Non-Financial Performance Statement Financial Year 2023

SAGESS

Managing
strategic oil reserves

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NON-FINANCIAL PERFORMANCE STATEMENT

1 > SAGESS CORPORATE SOCIAL RESPONSIBILITY CHARTER

PRINCIPLES

- Sustainable development is our future: *"Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs"* (Brundtland Report, 1987).

- At SAGESS, our mission is to stockpile and manage the majority of France's strategic oil reserves. We carry out this mission for the public good. Our work is fully embedded in France's energy policy and the current challenges related to the energy transition and energy access.

- We aim to provide what our commissioning organisation (the Comité professionnel des stocks stratégiques pétroliers, CPSSP), shareholders, and suppliers need, which is why we've opted to incorporate the economic, environmental, and social principles of corporate social responsibility into our strategic and operational goals. We apply these principles internally and to external projects as needed.

OUR COMMITMENTS

1) To think strategically about corporate social responsibility to identify challenges, share them with our stakeholders (the French government, petroleum operators, and our shareholders), and define shared goals

2) To reflect this thinking in our vision, our projects, and our management by involving our employees, stakeholders, and other parties concerned

3) To respect human rights by promoting ethical behaviour, equity, and social responsibility at SAGESS

4) To draft this Non-Financial Performance Statement, a strategic corporate social responsibility document that summarises these commitments, and to distribute it widely, both internally and externally, using our public-facing website, www.sagess.fr, as the primary platform for doing so

5) To create and oversee an action plan that tracks our progress and achievements as part of our Non-Financial Performance Statement

The SAGESS Management Team

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SAGESS is a French *société anonyme* (public limited company) established in 1988 by France's petroleum operators to stockpile and store the country's strategic petroleum reserves.

At the end of 2023, we held 13.2 million tonnes of petroleum and petroleum products covering 79% of France's mandated national minimum reserve.

Over the years, we've become a key player in the country's petroleum supply chain. If there's a crisis, we respond quickly by making our reserves available to operators when we receive the government's official order.

You can read detailed figures on our website: https://www.sagess.fr/en/finance/information/financial-reports

3 > OUR APPROACH TO CSR

CSR: CENTRAL TO WHAT WE DO

We are publishing this Non-Financial Performance Statement entirely voluntarily to provide transparency into how we approach CSR. We have prepared this report in accordance with existing French and European regulations on non-financial reporting.

Our commitment to CSR is based on our Corporate Social Responsibility Charter, which our management team signed in 2012. This charter is firmly rooted in our values as a company, and we share it with all of our stakeholders. At SAGESS, we spearheaded our CSR initiative organically by following in the footsteps of our main shareholders (TotalEnergies Marketing France, SIPLEC, Esso SAF, SCA Pétrole et Dérivés, Carfuel, BP, etc.) and in a way that aligns with the goals of our socially focused activities.

After the United Nations General Assembly adopted its 17 Sustainable Development Goals (SDGs), we identified ways to help achieve five of them. Twelve of our CSR KPIs are now related to these five SDGs.

HOW WE APPROACH CSR

At SAGESS, our CSR initiative is structured around a Corporate Social Responsibility Committee, which reviews our current action plan, the results we've achieved, and our performance indicators at least annually. The Board of Directors is fully involved in the committee's work and supports and approves its policies.

The initiative is based on four key elements that we discuss with our stakeholders on a regular basis:

- The first element is the **Corporate Social Responsibility Charter**, which we signed when we launched our initiative in 2012. This charter lists the founding principles we've built this initiative on year after year. We regularly share it with our stakeholders, who were involved in the materiality test we conducted while setting up this initiative.
- The second element is a **Code of Business Conduct**, historically the backbone of SAGESS's ethics and control initiatives. Our Code of Business Conduct is widely distributed among our employees and partners, which include banks, storage providers, and petroleum product suppliers. We provide it with all requests for proposals to help make sure our stakeholders also share our values.
- The third is a four-year programme to **assess the risk of property and environmental damage** that we launched at all the storage facilities where we store petroleum products that has helped us map the risk of such damage.
- The fourth is a **responsible purchasing initiative** we have implemented with all our partners (banks, insurance companies, storage providers, and petroleum product suppliers) that we use to give each of them a responsible purchasing rating. A minimum rating is required to become an approved SAGESS vendor.

2023 HIGHLIGHTS

SAGESS worked especially hard during the first half of 2023 to guarantee adequate supply for an oil and gas market disrupted by the **French pension reform strikes.**

Due to the **DGEC's changing approach** to preempt supply crises, the types of loans we managed changed: there were **more preventive loan orders**, but the **loaned volume per order went down**.

We issued **two bonds in 2023 – one in June and one in November –** totalling €1 billion, securing our financing structure.

In 2022, the French Council of State definitively annulled the orders restricting our borrowing activities, allowing us to raise €1 billion through an oversubscribed 10-year bond. In 2023, the SAGESS exception was enshrined in law, allowing us to obtain long-term financing.

4 > SAGESS AND CSR

RISKS

At SAGESS, we are keenly aware of the impact our business has on the environment, which is why we decided early on to launch a CSR initiative. We laid the foundation for this initiative with the support of the Board of Directors and the Audit Committee by drafting a Corporate Social Responsibility Charter. We solidified it by conducting **materiality tests of our corporate, environmental, and social challenges** with our various stakeholders. We conducted the tests through questionnaires and individual interviews, so we could incorporate our stakeholders' CSR expectations into our initiative. These tests allowed us to identify the major risks related to our business and change how we manage the initiative internally by establishing performance indicators that meet both our stakeholders' expectations and regulatory requirements.

We conferred with five main stakeholders during these materiality tests. Incorporating their expectations has been a key factor in creating a lasting CSR initiative. We have maintained regular dialogue with them so we can continue to better understand the challenges facing our business.

Below is a summary of our commitments:

Investors	CPSSP and the Government	Shareholders	Employees	Suppliers/ Community
Analyse risks fully and transparently	Offer safe and reliable solutions	Show consideration and respect	Create a safe, productive, and mutually respectful work environment	Build buy-in for our CSR initiative, especially on the topics of health, safety, and the environment
Ensure published financial information is accurate	Establish a dialogue of trust	Listen to them and keep them informed	Invest in employee health and wellbeing by providing a healthy and convenient work environment	Contribute to community development
Treat economic, environmental, and social performance as one and the same			Ensure employees have a good quality of life at work and can maintain their skills, even when working from home	Promote continuous dialogue

We have identified six strategic CSR risks:

Risks Identified Through Materiality Testing			
No.	**CSR Risk**	**Importance to Stakeholders**	**Impact on Business**
1	Managing SAGESS's strategic reserves in a secure manner	High	High
2	Securing funds for SAGESS	High	High
3	Practising sound governance	High	High
4	Promoting the importance of HSE with our partners	High	Medium
5	Helping manage supply crises	Medium	Medium
6	Addressing employees' expectations and developing their skills	Medium	Medium

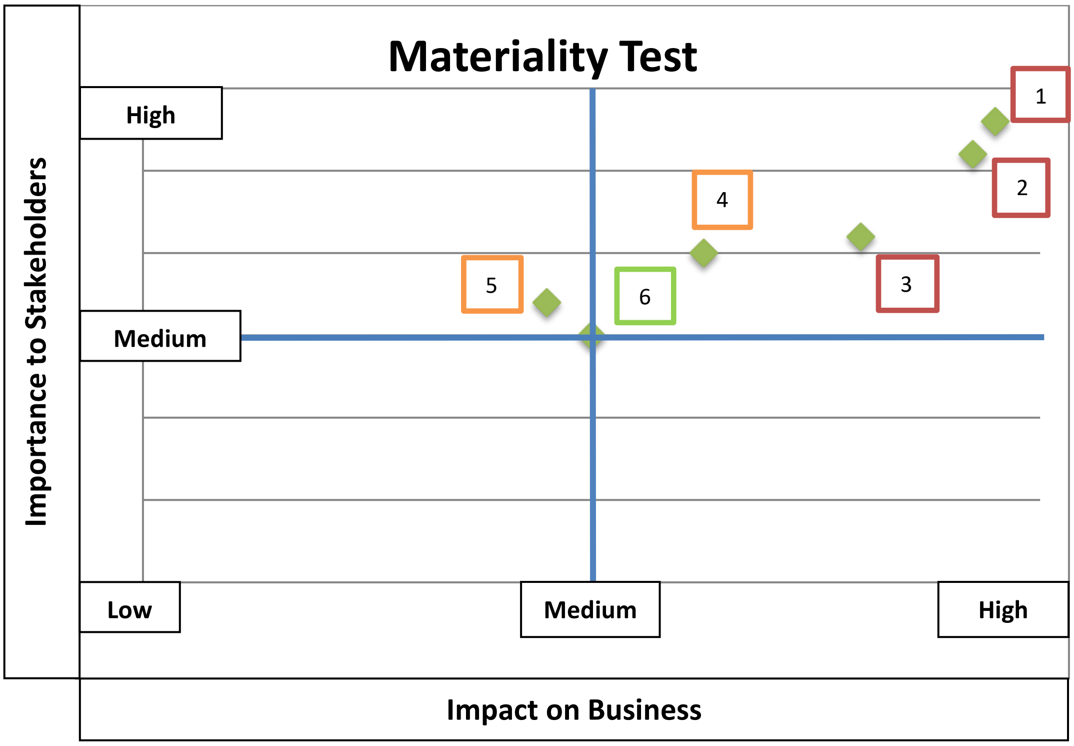
To grasp the scope of our CSR risks, it's important to understand what we do:

- Our work is limited to our registered office just outside Paris, which we lease (no separate utility bills).
- SAGESS does not engage in manufacturing or industrial activities: storage facilities are managed by storage companies, and we monitor their CSR performance (certifications, charters, etc.).

Consequently, due to the small number of employees at SAGESS, some of the traditional risks monitored as part of corporate non-financial performance are irrelevant, such as:

- Waste prevention and management
- Sustainable use of resources
- Circular economy
- Measures to reduce food waste
- Effects of climate change
- Noise pollution
- Greenhouse gas emissions caused by our business, especially from using the goods and services we provide
- Measures to promote consumer health and safety
- Adaptive water supply management and use
- Use of raw materials and measures taken to optimise their use
- Energy consumption and measures taken to improve energy performance and the use of renewable energy
- Land use

The scope of this CSR report includes SAGESS and, for several of the areas assessed, our stakeholders (storage facilities, banks, partners).



CSR risks identified through materiality testing:

1- Managing strategic reserves in a secure manner
2- Securing funds for SAGESS
3- Practising sound governance
4- Promoting the importance of HSE with our partners
5- Helping manage supply crises
6- Addressing employees' expectations and developing their skills

PRACTISING SOUND GOVERNANCE

SAGESS's Board of Directors decided to establish a **Corporate Social Responsibility Committee** to monitor both the threats and opportunities related to our CSR strategy as well as track and update our action plans. The committee originally comprised seven members representing SAGESS's expert stakeholders. The Board of Directors then decided to expand the committee to include a SAGESS staff representative and a CPSSP representative.

The Corporate Social Responsibility Committee oversees the management of the CSR initiative and ensures that the action items introduced are consistent. In 2023, it met once to review the 2023 Non-Financial Performance Statement.

As at 31 December 2023, the committee members representing SAGESS's primary stakeholders were as follows:

- Pierre-Yves Loiseau (Chair of the SAGESS Corporate Social Responsibility Committee)
- Son Lengoc (Secretary of the SAGESS Corporate Social Responsibility Committee)
- Éléonore Joder (CIM)
- Solenn Riou (Shell France)
- Nathalie Dubois (Bolloré Energy)
- Agnès Bernard (TotalEnergies Marketing France)
- Dominique Lebtahi (Geostock)
- Frédéric Cheul (SAGESS staff representative)
- Benoît Dujardin (CPSSP)

OUR INTEGRATED CSR POLICY

Our CSR initiative revolves around a **series of commitments outlined in an annual plan** recommended by the Corporate Social Responsibility Committee and approved by the Board of Directors. This structures all our employees' day-to-day work. The key components of the initiative are:

- The Code of Business Conduct
- The Corporate Social Responsibility Charter
- Our CSR commitments to our stakeholders

For each area of our CSR initiative, we **measure performance** according to defined objectives, which in turn are measured using one or more key performance indicators (KPIs).

We follow **specific reporting guidelines** to help standardise our KPI reporting. These guidelines outline the reporting methodologies for everyone involved in CSR reporting at SAGESS (KPI owners and approvers, statutory auditors).

The **Corporate Social Responsibility Committee reviews these KPIs annually** and makes sure they cover all SAGESS operations. The committee also monitors our annual action plans and ensures they are effective. These reviews are in turn used to regularly update our reporting guidelines.

The table on the following page outlines our key challenges and both the objectives and KPIs associated with each one.

No.	RISKS	OBJECTIVES	PERFORMANCE INDICATOR AREAS	KPI REFERENCES
1	Managing reserves in a secure manner	Have a process to monitor the difference between the reserve level agreed to by SAGESS and the level achieved	Monitoring of SAGESS reserves	1-A
		Audit how well third parties are managing inventory (quantity and quality)	Monitoring of audits conducted at storage facilities and any areas of non-compliance	1-B, 1-C & 1-D
		Monitor the government-approved reserve location map	Monitoring of exchanged reserve volumes (at storage providers' request)	1-E
2	Securing funds	Use financing consistent with the financial policy approved by the Board of Directors	Monitoring of financing structure and average debt maturity	2-A & 2-B
		Manage liquidity risk through the NEU CP programme	Use of NEU CP programme and securing of said programme through a syndicated loan	2-C, 2-D & 2-E
		Secure SAGESS funds through access to bond markets	SAGESS's short- and long-term Standard & Poor's ratings	2-F
3	Practising sound governance	Prevent conflicts of interest within SAGESS's management team in general and with storage agreements in particular	Indicators demonstrating governance best practices	3-A, 3-B, 3-C & 3-D
		Ensure proper governance through active specialised committees	Number of committee and Board of Directors meetings	3-E
4	Promoting the importance of HSE with our partners	Share the principles of the Code of Business Conduct and Corporate Social Responsibility Charter with storage providers	Certification (safety and environmental) and compliance with the principles of the Corporate Social Responsibility Charter and Code of Business Conduct	4-A, 4-B & 4-C
		Map risks at the facilities where SAGESS stores petroleum products	Progress of the multi-year risk assessment programme	4-D
		Implement a responsible purchasing policy for SAGESS's partners (storage providers, petroleum product suppliers, and banks)	Monitoring of ratings by category	4-E, 4-F & 4-G
5	Helping manage supply crises	Manage supply crises in accordance with SAGESS's mission	KPIs related to how efficiently SAGESS handles orders received	5-A & 5-B
6	Addressing employees' expectations and developing their skills	Create a workplace where all employees can advance through training	Tracking headcount and employee training	6-A, 6-B, 6-C & 6-D
		Increase employee satisfaction and guarantee a safe workplace	Tracking of absenteeism, the number of accidents, and number of alerts received	6-E, 6-G & 6-H
		Have regular, structured conversations with employees about their performance	Percentage of annual performance reviews (managers and non-managers)	6-F
		Assure employees that we listen if there is a problem	Number of times the whistleblowing procedure has been activated	6-I

MANAGING STRATEGIC RESERVES IN A SECURE MANNER

Thanks to our comprehensive physical inventory and quality control programme, **we are continuously working to ensure our reserves are available to the government in the event of a supply crisis.** SAGESS can:

- Make our reserves available quickly in the event of a crisis
- Ensure products that pass quality controls and meet current specifications are available nationwide
- Fulfil our role in managing supply crises

This programme is **based on physical inventory and quality control audits** conducted at all facilities with current storage agreements. The purpose of these audits is to:

- Compare physical inventories to the volumes on SAGESS's books on the day of the visit
- Verify through sampling that the reserves are unchanged
- Ensure declarations have been made to local customs authorities
- Monitor quality control
- Collect information about the measures in place
- Keep SAGESS informed about employee morale

Regarding the specific case of storage in Manosque, where physical inventories cannot be conducted due to geological constraints, Géosel checks reserves on a monthly basis based on accounting entries.

If any inconsistencies or compliance issues are found during physical inventories or quality control audits, we ask the facility to correct them before conducting a subsequent audit to verify compliance.

	CSR Risk and KPIs	2022	2023	Target
	Risk 1: Managing reserves in a secure manner			
1-A	Have a process to monitor the difference between the reserve level agreed to by SAGESS and the level achieved	Yes	Yes	Yes
1-B	Percentage of storage facilities audited at least once during the year	100%	100%*	> 90%
1-C	Number of compliance issues flagged since the last audit	5	3	< 10
1-D	Percentage of on-site compliance issues resolved after three calendar months	N/A	N/A	100%
1-E	Percentage of SAGESS reserves exchanged (at storage providers' request)	2%	2.57%	Undefined**

* SAGESS signed a service agreement with a new storage facility in 2023, but none of our reserves are currently stored there. To date, we have not audited the facility and it was therefore not included in calculating the KPI.

** The inventory exchange rate is the result of exchanges requested by storage providers to ensure sound HSE practices through storage facility optimisation and improvement. SAGESS therefore does not monitor this indicator.

SECURING FUNDS FOR SAGESS

At SAGESS, we are committed to sound financial management to **ensure we have optimal and secure financing for our reserves.** We prefer to rely on bonds so a higher proportion of our financing is long term. All our short-term financing (through NEU CP) is part of a scaled programme that would allow us to cope with a major crisis. The use of the NEU CP programme is mainly covered by undrawn lines of credit.

	CSR Risk and KPIs	2022	2023	Target
	Risk 2: Securing funds			
2-A	External financing structure (as at 31/12): - Bonds (%) - NEU CP (%) - CPSSP advances (%)	 97% 1% 2%	 99%* 0% 1%	 80–90% 10–20% -
2-B	Average maturity of bond debt	4.6	4.76*	6.0 years
2-C	Amount of credit lines and coverage rate of the NEU CP programme (as at 31/12)	€750mn 54%	€500mn 36%	€500mn < 100%
2-D	Amount and percentage of NEU CP programme used (as at 31/12)	€50mn 4%	0 0%	< €1.4bn < 100%
2-E	Coverage of the NEU CP programme through an undrawn syndicated loan (as at 31/12)	1,500%	*No drawdowns as at 31/12/23	> 100%
2-F	SAGESS's short- and long-term S&P rating	AA (long term) and A-1+ (negative)	AA (long term) and A-1+ (negative)	Undefined

We issued two bonds in 2023, including one in November 2023 to repay the bond maturing in January 2024, after which the ratio returned to 90% and the average maturity to 5.52

GOVERNANCE AND ETHICS

Continuously Improving Governance: A Cornerstone of Responsible Management

The **trust and satisfaction of SAGESS's stakeholders** rest in large part on our governance, which plays a major role in generating value. SAGESS has always encouraged collaboration as a way to find common ground between the different visions of what we do. Our corporate governance framework includes a **Board of Directors and three standing committees** that handle finance (Finance Committee), control and risk management (Audit Committee), and CSR (Corporate Social Responsibility Committee). The Operations Management Committee may be convened as needed to make decisions about operations and logistics.

The standing committees are fully integrated into SAGESS's operations and handle matters before they reach the Board of Directors, thereby helping to ensure that all published information is reliable and transparent.

Our Board of Directors has 13 members (12 legal entities and one individual) that are major oil and gas distributors and appoint representatives who serve five-year terms. To prevent potential dysfunction related to conflicting interests, standing committee members are selected based solely on their respective skills. Three government representatives (from the Ministries of Finance, Economics, and Ecological Transition) also attend Board of Directors meetings.

Since 2014, the Board of Directors has had internal regulations describing its procedures and those of the aforementioned committees, as well as a Directors Charter. Since 2015, it has conducted self-assessments to identify areas of improvement.

	CSR Risk and KPIs	2022	2023	Target
	Risk 3: Practising sound governance			
3-A	Percentage of shareholders represented on the Board of Directors	81%	82%	Undefined
3-B	Attendance rate at Board meetings	90%	92%	> 90%
3-C	Percentage of Board members reappointed during the year	0%	15%	Undefined*
3-D	Percentage of women Board members	25.6%	15%	30%
3-E	Number of Board of Directors committee meetings - Audit Committee - Corporate Social Responsibility Committee - Finance Committee - Operations Management Committee	8 2 2 3 1	8 3 1 3 1	Undefined

*Directors decide whether or not to renew their terms on the Board of Directors, which is why there is no target for this indicator.

Anti-Corruption Initiatives

Anti-corruption is an important part of SAGESS's Code of Business Conduct, which has been in place since 2005 and is distributed to both internal and external stakeholders. We **updated this Code in 2023. It provides additional information about our anti-corruption policies**, which includes a registry for recording gifts given or received and sets a maximum monetary value. We formally notified all employees that the Code of Business Conduct had been updated. Since 2019, we have included the Code with all SAGESS requests for proposals (RFPs) and calls for tenders with partners (storage, petroleum products, banking services, etc.).

This has in turn helped us add important safeguards to our procurement process. SAGESS's internal powers provide for various threshold-dependent approvals. All parties taking part in the procurement process receive a copy of these internal powers. SAGESS therefore makes all purchases through highly regulated requests for proposals. Independent observers assist with conducting RFPs and all partners are guaranteed to receive the same information. Consequently, the risk of procurement-related corruption is considered very low.

Whistleblowing Procedure

We have a **whistleblowing procedure** in place that is included in our Code of Business Conduct. The Audit Committee, Board of Directors, and all SAGESS employees are aware of the procedure. Employees (and third parties) can send alerts using a confidential email address or through the Vice Chairman of the Board of Directors (an independent member of the SAGESS Executive Committee). The Audit Committee reports on the use of the procedure on a quarterly basis, and we have added a relevant performance indicator to our CSR report (indicator 6-I).

We received no whistleblower alerts in 2023.

Preventing Conflicts of Interest

As defined by law, SAGESS shareholders are approved storage facility operators that release petroleum products for consumption. As with all other companies, the SAGESS management team and Board of Directors are extensions of our shareholders. All shareholders are potential product suppliers, while some also provide storage agreements.

We have progressively put a strict governance framework in place over the years to ensure fairness, transparency, and traceability. This framework includes an Audit Committee, Storage Committee, requests for proposals, the recusal of certain employees, and decision by consensus.

Representatives from the French Directorate-General of Climate and Energy (Direction générale de l'énergie et du climat, DGEC), the Directorate-General of Customs and Indirect Taxes (Direction générale des douanes et droits indirects, DGDDI), and the Directorate-General of Competition Policy, Consumer Affairs, and Fraud Control (Direction générale de la concurrence, de la consommation et de la répression des fraudes, DGCCRF) also attend Board meetings.

We award major storage agreements, which are specific, private law contracts governed by the French Commercial Code, based on requests for proposals.

Lastly, at the beginning of every year, all Board members sign a sworn statement in accordance with the Board of Directors' internal regulations aimed at preventing conflicts of interest as part of the procedures to close out the previous financial year.

All SAGESS employees also commit to abide by the SAGESS Code of Business Conduct.

CSR AS A DRIVER OF STRONG STAKEHOLDER RELATIONSHIPS

Creation of CSR Certification for SAGESS's Partners

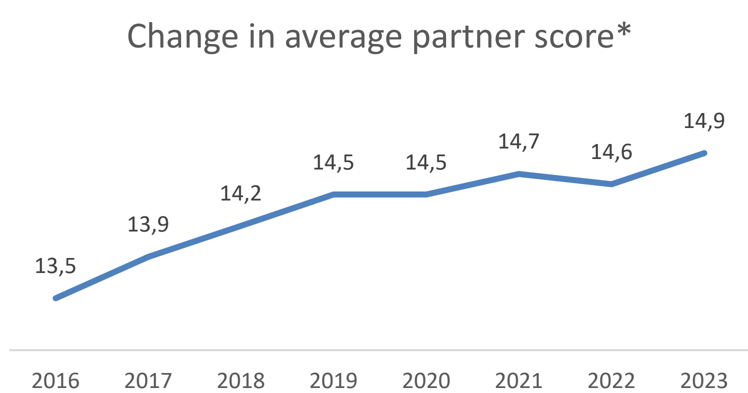
Our partner relationships are a key factor in the success and sustainability of our CSR initiative.

We have a **responsible purchasing questionnaire** that we send to all partners (storage facilities, petroleum product suppliers and buyers, and banks) for them to report their information. The questionnaire has a general section and a section specific to each partner category. Each partner's CSR performance is graded out of a maximum of 20 points. A **passing grade of 7 out of 20** was set to identify those with early-stage initiatives.

Since 2020, we've strengthened this initiative by adding an expiration date for responses and resending the questionnaire to all our suppliers.

These questionnaires are for reporting purposes only, and the partners involved are responsible for their own responses. SAGESS does not conduct audits to verify their responses.

A total of approximately 100 active partners covering both partner categories currently receive the questionnaire at most once every three years. **In 2023, all our partners received higher than a passing grade.** It is worth noting that the number of our partners has doubled since we created the questionnaire.



**We have included banks in the average partner score calculation since 2019.*

As presented to the Corporate Social Responsibility Committee, this process has resulted in a three-point partner certification system:

- Adherence to the principles in our Code of Business Conduct and Corporate Social Responsibility Charter
- Responsible purchasing score for a given year: score received that year or during the previous two years
- Higher than passing grade (7/20)

Details about the scores are included in the KPI summary table below.

Tackling Environmental Issues through Corporate Structure and Procedures for Environmental Assessment and Certification

Part of our HSE policy at SAGESS involves encouraging the various **facilities where we store petroleum products to obtain OHSAS 18001** (workplace health and safety) and **ISO 14001** (environmental management) certifications. As at 31 December 2023, 76% of major storage facilities had ISO 14001 certification and 48% had OHSAS 18001 certification (or an equivalent certification).

Please note that we are accounting for the ongoing migration from OHSAS 18001 to ISO 45001 when monitoring these certifications.

The terms and conditions specific to storage agreements require storage providers to confirm they adhere to the principles of the SAGESS Corporate Social Responsibility Charter and Code of Business Conduct. As at 31 December 2023, 100% of storage facilities had adopted the principles in these two documents.

Resources for Preventing Environmental Risks and Pollution

To effectively manage our long-term risk at SAGESS, we promote sound and engaged environmental policies at the facilities where we store petroleum products. This is reflected in our **multi-year property and environmental damage risk assessment programme.** The programme, which we completed in 2016, was conducted through more than 100 assessments at 89 facilities and allowed us to map storage facility risks.

In 2019, we launched a second risk assessment programme for 2019–2022. It includes a property and environmental damage risk assessment component that we will gradually be incorporating into our multi-point site-selection criteria. These criteria include a range of items addressing a potential partner's logistical advantages as well as their credit and environmental risk. As part of this programme, by the end of 2023, we had visited all the facilities where we store petroleum products and had received nearly all associated reports. We plan on relaunching our risk assessment programme by requesting proposals in 2024 and starting assessments in 2025.

In 2023, we were not ordered to pay compensation to comply with any environmentally motivated court orders. No measures to remediate environmental damage were necessary. SAGESS did not record any provisions or guarantees for environmental risks during the year.

	CSR Indicator	Category	2022	2023	Target
Risk 4: Promoting the importance of HSE with our partners					
4-A	Percentage of facilities with ISO 14001 or equivalent certification		61%	76%	> 50%
4-B	Percentage of facilities with OHSAS 18001/ISO 45001 or equivalent certification		35%	48%	Undefined
4-C	Percentage of facilities that adhere to the SAGESS CSR Charter and Code of Business Conduct		100%	100%	100%
4-D	Progress of the multi-year risk assessment programme (as at 31/12, excluding Manosque): - Property damage risk - Environmental damage risk		98% 99%	100% 100%	100% at programme end
4-E	Responsible purchasing: partner response rate	Banks	100%	100%	100%
		Storage facilities, petroleum product suppliers and buyers	97.85%	89%*	100%
4-F	Responsible purchasing: average grade received	Banks	15.5	15.36	> 7
		Storage facilities, petroleum product suppliers and buyers	14.4	14.88	> 7
4-G	Responsible purchasing: number of partners with failing grade (7/20)	Banks	0	0	0
		Storage facilities, petroleum product suppliers and buyers	0	0	0

*10/92 supplier responses pending after resending the responsible purchasing questionnaire.

Developing Low Environmental Impact Solutions

Increasing the volume stored in the natural caverns in Manosque has long been part of our environmental approach. Salt cavern storage helps make facilities less vulnerable and reduces the aboveground footprint of storage space. It also reduces the risk of fire and explosions.

Measures to Prevent, Reduce, and Remediate Air, Water, and Soil Pollution with a Major Environmental Impact

Our internal operations naturally have a low impact in terms of air and water pollution, so inherent environmental risk is low. As a result, we do not specifically monitor these issues. The building where our registered office is located was certified HQE™ (*Haute Qualité Environnementale*, a French environmental quality certification) in 2021.

Lastly, operators at major storage facilities have set up continuous monitoring to prevent and manage potential pollution and keep pollutants from contaminating the ground or water. This monitoring is also part of the site visits conducted by the Regional Department of the Environment, Planning, and Housing (Direction régionale de l'environnement de l'aménagement et du logement, DREAL), which account for the depots' environmental impact. These site visits are also required to obtain operating permits from the local government.

Measures to Preserve and Increase Biodiversity

At SAGESS, we work hard to limit the impact our business has on the environment, the balance of nature, and protected species.

Increasing storage in natural caverns like those in Manosque is a good example of how industrial activities and nature can successfully coexist, since the facility is located within the Lubéron regional nature park. We've also drastically reduced the risk of accidental spills thanks to the technology and facilities we have in place.

HELPING MANAGE SUPPLY CRISES

If there is a petroleum product shortage, consumers will mainly be worried about whether they will be able to continue buying what they need. SAGESS plays an instrumental role in managing national and international supply crises by being able to release products on short notice and in a coordinated fashion when so ordered by the French Directorate-General of Energy and Climate, which is part of the Minister of Ecological Transition and Regional Government Relations (Ministère de la Transition écologique et de la Cohésion des territoires).

	CSR Risk and KPIs	2022	2023	Target
Risk 5: Helping manage supply crises				
5-A	Percentage of orders managed by SAGESS by the deadlines defined by the strategic reserve release decree	100%	100%	100%
5-B	Number of orders rejected by storage providers	0	0*	0

* Storage providers refused to fulfil two orders. However, since these refusals were not the storage providers' fault, we did not record them under this indicator.

ADDRESSING EMPLOYEES' EXPECTATIONS AND DEVELOPING THEIR SKILLS

Total Headcount and Breakdown by Gender, Age, and Location

As at 31 December 2023, SAGESS had 14 employees, including two positions filled by seconded employees. Since 2017, we have assigned one employee to the French Democratic Confederation of Labour (Confédération française démocratique du travail, CFDT).

All employees are based in Île-de-France. There are seven women and seven men on staff, and the average employee age is 55 years old.

Twelve of our 14 employees are aged 50 or older, and five are 60 or older.

Hiring and Dismissals

	CSR Risk and KPIs	2022	2023
Risk 6: Addressing employees' expectations and developing their skills			
6-A	Number of employees (including seconded employees)	13	14
6-B	Number of hires, dismissals, and other changes*	Hires: 1 Dismissals: 0 Retirements: 0 Other changes: 3	Hires: 3 Dismissals: 0 Retirements: 0 Other changes: 2

*Other changes include changes among seconded employees and resignations.

Compensation

At SAGESS, our compensation system accounts for three factors: the calibre of the employee's work, skills development, and target achievement.

In 2023, personnel expenses totalled €2,757,000, €1,657,000 of which went towards SAGESS employee compensation. Personnel expenses include the billing of seconded employees' salaries and related expenses but exclude those for interim staff. They also include the rebilling of seconded worker expenses to pension organisations. In 2023, the overall salary budget increased by 6.84%. SAGESS allocated this increase as follows:

- Supervisory staff: General and individual increase: 6.25%; seniority bonus: 12.57%
- Managers: General and individual increase: 7.21%

As during previous financial years, Board of Directors members received no compensation.

Salaries and benefits for SAGESS's management team, composed of two seconded employees and one SAGESS employee, totalled €1,370,000 in 2023.

Working Hours

As at 31 December 2023, all SAGESS employees had open-ended employment contracts.

We comply with the legal maximum working hours applicable in France. As at 31 December 2023, all employees worked full time.

We also have a flexitime policy for employees. This policy defines a window for all employees to be in the office with flexible times at the beginning and the end of the day.

We continued offering a remote work option to all employees in 2023 as we did during the pandemic. Working from home is voluntary and determined according to relevant government guidelines. We do not mandate either remote or in-person work and give employees the latitude to plan and adapt as they see fit. Since 2021, we have relaxed our office attendance policy to allow those who would like to arrive or leave earlier or later to avoid rush hour to do so. Our flexitime policy was timely even before the pandemic, and we have strengthened it since.

Absenteeism

The data in this section only covers SAGESS employees. It does not include seconded employees working outside the organisation. The absenteeism rate is defined as the total number of calendar days absent, excluding paid days off, lay-offs, and unpaid, long-term absences (e.g., parental leave or leaves of absence), divided by the total number of workdays.

	CSR Risk and KPIs	2022	2023	Target
Risk 6: Addressing employees' expectations and developing their skills				
6-E	Absenteeism rate	12.2%	0	Undefined

Breakdown of Absences by Type	2022	2023
Illness	100%	0%
Workplace accident	0%	0%
Parental/adoption	0%	0%
Other absences	0%	0%

Labour Relations Procedures: Communications, Staff Consultation, and Negotiation – Overview of Collective Labour Agreements

At SAGESS, our employee relationships are based on respect and communication. We recognise that our business entails a certain number of risks and constraints. We therefore pay special attention to fairness in the workplace by consulting and communicating with our employees in a variety of ways. We use and apply all the policies in the collective labour agreement for the French oil and gas industry.

We've created constructive dialogue in the workplace by recognising our employees' rights and by being willing to interface with them.

We also created a Social and Economic Committee ("CSE" in French) in 2019 after voting in favour of one in December 2019. This CSE includes a permanent representative and an alternate who are elected to four-year terms. It met several times in 2023.

In 2022, we implemented a company-wide time savings account (TSA) for employees starting in December 2022. The TSA allows employees to accrue up to 10 days of leave annually that may be transferred to their company savings plan (Plan d'épargne entreprise, PEE) or their Group Retirement Savings Plan (known as Perco).

Workplace Health and Safety

At SAGESS, we care a great deal about workplace health and safety and continuously improving employee working conditions. Each and every one of us is accountable in this effort. SAGESS took several measures throughout the year to change how employees respond to risks at work. These measures included:

- Comprehensive medical evaluations for employees enrolled in our business continuity plan (9 out of 14 employees)
- Installation of ergonomic equipment at workstations (monitor arms, headsets, etc.) and ongoing collaboration to provide employee support
- First aid and automated external defibrillator (AED) training
- Evacuation drills

Moreover, our workplace health and safety indicators are an integral part of our CSR KPIs. In 2023, no occupational illnesses were reported at SAGESS. Only occupational illnesses that are officially declared and recognised by social security are counted. No accidents, including fatal accidents, have been reported during the past three financial years.

Lastly, we started monitoring the whistleblowing procedure when we added it to our Code of Business Conduct. Now we are alerted about any employee workplace health and safety issues (sexism, etc.), among other things. The Audit Committee regularly receives reports on the use of this procedure.

	CSR Risk and KPIs	2022	2023	Target
Risk 6: Addressing employees' expectations and developing their skills				
6-G	Number of public health and environmental alerts received	0	0	Undefined
6-H	Number of lost-time accidents for SAGESS employees and direct contractors	0	0	0
6-I	Use of the whistleblowing procedure	0	0	Undefined

Training Policies and Total Training Hours

For many years, we have demonstrated our commitment to labour issues by making them a key part of our human resource management process. We have continued our training efforts every year to provide all our employees with the training resources needed to reach our goals.

We develop a training plan every year based on what our employees say they need during their annual reviews and our own business needs. We monitor this plan according to the needs we identified and the training provided. In 2023, training primarily focused on improving skills to meet business needs.

Additionally, we have made a range of courses available through the organisation DEFI that cover the technical and functional aspects of our employees' jobs as well as managerial and teaching skills so our employees can reach their full potential.

Thanks to the various resources in place, employees collectively completed 219.5 hours of training in 2023, or an average of 18.3 hours per employee (FTE) during the year.

In 2023, employees took courses on information technology, languages, and job training.

Annual performance reviews are a well-established practice at SAGESS. These reviews are designed to promote employee development and discussions about their professional growth. In 2023, 100% of employees who had been employed for at least one year participated in these formal conversations with their superiors.

	CSR Risk and KPIs	2022	2023	Target
	Risk 6: Addressing employees' expectations and developing their skills			
6-C	Number of training hours per year and per employee*	10.1	18.3	> 8
6-D	Percentage of employees who participated in at least one training session during the year*	27.3%	50%	100%
6-F	Percentage of annual performance reviews (managers and non-managers)	90%	100%	100%

* These indicators do not include data about seconded SAGESS employees working at other organisations or seconded employees working at SAGESS.

Initiatives to Promote Gender Equality and the Employment and Inclusion of People with Disabilities, and SAGESS's Anti-Discrimination Policy

At SAGESS, we have voluntarily instituted a policy to promote diversity and equal opportunity and to eliminate all types of workplace discrimination, as reflected in our Code of Business Conduct, which includes a section specifically on combating sexism. Our policy is to offer equal employment opportunity to anyone who has the necessary qualifications, regardless of ethnicity, national origin, religion, political affiliation, union membership, nationality, age, or disability, in accordance with applicable laws and regulations.

In addition to being distributed to all SAGESS employees, we send our Code of Business Conduct to all the operators of the facilities where we store products whenever we sign new storage agreements. We also send it to all stakeholders involved in requests for proposals.

Our commitment to equal opportunity for all is reflected in every aspect of our labour relationships at SAGESS: applicant screening, recruitment, work assignments, promotion, transfers, compensation, training, and supplier relations.

At the end of 2023, 50% of SAGESS employees were women (including seconded employees) and 36% of SAGESS managers were women. Women are also represented on the Board of Directors. Fifteen percent of Board members are women, based on average representation on the Board in 2023.

Applying and Promoting the Fundamental Conventions of the International Labour Organization

Through our Code of Business Conduct, we promote the respect of human rights and non-discrimination in all our business relations, as expressed in the paragraph about respecting the provisions of the fundamental conventions of the International Labour Organization:

- Freedom of association and the right to collective bargaining
- Elimination of discrimination in respect of employment and occupation
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour

SAGESS adheres to all ten principles of the UN Global Compact, which are included in our Code of Business Conduct and Corporate Social Responsibility Charter.

Secure IT Systems Management and GDPR Compliance

At SAGESS, safeguarding our IT systems and the information they contain is one of our highest priorities. We review the checks we have in place every year to ensure they are still adequate. Both our internal audit team (shareholder audit) and external audit team review these checks in detail. We conduct regular tests to ensure business continuity in the event of a crisis (business continuity plan) and restore our IT systems (disaster recovery plan). We also regularly conduct penetration tests.

In 2019, we reviewed our cybersecurity policy at length and updated it thoroughly. The results of the review and the corresponding updates were presented in detail to the Audit Committee. SAGESS employees also receive annual training on IT security and cybercrime risks.

We have set up a system to ensure we comply with the European Union's General Data Protection Regulation (GDPR). After appointing a Data Privacy Officer and establishing records for processing activities, we gradually put various essential procedures in place to comply with the regulation:

- We have a Personal Data Protection Charter that we share with all our employees
- Our professional and public-facing websites also include information about GDPR for the members of these sites
- We have a procedure for personal data breaches as well as a way to record such breaches

GDPR compliance ensures that we are following personal data protection best practices.

We were not the victim of any cyberattacks in 2023.

5 > SAGESS IN SOCIETY

RELATIONSHIPS WITH OUR KEY STAKEHOLDERS

Stakeholder Dialogue

At SAGESS, we have instituted a process for analysing the materiality of our corporate, social, and environmental challenges to identify what our stakeholders' expectations are and how we can better meet them.

This process, which is based on a detailed analysis of various internal and external information sources (non-financial ratings, press reviews, etc.), has also made it possible for us to consult with a representative panel of our stakeholders (shareholders, suppliers, employees, the CPSSP, insurance providers, management, peer organisations, etc.) and learn about their CSR expectations. These consultations have helped us rank our key challenges in order of importance and modify how we manage our CSR initiative internally as a result.

These discussions are ongoing thanks to our key stakeholders serving on our Corporate Social Responsibility Committee.

Partnerships and Sponsorships

At SAGESS, we demonstrate our commitment to society through our voluntary actions and partnerships:

In June 2023, our team participated in the "Enfants Sans Cancer City 2023" race to show our support for the charity Imagine for Margo – Children Without Cancer.

6 > SAGESS AND SUSTAINABLE DEVELOPMENT GOALS

The United Nations General Assembly adopted 17 Sustainable Development Goals (SDGs) in 2015. These universal goals, which are set for 2030, cover the three dimensions of CSR: society, the economy, and the environment.

SAGESS's CSR performance indicators relate to five of the seventeen SDGs:

SDG 4 – QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all ➔ **SAGESS's training and annual review policy.**

6-C	**Average number of training hours**
6-D	**Percentage of employees who participated in at least one training session during the year**

SDG 5 – GENDER EQUALITY

Achieve gender equality and empower all women and girls ➔ **SAGESS's policy to recruit more women Board members.**

3-D	**Percentage of women Board members**

SDG 7 – AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable, and modern energy for all ➔ **SAGESS's role in managing supply crises, ensuring French consumers have continuous supply.**

5-A	**Percentage of orders managed by SAGESS by the deadlines defined by the strategic reserve release decree**
5-B	**Number of orders rejected by storage providers**

SDG 8 – DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all ➔ **SAGESS's policy to monitor employee wellbeing and working conditions.**

6-E	**Absenteeism rate**
6-G	**Number of public health and environmental alerts received**
6-H	**Number of lost-time accidents for SAGESS employees and direct contractors**
6-I	**Use of the whistleblowing procedure**

SDG 12 – RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns ➔ **SAGESS's responsible purchasing policy.**

4-E	**Responsible purchasing: partner response rate to the questionnaire**
4-F	**Responsible purchasing: average grade received**
4-G	**Responsible purchasing: number of partners with failing grade**

7 > SAGESS'S CSR RATINGS

Two European rating agencies – acting on behalf of French and European investors – gave SAGESS unsolicited CSR ratings in 2021. We have not received new ratings since then.

ISS ESG (ISS-OEKOM)

In 2021, ISS ESG (ISS-oekom) gave us a C+ rating, positioning us in the best category in our sector. We were also ranked in the "Prime" category, which corresponds to bond issuers ranked in the top 5% of their categories by ISS ESG (ISS-oekom).

VIGEO EIRIS

Vigeo Eiris has rated SAGESS since 2011. In 2021, it gave us a rating of 63%, corresponding to the "Advanced" level and placing our corporate social responsibility performance among the top European companies in our sector.

8 > REPORTING METHODOLOGIES

All procedures and definitions for each performance indicator are provided in the SAGESS Reporting Protocol.

The protocol defines the scope for each indicator, the reporting unit, how the indicator is calculated, where the data comes from, who is responsible for generating it, and what controls have to be set up. Indicators are reported in the annual reporting tables compiled by each of the assigned owners. Data is provided by our accounting and logistics systems or our various suppliers.

In order to ensure that our non-financial indicators are accurate, we have established dual internal–external controls with the help of a specialised firm.

Since implementing our CSR initiative, we have opted to progressively broaden the scope of our social and environmental reporting as stated in our policy. Reporting now includes some of our partners' CSR results – especially the indicators we added related to the responsible purchasing initiative.

The current scope varies by indicator to provide the most relevant information possible. The scope of each indicator is presented in the table on the next page.

NO.	CSR RISKS AND INDICATORS	SAGESS	STAKEHOLDERS		
			Storage Facilities	Banks	Petroleum Product Suppliers
1	Managing reserves in a secure manner				
1-A (*)	Have a process to monitor the difference between the reserve level agreed to by SAGESS and the level achieved	X			
1-B (*)	Percentage of storage facilities audited at least once during the year		X		
1-C	Number of non-compliance issues observed during the storage facility audits between two audits.		X		
1-D	Percentage of on-site non-compliance issues resolved after 3 calendar months		X		
1-E	Percentage of SAGESS reserves exchanged (at storage providers' request)	X	X		
2	Securing funds				
2-A (*)	External financing structure	X			
2-B	Average maturity of bond debt	X			
2-C (*)	Coverage of the NEU CP programme through an undrawn syndicated loan	X			
2-D (*)	Use of the NEU CP programme	X			
2-E (*)	Coverage of the use of the NEU CP programme through an undrawn syndicated loan	X			
2-F (*)	Short- and long-term Standard & Poor's ratings	X			
3	Practising sound governance to prevent conflicts of interest				
3-A	Percentage of shareholders represented on the Board of Directors	X			
3-B (*)	Attendance rate at Board meetings	X			
3-C (*)	Percentage of Board members reappointed during the year	X			
3-D (*)	Percentage of women Board members	X			
3-E (*)	Number of BoD committee meetings	X			
4	Promoting the importance of HSE with our partners				
4-A (*)	Percentage of ISO 14001-certified (or equivalent) storage facilities		X		
4-B (*)	Percentage of OHSAS 18001-certified (or equivalent) storage facilities		X		
4-C	Percentage of storage facilities that have adopted the principles of the CSR Charter and Code of Business Conduct		X		
4-D (*)	Progress of the multi-year risk assessment programme		X		
4-E (*)	Responsible purchasing: partner response rate		X	X	X
4-F (*)	Responsible purchasing: average grade received		X	X	X
4-G (*)	Responsible purchasing: number of partners with failing grade		X	X	X
5	Helping manage supply crises				
5-A (*)	Percentage of orders managed by SAGESS by the deadlines defined by the strategic reserve release decree	X			
5-B (*)	Number of orders rejected by storage providers	X	X		
6	Addressing employees' expectations and developing their skills				
6-A (*)	Number of employees (including seconded employees)	X			
6-B (*)	Number of hires and dismissals	X			
6-C (*)	Average number of training hours per employee per year	X			
6-D (*)	Percentage of employees who participated in at least one training session during the year	X			
6-E (*)	Absenteeism rate	X			
6-F	Percentage of employees who had annual performance reviews (managers and non-managers)	X			
6-G	Number of public health and environmental alerts received	X			
6-H (*)	Number of lost-time accidents for SAGESS employees and direct contractors	X			
6-I	Use of the whistleblowing procedure	X			

(*) Indicators audited by an independent third party with a limited level of assurance.