



# FRATELLI COSULICH GROUP ESG PLAN

# ESG Plan



ESG AREA

## Environmental action



ESG SUB-AREA	ESG TOPIC	ESG TARGETS FY 2023 *	ESG COMMITTEE OWNER	WHAT WE HAVE FURTHER ACHIEVED IN FY 2023	ESG TARGETS FY 2024
Decarbonization	→ Decarbonization in Ship Building and Ship Management	→ <ul style="list-style-type: none"> <li>• Fratelli Cosulich Shipmanagement establishment to best control ESG impacts in Ship management</li> <li>• Action plan and KPIs for levers to be adopted on ship owned/managed</li> </ul>	→ Ship Managers	→ <ul style="list-style-type: none"> <li>• Fratelli Cosulich Shipmanagement established with overall control on activities such as manning, technical management</li> <li>• First order of a methanol dual-fueled bunker tanker</li> <li>• Shipmanagement Integrated Management System (IMS) certification in (ISO 9001, ISO 14001, ISO 29001, and ISO 45001)</li> </ul>	→ <ul style="list-style-type: none"> <li>• KPIs, targets and timeline to improve environmental performance of Singapore Barges</li> <li>• Definition with RINA of criteria for assessment of environmental performance for ships given in charter</li> <li>• Both LNG bunker tankers in full operation</li> <li>• Additional order of a methanol dual-fueled bunker tanker</li> </ul>
	→ Transition towards new fuels	→ <ul style="list-style-type: none"> <li>• Define Head of New Fuels to accelerate and enhance our role in the transition to alternative fuels</li> <li>• ISCC certification for Biofuels</li> </ul>	→ Head of New Fuels	→ <ul style="list-style-type: none"> <li>• ISCC Certification for our subsidiaries in Italy, Hong Kong and Singapore</li> <li>• First biofuel delivery (Hapag Lloyd)</li> <li>• Physical Supplies of biofuels in "hubs" (Genoa, Hong kong)</li> <li>• MoU with Chinese yard for an Ammonia Bunker tanker</li> <li>• RINA Approval-in-Principle (AiP) for the design of ammonia bunker tanker</li> <li>• Partecipation in GCMD Ammonia bunkering pilot safety study</li> </ul>	→ ISCC certification extended to other Bunker office worldwide (Monaco, USA, Unipessoal, and Middle East)
	→ Scope 1 and 2 GHG Emissions & Energy efficiency initiatives	→ <ul style="list-style-type: none"> <li>• Appointment of Energy Manager to implement energy efficiency initiatives</li> <li>• Electricity for Italian perimeter fully supplied with renewable sources</li> </ul>	→ Energy and IT Manager	→ <ul style="list-style-type: none"> <li>• Energy efficiency initiatives on our facilities</li> <li>• Energy data collection process improvements with AI technology</li> </ul>	→ <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> <li>• Fratelli Cosulich Singapore ISO 14001</li> <li>• First introduction of electric vehicles in the company's fleet to substitute old ones</li> </ul>
	→ Supply chain collaboration and Scope 3 reporting	→ Monitoring Emissions coming from bunker tanker vessels	→ ESG Team ESG Focal Points	→ First scope 3 calculation (Categories 1,3,8,11 in 2023)	→ <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> <li>• Adoption of HVO for part of Lorma's truck fleet</li> <li>• ETS allowances management for customers</li> </ul>
Resources management	→ Waste & Water Management	→ No target for 2023	→ ESG Team ESG Focal Points	→ Waste data collection	→ Action plan to improve waste disposal in all subsidiaries premises (including training on new policies, supply of waste sorting bins, water dispensers etc)
Environmental risk management	→ Pollution	→ New topic for 2024	→ ESG Team Ship Managers ESG Focal Points	→ Disclosure of Sox, NOx and PM emissions	→ Reduction of air pollutants produced within or supply chain thanks to the adoption of HVO for part of the truck fleet and functioning of LNG barges

\* as reported in Annual Report 2022



# ESG Plan



## ESG AREA Social Responsibility



ESG SUB-AREA	ESG TOPIC	ESG TARGETS FY 2023 *	ESG COMMITTEE OWNER	WHAT WE HAVE FURTHER ACHIEVED IN FY 2023	ESG TARGETS FY 2024
Employees Development	→ Talent Attraction & Retention	<ul style="list-style-type: none"> <li>• Job posting intercompany</li> <li>• Career portal embedded in FC Website and access to HR functions abroad</li> <li>• Launch of Youth Committee</li> <li>• Kick-off exit interviews to collect feedbacks</li> </ul>	→ HR Manager	→ Empowering Minds - development of an academy for attracting and retaining young talents	→ <ul style="list-style-type: none"> <li>• Development and kick-off of the 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>
	→ People Development	<ul style="list-style-type: none"> <li>• Pilot annual appraisal and evaluation program based on key values and their connected behaviors</li> <li>• Evaluation tool assessment to be carried out in some pilot Companies within the Group</li> <li>• Internal workshops to define behaviours linked to key values for Executives, Managers and all employees</li> </ul>	→ HR Manager		→ <ul style="list-style-type: none"> <li>• Deployment of employee evaluation tool</li> <li>• Comprehensive training program and adoption of e-learning platform</li> <li>• Training on Compliance and Code of Ethics</li> <li>• Training for managers on feedback and setting goals</li> <li>• Training on soft skills, languages and for specific job roles</li> </ul>
Employees Responsibility	→ Health and Safety	→ ISO 22000 in Fratelli Cosulich Comércio e Serviços	→ Health and Safety Manager	<ul style="list-style-type: none"> <li>• Full assessment of Italian Subsidiaries Companies to ensure compliance with all H&amp;S best practises</li> <li>• Implementation of an H&amp;S Management tool to best monitor activities within the Italian perimeter</li> <li>• Shipmanagement certifications ISO45001</li> </ul>	→ <ul style="list-style-type: none"> <li>• Training for Directors and Middle Managers on specific HS Responsibility</li> <li>• Implementation of improvement actions subsequent to 2023 assessment</li> </ul>
	→ Welfare	<ul style="list-style-type: none"> <li>• Agreement with an online training provider to support employees' physical and mental wellbeing</li> <li>• In Brasil extension of Health insurance to employees' family members</li> </ul>	→ ESG Team HR Manager		→ <ul style="list-style-type: none"> <li>• Data collection and monitoring on utilisation of welfare insurance</li> <li>• Mapping of Welfare needs amongst employees</li> <li>• Extension of insurance coverage for Italian employees</li> </ul>
	→ Diversity, Equity & Inclusion	→ Additional data collection to understand the current status of diversity KPIs;	→ ESG Team HR Manager		→ <p>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</p>
Sustainable Supply Chain	→ Supply Chain Management	→ Pilot Suppliers evaluation based on ESG Criteria	→ ESG Team ESG Focal Points		→ Mapping Marine Energy suppliers to define a pilot program to assess sustainability performance
	→ Customer Satisfaction	→ No target for 2023	→ ESG Team ESG Focal Points		→ No target for 2024
Social Responsibility	→ Community Support	→ First identification of the impacts of our activities on communities	→ ESG Team ESG Focal Points		→ 2023 target still ongoing
	→ Human Rights Protection	→ No target for 2023	→ ESG Team ESG Focal Points		→ No target for 2024

\* as reported in Annual Report 2022

# ESG Plan



## ESG AREA Governance

ESG SUB-AREA	ESG TOPIC	ESG TARGETS FY 2023 *	ESG COMMITTEE OWNER	WHAT WE HAVE FURTHER ACHIEVED IN FY 2023	ESG TARGETS FY 2024
Responsible Business Model and Governance	Ethical Business & Transparent Communication to stakeholder	Key values sharing with internal and external stakeholders	ESG Team Group Finance Manager	<ul style="list-style-type: none"> <li>Corporate Code of Ethics aligned with key values</li> <li>Whistleblowing system</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability policy implementation</li> </ul>
	Responsible Governance	<ul style="list-style-type: none"> <li>Corporate-wide e-Portal to assess ESG activities and performance</li> <li>ESG Committee</li> <li>ESG training and knowledge sharing for affiliated companies</li> </ul>	ESG Team Group Finance Manager	<ul style="list-style-type: none"> <li>Definition of governance rules for Cosulich family</li> <li>Analisis of ESG performance of subsidiaries on e-portal</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of two Independent Board Members</li> <li>Definition of a governance system for sustainability</li> </ul>
e-Governance	e-Governance	Extend Genesys Group coverage of all four interest areas (IT Infrastructure, Email management, Software Development of tailor-made application, Internal development of Business Intelligence)	Energy and IT Manager		<ul style="list-style-type: none"> <li>Training on cybersecurity</li> </ul>

### ADDITIONAL COMMENTS

- Definition of governance rules for Cosulich family

Throughout its 165-year history, the business has always been managed by family members, and common rules have been passed down from generation to generation, ensuring that the Company's long-term success remains the guiding principle. All family members involved and working in the Group over the years have been guided by common values and rules, which have now been written on a shared document for the first time since Fratelli Cosulich's founding.

- Appointment of two Independent Board Members

As a preview of our Plan, we anticipate that the Fratelli Cosulich Board of Directors will appoint two additional independent Board Members in H2 2024 to ensure external expertise on the Group's strategy to help sustain future developments. The two independent members are highly esteemed professionals with extensive operational and financial experience.

\* as reported in annual report 2022 and achieved in 2023

