



Press Release

Saras approves a plan for the temporary access to the Ordinary Redundancy Fund.

Milan October 12th, 2020 – Saras Spa announces that it has signed with the Local Trade Union Organizations and the members of the RSU (CIGL, CISL, UIL and UGL) the agreement to partially access the Ordinary Redundancy Fund to tackle the consequences generated by the persistence of the ongoing pandemic emergency, with effect starting from October 26th, for a period currently estimated until June 30th 2021.

The decision was made necessary in light of the enduring negative impact that the current epidemiologic situation generated by Covid-19 has determined in the global market and, specifically, in the oil and refining industry, for which a more significant recovery is expected in 2021.

During this period, Saras will resort to the "Covid 19 Redundancy Fund" until it will be available. The Redundancy fund will be distributed among all the 1,378 employees of Saras (Milan and Rome) and Sarlux (Cagliari), according with a principle of full equity, involving the maximum number of people, and due regard being had to technical, productive and organizational needs connected to the activities in place in the Group.

For 2021, in the period in question, personnel will be able to use part of the holidays / PAR instead of the Redundancy Fund. The Company also confirms its willingness to anticipate the Redundancy allowance.

The agreement was made possible thanks to an effective discussion with trade union parties and workers in consideration of the necessity to continue with rigorous and incisive actions to tackle the consequences of the Covid-19 emergency, with the aim of achieving the best possible result to limit the impact on workers and preserve the important industry represented by Saras, and in full awareness of the serious general economic situation due to the coronavirus emergency.

During the period concerned, the companies of Saras Group will normally carry on the necessary maintenance activities of the plants, also to ensure the safety of the same, as well as the essential services of the sites and management activities necessary for the current activities. In light of the decline in refining margins which sharpened during the third quarter, it has been decided that in the months of October and November the refinery will work according to the cost-effectiveness of marginal processing, while still preserving the production of electricity essential for the balance of the Sardinia grid.

In the previous months, the spread of the Covid-19 pandemic and the consequent lockdown led to a drastic reduction in the consumption of oil products and the suspension of the activities of many factories and refining plants. Despite this, Saras Group continued its activities, including those of extraordinary maintenance scheduled for most of the plants, and the activity in the industrial area continued in an organized manner with responsible attitudes of the Company, the companies of the supplier network and, in particular, workers.

Contrary to expectations, however, the failure in recovery of demand, initially expected from the second half of the year, also as a consequence of the resurgence of the epidemic, led the Company to make choices for the containment of costs in this transitional phase, on three main lines:

- a drastic reduction in investments for the year 2021
- a reduction in maintenance, confirming however the choice of maintaining all the plants in operation in anticipation of a recovery in consumption from 2021
- a containment of labour costs with the launch of a partial redundancy fund distributed among all Group employees.

Alongside the above measures, the Company has put in place a plan to contain all the other costs deemed not strictly necessary for the Company in the delicate current phase, with the hope and willingness for a full recommencement of activities in the following months.

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THE SARAS GROUP

The Saras Group, founded by Angelo Moratti in 1962, has about 1,750 employees and total revenues of about 9.5 billion Euros as of 31st December 2019. Today, the Group is a leading European crude oil refiner and it is active also in the energy sector. It sells and distributes petroleum products in the domestic and international markets, directly and through its subsidiaries. The Group also operates in the production and sale of electricity, through its subsidiaries Sarlux Srl (IGCC plant) and Sardeolica Srl (Wind plant). Moreover, the Group provides industrial engineering and research services to the oil, energy and environment sectors through its subsidiary Sartec Srl.