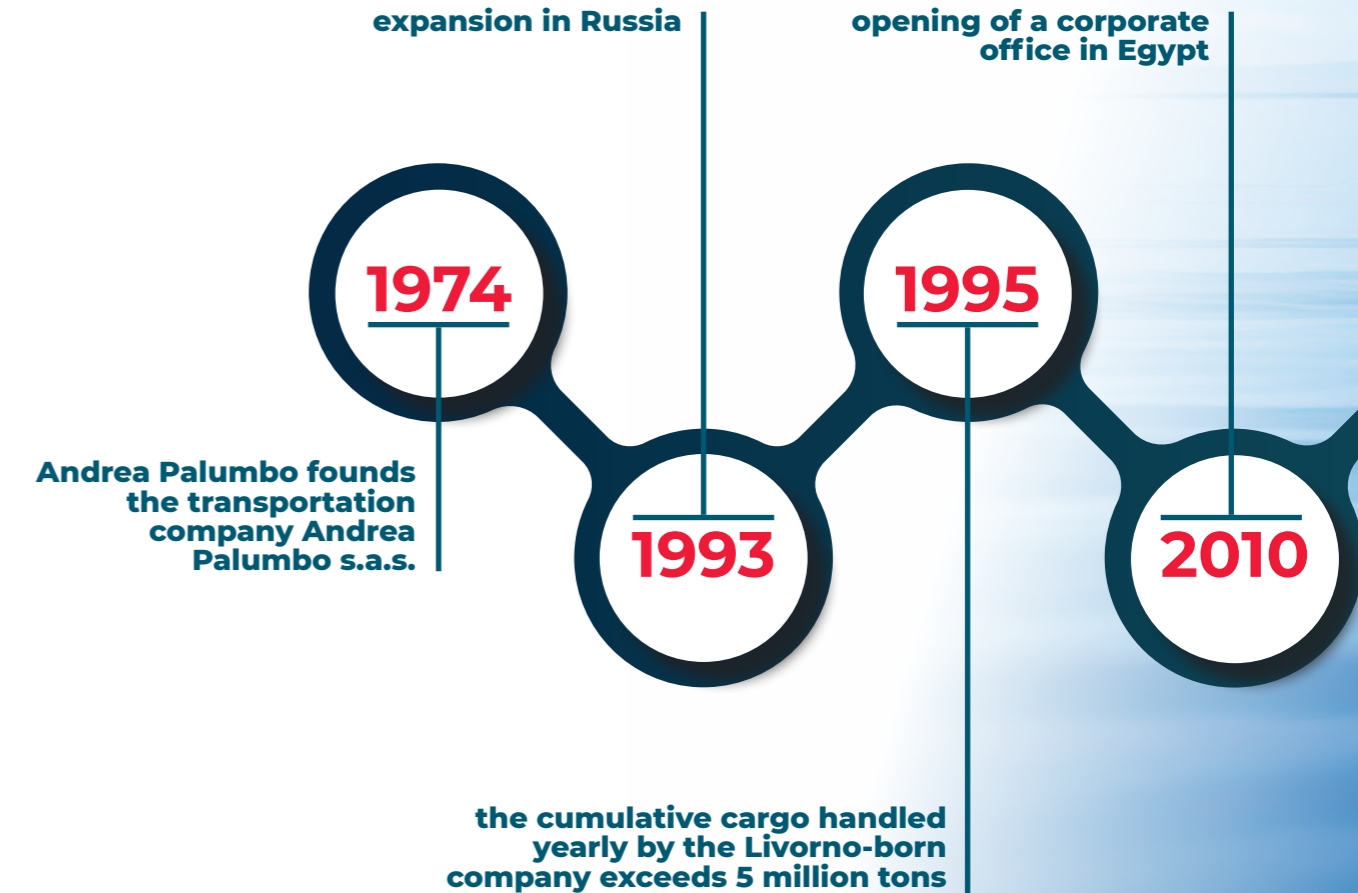
Today, the ISS Palumbo Group can count on a team of **170 people**, active at its **20 offices** in **14 countries around the world**.

The experience gained in more than 40 years of activity over the years now allows ISS Palumbo to offer its services in many sectors; thanks to the **in-depth study of each client's core business**, ISS Palumbo is able to guarantee a personalized, safe, effective and efficient service.

ISS Palumbo is a **dynamic and innovative company** that looks to the future by demonstrating a remarkable competitive ability: characteristics, these, that have enabled it to become a **model of operational excellence** in its reference sector.

For ISS Palumbo, building the future means interpreting change, anticipating customers' needs even before they are expressed, training and advancing, with a view to continuous updating, the technical and professional skills of each employee and collaborator.

"With passion and dedication, ISS Palumbo is focused on meeting the needs of its customers and ready to move their business forward".



ISS PALUMBO IS BORN

partnership with
Inchcape Shipping
Services

birth of
ISS Palumbo
Netherlands

in the midst of the
Covid-19 pandemic,
the Group opens an
office and warehouse
in Truccazzano (Mi)

by the end
of the year,
scheduled
to open ISS
Palumbo
Saudi Arabia

2011

2013

2016

2019

2022

2012

2014

2020

2023

inauguration of
Palumbo UK

debut of ISS Palumbo USA, ISS
Palumbo South Africa and ISS
Palumbo Turkey

ISS Palumbo
records more than
5 million tons
of cumulative
cargo handled

opening of
ISS Palumbo
Mozambique
and ISS Palumbo
Russia

inauguration
of branches in
Cyprus and Abu
Dhabi (UAE).



1.3 OUR VALUES

- We work in synergy
- We hold our communities and the environment in high regard
- We respect individuality
- We promote continuous learning
- We act with integrity
- Curiosity, courage and passion guide our actions

1.4 VISION AND MISSION

ISS Palumbo unites more than 170 people who share the same **vision**, which is that logistics is the engine of every business. For this reason, the company focuses on offering highly qualified and specialized logistics services, planning individual activities in a synergic way and always based on the needs and peculiarities of each customer, in order to guarantee high levels of efficiency to each process, as well as to the entire operational chain.

ISS Palumbo's **mission** is customer satisfaction, which is pursued through continuous learning and improvement, the search for higher and higher quality standards suitable to guarantee tailored, effective and efficient services.

The achievement of this goal is possible thanks to a solid team, united in always aiming for excellence, in every activity. People are the real added value of ISS Palumbo, which is why the company is committed daily to enhancing their skills and competencies.

“ISS Palumbo promotes teamwork and innovative spirit; it acts with passion, curiosity and courage and believes that building solid relationships, which go beyond the mere provision of services, is the goal to aspire to at the beginning of each new project.”

In order to give substance to its mission, the company bases its action on four pillars of fundamental importance, such as **Quality, Environment, Health and Safety**: these are crucial aspects on which to seek, through the work of every day and at all levels of the company, the possibility of offering customers, the people who make up ISS Palumbo, the communities and stakeholders of reference an ever-improving value profile and service.

1.5 Ethics and compliance

“Confident of achieving results that can foster benefits to the stakeholders involved, ISS Palumbo believes in its active role towards a corporate social responsibility and operates by promoting the principles of respect for people, the environment and the community.”

ISS Palumbo is committed to conducting its business in compliance with the law, as well as fairness, professional integrity, and economic efficiency. The Company promotes a sustainable global economy and is committed to respecting human rights, promoting fair labor practices, protecting the environment, and combating corruption.

Ethics and integrity underpin ISS Palumbo's relationships with any type of stakeholder with whom it interfaces during the course of its business activities. For this reason, the Company is committed to maintaining the highest ethical standards in its relationships, as a fundamental element for its success, reputation, and to achieve its mission.

To this end, the Company has developed a **Code of Ethics** that sets out the principles applicable to all Companies belonging to the Group - thus, to members of the Board of Directors, employees and all those who, in various capacities, act in the name of or on behalf of and in the interest of ISS Palumbo, regardless of the legal qualification of the relationship - and that governs the way it acts on a daily basis. These principles represent a set of fundamental rules that cannot be questioned. They concern ethics declined in terms of the conduct of business, work and protection and enhancement of employees, commitment to sustainable development and responsibility towards the Community, proper administration and accounting and financial management.



To complement the Code of Ethics, ISS Palumbo has adopted, within its Governance, the **Model of Organization, Management and Control**, in compliance with Legislative Decree 231/2001, as a tool to guarantee a healthy corporate environment, marked by fairness and full transparency and legality.

The main objective of the Model is to create an organic and structured system of internal control principles and procedures, aimed at preventing, where possible, the commission of a series of crimes identified by the aforementioned Decree. With this in mind, a **Supervisory Board (SB)** has also been appointed within its organizational structure, with the task of verifying processes in the areas of activity related to the risks referred to in Legislative Decree 231/2001, as well as taking care of updating the Model, proposing any changes to the organization's Board of Directors.

In ISS Palumbo we are committed to protecting and safeguarding People and, for this reason, a **Whistleblowing Policy** has also been introduced. The procedure specified within this document aims to establish clear and identified channels of information suitable for ensuring the receipt, analysis and processing of reports, including anonymous ones, relating to violations of Model 231 and/or the Code of Ethics and to define the activities necessary for their proper internal management. In particular, through the adoption of this document, any person is protected from forms of discrimination and retaliation for reasons directly or indirectly related to the reporting of any violation.

With a view to promoting ethical and responsible business conduct in line with the Company's commitment to anti-corruption, an **Anti-Corruption Manual** has been adopted in order to provide a set of rules and procedures on Anti-Corruption, in accordance with international and national standards on the prevention of corruption, as well as integrity, transparency and fairness in the performance of the Group's work activities. This Document is applicable to all the group's personnel worldwide and to all those who work on behalf of and/or for the Company. The Company is also strongly committed to ensuring the protection of the privacy of its employees and customers, as well as of all individuals who come into contact with the business. For this, ISS Palumbo's action takes the form of adopting proactive behaviors to the concrete application of the General Data Protection Regulation 2016/679 ("GDPR"). The Company has prepared a privacy policy in order to inform and reassure about the use and processing of personal data, providing a dedicated channel for any inquiries from any subject.

The above policies and tools are an integral part of ISS Palumbo's corporate compliance program.

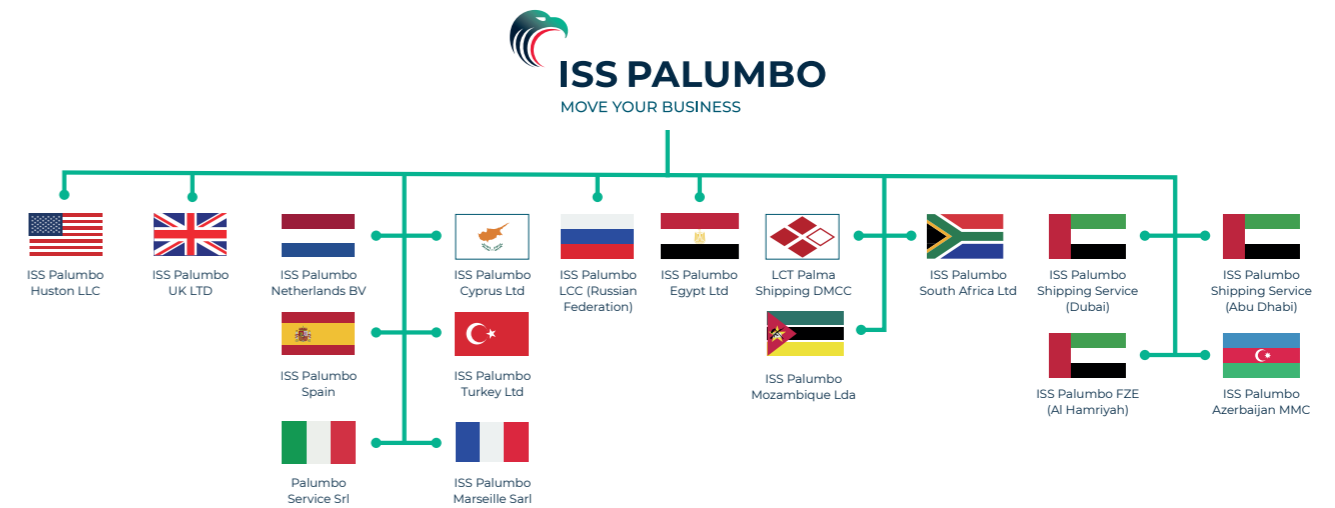
Legality Rating

In 2021, the Company was awarded the Legality Rating , with a score of two "stars" +, by the Antitrust Authority (AGCM), valid for two years from the issuance of the certificate.

The Rating is a recognition that rewards companies that operate according to the principles of legality, transparency and social responsibility. This recognition highlights the Company's compliance with legality and the degree to which it pays attention to the proper management of its business in a transparent manner.

"Obtaining the legality rating and the high score recognized confirms our commitment to the path of continuous improvement, undertaken with respect for all company stakeholders, such as Employees, Suppliers, Customers, Banks and Institutions."

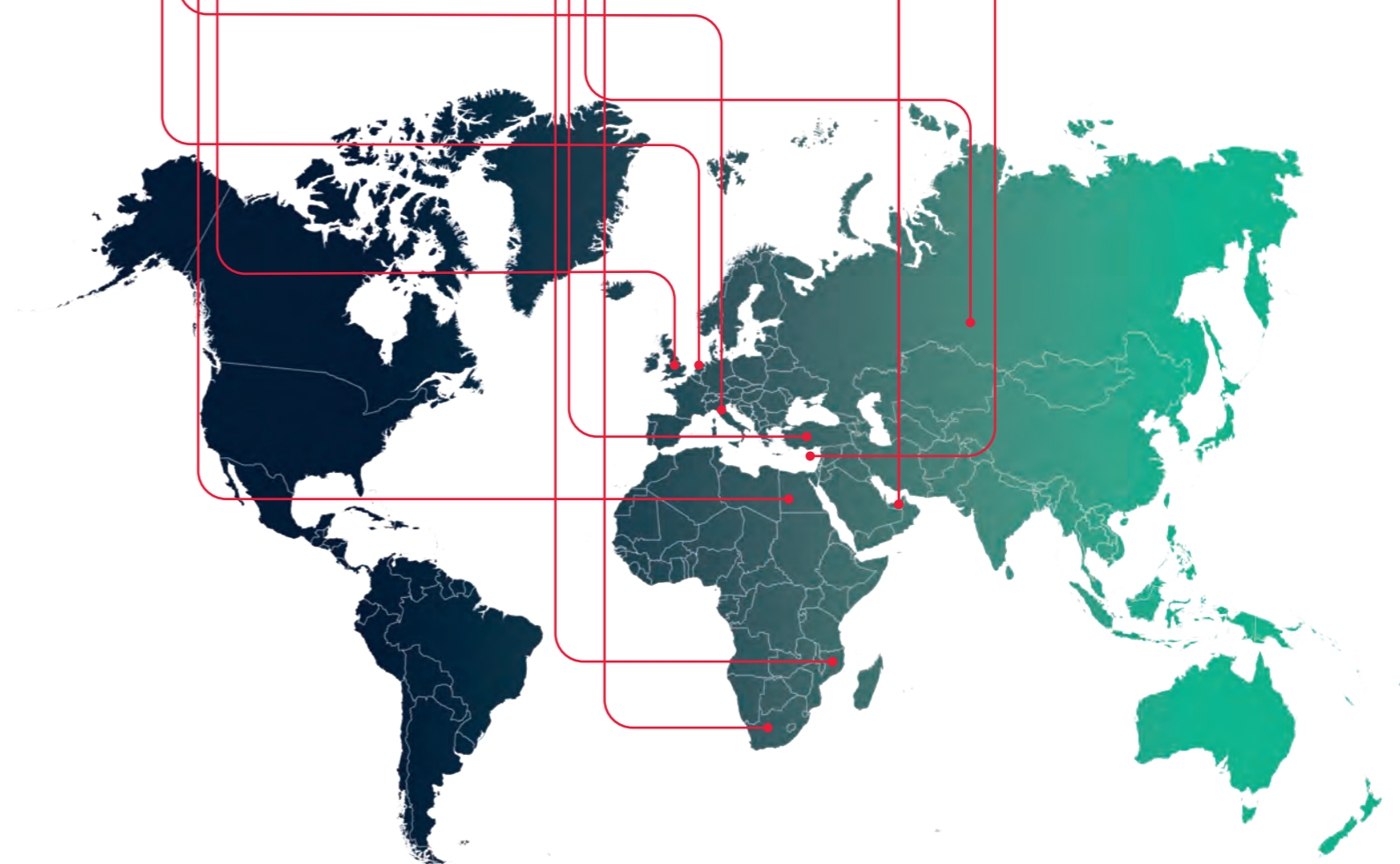
1.6 Structure of the Group



1.7 ISS Offices

As of 2022, ISS Palumbo has a presence in several countries around the world, including:

- The Netherlands
- United Kingdom
- Italy
- Egypt
- Mozambique
- South Africa
- Turkey
- Russia
- Dubai
- Abu Dhabi
- Cyprus



1.8 Business activities

ISS Palumbo is divided into 4 business units: Project Freight Forwarding, Integrated Logistics, Port Logistics and Marine agency services.

Project Freight Forwarding

International and domestic freight forwarding activities constitute ISS Palumbo's core business.

To date, the Project Freight Forwarding Division is the one with the highest revenue levels. In particular, thanks to the synergy between the Company and its Clients, each shipment is studied ad hoc, identifying and developing the best solutions for logistic, technical and inherent time and cost aspects.

In addition to shipping services, ISS Palumbo also offers a wide range of ancillary support services, aimed at providing Customers with a door-to-door service able to support every stage of the shipment.

Integrated Logistics

ISS Palumbo has more than 20 years of experience as an integrated logistics provider, carrying out activities both at Customers' premises and within its own facilities.

The Logistics Division offers highly qualified and specialized services in any field of logistics, planning individual activities in a synergic way and always based on the needs and peculiarities of each Customer.

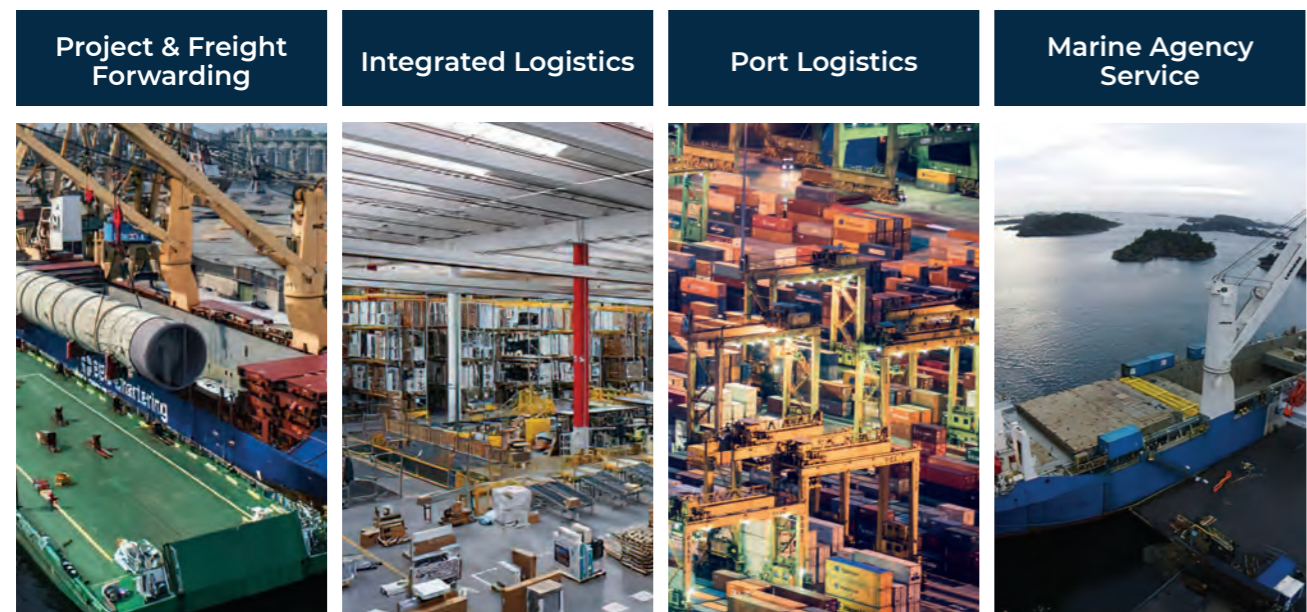
Port Logistics

The Port Logistics Division, present since 2004 within ISS Palumbo, deals with pipe handling operations and port logistics in relation to the laying of offshore pipes. In particular, the Division's activities envisage the receipt of the pipes in port from ocean-going vessels and their relative storage in the reference port area, the loading of these pipes on special vessels or barges, the receipt, handling and storage of the entire equipment and materials needed on board the ships themselves. Thanks to almost 20 years of experience in the sector, ISS Palumbo is able to offer competence and reliability in the realization of various projects.

Marine Agency Service

The Marine Agency Services Division provides marine agency services guaranteeing maximum technical, commercial and administrative assistance for all types of ships and transit, thanks to the use of the port offices and the extensive network of ISS Palumbo and trusted subagents.

To enrich this Division, the Company has the Marine Solutions organizational unit which provides a multiplicity of consultancy and specialist services, designed on the basis of the specific needs of the Client, thus guaranteeing a high-quality service at an advantageous price.



1.9 Management systems and certifications

The interest and respect for all those who come into contact with ISS Palumbo, in line with its mission and the growing needs of the global market, have led the company to increase more and more over time a particular sensitivity for the aspects of quality and satisfaction of clients, information security, occupational health and safety and environmental protection. In such sense, the Company has adopted for some time now, and continues to implement, voluntarily, related management systems referred to the international reference standards, aimed at monitoring the performance, obtaining the relative certifications following periodic third-party audits carried out by accredited bodies.

The Company has therefore developed an **Integrated System for the Management of Quality, Environment, Health and Safety**, in compliance with the applicable mandatory requirements and any requirements expressed and unexpressed by the Client and the interested parties, and with reference to the international standards of the sector. The system consists of a set of internal rules to guide the entire Group in management of quality, environment, health and safety.



As regards the issues of quality and the environment, Palumbo has been implemented in ISS a management system certified according to **UNI EN ISO 9001:2015** and **UNI EN ISO 14001:2015** standards.

The purpose of the quality management system is to ensure that the products and services provided to Clients comply with specific requirements, facilitating continuous improvement activities for increase customer satisfaction, while the purpose of the environmental management system is that of identifying, monitoring and improving the environmental impacts resulting from the performance of the Company's activities, in full compliance with current regulations.

The Company's commitment to full adherence and implementation of the principles of the **UNI EN ISO 14001:2015** standard, led to the formalization of a policy towards a specific attention to the needs relating to the environment and which constitutes the formal commitment that the high management of the Organization assumes with regard to continuous improvement, adequacy and dissemination of the environmental management system.

The company has also obtained certification in accordance with the **UNI EN ISO 45001:2018** standard (Management System for Occupational Health and Safety), with the aim of making workplaces safe and healthy, preventing accidents and health problems and also further reducing risks, in order to maximize the health and well-being of workers.

All certifications were renewed in 2022.

ISS Palumbo is a certified BIFA and FIATA member: a further guarantee of its efficiency allowed us to consolidate our international presence. In particular, within the framework of our constant commitment to providing our clients with the best possible service, we have long since joined **FIATA (International Federation of Freight Forwarders Associations)** and the **British International Freight Association**, also known as **BIFA**².

Finally, ISS Palumbo is also a certified member of **IATA (International Air Transport Association)**³ and **Achilles-FPAL (First Point Assessment)**, the latter aimed at suppliers of the Oil & Gas Industry.



² BIFA is the trade association for UK registered companies engaged in the international movement of goods by all modes of transport, including air, road, rail and sea. With over 1500 member companies, BIFA is the associate member of the UK National Association of the International Federation of Freight Forwarders Associations FIATA, a non-governmental organization which today comprises around 5,500 forwarding and logistics companies based in 150 countries.

³ It is in fact a classification that defines all modes of air transport, from labeling to packaging. IATA is the international airline organization that regulates the air transport of dangerous goods.

1.10 Strategy and business model

In 2012, Inchcape Shipping Services (ISS), the world leader in marine services, has started a new strategic partnership with Palumbo S.P.A., to give life to ISS Palumbo S.R.L.. Such partnership has allowed to combine the world-class commercial network of the ISS (293 offices in 67 different countries and 3,700 employees) to Palumbo's strength: providing solutions in the field of offshore logistics and shipments, allowing ISS Palumbo S.R.L. to offer one unique global combination of agency services solutions, project logistics and logistics shipments to clients in an expanding sector such as "offshore oil & gas".

«The world has opened up for us - We have increased our customers and we can compete with all the large international groups: our strength is the possibility to offer a single, integrated and comprehensive service: from agency services to logistics, to shipping. It's an unrivaled combination.»

(Andrea Palumbo, Chairman of the Board of Directors)

Our goal now is to increase results through a **constant and sustainable growth**, with the aim of being everywhere in the world, listening and inspiring daily our partners towards innovative thinking, to improve mutual effectiveness and performance. The key elements of our business model can be traced back to the concepts of sustainability, innovation and attention to our people. The Company undertakes, in this context, to implement more and more solutions that allow to provide a quality service to its Clients, while also contributing to energy efficiency and to the use of resources, as well as to strengthen its position on the global market.

Delivery of service

during his 40 years, ISS Palumbo has developed a deep knowledge of the operations and of how to offer a final service of very high quality, in total safety



Listening

ISS Palumbo is strongly convinced that a careful listening to the client's specific requests is the fundamental basis to understand its needs and final expectations, thus reaching a high-quality service

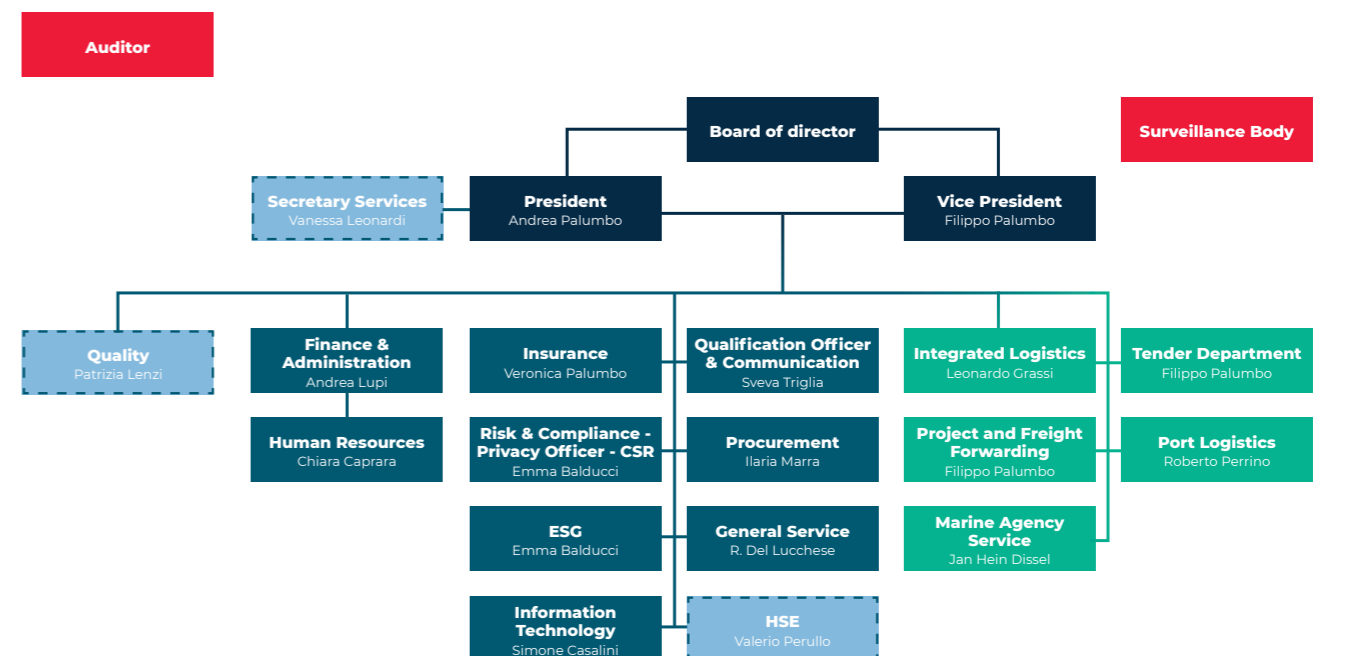
Analyses

The study and analysis of the project is the heart of the activity: it is the moment in which the both the company's solid know-how and the long-time experience of ISS Palumbo people emerge, in providing the more efficient and appropriate solution for the client

1.11 Organizational chart

ISS Palumbo is characterized by a well-defined and structured organizational chart. In particular, the Management Board defines the organizational chart, specifying the responsibilities of the personnel, allocating resources and developing corporate policies.

The roles and responsibilities within the Company are defined by identifying the directive authorities attended by the area managers of the individual BUs.



■ Supporting Functions ■ Core Functions ■ Outsourcing Functions ■ Control Functions



ISS Palumbo is able to provide a wide range of services for various companies spread all over the world, starting from listening to the specific requests of its Client, studying the most appropriate solution to his needs in close collaboration with the Client himself, and finally providing the final service for which it was commissioned.

1.12 Corporate bodies

The Board of Directors is made up of 7 members.

BOARD OF DIRECTORS	
President	Andrea Palumbo
Chief Executive Officer	Filippo Palumbo
Chief Executive Officer	Roberto Perrino
Chief Executive Officer	Inchcape Shipping Services Holdings LTD.
Counselor	Philippe Maezelle
Counselor	Benjamin Harmstorf
Counselor	Christopher Guy Crookal

The Board of Directors is supported by a monocratic **Board of Statutory Auditors**, with the institutional task to oversee compliance with the legal and statutory provisions and the protection of the integrity of the company's assets as a guarantee for shareholders and third parties.

The Board of Statutory Auditors is made up of a single member, who coincides with Dr. Marco Romboli.





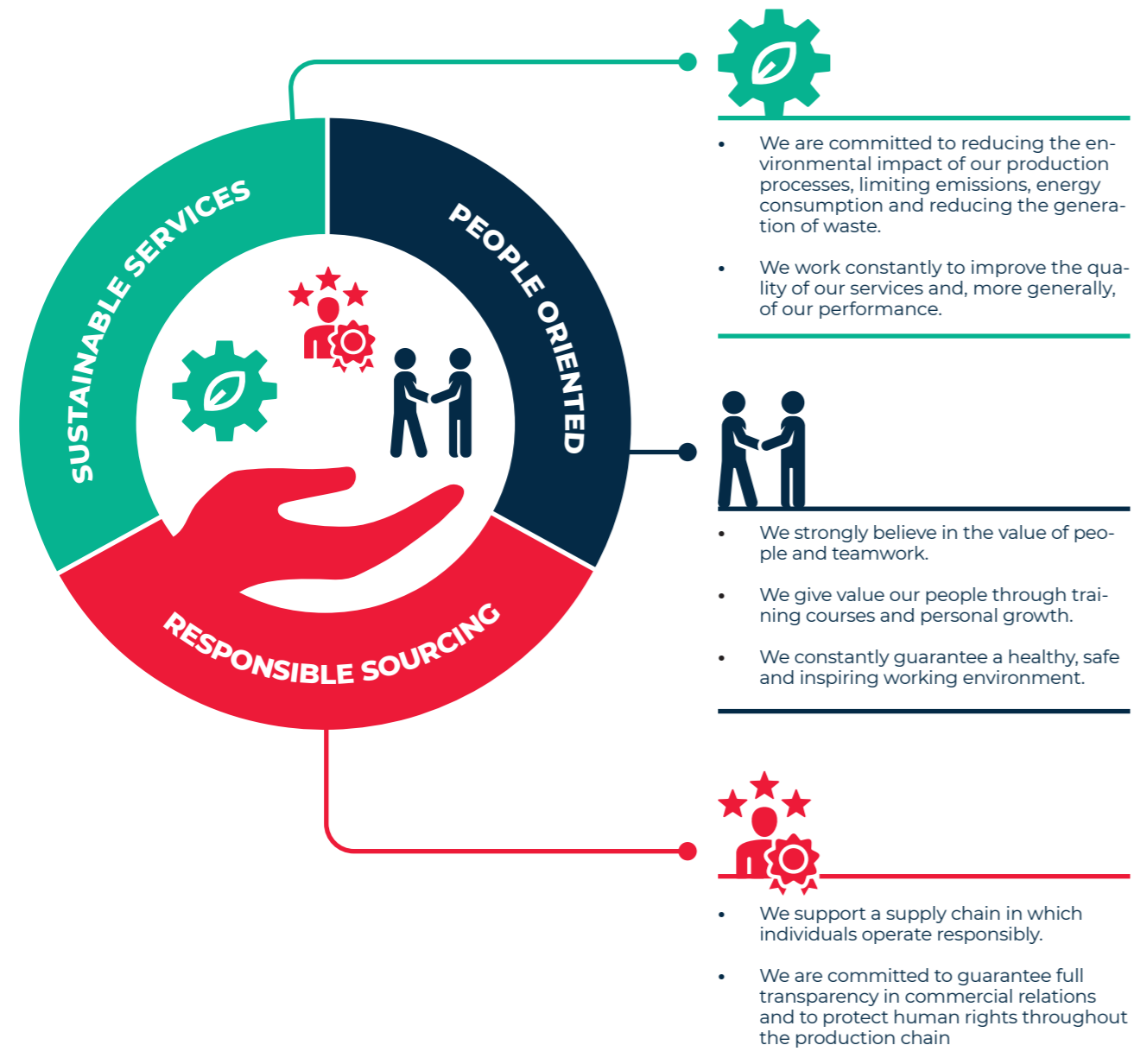
SUSTAINABILITY AND CREATION OF SHARED VALUE

2.1 Our approach to sustainability

At ISS Palumbo, we recognize the importance of respecting and protecting the environment, and we believe in sustainable growth and development lasting over time. This assumes acting, on a daily basis, through good practices in respect of the surrounding environment and contributing to the strengthening of social cohesion and equitably shared well-being. From this point of view, the Company actively undertakes to improve its environmental performance, setting objectives in line with its business strategy, within a path of corporate sustainability. For this reason, ISS Palumbo is strongly committed to adopting transparent procedures and policies, in the implementation of certification and management systems, with the aim of complying with the highest environmental standards, through the measurement, control and monitoring of its own impacts.

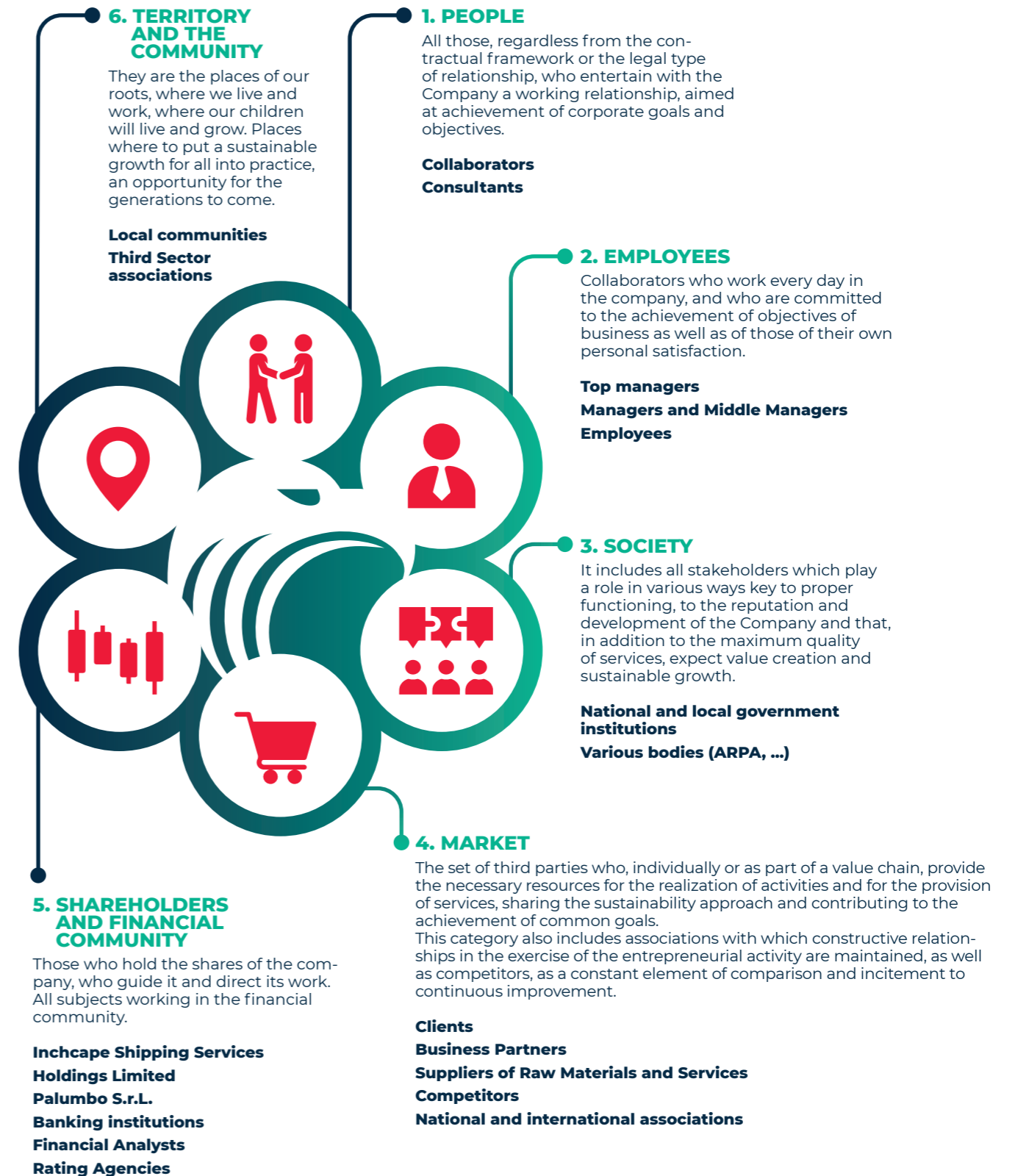
In particular, for the Company, the concept of sustainability is equivalent to the commitment to act responsibly towards the environment, its people, its customers and the entire community. Following this approach, we base our work on the following three strategic elements related to

sustainability: *Sustainable Services, People-Oriented, Responsible Sourcing.*



2.2 Map of stakeholders

Stakeholders are all those subjects who express interest, expectations and evaluations towards a Company and with whom it maintains constant relations, both of a commercial and of a non-commercial nature, during the course of its business. Stakeholders' engagement allows to understand their needs, expectations and assessments, in order to define a better strategy and business objectives, obtaining different points of view, both internal and external to the Company.



2.3 Materiality

Material topics, as defined by the GRI Standards, are those aspects that reflect the main economic, environmental and social impact factors of a company and/or substantially influence stakeholder assessments and decisions. According to the approach of the European Union, defined in the Communication of the European Commission published in June 2019 containing the NFRD / Non-Financial disclosure guidelines on climate change Reporting Directive - Directive 95/2014, and subsequently revised by the CSRD Directive 2022/2464, the material topics are those areas of sustainability that have an impact on the development, the performance and the value of a company. At the same time, a material theme is defined in relation to the areas and issues of social and environmental nature on which the company, through its own activity, can have a significant impact. The two "directions" of materiality are strictly interconnected.

The materiality analysis is based on a constantly evolving market context, reflecting the dynamics of the issues with which a company is confronted and which influence its business model, strategy and decisions. Sustainability Reporting is based on the identification, prioritization, analysis and reporting of material topics. The materiality analysis process that we have launched for this first Sustainability Report is divided into the steps illustrated here below.



STAKEHOLDERS' IDENTIFICATION AND MAPPING

Identification of internal and external subjects who have an influence on our decisions.

DOCUMENT ANALYSIS

Analysis of the reference scenario and of the megatrends of the sector, and examination of the main corporate documents.

INDUSTRY BENCHMARK ANALYSIS

A sector benchmark analysis was carried out using BDO's Sense of Purpose methodology, considering our main national and international competitors.

SCORING EVALUATION OF MATERIAL TOPICS

Evaluation of potentially material topics for us and the respective level of priorities by the Top Management and some external stakeholders, through an evaluation questionnaire.

It is essential that the materiality assessment is based on a comprehensive list of ESG topics, covering all potentially relevant areas for the ISS Palumbo value chain. The starting point of the materiality analysis therefore consisted in identifying the issues of sustainability potentially relevant to the Company.

A desk analysis was conducted, to define a list of topics covering ESG aspects. The list of sustainability topics was obtained by examining the internal and external communication sources of ISS Palumbo, Sustainability reporting of comparables, media reports, sustainability standards and frameworks (e.g. GRI and SASB, ISO 26000 Guidelines).

IDENTITY AND GOVERNANCE	SUSTAINABILITY AND INNOVATION	ECONOMIC CAPITAL AND SUPPLY CHAIN	HUMAN CAPITAL the value of people	PRODUCTIVE AND INTELLECTUAL CAPITAL integrated logistics
1 Responsible governance	5 Engagement and listening to stakeholders	9 Growth and distribution of generated value	11 Occupational stability and protection of human capital	16 Quality and safety of services
2 Business Integrity And ethics	6 Sustainability of business models	10 Procurements and supply chains	12 Respect for human rights, protection of diversity and equal opportunities	17 Green freight forwarding
3 Management of ESG risks	7 Relations with the territory and the community		13 Training e development of people	18 Integrated & global logistics
4 Compliance	8 Centrality of client and customer satisfaction		14 Health and safety of people and working environments	19 Innovation and R&D
			15 Socio-organizational welfare and well-being	

Following the identification of potentially relevant issues, the next fundamental step consists in the phase of involvement of key stakeholders in the assessment of materiality and, more generally, in the process of identifying company priorities. This process allows to collect useful feedback to understand and direct even more effectively the ISS Palumbo efforts on shared sustainability goals. For the assessment of materiality, the focus was on the identification of some subjects belonging to stakeholder groups to involve in the analysis of material issues for the Company, in order to collect constructive, informed and critical feedback and get a more complete representation of the more sensitive topics, on which to concentrate our efforts.

For the evaluation of the issues, a questionnaire was therefore sent, asking to express one's opinion on the degree of "significance" of a specific relevant topic.

The chart below shows the potentially material topics identified and therefore subjected to assessment by the Company's relevant stakeholders, supplemented by a description of the impacts⁴, positive or negative, associated with them.

IDENTITY AND GOVERNANCE		
Topic	Description	Associated impacts
1 BUSINESS INTEGRITY AND ETHICS	Commitment to ensuring good Corporate Governance inspired by the highest standards of ethics, integrity and compliance with laws and regulations (e.g. Code of Ethics).	- Possibility of having a positive or negative impact on the management of financial resources for the benefit of the company and the economic ecosystem in which it operates, through good corporate governance practices. - Alignment with regulations and reporting standards on business ethics and integrity.
2 RESPONSIBLE GOVERNANCE	Pursuit of Corporate Governance oriented towards social responsibility and commitment to sustainable development.	- Possibility of having a positive or negative impact on the dissemination of a corporate culture based on sustainability and social development.
3 MANAGEMENT OF ESG RISKS	Ability to identify, assess and manage risks deriving from ESG factors, attributable to environmental, social and governance issues.	- Possibility of having a positive or negative impact on the management of impacts deriving from one's business activity, implementing solutions to improve one's ESG performance.
4 COMPLIANCE	Commitment to compliance and compliance with specific legal provisions, regulations and international standards.	- Compliance with applicable laws and regulations - Possibility of having a positive or negative impact on the protection of legality and the prevention of illegal behavior in areas such as the reuse of profits deriving from illegal activities, episodes of extortion, anti-competitive behavior, etc.

⁴ "Impact" is defined as the effect that the organization can generate on the economic, environmental and social spheres, including the effects on human rights, through the activities it carries out. They can be positive, negative, short-term or long-term, actual or potential. Impacts define the positive or negative contribution of the organization to sustainable development.

SUSTAINABILITY, INNOVATION AND ENVIRONMENT		
Topic	Description	Associated impacts
5 ENGAGEMENT AND LISTENING TO STAKEHOLDERS	Engagement of key stakeholders in the assessment of relevant topics, through a dialogue and comparison process.	- Possibility of involving the main stakeholders of the Company in order to prioritize those issues that shape the corporate strategy.
6 SUSTAINABILITY OF BUSINESS MODELS	Pursuit of a business model aimed at enriching all the stakeholders, through the production and distribution of benefits along the whole value chain.	- Possibility to provide solutions aimed at reducing impacts, through monitoring of its emissions and communication to its stakeholders of its path in integrating ESG aspects within the business, with benefits along the entire value chain.
7 RELATIONSHIPS WITH TERRITORY AND COMMUNITY	Responsible commitment towards the society and local communities, through sponsoring activity and the promotion of initiatives with high social impact, for the development of people in the area where the company operates.	- Positive or negative contribution to the improvement or reduction of the social and economic conditions of the territory and local communities. - Possibility of having a positive or negative impact on the availability of investments/capitals for the benefit of the territory and the economic ecosystem in which the Company operates. - Possibility of having a positive or negative impact on the involvement and participation in social inclusion activities. - Positive or negative contribution to the achievement of the Sustainable Development Goals (SDGs) of the UN Agenda 2030, with positive or negative impacts on the environmental, social and economic spheres
8 CLIENT-CENTRALITY AND CUSTOMER SATISFACTION	Guaranteeing information and assistance to the client through Customer Care services and by building a relationship based on trust, fairness and loyalty	- Positive or negative contribution to the realization and satisfaction of client needs in terms of product offering and service quality. - Positive or negative contribution to the availability, in the markets, of products and services with high environmental / social performance.

ECONOMIC CAPITAL AND SUPPLY CHAIN		
Topic	Description	Associated impacts
9 ECONOMIC GROWTH AND DISTRIBUTION OF GENERATED VALUE	Respect of the economic balances that characterize company management over time (value creation), to guarantee the company's operations and an adequate distribution of the economic value generated in favor of its stakeholders (employees and suppliers first).	- Positive or negative impact on the availability of investments/capitals for the benefit of the individual company and the economic ecosystem in which it operates (e.g.: reference sector, geographic district, etc.). - Positive or negative impact on existing relationships with key stakeholders in terms of increasing trust and reducing conflicts. - Positive or negative impact on the retention and attraction capacity and on the employment stability of human resources.
10 PROCUREMENT AND SUPPLY CHAIN	Selection, evaluation and management of relations with suppliers for the creation of solid and lasting contractual agreements, as well as commitment to responsible management of the supply chain in terms of selection and/or monitoring policies or procedures according to economic, social and environmental criteria (e.g. selection of suppliers considering any ISO certifications adopted, SA8000, etc.).	- Possibility of having a positive or negative impact on the management of environmental and social impacts along the entire supply chain (e.g.: greenhouse gas emissions, energy and water consumption, responsible selection of materials, workers' health and safety, protection of human rights, adequate remuneration policies, etc.). - Positive or negative contribution to the creation of products/ services with sustainability characteristics. - Positive or negative contribution to maintaining or reducing the level of monitoring throughout the supply chain. - Positive or negative contribution to the achievement of the Sustainable Development Goals (SDGs) of the UN Agenda 2030, with positive or negative impacts on the environmental, social and economic spheres.

HUMAN CAPITAL the value of people		
Topic	Description	Associated impacts
11 OCCUPATIONAL STABILITY AND SAFEGUARD OF HUMAN CAPITAL	Promotion and enhancement of the continuity of the working relationship. Development and enhancement of the technical, managerial and organizational skills and competences of each worker.	- Possibility of having a positive or negative impact on the stability of employment for company staff and opportunities for each collaborator to fully realize their potential. - Opportunity to develop new skills and knowledge, enriching the company's know-how. - Possibility of positively or negatively impacting retention and attraction capacity.
12 RESPECT FOR HUMAN RIGHTS. PROTECTION OF DIVERSITY AND EQUAL OPPORTUNITIES	Respect and value of diversity by enhancing the heritage of multiculturalism, experiences and characteristics of people through the development of policies of inclusion, non-discrimination and management of diversity for minorities (e.g. disability, gender, age, ethnicity, sex, religion); the issue includes equal pay for equal roles.	- Possibility of having a positive or negative impact on the protection of the fundamental rights of the members of the company staff and of all the subjects with whom the Company interfaces. - Possibility of having a positive or negative impact on the stability of employment for company staff and opportunities for each collaborator to fully realize their potential. - Possibility of positively or negatively impacting retention and attraction capacity.
13 TRAINING AND DEVELOPMENT OF PEOPLE	Promotion of professional and personal growth paths for the Organization's employees, aimed at enhancing skills and consolidating professionalism, through personnel assessment activities.	- Possibility of having a positive or negative impact on the opportunities for each collaborator to undertake a path of professional growth and to fully realize their potential. - Possibility of having a positive or negative impact on the availability of pathways aimed at strengthening and developing professional competencies and skills. - Possibility of positively or negatively impacting retention and attraction capacity. - Positive or negative contribution to maintaining the competitiveness of the company as a whole
14 HEALTH AND SAFETY OF PEOPLE AND WORKING ENVIRONMENTS	Adoption of preventive and protective measures aimed at avoiding or minimizing the exposure of employees to the risks associated with work activities, reducing or eliminating occupational accidents and diseases	- Ability to positively or negatively influence the protection of the well-being, health and safety of employees and of all individuals whose operational activity is under the direct control of the Company (e.g.: external collaborators, trainees, etc.).
15 SOCIO-ORGANIZATIONAL WELFARE AND WELL-BEING	Definition and implementation of a corporate welfare plan to support workers' income, health and well-being. Evaluation of activities for the purpose of analyzing the internal climate.	- Positive or negative conditioning of the opportunity for collaborators to be able to reconcile work with private and family life. - Possibility of having a positive or negative impact on the protection and safeguarding of the psycho-physical well-being of employees.

PRODUCTION AND INTELLECTUAL CAPITAL (INTEGRATED AND GLOBAL LOGISTICS)		
Topic	Description	Associated impacts
16 QUALITY AND SAFETY OF SERVICES	Constant commitment in guaranteeing and maintaining suitable quality level of the supplied services, as well as compliance with regulations.	<ul style="list-style-type: none"> - Possibility of having a positive or negative impact on the protection of the safety and fundamental rights of clients and of all the subjects with whom the Organization interfaces. - Possibility of having a positive or negative impact on compliance with the laws and regulations (even of a voluntary nature) in force in the environmental and social fields.
17 GREEN FREIGHT FORWARDING	Contribution to the reduction of atmosphere emissions via use of less polluting fuels and paying attention in the choice of means of transport for products' distribution and for corporate mobility	<ul style="list-style-type: none"> - Positive contribution to the achievement of the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, with positive impacts on the environmental, social and economic spheres.
18 INTEGRATED & GLOBAL LOGISTICS	Commitment in guaranteeing an effective process in the planning, organization and control of activities, aimed at a performing management of the goods and products flow.	<ul style="list-style-type: none"> - Possibility of having a positive or negative impact on the availability of investments/capital for the benefit of the individual company and the economic ecosystem in which it operates (e.g.: reference sector, geographical district, etc.), with a significant effect, for example, on local employment rates.
19 STRATEGIC AND COMMERCIAL PARTNERSHIP	Constant collaboration with diverse stakeholders and pursuit of structured and lasting relations, aiming to promote development within the context in which the organization operates.	<ul style="list-style-type: none"> - Positive or negative contribution to the achievement of the Sustainable Development Goals (SDGs) of the UN Agenda 2030, with positive or negative impacts on the environmental, social and economic spheres. - Positive or negative contribution to the availability, in the markets, of products and services with high environmental / social performance

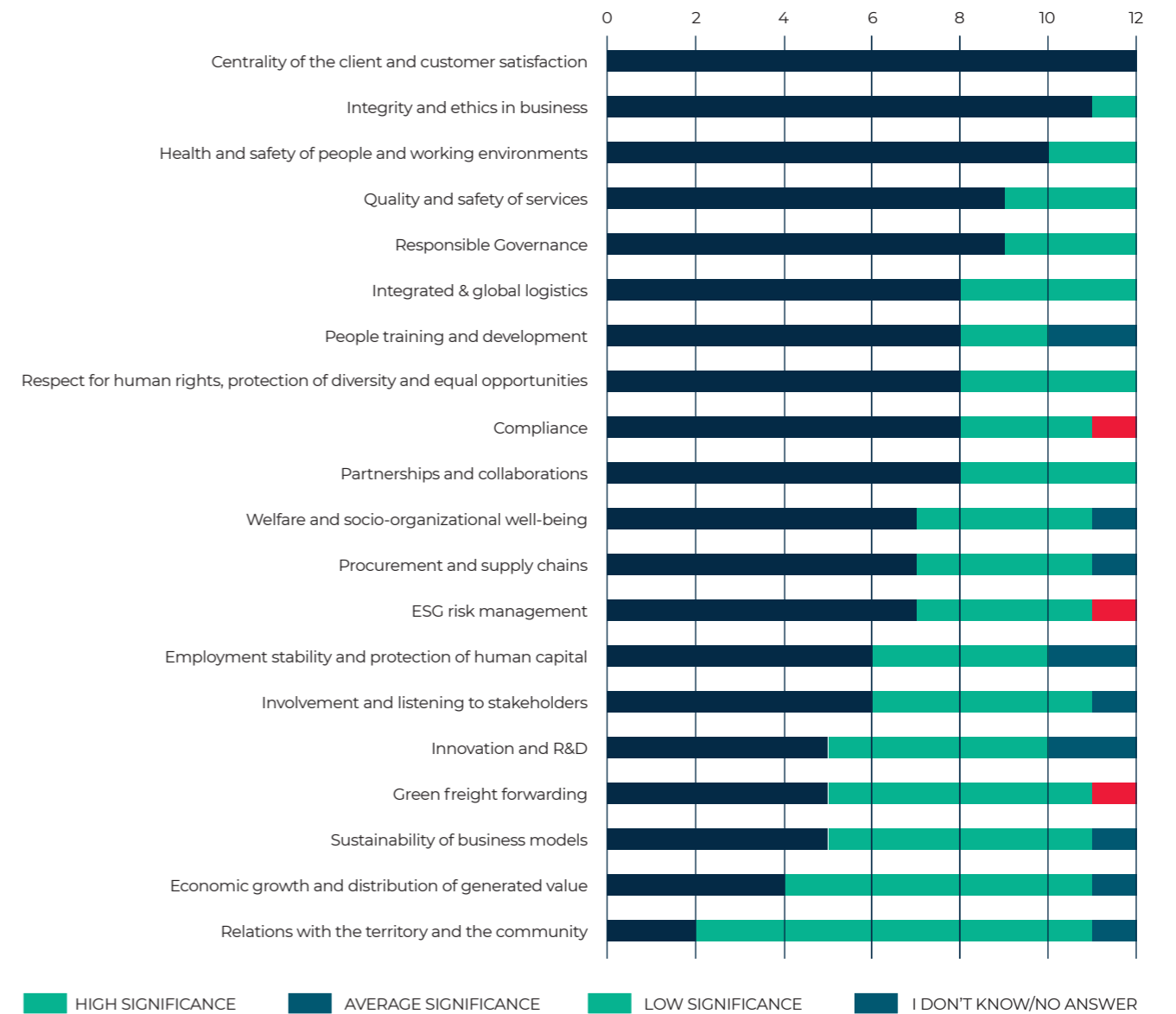
In addition to requiring the assessment of the degree of "Significance" perceived by each subject respondent to the survey, an open question was asked to all participants in order to explore any additional sustainability issues not included in the questionnaire and which were retained

however potentially material in the context of ISS Palumbo. In particular, an important consideration emerged, namely the **attention to the monitoring of environmental issues with a focus centered on measuring the impacts of corporate activity, with consequent identification of decarbonisation objectives.**

Once the assessments from each stakeholder involved were collected, we proceeded to their analysis: the result obtained is a graph that allows to represent the themes taken into account consideration, highlighting the degree of perceived significance. This representation provides a summary and an overall view of the issues, in relation to their impact, taking into account the assessments and interests of the various stakeholders.

The following graph, therefore, identifies the relevant issues for ISS Palumbo, considering the influence that these have on the expectations, decisions and actions of stakeholders, perceived as critical.

Perceived level of significance



The materiality threshold was defined considering a score of "High Significance" at least equal to 6. As can be seen from the graph, **there are 14 topics with a high level of perceived significance.** Specifically, they are, in order of greater significance attributed: "Centrality of the client and customer satisfaction", "Integrity and ethics in business", "Health and safety of people and working environments", "Service quality and safety", "Responsible governance", "Training and development of people", "Respect for human rights, protection of diversity and equal opportunities", "Compliance", "Integrated & global logistics", "ESG risk management", "Socio-organizational welfare and well-being", "Partnerships and collaborations", "Procurement and supply chain", "Employment stability and protection of human capital".

There are 6 topics with an average level of significance. In particular: "Involvement and listening to stakeholders", "Sustainability of business models", "Growth economy and distribution of generated value", "Green freight forwarding", "Innovation and R&D", "Relations with the territory and the community".

Finally, no issues assessed with a low level of significance were identified.

2.4 Contribution to SDGs

We are strongly committed to the development and implementation of the best practices of sustainability spread in our reference sector, leveraging the skills in order to deliver solutions oriented towards a low-emission economy. This first Sustainability Report allows us to monitor and communicate to stakeholders our path in the integration of ESG⁵ aspects within our business context.

SDGs	DESCRIPTION	MATERIAL TOPICS	ACTIONS UNDERTAKEN
	NO POVERTY	Economic growth and distribution of added value	Added value generated and distributed to people at ISS Palumbo
	GOOD HEALTH AND WELL-BEING	Health and safety of people and workplaces Welfare and socio-organizational well-being	Attainment of ISO 45001 Certification Measures for Health and Safety at work management Continuous training on Health and Safety at work Welfare initiatives
	QUALITY EDUCATION	Training and development of people	Continuous learning activities (management, compliance, HSE etc.)
	GENDER EQUALITY	Respect for human rights, protection of diversity and equal opportunities	Feminine incidence in management
	DECENT WORK AND ECONOMIC GROWTH	Economic growth and added value distribution Occupational stability and safeguard of human capital	Retention of long-term contracts Positive occupational turnover rate

With a view to contributing to the Sustainable Development Goals (SDGs) set in the 2030 Agenda for the Sustainable Development and adopted by the Member States of the United Nations, those have been identified aspects on which we have contributed most, taking into consideration our activities and our services and the policies and initiatives implemented over the years.

SDGs	DESCRIPTION	MATERIAL TOPICS	ACTIONS UNDERTAKEN
	INDUSTRY INNOVATION AND INFRASTRUCTURE	Compliance Green Freight Forwarding Integrated & Global Logistics	Mapping of suppliers in connection with the use of green fuels Access to information and communication technologies
	RESPONSIBLE CONSUMPTION AND PRODUCTION	Sustainability of business models Quality and Safety of services Client centrality and Customer Satisfaction ESG risks management	Verification of compliance with standards Industrial partnerships based on just price criteria, in order to support all the activities of the supply chain
	CLIMATE ACTION	Conseguimento Certificazione ISO 14001 Efficienza energetica Gestione dei rifiuti	Supply of low environmental impact services Transports
	PEACE, JUSTICE AND STRONG INSTITUTIONS	Integrità ed Etica del Business Governance responsabile Compliance	Application of Code of Ethics and of 231 Model Whistleblowing Anti-corruption policy Adhesion to high compliance standards
	PARTNERSHIPS FOR THE GOALS	Coinvolgimento e ascolto degli stakeholder Partnership e collaborazioni Rapporti con il Territorio e la Comunità Procurement e Supply Chain	Industrial partnerships Membership of international federations FIATA and BIFA Membership of IATA and Achilles-FPAL (First Point Assessment)

⁵ Acronym that refers to three main areas: Environmental (environment), Social (society) and Governance.

2.5 Environmental protection

ISS Palumbo recognizes the protection of the environment as an essential duty towards the entire Community in which it operates; the Company is particularly sensitive and attentive to issues such as environmental protection and energy efficiency. For this, it undertakes to provide services of

high quality, in full respect of the ecosystem, thus giving its contribution to the improvement of each action, with a view to sustainable development for the benefit of future generations and the whole Planet.

By virtue of this continuous commitment to improve the environmental performance of its own services and operations, the Company has set objectives in line with the general strategy, also in order to raise awareness of environmental issues within itself.

Attention to the environment is also translated concretely through the adoption of management systems for business operations. The Company has an Environmental Management System

compliant with the international standard ISO 14001:2015, subject to periodic auditing by a third party, which allows to evaluate and identify potential problems, opportunities and areas for improvement. Moreover, the Company strives daily to adopt procedures in compliance with the environmental standards, even beyond the mere constraint imposed by law and by continuous monitoring of environmental impacts, with the ultimate goal of their measurement, control and reduction. Furthermore, it updates an internal document regarding environmental risk assessment, through which the impacts relating to environmental aspects relevant to the own operations are evaluated, indicating the respective level of significance and management methods. Through this process, the Company is able to map which environmental aspects, direct and indirect, cause the greatest impact and provide an indication of the main improvement actions, in a way such as to establish a path of containment of said impacts.

Finally, during 2023, ISS Palumbo, stimulated by the stringent requirements set out in the calls for tenders by major clients for the supply of its services, has strengthened the commitment and supervision on sustainability issues, starting the mapping of its suppliers in relation to the use of

green⁶ fuels in the tender phase. In particular, with this initiative the Company intends to evaluate alternative solutions to fossil fuels used within its own activities, in a logic reduction of emissions along the entire value chain.

The Company's project is part of the FuelEU Maritime initiative, as fundamental part of the "Fit for 55" package presented by the European Commission, to increase the demand and consistent use of low-emission renewable fuels emissions and reduce greenhouse gas emissions from the shipping sector. This European regulation has the objective of gradually decreasing the intensity of greenhouse effect gases over time, in fuels used in the shipping sector. Specifically, a decrease of 2% by 2025 and up to 80% by 2050 is expected.



⁶ Sustainable fuels of renewable origin characterized by a low carbon content and, consequently, lower CO₂ emissions.

2.5.1 Energy consumption and emissions

We believe it is important to pursue a way of managing energy resources as much as efficient as possible, by monitoring your own consumption.

In 2022, ISS Palumbo consumed a total of 1,247.40 GJ of fossil fuels. During the same period, the Company consumed 1,777.21 GJ of electricity. In general, the main consumptions energy of the Company is connected to direct consumption from non-renewable sources: in particular automotive fuel, which accounts for the largest share of total direct energy consumption. Natural gas and electricity are mainly used for lighting of the plant and for the heating/cooling of the administrative offices.

FOSSIL FUELS CONSUMPTION		
	2022	
ISS PALUMBO S.r.l.	Total	Total GJ
Natural gas (Sm³)	4,214	151.22
for heating (Sm ³)	4,214	151.22
Automotive fuel/corporate fleet (l)	30,394	1,096.18
Diesel (l)	30,394	1,096.18
Gasoline (l)	0	0
GPL (l)	0	0

ELECTRICITY CONSUMPTION		
	2022	
ISS PALUMBO S.r.l.	Total	Total GJ
Purchased electricity (Kwh)	493,669	1,777.21
Self-produced and consumed electricity (Kwh)	0	0

In the considered reporting period, **the Scope 1 emissions generated by ISS Palumbo amounted to 90.52 tCO₂eq.**

SCOPE 1 DIRECT EMISSIONS		
	2022	
ISS PALUMBO S.r.l.	Total GJ	Total tCO ₂ eq
Naturale gas (Sm³)	151.22	8.49
for heating (Sm ³)	151.22	8.49
Automotive fuel/corporate fleet(l)	1,096.18	82.03
Diesel (l)	1,096.18	82.03
Gasoline (l)	0	0
GPL (l)	0	0
Total Scope 1 (only CO₂)	1,247.40	90.52

With particular reference to Scope 2 emissions, linked to the purchase and consumption of electricity, for full compliance with the GRI Standards, they were calculated using both the “location-based” and “market-based” approaches. In particular, the **location-based** methodology considers the average intensity of the greenhouse gas emissions of the networks on which the energy consumption takes place, mainly using data relating to the average emission factor of the network, while the **market-based** methodology considers the electricity emissions that the organization has intentionally chosen contractually⁷.

In 2022, “location based” and “market based” Scope 2 emissions amounted to 144.65 tCO2eq and 225.39 tCO2eq, respectively.

SCOPE 2 NON-DIRECT EMISSIONS		
	2022	
ISS PALUMBO S.r.l.	TOTAL kwh	TOTAL tCO2eq
Purchased electricity (Location Based method)	493,669	121.29
Purchased electricity (Market Based method)	493,669	225.39
Total Scope 1 direct emissions + Scope 2 non-direct (Method LB)		90.52
Totale Scope 1 direct emissions + Scope 2 non-direct (Method MB)		315.91

2.5.2. Waste management

With regard to the management of impacts related to waste, ISS Palumbo is committed to reducing the impact of its activities on the environment and to continuously improve its performance, as part of its corporate strategy. For this reason, it has implemented waste management procedures and activities to reduce waste production and increase recycling within the Company, as well as to ensure constant compliance with all environmental regulations pertinent to its type of business.

The production of waste is mainly linked to office activities (paper, cardboard, plastic). The Company implements effective non-differentiated waste collection, making its employees aware of greater attention to respect for the environment.



WASTE TYPOLOGY (IN TONS)			
	WEIGHT OF HAZARDOUS WASTE (t)	WEIGHT OF NON-HAZARDOUS WASTE (t)	TOTAL
	2022	2022	2022
ISS PALUMBO	0	37.06	37.06

WEIGHT OF NON-HAZARDOUS WASTE (t)		
	2022	
	non-Intended for disposal	Intended for disposal
TIPOLOGY	QUANTITY (ton)	QUANTITY (ton)
150101 paper packing	-	16.82
080318 toner	-	0.011
150106 mixed packing	-	9.29
150102 plastic	-	10.94

2.6 Commitment for the two-year period 2023-2024

In the process of continuous improvement in which it is engaged on a daily basis, ISS Palumbo intends to pay particular attention over time to the social and environmental impacts of its work. For this reason, the Company intends to promote and implement sustainable practices at all levels of the organization and towards its customers, with the aim of progressively integrating ESG factors into corporate management systems.

For the two-year period 2023-2024, the Company has identified some directives and commitments on which to develop its sustainability integration path.

- Comply with applicable environmental regulations and commitments;
- Implement internal procedures and policies, consistent with the principles of sustainability;
- Adopt energy efficiency measures within company facilities and promote efficient use of energy in all areas;
- Progressively reduce the carbon emissions associated with the services offered, also by involving suppliers in the search for alternative solutions in terms of type of fuel and methods of use;
- Implement a policy attentive to waste management, oriented towards the reduction and implementation of effective differentiated collection;
- Ensuring growth and professional development paths for ISS Palumbo people;
- Ensuring high levels of health and safety in the workplace;
- Promote the dissemination of the culture of sustainability at all levels of the organization, including through the dissemination of this Report.

⁷ The “location based” emission factors are calculated considering the conversion factors released by Terna, Confronti Internazionali 2020. The “market based” emission factors” are calculated on the basis of the conversion factors of the “European Residual Mixes - AIB 2021”.



ECONOMIC CAPITAL AND SUPPLY CHAIN

3.1 Economic performances

One of the main commitments of ISS Palumbo is to grow, both nationally and internationally, aiming at the continuous improvement of management efficiency and at the increase of operating profitability, increasing its revenues. The Company aims at the creation of value in the long run, for all its stakeholders. The achievement of economic performance based on a sustainable management approach, guides growth and investment decisions, enabling to build and maintain relationships based on trust with clients and suppliers, in a perspective of cooperation and development.

3.2 Generated and distributed economic value

The distribution of the generated economic value constitutes a point of contact between the economic and social profiles, allowing to analyze how the wealth created is redistributed by the Company, for the benefit of the entire system with which it interacts.

The value generated and distributed is processed on the basis of the income statement for the period reference, with the aim of highlighting the economic value directly generated by ISS Palumbo and its distribution to internal and external stakeholders.

In 2022, the **Economic Value Generated** amounted to **approximately 76 million euros**; it is mostly distributed to the various stakeholders with whom ISS Palumbo comes into contact during the course of its business, in compliance with the cost of management and the expectations of the interlocutors themselves.

ADDED VALUE €	FY 2022
Revenues	71,836,657
Financial income	4,170,234
TOTAL GENERATED ECONOMIC VALUE	76,006,891
Operations costs	63,771,543
Staff remuneration	4,913,308
Financiers remuneration	667,504
Public Administration remuneration	1,585,698
TOTAL DISTRIBUTED ECONOMIC VALUE	70,938,053
Depreciation, write-downs and adjustments	2,122,286
Risk provisions and other provisions	-
Operating result allocated to reserves	2,946,552
RETAINED ECONOMIC VALUE	5,068,838

The **Distributed Economic Value** is **approximately 70.9 million euros** and represents more than 90% of the Generated Economic Value. The latter, in addition to covering the operating costs incurred during the year, is used to remunerate the socio-economic system with which ISS Palumbo interacts, in particular:

- Remuneration of collaborators: item including direct remuneration (consisting of wages, salaries and severance indemnities) and indirect remuneration (consisting of social security contributions) of all employees;
- Remuneration of financiers: this item includes interest expense;
- Investor remuneration: item including dividends distributed;
- Remuneration of the Public Administration: item including all taxes paid, including deferred taxes;
- Remuneration to the Community: includes all donations (in cash and in kind), and sponsorships.

Lastly, the Retained Economic Value, equal to around 5 million euros, determined as the difference between the Economic Value Generated and the Economic Value Distributed, instead represents the set of financial resources dedicated to the economic growth and equity stability of the business system.

3.3 Supply chain

The integration of a sustainable approach throughout the ISS Palumbo supply chain is essential to guarantee the quality of the services provided to its customers and compliance with the highest international standards. This allows the Company to ensure that best practices are adopted in terms of environmental responsibility and sustainability of equipment and machinery, health and safety and, more generally, adequate working conditions, along the entire value chain.

Suppliers are systematically monitored in relation to the services provided, taking into consideration both purely technical aspects, such as the compliance of equipment and machinery with the highest quality and health and safety standards, and environmental and social aspects, such as the integration of and objectives to reduce corporate impacts and compliance with health and safety standards, as well as working conditions and Human Rights.

ISS Palumbo has long been committed to promoting long-term partnerships with its suppliers, in order to create a relationship of collaboration and mutual trust, in order to generate shared value within the supply chain.

With a view to guaranteeing a reliable and quality service, the Company has adopted an approach for the management of the procurement process, in line with the quality requirements expressed by the international standard ISO 9001. This process aims to select suppliers characterized by greater reliability and organizational and financial solidity.

The selection of suppliers of materials and services takes place through a qualification process that considers different criteria based on the type of business sector taken into consideration. For example, for project cargo and maritime agency activities, the reference suppliers are selected on the basis of the history of shipments made, the method of transport and the robustness of the company know-how, in relation to innovation in the solutions adopted and implemented; for the purchase of products, vehicles, machinery and related maintenance, the selection is made by the Procurement office on the basis of the quality/price ratio, the degree of territorial coverage of the service provided, the delivery and shipping times, the type of certifications in possession.

In addition to the quality requirements, ISS Palumbo pays particular attention to the integration, within the corporate strategy of the suppliers, of social aspects, in particular related to compliance with current regulations and the highest standards in terms of workers' health and safety, and environmental aspects, such as orientation towards sustainability and the adoption of actions and initiatives aimed at reducing the environmental impact of corporate activities, energy efficiency and efficient use of resources. Furthermore, the Company evaluates the possession and implementation of environmental certifications, which certify the adoption of internal processes, aimed at making resource management more efficient with a view to continuous improvement.

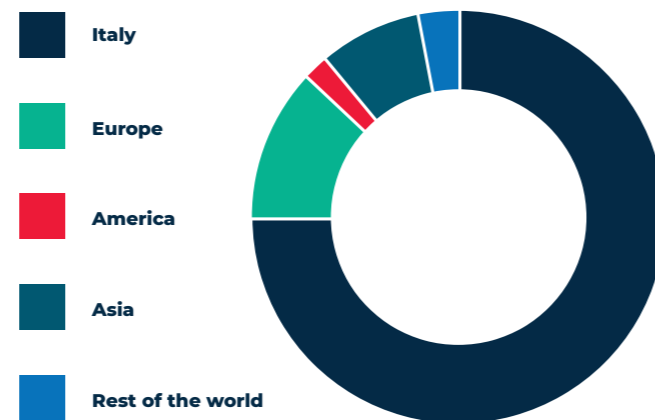
In order to ensure greater integration of sustainability along the entire value chain, ISS Palumbo requires its suppliers to behave correctly and transparently by signing the Company's Code of Ethics during the activities carried out on behalf of the Company itself.

The Company's goal is to progressively build a supply chain that maintains high attention and commitment to ESG issues, aiming to involve its suppliers in the process of integrating sustainability, indirectly, starting to request the same requirements of operations that are requested to the Company when it participates in a tender. In fact, the Company, in order to participate in a call for tenders for the supply of its service, is involved in an initial qualification process, which provides, among other things, for compliance with certain regulatory constraints in the social and environmental fields and the possession of certifications demonstrating the commitment to responsible and sustainable management.

In 2022, the **number of ISS Palumbo suppliers** stood at **742**. In particular, the supply chain is mainly made up of **Italian suppliers**, representing **75% of the total**, while foreign suppliers represent a small part, as shown in the pie chart relating to the percentage of suppliers divided by geographical area.

NUMBER OF SUPPLIERS PER GEOGRAPHICAL AREA	
2022	
Number of suppliers located in ITALY	533
Number of suppliers located in EUROPE	86
Number of suppliers located in AMERICA	17
Number of suppliers located in ASIA	61
Number of suppliers located in REST OF THE WORLD	25
TOTAL SUPPLIERS	742

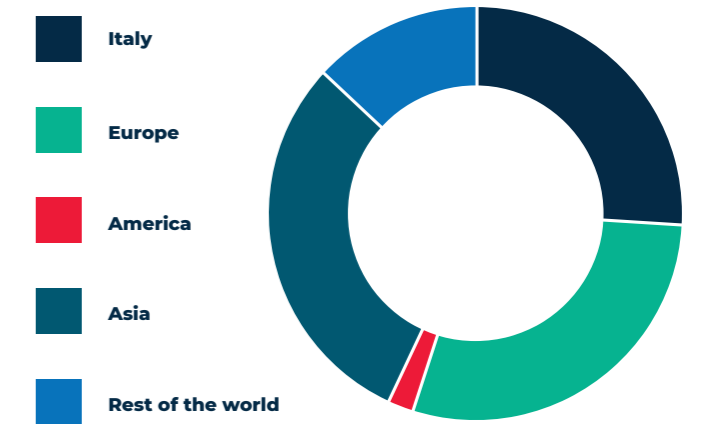
Percentage of suppliers per geographical area



Analyzing the share of expenditure on the main suppliers, it emerges that the greater percentage is intended for those operating in Italy, holding a share equal to 54% of the total. European suppliers receive a share of expenditure equal to 23%. While Asia and America have a share expenditure equal, respectively, to 9% and 2%. Finally, a share of 12% is allocated to the "Rest of the world" area, which mainly includes African countries.

PERCENTAGE OF EXPENDITURE ON MAIN SUPPLIERS, PER GEOGRAPHICAL AREA	
2022	
expenditure on suppliers located in ITALY	15,715,177
expenditure on suppliers located in EUROPA	17,830,313
expenditure on suppliers located in AMERICA	925,439
expenditure on suppliers located in ASIA	18,422,179
expenditure on suppliers located in REST OF THE WORLD	7,925,737
TOTAL SUPPLIERS	60,818,845⁹

Percentage of expenditure per geographical area



⁹ It should be noted that the total expenditure on the main suppliers does not exactly correspond to the total operating costs reported in the prospectus of the economic value generated and distributed, as not all costs have a supplier counterpart; this is the case, for example, of the so-called Foreign Exchange costs.



THE VALUE OF PEOPLE

4.1 Management of human capital

"People are the real value of ISS Palumbo, which aims at enhancing their skills and competences".

Human capital represents a strategic asset for us, capable of producing decisive impacts on the entire value chain, leveraging people and competences that enable us, with their passion and professionalism, to face increasingly competitive markets.

The people who work within our organization represent a key stakeholder that we are committed to protecting, involving and developing in a perspective that favors efficiency and operational effectiveness in a context of constant exchange of information and know-how, also with the aim of enhancing role skills within the Company.

The management of human capital is based on the awareness that nurturing the talent and cultivating the potential of our employees, through method and skills development, favors business growth, enabling us to be even more competitive in a market where changes occur extremely rapidly. The intention is to foster the growth of the corporate culture, which is also identified by values that everyone must feel they have.

4.2 Personnel

ISS Palumbo's personnel included in the scope of the analysis consists of a total of **109 employees**. Considering the type of sector in which it operates, where men are traditionally employed to a greater extent than women, **more than 70% of the company population is made up of male employees**.

ISS Palumbo encourages permanent employment contracts as a guarantee of stability for its employees. In fact, almost all of ISS Palumbo's personnel are employed on a permanent basis, as shown in the following chart.

EMPLOYEES BY TYPE OF CONTRACT AND BY GENDER	AS AT 31/12/2022		
	Woman	Man	TOTAL
Permanent contract	28	80	108
Fixed-term contract	0	1	1
TOTAL	28	81	109
Full-time contract	26	80	106
Part-time contract	2	1	3
Variable-hour contract	0	0	0
TOTAL	28	81	109

90% of our company population is in the categories of white-collar and blue-collar respectively. The remaining 10% are divided between the middle management and executive categories.

EMPLOYEES BY PROFESSIONAL FIGURE AND BY GENDER	AS AT 31/12/2022		
	Woman	Man	TOTAL
Executives	0	3	3
Middle managers	3	5	8
Clerks	21	38	59
Workers	4	35	39
TOTAL	28	81	109

In terms of gender and age diversity of the workforce, the proportion of male employees outnumbers the proportion of female employees in the two occupational categories characterized by higher employment respectively. In particular, **women represent 26% (28) of the total workforce**. With regard to the age group of workers present in the company, there is a **predominance of employees between 30 and 50 years old (64%)**.

PERCENTAGE OF EMPLOYEES BY PROFESSIONAL FIGURE AND BY AGE GROUP	AS AT 31/12/2022			
	< 30 years	30-50 years	> 50 years	TOTAL
Executives	0	0	3	3
Middle managers	0	5	3	8
Clerks	7	38	14	59
Workers	1	27	11	39
TOTAL	8	70	31	109
PERCENTAGE	7%	64%	29%	100%

In FY 2022, there were 2 interns within the company, both of male gender. We aim, in fact, to expand the possibility and opportunity to attract talented people within the company.

The following charts show ISS Palumbo's turnover figures for the last fiscal year, broken down by gender and age group. At 31.12.2022, there was a 17% percentage of terminated relationships.

NEW HIRES AND TURNOVER	AS AT 31/12/2022				
	No. employees	No. new hires	No. terminated	Positive turnover rate	Negative turnover rate
Women	28	1	9	4%	32%
< 30 years	3	0	0	0%	0%
30-50 years	18	1	8	6%	44%
> 50 years	7	0	1	0%	14%
Men	81	7	10	9%	12%
< 30 years	5	2	2	40%	40%
30-50 years	52	2	3	4%	6%
> 50 years	24	3	5	13%	21%
TOTAL	109	8	19	7%	17%
Total < 30 years	8	2	2	25%	25%
Total 30-50 years	70	3	11	4%	16%
Total > 50 years	31	3	6	10%	19%

TURNOVER	AS AT 31/12/2022								TOTAL
	Women				Men				
	<30	30-50	>50	Total	<30	30-50	>50	Total	
Number of employees	3	18	7	28	5	52	24	81	109
Number of new hires	0	1	0	1	2	2	3	7	8
Number of resigned	0	8	1	9	2	3	5	10	19
New hires rate	0%	6%	0%	4%	40%	4%	13%	9%	7%
Turnove rate	0%	13%	0%	11%	100%	67%	60%	70%	42%

4.3 Training and development of people

Training is an essential and fundamental element for us to improve our professional skills and ensure high quality standards in the services we provide. Over the years, we have committed ourselves to enhancing and developing the skills of our staff, investing in various types of training, both mandatory and voluntary. The goal is to help our employees realize their full potential, both in terms of soft skills and in those of technical skills needed to meet the growing demands of our clients and the global market in general.

Training courses are assigned to each employee on an ad hoc basis, according to their respective roles. For newcomers, introductory training is provided in order to be informed of the essential policies and procedures applied by the Company.

Training hours are recorded, stored and constantly updated, together with the courses and training undergone by each employee, with evidence of verification. The objective of the training is to enable an adequate level of information and education, which is also required by the respective legal regulations.

In 2022, we provided our employees with **a total number of 771 training hours.**

TRAINING TYPOLOGY	2022	
	Hours	Participants
General training	56	14
Specific training	314	39
Other	401	47
TOTAL	771	100

4.4 Health and safety of people and workplace

We ensure the protection of the health and safety of all our employees in the workplace and, at the same time, we are committed to improving the supervision and coordination of those responsible for overseeing compliance with prevention regulations. To this end, we adopt a series of measures aimed at achieving our objectives in the field of workers' health and safety, including:

- taking and supporting all actions necessary to **protect the health and safety of our employees;**
- **identifying, assessing and classifying risks to the health and safety of employees,** the environment and product quality;
- **minimizing the possibility of accidents,** injuries and occupational illnesses;
- **training and informing the personnel** to make them aware of and able to maintain correct behaviour in the field of health and safety, the environment and quality;
- **setting annual objectives for continuous improvement** in the field of health, safety, the environment and quality.

To this end, we have implemented an **Occupational Health and Safety Management System** in compliance with the **ISO 45001:2018** standard, adopted within the company's plant and applied to the personnel present in it, under ordinary and emergency operating conditions. In addition, the system is connected to the **231 Management and Control Organizational Model**, which allows the creation of a periodic and formalized information flow on the most relevant HS&E aspects. On an annual basis, an internal auditing activity is carried out by the Prevention and Protection Service Manager (RSPP), from which improvements can be shared and assigned to the various department heads for appropriate handling.

Furthermore, in order to prevent and contain any dangers arising, above all, from the Warehouse Management and Goods Handling production processes, and to guarantee the safety of its employees, risk assessments are carried out to enable the company to take the necessary measures to safeguard the health and safety of workers and/or other people in the workplace. One of the means implemented for this purpose is the drafting of the Risk Assessment Document (DVR), which sets out **how hazards are identified and all risks to the health and safety of workers are assessed.**

The DVR is issued in a single, dated body, in compliance with the dictates of Legislative Decree 81/08 and the ISO 45001 standard. Specifically, this document describes and analyses the company reality in its production and organizational aspects and identifies the risk factors connected to the type of work phase carried out in the production unit and to certain characteristics such as the type of work environment, the structures and plants used, the materials and products involved in the processes, the tasks carried out in the workplace and the relative methods of execution. On the basis of these factors, the level of risk involved is estimated, i.e. the probability of the harmful event occurring, considering the adequacy and reliability of the protection measures already in place, and the criteria implemented to implement a prevention and protection system to improve the health and safety conditions of workers and to deal with emergency and first aid situations are indicated. A series of actions and measures are then defined in order to reduce the risks detected, or eliminate them, and the tools for their constant monitoring, allowing the effectiveness of these measures to be measured.

In the last fiscal year, there were no cases of accidents or occupational diseases in the company.

As another fundamental tool for preventing risks and dangers to workers' health and safety, we consider training in this area to be an essential element of our activity, as it is fundamental to making our employees more aware of the risks and better prepared to deal with them, thus reducing the likelihood of accidents and injuries at work. The training covers a variety of topics, including: concepts of risk, damage, prevention, protection, organization of company prevention, rights, duties and sanctions for the various company actors, and supervisory, control and assistance bodies. The training covers above all the tasks, possible damage and the consequent prevention and protection measures and procedures to be implemented, which are characteristic of the sector or industry to which the company belongs.

TRAINING TYPOLOGY	FY 2022	
	Hours	Participants
General training	48	12
Specific training	258	29
Other (specify)	396	46
TOTAL	702	87

In 2022, we provided a total of **702 hours of Occupational Health and Safety training**, which involved 87 workers.

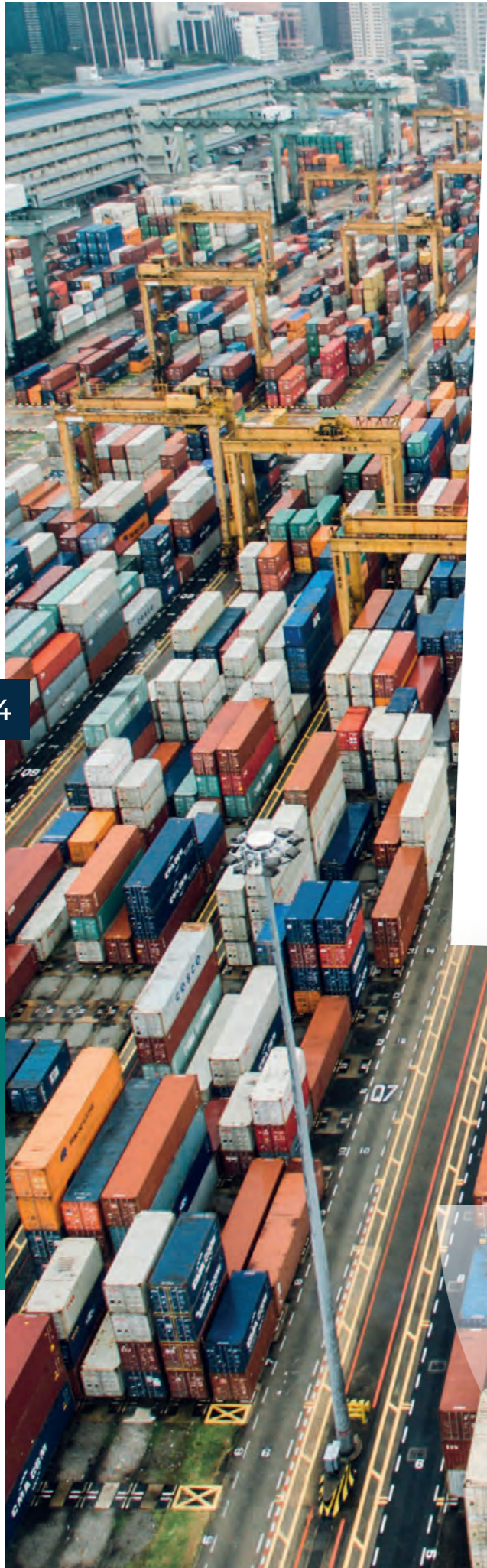
As shown in the chart, within the category 'Other' are all role-specific training courses for people, related to their roles. This includes all courses that enable the person to work safely: there are departmental rules, rules for the person's various tasks, environmental training, training on general Plant rules and much more. Also included are courses on procedures, on-the-job training, emergency team training, additional training for supervisors, courses for the contact person for contract work, use of PPE, information and worker expectations.

4.5 Welfare and working flexibility

On a daily basis, we strive to build a stimulating work environment in which each person feels valued for his or her contribution and motivated to grow both professionally and personally. In concrete terms, we promote and spread social well-being among our employees, also through the adoption of actions and initiatives aimed at doing so.

In order to cope with the past health emergency from Covid-19, we experimented with smart working, a different way of working for us. It enabled us to ensure the company's operations, demonstrating that a different way of working is possible even for those roles whose presence in the company was considered strictly necessary and indispensable. Even today, our employees have the opportunity to reconcile their personal needs with the flexibility of smart working. Lastly, we conducted an analysis of the impact of this way of working on the environment and welfare, highlighting how the benefits are tangible, especially in terms of saving precious time to devote to one's personal life.





THE EXCELLENCE IN SERVICES AND INDUSTRIAL PROJECTS

5.1 Quality and safety of services

In order to ensure the excellence of its services, ISS Palumbo has equipped itself with an effective and efficient management system that allows it to manage and enhance its structural and instrumental resources as well as its human resources. The Company has long since implemented a **QHSE management system** that covers all the Company's business activities. In particular, the organizational system of ISS Palumbo is characterized by a **high degree of synergy between risk assessment and the management system**, in step with the most innovative technologies, which provides for an assessment of risk situations from the point of view of quality, environment and safety. The aspects that are monitored with particular attention concern possible damage to goods, delays, claims for damages, physical injuries related to the handling of goods, process errors, and critical issues in waste management.

With the aim of meeting high quality and safety standards, the company has set up a QHSE plan for defining processes and procedures in the areas of quality, safety and the environment. In particular, the planning of operational activities is carried out and monitored on a daily basis by the relevant process managers, whose controls are explained and described in specific procedures.

Before providing a service, the Company proceeds with the collection of the customer's needs and the feasibility check, verifying the compliance of the needs with the applicable legal requirements. Further support for service quality comes from **the supplier qualification and monitoring procedure**. This procedure, as described in the section on supply chain management, allows the company to ensure that all its purchases of materials and services comply with internal company policies and legal obligations, taking into account quality, time and costs, and with increasing attention to ESG aspects.

The organizational system also provides for the detection of non-conformities, which may concern quality, environmental and workers' health and safety aspects. The management procedure for any non-conformities envisages that they are recorded, together with the corrective measures adopted, in order to acquire the relevant data and information for subsequent analysis with a view to improving the process involved. This creates the opportunity for the Company to learn, from time to time, more and more information to improve and optimize the processes underlying the operational activities, guaranteeing increasingly high standards of service quality.

5.2 Project & Freight Forwarding

The Project Freight Forwarding division works for major EPC (Engineering, Procurement and Construction) operators and companies in the Oil & Gas sector. ISS Palumbo's experience in the latter sector spans **over 40 years**, with more than 6.5 million load units transported worldwide, from large machinery to gantry cranes weighing more than 1,000 tonnes each.

ISS Palumbo's strength is undoubtedly the experience gained within its sector of reference, which allows it to cope with the highly unpredictable nature of the market, finding ad hoc solutions to solve any problems that may arise during transport. This is also made possible by the study of each shipment, carried out jointly by the experts of ISS Palumbo and its clients, which allows us to identify, from time to time, the most effective and optimal solutions in terms of technology and logistics, while at the same time ensuring a rationalization of costs and time.

In its relationship with its customers, ISS Palumbo works directly with ship owners for the chartering of vessels suitable for carrying out the entrusted shipments, both for partial and full loads. The chartering of ships from the main ship owners and brokers in the Oil & Gas sector worldwide is part of the Company's core business and is managed by the appropriate department which monitors and plans the technical, commercial and legal aspects.

The division mainly operates under so-called Framework Agreements, covering certain geographical areas, and Project Contracts, where there are specific activities to be performed related to a particular project in execution. In particular, the Project department is involved in a multi-stage process: starting from the initial qualification phase, it proceeds with the preparation of the tender, then negotiates with the client and suppliers, and finally executes the project if it is awarded.

By participating in tenders, the Company is checked for ethical, reputational, economic-financial and technical-operational reliability and the application of health and safety, environmental and governance measures to minimize risks along the supply chain.

In the wake of this mechanism, ISS Palumbo started a journey to implement sustainability within its business, with the aim of identifying best practices to be implemented to increase its competitiveness and sustainability and improve its positioning. In addition to already possessing a wide range of tender requirements such as certifications and standards to support its commitment to environmental, social and governance issues, the company is constantly striving to increase its commitment and value in ESG issues.

With a view to providing a service that is as complete and reliable as possible, ISS Palumbo also offers a series of ancillary support services to the Freight Forwarding business, aimed at providing clients with a door to door service capable of supporting every stage of the shipment. In particular, the services include: customs formalities, insurance coverage, preparation of all import and export documents, warehousing and handling of the consignment.

The organizational system also provides for the detection of non-conformities, which may concern quality, environmental and workers' health and safety aspects. The management procedure for any non-conformities envisages that they are recorded, together with the corrective measures adopted, in order to acquire the relevant data and information for subsequent analysis with a view to improving the process involved. This creates the opportunity for the Company to learn, from time to time, more and more information to improve and optimize the processes underlying the operational activities, guaranteeing increasingly high standards of service quality.

5.3 Integrated Logistics

The integrated logistics division offers highly qualified and specialized services in all logistics sectors (from warehousing to industrial handling, from preservation and painting to the design and creation of packaging, to the distribution of customers' products), developing, over the years, experience in multiple industrial sectors ranging from heavy industry to e-commerce.

ISS Palumbo is able to offer itself as a single consolidated partner capable of managing and solving, synergically and in the best possible way, all activities concerning external (inbound and outbound) and internal (material management and final steps) logistic processes, sharing and achieving, together with its customers, effective and efficient results, as well as guaranteeing the highest quality and safety standards.

The logistic services that ISS Palumbo offers in the various industrial realities are based on the availability of adequate means and equipment, but above all on the competence and professionalism of the people. On these aspects is based the Company's ability to reach, from time to time, new goals and successes. Relationships with the people who work with the Company, and for the Company, have always been the basis of the Company's good performance and, consequently, of customer satisfaction. For this reason, the Company is committed to ensuring that its employees have a uniform vision, consistent with the Company's mission and, above all, with the commitments undertaken with its clients.

For the logistics service, the value of its professionals is a fundamental element for the Company, being able to count on high management skills and competences, to support the demands and needs of its customers, enabling it to identify and propose to them the most efficient solutions, both in economic terms and in terms of environmental impact.

5.4 Port Logistics

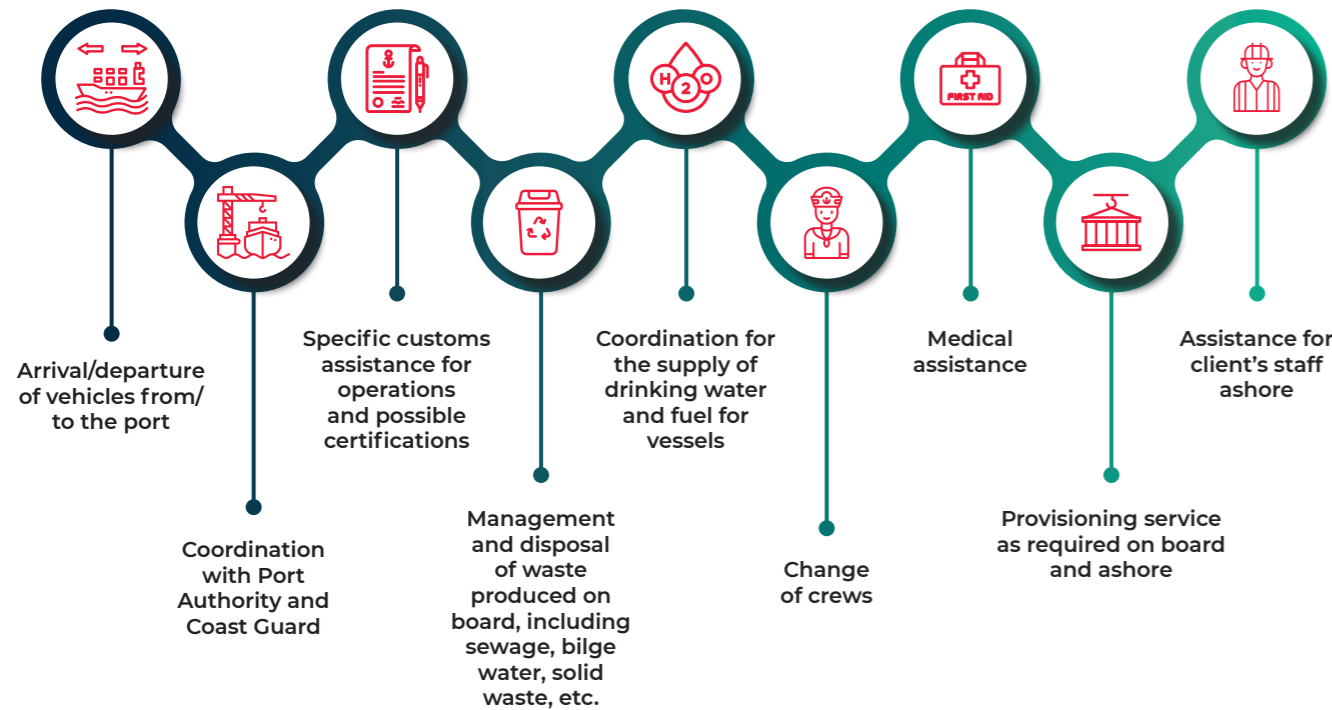
Since 2004, ISS Palumbo has developed a specific experience in the management of pipelines, in particular in logistic operations of subsea/offshore pipeline installation in various parts of the world, from Australia to the Middle East, from Egypt to Greece and Italy.

The activity is particularly dedicated to the identification of port areas in the closest possible proximity to the launching areas of the pipes at sea, to be dedicated “exclusively” to the specific project commissioned. The activities consist in the reception, storage and subsequent embarkation of oil & gas pipelines required for subsea/offshore pipeline installation.

The company’s extensive experience in the sector allows it to manage port areas that can vary from 20,000 to over 100,000 square metres, providing pipe storage service and maritime agency services for every project. Specific equipment is required for these operations, of which the company guarantees the highest reliability and efficiency. In particular, for pipe handling it uses “reach stackers” with special hydraulic pivots that allow for the lifting and positioning of pipes, preventing them from being damaged and the risk of injury to persons involved in the operations.

ISS Palumbo places the health and safety of its People at the forefront, combined with the highest possible service quality standards. With regard to maritime agency services, assistance is provided to the entire fleet of vessels of the Client participating in offshore operations. The figure below illustrates the services provided.

Provided services



The operations department guarantees its 24-hour availability, any day of the year, thanks to the increasing flexibility of its staff, acquired over time. Their high level of competence and professionalism permit to manage and guarantee full assistance to the ships: from the moment they are entrusted to the Company until their departure from port. The Company therefore offers its Clients constant monitoring and exchange of information and communication with the ship and the ship owner, guaranteeing customized support according to the type of ship, the operation to be carried out, the procedures to be followed, while also guaranteeing cost optimization.

5.5 Marine Agency Service

For more than 30 years, ISS Palumbo has been providing a wide range of maritime services, including surveys on board ships, consular visa processing, bunkering activities, medical assistance, customs clearance and other ancillary operations such as loading and unloading of all types of bulk cargo and petrochemical products.

In line with the objective of creating value for all its clients, the company pays particular attention to listening and dialogue in order to respond profitably to the needs of its clients and create a solid relationship of trust. For this reason, each client is assigned an experienced manager, capable of interfacing and dialoguing with all the actors involved in the specific project, who is responsible for the success of the project itself.

Reliability	Worldwide presence	Efficient staff	Listening and communication
			
Thirty years of experience allows us to provide a reliable service and a proactive approach to guarantee the most efficient solution.	ISS Palumbo has offices in different regions of the world, allowing it to manage Clients' interests globally.	The team is made up of a mix of local and international staff, to ensure a high-quality, international experience and local know-how.	Listening and communication are the key elements for offering customized solutions and ensuring customer involvement.

5.6 Management of customer relations

Clients represent the central element of ISS Palumbo's business, which is constantly committed to satisfying their needs and expectations. The Company constantly strives to identify and implement the most appropriate solutions capable of ensuring a high degree of customer satisfaction, in a logic of continuous improvement. The ability to guarantee a high level of customer satisfaction is closely related to the Company's ability to think in systemic terms, to identify and promptly resolve any problems and critical issues, and to identify the causes that hinder the achievement of efficient performance through timely interventions.

Thanks to the high flexibility and dynamism of its people, ISS Palumbo is able to anticipate and understand market evolutions and identify the most appropriate solutions to meet its customers' needs. The synergy resulting from teamwork allows the company to exploit its know-how in the various projects, using solutions that are increasingly in line with technological and digital developments. The final result is the capacity to offer a serious and reliable service, in line with specific clients' requests.

Customer relationship management takes place in full compliance with the ISO quality standard 9001, which applies throughout the business relationship. In fact, this provision provides that the Company focuses on the Client, ensuring the determination of the risks and opportunities that can influence the ability to increase his satisfaction, in a logic of maintaining high performance. The communication between ISS Palumbo and its clients is managed by the competent office, which deals with monitoring the level of satisfaction, with the primary objective of establishing and maintaining solid and long-lasting business relationships over time, to the benefit of the whole Company's reputation.



GRI CONTENT INDEX

Statement of use	ISS Palumbo has prepared this non-financial disclosure with reference to the GRI Standards for the period 01.01.22-31.12.22.
GRI 1	GRI 1: Foundation 2021
GRI Sector Standard(s) applicable	N.A.

GRI SUSTAINABILITY REPORTING STANDARD		CHAPTER / PARAGRAPH REFERENCE	PAG.	
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-1	Organizational details	Methodological note Identity and governance / 1.5 Group structure	5; 17
	2-2	Bodies included in the organization's sustainability reporting	Methodological note	5
	2-3	Reporting period, frequency and contact point	Methodological note	5
	2-4	Information review	There have been no revisions of the information as this is the first Sustainability Report	
	2-5	External assurance	The Sustainability Report is not subject to assurance activities	
	2-6	Activities, value chain and other business models	Identity and governance / 1.6 Business activities	18
	2-7	Employees	The value of People / 4.2 Personnel	48
	2-8	Non-employee workers	The value of People / 4.2 Personnel	49
	2-9	Structure and composition of the governance	Identity and governance / 1.11 Organizational structure / 1.12 Corporate bodies	21; 23
	2-10	Nomination and selection of the highest governing bodies	There is neither nomination nor selection process.	
	2-11	President of the maximum governing body	President hasn't the role of top executive.	
	2-14	Role of the maximum governing body in sustainability reporting	Methodological note	5
	2-15	Conflicts of interest	Identity and governance / 1.5 Ethics and compliance	15
	2-16	Communication of critical issues	Identity and governance / 1.5 Ethics and compliance	15
	2-18	Evaluation of the performance of the highest governing body	Not expected	
	2-22	Statement on Sustainable Development strategy	Sustainability and value creation / 2.1 Approach to sustainability	26
	2-23	Commitment in terms of policy	Identity and governance / 1.10 Strategy and business model	20-21
	2-24	Implementation of commitment, in terms of policy	Identity and governance / 1.10 Strategy and business model	20; 21
	2-26	Mechanisms for requesting clarifications and raising concerns	Identity and governance / 1.5 Ethics and compliance	15
	2-29	Approach to stakeholders' engagement	Sustainability and value creation / 2.2 Map of stakeholders / 2.3 Materiality	27; 28
2-30	Collective agreements	The value of People	48	

Material topics				
GRI 3: Material topics 2021	3-1	Process of determining material topics	Sustainability and value creation / 2.3 Materiality	28-33
	3-2	Material topics list	Sustainability and value creation / 2.3 Materiality	33
ECONOMIC PERFORMANCES				
GRI 3: Material topics 2021	3-3	Management of material topics	Economic capital and supply chain	42
GRI 201: Economic performances 2016	201-1	Directly generated and distributed economic value	Economic capital and supply chain / 3.2 Generated and distributed economic value	42-43
PROVISION PRACTICES				
GRI 3: Material topics 2021	3-3	Management of material topics	Economic capital and supply chain	43
GRI 204: Provision practices 2016	204-1	Proportion of expenditure towards local suppliers	Economic capital and supply chain / 3.3 Supply chain	44-45
ENERGY				
GRI 3: Material topics 2021	3-3	Management of material topics	Sustainability and value creation	36
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Sustainability and value creation / 2.5 Safeguard of the environment	37
EMISSIONS				
GRI 3: Temi materiali 2021	3-3	Management of material topics	Sustainability and value creation	36
GRI 305: Emissioni 2016	305-1	GHG (Scope 1) direct emissions	Sustainability and value creation / 2.5 Safeguard of the environment	38
	305-2	GHG (Scope 2) non-direct emissions from energy consumption	Sustainability and value creation / 2.5 Safeguard of the environment	38
WASTE				
GRI 3: Material topics 2021	3-3	Management of material topics	Sustainability and value creation	38
GRI 306: Waste 2020	306-3	Generated waste	Sustainability and value creation	38-39
OCCUPATION				
GRI 401: Occupation 2016	401-1	New hires and turnover	The value of People / 4.2 Personnel	50

HEALTH AND SAFETY AT WORK				
GRI 3: Material topics 2021	3-3	Management of material topics	The value of People	51
GRI 403: Health and safety at work 2018	403-1	Health and safety at work management system	The value of People / 4.4 Health and safety of people and workplace	51
	403-2	Identification of hazards, risk evaluation and investigation on accidents	The value of People / 4.4 Health and safety of people and workplace	51
	403-5	Training of employees on health and safety at work	The value of People / 4.4 Health and safety of people and workplace	52
	403-7	Prevention and mitigation of occupational health and safety impacts within commercial relationships	The value of People / 4.4 Health and safety of people and workplace	51
	403-8	Workers covered by an occupational health and safety management system	The value of People / 4.4 Health and safety of people and workplace	51
	403-9	Accidents at work	The value of People / 4.4 Health and safety of people and workplace	52
	403-10	Professional diseases	The value of People / 4.4 Health and safety of people and workplace	52
TRAINING AND EDUCATION				
GRI 404: Training and education 2016	404-1	Average training hours per employee per year	The value of People / 4.3 Training and education of people	50-51
	404-2	Programs for the update of employees' skills and programs for the assistance in transition	The value of People / 4.3 Training and education of people	50-51
DIVERSITY AND EQUAL OPPORTUNITIES				
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity in governing bodies and among employees	The value of People / 4.2 Personnel	49



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