



# FRATELLI COSULICH GROUP ESG PLAN

ESG AREA

# ENVIRONMENTAL



	PERIMETER	IMPACT	RISK OR OPPORTUNITY	ESG TARGETS FY 2024 AND FURTHER ACHIEVEMENTS	SUSTAINABILITY TARGETS FY 2025
Low carbon fuel transition	<b>Marine Energy</b> LNG Barges: Alice and Paolina Cosulich	Deployment of LNG bunker tankers to support the reduction of CO <sub>2</sub> e emissions in maritime fuel supply	Business opportunity driven by increasing demand for lower-emission marine fuels and compliance with IMO decarbonization targets	Both LNG bunker tankers in full operation  <i>Implementation of KPI for LNG bunker tanker Paolina Cosulich</i>	<ul style="list-style-type: none"> <li>• Full implementation of corrective actions identified by RINA under the SEEMP (Ship Energy Efficiency Management Plan), including enhanced voyage planning, change of trading, optimized speed profiles, and improved cargo handling routines, minimization of MGO use, potential usage of BioFuel</li> <li>• Annual energy performance reviews for all managed vessels, with a minimum 3% improvement in EEOI (Energy Efficiency Operational Indicator) across the LNG fleet</li> </ul>
	<b>Marine Energy</b> Construction of bunker tankers ready to deliver new fuels	Construction of bunker tankers to support the adoption of new fuels	Business opportunities coming from IMO regulations for bunker tankers that supply new fuels	Additional order of one methanol dual-fueled bunker tanker  <i>Successful delivery of New Bunker tanker methanol-ready from Shipyard – Marta Cosulich</i>	Additional order for 7,999 DWT IMO2 chemical bunkering tanker designed to carry fuel oil, biofuels up to B100, and methanol
	<b>Marine Energy</b> Fuel supply	An increase in the supply of new (green) fuels contributes to reducing GHG emissions	Increase in market share thanks to adaptation to trading new fuels	ISCC certification extended to other Bunker office worldwide (Monaco, USA, Unipessoal, and Middle East)	Feasibility study for bio-fuel delivery in additional ports Specific training for Fratelli Cosulich Bunkers Singapore for delivering alternative fuels (methanol etc)
Scope 1 Direct Emissions	<b>Trucking and Intermodal</b> Italian Subsidiary Company	Contribution to climate change due to GHG emission from Group's vehicle operations	Increased costs for the purchase of new trucks with higher environmental standards	First introduction of electric vehicles in the company's fleet to substitute old ones  <i>Two Full Electric cars in Fratelli Cosulich fleet</i>	<ul style="list-style-type: none"> <li>• Further adoption of HVO fuel for Lorma trucks with an increase of 122% in terms of volume and a decrease of 6% in terms of CO<sub>2</sub> emissions, compared to 2024</li> <li>• 17 new trucks EURO 6: newest standard for heavy commercial vehicles</li> </ul>
Scope 2 Purchased Electricity	<b>Group</b> Subsidiaries Companies	Buying renewable energy to decrease GHG emissions	Supplementary regulatory requirements to reduce emissions	<ul style="list-style-type: none"> <li>• Assessment of foreign subsidiaries to evaluate switch to renewable electricity for the full perimeter</li> <li>• Further efficiency improvements initiatives in some offices/warehouses in Italy</li> </ul>	Feasibility study for further solar panels implementation in the Group warehouses
Scope 3 Upstream and downstream logistic	<b>Freight Forwarding activities</b>	GHG emissions from third-party transportation providers contribute to climate change	Operational efficiency and Route optimization in freight forwarding/trucking activities	<ul style="list-style-type: none"> <li>• Scope 3 calculation extension to further categories</li> <li>• Improvement in reporting of scope 3 emissions from freight forwarding activities</li> </ul>	Finalise tool and methodology to quantify scope 3 emissions for freight forwarding activities within the Group
	<b>Marine Energy</b> Bunker tankers & Ship Management activities	GHG Emissions from chartered vessels contribute to climate change	Continuous improvement in management of the proprietary fleet improving customer satisfaction rating	KPIs, targets and timeline to improve environmental performance of Singapore Bunker Tankers  <ul style="list-style-type: none"> <li>• <i>Completed full audit for ISO Audit (9001-14001-45001)</i></li> <li>• <i>Oil Major TMSA verification audits – TMSA Audit in Q1/Q3 2024</i></li> <li>• <i>Energy efficiency measures as per ship specific plan implemented</i></li> <li>• <i>Fleet vessels report fuel consumption</i></li> <li>• <i>Data collation ashore to establish baseline and monitor performance</i></li> </ul>	<ul style="list-style-type: none"> <li>• Fully Taking over Ship Management</li> <li>• Oil Major vetting inspection observation within target and SIRE 2.0</li> <li>• Safety Management system changes suggested by Masters</li> </ul>

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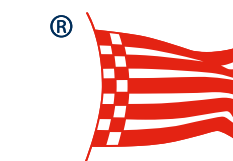
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Scope 3 Purchased and use of sold products	Marine Energy Fuel supply	GHG emissions resulting from the combustion of bunker fuel sold contribute to climate change	More difficult access to capital due to emissions profile		<ul style="list-style-type: none"> <li>No targets for 2025</li> </ul>
Marine and Coastal Pollution	Marine Energy and Ship Management	Oil spills can cause severe environmental damage by contaminating marine and coastal ecosystems, harming biodiversity, and disrupting aquatic food chains.	Spills/accidents involving substances of concern that entail remediation activities.	<i>Fleet wide OWS discharge data collated on monthly basis (from Oil Record Book) and track progress. Rectification of leakages to reduce water/oil accumulation in the engine room.</i>	<ul style="list-style-type: none"> <li>Zero Oil spills</li> <li>Reduce Engine Room Oily Water discharge from the Oily Water Separator (less than 15ppm) by 1.5%</li> <li>Monitoring the volume of operational Engine Room affluent discharge into the sea</li> </ul>
Air Pollution	Trucking and Intermodal Italian Subsidiary Company	Air pollutants from Group's vehicles contribute to reduced air quality	Reduced air quality lead to negative effects on human health and can drive environmental degradation	Reduction of air pollutants produced within or supply chain thanks to the adoption of HVO for part of the truck fleet	*See target in Climate Change – Scope 1 Direct Emissions relating to HVO adoption
Waste Management	Warehouse and Logistics Activities	Waste generated from warehouses, including packaging materials, contributes to resource depletion, landfill accumulation, and environmental pollution	Inefficient waste management decrease the lifecycle of materials and increase Group's operations footprint	<i>Action plan to improve waste disposal in all subsidiaries premises (including training on new policies, supply of waste sorting bins, water dispensers etc)</i>	<ul style="list-style-type: none"> <li>Target 2024 to be continued</li> <li>More efficient tyre management for Lorma trucking Company</li> <li>Optimization of disposal processes on board</li> </ul>

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# SOCIAL RESPONSIBILITY



	PERIMETER	IMPACT	RISK OR OPPORTUNITY	ESG TARGETS FY 2024 AND FURTHER ACHIEVEMENTS	SUSTAINABILITY TARGETS FY 2025
Talent Attraction & Retention	GROUP Subsidiaries Companies	High employees turnover	High employee turnover & lack of capacity to attract talents	<i>Mapping of all current onboarding best practices across Group Companies</i>	<ul style="list-style-type: none"> <li>Launch an onboarding program to ensure every employee experience a structured value driven welcome</li> </ul>
	GROUP Subsidiaries Companies	Employees' stability and retention	Match the right experts to the right roles, ensuring robust execution	<ul style="list-style-type: none"> <li>Development and kick-off of Empowering Minds</li> <li>Youth Committee: Development of Topic-based Working Groups</li> <li>Training program for managers to enhance attraction and retention of talents</li> </ul>	<ul style="list-style-type: none"> <li>Implementation and delivery of Empowering Minds Academy covering our key focus Business Units</li> <li>Onboarding and Placement of Academy graduates in different companies of the Group</li> </ul>
Training & Development	GROUP Subsidiaries Companies	Training and development opportunities	Enhancing workforce skills for sustained performance and adaptability	<ul style="list-style-type: none"> <li>Comprehensive training program and adoption of e-learning platform</li> <li>Training for managers on feedback and setting goals</li> <li>Training on soft skills, languages and for specific job roles</li> </ul> <p><i>Conduct a Group wide audit for current training programs and platforms</i> <i>Assess current leadership behaviours to identify readiness for situational leadership</i></p>	<ul style="list-style-type: none"> <li>Adoption of LMS (Learning Management System) in all Subsidiaries combining digital content, live sessions, and targeted development path</li> <li>Situational Leadership training to tailor management approach based on the skill/will matrix</li> </ul>
Evaluation	GROUP - Subsidiaries Companies	Regular performance and development reviews	A committed and engaged workforce enhances corporate reputation and drives sustainable performance	<ul style="list-style-type: none"> <li>Deployment of employee evaluation tool</li> </ul>	<ul style="list-style-type: none"> <li>Optimizing the Evaluation Tool's Implementation</li> <li>Definition of clear behavioral competencies aligned with our 5 key values to foster a culture of engagement, support reputation and sustain our performance</li> </ul>
Work life balance and wellbeing	GROUP - Subsidiaries Italian Companies and Fratelli Cosulich Bunkers (Singapore)	Provide health Insurance coverage to all employees	Lack of job satisfaction and commitment	<ul style="list-style-type: none"> <li>Data collection and monitoring on utilisation of sanitary insurance</li> <li>Mapping of Welfare needs amongst employees</li> <li>Extension of insurance coverage for all Italian employees</li> </ul>	<ul style="list-style-type: none"> <li>Following data collection, identify other forms of welfare including flexible benefits for Italian Companies</li> <li>Health insurance for all employees in Fratelli Cosulich Bunkers Singapore</li> </ul>
	TPG Express Slovenia	Promotion of an healthy and engaging working environment	Work life balance policies enhance employees' commitment and employer branding	Previously not in the Perimeter	<ul style="list-style-type: none"> <li>Reinforce existing HR wellness programs in order to promote an healthy lifestyle, with initiatives regarding nutrition and active lifestyle</li> <li>Promotion of engagement through job satisfaction survey and team buildings</li> </ul>

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Health and Safety	<b>GROUP - Subsidiaries Companies in Italy</b>	Improved safety conditions	Decrease risks relating to H&S management	<ul style="list-style-type: none"> <li>• Training for Directors and Middle Managers on specific H&amp;S Responsibility</li> <li>• Implementation of improvement actions subsequent to 2023 assessment</li> </ul>	Ongoing implementation of tool to monitor H&S compliance for Italian Companies
	<b>MARINE ENERGY - Bunker tankers operating mainly in Singapore</b>	Improved safety conditions	Full awareness of H&S best practices		<ul style="list-style-type: none"> <li>• "Surprise audits" on safety compliance on board of vessels managed by Fratelli Cosulich Singapore with related MBOs</li> <li>• Training for crew members on sustainability and safety</li> <li>• Training to crew for handling of Alternative fuels (Methanol)</li> </ul>
	<b>MARINE ENERGY - Bunker tankers operating mainly in Singapore</b>	Sustainable Leaving Conditions onboard	Addressing mental health challenges for crew member	<i>Addressing mental health challenges for crew members</i>	Introduce 24/7 mental health support and counseling services for all crew members on bunker tankers operating in Singapore
Diversity and Inclusion	<b>MARINE ENERGY - Bunker tankers operating mainly in Singapore</b>	Non Inclusive Leaving Conditions onboard	Non compliance with regulation of Maritime Labour Convention		Achieve zero violations of crew rights, including gender equality and non-discrimination Monitoring number of violation of seafarer rights reports onboard
	<b>GROUP - Subsidiaries Companies</b>	Inequality and inclusion gaps	A more inclusive work environment enhances productivity	<ul style="list-style-type: none"> <li>• Analysis of data collected on parental leave; incidents of discrimination and corrective actions taken; Diversity of governance bodies and employees; Ratio of basic salary and remuneration</li> </ul>	<ul style="list-style-type: none"> <li>• Data analysis and target 2024 still ongoing</li> <li>• Integrate the Four Colors Personality Model into D&amp;I programs to promote inclusion through cognitive and communication style awareness</li> <li>• Training for managers on selection process including inclusivity and diversity</li> </ul>

# GOVERNANCE



	PERIMETER	IMPACT	RISK OR OPPORTUNITY	ESG TARGETS FY 2024 AND FURTHER ACHIEVEMENTS	SUSTAINABILITY TARGETS FY 2025
Corporate Ethics and Integrity	GROUP Subsidiaries Companies	+ Whistleblower Protection and Ethical Reporting	↑ Effective management of whistleblowing concerns strengthens corporate integrity, transparency, and accountability		• Consolidation of a Group-wide whistleblowing system and platform
Regulatory Compliance	GROUP Subsidiaries Companies	+ Measures to promote an ethical corporate culture and responsible business practice	↑ Improvement of Company's reputation	Training on Compliance and Code of Ethics	• Implementation of a Corporate Anti-corruption policy and Group-wide training on bribery and corruption
	GROUP Italian Subsidiaries Companies	+ Privacy leaks related to workforce	↓ Financial losses due to non-compliant actions	Training on cybersecurity	Full compliance with NIS2 regulation on cybersecurity for Companies in scope
Responsible Governance	GROUP Italian Subsidiaries Companies	+ Clear responsibilities to enhance ESG strategy	↑ Structured and well defined approach to manage ESG topics and define improvement targets	<ul style="list-style-type: none"> <li>• Sustainability policy implementation</li> <li>• Definition of a governance system for sustainability</li> <li>• Appointment of two Independent Board Members</li> </ul>	Assignment of ESG Responsibilities to the members of the Board of Directors of Fratelli Cosulich S.p.A.