

CONFLICT RISK NETWORK

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Mr. Massimo Moratti
Chief Executive Officer
Saras S.p.A.
S.S. Sulcitana n.195 - Km. 19
09018 - Sarroch (CA), Italy

August 1, 2011

RE: Saras S.p.A.'s Libya-Related Transactions

Dear Mr. Moratti,

I am writing to you on behalf of Conflict Risk Network (CRN), a network of roughly 100 international institutional investors including public pension funds such as the New York State Common Retirement Fund and socially responsible investment firms such as Calvert Asset Management and Domini Social Investments. We call on corporate actors to uphold their responsibility to respect human rights and to take steps that support peace and stability in areas affected by conflict, based on the premise that such behavior reduces risks faced by investors, companies and civilians.

Following a series of communications with a Saras S.p.A (Saras) representative, CRN, in particular on behalf of its network participants signed below, wishes to reiterate concerns that remain regarding a recent Libya-related transaction and the company's policies. Specifically, we are concerned that Saras' policies would not prevent it from engaging in transactions that could provide Muammar Qaddafi's regime with products that could further its military's capacity for violence against civilians.

We urge Saras to commit publicly to ensuring none of its products ultimately reach Qaddafi-controlled entities or areas, and to undertake necessary due diligence steps in that regard.

Some background on our concerns: In February 2011, amidst ongoing and credible reports that Libya's Qaddafi regime had engaged in widespread, deliberate violence against civilians, CRN and 24 institutional investor partners called on oil companies (though not Saras specifically) to halt revenue and

other payments to the Libyan government, with the initial concern that they ensure funds not facilitate violence against civilians.

Our concerns with regard to your company are that Saras gasoline was sold through intermediaries to Qaddafi-controlled Libya via a ship-to-ship transfer in Tunisia with Libya's General National Maritime Transport Company (GNMTC). Of most recent concern is that NATO naval forces forcibly diverted a tanker with a cargo of Saras gasoline bound for western Libya, where NATO believed it would be used for military purposes. We note that Saras released this statement after the event: "Saras S.p.A. denies having sold or delivered gasoline to Libya's General National Maritime Transport Company (GNMTC). Saras S.p.A. is acting and has always acted in full compliance with all applicable restrictive measures concerning Libya."

Though a company representative replied to CRN's outreach, a number of specific questions remain unanswered, as do our concerns regarding the cargo diverted by NATO and related company policies. The Saras representative explained that under terms of contract, the title for Saras' product on board the NATO-diverted tanker belonged to the buyer, not Saras. (The product was a blending component, according to the company.) The indication was that once the product is loaded by the buyer, Saras is absolved of any direct or indirect responsibility to ensure that it does not ultimately reach Qaddafi's regime and further his government's capacity for violence. This position would seem to run contrary to Saras' stated values, which define its responsibility as the "ethical decision to accept the consequences of its own actions, and to be steadfast, monitoring and responding to the business, environmental or social expectations of its shareholders and all those who have an interest in the company."

Though the representative indicated that the cargo's buyer was not on a "black list" and that the contract "clearly stated that delivery in restricted areas is forbidden," our inquiries as to whether Libya is considered a "restricted area" have not been answered. Despite Saras' assured technical compliance with the letter of current restrictions on trade, the potential for the company's products to nevertheless serve as a key ingredient in facilitating military activities raises great concerns. Reports that Qaddafi's forces are in great need of gasoline and fuel are numerous and increasing.

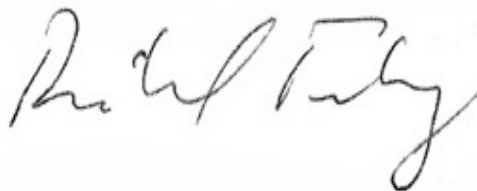
We believe the extraordinary nature of ongoing events in Libya requires a heightened level of due diligence in order for a company to uphold its responsibility to respect human rights and to avoid complicity in abuses committed by others. As articulated by the [UN Guiding Principles on Business and Human Rights](#) this means avoiding the infringement on the rights of others and addressing adverse impacts that occur.

We urge Saras to conduct necessary due diligence and to commit publicly to carrying out its transactions in a way that ensures its products do not ultimately reach Qaddafi's regime and further his government's capacity for violence. While we appreciate Saras' prompt reply to each of our inquiries, we welcome any further clarification Saras would like to provide on the transactions mentioned above. In particular, clarification on a representative's statements that contracts include a prohibition on delivery to "restricted areas" would be helpful. During multiple exchanges, it has not been made clear that this includes western Libya. We would also welcome any information you could provide on the company's due diligence steps.

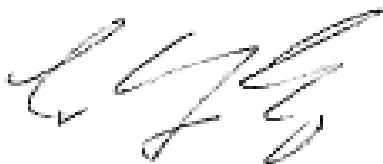
Sincerely,



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Cc: Mr. Massimo Vacca, Head of Investor Relations, Saras S.p.A.