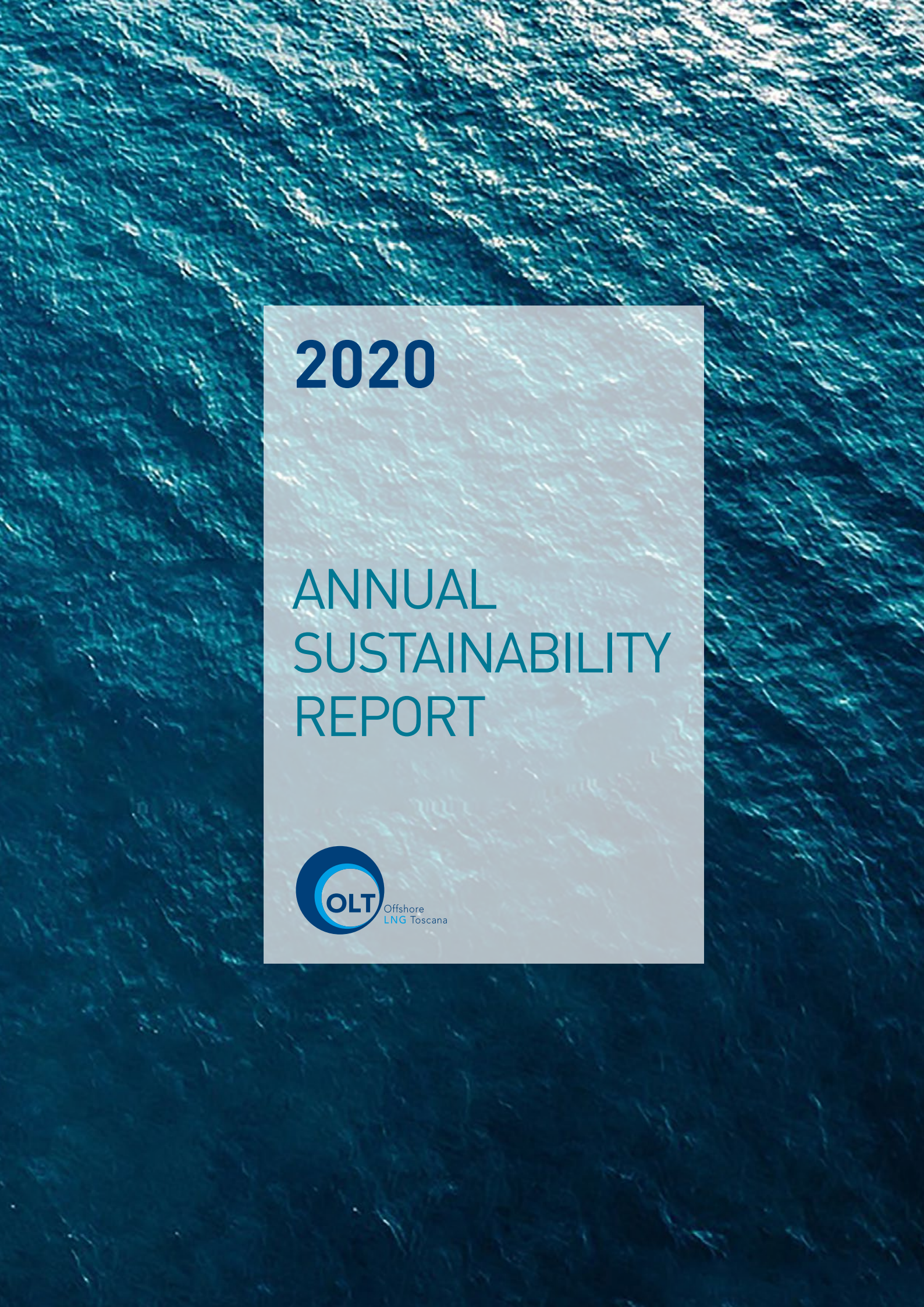

2020

ANNUAL SUSTAINABILITY REPORT

OLT Offshore LNG Toscana

Dear readers,

2020 has been a year unlike any other, the life system of individuals and companies has been completely changed. As a Company, we have decided to tackle this radical change constructively.

Social inclusion, sustainability and the integration of new technologies into the production process, which we have always viewed with care, have evolved from priorities into a moral duty. An act of responsibility towards our workers and on behalf of all the people who comprise our community, starting from the most fragile categories in need of support, the health structures and schools first of all.

It is for these reasons, despite the new working methods and the changes we have lived though, that we have not broken our commitments and we are happy to present you with our first annual sustainability report.

A project that takes its roots right from the establishment of the Company; more specifically, from our transfer to Livorno, when we started our reporting path, spontaneously deciding to certify all our operations.
After the fourth edition of the "Integrated Safety, Environment and Territory Report" last year, the Company has worked over 2020 to achieve a sustainability reporting that is complete for the three dimensions: environmental, social and financial.

OLT's commitment is not just limited to dialogue and collaboration, it is also the Company's desire to contribute to the sustainable future of the country; it is for this reason that we have continued with our commitment to invest, in a difficult year, to finalize the Small Scale LNG project, which will allow the Terminal to take on a crucial role in completing the LNG supply chain in Italy. A primary energy source essential for the energy transition, which will contribute to reducing emissions in the transport sector, both on land and at sea.

A sustainability choice that becomes a responsibility to the territory and an awareness of a future aimed at respecting the natural and human dimension of company growth. Offering services aimed at the energy security and sustainability of the country, defining a company development focused on the person, promoting equality and inclusion, and continuously investing in health, safety and the environment: these are the choices of OLT for the present and a future made of renewal.

Giovanni Giorgi
Managing Director OLT

Maurizio Zangrandi
Managing Director OLT

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4 SOCIOECONOMIC PERFORMANCE


OLT
LNG T

OLT OFFSHORE LNG TOSCANA

1

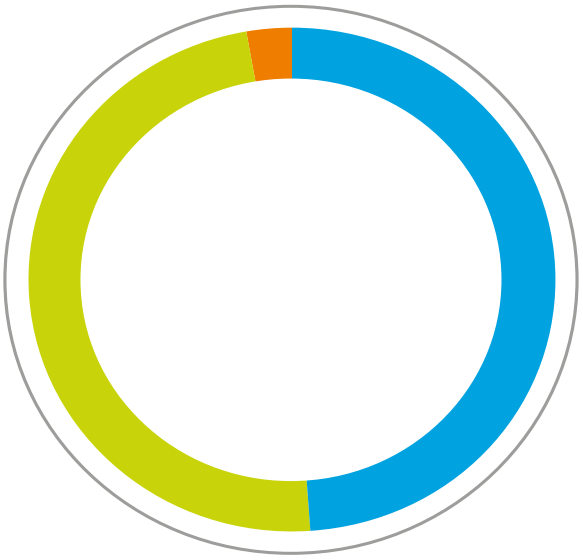
INTRODUCTION

GRI 102-01, 102-2, 102-3, 102-4, 102-5

OLT Offshore LNG Toscana S.p.A. (hereinafter OLT) is an international company operating in the energy sector; specifically, it deals with regasifying Liquefied Natural Gas – *LNG* – through its *floating storage regasification terminal* "FSRU Toscana". The Terminal is permanently anchored about 22 km (12 nautical miles) off the coast between Livorno and Pisa, in Tuscany. Connected to the Snam national gas pipeline network, it makes a substantial contribution to the Italian Gas System. With a maximum authorised *regasification* capacity of 3.75 billion Sm^3 it covers around 5%[1] of the domestic requirement, guaranteeing the security and diversification of the country's energy supply.

Despite OLT being an entrepreneurial initiative with an international profile, it remains strongly tied to the territory where the plant is located; the Company therefore decided to be physically present in Livorno with its operating base.
To find out about all the Company's bases: www.oltoffshore.it

Location of the "FSRU Toscana" Terminal



48.24% First Sentier Investors

49.07% Snam

2.69% Golar LNG

For further information on the shareholders: www.oltoffshore.it

1.1

LA GOVERNANCE

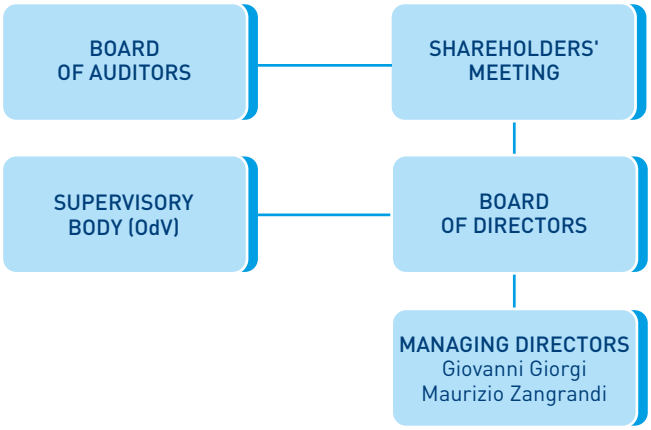
GRI 102-5, 102-09, 102-10, 102-18

The company was established in 2002. The industrial businesses which hold shares in the company and are active in the energy sector at a national and international level are: **First Sentier Investors (FSI)**[2], global asset manager with 48.24%, **Snam**[3], Italian multiutility specializing in the energy infrastructure sector with 49.07% and **Golar LNG**, shipping company in the *LNG* sector which kept 2.69% of the shares.

1 Italian gas consumption in 2019 was equal to 73,760 million (Source MiSE).
2 Previously called: First State Investments, entry into OLT finalized on 23rd May 2019.
3 Entry into OLT finalized on 26th February 2020 (the Iren Group shareholder sold the entirety of its shareholding in OLT to Snam).

The Board of Directors of OLT comprises 6 directors that appoint two Managing Directors with joint powers and to whom the direct management of the Company has been entrusted. There is a work group active alongside the Managing Directors. This consists of executives, middle managers and staff with a high professional level who have been linked to the Company for many years: resources that have been carefully selected, enhancing the professionalism of the territory, in line with the Company needs and its business.

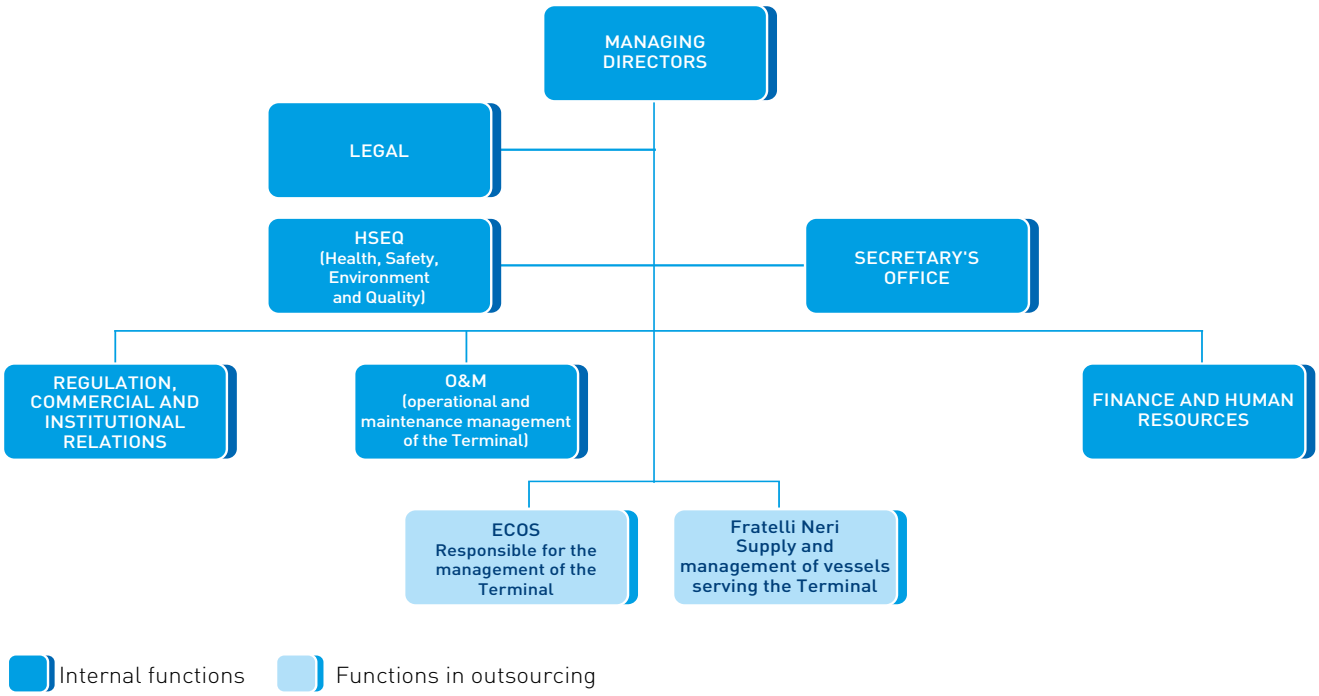
The governance structure of OLT is shown below:



Besides the internal functions, for the Terminal's operations, the Company has chosen to make use of the support and collaboration of some of the most important operators in the sector.

More specifically, the company **ECOS**, responsible for the operational management and fitting-out of the Terminal, is a joint venture between Fratelli Cosulich, an Italian company that has been active in the shipping sector for over 150 years and the EXMAR Ship Management company, a group operating in *LNG* transportation worldwide. On the other hand, the vessels serving[5] the Terminal are supplied and managed by **Fratelli Neri**, a company established in Livorno, sector leader and part of the Neri Group, with more than 120 years of history in the sector.

The functional-organizational structure of OLT is shown below:



4 Surveillance and security service, tug service and assistance to vessels arriving and departing the Terminal and personnel transport service.

1.2

OUR FUNDAMENTAL POINTS

GRI 102-16

The changes in the company structure have never changed the mission that the Company has pursued since its establishment: to offer a *regasification* service that contributes to the security and diversification of the country's energy supply by means of management imbued with a corporate responsibility which puts the safety of people and the area, as well as the environmental, social and economic sustainability of its infrastructure, at the centre of its operations.
It is for this reason that the Company has undertaken a voluntary path for the reporting and certification of its performance.
A path outlined in the Code of Ethics (link), the *Charter of Values* (link), the *HSEQ Policy* (link) and the *MAP Policy* (link), which is implemented in the 231 Organizational Model (link) and the Integrated Management System (link) adopted by OLT in accordance with the UNI EN *ISO 9001* (Quality), UNI EN *ISO 14001* (Environment) standards and *EMAS* Regulations, UNI EN *ISO 45001* (Health and Safety), SA 8000 (Social Responsibility) and in compliance with Italian Legislative Decree 105/15 (SEVESO).

Thanks to the Integrated Management System, it is possible to identify the potential risks/opportunities connected to the OLT activities by using the Risk Assessment.
The result is a structured mapping of the risks which is broken down into 5 areas (operating, economic, financial, strategic and environmental) and 51 context factors put into 10 groups (service, safety, human resources, economic-customers, economic-suppliers, economic-financial, environment, external-macro, legal factors and social context). Besides the management principles and detailed description, a specific management method to follow has been identified for each type of risk (for a simplified analysis of the aspects connected solely with sustainability, see the appendix "Risk Management Method table").

It should be noted that the passage to the new *ISO 45001* occurred in November 2020 on the subject of workplace health and safety. This was achieved thanks to the positive result of the audit of the Integrated Management System carried out by the verifying body, Bureau Veritas.

Certifications and Registrations

ISO 9001 BUREAU VERITAS Certification

ISO 14001 BUREAU VERITAS Certification

UKAS MANAGEMENT SYSTEMS 008

EMAS GESTIONE AMBIENTALE VERIFICATA IT-001882

ISO 45001 BUREAU VERITAS Certification

SA8000 BUREAU VERITAS Certification

UKAS MANAGEMENT SYSTEMS 008

1.3

SOCIAL, ENVIRONMENTAL AND ECONOMIC SUSTAINABILITY

GRI 102-11

In order to guarantee the full sustainability of its activities, OLT is committed to pursuing continuous improvement in the three development areas (social, environmental and economic) which make the growth in company activities compatible with safeguarding the safety and protecting the environment.
OLT is committed to a path of consultation and dialogue with the territory from which a set of economic and social initiatives to support the community, particularly the weaker brackets, have ensued (further details in Chapter 4).
In order to ensure the complete safety of the Terminal – both for the health of the workers and the community – and guarantee the protection of the environment, OLT has implemented, in its own policies, the principle of precaution which consists of adopting a precautionary conduct with regard to the decisions on the actions to implement in line with the scientific/technical evolution, as better indicated in the "Risk Management Method Table" in the appendix. For details on the principle of precaution for the environmental aspects, see Chapter 3, whereas for those on safety see Chapter 4.

The Company also monitors that the administration is correct, also from an ethical and legislative point of view, and works to ensure a supply chain that involves, as far as possible, the territory that hosts its infrastructure and offices (further details in Chapter 4).

To demonstrate its commitment to the responsible management of the business, OLT has mapped the current and future commitments to tackle the challenges of sustainability, considering them in relation to the Sustainable Development Goals (*SDGs*) of the United Nations' 2030 Agenda for Sustainable Development.
OLT concretely intervenes in at least three of the five areas (People, Prosperity, Peace, Partnership and Planet) for sustainable development indicated in the 2030 Agenda and has chosen to pursue strategic goals.

Planet: guarantee sustainable management of natural resources, combating the loss of biodiversity and protecting environmental assets

Prosperity: affirm sustainable models of production and consumption, guaranteeing employment and quality training

People: combat poverty and social exclusion and promote health and well-being to guarantee the conditions for the development of human capital

In particular, the Company is committed to directly promoting projects that are aimed concretely at corporate responsibility, setting itself specific goals for the next few years.

Area	Target	Description		Target			Year of target completion	SDG
				2020 Reporting	**2021 Target**	**2022 Target**		
Safety	Risk reduction through the Improvement Plan (MAP)	Organizational, awareness, maintenance and monitoring improvements (activity repeated every year)		**100% of annual programme**	100% of annual programme	100% of annual programme	2022	
	Improving the Health and Safety culture	LiHS – Leadership in Health and Safety Implementation of an innovative method to promote the Safety culture in the company		**100% workshop**	100% cascading	Maintenance of safety levels	2022	 
Environmental Emissions and Fuels	Reduction of energy and CO_2 emissions	*GHG Scope 1*	Replacement and use of lower energy consumption induction lamps	**Replacement of vessel stern area lamps**	Replacement of external lamps	Replacement of accomodation areas' lamps	2023	
			NEW - Better energy yield from the seawater pumps by means of a new design	**Feasibility assessment**	Implementation of modification	CO_2 reduction	2022	
	Reforestation and CO_2 compensation		Reforestation of woodland areas affected by natural disasters or left to go wild and creation of urban green areas	**Planning for reforestation of area 1 and 2 Monte Serra**	Area 1 Monte Serra Municipal area 1	Area 2 Monte Serra Municipal area 2	2023	
	NEW - Reduction of CO_2 emissions from the Guardian vessel (vessel serving the Terminal)	*GHG Scope 3*	Turning off an engine when mooring around the Terminal and consequent reduction of fuel consumed and CO_2 emitted	**Operating modification (5% reduction in CO_2)**	10% reduction in CO_2	10-15% reduction in CO_2	2022	

Area	Target	Description	Target			Year of target completion	SDG
			2020 Reporting	2021 Target	2022 Target		
	Reduction of CO_2 emissions on a national scale through the *SSLNG* (Small Scale LNG) project	*GHG Scope 3* "FSRU Toscana" will become the first Italian terminal capable of loading small *LNG* carriers which will use and distribute liquefied natural gas. The project will enable the start-up of the Italian supply chain for *LNG*, a fuel with excellent performance in terms of environmental impact and promote its use for transportation by sea and on land and for domestic and industrial uses in the areas not served by pipeline gas	**Planning of plant engineering modifications and permits**	Plant engineering modification	Start of *SSLNG* activities	2022	
Environmental Waste	Reduction in the volume of bilge water	Reduction in the volume of bilge water discharged as waste by means of system engineering modifications	**Reduction of bilge water after first modification (target not reached)**	Feasibility of modification 2	Implementation of modification 2	2022	
Social	CSR – Corporate Social Responsibility	Implementation of a project, based on 5 topics, aimed at reinforcing and structuring relationships between the Company and the territory (Chapter 4)	**100% of programme as modified because of Covid-19**	100% of annual programme	100% of annual programme	2021	
	NEW- Acceptance of diversity and promotion of inclusion	Promotion of activities linked to the Human resources, *HSEQ* and Communication departments for the awareness and improvement of the perception and acceptance of diversity to improve inclusion and promote gender equality in all its forms	**100% of annual programme (assessment of internal climate)**	100% of annual programme (improvement of procedures)	100% of annual programme (implementation of smart working and project dedicated to diversity)	2021 - 2022	

Note: For the environmental and safety details, see Chapter 6 (Environmental targets and goals in the 2020 *Environmental Declaration*)

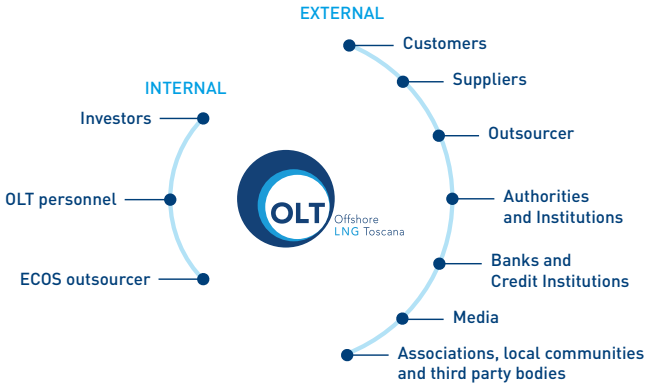
1.4

THE STAKEHOLDER NETWORK

GRI 102-40, 102-42, 102-43, 102-44, 102-53

From a proactive perspective and in line with its corporate policies, OLT carries out ongoing consultation with its stakeholders, with the aim of developing a constructive comparison and two-way exchange.
In order to adjust the methods of communication to its interlocutors, the Company has mapped and divided its stakeholders into external and internal, as shown in the following image.

The stakeholder network



The entities that hold formal roles in the company are classified as internal stakeholders, whilst those that cannot be identified as a part of the Company, but only as parties concerned, for various reasons, with the company activities, and which may or may not be tied with contractual agreements, are identified as external stakeholders.

Over 2020, the global health circumstances have prevented the implementation of a series of direct engagement actions but have not distanced OLT from its reference fabric. On one hand, the creation and publication of a series of tools, such as the Annual Integrated Report (Safety, Environment and Territory), the *EMAS* Declaration and the *SA8000* Social Report, have allowed us to continuously work on traceability and sharing with stakeholders with regard to the reference indicators: safety, environment and socio-economic aspects. On the other, the Company has maintained a direct consultation channel, through the acquisition of feedback via dedicated email in-boxes (sostenibilita@oltoffshore.it and SA8000@oltoffshore.it), also used to request information on this annual report.

The results of the survey carried out in 2019 to define the material aspects, with the participation of the stakeholders, were reviewed and supplemented by a panel of national experts (coming from some important social and environmental organizations, such as CNCA, ASVIS, Remade Italy, Open Impact, Sulla Soglia, Tor Vergata University - Interdepartmental Centre for Sustainability), updated with the output of the focus group in January 2020 with reference to the 2019 Integrated Safety, Environment and Territory Report.
Feedback from the representatives of the bodies involved was acquired during the on-line Focus group. This regarded a series of topics that present a development margin under an action and reporting profile, and not only this. Among these: Agenda 2030; environment and environmental communication; relations with the territory and disadvantaged persons; social innovation and community monitoring; shared value.
Some indications have arisen from this in-depth survey. These have been used partly to steer the drawing up this annual report and partly during the internal auditing so as to integrate them, if necessary, in future sustainability reporting.

With reference to the internal perimeter, OLT has ensured a proper continuous communication regarding the environmental, social and economic factors, by means of the various levels and departments of the organization. Operationally, by means of periodic *HSEQ* meetings and suitable training, and also through the disclosure of the OLT Management Review and the four-monthly meetings between the Management and the managers of the various company functions to the employees, with subsequent disclosure of the contents.
Moreover, all OLT employees, together with the managers of the various company functions of its outsourcers (ECOS and Fratelli Neri) have always been invited to take part in specific training and informative initiatives.

1.4.1

Associations and initiatives

GRI 102-12, 102-13

In order to ensure participation in the sector development and continuous consultation with the entities of interest, OLT confirmed its membership of a wide network of national and international associations in 2020.

Specifically:

- Assocostieri
- Anigas
- Livorno and Massa Carrara Chamber of Commerce
- Propeller
- *SIGTTO*
- *GIE*
- *OCIMF*

Under the umbrella of these organizations, OLT actively participates in a series of external initiatives for sector progress and sustainable development.

In particular, OLT supported the following initiatives in 2020:

- 33rd RETE Meeting, by sponsoring the international event organized by the Municipality of Livorno. RETE is the Association for Collaboration between Ports and Cities with a scientific characterization and groups together with the ports, cities and research centres in the Europe-Mediterranean and Latin America areas;
- ConferenzaGNL Roadshow, by sponsoring (in part for 2020) the cycle of meetings and seminars on *LNG* with the purpose of presenting current and future scenarios, opportunities and problems linked to the use of Liquefied Natural Gas;
- 50th Congress of the Italian Marine Biology Society, a scientific and cultural initiative held at Livorno which involved all the scientific institutions and associations that carry out their activities on and for the sea;
- Studio Ref-E of Assocostieri, in the context of the “Chain of *LNG* end uses in Italy - 2020” project for the study and updating of data regarding the market, supply chain and regulations on *LNG*.


FSRU TOSCANA


7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

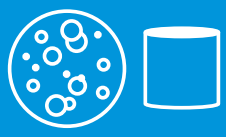
THE SERVICES OFFERED BY THE TERMINAL

2

JULY 2013
the "FSRU Toscana" terminal arrives in Livorno

DECEMBER 2013
Start of commercial activity

2014
Offer of the Peak Shaving service

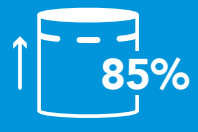


2017
Offer of the Regasification and Storage Bundled service

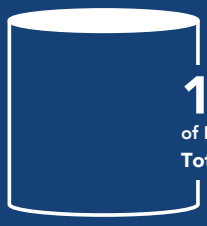
2018
Offer of the auction-based regasification service

GAS YEAR 2018/2019
allocation of the regasification capacity at 97%

GAS YEAR 2019/2020
allocation of the regasification capacity at 100%

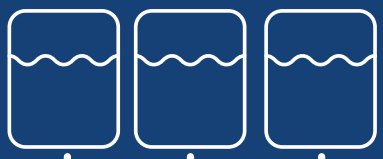


GAS YEAR 2020/2021
allocation of the regasification capacity at 85%[5]



137,100 m³
of LNG
Total gross storage capacity

450 Tons/hour
Total maximum regasification capacity of the 3 vaporisers



15 million Sm³
Maximum authorized regasification capacity per day

3.75 billion Sm³
Maximum authorized regasification capacity per year

from 65,000 up to 180,000 m³
Authorized LNG carriers

2.1

THE SCENARIO IN WHICH WE OPERATE

Becoming the first zero climate impact continent. This is the ambitious goal that the European Union has set to achieve climate neutrality before 2050. An ambitious but necessary goal which must provide for adequate strategic planning and the allocation of significant investment in the energy sector and sustainable mobility.

In the transformation phase towards full sustainability, natural gas (gaseous or liquefied) can be of fundamental importance for a sustainable transition of the whole energy and transport sector. This is because the conversion, in the medium-long term, to new "green" transport and storage sources, such as bio-gas, synthetic gases and the hydrogen carrier, can be guaranteed for the gas infrastructures.

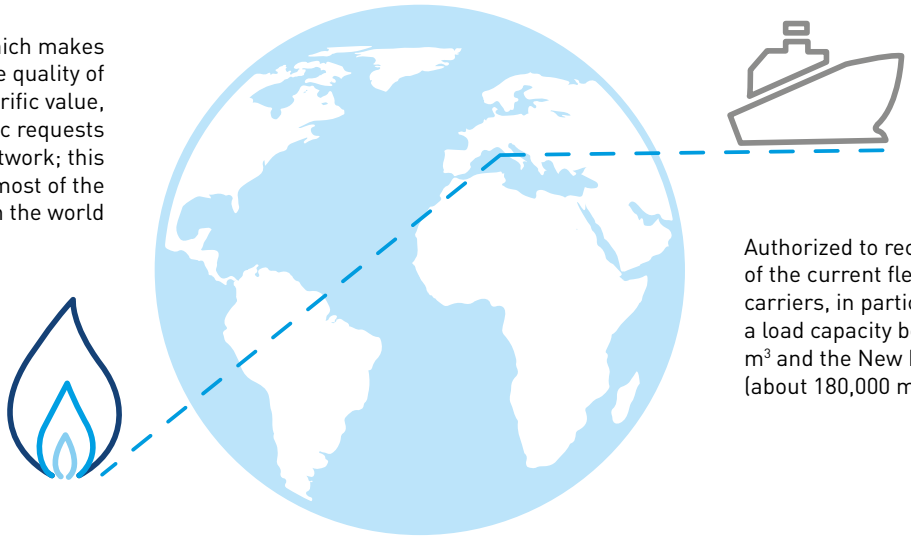
LNG, in particular, may contribute to the diversification of the energy supply sources, guaranteeing its use both for storage and distribution and to reduce the environmental impact of the land and sea transport sectors thanks to its excellent performance in terms of emissions reduction.

The events of international significance over the last year come into this macro scenario. The global health emergency arising from the Covid-19 virus pandemic has changed the typical dynamics of the energy market. According to the *IEA*[6], *LNG* is the main driver in the international gas market, also thanks to significant investment in the 2018-19 two-year period in liquefaction projects which are strengthening the export capacity from North America, Africa and Russia. However, world demand is at the same time growing more slowly after the events of 2020; a return to the pre-2019 levels, the year in which record values were reached, is estimated no later than 2025.

5 Indicator as at 12th April 2021

6 Gas 2020, *IEA* – International Energy Agency (iea.org).

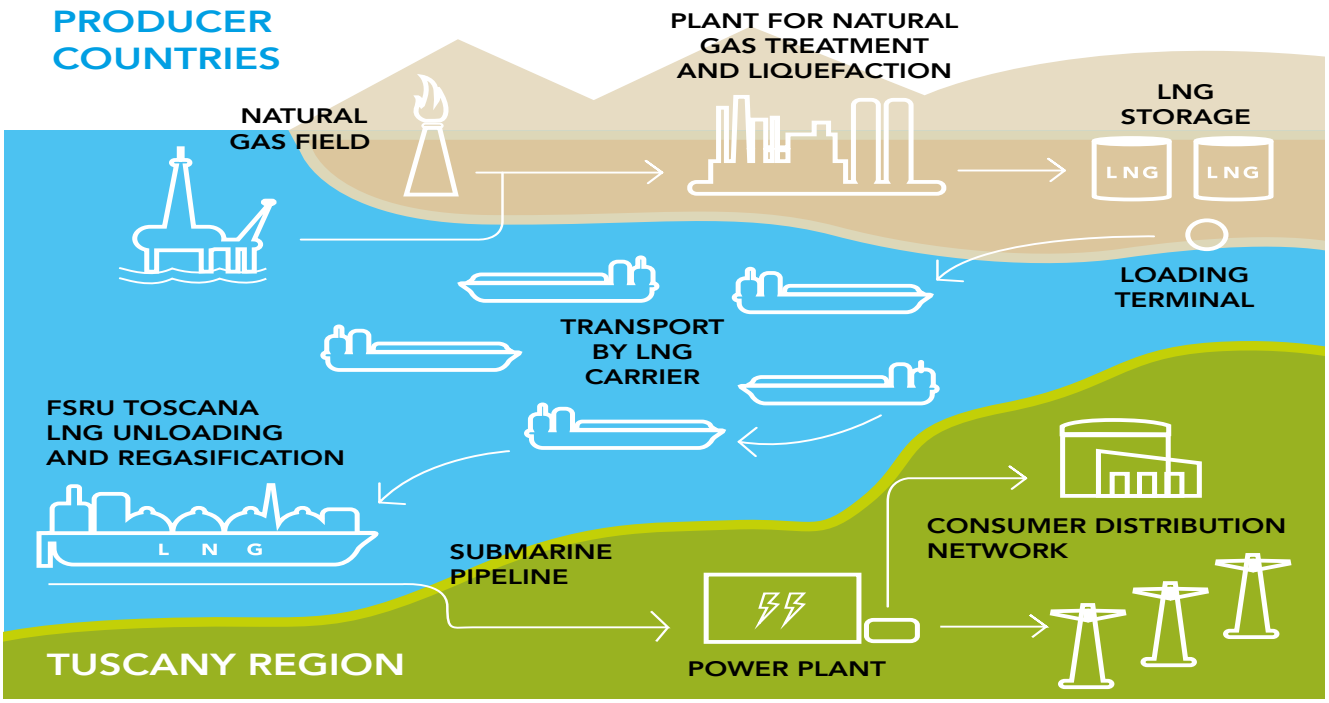
Wobbe Index system, which makes it possible to correct the quality of LNG in terms of calorific value, adapting it to the specific requests of the national network; this allows the reception of most of the LNG produced in the world



Authorized to receive about 90% of the current fleet of LNG carriers, in particular those with a load capacity between 65,000 m^3 and the New Panamax class (about 180,000 m^3)

Despite the market instability, OLT has concentrated its efforts on reaching the maximum receiving capacity and flexibility of the Terminal, both from the point of view of the cargo capacity of the *LNG* carriers authorised both for the quality and origin of the *LNG*, whilst at the same time guaranteeing very high levels of safety and environmental sustainability.

Thanks to these characteristics, the Terminal is an important guarantee for the security and diversification of the country's energy supply. "FSRU Toscana" can, in fact, receive *LNG* cargoes from countries which cannot today be connected to Italy by gas pipeline, reducing the geopolitical risks that can arise with importing by gas pipeline.



The contribution of "FSRU Toscana" to the diversification of supply is confirmed by the receipt of *LNG* cargoes arriving from the main exporting countries such as: Algeria, Cameroon, Egypt, Equatorial Guinea, Nigeria, Norway, Peru, Qatar, Trinidad and Tobago and the United States.

Origin of the LNG cargoes received by OLT

OLT receives cargoes from 4 different continents and has relations with 48% of the exporting countries

- 1% Cameroon
- 6% Trinidad and Tobago
- 6% Egypt
- 44% United States
- 4% European Union
- 4% Equatorial Guinea
- 7% Norway
- 12% Algeria
- 1% Peru
- 10% Qatar
- 5% Nigeria

Note: the datum refers to the period going from the start of the Terminal's activity up to 31/12/2020

2.2

THE REGASIFICATION SERVICE

GRI 102-2, 102-6, 102-7

The *regasification* service is offered by OLT on the basis of the access rules set out by the National Regulation Authority (*ARERA*) on a transparent and non-discriminatory basis. These rules are collected in the OLT *Regasification Code*, which was approved by *ARERA* and published on the OLT website.

From the start of its commercial activities, OLT has offered its regasification capacity in the ways and times set out in its *Regasification Code*.

With the introduction of the current mechanism for the allocation of *regasification* capacity by means of an auction procedure[7], *ARERA*, at the same time, defined the bidding methods and the criteria for setting the reserve price for each allocation process.

Since 10th April 2018, via the Platform for the Allocation of *Regasification* Capacity (PAR) managed by the *GME*,

7 Introduced in 2017 by *ARERA* Resolution 660/2017/R/gas. In order to implement these regulatory changes, OLT adapted its *Regasification Code* which, after public consultation, was approved by *ARERA* with Resolution 110/2018/R/gas. In 2019, OLT started a new public consultation phase, at the end of which *ARERA* approved the updated *Regasification Code* with Resolution 85/2020/R/Gas. A further review of the code is in progress. This is aimed at introducing the Small Scale service and the flexibility services for the redelivery of *LNG*.

the users of the Terminal can submit their bids for all the products – multi-year, annual and infra-annual – offered according to the terms and conditions set forth in the *Regasification Code*.

OLT has been working at full capacity since the end of 2018. Indeed, in 2018, 13 offloading slots were allocated: one under the previous allocation regime, one within the "Peak Shaving 2018/2019 service" and 11 slots using the new auction based allocation mechanism.

40 and 38 slots out of the 41 offered were allocated in calendar years 2019 and 2020 respectively. For the slots allocated in the next *gas years*, at least 29 slots will be programmed in the 2021 calendar year, 11 in the 2022 calendar year and 7 in the 2023 calendar year.

Data concerning the regasification capacity in the last 3 years

Calendar year	Slots allocated	Liquid cubic metres discharged	Natural Gas entered into the network (Sm^3)
2018	13	1,740,603	1,031,883,192
2019	40*	5,622,804	3,510,403,200
2020	38	5,239,792	3,139,415,371

* the last slot booked in December 2019 was physically discharged in 2020 due to bad weather conditions that led to the *Ship-to-Ship* operations being put off by two days.

2.3

THE EMERGENCY SERVICES SET UP BY THE MISE

The Ministry of Economic Development (MiSE) establishes the most suitable measurement to adopt for managing energy emergencies every year. The "Peak Shaving Service" and the "Integrated Regasification and Storage Service" are two of the emergency measures established by the *MiSE* in the context of the "Emergency Plan" to tackle unfavourable situations for the national Gas System. As regards Peak Shaving Service in the case of emergency during the winter period, it is possible to regasify and send into the network, at short notice, the *LNG* previously unloaded and stored in the Terminal's tanks to tackle peak demand for a limited period of time. In the 2017-2019 three-year period, OLT made available to the system a total quantity of *LNG* of around 219,000 m^3 through this service, continuing, at the same time, to offer *regasification* capacity on a multi-year, annual and infra-annual basis, according to the provisions of the current regulations. In particular, in 2019-2020, OLT allocated all the slots offered in that *Gas Year*, thus offering the contribution required for supplies during the winter period, without the need to issue a call for tenders for the Peak Shaving Service, whilst in 2020-2021, the offer of this service was not requested by *MiSE* and therefore the service was not activated.

The Integrated Regasification and Storage Service contributes to the security of supply by using the gas regasified during the summer period to refill the storage and be able to send the gas into the national System during the winter period. OLT offered this service in *Gas Years*[8] 2016/2017 and 2017/2018, allocating a total of 15 discharge slots, for a total quantity of *LNG* discharged at the Terminal of around 2,050,000 liquid m^3. This service has no longer been requested by *MiSE* after *Gas Year* 2017-2018.

8 *Gas Year*, in this case, means the Gas Storage Year defined as the period that runs from 1st April of one calendar year to 31st March of the following calendar year.

2.4

THE SMALL SCALE LNG SERVICE

The changes in progress in the economic and social scenario, at an international level, have contributed to changing the perception and "status" of the *LNG* commodity. In fact, liquefied natural gas is playing an increasingly strategic role in the heavy transport sector on land and at sea.

In this context, the "FSRU Toscana" Terminal, thanks to its plant engineering versatility and privileged geographical position, is central to the start-up of the Small Scale LNG (*SSLNG*) market. The *SSLNG* service means that small gas tankers can load *LNG* directly from the *regasification* and storage terminal to resupply the *LNG* vessels or deliver it to coastal storage plants, inside the Mediterranean ports. In fact, they are making strides in the port structures so as to be able to plan and create *LNG* storage and distribution centres, where both vessels and heavy land vehicles that use *LNG* for fuel can be refuelled.

The Simplification Decree issued in September 2020 is also inserted in this context. Article 60, paragraph 6 provides that Sardinia could shortly become a pilot area with the creation of the first virtual "pipeline" to supply its industrial section and develop the sea sector in a green key. The OLT Terminal can represent a fundamental block in this nascent chain, making it possible to supply *LNG* to Sardinia by means of shuttle vessels.

In order to provide the service, OLT made a specific preliminary feasibility study[9] - co-financed by the European Union - in 2015, which supplied positive results, confirming the possibility for the Terminal, after marginal plant engineering modification, to offload the *LNG* onto small *LNG* carriers called "barges" or "small bunkers".

Following these results, OLT went ahead with the verification path, giving the go ahead for several detailed engineering studies preparatory to obtaining the necessary authorization. Some of these studies were partially financed by participating in the *CEF* Tender (Connecting Europe Facilities): a tender called by the European Commission with the aim of developing the trans-European networks and infrastructures in the transport, telecommunications and energy sectors.

Finally, in 2019, the Company formally initiated the authorization process for offering the new SSLNG services. This ended in October 2020 with the issue of the Authorizing Decree, issued by the Ministry of Economic Development, in liaison with the Ministry of Infrastructures and Transport and in agreement with the Tuscany Region. The necessary plant engineering modifications, which concern the left side of the plant where there are already the main elements for berthing and unloading, should be completed within 2021 with the consequent start-up of the commercial activities linked to *SSLNG* on 1st January 2022.

9 As regards safety, reference was made to the international standards for large gas tankers and so barges must also comply with the *OCIMF* guidelines and must have emergency shut-down systems (ESD), in accordance with the international guidelines issued by *SIGTTO*, to guarantee the maximum level of safety during offloading operations.


8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER

ENVIRONMENTAL PERFORMANCE

3

INTRODUCTION

OLT attributes great importance to the monitoring of the environmental performances. Only through careful reporting can the suitable actions for implementing a constant improvement of your performances be identified to the benefit of the stakeholders, which have identified the topics regarding this dimension as a priority interest.
To this end, all the activities that have an actual or potential impact on the environment are subject to risk assessment by the integrated *HSEQ* system (see the appendix for further details) and are regularly monitored and assessed by the Integrated Management System.

This chapter of the Report analyses the organization's performance in relation to the impact of its activities on the environment. In this light, the technical concepts have been simplified, while maintaining the scientific rigour of the information contained, in an exhaustive way, in the documents that the Company submits to the Competent Authorities[10] .

3.1

ENERGY

GRI 103-1, 103-2, 103-3

One can deduce from the *materiality analysis* how energy consumption is a central aspect for the Company's reporting.

The paragraphs below will analyse in detail the consumption of the energy resources used in the OLT production process, including the operations connected with *LNG* storage and *regasification* and the auxiliary activities such as the seawater system and the general services[11]. The energy used by the Terminal is completely self-produced thanks to 4 *steam turbogenerator*s, the steam for which is generated by two boilers and diesel generators. Overall, the boilers and diesel generators consume *NG* and to a lesser extent *MGO*. The consumption of primary energy is therefore, for plant engineering reasons, related to the use of non-renewable sources, which is directly correlated with the Terminal's operating efficiency.

The use of this type of sources, *NG* and *MGO*, extends the perimeter for the impact of the OLT production activities. In fact, the energy resources supply chain involves many European and non-EU countries. It must however be specified that the involvement of entities upstream the organization which deal with the extraction, liquefaction and transport of natural gas are outside the activities carried out by OLT. The Company cannot intervene with direct action to mitigate these impacts and therefore the effects of the supply chain upstream the Terminal are not reported in this report. The same can be said for consumption downstream; in this case, only the energy consumption of Fratelli Neri will be taken into consideration. It is the outsourcer that manages the services for surveillance and security, tugs and assistance to vessels arriving and leaving the Terminal and transport of personnel.
In the areas where it can intervene, the Company guarantees a continuous improvement service through intervention programmes aimed at reducing energy consumption, thanks to its Integrated Management System which enables OLT to have all the necessary information available for the assessment of its environmental performances.
For details of the environmental commitments that OLT has taken on, see Chapter 6 of the 2020 *Environmental Declaration* (an extract of the targets in this area can be found in section 1.3 of this Report).

As will be seen later, applying these programmes has led to a reduction in energy consumption by service unit (i.e. by Sm^3 of regasified *NG*). A significant improvement if you consider the very high efficiency level of the Terminal, as attested by the Energy Diagnosis[12] prepared in 2019.

It should be remembered that audits and checks by third parties in compliance with the SO 14001 standard and *EMAS* registration are provided for to guarantee the monitoring and optimization of the plant.

10 For details, see the 2020 *Environmental Declaration* drawn up for *EMAS* purposes on the site www.oltoffshore.it and in particular Chapter 5.5 "Environmental Performances and related key indicators for the Terminal "FSRU Toscana"
11 The 2019 Energy Diagnosis shows the details of all the energy consumption for the production process, the auxiliary services and general services (utilities with functions independent of production) systems.
12 The Energy Diagnosis was drawn up by *ISPRA* which, as is the rule, must be the entity that creates the Diagnosis for *EMAS* registered companies.

3.1.1

Energy consumption within the organization

GRI 302-1

Total consumption of fuel within the organization, renewable and non-renewable

As mentioned in the previous section, the fuels consumed on the Terminal all come from non-renewable sources (*NG* and *MGO*).

These fuels are used for the Terminal's energy needs[13] and specifically for:

a) the operation of the two boilers[14] present onboard (*NG* and *MGO*)[15];
b) the operation of the diesel generator (*MGO*) to produce electricity;
c) the operation of minor utilities (*MGO*), like the emergency pump and fire-fighting pump (in a state of emergency or anomaly).

The fuel consumption on the Terminal, over the three-year period, is as follows:

Fuel consumption (non-renewable source) of the OLT Terminal

	2018	2019	2020
NG consumed (1,000 Sm^3)	32,719	38,665	38,386
MGO consumed (Tons)	154	103	124
TOTAL GJ from non-renewable sources (*NG* and *MGO*)	1,237,910	1,457,492	1,451,907

The consumption of *NG* rose in the three-year period due to the considerable increase in the Terminal's activities and the ensuing increase in the energy requirement, whilst that of *MGO* decreased. The reduction in the *MGO* consumption is the result of an improvement of the management and control of the *regasification* plant which has made running the plant much more stable with reduced plant transit phases (or *plant transits*) for which *MGO* is used in the boiler for safety reasons[16].

The *NG* consumption for self-production of the electricity needed to support the Terminal is optimized in the terminal's operating phases, because the energy generation system produces the necessary electricity for the plant to operate based on the service levels that can change over time (*NG* to be regasified).

Electricity consumption and energy sold

All the self-produced energy (electricity), with the fuels as of the paragraph above, is consumed by the Terminal itself and no portions of energy are sold to third parties.

Standards, methodologies, hypotheses and/or calculation tools used

The data on fuel consumption are primary data that OLT monitors and come from meters. Therefore, particular standards or methodologies for calculating or estimating the quantities consumed were not necessary.
The *NG* and *MGO* consumption was converted into GJ on the basis of the following parameters:

- the values measured directly by the Terminal's instruments were used for the *NG*[17];
- the LCV of 42.88 GJ/Tons indicated by the table of standard national parameters set out by the control body for the monitoring and communication of greenhouse gases (*Emission Trading System*) was used for the *MGO*.

13 Total energy produced and consumed (metered via fiscal meters) 49.440 MWh in 2018, 70.079MWh in 2019 and 67.067MWh in 2020.
14 The steam produced is used by 4 *steam turbogenerators* to produce electricity.
15 The marine gas oil is used in the boilers to replace *NG* for maintenance, anomalies or emergencies.
16 With reference to the years 2019 and 2020, the slight increase is mainly due to scheduled maintenance activities carried out in 2020.
17 The values in GJ have been taken directly form the system meters (gas chromatograph and flow rate meters) which provide the cumulative annual GJ value based on the LCV of the *NG* actually metered (and not on the basis of a standard LCV reference).

3.1.2

Energy consumption outside the organization

GRI 302-2

The energy consumed outside the organization refers to the following categories of consumption upstream and downstream the Terminal:

Upstream categories[18]

- *NG* extraction;
- transportation (gas pipeline) between extraction sites and treatment and liquefaction plants;
- treatment, liquefaction and storage of *LNG*;
- transportation to the offloading terminal (ports) by pipeline; ;
- transportation of the *LNG* on an *LNG* carrier with the related tugs and service vessels.

Downstream categories

The following phases occur after the gas is introduced by OLT into the subsea pipeline belonging to Snam:

- transportation of the gas by subsea pipeline into the national network managed by Snam;
- transportation to electricity generating power stations;
- energy production;
- distribution of electricity.

As mentioned in the initial part, the energy consumed outside the organization – and shown indicatively by the categories indicated – is not reported in this perimeter because OLT currently does not have the possibility of influencing or reducing the energy consumption of the entities upstream and downstream the organization.

The only energy consumption that OLT is capable of reporting and in part influence is that of Fratelli Neri which provides services in support of the Terminal's operations. This concerns the *MGO* consumption of the vessels used (tugs, surveillance vessel and *LNG* Express) for which the company Fratelli Neri provides the following consumption data:

Fuel consumption (non-renewable source) of the Fratelli Neri vessels serving the Terminal

	2018	2019	2020
MGO (Tons)	1.732	2.380	2.193
TOTAL GJ from non-renewable sources (*MGO*)	74.247	102.068	94.044

The organization is aware that the upstream and downstream energy consumption (at the related emissions) contribute significantly to the total consumption and emissions of the *regasification* service but there is currently no potential to make or influence reductions in the consumption and emissions. Moreover, OLT does not currently have available direct information from the upstream and downstream entities.

3.1.3

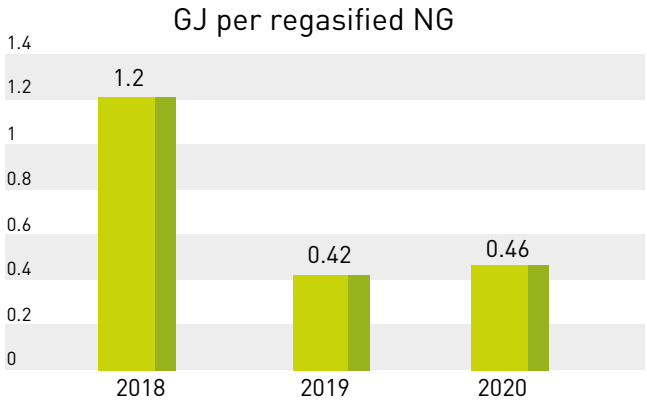
Energy intensity of the organization and reduction of consumption

GRI 302-3, 302-4

The *energy intensity* of the organization has improved substantially in the last three-year period, going from 1.2 GJ/1000 Sm^3 in 2018 to 0.46 GJ/1000 Sm^3 in 2020, as shown by the following graph.

18 Employees' business trips and commuting are negligible and are thus not included in the reporting.

Specific energy consumption indices



As already mentioned, this is the result of an optimization of the production process and not energy streamlining operations on the systems which, as indicated in the Energy Diagnosis, show energy performances comparable to the best practices which were used in the Diagnosis itself. For these reasons, the Diagnosis does not indicate energy streamlining operations for the system, such as the replacement of incandescent bulbs and the assessment of the feasibility of replacing the electric motors on the pumps and compressors. OLT has assessed that it is possible, as an alternative to replacing the electric motors, to implement a design for the seawater pumps which is capable of increasing their energy yield and reducing, even if marginally, the overall energy requirement (with the same operating efficiency).
These improvement operations (replacement of induction lamps and new design of the seawater pumps) were started in 2020 and will finish in 2023; an accurate report will therefore be submitted in the next three-year period.

3.2

WATER AND EFFLUENTS

GRI 103-1, 103-2, 103-3, 303-1

Water consumption and the related effluents are an important material topic for the OLT activities, since the seawater taken is part of the production process's auxiliary systems.

It must be remembered that the water is taken form areas that are not under *water stress* and that it is mainly used for *regasification* process purposes, vessel plant engineering and to tackle emergency, maintenance and breakdowns conditions.

The impact of the Terminal's activities is determined by the difference in temperature of the water returned and *free active chlorine* content necessary for the *antifouling* treatment. All the aspects related to them are carefully managed thanks to the monitoring system which ensures constant active control of the environmental parameters. Also in this case, see Chapter 6 of the 2020 *Environmental Declaration* and section 1.3 of this report for details on the environmental commitments taken on by OLT.

Thanks to the adoption of the Integrated Management System, which enables OLT to always have all the information necessary for assessing its environmental performances, the methods for managing the environmental impacts of this material topic (water and effluents) are kept constantly under control. Moreover, the improvement activities are constantly monitored and checked by third parties, taking into account the plant's compliance with the *ISO 14001* standard and the *EMAS* Registration.

With regard to the above, the organization undertakes to limit consumption and reduce the environmental impacts on the territory. The water used by OLT for the production process is entirely taken from the sea and returned to it, therefore it is not consumed.

3.2.1

Withdrawal and consumption of water

GRI 302-2, 303-3, 303-5

The water supply is by means of several seawater intakes on the Terminal. In particular, under the Terminal's normal operating conditions, the water intakes in operation are the ones used for the *regasification* process and vessel plant engineering (*ballast*, hygiene-sanitation system, etc.). There are also other water intakes to meet emergency, maintenance or breakdown conditions.
In order to prevent the growth and proliferation of encrusting marine organisms, sodium hypochlorite is introduced into the seawater circulation system; this is produced via the *MGPS* system, which enables sodium hypochlorite and hydrogen to be produced from the electrolysis of the seawater. The hypochlorite is into the flow in such a way that the order of magnitude is lower than the limits set by current legislation.

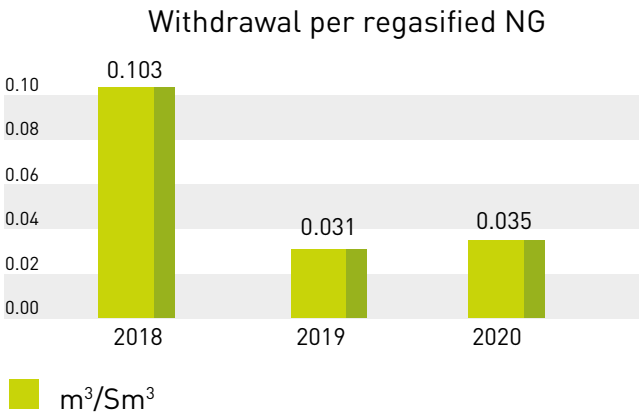
The total withdrawal of seawater is indicated below.

Withdrawal of water by source (megalitres)

	2018	2019	2020
Seawater	106,737	110,530	108,747
Surface water	0	0	0
Subterranean water	0	0	0
Water produced	0	0	0
Third party water resources	0	0	0
Total water withdrawal	106,737	110,530	108,747

The following figure shows the improvement in the specific indices in the 2018-2020 three-year period for the withdrawal of seawater expressed in m^3 (1,000 m^3 = 1 megalitre) in relation to the Sm^3 of regasified *NG*.

Specific withdrawal of seawater indices



3.2.2

Effluents

GRI 303-2, 303-4

There are different water discharge points in the Terminal for the different uses of the water supplied. More specifically, there are about 30 water discharges, amongst which:

- chlorinated drains for the *regasification* process;
- secondary drains other than those dedicated to *regasification* (chlorinated and non-chlorinated discharges);
- drains for domestic waste water;
- drains for *rainwater*.

The total seawater drains are equal to the withdrawals indicated in the previous section. The following table summarizes all the water discharges (main and chlorinated secondary) and the waste water discharges, i.e. those drains the water quality from which has been altered compared to the withdrawal. The non-chlorinated discharges are not metered, but subtracted from the withdrawal reading.

Water discharge by quality and destination into seawater (megalitres)

	2018	2019	2020
Chlorinated water discharges	94,675	97,212	95,720
Domestic waste water discharges	3.5	4.4	4.6
Total water discharges	94,679	97,217	95,724

The Terminal's main discharge is the one directly concerning the water dedicated to the *regasification* process and used for the heat exchange in the *vaporisers*. This system is always active, even when the is no *regasification*. Only when it is partially or totally impossible to discharge using this outlet are the secondary discharges authorised by the *IEA Decree* used.

OLT continuously monitors the *Thermal Delta* parameters, the *frigories* and the *free active chlorine* in the main discharge, which are the more important elements from an environmental perspective, making sure they are always below the legal limits.

As well as the commitment not to exceed the threshold of emissions provided for water discharges, OLT, where possible, purifies the discharges before transfer into the sea. In fact, there is a treatment plant for waste water which is divided into three compartments (aeration, sedimentation and disinfection).

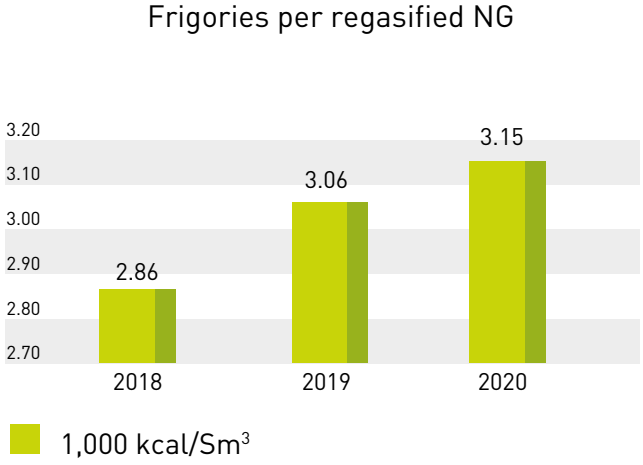
Main seawater drain necessary for the regasification

The hourly discharge flow rates of the *vaporisers* used in the *regasification* for 2018, 2019 and 2020 are always lower than the authorized limit, equal to 10,800 m^3/h.

The *Thermal Delta*, i.e. the difference in temperature between the water entering and leaving the Terminal, is negative because the *regasification* process cools the seawater slightly. No *Thermal Delta* value measured in the 2018-2020 three-year period exceeded the authorized hourly limit of -6 °C. With regard to the *frigories* related to the cooling of the seawater, caused by the *regasification* process, one can state that the *frigories* introduced into the receiver body are considerably lower than the authorized value.

The increase in the specific index of *frigories* between 2018 and 2019 is due to the increase in the mean hourly *regasification* flow rate made necessary by demand on the Terminal's operations; whilst difference between the indices for 2019 and 2020 is not so marked because the quantity of *NG* regasified and sent onshore and the mean hourly *regasification* flow rate are very similar for the two tears.

Specific frigories indices



Finally, with regard to the data on the *free active chlorine* (measured in the *regasification* process cooling water drain), they were always lower than the values set by the Authority (limit values with an order of magnitude less than the limits of national law), with the exception of an anomaly of the average hourly value recorded for a few hours in December 2019 because of a momentary malfunction in the chlorine dosing system[19].

Chlorinated water discharges

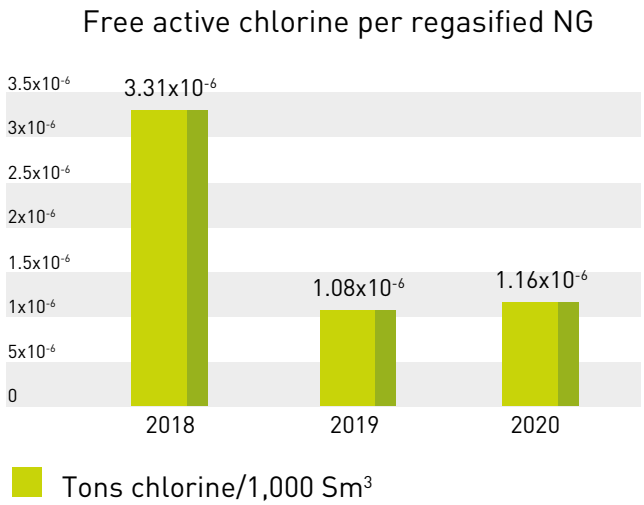
The table below shows the quantities of total chlorine discharged into the receiving body deriving from all the chlorinated discharges including the main drain used for *regasification*:

	2018	2019	2020
Free active chlorine (Tons/year)	3.42	3.79	3.64

The specific indices for chlorinated water discharges, including the main drain needed for *regasification*, are represented by the ratio between the total tonnes of *free active chlorine* and the quantities of regasified *NG* (expressed in Sm^3).

19 This anomaly was voluntarily reported to the Authority by OLT because neither the *IEA Decree* nor the *EIA* Decree set any time reference for the free active chlorine concentration limit (0.05mg/l): indeed, it is highlighted how the limits set are the maximum daily limit (10 kg/day) and the maximum annual limit (3.6 Tons/year). Thus, though exceeding the concentration limit value, the maximum quantity of chlorine introduced into the sea was not exceeded.

Specific free active chlorine indices



All of the other chlorinated discharges of the Terminal, other than those that refer to the *regasification* process, are monitored every quarter by the Terminal operators and annually by an accredited laboratory, to check that the limit value of 0.2 mg/l set by the reference regulations for *free active chlorine* present in the water is not exceeded: for the three years under consideration, the limits set by law have never been exceeded, with the Terminal keeping the values below the limit order of magnitude.

Sewage discharges

Discharges from the galley, laundry and living-quarters on board the Terminal are gathered into the onboard sewer, then collected into the waste water network to then reach the biological purification system on site. The effluent is then discharged into the sea, subject to analysis of compliance with law every six months. The monitored parameters are those set out by Italian legislative Decree152/06 as amended and by the *IEA Decree* for the discharge of waste water into surface water (pH, *BOD*, COD, *total coliforms*, total suspended solids and total nitrogen). It is noted that in the years studied, the values of pollutants present in the civil waste water were always below the limits set by law.

3.3

BIODIVERSITY

GRI 103-1, 103-2, 103-3, 304-1

The continuous degradation of natural habitats and the threats to some species are among the main aspects of the European Union environmental policy which tries to guarantee biodiversity by the conservation of natural and semi-natural habitats and the wild flora and fauna on the territory of the member states. The "Nature 2000" network of protected areas was created for this purpose and it affects different territories and areas in the Italian regions.

The Nature 2000 network, set up pursuant to Directive 92/43/EEC "Habitat" to conserve natural habitats at a community level, consists of Sites of Community Importance (*SCI*), Special Areas of Conservation (SAC) and Special Protection Areas (SPA).

The Terminal falls under the pSCI (*SCI* proposal) IT5160021 "Protection of the Tursiops truncatus", officially set up with Regional Council Ruling No. 2 of 14th January 2020. The procedure of verification and confirmation for the proposed designation by the competent offices of the Ministry of Ecological Transition and the European Union is currently in progress for the purposes of being acknowledged in the related lists in implementation of the "Habitat" Directive 92/43/EC. OLT monitors the progress of this authorization procedure.

The Company manages the environmental impacts (*water column*, sediments, marine biodiversity and noise) through a monitoring plan for the marine environment around the Terminal, which has been prescribed by the Ministry of the Environment (*MATTM*) since the beginning of the project.

3.3.1

Significant impacts of activities, products, and services on biodiversity

GRI 304-2

The assessment of the possible effects of the Terminal on the marine ecosystem is a topic of great interest for the stakeholders and has taken into consideration right from the start of the project. Indeed, with the *EIA* Decree, the *MATTM* established a Monitoring Plan for the Marine Environment around the "FSRU Toscana" Terminal defined by *ISPRA* and implemented by OLT through the *CIBM* of the City of Livorno. Under this plan, the water and sediments environmental matrices in the area affected by the Terminal are studied from a chemical, biological and eco-toxicological point of view. The data obtained during the monitoring campaigns are sent to the current *MiTE*, *ISPRA* and *ARPAT* for the relative controls. At present the eighth study is being carried out. The results of the campaign carried out to date have actively demonstrated that there are no differences due to the presence of the Terminal (comparison with the white phase[20]) and that there are not risks for the marine ecosystem due to the Terminal's activities.

The first component studied in the monitoring plan is the *water column*; that is, study of the hydrological profile of the area around the Terminal that takes into consideration, inter alia, temperature, salinity, pH and turbidity. As described in the annual reports, all the readings taken during the monitoring campaigns fall between the minimum and maximum values in the reference ranges.

The sediments withdrawn undergo physical, chemical, eco-toxicological and microbiological analyses. Physical analyses (grain size) show that the shale component is the dominant one, in accordance the seabed in the area. The analysis regarding inorganic (heavy metals) and organic (hydrocarbons) pollutants confirmed the presence of elements found in concentrations above the standard reference levels, which were already highlighted in the white phase. The eco-toxicological analyses have always highlighted a generally low level of toxicity and in any case in line with the white phase.

As far as regards marine biodiversity, the results of all of the study campaigns have shown a constant trend throughout all the monitoring campaigns, confirming the general trends of the density and distribution of the organisms that characterise the correct maintenance of the marine biodiversity (such as plankton). This confirms the conservation of the natural habitat in the area close to the Terminal.

Survey area of the Plan for monitoring the marine environment around the Terminal

Monitoring area A
Analysis on several axis points referring to:
- sediments for analysis of the fauna, chemical/physical and eco-toxicological analysis
- water for chemical/physical and eco-toxicological analysis
- plankton
- CTD (Conductivity, temperature and depth) profiles

Monitoring area B
Area for:
- measuring noise
- sightings of cetaceans and sea turtles

Subsea pipeline

20 White phase: overall situation of the environment surrounding the Terminal before the start of activity. The set of data gathered during the White Phase represents a parameter for comparison to assess the impacts of the Terminal. More specifically, the *CIBM* carried out a "zero time" study before the arrival of the Terminal in 2013.

The noise levels for when the plant is running were kept under observation through submarine bioacoustic surveys, aimed at both ensuring compliance with safety thresholds for marine mammals and monitoring and guaranteeing the health of the offshore works. Also, no negative impacts on the biodiversity have been identified in this case.

Consequently, it can be said that there are no significant effects on the marine biodiversity.

As previously mentioned, the Region of Tuscany proposed, in January 2020, a new offshore *SCI* dedicated to dolphins and called "Protection of the Tursiops Truncatus" (Nature 2000 code IT5160021). This concerns an area of over 3,740 km^2 already included in the ASPIM (specially protected marine area) called "Pelagos Sanctuary". The proposal for the new *SCI* was put forward in agreement with the Port Authority of Viareggio, the Municipality of Viareggio, the Tuscan Archipelago National Park, *ARPAT* and the University of Siena. This is further step forward in the direction of protecting biodiversity, cetaceans, marine tortoises and the marine ecosystem as a whole.

The Company has already taken into account the new SIC and therefore the implications of its implementation in the authorization process for the future *SSLNG* service (section 2.4).

The perimeter of the IT5160021 pSCI and the location of the Terminal are shown in the figure.

3.4

EMISSIONS

GRI 103-1, 103-2, 103-3

The energy consumption of the Terminal, arising from the use of *NG* and *MGO*, is strongly related to its emissions of climate changing gases and constitute the direct impact of the OLT production process, which is managed with extreme care thanks to continuous monitoring systems that always guarantee the adequacy of the environmental parameters and compliance with the sector regulations and the plant authorization decrees.
Therefore, as regards emissions, we reiterate the management methods for the material topic of energy already illustrated in the previous sections.
For the details, see Chapter 5.5.1 of the *Environmental Declaration*.

3.4.1

Direct emissions of GHG Scope 1

GRI 305-1

The direct emissions of CO_2 equivalent derive from the electricity generation process in the organization indicated in section 3.1.1 above and the natural gas and propane emissions generated by the *fugitive emissions* and *vent* emissions (but these are about 1% of all CO_2 equivalent emissions).

The CO_2 equivalent emissions are shown below and these have been calculated, starting from the measurements of combustible fuel consumption, taking into consideration all the Terminal's possible operating conditions.

GHG Scope 1 - Direct emissions (Tons)[21]

	2018	2019	2020
Total CO_2 equivalent emissions	62,162	73,312	73,312

In the 2018-2020 three-year period, an increase in CO_2 equivalent emissions was recorded, which can be directly correlated to the increase in the Terminal's energy consumption consequent to the increase in its operations (increase in regasified NG).

Standards, methodologies, hypotheses and/or calculation tools used

The different emissions points on the Terminal were analysed for the quantification of the CO_2 equivalent. The only emissions identified as significant are those produced by the two boilers used for the production of steam, which is then sent to the turbogenerators for the production of electricity. The majority of emissions from the two boiler stacks are CO_2, plus CO and NO_X (the latter two reported in section 3.4.6). There are no other types of emissions.

As well as the CO_2 deriving from combustion, the *fugitive emissions* and *vent* emissions (for emergency and maintenance) of *NG* and propane were measured, transforming them into CH_4. The *fugitive emissions* were calculated as required by the *IEA Decree*, according to the *ISPRA* guidelines[22].

The 100-year *GWP* estimates used for the conversion of the CO_2 and CH_4 emissions are those of IPPC Report V (GHG protocols), the values of which correspond to:

	100-Year *GWP*
CO_2	1
CH_4	28

Finally, it should be stressed that there are no biogenic CO_2 emissions from the combustion or degradation of biomasses or other sources of CO_2 equivalent emissions.

21 It is noted that the values indicated for 2018 in previous reports are different, as the quantity of CO_2 emitted by the boilers was calculated according to the method set forth by the *Emission Trading System* and not directly by means of measurement, as in the previous reports.

3.4.2 Other indirect emissions of GHG Scope 3

GRI 305-3, 305-5

As already mentioned in section 3.1.2, this report reports only the emissions of *GHG* for Scope 3 regarding the fuel consumption of the Fratelli Neri service vessels. The CO_2 equivalent emissions are the following:

GHG Scope 3 - Direct emissions (Tons)

	2018	2019	2020
Total CO_2 equivalent emissions	5,314	7,320	6,730

3.4.3 GHG emissions intensity

GRI 305-4

The Scope 1 and Scope 3 emissions were considered separately when calculating the emissions intensity[23].

The emissions intensity as a ratio between the total emissions of CO_2 equivalent and the quantity of regasified *LNG* is:

GHG Scope 1 - Emissions intensity

	2018	2019	2020
Tons of CO_2 eq/ 1000 Sm^3	0.06	0.02	0.02

GHG Scope 3 - Emissions intensity

	2018	2019	2020
Tons of CO_2 eq/ 1000 Sm^3	0.005	0.002	0.002

22 The *ISPRA* guidelines refer to the guidelines indicated by the US-EPA (United States Environmental Protection Agency) in its publication no. EPA-453/R-95-017 "Protocol for Equipment Leak Emission Estimates". These *fugitive emissions* arise from the following sources: emissions from fittings, couplers, valves, pumps and compressors.

23 There are no *GHG Scope 2* emissions.

The emissions intensity is related to energy consumption and therefore a reduction of the *GHG* emissions intensity similar to the *energy intensity* was recorded over the three-year period. This improvement is due to the optimization of the energy consumption with the increase in the plant operating efficiency, already described in section 3.1.1. The initiatives to optimize the Terminal have generated a reduction of the energy consumption indices and hence also a reduction of the *GHG* emissions indices.

3.4.4

Nitrogen oxides, sulphur oxides and other significant emissions

GRI 305-7

The Terminal is equipped with an Emissions Monitoring System able to continuously monitor numerous emissions parameters on each line of the two boilers on board. Besides the physical characteristics of the emissions, the parameters monitored continuously are: carbon monoxide (CO), nitrogen dioxide (NO_2), nitrogen oxides (NO_X), particles (PM), volatile organic compounds (*VOC*) and carbon dioxide (CO_2).
The table highlights the trends for the total annual quantities of NO_X, CO and particles (the SO_X is negligible).

Significant emissions (Tons)

	2018	2019	2020
NO_X (also including NO_2)	34.41	40.65	38.82
CO	0.82	1.83	1.18
Particles	0.079	0.143	0.17

The emissions trend shows a growth which however depends on the increase in the Terminal's operations. It should be stressed that, with regard to the authorized hourly limits , the emissions values have always been below the limits set in all operating conditions, except for a few insignificant times that they were exceeded, which were appropriately reported to the authorities in charge.

Standards, methodologies, hypotheses and/or calculation tools used
As indicated above, the Terminal is fitted with a continuous monitoring system; therefore, no emissions factors for the *NG* and *MGO* were used, but the primary data for emissions from the stacks were used.

The values are obtained by adding up the total contributions of the two boilers in all operating conditions - normal operating conditions (i.e. burning *NG* in the boiler), non-normal operating conditions (i.e. burning *MGO* in boiler) and transits (boilers with load below the technical minimum).

3.5

WASTE BY TYPE AND DISPOSAL METHOD

GRI 103-1, 103-2, 103-3, 306-2

Another topic considered material by the stakeholders is that of the waste generated by the activities carried out on the Terminal – mainly produced by maintenance, cleaning and galley activities and classified in accordance with Legislative Decree 152/06 as amended, such as:

- wastes similar to urban waste: wastes with a composition similar to uncontaminated urban waste;
- non-hazardous special wastes: coming from industrial and service activities which cannot be considered similar to urban;
- special hazardous wastes: wastes coming from industrial activities, consisting of products that into the hazardousness classes expressed by the cited Legislative Decree.

All the waste management phases, from selection up to the transfer to the Livorno Port licence holder, are carried out in compliance with the land and maritime regulations. It is specified that, according to the regulations, the producer

24 The limits set in the *IEA Decree* in normal operating conditions (that is, burning natural gas) are: NO_X (150 mg/Nm^3; 100 mg/Nm^3 from 1st July 2018), particles (5 mg/Nm^3), CO (70 mg/Nm^3).

of the waste from the "FSRU Toscana" Terminal is the company ECOS.
With regard to the improvement action, OLT is committed to reducing the bilge water (for further details, see the table in section 1.3 of this report and Chapter 6 in the 2020 *Environmental Declaration*).
The total weight of the hazardous and non-hazardous waste, divided into methods of disposal and recovery, is as follows:

Total weight of non-hazardous waste (Tons)
broken down by type of recovery (R) or disposal (D)*

	2018	2019	2020
Re-use (R)	0.9	3.9	8.1
Recovery (R)	0	0	0.1
Disposal (D)	2,086	920	1,319
Tons of non-hazardous waste	**2,087**	**923**	**1,327**

*Italian Legislative Decree 152/06, annex B and C respectively "Recovery Operations" and "Disposal Operations".

Total weight of hazardous waste (Tons)
broken down by type of recovery (R) or disposal (D)*

	2018	2019	2020
Recovery (R)	2.0	2.9	5.5
Recycling (R)[25]	1,519	1,589	1,711
Disposal (D)	5.5	16.9	4.2
Tons of hazardous waste	**1,527**	**1,608**	**1,721**

*Italian Legislative Decree 152/06, annex B and C respectively "Recovery Operations" and "Disposal Operations".

With regard to non-hazardous waste, a 36% reduction of the total was recorded in the three-year period (and with an increase of wastes sent for re-use).

However, with regard to hazardous waste, again in the three-year period, an increase of 13% in absolute value was recorded. This increase is due to an increase of bilge water in the tanks fixed to the vessel following some unscheduled maintenance operations that became necessary in the three-year period.

3.6

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

GRI 103-1, 103-2, 103-3

The OLT activity is first and foremost subject to several environmental impact assessment procedures and authorizations prescribed by the Single Environmental Act, Italian Legislative Decree 152/2006 as amended.
Considering the high quantities of hazardous substances present on board (*LNG*, propane and MGO), the Terminal is subject to the application of Italian Legislative Decree 105/2015 (*Seveso Directive*). Consequently, the Company has drawn up an in-depth analysis of both the environmental impacts arising from the processes and the risks of significant probable accidents and their intervention and mitigation methods. In addition to such accidents, even if less important from an environmental perspective given the lower quantity on board, one should highlight possible spills into the sea caused by the handling of other substances.

- atmospheric pollution arising from combustion fumes or release of greenhouse gases in the event of release without combustion;
- spills of hazardous substances into the sea.

It should be remembered that, thanks to the Integrated Management System, OLT works at the constant improvement of its company performances in environmental, health and safety topics and the quality of the services provided and guarantees compliance with the regulations through the introduction and implementation of specific policies, organizational systems and programmes.
In the context of the management approach adopted by OLT and the applicable rules, a monitoring and control plan, which enables the compliance with the environmental provisions to be constantly checked, is provided for.

25 Biological purification of the bilge waters.

3.6.1

Non-compliance with environmental laws and regulations

GRI 307-1, GRI 306-3

As well as having identified and analysed the aspects linked to the possible impact on the environment, both inside and outside the Terminal, the Company has prepared the necessary appropriate mitigating measures to reduce the impact to a minimum, as acknowledged by all the competent authorities, both during the authorization procedures and during operation.

OLT has also implemented a system for the extraction and collection of all the environmental data using dedicated software, aimed at their continuous monitoring, with the final goal of fully respecting all the regulations and, specifically, all the environmental provisions applicable to them.

It should be particularly stressed that there were no accidents or spills with an impact on the surrounding environment in the 2018-2020 three-year period and that all the binding requirements in the *IEA Decree* and the applicable regulations were observed.

The results shown above are the result of control and prevention actions that include the numerous audits conducted each year.

No. of audits and inspections

Years	OLT (internal/external)
2018	13
2019	14
2020	12*

* 1 inspection under Italian legislative decree 152/06 as amended (*IEA Decree*)

No critical issues arose in the audits carried out, and, more specifically, all the recommendations and non-conformities found were constantly and immediately taken in hand and resolved by implementing the suitable corrective action.

In the three years under consideration, no notifications arose from the competent authorities for the failure to observe the environmental and safety regulations.

Finally, the Terminal is subject to a complex set of regulations that refer both to the land regulations that govern similar plants located onshore and to maritime regulations due to the clearly "offshore" nature of the Terminal.

It should also be remembered that the environmental authorizations of major importance obtained by OLT are:

- "Strategic Environmental Assessment" (SEA) no. 28, issued by the Tuscany Region in July 2004;
- "Environmental Impact Assessment Decree" (*EIA*) no. 1256, issued by the *MATTM* in December 2004, as amended[26];
- "Integrated Environmental Authorisation Decree" (*IEA Decree*), prot. 93 issued by the *MATTM* in March 2013 as amended; renewal of the *IEA Decree* (Ministerial Decree 13) 12th January 2021.

All of the authorization processes, as of law, followed the opportune public consultation process; moreover, the environmental documentation, with specific reference to the documentation to apply for authorization and these authorizations are published on the current *MiTE* website.

26 The checks for compliance with the provisions of the *EIA* Decree as amended certify compliance with the environmental prescriptions during the Terminal's operation.


ECOS
ECOS
1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

SOCIOECONOMIC PERFORMANCE

4

INTRODUCTION

GRI 103-1, 103-2, 103-3, 419-1

The hallmark of OLT's operations vis-à-vis people, be they employees, collaborators, suppliers or simply residents in the areas affected by the Terminal, is one of responsibility and compliance both for the regulations and the different tools that the organization is equipped with to manage the risks and social, environmental and safety impacts.
The risk management methods, shown in the appendix, and the related third-party certified procedures enable the Company to protect its personnel and the local community from possible critical events and social and environmental accidents.
The commitment to a continuous improvement of its processes and services, as well as consultation with all the interested parties, are key elements of the OLT policies.
This complex system of policies and tools to manage all the elements that could have an impact on personnel, suppliers and the local community enables OLT to keep solid control on regulatory compliance and even anticipate scenarios and trends in that sense through effective risk assessment. Using a proactive approach, OLT provides contributions to improve the regulatory set-up for the energy and environmental sector. To date, no social or economic non-conformities have been recorded.

OLT's approach to personnel and the local community certainly does not finish with compliance to the regulations and standards; besides its strong commitment to guarantee an open, positive and dynamic working environment, it is highly committed to supporting social, health, cultural and sports initiatives and projects in the territory.

4.1

PERSONNEL MANAGEMENT

GRI 103-1, 103-2, 103-3, 102-41, 202-1, 403-4

The work relationship between OLT and its employees is governed by the following contracts (published on the company intranet for the benefit of all employees):

1) Collective National Contract for the water and gas sector;
2) Industry Executives Contract.

OLT defends the right to rest and personal freedom and guarantees that the contractual remuneration is applied to all employees, including the newly hired.

On the other hand, the ECOS (Terminal's operator) employees are engaged with the National Collective labour Contract for the private sector of the shipping industry.

The *HSEQ Policy* and the *Charter of values* of OLT encapsulate the relations between the company and its employees and collaborators, confirming its constant commitment to scrupulously observing the regulations on employment, health and safety, and workers' rights and fostering the "culture of customer and worker satisfaction".
The policies also commit the Company to guaranteeing safe and dignified working conditions for the outsourcers, by adopting "all possible solutions to prevent accidents and occupational diseases and to guarantee safe and healthy working conditions" and by adopting "also with its outsourcers, all the technically possible measures to prevent significant accidents for the protection of the environment and people".
Finally, the *HSEQ Policy* promotes the enhancement and growth of the "wealth of the personnel's experience and know-how through education, training and awareness at all levels".
In particular, the Company is *SA8000* certified; this is the voluntary scheme for the protection of workers' rights and the promotion of their wellbeing at the workplace. In order to manage these aspects optimally in compliance with the *SA8000* standard, OLT has set up two committees to oversee and promote initiatives in this sense:

- Safety Committee: comprising the *WSR*, the Accident Prevention and Protection Service Manager and the *SA8000* workers' representative. It checks and oversees the workers' health and safety requirements under Italian Legislative Decree 81/08;
- Social Performance Team: comprising the Integrated Management System representative, the workers' *SA8000* representative and an employee from the

HSEQ department. It assesses and monitors the company performance with reference to the *SA8000* requirements, updates the integrated risk assessment on *SA8000* topics, creates an action and improvement plan and, last but not least, actively participates in the management review.

In compliance with the *SA8000* standard and in line with the Integrated management System, OLT has identified and classified the social risks, identifying improvement goals and monitoring that they are achieved. This way, the Company measures and usually manages its social impact on collaborators, customers, suppliers, local communities and other interested parties.

Within this framework, particular attention is given to the employees, who regularly attend company meetings, with the right of freedom of association and bargaining and have the possibility of sending any suggestions for company improvement. These suggestions/complaints may also be sent by the employees of the ECOS and Fratelli Neri outsourcers as well as by the local community.

OLT's priority is thus to promote the professional development and growth of its employees and collaborators, actively undertaking to:

- respect the personality and dignity of each individual;
- foster the prevention of conflicts and provide for effective and non-arbitrary procedures for the assessment of OLT personnel performances and the approval of any disciplinary procedures[27];
- guarantee that the workplace is adequate for the health and safety of whoever uses it;
- prevent abuse and discriminatory behaviour;
- offer training opportunities suitable for the work position held;
- properly manage personal data with confidentiality;
- be directly committed to the topics regarding the exploitation of child labour and to making its suppliers aware in this regard.

Moreover, since the operational management is entrusted to an outsourcer that operates entirely on behalf of OLT, the Company deemed it fundamental to share some principles considered mandatory for the management of the Terminal and the people who work on it, i.e.:

- the continuous maintenance of the Integrated Management System for the Terminal in compliance with *ISO 9001*, *ISO 14001* and *ISO 45001* standards;
- the prevention of hazardous situations or accidents, removing, where possible any situation of danger;
- the prompt management of any accidents through the proper implementation of the protection measures provided for.

4.1.1

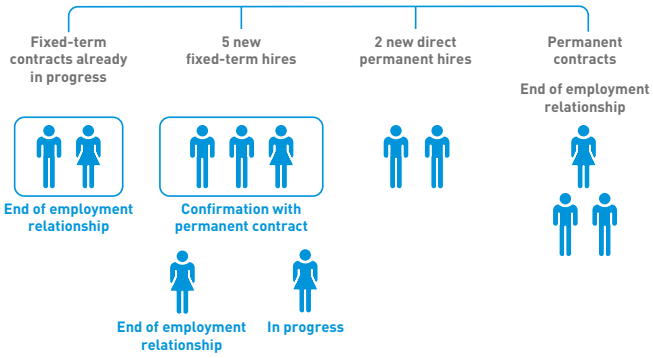
Employment

GRI 102-7, 102-8, 401-1, 401-3

Employment – a factor of great social importance – is decisive for OLT, which sees human resources as a precious element for its growth. Maintaining adequate employment levels, the safeguard and enhancement of skills and the quality of the employment are central to the pursuit of the company strategies.

In 2020, OLT directly employed 22 employees (datum as at 21/12/2020) at the offices in Livorno and Rome, hiring for a fixed term respectively 1 man and 1 woman in 2018, 1 man and 1 woman in 2019 and 1 woman in 2020. The table shows the details of the confirmations and resignations over the years.

New hires and turnover in the three-year period



27 Only in 2018 was a disciplinary measure taken against an employee.

The personnel have been able to work remotely since the beginning of the pandemic in order to tackle the Covid-19 health emergency.
In order to ensure the best working conditions, OLT has invested in stabilizing the work contracts offered over the years. The open-ended contracts went from 86% in 2018 to 87% in 2019, arriving at 95% in 2020.
There is still a slight difference between men and women on part-time contracts, which have always exclusively affected women employees though representing 14% of the total for 2018 and 2020 (it was 17% in the in 2019). The figure is due to individual choices and the preparedness of the Company to meet the needs of reconciling private life with work expressed by some employees.

A certain stability in the composition of the work force in 2020 is also given by the rate of new hirings and turnover, still below 15%. More specifically, in the 2018-2020 three-year period, new hirings represented 9.5%, 16.7% and 4.5% of total employees respectively, whilst resignations were 9.5%, 4.2% and 13.6% respectively. The new hirings mainly concern young people, in the 18-35 years age range (1 man and 1 woman in 2018, 2 men and 1 woman in 2019 and 1 woman in 2020), with the exception of 1 man in the 36-46 years age range in 2019.

In fact, OLT undertakes to adapt objective assessment criteria in the hiring and the management of employees' professional paths. Every employee is informed at the moment of recruitment and/or change of duties about the characteristics of the function and of the duties that they will be called on to perform, the salary, the standards and the procedures to protect health and safety.

The slight fluctuations between hiring and resignation shown above are not conditioned by mandatory maternity or parental leave. OLT fosters a working environment where employees feel free to make such important choices knowing that their job is protected in full compliance with the obligations of law, regardless of gender. If it is usually women who make use of mandatory maternity or parental leave (1 in 2018, 4 in 2019 and 1 in 2020), men can also make use of it, as happen for 1 man in 2019.

Actual returns to work after mandatory maternity and parental leave coincide with the number of employees who continued to work 12 months after their return (2 women in 2018, 3 women in 2019 and one woman in 2020).

An important part of OLT activity is carried out by ECOS, responsible for the management of the Terminal. As the function carried out by ECOS is central to reaching the goals of OLT, which is its main customer, the data for personnel is also shown for the Terminal's operator.
ECOS ,as at 31st December 2020, employs 77 operators, of which 71 employed offshore and 6 in the offices. Also in this case, all the appropriate measures were adopted over 2020 to contain Covid-19, both for onshore personnel and personnel on board the Terminal.

The percentage of the ratio between new recruits and the total number of employees is the following: 4.5% in 2018, 6.9% in 2019 and 3.9% in 2020. Whereas the percentage of the ration between persons leaving and the total number of employees follows a very similar trend: 7.5% in 2018, 8.2% in 2019 and 6.5% in 2020[28]. Almost all the offshore workers went onto CRL (permanent work contract) during 2019 and this justifies the recent improvement in terms of turnover.
The hirings and turnover mainly concern men, of all age ranges, as they are the majority of the ECOS workforce.

Also in the case of ECOS, maternity and parental leave did not affect the overall turnover. In fact, two male workers made use of mandatory maternity leave and parental leave in 2020; 100% of the employees who took maternity or parental leave returned to work and 100% were still employed after 12 months.

28 The calculation methods took into account the seafaring contracts, considering the actual turnover and the specific nature of the seafarers' collective labour contracts. It is specified that there are 4 types of contract/agreement: travelling, fixed term, open ended and CRL (Employment Continuity).

4.1.2

Gender equality and non-discrimination

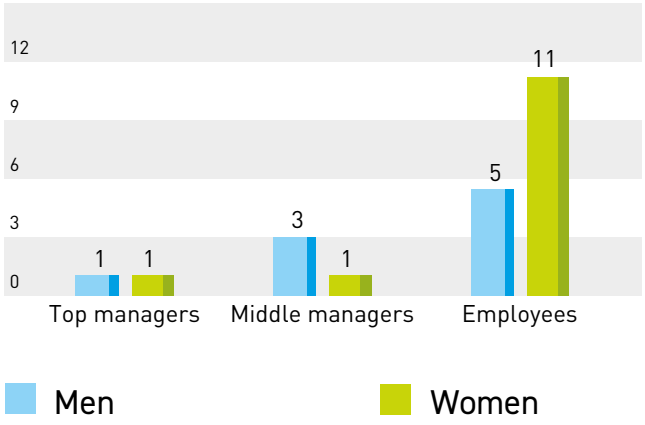
GRI 103-1, 103-2, 103-3, 405-1, 405-2, 406-1

The Company takes on the reconciliation of the work and life requirements, the improvement of the work environment quality and the enhancement of diversity among its priority commitments. The goal is to make a team to add value to the fruit of individual labour and grow the sense of belonging, creating a common social, cultural, professional and intellectual terrain.

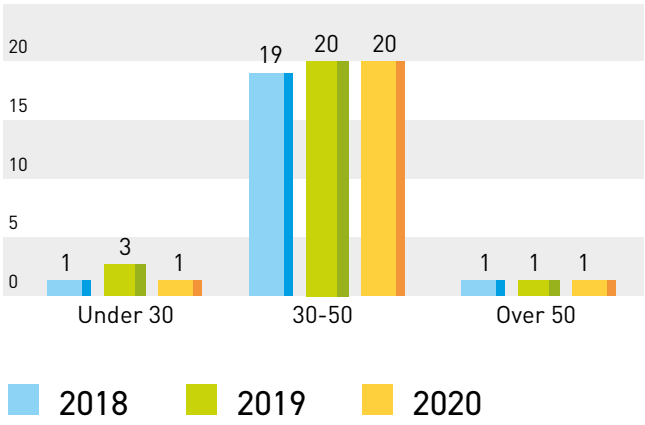
In particular, the Company, by implementing its *Charter of Values*, fosters a culture of merit/ability and equality and implements these policies for its people, without distinction of class, national or territorial origin, race, sex, religion or any other condition that could give rise to discrimination, especially not interfering on the rights of the personnel.

This commitment is confirmed by the Company's employment data; not only does it employ more women than men (13 women and 9 men in 2020), but a more significant datum is that there is no difference between the number of male and female top managers. The only level where women are less represented (1 as opposed to 4 male colleagues) is middle management.

OLT employees by level of employment and gender (2020)



OLT employees per years range (2018-2020)



Organizational levels

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Total no. of top managers	1	1	1	1	1	1
Total no. of middle managers	2	1	3	1	3	1
Total no. of employees	4	12	6	12	5	11

OLT guarantees the active promotion of equal opportunities in the company, through the establishment of non-discriminatory work procedures and practices, career progress and any termination of employment.

The general composition of the human resources returns an image of a young company, where the top managers and middle management are all in the 30 to 50 age group. Greater diversity in terms of age is found in the employees, where 88% fall into the 30-50 age group, 6% in the under 30 age group and the remaining 6% in the over 50 age group.

The situation is different with regard to the governing body, which comprises two thirds men (4 members out of 6). Nevertheless, the current situation shows an improvement compared to 2018 when the Board of Directors consisted solely of men. The two women in the BoD fall into the 30-50 age group, like two of their male colleagues, and the other two male representatives are in the over 50 age group.

Another important element is represented by the ratio between the average salary of women and men, which remained unchanged in the reference three-year period for top managers (90%), worsened slightly for middle management (90% in 2018, 99% in 2019 and dropping again in 2020 to 94%), and improved for the employees category, though remaining lower (76% in 2018 and 87% in 2019). This is caused by the choices and career paths of individuals.

The risk of discrimination is in any case constantly monitored and checked in accordance with the *SA8000* standard, as illustrated in section 4.1.

There were no episodes of discrimination and/or employee claims recorded in the three-year period under consideration. Furthermore, OLT, as described in Chapter 1, has promoted social projects with the goal of maintaining and improving the acceptance of diversity and fostering inclusion.

The snapshot of ECOS returns a different picture, due also to the reduced number of employees who carry out their work onshore[29], at the Company offices. The governing body consists of 2 members, both male and in 30-50 age group, like the year before (it was still two males in 2018, but in the over 50 age group). There was only one top manager, male and in the 30-50 age group, in 2020, whilst in the previous two years there were two men in the same age group. Moreover, in 2020, there was only one top manager (none in the previous years), male and in the 30-50 age group. There were 4 employees in 2020 and 2019, of which 3 men and 1 woman: 1 man and 1 woman in the 30-50 age group, 2 men in the over 50 age group. There were 6 employees in 2018, of which 4 men over 50 and 1 man and 1 woman in the 30-50 age group.

4.1.3

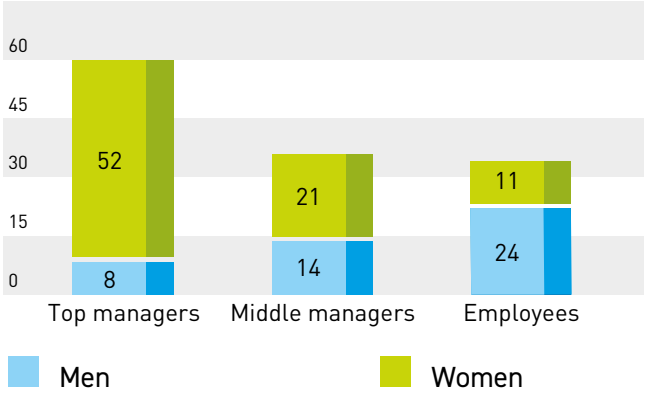
Training

GRI 103-1, 103-2, 103-3, 404-1, 404-2, 404-3

Professional growth is essential for anticipating and successfully tackling the market complexities and changes, regulations and technologies. OLT's investment to develop its internal competences and enhance its human resources is a fundamental element of the agreement between company and individual.

Despite the Covid-19 pandemic, employees have been able to benefit in 2020 from 367 hours of training (an average of 17 hours per person). The professional level that has benefited most from the training opportunities is the top management one. The data varies over the years based on the specific training requirements; for example, in the last two years it was middle management that benefited from the most training hours. The same goes for the distribution of training hours by gender: in 2020 women benefited the most from training, whilst it was substantially the same for both sexes in 2019 and 2018.

Average hours of training per capita of OLT employees by gender and professional classification



All middle and top managers undergo a periodic formal assessment of their performance and personal development, whilst the employees are assessed

29 The offshore section returns a division into officers, petty officers and seamen.

informally. All these assessments promote professional growth, on the basis of objective merits, and the enhancement of all employees' commitment.

Continuous training is also very important for the Terminal operators, who are called to manage a significant infrastructure with the utmost skill and attention possible. The ECOS personnel employed on the Terminal benefited from 3,058 training hours (an average of 43 hours per person) in 2020, whilst the office personnel benefited from 274 hours (an average of 46 hours per person).

4.2

SAFETY

GRI 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10

The topic of safety is central to OLT. In fact, guaranteeing the safety of the Terminal and all the operations connected with it (in terms of industrial risk) means protecting the safety of the workers, suppliers and the local community.
Strengthening the culture of risk prevention and assessment is a priority commitment for OLT which operates for the health and safety of people and to improve its working environment and that of its outsourcers, also to grow the motivation and involvement of people and guarantee continuity to the production processes.
The proper prompt management of critical situations is fundamental to guaranteeing the safety and support of the community, even in the case of events that lie outside the operating context of OLT.

In order to ensure a safe and healthy work environment, OLT and Terminal operator, ECOS, have adopted for their companies an Integrated Management System that complies with the requirements of the *ISO 45001* standard and the applicable health and safety regulations, which also includes occupational medicine[30]. The systems ensure that appropriate measures are adopted to prevent, minimize and avoid accidents and damage to health that are caused, associated with or which arise during work, including both OLT and ECOS personnel, as well as all the personnel of the suppliers working at the Terminal. Specifically, the management systems of both the companies integrated with the principles of the safety management system for the prevention of major accidents (SGR-MAP compliant with UNI 10617 and Italian Legislative Decree 105/15, i.e. the Seveso Decree) and with the ISM Code (International Safety Management), are perfectly appropriate for the risks of major accidents on the "FSRU Toscana" Terminal.
The main risks and the actions implemented in the field by OLT to prevent them are illustrated in the appendix.

The involvement of the workers in health and safety issues lies at the heart of the activities, not only by holding the periodic meetings as provided for by the regulations, but also specific meetings (monthly for the Terminal and periodically for the offices).

The commitments as of above reflect the number of safety and environmental incidents at the Terminal, which are zero, and the very low number of injuries among the OLT and ECOS personnel operating on behalf of OLT: 1 in 2018 (ECOS), none in 2019 and 1 in 2020 (ECOS). Furthermore, no death or industrial disease has been recorded.

Accidents		2018	2019	2020
OLT	Number of injuries to OLT personnel	0	0	0
	Accident rate (number of accidents parameterized on 1,000,000 hours worked)	0	0	0
ECOS	Number of accidents to ECOS personnel	1	0	1
	Accident rate (number of accidents parameterized on 1,000,000 hours worked)	8.24	0	8.14

The results shown were possible thanks to a monitoring and prevention plan, not just for accidents and injuries, but also for near-misses and anomalies and/or potential incidents. Specifically, depending on the severity (anomaly, non-conformity, accident or injury) events are

30 Italian Legislative Decree 81/08 as amended for OLT and the ECOS offices and Italian Legislative Decree 271/99 as amended for the offshore section (Terminal).

analysed by means of a "Root Cause Analysis": a method to solve problems that investigates their causes in great detail.
The key role of prevention is united strategically with an effective management of emergencies. An emergency plan that complies with the applicable laws, on land and at sea, is active on the terminal. Emergency drills involving all personnel on board the terminal are carried out every week (in 2020, in line with previous years, 150 emergency drills were carried out on the terminal).
In order to optimally manage any crises deriving from an undesirable event, OLT has adopted a manual for the management of crises and formed a committee comprising experts from inside the Company and outsourcers (ECOS and Fratelli Neri) that has the task of coordinating operations in the event of a crisis able to affect not only the Terminal but the Company itself or the main outsourcers related to it.

The training of onboard personnel is planned and organized according to the Integrated Management System of ECOS and, besides complying with the *Seveso Directive*, also complies with *SCTW* standards which govern the mandatory training of seafarers. The STCW courses are carried out at authorized centres that issue certificates after tests have been carried out to verify the learning.
OLT and ECOS deal with evaluating what the training needs are for the Terminal and office personnel; the personnel, through the *WSR*, can propose new training courses based on work and personal needs, personnel shifts, technological innovation and renewal of the training provided for by the regulation.
The utmost attention to safety is tangible: in fact, OLT started an innovative Leadership in Health and Safety programme in 2020 for the consolidation of the health and safety values in the Company, starting from a cultural change (see section 4.3).

4.3

LOCAL COMMUNITIES

GRI 103-1, 103-2, 103-3, 413-1, 413-2, 202-2

The *HSEQ Policy* commits OLT to disseminate a philosophy of quality, respect for the environment, health, safety and social responsibility inside and outside the company, in particular promoting dialogue with interested parties to ensure transparency and clarity of relations, as well as low environmental impact technologies and products that respect the territory and the health and safety of the collective.

The Company acknowledges the territory that hosts it as a basin of progress in which to create shared value, improving the quality of peoples' lives: it is for this purpose that the Company looks at the growth of communities with the eyes of change and tries to merge development and sustainability into a single value.

OLT is present in the territory supporting initiatives to enhance the social context, demonstrating the willingness of the company to integrate with the territory and the communities that host the infrastructure.

The organization participates in the local economy in different forms, firstly through the creation of added value and the distribution of wealth among employees and local suppliers, but also in the selection of the most qualified personnel (of the 2 members of the top management, 1 comes from the district of Livorno) and the economic contribution to services and initiatives.

The activities that have an actual or potential effect on the territory are subject to the risk assessment in the integrated *HSEQ* system and are regularly monitored and evaluated by different figures involved in the Integrated Management System. Although no significant risks that do not fall into the context of the environmental risks described previously have been identified for the local community, OLT, with a view to reinforcing and structuring consultation with the local community, and to creating common social projects, i.e. of interest to the territory of Livorno and Pisa and, at the same time, in line with its corporate mission, presented an ad hoc project in 2019: "The Energy of the Sea - Acting with and for the Territory", which will be implemented during 2020 and the years to come.

The project is broken down into 5 intervention areas, which concern 5 areas of interest for the territory and OLT; this project is a rationalization of the CSR approach, into which the initiatives, described below and in part already started, are framed:

l'energia del mare
FARE CON E PER IL TERRITORIO
un progetto di OLT Offshore LNG Toscana

green & blue

GREEN&BLUE: to promote responsible and precise policies to protect the ecosystems, reducing the impact of man's activities and disseminating the culture of sustainability (environment);

open lab talent

OPEN LAB TALENT: to invest in young people, research and innovation that lie at the heart of a solid future. The project will include concrete actions to stimulate, support and train the new generations (youth and training);

gioco di squadra

TEAM GAME: to create union in the community by promoting sporting, cultural and social activities. The projects aim to amplify the sense of inclusion and stimulate the participation of the public (sport, culture and social);

curiamo il futuro

WE LOOK AFTER THE FUTURE: to support younger children and their families in the difficult moments of their young lives (infancy and health);

codice bianco

WHITE CODE: to defend workers' health and safety, spreading the culture of safety at work, because it is the workers that make a company a great enterprise (workers' health/ safety).

More specifically, in the context of Green&Blue, with the intention of meeting the social needs of the territory that hosts the Terminal, and in synergy with the Tuscany Region and the Community of Monti Pisani Onlus, OLT, as a new initiative, is supporting operations on the uplands of Monte Pisano, which were damaged by fires in 2018 and 2019.
On the other hand, in the context of the White Code area, the Company became a member of the new Fondazione LiHS "Leadership in Health and Safety" project in 2020 for the development and consolidation of health and safety values in the organization. The programme envisaged for 2020 was revised because of the Covid-19 emergency, becoming on-line workshops, which saw the involvement of OLT employees and also those of its main outsourcers (ECOS and Fratelli Neri) and external collaborators. The first stage was concluded in 2020 (2 workshops carried out in on-line mode at the end of the year, which were attended by the top management and some managers) and will be followed by a "cascading" process, supported by the same managers, with the involvement of the rest of the workforce (Bottom Up strategy) with interventions aimed at spreading and consolidating the culture of safety in the company; the programme will therefore continue in 2021.

The next section shows some of the initiatives regarding the "We Look After the Future", "Team Game" and "Open Lab Talent" areas, which have already started.

4.3.1

Donations and partnerships with the territory

The Company has always supported activities, projects and initiatives in favour of the local community. Below are the main activities completed over 2020.

Initiatives to alleviate the Covid-19 emergency

Following the Covid-19 pandemic which also affected our country, OLT in 2020 decided to support the local community through donations to people affected by the virus. These initiatives, undertaken firstly by OLT, are carried out on three subject lines: health, poverty and educational services.
Firstly, contributions were dispensed to support the hospitals of Livorno and Pisa and for the purchase of goods and health equipment for the Resuscitation and Intensive Care departments.
Together with ECOS e Fratelli Neri, OLT donated fittings to equip one of ambulances belonging to the Misericordia of Livorno for the transfer of patients affected by Covid-19 who need intensive care.
The Company also made a donation to the Fondazione Caritas Livorno, in support of the Villaggio della Carità, which helps the more disadvantaged through different services with the aim of combating poverty (canteen, showers, listening centre, housing support, etc.), a situation that has particularly worsened following the coronavirus emergency.
The donation for 0-6 years old educational services was finalized in the first six months of 2021; this concerns the purchase of tablets for use in nurseries and infant schools to foster school-family interaction, which has been particularly reduced because of the restrictions dictated by the health emergency, as well as their use in various educational activities.

Health initiatives (CSR: We Look After the Future area of interest)

For some years, thanks to the donations made by OLT, the hospital of Livorno has been developing a high fidelity simulation programme for paediatric and neonatal emergencies in which the child is replaced by a sophisticated mannequin able to reproduce with a high degree of fidelity the physiological and vital reactions that the team of doctors and nurses face in real life. To this end, the simulation programme includes the purchase in 2018 of a video laryngoscope, donated by OLT which, together with the high-fidelity mannequin, donated by OLT combining the contribution of 2019 with that of 2020, will make the Paediatrics unit in Livorno one of the most advanced departments as regards instruments in this field.

From 2018 OLT has decided to support the VIP Italia

Onlus Association that promotes volunteer clown therapy in private and public structures as well as in all those places where there is a situation of physical or mental distress. The association also operates at the Livorno Hospital.

Since 2013, OLT has supported the "Il Porto dei Piccoli" Association, a NPO which, through its activities, brings hospitalised children and their families closer to the culture of the sea.

Sports initiatives (CSR: Team Game and We Look After the Future area of interest)

Always sensitive to the sea as a resource and the world that revolves around it, the Company has made donations, over the years since 2013, to Assonautica Livorno, specifically to support the Sailing School of the association devoted to young, differently abled people who love sailing.

Cultural initiatives (CSR: Open Lab Talent area of interest)

Since 2017, OLT has supported the path started up by the Municipality of Collesalvetti for music courses in the primary schools, both during and outside school hours. In 2020 the school continued to guarantee its courses through online lessons, some of which were made possible by the purchase of software that facilitated their development.

Given the emergency situation that the community has had to face in 2020, the Company decided to concentrate all its resources to support the health and primary needs of the local population, concentrating all the efforts into this sector which had previously been dedicated to different activities of a cultural and sports nature that in some cases have not been carried out or have been carried out in a reduced form because of the restrictions due to the health emergency.

Environmental compensations

Alongside the activities related to the operation of the Terminal, further demonstration of the active social-economic collaboration between OLT and the territory is the series of initiatives in favour of the local community. Most of these initiatives, planned during the authorisation process stage of the plant and already implemented for the most part, have an environmental aim. As per the agreements reached with the Tuscany Region in the authorisation stage and with the towns of Livorno, Collesalvetti and Pisa, OLT has committed to works for a total of Euro 1 million.

A brief list of compensation works still open in 2020 is given below:

Livorno

Contribution to the construction of the "Secche della Meloria" Protected Marine Area Visitor Centre for a value of Euro 400 thousand (5% already granted pending definition of the executive project by the Municipal authorities).

Collesalvetti

Contribution to the environmental requalification of the Stagno town centre for a value of Euro 420 thousand; 85% has already been paid out.

Moreover, the *CIBM* – Consortium for the Interuniversity Centre of Marine Biology and Applied Ecology of Livorno – has drawn up a twenty-year Marine Environment Monitoring Plan for the area around the Terminal. This provides for the performance of marine, physical, biological, chemical-physical, bathymetric and eco-toxicological analyses and generates significant new business in the territory.

4.4

SUPPLIERS AND SOCIAL IMPACT

GRI 103-1, 103-2, 103-3, 204-1, 407-1, 408-1, 409-1, 410-1, 414-1, 414-2

The Company operates to build a system of relations with suppliers based on clear transparent rules, which are central factors for maintaining the quality of the services, protecting the environment and the safety of the workers and the communities.

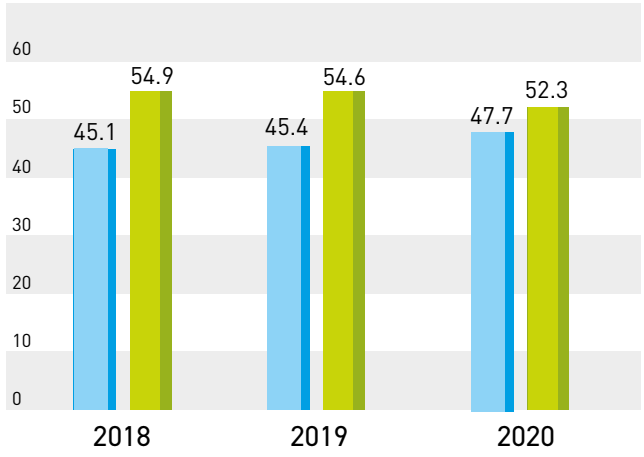
OLT has implemented a procedure to qualify suppliers

and sub-suppliers based on their ability to meet the requirements defined by the company, including those for the *SA8000* Standard, i.e. on child labour, forced labour, workers' health and safety, free association and collective bargaining, discrimination, disciplinary procedures, working hours and pay. OLT sends its suppliers the *HSEQ Policy* and the Code of Ethics in the negotiating stage, requesting the supplier to adopt conduct that is in line with what is described in the documents. The Company informs its suppliers and sub-suppliers about in path on Social responsibility and requests proof of their compliance with the regulatory requirements by means of filling in a questionnaire a statement of commitment.
All OLT suppliers who, according to internal procedures are subjected to underwent a triennial social assessment[31], whilst ECOS verified 78%, 80% and 92% of them respectively in a trend that will also lead to the main outsourcer progressively verifying all of its qualified suppliers on the basis of social criteria.

In the 2018-2020 three-year period, no critical issues regarding freedom of association and collective bargaining, child labour, forced or compulsory labour or any other social criticisms were found in the qualified suppliers.
The security personnel is employed by ECOS and is tasked with supervising the entrances to the Terminal and searching for suspicious objects. Whilst it does not carry out luggage checks and/or checks on people, it does in fact apply the security plan approved by the administrations. This personnel therefore does not need specific training in human rights.

OLT contributes significantly to the local economy through the selection, where possible, of local qualified suppliers (with operating offices in Tuscany and the district of Livorno).

Distribution of the percentages of expenditure to qualified suppliers



For the three-year period, the percentage of provincial suppliers is 99.8% of the regional ones

The data shown in the graph are for the costs for services and raw materials with reference to the qualified suppliers.

31 The internal procedures dedicated to purchases define the criteria for identifying the categories of suppliers to be subjected to qualification and periodic social evaluation.

4.5

ECONOMIC PERFORMANCE

GRI 103-1, 103-2, 103-3, 102-7

The economic dimension of sustainability concerns the impact generated in this context for the stakeholders and the systems at a local, national and global level. The economic indicators describe both the flow of capital between the various stakeholders and any impact that the organization has on society.
The economic performance is therefore fundamental to understanding an organization and its sustainability. Normally, this information is already included in the financial statements, whilst the contribution of the organization to the sustainability of a broader economic system is hardly spoken about: the indicators shown below intend to measure the economic results of the OLT activities and the effects they have on a vast range of stakeholders.

In 2020, OLT generated 122,488,524 euros of net income (for greater details see the table in section 4.5.1), with overall debt of 683,077,260 euros and share capital of 40,489,544 euros.
The income reflects the revenue from the allocation of 38 *regasification* capacity slots compared to the 41 slots offered annually; it also includes charging the users the transport costs, fuel gas consumption and the *Guarantee Factor* granted by the regulations for the 2020 period. The reduction as against 2019 can be mainly attributed to lower passing income, which is reflected in lower costs. The debt can be mainly attributed to company loans received when creating the Terminal and records an improvement of about € 82 million as against 2019 by effect of the cash flows generated by the Company's operating activities which have enabled a significant repayment of the company loans in 2020, for a total of € 62 million.
The share capital is unchanged over the last 3 years.

4.5.1

Economic value directly generated and distributed

GRI 103-1, 103-2, 103-3, 201-1

The management of the financial and administrative aspects, as well as their human resources, is the responsibility of the OLT Finance and Human Resources Department which operates under the supervision of the Managing Directors.
The financial statements, drawn up by the Managing Directors and subject to the approval of the Board of Directors, is audited by the Board of Statutory Auditors and the independent external auditors Deloitte & Touche Spa and finally submitted to the shareholders' Meeting for approval.

In compliance with the provisions of the GRI, the profit and loss account for the year 2020 is reclassified below highlighting the following components:

- the economic value directly generated by OLT: income, financial revenue and stakeholder revenue (expenses);
- the value distributed to the stakeholders;
- the value withheld by OLT: year's profits/losses, depreciation and accruals.

The table below illustrates the results of formation process for the economic value and its distribution to the various stakeholders (data reported even if the topic is not significant from the *materiality analysis*).

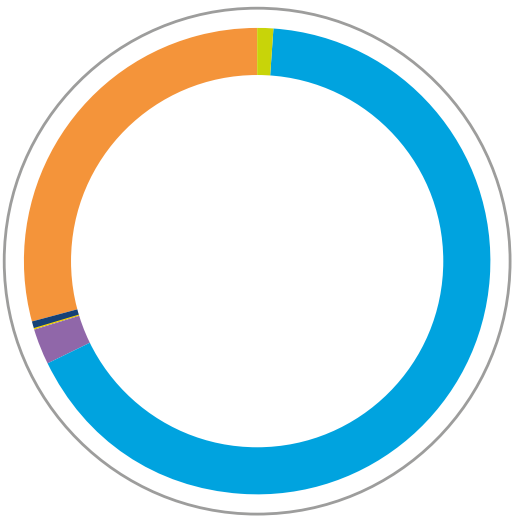
Economic value directly generated and distributed (in thousands of €)	**2018**	**2019**	**2020**
Economic value generated	**€ 112,481,034**	**€ 141,659,522**	**€ 122,488,524**
Revenue	€ 112,481,034	€ 141,659,522	€ 122,488,524
Economic value distributed	**€ 75,101,717**	**€ 93,641,665**	**€ 73,257,896**
Operating costs	€ 45,056,177	€ 62,659,938	€ 48,816,768
Employees (salaries and benefits)	€ 1,725,354	€ 1,850,570	€ 1,825,005
Local communities (liberal donations, contributions, etc.)	€ 38,928	€ 28,500	€ 62,978
Backers (bond holders and banks)	€ 177,805	€ 561,782	€ 334,000
Shareholders	€ 26,930,656	€ 25,927,720	€ 21,253,921
Public administration	**€ 1,172,797**	**€ 2,613,156**	**€ 965,223**
Direct taxes	€ 887,458	€ 2,467,807	€ 832,222
Indirect taxes	€ 285,339	€ 145,349	€ 133,001
Economic value withheld (A-B)	**€ 37,379,318**	**€ 48,017,857**	**€ 49,230,629**

In 2020, the revenue generated (value of production) by OLT was € 122,488,527. The items mainly contributing to the determination of this value are:

- revenue deriving from the *regasification* capacity allocated to users of € 40,726,262;
- evenue deriving from the 2020 *Guarantee Factor* of € 52,840,883;
- revenue from the recharge to users of transportation capacity cost of € 15,555,569;
- revenue from the recharge to users ot fuel gas consumption of € 3,560,920.

The distributed economic value was € 73,257,896 and consists mainly of operating costs, 67% of the entire distributed economic value and interest paid to shareholders on company loans, 29%. The remaining 3% of the distributed economic value consists of costs linked to expenditure on personnel (salaries, benefits, social contributions, severance pay, etc.), expenses for public administration (year's income tax, current, deferred and advance payments) and, to a much lesser extent, bank costs and liberal donations to the community.

The 2020 financial statements include a contribution of € 62,978 as liberal donations to the local communities, a significant amount compared to the previous years.



66.64%
Operating costs

2.49%
Employees
(salaries and benefits)

0.09%
Local communities (liberal donations, contributions,etc.)

0.46%
Backers
(Bond holders and banks)

29.01%
Shareholders

1.32%
Public Administration

4.5.2

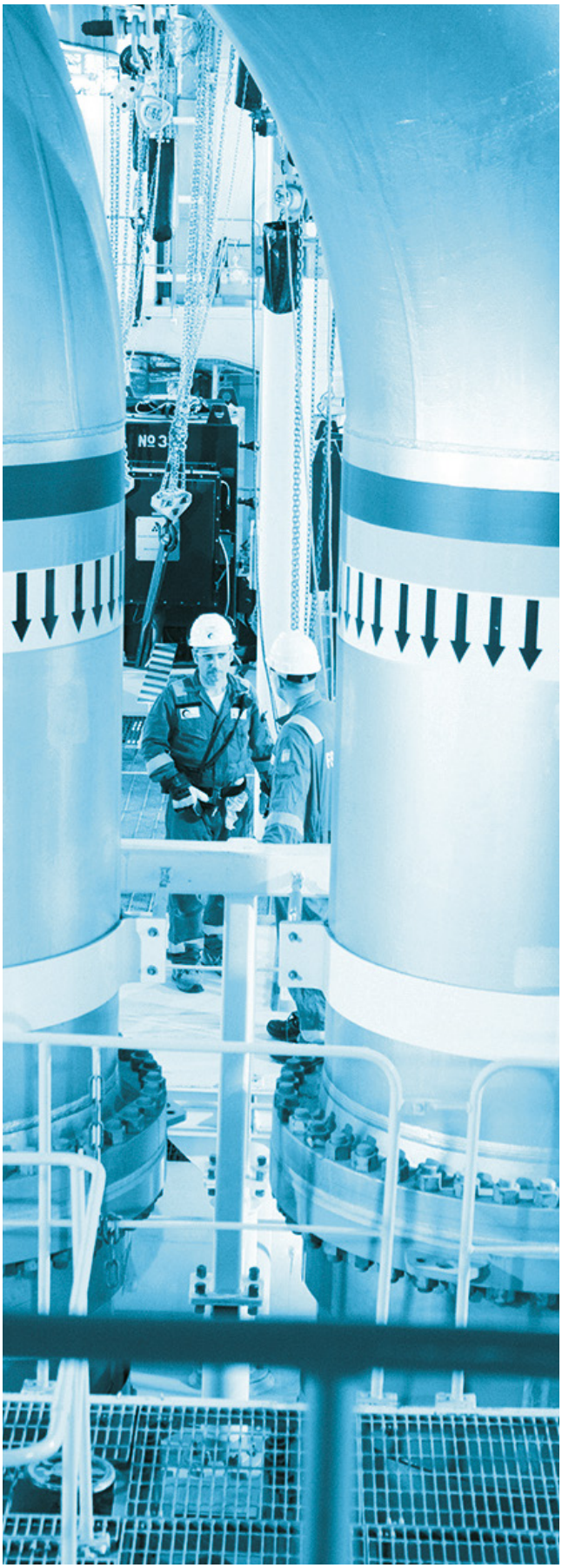
Infrastructural investments and financial services

GRI 203-1

Moreover, in 2020, OLT tripled the significant infrastructural investment compared to previous year in order to offer the *SSLNG* service, i.e. the service for distributing *LNG* using small size *LNG* carriers (*SSLNGc*) for the use of *LNG* as an offshore and onshore fuel.

	2018	2019	2020
Investment for the *SSLNG*	€ 534,885	€ 330,221	€ 919,834

The investment was used so that some functional and plant engineering modifications to the Terminal could be completed in 2021 (as better described in section 2.4).



NOTES ON THE METHODOLOGY AND MATERIALITY ANALYSIS

GRI 102-46, 102-50, 102-51, 102-52, 102-54

This annual sustainability report describes OLT and the result of its operations, taking into consideration the environmental, social and economic impacts arising from its policies, procedures and operations in 2020 (annual reporting period).

The data in this OLT 2020 Annual Report have been drawn up in accordance with the Core option, which is an enhancement on the previous year where the *GRI Standards* were used solely as a reference (GRI - Referenced Claim); the aim is to make the performance trend clearer over time, also in light of the difficulty in **making comparisons** with other entities operating in same sector in Italy and to make the reading of the data by the public more meaningful.

In particular, the 2020 Annual Report was drawn up in compliance with the *GRI Standards*: Core option, i.e. considering both the reporting principles for defining the content and for the quality of the report indicated by the *Global Reporting Initiative* and examining the material aspects, their impacts and how these impacts are managed by the organization. The most recent standard, as shown in the "Consolidated Collection of the GRI Sustainability Reporting Standards 2019", has been taken as a reference; the reference year for the standard used is specified in the first column of the table showing the GRI contents.

The **materiality** of the topics was therefore defined on the basis of those aspects that emerge as significant for the mission and strategy of OLT from an economic, environmental and social point of view, as identified by the company policies and Integrated Management System, as well as on the basis of consultation with the stakeholders, as better illustrated below.

The results of the survey carried out in 2019, with the participation of the stakeholders, to define the material aspects were confirmed for the environmental and social topics, with the addition of the economic performance, which was not present in the *materiality analysis* published in the 2019 Integrated Safety, Environment and Territory Report.

The other reporting principles indicated by the *Global Reporting Initiative* have also been taken into consideration when drawing up the Annual Report:

- the **stakeholder**s have been identified and their expectations have been considered, as illustrated in greater detail in section 1.4;
- the data have been presented with reference to the **widest context of sustainability**;
- the information has been provided as **completely and transparently** as possible, within the limits of the document's accessibility: aspects regarding the social, environmental and economic field were considered material and the reporting perimeter for each of these was made clear;
- the **accuracy** of the information was guaranteed by the Integrated Management System which provides for certification by third parties (see section 1.2);
- the principle of **balance** was observed: this annual report includes the reporting for both positive impacts and negative ones, also giving due importance to the risks that the OLT activity entails and the methods with which these risks are managed;
- we have tried to provide the information in the **clearest** way possible, also trying to translate aspects that have a decidedly technical nature into simple language, supplementing it with an interactive glossary where necessary.

For the environmental aspects, the reporting perimeter concerns the Terminal (the environmental aspects linked to office activities are in fact negligible); for the social part, as better specified in Chapter 4, the activities of OLT and ECOS (main outsourcer of OLT and responsible for the management of the Terminal), whilst for the economic part, the financial statements of the company OLT, which include the revenue and expenses arisingfrom the Terminal's operation.

Materiality analysis

GRI 102-46, 102-47

The contents of the report, and the importance that has been given to the different sections, have been defined on the basis of the *materiality analysis*, which was carried out on the basis of:

- **consultation with stakeholders**: through a specific survey aimed at creating the first materiality analysis in 2019;
- **analysis of the sustainability context**: OLT's sustainability performance is analysed within the context in which the company works, both at a national and international level;
- **relevance analysis:** relevance analysis with reference to the mission and impact of OLT, performed bearing in mind what has alread been developed within the framework of the company's IMS (Integrated Management System) as well as the risk assessment, by means of questionnaires sent to the stakeholders. The relevance analysis enables identification of the relevant aspects for the internal and external stakeholders and the perimeter of the impacts for each relevant aspect;
- **materiality analysis:** based on the significance attributed by the stakeholders consulted and on the relevance with the OLT mission and strategy, middle and top management selects the relevant aspects emerging from the *materiality analysis*.

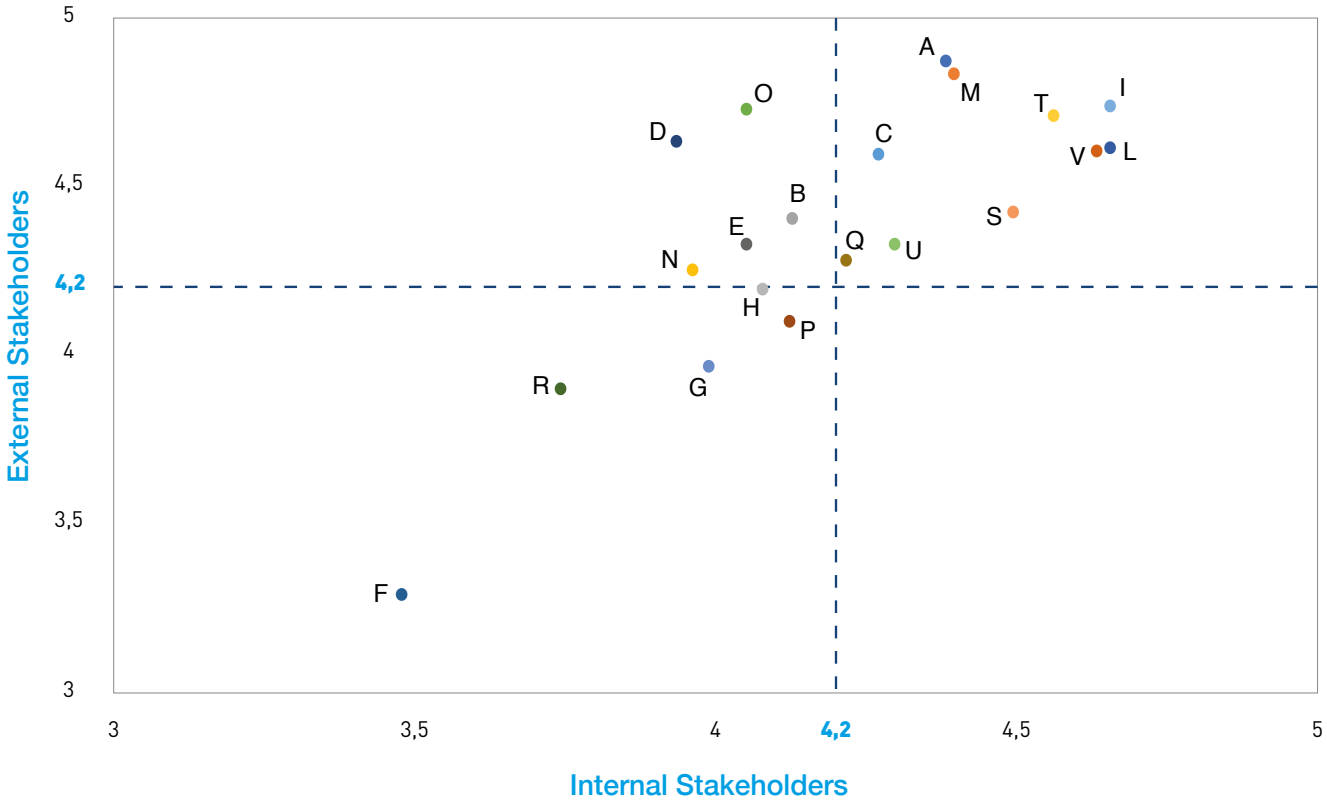
For the purpose of a complete *materiality analysis* in relation to the participation of all of the external stakeholders, and of the reference local community in particular, a weight has been assigned (equal to 0.3) to the relevance indexes (present in the questionnaire given in 2019) of the external stakeholders in relation only to the topics dealt with during the authorisation processes subject to consultation with the public.
It was then decided, based on the principle of "completeness", to define the specific thresholds of relevance for each area of analysis: for topics with environmental and economic relevance, the threshold was 4.2 whilst topics of social relevance were attributed a threshold of 4.0.
The reason for this difference in thresholds is given by the desire not to exclude significant social aspects, which however enjoy less attention from the internal and external stakeholders, and also because the sector in which OLT operates is highly regulated from an environmental and economic point of view and greater attention is given under these profiles both in the company and by the competent authorities and external stakeholders.

All of the "material" aspects (above the relevance threshold) are described in the Annual Report also based on a quantitative analysis of the results.

The environmental aspects considered "material", and therefore shown in this Annual Report, are:

- Emissions into the air - Greenhouse Gas (*GHG*) emissions
- Seawater withdrawals
- Effluents (chlorine concentration and *thermal delta*)
- Production and concentration of wastes
- Energy consumption by energy source
- Consumption of fossil fuels
- Effects on the biodiversity
- Certification in the environmental field
- Compliance with environmental aspects, Claims - Disputes on environmental aspects
- Environmental targets achieved and set

Environmental performance



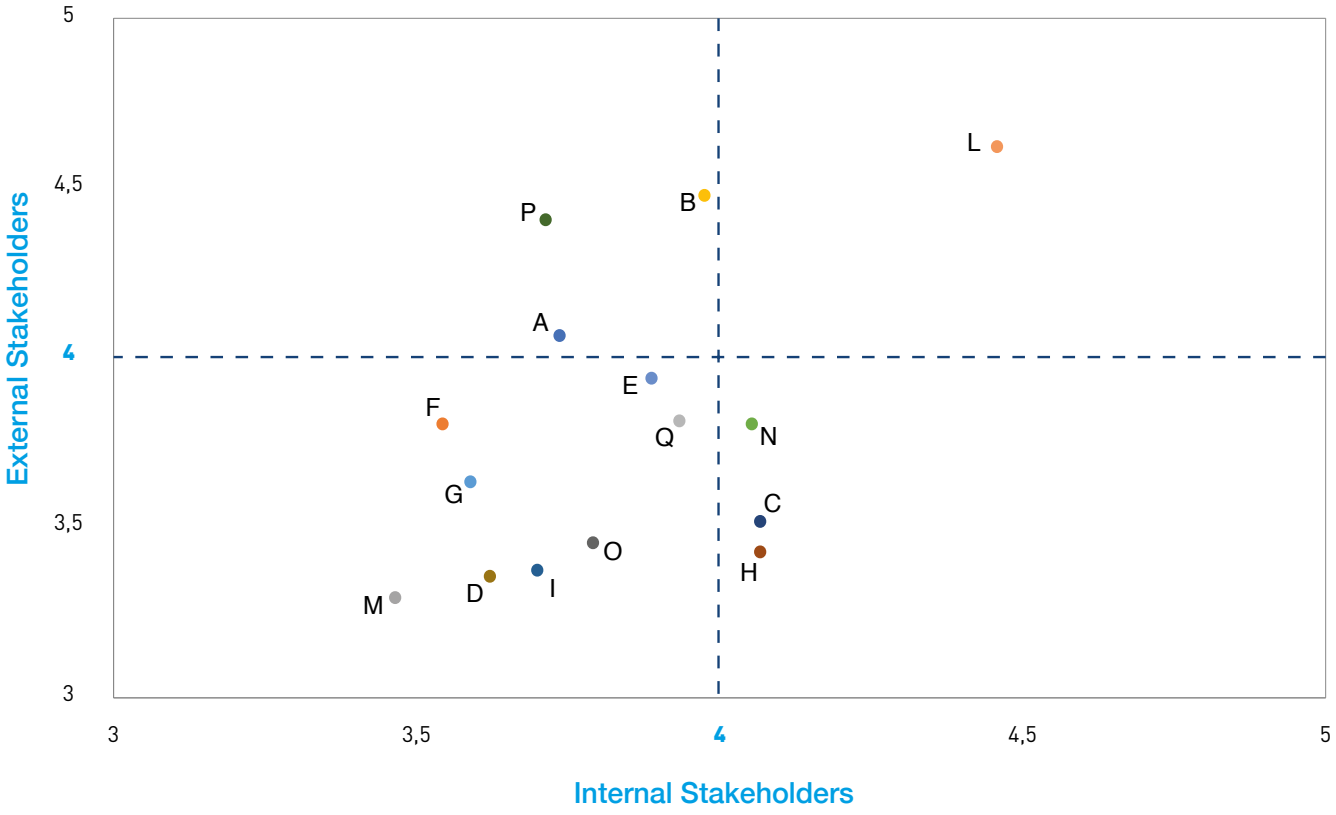
A ● Emissions to air
B ● Sea-water withdrawals
C ● Concentrations of chlorine and effluents
D ● Composition of waste
E ● Energy consumption by energy source
F ● Consumption of steam
G ● Recycling/recovery of raw materials
H ● Environmental qualification of suppliers
I ● Compliance with environmental aspects
L ● Environmental targets achieved

M ● Emissions of Greenhouse Gas
N ● Thermal Delta
O ● Production of waste
P ● % Recycling/recovery
Q ● Consumption of fossil fuels
R ● Consumption of raw materials
S ● Effects on biodiversity
T ● Environmental certifications
U ● Complaints - Litigation on environmental aspects
V ● Environmental targets set

The “material” social topics are:

- Number of direct and indirect workers
- Safety (including emergency drills)
- Training
- Equal opportunities and equal pay policies
- Policies for the local communities
- Certifications (for social and safety questions)

Social performance

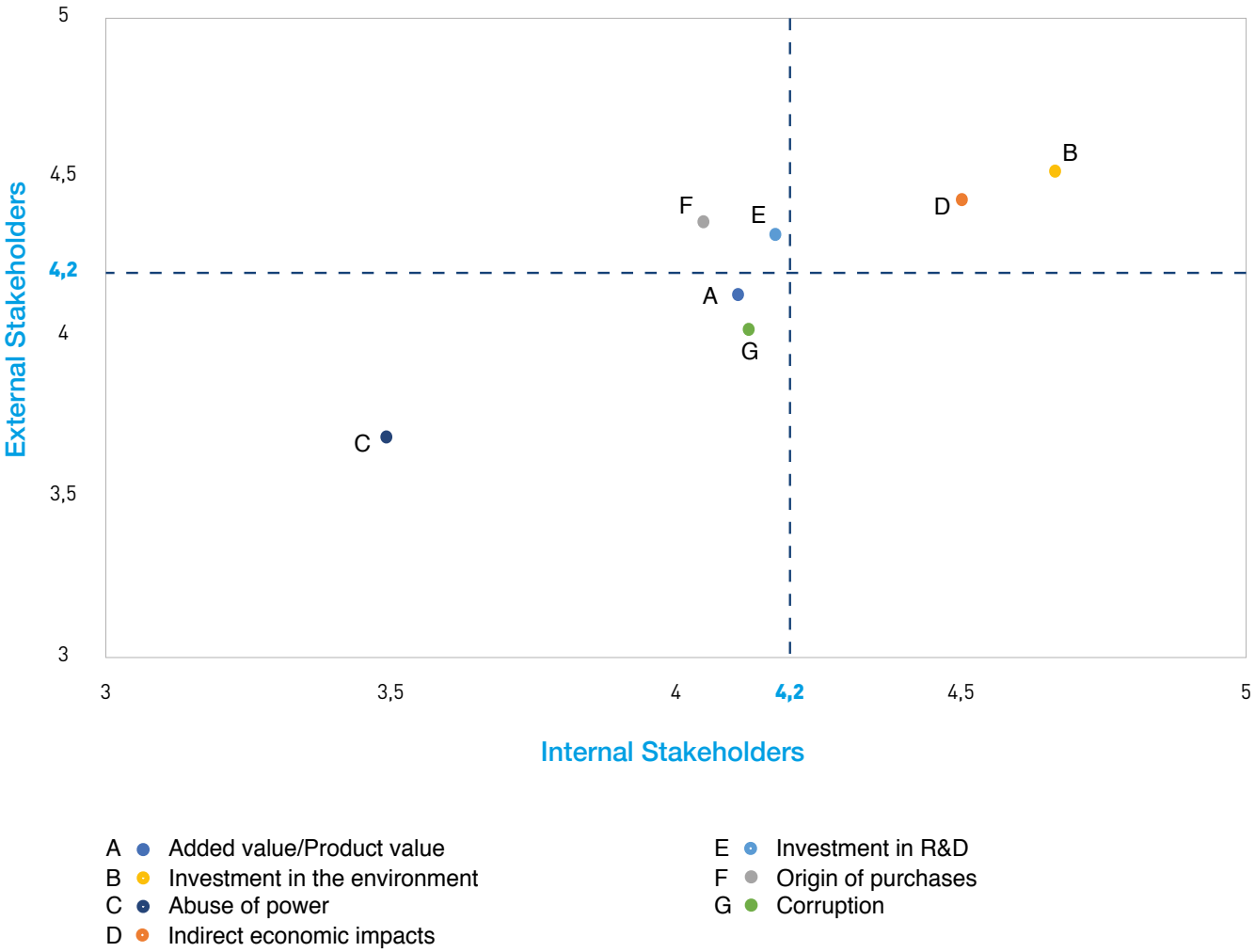


A Number of direct and indirect workers
B Emergency drills
C Equal opportunities policies
D Cultural integration
E Protection of human rights
F Utilisation
G Claims for unfair practices
H Equal pay
I Corporate welfare
L Certification (social and safety)
M Absences
N Training
O Inclusion of disadvantaged groups
P Policies for the local community
Q Litigation

Finally, the material economic aspects are:

- Indirect economic impacts
- Investment for the environment and research and development
- Origin of purchases

Economic performance



A Added value/Product value
B Investment in the environment
C Abuse of power
D Indirect economic impacts
E Investment in R&D
F Origin of purchases
G Corruption

Changes in the reporting

GRI 102-49

As previously mentioned, this Annual Report, drawn up in accordance with the Core option, is a de facto update of the previous 2019 Integrated Safety, Environment and Territory Report, drawn up under the Referenced Claim option.
Compared to the 2019 Integrated Safety, Environment and Territory Report, this Annual Sustainability Report thus offers a much more transversal reading key for the environmental, social and economic aspects and deals with some topics in greater detail. In particular, with regard to this edition:

- the economic part, which was completely absent in the 2019 Integrated Report, has been inserted, thus making the passage to the Core option possible;
- the methods for managing every aspect have been inserted;
- all the indicators have been reviewed and updated to what is actually provided for by the standard in compliance with the Core option.

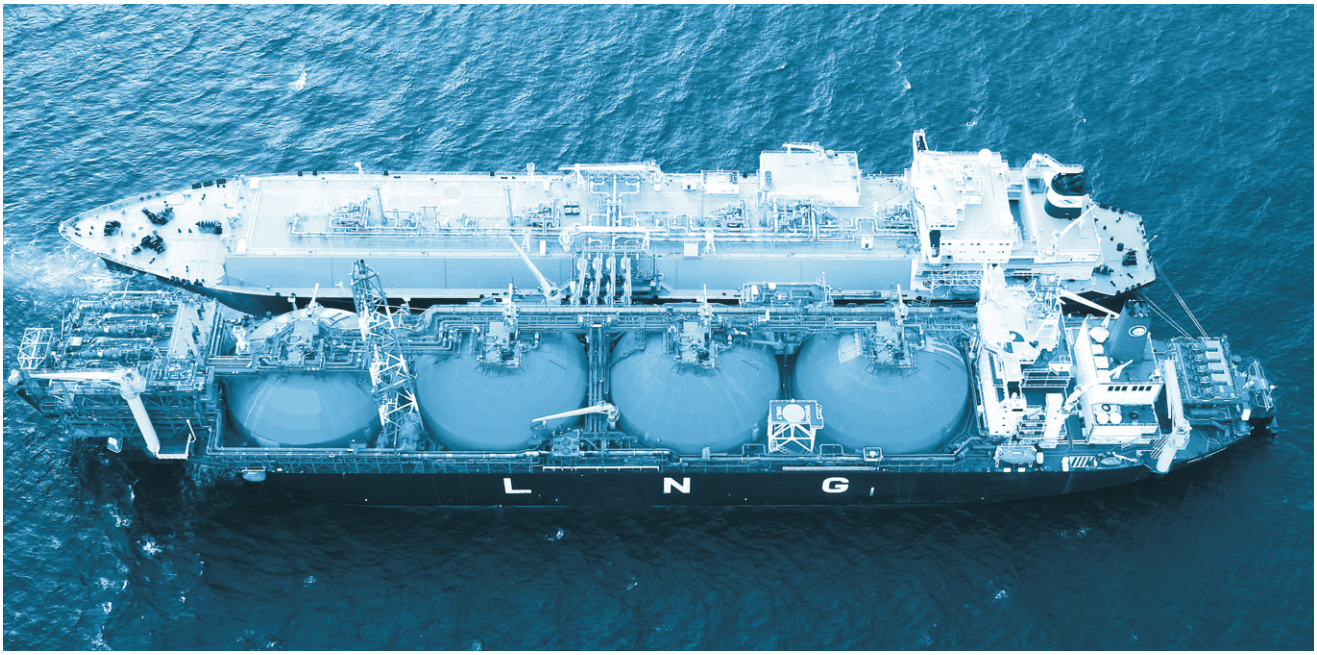


TABLE OF CORRELATION BETWEEN MATERIAL TOPICS AND GRI

OLT material topics	GRI Aspects / Information notes
Emissions into the air - Greenhouse Gas (*GHG*) emission	GRI 305: Emissions
Seawater withdrawals	GRI 303: Water and effluents
Effluents (chlorine concentration and *thermal delta*)	GRI 303: Water and effluents
Production and concentration of wastes	GRI 306: Effluents and waste
Energy consumption by energy source	GRI 302: Energy
Consumption of fossil fuels	GRI 302: Energy
Effects on the biodiversity	GRI: 304: Biodiversity
Certification in the environmental field	GRI 103: Management approach to the 300 topics; GRI 102-16: Ethics and Integrity
Compliance with environmental aspects, Claims - Disputes on environmental aspects	GRI 307: Environmental compliance
Environmental targets achieved and set	GRI 102-11: Precautionary principle or approach
Safety (including emergency drills)	GRI 102-7: Size of the organization; GRI 401: Employment
Number of direct and indirect workers	GRI 102-7: Size of the organization; GRI 401: Employment
Training	GRI 404: Training and education
Equal opportunities and equal pay policies	GRI: Diversity and equal opportunity; GRI 406: Non-discrimination
Policies for the local communities	GRI 413: Local communities; GRI 202: Market presence
Certifications (for social and safety questions)	GRI 103: Management approach to the 400 topics; GRI 407: Freedom of association and collective bargaining; GRI 408: Child labour; GRI 409: Forced or compulsory labour; GRI 414: Supplier social assessment; GRI 419: Socioeconomic Compliance; GRI 102-16: Ethics and Integrity
Indirect economic impacts	GRI 203: Indirect economic impacts
Investment for the environment and research and development	GRI 201: Economic performance; GRI 413: Local communities
Origin of purchases	GRI 204: Procurement practices

APPENDIX

Risk management method table

GRI 102-11, 103-1, 103-2, 103-3, 403-2, 413-1, 413-2

Risk assessment is a central element in the operating, financial, social and environmental management of OLT. The company vision on potential risks also enables the potential opportunities connected with them to be embraced: a risk is a potential imbalance that can produce a change; the quality of this change is given by the ability of an organization to foresee it and address it. This is how risks can mutate into opportunities and proper management of them can evolve from a "defence" tool into a lever for growth.

One of the more significant products of the Integrated Management System is the company approach to risk assessment, which regularly updated and supplemented. In 2020, all the documents regarding risk management were updated following the entry of a new shareholder, the migration from the OHSAS 18000 standard to the *ISO 45001* standard for health and safety in the workplace and the outbreak of the Covid-19 pandemic.

The risk assessment is a document constructed with the collaboration of the employees which, based on an initial analysis of the potential risks regarding the company processes and stakeholders and classified on the basis of the potential gravity and the probability of occurrence, identifies the reference management system and defines an operational plan.

The risk assessment document is open and can be amended. It is in fact updated on the basis of the actions carried out, the result of the regular internal and external audits (first or third party) and internal and external changes, going on to re-assess the potential risk assigned (low, medium, high).

The following table illustrates in a simplified manner the main social, environmental and safety risks and the management tools adopted so that the risk goes from a medium and/or high assessment to a low assessment, and hence acceptable.

Type of risk	Description	Management tools
Regulatory compliance	The *regasification* service is highly regulated both from the perspective of regulating the service and the environmental and safety perspective (industrial and workers' health/safety), because of which the Company is potentially exposed to the risks and opportunities linked to the introduction of any new services, provisions of law and/or regulations and the non-compliance with them.	The Company manages the regulatory compliance risk/opportunity by means of: • a system of procedures, codes (like the Access Code) and monitoring tools, internal and third-party audits which cover all the regulatory aspects and enable both internal and outsourcer compliance to be kept under control; • continuous training; • analysis system for improving performance.
Aspects regarding workers' health and safety and safety in terms of industrial risk	The OLT activity is subject to prescriptions regarding systems with a Major Accident Risk and the maritime prescriptions for workers, whilst the onshore workers are protected by the common legislation of health and safety at the workplace (TUSL). The Company is therefore exposed to the risk/opportunity of the adequacy of the working environments, equipment and systems in terms of health and safety. Since OLT has outsourced some key services (the plant management, marine monitoring, IT service, *Ship-to-Ship* operations and *regasification* operations) it is fundamental that these prescription are observed not just by OLT but also by the main outsourcers and their suppliers. The possible difficulties in monitoring suppliers and sub-suppliers on a daily basis expose OLT to potential risks under the HSE profile.	In order to guarantee a safe and healthy work environment, the Company has adopted and/or had its outsourcers adopt: • a monitoring system (including outsourcer reporting and cost control); • an analysis system for improving performance; • continuous training for the workers of the Company and its outsourcers; • an Integrated Management System compliant with the *ISO 14001*, *ISO 45001*, *ISO 9001* standards and the applicable regulations for major risks and workers' health and safety; • specific internal and external audits by second and third-parties; • suitable response plans for emergencies and crisis situations. Furthermore, the plant is under constant maintenance so that it can perform optimally under a safety profile.
Risks for the ecosystem and other environmental aspects	The presence of the Terminal in the ecosystem constitutes a risk both under the environmental profile and under the regulatory compliance profile. In particular, risks/opportunities derive from the Terminal management in terms of: • emissions into the air • water discharges • waste • use of resources (fuels, electricity, etc.) • risk of environmental accidents • biodiversity	In order to best manage the environmental aspects arising from the presence of the Terminal in the ecosystem, the Company has adopted and/or had its outsourcers adopt: • a monitoring system in compliance with the AIS Decree and applicable laws (amongst which Emission Trading); • analysis system for improving performance; • marine environment monitoring plan; • continuous training for the workers of the Company and its outsourcers; • Integrated Management System in compliance with the *ISO 14001* standard and the *EMAS* Regulation. • specific internal and external audits by second and third-parties; • suitable response plans for emergencies and crisis situations. Furthermore, the plant is under constant maintenance so that it can perform optimally under an environmental profile.

Type of risk	Description	Management tools
Social aspects (inside and outside the organization)	The activity of the Company and its outsourcers is subject to the risk/ opportunity linked to the quality of the reactions with the internal (influenced by workers' rights, professional growth, company welfare, etc.) and external (influenced by economic and employment effects on the territory, health and safety of the residents, environmental quality, social impact of the production and voluntary activities, compensation, etc.).	For all the social aspects inside the Company and/or its outsourcers and suppliers, the Company manages the social risks and opportunities by means of: • a monitoring system for the social aspects; • an analysis system for improving performance; • continuous training on the social aspects for the workers of the Company and its outsourcers; • an Integrated Management System compliant with the *SA8000* standard; • specific internal and external audits by second and third-parties. For all the external social factors, the Company has set up the following actions for a better risk and opportunity management: • a communication plan that takes into account the stakeholder expectations; • environmental compensation; • reporting of the Company social, environmental and economic performances; • donations and projects within the CSR programme.

GRI STANDARD CORRESPONDENCE TABLE

GRI 102-55

GRI Standard	GRI Disclosure	Description	Reference document	Omissions - Notes
GRI 102: General Disclosure 2016				
Organizational Profile	102-1	Name of the organization	Introduction Chapter 1 OLT Offshore LNG Toscana	
	102-2	Activities, brands, products and services	Introduction Chapter 1 OLT Offshore LNG Toscana 2.2 The *regasification* service	
	102-3	Location of headquarters	Introduction Chapter 1 OLT Offshore LNG Toscana Last page	
	102-4	Location of operations	Introduction Chapter 1 OLT Offshore LNG Toscana	
	102-5	Ownership and legal form	Introduction Chapter 1 OLT Offshore LNG Toscana 1.1 Governance	
	102-6	Markets served	2.2 The *regasification* service	
	102-7	Scale of the organization	2.2 The *regasification* service 4.1.1 Employment 4.5 Economic performance	
	102-8	Information on employees and other workers	4.1.1 Employment	

GRI Standard	GRI Disclosure	Description	Reference document	Omissions - Notes
	102-9	Supply chain	Chapter 2 - The services offered by the Terminal 1.1 Governance	
	102-10	Significant changes to the organization and its supply chain	1.1 Governance	
	102-11	Precautionary principle or approach	1.3 Social, environmental and economic sustainability Appendix - Risk management method table	
	102-12	External initiatives	1.4.1 Associations and initiatives	
	102-13	Membership of associations	1.4.1 Associations and initiatives	
Strategy	102-14	Statement from senior decision-maker	Letter to the Stakeholders	
Ethics and integrity	102-16	Values, principles, standards and norms of behaviour	1.2 Our fundamental points	
Governance	102-18	Governance structure	1.1 Governance	
Stakeholder engagement	102-40	List of stakeholder groups	1.4 The stakeholder network	
	102-41	Collective bargaining agreements	4.1 Personnel management	
	102-42	Identifying and selecting stakeholders	1.4 The stakeholder network	
	102-43	Approach to stakeholder engagement	1.4 The stakeholder network	
	102-44	Key topics and concerns raised	1.4 The stakeholder network	
	102-45	Entities included in the consolidated financial statements	-	The Company submits an annual report (financial) with the same perimeter as this sustainability report

GRI Standard	GRI Disclosure	Description	Reference document	Omissions - Notes
Reporting practice	102-46	Defining report content and topic boundaries	Notes on the methodology and *materiality analysis*	
	102-47	List of material topics	Notes on the methodology and *materiality analysis* Information note 103 - Management methods for every aspect	
	102-48	Revision of the information	-	Not applicable, as there has been no change/revision of the data provided in the previous reports
	102-49	Changes in the reporting	Notes on the methodology and *materiality analysis*	
	102-50	Reporting period	Notes on the methodology and *materiality analysis*	
	102-51	Date of most recent report	Notes on the methodology and *materiality analysis*	
	102-52	Reporting cycle	Notes on the methodology and materiality	
	102-53	Contact point for questions regarding the report	1.4 The stakeholder network Last page	
	102-54	Claims of reporting in accordance with the *GRI Standards*	Notes on the methodology and *materiality analysis*	
	102-55	GRI content index	GRI Standard correspondence table	
	102-56	External assurance	Statement of assurance	
GRI 200: Economic				
GRI 201 Economic performance 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.5.1 Economic value directly generated and distributed	
	201-1	Direct economic value generated and distributed	4.5.1 Economic value directly generated and distributed	
GRI 202 Market presence 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.1 Personnel management	

GRI Standard	GRI Disclosure	Description	Reference document	Omissions - Notes
	202-1	Ratio between the standard salary of new hiring and the local minimum salary (application of the CCNL)	4.1 Personnel management	
	202-2	Proportion of senior managers	4.3 Local communities	
GRI 203 Indirect economic impacts 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.5.1 Economic value directly generated and distributed	
	203-1	Infrastructural investments and financial services	4.5.2 Infrastructural investments and financial services	
GRI 204 Procurement practices 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.4 Suppliers and social impact	
	204-1	Proportion of expenditure to local suppliers	Suppliers and social impact	
GRI 300: Environmental				
GRI 302 Energy 2016	103-1, 103-2, 103-3	Approach to the management of the topic	3.1 Energy	
	302-1	Energy consumption within the organization	3.1.1 Energy consumption within the organization	
	302-2	Energy consumption outside the organization	3.1.2 Energy consumption outside the organization	
	302-3	*Energy intensity*	3.1.3 *Energy intensity* of the organization and reduction of consumption	
	302-4	Reduction of energy consumption	3.1.3. *Energy intensity* of the organization and reduction of consumption	
GRI 303 Water and effluents 2018	103-1, 103-2, 103-3	Approach to the management of the topic	3.2 Water and effluents	
	303-1	Interaction with water as a shared resource	3.2 Water and effluents	
	303-2	Management of water discharge-related impacts	3.2.1 Withdrawal and consumption of water 3.2.2 Effluents	

GRI Standard	GRI Disclosure	Description	Reference document	Omissions - Notes
	303-3	Water withdrawal	3.2.1 Withdrawal and consumption of water	
	303-4	Water discharge	3.2.2 Effluents	
	303-5	Consumption of water	3.2.1 Withdrawal and consumption of water	
GRI 304 Biodiversity 2016	103-1, 103-2, 103-3	Approach to the management of the topic	3.3 Biodiversity	
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.3 Biodiversity	
	304-2	Significant impacts of activities, products, and services on biodiversity	3.3.1 Significant impacts of activities, products, and services on biodiversity	
GRI 305 Emissions 2016	103-1, 103-2, 103-3	Approach to the management of the topic	3.4 Emissions	
	305-1	Direct emissions: *GHG Scope 1*	3.4.1 Direct emissions of *GHG Scope 1*	
	305-3	Direct emissions: *GHG Scope 3*	3.4.2 Other indirect emissions of *GHG Scope 3*	
	305-4	*GHG* emissions intensity	3.4.3 *GHG* emissions intensity	
	305-5	Reduction of *GHG* emissions	3.4.2 Other indirect emissions of *GHG Scope 3*	
	305-7	Nitrogen oxides (NO_X), sulphur oxides (SO_X), and other significant air emissions	3.4.4 Nitrogen oxides, sulphur oxides and other significant emissions	
GRI 306 Effluents and waste 2016	103-1, 103-2, 103-3	Approach to the management of the topic	3.5 Waste by type and disposal method	
	306-2	Waste by type and disposal method	3.5 Waste by type and disposal method	
	306-3	Significant spills	3.6.1 Non-compliance with environmental laws and regulations	
GRI 307 Environmental compliance 2016	103-1, 103-2, 103-3	Approach to the management of the topic	3.6 Compliance with environmental laws and regulations	
	307-1	Non-compliance with environmental laws and regulations	3.6.1 Non-compliance with environmental laws and regulations	

GRI Standard	GRI Disclosure	Description	Reference document	Omissions - Notes
GRI 400: Social				
GRI 401 Employment 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.1 Personnel management	
	401-1	New recruits and turnover	4.1.1 Employment	
	401-3	Parental leave	4.1.1 Employment	
GRI 403 Occupational health and safety 2018	103-1, 103-2, 103-3	Approach to the management of the topic	4.2 Safety	
	403-1	Occupational health and safety management system	4.2 Safety	
	403-2	Identification of the hazards and risk assessment	4.2 Safety Appendix - Risk management method table	
	403-3	Occupational health services	4.2 Safety	
	403-4	Worker participation and consultation	4.1 Personnel management 4.2 Safety	
	403-5	Worker training on occupational health and safety	4.2 Safety	
	403-6	Promotion of workers' health	4.2 Safety	
	403-8	Workers covered by an occupational health and safety management system	4.2 Safety	
	403-9	Work accidents	4.2 Safety	
	403-10	Occupational diseases	4.2 Safety	
GRI 404 Training and education 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.1 Personnel management 4.1.3 Training	
	404-1	Average hours of training per year per employee, by category and gender	4.1.3 Training	No division by professional category and gender for ECOS

GRI Standard	Informativa GRI	Descrizione	Documento di riferimento	Omissioni - Note
	404-2	Programs for upgrading employee skills	4.1.3 Training	ECOS data absent
	404-3	Percentage of employees receiving periodical assessment of their performance and professional development	4.1.3 Training	ECOS data absent
GRI 405 Diversity and equal opportunity 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.1 Personnel management 4.1.2. Gender equality and non-discrimination	
	405-1	Diversity of governance bodies and employees	4.1.2. Gender equality and non-discrimination	
	405-2	Ratio of basic salary and pay of women against men	4.1.2. Gender equality and non-discrimination	ECOS data absent
GRI 406 Non-discrimination 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.1 Personnel management 4.1.2. Gender equality and non-discrimination	
	406-1	Episodes of discrimination and corrective measures adopted	4.1.2. Gender equality and non-discrimination	
GRI 407 Freedom of association and collective bargaining 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.4 Suppliers and social impact	
	407-1	Freedom of association of the company and the suppliers	4.4 Suppliers and social impact	
GRI 408 Lavoro minorile 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.4 Suppliers and social impact	
	408-1	Child labour of the company and suppliers at risk	4.4 Suppliers and social impact	
GRI 409 Forced or compulsory labour 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.4 Suppliers and social impact	
	409-1	Forced or compulsory labour of the company and suppliers	4.4 Suppliers and social impact	

GRI Standard	Informativa GRI	Descrizione	Documento di riferimento	Omissioni - Note
GRI 410 Security practices 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.4 Suppliers and social impact	
	410-1	Security personnel trained on policies or procedures regarding human rights	4.4 Suppliers and social impact	
GRI 413 Local communities 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.3 Local communities	
	413-1	Operations with local community engagement, impact assessments, and development programs	4.3 Local communities Appendix - Risk management method table	
	413-2	Activities with significant negative, potential and actual impact on the local communities	4.3 Local communities Appendix - Risk management method table	
GRI 414 Supplier social assessment 2016	103-1, 103-2, 103-3	Approach to the management of the topic	4.4 Suppliers and social impact	
	414-1	New suppliers that have undergone assessment by using social criteria	4.4 Suppliers and social impact	
	414-2	Negative social impact on the supply chain and action taken	4.4 Suppliers and social impact	
GRI 419 Socioeconomic compliance 2016	103-1, 103-2, 103-3	Approach to the management of the topic	Introduction Chapter 4 Socioeconomic performance Appendix - Risk management method table	
	419-1	Non-compliance with social and economic laws and regulations	Introduction Chapter 4 Socioeconomic performance	

GLOSSARY

Antifouling: system to prevent the formation of marine vegetation.

ARERA: Regulatory Authority for Energy, Networks and Environment.

ARPAT: Regional Agency for Environmental Protection of Tuscany.

Ballast: embarkation and disembarkation system to change the trim of the vessel/Terminal.

BOD (Biochemical Oxygen Demand): quantity of oxygen required, in mg/l for bacterial flora to break down organic material (oxidation) present in wastewater.

BoD: Board of Directors.

CEF (Connecting Europe Facilities): a tender called by the European Commission with the aim of developing the trans-European networks and infrastructure in the transport, telecommunications and energy sectors.

CH_4: methane.

Charter of Values: reference document for socially responsible behaviour required by the SA8000 standard.

CIBM: Centro Interuniversitario di Biologia Marina ed Ecologia Applicata, that is the Consortium for the Interuniversity Centre of Marine Biology and Applied Ecology of Livorno (OLT supplier).

EIA (Environmental Impact Assessment): pursuant to Legislative Decree 152/06 this is a technical-administrative procedure whose aim is to identify, describe and assess, prior to the start of any works, the effects on the bio-geophysical environment, on health and on human wellbeing of certain public or private projects, as well as the identification of measures aimed at preventing, eliminating or minimising negative impacts on the environment, before these actually occur. The authorisation is issued by means of a Decree (*EIA* Decree).

EMAS (Eco-Management and Audit Scheme): a voluntary tool created by the European Union that can be used by organisations (companies, public institutions, etc.) to assess and improve their environment performance and to provide the public and other stakeholders with information about how they manage the environment. The European Regulation currently in force is No. 1221 issued in 2009 and updated by European regulation No. 1505 of 2017.

Emission intensity: GHG emissions in the context of a specific parameter of the organization. The GHG emission intensity indicates the quantity of GHG per activity unit, output or any other specific parameter. Together with organization's total GHG emissions, shown in Information Notes 305-1, 305-2 and 305-3, the GHG emissions intensity contributes to putting the organization's efficiency into context, also in relation to other organizations. The rate is given by annual tonnes of CO_2 equivalent (numerator) and the product unit at the denominator (1000 Sm^3).

Emission Trading System: this term generically refers to a system adopted internationally to control emissions and trade quotas of greenhouse gas and pollutants; the "Emission Trading" directive is the European directive that regulates the exchange of quotas and their monitoring.

Energy intensity: energy consumption in the context of a specific parameter of the organization. These ratios indicate the energy required for a unit of activity, output or any other specific parameter of the organization. It is the ratio between energy consumption (numerator) and product unit (denominator).

Environmental Declaration: instrument that is updated annually and represents the means with which an *EMAS*

registered organization communicates with interest parties on environmental matters. The statement must clearly and unambiguously describe the organization and its activities, its environmental policy, the significant environmental aspects, the goals and targets, the environmental data regarding the significant aspects and its environmental performances.

Fine particles: airborne particles (fibres, carbonaceous particles, metals, silica, liquid and solid pollutants) with a diameter of less than 10 micron (PM10) or 2.5 micron (PM2.5). The high concentration of fine particles is one of the causes of atmospheric pollutants.

Free active chlorine: defined as the active chemical product available as oxidant and therefore for disinfection (indeed, it has sanitising properties). This is the parameter used by sector regulations to define the potability of water.

Frigories: Unit of measurement used in the design and production of cooling plants equal to the quantity of heat to be removed from 1kg of water to lower its temperature from 15.5 to 14.5 °C. In this document it refers to the quantity of energy removed from the seawater to be able to regasify the LNG.

FSRU (Floating Storage and Regasification Unit): floating unit fitted out for the regasification and storage of LNG.

Fugitive emissions: emissions deriving from an industrial process that are not channelled because they come from physiological losses (and therefore not accidental) of plants and systems. In particular, physiological losses from gaskets, valves, etc.

Gas Year: reference time period used in the gas market that runs from 06:00 on 1st October until 06:00 on 1st October of the year immediately following.

GHG (Greenhouse Gases): Direct emissions of Greenhouse Gas

GHG Scope 1: Direct emissions of greenhouse gases (GHG) from installations within the boundaries of the organization caused by the use of fossil fuels and atmospheric emission of any greenhouse gas.

GHG Scope 2: Indirect emissions of greenhouse gases (GHG) deriving from the generation of electricity, heat and steam imported and consumed by the organization.

GHG Scope 3: Indirect emissions of greenhouse gases (GHG) caused by the company's activities.

GIE: Gas Infrastructure Europe.

Global Reporting Initiative: an independent international organization set up with the aim of creating reference standards for sustainability reporting.

GME (Gestore Mercati Energetici - Energy Market Operator): company owned by the Ministry of the Economy and Finance that organises and manages the electrical energy, natural gas and environmental gases market.

GRI Standards: the global reference standards for sustainability reporting; that is, for reporting the sustainability performance of companies and organisations in general.

Guarantee Factor: Minimum level of annual revenue guaranteed by the *ARERA* (Regulatory Authority for Energy, Networks and Environment).

GWP: Global Warming Potential.

HSEQ (Health, Safety, Environment and Quality): any process related to Health, Safety, Environment and Quality.

HSEQ Policy: high level document in which the management of a company describes its actions to achieve and continuously improve certain standards concerning the health and safety of workers and respect for the environment and quality.

IEA Decree: the IEA (Integrated Environmental Authorisation) Decree is the measure that authorises the functioning of an installation under certain conditions that

must guarantee compliance with the requirements as of the second part of Italian Legislative Decree 152/06. The authorisation is issued by means of a Decree (IEA Decree).

IEA: International Energy Agency.

IPCC: Intergovernmental Panel on Climate Change.

ISO 14001: standard that sets the requirements of an organisation's environmental management system.

ISO 45001: international standard for workplace health and safety.

ISO 9001: standard that sets the requirements of an organisation's quality management system.

ISPRA: Istituto Superiore per la Protezione e la Ricerca Ambientale [Higher Institute for Environmental Protection and Research].

SSLNG vessel and/or barge: small vessels that transport goods or liquids to or from larger vessels, generally inside ports.

LNG: Liquefied Natural Gas.

MAP Policy: Major Accidents Prevention Policy prepared by a company/plant subject to the Seveso Directive (implemented in Italy by Legislative Decree 105/15).

Materiality analysis: tool used to identify relevant topics for internal and external stakeholders in the environmental, social and economic areas and subsequent analysis of their relevance based on their affinity with the organisation's mission and strategy. Topics identified as "material" will lie at the basis of the reporting.

MATTM: Ministry of the Environment and Protection of the Land and Sea (now MiTE - Ministry of Ecological Transition).

MGO (Marine Gas Oil): fuel similar to diesel but with a slightly higher density, suitable for use in marine engines

MGPS: Marine Growth Prevention System.

MiSE: Ministry of Economic Development (the energy functions have now passed to MiTE - Ministry of Ecological Transition)

MiTE: Ministry of Ecological Transition, formerly Ministry of the Environment and Protection of the Land and Sea (MATTM). The new Ministry has also acquired some competences in the energy sector that were previously held by the MiSE - Ministry of Economic Development.

NG: natural gas.

OCIMF (Oil Companies International Marine Forum): voluntary association of oil companies involved in the maritime sector in oil and gas sector terminals.

PAR (Platform for the allocation of regasification capacity): IT platform organised and managed by GME, within the framework of which the procedures for the allocation of regasification capacity at the terminals managed by regasification companies that have requested to use this service are managed.

Plant transits: this means the plant start-up and shut-down periods, or rather the times when the production unit is brought from the shut-down condition to normal operation and vice versa.

Rainwater - surface run-off: rainwater; Italian Legislative Decree No. 152/06 regulates rainwater that can be defined as the fraction of water of an atmospheric precipitation that, not infiltrated into the subsoil or evaporated, washes out the drainage surfaces.

Regasification Code: document containing all the rules for access to and use of the regasification service offered by the Terminal as well as the service quality standards.

Regasification: process by which the liquefied natural gas is brought to the gaseous state through heat exchange.

RSPP: Accident Prevention and Protection Service Representative.

SA8000 (Social Accountability): International certification standard prepared by CEPAA (Council of Economical Priorities Accreditation Agency) and aimed at certifying some aspects of the company's management with reference to social accountability.

Ship-to-Ship: transfer of part of the load of a vessel to a smaller sized vessel. By extension, the term is used in this document for all operations starting from the manoeuvring stage through to the departure of the vessel after the load has been fully transferred.

SCI: Site of Community Importance, defined by Community Directive No. 43 of 21st May 1992, 92/43/CEE) Council directive on the conservation of natural and semi-natural habitats and wild flora and fauna, also known as the "Habitat" Directive, implemented in Italy since 1997.

SCTW (Standards of Training, Certification and Watchkeeping for Seafarers): International convention on the training, certification and watchkeeping standards for seafarers.

SDGs (Sustainable Development Goals): the 17 sustainable development goals of the United Nations 2030 Agenda for Sustainable Development. By pursuing the SDGs it will be possible to guarantee fully sustainable development which respects people, the community and the environment.

Seveso Directive: European Directive 2012/18/EU implemented in Italy by Legislative Decree 105 of 26/6/2015 (Legislative Decree 105/2015): "Implementation of Directive 2012/18/EU for the control of the danger of major accidents connected with hazardous substances". Generally called Seveso III as it is the third version of the decree concerning major accidents; the previous version (Seveso II), now superseded, is Directive 96/82 EEC implemented in Italy with Legislative Decree 334 of 17/08/1999 (Legislative Decree 334/99).

SIGTTO (Society of International Gas Tanker and Terminal Operators): the main activity is that of analysing gas transport by sea and its handling at terminals with the aim of making these activities safer and more eco-friendly.

SSLNG (Small Scale LNG): all the activities involved in managing small and medium-sized quantities of Liquefied Natural Gas, including transport, storage, transfer to tank trucks, bunkering. etc.

SSLNGc (Small Scale LNG carrier): small sized vessel dedicated to refuelling LNG in the shipping sector in a port.

Steam Turbogenerator: machine that uses the thermal energy of pressurised steam, converting it into mechanical energy.

Thermal delta: variation in temperature between entry and exit ($T_{exit} - T_{entry}$).

Total coliforms: coliforms are a group of bacteria used to characterise wastewater.

Vaporisers: heat exchangers designed to regasify the LNG.

Vent: system to *vent* gas safely into the atmosphere.

VOC (Volatile Organic Compounds): class of organic substances that includes various chemical compounds formed by molecules having different functional groups but characterised by a certain volatility. VOCs are released by many human activities and can have a range of harmful effects, including a contribution to the formation of tropospheric ozone.

Wastewater - wastewater discharges: all water whose quality has been impaired by man's activities after being used in domestic, industrial and agricultural use and thus becoming unsuitable for direct use.

Water column: conceptual column of water that starts from the surface of the sea, lake or river and descends to the bed sediments. The term is used in many fields of hydrology and in environmental science to assess stratification or mixing of the layers of water of rivers, lakes or oceans due to thermal or chemical causes.

Water stress: this means the capacity or incapacity to meet the water demand, both human and ecological; a definition which is based on the document CEO Water Mandate, Corporate Water Disclosure Guidelines, 2014.

WSR: Workers' Safety Representative.

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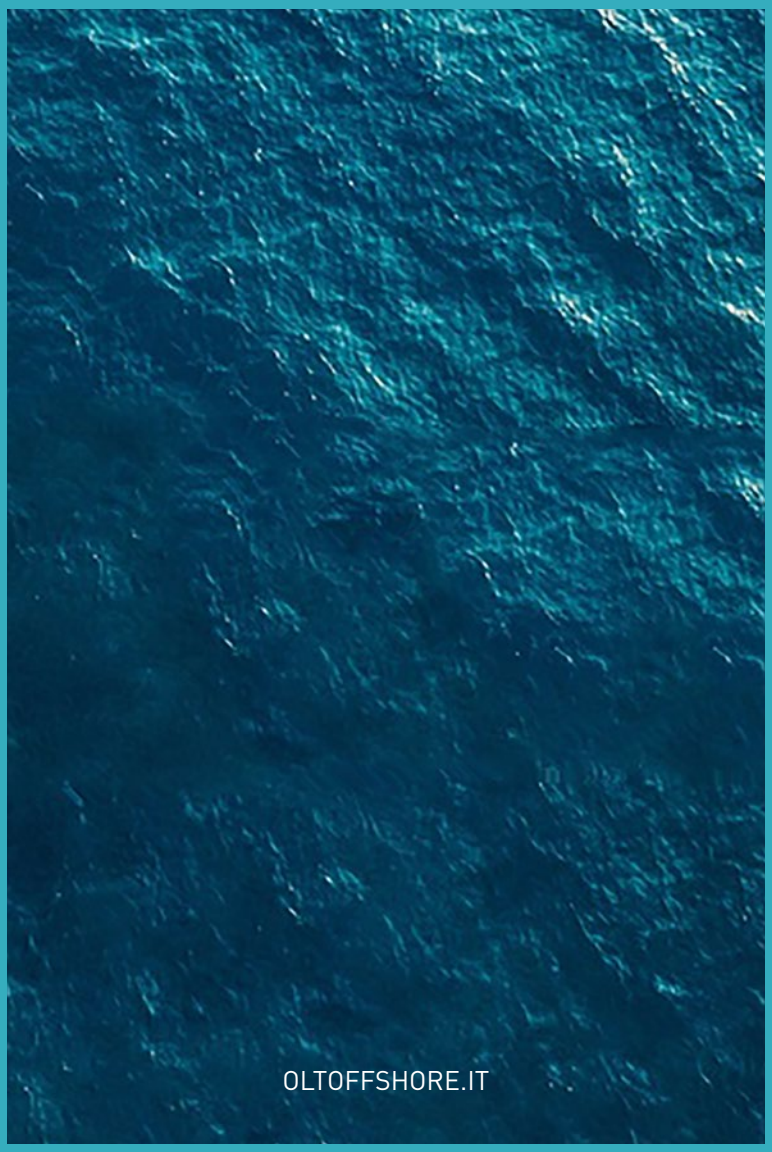
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