

Up date
05/05/2022



Annual Report

Financial Year 2021



S A G E S S

Managing
strategic oil reserves

2021 ANNUAL REPORT

TABLE OF CONTENTS



THE BOARD OF DIRECTORS	1	STATEMENT BY THE PERSONS RESPONSIBLE -2021	20
MANAGEMENT TEAM	1	FINANCIAL STATEMENTS-	20
STATUTORY AUDITORS	1	B. SAGESSE CORPORATE GOVERNANCE REPORT	21
A WORD FROM OUR CHAIRMAN AND CEO	2	1 > GOVERNANCE.....	21
A. MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021	3	Board of Directors	21
1 > OVERVIEW OF THE STRATEGIC SAFETY RESERVE SYSTEM	3	Audit Committee	35
Releases for Consumption	3	Specialised Committees	36
Changes in Releases for Consumption	4	Storage Committee	36
Mandated National Minimum Reserve	4	Statutory Auditors	36
2 > OUR ACTIVITIES.....	5	Share Capital	36
Economic and Financial Environment	5	General Shareholders' Meetings	37
Stockpiling and Storing Reserves.....	6	2 > POWERS.....	38
3 > FINANCIAL POSITION.....	7	Powers of the Chairman–Chief Executive Officer	38
Presentation of the Financial Statements	7	Separation of Approvals	38
Credit Rating	7	Banking Powers	38
Income	8	Internal Powers	38
NEU CP (Commercial Paper).....	8	3 > DIRECTOR AND OFFICER COMPENSATION	39
CPSSP Loan.....	8	Compensation of Members of the Board of Directors	39
External Financing Structure	8	C. AGENDA AND RESOLUTIONS APPROVED BY THE GENERAL SHAREHOLDERS' MEETING ON 5 MAY 2022	40
Off-Balance Sheet Commitments.....	9	1 > RESOLUTION ONE.....	40
SUBSEQUENT Events	9	Approval of the financial statements for the financial year ended 31 December 2021	40
Summary of Financial Documents.....	9	2 > RESOLUTION TWO.....	40
Trade Payables as at 31 December 2021.....	10	Related-party agreements covered under Article L. 225-38 of the French Commercial Code	40
Customer Accounts Payable as at 31 December 2021	11	3 > RESOLUTION THREE.....	41
Non-Deductible Expenses	11	Allocation of net income and determination of dividend payments.....	41
Statutory Auditors' Fees.....	11	4 > RESOLUTION FOUR.....	41
Preparation and Handling of Accounting and Financial Information	11	Powers to carry out necessary legal formalities	41
4 > CORPORATE SOCIAL RESPONSIBILITY (CSR).....	13	D. FINANCIAL STATEMENTS	42
5 > RISK FACTORS	14	BALANCE SHEET (ASSETS).....	43
Risk Map.....	14	BALANCE SHEET (LIABILITIES & EQUITY)	44
Primary Risk Analysis.....	14	INCOME STATEMENT	45
6 > INTERNAL CONTROLS	17	E. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021	46
Overview	17	1 > SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR	46
Scope.....	17	2 > ACCOUNTING PRINCIPLES, RULES, AND METHODS	46
LSF Programme	17	General Principles	46
Internal Assessment of the Control Environment	18	Revenue	46
7 > 2022 OUTLOOK	19	Property, Plant, and Equipment and Intangible Assets	46
		Reserves	47
		Receivables and Payables.....	47
		3 > ADDITIONAL INFORMATION ABOUT THE BALANCE SHEET AND INCOME STATEMENT	48
		Fixed Assets and Depreciation (Amounts expressed in thousands of euros)	48
		Financial Assets	49
		Strategic Reserves as at 31 December 2021.....	49
		Prepaid Expenses (Amounts expressed in thousands of euros)	49
		Deferred Expenses (Amounts expressed in thousands of euros)	49
		Provisions (Amounts expressed in thousands of euros)	50
		Accruals (Amounts expressed in thousands of euros)	50

Deferred revenue (Amounts expressed in thousands of euros)	50
Accrued Revenue (Amounts expressed in thousands of euros)	50
Receivables and Other Liabilities by Maturity as at 31 December 2021 (Amounts expressed in thousands of euros)	51
Marketable Securities (Cash Equivalent)	52
Operating Revenue (Amounts expressed in thousands of euros)	52
Extraordinary Income and Expenses	52
Net Profit	52
4 > OFF-BALANCE SHEET COMMITMENTS	52
Guarantees	52
Lease Agreements	52
Tickets	53
Bond Issues and Swaps (Amounts expressed in thousands of euros)	53
Sales hedges (Amounts expressed in thousands of euros)	53
NEU CP (Commercial Paper) (Amounts expressed in thousands of euros)	54
Bank Loans (Amounts expressed in thousands of euros)	54
5 > ADDITIONAL INFORMATION	54
6 > COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS	55
7 > RETIREMENT BENEFITS AND SIMILAR PAYMENTS	55
8 > HEADCOUNT AS AT 31 DECEMBER 2021	55
9 > SHARE CAPITAL	55
10 > CHANGES IN SHAREHOLDERS' EQUITY	55
11 > SUBSEQUENT EVENTS	56
12 > PROFIT OR LOSS OVER THE PAST FIVE FINANCIAL YEARS	57
F. STATUTORY AUDITORS' REPORTS	58
1 > STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS	59
2 > STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS	64
G. INFORMATION ON GOVERNANCE	70
1 > SHAREHOLDERS (AS AT 31 DECEMBER 2021)	70
2 > BOARD OF DIRECTORS (THAT APPROVED THE 2021 FINANCIAL STATEMENTS)	71
3 > AUDIT COMMITTEE (AS AT 31 DECEMBER 2021)	72
4 > CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (AS AT 31 DECEMBER 2021)	72
5 > FINANCE COMMITTEE (AS AT 31 DECEMBER 2021)	72
6 > OPERATIONS MANAGEMENT COMMITTEE (AS AT 31 DECEMBER 2021)	72
7 > GOVERNMENT REPRESENTATIVES (AS AT 31 DECEMBER 2021)	73

THE BOARD OF DIRECTORS

(THAT APPROVED THE 2021 FINANCIAL STATEMENTS)

Pierre-Yves Loiseau: Chairman

BOLLORÉ ENERGY

CARFUEL

ESSO SAF

SCA PÉTROLE ET DERIVÉS

SOCIÉTÉ D'IMPORTATION LECLERC – SIPLEC

URBAINE DES PÉTROLES

BP FRANCE

ENI FRANCE SARL

PICOTY SAS

SOCIETE DES PETROLES SHELL

TOTAL MARKETING FRANCE

WOREX SNC

Son Lengoc: Secretary to the Board

MANAGEMENT TEAM

Pierre-Yves Loiseau Chairman of the Board – CEO

Daniel Bonocori Logistics Manager

Son Lengoc Corporate Secretary – CFO

STATUTORY AUDITORS

Ernst & Young Audit

Statutory Auditors

1-2, place des Saisons

Paris La Défense 1

92400 Courbevoie, France

Grant Thornton

Société par actions simplifiée (simplified joint-stock company)

specialised in accounting and auditing

29, rue du Pont

92200 Neuilly-sur-Seine, France

Société Anonyme de Gestion de Stocks de Sécurité (SAGESS)

Société Anonyme (public limited company) with share capital of €240,000 – Nanterre Trade and Companies Register No. B 344547708 – SIRET No. 34454770800059 – APE code: 5210B

Tour W – 102, Terrasse Boieldieu – 92800 Puteaux, France (Mailing address: 92085 Paris La Défense Cedex)

Telephone: +33 1 47 10 06 80 – Fax: +33 1 47 14 04 88 – www.sagess.fr

A WORD FROM OUR CHAIRMAN AND CEO

Despite the brief lull in the pandemic during the summer of 2021, the past year was marked by back-to-back waves of Covid-19. While the ground fuels market recouped some of its losses from 2020, the aviation fuels market remained weak.

Like all companies, SAGESS was beset by operational challenges. Nevertheless, our team was able to do everything we needed to keep our doors open, even while working remotely. I want to take this moment to sincerely thank them on behalf of the Board of Directors.

Oil prices skyrocketed, especially at the end of the year, as the result of demand fuelled by astronomical growth and low supply – the price of Brent crude rose from \$55 to \$80/barrel. Speculation has increased since the beginning of the year, initially due to expected growth and then because of the crisis in Ukraine. In 2021, we adjusted our inventories by selling 221,000 tonnes of product, generating revenue (€33.4 million) and increasing our cash reserves to €132.6 million as at 31 December 2021.

We have continued to keep down costs, which we lowered by 1.9% compared to 2020. Our year-end reserves total 13.6 million tonnes, or 80% of the mandated national minimum reserve. We continued to rely in large part on long-term financing throughout the year, with long-term loans totalling €855 million at year-end. Combined with our bond financing (€3.4 billion), our long-term debt is equivalent to our inventories, valued at their weighted average cost.

In 2021, Standard & Poor's renewed our long-term AA rating (stable outlook). Meanwhile, the CSR rating agencies Vigeo Eiris and ISS-oekom reconfirmed our "Advanced" and "Prime Status" ratings, respectively, solidifying our leadership position in our industry.

Despite the Administrative Court of Paris ruling on 9 July 2021 annulling the 4 September 2018 order that included SAGESS on the list of central government bodies (*organismes divers d'administration centrale*, ODACs), and thereby unrestricting our financing activities, we did not issue any bonds in 2021. The government decided to lodge an appeal with the Paris Administrative Court of Appeal. We expect Council of State decisions soon regarding the orders issued in 2016 and 2017.

The Audit Committee, which fulfils the specific requirements for companies that offer securities to the public, met three times in 2021. The scope of its work ranged from the usual review of the company's financial statements to the company's internal controls, with a detailed analysis of the company's key risks. The committee audited the period's closing activities, SAGESS's internal control procedures, and auditor independence.

The government called on us several times in 2021 to stave off supply issues. We worked efficiently and met stakeholder expectations.

We also carried out several important strategic projects during the year:

- Our General Shareholders' Meeting on 18 March 2021 approved new by-laws in light of the end of our central storage entity classification so that they are in line with how we currently operate
- We renewed our agreement with the CPSSP with the same aims
- We renewed our CPSSP loan for another 10 years
- We rewrote our storage terms and conditions

In the year ahead, we will remain focused on our goals: operate efficiently, manage risks effectively, and plan accordingly for upcoming changes related to the energy transition.

Thank you for your support.

Pierre-Yves Loiseau

A. MANAGEMENT REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Dear Shareholders,

We have called you to this General Shareholders' Meeting to report on the company's business during our thirty-third financial year ended 31 December 2021 and to submit the annual financial statements of said financial year for your approval.

In their report, the statutory auditors will provide information on the accuracy and fairness of the financial statements that are being presented to you.

We remain at your disposal to provide any further details and additional information you might find useful.

In accordance with Article R. 225-102 of the French Commercial Code, a table showing the company's financial results over the past five financial years is included in the notes to this report.

The following sections include all the information required by the regulations in force.

1 > OVERVIEW OF THE STRATEGIC SAFETY RESERVE SYSTEM

Strategic stockpiling activities are defined by Law 92-1443 of 31 December 1992, the French Energy Code and the French Defence Code, as well as the implementation decrees ensuring that Council Directive 2009/119/EC is transposed into French law and France's commitments to the International Energy Agency (IEA).

RELEASES FOR CONSUMPTION

Releases for consumption picked up quickly in 2021 after a year that had been disrupted by the Covid-19 pandemic. Thanks to the European Central Bank, interest rates stayed very low while the price per barrel increased throughout the year, reaching \$80/barrel in December.

Net releases for consumption (RFC) of products that are subject to mandated strategic stockpiling increased by 10.46% in 2021 compared to 2020, but remained lower than in 2019.

- Petrol RFCs (category 1) jumped 21.7%
- Distillate RFCs (category 2 – diesel and heating oil) rose 7.7%
- Jet fuel RFCs (category 3) increased 18.7%
- Heavy fuel oil RFCs (category 4) were negligible

CHANGES IN RELEASES FOR CONSUMPTION

In thousands of tonnes	2019	2020	2021	Difference (YOY)	Difference (%) (YOY)
Category 1 (petrol)	8,314	7,161	8,715	1,554	21.7%
Category 2 (diesel and heating oil)	42,543	37,477	40,357	2,880	7.7%
Category 3 (jet fuel)	7,027	3,054	3,626	572	18.7%
Category 4 (heavy fuel oil)	41	20	4	(15)	(78.4%)
TOTAL	57,925	47,712	52,702	4,990	10.46%

MANDATED NATIONAL MINIMUM RESERVE

The mandated minimum strategic reserve is calculated based on releases for consumption in year n (reference year). This year is constant, from 1 July of year n+1 to 30 June of year n+2. The mandated minimum strategic reserve equals 29.5% of the releases for consumption during the reference year.

Given the huge impact of the pandemic on releases for consumption in 2020 (the reference year), the government published an order that went into effect on 1 January modifying the reference year for calculating the mandated minimum strategic reserve for 2021.

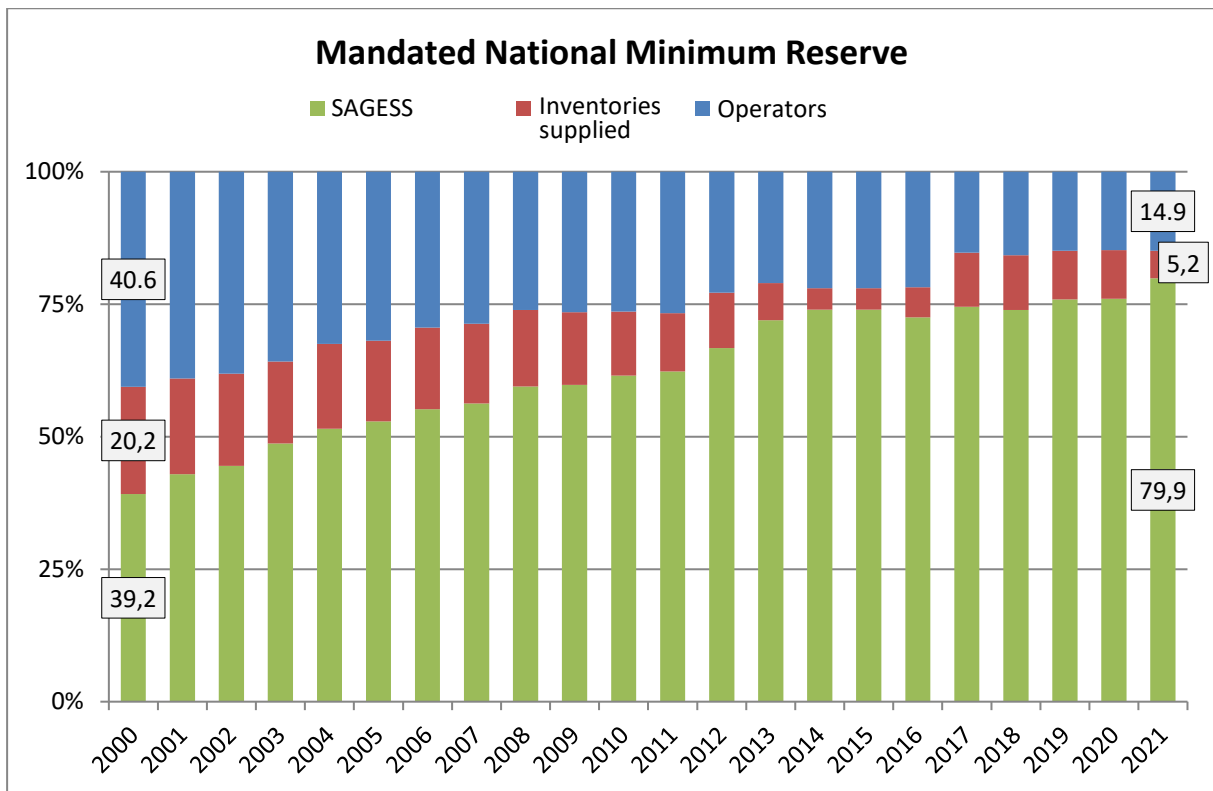
Certified operators must allocate either 56% or 90% of this mandated minimum to the CPSSP.

Change in the mandated national minimum reserve and its coverage (in millions of tonnes of finished product equivalent – MT EQFP):

(MT EQFP)*			1-Jul-18	1-Jul-19	1-Jul-20	1-Jan-21
Mandated	National	Minimum Reserve	17.5	17.1	17.1	16.2
Coverage by:						
Operators			2.8	2.5	2.5	2.5
CPSSP			14.7	14.6	14.6	13.7
RFCs**			1.8	1.6	1.6	0.8
SAGESS			12.9	13.0	13.0	12.9

* Finished Product Equivalent – EQFP: one tonne of crude oil held in the strategic stockpiling system is considered 0.8 tonnes of finished product equivalent.

** Releases for consumption (RFC).



2 > OUR ACTIVITIES

ECONOMIC AND FINANCIAL ENVIRONMENT

The Dated Brent price gradually increased throughout the year (source: Ministry of Ecological Transition) thanks to actions taken by central banks and vaccination campaigns, which helped restart the economy and boost demand. At the end of December 2021, Dated Brent was \$77/barrel, versus \$50/barrel at the end of 2020.

International prices (\$/t) for finished products followed the same trend.

As the ECB-led policy continued, the dollar fluctuated between \$1.14/euro and \$1.22/euro, settling on an average exchange rate of \$1.13/euro in December 2021. The annual average dollar/euro exchange rate was \$1.18/euro in 2021, compared to \$1.14/euro in 2020.

Long-term interest rates (based on the 10-year French government bond rate) fluctuated between -0.35% and 0.2% (with an average monthly low of -0.35%, reached in January 2021). Rates have been positive again since Q3 2021. The average annual rate for the year was 0.01%, compared to -0.24% in 2020.

Short-term interest rates (EONIA and 3-month Euribor) remained both stable and negative throughout the pandemic. The annual average EONIA rate was -0.49% (compared to -0.46% in 2020) and the 3-month Euribor was -0.48% (compared to -0.42% in 2020).

STOCKPILING AND STORING RESERVES

Purchasing Policy

Petroleum products are purchased through requests for proposals, except where conducting them is not technically feasible.

Products

Our strategic reserves are made up of products from the first three categories (petrol, diesel/heating oil, and jet fuel), as well as crude oil. The heavy fuel oil inventories operators supplied to the CPSSP cover its mandated minimum.

Crude oil is a legally allowable substitute for finished products up to a certain percentage, with one tonne of crude oil considered equivalent to 0.8 tonnes of finished product.

Purchases, Sales, and Volume of Reserves

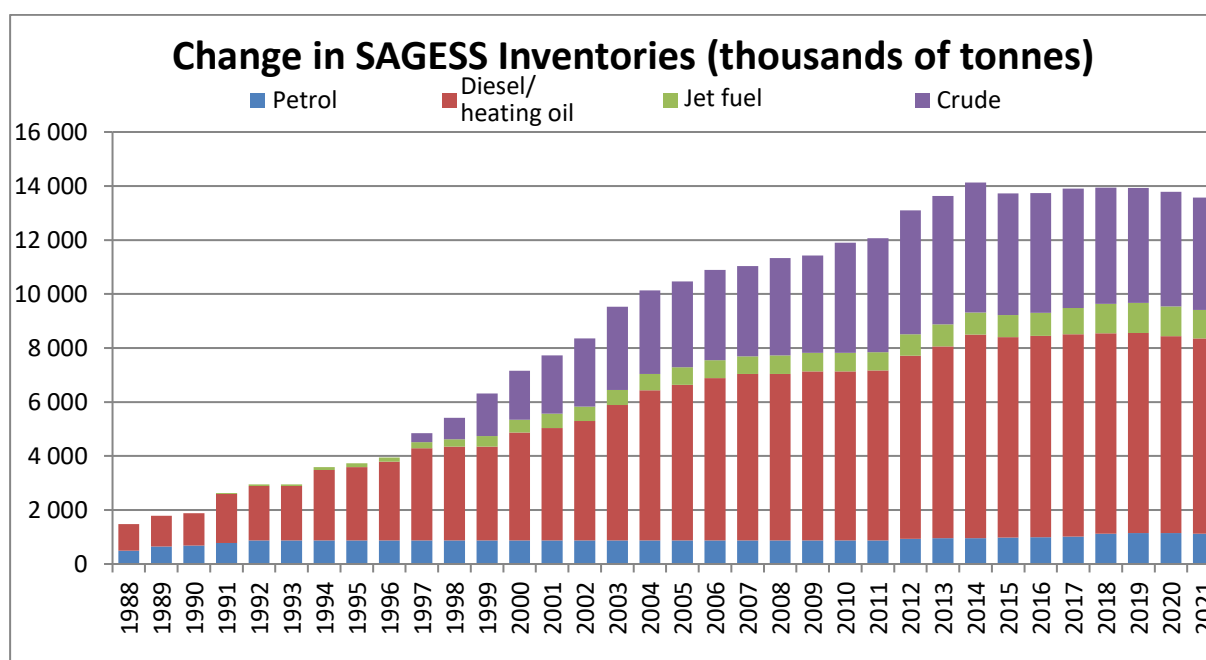
Our strategic reserves decreased slightly during the year:

(In millions of tonnes)	31 Dec. 2018	31 Dec. 2019	31 Dec. 2020	31 Dec. 2021
Reserves	13.9	13.9	13.8	13.6
Allocated for coverage	13.9	13.9	13.8	13.6
Extra	-			
Loaned reserves	0.4	0.9	0.2	0.1
TOTAL in MT	13.9	13.9	13.8	13.6
TOTAL in MT EQFP	13.1	13.1	13.0	12.7

In 2021, we reduced inventories at our depots in neighbouring Belgium and Germany. Some changes were still ongoing as at the beginning of 2022.

Due to the closures of the Grandpuits refinery and Douarnenez depot, some reorganisation and redistribution were needed and are still ongoing.

Our reserve volumes have more than doubled since the late 90s.



Storage Policy

Our petroleum products are stored in bonded third-party storage facilities, for which we pay a storage fee.

SAGESS reserves are unpledged. Storage providers or any other third party may not use the strategic reserves held by SAGESS as collateral.

The bonded depots we use (89 storage facilities) include refineries, most of the oil depots in France, and the Manosque site (salt caverns).

We have had a storage policy set up and approved by our Board of Directors since 2015 to enhance and streamline our purchasing and storage procedures. We updated our storage terms and conditions in 2021.

In 2021 and early this year, we did not renew several expired storage agreements and signed an agreement with a new storage facility.

Physical Inventory and Quality Control Audits

Storage providers are contractually obligated to maintain certain qualitative and quantitative standards for the products they store, such as purity and salability.

The quantity and quality of our reserves are checked on site at least once per year by a specialised third-party company.

Storage Costs

The average recurring cost of storing our reserves was €24.30/tonne in 2021, which was slightly lower than in 2020 (€24.40/tonne).

Headcount

As at 31 December 2021, SAGESS had 15 employees, including three positions filled by personnel seconded from other organisations. It is worth noting that since 2017, SAGESS has seconded one employee as part of our duties related to our term of office on the Boards of Directors of AGIRC and ARCCO (supplemental French retirement schemes for private sector employees) and AG2R La Mondiale (a French insurance firm).

3 > FINANCIAL POSITION

PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements are presented in the same format as in previous years. This presentation complies with French generally accepted accounting principles (*Plan comptable général*, PCG) as well as with the accounting principles specific to the oil and gas industry. It also accounts for our unique situation, which arises from various laws and regulations, especially Article 1655 *quater* of the French General Tax Code (corporate income tax exemption and recording of inventories at their acquisition cost).

We are not required to issue financial statements in IFRS format because we do not issue consolidated financial statements.

CREDIT RATING

On 1 October 2021, the rating agency Standard & Poor's confirmed our long-term AA (stable outlook) and short-term A-1+ benchmark ratings.

INCOME

We generated a net profit of €33,458,000 during financial year 2021 from the sale of our reserves.

NEU CP (COMMERCIAL PAPER)

The NEU CP programme ceiling totalled €1.4 billion (stable compared to 2020). The Board of Directors regularly reviews the use of this programme and whether it is adequately meeting our needs.

We signed an agreement in June 2021 renewing our undrawn €900 million syndicated loan with a three-year term (1 year + 1 year + 1 year). A €100 million annual bilateral credit line was added to the syndicated loan in December 2021. This financing is a safeguard in the event of a tightening in the NEU CP market.

CPSSP LOAN

In 2007, we used a €61-million loan from the CPSSP to substitute the initial shareholder advance. We renewed that loan this year for another 10 years.

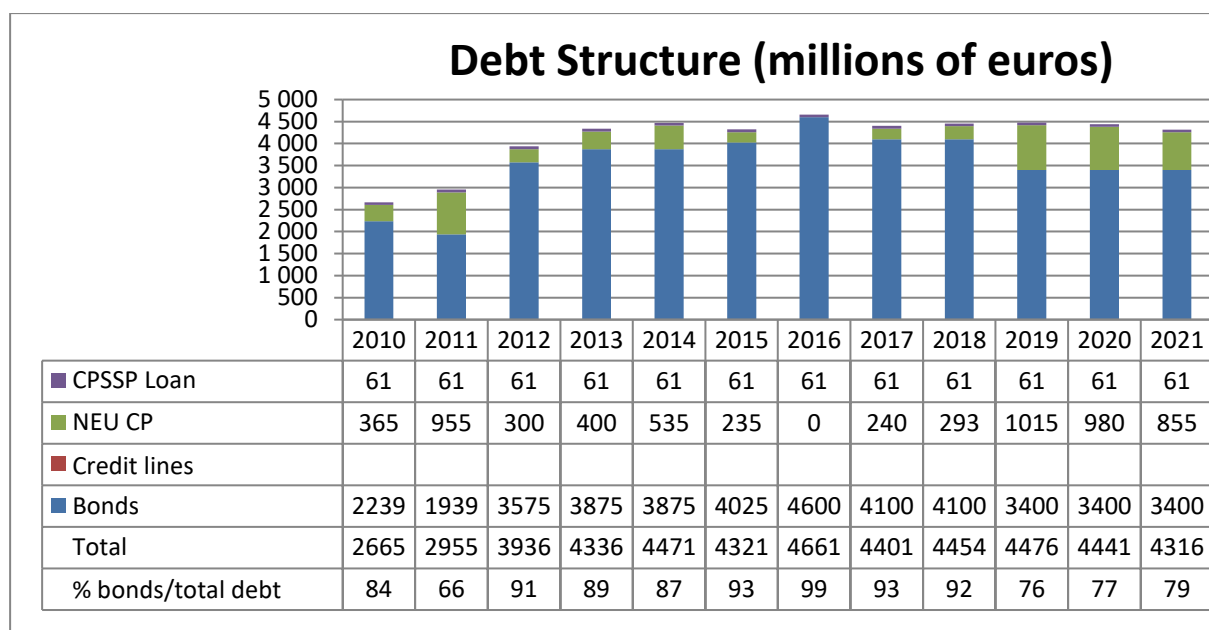
EXTERNAL FINANCING STRUCTURE

As at 31 December 2021, our debt, excluding the CPSSP loan and any interest payable, totalled €4.255 billion:

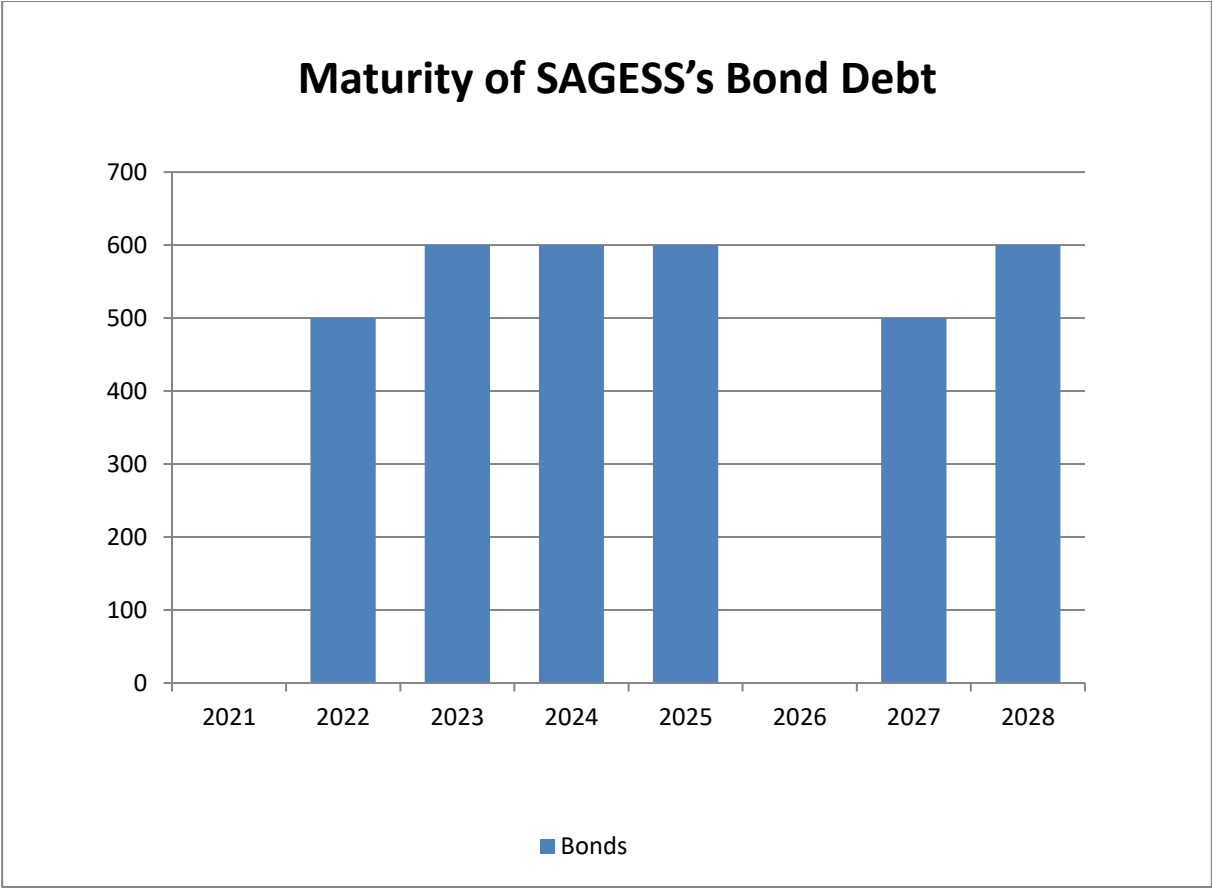
Bonds:	€3.4 billion
Bank overdraft:	-
NEU CP (commercial paper):	€855 million

At the end of the period, bond debt remained the same at €3.4 billion.

Short-term debt comprising NEU CP totalled €855 million at the end of 2021, down €125 million compared to 2020. In 2021, we paid out €2.9 million in shareholder dividends.



SAGESS has staggered the repayment dates of our bond debt to minimise the refinancing risk associated with repaying this debt. As at 31 December 2021, those dates were spread out between 2022 and 2028. The average maturity of the bond debt was 3.4 years as at 31 December 2021.



OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet commitments include, for guarantees made, customs guarantees, and for guarantees received, CEGC guarantees to SAGESS as part of the management of product loans ordered by the French government.

SUBSEQUENT EVENTS

The conflict in Ukraine, which began in early 2022, sparked a sharp increase in raw materials prices and drove Brent crude to over \$110/barrel. At the end of 2021, it was \$77/barrel.

SUMMARY OF FINANCIAL DOCUMENTS

Detailed financial statements are attached to this report. Changes in the financial statements are essentially driven by inventory fluctuations, changes in the cost of storage per unit, interest rates, and, depending on the year, a number of non-recurring activities such as product specification modification programmes.

As at 31 December 2021, our balance sheet primarily consisted of oil and gas reserves on the asset side, and loan financing on the liabilities side.

A summary of the balance sheet is as follows:

ASSETS	€m	%	LIABILITIES & EQUITY	€m	%
Fixed assets	34	0.7%	Shareholders' equity and provisions	133	2.9%
Reserves	4,401	96.2%	Loans	4,352	95.2%
Receivables and other	140	3.1%	Payables and other	90	2.0%
Total	4,575	100.0%	Total	4,575	100.0%

Fixed assets mainly included a €33.1 million long-term receivable that corresponds to the seller financing granted as part of the Manosque pipeline sale to Géosel.

The reserves are purchased and held by SAGESS.

Receivables mainly comprise CPSSP receivables, which correspond to a month of services invoiced by SAGESS and to loans ordered to be granted by SAGESS to operators in the amount of €43.3 million.

Trade payables primarily consist of December storage costs.

The 2021 income statement breaks down as follows:

€m	2021	2020	Change
CPSSP reimbursement of SAGESS expenses	332	339	-2%
Other income	0	0	0%
Income from sale of petroleum products	34	3	1,055%
Storage and monitoring of reserves	(306)	(312)	-2%
Income from the sale of assets	0	0	NS
Other expenses	(4)	(1)	222%
Net financial expenses	(23)	(26)	-12%
Net profit	33	3	966%

The CPSSP reimburses SAGESS on a monthly basis for our storage expenses, asset financing expenses, operating expenses, and all of our other expenses in accordance with the terms and conditions of the agreement between the CPSSP and SAGESS.

We sold €107.5 million in petroleum products, generating €33.46 million in net income.

TRADE PAYABLES AS AT 31 DECEMBER 2021

(French Commercial Code Art. D. 441 I-1)

TOTAL BALANCE AS AT 31/12/2021	0 days	1 to 30 days	31 to 60 days	More than 61 days	Total
Number of invoices concerned	13	123			136
Total amount of invoices concerned	-€10,000	€9,254,000			€9,244,000
% of total purchases for the year (before tax)	0.00%	2.96%	0.00%	0.0%	2.96%

CUSTOMER ACCOUNTS PAYABLE AS AT 31 DECEMBER 2021

(French Commercial Code Art. D. 441 I-2)

TOTAL BALANCE AS AT 31/12/2021	0 days	1 to 30 days	31 to 60 days	More than 61 days	Total
Number of invoices concerned	20	66			86
Total amount of invoices concerned	€125,000	€26,969,000			€27,095,000
% of revenue for the year (before tax)	0.03%	6.08%	0.00%	0.00%	6.11%

NON-DEDUCTIBLE EXPENSES

In accordance with the provisions of Article 223 of the French General Tax Code, none of the financial statements for the period have accounted for any non-deductible expenses (except the impact of the French corporate social welfare tax), pursuant to Article 39-4 of the same Code.

STATUTORY AUDITORS' FEES

For the 2021 financial year (in thousands of euros)	Ernst & Young	Grant Thornton
Audit		
Auditing, certifying of individual statements	39	39
Supplementary report to the Audit Committee	0	0
Services other than the certifying of statements	8	2
Total	47	41

PREPARATION AND HANDLING OF ACCOUNTING AND FINANCIAL INFORMATION

GENERATION OF ACCOUNTING INFORMATION

All financial and accounting information is generated by the Accounting Department and the Corporate Secretary/CFO, under the supervision of the CEO.

This information is generated according to the following procedure:

- The most effective accounting principles and methods for reflecting the characteristics and specific regulatory features of the company's business are determined in accordance with applicable legal and regulatory provisions.
- All transactions and periodic financial reports (accounting of transactions, calculating and recording provisions and accrual/suspense accounts, annual statements, etc.) are recorded in strict compliance with the segregation of duties principle.
- The company's financial statements and financial position (reconciliation, confirmations) are audited.
- Financial reports (balance sheet, income statement, notes, management report) are created. These reports are reviewed by the auditors and the Audit Committee before being submitted to the Board of Directors.

Major risks include generating incomplete or incorrect accounting information and inadequate financial disclosures. Since our job is to stockpile and store strategic petroleum reserves and to finance those reserves through loans, the most sensitive information is that related to the reserves themselves, the coverage of our expenses, and debt.

- Reserve volumes are verified through customs declarations and through physical inventories conducted either by SAGESS employees or by an independent company at least once every 12 months. The customs information is reconciled with the volumes that are recorded in our computer systems at least once every six months.

- The value of the reserves is added to a central ERP (SAP), which automatically links logistics with accounting and finance.
- The reserves are recorded at their purchase price.

The company is financed through loans in accordance with our financial policy. The Board of Directors reviews how suitable this policy is every year based on the opinion of the Finance Committee. Certain financial transactions, such as bond issues, are reviewed in advance by the Board of Directors, also based on the opinion of the Finance Committee. The Board of Directors and the Finance Committee regularly monitor how financing transactions are being carried out, and this monitoring extends beyond the information on this topic included in the financial reports (annual report, bond brochures, etc.).

SAGESS's expenses are guaranteed to be covered by payments made by the CPSSP. It is also worth noting that the compensation for services rendered and paid by the CPSSP's operators covers all the expenses generated under this arrangement.

Operating expenses are included in an annual budget that is updated quarterly. These expenses are also tracked on a quarterly basis. The Board of Directors reviews the budgeted figures against the actual figures on a quarterly basis.

SAGESS does not have many off-balance sheet commitments. Those we do have include:

- Bank guarantees to the French Customs Administration
- Long-term lease agreements
- Interest rate swap agreements used for bond issues and specifically authorised in advance by the Board of Directors
- Fixed-price swaps to hedge the sale of petroleum products

Off-balance sheet commitments received comprise first demand bank guarantees set up as part of product loans made by SAGESS by order of the DGEC.

IT SYSTEMS

To improve our IT systems and ensure our accounting and financial information is accurate and consistent, we have invested in developing and maintaining computer programs and systems that meet our ever-changing needs.

In order to integrate and automate our operational, accounting, and financial tools, we selected SAP as our central ERP software. Automating the exchange of data (interface between operating and accounting systems, daily integration of banking entries, etc.) has optimised and improved data processing, ensuring that accounting processes are more reliable.

We pay particular attention to electronic data security and secure data processing. We apply continuous monitoring procedures aimed at improving levels of control to ensure that:

- Services and systems are available
- Information is available and confidential
- Connected services are protected against unauthorised access
- The network is monitored for internal and external threats
- Data is secure and recoverable
- Information is available, confidential, complete, and traceable

We regularly assess risk on all IT systems to measure associated risks and periodically update the list of controls to keep them at an acceptable level.

We assess the quality of our IT controls by performing specific tasks throughout the year, such as the pre-closing review before the year is closed out.

4 > CORPORATE SOCIAL RESPONSIBILITY (CSR)

In 2021, the SAGESS management team, with the support of the Corporate Social Responsibility Committee and the Board of Directors, worked to further organise our CSR initiative, which we first launched in 2012. This initiative serves two purposes. First, it meets some investors' desire to better understand the CSR challenges our company faces. Second, it provides structure for assessing our non-financial performance based on risks identified during materiality tests conducted with our main stakeholders. These risks are illustrated using performance indicators that are regularly reviewed by the Corporate Social Responsibility Committee.

We expanded our CSR initiative to include our main partners to stimulate constructive dialogue with them about their own CSR initiatives. This initiative now covers our petroleum product suppliers, storage providers, banks, and insurers.

Our 2013–2016 programme to assess the risk of property and environmental damage at the facilities where we store petroleum products allowed us to create a risk map of these storage facilities in 2017. We launched a new programme in 2018 to cover the period from 2019 to 2022.

In accordance with the CSR plan sent to the Board of Directors and the Corporate Social Responsibility Committee, we continued to expand the scope of the initiative in 2021 to our biggest partners by documenting their support of SAGESS's core principles as described in our Corporate Social Responsibility Charter and Code of Business Conduct.

Our activities intrinsically have a low impact in terms of air emissions, noise pollution, and climate change. The inherent financial risk is therefore quite low. As a result, we do not have any specific monitoring set up for these issues.

We receive two unsolicited CSR ratings from two agencies: ISS-oekom and Vigeo Eiris.

- ISS-oekom, a CSR agency based in Germany, gave us a C+ Prime rating, which puts us in the top 5% in our sector.
- Vigeo Eiris gave us a rating of 63% this past year, which corresponds the "Advanced" level, placing our corporate social responsibility performance among the top European companies in our sector.

5 > RISK FACTORS

RISK MAP

In terms of processes and procedures, our risk map lets us identify all process-related risks and assign an owner to each one.

The SAGESS risk map, which is based on a severity/control analysis, allows us to proactively manage our risks. As a result, we've identified and broken down our risks into three categories: critical, severe, and major.

We review this map annually. It was presented to the Audit Committee and the Board of Directors, which adopted it.

The critical risks are:

- Change in the role given to SAGESS (national or European decision)
- Other changes related to procedures and methods
- Breaches in confidentiality

The severe risks are:

- Damage to SAGESS's image
- Corruption
- Fraud
- Inability to provide petroleum products during a national supply crisis
- Inability to guarantee SAGESS's long-term financing
- Liquidity risk
- Risks related to accounting and financial information
- Decrease in SAGESS's ratings

Key performance indicators (KPIs) have been put in place so management can monitor how these risks evolve. After classifying the risks, we then perform an in-depth risk analysis for at least the critical and severe risks to verify that relevant controls are in place and reinforce our risk management procedures. This analysis involves taking each process, reviewing each step from start to finish (whether manual or automated), and determining the risk of an error or breakdown in quality occurring and the controls that must be implemented, if they have not been already. The Audit Committee and the Board of Directors review these indicators on an annual basis. A list of "priority" indicators was created to monitor how the map changes every six months.

PRIMARY RISK ANALYSIS

Risks and Insurance

At SAGESS, we manage risks via two routine processes:

- We identify and analyse the risks we are exposed to, both in terms of their qualitative characteristics (type of risk) and quantitative characteristics (estimated magnitude of a risk and the probability that it will occur).
- We apply recognised professional health, safety, and environment (HSE) standards.

After completing the analysis, we review our insurance coverage with our broker and adjust it if needed. The financial conditions are reviewed annually to ensure they are still optimal and in line with the market.

In 2021, our insurers raised our rates while reducing what they cover and how they cover it, in particular our property insurance provider.

In terms of coverage, the following provisions are in place to cover damage to property (products, assets) as well as damage to third parties or employee injury:

- Property and casualty insurance, which covers petroleum products stored by third parties (for fire/explosion risk only, in accordance with our storage agreements) as well as our registered office. The policy provides €140 million in coverage with a deductible of €100,000 per claim.
Our storage agreements provide that individual storage providers are responsible for the products stored on their premises and for any physical or material harm to their personnel, their facilities, and third parties. These risks must be covered by insurance. We verify that storage providers have the necessary coverage on an annual basis.
- Third-party environmental impact liability insurance to cover indirect risks we might be exposed to following the transposition of Directive 2004/35/EC (known as the “Biodiversity Directive”) in 2008. The coverage amount for all types of damage is €50 million per claim per year with a €100,000 deductible. Environmental risks incurred from storing and managing SAGESS products with third parties are covered by the insurance policies taken out by those third parties. This insurance coverage is also verified on an annual basis.
- General civil liability insurance to cover personal injury and damage to tangible and intangible property caused to third parties that we could be held civilly liable for. The policy provides €20 million in coverage with a €30,000 deductible per claim.
- Corporate officer civil liability insurance (known by the French acronym RCMS). The policy provides €10 million in coverage and has no deductible.
- Fraud insurance: The coverage amount is €3 million with a €150,000 deductible per claim.
- Cyber risk insurance: This policy covers SAGESS for up to €2 million with a €75,000 deductible for operating losses and/or cyberattacks.

We have had first demand guarantees in place with Compagnie Européenne de Garanties et de Cautions (CEGC, a member of the Natixis group) since 2014. The amounts of the guarantees are updated annually so we can secure loans of product in the event of a supply crisis.

Liquidity and Interest Rate Risk

The Board of Directors approves SAGESS’s financial policy annually. It approved the policy for 2021 at its meeting in December 2020.

The policy defines the balance we must strike between the different sources and maturities of our loans, our objective of staggering loan payment dates so we have funds at all times, and our interest rate risk policy. We are still focused on securing financing and on reacting fast if we detect market volatility.

Our financial policy is based on floating-rate debt.

Any potential interest rate derivative transactions are subject to prior approval by the Board of Directors. At the end of December 2021, there were 10 pending fixed-for-floating swaps for three out of six total bond issues. The Board of Directors approved an exceptional measure whereby the three latest bond issues were not swapped, given that these bonds were issued during a low-rate period.

Petroleum Product Price Risk/Inventory Effect

At SAGESS, our assets are primarily made up of petroleum product reserves that have been recorded at their historical cost (€4.401 billion at the end of December 2021, or approximately 96.2% of our assets).

These reserves comprise strategic petroleum product reserves that are recorded at their acquisition cost and not revalued according to their market price.

In accordance with Article 1655 *quater* of the French General Tax Code and our government-approved agreement with the CPSSP, the CPSSP’s internal regulations state: “The CPSSP entered into an Agreement with SAGESS that was approved by ministerial order. This Agreement stipulates that if SAGESS were forced to sell its reserves, either by order of the CPSSP or the regulatory authorities, the CPSSP would take all necessary steps to ensure that SAGESS receives a price at least equal to the book value of the reserves sold, in accordance with Article 1655 *quater* of the French General Tax Code. If the sale price of the SAGESS reserves sold were less than their weighted average book value, i.e., if the reserves were sold at a loss, the payment received by the CPSSP would be set at an amount that would make it possible to fully compensate SAGESS within a reasonable period not exceeding one year and to repay the loans, interest, and ancillary fees from its banks or other lenders.”

Foreign Exchange Risk

All non-cash transactions in foreign currencies require prior Board of Directors approval. We make all petroleum product purchases in euros.

Tax Risk

By law, we are not subject to corporate income tax (under Article 1655 *quater* of the French General Tax Code). Shareholders themselves are responsible for any taxes owed on dividends.

Legal Risk

The Administrative Court of Appeal of Paris annulled the Administrative Court's ruling in its order on 7 July 2020. The government has filed an appeal with the Council of State.

In its ruling on 9 July 2021, the Administrative Court of Paris annulled the order dated 4 September 2018 that included SAGESS on the list of ODACs. The government has filed an appeal with the Paris Administrative Court of Appeal.

As at 31 December 2021, no other material legal risks had been identified.

Counterparty Risk

Per our financial policy, all cash surpluses and financial instruments are placed with prominent banks and banking institutions in accordance with various security and liquidity rules. Therefore, our exposure to counterparty risk is low.

Equity Risk

SAGESS is a commercial entity.

Our by-laws may be amended in accordance with the rules provided therein.

Only approved storage providers may hold SAGESS shares and the share capital is distributed according to the quantities of petroleum products that were released for consumption by each approved storage provider during the previous calendar year.

Any sale of SAGESS shares must be approved in advance by the minister responsible for oil and gas and for the budget (per Article 1655 *quater* of the French General Tax Code).

6 > INTERNAL CONTROLS

OVERVIEW

The fundamental goals of our control system are to ensure the Board of Directors, management team, and staff effectively and appropriately use company resources to achieve our goals while fully complying with applicable laws and regulations and to be able to predict and control risks that could have a significant operational or financial impact. However, like any control system, it is unable to provide absolute assurance that these risks have been completely eliminated.

The Financial Security Law (*Loi de sécurité financière*, LSF) programme follows a structured approach and is being implemented over multiple years. The content of the programme is approved by the Board of Directors, which also regularly reviews its progress.

This approach involves reviewing each element of this control environment on an annual basis and how suitable it is in light of the company's challenges and business as well as making any necessary adjustments.

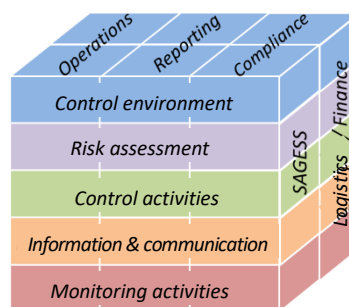
SCOPE

All activities SAGESS is responsible for are in scope.

LSF PROGRAMME

Various stakeholders are directly involved in the LSF programme. The CEO coordinates group work and discussions. Both the Board of Directors and Audit Committee discuss this topic regularly during meetings to ensure all stakeholders who are directly involved are participating and also to take advantage of shareholders' relevant experience. This approach extends to all SAGESS employees.

The programme's guidelines are grounded in a general control framework. This framework serves as a reference that includes several other components, which are updated as necessary and at least annually. This framework is as follows:



The Audit Committee receives regular reports on the use of the whistleblowing procedure. In 2021, the procedure was not used.

The Code of Business Conduct now covers the following:

- Business ethics and the whistleblowing procedure
- Relationships with third parties:
 - Competition
 - Corruption
 - Gifts and invitations
 - Conflicts of interest
 - Participating in the governance of other companies and organisations
 - International business and political activities

- Health, safety, and environment: protecting people and property, product safety, environmental protection
- Employment and working conditions:
 - fairness in the workplace
 - Skill development
 - Occupational health
 - Drugs and alcohol
 - Harassment
 - Gender discrimination

The code is approved by the Board of Directors and is resent to all employees whenever it is updated to underscore how important it is and how we all play a role in upholding it. It is attached to all SAGESS requests for proposals with the request that its principles be followed.

The Board of Directors adopted an internal control reference guide (Control Standards) as the minimum basis for control. It was drafted based on the *Shared Standards of the Interprofessional Audit Committee*.

Concerning our processes and procedures, our risk map has identified 43 process-related risks and we have assigned each one an owner. Our management team updates the map annually.

INTERNAL ASSESSMENT OF THE CONTROL ENVIRONMENT

The overall control environment is evaluated internally every year. To conduct this evaluation, the environment is approached from five key areas: control environment, risk assessment, control activities, information and communication, and management. The management team evaluates each of these areas according to what has been done during the year in question, then makes an overall assessment based on these evaluations.

7 > 2022 OUTLOOK

Releases for consumption in 2021 rose 10.5% compared to 2020 after a strong post-pandemic economic recovery. The mandated national minimum reserve for 2021 was 16,200,000 tonnes.

In its ruling on 7 July 2020, the Administrative Court of Appeal of Paris annulled the 8 January 2019 ruling of the Administrative Court of Paris, as well as the orders from 27 July 2016 and 14 August 2017 that set the list of ODACs, given that they included SAGESS on the list. The government has since filed an appeal with the Council of State.

The Administrative Court of Paris likewise annulled the 2018 order in its decision on 9 July 2021. The government has decided to appeal.

As the appeal does not suspend the court's decision, SAGESS is currently no longer on the list of ODACs.

As at the date of this report, the crisis in Ukraine had pushed Brent crude above \$100/barrel, jeopardising global economic recovery.

We currently do not anticipate any material impacts on our 2021 financial statements or on our ability to do business.

STATEMENT BY THE PERSONS RESPONSIBLE -2021 FINANCIAL STATEMENTS-

We hereby certify that the financial statements of Société Anonyme de Gestion de Stocks de Sécurité (SAGESS) have, to the best of our knowledge, been prepared in accordance with applicable French accounting standards and provide an accurate picture of the company's assets and financial position as at 31 December 2021.

The management report as at 31 December 2021 paints an accurate picture of the changes in SAGESS's business and our financial position, as well as a description of the primary risks and uncertainties facing the company.

Puteaux, 23 February 2022

Pierre-Yves Loiseau
Chairman–Chief Executive Officer

Son Lengoc
Corporate Secretary/CFO

B. SAGESS CORPORATE GOVERNANCE REPORT

(Pursuant to Order No. 2017-1162 and Article L. 225-37 of the French Commercial Code)

This report provides information on SAGESS's corporate governance; the composition of our Board of Directors and how the Board plans and organises its work; and the internal control and risk management procedures the company has implemented, especially those related to the preparation and handling of accounting and financial information. It also covers the limits imposed by the Board of Directors on the powers of the Chief Executive Officer.

This report is generally compiled according to the recommendations of the French Financial Markets Authority (Autorité des marchés financiers, AMF) that apply to SAGESS's specific situation. The only SAGESS shares that have been admitted to trading on a regulated market are simple bonds listed in Luxembourg and Paris.

SAGESS uses the internal control framework created by the Treadway Commission's Committee of Sponsoring Organizations (COSO). This framework is also applied to the work carried out under the supervision of the AMF.

1 > GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors determines the company's business strategy and oversees its execution. Subject to the powers expressly conferred to the General Shareholders' Meeting and within the limits of the company's corporate purpose, the Board of Directors handles all matters related to the company's operations and decides on how to settle all company-related matters. It carries out any checks or verifications it deems appropriate. Directors receive all the information they need to perform their duties.

The Board of Directors adopted its internal regulations at its meeting on 21 March 2014. These internal regulations detail each director's obligations, the Board of Directors' responsibilities, and the rules governing how the Board and its committees (Audit Committee, Corporate Social Responsibility Committee, Operations Management Committee, and Finance Committee) operate. They also define the respective roles and powers of the Chairman and Vice Chairman. The Board of Directors approved an update to these rules on 14 December 2017.

Three additional documents are appended to these internal regulations:

- The SAGESS Directors Charter and accompanying appendix, which includes an annual sworn statement aimed at preventing conflicts of interest
- The SAGESS Code of Business Conduct
- A summary of committee members and powers

Visit our website at www.sagess.fr to read the Board of Directors internal regulations and the SAGESS Code of Business Conduct.

Our Directors

The Chairman–Chief Executive Officer is responsible for providing directors with the information and documents needed to perform their duties and prepare for meetings in accordance with Article L. 225-35 of the French Commercial Code.

All directors may, at their own initiative, request additional information from the CEO, Logistics Manager, or the Corporate Secretary/CFO, who are available to the Board of Directors to provide any additional explanations or information.

Directors have a fiduciary duty to keep all information designated as such by the CEO confidential.

Director Training

We have published a handbook that compiles all the essential information new directors might find useful to familiarise themselves with their positions. This handbook is given to each director and is continuously updated through a secure interface on the SAGESS website. The Chairman organises meetings to go over our main challenges with new directors on a regular basis.

Lastly, at the directors' request, specific topics are discussed at an annual directors meeting that is held every year in early September.

Composition of the Board of Directors as at 31 December 2021

The Board of Directors currently has 13 members, primarily representing shareholder companies, who were selected for their diverse backgrounds and experience.

Changes to the Board of Directors in 2021

Eight directors were reappointed at the General Shareholders' Meeting on 6 May 2021:

- Bolloré Energy, represented by Hakim Britel
- BP France, represented by François Randhagen
- Carfuel, represented by Karim Benbrik
- Esso SAF, represented by Marie-Hélène Masse
- Picoty SAS, represented by Olivier Bourdut
- SCA Pétrole et Dérivés, represented by Alex Truchetto
- TotalEnergies Marketing France, represented by Anne-Solange Renouard
- Urbaine des Pétroles, represented by Élixa Bellido-Gonzalez

These terms of office will expire on the date of the General Shareholders' Meeting convened to approve the financial statements for the 2025 financial year.

As at 31 December 2021, the Board of Directors comprised the following members:

Directors	Permanent Representative	Specialised Committees
Pierre-Yves Loiseau (Chairman–CEO)		Chair of the Corporate Social Responsibility Committee Chair of the Finance Committee Chair of the Operations Management Committee
Bolloré Energy	Hakim Britel	
BP France	François Randhagen	
Carfuel	Karim Benbrik (Vice Chairman)	
Eni France SARL	Cécile Poinot	
Esso SAF	Marie-Hélène Masse	
SCA Pétrole et Dérivés	Alex Truchetto	
Picoty SAS	Olivier Bourdut	
Société des Pétroles Shell	Pierre Le Gal	
Société d'Importation Leclerc – SIPLEC	Thierry Forien	Chair of the Audit Committee
Total Marketing France	Anne-Solange Renouard	Member of the Audit Committee
Urbaine des Pétroles	Elisa Bellido-Gonzalez	
Worex SNC	Jean-Claude Marcelin	Member of the Audit Committee

The Board of Directors meets when convened by the Chairman and as often as the company's interests require. The Board of Directors meets at the registered office or any other location specified in the notice of meeting.

In 2021, the Board of Directors met four times: on 27 January, 18 March, 17 June, and 16 December. The average attendance rate for Board of Directors meetings in 2021 decreased slightly to 94.23%.

Director Attendance at Board of Directors Meetings in 2021		
Pierre-Yves Loiseau	4 out of 4 meetings	100%
Bolloré Energy / Hakim Britel	3 out of 4 meetings	75%
BP France / François Randhagen	4 out of 4 meetings	100%
Carfuel / Karim Benbrik	4 out of 4 meetings	100%
Eni France / Cécile Poinot	4 out of 4 meetings	100%
Esso SAF / Marie-Hélène Masse	4 out of 4 meetings	100%
SCA Pétrole et Dérivés / Alex Truchetto	4 out of 4 meetings	100%
Picoty / Charles Ridoire, Olivier Bourdut	3 out of 4 meetings	75%
Société des Pétroles Shell / Pierre Le Gal	4 out of 4 meetings	100%
Société d'Importation Leclerc – SIPLEC / Thierry Forien	3 out of 4 meetings	75%
TotalEnergies Marketing France / Anne-Solange Renouard	4 out of 4 meetings	100%
Urbaine des Pétroles / Elisa Bellido-Gonzalez	4 out of 4 meetings	100%
Worex / Jean-Claude Marcelin	4 out of 4 meetings	100%

Other directorships and duties held by directors who are individuals and by permanent representatives of directors that are legal entities as at 31/12/2021

Pierre-Yves Loiseau

Chairman of the Board of Directors of Société Anonyme de Gestion de Stocks de Sécurité (SAGESS)

Primary Role

SAGESS Chairman and CEO

Pierre-Yves Loiseau holds an undergraduate degree in private law and a Master of Advanced Studies (DEA) in corporate law. After working for 13 years in banking, he began his career in oil and gas at the Elf Group in Russia, where he was the general representative of Elf Trading SA.

He then held various positions in refining and marketing at Total in Asia before becoming Chief Financial Officer of Total France.

Before joining SAGESS, he served as Chairman and Chief Executive Officer at Total Gaz and Air Total International.

Appointed director by the General Shareholders' Meeting on 17 May 2018 and elected Chairman of the Board and Chief Executive Officer of SAGESS by the Board of Directors at the meeting on 26 April 2018. His terms were renewed by the General Shareholders' Meeting on 16 May 2019 and the Board of Directors meeting on 20 June 2019, respectively.

End of Pierre-Yves Loiseau's term: General Shareholders' Meeting in 2024 to approve the 2023 financial statements.

- Number of shares held by Pierre-Yves Loiseau: 1

Elisa Bellido-Gonzalez

Permanent representative of Urbaine des Pétroles (UDP) on the SAGESS Board of Directors

Primary Role

Director, Supply Sales & Optimisation France at Total since May 2018

Elisa Bellido-Gonzalez started her career at Elf in 1992 after earning a degree in chemical engineering at Universitat Central de Catalunya in Barcelona and a master's degree at the IFP School. She held several positions at the refinery in Grandpuits

and on the teams responsible for supply chain and for refinery and steam cracker unit optimisation (in Feyzin, Dunkirk, Donges, and Normandy). She also served as project manager in the Strategy Division of the Refining Marketing Segment, as well as technical career manager and North and South American business coordinator in the Refining and Chemicals Segment of the Total Group. In 2018, she was appointed Director of Supply Sales & Optimisation France within the Refining and Chemicals Segment.

Other Directorships and Roles

Representative of TotalEnergies Raffinage Chimie on the Board of Directors of SPSE since 1 October 2019.

Chairwoman of Butane du Havre since January 2021.

Appointed permanent representative by Urbaine des Pétroles on 3 May 2018.

End of Urbaine des Pétroles's term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- Number of shares held by UDP: 548

Karim Benbrik

Permanent representative of Carfuel on the SAGESS Board of Directors and Vice Chairman of the Board of Directors

Primary Role

CEO of Carfuel and Carautoroutes

Karim Benbrik holds an engineering degree from Arts et Métiers (ENSAM) and MBAs from EM Lyon (CESMA) and the Cranfield School of Management. He began his career at Géoservices in 1997 as an oil platform field engineer and rig manager.

After working for three years, he decided to pursue an MBA.

He then joined Accenture, where he played a role in several major change projects at major oil and gas companies both in France and abroad, working in supply, trading, and logistics.

In 2007, he joined Carfuel, the Carrefour Group's centralised purchasing office for oil and gas, where he served as operations manager and oversaw procurement and logistics. In 2010, he took over both Carfuel and Carautoroutes, which operates the group's service stations.

Other Directorships and Roles

Permanent representative of Carfuel SAS on the Executive Committees of:

- Dépôt Pétrolier de Lyon SAS (DPL)
- Entrepôt Pétrolier de la Gironde SAS (EPG)
- Entrepôt Pétrolier de Valenciennes SAS (EPV)
- Société du Dépôt Pétrolier de Nanterre SAS (SDPN)
- Société de Gestion de Produits Pétroliers SAS (SOGEP)
- Société Pétrolière du Val-de-Marne SAS (SPVM)

Permanent representative of Carfuel SAS on the Steering Committee of Dépôts de Pétrole Côtiers SARL (DPC)

Permanent representative of Carfuel SAS on the Board of Directors of Dépôts Pétroliers de Fos SA (DPF)

Appointed permanent representative by Carfuel on 17 March 2008.

End of Carfuel's term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- Number of shares held by Carfuel: 901

Olivier Bourdut

Permanent representative of Picoty SAS on the SAGESS Board of Directors

Primary Role

General Manager of the oil depot at La Pallice

Other Directorships and Roles

N/A

Appointed permanent representative by Picoty SAS on 16 March 2021

End of Picoty SAS's term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- *Number of shares held by Picoty SAS: 327*

Hakim Britel

Permanent representative of Bolloré Energy on the SAGESS Board of Directors

Primary Role

CEO of Bolloré Energy

Hakim Britel graduated from Université Paris Dauphine before starting his career at Bolloré Energy in the Procurement Department, where he held several positions (purchasing, logistics). He became Director of Supply Chain, Logistics, and Trading in 2010 and then Deputy CEO in 2016. He has been serving as CEO since 10 January 2018.

Other Directorships and Roles

Within the Bolloré Group

Chairman of Dépôt Rouen Petit-Couronne (DRPC)

Chairman of Les Combustibles de Normandie (LCN)

Chairman of Petroplus Marketing France (PMF)

Chairman of Naphtex

Director of SAMC Combustible SA (Switzerland)

Director of Satram-Huiles SA (Switzerland)

Director of CICA (Switzerland)

Permanent representative of Sofirpom on the Board of Directors of La Charbonnière.

Outside the Bolloré Group

Chairman of Fédération Française des Pétroliers Indépendants (FFPI) – elected position

Member of the Board of Directors of Comité Professionnel du Pétrole (CPDP)

Director of A2PF

Appointed permanent representative by Bolloré Energy on 20 May 2016.

End of Bolloré Energy's term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- *Number of shares held by Bolloré Energy: 428*

Thierry Forien

Permanent representative of Société d'Importation Leclerc (SIPLEC) on the SAGESS Board of Directors

Primary Role

Deputy CEO of SIPLEC

Thierry Forien holds degrees from École Nationale Supérieure des Pétroles et Moteurs (economics and management), Université Technologique de Compiègne (chemical engineering), and Cranfield University in the UK (Master of Science). He holds an Independent Corporate Director Certificate from Sciences Po Paris and Institut Français des Administrateurs. He also earned a university degree in corporate conflict mediation from Institut Catholique de Paris.

He was first hired by the E.Leclerc distribution group in 1988. After creating and overseeing the oil and gas business at SIPLEC, a company in charge of international trading for Mouvement E.Leclerc, Thierry Forien continued to oversee SIPLEC's energy business (fuel, conditioned gas, fuel cards, electricity, and gas) while also taking the reins of various service departments (IT, communications, quality management, and internal control).

Other Directorships and Roles

Permanent representative of Société d'Importation Leclerc – SIPLEC on the Board of Directors of:

- Association Pour le Pavillon Pétrolier Français (A2PF)
- Dépôts Pétroliers de Fos SA (DPF)
- Wagram Terminal SA

Chair of the Audit Committee of SAGESS

Member of the Audit Committee of Dépôts Pétroliers de Fos SA

Appointed permanent representative by SIPLEC on 29 May 2008.

End of SIPLEC's term: General Shareholders' Meeting in 2023 to approve the 2022 financial statements.

- *Number of shares held by SIPLEC: 2,108*

Pierre Le Gal

Permanent representative of Société des Pétroles Shell on the SAGESS Board of Directors

Primary Role

Corporate Operations Director at Société des Pétroles Shell France

Pierre Le Gal holds a degree from École des Hautes Études d'Ingénieur de Lille and began his career in 1997 at the Anglo-Dutch Group Royal Dutch Shell.

After four years in the Process Engineering Division of Shell Chemicals, he was named unit manager of the Shell refinery in Geelong, Australia. He then joined Royal Dutch Shell's internal audit team.

At the end of 2007, he joined the management team at Shell's lubricant manufacturing and packaging facility in Nanterre, and in 2010, he became the director of Shell's lubricant HSE EMEA team.

Since June 2019, Pierre Le Gal has been the Corporate Operations Director for the CEO of Société des Pétroles Shell, Royal Dutch Shell's French subsidiary.

Other Directorships and Roles

Permanent representative of Société des Pétroles Shell on the Board of Directors of Société de Manutention de Carburants Aviation (SMCA)

Permanent representative of Société des Pétroles Shell and director at Groupement d'Exploitation du Dépôt et de Réception de Chennevières-lès-Louvres (GEDRC)

Director of Groupe d'Étude de la Sécurité de l'Industrie du Pétrole (GESIP)

Member of the Supervisory Board of Société des Pétroles Shell SAS

Member of the Supervisory Board of Shell Retraite SAS

Member of the Supervisory Board of Société de Gestion Immobilière et Immobilière SAS

*Appointed permanent representative by Société des Pétroles Shell on 20 June 2019 starting from 1 June 2019.
End of Société des Pétroles Shell's term: General Shareholders' Meeting in 2024 to approve the 2023 financial statements.*

- *Number of shares held by Société des Pétroles Shell: 278*

Jean-Claude Marcelin

Permanent representative of Worex SNC on the SAGESS Board of Directors

Primary Role

Chief Financial Officer and Treasurer of Esso SAF.

A graduate of École Supérieure de Commerce de Paris, Jean-Claude Marcelin started his career as a financial analyst at the Exxon Group in France in 1990.

In 1995, he was named Plant Logistics Manager at the Polymers Group of Exxon Chemical, and in 1999 he became Head of the Treasury and Foreign Exchange Department at Esso SAF, where he oversaw the merger with the Treasury Department of Mobil Oil Française.

From 2002 to 2009, he served as Senior Financial Analyst, Africa/Middle East for ExxonMobil's Downstream business in Brussels, then he oversaw Financing and Treasury activities in Chad for the Chad-Cameroon development project and pipeline. He has been Treasurer of Esso SAF since 2010 and was appointed CFO in 2021.

Other Directorships and Roles

Treasurer of Esso Exploration & Production Chad Inc.

Treasurer of Tchad Oil Transportation Company

Member of the SAGESS Audit Committee

Appointed permanent representative by Worex SNC on 16 December 2016.

End of Worex SNC's term: General Shareholders' Meeting in 2025 to approve the 2024 financial statements.

- *Number of shares held by Worex SNC: 1*

Marie-Hélène Masse

Permanent representative of Esso SAF on the SAGESS Board of Directors

Primary Role

Director of the France Fuel Logistics Division at Esso SAF

Marie-Hélène Masse has 30 years of experience working in oil and gas, both in France and abroad. She began her career as a process engineer at Kemtec Petrochemical Corporation in Montreal, Canada. In 1992, after graduating from the IFP School, she joined Esso in France, where she held various positions at the Fos refinery in Supply Chain and Transport and in Human Resources.

After working for four years in Abu Dhabi (UAE), where she was responsible for resource management and planning and capacity building for Zakum Development Company (ZADCO), she returned to the Human Resources Department in Paris. She then became joint venture manager in the French Fuel Logistics Division and chaired the Esso SAF Committee on Hygiene, Safety, and Working Conditions (CHSCT) for three years. After a two-year assignment as the Director of Logistics at UFIP, she became Director of the French Fuel Logistics Division, a position she still holds today.

Marie-Hélène Masse holds a bachelor's in chemical engineering (process engineering focus) from Polytechnique Montréal (1984-1988) and a master's in process engineering from ENSPM (1991-1992).

Other Directorships and Roles

Director of the France Fuel Logistics Division at Esso SAF

Chairwoman and director of Société des Stockages Pétroliers du Rhône (SPR)

CEO of Société des Stockages Pétroliers du Rhône (SPR) until 30 June 2021

Chairwoman and permanent representative of Esso SAF on the Executive Committee of Société Pétrolière du Val-de-Marne (SPVM)

Director of Société des Transports Pétroliers par Pipelines (TRAPIL)

Permanent representative of Esso SAF and Director of:

- Société Anonyme de Gestion de Stocks de Sécurité (SAGESS)
- Société du Pipeline Méditerranée Rhône (SPMR)
- Société du Pipeline Sud-Européen (SPSE)
- Association pour le Pavillon Pétrolier Français (A2PF) since 1 February 2021

Permanent representative of Esso SAF on the Steering Committee of Raffinerie du Midi (RM) since 1 February 2021

Member of the Boards of Directors of the following since 15 October 2021:

- Rotterdam-Antwerpen Pijpleidig (België) N.V.
- Rotterdam-Antwerpen Pijpleidig (Nederland) N.V.

Appointed permanent representative by Esso SAF on 16 January 2019 starting from 1 February 2019.

End of Esso SAF's term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- *Number of shares held by Esso SAF: 1,275*

Cécile Pointot

Permanent representative of Eni France SARL on the SAGESS Board of Directors

Primary Role

Director of Supply Chain, Logistics and Wholesale at Eni France

Cécile Pointot earned a master's degree in biochemistry and a Master of Advanced Studies (DESS) in Business Administration. She started her career in the Supply Chain Department at Urbaine des Pétroles in 1990. She was hired at Eni France in 1991 to manage crude oil and finished product imports. In 1993, she joined the Budget Unit, where she managed budget creation and control before rejoining the Supply Chain Department in 1994. While serving as a member of the Executive Committee, she was appointed Head of the Supply Chain and Logistics Department in 2004. In 2013, she started overseeing the Extra Réseau Sales Department before being named Eni France's Supply Chain, Logistics, and Wholesale Director in 2015.

Other Directorships and Roles

Groups

Permanent representative of Eni France SARL on the Board of Directors of:

- Fuelling Aviation Service (FAS) GIE
- Groupement d'Exploitation du Dépôt de Réception de Chennevières-lès-Louvres (GEDRC) GIE

Companies

Permanent representative of Eni France SARL at the General Shareholders' Meetings and on the Executive Committee of:

- Dépôt Pétrolier de la Côte d'Azur SAS (DPCA)
- Entrepôt Pétrolier de Lyon SAS (EPL)

Permanent representative of Eni France SARL at the General Shareholders' Meeting and Board of Directors of Société du Pipeline Méditerranée-Rhône SA (SPMR)

Permanent representative of Eni France SARL at the Members' Meeting and Executive Committee of Société Immobilière Pétrolière de Gestion SNC (SIPG)

Permanent representative of Eni International BV on the Board of Directors of Bitumed SA (Tunisia)

Director of:

- Dépôts Pétroliers de Fos SA (DPF)
- Eni Suisse

Appointed permanent representative by Eni France SARL on 19 October 2015.

End of Eni France SARL's term: General Shareholders' Meeting in 2023 to approve the 2022 financial statements.

- *Number of shares held by Eni France SARL: 140*

François Randhagen

Permanent representative of BP France on the SAGESS Board of Directors

Primary Role

Logistics Manager at BP France

François Randhagen began his career at Mobil in 1990 and joined BP when it formed its European joint venture with Mobil. He successively held various positions in logistics and key account management (heavy fuels, electricity, and industrial lubricants).

After serving as Asphalt Manager in France, he became Logistics Manager for BP France.

He was appointed Managing Director of BP France on 29 June 2020 – a role he currently fills in addition to his operational role.

Other Directorships and Roles

As permanent representative of BP France:

Member of the Board of Directors of A2PF

Permanent representative of BP France on the CPDP Management Board

Permanent representative of BP France on the Executive Committee of EPL

Permanent representative of BP France on the Executive Committee of SOGEPP

Permanent representative of BP France on the Executive Committee of DPPV

Permanent representative of BP France on the Executive Committee of DPSPC

Permanent representative of BP France on the Executive Committee of EPP

Permanent representative of BP France on the Steering Committee of DPC

Permanent representative of BP France on the Depots and Pipelines Commission of the UFIP

Member of the Executive Committee of SHMPP

Appointed permanent representative by BP France on 1 January 2018.

End of BP France's term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- Number of shares held by BP France: 343

Anne-Solange Renouard

Permanent representative of TotalEnergies Marketing France on the SAGESS Board of Directors

Primary Role

Director of Supply Chain and Logistics (France) at TotalEnergies Marketing France

After studying at École Supérieure des Sciences Économiques et Commerciales, Anne-Solange Renouard began her career in 1996 at Total, where she worked first as a logistics manager at the French marketing subsidiary and then as a group auditor. In 2003, she became the research director for African strategy in the Marketing and Services Division before becoming the sales and marketing manager of Total Tunisie. In 2009, she led a project to restructure the fuel logistics network in France, then became the director of management control and training in the Logistics Department in France. Starting in 2012, she spent three years in Mauritius as the Managing Director of Total Marketing before becoming Managing Director of Total Kenya. In 2019, she stepped into her current role as Director of Supply Chain and Logistics (France).

Other Directorships and Roles

- As permanent representative of TotalEnergies Marketing France:

Member of the Board of Directors of:

- Dépôt Pétroliers de Fos SA (since 28 March 2019)

- Société des Transports Pétroliers par Pipelines (TRAPIL) SA (since 16 December 2021)

Member of the Executive Committee of Société du Dépôt de La Pallice (SDLP) SAS (since 11 April 2019)

- Member of the Executive Committee of Société du Dépôt de Rouen Petit Couronne (DRPC) SAS (since 26 March 2019)

Appointed permanent representative by TotalEnergies Marketing France on 21 March 2019.

End of TotalEnergies Marketing France's term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- *Number of shares held by TotalEnergies Marketing France: 4,118*

Alex Truchetto

Permanent representative of SCA Pétrole et Dérivés (SCAPED) on the SAGESS Board of Directors

Primary Role

Director

A graduate of École Polytechnique, Alexandre Truchetto began his career at BP's Lavéra refinery in 1986. After working for more than 20 years in refining and supply chain, both in France and abroad, he joined the Les Mousquetaires Group and took the helm of oil and gas distribution at Intermarché in 2007.

Other Directorships and Roles

Chairman of Entrepôt Pétrolier de Lyon

Permanent representative of SCA Pétrole et Dérivés (SCAPED) on the Boards of Directors of:

- Dépôts Pétroliers de Fos (DPF) SA
- Société Européenne de Stockage
- Wagram Terminal

Permanent representative of SCA Pétrole et Dérivés (SCAPED) and Director of:

- Entrepôts Pétroliers Provençaux
- Dépôt Pétrolier de Lorient
- Dépôt de Pétrole Côtiers
- Entrepôt Pétrolier de Lyon
- Société du Dépôt de Saint-Priest
- Association pour le Pavillon Pétrolier Français

Appointed permanent representative by SCA Pétrole et Dérivés (SCAPED) on 20 May 2016.

End of SCA Pétrole et Dérivés (SCAPED)'s term: General Shareholders' Meeting in 2026 to approve the 2025 financial statements.

- *Number of shares held by SCA Pétrole et Dérivés (SCAPED): 1,419*
-

Board of Directors Activities in 2021

In addition to fulfilling its legal responsibilities (financial statements, provisional financial statements, powers, reports, preparing and drafting General Shareholders' Meeting resolutions, pre-approving related-party agreements, etc.), its obligations related to CPSSP requirements, reviewing Board committee reports (Audit Committee, Finance Committee, Corporate Social Responsibility Committee, and Operations Management Committee) and all storage and logistics operations and SAGESS's budget and finances, the Board of Directors discussed the following:

168th Meeting on Wednesday, 27 January 2021

- SAGESS by-laws amendments
- Convening an Extraordinary General Shareholders' Meeting

169th Meeting on Thursday, 18 March 2021

- Information regarding SAGESS's ODAC designation and two-year strategy
- General update on storage and logistics
- Approval of related-party agreements
- Approval of end-of-period closing transactions, allocation of net income, and financing plan
- Approval of the Non-Financial Performance Statement
- Information on the SAGESS risk map: 2020 KPIs
- Approval of related-party agreements (special report from statutory auditors)
- Approval of the 2020 financial statements and the 2020 Annual Report
- Approval of the draft resolutions for the General Shareholders' Meeting on 6 May 2021
- Approval of the share capital distribution for 2021

170th Meeting on Thursday, 17 June 2021

- Call for nominations for the reappointment of some members of the Board of Directors committees
- Approval of related-party agreements
- Speech from the chairman and CEO: SAGESS Today
- Approval of the adjusted budget and financing plan
- Approval of the SAGESS gender equality and equal pay policy

171st Meeting on Thursday, 16 December 2021

- Legal and financial update (procedures, by-laws, CPSSP–SAGESS agreement)
- Renewal of the CPSSP–SAGESS loan
- Approval of related-party agreements
- Approval of the end-of-period forecasts and the budget and financial policy for 2022
- Approval of 2022–2023 financing plan
- Appointment of Board of Directors committee members
- Powers of the Chairman–Chief Executive Officer, renewal of authorisations for deposits, advance payments, and guarantees

As indicated in the Management Report, members of the Board of Directors and other directors and officers do not receive compensation or benefits. The current Chairman–Chief Executive Officer is seconded from another organisation and his secondment agreement, which provides for the rebilling of all actual expenditures, is a related-party agreement.

Assessment of the Board of Directors' Activities

The Board of Directors assesses its own activities, either internally or with the help of a specialised outside firm. The latest self-assessment was completed in 2021 and reviewed during the directors meeting in September 2021.

Board of Directors Decision to Combine the Roles of Chairman and Chief Executive Officer

The Board of Directors meeting on 14 December 2017 confirmed that the roles of Chairman of the Board of Directors and Chief Executive Officer of SAGESS should be performed by the same person to promote a close relationship between the Chairman–CEO and SAGESS's shareholders. Given our business, this combined position also makes us more responsive and gives us better control over our operations. Our internal structure and our multiple committees—the Audit Committee, Finance Committee, Operations Management Committee, Corporate Social Responsibility Committee, Storage Committee, etc.—provide for a sound corporate governance policy.

Board of Directors Diversity Policy

The Chairman—Chief Executive Officer emphasises how important he believes greater diversity among Board members is, especially equal gender representation on the Board.

Preventing Conflicts of Interest

Preventing conflicts of interest is critical for the Board of Directors to function properly. We discuss this topic in the Non-Financial Performance Statement and have selected specific CSR indicators to cover it.

To SAGESS's knowledge, based on the certifications completed every year by each director, no conflicts of interest currently exist between the roles and responsibilities of the Board of Directors members and their own private interests or other obligations.

Related-Party Agreements as Defined by Article L. 225-38 of the French Commercial Code

– Agreement with Total Marketing Services

Type and purpose: Signing of a secondment agreement for Pierre-Yves Loiseau, Chairman and Chief Executive Officer, between SAGESS and Total Marketing Services, sole shareholder of Total Marketing France, which is a SAGESS shareholder and director. Anne-Solange Renouard is the permanent representative of Total Marketing France.

Details: At its meeting on 26 April 2018, the Board of Directors authorised the signing of the secondment agreement of Pierre-Yves Loiseau related to his role as Chairman and Chief Executive Officer of SAGESS. This agreement was revised at the meeting on 13 December 2018.

In 2021, the amount covered by SAGESS totalled €616,555.

– Agreement with TotalEnergies Belgium

Type and purpose: Sale of 50,000 m³ of diesel fuel in Feluy

Details: At its meeting on 18 March 2021, the Board of Directors approved this agreement and the signing of a sales contract for 50,000 m³ with TotalEnergies Belgium. The sale was completed on 5 January 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

The 50,000 m³ were sold for €15,464,000 and recorded in 2021.

– Agreement with Esso SAF

Type and purpose: Sale of 5,000 m³ of SP95 in Fos-sur-Mer

Details: At its meeting on 18 March 2021, the Board of Directors approved this agreement and the signing of a sales contract for 5,000 m³ with Esso SAF. The sale was completed on 7 January 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

The 5,000 m³ were sold for €1,556,750 and recorded in 2021.

– Agreement with TotalEnergies Raffinage France

Type and purpose: Sale of 25,000 m³ of heating oil in Grandpuits

Details: At its meeting on 18 March 2021, the Board of Directors approved this agreement and the signing of a sales contract for 25,000 m³ with TotalEnergies Raffinage France. The sale was completed on 12 January 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

The 25,000 m³ were sold for €8,085,250 and recorded in 2021.

– Agreement with TotalEnergies Raffinage France

Type and purpose: Permanent move of 20,580 m³ of jet fuel from Grandpuits

Details: At its meeting on 18 March 2021, the Board of Directors approved the agreement and an exchange contract for 20,580 m³. This move was completed on 11 January 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 20,580 m³ cost a total of €122,039.

– Agreement with TotalEnergies Raffinage France

Type and purpose: Permanent move of 15,000 m³ of diesel (B0) from Grandpuits

Details: At its meeting on 18 March 2021, the Board of Directors approved the agreement and an exchange contract for 15,000 m³. This move was completed on 25 January 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 15,000 m³ was completed at no cost.

– Agreement with TotalEnergies Raffinage France

Type and purpose: Permanent move of 48,002 m³ of crude from Grandpuits

Details: At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 48,002 m³. This move was completed on 2 February 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 48,002 m³ cost a total of €179,047.

– Agreement with Ginouves

Type and purpose: Permanent move of 1,000 m³ of heating oil in La Garde

Details: At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 1,000 m³. This move was completed on 16 February 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 1,000 m³ was completed at no cost.

– Agreement with TotalEnergies Raffinage France

Type and purpose: Permanent move of 30,000 m³ of diesel (B0) from Grandpuits

Details: At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 30,000 m³. This move was completed on 25 January 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 30,000 m³ was completed at no cost.

– Agreement with TotalEnergies Raffinage France

Type and purpose: Permanent move of 10,000 m³ of SP95 in Gargenville

Details: At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 10,000 m³. This move was completed on 25 March 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 10,000 m³ cost a total of €59,000.

– Agreement with TotalEnergies Raffinage France

Type and purpose: Permanent move of 15,000 m³ of SP95 from Grandpuits

Details: At its meeting on 16 December 2021, the Board of Directors approved the agreement and an exchange contract for 15,000 m³. This move was completed on 16 July 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 15,000 m³ cost a total of €70,800.

– Agreement with Ginouves

Type and purpose: Permanent move of 4,000 m³ of heating oil in La Garde

Details: At its meeting on 16 December 2021, the Board of Directors approved the agreement and an exchange contract for 4,000 m³. This move was completed on 7 May and 29 September 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 4,000 m³ was completed at no cost.

– Agreement with Bolloré Energy

Type and purpose: Permanent move of 1,400 m³ of heating oil in Chasseneuil

Details: At its meeting on 16 December 2021, the Board of Directors approved the agreement and an exchange contract for 1,400 m³. This move was completed on 25 and 29 October 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 1,400 m³ cost a total of €18,984.

- Agreement with TotalEnergies Raffinage France

Type and purpose: Swap of 1,000 m³ of diesel fuel in Douarnenez

Details: At its meeting on 16 December 2021, the Board of Directors approved this agreement and the signing of a swap contract for 1,000 m³ with TotalEnergies Raffinage France. The swap was completed on 27 October 2021.

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This swap of 1,000 m³ cost a total of €14,350.

Preventing Insider Misconduct

Permanent insiders (permanent representatives of directors and all persons who have continuous access to inside information) are bound by confidentiality.

SAGESS maintains an updated list of permanent and occasional insiders. All Board of Directors meeting participants receive insider letters that they must sign on an annual basis. All participants must comply with these letters.

AUDIT COMMITTEE

Given SAGESS's specific legal and regulatory framework, the three members of this committee were selected for their independence from management, their skills, and their diverse backgrounds. These factors help the Committee do its job, thereby improving the quality of the company's internal controls, so SAGESS can be transparent with stakeholders.

The average attendance rate for Audit Committee members was 100% in 2021, compared to 83% in 2020.

Audit Committee Member Attendance in 2021		
Thierry Forien (Chair)	3 out of 3 meetings	100%
Anne-Solange Renouard (TotalEnergies Marketing France)	3 out of 3 meetings	100%
Jean-Claude Marcelin (Esso SAF)	3 out of 3 meetings	100%

Three meetings were held in 2021 to discuss the following as part of the overall review of the current internal control system:

- **43rd Meeting on 11 March 2021:**
 - Closing out the accounts and the 2020 annual report
 - Review of the statutory auditors' work
 - Closed-door meeting with the statutory auditors
 - Review of the 2020 interprofessional audit
 - 2020 Financial Security Law (*Loi de sécurité financière*, LSF) report and 2021 targets
 - 2020 risk map
- **44th Meeting on 2 June 2021:**
 - Update regarding SAGESS's ODAC classification
 - Proposed European Corporate Sustainability Reporting Directive (CSRD)
 - European Single Electronic Format (ESEF) reporting
 - Update on sales hedges and rate swaps
 - Cybersecurity
- **45th Meeting on 10 December 2021:**
 - Legal update
 - Sales hedges update
 - Rates swaps update
 - ESEF reporting update

Reports on the committee's work are attached to every Board of Directors meeting agenda.

SPECIALISED COMMITTEES

Specialised committees have been created to assist the SAGESS management team and the Board of Directors. Work may be assigned to these committees by the Board or they may work on their own initiatives.

The **Operations Management Committee** has six members appointed by the Board of Directors. It helps SAGESS's management team and is called to meet by the Chairman–CEO as needed.

The Board of Directors created a **Finance Committee**, though one is not provided for in the by-laws. It has six members, including five shareholder representatives, and it assists the management team and Board with all important financial and insurance decisions. It exists in an advisory capacity, issues opinions, and informs the Board of said opinions.

The Finance Committee met three times in 2021 and discussed the following:

- Anticipated and actual budgets (storage and related financial forecasts)
- Review of the financial policy and procedures for allocating SAGESS's net income
- Financing plan and options for 2021–2023
- Impact of being listed as an ODAC on SAGESS
- Review of the 2021 insurance program

A **Corporate Social Responsibility Committee**, made up of seven members selected from among SAGESS's primary stakeholders, meets twice annually: first at the beginning of the year to set its annual targets and review the Non-Financial Performance Statement, and again in the middle of the year to review the progress made in achieving these targets and all of our CSR performance indicators.

STORAGE COMMITTEE

In 2014, the Board of Directors decided to create a Storage Committee to improve governance surrounding storage agreement management and handle decisions related to storage agreements. This committee has five members: SAGESS's CEO, the Corporate Secretary/CFO, the Logistics Manager, an engineer from the Logistics Department, and an outside representative (currently the Managing Director of the CPSSP). The committee's internal regulations were approved at its first meeting on 16 April 2015 and it regularly reports on its work to the Board of Directors. It met in 2021 to decide how product should be distributed after the 2021 request for proposals.

STATUTORY AUDITORS

Statutory auditors are appointed for six-year terms by the General Shareholders' Meeting and carry out their work as defined by standards applicable to the auditing profession. The Auditors are called upon at least twice per year (process review and annual financial statements).

The statutory auditors are called to all Board meetings dealing with financial or accounting information. The Chairman may decide to call them to any other meeting.

SHARE CAPITAL

As at 31 December 2021, per the approval of the General Directorate of Customs and Excise (Direction générale des douanes et droits indirects, DGDDI) – France's customs authority – the General Directorate for Competition Policy, Consumer Affairs and Fraud Control (Direction générale de la concurrence, de la consommation et de la répression des fraudes, DGCCRF), and the General Directorate for Energy and Climate (Direction générale de l'énergie et du climat, DGEC), SAGESS's share capital is divided among 33 shareholders. This share capital accounts for 96.8% of the mandated French national minimum strategic reserve (see shareholder details in Section G).

Shareholders and Subsidiaries Holding More than 5% of the Share Capital	
TotalEnergies Marketing France and affiliates	34.6%
SIPLEC	14.1%
SCA Pétrole et Dérivés	9.5%
Esso SAF	8.5%
Carfuel	6.0%
Shareholders holding less than 5% of the share capital	27.4%

GENERAL SHAREHOLDERS' MEETINGS

Normal rules and procedures apply for convening General Shareholders' Meetings and shareholder participation in such meetings. These rules and procedures are provided in the company's by-laws. If no applicable rule or procedure is provided, general legal provisions apply.

2 > POWERS

POWERS OF THE CHAIRMAN–CHIEF EXECUTIVE OFFICER

The Board of Directors has placed the following limits on the powers of the Chairman–Chief Executive Officer:

- The Chairman–Chief Executive Officer may not make loans in kind or in cash exceeding €30,000 per transaction, except in cases of prepaid rent to finance investments in private depots or for loaning petroleum products (the limit of which for all loans is 100,000 tonnes). These limits do not apply to loans made during a supply crisis, when such loans are made under order.
- There is no limit on the amount of loans taken out jointly by the Chairman–Chief Executive Officer and the Chief Financial Officer.
- Bank accounts or postal current accounts in SAGESS’s name may only be opened or closed when signed for by both the Chairman–Chief Executive Officer and the Chief Financial Officer.
- All transactions involving interest rate derivatives or cash must be approved in advance by the Board of Directors.
- The Chairman–Chief Executive Officer is prohibited from making forward purchases of petroleum products.

The following authorisations are renewed by the Board of Directors on an annual basis:

- The Board authorises the Chairman–Chief Executive Officer to provide deposits, advance payments, and guarantees in the company’s name up to €200,000. The Board authorises the Chairman–Chief Executive Officer to provide unlimited deposits, advance payments, and guarantees to customs and tax authorities in the company’s name.
- The Board authorises the Chairman–Chief Executive Officer to delegate all or part of the powers defined above.

No delegation has been granted by the General Shareholders’ Meeting with regard to share capital increases.

The Chairman has certain financial and logistical powers that are defined in the financial and logistics plans approved annually by the Board of Directors.

SEPARATION OF APPROVALS

Different approvals are given by different individuals. How we manage this separation of approvals is described in the internal powers section below and is regularly updated.

BANKING POWERS

As with approvals, we update banking powers as needed and formally inform the banks we do business with of such changes when they occur. These powers describe authorised transactions in detail, plus any terms, conditions, or limits, as well as prohibited transactions. We last updated these powers on 6 July 2021.

INTERNAL POWERS

The internal powers manual is updated as necessary. We last updated it in May 2018 and distributed it to all SAGESS employees.

We created the manual to meet the following objectives:

- Organise powers and freedoms in a way that is consistent with the process approach described above
- Clarify the limits of each process, how processes are connected, etc. and list all applicable guidelines at the beginning of the section for each process
- Outline the parties with decision-making power at each stage of the decision-making process, starting from the power to propose a decision through the necessary review and validation stages to final approval power

3 > DIRECTOR AND OFFICER COMPENSATION

COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS

As during previous financial years, no compensation was paid to members of the Board of Directors.

The Chairman–Chief Executive Officer is seconded and his compensation from TotalEnergies Marketing Services was approved by related-party agreement.

C. AGENDA AND RESOLUTIONS APPROVED BY THE GENERAL SHAREHOLDERS' MEETING ON 5 MAY 2022

Agenda

- | | |
|--------------------|--|
| – Resolution One | Approval of the financial statements for the financial year ended 31 December 2021 |
| – Resolution Two | Related-party agreements covered under Article L. 225-38 of the French Commercial Code |
| – Resolution Three | Allocation of net income and determination of dividend payments |
| – Resolution Four | Powers to carry out necessary legal formalities |

1 > RESOLUTION ONE

APPROVAL OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The General Shareholders' Meeting, pursuant to the quorum and majority requirements for Ordinary General Shareholders' Meetings, having considered the reports of the Board of Directors and the statutory auditors, approved the annual financial statements for the year ended 31 December 2021 as presented, which showed net income of €33,458,450, as well as the transactions represented in these financial statements and summarised in these reports.

Consequently, the General Shareholders' Meeting accepted the discharge motion approving the actions of the Board of the Directors of the previous financial year.

This resolution is unanimously approved by the shareholders who voted in person, by proxy or by post.

2 > RESOLUTION TWO

RELATED-PARTY AGREEMENTS COVERED UNDER ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

The General Shareholders' Meeting, pursuant to the quorum and majority requirements for General Shareholders' Meetings, after being read the special auditors report that was presented in accordance with the provisions of Article L. 225-40 of the French Commercial Code regarding the agreements covered under Article L. 225-38 of the French Commercial Code, approves the related-party agreements in this report.

This resolution is unanimously approved by the shareholders who voted in person, by proxy or by post. The shareholders involved in the agreements did not vote.

3 > RESOLUTION THREE

ALLOCATION OF NET INCOME AND DETERMINATION OF DIVIDEND PAYMENTS

The General Shareholders' Meeting, pursuant to the quorum and majority requirements for General Shareholders' Meetings, proposed that the net profit for the 2021 financial year, which totalled €33,458,450, be allocated to reserves:

- Profit for the 2021 financial year: €33,458,450
- Available reserves: €98,911,569
- **New reserves: €132,370,019**

If the General Shareholders' Meeting approves this proposal, a request for authorisation to reinvest will be filed with the ministers responsible for oil and gas, the economy, and the budget, pursuant to Article 1655 *quater* of the French General Tax Code and Article 2 of Decree No. 93-1442 of 27 December 1993.

Please note that, if the ministers reject the aforementioned request for authorisation to reinvest before 27 June 2022, the General Shareholders' Meeting will set a 2021 dividend amount of €2,230.56 (two thousand two hundred thirty euros and fifty-six euro cents) per share, representing a total distributed dividend amount of €33,458,400 (with €50 allocated to reserves). In such an event, the ex-dividend date would be 28 June 2022 and the payment date would be 30 June 2022.

The dividends paid during the three previous financial years were as follows:

(In euros)	2018	2019	2020
Total dividends	19,998,000	11,801,550	2,906,850
Number of shares	15,000	15,000	15,000
Net dividend per share	1,333.20	786.77	193.79

Based on the tally of the votes received by post and the votes cast during the meeting, the General Shareholders' Meeting approved this resolution as follows:

- In favour: 14,649
- Against: 158
- Abstained: 0

4 > RESOLUTION FOUR

POWERS TO CARRY OUT NECESSARY LEGAL FORMALITIES

Bearers of an original of this document are granted all powers to carry out all necessary legal formalities.

This resolution is unanimously approved by the shareholders who voted in person, by proxy or by post.

D. FINANCIAL STATEMENTS



Balance Sheet (Assets) as at 31 December 2021



Balance Sheet (Liabilities and Equity) as at 31 December 2021



Income Statement for the Year Ended 31 December 2021



**Notes to the Balance Sheet and Income Statement
as at 31 December 2021**

BALANCE SHEET (ASSETS)

(Amounts expressed in thousands of euros)

	31 Dec. 2021			31 Dec. 2020
	Gross	Amortisation/ Depreciation	Net	Net
FIXED ASSETS				
Intangible Assets	3,198	2,883	315	463
Software and use rights	3,198	2,883	315	463
Construction work-in-progress			-	-
Property, Plant, and Equipment	155	125	30	35
Land and improvements	-	-	-	-
Buildings	-	-	-	-
Machinery, equipment, and tools	-	-	-	-
Other	155	125	30	35
Construction work-in-progress				-
Financial Assets	33,208	-	33,208	38,136
Loans	33,122		33,122	38,029
Guarantees and deposits	86	-	86	107
TOTAL FIXED ASSETS	36,562	3,008	33,553	38,634
CURRENT ASSETS				
Strategic Petroleum Reserves	4,400,937		4,400,937	4,462,913
Accounts Receivable	71,138		71,138	94,144
Trade accounts receivable	70,385		70,385	93,563
Other	753		753	581
Cash and Cash Equivalents	59,286		59,286	2,630
Marketable securities	-		-	-
Cash	59,286		59,286	2,630
Prepaid expenses	1,458		1,458	1,191
TOTAL CURRENT ASSETS	4,532,819		4,532,819	4,560,878
Bond Issue Premium	8,324		8,324	10,016
GRAND TOTAL	4,577,705	3,008	4,574,696	4,609,528

BALANCE SHEET (LIABILITIES & EQUITY)

(Amounts expressed in thousands of euros)

	31 Dec. 2021	31 Dec. 2020
Share capital	240	240
Legal reserve	24	24
Retained earnings	98,912	98,912
Income	33,458	2,907
TOTAL SHAREHOLDERS' EQUITY	132,634	102,081
Provisions for contingencies		
Provisions for charges	-	62
TOTAL PROVISIONS	-	62
Financial Liabilities	4,351,764	4,476,829
Other bond issues	3,400,000	3,400,000
Loans from credit institutions	35,784	35,850
Miscellaneous loans and financial debts	915,980	1,040,980
Miscellaneous Liabilities	88,355	27,803
Advances and deposits received on orders	52,169	
Trade accounts payable	31,265	27,078
Trade accounts payable – fixed assets		-
Tax and employee contributions payable	4,920	726
Other liabilities	-	
Deferred Revenue	1,943	2,751
TOTAL LIABILITIES	4,442,062	4,507,383
TOTAL LIABILITIES AND EQUITY	4,574,696	4,609,528

INCOME STATEMENT

(Amounts expressed in thousands of euros)

	31 Dec. 2021	31 Dec. 2020
Sale of petroleum products	107,488	46,140
NET REVENUE	107,488	46,140
Transfer of expenses: reimbursement by the CPSSP	332,179	338,603
Reversal of provisions	62	79
Other income	3,891	6,644
TOTAL OPERATING INCOME	443,621	391,466
Purchases of petroleum products (purchases and loans)	(12,053)	(235,341)
Change in inventory	(61,976)	191,940
Other purchases and external charges	(312,155)	(317,157)
Tax expense	(1,157)	(1,111)
Personnel expense	(1,552)	(1,562)
Salaries expense	(1,001)	(997)
Social security expense	(551)	(564)
Depreciation of fixed assets	(153)	(215)
Provision for contingencies and charges		
Other expenses		
TOTAL OPERATING EXPENSES	(389,046)	(363,445)
INCOME FROM OPERATIONS	54,575	28,021
Financial income	4,761	3,382
Other financial income	445	446
Financial expenses	(24,631)	(27,169)
Depreciation and provision expense	(1,692)	(1,697)
FINANCIAL INCOME	(21,117)	(25,038)
NET INCOME BEFORE TAX	33,458	2,983
Reversal of provisions for contingencies		
Extraordinary income	0	1
Extraordinary expenses		(77)
Extraordinary depreciation and provision expenses		
EXTRAORDINARY INCOME	0	(76)
Corporate income tax		
NET INCOME	33,458	2,907

Negative numbers are shown between parentheses.

E. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

1 > SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In 2021, we sold 270,500 m³ of product in a variety of categories, generating €107,488,000 in revenue. We did not purchase any product in 2021.

The Covid-19 pandemic, which began in early 2020, caused recurring lockdowns that continued to affect the global economy in 2021. However, thanks to quick vaccine development, the economy bounced back strongly in 2021.

On 18 March 2021, the Extraordinary General Shareholders' Meeting approved the amended SAGESS by-laws to account for the end of SAGESS's central storage entity classification and clarify exactly which regulations govern our activities, given that these have been incorrectly interpreted in the past.

At the end of 2021, we signed an addendum to our CPSSP–SAGESS Agreement. We are waiting for the authorities to approve the amended version.

2 > ACCOUNTING PRINCIPLES, RULES, AND METHODS

GENERAL PRINCIPLES

The financial statements were prepared in accordance with Rule No. 2016-07 of 4 November 2016 amending Rule No. 2014-3 of 5 June 2014 of the French Accounting Standards Authority (Autorité des normes comptables, ANC) regarding French generally accepted accounting principles while taking into account the regulatory provisions specific to SAGESS (generally accepted accounting principles for the oil and gas industry) and Article 1655 *quater* of the French General Tax Code.

Items on the financial statements are accounted for at historical cost.

The financial statements for the year ended 31 December 2021 have been prepared and presented in accordance with French accounting rules and the principles of true and fair view, the time period assumption, and going concern.

We are not required to issue financial statements in IAS/IFRS format because SAGESS does not issue consolidated financial statements.

REVENUE

Sales that make up revenue are recognised when the material benefits and risks associated with the ownership of the goods are transferred to the buyer, when the amount can be estimated reliably, and when the amount is recoverable.

PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Assets are valued at their acquisition or production cost.

Depreciation is calculated using the straight-line method over the useful lives generally accepted in our industry.

Civil engineering, buildings, structures	10 to 15 years
Land improvements	10 years
Building improvements	10 years
Machinery, equipment, and tools	10 years
Fixtures, fittings	10 years
Office furniture	10 years
Office and IT equipment	3 to 5 years
Software	3 to 5 years

RESERVES

At SAGESS, our assets primarily consist of petroleum product reserves that have been recorded at their historical cost (€4.401 billion at the end of December 2021, or approximately 96.2% of our assets).

These reserves comprise strategic petroleum product reserves that are recorded at their acquisition cost and not revalued according to their market price.

In accordance with Article 1655 *quater* of the French General Tax Code and our government-approved agreement with the CPSSP, the CPSSP's internal regulations state: "The CPSSP entered into an Agreement with SAGESS that was approved by ministerial order. This Agreement stipulates that if SAGESS were forced to sell its reserves, either by order of the CPSSP or the regulatory authorities, the CPSSP would take all necessary steps to ensure that SAGESS receives a price at least equal to the book value of the reserves sold, in accordance with Article 1655 *quater* of the French General Tax Code. If the sale price of the SAGESS reserves sold were less than their weighted average book value, i.e., if the reserves were sold at a loss, the payment received by the CPSSP would be set at an amount that would make it possible to fully compensate SAGESS within a reasonable period not exceeding one year and to repay the loans, interest, and ancillary fees from its banks or other lenders."

RECEIVABLES AND PAYABLES

Receivables and payables are stated at their nominal value.

Trade accounts receivable, if applicable, have been written down to account for likely difficulties with collection.

3 > ADDITIONAL INFORMATION ABOUT THE BALANCE SHEET AND INCOME STATEMENT

FIXED ASSETS AND DEPRECIATION (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

1 – FIXED ASSET SCHEDULE AS AT 31 DECEMBER 2021

	Gross Value as at 31 Dec. 2020	Increases During the Period	Decreases During the Period	Gross Value as at 31 Dec. 2021
INTANGIBLE ASSETS	3,198	-	-	3,198
Software	2,842	-	-	2,842
Use rights	356	-	-	356
Construction work-in-progress	-	-	-	-
PROPERTY, PLANT, AND EQUIPMENT	155	-	-	155
Land and improvements	-	-	-	-
Buildings	-	-	-	-
Machinery, equipment, and tools	-	-	-	-
Fixtures, fittings	13	-	-	13
Office furniture	117	-	-	117
Office and IT equipment	25	-	-	25
Construction work-in-progress	-	-	-	-
Prepayments	-	-	-	-
FINANCIAL ASSETS	38,136	1	4,929	33,208
Loans	38,029	-	4,907	33,122
Guarantees and deposits	107	1	22	86
TOTAL	41,489	1	4,929	36,562

2 – DEPRECIATION AND AMORTISATION SCHEDULE AS AT 31 DECEMBER 2021

	Depreciation/Amortisation as at 31 Dec. 2020	Depreciation/Amortisation During the Period	Write-Backs During the Period	Depreciation/Amortisation as at 31 Dec. 2021
INTANGIBLE ASSETS	2,735	148	-	2,883
Software and use rights	2,735	148	-	2,883
PROPERTY, PLANT, AND EQUIPMENT	120	6	-	126
Land and improvements	-	-	-	-
Buildings	-	-	-	-
Machinery, equipment, and tools	-	-	-	-
Fixtures, fittings	13	1	-	13
Office furniture	82	5	-	87
Office and IT equipment	25	-	-	25
FINANCIAL ASSETS				
Guarantees and deposits				
TOTAL	2,855	154	-	3,009

Property, plant and equipment assets are depreciated on a straight-line basis.

FINANCIAL ASSETS

This item comprises a long-term receivable between SAGESS and Géosel related to the sale of the Manosque pipeline in September 2018 and the security deposit paid to the lessor of our registered office.

STRATEGIC RESERVES AS AT 31 DECEMBER 2021

Changes in the value of strategic reserves between 31 December 2020 and 31 December 2021 correspond to product purchases made and shipping costs incurred during the period, adjusted for loss and shrinkage from transport and storage. The reserves are recorded at their historical cost.

Book Value				
PETROL	€310,787,000	for	1,405,571	M ³
DIESEL FUEL/HEATING OIL	€2,294,540,000	for	8,461,071	M ³
JET FUEL	€395,212,000	for	1,326,862	M ³
CRUDE OIL	€1,400,399,000	for	5,075,060	M ³
Total	€4,400,937,000	for	16,268,564	M³

Market Value Based on Average Prices in December 2021	
PETROL	€691,067,000
DIESEL FUEL/HEATING OIL	€4,103,861,000
JET FUEL	€641,824,000
CRUDE OIL	€2,015,929,000
Total	€7,452,681,000
Difference from book value	€3,051,743,000

PREPAID EXPENSES (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

Prepaid Expenses	
Financial expenses	-
Operating expenses	1,458
TOTAL	1,458

Prepaid expenses mainly include guarantee expenses, insurance expenses, and rent for the first quarter of 2022.

DEFERRED EXPENSES (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

	Value as at 31 Dec. 2020	Increase During the Period – Issuing of New Debt	Decrease during the Period – Amortisation	Value as at 31 Dec. 2021
Issue premium	10,016	-	1,692	8,324
TOTAL	10,016	-	1,692	8,324

Bond issue premiums are amortised on a straight-line basis over the maturity of the bond. See the note on “Off-Balance Sheet Commitments”.

PROVISIONS (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

	Value as at 31 Dec. 2020	Increase During the Period	Decrease During the Period with Reason	Decrease During the Period without Reason	Value as at 31 Dec. 2021
Future Chasseneuil investments	62	-	62	-	-
TOTAL	62	-	62	-	-

ACCRUALS (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

This table lists unreceived invoices as at 31 December 2021, as well as estimated provisions at that date, by accounting category.

ACCRUALS		ACCOUNTING CATEGORY
Trade accounts payable	22,021	Trade accounts payable (operations and fixed assets)
Tax and employee contributions payable	1,129	Tax and employee contributions payable
TOTAL	23,151	

DEFERRED REVENUE (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

DEFERRED REVENUE	
Deferred operating revenue	852
Deferred financial revenue	1,091
TOTAL	1,943

Deferred financial revenue corresponds to cash adjustments paid by banks as part of interest rate swaps that are made when bonds are issued.

ACCRUED REVENUE (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

This table lists unissued invoices as at 31 December 2021, as well as estimated provisions on that date, by accounting category.

ACCRUED REVENUE		ACCOUNTING CATEGORY
Trade accounts receivable	43,291	Current asset receivables
TOTAL	43,291	

RECEIVABLES AND OTHER LIABILITIES BY MATURITY AS AT 31 DECEMBER 2021 (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

The €33,122,000 receivable is due to the sale of the SAGESS pipeline in Manosque to Géosel and the granting of 10-year seller financing.

Trade accounts receivable are mainly composed of:

- CPSSP receivables corresponding to one month of SAGESS's billed services: €27 million
- Petroleum product loans granted under order by SAGESS totalling €43 million (book value)

ACCOUNTS RECEIVABLE	Degree of Liquidity of the Asset		
	Gross Amount	Maturity Date	
		Less than 1 Year	More than 1 Year
Fixed Asset Receivables	33,209	4,907	28,302
Loans	33,122	4,907	28,215
Other receivables	87		87
Current asset receivables	72,596	72,596	
Trade accounts receivable	70,385	70,385	
Other receivables	753	753	
<i>Employee receivables</i>	1	1	
<i>Gov't – Value-added tax</i>	711	711	
<i>Accrued revenue</i>	15	15	
<i>Other</i>	27	27	
Prepaid expenses	1,458	1,458	
TOTAL	105,805	77,503	28,302

PAYABLES	Degree of Maturity of the Liability			
	Gross Amount	Maturity Date		
		Less than 1 Year	More than 1 Year	More than 5 Years
Financial Liabilities	4,351,764	1,390,784	1,800,000	1,160,980
Bond issues	3,400,000	500,000	1,800,000	1,100,000
Loans from credit institutions (1)	35,784	35,784		
<i>Two-year max. at inception</i>	13	13		
<i>More than two years at inception</i>				
<i>Loan interest</i>	35,771	35,771		
Miscellaneous loans and financial debt (2)	915,980	855,000		60,980
Miscellaneous Liabilities	88,355	88,355		
Advances and deposits received on orders	52,169	52,169		
Trade accounts payable	31,265	31,265		
Trade accounts payable – fixed assets	-	-		
Tax and employee contributions payable	4,920	4,920		
Other liabilities	-	-		
Deferred Revenue	1,943	1,269	674	-
TOTAL	4,442,062	1,480,407	1,800,674	1,160,980

(1) Loans from credit institutions (in thousands of euros)		35,784
Net credit position		-
Lines of credit from banks		
Accrued liabilities		13
Loan interest		35,771

(2) Miscellaneous loans and financial debt (in thousands of euros)		915,980
NEU CP		855,000
CPSSP loan (zero interest)		60,980

MARKETABLE SECURITIES (CASH EQUIVALENT)

We do not have any marketable securities.

OPERATING REVENUE (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

Operating revenue as at 31 December 2021 breaks down as follows:

Amounts net of tax earned in France	
Sale of petroleum products	107,488
Earnings from product loans	3,891
Transfer of expenses: reimbursement by the CPSSP	332,179

Transfers of expenses correspond to the rebilling of SAGESS's expenses to the CPSSP under the agreement dated 2 July 2014.

EXTRAORDINARY INCOME AND EXPENSES

Non-recurring income: €193.79 corresponding to the waived dividend of SAGESS's Chairman–CEO.

NET PROFIT

Per the terms of our agreement with the CPSSP, SAGESS is reimbursed for all of our expenses (reserves storage and maintenance, all operating expenses, financial expenses, etc.).

In 2021, SAGESS generated a net profit of €33,458,450.

4 > OFF-BALANCE SHEET COMMITMENTS

GUARANTEES

Bank guarantees to the Customs Administration as at 31 December 2021: €41,000,000

First demand guarantees received by SAGESS as part of product loan guarantees (economic value) ordered by the government as at 31 December 2021: €78,042,993

LEASE AGREEMENTS

Long-term lease agreement: €16,254

TICKETS

Tickets are contracts to reserve a portion of the inventory with an option to purchase. The reserved quantities are included in the volume that SAGESS has made available to the CPSSP as part of our coverage of the mandated national minimum strategic reserve.

As at 31 December 2021, SAGESS had no such tickets.

BOND ISSUES AND SWAPS (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

At the end of December 2021, there were ten pending fixed-for-floating swaps for three out of six total bond issues. The Board of Directors approved an exceptional measure whereby the three latest bond issues in 2015 and 2016 with seven- and twelve-year maturities were not swapped.

Bond issue costs are recorded as an expense for the financial year.

Issue	Maturity Date	Rate (%)	Bond Amount (€m)	Swapped Amount (€m)	Fair Value (€M) (*) 31 Dec. 2020	Fair Value (€M) (*) 31 Dec. 2021
October 2010	21 October 2022	3.125	500	500	32	16
January 2012	24 January 2024	4.000	600	600	53	35
March 2013	6 March 2025	2.625	600	600	56	36
September 2015	25 October 2027	1.500	500	0	N/A	N/A
February 2016	25 May 2023	0.625	600	0	N/A	N/A
October 2016	20 October 2028	0.625	600	0	N/A	N/A
TOTAL			3,400	1,700	141	87

N/A: Unswapped bonds

(*) Source: Banks

As at 31 December 2021, the fair value of the 10 valid swaps to cover interest rate risk was estimated based on market data on that date (source: banks).

SALES HEDGES (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

Sales hedges are made using over-the-counter plain vanilla swaps. They are made only after a physical sale has been completed.

At the end of December 2021, four plain vanilla swaps were still pending:

Hedge Counterparty	Pricing Period	Quantity (t)	Quantity (m ³)	Fixed-Price Swap (€/t)	S&P Global Platts Price	Product	Unrealised Gain (Loss)
Stasco (Shell)	Jan-22	3,200	4,000	636.13	Description: Jet CIF NWE Cargo Platts code: PJAAU00	Jet	24,636.16
Stasco (Shell)	Jan-22	40,950	50,000	495.75	Description: Dated Brent Platts code: PCAAS00	Saharan Blend	-1,423,585.26
Total Oil Trading SA	Jan-22	40,950	50,000	497.13	Description: Dated Brent Platts code: PCAAS00	Saharan Blend	-1,166,480.50
Total Oil Trading SA	Jan-22	18,120	24,000	627.75	Description: Premium gasoline 10PPM Cargo CIF NWE AAXFQ00	SP95	-717,080.88
	Total	103,220	128,000				-3,282,510.48

NEU CP (COMMERCIAL PAPER) (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

NEU CP	
Programme ceiling	1,400,000
Drawn	855,000
Available	545,000

BANK LOANS (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

BANK LOANS	
Lines of Credit and Short-Term Syndicated Loans	
Negotiated	1,000,000
Received	1,000,000
Drawn	-
Available	1,000,000

5 > ADDITIONAL INFORMATION

SAGESS was added to the list of central government bodies (ODACs) by the French National Institute of Statistics and Economic Studies (INSEE) on 15 May 2014. At the time, it was merely a statistical classification for national accounting purposes. On 9 August 2016, an order dated 27 July 2016 was published in the Official Journal of the French Republic that included SAGESS on the list of ODACs that could not take out loans with terms longer than 12 months or issue debt instruments with repayment terms longer than 12 months. This restriction took effect one year after this order was published on 9 August 2017. On 7 September 2016, the SAGESS management team filed an appeal with the Council of State to annul this order. The purpose of said appeal was to allow us to obtain our own financing from credit institutions and issue debt instruments with repayment terms longer than 12 months in accordance with our by-laws as a private limited company.

In its ruling on 19 June 2017, the Council of State declared that it lacked appropriate jurisdiction and the appeal was sent to the Administrative Court of Paris.

On 14 August 2017, an order created a new list of ODACs, including SAGESS, that were prohibited from taking out loans with terms longer than 12 months.

On 30 October 2017, we petitioned the Administrative Court of Paris to annul both orders.

On 5 October 2018, yet another order creating a new list of ODACs was issued and it also included SAGESS. We petitioned the Administrative Court of Paris again to annul this order.

In its ruling dated 8 January 2019, the Administrative Court of Paris rejected our appeal to annul the orders classifying SAGESS as an ODAC.

In its ruling on 7 July 2020, the Administrative Court of Appeal of Paris struck down the 8 January 2019 ruling of the Administrative Court of Paris, as well as the orders from 27 July 2016 and 14 August 2017 that determined the list of ODACs, given that they included SAGESS on the list. The government has since filed an appeal with the Council of State.

The Administrative Court of Paris likewise annulled the 2018 order in its decision on 9 July 2021. The government has decided to appeal.

As the appeal does not suspend the court's decision, SAGESS is currently no longer on the list of ODACs.

These proceedings have no effect on the bonds issued by SAGESS.

6 > COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS

As during previous financial years, no compensation was paid to members of the Board of Directors.

7 > RETIREMENT BENEFITS AND SIMILAR PAYMENTS

In accordance with Article L. 123-13 paragraph 3 of the French Commercial Code, no provision has been recorded because the amount is not material.

8 > HEADCOUNT AS AT 31 DECEMBER 2021

Salaried Employees	12	
of which full-time		11
Seconded Workers	3	
of which full-time		3

These numbers include one seconded employee who serves on the boards of the organisations that jointly manage French social security.

9 > SHARE CAPITAL

The share capital consists of 15,000 shares with a par value of €16.

10 > CHANGES IN SHAREHOLDERS' EQUITY

— 1 - NET INCOME (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

	31 Dec. 2021	31 Dec. 2020
Accounting income in €K	33,458	2,907
€/share	2,230.56	193.79
Proposed dividend in €K	N/A	2,907
€/share	N/A	193.79
Number of shares	15,000	15,000

— 2 – CHANGES IN SHAREHOLDERS' EQUITY (AMOUNTS EXPRESSED IN THOUSANDS OF EUROS)

SHAREHOLDERS' EQUITY	Share Capital	Premiums and Reserves	Retained Earnings	Income	Total
Balance as at 31 Dec. 2020	240	24	98,912	2,907	102,082
Changes in share capital	-	-	-	-	-
Changes in method	-	-	-	-	-
Dividends paid	-	-	-	2,907	2,907
Allocation of net income in 2020	-	-	2,907	-2,907	-
2021 Income	-	-	-	33,458	33,458
Net Equity as at 31 Dec. 2021	240	24	101,818	30,552	132,634
Total Shareholders' Equity					132,634

11 >SUBSEQUENT EVENTS

The slow waning of the pandemic and gradual relaxation of public health restrictions made possible through effective vaccines have paved the way for especially strong economic growth.

Oil and gas prices shot up spectacularly, accelerated by the crisis in Ukraine and the threat of war in Europe.

In this complex and distressing environment, prices remain extremely volatile. We are working hard to respond to this disruption by ensuring adequate supply.

We currently do not anticipate any material impacts on our 2021 financial statements or our ability to do business.

12 > PROFIT OR LOSS OVER THE PAST FIVE FINANCIAL YEARS

ITEMS	2021	2020	2019	2018	2017
1. Share Capital at Year End					
Share Capital	240,000	240,000	240,000	240,000	240,000
Common stock outstanding	15,000	15,000	15,000	15,000	15,000
Preferred stock outstanding	0	0	0	0	0
> via convertible bonds	0	0	0	0	0
> via subscription rights	0	0	0	0	0
2. Operations and Income for the Year					
Operating Revenue	443,621,040	391,465,197	389,463,687	521,004,766	362,402,715
Earnings before tax, employee profit sharing, and depreciation and provision expense	35,241,574	4,816,142	13,987,398	74,913,163	23,939,573
Employee profit sharing owed for the year					
Earnings after tax, employee profit sharing, and depreciation and provision expense	33,458,450	2,906,859	11,801,498	77,375,465	13,734,058
Net income allocated	0	2,906,859	11,801,498	19,998,000	0
3. Earnings per Share					
Earnings before tax, employee profit sharing, and depreciation and provision expense	2,349	321	932	4,994	1,596
Earnings after tax, employee profit sharing, and depreciation and provision expense	2,231	194	787	5,158	916
Net dividend distributed per share	0	194	787	1,333	0
4. Employees					
Average number of employees during the year	12	12	12	11	10
Total payroll for the year	1,000,596	996,889	902,285	718,467	817,763
Employee benefits for the year (social security, social projects, etc.)	551,121	565,125	511,222	458,334	442,701

F. STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

STATUTORY AUDITORS' REPORT ON RELATED-PARTY AGREEMENTS

1 > STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Grant Thornton
French member of Grant Thornton International
Cité Internationale
29, rue du Pont
92200 Neuilly-sur-Seine, France
Société par actions simplifiée (simplified joint-stock company) with share capital of €2,297,184
Nanterre Trade and Companies Register
No. 632 013 843

Statutory Auditors
Member of the Regional Association of Statutory Auditors of Versailles and the Centre Region

Ernst & Young Audit
Tour First
TSA 14444
92037 Paris-La Défense Cedex
Société par actions simplifiée (simplified joint-stock company) with variable share capital
Nanterre Trade and Companies Register
No. 344 366 315

Statutory Auditors
Member of the Regional Association of Statutory Auditors of Versailles and the Centre Region

SOCIÉTÉ ANONYME DE GESTION DE STOCKS DE SÉCURITÉ (SAGESS)

Financial year ended 31 December 2021

Statutory Auditors' Report on the Annual Financial Statements

To the General Shareholders' Meeting of **Société Anonyme de Gestion de Stocks de Sécurité (SAGESS)**,

OPINION

In accordance with the assignment entrusted to us by your General Shareholders' Meeting, we have audited the accompanying annual financial statements of Société Anonyme de Gestion de Stocks de Sécurité (SAGESS) for the year ended 31 December 2021.

In our opinion, the annual financial statements give a true and fair view of the financial position, assets, and results of the operations of the company for the period, in accordance with French generally accepted accounting principles.

The opinion expressed above is consistent with the contents of our report to the Audit Committee.

BASIS OF OUR OPINION

Auditing Standards

We conducted our audit according to generally accepted auditing standards in France. We believe the audit evidence collected is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are provided in the "Statutory Auditor Responsibilities for Auditing Annual Financial Statements" section of this report.

Independence

We conducted our audit in accordance with the rules of independence provided by the French Commercial Code and the Code of Ethics for Statutory Auditors from 1 January 2021 until the date of our report. We did not render any services prohibited under Article 5 paragraph 1 of European Union Regulation (EU) No. 537/2014.

JUSTIFICATION OF OUR ASSESSMENTS – KEY AUDIT MATTERS

The global crisis related to the Covid-19 pandemic has created unique conditions for preparing and auditing this period's financial statements. This crisis – and the extraordinary measures taken during the pandemic – have affected companies in multiple areas, especially their operations and financing. Today, companies' future outlooks are even more uncertain. Some of these measures, including travel restrictions and remote work, have also affected how businesses function and how audits are conducted.

In light of this complex and evolving situation, and in accordance with Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we would like to inform you of the key audit matters relating to the risks of material misstatements that, in our professional judgement, were the most significant during our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments relate to the audit of the annual financial statements as a whole and to the opinion expressed above. We do not provide a separate opinion on any specific items of these annual financial statements.

1 – Strategic Petroleum Reserves

Risk Identified	Our Response
<p>SAGESS's strategic reserves totalled €4.401 billion as at 31 December 2021 and accounted for 96.2% of its assets.</p> <p>They are stored at bonded third-party depots. As at 31 December 2021, SAGESS used 89 storage facilities, primarily refineries, oil depots, and the salt caverns in Manosque.</p> <p>We considered these tangible strategic reserves a key audit matter given their prominence in the annual financial statements and their geographical distribution at third-party storage facilities.</p>	<p>During the provisional phase, we learned about internal control procedures, interviewed operators, and identified the relevant controls established by the company to prevent the risk of material misstatement.</p> <p>We also did the following:</p> <ul style="list-style-type: none">▶ We hired an independent company to conduct physical inventories of all depots and refineries to test the efficacy of the internal control procedure. We oversaw these inventories.▶ Using sampling, we evaluated whether the internal control procedure had been implemented by the service provider identically at the other storage facilities in 2021.▶ Using quantitative and qualitative criteria, we selected storage facilities SAGESS had audited and for which we had obtained declarations of stored petroleum reserves as at 31 December 2021 to confirm the volumes of physical reserves held as at 31 December 2021.▶ We analysed the reserves as at 31 December 2021 compared to 31 December 2020 and were given explanations for significant variations by storage facility, where applicable.▶ Using sampling, we analysed a selection of physical reserve movements that took place during the year and how they were recorded in the accounting system.▶ We also evaluated how appropriate the information provided in the notes to the financial statements was.

2 – Medium-term financing, ODAC classification

Risk Identified	Our Response
Note 5 “Other Information” to the annual financial statements provides information regarding the status of ongoing proceedings related to SAGESS’s classification as a central government body (ODAC).	We spoke with the company’s management and obtained the information needed to understand the consequences of the decisions of these orders, SAGESS’s related petitions, and the company’s decision to lodge an appeal.
As the latest appeal does not suspend the court’s decision, SAGESS is currently no longer on the list of ODACs.	We read the documentation underlying the company’s appeals to annul the orders.
Given the importance of these proceedings and the potentially significant negative impact in the event of an unfavourable ruling, particularly on SAGESS’s financing activities, we considered this ODAC classification a key audit matter.	We requested information from the lawyer responsible for this issue and analysed their response. We evaluated the appropriateness of the information provided in note 5 “Other Information” to the annual financial statements.

SPECIFIC VERIFICATIONS

We also completed the specific verifications provided for by relevant laws and regulations in accordance with the professional accounting standards applicable in France.

Information Provided in the Management Report and in Other Documents for Shareholders on the Financial Position and Annual Financial Statements

We did not make any specific observations as to whether the annual financial statements accurately correspond to the information provided in the Board of Directors Management Report, the other documents on financial position, or the annual financial statements addressed to shareholders.

We confirm that the annual financial statements accurately correspond to the information regarding payment terms mentioned in Article D. 441-6 of the French Commercial Code.

We confirm that the Non-Financial Performance Statement provided for in Article L. 225-102-1 of the French Commercial Code is included in the Management Report. However, please note that we have not verified whether the information contained in said statement is true or consistent with the annual financial statements, in accordance with Article L. 823-10 of the aforementioned code.

Information on Corporate Governance

We confirm that the information required by Articles L. 225-37-4 and L. 22-10-10 of the French Commercial Code is included in the corporate governance section of the Board of Directors Management Report.

OTHER VERIFICATIONS OR INFORMATION PROVIDED BY RELEVANT LAWS OR REGULATIONS

Format of Financial Statements to be Included in the Annual Report

In accordance with the professional standards for statutory auditors regarding annual and consolidated financial statements presented in European Single Electronic Format, we verified that the annual financial statements intended to be included in the annual financial report listed in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code and prepared under the responsibility of the Chairman–Chief Executive Officer follow this format, as defined by Commission Delegated Regulation (EU) 2019/815 of 17 December 2018.

Based on our work, we have concluded that, in all material respects, the annual financial statements intended to be included in the annual financial report follow the European Single Electronic Format.

However, it is not our responsibility to verify whether the annual financial statements SAGESS actually includes in the annual financial report it files with the AMF are the same as those we examined.

Appointment of Statutory Auditors

Grant Thornton and Ernst & Young Audit were appointed statutory auditors of Société Anonyme de Gestion de Stocks de Sécurité (SAGESS) by the General Shareholders' Meetings on 23 May 2006 and 17 May 2018, respectively.

As at 31 December 2021, Grant Thornton had been a statutory auditor for 15 consecutive years and Ernst & Young Audit had just completed its fourth year.

Previously, Ernst & Young et Autres served as the statutory auditor from 2012 to 2017 and Ernst & Young Audit served as the statutory auditor from 1988 to 2011.

RESPONSIBILITIES OF THE MANAGEMENT TEAM AND PARTIES INVOLVED IN CORPORATE GOVERNANCE RELATING TO ANNUAL FINANCIAL STATEMENTS

Management is responsible for drawing up annual financial statements that present a true and fair view in accordance with French accounting rules and principles. It is also responsible for implementing the internal controls it deems necessary to prepare annual financial statements that are free from material misstatement, whether due to fraud or error.

When drawing up annual financial statements, it is management's responsibility to assess the company's ability to continue as a going concern, to present in the financial statements, if applicable, necessary information related to the continuity of operations, and to apply the assumption of going concern unless the company plans to liquidate or cease operations.

It is the Audit Committee's responsibility to monitor how financial information is generated and to verify whether the internal control and risk management systems are effective. If applicable, the Audit Committee also monitors how effectively the internal audit system's procedures generate and handle accounting and financial information.

The annual financial statements were approved by the Board of Directors.

STATUTORY AUDITOR RESPONSIBILITIES FOR AUDITING ANNUAL FINANCIAL STATEMENTS

Goal and Audit Approach

It is our responsibility to draft a report on the annual financial statements. Our goal is to obtain reasonable assurance that the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but we cannot guarantee that an audit conducted in accordance with professional accounting standards will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or collectively, they could reasonably be expected to influence any business decisions users take based on these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, this audit does not include assurance as to the company's future viability or how well management has run the company.

As with all audits conducted in accordance with the professional accounting standards applicable in France, statutory auditors exercise professional judgement throughout the audit. Furthermore:

- They identify and assess the risk of material misstatement in the annual financial statements, whether due to fraud or error, define and perform audit procedures to address these risks, and gather audit evidence that they deem sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or an override of internal controls.
- They learn about the internal controls relevant to the audit to design audit procedures that are appropriate under the circumstances, not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- › They evaluate whether the appropriate accounting principles are used and how reasonable the accounting estimates and related disclosures made by management in the annual financial statements are.
- › They assess whether management’s use of the going concern assumption is appropriate and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of their audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditors conclude that a material uncertainty exists, they will draw attention in the audit report to the related disclosures about this uncertainty provided in the annual financial statements or, if these disclosures are not provided or are inadequate, to certify the financial statements with caution or refuse to certify them.
- › They evaluate the overall presentation of the annual financial statements and assess whether they represent the underlying transactions and events in a manner that achieves fair representation.

Report to the Audit Committee

We submit a report to the Audit Committee that describes the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report, if applicable, any significant deficiencies in the internal controls that we identified regarding accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant in the audit of the annual financial statements for the period and that are therefore key audit matters we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of European Union Regulation (EU) No. 537/2014 confirming our independence as defined by the rules applicable in France as they are set by Articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss the risks that may reasonably be thought to affect our independence and the related safeguards used against such risks with the Audit Committee.

Neuilly-sur-Seine and Paris La Défense, 13 April 2022

The Statutory Auditors

Grant Thornton
French member of Grant Thornton International

Ernst & Young Audit

Pascal Leclerc

Moez Ajmi

2 > STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

Grant Thornton
French member of Grant Thornton International

Cité Internationale
29, rue du Pont
92200 Neuilly-sur-Seine, France
Société par actions simplifiée (simplified joint-stock company)
with share capital of €2,297,184
Nanterre Trade and Companies Register No. 632 013 843

Statutory Auditors
Member of the Regional Association of Statutory Auditors of
Versailles and the Centre Region

Ernst & Young Audit
Tour First
TSA 14444
92037 Paris-La Défense Cedex
Société par actions simplifiée (simplified joint-stock
company) with variable share capital
Nanterre Trade and Companies Register No. 344 366 315

Statutory Auditors
Member of the Regional Association of Statutory Auditors
of Versailles and the Centre Region

Société Anonyme de Gestion de Stocks de Sécurité (SAGESS)

General Shareholders' Meeting to Approve the Financial Statements for the Financial Year Ended 31 December 2021

Statutory Auditors' Special Report on Related-Party Agreements

To the General Shareholders' Meeting of **Société Anonyme de Gestion de Stocks de Sécurité (SAGESS)**,

As the statutory auditors of your company, we hereby present our report on related-party agreements.

It is our responsibility to inform you, based on the information provided to us, of the features, major terms and conditions and the purpose of the agreements that we were informed of or became aware of during our audit and that show that they are in the interests of the company. It is not our role to determine whether these agreements are beneficial or appropriate or ascertain whether any other agreements exist. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the merit of these agreements for the purpose of approving them.

In addition, it is our responsibility to inform you, in accordance with Article R. 225-31 of the French Commercial Code, of the agreements that were already approved by the General Shareholders' Meeting in previous years that continued to apply during the period.

We have performed the procedures that we deemed necessary in accordance with the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) for such tasks. These procedures involved verifying that the information provided was consistent with the documents from which it was derived.

AGREEMENTS SUBMITTED FOR APPROVAL BY THE GENERAL SHAREHOLDERS' MEETING

In accordance with Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements that were signed during the period and received prior approval from the Board of Directors.

- ▶ **Agreement with TotalEnergies Marketing Belgium SA, affiliate of TotalEnergies Marketing Services, sole shareholder of TotalEnergies Marketing France, which is a SAGESS shareholder and director**

Type and Purpose

Sale of 50,000 m³ of diesel fuel in Feluy

Details

At its meeting on 18 March 2021, the Board of Directors approved this agreement and the signing of a sales contract for 50,000 m³ with TotalEnergies Marketing Belgium SA. The sale was completed on 5 January 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

The 50,000 m³ were sold for €15,464,000 and recorded in 2021.

- ▶ **Agreement with Esso SAF, which holds 8.5% of all SAGESS shares**

Type and Purpose

Sale of 5,000 m³ of SP95 in Fos-sur-Mer.

Details

At its meeting on 18 March 2021, the Board of Directors approved this agreement and the signing of a sales contract for 5,000 m³ with Esso SAF. The sale was completed on 7 January 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

The 5,000 m³ were sold for €1,556,750 and recorded in 2021.

- ▶ **Agreements with TotalEnergies Raffinage France, affiliate of TotalEnergies SE, sole shareholder of TotalEnergies Marketing Services, which is the sole shareholder of TotalEnergies Marketing France, which is a SAGESS shareholder and director**

- 1) **Heating oil sales contract**

Type and Purpose

Sale of 25,000 m³ of heating oil in Grandpuits

Details

At its meeting on 18 March 2021, the Board of Directors approved this agreement and the signing of a sales contract for 25,000 m³ with TotalEnergies Raffinage France. The sale was completed on 12 January 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

The 25,000 m³ were sold for €8,085,250 and recorded in 2021.

2) Agreement to move jet fuel

Type and Purpose

Permanent move of 20,580 m³ of jet fuel from Grandpuits

Details

At its meeting on 18 March 2021, the Board of Directors approved the agreement and an exchange contract for 20,580 m³. This move was completed on 11 January 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 20,580 m³ cost a total of €122,039.

3) Agreement to move diesel (B0)

Type and Purpose

Permanent move of 15,000 m³ of diesel (B0) from Grandpuits

Details

At its meeting on 18 March 2021, the Board of Directors approved the agreement and an exchange contract for 15,000 m³. This move was completed on 25 January 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 15,000 m³ was completed at no cost and recorded in 2021.

4) Agreement to move crude

Type and Purpose

Permanent move of 48,002 m³ of crude from Grandpuits

Details

At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 48,002 m³. This move was completed on 2 February 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 48,002 m³ cost a total of €179,047.

5) **Agreement to move diesel (B0)**

Type and Purpose

Permanent move of 30,000 m³ of diesel (B0) from Grandpuits

Details

At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 30,000 m³. This move was completed on 25 January 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 30,000 m³ was completed at no cost.

6) **Agreement to move SP95 in Gargenville**

Type and Purpose

Permanent move of 10,000 m³ of SP95 in Gargenville

Details

At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 10,000 m³. This move was completed on 25 March 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 10,000 m³ cost a total of €59,000.

7) **Agreement to move SP95 from Grandpuits**

Type and Purpose

Permanent move of 15,000 m³ of SP95 from Grandpuits

Details

At its meeting on 16 December 2021, the Board of Directors approved the agreement and an exchange contract for 15,000 m³. This move was completed on 16 July 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 15,000 m³ cost a total of €70,800.

8) Agreement to swap diesel

Type and Purpose

Swap of 1,000 m³ of diesel fuel in Douarnenez

Details

At its meeting on 16 December 2021, the Board of Directors approved this agreement and the signing of a swap contract for 1,000 m³ with TotalEnergies Raffinage France. The swap was completed on 27 October 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 1,000 m³ cost a total of €14,350.

► Agreement with Ginouves, which holds 0.5% of all SAGESS shares Agreement to move heating oil

Type and Purpose

Permanent move of 1,000 m³ of heating oil in La Garde

Details

At its meeting on 17 June 2021, the Board of Directors approved the agreement and an exchange contract for 1,000 m³. This move was completed on 16 February 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 1,000 m³ cost a total of €0.

Type and Purpose

Permanent move of 4,000 m³ of heating oil in La Garde

Details

At its meeting on 16 December 2021, the Board of Directors approved the agreement and an exchange contract for 4,000 m³. This move was completed on 7 May and 29 September 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 4,000 m³ cost a total of €0.

► **Agreement with Bolloré Energy, which holds 2.9% of all SAGESS shares**

Type and Purpose

Permanent move of 1,400 m³ of heating oil in Chasseneuil

Details

At its meeting on 16 December 2021, the Board of Directors approved the agreement and an exchange contract for 1,400 m³. This move was completed on 25 and 29 October 2021.

Rationale for Company

This agreement was signed after an unsuccessful request for proposals. It was reviewed in advance by the Vice Chairman of the Board, who had no comments.

This move of 1,400 m³ cost a total of €18,984.

AGREEMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreement, already approved by the General Shareholders' Meeting in previous years, remained in force during the period.

- **Agreement with TotalEnergies Marketing Services, sole shareholder of TotalEnergies Marketing France, which is a SAGESS shareholder and director**

Parties Concerned

Pierre-Yves Loiseau, SAGESS Chairman–CEO

Anne-Solange Renouard, permanent representative of TotalEnergies Marketing France

Type and Purpose

Signing of a secondment agreement with TotalEnergies Marketing Services, sole shareholder of TotalEnergies Marketing France, which is a SAGESS shareholder and director

Details

At its meeting on 26 April 2018, your Board of Directors authorised the signing of the secondment agreement of Pierre-Yves Loiseau related to his role as SAGESS's Chairman and Chief Executive Officer. This agreement was revised at the meeting on 13 December 2018.

In 2021, the amount covered by SAGESS totalled €616,555.

Neuilly-sur-Seine and Paris La Défense, 13 April 2022

The Statutory Auditors

Grant Thornton

French member of Grant Thornton International

Ernst & Young Audit

Pascal Leclerc

Moez Ajmi

G. INFORMATION ON GOVERNANCE

1 > SHAREHOLDERS (AS AT 31 DECEMBER 2021)

Name of Shareholder	Number of Shares
AOT ENERGY FRANCE	5
ARMORINE SA	158
BOLLORÉ ENERGY	428
BP FRANCE	343
CARFUEL	901
COMPAGNIE INDUSTRIELLE MARITIME – CIM	2
CPA	49
DISTRIDYN	322
DYNEFF	302
EG RETAIL FRANCE	179
ENI FRANCE SARL	140
ESSO SAF	1,275
ÉTABLISSEMENTS LAGARDE	21
GINOUVES GEORGES	74
KUWAIT PETROLEUM AVIATION FRANCE SAS	188
LES COMBUSTIBLES DE NORMANDIE	67
PIERRE-YVES LOISEAU	1
NAPHTEX	2
PETROPLUS MARKETING FRANCE	5
PICOTY SAS	327
POITOU CARBURANTS	1
RUBIS ÉNERGIE	32
SCA PÉTROLE ET DÉRIVÉS	1,419
SNC AUCHAN ÉNERGIES	385
SOCIÉTÉ DES PÉTROLES SHELL	278
SOCIÉTÉ D'IMPORTATION LECLERC – SIPLEC	2,108
STEDIS	527
THEVENIN & DUCROT DISTRIBUTION	544
TOTALENERGIES MARKETING FRANCE	4,118
URBAINE DES PÉTROLES	548
VARO ENERGY FRANCE	197
WOREX SNC	1
ZELLER ET COMPAGNIE	53
TOTAL SHARES ISSUED	15,000

2 > BOARD OF DIRECTORS (THAT APPROVED THE 2021 FINANCIAL STATEMENTS)

<p>Pierre-Yves Loiseau 102, Terrasse Boieldieu 92800 Puteaux, France</p>	<p>Director and Chairman of the Board</p>
<p style="text-align: center;">Directors</p>	<p style="text-align: center;">Permanent representatives</p>
<p>BOLLORÉ ENERGY Administrative headquarters Tour Bolloré – 31-32 quai de Dion Bouton 92811 Puteaux Cedex, France</p> <p>Registered office Odet 29500 Ergué-Gabéric, France</p>	<p>Hakim Britel</p>
<p>BP FRANCE Campus St Christophe – Bâtiment Galilée 3 10, avenue de l'Entreprise 95863 Cergy-Pontoise Cedex, France</p>	<p>David O'Hana</p>
<p>CARFUEL ZAE St-Guenault – 1, rue Jean Mermoz BP 75 91002 Every Cedex, France</p>	<p>Karim Benbrik (Also Vice Chairman of the Board of Directors)</p>
<p>ENI FRANCE SARL 12, avenue Tony Garnier 69007 Lyon, France</p>	<p>Cécile Pointot</p>
<p>Esso Société Anonyme Française 20, rue Paul Héroult 92000 Nanterre, France</p>	<p>Marie-Hélène Masse</p>
<p>PICOTY SAS Rue André Picoty 23300 La Souterraine, France</p>	<p>Olivier Bourdut</p>
<p>SCA PÉTROLE ET DÉRIVÉS 7, allée des Mousquetaires Parc de Tréville Vert le Grand 91078 Bondoufle Cedex, France</p> <p>Registered office: 24, rue Auguste Chabrières 75015 Paris, France</p>	<p>Alexandre Truchetto</p>
<p>Société des Pétroles Shell 11-13, cours Valmy Tour Pacific 92800 Puteaux, France</p>	<p>Pierre Le Gal</p>
<p>SOCIÉTÉ D'IMPORTATION LECLERC – SIPLEC 26, quai Marcel Boyer 94200 Ivry-sur-Seine, France</p>	<p>Thierry Forien</p>
<p>TOTALENERGIES MARKETING FRANCE 562, avenue du Parc de l'Île 92000 NANTERRE, FRANCE</p>	<p>Anne-Solange Renouard</p>
<p>URBAINE DES PÉTROLES – UDP Immeuble Mozaïk 23 rue François Jacob – CS 80188 92565 Rueil-Malmaison Cedex, France</p>	<p>Elisa Bellido-Gonzalez</p>
<p>WOREX SNC 66, route de Sartrouville 78230 Le Pecq, France</p>	<p>Jean-Claude Marcelin</p>

3 > **Audit Committee (as at 31 December 2021)**

Thierry Forien.....	Chairman and permanent representative of Société d'Importation Leclerc – SIPLEC
Anne-Solange Renouard	Permanent representative of Total Marketing France
Jean-Claude Marcelin.....	Permanent representative of Worex SNC

4 > **Corporate Social Responsibility Committee (as at 31 December 2021)**

Pierre-Yves Loiseau	Chairman and CEO of SAGESS
Son Lengoc	Corporate Secretary and CFO of SAGESS
Eléonore Joder	Compagnie Industrielle Maritime (CIM)
Solenn Riou	Société des Pétroles Shell
Nathalie Dubois.....	Bolloré Energy
Abel-Kone Nandiolo	TotalEnergies Marketing France
Dominique Lebtahi.....	Geostock
Frédéric Cheul	Permanent employee representative
Benoît Dujardin	CPSSP representative

5 > **Finance Committee (as at 31 December 2021)**

Pierre-Yves Loiseau	Chairman and CEO of SAGESS
Son Lengoc	Corporate Secretary and CFO of SAGESS
Sophie Bourgain-Houry	BP France
Jean-Pierre Darsonville	Esso SAF
Philippe Michoudet.....	Société d'Importation Leclerc – SIPLEC
Frédéric Desan	TotalEnergies Marketing France
Thibaut de Rivoire.....	Bolloré Energy

6 > **OPERATIONS Management Committee (as at 31 December 2021)**

Pierre-Yves Loiseau	Committee Chair/Secretary and Chairman–CEO of SAGESS
Didier Clot	Rubis Terminal
Benjamin Hedde.....	Bolloré Energy
Patrick Leblanc	SCAPED
Hélène Stainton	TotalEnergies Raffinage France
Remi Thomas	Société d'Importation Leclerc (SIPLEC)
Thierry Morin	Esso SAF

7 > GOVERNMENT REPRESENTATIVES (AS AT 31 DECEMBER 2021)

Representative of the Minister of the Economy, Finance, and Recovery
General Directorate for Competition Policy, Consumer Affairs and Fraud Control – DGCCRF
Permanent representativeJoël Tozzi
AlternateGinette Art

Representative of the Minister Delegate for Public Accounts, attached to the Minister of the Economy, Finance, and Recovery
General Directorate of Customs and Excise – DGDDI
Permanent representativeRégis Cornu
AlternateAlexis Papazian

Representative of the Minister for Ecological Transition
Department of Climate and Energy – Department of Energy
Permanent representativeDominique Barrier
AlternateAntoine Ethevenot